Our Engagement and Research Strategy

Ongoing Engagement Report 2024/25

Welcome

Matthew White
Head of Customer Service
and Innovation

Welcome to our 2024/25 Engagement and Research Strategy

At UK Power Networks, we are committed to ensuring that our engagement and research activities are not only purposeful, but deliver tangible value for our customers and stakeholders. This year, we have evolved our approach to our ongoing engagement report by publishing our Engagement and Research Strategy as a standalone document, separate from our Impact Report. This change reflects our ambition to provide greater clarity and transparency around how we plan, deliver, and continuously improve our engagement and research programme.

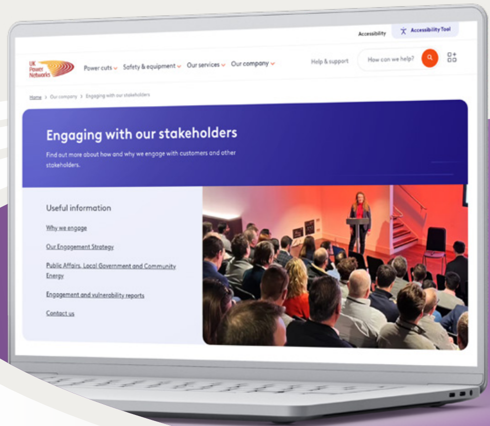
About this document

Our strategy outlines the principles and processes that guide our engagement and research, the enhancements we have made over the past year, and the key focus areas that shape our efforts. It also highlights how we identify and respond to stakeholder needs, capture and share insights, and measure the impact of our actions.

For examples of how our engagement has delivered meaningful outcomes over the last year, we invite you to read our accompanying Impact Report, which showcases the real-world benefits of our insight-driven approach.

What's inside

Engaging with our stakeholders



Our Engagement Strategy

At UK Power Networks, we are dedicated to addressing the major strategic challenges the energy sector faces.

We use insights from engagement and research to deliver solutions and drive impact where it matters, from facilitating faster connections and enabling Clean Power 2030, to supporting vulnerable customers through the energy crisis, and maintaining no.1 customer service. Setting ourselves high standards and driving continuous improvement across the industry, engagement and research plays a crucial role in ensuring we:

- **Adapt to meet the evolving needs and expectations of our stakeholders**
- **Gain insight that drives meaningful action**
- **Identify emerging trends, challenges and opportunities**

Why we do engagement and research

Purposeful engagement and research help us make evidence-based decisions that deliver the best possible outcomes and value for our customers and our business. Through engagement activities, we work closely with stakeholders to build relationships and gain insights to help us understand and address their needs. We aim to ensure their voice is heard and considered throughout our decision-making process. Conducting research allows us to gain new knowledge and insights or validate existing information by analysing new data.

We engage and carry out research to:

Drive change by gaining insights that shape evidence-based decisions
- **Shape strategy and actions**
- **Improve our services to deliver better outcomes for our customers**

Drive change by sharing best practice and learning from others
- **Understand and adopt best practice**
- **Share and influence**

Our engagement and research principles

We set out to ensure all our engagement and research:

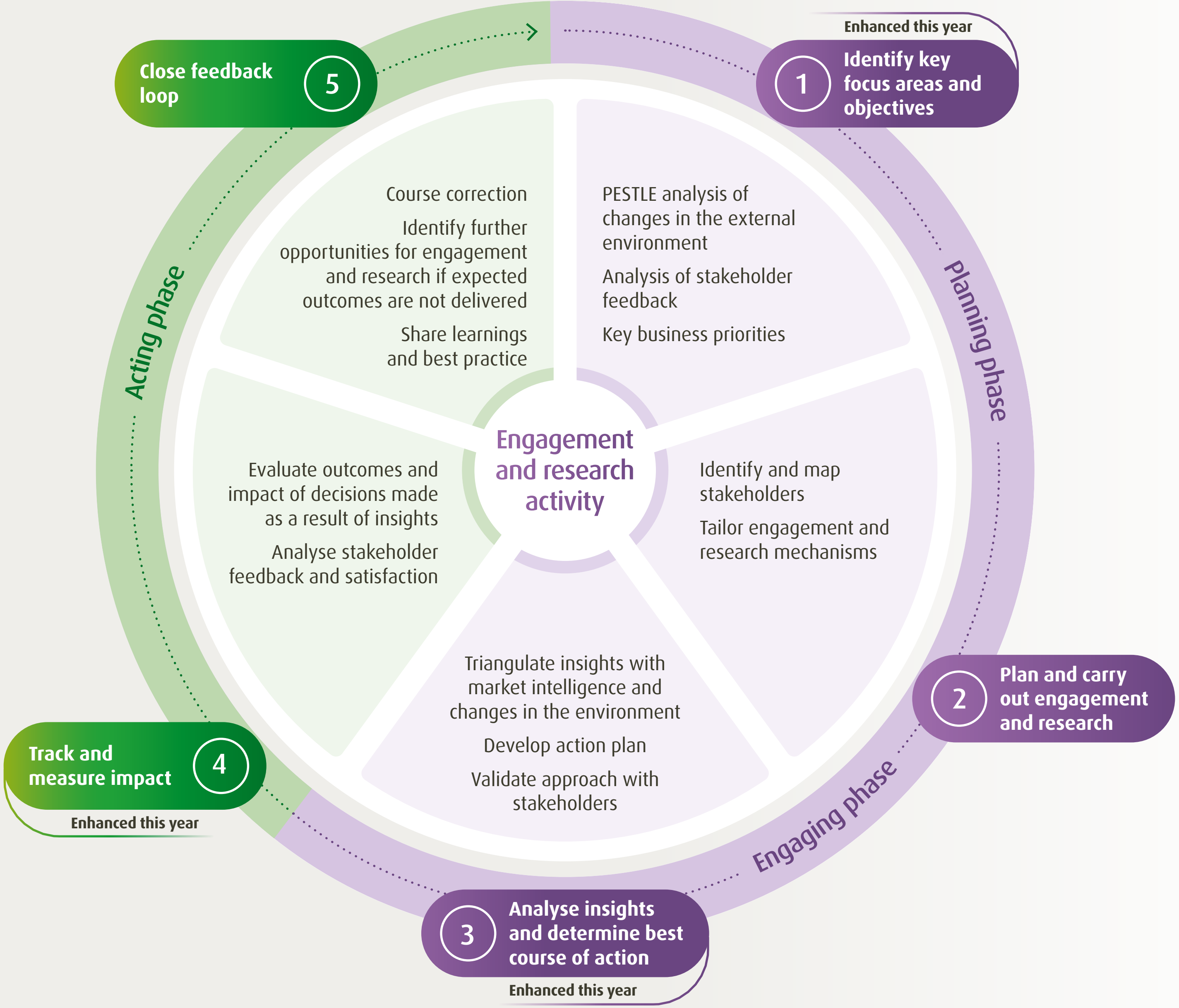
- **Is purposeful**
- **Incorporates learnings**
- **Drives meaningful action and change**

We ensure all research we carry out is grounded in rigour, ethics, reliability, and quality. We adhere to standardised approaches to ensure that we comply with GDPR, maintain ethical research practices, and ensure results are reliable. This means we can have confidence that results are a true reflection of our stakeholders' views and ensure all research is credible with a clear audit trail for reference.

Our Engagement and Research Approach

Our approach ensures that the engagement and research programme is purposeful and focused on strategically relevant questions. It is designed to influence our actions and decisions, while making efficient use of both our resources and our stakeholders' time. Engagement is delivered by teams across the business, supported by the engagement and research team who provide guidance and ensure engagement focuses on relevant and material issues. This model means that teams hear directly from their customers and stakeholders, can directly drive action in response, and receive first-hand feedback on the impact of those changes.

We work iteratively to refine the engagement programme on an ongoing basis, responding to changes in the environment and learnings from engagement to date. The following process sets out how we develop, deliver and monitor engagement and research plans, and the role that engagement and research activities play at each stage of the process.



Enhancements to our approach

Over the last year we have reviewed our ongoing engagement and research programme. We have made changes to our approach to maximise the impact of engagement and research across our business.

Identifying key topics for engagement and research

We have re-focused our programme on key strategic issues informed by insights from engagement and research as well as analysis of external factors influencing stakeholders and our business.

We have shifted from team-based to topic-based engagement plans, coordinating multiple teams' efforts across common issues.

Making full use of insights to drive decision making

SEE PAGE 7

Our central Insights Hub has been rolled out across the business to streamline how we capture and share learnings from engagement and research.

Enhancing our monitoring and reporting

SEE PAGE 8

We have introduced quarterly reporting with Directors and our Independent Stakeholder Group on engagement and research activities, insights gained and outcomes delivered as a result.

Identifying key focus areas for engagement and research

We regularly review our priority topics for engagement and research to ensure we are engaging on the issues that matter most to our stakeholders and will deliver meaningful outcomes for our customers and our business. We assess and prioritise topics based on:

Social impact
Will engagement and research help us deliver a better outcome for our stakeholders and the communities we serve?

Financial impact
Will engagement and research help us deliver outcomes in a more cost-efficient way for our customers?

Strategic alignment
Will engagement and research on a particular issue impact long-term strategic priorities and planning for our business or help tackle key issues we have already identified and agreed?

This framework enables us to evaluate both the potential positive impact of engagement and research, and any risks if we were not to engage on a particular topic. This helps identify where we should focus our engagement and research.

Our key focus areas

We conducted a comprehensive review of our engagement and research programme in response to the dynamic landscape in which we operate as well as the new and evolving challenges our stakeholders face.

Previously, our engagement and research centred around three strategic themes: Meeting our customers' and communities' evolving needs, Enabling the Net Zero transition for all, and A network our customers can rely on. Applying our planning approach and prioritisation framework, we have identified five key priority focus areas that will guide our engagement and research efforts.

Ensuring we are not a blocker to Net Zero
- Meeting the evolving needs of LCT Customers
- Supporting customers throughout connections reform

Being a socially responsible business

A resilient network customers can rely on

Ensuring we have the resources, skills and materials to deliver

Understanding the opportunities of data and technology

These topics are intended to provide a more nuanced and comprehensive structure to our engagement and research programme that addresses the needs of our stakeholders today, while driving meaningful progress in our initiatives as we look towards ED3.

How we plan and deliver engagement and research activities

Our engagement and research team collaborates with teams across the business to develop targeted plans for each topic area, identifying key questions and objectives, mapping stakeholders, and determining the most appropriate methods for engagement or research. We approach engagement and research as an ongoing dialogue with stakeholders. This allows us to test and refine our thinking as we develop initiatives to guide us to deliver the best possible outcomes. We iterate the engagement plans on an ongoing basis, responding to changes in the environment and learnings from engagement to date.

Step 1 Identifying engagement and research objectives

We identify key questions for engagement and research based on:

1) Our RIIO-ED2 commitments and business objectives
2) Analysis of external factors influencing stakeholders and our business
3) Existing insights gained from engagement and research

We also work with teams to identify how insights will inform our decisions.

Supporting tools and processes:

- PESTLE analysis
- Prioritisation framework to assess the strategic importance of engagement and research activity and the likelihood of making an impact on the decisions we make
- Horizon scanning and market intelligence
- Insights hub

Step 2 Develop plans to achieve objectives

Having identified a clear purpose and question for the engagement or research, we then identify:

- **Who** should we engage with or carry out research with
- **How** should we carry out engagement or research to answer the question, including identifying suitable methods or channels and ensuring these are inclusive and accessible
- **When** the activity should take place, including how multiple activities are best sequenced

Supporting tools and processes:

- PESTLE analysis
- Stakeholder mapping
- Engagement planning template
- Best practice guidance

Identifying stakeholders and tailoring our engagement

We identify relevant stakeholders to engage with through stakeholder mapping across the issues we are looking to engage on. The following stakeholder map visually represents the key stakeholder segments we engage with. We analyse our stakeholders' roles, interests and sentiment, enabling us to identify and engage with different stakeholders on the right issues and prioritise engagement effectively.

Our key stakeholders

Sectors/Markets

- Data providers and users
- Low Carbon Technology service providers e.g. EV Chargepoint Operators
- Government and regulators e.g. Ofgem and DESNZ
- Other sectors and international comparators e.g. Banks and International DNOs
- Utilities and Infrastructure e.g. water suppliers and telecommunications providers
- Energy sector e.g. Energy suppliers, other DNOs and Gas distribution and transmission

Customers

- Communities e.g. local authorities, community energy groups and social housing providers
- Distributed energy resources and generation e.g. flexibility service providers
- Business customers e.g. large and small businesses, housebuilders and developers
- Domestic customers e.g. Current and future customers and customers in vulnerable circumstances

Society

- Universities and Schools
- Emergency Services e.g. NHS and fire services
- Consumer groups and NGOs e.g. charities, environment, wildlife and sustainability organisations and Think Tanks

Suppliers / Partners

- Supply Chain e.g. manufacturers and suppliers
- Professional membership organisations e.g. Institute of Customer Service and Institute of Engineering and Technology

Investors

- Investors
- Credit rating agencies

Our tailored engagement approach

We tailor our engagement approach to meet stakeholders' specific needs to ensure the interactions are effective and meaningful, for example:

Our DSO team found engaging with DER customers through in-person workshops was not effective as operational teams often didn't have the time or resources to attend in-person events. As a result, we now engage with this segment through online events and our teams visit customer sites themselves, reducing the time commitment required from customers to engage with us.

Our consumer vulnerability team has identified that while vulnerable customers can access support via a range of channels to meet their preferences, official feedback on the service they receive is only collected via phone calls, in line with regulatory requirements. This method is not accessible for everyone. Recognising the value of customer feedback, we have adopted alternative methods like text messaging over the past year to gather insights in addition to the official channels. This approach allows customers to read and understand the feedback process at their own pace. We are also conducting further research into additional methods of engagement with vulnerable customers to improve how we gather feedback in a way that works best for them. To learn more about this and other ways we are engaging to support vulnerable customers, visit our *Annual Vulnerability Report*.

Capturing and sharing insights

After engagement and research activities are complete, we capture and evaluate insights to inform our decisions through the following process:

1. **Capture insights in the insights hub and share learnings across the business**
2. **Triangulate with other relevant insights from engagement and research to understand trends**
3. **Determine the best course of action through discussion with relevant teams**

Over the past year, we have further developed our insights hub to embed it across the organisation, sharing best practice guidance for all users to support colleagues in getting the most out of the hub. We have also established insights champions who are trained on how to identify and upload key insights.

By capturing research documents, engagement feedback and insights from external events in the hub, we can maintain a comprehensive repository of insights across our key focus areas. The hub allows us to analyse insights from multiple sources and derive a deeper understanding of our customers' needs and challenges. This allows us to get more value from the insights and more easily use multiple sources to make informed decisions.

Inputs

Insights captured by the business and uploaded to the hub by insights champions:

Ongoing engagement e.g. Customer satisfaction, regular forums, learnings from industry events

Targeted engagement and research e.g. Surveys, workshops, focus groups, roundtables, interviews

Insights hub

Capture, store and analyse insights in central repository

Enable teams to easily save, find, compare, and share knowledge

Outputs

Insight reports
Gain a focused overview of the most relevant insights available in the hub on a specific topic e.g. Insights on Consumer Vulnerability.

Summary analysis
Access concise summaries that synthesise insights from multiple sources to answer a specific question e.g. How are the needs and challenges of vulnerable customers in London changing?

Outcomes

Business leads use the outputs and work with the stakeholder engagement and research team to identify the best course of action based on analysis

Tracking delivery and impact

We track the outcomes of decisions and actions influenced by insights to evaluate the impact of our engagement and research programme. We use a range of qualitative and quantitative measures to evaluate the potential and actual impact including:

Quantitative measures such as:

Customer satisfaction scores

Surveys and polls

Cost benefit analysis

Social valuation (SROI analysis)

Delivery against measurable business targets

Qualitative measures such as:

Feedback from stakeholders

Stakeholder advocacy

Industry benchmarking

We start by defining how we will measure impact during the planning phase. For example, some initiatives may focus on improving customer satisfaction, while others might aim to enhance environmental sustainability or drive operational efficiency. Consequently, our measures of success vary based on the objectives of each initiative, ranging from metrics like Customer Satisfaction (CSAT) and Net Present Value (NPV) to monitoring reputational impact and stakeholder advocacy.

We report regularly on the progress and impact of our engagement and research programme. This helps us track delivery, enhance visibility of insights and impact across our business, make better-informed decisions and apply lessons learnt to drive continuously improvement.

Through our enhanced monitoring and reporting process we track:

Delivery against engagement and research plans

Actions taken based on insights

What we have learnt

Outcomes delivered by insight-driven action

We regularly bring key decision makers together across our topics to review insights and discuss progress and next steps. This enables us to compare insights and identify themes that span across multiple teams and focus areas. This regular reporting and review approach helps us monitor and evidence the impact of our programme, ensure outcomes are delivered through insight-driven actions and adapt our strategies where required.

Applying Social Return on Investment

In recent years we have deepened our understanding of the uses and limitations of Social Return on Investment (SROI) and have learnt that social valuation is not appropriate for every type of initiative. As a result, we no longer seek to apply social valuation by default. Rather, we apply a triage process that challenges whether social, environmental and wellbeing benefits are materially important to the aims of an initiative and whether we have sufficient confidence in the inputs and assumptions to provide a credible valuation.

Roles and Responsibilities

Our executive leadership team works with the central engagement and research team to define our strategy, assess external changes, and identify key focus areas for engagement and research, reinforcing commitment across the business and supporting decision-making. Our engagement and research team works with leads across the business to develop plans aligned with our strategy, setting clear objectives, conducting stakeholder mapping, and identifying tailored mechanisms for engagement and research. Business leads generally carry out the engagement activities, capture insights and identify key actions, guided by the engagement and research team. Alongside guidance on best practice, the engagement and research team plays a key role in tracking delivery, measuring impact, and regularly reporting progress to the executive leadership team and Independent Stakeholder Group, maintaining alignment with strategic objectives and delivering value across the business.

EMT & SMT

Agree and set stakeholder engagement and research strategy

Review scope of engagement and research programme, agreeing priority focus areas

Drive behavioural change to ensure there is a culture of engagement and research embedded in the business

EMT & ISG

Review engagement and research plan progress

Maintain business focus on delivery of plans and action required

Monitor impact and outcomes delivered

Review scope of plans and emerging issues to identify changes required in focus areas or overall programme

Stakeholder Engagement and Research Team

Inform engagement and research strategy

Embed framework and processes across the business

Define what good engagement and research looks like, sharing guidance

Assist in scoping, shaping, and delivering research projects

Develop and shape engagement plans, ensuring we engage on the right topics, with the right stakeholders, using appropriate mechanisms

Share insights and coordinate activities across different teams and topics

Manage the Insights Hub, maintaining a central repository for capturing, sharing, and referring to insights

Report on engagement and research impact, including internal and external communication on our engagement programme and impact delivered as a result

Review insights and inform actions to deliver better outcomes for stakeholders

Engagement Business Leads

Deliver engagement and research activities • Provide updates on delivery of plans • Capture insights

Keeping our strategy up to date

Over the years we have continuously reviewed our engagement and research strategy, building in valuable learnings and best practice as our understanding has evolved. Each year we review our processes and publish a refreshed Stakeholder Engagement and Research Strategy to ensure we continue to carry out engagement and research that is purposeful and impactful, allowing us to deeply understand our customers and stakeholders.

This year as part of our review we have refreshed our Ongoing Engagement Reporting approach, publishing our Engagement and Research Strategy independently to our Impact Report. For more information on how our engagement and research programme has enabled us to deliver meaningful action that has led to benefits for our customers and stakeholders, visit our *Impact Report*.

For more information about how and why we engage with customers and other stakeholders, visit our website here.

If you would like to give us feedback or speak to our engagement team, contact us at stakeholder.engagement@ukpowernetworks.co.uk

A full list of our contact details can be found at:
www.ukpowernetworks.co.uk