

K-ELECTRIC HONoured WITH THE TRANSFORMATIONAL BUSINESS AWARD



K-Electric (KE) has been honoured with the prestigious FT/IFC Transformational Business Award for exceptional achievement in Project Finance – Energy. KE became the only company in the energy sector to have won the international award, recognizing KE's financial achievements in the field. KE's CFO, Mr. Moonis Alvi received the award at a ceremony in London.

The Financial Times and IFC (a member of the World Bank Group) Transformational Business Awards, an expansion of the FT/IFC Sustainable Finance Awards highlighted innovative, commercially viable, and replicable products and services that can create long-term, transformative solutions for development needs. Such needs lie in areas such as infrastructure, energy, food, water, affordable housing and health. The awards also recognized the use of technology to empower the poor, initiatives to reverse environmental and social degradation and efforts to promote gender diversity. The program in its first year attracted 237 entries from 214 institutions in 61 countries.

Speaking on the occasion, Mr. Alvi said, *"I am greatly overwhelmed to receive this esteemed award from IFC and grateful to the jury for recognizing KE's achievement in the energy sector. KE has come a long way from being a loss making institution to a privatized profitable venture that has become one of the most successful turnarounds in the history of Pakistan. The company transformed itself competently by not only becoming profitable but also increasing the capacity of electricity genera-*

tion and establishing a more efficient electricity transmission system".

"The winners list shows us that businesses in developing countries are driving innovation and that the private sector is increasingly focused on projects that can have a long-term impact", said IFC Executive Vice President and CEO Jin-Yong Cai. "The awards provide companies a global platform to showcase their work, expand into new markets, and demonstrate that the toughest issues in developing countries can be addressed through sustainable and profitable ways".

The award brings pride not only to KE but also to Pakistan. This award being organized by the leading international financial institutes highlights the credibility of the recognition. Awarded on its merits as a transaction with truly transformational social, economic, environmental and corporate governance benefits, KE promises to continue transforming Pakistan's energy sector while positively enriching the lives of over 23 million citizens of Karachi.



UNITING AGAINST CHILDHOOD PREVENTABLE DISEASES

Quality healthcare, nutrition status, access to clean water, sanitation and education are fundamental rights of all children. Often disparities in basic access to social services, amplify such disparities into national concerns. In efforts to address such concerns both public and private sectors supported by international organizations are coming together, as no single stakeholder can meet these challenges alone.

In line with its commitment to corporate responsibility and vision to support creating healthy societies, K- Electric has entered into an agreement with UNICEF to raise awareness of vaccines for preventable diseases. The initiative will disseminate a series of motivational awareness messages, about diseases such as Polio on the monthly electricity bills reaching to 2.3 million households across Karachi and some areas of Sindh and Baluchistan.



Chairman KE & Partner of Abraaj Group, Tabish Gauhar expressed his gratitude saying, *“We will continue to do what’s best in empowering the youth and providing them with basic*

necessities; we believe we are returning something to the community who we are indebted to”. Through this partnership KE aims to create wider community engagement and effective participation in healthcare programmes through sports.

KE annual football league in partnership with UNICEF will be used as a vehicle to reach out to the youth. These footballers will act as community champions in engaging with caregivers and children to raise awareness about immunization ensuring that the message of being protected against deadly diseases reaches every household.



FREE ELECTRICITY TO SOS



K-Electric signed the 10th Agreement under its Social Investment Program (SIP) with SOS Children’s Village, Karachi, by providing completely free elec-

tricity to various medical, educational and youth training campuses and family homes of the social welfare institution.

KE’s Social Investment Program is aimed at extending support to vital healthcare and educational institutions serving the under-privileged and needy on purely humanitarian grounds in recognition of the noble cause these institutions are pursuing.

Formed in 1987, the SOS Children’s Village, Karachi comprises 16 family homes and other essential facilities including the SOS School and College, SOS Medical Centre and SOS Youth Home. SOS also runs a technical training institute and reaches out to over 8,000 children a year.



EMPOWERING LADY DUFFERIN HOSPITAL

K-Electric signed its 11th agreement with Lady Dufferin Hospital (LDH), Pakistan’s largest women’s hospital, for the provision of subsidized electricity to the organization in an effort to appreciate their contribution in the field of womens’ health.



This initiative is part of KE’s Empowerment Program, which comes under their Social Investment Program. This cooperation will allow the hospital to provide healthcare to countless others who are unable to receive

the vital medical aid needed to survive life threatening illnesses and complications.

The LDH serves over 90,000 patients a year providing services at subsidized rates and now we will be able to serve an even greater number of patients each year.



BEST CAMPAIGN FOR ENERGY CONSERVATION

The K-Electric Energy Conservation Department has received the prestigious Energy Leaders Award 2014 for Best Practices in Energy Conservation: Energy Efficiency and Implementation of Efficient Practices during 2014 at the national Energy Leaders' Summit organized by the National Forum for Environment & Health (NFEH) in collaboration with the Government of Sindh, the FPCCI and the Karachi Chamber of Commerce & Industry (KCCI).



The occasion featured dignitaries from all walks of life, including the chief guest Prof. Dr. Atta-Ur-Rahman-Chairman of Pakistan Atomic Energy Commission and Managing Director of Thar Coal Energy Board. The award marks the recognition of KE's belief in showing its commitment to society at large, especially in times of an energy crisis and tariff hike.

KE reaffirmed that sustainability for a corporate entity lies in its being useful to the nation and serving the needs of the country by taking on responsibilities outside its business spectrum. KE was selected as

one of the finalists by a judges' panel where many national and international corporate organizations submitted their nominations to NFEH.

This is the second consecutive year when KE has received the award for its Energy Conservation initiatives (Under Climate Change Policy) taken during 2014.



I POWER KHI CAMPAIGN AN INITIATIVE TO CONSERVE ENERGY

I POWER KHI

K-Electric introduced an Energy Conservation Campaign to help educate the masses on the need to save energy to counter the current energy crisis in Pakistan.

For a full throttle media campaign all forums were utilized to help educate the consumers and spur in them the importance of energy conservation in their daily lives and its impact on all users' i.e. domestic, commercial, and industrial sectors. The BTL campaign ran for a span of two weeks, from 17th June to 28th June. During which everyday users from different walks of life were educated on the need for preserving energy.

The Energy Conservation team introduced the all new demonstration board; successfully planned and implemented

by KE team. This new demo board provided comprehensive and easy understanding of lighting uses and how consumers can contribute towards energy conservation, by altering their mindset towards an energy efficient lifestyle.

During this campaign, KE teams reached out to more than 15,000 consumers, through engagement activities carried out at Dolmen City Mall – Clifton, Dolmen Mall – Hyderi, Forum – Clifton, Millennium Mall – Gulistan-e-Jauhar, Makro – Saddar, My Karachi Expo – Expo Centre and Mohammad Ali Jinnah University, guiding consumers towards playing a positive role in energy conservation.

To learn more about KE's campaign please visit <https://ipowerkarachi.com/> and support our cause for the betterment of our society.



UNDER-16 LYARI FOOTBALL LEAGUE SUCCESSFULLY CONCLUDED

KE-Lyari Youth League 2014 was held from May 16th to 25th at the Peoples Stadium Lyari. The tournament was inaugurated by CEO K-Electric, Mr. Nayyer Hussain in partnership with UNICEF (United Nations International Children's Emergency Fund), PFF (Pakistan Football Federation) and the Anti-Narcotics Force.

The final game of the tournament was played on 25th May between UC 11 and UC 7. After an intense and exciting encounter, UC 7 emerged as the winners of the Under-16 Lyari Football League with a 2-1 victory. The 3rd position was battled between Lyari Town and UC 6, Lyari Town came out with an extraordinary 7-0 win clinching the 3rd position.

Present at the occasion, Nayyer Hussain, CEO, KE said, *"My heartiest congratulations to the winning team. Our motive in organizing this tournament was to provide a platform for the youth of Lyari to display their talent and keep away from negative undertakings that currently affect the youth of our country"*.

The first football tournament took place in January 2010, making this the second tournament. KE, in line with its vision for sustainable development of a healthy society, established

the Under-16 Lyari Football League in an effort to bring a positive impact to the environment while empowering youth at the grass root level.



RECOGNITION FOR OUTSTANDING CORPORATE VOLUNTEERISM



K-Electric has been recognized for its 'Outstanding Corporate Volunteerism' by INJAZ Pakistan over KE's involvement in the pilot phase of INJAZ project, in the professional skills based mentoring programs.

Ms. Azra Maqsood,
Executive Director, INJAZ

Pakistan, spoke about the vital role that organizations such as K-Electric and its individuals play, highlighting the importance of corporate sector participation in the INJAZ initiative.

Founded in 2012, INJAZ Pakistan, is an initiative of Aman Foundation that work to bridge the gap between the educational field and the market place through co-curricular programs that empower the youth. INJAZ Pakistan is a member of Junior Achievement Worldwide, the world's largest non-profit business education organization.

SECURING 3RD POSITION FOR BEST SAFETY PRACTICES

Employers Federation of Pakistan in collaboration with ILO awarded K-Electric 3rd prize in the category of Oil, Gas & Energy, at its 9th EFP – OSH&E, award ceremony held in 2014. This prestigious award has been won for the first time by KE in recognition of the organization's best safety practices for its employees' and its management's commitment for continual improvement in the field of Occupational Health, Safety & Environment (OHS&E).

A total of 26 companies including Shell, PRL, PPL, Getz Pharma, GSK, Hino Pak, were assessed by a group of independent auditors out of which KE was declared 3rd prize winner.

K-Electric reiterates its commitment towards maintaining and continually improving a robust safety embedded culture. In order to be a responsible corporate citizen and a partner of choice worldwide, KE remains committed to uphold the highest standards of Health, Safety and Environmental management - an intrinsic value system which forms the core of the company's corporate governance.



INTRODUCING SMART TECHNOLOGY IN KARACHI



Jamil Akbar, Director - Business Strategy, K-Electric

K-Electric is proud to have made a profit through their targeted investments for the first time in 17 years, with the help of smarter processes and a new level of engagement with their stakeholders (Metering International, pg.42, 2014). KE's recent achievements have been lauded by Metering International, a host publication of the Asian Utility Week and focused on all matters related to smart metering and smart grid globally.

It is an honor for KE to be recognized for their efforts in Metering International which serves the information needs of many thousands of utility professionals, and is trusted to provide insights into this changing industry. To publish a review about KE's smart technology, gives KE a platform to speak about its determination in providing energy to millions of consumers through efficient solutions. Success stories such as KE's set an example for best management practices in third world countries and their applicability across the globe while learning pivotal lessons.

K-Electric is the only privately held vertically integrated power utility in Pakistan. It has an installed generation capacity of 2340 MW, manages the transmission of nearly 5000 MVA and distributes electricity to 2.4 million customers in its licensed area covering the city of Karachi and the surrounding areas of Sindh and Baluchistan. The Industrial sector accounts for 36% of energy consumption, Residential segment at 34%, Commercial and the Public Sector accounting for 15% each.

In the financial year 2013, KE provided 15.16 million KWh of electricity and distributed 10.94 million KWh (having a peak demand of almost 2 800 MW). "With the help of smarter processes, transmission and distribution losses have been brought down significantly over the last five years, reducing from 35.9% to 25.1%, but KE acknowledges that many more improvements need to be made over the years", says Jamil Akbar, Director Business strategy K-Electric.

KE has managed to achieve this level of success in T&D loss reduction through a comprehensive turnaround plan that was driven by The Abraaj Group which focused on increased accountability, organizational restructuring, business process re-engineering, an overall change management programme and significant stakeholder engagement. In addition, investment in the core generation infrastructure allowed KE to make a profit in FY 2012 for the first time in 17 years.

The organizational redesign was initiated through a pilot operating model which merged the commercial and technical operations across a geographic area; provided qualified employees through an internal screening process; revamped offices and customer service centre; improved intelligence with transformer meters; and a KPI based incentive plan introduced to keep things in check. The successful results led to a rollout across the city, incurring losses below 18% and recoveries near 97%.

KE usually faces recovery issues in areas where law and order is a concern. Hence a franchise type arrangement has been introduced where local providers are better positioned for recoveries. Furthermore, initiatives such as the Aerial Bundle Cable (ABC) is also being introduced, to reduce aggregate losses through improved energy monitoring and reduce network outage response time. Smart meters will be installed which will improve network visibility, to manage future demand better while introducing an IT platform which will allow remote data management and analytics.

The plan is to roll out the initial pilot to around 10,000 customers that include a mix of residential, commercial and industrial consumers and to be installed over the summer of 2014. The rollout is targeted towards small and medium size industries where energy loss in terms of revenue is high and can be minimized in a short span by the use of technology. However, KE plans the implementation in terms of geographic clusters to focus on prepaid solutions targeted mainly at mid-level domestic customers.

To curb theft and losses, KE is providing new low-cost meters allowing easy installation of power to an area called Syed Village, which had until now been using illegal hook connections.

Additionally, mobile meter reading service, by which meter readers take meter readings on mobile phones and transmit them via GPRS will eliminate manual meter reading with the intent of reducing errors due to human intervention. This is already happening in 18 out of 27 business centers with more to follow in the current year. A total of 366 out of 510 meter readers are taking readings on android phones today reducing time to process billing, better accountability of meter readers, enabling the company better to deal with electricity theft and other issues along with a positive environmental impact by reducing use of paper and a leaner work force by reducing separate data entry needs.



Reference:
Metering International, (2014), *Karachi Embracing Smart Technology to Reduce System Losses and Improve Revenue Recovery*, (Online) Available from <http://www.metering.com/wp-content/uploads/2014/05/MI-2-2014.pdf>

CELEBRATING EARTH WEEK

Earth Day is a global event celebrated on April 22nd every year, observed in more than 192 countries to educate about global warming and its affects on local communities.



The Energy Conservation Department, in line with K-Electric's "Climate Change" policy, conducted a week-long program from 17th April to 22nd April, under the umbrella of 'Environment Protection Activities' held at Bin Qasim power station-2.



The theme for Earth Day activities revolved around Climate Change, Clean Energy and Tree Plantation, where the energy conservation department counselled the public and planted

more than 1000 trees at KE offices and installations and many educational institutions such as NED University, Zaheer Public school and FG public school to name a few.

As per KE practice, all employees and colleagues are encouraged to embed an environment friendly lifestyle within their respective surroundings as the smallest of contributions count towards our bigger goal in saving mother earth.

WORLD SAFETY WEEK

K-Electric celebrated World Safety on 28th April, initiating week-long activities at various centers of R-II to reaffirm our goal of adhering to safety practices and to reiterate our undeniable commitment towards work place safety in our everyday activities.

Different activities were held to raise awareness on "Safety and Health in the Use of Chemicals at Work" and



reinforce a sense of awareness amongst KE employees. Children drew drawings regarding safety and later placed in various Integrated Business Centers. KE staff were informed of techniques in identification of all the hazards on the site and application of all the safety precautions that can be helpful in elimination of it.

A Safety Parade was conducted at all centers to reinstate the importance of checks and most importantly KE teams visited 2 mosques to instill safety precautions in the minds of the general public. Pamphlets containing safety messages against electrical risks and protection against field hazards were distributed to celebrate the meaning of health and safety.

SAAD LATIF ANNOUNCED ACUMEN GLOBAL FELLOWS - CLASS OF 2015



The heartiest of congratulations to Saad Latif from the K-Electric team!

K-Electric is indeed proud of Saad Latif for being selected as an Acumen Fund Global Fellow for 2015, after competing against 1,200 individuals from 105 countries. He is the only south Asian and only Pakistani to have been announced for the class of 2015.

Acumen raises charitable donations to invest in companies, leaders, and ideas that are changing the way the world tackles poverty. Acumen desire to invest in entrepreneurs who have the capability to bring sustainable solutions to big problems of poverty; described as "innovators, game changers and visionaries looking to make substantial change in the world".

Raised in Pakistan, Saad has a deep understanding of the opportunities and challenges in Pakistani society. It was this exposure that drove Saad to apply his skills and education to create social impact and is what brought him to the Acumen Global Fellows Program. With a strong track record of leader-

ship, Saad was the first President from the undergraduate program of the Students' Council at the reputed Lahore University of Management Sciences (LUMS). He holds a BSc (Hons) in Economics from Lahore University of Management Sciences (LUMS) and brings experience in project planning, research, analysis, and management in addition to strong leadership skills to the Acumen Global Fellows Program.

During his time at K-Electric, he developed strong technical and operational skills and was part of the team that transformed the utility that supplies electricity to over 20 million individuals.

With his opportunity at Acumen Saad will spend his Fellowship with energy investee Husk Power Systems in Dar es Salaam, Tanzania, and his learning can be made applicable to Pakistan in bringing sustainable solutions to our energy concerns. In Pakistan we are so engrossed with the negative broadcasts that we turn a blind eye to extraordinary feats of ordinary Pakistanis such as Saad Latif and the benefits they can bring to our country in the long run as a progressive nation.

For further details on Acumen Fund Global Fellow 2015, please visit, <http://acumen.org/blog/announcing-the-class-of-2015-acumen-global-fellows/>

SAFETY ADVISORY

Precautionary measures need to be adopted while working, some of which are mentioned below:

WORKING OUTDOORS:



- Reinforce safety by careful planning and Toolbox Talks.
- Make sure your safety gear is in a serviceable/usable condition, use PPE.
- Keep a small towel/ piece of cloth and wipe your tools dry before you use them.
- Ensure proper line isolation from all sides before commencing work.
- Ensure proper shorting and grounding where applicable.
- Use Gum boots and check that the soles have proper tread which avoids slipping.
- Ensure use of safety belt while working at heights.
- Keep away from trees, tall objects, metal objects and water during a thunderstorm.
- Lookout for open manholes if you have to wade through standing water, use a stick to feel the ground in front.
- Move cautiously because rain causes slick surfaces, work more slowly particularly when climbing ladders.
- Make sure you can be seen. Wear high-visibility clothing, especially in areas with vehicle traffic and heavy machinery.



AT HOME / OUTDOORS:



- Telephone or cable TV wires that are touching a power line could become energized and should be avoided.
- Don't attempt to repair the electrical system or pull tree limbs off lines. Stay clear of areas where there is a lot of debris or downed trees. It could conceal an energized power line.
- Stay clear of chain link fences that may be energized if touching a downed line.
- Stay away from any water that may have downed wires in or near the area.
- Plug appliances directly into the generator rather than energizing the wiring in the house if possible.
- Notify KE of any downed lines by reporting on 118 or KE website safe card

WHILE DRIVING:



- Use safety belts while driving
- Make sure the windshield wipers are in working condition.
- Be aware of falling trees, which could fall due to wind or lightning.
- Turn on your emergency flashers.
- Do not touch any metal objects in the car.
- Avoid driving on roads covered by water.
- Stay toward the middle lanes—water tends to pool in outside lanes.
- Don't follow large trucks or buses too closely, because the spray created by their large tires can reduce vision.
- Be more alert watching for brake lights in front of you.
- Avoid using your brakes; if possible, take your foot off the accelerator to slow down.
- Never drive beyond the limits of visibility.
- When you need to stop or slow, do not brake hard or lock the wheels and risk a skid.

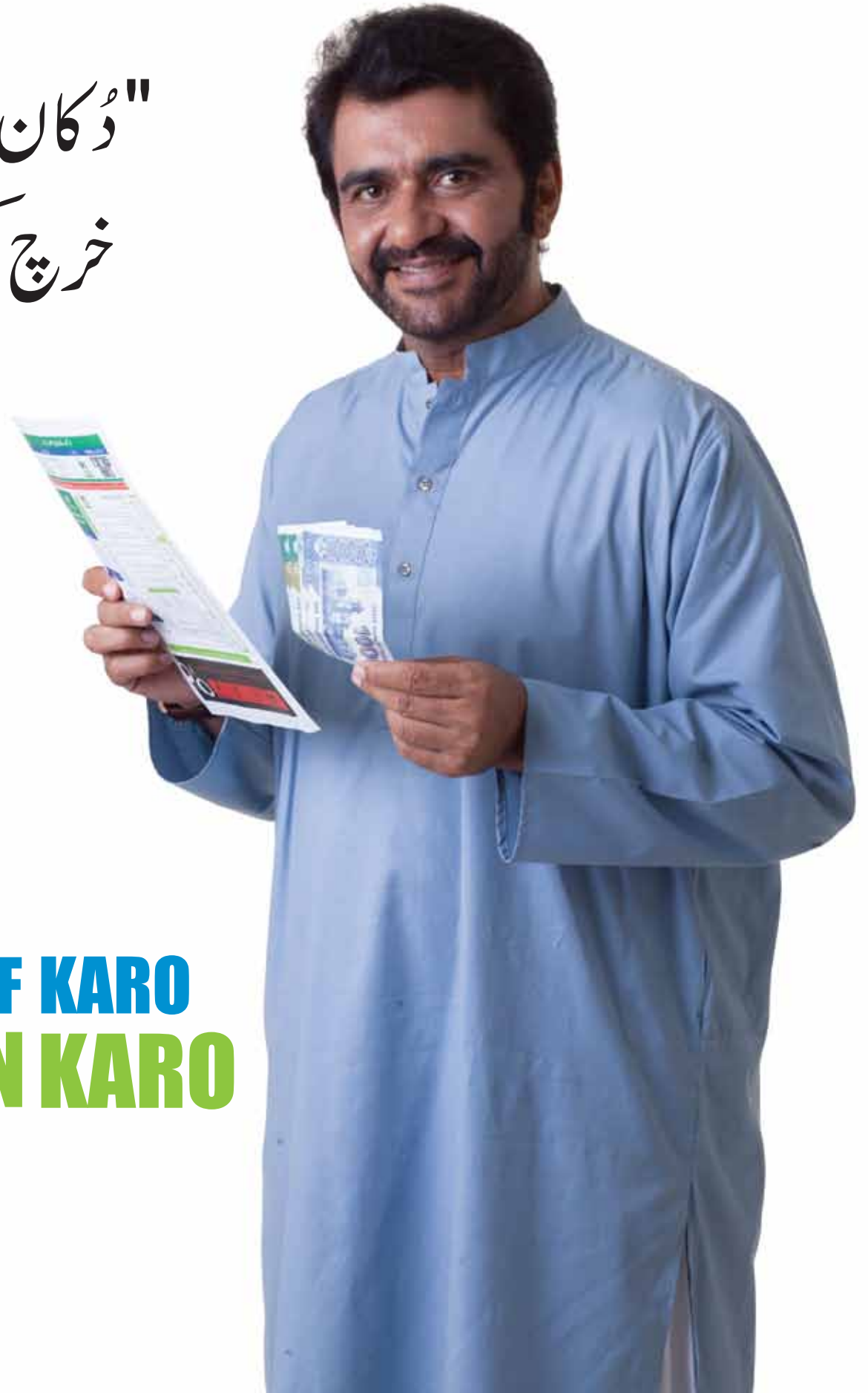
Corporate HSEQ Dept





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خرچ کم۔ منافع زیادہ"



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MUNAFI ON KARO