

Corporate Structure

ScottishPower is an integrated energy company with generation, energy supply, transmission and distribution businesses in the UK. It is part of Iberdrola S.A. which is a leading world energy company with a presence in over 40 countries.

ScottishPower is organised into three operating divisions:



SP Energy Networks

Responsible for owning and running electricity transmission and distribution networks in Southern and Central Scotland, and the distribution network serving Merseyside and North Wales. We serve around 3.4m customers in total in our two operating areas.



Energy Wholesale

Responsible for wholesale energy trading and fossil fuelled generation (renewable generation is the responsibility of ScottishPower Renewable Energy Limited, the UK subsidiary of Iberdrola Renovables).



Energy Retail

Responsible for the supply of electricity and gas to over 5m homes and businesses in the UK.

Our approach to Corporate Responsibility is embedded through all levels of our organisation – from our Chief Executive to the day to day operations.

The Chief Executive Officer (CEO) of ScottishPower has overall accountability for our Corporate Responsibility strategy and performance. He is assisted in this task by members of the Executive Team, who also act as Impact Leaders and are charged with driving performance and ensuring that corporate responsibility and strategic objectives are aligned – at operational level and in our future plans.

Adopting a 'leadership approach' ensures responsibility for management sits within the appropriate business areas and Corporate Responsibility is part of our daily business operations. Senior leadership of our 12 Impacts also ensures that our future aspirations align with what we do today.

Corporate Responsibility is about developing the strength of our business, while respecting the needs of our stakeholders. It involves managing the potentially negative impacts of our business on society, while leveraging our activities to create benefits for communities, customers, employees and the environment. We remain committed to being a socially responsible company with best practice in corporate governance, business topics and respect for the environment.

This commitment creates a sense of belonging and trust.



Wider Communication Strategies

Understanding our customers' needs

Feedback from our customers provides us with opportunities to learn and improve. We value feedback about our services and recognise the right of our customers to make a complaint, compliment or suggestion about our services.

We are committed to using customer feedback to improve our services and focus on the needs of our customers. We engage a research Company, EXPLAIN, to conduct customer feedback surveys on our behalf.

In response to such feedback we have made significant investment in our telephony arrangements including:

- a completely new Interactive Voice Recognition (IVR) system
- a new customer database
- co-location of our Distribution call centre operations and control room staff resulting in consistent and sustained improvement across all areas of service.

We firmly believe that these 3 related enhancements provide the platform we need to meet our ambition of providing the best customer service in the UK for networks customers.

As always those customers who can't be served through the automated system are able to speak to a call agent. In order to further enhance our telephony techniques we have appointed Call Coaches to finesse our telephony techniques.

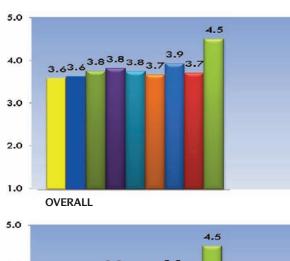
Whilst automated customer messaging is designed to keep customers informed about any incident, we also call back customers who may have called in the early stages of an incident before any message has been posted.

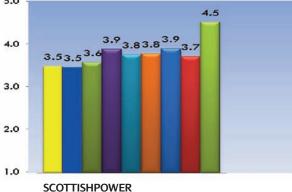
Customers calling our faults and emergency phone lines now receive an enhanced service with more easily navigable menus, more choice on how to interact with us and ultimately more accurate and useful information being provided.

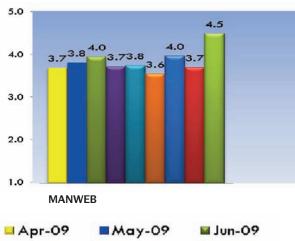
Improved Customer Contact Training for our Employees

We also introduced Customer Service Training for all of our field resources who support faults and provide front line customer service on a daily basis. The programme, delivered by an expert in this area, was designed to further enhance the customer experience should a fault occur on our network and aims to give all our front line staff the skills and confidence to help our customers.

On a scale of 1 to 5, where 1 was very dissatisfied and 5 very satisfied, how satisfied were you with the service provided?









Stakeholder Engagement

We are heavily engaged with a wide range of stakeholders to understand and respond to their needs in respect of low carbon and energy savings initiatives and to work in partnership with stakeholders to develop and deliver solutions. Our solutions have a particular focus on supporting regeneration of local communities and economies. Good examples of our strategy and approach in include:

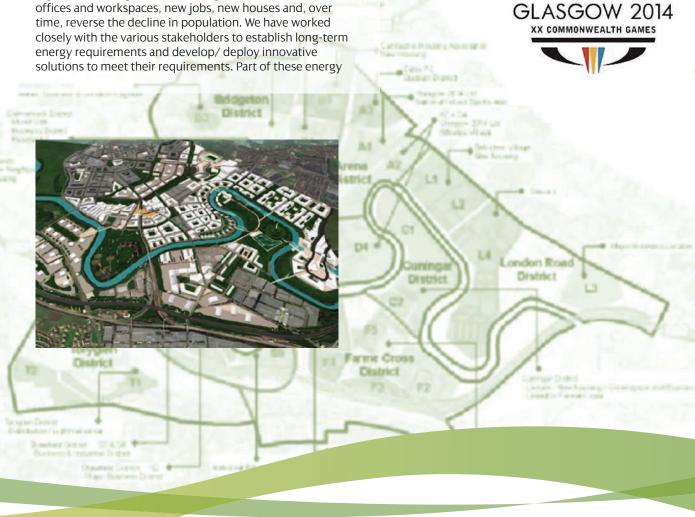
- Work with the Merseyside partnership (involving the local authority, residents and local businesses) in Liverpool to develop smart grid proposals to serve 800 houses and a number of commercial developers. We have plans to extend this initial phase to a much wider area.
- Ashton Hayes, a rural community of approximately 1000
 residents in Cheshire who have a vision to become England's
 first carbon neutral village. We are working with the local
 community to deliver this vision building on a strong
 relationship that has been developed over the last few years.
 Our work will focus on how a DNO can facilitate and deliver
 joined-up energy solutions to customers through, amongst
 other initiatives, active management of the low voltage
 network and accommodating micro-generation.
- The communities in the East End of Glasgow were once an integral part of the shipbuilding, textile and heavy engineering industries that made Glasgow and the Clyde famous the world over. However, over the past 50 years, almost all of those industries have disappeared and the population living in the area has fallen. The Clyde Gateway regeneration programme will bring new infrastructure, new offices and workspaces, new jobs, new houses and, over time, reverse the decline in population. We have worked closely with the various stakeholders to establish long-term energy requirements and develop/deploy innovative

requirements is to ensure the electricity infrastructure is in place for Glasgow hosting the 2014 Commonwealth Games. We have developed a small smart grid proposal in the heart of the regeneration area and plan to roll out similar solutions across the area.

New Customer Database

We have made a major investment in a completely new customer database. This provides us with much better visibility of our customers and greater capability to maintain the data, manage the customers and recognise their needs in the context of the Priority Services Register. We have already started to explore how we can enhance this data and how we can dovetail with Suppliers' information. We have dedicated project resource to identify how we will co-ordinate customer response and engagement going forward.

working with the communities we serve



Corporate Social Responsibility

Environment

Located on the shores of the Forth, **Skinflats Nature Reserve** consists of inter-tidal mud and salt marsh, making it an ideal site for migrating, ground-nesting birds.

However, with large over-grown trees lining the perimeter casting "invisible shadows" over the nesting areas there was a requirement for the trees to be pollarded (cut back to a stump, keeping the tree alive and allowing shoots to come through). As this is a specialist task the Royal Society for the Protection of Birds (RSPB) enlisted our help in carrying out vital work to help maintain the reserve for the migrating birds.

A team from SP Energy Networks worked with contractors over a three day period to carry out this essential work.

We have also worked with various organisations to develop improved bird diverters, which alert birds to upcoming obstructions such as towers. The bird diverter swivels and rotates in 3-5 mph wind conditions, increasing visibility to migrating birds and bats with both night and day reflectors.

For more details see

http://www.youtube.com/user/SouthLanarkshirTV?feature =mhw4#p/search/1/fSdVa5NfvFYFresh Air:Whooper Swans



In 2009 we continued our engagement with schools delivering structured programmes such as **School to Work**, **Looking Forward to Work** & **Young Managers**. These programmes are designed to help pupils prepare for the world of work by gaining a better understanding of the skills required.

We have also established sustained relationships with a large number of secondary schools in our regions with a particular focus on developing employability skills and supporting the **STEM** (Science, Technology, Engineering & Maths Network) agenda, giving young people valuable work related experiences that support their academic studies. In 2009 over 1500 pupils were assisted by this initiative.

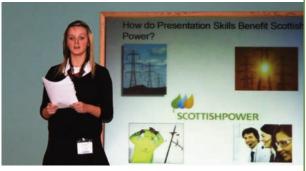
To further promote the sector attractiveness in terms of career prospects, 61 employees have been trained as STEM ambassadors. These employees deliver presentations, attend career fairs and give pupils an insight into the world of work.

In 2008/9 our **Young Apprentice programme** was delivered giving specific training to enhance Diploma Engineering curriculum in 2 schools. Sixteen pupils received 50 days of work learning specific skills at our training centre in Hoylake. This programme was then delivered to 8 pupils' from Engineering Specialist School in Fazakerley Liverpool, giving them 35 days training at our centre. A similar programme will be offered in 2010 in the Glasgow area.

Teachers from Woodchurch engineering specialist school took part in a two day placement at our Prenton offices in April 2009 providing them with a valuable insight into how technology is used within our industry.











Community

Business in the Community

As a key supporter of Business in the Community (BITC) we delivered an extremely successful "Seeing is Believing" event in North East Wales. This initiative resulted in substantial support being given to a number of educational establishments in the area. Following his involvement, our Networks Operations Manager, Guy Jefferson was given the role of Prince's Ambassador for Business in the Community Wales.

Arts & Business Board Bank

During the year we continued our contribution to the **Arts & Business Board Bank**, which provides business volunteers to serve as non-executive directors on the boards of arts organisations. The Board Bank is available free to any professional not-for-profit arts organisation or museum.

Pilotlight Scotland

We continued to support **Pilotlight Scotland**, which matches teams of four senior business people from separate businesses with small charities and social enterprises in order to help them build capacity and sustainability.

Employee Engagement

We have an innovative employee engagement programme where staff can support a diverse range of community programmes, whilst developing skills such as mentoring, coaching and presentation skills. This approach not only helps provide vital resources to the community but also gives our employees a greater understanding of a wide range of social issues broadening the skills and knowledge of all involved.

Work Based Programmes

Skillseekers is a ScottishPower work based programme designed to provide young people with vocational training, high quality work placements and nationally recognised qualifications.

During 2009, 67 young people benefited from this programme. Despite the economic climate and rising unemployment rate throughout 2009, the programme's success rate has been maintained with 80% of participants moving into sustainable employment. Over the past 4 years over 1,400 school leavers have benefited from the programme.

Information on the Skillseekers programme can be found on: http://www.ourdoorisalwaysopen.com/



Guy Jefferson, SP Energy Networks' Operations Director, heads up our "Seeing is Believing" initiative

