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Chief Executive’s review

Electricity is vital. Millions of people depend on us to ensure electricity is constantly there at the flick of a switch to boil a kettle, to feel safe, to stay warm and to keep our society on the move. That’s our core business.

We have increased our activity in the communities we serve in the latest year focusing particularly on vulnerable customers. Innovative methods have been developed of identifying those who might need particular assistance during a power cut, and we have improved the way we work with local authorities and other agencies to provide support during these times. In addition we actively support our employees in their community involvement, encouraging them to take two work days every year to volunteer in the community, match fund their charity fundraising, and give grants to local sports teams identified by our staff.

The imperative to tackle climate change is becoming ever more urgent. UK Power Networks has been looking for ways to accommodate the renewable generation required to meet Government targets for a low carbon UK in an affordable and timely manner. In the last three years a massive amount of renewable generation has been connected to our networks, a tremendous success but one which presented significant challenges as parts of the network are already operating near to capacity.

Our solution, the innovative Flexible Plug and Play project, won the Energy Institute’s Innovation Award this year. The project connects solar and onshore wind farms generators to the network faster and cheaper, which contributes to the economic development of the renewables industry and will help stimulate green-collar jobs.

Investing in our existing and future workforce is hugely important to our sustainability. We place great importance on our apprenticeship, graduate training and staff development programmes. We were delighted to achieve external recognition for our efforts through the award of the Investor in People Gold Standard, only achieved by 7% of the companies that participate in the scheme.

Our top priority is that all of our employees go home safely at the end of the day and we are delighted to have achieved the lowest injury rate per employee among UK electricity distributors. Our safety cultural development training programme ‘Stay Safe’ has contributed to this and focuses on behaviour across all levels within the company. The programme has been recognised by being shortlisted in the Utility Week Health & Safety Awards and an associated video ‘Speak Up’ won a gold award for best script at the International Visual Communication Awards (IVCA).

We wish to be recognised as a respected corporate citizen; one which acts with integrity and delivers continuous improvement. We play our part in building a better society; minimise our impact on the environment; nurture innovation and develop new technologies. Developing a skilled and diverse workforce and keeping that workforce healthy is central to achieving all our aims. In short, sustainability is at the core of our business practices.

Basil Scarsella
UK Power Networks
Chief Executive Officer
UK Power Networks and sustainability

We own and manage electricity distribution cables and lines across London, the South East and East of England. We maintain and upgrade the networks to make sure the lights stay on. In doing so we have a responsibility to ensure that our electricity network is sustainable for future challenges.

The three pillars of the theory of sustainability; economic, social and environmental interconnect with our company vision to be an:

- Employer of choice
- Sustainably cost efficient
- Respected corporate citizen

Our sustainability strategy is developed in line with the Ofgem sustainability themes of:

1. Managing the transition to a low carbon economy
2. Eradicating fuel poverty and protecting vulnerable customers
3. Promoting energy saving
4. Ensuring a secure and reliable electricity supply
5. Supporting improvements in all aspects of the environment

The structure of this report follows our four top level areas of focus:

For us being sustainable makes sound business sense and our aim is to continue to embed it into our daily operations.
Engaging with our stakeholders

Critical Friends panels

To ensure stakeholder feedback is fully captured and acted upon, we have designed our ‘Critical Friends’ stakeholder engagement panels, which are thematically grouped engagement sessions. The panels run alongside other forums and workshops that we organise as part of our regular engagement with stakeholders.

We have held panels focusing on:

- Customer satisfaction
- Social obligations
- Low carbon targets and transition
- Safety
- Low carbon technologies
- Environment
- Network reliability & availability
- Connections
- Corporate Social Responsibility (CSR)

Our Critical Friends panels directly shape how we develop our sustainability strategy by playing a significant part in determining which sustainability indicators matter to our stakeholders and are material to our business. Feedback reports are published after each session to ensure actions raised are addressed.

We will continue to engage with our stakeholders to shape the future direction of UK Power Networks. For details of how you can get involved visit the ‘Have your say’ section of www.ukpowernetworks.co.uk

Our stakeholders told us to increase the support we provide to vulnerable customers and continue to drive the environmental agenda. This report is part of providing feedback on those areas as well as the wider sustainability theme.
Community

Public Safety

To support our vision of being a respected corporate citizen our dedicated Public Safety team have a broad range of proactive projects in place to raise awareness of the potential dangers of coming into contact with our electricity network and, more importantly, provide support and guidance on how to avoid coming into contact with it.

In 2013 we:

- Reached more than 308,000 young peoples via safety events, school and college visits and through our Power Up website
- Delivered tool box talks and provided resources which supports training and safety awareness to our employees
- Developed working partnerships with the emergency services to agree a memorandum of understanding and support safe working during an emergency response situation
- Shared best practice with external utility companies and third party contractors to reduce cable damage
- Worked with our apprentices to increase awareness of public safety issues
- Sent over 40,000 leaflets to landowners where our assets are on their land
- Targeted events such as the Royal Norfolk Show, Cereals, APF and large fishing shows to promote safe working practices, engage with families and provide useful resources such as our tackle box stickers
- Provided external training companies with links to our safety pages and safety resources

www.ukpowernetworks/powerup

All of these activities are run alongside our reactive response to incidents involving the public where advice and guidance on safe working practices is offered. This enables UK Power Networks to provide a far reaching and customer focused public safety programme.

We attended the Royal Norfolk Show this year. The event proved to be a fantastic opportunity to talk to families, young people and those working within agriculture. Our large interactive education sets and interactive games drew in thousands of people during the two day event. The Public Safety team were supported by employee volunteers who work directly on our overhead line network and within our training team. Together they gave advice and guidance on safe working practices and delivered our key safety messages in an engaging, fun and memorable way.
Vulnerable customers

Supporting vulnerable customers has been a priority during 2014 and we have focussed on delivering improvements in two key areas – better communication and improved welfare provision.

Better communication: Local Authority Liaison

Feedback from Local Authorities told us they wanted to know when there is a power cut in their area so we launched a proactive communication process with all County Councils and London Boroughs in our footprint. Emergency planning teams disseminate information down to District level as necessary.

This process is triggered in the event of:

- A power cut affecting 20 or more properties that lasts for 8 hours
- A power cut affecting 5,000 or more properties that lasts for 2 hours
- Any incident where we have activated the British Red Cross or our internal team of Customer Champions
- Any other situation where it is felt appropriate to notify local authorities e.g. an incident where a significant number of vulnerable residents are identified
- As a result of this initiative we have seen improved collaboration and a joined up approach to welfare support for our vulnerable customers

Improved welfare provision: Emergency power cut boxes

One consistent message we receive from stakeholders, is the need to provide practical support during power cuts to vulnerable customers. During the year we developed packs for our most vulnerable customers that include practical items that would be of use during power outages. The boxes include a torch, a telephone that works without a mains power supply, a glow in the dark sticker with our priority contact details and useful tips on precautions you can take to prepare for the possibility of a power cut.

So far we have distributed boxes to the 2,500 most vulnerable customers on our Priority Services Register (PSR).
Improved welfare provision: Vulnerable customer heat maps

We created innovative heat maps using Government deprivation indices and our Priority Services Register and overlaid these with live fault information. This tool allows us to quickly identify power cuts affecting vulnerable communities which potentially require additional welfare support.

Power of giving

In line with being a respected corporate citizen we want to give back to the communities we work in. Our Power of Giving Fund launched in June 2013. It awarded grants to the total value of £300,000. We looked for innovative projects designed to help local communities in a number of areas such as reducing fuel poverty, enhancing energy efficiency and promoting low carbon economy.

Charities, not-for-profit community organisations, educational establishments and social enterprises across our regions could apply for between £1,000 and £10,000 for projects that will address climate and/or social concerns in their local area in a recognisably sustainable and cost efficient way. Applications are accepted throughout the year and the judging panel meets biannually.

The judging panel met biannually, the November panel resulted in the allocation of grants totalling over £90,000. This supported ten projects, all of which were energy related, benefitted the environment or provided assistance to vulnerable customers.
Case Study

The Green Light Trust, based in Lawshall in Suffolk, successfully applied for a grant from the UK Power Networks Power of Giving Fund to help them build a new training room at its environmental education learning centre.

Their work helps people lead sustainable lives through conservation activities, supporting communities to enable them to restore and protect their natural environment, as well as creating and conserving woodlands and green spaces. The trust also runs an environmental education programme, which gives vocational opportunities to young people who struggle in mainstream schools.

An extra training room will mean that the charity can accommodate smaller groups or even give one to one support for those who need it, without having to use the larger main classroom.

Like the main building, which has won awards for being sustainable and eco-friendly, the extension will be developed to ensure a low-carbon impact to the environment, even down to using the wood from a local oak tree which was ready for felling.

Ashley Seaborne, the acting Chief Executive and Programme Director for Green Light Trust said: “The generous donation from UK Power Networks has enabled Green Light Trust to sensitively extend its historic Foundry head office, maintain its carbon neutral status by incorporating modern products providing high insulation value and give participants on our outdoor learning programmes a warm and comfortable resource room for essential debrief, study and rest at the end of their challenging day.”

UK Power Networks Director of Customer Services, Matt Rudling said: “We are delighted to award this money. Community projects are so important, and require a lot of hard work and dedication from all those involved. The Power of Giving Fund is our way of giving something back to the communities where we live and work.”
Fundraising

Our employees are extremely active in the community holding fundraising events, getting involved and volunteering their skills and efforts to help good causes. Members of staff raised nearly £20,000 supporting national campaigns such as the Prince’s Trust, Comic Relief, Sports Relief and Movember.

Local causes have also been in the hearts and minds of our employees. Following the storm surge in Norfolk, which devastated coastal homes in the village of Walcott, donations of warm clothes, toys, books and blankets were collected and sent to the area and staff assisted with the immediate clear up.

To support employees in their fundraising efforts we have launched a match funding scheme whereby we will boost what each person raises by up to £100 per annum.

Last year nearly £10,000 was donated to sporting groups connected to UK Power Networks staff. The Team Sport Award scheme is designed to encourage staff to volunteer in the community and aims to promote healthy living, teamwork and development of sporting opportunities. Hundreds of community and sports groups have benefited from grants since the scheme was set up.

nearly £30,000

donated to charities and sports teams
Volunteering

Our employees are able to use two work days a year to volunteer in the local community. We have actively promoted employee volunteering in our internal communications and last year we increased the amount of volunteering our employees are doing by 65%.

Case study – Tewin Orchard

Last autumn the Hertfordshire and Middlesex Wildlife Trust appealed to UK Power Networks for help harvesting a bumper crop of apples from the tops of the 25-foot trees at a traditional village orchard at Tewin in Hertfordshire. The Stevenage depot provided a vehicle and crew to assist with this while volunteers from the Stevenage and Potters Bar offices helped harvest some of the lower apples.

Paul Thrush, Senior Reserves Officer for Herts and Middlesex Wildlife Trust said: “Last year’s weather had been particularly good for apples so we were very grateful to UK Power Networks for their help with this harvest. They picked an enormous number of apples, many of which we couldn’t have reached without them. The picked apples were turned into apple juice to help raise valuable funds for the Herts and Middlesex Wildlife Trust.”
Measuring our carbon footprint gives us the information we need to make informed sustainable decisions on how we run our business. We aim to support the government target to reduce the UK’s greenhouse gas emissions by 80% by 2050.

**UK Power Networks Business Carbon Footprint by type**

We constantly balance a reduction in the carbon we produce with improving the service we deliver to our customers. The graph shows there was an overall increase of 4.6% in our business carbon footprint, 80% of which was due to increased use of temporary generation to get customers’ power back on as quickly as possible. In addition, the poor winter weather increased our operational transport emissions as we mobilised our workforce to deal with weather-related electricity faults.

However, in 2013 we saw an excellent 15% decrease in the business transport element of our carbon footprint because our employees are improving their travel behaviour. We used more public transport, increased the use of virtual conferencing and reduced our business miles. UK Power Networks Services are not included within the regulated data in the graph above. Services emissions totalled just under 900 tonnes of CO₂ equivalent.
Energy

During 2014 we really started making strides along the road to better understanding and control of our building energy use. A review of our property portfolio’s energy use showed that our operations centre is the biggest energy user in our property portfolio accounting for approximately 25% of the energy use of all 43 offices.

Independent consultants carried out an energy audit and provided recommendations for improvements. Potential savings equivalent to 11% of the buildings CO₂ emissions were identified. Work has been undertaken to cost and examine the practicalities of implementing each of these recommendations. In tandem with this a much improved monitoring and managing system is being examined with ideal locations for sub-meters being identified.

Case study

Two cooling chillers have been installed at our operations centre. When it is colder outside and the office needs cooling this system uses the cool outdoor air as a free cooling source. In this manner, the system replaces the chiller in traditional air conditioning systems while achieving the same cooling result.

The new chillers were put in at the start of 2014 and became operational at the end of March. In their first four months of operation they provided 76 hours of free cooling – saving 1.3 tonnes of carbon dioxide. The free cooling hours will increase as the day time temperature reduces into the colder months.
Green Construction Board

By joining the Green Construction Board (GCB) we have made a commitment to contribute to the development of low carbon construction practices. The GCB is a collaboration of the UK government and industry working together to drive forward the actions required to achieve an 80% reduction in greenhouse gas emissions in the built environment by 2050.

Murdo Allan, Director of Health, Safety, Sustainability and Technical Training at UK Power Networks said “Implementing our Green Construction Commitments has provided a focus on the carbon agenda which in turn is having a positive impact on how we future proof our business.”

In other initiatives to reduce carbon we have:

- Increased the recycling rate of our streetworks spoil to 98%; reducing the waste we send to landfill and our demand for virgin aggregates
- Managed trees as part of our £24.4m programme to improve network reliability in East Anglia and the South East by chipping, mulching, leaving in habitat piles and using them for biomass fuel or timber
- Trialled a new polymer-membrane technology as a less carbon-intensive alternative to conventional concrete bunds at a number of sites. The polymer membrane captures oil whilst allowing water to pass through
- Invested in a closed loop oil reprocessing facility which filters used insulating oil making it suitable for reuse rather than incinerating old oil and replacing with new
Containerised substation case study

Rayleigh Local 132/33kV Grid provides supply to five substations and approximately 52,000 customers in the Thames Gateway area. The area is identified for regeneration and high level development through to 2031 with potentially as much as 44,000 new homes being created. UK Power Networks plan to replace the existing 132/33kV 60MVA Grid Transformers and switchboard at Rayleigh Local Grid in order to accommodate this future growth.

The existing building at Rayleigh was deemed unlikely to be suitable for reuse as the structural condition was reported to have deteriorated beyond the point of economic refurbishment. It was decided that the site would benefit from using a containerised switchroom.

The benefits of this project were:

- **Environmental aspects** – Reduces material waste
- **Social aspects** – Shorter on site construction time minimises any possible disruption to the local community
- **Economic aspects** – Reduce construction cost and project overheads through shorter construction programme
- **Safety aspects** – Building the equipment in controlled factory conditions and reduced construction on site reduces risk exposure which is a safety benefit
Innovation

Innovation is crucial to delivering the low carbon economy in a financially sustainable way, as innovation provides us with the flexibility to respond better, faster or more cost-efficiently to the changing requirements of our customers. Information about all our innovation projects can be found on our website ukpowernetworks.co.uk/innovation but a few examples are outlined below.

**Low Carbon London – 2011 to 2014**

Using London as a test bed, Low Carbon London has developed the understanding and tools to help deliver a smarter electricity network that can manage the demands of a low carbon economy and deliver reliable, sustainable electricity to businesses, residents and communities.

Data collected from the set of integrated demonstration trials has been analysed and the results and recommendations presented in a comprehensive portfolio of reports. The learning is being shared within the industry and will enable us to introduce new ways of working in a number of business areas during the next regulatory period, ED1, increasing the flexibility of our network and realising significant savings.

**Flexible Plug and Play – 2012 to 2014**

A three year project that has trialled new technologies and commercial arrangements to connect distributed generation (DG), such as wind or solar power, to constrained areas of our electricity distribution network. We have:

- Developed a ‘flexible’ connection agreement for DG developers providing a cheaper and faster connection alternative in constrained parts of our network
- Installed smart technologies to maximise the use of the existing electricity network and allow real-time management of network constraints
- Installed the first ever Quadrature-booster on the 33kV distribution network to control active power flow on parallel electricity lines

Flexible Plug and Play is enabling us to make more efficient use of the existing network capacity, resulting in higher asset utilisation, less disruption from engineering works and lower emissions. With innovative new safeguards in place, the existing network can be safely operated closer to its capacity.
Flexible Urban Networks – Low Voltage – 2014 to 2016

Efforts to decarbonise energy generation, heat and transport will place increasing demands on our networks, particularly at low voltage where we have a legal obligation to supply electricity to customers within tightly defined voltage limits and at a sufficient quality. Predicted increases in demand and a potential rise in voltage issues could potentially overload transformers and underground cables, requiring significant investment if reinforced using conventional methods.

This project is exploring how the use of power electronics can enable us to defer conventional reinforcement of the network whilst still being able to facilitate the connection of low carbon technologies and distributed generation in urban areas. We aim to optimise the capacity of the LV network through the meshing of existing networks which are not already meshed and by breaking down boundaries within existing meshed networks.

Distribution Network Visibility – 2010 to 2013

Using Remote Terminal Units (RTUs), electronic devices used to reconfigure electricity distribution networks and collect data about their performance, we explored better ways to collect and use the data we gather on demand, capacity and faults on our networks. By developing a web-based application to enable this data to be analysed, we have provided our engineers with greater visibility of the distribution network, enabling proactive network management and earlier identification of critical issues.

Improving our remote telemetry and enabling a greater visibility of our network is key to operating a ‘smarter’ electricity network, reducing customer interruptions, increasing asset lifetimes and improving customer service.
We have installed a 6MW/10MWh energy storage device on our 11kV network and are undertaking trials to improve the understanding of the economics of electrical energy storage. The learning gained will help determine the cost effectiveness of storage and seek to provide a more sustainable, efficient and flexible way to reinforce electricity networks.

During the trials of the storage facility we will be collecting a significant amount of data relating to:

- Its ability to deliver a wide range of services to different parts of the network
- The costs and benefits of operating the device
- The asset management methodologies and procedures needed for future energy storage capability
- The use of smart optimisation and control systems and how these can be embedded into Distribution System Operators (DSOs) of the future

**Stakeholder benefits**

- Manages peak demand at Leighton Buzzard, reducing losses and improving asset utilisation.
- Cost effective balancing support to the wider electricity system.
- Saving in carbon dioxide emissions from displaced peak generation, estimated to be around 1.7k tonnes of CO2.
- Validation of the business models and economics of storage when leveraged for full system value, building experience and encouraging adoption on a wider scale.
- Supporting the development of the commercial environment for ESCOs, developers and investors in storage.
- Identification of the key market, commercial and regulatory barriers to effective deployment of storage.

**What we are doing/deliverables**

- Demonstrating how 6MW/10MWh of lithium-ion storage can be deployed on the distribution network to support security of supply.
- Trialling the multi-purpose application of this storage facility for a range of different system benefits to help maximise value, e.g. investment deferral and ancillary services.
- Developing a new optimisation and control system and trial the commercial arrangements for shared use of energy storage.

This project is trialling how energy storage could be used as an alternative to conventional network reinforcement and evaluating additional income that can be gained to maximise the value, and make storage a more cost-effective alternative.

In order to achieve these additional benefits, the storage is being used for a range of other system-wide services, to benefit other electricity system participants, testing both the technical and commercial aspects of these applications.
Stay safe

We have continued to focus on improvements in our health and safety performance and our health and safety management system as a top priority.

Our safety cultural development training programme ‘Stay Safe’ has continued as planned and approximately 64% of employees and managers have attended the programme so far. 542 employees have subsequently volunteered to be either a Front Line Coach or an Organisational Coach. This number is continuing to increase as the programme rolls out, thus ensuring the sustainability of the programme long term. All employees and managers will receive training by early 2015. We believe this focus on behaviour across all levels within the company and the delivery of the action plans derived from the Safety Climate Survey in 2012 has resulted in a significant improvement in health and safety performance. The programme has been recognised by being shortlisted in Utility Week Health & Safety Awards.

Our health and safety video ‘Speak Up’ won a gold award for best script at the International Visual Communication Awards (IVCA).

The Speak Up film is aimed at the thousands of the company’s employees who carry out potentially high-risk work with electricity every day to keep the lights on for millions of customers across the East of England, London and the South-East. The dramatisation emotively brings to life events leading up to an engineer being badly burned and becoming disabled at work while at home his wife is preparing for the arrival of their new baby. It shows colleagues talking about how they wish they’d said something about how the worker was carrying out his job on the underground electricity distribution network, cutting corners and disregarding safety rules.

Murdo Allan, Director of Health, Safety, Sustainability and Technical Training at UK Power Networks, said: “Safety is our top priority at all times so to receive external recognition for this campaign is good. But what matters most is that it has the impact on our employees, so that all of us go home safely every day.”
Employer of choice

2014 has seen extremely positive results that show we are on our way to becoming an employer of choice. We reached our goal of receiving a gold award from Investors in People.

Gold status is achieved by just 7% of companies which participate in a scheme that recognises the UK’s top workplaces, best bosses and highest achievers.

Chris Degg, Director of HR, said: “UK Power Networks has made tremendous progress in the key areas of safety, customer service and operations efficiency in the last three and a half years since we became a stand-alone business. This external recognition demonstrates that we have taken similar strides in terms of our people management practices and processes.”

The accreditation was the result of about 180 interviews with employees about their workplace. Strengths highlighted by the award included training, communications, safety culture, management development, supported studies, career progression, diversity and appraisals.

Paul Devoy, Head of Investors in People, said: “We’d like to congratulate UK Power Networks on their Gold standard. Such a high level of accreditation is the sign of great people management practice, demonstrates a commitment to staff development and shows an organisation committed to being the very best it can be. UK Power Networks should be extremely proud of their achievement.”
BITC Awards
Our Towards Zero project based around staff health and wellbeing was a finalist in the national BITC BUPA Workwell Award.

Stephen Howard, Chief Executive, Business in the Community said: “Companies are now integrating responsibility into how they do business and UK Power Networks is a strong example of a company bringing this to life through their Sustainability Report which highlights how the business is embedding corporate responsibility into all aspects of the business.

UK Power Networks have also played a key part in this movement of responsible business and have been recognised through Business in the Community’s Responsible Business Awards for their work on employee wellbeing and engagement. We hope their example will inspire many more businesses to put responsible behaviour at the heart of how they do business.”

Diversity and inclusiveness

D&I Taskforce
UK Power Networks’ D&I Taskforce was established at the end of 2013 and comprises a mixture of Directors, Heads and Managers. The principle purpose of the Taskforce is to develop and oversee our D&I strategy, the aim of which is threefold:
1. To create an inclusive environment in which differences are valued and integrated into every part of our organisation
2. To leverage diversity and inclusiveness to enhance business performance
3. To contribute towards our vision of becoming an ‘Employer of Choice’

From the outset it was important to the Taskforce to visibly demonstrate the Company’s commitment to improving inclusion and this was achieved through the creation of a D&I Charter.

The focus during 2013/14 has been to raise awareness, particularly about unconscious biases, and this will continue throughout 2015.

Jean Kelly-Toulon, D&I Strategy Lead says “Unconscious bias is an important element of diversity and inclusion, we all have biases and an important step to managing it, is to acknowledge and understand them. After all you can only do better when you know better.”
**D&I Interactive Zone**

Our approach to delivering the strategy has been to start from the top, down. At the Leaders Forum in January, Directors, Senior Managers and other key opinion formers, took part in a number of activities within a ‘D&I Interactive Zone’ sparking discussion and debate and challenging traditional mind sets. Such was the success of these activities that it was decided to include the activities at directorate leadership days and company away days. Since the forum 50 staff have signed up to be Diversity Champions (26 males/24 females).

**Skills and training**

**Workforce renewal**

UK Power Networks’ resourcing strategy has been developed against a challenging background of scarce skills, an ageing workforce, fierce competition for skilled resources and the need for the highest standards in safety and compliance. We are confident in our ability to ensure we have a sustainable, skilled, efficient, capable and motivated workforce to deliver work plans and meet customer requirements.

In terms of resourcing, the Company has used complex yet pragmatic workforce planning modelling techniques to quantify the resource needs for our 2015 to 2023 business plan. In light of the anticipated number of retirees, leavers through natural wastage and the need to replace employees who are up-skilled, there will be a significant requirement to recruit and train new employees during the next 20 years.
In 2014 UK Power Networks increased the number of trainees recruited. In addition to Graduate and Engineering Development programmes, we operate two apprentice schemes and a Smart Metering Traineeship which will cover different types of applicants to ensure appropriate recruitment and staff development. There are:

- Foundation Apprenticeships – recruited 30 in 2014
- Experienced Apprenticeships – recruited 30 in 2014
- Smart Metering Traineeships – 16 in 2014

UK Power Networks has built on its existing in-house training to ensure that it continues to be cost effective, relevant and innovative and supplemented this with external expertise when required.

The volume and type of training is inextricably linked to the workforce planning requirements already highlighted and, together with the resourcing strategy, will facilitate the achievement of our business plan.
Global Reporting Initiative (GRI)

This report has followed guidance from the GRI 3.1 Sustainability Reporting Framework, specifically the Electric Utilities Sector Supplement has been referenced. GRI has verified that the report is prepared according to the GRI Guidelines, at Application Level A+. The complete Content Index can be found on our website www.ukpowerneworks.co.uk. The content of this sustainability report has been assured by SGS UK Ltd, the assurance statement can be found at the back of this report.

Materiality

Through engaging with our external and internal stakeholders we have identified the sustainability indicators most material to our business. The results are documented below:

ISO Management System

We are committed to continual improvement and have maintained external certification status in ISO 9001 (Quality Management System), ISO 14001 (Environment Management Systems), OHSAS 18001 (Occupational Health & Safety Assessment Series) and PAS 55 (Asset Management).
Sustainability team contact details

For further information and to share your views on sustainability email:

Sustainabilityreporting@ukpowernetworks.co.uk

I am delighted to present our second sustainability report that shows our continuing sustainability journey as a company.

We look forward to receiving stakeholder feedback on how we are developing and evolving our sustainability strategy.

We continue to integrate our company values of being a respected corporate citizen, an employer of choice and sustainably cost efficient. I feel this links closely to the three pillars of sustainability namely managing our impact on the environment, being socially responsible both as an employer to the communities we serve and being sustainable in the way we invest our customers’ money to provide an efficient and flexible network for the future.

Clive Steed
Head of Environment and Sustainability
clive.steed@ukpowernetworks.co.uk

The diverse nature of sustainability makes it a challenge to be able to effectively communicate specific areas of interest. Our approach to report under four key topics; community, environment, future proofing and workforce starts to provide a framework for readers.

Our strategy continues to evolve through asking our stakeholders what elements of sustainability really matter to them. We have chosen to use the Global Reporting Initiative guidelines to ensure we consider the full spectrum of sustainability indicators and focus on the areas that are most material to our business.

Jennifer Backstrom
Sustainability Manager
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SGS UK LTD’S REPORT ON SUSTAINABILITY ACTIVITIES IN THE UK POWER NETWORKS SUSTAINABILITY REPORT 2014

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION
SGS UK Ltd was commissioned by UK Power Networks Holdings Ltd (hereafter referred to as UK Power Networks) to conduct an independent assurance of the Sustainability Report 2014. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and 2014 data in accompanying tables, contained in this report. The following information was excluded from the scope of the assurance: information and data relating to supplier risk assessment; information and data relating to power outage frequency and duration.

The information in the Sustainability Report 2014 of UK Power Networks and its presentation are the responsibility of the directors and the management of UK Power Networks. SGS UK Ltd has not been involved in the preparation of any of the material included in the Sustainability Report 2014.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all UK Power Networks’ stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (2013) for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured at a limited level of assurance using our protocols for:
- evaluation of content veracity;

The assurance comprised a combination of pre-assurance research, interviews with relevant employees at UK Power Networks’ offices in London and Ipswich; documentation and record review and validation with external bodies and/or stakeholders where relevant.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE
The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS UK Ltd affirm our independence from UK Power Networks, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.
VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within the Sustainability Report 2014 verified is accurate, reliable and provides a fair and balanced representation of UK Power Networks’ sustainability activities in the reporting period.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation’s Stakeholders.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (G3.1 2011 with EUSS) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

In our opinion the UK Power Networks Sustainability Report 2014 fulfills the content and quality criteria for GRI G3.1 Application Level A+.

Principles – In our opinion the content and quality of the report adheres to the four GRI Report Content Principles of Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness, and the six GRI Report Quality Principles of Balance, Comparability, Accuracy, Timeliness, Clarity and Reliability.

Standard Disclosures – All the standard disclosures required for reporting at an application level A+ were included or referenced in the report or associated documents as detailed in the GRI Content Index.

Indicators – More than the required number core indicators required for reporting at an application level A+ are included in the report, and the report also includes information on additional indicators.

It is recommended that for future reporting cycles, UKPN considers integrating its sustainability reporting into its annual review reporting, to avoid duplication and provide a single integrated source of information on material issues.

It is also recommended that UK Power Networks uses the GRI G4 standard, with reference to the Electric Utilities Sector Supplement, for the 2015 report, and ensures that it is able to report against those indicators where data was not available this year. Finally, we suggest that the organization considers assurance against the AA1000 AS (2008) standard for future reports.

Authorised by:-

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