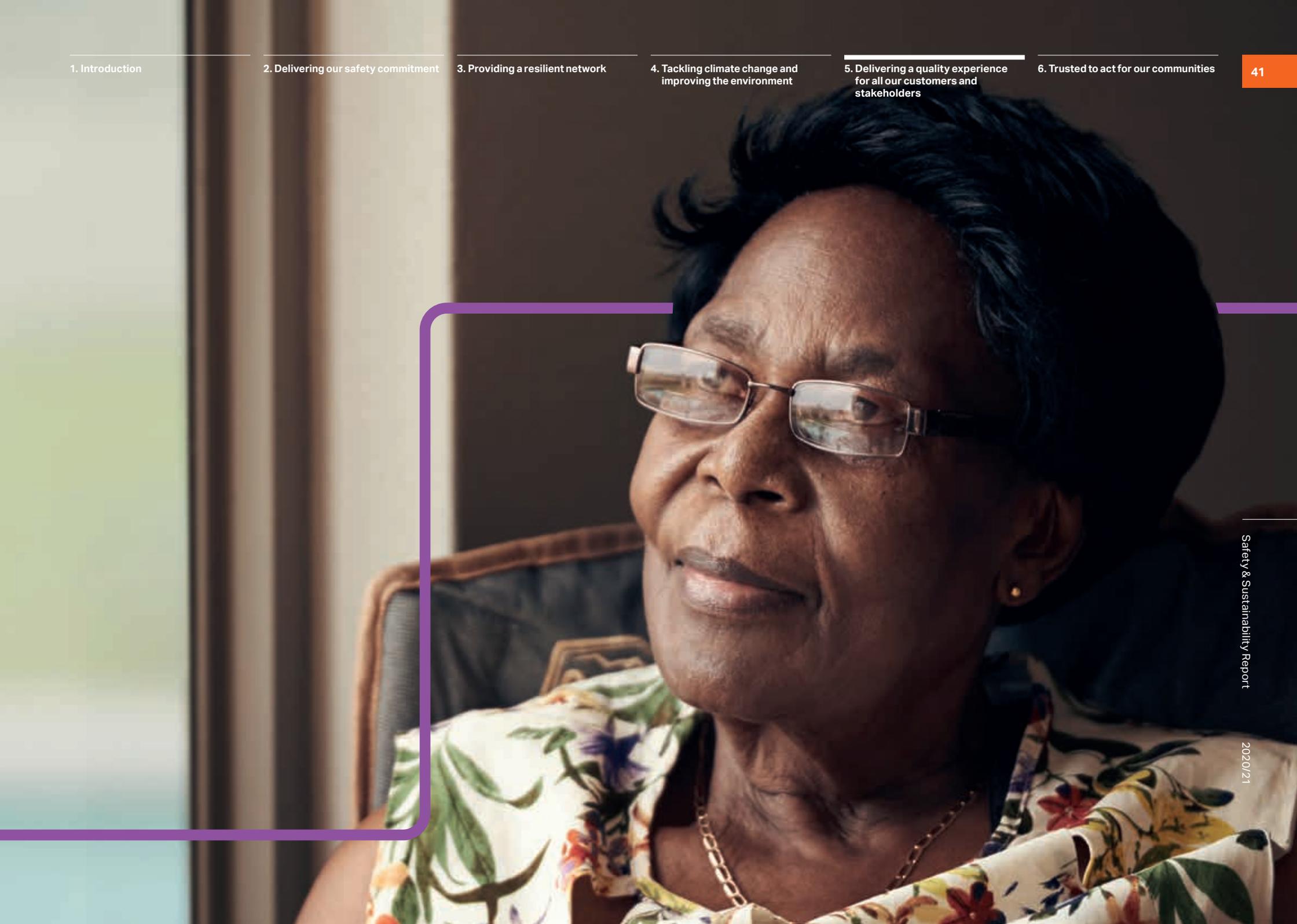




# Creating an environment where we can deliver outstanding customer experiences time after time.

Although our customers do not pay us directly, a proportion of their energy bill goes towards supporting the services we provide and they are directly impacted by the work we do in the communities we serve.



## Our customers

# Our customers are those directly impacted by the work we do in the communities we serve.

### Enhanced engagement and real-time insights

Listening to our customer and stakeholders and acting on what they tell us sits right at the heart of what we do. We have invested heavily in establishing many ways to engage with customers and stakeholders, including our Customer Forum of over 150 customers from across the regions in which we operate, who have now been working with us for over 18 months. This year we established our Critical Friends Panel, which is a committee of experts brought together to challenge us on behalf of our customers and communities, and to use their experience of best practice they have seen elsewhere to support our ambitions.

Our enhanced engagement programme is fully embedded across the organisation and feeds three separate but related requirements:

- Providing insights into improving our current service levels.
- Informing our thought leadership relating to the future energy transition.
- Allowing us to continually look forward as we prepare for RII0-3.

We have taken positive steps forward in providing data insights through Microsoft Power BI and invested in a series of comprehensive data dashboards which cover all key performance insights, allowing our teams to understand their historic performance and supporting them to target specific areas for improvement. This puts real time, accurate and relevant data into the hands of our colleagues who are accountable for delivering customer service.

All key insights are available, from key regulatory customer metrics through to our own internal channels and all associated operational metrics which we know influence the overall customer journey. This enhanced approach has allowed us to support segmentation and personal development. Our ability to understand how different demographics of our customer base feel about our services is critical in the evolution of our strategy.

### Creating fairer, accessible and inclusive communications for all

We recognise that customers expect choice and we have invested in new ways to do this. We have increased the use of opt-in SMS and WhatsApp services, to provide updates about the work we are doing; informing about progress and arrival times. We have updated our website to enable two-way dialogue by introducing two chatbots and improved our channels for those with communication and accessibility needs; including videos and literature available in up to eight languages.

We have focused on refining our communications process for the rare occasions when we don't meet expectations. This is an important element of our approach and allows us to maintain timely contact, with an ability to recognise indications of dissatisfaction and ensure we act promptly to put in place action to resolve any concerns.

Utilising geotargeting on Facebook has proved a positive step forward in how we reach a wider demographic of customers; allowing us to provide quick and effective updates about our works, provide latest operational updates and give greater context into what we are doing.

We have made several improvements to accessibility and user experience for our overall website, and for infrastructure projects impacting larger communities we have commissioned bespoke webpages which customers can access via QR codes. This allows for video content and additional materials to explain information about the work we are doing in their area. We have made great steps forward in improving our on-site communication by delivering a range of improved signs from Heras fencing to smart digital boards which can be translated into multiple languages on site.

### Aligned targets and incentives

We have discussed many topics with our customers, including how we should reward and incentivise our employees. Through a series of focused workshops, our customers have told us that they thought our incentive schemes should be weighted to customer service. The total reward package of every single employee is now influenced by our overall customer service scores; encouraging our colleagues and service providers to deliver outstanding service first time. This empowers individuals to make decisions at a local community level to make sure it is relevant to individual customers based on the assessments they have made. We have put this in place across our emergency and repair process, where we have seen our four networks improve significantly this year, with scores averaging over 9.5/10.

### Strategic partnerships

## over 80

with Fire and Rescue Services, NHS Trusts and numerous charities who support customers with various additional requirements

### Customer satisfaction

Performance by Network*	Emergency Response & Repair		Planned Works		Connections	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
East of England	<b>9.56</b>	9.49	<b>8.68</b>	8.47	<b>8.25</b>	8.46
North London	<b>9.41</b>	9.08	<b>8.42</b>	7.97	<b>8.28</b>	8.73
North West	<b>9.55</b>	9.49	<b>8.45</b>	8.41	<b>9.01</b>	8.34
West Midlands	<b>9.52</b>	9.47	<b>8.13</b>	8.11	<b>8.50</b>	8.05

\* Scored out of 10.

During this RIIO-1 period we have met or exceeded all regulatory customer targets. There has been a large increase in Emergency Response and Repair. This is due to significant improvements in processes with all networks noting an overall improvement. Reinforcing the success, we've seen from strategy implementation detailed through this section.

### Technology-driven efficiencies and automation

An effective customer relationship management system not only drives efficiency but can help our people to provide a seamless customer experience. Access to the right technology is critical for our people to be able to provide consistently great services. This includes tools to help rapid response and quotations for our Connection services.

It allows customers with additional needs to engage with us. These advanced solutions include enabling those who are hard of hearing or deaf to call us, provides free locking cooker valve installations to provide reassurance to family, friends and carers and easy assist emergency control valve ('ECV') for those with mobility issues.

### Supporting customers in vulnerable situations

A core element of our force for good strategy is our customer vulnerability approach structured to maximise our reach, expertise and legitimacy of our actions, creating a fairer world for our customers. This allows us to apply a focused lens on engaging with those customers who need extra support from us. We recognise that we are not experts in all areas of vulnerability and our extensive partnerships not only bring this in, but also help us to target our initiatives where they will add the most value, particularly as some of the most vulnerable people in our networks are the hardest for us to reach.

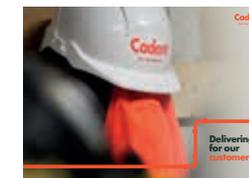
We have over 80 strategic partnerships in place with fire and rescue services, NHS Trusts and numerous charities who support customers with various additional requirements.

We have considered several factors in this area, including what we mean by vulnerability, and the outcomes that customers and stakeholders tell us that they want. We have created our definition of vulnerability alongside numerous expert stakeholders (e.g. Citizens Advice) and have subsequently tested it with Customer Forums.



### Read more in our Customer and stakeholder engagement website area

<https://cadentgas.com/about-us/engagement/customer-stakeholder-engagement>



## Our colleagues



### Developing our people

The last 12 months has seen a transformation in the shape of the organisation, by changing our operating model to increase our direct workforce from 3,938 to 5,258. Our operating model has also seen significant changes, taking decision-making and accountability much closer to our customers to ensure we continue to deliver for our diverse range of communities and stakeholders.

We have developed a suite of Microsoft Power BI dashboards to give us a holistic view of our people data to enable us to drive change and efficiencies across the business. The dashboards have successfully helped our leaders to make informed decisions and focus on key areas such as gender pay, diversity and inclusion. Our Education and Skills strategy has grown as we have implemented components to support our talent pipeline for the future.

Our strategy focuses on three elements: STEM enrichment (science, technology, engineering and maths), careers inspiration and experiences. We have continued to build relationships with schools despite being unable to deliver face to face activities.

We have built relationships with key strategic partners including Careers and Enterprise Companies, Colleges, Charities and third-sector organisations across the network. These include Leadership Through Sports and Business, The Black Country Consortium, Leicester & Leicestershire Enterprise Partnership ('LLEP'), where we have two Ambassadors, Elevate EBP, Blackpool Responsible Business Network, Bury College and Hopwood Hall. We have supported several presentations to schools including to students with neurodiversity or other special educational needs.

This has included a virtual tour of our Hollinwood training centre where students were set project tasks and existing resources were adapted for alternative provision.

Our efforts in education and skills have been recognised through the Youth Employer Award, and we were awarded for recognition of our strategy supporting young people into employment.

We contribute to the wider sector skills challenge through several methods, largely through collaboration with Energy and Utility Skills ('EUS') and through our membership with the Apprentice and Technical Education Advisory Group.

We have supported the implementation of the Energy and Utility Workforce renewal and skills strategy 2020 to 2025 and many of our activities support this. As part of The Energy & Utilities Skills Partnership ('EUSP') we are actively driving parts of the plan and have committed to our inclusion in the working group for both 'Reflecting the population that the sector workforce serves' and 'Delivering the competencies and skills we need'. Contribution in these groups will support our Diversity and Inclusion and Training Strategies. We support a number of external events, such as Industry and Parliamentary Trust groups and All Party Parliamentary Groups; providing our view on skills, the economy and apprenticeships.

We are actively involved in the development of hydrogen skills and support the creation of the skills matrix, competency frameworks and technical standards for Hy4Heat. It is critical we remain at the heart of this development to ensure that skills for hydrogen are prepared for with accuracy and employer involvement; this includes providing our own colleagues with the right skills and supporting new people joining the industry.



## Health and wellbeing

We continue to build a culture of personal ownership; for individuals to take care of their health and wellbeing with business support, increasingly focused on early, proactive engagement and targeting risks. We have focus areas that correspond to our main health and wellbeing risks along with promotion of healthy lifestyle choices and support services. We provide mental health support services such as the Employee Assistance Programme and psychological support services. Our annual health surveillance programme for colleagues exposed to vibration at work through the operational tools they use, was delivered via telephone consultation in line with HSE COVID-19 secure requirements. This demonstrated that we have increased our compliance by achieving 98% of those affected.

## Our commitments

- Reducing stigma around mental ill-health through a series of targeted communications based on shared lived experiences to normalise common mental health conditions such as anxiety, depression and stress.
- Increasing knowledge and literacy on mental health across our business in the following areas:
  - Developing a Mental Health First Aiders Network so those who are training can share and support each other with additional training needs.
  - Reviewing feedback to understand how our managers have greater confidence and have informed conversations since attending these courses.
  - Developing tools to support positive mental health such as stress risk assessments and wellness action plans.
- Reassessing and refocusing our plans in March, we participated in the MIND workplace wellbeing index to help assess the work undertaken and provide an impartial assessment of areas for improvement. We have been awarded a Silver level recognising the work we have done.
- We are bringing our Occupational Health Services in house so that we can tailor our support to ensure a greater quality of care.

## Disability Confident Employer

We have achieved Disability Confident Level 2 status and continue to work on integrating inclusive practices and environments for people with disabilities.

In addition to signing the Social Mobility Foundation Pledge, we have signed the Youth Friendly Employer pledge, the BAME Apprentice Alliance Pledge and the Race at Work Charter.

We have also had discussions with several organisations representing service families, care leavers, females, victims of domestic violence and organisations representing ethnic specific minority groups including black males. As we move into the new regulatory period, we will be developing employment and training opportunities which are appropriate for everyone to actively engage with.

## Social Mobility Pledge

Earlier this year, we signed up to the Social Mobility Pledge. Low social mobility is both a cause and consequence of growing inequalities, impacting social cohesion and growth. A lack of opportunities can have far-reaching consequences on present and future generations. The Social Mobility Pledge represents a powerful shift towards being a truly purpose-led organisation committed to social mobility.

Organisations taking steps to boost social mobility is more important than ever as we face the challenges of a growing opportunity gap. The three key elements of the Pledge are: outreach, access and recruitment.

We have several schemes that are currently working towards improving the social mobility of the areas that we operate in.

### 1. STEM enrichment

As part of our STEM enrichment strategy, we visit schools and introduce two senior female engineers to act as ambassadors. The activities are linked to the curriculum but focus on demonstrating how science and engineering are exciting when applied in practice.

### 2. Careers inspiration

This strand of the programme offers students careers guidance through online and telephone mentoring with our ambassadors, covering the various routes into engineering, including apprenticeships.

### 3. Work experience

We're developing two structured experience programmes to see young people gain practical, hands-on experience in business support and operational roles. In addition, we are working towards providing opportunities to support employees who want to arrange ad hoc work experience.



### Attracting new talent

We have made key strides in our recruitment strategy and practices. We have implemented the 'Applied' platform; a tool that ensures our adverts, copy and job descriptions remove gender bias language. We have added a new diversity and inclusion statement to our equal opportunities form to highlight to applicants that we are an inclusive employer. Our attraction methodologies and partnerships have been expanded to attract a more diverse talent mix – including community groups that support young people, schools that support SEND and businesses that mentor individuals from black, ethnic minority and disadvantaged backgrounds. We have utilised our partnerships with WES and Energy and Utility Skills; to support our strategy to drive inclusivity. We have hosted and taken part in virtual targeted diversity and careers events where we have showcased diverse employees within our business to illustrate careers as well as widened our targeted schools and universities with greater diversity groups.

### Apprenticeships

Our apprenticeship schemes have continued to run as normal with no break in learning and our apprentices have continued to learn at work, and undertake activities to broaden their skills. Those near the completion of their programme undertook adapted virtual and socially distanced assessments with our assessment organisation. We have recruited the largest number of technical apprentices ever, with 85 joining us in November 2020. Taking part in virtual inductions and training has now started under strict guidance.

We diversified our apprenticeships in other areas and our first formal development scheme for current employees undertaking the Team Leader Apprenticeship at Level 2 completed their programme and a second, larger cohort have started. Other areas, with single, or a small number of apprentices, include Accountancy and Tax, Engineering Design and Draughtsperson and Digital Engineering Technicians. We are concluding our plans to launch a Customer Service Practitioner apprenticeship for internal employees.

Our apprentice levy pay bill has increased due to the increase in direct employees and our levy drawback has also increased. The total returns this year were 70%.

### Our graduate scheme

This year our largest cohort were welcomed into the business. 17 graduates joined our scheme in business support functions and engineering. Our graduates, along with our Engineering Trainees and Commercial Project Management Trainees started in September 2020 and received face to face inductions.

We are well placed in the JobCrowd top companies to work for; placing 11th (up from 29th last year) out of 100 for graduates and 9th out of 50 for apprentices (up from 21st last year).

Our continued focus to bring in new talent across our varied programmes and entry points remains a critical part of our skills strategy and a commitment as part of RIIO-2. It is recognised across the business that these programmes help us to provide a range of talented people to our operational and support functions, with each individual bringing diverse skills and knowledge.

### Training

We have successfully reviewed and amended training delivery methods to enable operational competence requirements to be met. Many of our training courses have been adapted to enable the virtual delivery of content, increasing the use of digital technology whilst successfully meeting learning outcomes. This success means our approach will remain as a prominent delivery method long after the relaxation of COVID restrictions. Training requirements that do not meet the criteria for virtual delivery have been delivered face to face, with social distancing and other adaptations implemented to support their delivery.

We set up new training delivery methods to allow both trainers and delegates to carry out safe training practices. This resulted in the volume of delegates attending our courses being halved, which in turn resulted in more colleagues using our training facilities than in previous years.

We've invested in our training infrastructure by enhancing our offering at our existing sites. We have developed a smaller, bespoke training centre in Peterborough to support specialist Electrical and Instrumentation training, reducing the reliance on third-party specialist providers.

We have seen many of our new employees join the organisation who now fall within our remit for providing training. The TUPE transfer of almost 650 staff in 2020, combined with in excess of 1,000 new recruits into our Operations business to redress the pre-existing contractor ratio has increased ongoing training demand significantly. We will ensure that we retain greater clarity and ownership of training for these individuals moving forwards.

We continue to review our training programmes and look to our future requirements to ensure we support our colleagues with the most effective training in order for us to continue to thrive. This will include focusing on green skills and helping our colleagues to understand our net zero ambitions; including critical problem-solving skills to think in a green way, as well obtaining the technical skills.

### Celebrating success

Celebrating success and sharing that recognition is highly valued. We celebrate individual stories and share great work and behaviours re-enforcing what success looks like.

Our recognition scheme Cadent Congratulates is now well established and is designed to make it easy to say 'thank you' to colleagues. Our people use a Social Wall to post their gratitude for their colleagues, which is a great away of sharing fantastic achievements across the business.

In addition to the Social Wall, colleagues can nominate each other for a monthly Value Award. Recognition is linked to our values and we select up to five nominations per value per month. Nominations are considered by a Recognition panel with representatives from across the business to ensure a consistent approach when it comes to selecting the best nominations. Successful nominations receive a financial reward and a pin badge. Each quarter, we award CEO Spotlight Awards. These recipients are selected as the best from the nominations in the last quarter and demonstrate outstanding work or behaviours. Winners receive a financial reward and a CEO Spotlight trophy.

This year, we have taken the opportunity to further improve Cadent Congratulates and our new provider has made it even easier to say thank you. This year we have introduced a new category allowing nominations for fantastic customer service.

## Celebrating International Women in Engineering Day

This year's annual celebration showcases the 'the best, brightest, bravest women in engineering, who recognise a problem, then dare to be part of the solution.'

Our West Midlands Network Director Kate Grant has been named in the Women's Engineering Society's Top 50 Women in Engineering. Kate is a champion of renewable technologies and finding solutions to the climate change crisis. Her journey has taken her all the way from South Africa to the West Midlands, where she now manages a 15,000+ mile underground gas distribution network from North Staffordshire to Herefordshire, and the M1 to the Welsh border.

"I am thrilled and honoured to be among such company," said Kate. "There can be no better feeling than being acknowledged by your peers for doing something you really care about and love doing."

Achieving anything in life is not done independently; it is so important to surround yourself with a network of support – family, friends, work colleagues. You also need to learn flexibility and resilience – our profession is continually evolving, and you need to keep broadening your knowledge, so that you're ready for what's coming next."

The head of our Eastern Network Investment Planning Office, Monisha Gower, is among a further 50 women named in a highly commended list. Monisha joined Cadent four years ago and established an engineering delivery unit to deliver improvements to our asset health. Now, and another step up the ladder, she leads the new Investment Planning Office ('IPO') for the Eastern Network, covering asset management, network design, and delivering £1.2bn of asset investment over the coming years.

As a member of our diversity and inclusion steering group, Monisha challenges our supply chain partners to promote gender and ethnic minority representation in their workforce, with the launch of our new contracts. "I'm passionate about securing the Eastern IPO's resource 'pipeline' through new talent initiatives such as Apprenticeships, Industrial Placements, Engineering Training Programme and Graduate schemes. I am a Member of the Association for Project Management ('APM') and Institution of Engineering and Technology ('IET') with ambition to secure charterships. I also have the honour of mentoring a number of very talented young professionals through their career journeys."

