



# SGN

Your gas. Our network.

## Stakeholder Engagement Strategy





A photograph of a man with short dark hair, a beard, and glasses, wearing a light blue button-down shirt. He is holding a black microphone and appears to be speaking. In the background, several other people are seated at tables, some looking towards the camera and others looking away. The setting appears to be a formal meeting or conference.

# Welcome

## **SGN's ambitions for engagement**

We believe that we make better decisions in the interests of customers and all our stakeholders when we understand their requirements, needs and priorities. A good programme of engagement, with lively dialogue, opportunities for challenge, review and iteration will help us to work collaboratively with external partners to improve our plans and activities.

We can then deliver real benefits which are valued by our customers and stakeholders.

## The business context and SGN's corporate strategy

As energy systems move towards significant reduction of carbon emissions, technological innovation is driving growth and diversification of new solutions for power, heat, waste and transport. The UK's carbon reduction targets for 2050 are clear; the path to achieve those targets is not. We have a key role to play in determining this future pathway in collaboration with a broad range of stakeholders. Our long-term goal is a decarbonised energy system that makes best use of our networks and expertise. In pursuing this goal, we will extend our focus from gas to heat to energy, evolving to provide the services which our customers want and need at an affordable cost.

Over the next five years we will focus on the following priorities to support our long-term goal:

- Pushing the frontiers of the decarbonisation of gas and heat
- Extending our activities to support vulnerable and disadvantaged communities, understanding and addressing their interests as appropriate, throughout the energy transition.
- Strengthening our core expertise:
  - Creating a low-maintenance, smart, cost efficient network
  - Driving operational excellence through technology and innovation
  - Transforming our support functions and enabling processes
  - Keeping pace with increasing customer and stakeholder expectations

Our corporate strategy is explicit about the importance of meeting our stakeholders' evolving expectations, and our stakeholder engagement strategy describes how we will achieve this. We have developed six principles of engagement which underpin the design of our engagement programme.

## Principles of engagement

### 1 Delivering measurable benefits:

We will engage directly with customers and stakeholders to embed their interests in our decision-making and deliver valued, measurable benefits.

### 2 Focusing on material issues:

Customers and stakeholders should have a say in relevant issues they care about and will have the most impact on them, both now and in the future.

### 3 Driving inclusivity and diversity:

Engagement with customers and stakeholders should be broad and inclusive. We will seek out the diverse perspectives of challenging and hard to reach groups and ensure complex issues are communicated in a way that is easily accessible and understandable to all.

### 4 Providing ongoing opportunities for challenge:

Engagement will be tailored to the needs of stakeholders to ensure genuine opportunities for ongoing dialogue, mutual education, challenge, review and collaboration are created.

### 5 Being responsive and transparent:

SGN will be responsive and transparent, explaining how the views and priorities of stakeholders have influenced decision-making and how we have balanced the needs of different stakeholders.

### 6 Continually improving:

SGN will continuously improve and develop its engagement with customers and stakeholders, finding new and more innovative approaches to respond to their changing needs.



## Six stages of engagement

- 1** For each of our key businesses priorities and processes we **identify** the stakeholders impacted by or interested in our activities
- 2** We **tailor** our methods of engagement with our stakeholders depending on their preferences and their levels of knowledge and interest
- 3** We engage with a **purpose** and **listen** to our stakeholders
- 4** We **respond** to the views of stakeholders across our business
- 5** We measure the **benefits** of our engagement and its **effectiveness**
- 6** We review and **refine** our strategy and engagement plans

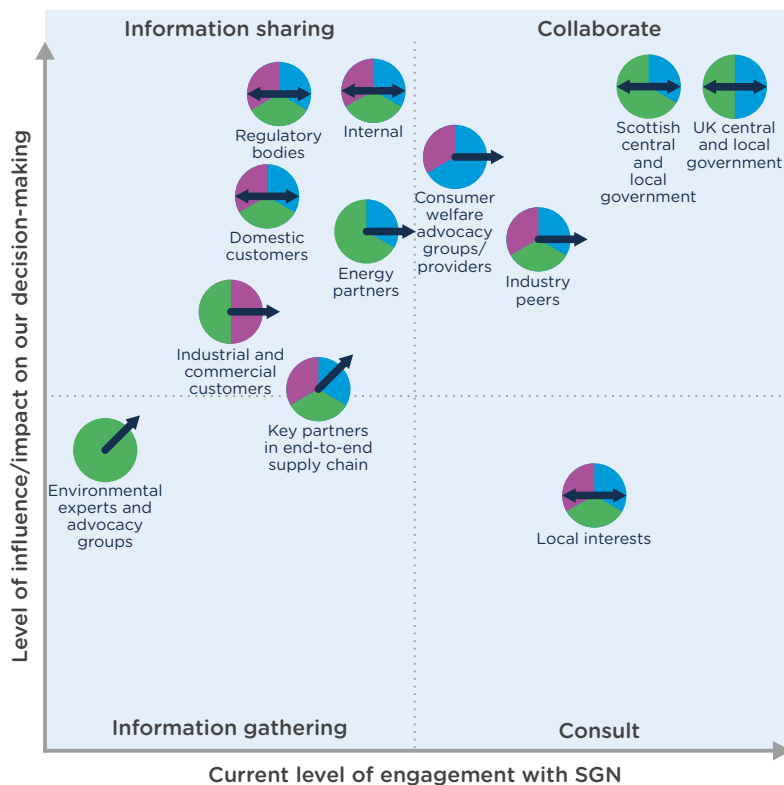






## Stage 1: For each of our key businesses priorities and processes we identify the stakeholders impacted by or interested in our activities

### Strategic engagement mapping 2019/20



Our business impacts a broad range of individuals, groups and organisations across the geographical spread of our networks.

The chart on the left shows how we systematically map our stakeholders according to their influence and impact on our decision-making in relation to our business plan commitments. We use our stakeholder mapping to assess the status of our engagement, to understand where we need to increase appropriate engagement and to identify and close any gaps.

We look proactively for organisations and individuals that hold a broad spectrum of interests and views to ensure our stakeholder engagement is diverse and inclusive.

We work to engage with those outside of our usual sphere of contacts who are harder to reach.

## Stage 2: We tailor our methods of engagement with our stakeholders depending on their preferences and their levels of knowledge and interest



We know that our stakeholders want to engage with us in different ways depending on their own preferences, their levels of interest and their knowledge about our business. We design a variety of engagement methods to tailor our activities

- For experts who have built significant knowledge about our industry, we engage through our Stakeholder Advisory Panel, our Customer Engagement Group, through bilateral meetings and through specialist panels, focusing on specific topics
- For interested stakeholders who have some knowledge about our business, we will engage through national and local workshops, bilateral meetings, specialist panels, surveys and online
- For those stakeholders who have low levels of awareness and knowledge of our industry, we will engage in deliberative conversations, focus groups, through market research and online
- As part of our engagement process we ask our stakeholders regularly about their preferred engagement channels and refresh our programme of activities following their feedback.

## Stage 3: We engage with a purpose and listen to our stakeholders



We review our projects and priorities to determine in advance the input from stakeholders to help refine and improve our decision-making and planning. We design an annual engagement programme to seek stakeholder contributions to our short, medium and long-term planning

- Short term, operational project planning
- Strategic planning over the next three to five years focusing on our corporate priorities
- Longer term five to ten-year business planning for the next price control period

We record the dialogue we have with stakeholders systematically and share what we have learned among colleagues to amplify the voice of the stakeholder throughout our business.

## Stage 4: We respond to the views of stakeholders across our business

Our stakeholders' views influence our decision-making in many ways at local, regional and national levels.

Stakeholders contribute significant amounts of their time and expertise when they engage with us and in return we make two commitments to those stakeholders

1. We will work to demonstrate and proactively increase the degree of influence our stakeholders have over our decision making
2. We will act transparently and explain how we have tried to balance the sometimes conflicting views of different stakeholders.



---

## Stage 5: We measure the benefits of our engagement and its effectiveness

### Benefits

Using our project assessment tool, we identify in advance the outputs we expect to deliver from new stakeholder engagement initiatives. We understand the challenge of measuring the outcomes of engagement in a systematic way and are committed to significantly improving our measurement framework.

Our three-year customer experience programme and two-year plan for customers in vulnerable circumstances are working towards developing qualified outcomes for our customers.

### Effectiveness

We are building a systematic programme to regularly measure the quality of relationship with our stakeholders and to understand the drivers behind measures of stakeholder satisfaction at both a local and national level. We have set an annual improvement target of 5% in stakeholder satisfaction. We measure the service and support provided to the business by the central stakeholder engagement team and have set an annual improvement target of 5%.



---

## Stage 6: We review and refine our strategy and engagement plans

We want our approach to stakeholder engagement to continue to broaden and deepen each year. To achieve this, we ensure that we look outside SGN for best practice in stakeholder engagement and incorporate good ideas and innovation into our engagement. We will continue to produce a healthy pipeline of innovative initiatives at different stages of development, moving from ideas, to pilot stage, to roll-out across our business until they become truly embedded.

This Stakeholder Engagement Strategy builds on input from our Stakeholder Advisory Panel and will be reviewed annually. We produce an annual plan of stakeholder engagement activities to implement the strategy and progress against the plan is reviewed regularly throughout the year by the Stakeholder Advisory Panel.

We have engaged PwC to conduct a series of independent reviews of our current processes against AccountAbility's AA1000 Stakeholder Engagement Standard (2015), and to provide practical recommendations we can implement to further improve our processes so they align as closely as possible to the standard. We will also conduct internal evaluations of our progress on a regular basis.

We remain committed to acting in accordance with the AA1000 AccountAbility principles, as defined in the AA1000 AccountAbility Principles Standard (2008), when conducting our stakeholder engagement. We will also look to obtain assurance against the standard should it become available.



---

## Roles and responsibilities

Responsibility for engagement is embedded within the business, in all our operational depots, central functions and processes. Business leads understand their engagement responsibilities and are supported by the stakeholder engagement team.

Local stakeholder managers and officers are geographically aligned to support local business teams to engage with their local communities. National stakeholder strategy managers support senior managers and directors in engaging with regional and national stakeholders.

We have set up a Board Committee to represent the customer and stakeholder voice and will liaise closely with the chairs of our Stakeholder Advisory Panel and Customer Engagement Group.

Strategic and practical advice and challenge is provided by SGN's Stakeholder Advisory Panel which consists of external expert members, SGN's CEO, Director of Stakeholder Relations and other members of SGN's Executive team.

A Customer Engagement Group of external experts will provide challenge and review of our long-term business planning process for the next price control period.

# Contact us

If you'd like to be part of the conversation to ensure your views count or if you have any questions on our stakeholder engagement activities please get in touch.



**Customer service**  
**0800 912 1700**



**Find us on**  
**Facebook**



**Email**  
**lets.chat@sgn.co.uk**



**Follow us**  
**@SGNgas**



**Read more**  
**sgn.co.uk**



**Write to us**  
**Joss Clarke, St Lawrence House,**  
**Station Approach, Horley, Surrey,**  
**RH6 9HJ**