

Delivering long-term value to help communities thrive

Stakeholder Engagement Incentive Submission
2020/21 – Part 2



Keeping people warm while protecting the planet

We play a crucial role in maintaining, repairing and replacing gas pipes across four of the eight gas distribution networks (GDNs) in the UK. We strive to be a **force for good** in society, whilst taking care of an essential and vital public service.

We're responsible for ensuring the safe and reliable flow of energy, warming homes and powering businesses. We're proud to be at the heart of heat and work closely with our communities to keep them safe, warm and connected, as well as providing extra care for those who might need it in a gas emergency. As part of this we also manage the National Gas Emergency Service telephone number on behalf of the gas industry.

Summary of Part 1

In Part 1 of our submission, we provide a detailed overview of our engagement, customer and vulnerability strategies, and how we are acting on insight to deliver value from our engagement to demonstrate how we have met Ofgem's minimum requirements.

Our approach to Part 2

In Part 2 we outline the key outcomes and benefits resulting from our extensive engagement activities, including how these projects align with Ofgem's assessment criteria and how we have gone above and beyond for our stakeholders, customers and communities.

Our stakeholders' priorities have remained consistent since last year's submission; tackling climate change, providing excellent service, supporting customers and making our services as inclusive and accessible as possible remain paramount. However, as a result of the pandemic, our stakeholders have asked us to demonstrate the significant role we can play in supporting the UK to 'build back better', through making things **easier, fairer** and **greener** for customers and communities.

We have structured this year's submission to cover each of these key themes, demonstrating, through our robust

project management of initiatives, the leadership role we are taking in each of these areas; scaling up to support as many people as possible in innovative ways and sharing best practice and our learnings across the sector and beyond.

Discretionary Reward Schemes 2018-2021

This year we have submitted two additional reports under Ofgem's Discretionary Reward Scheme (DRS). Both the individual and collaborative DRS submissions cover the past three years and detail our extensive work in raising awareness of carbon monoxide, through our educational programmes, supporting customers in vulnerable situations and out of fuel poverty as well as the initiatives that we have delivered to significantly reduce our carbon footprint.

These initiatives are therefore not covered in our Stakeholder Engagement Incentive submission for 2020/21, so please refer to the DRS documents to find out more about our achievements in these areas.



Welcome from Mark Belmega and our Executive Sponsors

Our Director of Customer Strategy introduces this final submission, reflecting on how we have continuously improved to meet stakeholders' priorities. Executive Committee members also share their highlights of the past year.

See page 01



Summary of our core strategies for success

Our engagement strategy is intrinsically linked to our customer, vulnerability and data strategies, all of which are supported by well-established project management principles and good governance.

See page 02



Leading the way to net zero

To ensure no one is left behind in the UK's energy transition to net zero, it is imperative that the voices of customers and stakeholders are considered when planning the future for transport, homes and industry.

See pages 03-05



Innovating to make life easier

By maximising our use of data, we are responding with agility to the changing needs of the communities we serve, making life easier for customers and keeping them safe, warm and independent in their homes.

See pages 06-07



Supporting those that need it most

Our aim is to be a force for good in society, proactively engaging with hard-to-reach groups and tailoring our services to meet their diverse needs. We're committed to creating an environment where everyone can thrive.

See pages 08-09



Collaborating for better outcomes

We're constantly collaborating and sharing smart practice across the industry and beyond to deliver the best possible outcomes to our customers and communities.

See page 10

Welcome from Mark Belmega and our Executive Sponsors

2020/21 has been a year like no other, but amongst the many challenges that the pandemic has brought us, we have continued to engage with customers and stakeholders to deliver some truly exceptional outcomes.

I am proud to be part of a Senior Leadership Team that is dedicated to making a valuable difference to the people we serve – with the important purpose of **keeping people warm while protecting the planet.**

At the start of this year, our stakeholders set us the challenge of making our future plans a reality sooner; to be even more agile, to play a leading role in helping Britain 'build back better', and support the development of the 'green economy' and 'levelling up' agendas.

We have responded to this call with vigour, working with key stakeholders and customers to establish a new business purpose, refocused company values and a Force For Good strategy based on this ethos of

making life **easier, fairer** and **greener** for our communities. This approach is supported wholeheartedly by our Board and Executive Committee who have led by example, substantially increasing their engagement and representing the voice of our stakeholders at a number of high-profile and pivotal industry and political events.

With many of our teams working from home and their only interaction with colleagues being via video calls, our internal engagement channels have needed to work harder. We have invested in our processes and systems to provide colleagues with the skills, tools and information they require to engage effectively with all stakeholders, internal and external, and deliver the best outcomes for our customers and communities.

Every year we set ourselves a target of improving our performance, and as we have come to the end of RIIO-1, we can proudly say that each year we have raised the bar with

our engagement and the outcomes we have delivered. Our stakeholder engagement satisfaction score of **94%** this year is an improvement on last year's score of 86%, and our Customer Forum gave us a rating of **91%** for our engagement activities.

We have acted upon the Assessment Panel's feedback and have focused on demonstrating our commitment to innovation and robust project management processes, our leadership role in supporting the decarbonisation of heat and transport, and our extensive work in social mobility and diversity and inclusion.

It has been an absolute pleasure leading the charge for Cadent on stakeholder engagement. We enter RIIO-2 knowing that we have continued to improve, and our business is aligned to stakeholders' priorities. We will continue **to set standards that all of our customers love, and others aspire to.**

Mark Belmega
Director of Customer Strategy

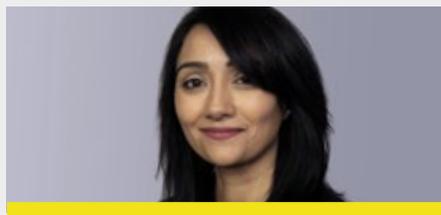


Dr Tony Ballance
Chief Regulation & Strategy Officer

Consulting and engaging regularly with our stakeholders is absolutely core to our strategic decision-making. We continue to test our ambition, strategies and priorities with stakeholders and customers, through a variety of routes, including our Critical Friends Panel and our enduring Customer Forum.

We have taken a leading role in a number of areas, most notably in providing key insights and thought leadership to stakeholders on the decarbonisation of heat and transport, as well as supporting local authorities to develop pathways to help them realise their net zero ambitions. Similarly, we have continued to lead the industry in finding innovative ways to provide services for all and support the most vulnerable in society, many of which have been replicated across the industry.

The UK can only achieve its net zero target if all industries work together. Therefore, sharing best practice and our unique insights and learnings from our research and flagship hydrogen projects has been a key priority for us. We must ensure that no one gets left behind in the energy transition and that all customers receive the most effective low-carbon solutions for their varying needs.



Ranjit Blythe
Chief of Staff

Throughout the pandemic we have innovated to find ways of accessing hard-to-reach groups who have been significantly impacted, making sure we hear their voices during these challenging times. We continue to work with specialist partners to ensure our engagement activities are carefully considered, accessible and independently assured.

We have invested significantly in services to help us communicate more effectively with customers, such as SignLive and Language Line, and our website is AA accredited by the Digital Accessibility Centre.

To truly respond to our customers' needs, it's vital that our workforce reflects the communities we serve. We have expanded our employee communities and have used insights to create a culture where differences are celebrated and colleagues from all backgrounds feel valued. We have advanced our recruitment processes, and developed partnerships in local communities to make job opportunities more attractive to underrepresented groups and increase the diversity of new talent joining our teams. We apply this lens of making things easier and fairer across all that we do, and I am incredibly proud of the contribution we are making to society.



Howard Forster
Chief Operating Officer

We have demonstrated that by embedding our local delivery model, working collaboratively with multiple stakeholders and maximising our use of Artificial Intelligence, data and insights, we can respond in an agile way to changing customer needs, drive continuous improvement and innovative ways of thinking and working.

Our transition to PowerBI is a key innovation that has allowed us to capture key customer, stakeholder and operational insights. It has transformed how we analyse and triangulate data, equipping leaders at all levels of the organisation with the information they need to make appropriate and timely decisions. This framework has created true network alignment, enabling a level of governance and delivery that is more responsive and tailored to local requirements.

This approach has delivered significant improvements in customer satisfaction (C-SAT) scores across all of our networks and has helped create a culture where colleagues are continually considering how their actions and decisions translate into positive customer outcomes. I'm delighted with the progress we have made since Cadent was established and we will continue to build on this success.

Our core strategies for success

Our engagement strategy is intrinsically linked to our customer, vulnerability and data strategies. Their interrelationship helps us to deliver best in class services that are aligned with customer needs and stakeholder priorities. Our Value Assessment Framework enables us to allocate the most appropriate measures of success, and we apply a robust and consistent project management approach across all of our change programmes. All of this is supported by good governance and a Board and Executive Committee that lead by example, wholeheartedly championing stakeholder engagement.

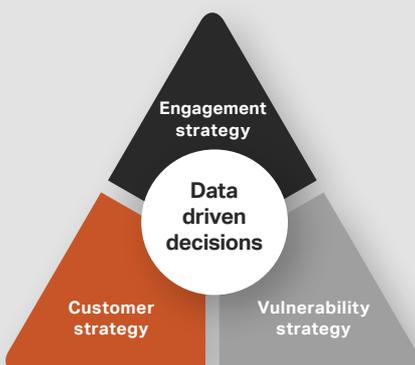
Engagement strategy

Our centrally defined and regionally delivered engagement strategy is completely embedded within our business. It is regularly tested with stakeholders to ensure it remains fit for purpose and continues to deliver the best outcomes for the communities we serve. Feedback from our Critical Friends Panel and Customer Forum has resulted in several key enhancements to our strategies, improving the way that we engage.

We have continued to use our eight-step model to prepare for and deliver all forms of engagement. This model sits within our overarching engagement framework, which is based on Maslow's hierarchy of needs. Our engagement strategy is a key enabler in helping us anticipate changing societal needs and expectations, particularly in relation to the uncertainty around future energy policy and aligning thinking across the industry and beyond. We evaluate our performance against our engagement strategy using a range of different methods.

Data-driven decision-making

Up-to-date, accurate data is central to our stakeholder engagement approach, as it allows us to identify the issues affecting our customers and stakeholders and respond at pace to deliver a service our stakeholders and customers love. A key theme for us this year has been improving the quality and ease of access to information, enabling our colleagues and partners to make quick, evidence-based decisions using robust, real-time data. We have further embedded data into our processes and have incorporated Artificial Intelligence to deliver efficiencies across our operations and facilitate data-driven decision-making. To ensure that all of our central teams and the 28 regional operating centres in our networks have instant access to the information they need, we have launched a suite of PowerBI dashboards displaying performance metrics, stakeholder feedback, key insights and trends as well as diversity and inclusion data.



Customer and vulnerability strategies

Our engagement strategy underpins our customer strategy, allowing us to gather real-time data from stakeholders and convert this into accelerated action. Our customer vulnerability strategy applies a focused lens on engaging with those customers who need extra support from us.

The overarching principle of these strategies is not to utilise labels and categories, but to provide services to all, recognising the specific circumstances of each customer and tailoring services to meet their needs. We have continued to utilise strategic partners to deliver much of our engagement, as many of the most vulnerable people in our networks are the hardest for us to reach and our partners are able to access them through well-established methods.

Delivering value and doing the right things

All of our initiatives are governed by robust project management processes, with the appropriate resources and governance in place to ensure that the benefits are realised and that the relevant stakeholders are kept informed and involved. All projects are reviewed to ensure that they align with stakeholders' needs and our Force For Good strategy of making things easier, fairer and greener for the communities that we serve.

Colleagues who deliver change are responsible for the associated stakeholder engagement. To support them, we provide e-learning and an engagement toolkit, including a stakeholder mapping grid, methodology matrix and engagement register. All project managers complete a Change Impact Assessment, documenting their project's deliverables, benefits to stakeholders and measurements of success.

We have established a financial Allocation Group, chaired by our Director of Customer Strategy, which considers the merit of each project against each of our value filters. This group also monitors the progress and success of all projects to ensure that projects deliver the desired benefits and identifies where initiatives should be stopped if they are not adding value.

To ensure we are doing the right things, we assess the value of our initiatives using our Value Assessment Framework and the most appropriate measures. These include social return on investment (SROI), cost benefit analyses, stakeholder, customer and colleague satisfaction scores, complaints response times, impact and reach as well as any efficiencies that will be achieved.

Stakeholder updates to our strategies:

- Creating a more explicit link between our engagement strategy, our new purpose and our Force For Good strategy
- Outlining how we have enhanced data sharing with stakeholders and partners to demonstrate collaborative working
- Articulating the different relationships, levels of expertise and interest of different stakeholders
- Refining our vulnerability strategy to place greater emphasis on tackling fuel poverty and joining up support services
- Expanding our data capture and analysis to focus on isolation, suicide prevention and identifying and reporting abuse

A culture of engagement

We have a central Research & Engagement Team that sits within the Customer Strategy function. This team are the custodians of our strategy, manage our research and engagement plan and act as experts to the wider organisation. Our regional External Affairs Managers and Network Directors are accountable for delivering engagement with key stakeholders such as MPs, local authorities, businesses and charities in their respective networks. In April 2020, we further strengthened this model to include regionally located Heads of Customer Experience, Customer Experience Managers and Stakeholder Engagement Managers who have built extensive local networks with stakeholders. This extra focus on engagement has enabled us to allocate even more resources to support the high priority initiatives we deliver, whilst providing an even better service to our stakeholders, leading to increased satisfaction scores.

With many of our colleagues working from home, our engagement channels have needed to work harder. Our Senior Leadership Team has risen to the challenge, engaging more regularly with colleagues and emphasising the importance of our strategies to deliver tangible benefits. Wellbeing, tackling climate change and supporting our customers – especially those in vulnerable situations – have been constant themes throughout our internal engagement, and we have welcomed two-way feedback and acted upon suggestions. We have continued to recognise and reward colleagues and partners for delivering exceptional engagement through our recognition schemes. Following stakeholder feedback, this year we have extended this to reward and celebrate colleagues who are taking an innovative approach to delivering social value, either by reducing the impact of our operations on the environment or by positively contributing to local communities and supporting customers in vulnerable situations through voluntary efforts or fundraising.

Leading the way to net zero

We are leading the way in ensuring that the UK's gas network plays its role in securing zero carbon energy which is reliable, flexible and convenient for customers to use.

Shaping the debate

It is evident from our engagement with stakeholders, data and sentiment analysis tracking, that the general level of understanding about net zero and the role that gas networks and greener gases must play in decarbonising heat and transport is low. As such, our partners and stakeholders have emphasised the need for us to demonstrate the viability of hydrogen and address any misconceptions surrounding its usage. We have made this a priority and have invested in a high-quality engagement programme that ensures all options for decarbonising heat and

transport are considered. Our programme is putting the decarbonisation of the gas grid on the national and regional political and public agendas, by providing information and education about the cost-effective role that green gases can play.

Our External Affairs team, together with senior leaders, have spoken at over 300 virtual events over the past year. This has included speaking at political and industry conferences, leading webinars, chairing cross-sector meetings and facilitating collaborative workshops. We have used these platforms to share our research and

the learnings from our hydrogen trials, in support of the case for including hydrogen in the UK's energy plans. Our close engagement with key members of the Government and their advisors has already helped improve understanding. 'Banning gas boilers' is no longer used in official policy; instead, policies refer more accurately to 'moving away from fossil fuel boilers' towards the use of low-carbon alternatives, including hydrogen boilers. Our multi-layered approach has been very successful, and it is now largely accepted that hydrogen will play a key role in the UK's future energy plans.

Stakeholder perception audit

To ensure that our advocacy engagement strategy was aligned with stakeholders' requirements, we commissioned an independent engagement audit of key external and internal stakeholders to understand how we were performing against their expectations.

Stakeholders were largely positive about our work, in particular how we demonstrate the link between insight and action, and highlighted key areas of focus, which we have addressed (see table).

What stakeholders said	What we did in response
Too much focus on the technical side, more needed on the consumer	Commissioned in-depth, consumer and tradespeople research to understand behaviours and preferences, using insights to build our hydrogen strategy and inform our decarbonisation model.
Not enough bandwidth across the organisation to focus on hydrogen	We have significantly expanded our Future Role of Gas team and brought on board partners and specialist agencies to support our engagement activities across advocacy, media, and internal communications.
Too many local stakeholders only know the hydrogen myths	Delivered our decarbonisation advocacy programme with over 300 events including appearances on BBC Radio 4's flagship 'Inside Science' programme which educated audiences on the benefits of hydrogen. We have co-hosted a series of podcasts with global organisations.
Not enough internal communication on hydrogen	We launched a Future of Gas programme internal hub supported by bitesize e-learning to enable employees to act as educators and ambassadors on net zero. There is a Future of Gas component to every monthly colleague briefing.

Shaping the future

This year, we have moved forward at pace with our flagship hydrogen projects, HyNet North West (NW) and HyDeploy, providing policy makers with much-needed evidence of hydrogen's potential to realise the UK's net zero ambitions in homes and industry.

Unlocking net zero for UK industry: HyNet

Our HyNet NW project consists of large-scale hydrogen production to power local industry and heat up to two million homes, supported by carbon capture, usage and storage (CCUS). HyNet NW has been recognised by our regional and national stakeholders as an essential component to help UK Government to deliver several objectives within the Prime Minister's Ten Point Plan for a Green Industrial Revolution and the Energy White Paper. It is also a key component of the Greater Manchester Decarbonisation Pathway, as well as the local net zero targets of Cheshire West and Chester in 2045, and Liverpool City Region in 2040.

Following the announcement of £72 million of Government funding, HyNet NW will transform the North West into the world's first low-carbon industrial cluster, playing a critical role in the UK's transition to net zero greenhouse gas emissions by 2050 and the global fight against climate change. We are engaging and collaborating with government agencies, councils, combined authorities, regional planners, delivery bodies and local communities to enhance their understanding of HyNet NW.

Through HyNet NW, we will reduce regional carbon dioxide emissions by up to 1 million tonnes every year, which is the equivalent of taking 600,000 cars off the road. This is one of the most impactful projects across the whole of the UK.

"This hydrogen trial shows how the North West and Greater Manchester are at the forefront of the low-carbon economy and that, working with Cadent and the HyNet NW project, we can deliver deep decarbonisation of society."

Andy Burnham, Mayor of Greater Manchester

Hydrogen to heat our homes: HyDeploy

Blending hydrogen into the gas grid is important in the plan to achieve net zero and the Prime Minister's Ten Point Plan has set a target to enable blending by 2023. This has been driven by our successful work on the HyDeploy project. HyDeploy has completed its work demonstrating the blending of hydrogen into the private gas network at Keele University. The findings from HyDeploy informed our detailed report which outlined the necessary policy changes that would be required to make blending a reality. With HyDeploy, we have proven that the use of the blended gas requires no change to appliances, and customers do not notice any difference to their gas supply. Such was the success of our trial, our stakeholders asked us to scale up our ambitions and we, alongside Northern Gas Networks, will take the next major step by blending hydrogen into over 600 homes in the first public network later in 2021.

Increasing understanding of hydrogen

Following stakeholder feedback, in October 2020, we launched our dedicated Future of Gas website. Our aim has been to use this platform to raise awareness of the need to move to greener gases such as biomethane and hydrogen and the work we are doing to achieve this. To make visits to our site more informative and interactive, we worked with Google to launch the world's first hydrogen chat bot, which following an internal naming competition, we have called Hydee (our Hydrogen Digital Education Expert). The chat bot enables members of the public to ask any questions about hydrogen, biomethane and the future use of gas. There have been over 4,000 conversations with Hydee, ranging from what is hydrogen, to how does it behave and how can it be used in the future? We monitor the questions regularly, ensuring Hydee is updated as new policies and decisions emerge. This has also enabled us to attract a younger audience and connect with energy consumers of the future. We have shared our future of gas and research innovations with stakeholders and partners through our online Sharing Best Practice Hub (see Part 2 page 10).

The first ever hydrogen home

We are working with BEIS and Northern Gas Networks to launch the first ever hydrogen home in the summer of 2021 so that the public can experience a home fuelled by hydrogen and see how the appliances compare to existing ones. Local schools, colleges and universities will also be welcomed to learn about the new technology and careers in the emerging green economy.

Going further to create a greener future for everyone

We have continued to work closely with stakeholders to shape credible, evidence-based pathways to net zero and are engaging intensively to ensure no one is left behind in the UK's energy transition.

Pathways to accelerating net zero in Greater Manchester

Building on our advocacy programme, we are moving forward with purpose and proactively co-designing net zero plans with local authorities and other utilities.

Collaboration is key when designing a net zero future for our regions. Our local political stakeholders told us that we need to work as part of a cross-sector, technology-neutral effort to help shape local decarbonisation plans. In a first-of-its-kind collaboration, we worked with Electricity North West to develop the Decarbonisation Pathway for Greater Manchester report, plotting a route to net zero for the region by 2038.

We commissioned Guidehouse to create a net zero energy scenario for 2038 and to outline a routemap to achieve this vision. The report included contributions from the

Greater Manchester Combined Authority (GMCA), Greater Manchester Low-carbon Hub, Manchester Fuel Cell Innovation Centre, Manchester Metropolitan University, Place Making Directorate and Progressive Energy.

Published in July 2020, the report explains that, to hit the GMCA's 2038 target, the region must tackle energy inefficiency, transition to using hydrogen gas supplies and use green electricity generated more locally. Around 80% of hydrogen consumed by 2038 in the region is expected to originate from our HyNet NW project alone.

This work has provided an exemplar template for other local authorities in the North West region, and we are now working on similar reports for Liverpool City Region, Cumbria, Lancashire and are actively in discussions with the West Midlands Combined Authority and the Greater London Authority (GLA) as well as many other local authorities.

This is an important contribution for a carbon neutral city-region by 2038 and the detailed discussions we are having about how we will get there."

Councillor Andrew Western
GMCA Lead for Green City Region

Delivering value

- ✓ **62** concrete actions for the GMCA to reach net zero – including nine in which Cadent will play a leading role
- ✓ Net zero by 2038 puts Greater Manchester **12 years** ahead of the UK's official target
- ✓ **21** stakeholders brought together by Cadent to establish a truly joined up, accountable and deliverable strategy

Understanding consumer attitudes to net zero

To achieve net zero, the low-carbon technological solutions will need to be fit for purpose, but, more crucially, everyone will need to be bought into the change and have the knowledge and confidence to participate in the transition.

From our own engagement with customers and partners, we know that the practicalities and cost of transitioning to low-carbon heating have remained key concerns for members of the public, but there is little evidence of what consumers want to see from the energy transition.

This year we have conducted three critical pieces of research with over 6,000 people across the UK so that we could more accurately understand consumers' and key influencers' viewpoints and put these at the heart of shaping our decarbonisation plans. We have shared the insights with BEIS, policymakers, local authorities, our partners and other key stakeholders to inform their thinking around achieving net zero.

Insights into action

Partnering with leading think tank, Bright Blue, we surveyed over 3,000 consumers, undertook a literature review, and published a detailed research paper. The research examined public attitudes to decarbonisation and how it should be achieved, with a particular focus on the decarbonisation of heat in people's homes.

The report was formally launched at a virtual panel event, which included Dr Tony Ballance, our Chief Strategy & Regulation Officer and

the Energy Minister, Rt Hon Kwasi Kwarteng MP. The high-profile event was attended by senior stakeholders from across all sectors of UK plc and Government departments. Our findings have helped to inform our own decision-making on the decarbonisation of heat, including our responses to various Government calls for evidence.

Informing the PM's Ten Point Plan

We followed the report up by engaging with individual MPs and policymakers and are now seeing a new focus in policy discussions on the impacts of the energy transition on consumers. As a result of this engagement, our Chief Executive Officer, Steve Fraser was invited to attend the Prime Minister's launch of the Ten Point Plan, of which hydrogen is a core component, and the subsequent roundtable discussion on how the UK will achieve the green revolution. Cadent was the only GDN asked to attend this event, which reflects the significant impact of our enhanced stakeholder engagement activities.

Tradespeople – trusted sources on the road to net zero

Our research also indicated that tradespeople are highly influential and trusted sources used by consumers when choosing a hot water or heating solution, and are therefore key stakeholders in supporting the transition to net zero. As such, the attitudes, opinions and behaviours of tradespeople are likely to have a significant impact on the uptake of hot water and heating low-carbon technologies amongst the consumer population. Due to the diversity of the tradespeople (plumbers, electricians, gas engineers, sole traders, small business owners, employees of major utilities), they are often a hard-to-reach group.

In order to engage with them effectively and increase understanding of the potential role of tradespeople in the UK's energy transition, we commissioned further independent research. This included in-depth interviews with trades bodies, including Gas Safe Register, Institution of Gas Engineers & Managers, Stopcocks (female plumbers only), Electrical Contractors' Association and Heating & Hotwater Industry Council. This was followed by a series of online focus groups with plumbers, gas engineers and electricians and telephone surveys completed with over 400 tradespeople. Many of their opinions echoed those of the consumers we interviewed, but they also recognised that they had a significant role to play in increasing the adoption of low-carbon solutions and were sceptical about the different options available. On the whole the tradespeople believed that incentivisation for them and consumers would encourage early adoption and a smoother transition.

We are using the insights from all of our consumer and tradespeople research in our engagement activities with key stakeholders, including Government and policymakers. These key findings will be published in our pathways to net zero reports, which we will be launching later in 2021.

Delivering value

- ✓ Over **6,000** customers engaged
- ✓ **30** actionable findings uncovered by our research campaigns
- ✓ Hydrogen included as a key component of the PM's **Ten Point Plan** and **Energy White Paper**

MyHeat – a model for a low-carbon future

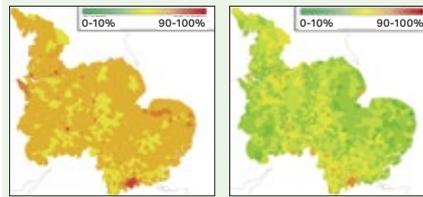
It was clear from our engagement with local authorities on their climate emergency plans that there was a need for us to a) visualise how we could decarbonise their regions to achieve net zero and b) develop a robust method for identifying the most suitable low-carbon heating solutions for homes, buildings and infrastructure across our networks. To meet this stakeholder priority, we developed our MyHeat model in partnership with Element Energy, who have provided an independent view of our recommendations.

The MyHeat model allocates homes based on their Energy Performance Certificate data to a specific archetype. This archetype is then assigned a merit order of applicable low-carbon heating solutions, based on both the lowest whole life cost and specific applicability of that heating system to the home archetype. This enables us to explore street by street the likely low-carbon heating solutions of the future, based on best fit for the home. Our model enables a view both on choices that might be made on the lowest whole life cost of a technology, but also on the lowest upfront cost. The outputs of the model include information on the specific heating technology changes required, along with information on future hydrogen and electricity demand.

To ensure that the MyHeat model was built based on consumers' needs and preferences as well as technical requirements, we commissioned an independent research study to understand the factors that consumers considered when choosing a low-carbon heating option.

Our multi-channel research approach enabled both a robust quantitative prioritisation and deep qualitative understanding of consumer opinions. We deployed an advanced analytics

MyHeat domestic demand reduction % by 2050



2050 medium scenario
Moving to 50TWh hydrogen demand

2050 high scenario
Moving to 90TWh hydrogen demand

survey with over 2,000 customers, a five-day online community with customers across our regions and over 30 in-depth interviews with customers in vulnerable situations, fuel poverty and early adopters of low-carbon technologies.

From the research, we discovered the biggest differentiator in attitudes to low-carbon solution preferences was whether the person owns their home or is a tenant, confirming the findings in our compounded vulnerability research from last year. The need for control and reliability was significantly increased for customers in fuel poverty and in vulnerable situations.

Our immersive research was the first in the UK to truly allow customers to form opinions about different types of low-carbon heating solutions. Cost, disruption and usability were revealed as the main factors customers consider when choosing a new heating solution. Consequently, customers had a strong preference for a new solution that is the same or very similar to the one they have today, making hydrogen boilers the overwhelming favourite. The findings were invaluable in enabling us to build our model as we were able to overlay the preferences from different property types and demographics. We have shared these insights with stakeholders, policymakers and interested journalists, and we are publishing a report outlining a best practice and recommended approach to decarbonising

heat in our networks. The model will be invaluable to local authorities who have requested that we help them visualise future networks to support them with their planning. To increase the industry's understanding of consumer behaviours and preferences around low-carbon solutions, we have sponsored two academic studies with Cranfield University and Imperial College London, and will be conducting more research throughout 2021 and beyond.

Leading the future of low-carbon transport

Electricity, hydrogen and biomethane all have a key role to play in decarbonising transport. Our stakeholders have asked us to use our expertise to decarbonise heavy transport, complementing the power sector's development of electric vehicles for lighter transport.

To gain acceptance for hydrogen transport and facilitate the development of a national refuelling infrastructure, we have had to first demonstrate the feasibility of overcoming technical barriers to its implementation.

Our Transport Pathways report, launched in March 2021, examines the transition from compressed natural gas (CNG) today towards a hydrogen future, providing insight into the technical challenges and short-term policy asks required. We are now conducting further research to outline how a hydrogen refuelling station network can be practicably connected to the existing gas grid, with hydrogen supplied at the purity levels required. The findings will be published in our Hydrogen Grid to Vehicles (HG2V) and Hy4Transport reports later this year.

Collaborating to create a cleaner supply chain

In parallel to our strategic planning, we are developing solutions for our supply chain, transport, homes and industry.

Our extended supply chain accounts for around 75% of the work we deliver, and our suppliers are crucial in helping us to deliver our carbon reduction targets. This year we have increased our engagement activities and included key suppliers in strategic conversations around reducing our collective environmental impact and supporting customers in vulnerable situations.

Following the insights gained from these interactions, we made the decision to support our supply chain by joining the Supply Chain Sustainability School. Through our membership, we provide all supply chain partners with their own access to the Sustainability School's website, where they can access a library of tools and resources that can support reducing their carbon footprint.

The Sustainability School's resources provide education on a range of sustainability issues besides carbon emissions, and we have utilised it within our organisation to inform our social responsibility work and diversity and inclusion strategies.

Innovating through sharing data

Our supply chain partners are able to upload their data, performance metrics and ideas on how to limit their carbon footprint in a shared portal. Through this visibility of data, we are able to monitor how they are delivering against their environmental commitments and can recognise excellence and identify exceptions. We have also been able to innovate more effectively through this collaboration, which has led to us dramatically reducing our waste to landfill to 4% from 16% in 2019/20. We have also launched an innovative tool that enables us to repurpose offcuts of plastic pipe waste, a common cross-industry problem, through sharing data of available plastic pipe via a central database accessed by our networks and supply chain.

Achieving the Gold standard

The leadership and collaborative approach we have taken in engaging and galvanising our supply chain to reduce their environmental impact has resulted in us being promoted to Gold status within six months of joining. We have shared this best practice approach with other GDNs and partners who are considering joining the school.

Continuous improvement

“Cadent is taking the lead by adopting a collaborative, innovative approach when engaging with their peers, suppliers and stakeholders. Cadent's level of engagement with its Supply Chain has grown significantly elevating them to a Gold Level membership as well as being an active Partner at the Sustainability School. This is testament to the step changes they are making through direct impact on their environmental and sustainability practices.”

Shaun McCarthy OBE
Chair of the Supply Chain Sustainability School

Delivering value

- ✓ **Over 70%** of supply chain registered
- ✓ Upgraded from Bronze to **Gold member** of Supply Chain Sustainability School
- ✓ **20%** of pipe waste avoided
- ✓ Reduced waste to landfill from 16% in 2019/20 to **4%**

Innovating to make life easier and deliver a service our customers love

It is essential that our workforce has access to key data and insights to enable them to deliver services that our customers love, keeping people safe, warm and independent in their homes.

Optimising our operations

We have continued to use Big Data and Artificial Intelligence (AI) to improve our working practices. We use AI across our emergency call handling and customer care services to develop our call agents' skills, deliver operational efficiencies and inform service improvements via our Customer Insights Team. In addition, we have significantly improved the accuracy of our leakage prediction and prevention by a factor of four through complex data analytics supported by AI and machine learning.

We have also transformed the way we manage and analyse data about our gas network assets, collating information from a wider range of sources, including records on postcodes, pipes, meters and network pressures. By gathering these data sources into one central location, we were able to intelligently map trends and identify asset management opportunities that drive direct customer benefit and efficiencies. This has allowed us to build a sophisticated prioritisation tool which proactively determines our approach to maintaining assets to ensure a safe and reliable network for our customers.

Sharing data with partners

We have made sharing data a priority so that we embed best practice across all our partners. This was evidenced in our London Infrastructure Mapping project where we made the locations of our network assets visible to other utilities, opening up opportunities to work on collaborative roadworks projects and reduce the impact on customers by coordinating the timing of roadworks.

Innovative solutions to reduce disruption

This year we have implemented new ways of working to minimise disruption and improve communications about our planned works.

Reducing the risk of water ingress

Our customers and stakeholders told us that we need to find more efficient ways to remove water from our gas pipes, which can lead to time off gas for local residents. We reviewed best practice with other utilities and engineering organisations across the industry and tested a range of solutions, before successfully trialling using sniffer dogs, whose heightened sense of smell allows them to detect gas quickly. This has helped us to identify the tiniest cracks in our gas pipes, which are susceptible to water. We have been able to proactively repair them, resulting in a reduction in people being kept off gas due to water ingress.

Our ongoing data transformation journey is also allowing us to make the best strategic decisions so we can keep gas flowing safely and reliably in our networks. The positive impact of this is reflected in our increased customer and stakeholder engagement satisfaction scores.

Real-time data at our fingertips: PowerBI

To ensure all colleagues have access to real-time insights enabling them to make better decisions, we have launched a suite of PowerBI dashboards which are available to everyone and tailored to their needs. Managers and supervisors are equipped with the tools to make evidence-based decisions to improve performance and frontline engineers can see their own performance against targets. This creates clear accountability and ownership across the organisation. By collating key performance metrics in one place, we are able to reduce the time supervisors spend gathering information from separate sources and provide them with a holistic view of the performance information and insights. League tables of performance comparing our 28 regional delivery units are published, creating healthy competition between teams, which we can link to increased levels of customer satisfaction.



Smarter roadworks information

Discussions at our Customer Insights Forum revealed that there were three key areas to address dissatisfaction with our roadworks communications, including:

- Improving online information through third party navigation platforms
- Improving our online information
- Improving our physical sites with attractive, informative branded signage

We asked members of our Customer Forum and partners who represent customers in vulnerable situations to test different approaches. They endorsed a number of our ideas, including using Elgin LiveLink, to provide on-the-go information about our works to road users on satnav platforms. As a result of their feedback, we have also enhanced content on our own 'In Your Area' road works web page with improved FAQs, videos that are translated into eight languages, and included bespoke case studies for the most disruptive projects.

Using data to improve our ways of working

Last year we highlighted the advances we had made in delivering efficiencies and maximising our resources through flexible shift patterns, our two-van model and our entrepreneurial engineers programme, which have been further embedded this year.

We have increased the scale of our ambitions, with every regional business unit forensically analysing their performance levels. We examined, in detail, each point that we engaged with customers during each customer journey. We found that in almost all cases, speed (the faster an operational project is delivered), is of critical importance to customers. To understand the intricacies of this trend, teams carried out further analysis into our job completions and durations, building a baseline report to understand our engineers' activities and identify periods of non-value adding work (i.e. work not directly related to customer outcomes, such as depot visits). From this, they were able to conduct a deep dive into potential reasons for productivity gaps, at a level of granularity not previously available.

We have used this information to develop a sophisticated desktop tool, providing operational management teams with a holistic overview of work delivery to support planning improvements. By providing KPIs in a simple, accessible format in one place, the utilisation tool has empowered colleagues to challenge traditional ways of working and embed innovative new working patterns that have enabled them to increase productivity by up to 50% in many areas.

To ensure that our information is accessible to those who are not online, we have extended our suite of on-site signage to include informative banners. These materials provide information about our works, and build trust by raising awareness of Cadent and our strategic priorities. To increase visibility of our online resources, we have included QR codes and URLs on all of our signage and proactively promote the links via social media channels. We have created a signage catalogue for colleagues and partners, to embed consistency and best practice across our networks.

Delivering value

- ✓ **2.7%** improvement in works communication C-SAT score
- ✓ **34%** reduction in complaints and enquiries about planned works
- ✓ Over **78,000** visits to our 'In Your Area' web page, with time on page **20%** longer than Cadent average

Customer-focused connections journey

Building on the improvements of our back-end processes reported in 2019/20, this year we have completely transformed our front-end connections experience, utilising digital technologies to create an engaging online journey for domestic and business customers. Stakeholders had repeatedly told us that our application process was too 'clunky' and 'old fashioned'. In a world of same-day delivery, chat bots and instant messaging, traditional phone and email routes are comparatively inconvenient for many connections customers. In response to this feedback, we worked with customers and stakeholders to co-create a new online customer journey to provide a truly intuitive application experience for the modern consumer, which went live in September 2020.

Co-creation through online communities

Customers, on average, score us just under 9/10 for our connections and mains replacement services. We want to go beyond this and create the 'wow-factor' customer experience. To do this we commissioned leading research company, Savanta, to create an online community to explore the most important factors that contributed to customers providing amazing feedback. This process enabled us to engage with a diverse range of stakeholders who are typically difficult for us to reach, including future generations of energy customers (who typically have high

expectations of digital technologies), small and medium sized enterprises and people living in rural communities.

Maximising digital technologies

Using this feedback, we reduced the number of process steps and hand-offs customers experienced, and created a customer account management service. We transformed the structure of our connections web pages to make the customer journey as efficient as possible, reducing the number of clicks to apply and providing a logical pathway to the information customers need. We rewrote content in the simplest possible terms and created step-by-step infographics and animated videos to guide customers through their journey with us. We tested our approach with new and long-term connections customers, including Utility Infrastructure Providers (UIPs) and Independent Gas Transporters (IGTs) and utilised split testing techniques to determine communication preferences.

Connie the connections chat bot

Through benchmarking with leading organisations in customer service and insights we garnered from our online community, we created a chat bot called Connie who provides real-time answers to customers' questions, removing the need to wait to speak to an advisor. By reviewing our previous enquiries, we were able to understand the most common queries and prepare



appropriate responses in advance. Taking the learnings from our assessment via the Digital Accessibility Centre in May 2020, we ensured accessibility best practice standards were adhered to, making all our information accessible to users with disabilities.

Giving customers greater control via our new Connections App

The two most consistent criticisms of our process were that customers did not have clear visibility of progress with their connection and it required multiple surveyor visits which was inefficient and time consuming. To combat this, we have created a Connections App which places the connections process in customers' hands. Our new app simplifies the customer experience by allowing customers to apply for all types of gas connection, at any time of day; providing progress updates, videos, FAQs and the opportunity to provide real-time feedback. Customers can upload site information into the app to reduce the need for surveyor visits. Since its launch, the app has received very positive feedback.

Delivering value

- ✓ **25%** reduction in complaints
- ✓ Moved from 8th position to **2nd** in Google rankings for 'gas connections'
- ✓ Over **4,000** conversations with Connie
- ✓ **1.7%** improvement in Connections C-SAT score

Transforming our complaints performance

Engaging with colleagues and contractors is key to delivering a service our customers love. Our West Midlands (WM) team has been on a transformative journey to enhance our complaints handling process, through adopting a holistic and integrated approach:

Clear accountability: We created a single point of contact for customer strategy, insights, setting standards, performance management and change. Daily calls are held to discuss complaints at risk of not being resolved within 24 hours (D+1).

Data quality: By setting high standards for customer performance and data quality, we were able to achieve consistency and improved KPI performance throughout our supply chain.

People focus: We held 'engagement focus days' to generate two-way discussion and feedback between operational teams, recognising people's contributions and reinforcing our ambitions.

The team now **resolves almost 9 in 10 complaints within D+1**, including all on-site remediations. Within 12 months, the WM network went from eighth to second in the GDN league tables for complaints handling.

Head of Customer Experience for WM, Michael Lapper, appeared on a live Utility Week webinar to share best practice with leaders across the industry on our transformative approach to customer experience, and our other networks have adopted this approach.

Delivering value

- ✓ **90%** of complaints resolved within D+1
- ✓ WM moved **up 6 places** in GDN complaints handling league table
- ✓ Shared best practice and learnings with industry via Utility Week live webinar

Golden rules for customer experience

We have developed a 'Customer Experience Playbook' that leverages the lessons learnt from the improvements we made last year in conjunction with our partner, Network Plus, which received excellent feedback from customers and stakeholders. The playbook displays the customer journey end to end, with typical blockers and solutions highlighted in each step in the process. It details our expectations of how colleagues should provide an exceptional customer experience and guidance on how to deliver this high standard of service consistently.

We combined the insights we have received from C-SAT responses, complaints and our sentiment monitoring with Network Plus's expertise in customer experience to develop the initial playbook. We then appointed an independent organisation to conduct in-depth

research to test the approaches in the playbook with over 2,000 customers and stakeholders. This included a week-long online community where customers were asked to comment on different elements of the playbook, using multi-media such as videos, music and photos to represent their opinions, experiences and needs. Customers in vulnerable situations and non-digital customers were invited to partake in telephone interviews. Colleagues and stakeholders were also invited to attend online workshops to provide feedback.

Co-creating a customer experience with stakeholders has enabled us to adapt and enhance our playbook to an even higher level of quality. This has included creating a rating system that signals the optimal customer experience required for specific programmes of work. We also used the insights to develop a range of training materials, such as short videos and an interactive training room for our

colleagues and partners. We have developed a toolkit of communications resources, including signage, customer literature and digital communications options, which were tested with customers and colleagues before launching. The playbook has been used across all of our networks, increasing accessibility of information and knowledge to thousands of, often, hard-to-reach customers and resulting in a significant improvement in our C-SAT scores and complaints handling performance.

Continuous improvement

Delivering value

- ✓ **2.3%** improvement in Emergency Response & Repair C-SAT score
- ✓ GSOP performance improved by **35%**
- ✓ Increased accessibility to **over 40,000** customers whose first language is not English

Being a force for good and supporting those that need it most

Promoting equality, diversity and inclusion and ensuring that our services are as accessible as possible has continued to be a priority for us, and we have gone further to make things fairer for the people we serve.

Compounded vulnerability and COVID-19

Our 2019 'compounded vulnerability' research revealed that people with multiple vulnerabilities, such as those living in fuel poverty or with young children, or a diagnosed mental health disorder or disability, were even more vulnerable if they lived in private rented accommodation and/or English was not their first language. We used these insights to create an extensive multi-year engagement programme with partners and stakeholders such as affordability charities, housing associations, letting agencies, landlords and third sector organisations, to promote gas

safety information and raise awareness of the Priority Services Register (PSR) and our safeguarding services.

It has been essential for us to accelerate these activities as many customers living in vulnerable situations have been heavily impacted by the pandemic. Working closely with stakeholders and colleagues, we have prioritised the development of our planned safeguarding tools and services to deliver benefits quicker. We also increased our learning provisions so that colleagues were equipped with the knowledge to identify safeguarding concerns and take action.

Identifying abuse and isolation

This included providing colleagues and contractors with NSPCC training on how to spot neglect and abuse and report it, and training on how to support those suffering loneliness or isolation. This programme has delivered many successful initiatives and positive outcomes. Our holistic and multi-faceted approach to safeguarding provision is a key component of our customer vulnerability strategy, which aims to provide services for all, and our Value Assessment Framework to ensure we maximise the social return on investment.

Improving access to crucial support services

Our engineers often encounter customers who could benefit from additional support. To ensure we provide the right solutions, we have regularly engaged with our customers, colleagues and stakeholders to understand the specific needs of customers in vulnerable situations who have been particularly hard to reach during the lockdowns. Using this insight, we have implemented an innovative app for smart devices that provides our workforce with the information they need to select the best service for a customer's needs. Increasing access to this data is part of our wider strategy to empower our people, helping them to be more agile and responsive to a customer's specific circumstances.

Support Service Selection App

Our operations team requested that we develop a method to help them to quickly, easily and consistently identify the right welfare solutions for customers who need extra support. As a result, we launched an additional mobile app, that was co-created with multiple expert stakeholders. The app puts all the data held within the PSR at an engineer's fingertips and considers key external data, such as weather forecasts, individual customer needs and how long the customer is likely to be without gas. This recognises that vulnerability is transient, and anyone can become

vulnerable in different circumstances, and identifies the most appropriate support solutions for that customer.

This removes the guesswork for engineers, giving our operations teams confidence that they have supported someone in a vulnerable situation efficiently and based on robust evidence.

One Number Referral Scheme

Our Critical Friends Panel and many of our stakeholders who specialise in supporting customers in vulnerable situations have challenged us to play a broader role in joining up different support services that are available but are often unknown or inaccessible for many customers. Our engineers and call centre colleagues also asked us to make it easier for them to refer customers to service providers, especially where multiple vulnerabilities are prevalent.

Following a successful trial in two of our networks, we have partnered with National Energy Action (NEA) to use their independence and expertise for a truly joined up customer service. Colleagues or delivery partners can now refer customers by calling a dedicated number, managed by NEA's experienced team, to access a range of support services including energy advice, wellbeing support, income maximisation services, financial support with appliance repairs and various additional safeguarding services.

Since its launch, we have continued to engage closely with customers and colleagues to identify opportunities for continual improvement. We have acted on suggested enhancements, including developing a dedicated contact form for when phone lines are busy. The form received very positive feedback and is now used for around 75% of all referrals. The 'One Number Referral Scheme' has been shared as an example of best practice with other GDNs, and we continue to work with stakeholders to increase the number of services that customers can be referred to.

This innovative One Number Referral Scheme can make a life-changing difference to people living in vulnerable situations and NEA is proud to be working with Cadent on such an impactful programme."

Nicky Swetnam

Project Development Manager, NEA

Delivering value

- ✓ SROI of **£19.9m** for Selection App
- ✓ SROI of **£12.6m** for One Number Referral Scheme
- ✓ Over **900 calls** to One Number Scheme
- ✓ **35** different support solutions on Selection App

Building trust with future customers

Future customers, such as younger people and those not currently on the gas network, are a hard-to-reach group for us. We know that understanding their needs is essential when developing our long-term business strategies. Building on our partnerships with local universities, we collaborated with Coventry University to research how we could build trust with people aged 18-24. Future customers were asked for views on businesses they trust, the characteristics that make a business

trustworthy, the impact trust has on decision-making, and trust-building company practices. No reference was made to Cadent, as we wanted to understand external best practice.

The results re-emphasised the need for companies to demonstrate social impact (particularly around social mobility and sustainability), transparency and high service quality. These insights have fed into our Force For Good strategy, and we have evolved our digital channels to better cater to young people. As a result, our volume of 18-24 year old website visitors more than doubled in the past year.

Sponsoring Manchester Science Festival

We also took the opportunity to deliver our net zero message to young audiences by sponsoring the Manchester Science Festival, to explore our changing climate and ideas for a better world.

Our Director of Strategy, Dr Angela Needle, joined a live talk to discuss the role of hydrogen in delivering net zero, putting this essential component of the energy transition on future customers' radar and answering the wide range of questions that they posed.

Being a force for good

Having developed our new company purpose and values, it was important to test the alignment with our sustainability and Corporate Social Responsibility (CSR) approaches. Historically our sustainability and CSR strategies have sat separately, with the latter focused on fundraising to support a dedicated charitable partner, Matched Giving, colleague fundraising and providing all colleagues with a one day a year volunteering allowance.

To ensure our approach was still fit for purpose, we conducted in-depth telephone interviews with experts from across a range of sectors to explore different approaches, test our ideas and understand best practice. We also sought the opinions of our Customer Forum via an online survey, which was completed by 73% of members, and a

two-hour focus group in each of our four regions. We asked them to expand on the key themes from the surveys and share their views on the different aspects of CSR and sustainability.

As a result of the feedback from our stakeholders we have significantly transformed our approach:

- We have developed a Force For Good strategy, which enables us to focus on delivering lasting social impact across a wider range of areas, including colleagues, customers, communities, our supply chain and the environment
- We have established a new sub-committee of the Cadent Board, focused entirely on our sustainability and social impact agenda

- We have aligned our sustainability targets to the United Nations Sustainable Development Goals in line with best practice
- We have doubled the volunteering allowance for colleagues to two days a year. To support this, we have launched a new partnership with Neighbourly, providing colleagues with the ability to self-serve using an award-winning online volunteering platform
- A commitment to supporting our Force For Good strategy is now included in all individual and team performance objectives, encouraging colleagues to demonstrate how they have personally delivered positive social impact
- We will be publishing a Force For Good Report each year

Creating an environment where all employees can thrive

We have made significant strides in delivering our commitments to equality, diversity and inclusion (EDI). At the start of the year, we conducted anonymous colleague surveys and independently chaired focus groups with members of our four EDI employee communities (Women in Cadent, Embrace, Pride at Work and the Cadent Military Community) to identify key issues requiring action.

Language and communications

In response to feedback, we have developed a dedicated EDI communications team to deliver internal and external campaigns. We acted on colleagues' request to avoid using the acronym BAME and be more specific when referring to ethnicity and heritage. The use of language was a key concern for colleagues, so we led workshops on the power of words, and our 'Is it OK to Ask...?' colleague events have empowered people to have more inclusive conversations. Due to this focus, we have been able to celebrate a range of events for the first time this year, including Black History Month, Vaisakhi, Islamophobia Awareness Month and Passover. Colleagues also told us that they wanted to hear from role models, so we have held over 20 virtual events with colleagues, guest speakers and experts on EDI to motivate, educate and empower our people. These activities are supported by our senior leaders, who introduce the events and share their experiences.

Supporting people with disabilities

We launched a fifth EDI community this year, called Thrive, which supports colleagues with visible and invisible disabilities. A key focal point has been increasing awareness and understanding of autism and neurodiversity. In October, we recruited our first autistic field force apprentice through Liverpool City Council's 'Intern to Work' supported internship programme. We shared Niall's story across the industry and via our social media platforms to promote inclusivity and invite conversation. It was one of our most popular social media posts, with a reach of 60,000 users and an engagement rating of 11%, which is more than double the industry average.

Extending EmployAbility services

One of our biggest successes during lockdown was continuing to run our EmployAbility internship, which offers work placements for 16-18 year olds with special educational needs and disabilities. Whilst other organisations were unable to maintain their schemes, we created new ways of working, adapting our approach to keep our interns safe and working whilst adhering to COVID-19 restrictions. We launched a new Department of EmployAbility Services, which enabled the interns to complete a range of administrative tasks across many departments, remaining safe whilst learning different skills. We also worked with partners to find interns additional opportunities, and our employees provided support with interview practice and CV writing via video calls.

Sharing best practice in EDI

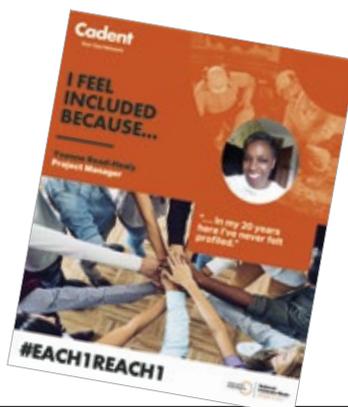
We work with our industry to shape EDI in the sector. We have long been signatories to the Energy & Utilities Inclusion Pledge, Skills Strategy, Armed Forces Covenant, The Social Mobility Pledge and we are a Disability Confident Employer. This year we signed the Race at Work Charter and Employers Domestic Abuse Covenant, at the request of colleagues. We have worked closely with the Womens Utilities Network, founded by our own Dr Angela Needle, and have brought their learnings into our culture and practices to support females working in Cadent. We also hosted a successful cross-industry 'Let's Talk About Race' Event, where over 20 companies beyond the utilities sector joined us to share experiences and approaches to embedding EDI effectively.

Mental health matters

Due to the unforeseen impact of the pandemic, our Board and senior stakeholder panels identified the need to provide extra support to colleagues to manage their mental health. We responded by developing a hub of online resources with useful information and guidance on managing personal wellbeing, including articles, links to third party websites, and access to live yoga and mindfulness sessions. We also delivered mental health awareness training for all managers and openly shared real colleague stories. Our colleagues have told us that this has helped them to stay engaged and connected throughout the pandemic.

Stepping up our social impact

During the first COVID-19 lockdown, we saw a decline in our employees' fundraising efforts. Our strategic partner Alzheimer's Society explained that this was a consistent theme across the country and helped us to co-create a range of fundraising ideas for our colleagues. Following colleague feedback, our Senior Leadership Team also launched a quadruple Matched Giving campaign to re-energise colleagues into fundraising during the final quarter of 2020. This included an additional competition where charities could receive up to ten times the usual Matched Giving allowance. The campaign was a huge success, and Matched Giving applications more than doubled in comparison to the first six months of 2020/21. In total, we contributed £73,700 in Matched Giving during the campaign, which was an increase of 809% compared to the same period in 2019. As a result, we were selected as finalists for the 'Employee engagement initiative of the year' at the Business Charity Awards 2021.



Delivering value

- ✓ Over **800** employees registered with our five employee communities
- ✓ **72%** of managers trained on EDI and inclusive leadership
- ✓ Over **20** EDI events held
- ✓ Signed Race at Work charter
Signed Employers Domestic Abuse Covenant

Collaborating and sharing best practice to deliver better outcomes for all

We aim to share ideas with the widest audience possible and, in turn, embrace thinking from others to instil best practice and deliver the best outcomes for our stakeholders and communities.

Sharing Best Practice Hub

To share our smart practice initiatives, we have launched a Sharing Best Practice Hub, which was built in response to stakeholders who requested easy access to information about our services. The Hub showcases our flagship initiatives in line with our priority areas:

- Shaping a more sustainable future
- Supporting all of our customers
- Accessibility and inclusion
- Data and innovation

We have shared the page with stakeholders and partners, giving them the opportunity to provide feedback, find out more about our initiatives and express an interest in working with us on new opportunities. We have had 300 visits per month since launching the Hub, with users spending 30% longer on this page than the Cadent average, which shows the high levels of engagement. We are regularly adding new content to the Hub, and keeping our stakeholders informed about the projects that matter to them.



Collaborating to increase public awareness

To understand how much the public knew about gas safety, we led an extensive research project into gas safety awareness with over 8,000 customers alongside the other GDNs.

New approach to winter campaigns

We used this research to help us improve our annual 'Be Winter Ready' campaign. This year, we developed an engaging animation, with characters representative of our local communities, which we shared across social media. The video was translated into eight languages including BSL, and reached over

10,000 customers. To ensure our safety messages reached those who were most isolated, we strategically distributed over 15,000 information packs via our engineers and targeted partners, including the 24 Fire and Rescue Services in our networks and the Carers Trust.



Leveraging partnerships

To reach more people with our gas safety messaging, we embraced a new collaborative approach to provide joint information and advice with our partners. This has included new web pages, a digital billboard campaign, national and local radio campaigns tailored to the knowledge gap hotspots identified by our research, personal stories from emergency engineers, Q&A videos launched across social media, and surveys to engage our employees in the conversation. Across our campaigns, we reached more than 10 million customers. We are constantly testing our approach as we strive to become a thought leader in educating UK customers on this vital topic of gas safety.

Tackling isolation through technology

In response to stakeholder feedback, we have increased our emphasis on tackling isolation in the community. Building on the success of our 2019/20 Dementia – Call 4 Action project, we teamed up with technology companies RS Components and Nordic Semiconductor to launch our **Connect the Community Challenge**.

The Challenge invited innovators, engineers and creative thinkers from across the globe

to consider how isolation and loneliness had impacted their community and conceptualise new, innovative solutions using 'Internet of Things' (IoT) technologies. Our collaborative approach allowed us to access a previously untapped audience of innovative young creators and future customers.

We shared over 50 high quality entries with technology and customer safeguarding experts from across the industry to shortlist the ten most transformative ideas. The winners included entrants from Bangladesh

and Canada, providing solutions such as smart medication dispensing and community support tools. We have since worked with the entrepreneurial winners to connect them with expert designers and unlock funding opportunities to make their concepts a reality, opening up career opportunities for them while developing products to support our communities. We have showcased this project at key industry events and webinars, to demonstrate the community benefits of open innovation.

Boosting the London economy

Our North London network presents unique challenges in terms of how we interface with the capital's transport and utilities infrastructure. Stakeholders asked us to play a central role in developing the green economy and supporting regeneration following the impact of the pandemic on people's livelihoods and financial situations.

We fully embraced this challenge and joined forces with the Mayor's London Infrastructure Group (LIG), including Scottish & Southern Electricity Networks (SSEN), SGN, UK Power Networks and Thames Water, to collaboratively deliver planned investment with the GLA and London Boroughs. This has enabled us to bring forward our works, creating jobs and accelerating investment into the economy.

Accelerating our works

We have fast-tracked our works in boroughs with hotspots of metallic assets, resulting in a 10% growth in our supply chain. We have also collaborated with the LIG to plan works together, with a right-first-time attitude to deliver improvements across gas, water and electricity infrastructure. This includes major projects in Whitechapel and Stoke Newington. By capitalising on increased supply chain availability and lower customer disruption levels during the pandemic, we have made multi-million-pound investments in security upgrades to our critical sites.

Supporting job creation for young people

We have partnered with Action West London and Safer London to build trust in the local community and remove career entry barriers

for underrepresented groups. Our learnings from these partners have helped us enhance our inclusive recruitment strategy, including the launch of a mentoring programme for students with Solutions for the Planet. We are using this approach in our other networks and are supporting employees to provide mentoring and careers coaching via The Social Mobility Foundation and Leadership Through Sports & Business.

Delivering value

- ✓ Over **250** days of disruption saved through collaborative works
- ✓ **237** jobs created
- ✓ **25,500m** of gas mains remediation delivered

“By sharing long-term plans, finding smarter ways to communicate and working collaboratively with Thames Water, Cadent did a fantastic job working with TfL to minimise disruption for customers during the festive period. These outputs feed into a wider TfL strategy to deliver a blueprint for ‘supercharged’ collaborations.”

Andrew Sherry
Area Coordination and Permitting Manager (East), TfL

“It is really encouraging to see the networks actively seeking innovative solutions to safeguard people in the most vulnerable situations in society. It was fantastic to see the final product come together, as a result of the hard work and creative approaches demonstrated by the project teams.”

Anthony Reid
Innovation Engineer, Energy Innovation Centre (EIC)



“It was fantastic to see Cadent collaborate on such an important initiative to help people who are isolated and struggling with connecting to their communities.”

Sarah Greenwood
Corporate Account Executive, Alzheimer’s Society

“We are really proud of our partnership with Cadent and their commitment to young people facing disadvantage in this country. Cadent have already unlocked the futures of young people by offering them employment opportunities with prospects, training and a positive working culture. We look forward to continuing to work together and tackling the youth unemployment crisis head on.”

Paul Evans
Chief Executive, Leadership Through Sport & Business

“We are pleased to be collaborating with Cadent and the other LIG members on the combined £1.99bn utilities investment programme over the next two years, to kickstart the economic recovery in London. Our coordinated effort will help maximise this investment and delivery for London, while minimising impact to residents. This work is bringing the large contribution and often unseen work of our utilities to the forefront of Londoners’ minds.”

Molly Strauss
Head of Infrastructure, Greater London Authority (GLA)

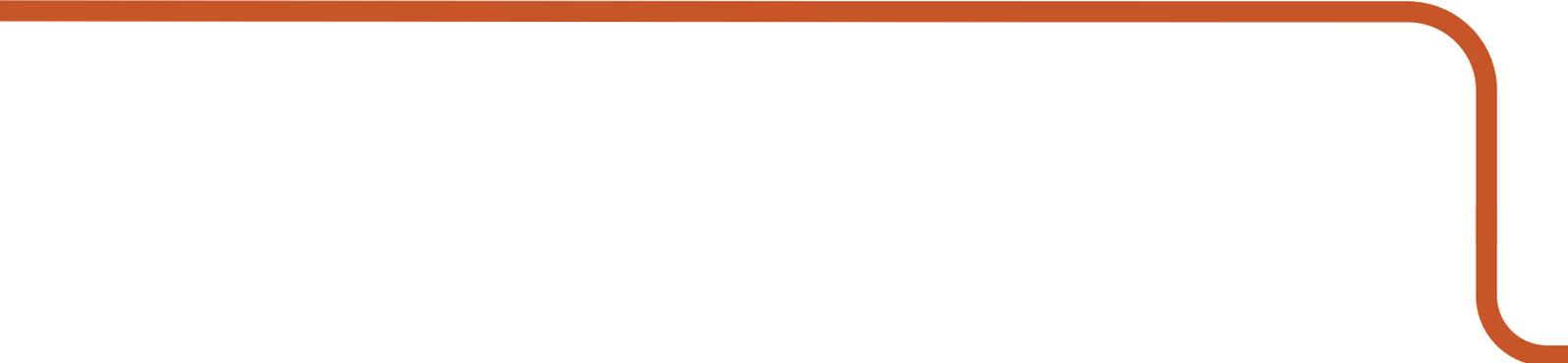
“It’s a pleasure to be the Chair of the Embrace Community. I am proud of the great progress we have made to engage and connect colleagues and communities from a variety of cultures, taking positive steps forward in our shared ambition for inclusivity. I am passionate about sharing personal stories and engaging with colleagues through a range of events so we can celebrate our cultures within the business.”

Gurvinder Dosanjh
Embrace Community Chair, Cadent

“I’m proud to work for a company that puts customers at the heart of the decisions we make. It’s fantastic to be involved in some of the innovative activities that are taking our service to the next level.”

Chloe Langham
Cadent Business Graduate

Notes





This report is printed on 100% recycled paper made from post-consumer waste. Both the mill and printer are FSC accredited and follow ISO 14001 environmental procedures. Our printer is also elemental chlorine free, uses vegetable based inks and is carbon neutral.

The lamination on the cover comes from a sustainable resource and its main component is not derived from fossil fuels. It has attained the EN 13432 and ATM D 6400 standards for biodegradability and composability and also has accreditation to the Vincotte OK Compost Home programme.

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Your Gas Network

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