



Independent assurance to Electricity North West Limited (ENWL) on the application of Electricity North West Limited's 2013/14 description of its 2013/14 stakeholder engagement programme for the reporting year ended 31 March 2014.

We have been engaged by the Board of Directors of Electricity North West Limited to provide:

- limited assurance, as set out in International Standard for Assurance Engagements 3000 ('ISAE 3000') over the following selected sustainability performance data:
 - ENWL's description of its 2013/14 stakeholder engagement programme for the reporting year ended 31 March 2014 as found in sections 1.3, 1.4 and 1.5 of ENWL's Part 1 submission (Evidence to present minimum requirements of stakeholder engagement) under Ofgem's Electricity Stakeholder Engagement Incentive Scheme 2013/14.

Our unqualified conclusions

Based on the scope of our work and the assurance procedures we performed using the ISAE3000 assurance standard we conclude that nothing has come to our attention that causes us to believe that ENWL's description of its 2013/14 stakeholder engagement programme for the reporting year ended 31 March 2014 as found in sections 1.3, 1.4 and 1.5 of ENWL's Part 1 submission (Evidence to present minimum requirements of stakeholder engagement) under Ofgem's Electricity Stakeholder Engagement Incentive Scheme 2013/14 are not, in all material aspects, fairly stated.

Our conclusion

Based on the assurance work performed, in all material respects, nothing has come to our attention to cause us to believe that ENWL's description of its 2013/14 stakeholder engagement programme for the reporting year ended 31 March 2014 as described found in sections 1.3, 1.4 and 1.5 of ENWL's Part 1 submission (Evidence to present minimum requirements of stakeholder engagement) under Ofgem's Electricity Stakeholder Engagement Incentive Scheme 2013/14 is materially misstated.

This conclusion has been formed on the basis of, and is subject to the inherent limitations outlined above.

Observations and recommendations

To improve future management and reporting of stakeholder engagement we make the following observations and recommendations to ENWL:

- ENWL has worked to fully embed and formalise processes for the management and reporting of stakeholder engagement processes throughout the year. These efforts have led to a more thorough and robust understanding and management of stakeholder engagement activities and their outcomes across the business.
- There was a clear commitment to strong leadership and governance in terms of the stakeholder engagement programme at ENWL. Senior participation and a consistent approach to the Internal Stakeholder Engagement Panel has been effective in furthering a business wide understanding in the value and importance of stakeholder engagement. We recommend that this continues.
- ENWL demonstrated a sense of accountability to external stakeholders. During the reporting cycle ENWL worked hard to understand and integrate the opinions and views points of the External Stakeholder Engagement Panel into key business decisions.
- In addition to working closely with the External Stakeholder Engagement Panel, ENWL should continue to engage and respond to stakeholders beyond this forum. This will ensure that the viewpoints of all ENWL stakeholders are formally captured and responded to as part of the stakeholder engagement programme.
- ENW should continue to align and report sustainability and stakeholder engagement programmes. There are many synergies between these programmes and an increasingly aligned approach would work to create resource efficiencies, facilitate collaboration and strengthen delivery.

- Additional focus and disclosure on the benefits (both for ENWL and stakeholder groups) of stakeholder engagement would further work to strengthen and demonstrate the value and understanding of such engagement to report readers.

These observations and recommendations have been taken into account in forming our conclusions but do not qualify our conclusions.

Our key assurance procedures

Our procedures consisted primarily of:

- Interviewing those responsible for management of the ENWL stakeholder engagement programme to understand activities in the reporting period, how the company is applying the AA1000APS (2008) principles and how issues identified are reviewed and managed.
- Review of documentation associated with the stakeholder engagement programme.
- Reviewing the responsibilities of the internal and external stakeholder panels including interviewing a sample of members of both panels.
- Reading and analysing internal and external information relating to ENWL's stakeholder engagement practices and the company's performance during the year.

Our independence and competencies in providing assurance to ENWL

We complied with Deloitte's independence policies, in their role as independent auditors, which address and, in certain cases, exceed the requirements of the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality and from any involvement in the preparation of the report. We have confirmed to ENWL that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.

Our team consisted of a combination of Chartered Accountants with professional assurance qualifications and professionals with a combination of environmental, sustainability and stakeholder engagement experience, including many years' experience in providing sustainability report assurance.

Roles and responsibilities

The Directors are responsible for the preparation of the Part 1 submission (Evidence to present minimum requirements of stakeholder engagement) under Ofgem's Electricity Stakeholder Engagement Incentive Scheme 2013/14.

Our responsibility is to express a conclusion on the description the 2013/14 stakeholder engagement programme for the reporting year ended 31 March 31 2014 as found in sections 1.3, 1.4 and 1.5 of ENWL's Part 1 submission (Evidence to present minimum requirements of stakeholder engagement) under Ofgem's Electricity Stakeholder Engagement Incentive Scheme 2013/14 based on our procedures. We conducted our engagement in accordance with the ISAE3000 *Assurance Engagements Other than Audits of Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board.

Our engagement provides limited assurance as defined in ISAE3000. The evidence gathering procedures for a limited assurance engagement are more limited, and hence less assurance is obtained, than for a reasonable assurance (ISAE 3000) engagement.

Deloitte LLP

London, 22 May 2014