



Scottish & Southern
Electricity Networks

TRANSMISSION



Stakeholder-Led Strategy

A Network for Net Zero
Draft RIIO-T2 Business Plan



Stakeholder-Led Strategy



Strategic Objective

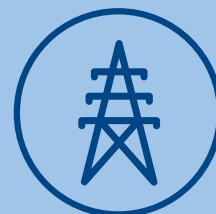
Stakeholder-Led Strategy

Taking a Whole System approach to network operation and development to meet current and future customers' needs.

Energy networks are built and operated to meet the needs of current and future customers, and so customers' and stakeholders' needs must be the drivers of all activities.

By taking a Whole System approach we will ensure that our actions are informed by the needs and priorities of all energy system users, not just those that are directly connected to our network.

Clear goal



Every connection delivered on time

Provide every network connection, tailored to meet our customers' needs, on time and on budget.



Targets for RIIO-T2

We are developing a set of targets by which our stakeholders can judge our progress against our strategic objective and specific outcomes that we have set ourselves. The indicative targets currently proposed are set out below with reference to current performance as a benchmark where available.

		2018/19	2025/26
Timely Connections* Proportion of offers for connections to the transmission network made to customers within the time periods set out in the industry code, currently 60 days.	Percentage proportion delivered on time	100%	100%
Quality of Connections* Measures connection customer satisfaction through the results of targeted surveys throughout the customer experience.	Percentage score	Not applicable	(TBC)
Stakeholder Satisfaction Measure of broad stakeholder satisfaction that combines results of a stakeholder satisfaction survey, performance on KPIs agreed with stakeholders, and an independent audit of our engagement activities.	KPIs: Percentage score	87%	>95%
	Assurance: Compliant/Non-compliant	Compliant	Compliant
	Survey: score out of 10	8.2	>9.5
Compliance with our Enhanced Reporting Framework Publication of a reporting package that covers service performance, financial performance and performance for society. All reporting must be easy to understand and accessible, consistent and comparable over time where appropriate.	Compliant/non-compliant	Not applicable	Compliant

*Financial incentive

Overview

What's in this section?

Some context... on why we believe it is important to be a stakeholder-led organisation and what we mean by stakeholder-led.

Some background... on the things we have done over the last five years to be stakeholder-led.

Who are our stakeholders... the difference between stakeholders and customers, and our obligations to the north of Scotland and the whole of GB.

Our approach to fundamentally reviewing our Stakeholder Engagement Strategy... we have gathered views from stakeholders about our current approach and their expectations from us in the future; this says we need to change to embed the needs of stakeholders across our activities. We have followed a thorough process, including a review of best practice, to develop a draft Stakeholder Engagement Strategy with a new purpose, ambition, objectives and principles.

The Stakeholder-Led Commercial and Connections Policy... that will deliver tailored products and services for our customers, building an ongoing relationship with them to ensure an exceptional experience from project scoping right through to repowering. This includes our commitment to deliver all connections on time.

An Innovation Policy designed to deliver value for stakeholders... through an open and collaborative approach to identification of innovation, a value driven approach to selection, development, delivery and adoption of new ideas, both technological and commercial.

Our thoughts on how to ensure transparency on our performance... we propose a new framework for transparent performance reporting in RIIO-T2 that goes beyond regulatory reporting. Covering service performance, financial performance and performance for society it is designed on the Citizens Advice principles for RIIO-2.

Overview

Energy networks are built and operated to meet the needs of current and future customers, and so customers' and stakeholders' needs must be the drivers of all activities. This is what we mean by being stakeholder-led, putting the interests of customers and stakeholders at the centre of our strategy.

The need for this approach was strongly expressed by stakeholders during the 2017/18 review of our strategic objective¹. Prioritising stakeholder-led, safety and security, efficiency, and sustainability, our stakeholders have set our strategic direction for the next decade and expect that involvement and influence to continue in RIIO-T2.

In collaboration with stakeholders we have developed a draft Stakeholder Engagement Strategy designed to embed this. It sets out our engagement purpose, ambition, objectives and principles. This strategy will take our engagement to the next level, making us truly stakeholder-led.

The Stakeholder-Led Strategy that we are advocating goes far beyond Business as Usual engagement. It goes beyond the best practice of utility organisations and will take us to the forefront of engagement practice. By implementing the proposals described here, our ambition is to show leadership in engagement.

This new strategy is embedded in our Commercial and Connections and Innovation policies. These policies have been designed through the stakeholder-led approach and apply our engagement principles and objectives to practical delivery. The benefits of these policies are seen across the whole business plan.

Our connections customers asked for a more collaborative and accessible process. Through improved accessibility and tailored products and services we will meet the specific needs of different customers based on increased insights.

Our Innovation Policy is founded on the advice from stakeholders that we build on our successful delivery of cost effective innovation in RIIO-T1. The new policy focuses on understanding scope for innovation to deliver benefits for stakeholders. It uses increasingly open sourcing of ideas to broaden our opportunities and uses the measurement of value for stakeholders to determine the case for investment and whether trials have been a success.

What is a Stakeholder-Led Strategy?

The case for being Stakeholder-Led

With energy market transformation well underway, we have seen huge changes in the stakeholder engagement landscape over recent years driven by a supportive policy and regulatory context.

In addition to this focus on the needs of consumers, our stakeholders expect us to ensure that our plans are sustainable. What we mean by this is that in meeting the needs of current consumers we will not compromise the interests of future generations. This includes our impact on the environment and wider society.

While there is significant policy uncertainty in our sector, the direction of travel is clear. Decentralisation, decarbonisation, democratisation and digitalisation are underway, seeking to move us to a post-trilemma world where clean, secure and affordable energy provides a basis for clean growth in our economy.

As the transition continues, traditional approaches and business models will become inefficient and even irrelevant. Organisations that are entrenched in industry norms and resist progress will fail to meet the expectations of customers, society and regulators.

But the requirements of this new world are not clearly defined or visible as far ahead as the timescale of the price control require planning for. There are trade-offs to be made between short and long-term goals, and between the interests of different customer and stakeholder groups.

An increasingly decentralised and decarbonised energy system creates different technical challenges. It will be operated in new ways and used to provide new solutions to energy demands. While digitalisation will increase efficiency in the longer term, it comes at a capital cost that may impact short term affordability. Democratisation requires involvement of consumers in markets and decisions traditionally considered too complex for mass involvement.

We recognise that we do not have all the answers. Meaningful stakeholder involvement will be essential to finding solutions to these challenges. This requires involvement of a much broader group of stakeholders, including energy innovators, first to understand the needs that must be met, and then to work together on designing solutions to meet these needs.

We propose that Stakeholder-Led Strategy must respond to both the challenges and opportunities our customers are experiencing today and be working with customers and stakeholder to design and develop responses to the challenges of the future.

Our experiences over the past few years have shown us that taking stakeholder engagement to the next level, putting it at the centre of our strategy development, planning and decision making, can deliver increased customer satisfaction, better outcomes for consumers and society, and real progress on energy transition aims.

Our ambition for our draft Business Plan is that it:

- Delivers on the needs of our customers - current and future - in challenging markets;
- Meets the energy transition ambitions of our governments;
- Comes at a cost that is acceptable to end consumers and supports the vulnerable;
- Has a positive impact on the natural environment;
- Delivers security and opportunity for our employees; and
- Provides value to our shareholders and society.

We also want to ensure that our approach to any required trade-offs between these priorities is transparent; and, that the outputs and outcomes we are targeting are meaningful indicators of delivery to which our stakeholders can hold us to account.

This is what it means for us to be Stakeholder-Led in developing and delivering our draft Business Plan.

Being Stakeholder-Led

Our experience of being Stakeholder-Led in RIIO-T1

Since 2010 the primary focus of our activities has been developing the infrastructure required to enable the connection of large volumes of renewable energy generation in the north of Scotland. Connections provision and project development were our main activities, and this is where our engagement focused. Over that time, we have learned and adapted, making significant improvements in our approaches to engagement for capital infrastructure development.

Having learned from the Public Inquiry into the Beaulieu Denny project in 2006, we now engage earlier with stakeholders, working together with other organisations to design decision-making frameworks that incorporate their priorities and concerns. We have built a customer and communities team that takes our plans and considerations into affected communities to gather their views and address their concerns.

In this we have continuously improved. Our adoption of new tools and technology such as 3D modelling has addressed stakeholder feedback about the complexity of messaging on one of their main concerns – visual impact; and delivered increased value for money in our engagement activities.

Through this improved engagement we have delivered over 4GW of new connections and increased stakeholder satisfaction to over 80%.

We engage with our suppliers and small businesses to develop innovative solutions to stakeholder concerns and to increase efficiency to benefit the end consumer.

Through our best practice Meet the Buyer events and our Open 4 Business web platform we have opened up access to local businesses, providing increased opportunities for local procurement.

More recently, we have identified several areas where more in-depth engagement with stakeholders was required to inform our decision-making at a strategic level.

One example of this was the development of our North of Scotland Future Energy Scenarios². Stakeholders worked with us to identify the key drivers for change in energy demand in the north of Scotland, including the potential for new electricity demand from the electrification of heat and transport. Our stakeholders challenged us to include a scenario where policy ambition was not realised, and another where ambitious decarbonisation was delivered in line with climate science. In total, over 150 stakeholders were engaged in developing our three robust, credible future energy scenarios.

These experiences have taught us the benefits of engagement, involvement and collaboration. When successful, this can lead to greater customer satisfaction, better solutions and outcomes, and cost savings for consumers.



Our May 2018 Alternative Approach engagement event

Working with our customers in Orkney

By listening to our customers, we identified the main barriers to connection:

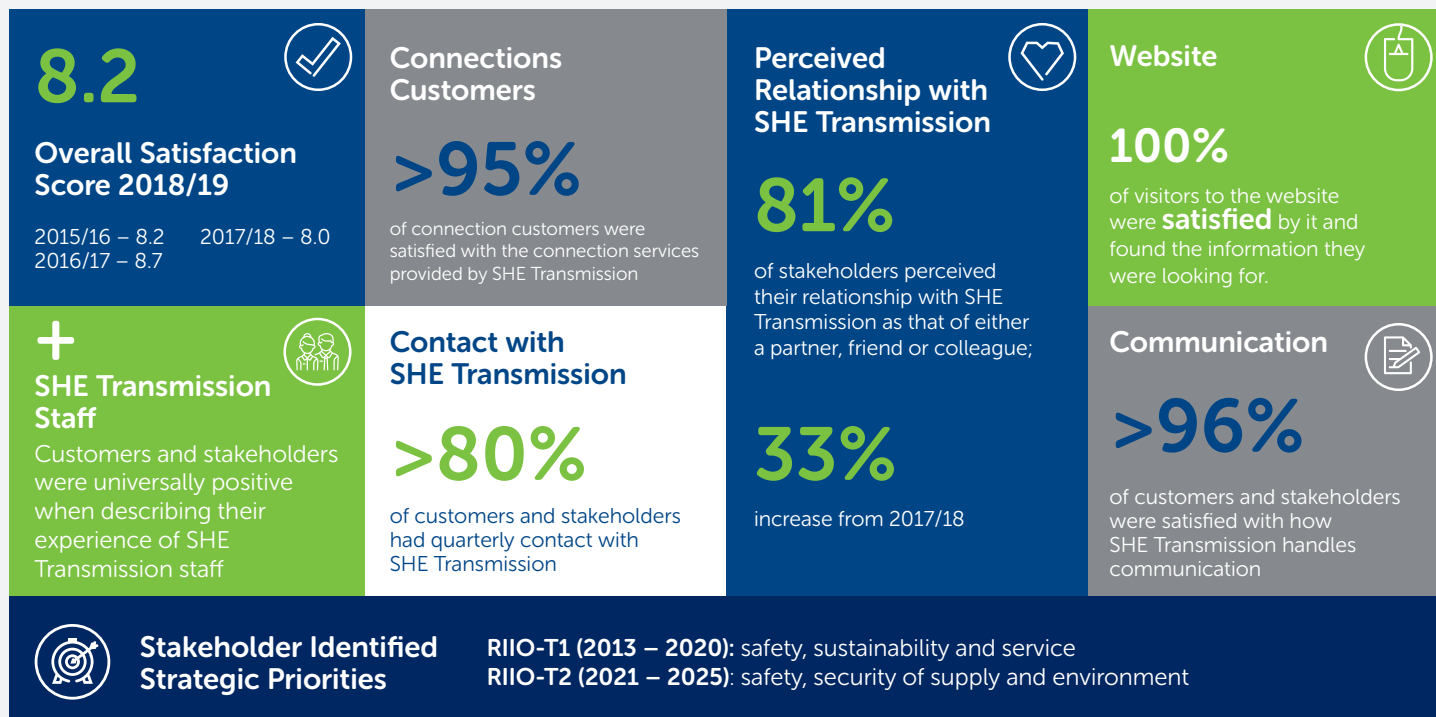
- Lack of government support for remote island generation;
- Connection timescales misaligned with regulatory approvals;
- Connection costs and liabilities that were prohibitive – particularly for smaller customers/ communities.
- First come, first served connection queues; and,

Working collaboratively, we developed the Alternative Approach³ to address these barriers and unblock progress. This is an example of a Stakeholder-Led process to drive commercial innovation.

²Future Energy Scenarios (SSEN Transmission, 2018) available at: www.ssen-transmission.co.uk/information-centre/industry-and-regulation/future-energy-scenarios/

³Orkney Alternative Approach (SSEN Transmission, 2018) available at: www.ssen-transmission.co.uk/news-views/articles/2018/6/solving-orkney-s-catch-22/

The survey was conducted independently by Social Market Research (SMR) and is based on interviews with a sample of 111 stakeholders. The survey results provide us with valuable insight on the business activities that matter to our stakeholders and also help to inform and shape our future engagement. We are extremely proud of our fourth consecutive year of scoring above 80%.



In the survey we asked our stakeholders to describe SHE Transmission's personality in one word or phrase. The responses are captured in the word map below with common themes being reliable, helpful, approachable, trustworthy, confident and professional. This valuable insight, positive and negative, was used to inform and shape the development of our new engagement strategy which we will implement during 2019/20.



Who are our stakeholders?



Customers

As a transmission system owner, our direct customer is National Grid ESO and indirectly the electricity generators, large demand customers and distribution network owners that are directly connected to our network.

With a significant proportion of the generation feeding on to our network being directly connected to the distribution network, we also consider these parties to be our customers.



Consumers

However, our ultimate customer is the energy consumer, be they domestic or industrial and commercial users of energy. The 705,000 households and 74,000 businesses in the north of Scotland are dependent on our operational performance. The GB consumer, as the bill payer, has an interest in the investments we make, the funding for which is recovered through bills.

There are numerous bodies who represent the interests of consumers, some general and some focussed on specific groups of consumers, e.g. those that are vulnerable or in fuel poverty. These groups are also stakeholders.



Stakeholders

Because our activities have an impact on local communities, our supply chain and the environment, these stakeholders are additional parties interested in and seeking to influence our business planning and our delivery.

Communities are a major stakeholder in our project development and our operations. Landowners who provide us with access to build and maintain our infrastructure are another important group.

In the interest of co-ordinated development and minimising impacts on communities, we work with other infrastructure companies such as Scottish Water and Transport Scotland.

At a strategic level, the UK and Scottish Governments are also stakeholders in our business plans. As a developer of Critical National Infrastructure, they rely on us to enable the delivery of their policy ambitions. Local authorities are also increasingly influential. Our regulator, Ofgem, has responsibility for ensuring that we meet our statutory duties and licence requirements. In addition to Ofgem, the environmental impacts of our development and operations are regulated by SEPA.

The increasing interdependencies between energy networks has made other network owners priority stakeholders in our business planning and operations. This is not limited to electricity, gas network owners can also be impacted by, and impact on, our network.

With increasing decarbonisation in other sectors, the expectation of electrification as a route to decarbonisation of other sectors including transport and heat has increased the need for us to engage actively with parties in these sectors. This can stretch as far as auto manufacturers and developers of new heating solutions.

Shareholders are a major stakeholder for our business with engagement concentrated on strategy and performance.

Our own employees are also a major stakeholder in our business. It is these employees that deliver our performance and they have expectations in terms of job security, skills alignment and opportunities for progression.

Future customers

One of our hardest to reach stakeholders is future customers.

The end consumers of 2030 will be largely those of today. Some stakeholders have advised us that drastic changes in their expectations are unlikely over the period of the price control. However, new consumption habits such as charging electric vehicles at home, could influence the expectations of this group.

Other future customers include young people who will ultimately become bill payers. Young people in the UK are generally more environmentally conscious than older generations. They prioritise climate action, are digitally literate and expect personalisation of service and communications⁴.

Their expectations on corporations to be inclusive, and to make a positive contribution to society is an expansion of the wider social trend on expectations for corporate social responsibility and fairness in tax and wages.

Some of our future customers are not yet visible. Energy innovators designing new solutions to energy challenges are still forming and will continue to form as new markets develop.

In RIIO-T1 we have relied on these organisations identifying themselves to us and seeking out discussions, often as part of connections processes which were not designed for exploratory and creative discussions. However, in our innovation and industry change projects we are actively identifying potential future customers. In RIIO-T2 we will be more involved in innovation and collaboration being led by others, and will provide access, information and scope to influence for those that recognise their role as future customers of our system.

-  Transmission connected generation and demand customers
-  Distribution network owners and other utilities
-  Consumer representative groups
-  Energy consumers
-  Government
-  Local Authorities
-  Contractors
-  Consultants and specialist professionals
-  Supply chain participants
-  Landowners
-  Statutory consultees
-  Transmission owners
-  Electricity System Operator
-  Trade bodies
-  Developers
-  Regulators
-  Academia
-  Non-governmental organisations and voluntary bodies
-  Communities
-  Employees
-  Shareholders
-  Energy innovators
-  Development agencies

Our stakeholders

Enhanced engagement

RIIO-T2 User Group integration with the Stakeholder Advisory Panel

Within the development of the RIIO-2 framework, Ofgem introduced an enhanced stakeholder engagement model which proposed the creation of a distinct stakeholder User Group for the RIIO-T2 price control.

As the Stakeholder Advisory Panel's tenure had reached one year when this was announced, best practice from this Panel was applied to the set-up of the planning, recruitment and induction of the RIIO-T2 User Group.

In addition, the User Group Chairperson attended the Stakeholder Advisory Panel to understand the objectives and nature of the topics discussed. This has been complemented by the recruitment of a serving Panel Member to the RIIO-T2 User Group providing further alignment.

The Panel are providing comprehensive support to the RIIO-T2 plan, dedicating an additional two days to review and challenge our Business Plan drafts before submission to the regulator.

More on our Stakeholder Advisory Panel can be found here:
<https://www.ssen.co.uk/Stakeholderengagement/Panels/>



Being Stakeholder-Led during RIIO-T2

A new Stakeholder Engagement Strategy

We know from the most successful companies that good performance is inextricably linked to effective engagement. It helps us to understand our place in society; holds us to account; ensures we can adapt to the rapidly changing external environment in which we operate; and ultimately improves the services we offer our stakeholders and the decisions we take on their behalf.

In an era of social, technological and environmental disruption, where new forms of collaboration are emerging and demands for transparency are transforming regulated industries, there are growing calls for companies to find more effective ways to engage with stakeholders.

This rate of change, particularly in the energy industry as we transition to a low carbon economy, is creating a far more complex environment to operate in and our stakeholder engagement strategy must evolve to reflect this.

Stakeholder-Led activities, such as our North of Scotland Future Energy Scenarios which was developed with extensive engagement with over 150 experts, have shown us that taking stakeholder engagement to the next level, putting it at the centre of our strategy development, planning and decision making, can deliver: increased customer satisfaction, better outcomes for consumers and society, and real progress on energy transition aims.

However, our stakeholders have highlighted that, whilst in some of our activities we are highly engaged and responsive, we are inconsistent in our approach

Their expectation is for high quality engagement to be replicated across all our activities as standard. Stakeholders are calling for us to adopt best practice not just from our industry but from other sectors that are leading.

To achieve this, we have worked with stakeholders and engagement experts to design an engagement strategy that steps up to that challenge.

The following pages are the results of that review, demonstrating how we intend to build upon our positive experiences during RIIO-T1 and become leaders in stakeholder engagement.

Methodology

To create a meaningful and significant step-change in our stakeholder engagement approach, it is essential that we carry out robust and high quality engagement with our stakeholders to determine their expectations.

Our employees engage day to day with our stakeholders. They hear and share stakeholders' frustrations and have valuable insights that can create a new achievable approach to stakeholder engagement. Our external stakeholders hold the information on what customers and society expect from us and will be directly impacted by our Stakeholder Engagement Strategy. Our methodology was designed to gather stakeholder input from across the spectrum, and to rationalise what is achievable with customer and societal expectations.

In addition to gathering input from our stakeholders, we also conducted research on stakeholder engagement best practice with the help of Corporate Culture – external specialists in employee and stakeholder engagement, and strategic and creative delivery.

Our RIIO-T2 User Group and our Stakeholder Advisory Panel have contributed to the development and review of our methodology and analysis, helping shape our strategy and ensuring we have interpreted our stakeholder needs effectively.

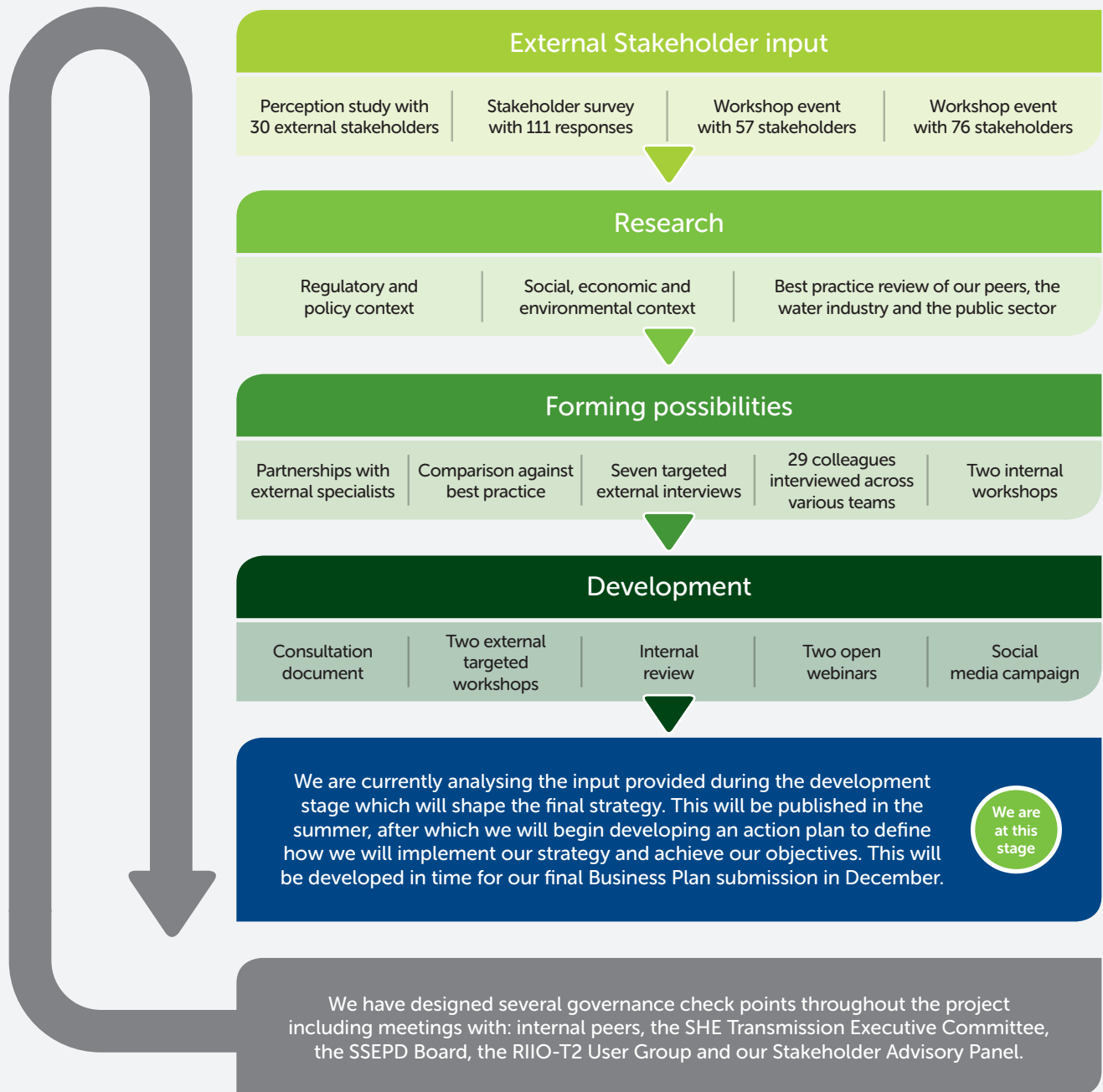
Our draft Stakeholder Engagement Strategy pulled together the results of this input and was consulted on throughout June 2019. We are now starting the results analysis which will shape the final strategy.

We've learnt that successful businesses require a transformative approach to stakeholder engagement so that it improves continuously over time. This means it isn't subject to a regular review cycle but evolves organically. As a result, our stakeholder engagement strategy document will be updated on an annual basis to incorporate any improvements which are developed.

Therefore, we still welcome your views and opinions on our draft strategy which is included in this plan.

For more details contact Communications Policy Manager, Sarah Dooley: sarah.dooley@sse.com

How we have developed our draft Stakeholder Engagement Strategy



Best Practice

We looked within and beyond our sector for best practice including: our peers in the energy industry, new market entrants and Distribution Network Operators; the water industry and their experience of PR19⁵; and the public sector across Great Britain. From this review it was clear that the businesses leading in stakeholder engagement had several key attributes which we have incorporated into our draft Strategy.

A clear stakeholder ambition and objectives

Leaders put stakeholder needs at the centre of their business and adopt service-led goals, using the stakeholders voice to drive continuous, measurable improvement aligned to higher-level social needs.

Robust processes and governance structures

Leaders use governance and processes to embed the stakeholder voice in all decisions.

Transparency on issues and successes

Leaders understand that trust is vital to build lasting relationships.

Segmented stakeholders and tailored engagement

Leaders identify a broad range of stakeholders aligned to issue areas, including future customers, those directly impacted and those who have specific needs in their market.

A whole-system view and wide collaboration activities

Leaders bring together a broad range of stakeholders to share perspectives and co-design possible approaches, and to share data and knowledge openly in a timely fashion to ensure all stakeholders have access to the same information.

Clear feedback loops and evidence of engagement leading to action

Leaders monitor stakeholder interactions, with timely feedback loops in place to report back openly on the outcomes and highlight any areas of disagreement or 'compromise'.

Focus on improving the customer experience

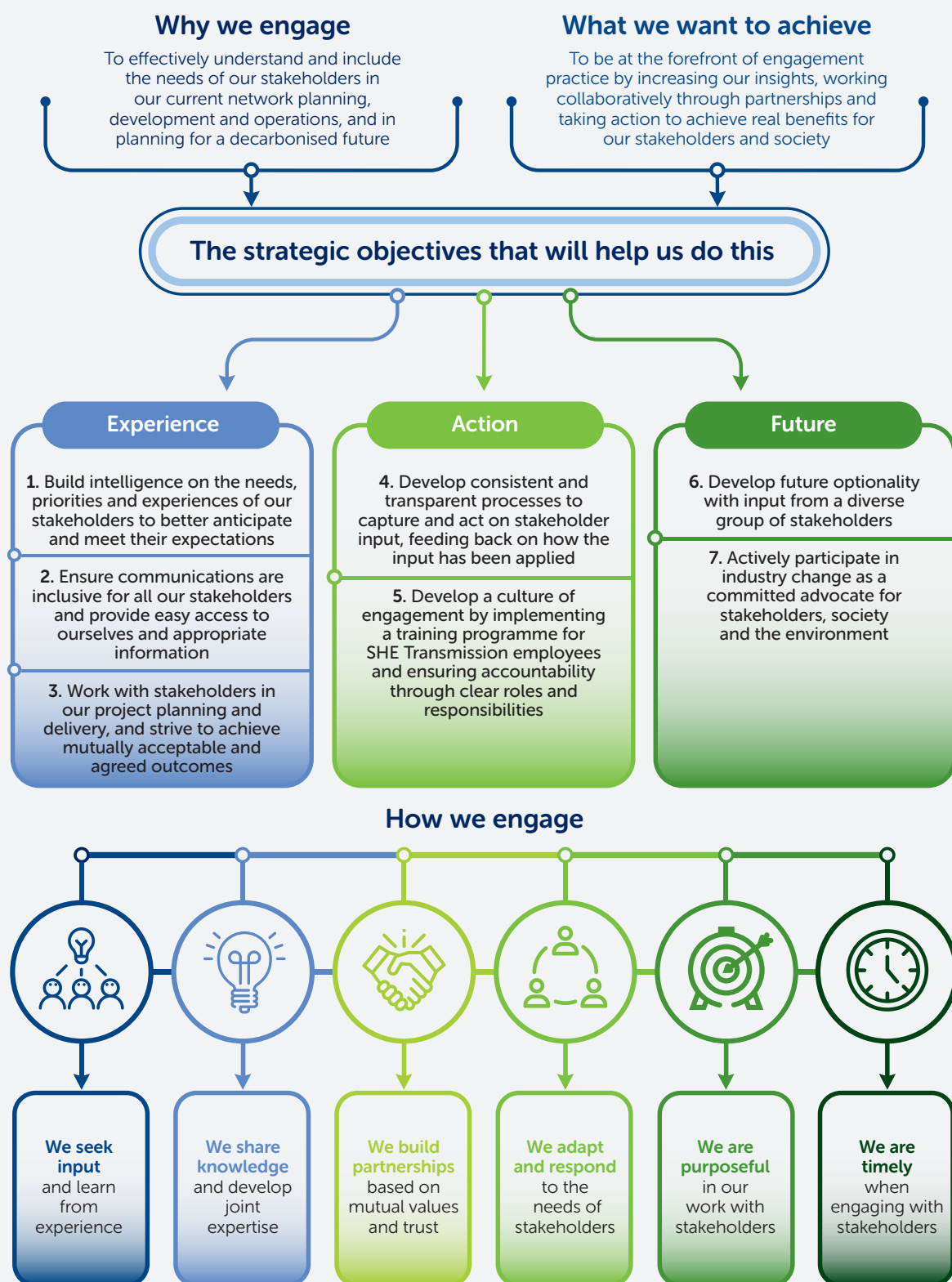
Leaders understand who their customers are, they are aware of their needs and look to adapt services to maximise the benefits they receive.

Views and Analysis

In developing our strategy, we asked stakeholders for anonymous feedback on their experiences and expectations. Some examples of this are shown in the table below.

Area for improvement	Stakeholder input	Our response
Reasons for engaging	People want us to take on an ambitious step change in our stakeholder engagement. They want us to develop a stronger understanding of our stakeholders and align our priorities, putting the needs of stakeholders at the centre of what we do.	We share this ambition and have shaped our strategy to show our commitment to this new approach, particularly in our purpose and ambition.
Engaging with people	Many want us to improve our engagement to limit stakeholder fatigue, use joint events to optimise stakeholders' resources, provide more tailored events and increase our online channels.	We recognise we have not always followed best practice and have designed objectives under "experience" to improve.
Consistency	People noted that our business can be inconsistent in our messages, our methods of engaging and our approach to using stakeholder input. They see areas of success but can also become frustrated in others.	We have developed objectives under "Action" to address our processes and our culture of engagement.
Change	People have stressed the need to use stakeholder engagement to continuously improve and use their input to create stronger business plans. It was also requested that we drive policy change, influencing where we can on behalf of our stakeholders who may not have a voice.	We share this sense of responsibility and have created objectives under "future" to help us develop this.
Approach	All stakeholders highlighted the quality and importance of strong working relationships and praised our people. However, they noted several areas for improvement including our transparency, timeliness, and our desire to seek and adapt to stakeholders' input.	We are proud of our people and feel that by enhancing our principles and our use of them, we will increase this positive reputation.

Our draft Stakeholder Engagement Strategy



Principles

Our principles describe the ways in which we engage with our stakeholders. They help us deliver our ambition by defining and facilitating the culture we need and the behaviours we are adopting. They help our colleagues when deciding who, how and when to engage.

Our principles were built upon the Accountability AA1000 Stakeholder Engagement Standard⁶ and help steer our improvements in engaging with stakeholders. Our principles also incorporate the additional improvement areas that were raised during our engagement.



We seek input and learn from experience

When we proactively reach out to stakeholders, we achieve more efficient outputs because they are informed by a diverse range of insights. This allows us to meet the needs of our stakeholders, increase innovation within the business and develop our continual improvement process.



We adapt and respond to the needs of stakeholders

Energy networks are built and operated to meet the needs of current and future customers. To do this, we sometimes need to make decisions which may not satisfy all stakeholders; particularly where the interests of different parties are in conflict. However, we will adapt where possible and provide clear information on decisions and reasoning.



We share knowledge and develop joint expertise

We recognise to solve the energy challenges we face, we need external expertise, but we also have knowledge that can help our stakeholders. By sharing knowledge, we can speed up the learning process, develop innovative solutions, and improve our stakeholders' satisfaction as it gives them information they require to meet their needs.



We are purposeful in our work with stakeholders

We are purposeful in our work with stakeholders. We understand that our stakeholders have wider priorities beyond those that we share. We also acknowledge that they may have resource constraints. Therefore, we will create a culture that drives us to create purposeful engagement opportunities that are focused on achieving tangible outputs.



We build partnerships based on mutual values and trust

To deliver whole-system outcomes that offer the most benefit to the end consumer, we need to work as partners. This means we need to develop stronger relationships which enable open and honest discussions and encourages shared responsibility where appropriate.



We are timely when engaging with stakeholders

Our stakeholders have specifically told us to improve our planning as timely engagement is important to them. When we engage too late during a project, issues can arise that are not easily fixed, which wastes time and risks a breakdown in trust.

Objectives

Experience

How we will improve our stakeholders and customers experience when engaging with us.

Objective 1: Build intelligence on the needs, priorities and experiences of our stakeholders to better anticipate and meet their expectations

Our range of stakeholders is extensive and they each have their own goals, needs and challenges. To ensure we provide a service that meets these varying needs is challenging. For example, our connecting customers may have needs which conflict with land owners and communities. Therefore, it is not enough to just gather information on who our stakeholders are, we need to develop our understanding of their individual wants and needs.

Objective 2: Ensure communications are inclusive for all our stakeholders and provide easy access to ourselves and appropriate information

To ensure we don't limit who our stakeholders are or their access to the information they require, we will ensure everyone can access the information they need where we are permitted to do so, in a form that is suitable to them and their needs – including those who may not have engaged with us before, who will need help getting to the right place.

Objective 3: Work with stakeholders in our project planning and delivery, and strive to achieve mutually acceptable and agreed outcomes

We have a proven track record of successfully delivering large infrastructure projects in the challenging north Scotland terrain (in terms of its geography and climate). With every project our approach to engagement has evolved, from the Public Inquiry for the Beaulieu to Denny overhead line back in 2006, to Ofgem's recent consultations on Orkney, Shetland and the Western Isles. Going forward we want to take this evolution further ensuring we engage in a timely fashion with stakeholders when looking for the right solution.

Action

The significant action we are taking to create a step change in our approach to stakeholder engagement.

Objective 4: Develop consistent and transparent processes to capture and act on stakeholder input, feeding back on how the input has been applied

Since the start of RIIO-T1 the north of Scotland transmission network has grown substantially. From 2010 we have invested £3 billion to provide new connections for renewable generation by upgrading and growing the transmission network in the north of Scotland. Whilst this growth has led to significant changes within the business, the development of our process have not been consistent. This will be addressed through a thorough review and update.

Objective 5: Develop a culture of engagement by implementing a training programme for our employees and ensuring accountability through clear roles and responsibilities

As our business and industry matures and we move into the RIIO-T2 price control period, we want to ensure all areas of our business are focused on engagement and delivering in the interests of our customers, society and the environment. To do this, we will build on our existing strengths to shape behaviours that put customers and stakeholders at the centre of our activities.

Future

How we will work with stakeholders to shape a resilient energy future.

Objective 6: Develop future optionality with input from a diverse group of stakeholders

In planning for the north of Scotland's future energy system we need to account for the region's unique geographical, topological and socioeconomic features to ensure we can continue to meet customers' needs. To do this we must understand which technologies are likely to impact energy generation and demand, and how energy users might use the network in the future. Our ambition is to bring together a wide range of stakeholders – from experts in this area and influencers, to current and future end users – to share information which will help us define potential futures.

Objective 7: Actively participate in industry change as a committed advocate for stakeholders, society and the environment

Throughout RIIO-T1 we have been operating in an uncertain political and economic environment of changing governments, referendums and policy regimes. This is coupled with increasing technology innovation, the ever-changing energy landscape and the desire for GB's energy system to transition towards a low-carbon economy. Going forward we will actively join and start conversations on change, to ensure key decision makers such as regulators and government are aware of and have given due consideration to the needs of our stakeholders, society and the environment.





Next steps

The consultation period for the Stakeholder Engagement Strategy ends on Friday 28 June. The input provided by stakeholders will be reviewed, analysed and used to create a final Strategy.

Some of the early feedback on our draft Stakeholder Engagement Strategy has included the need for us to emphasise (and explain) why and how we will feedback to Stakeholders following their input. We agree with this and work has already begun on drafting this content for the final document.

Once the Strategy has been finalised we will work with stakeholders to create a supporting Action Plan. This document will call out how we will put this strategy in to practice: highlighting the specific initiatives required to deliver our strategic objectives; the measures and targets required for each objective; and who will own the actions within the business to drive them forwards. For example, the following actions may be defined to deliver objective five and create a culture of engagement:

- Carry out a business wide Training Needs Assessment;
- Review and update all Role Profiles to ensure inclusion of stakeholder engagement responsibilities; and
- Create specific opportunities for employees to trial new stakeholder engagement activities to learn and progress.

We plan to work closely with a range of stakeholders to develop this Action Plan and if you would like to get involved, please contact our Communications Policy Manager, Sarah Dooley: sarah.dooley@sse.com

Our Team

To support this strategy a new Transmission business model has been put in place which includes a new role, Director of Customers and Stakeholders.

This recognises the important role that customers and stakeholders have in shaping our current and future business plans. The new structure will drive change and deliver our ambition of becoming a recognised leader in engagement. The teams within the new directorate have been strengthened with six additional staff covering community liaison, stakeholder engagement, communications policy and digital material design. This growth of the team will continue in RIIO-T2 to support the expanded engagement programme and the new Commercial and Connections policy.

In addition, to provide greater visibility and governance we have introduced bi-weekly stakeholder engagement practitioner meetings and monthly review meetings chaired by a member of the Transmission senior management team.

The Customer and Stakeholder team will develop and manage all transmission related communication and engagement with both internal stakeholders (i.e. employees within SHE Transmission, SSE Networks and the wider group) and all external customer and stakeholder groups (e.g. Developers, Landowners, Statutory Consultees etc).



SSEPD Board

Managing Director, Transmission

Director of Base Capex and Customer Connections Delivery

Director of Business Planning and Commercial

Director of Capital Development and Delivery

Director of Customers and Stakeholder

Director of Finance

Director of Operations and Asset Management

Head of Regulation

Transmission Executive Committee

"The creation of this role is to recognise the importance of stakeholder engagement in our business, by having the function reporting directly into me.

This will deliver an effective customer approach that enables simple and clear lines of communication, placing customer requirements at the centre of our strategy. This will include internal communications, stakeholder engagement, community liaison and commercial contracts and will work closely with the Corporate Affairs team."

Rob McDonald (Managing Director, Transmission) on the new role of Director of Customers and Stakeholders

Commercial and Connections Policy

We play a key role in providing customers with a route to the GB energy market by connecting them to our network. In RIIO-T2, achieving our Strategic Objective to enable the transition to a low carbon energy economy requires the connection of significant additional low carbon energy generation, demand and flexibility services. All technologies looking to connect to our network are our customers. Regardless of the size or type of low carbon technology looking to connect to our network, we must provide all customers with a quality connections service to achieve our Strategic Objective.

Our connections customers are one of our core stakeholder groups and so our RIIO-T2 Commercial and Connections Policy was developed using the same fundamental principles and objectives as our wider engagement strategy. We think this is an evident example of how our proposed strategy, principles and objectives could be applied to our business in practice. We've structured this section based on the objectives under experience, action and future and called out objectives that apply to both the development and content of this policy.

Developing our Commercial and Connections Policy

Looking back on RIIO-T1 our primary focus was providing connections offers and working with customers to deliver their connection on time to meet customers' needs (mainly driven by the government subsidy regime available at the time - the Renewables Obligation). Our focus reflected our customers' needs and the RIIO-T1 regulatory framework at the time. We believe we met our customers' needs during RIIO-T1, demonstrated by achieving over 95% customer satisfaction (on average) with our connections service.

During RIIO-T1 we also learnt customers' expectations go beyond the provision of offers and connections delivery. We worked closely with customers to overcome obstacles and get them connected to our network, including introducing innovative commercial and physical connections solutions.

The industry direction of travel points towards a potential subsidy free (or low subsidy) market. This means we are likely to see a change in customer behaviour. We expect customers focus on affordability and flexibility and the overall quality of their connection will increase as we move towards a low carbon economy. Customers' expectations of us to provide a quality service and solution are high.

From our Future Energy Scenarios, we know that the location, type and size of our future connection customers requiring our connection services is uncertain. But we do know that it is essential that we get customers connected on time and provide a quality experience and solution. Given this uncertainty and the rate of change in the energy industry being able to adapt our service to meet our customers' expectations has been included in our commercial and connections policy aim.

We built our own intelligence of what the future may hold for our connections business but we know the most valuable intelligence will come from our customers and stakeholders. Aligning with stakeholder objective two, we wanted to make sure any engagement was as accessible as possible for all stakeholders and used a variety of methods to target customers and stakeholders interested in connections. This included face to face events and meetings, online consultations and webinars and phone calls.

From late 2018, we engaged directly with over 100 stakeholders over a six-month period (not including those who attended industry events or wider RIIO-T2 events), facilitated four events, attended four industry events as well as gathering feedback from customers directly. Aligning with stakeholder objective three, over this six-month period we worked with stakeholders in our project planning, from the initial connections aim and ambitions phase to the development of our detailed policy initiatives. Aligning with stakeholder objective 4, we've shown an example at the bottom of the page of how stakeholder feedback has been captured and acted upon.

Stakeholder ask	Our plans	Stakeholder response
"What changes could be made ...to: enhance customer engagement and measure customer satisfaction"	We developed our proposed connections aim and ambitions through our targeted engagement	67% of stakeholders were satisfied (the remainder being neutral) with our aim and ambitions
"Let applicants know the feasibility and suitability of their connection before application."	We developed a new online availability map for customers to digitise the scoping stage before formal application	92% of stakeholders were satisfied (the remainder being neutral) with our digitised initiatives
"Keeping the data fresh will be a challenge..."	Our proposed network availability map will be linked to our internal connections systems to keep data fresh	To be confirmed following consultation of our draft Business Plan

Aligning with stakeholder objective one, to anticipate the needs of our current and future customers we had to build intelligence of what their needs could be. To do this we looked back at our own and other network operators experience, looked across the industry and GB energy policy landscape to understand the potential future opportunities and challenges of our connections customers. We also asked our connections customers and stakeholders through a targeted engagement programme.

We know from our experience from RIIO-T1, Future Energy Scenarios and stakeholder feedback we can achieve more working in partnership with customers beyond the minimum expectation of delivering on time application and delivery. From building this intelligence we have realised we have already begun to transform our role as a Transmission Owner from having an indirect, transactional approach to connections to becoming a customer centric business with engaged customer partnerships.

Experience: Our Commercial and Connections Policy

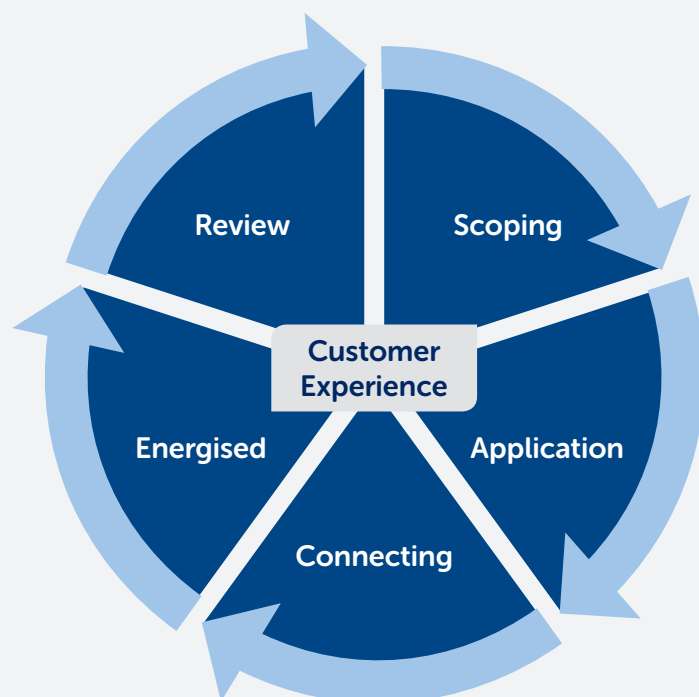
Meeting our customers' needs during RIIO-T2 requires solutions with increasing complexity, innovation and whole system thinking. Our RIIO-T2 Commercial and Connections Policy encourages continuous improvement to meet customer's expectations which are high and fluctuating and ensures adaptability to customers' needs above and beyond the licence and codes.

In line with objective two of our Stakeholder Engagement Strategy, we have designed our new Commercial and Connections Policy to provide clear and open communications for connections customers and provide access to information.

All our connected customers – existing and future – expect and deserve an exceptional customer service throughout their entire customer experience. As we move towards a low carbon economy and a flexible energy system our customers told us our service must go beyond the application and connecting stage to achieve our strategic objective



Our May 2019 Commercial and Connections round table



Our connections aim for RIIO-T2 is to: provide tailored solutions and services for all our connection customers throughout the customer experience that are also optimal for the wider GB energy consumer.

Through targeted engagement with commercial and connections stakeholders and review of customer feedback, we have collaboratively designed our RIIO-T2 Commercial and Connections Policy ambitions and framed our proposed policies around the following three ambitions:

1. Optimal connection solutions

We will work with our customers to ensure their connection solution is optimal for their individual project economics and timescales, whilst ensuring it is also the optimal solution for the wider network and GB consumers.

2. Tailored customer services and products for our existing and future customers

From project scoping to repowering we aim to provide the services and products that matter to our customers today and in the future throughout the customer experience

3. Accessible connections process

We will make sure the customer experience is simple, transparent, efficient and fit for the future by being advocates for our customers

To achieve the above ambitions (and our goal of all connections delivered on time), with stakeholders we have developed eight policy initiatives to deliver during RIIO-T2. Within these initiatives we have proposed 12 new tailored products and services to meet customer expectations.

To deliver value to these stakeholders through an optimal connection solution we have focused on digitising our current process. Aligning with stakeholder objective two, this will make the process more accessible for stakeholders. This includes a new live network availability map allowing stakeholders to keep up to date with our networks current and future planning and for customers to scope their projects efficiently before application. We've also proposed a new online portal to allow stakeholders to digitally store all their connections documents, track their connection's progress, monitor their projects performance and to directly contact the member of our team working on their connection. Digitising the connections process aims to unlock collaborative benefits of whole system thinking, customer partnerships and innovation.

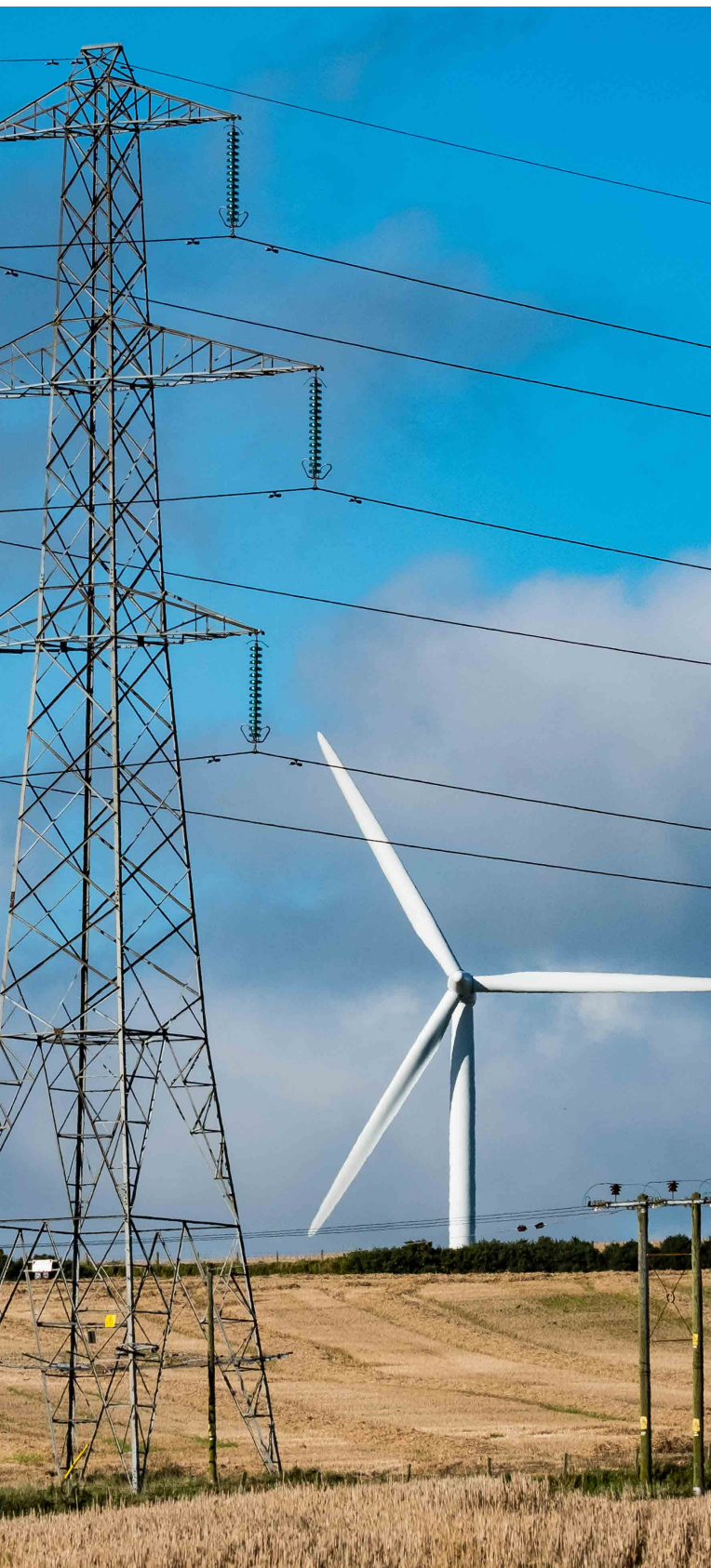
Aligning with stakeholder objective one, to deliver tailored customer services and products we are introducing new products and services to suit customers' needs adding flexibility in the application and connecting process. This includes a new energised service to minimise business disruption for our stakeholders during planned outages. Aligning with stakeholder objective three, the new energised service will share more information and collaborate with stakeholders on solutions from the project planning through to delivery stage. This includes a new proactive review service which makes sure our energised customers are on the optimal connection solution.

Taking action to implement and measure success of our Commercial and Connections Policy

These approaches are not currently business as usual for networks. Delivering this policy will require business and cultural change. The structure of the new Customer Experience team will be aligned to this policy and the stakeholder engagement strategy. Aligning with stakeholder objective five, the customer centric approach will be included in the Action objectives of the stakeholder engagement Action Plan to ensure that it is embedded in our processes, systems and culture.

We mentioned in the key outcomes section that the initial feedback we received from stakeholders was that our proposed plans lacked ambition. However, following our focused engagement, the majority of stakeholders reported that they were 'satisfied' with our policy initiatives to deliver each of the three ambitions rating their satisfaction at 4.1 out of 5 on average.

The best measure of success in implementation of the Commercial and Connections Policy is the satisfaction of our customers throughout their customer journey. By the end of RIIO-T2 our goal is to achieve customer satisfaction. Aligning with stakeholder objective four, this will be measured through specially designed surveys and reported in our annual service performance report. These results will allow stakeholders to hold us to account for our performance and will provide encouragement for continuous improvement.



Future: Policy development and engagement

To deliver ambition three, aligning with stakeholder objective seven, we will enhance our engagement and relationship with customers by being advocates for them in wider industry policy debates. This includes keeping customers up to date with industry policy changes and horizon scanning for any new market opportunities. We've also proposed a new collaboration service to enable the efficient connection of multiple customers through co-location and consortia arrangements. This includes a new customer forum page and a 'register interest' feature on our website to capture feedback and create a space for collaboration between customers.

Throughout the RII0-T2 price control we will continue to engage with connections stakeholders to ensure we continue to meet their expectations by adapting our connections products and services as we continue our transformation to a customer centric business enabling a route to market for low carbon technologies.

We have published a draft of our Commercial and Connections Policy⁷ alongside the Business Plan and are inviting customers to collaborate with us in further developing and refining these.

What do you think of our ambitions and initiatives for connections? Do these align with your future needs?



Are there any specific services or policy initiatives we should consider for connections?

What do you think of our proposed customer satisfaction survey to measure our success? Is there another way we should measure our success?

⁷Commercial and Connection Policy (SSEN Transmission, 2019) available at: <https://www.ssen-transmission.co.uk/media/3405/ssen-riio-t2-commercial-connections-policy-paper-28pp-22782-artwork.pdf>

Innovation Policy

Innovation, both technical and commercial, is an essential part of our way of working. We will continue to innovate and move quickly to keep pace with changing stakeholder needs. To do this we must be open and transparent with our stakeholders so that together we can develop new ideas and information.

We see innovation as a way of identifying and proving new ways of working for the long-term benefit of our stakeholders and ourselves. This is a broad interpretation and recognises that innovation can deliver value across our business operation, as demonstrated in our RIIO-T1 innovation performance. It also aims to drive a long-term view of benefits to all stakeholders, not just us.

In support of the definition we defined an objective for applying innovation. Aligning with our company's strategic objective we aim to assist the transition to a low carbon economy, whilst at least maintaining high levels of reliability in electricity supply and ensuring energy remains affordable for all.

The influence of stakeholders is at all stages of our Innovation Policy.

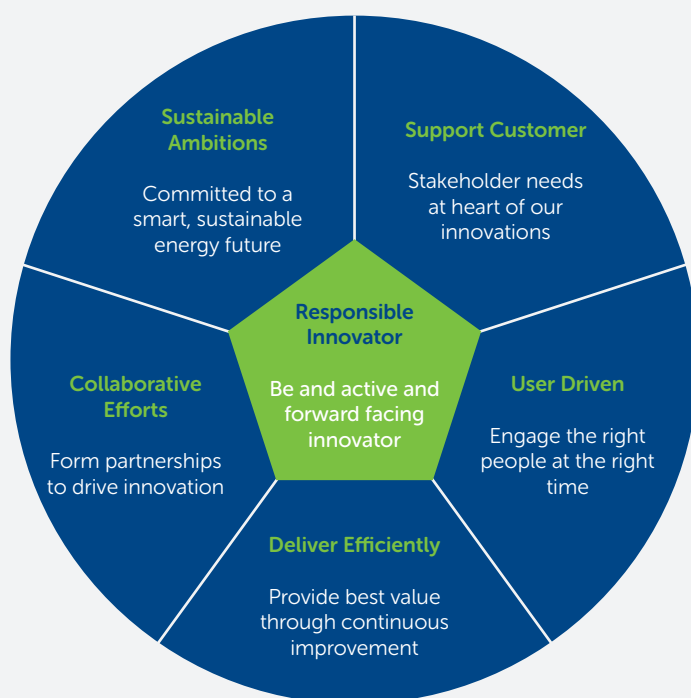
The first stage of this is identifying potential innovations that could deliver value. We will have an open approach that encourages input from, and collaboration with, both current and future stakeholders. Whether that be customers, supply chain, new entrants to the sector, they all provide insights and expertise that can lead to valuable innovation. Formal or informal, through relationships, feedback or calls for ideas, we will look outside our organisation more for project identification.

Our innovation priorities are based on the same stakeholder priorities that formed our strategic objectives, ensuring that our innovation projects are also focused on stakeholder priorities.

This stakeholder-led approach to innovation is captured in our innovation principles. Built with our stakeholder-led approach, in collaboration with stakeholders and building on best practice in RIIO-T1, they share many of the principles of the engagement strategy such as collaboration and partnerships, accessibility and targeted engagement. This provides consistency of approach across engagement and innovation.

To us, a responsible operator means that we identify the right innovations to develop, we work with the right people to deliver them, and we deliver value for stakeholders across our business operations.

Partnerships in particular are a critical part of our Innovation Policy. By sharing risk and capturing benefits to multiple parties, we reduce the risk to the consumer and increase the likelihood that successful innovations will be more widely adopted across the industry.



Delivering innovation benefits

One of the clearest asks of stakeholders when it came to our Innovation Policy was to measure and demonstrate the value that innovation is delivering. Our approach to this is to adopt Cost Benefit Analysis (CBA) at each stage of a project.

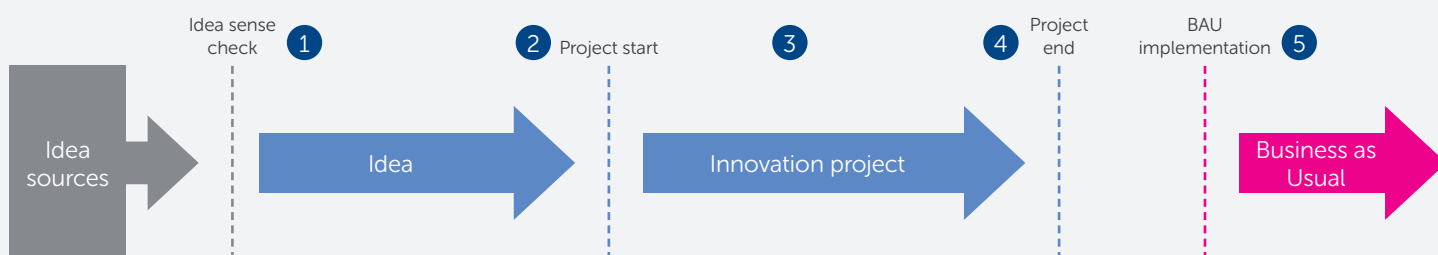
At the initiation stage we identify where the project value lies and whether it is worth pursuing further. At the opportunity assessment stage we start to quantify the potential value streams, where and when the value will be realised. This helps determine whether a project should be funded through project budgets or whether external funding is required (generally where benefits accrue outside the price control time horizon or to other parties).

During the Research and Development phase the CBA analysis is used to monitor the project results against expected value. If these are outside allowed margins, then the project can be stopped until these margins are adjusted.

This can lead to projects being cancelled where value is not being realised as expected. This happened in RIIO-T1 with our modular substation project and saw the unspent funds returned to the consumer.

Post project, in the evaluation, the CBA will allow us to determine whether the innovation provides a sufficient case for wider adoption in Business as Usual (BAU) approaches. If the expected value has not been realised, this could mean revisiting the project to identify where value was lost, holding the project until the situation is right for its adoption, or closing the project with recognition that the hoped for benefits have not materialised.

Through these measures we will deliver value to our stakeholders by innovating on the right things with the right people, whilst ensuring that consumer cost is outweighed by the potential benefits.



- 1 Assess the Technology Readiness Level of project and identify suitable CBA approach. Start collecting data to undertake CBA
- 2 Undertake the CBA. Identify key variables which the trial will assess performance against and forecast that performance in CBA
- 3 Monitor the outturn performance against the key variables in the trial and re-run CBA during the trial
- 4 Re-run CBA at the end of the trial based on final results. Compare the results to those forecast
- 5 Monitor outturn results of roll-out to check that impact is similar to that observed in the trial



We welcome views on our Stakeholder-Led approach to innovation.

Are there any innovation areas we should target in RIIO-T2?

Building trust

Trust and transparency

Trust is an essential part of the social contract between businesses and the customers and communities they serve. Strong relationships based on openness and respect will endure, creating mutual benefit for both parties.

This requirement is set against an often-challenging perception of business behaviour. A recent survey⁸ examining public trust showed that 30% of respondents thought that the way business works today is not ethical, with corporate tax avoidance being identified as the issue most in need of being addressed.

For regulated energy networks, there is an extra dimension. As natural monopolies delivering a core public need, it is essential that consumers have faith that the companies they help fund are operating, performing and behaving in the public interest.

As part of a publicly-listed, responsibly-financed organisation, we fully recognise our enhanced public interest obligation and are leading the industry in improving levels of trust and transparency.

In 2018, we achieved the Living Wage accreditation for the fifth year in row and matched this with our fifth consecutive achievement of the Fair Tax Mark. We have also sought to encourage and support improvements in transparency and responsible business practice by others in the sector.

However, more can be done, including in the important area of transparency of reporting. In our view, the principle of transparency of financial structures and business performance is a minimum expectation for network businesses. Consumers and investors increasingly demand a wider and deeper insight into how businesses operate and licensees can, and should, go further to show that their activities and actions are serving the public interest.



Our Board's commitment to acting in the public good

"The nature of our business - delivering a lifeline service - places additional expectations on us. It is right that consumers know how network companies - that they help fund - are operating, performing and behaving, and that they are doing so in the public interest.

We must take the opportunity that RIIO-2 provides to create a model that allows consumers to have visibility and clarity of the way we do business. This means going further than we are already, listening to a wide range of views and, importantly, shining a light on areas where we know there is work still to do."

Statement from Gregor Alexander, SSEPD Board Chairman

We are committed to go beyond what is required by the regulatory process, enhancing and improving our reporting to include performance against key societal measures and packaging it in a way that is accessible so that consumers and stakeholders can fully understand and assess our performance and behaviours.

Performance for society is closely related to Corporate Social Responsibility. Thus, our Annual 'Responsible Business' Report will include: Gender Pay Gap, Inclusion and Diversity measures, Living Wage policies, Modern Slavery Statement, socio-economic contributions including fair tax, greenhouse gas emissions, and waste and resource policies.

Fair Tax

Since 2014 we have been Fair Tax Mark accredited, an independent accreditation for businesses that proactively demonstrate they pay the right amount of tax, in the right place at the right time.



Living Wage

We have been a Living Wage employer since 2013, meaning our employees, and those working regularly on our behalf, earn an hourly rate that exceeds the National Living Wage.

Since 2014 we have been rolling out the real Living Wage across our supply chain through the inclusion of a Living Wage Clause in all relevant contracts. By the beginning of RIIO-T2, all our contracts will have been updated to include this clause.



UN Global Compact

Our parent, the SSE Group, is a signatory to the UN Global Compact the world's largest corporate sustainability initiative.

The UNGC supports companies to take a sustainable approach to business and align strategies and operations with ten universal principles around human rights, labour, environment and anti-corruption. As a signatory to the Compact, we reinforce our sustainability values and demonstrate our commitment to a responsible business approach to stakeholders.



Inclusion and Diversity

Diverse and inclusive organisations are more likely to be innovative and commercially successful. Our action to embed inclusion and attract and retain a truly diverse workforce have been included in our Sustainability Action Plan and Workforce Resilience Strategy.

Gender Pay Gap

We currently have one of the most significant gender pay gaps in the SSE Group at 27%. Targets and action to address this have been set and will continue during the RIIO-T2 period.

GENDER PAY GAP

Closing it together

Performance and reporting

A new approach to transparent reporting

Effective reporting on performance is essential if stakeholders are to track our delivery and hold us to account against our commitments.

Given the complex nature of the price control process, providing a clear and easy-to-understand view of the performance of regulated businesses can often be a difficult task. Current reporting obligations, including those mandated by Ofgem, tend to be technical in nature and can require an existing detailed knowledge of the energy industry, its regulations and the region in which the network licensee operates. Ofgem's recent work in this area is welcome, but its RIIO Accounts activity has focused mostly on financial performance.

Consumers and investors are increasingly demanding a wider and deeper insight into how businesses operate and perform. Thus a focus on reporting financial or regulatory outcomes is, arguably, too narrow an outlook.

We agree with Citizens Advice that there is a strong desire from customers and stakeholders for transparency in the activities and performance of energy networks. This was evident at our March 2018 workshop which considered our reporting of Key Performance Indicators. Stakeholders at the event highlighted that reporting should be customer (rather than regulator) driven, be clear and accessible, and be broad in scope encompassing Corporate Social Responsibility. Similar views are reported by other network licensees.

To this end, we worked with Citizens Advice to develop a new reporting framework that will meet and exceed their principle that called on companies to publish "complete information on their performance, financial structures, gearing and ownership" during the RIIO-2 price control and beyond.

This new framework, which is split into three parts: Service Performance, Financial Performance; and Performance for Society, will help shine a light on all aspects of our performance through clear, meaningful reporting. We believe this step is essential to our governance and are open to, and welcome, the challenges that may come from this additional transparency.

The Citizens Advice RIIO-2 principles

What must be delivered in order for the next price control to really deliver for consumers.

1. **Profits are lower than the previous price control, to more accurately reflect the relative low risk for investors in this sector.**
2. **The value of any unspent funding for infrastructure projects is returned to consumers promptly and in full.**
3. **Industry business plans and regulatory decisions are directly informed by consumer (including future consumer) feedback and research.**
4. **Companies are required to publish complete information on their performance, financial structures, gearing and ownership.**

Increasing transparency in a monopoly essential service will help to ensure that consumers are getting value for money. At present, Regulatory Accounts don't provide a complete picture of how firms are operating under the RIIO framework. These should change to include the impact of different capital structures, financial outperformance, derivative portfolios and how returns differ from the regulator's assumptions.

5. **Innovation funding and incentives support consumers in the transition to a low-carbon future, particularly those consumers in vulnerable circumstances.**

Annual performance reporting

Our annual reporting framework will provide an overview of our performance across the areas of interest to our stakeholders: service, financial and to society.

As we have done during RIIO-T1, we will ensure that wherever possible we will provide performance of previous years in our reports to ensure stakeholders can track performance over time.

We will also endeavour to use widely applied measures wherever practical, rather than adopt industry specific measures that may be difficult for stakeholders to interpret and compare against other organisations.

To meet the interests of specific stakeholder groups in particular aspects of our performance, we will also publish targeted performance reports in addition to the annual summary, for example, a Losses Report which explains the amount of energy that was lost during transmission on our network

Key Performance Indicators (KPIs)

During 2018 and early 2019, we consulted on new KPIs and have used views gathered through that process to inform our selection of reporting topics and approach. Our proposed KPIs were developed and refined with input from our Stakeholder Advisory Panel which allowed for a more in-depth discussion than was possible through the published consultation.

These KPIs will be reported from 2019 onwards to provide time for review and refinement ahead of RIIO-T2.

Service performance	Financial performance	Performance for society
Purpose Customers and stakeholders can easily assess energy networks' performance and service levels (such as reliability and customer satisfaction) within each year and over time.	Purpose Customers and stakeholders have visibility of energy networks' operating structures, governance arrangements and key financial policies, and the interdependency with networks' performance and service levels.	Purpose Customers and stakeholders can see the contribution that energy networks make to society through the delivery of an essential public service.
Outcomes Easy-to-understand and access reporting; performance measures that are consistent and comparable over time; performance measures that are meaningful to customers.	Outcomes Easy-to-understand and access reporting; Financial reporting that is consistent and comparable over time; transparency in the correlation of service and financial performance.	Outcomes Easy-to-access reporting; evidence of the impact of activities on communities and society.
Approach To publish each year to an agreed timetable: (i) Annual Network Performance and Service Report, (ii) Key Performance Indicators, and (iii) Declaration of Compliance with Licence Obligations.	Approach To publish each year to an agreed timetable: (i) Regulatory Accounts, (ii) Policy Statement on Organisational Structure and Governance, and (iii) Annual Financial Outcomes Statement.	Approach To publish each year to an agreed timetable: (i) Annual 'Responsible Business' Report.



Is our new reporting framework clear and transparent?

Is there anything else we should consider including?

Stakeholder-Led Strategy: next steps

One of our four strategic themes is for Stakeholder-Led strategy. This theme was developed following a review of our Strategic Objective, when stakeholders were clear that we needed to embed our engagement and collaboration with customers and stakeholders at the heart of our activities. We have set a principle goal of ensuring 100% customer satisfaction.

We have described in this section our draft proposals to achieve a Stakeholder-Led Strategy:

Our new **Stakeholder Engagement Strategy**, developed through a fundamental review of best practice and comprehensive stakeholder engagement, which provides new purpose, ambition, objectives and principles.

Proposals for our new **Commercial and Connections Policy** that steps up to the challenge from stakeholders to be more ambitious and deliver an exceptional experience for connections customers through all their engagement with us, not just at point of application and connection.

An open and collaborative approach to innovation in our **Innovation Policy** which is focused on delivering value for stakeholders through new technical and commercial approaches. Aligned to our strategic theme, innovations will be assessed on value through comprehensive Cost Benefit Analysis which will help determine which projects are suitable for investment and adoption into Business as Usual.

How we propose to give stakeholders the tools to track our performance and hold us to account through our commitment to a new framework for **transparent reporting**.

Our ambition is to be a leader in stakeholder engagement that informs and directs our activities and operations. We want to be seen as an advocate for the needs of our customers and stakeholders. The proposals that we have set out here are intended to enable us to achieve that ambition during RIIO-T2.

Over the summer we will be working with stakeholders to co-create our engagement Action Plan. This will set out our programme for delivery of the seven objectives in the strategy, including targets and measures. Designing this in collaboration with stakeholders will ensure that the programme meets their expectations.

The Action Plan will be a live plan that will grow and adapt to meet the needs of stakeholders throughout RIIO-T2 as identified through ongoing engagement and an annual review.

Find out more...

Stakeholder Engagement Strategy
Connections and Commercial Policy
Innovation Policy
Reform in RIIO consultation

Tell us what you think

We invite your views on the proposals we have set out here. We welcome comment on any aspect of our activities, and in particular on:



What do you think of our ambitions and initiatives for connections? Do these align with your future needs?



Are there any specific services or policy initiatives we should consider for connections?



What do you think of our proposed customer satisfaction survey to measure our success? Is there another way we should measure our success?



Are there any innovation areas we should target in RIIO-T2?



Is our new reporting framework clear and transparent?



Is there anything else we should consider including?

If you have any comments on the Stakeholder Engagement Strategy, contact our Communications Policy Manger: **Sarah Dooley, sarah.dooley@sse.com**