

NEW FRONTIERS

SUSTAINABILITY REPORT
2022



NEW FRONTIERS

Pakistan's power sector is on the cusp of an energy revolution and transformation. From a sustainable business perspective, we have seen a much more vigorous and sharpened focus on renewables and the momentum is continuously building. Climate change has taken a more central stage on policy debate. Planning for the future with access to affordable power at the heart resulted in the country's first ever approved Indicative Generation Capacity Expansion Plan (IGCEP). Most importantly the sector is creating positive social impact like never before under NEPRA's "Power with Prosperity," a philosophy owned and driven by the power regulator to harness the sector's scale and social impact for the greater good. The progress made in the current year is a prelude to a future that is undoubtedly exciting and promising.

This past year has also been an exciting year for KE as we forayed into the renewable space with our wholly owned subsidiary K-Solar. Moreover, since privatisation we have doubled our customer base, halved our Aggregate Technical & Commercial (AT&C) losses and our footprint is already spanning 7 locations including Karachi, Gharo, Dhabeji, Hub, Uthal, Bela and Winder. Our commitment, progress and our talented people give us the confidence to conquer new frontiers that await.

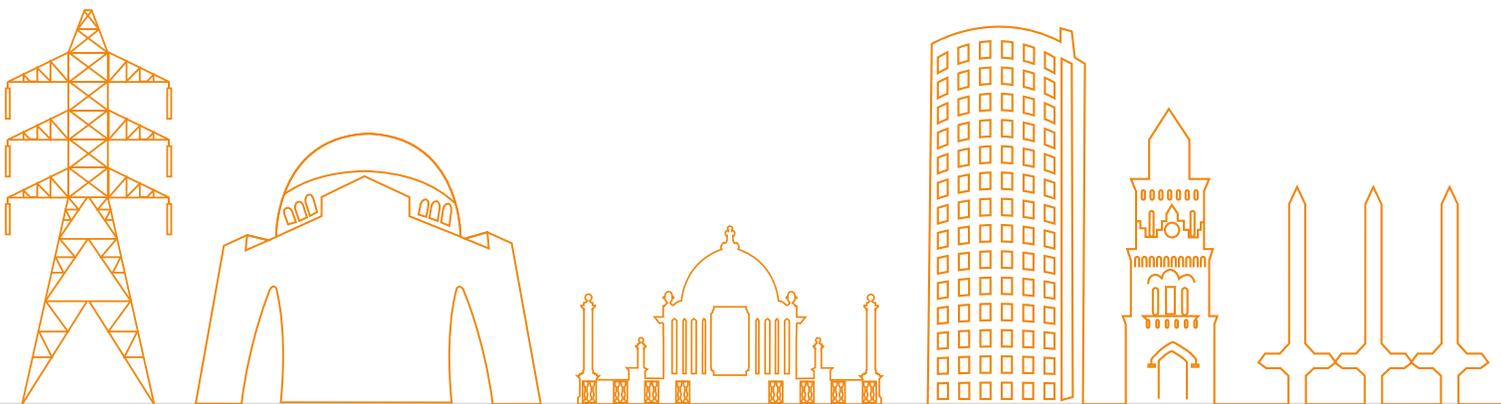


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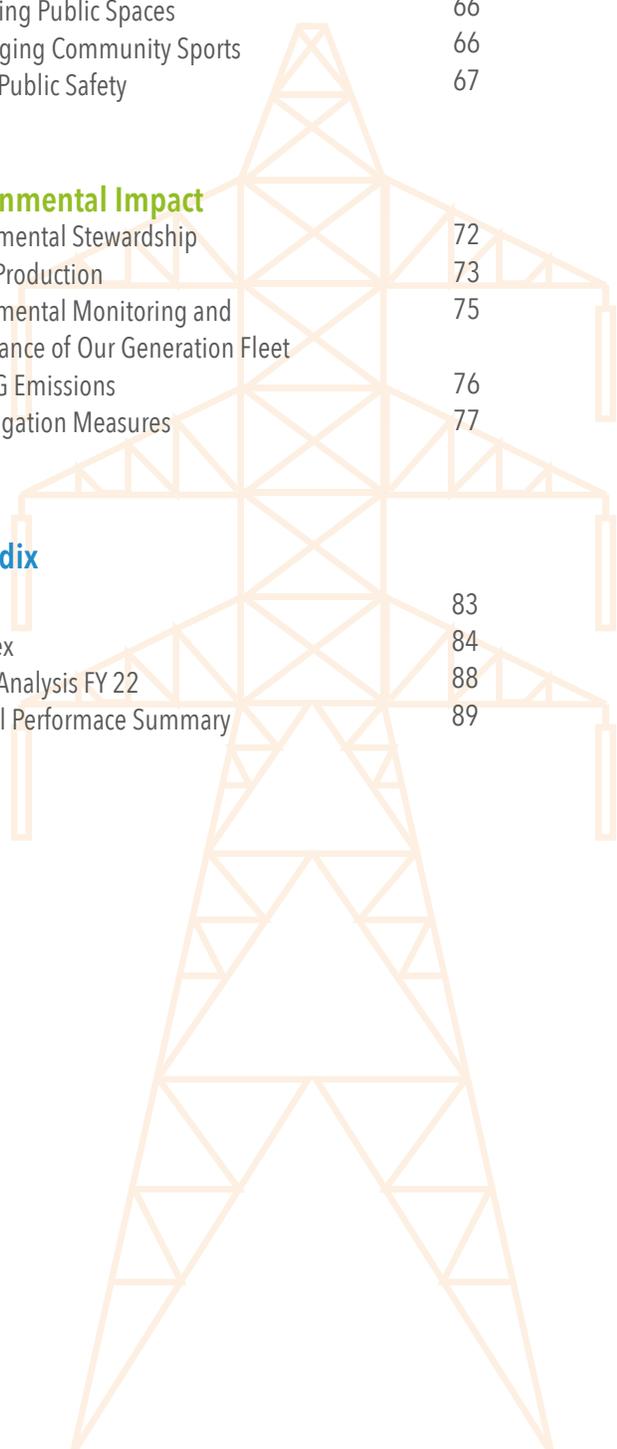
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ABOUT THE REPORT

KE is pleased to share the sustainability performance for FY 22, focused on our company-wide initiatives. During the fiscal year, KE's leadership among other things also prioritised protecting the health and safety of employees and public at large, while supporting our communities. KE and our customers faced the challenge of rising fuel prices due to global increase in fuel prices and significant rupee devaluation particularly in the last quarter of this year. This also enhanced KE's focus on operational excellence to drive efficiencies and cost optimisations.

REPORT BOUNDARY

The report covers the key sustainability initiatives undertaken by the Company's core business and enabling functions including plants, grids, distribution network, corporate offices and regional offices.

REPORTING PERIOD

The Sustainability Report is published annually and the reporting period corresponds with the Company's Fiscal Year 2021-22 (from July 01, 2021 to June 30, 2022).

REPORT CONTENT

This report covers the various ways KE is engaged in sustainable value creation for our business lines, customers, employees, environment, and communities. KE intends to use the outcomes identified through the reporting and materiality process to continue to work on and further improve our sustainability performance. The adoption of GRI Standards demonstrates KE's commitment towards adherence to international best practices and transparent reporting. In line with these standards, materiality issues, most relevant to KE's stakeholders, covered in the report include topics on economics, environment, social, and governance.

DATA COLLECTION

Multiple departments at KE have contributed towards providing required data for the report which includes Operations, Business Development, Strategy, Corporate Affairs, Risk Management, Supply Chain, Regulatory Affairs, Corporate Health, Safety & Environment Quality (CHSEQ), Finance, Human Resources, Customer Care, Information Technology, Marketing and Communication with some assistance from external consultants where needed.



CHAIRMAN'S MESSAGE

K-Electric Limited (KE) has always been a thought leader and innovator in sustainability. We believe sustainable development leads towards long-term success, drives business growth and attracts capital. Today, more than ever, this is crucial as we live through these unprecedented times.

KE has been meeting the power requirements of Karachi for more than a century. During this time, we have not only endeavored to provide an uninterrupted, safe, and reliable supply of energy to sustain the growth of this city, but we have also emphasised taking ownership of the communities that thrive within it.

Having invested over USD 4.1 billion since privatisation, KE is committed to supporting a transition to a secure, green energy future. Pakistan is among the most vulnerable to the impact of climate change, and now, more than ever, investing in building resilient infrastructures that can bolster the future is essential. We are also deeply embedded in our communities; hence, we continue to build upon our outreach to those the business may impact.

KE is continually working to improve the functionality of its Board of Directors and engage in sustained dialogue with its stakeholders, aspiring to build a more robust corporate governance.



Mark Skelton

Mark Gerard Skelton
Chairman, KE

CEO'S MESSAGE

Sustainability at KE is about creating value by connecting business opportunities with our objectives for people and our planet, working towards net zero emissions.

As the city continues to be powered by us, we are aware of our symbiotic relationship with Karachi. On the one hand, we recognise the pivotal role KE continues to play in Karachi's quality of life and economy. On the other, Karachi's stakeholders play roles as customers and employees of KE. As Karachi continues to expand; we continue to invest and grow our operations with the objective to provide safe and reliable electricity to our customer base.

Our internal focus remains on improving efficiencies as we work to diversify our energy mix, aiming for a 30% renewable generation mix by 2030, enhancing existing fleet efficiencies, reducing transmission and distribution losses and focusing on cost optimisations. Digitisation of our distribution infrastructure, facilitating our customers through innovative platforms and how we do business signifies our forward-looking approach. At the same time, we want to upskill our staff across the Company and embed diversity and inclusion into the organisation as a priority.

Since a decade, we have voluntarily adopted sustainable reporting. As a result, the Company's sustainability reporting is aligned with the GRI standards and UNSDGs. As we look towards the future, we will strengthen our commitment to sustainability by embedding a sustainability framework within our business strategies.



Syed Moonis Abdullah Alvi

Syed Moonis Abdullah Alvi
Chief Executive Officer, KE

SUSTAINABILITY AT CORE

IN THIS SECTION

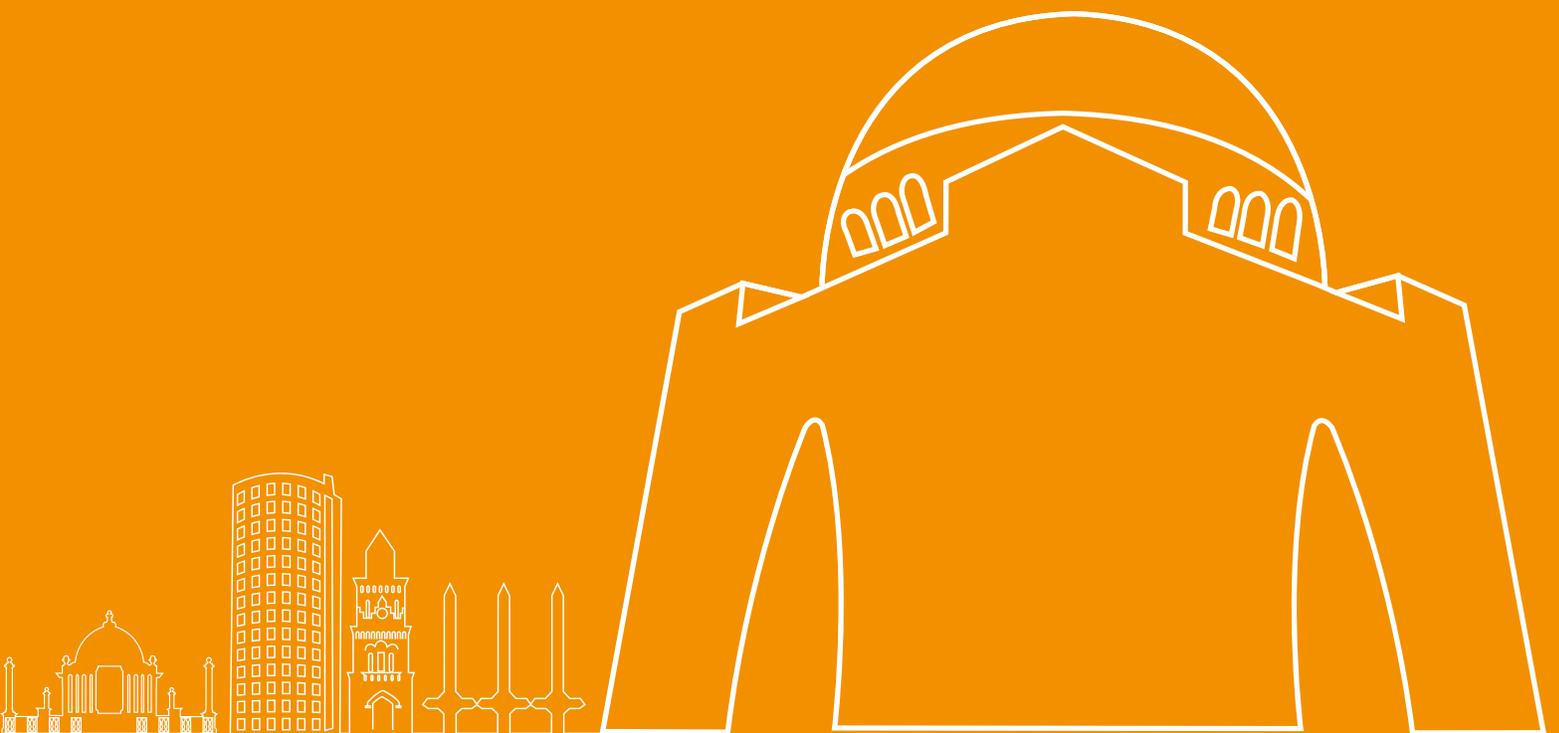
CORPORATE BACKGROUND

OUR CORPORATE GOVERNANCE

MITIGATING OUR RISK

MATERIALITY MATRIX

SUSTAINABILITY PRIORITIES



CORPORATE BACKGROUND

K-Electric Limited was established on September 13, 1913 to meet the power needs of Karachi. With over one hundred years of powering the City under our belt, the last 17 years have been the advent of a new age for Karachi, its surrounding areas and the organisation. Our coverage network spans across 6,500 square kilometers where KE has exclusive distribution rights and supplies power to all residential, commercial, industrial and agricultural areas that fall under the Company's licensed territory. We have a customer base of over 3.4 million across Karachi, Dhabeji and Gharo in Sindh, as well as Hub, Uthal, Winder and Bela in Balochistan. With a focus on value creation for our customers, new strategies were introduced at every level, including environment, social, and governance policies.



VISION

To restore and maintain pride in KE, Karachi and Pakistan.



MISSION

Brightening lives by building the capacity to deliver uninterrupted, safe and affordable power to Karachiites



VALUES

At K-Electric, our employees are the key driver of our success. This ethos is reflected in our values - CARES - which define our corporate culture.

C

**CUSTOMER
ENTRIC**

We aim to satisfy our customers and all our stakeholders by anticipating their needs and delivering the best possible solutions and services.



A

ACCOUNTABLE

We take ownership, initiative & responsibility for all our actions and we are honest and fair in all our dealings.



R

RESPECTFUL

We respect each other in all aspects and support our communities for societal and environmental well being.



E

ENERGISED

We are energised to inspire and empower our people to add real value for all stakeholders.



S

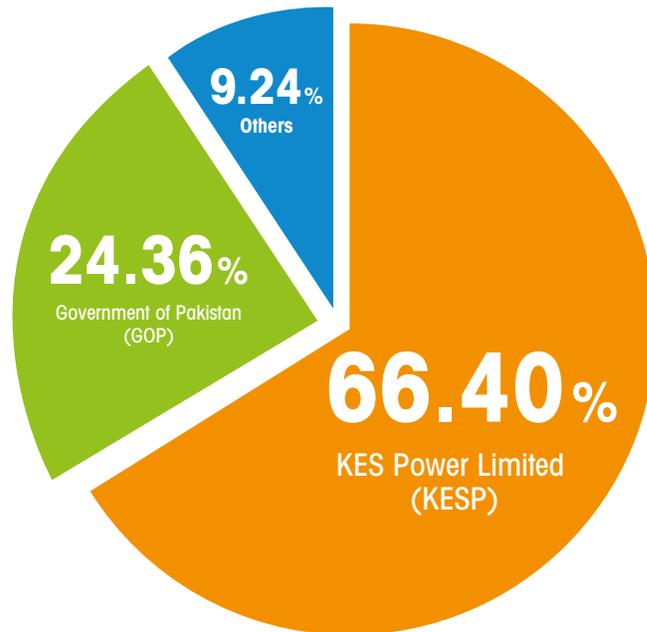
SAFE

We ensure that safety remains our top priority in all our operations and behaviors.



HOLDING STRUCTURE

Since privatisation in 2005, KE has invested over USD 4.1 Billion across our value chain which has enabled the Company to enhance generation, transmission and distribution capacities, resulting in operational efficiency and reduced system losses. In future, KE will stay on track to follow a systemic approach and continue to generate value for our shareholders and community, focusing capital allocation on energy infrastructure for smooth and reliable supply to all consumers.



OUR CORPORATE GOVERNANCE

MANAGEMENT AND OVERSIGHT

KE's Board of Directors (BoD) comprises of professionals possessing vast knowledge and experience who are fully aware of their fundamental responsibility to safeguard and enhance shareholders' value and stewardship of the Company's assets. The Board reviews and approves financial performance and statements with a focus on (1) the auditors' observations, (2) report and recommendations of Board Audit Committee (BAC), (3) business policies and best corporate governance practices, (4) annual budget and major capital expenditure programmes and (5) internal control environment.

KE recognises that the frameworks of governance and compliance are the backbone to serving all of our stakeholders. The Board is cognizant of its role and the responsibility to its shareholders and investors, adherence to the law and abiding by best practices in environment, social and governance. KE is committed to:

- Transparency and accountability and adherence to international agreements and local legislation
- Highest standards of performance and behavior in all our operations
- Consistent, open and prompt disclosure of relevant material information



CODE OF CONDUCT

KE's Code of Conduct complies with applicable laws, regulations and best practices. It covers several policies or position statements which inculcate a strong ethical work culture in the organisation.

These include:

- (1) Equal Opportunity and Diversity
- (2) Workplace Harassment
- (3) Secondary or Dual Employment by Employees
- (4) Competition
- (5) Corruption and Bribery
- (6) Gifts, Entertainment and Corporate Hospitality
- (7) Information, Communication and Media
- (8) Political Activity
- (9) Conflict of Interest
- (10) Confidentiality
- (11) Personal Data and Privacy
- (12) Intellectual Property
- (13) Families and Relatives
- (14) Outside Directorships
- (15) Corporate Opportunities
- (16) Sanctions
- (17) KE Whistle Blowing Policy

CODE PRINCIPLES

We play by the rules

We follow laws, rules, regulations and our policies, if any in conflict, we always uphold the laws.

We are accountable for our actions

We actively seek information, understand our responsibilities and recognise our wider impact on the societies in which we operate.

We are transparent and honest

We are open and truthful about our challenges.

We speak up

We ask questions when in doubt and raise concerns without concern of retaliation.

For details on our Code of Conduct visit our website:
<https://www.ke.com.pk/corporate/governance/>



COMPLYING TO ALL STATUTORY & OTHER REGULATIONS

Regulatory Compliance	<ul style="list-style-type: none"> • Rules and regulations of Company Law • Stock Exchange regulations • Rules and regulations of National Electric Power Regulatory Authority (NEPRA) • The Code of Corporate Governance Rules 2019 • Issue of the Public Offering Regulations 2017 • Shariah Compliance 	HSEQ Assurance	<ul style="list-style-type: none"> • A robust HSEQ assurance programme is in place, as explained in detail in the Annual Report 2022. • Standard operating procedures (SOPs), audits and observations, integrated safety organisation, incident investigation and behavioral observation programme have been implemented aligned with DuPont's Process Safety Management System (PSM).
Environmental Compliance	<ul style="list-style-type: none"> • KE submits reports to the Sindh Environmental Protection Agency (SEPA) to report compliance with respect to the Sindh Environmental Quality Standards • KE conducts environmental studies (EIA, IEE, checklist) depending upon the scope of the project to analyse our impacts on the surroundings and takes appropriate measures to mitigate the negative impacts. • KE has also implemented ISO 14001 (Environmental Management System) at our generation plants and Transformer and Switchgear Workshop (TSW). 		

OUR BUSINESS CONTINUITY PLAN

To ensure that the Company remains resilient in the wake of any unforeseen event, a clear and understandable Business Continuity Plan (BCP) covering multiple aspects including Disaster Management Plan (DMP) is in place for all critical business operations including IT, finance, HR, generation, transmission and distribution. The KE management reviews this frequently, and the BCP is tested to ensure that the required regular updates are made. Additionally, the staff is trained on BCP and DMP to ensure appropriate communication at all levels. Detailed policy on safe custody of records is in place which is fully complied with.

OUR CYBER SECURITY FRAMEWORK

Cyber Security at KE has a rigorous governance structure to it as it plays a critical role at both tactical and strategic levels. This function reports to our Chief Risk Officer, and KE Leadership along with the Board are regularly updated on key elements of Cyber Security. KE's IT Governance aims to warrant that all IT related activities are in alignment with our business goals and that our stakeholder requirements: Value Delivery, Risk Optimisation, and Resource Optimisation are met.

KE regularly engages with reputable global consulting firms for cyber security governance and best practices such as Enterprise Cyber Security Framework, ISO27001 Information Security Management System (ISMS) and Cyber security Capability Maturity Model (C2M2). These global frameworks provide direction to KE in terms of cyber risk prioritisation and maturity roadmaps as per current industry trends. Additionally, the KE Risk Management Function also embeds structured risk acceptance and risk exemption processes to provide visibility into those risks which are rated "Critical" or "High" during various cyber risk assessments.



KE continues to invest in cyber security tools, technologies and human capital. As a regulated entity, the Company maintains close liaison with NEPRA and adheres to NEPRA guidelines related to cyber security as well.

For further information on the Board of Directors, organisational structure, governance and Cybersecurity please view the Annual Report 22.

MITIGATING OUR RISK

The everchanging global environment makes it imperative to have a proactive approach to manage existing and emerging risks. KE's Risk Governance structure, under the supervision of Board of Directors (BoD), ensures the existence of, and the accountability for an effective and timely management and reporting of risks across the Company. The Board Audit Committee, as empowered by BoD, is responsible for governance of risk by establishing risk management policies.

An Enterprise Risk Management approach enables timely identification and proactive management of key risks that may substantially affect the company's ability to preserve and enhance shareholders' value.

A dedicated Risk Management function is established to strengthen risk culture across the Company by implementing a robust Enterprise Risk Management (ERM) Framework in line with best practices. KE's ERM methodology takes a comprehensive view of organisation wide risks by a combination of bottom-up and top-down approaches. All risks, including those with sustainability related implications, are identified by respective risk owners in coordination with ERM team, and appropriate risk response strategies are developed.

For the fiscal year 2022, following are the significant risks facing the company, related ESG performance metric impacted and brief risk mitigation strategy.

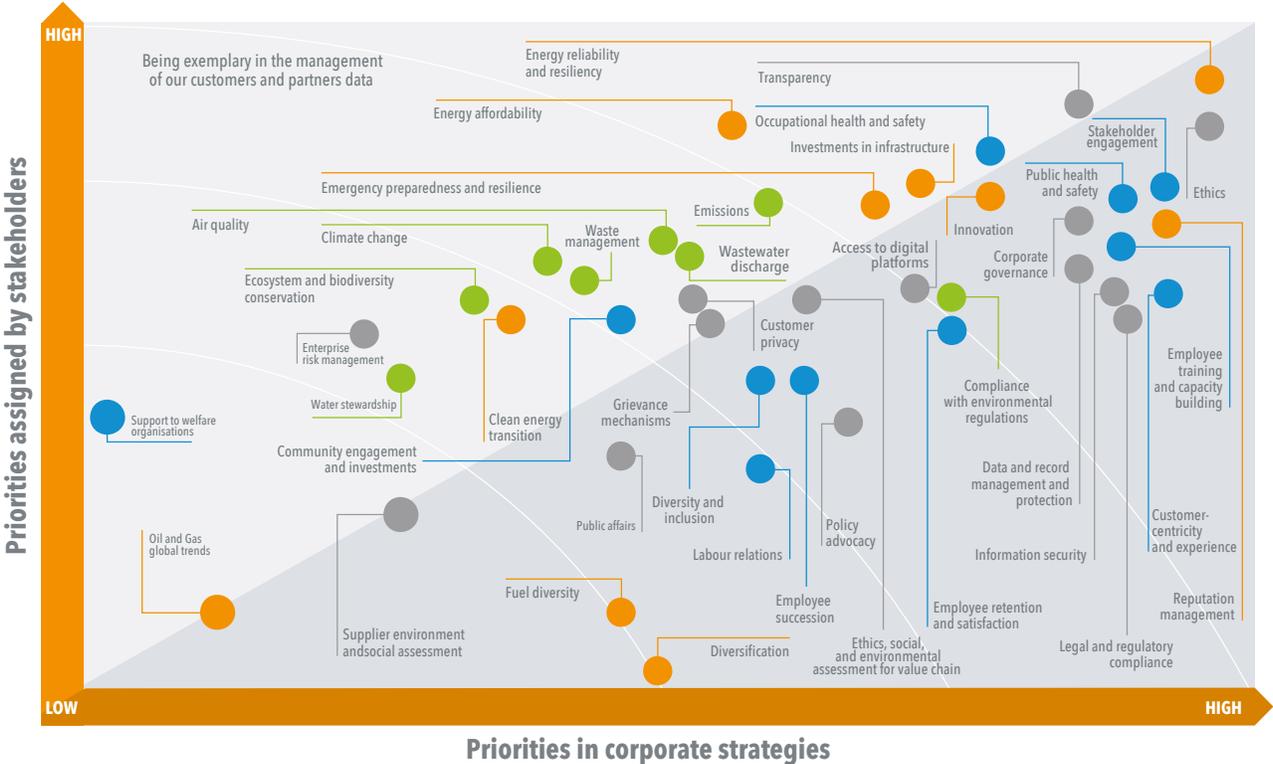
RISK	RELATED ESG PERFORMANCE METRIC IMPACTED	RISK MITIGATION THROUGH
Cash flow challenges due to delayed realisation of Government dues, challenges of recovery from customers and deterioration in Macroeconomic Factors.	GOVERNANCE Stakeholder management.	Broader stakeholder engagement to expedite realisation of Government dues. Cost optimisation. Customer engagement to enable timely recovery.
	SOCIAL Service standard. Customer satisfaction.	
Delays in Tariff approvals and disallowance of legitimate business cost.	GOVERNANCE Stakeholder management.	Curtailed of CAPEX and REVENUE expenditure. Regular engagement with NEPRA.
	SOCIAL Service standard. Customer satisfaction.	

RISK	RELATED ESG PERFORMANCE METRIC IMPACTED	RISK MITIGATION THROUGH
Disruptions in supply from National Grid and consequential impact on power supply position.	SOCIAL Service standard. Customer satisfaction.	900 MW BQPS III RLNG project to result in enhancement of own generation capacity. Enhanced transmission network capacity.
Fuel supply disruption impacting power generation.	Environmental Inability to meet carbon emissions reduction and energy efficiency targets.	Optimising energy mix by investing in renewable energy. Active engagement with suppliers. Maintenance of optimum furnace oil stock reserves.
	SOCIAL Affordability to pay energy cost. Customer satisfaction.	
Injury / loss of human life and damage to assets / infrastructure arising from any safety related incident.	SOCIAL Community relations and Public safety.	Engagement with stakeholders. Safety awareness campaigns through media and CSR initiatives.
	Governance Compliance with applicable safety and other applicable regulations.	Implementation of Process Safety Management (PSM) guidelines. Safety reward and reprimand policy.
Disinformation which may deteriorate brand image and loss of trust with stakeholders.	SOCIAL Community relations.	Engagement with stakeholders. Monitoring of key media platforms to timely counter any disinformation.
Breach of KE sensitive and confidential information due to cyberattack.	Social Data protection and privacy of customers.	Dedicated Security Operations Center. Compliance with ISO 27001 – Information Security Management System. Independent IT audits.
Loss of trained and high potential employees.	Social Impacting workforce ability to contribute to the operations. Effectiveness of the organisation to create value.	Succession planning. Competitive salary package.



MATERIALITY ASSESSMENT

KE is committed to making an impact in the areas that bring the greatest value to the Company, and with that, having a positive impact on the economy, environment, communities, and Karachi. Through regular and structured materiality assessment, we integrate ESG factors throughout the Company's value chain. The assessment helps to identify, refine, and assess the issues that are important to our business and stakeholders. The results of this assessment will be used to inform KE's strategy, targets, and reporting.



Priorities in corporate strategies

- ECONOMIC
- ENVIRONMENT
- SOCIAL
- GOVERNANCE

OUR SUSTAINABILITY PRIORITIES

SDG ALIGNMENT 22

The Sustainable Development Goals (SDGs) were adopted by all United Nations Member States in 2015 as a shared blueprint for peace and prosperity for people and the planet, with Pakistan being one of the first signatories. Taking the 2030 Agenda further in 2017 the UN Global Compact and GRI Business Reporting developed a uniform mechanism for businesses to report on their contribution to and impact on the SDGs in an effective and comparable way.

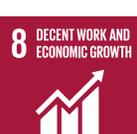
KE recognises the importance of this global initiative and how KE plays a critical role in infrastructure, advancing quality of life and furthering global development sustainably. KE has strengthened this intention by committing to the United Nations Global Compact (UNGC), and entering into a collaborative relationship with Global Compact Network Pakistan, signatory to the UN Global Compact since 2021. Though we work on all 17 SDGs, we prioritise those 11 SDGs with which we see a close alignment. With over 10,000 employees and business operations that span across Karachi and surrounding areas, KE has a large regional footprint. As a responsible corporate citizen we have incorporated environmental and social concerns throughout our value chain.



OUR SUSTAINABILITY PRIORITIES

SELECTED SUSTAINABLE DEVELOPMENT GOALS (SDGS)	SDG TARGET	PERFORMANCE INDICATOR	KE BUSINESS ACTION
 <p>3 GOOD HEALTH AND WELL-BEING</p>		<p>KE has developed a robust structure to build safety into the culture of the company and ensure that the services provided are safe for the public.</p> <p>Learn more: Community Impact, KHI Awards and Driving Public Safety</p>	<ul style="list-style-type: none"> • KE continued to ensure safety of employees by facilitating Covid vaccinations. In our responsibility to the city of Karachi, KE also donated 10 computers to the Govt. Vaccination centre at Expo Centre to support data input record of nearly 20,000 members of public. • Protected consumers from electrical safety hazards through public safety trainings and public service messaging. • Engaged Roshni Bajis to create electrical safety awareness in households via door-to-door visits. • The KHI Awards provide rebates to institutions working on health initiatives including access to quality essential health-care services. • Support Karachi's communities through the provision of free health services.
 <p>4 QUALITY EDUCATION</p>		<p>Internally, to enable employees to excel in their careers and evolve, the AZM Learning Institute provides learning. Externally, raising awareness and training related to safety is essential to the public.</p> <p>Learn more: Impact on Communities, KHI Awards, Vendor Management, engaging with internal stakeholders</p>	<ul style="list-style-type: none"> • As KE moves towards digitisation, employees are given relevant training on the technology updates and portal access. Training is also available on the website, for suppliers who will be applying on the online portal. • KE ensures equal access to all company-supported education and training programs, including vocational and information technology training. • In 2022, the first cohort of KE's Roshni Baji Programme underwent training and received certification on as Pakistan's First Certified Female Electricians. • To build community partnerships, KE supported the refurbishment of 3 schools.
 <p>5 GENDER EQUALITY</p>		<p>With policies that encourage the participation of women in roles normally reserved for men, KE is pioneering diversity and inclusion (D&I) initiatives in the power sector.</p> <p>Learn more: Gender Equality Framework</p>	<ul style="list-style-type: none"> • Women are encouraged to work across the organisation. Currently, 79 women occupy Manager and above roles. • Women have been empowered at the community through the Roshni Baji program. Partnering with Salman Sufi Foundation, the Women on Wheels program offered motorbike riding classes to women in the organisation. • Through Returnship Program, encouraged women who took a career break to manage personal responsibilities, to return to the corporate world under a mentorship program. • Supporting access to child and dependant care by providing services, resources and information to both women and men.

OUR SUSTAINABILITY PRIORITIES

SELECTED SUSTAINABLE DEVELOPMENT GOALS (SDGS)	SDG TARGET	PERFORMANCE INDICATOR	KE BUSINESS ACTION
	 	<p>Environment and sustainability are built into KE's Company strategy which is focused on mitigating environmental impact within the Company own operations, and also outside the boundaries of our operations.</p> <p>Learn more: Environmental Stewardship, Impact on communities</p>	<ul style="list-style-type: none"> Invested in water filtration and purification plants in underprivileged areas to provide safe drinking water to the communities.
	    	<p>KE is committed to providing reliable and affordable energy to its service areas. Concurrently, KE is committed to reducing GHG emissions by diversifying our energy mix.</p> <p>Learn more: Enabling Innovation, Powering Purpose</p>	<ul style="list-style-type: none"> KE works closely with the regulator to implement well-designed, stable policy frameworks. KE has set targets to increase own share of renewable energy in the generation fleet through addition of 1,200 MW by 2030. It also offers solar energy installation through our subsidiary K-Solar to promote initiatives on renewable energy and integrating these into business strategy. KE's Energy Audit department runs several programs internally and externally to improve energy efficiency and reduce carbon footprint. KE is committed to tracking and reporting energy usage, reduction and intensity over time by strategising to reduce losses in transmission and distribution. As a part of a commitment to increase accessible and affordable power, KE co-created a Solar microfinance facility program with Akhuwat Foundation as the implementing partner.
	  	<p>We strive to attract the best talent to our workforce and enable them to grow within the organisation.</p> <p>Learn more: Fostering Growth</p>	<ul style="list-style-type: none"> KE's female meter reading staff is an example of generating added value in the domestic economy through enhancing own capacity. KE has used various platforms to share learnings which can be replicated by other firms. Decent work at KE includes paying the best possible wages, benefits and working conditions within the framework of government policies. Establishing fair policies for selection of suppliers, and improving economic inclusion throughout the supply chain. The vendor policy and code of conduct is available on the website.



OUR SUSTAINABILITY PRIORITIES

SELECTED SUSTAINABLE DEVELOPMENT GOALS (SDGS)	SDG TARGET	PERFORMANCE INDICATOR	KE BUSINESS ACTION
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	   	<p>KE's forward-looking approach to business is driven by research and innovation.</p> <p>Learn more: Enabling Innovation</p>	<ul style="list-style-type: none"> • KE has embarked on Operational Excellence Programme to improve efficiencies and processes across the organisation. • KE continues to invest in digitisation, in energy efficiency in buildings, road safety equipment, smart metering, and GHG reduction.
 <p>10 REDUCED INEQUALITIES</p>	  	<p>KE is an organisation which believes in moving forward with all its differently-talented individuals, engaging them to their fullest potential.</p> <p>Learn more: Fostering Growth</p>	<ul style="list-style-type: none"> • KE continues to fully disclose performances on equal remuneration, including benefits, for work of equal value. • KE has incorporated a structure to promote disability inclusion through identifying and hiring people with speech, hearing, and visual impairments; and offering necessary facilities for an inclusive work culture.
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	  	<p>KE's role in the City is not just limited to power supply but, extends towards building the social and infrastructural capital of the communities served.</p> <p>Learn more: Impact on Communities, Environmental Stewardship, Enabling Innovation</p>	<ul style="list-style-type: none"> • Invested in improving KE infrastructure and services hence contributing to overall optimisation of urban systems. • KE undertakes social, economic and environmental impact assessments prior to project development and ensures these are available on the website for stakeholder review. • As part of our continued investment in the well-being of communities KE continues to invest in parks and other facilities for recreation. • KE understands the importance of natural disaster risk reduction to our business and communities. To this end, a Business Continuity Plan (BCP) and Disaster Management Plan (DMP) is in place to ensure that the Company remains resilient in wake of any unwarranted event and that communication platforms are used for safety messaging during heatwaves and monsoon. • Through the 7/11+ Innovation Challenge, KE is investing in enhancing scientific research and technological capabilities.

OUR SUSTAINABILITY PRIORITIES

SELECTED SUSTAINABLE DEVELOPMENT GOALS (SDGS)	SDG TARGET	PERFORMANCE INDICATOR	KE BUSINESS ACTION
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	  	<p>KE is focused on mitigating environmental impact within the Company's own operations.</p> <p>Learn more: Environmental Stewardship, Enabling Innovation, Powering Purpose</p>	<ul style="list-style-type: none"> • KE has ongoing public safety activities in place for meeting foreseeable environmental, health and safety-related challenges. • KE supports our commercial customers through energy audits and recommendations for reducing energy consumption showing responsibility to the post-consumer stage of a product. • For implementing circular business models, we look within our systems to to reduce wastage – with a distinct focus on paperless billing. • KE has worked with UNDP and has removed all materials/equipment containing the chemical PCB in FY 22. • KE is committed to disclosing environmental and social performance through ESG/ sustainability reports.
 <p>13 CLIMATE ACTION</p>	 	<p>With the effects of climate change already causing challenges globally, it is imperative that the energy sector plays an active role in mitigation and adaptation.</p> <p>Learn more: Environmental Stewardship, Enabling Innovation, Impact on communities</p>	<ul style="list-style-type: none"> • Following the development of the baseline, KE will be setting GHG reduction targets in line with the goals of the Paris Agreement. • Climate change and natural disaster reduction are a part of trainings on energy efficiency awareness and understanding imparted amongst among clients and employees.



AWARDS AND RECOGNITIONS

<p>NEPRA CSR Award Won Gold at NEPRA CSR Award under Diversity Initiatives.</p>		<p>Asia Export Finance Deal of the Year KE was awarded Asia's Best Export Finance Deal of the year by TFX</p>
<p>S&P Global Award KE's Roshni Baji initiative received the first ever S&P Global Award.</p>		<p>Asian Power Awards KE Bagged two awards at the Asian Power Awards for 'IT Project of the Year' and Power Utility of the Year'</p>
<p>UNOCHA Award Received Appreciation Award ' by UNOCHA for community efforts with regards to Covid.</p>		<p>Wepower, Southasia KE won the employee retention initiatives, the objectives of Wepower awards are to support greater participation of women in energy projects.</p>
<p>Employer of Choice Gender Diversity Awards KE won the silver award in 'Employer of Choice - Gender Diversity Awards 2022</p>		<p>CSR Award KE received recognition award by NFEH for our efforts and initiatives taken under CSR.</p>
<p>Annual Environment Excellence Award KE receives its 18th Annual Environment Excellence Award 2021 in recognition of its efforts towards environmental protection.</p>		<p>UNGC Award KE received recognition awards by UNGC-Pak for our suitability goals related efforts.</p>
<p>Fire Safety Award Won "National Fire Safety Award 2021' awarded by National Forum for Environment & Health (NFEH) and Fire Protection Association of Pakistan (FPAP). For 10th Consecutive year.</p>		<p>Best Environmental Practice Award Won 'Best Environment Practice Award' at 7th International Environment, Health & Safety (EHS) Summit.</p>
<p>Best Practices Award in Occupational Health & Safety 2021 Appreciation Shield for 16th Best Practices Award in Occupational Health & Safety 2021 Employers' Federation of Pakistan</p>		<p>International Safety Awards 2022 Won in the "Seize the Opportunity Award" category presented by British Safety Council UK.</p>
<p>EHS - The Professionals Network KE won the Best Environmental Practice award in recognition for our efforts towards environmental practices.</p>		<p>SAFA Award 2020 SAFA Best Presented Annual Report (BPA) Award 2020. First Runner up in the category of Power and Energy</p>

POWERING PURPOSE

K-Electric Limited is the only vertically integrated power utility in Pakistan managing electricity generation; owning and operating transmission and distribution (T&D) network and selling electricity. As a regulated entity, KE's business model receives comprehensive oversight from regulators on our pricing mechanisms and service. KE strives to provide safe, and reliable power to all of our customers while balancing our social and environmental footprint.

IN THIS SECTION

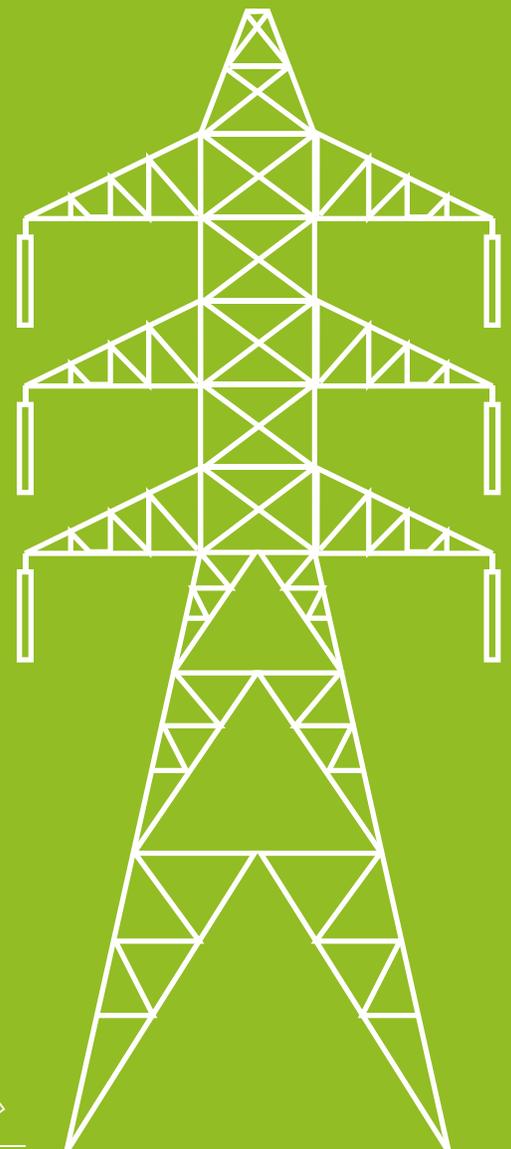
OUR BUSINESS MODEL

OUR VALUE CHAIN

MEETING FUTURE DEMAND

ENGAGING WITH OUR STAKEHOLDERS

COMMUNICATING WITH OUR STAKEHOLDERS



PERFORMANCE OVERVIEW



USD 4.1 Billion

invested across the power value chain since privatisation



29%

improvement in generation fleet efficiency since privatisation



18.9%

reduction in T&D losses since privatisation



12,500

PMTs converted onto Aerial Bundled Cables



PKR 8.52 Billion

Net Profit



17%

increased in digital penetration from FY 21



342,824

subscribers of WhatsApp



9 Million

lives impacted through KHI Awards winners



300,000

community women sensitised through Roshni Baji initiative



331 GWh

of renewable energy



93%

of customer queries responded to within 20 seconds



22,711

staff trained on health, safety and environment



OUR BUSINESS MODEL

GENERATION

USD 1.9 BILLION



KE fleet has **2,345 MW** of installed capacity

Around **40%** of electricity produced from own sources (FY 22)

60% of electricity purchased from external sources (FY 22)

TRANSMISSION

USD 1 BILLION



Length of Transmission Lines (kms): 1,354

Power Transformation Capacity: **6,803 MVA**

Number of Power Transformers: **179**

Number of Auto Transformers: **20**

No of Grids: **71**

220 kV Grids = **10**

132 kV Grids = **58**

66 kV Grids = **3**

Telecommunication & SCADA Adaptability

100% feeder lines are adapted

DISTRIBUTION

USD 1.2 BILLION



Distribution network spans 6500km²

2,001 Feeders (11 kV)

10,520 km Lines HT (11 kV)

18,936 km Lines LT (400 V)

30,771 Distribution S/S/PMTs

8,685 MVA Distribution Capacity

Customer-focused business relations managed through:

54 Customer facilitation centers including 29 IBC

11 IOW

24/7 Response Center (118)

KE Live Mobile Application

KE WhatsApp

The Interactive Voice Response (IVR)

SMS 8119

7,890 GWh of electricity produced from KE owned plants (FY 2022)

11,912* GWh of electricity purchased from National Grid, IPPs and CPPs

Total: 19,802 GWh*

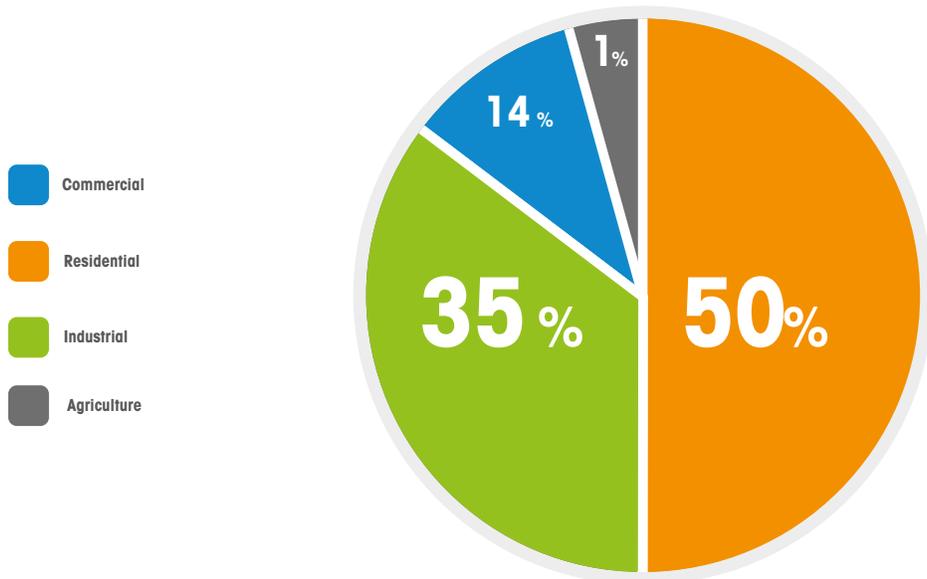
**This includes 44 GWh power import from KE's net-metering consumers.*





Years	Lines	Length of Transmission Lines (km)			Length of Distribution lines (km)	
		220 kV	132 kV	66 kV	HT	LT
FY 21	Overhead Lines	323	651	152	3,010	16,658
	Underground Lines	42	182	1	7,273	1,851
	Total	365	833	153	10,283	18,509
FY 22	Overhead Lines	321	652	152	2,974	17,042
	Underground Lines	43	186	1	7,546	1,894
	Total	364	838	153	10,520	18,936

UNITS BILLED: BREAKUP OF RESIDENTIAL, INDUSTRIAL, COMMERCIAL, AGRICULTURE



OUR VALUE CHAIN

GENERATION

KE continued to make strides in the generation segment including successful commissioning of 'Black Start' capability at Korangi Combined Cycle Power Plant (KCCP). This has enabled KE to reduce dependency on IPPs and National Grid, with reduced down time, thus enhancing KE's technical ability to export power to the network in case of blackout.

Furthermore, investment in maintenance activities at existing generation stations were carried out throughout the year, resulting in following improvements compared to last year:

FLEET PERFORMANCE INDICATORS	FY 21	FY 22	% IMPROVEMENT
Fleet Reliability	98.8%	99.5%	↑ 0.7% points
Fleet Gross Efficiency	38%	38.6%	↑ 0.6% points
Fleet Forced Outage Numbers	1,768	749	↓ 57.6%

Further, synchronisation of first unit of combined cycle and base load test operations of 900 MW RLNG fired power project (BQPS-III) were also initiated. The Plant is expected to become fully operational in FY 2023.

TRANSMISSION

Continuing with our objective of meeting customer needs, driving efficiencies, and making key investments to grow with our customers, KE strives to improve grid and transmission line reliability and reduce system losses. To achieve this, KE continues investment in system augmentation and rehabilitation of existing lines and grid equipment. This has enabled KE to increase transmission capacity and network length thereby improving the reliability and efficiency of the transmission system.

Upgradation of the Company's transmission network in parallel with expansion of generation fleet is necessary in ensuring the power generated and procured from external sources is served reliably and safely to the customers.

These plans continue to bring substantial benefits in providing reliable electricity supply to the city including meeting bulk loads during high demand times, off-taking additional power from the National Grid, increasing reliability by reducing trips, evacuation of power from renewable energy projects, prevent issues from aging, and increase operational reliability.

The investments in previous years have resulted in considerable improvement in the reliability of the transmission network of KE in FY 22 in comparison with FY 21.





System Improvement - Grids and Power Transformers

10% & 23% reduction in grid equipment trips and power transformer trips, respectively.



Condition Based Monitoring

26% decrease in actual trips and 13% reduction in forced shutdowns resulted in lieu of CBM approach adaptation



System Reliability

46% reduction in SAIFI and 61% reduction in SAIDI



Unserved Energy

47% reduction in Unserved Energy



DISTRIBUTION

Serving power to the City in a reliable and safe manner is at the heart of what we do. Key threats to the power distribution network include illegal connections and tampering, that not only cause high loss in electricity supply but also pose a significant safety risk for the public. KE continues to invest in the distribution network to ensure that the infrastructure remains resilient against safety risks, tampering, and the effects of climate change.

On the technical front, the distribution network has seen significant improvement in the current fiscal year due to the prioritisation of the following initiatives:

- Capacity enhancement in the network through the addition of 50 feeders and 1000 PMTs resulting in an increase of capacity enhancement by 532 MVAs.
- Preventive maintenance of 171 feeders.
- Data analytics through Meter Data Management System (MDMS) Analytics module. This went live in December 2021 for better visibility of the network with comprehensive reports and dashboards, identifying avenues for technical and commercial data cleansing, gaps in system based and field process chains for asset tagging, network hierarchy and consumer mapping.
- Refurbishment using a new integrated product called Pad Mounted Unit (PMU) improving the resilience of PMTs in coastal regions by the TSW.

ENERGY LOSSES IN TRANSMISSION & DISTRIBUTION	Unit	FY 21	FY 22
Losses of 220kV & 132 kV System (including 66 kV)	GWh	208	164
	Percentage	1.07%	0.83%
Losses of 11 kV and below system	GWh	3,210	2,875
	Percentage	16.65%	14.64%
Overall System	GWh	3,418	3,039
	Percentage	17.54%	15.35%

As part of the commitment to continue strengthening the reliability and safety of our network, KE continued second phase of earthing projects under which running earth wire across all low-tension (LT) poles are being installed as a secondary protection to provide additional safety and extra protection to the system, while double earth wire on HT poles is already installed in the KE system. KE has also put in place a sweeping process to detect any missing poles to be earthed as and when identified.

In 2019, our management made a strategic decision to focus on reducing losses and achieve a financial turnaround in Integrated Business Centres (IBCs) by launching Project Sarbulandi. This project took a phased approach concentrating resources and efforts on improving performance by taking measures such as converting existing high loss Pole Mounted Transformers (PMTs) to Aerial Bundled Cables (ABCs), uplifting underserved areas, and enhancing infrastructure resilience.



Scan to visit
Sarbulandi Project website





SARBULANDI MODEL COMMUNITY

Korangi, a town located in Karachi has been serving the City as a business hub for the last four decades. This previously well-planned and developed area went through rapid industrialisation and population growth, which resulted in infrastructure decline and erosion of basic amenities. Two colonies in Korangi, Abdullah Shah Noorani and Gilgit are great examples of unauthorised encroachment through the creation or extension of a physical structure followed by illegal connections of electricity; the latter resulting in the categorisation of the location as a 'Very High Loss' (VHL) area.

When Project Sarbulandi was launched in Korangi, the community was hesitant to embrace it however, KE continued to engage with community notables to help residents understand the vision. As the Project came to life and showcased positive results with reduced faults and tripping, residents embraced the plan and converted to legal connections themselves.

Home to 8,000 residential and commercial properties, these communities have now been completely converted to Aerial Bundle Cable.

Additionally, in line with our commitment for a greener and healthier Karachi, KE renovated yet another park at Gilgit Colony and installed a water purification plant at Abdullah Shah Noorani Basti.

Muhammad Ali Sadpara Park was a 9,500 yard land swamped by sewerage water. KE partnered with residents to revamp the Park and helped transform it into a recreational space enjoyed by families. A local area committee has been formed to drive ownership and sustain its upkeep in the long term.



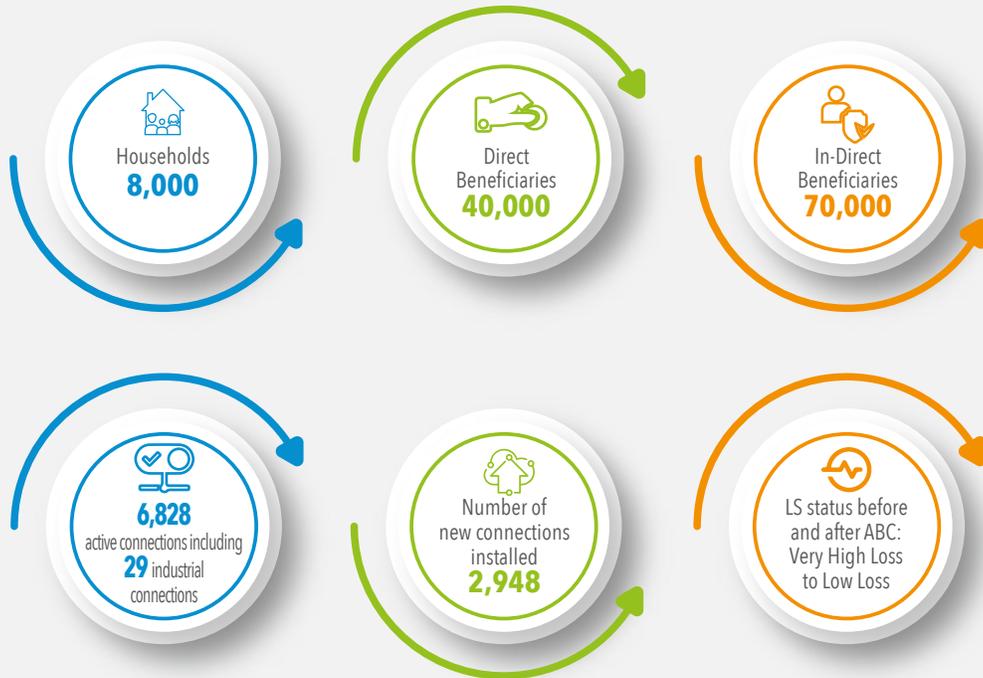


BEFORE



AFTER

IMPACT



Along with reduction in distribution losses, the Company is also focused on enhancing recoveries of electricity dues through targeted schemes. In FY 22, the Ehad initiative was rolled out to facilitate defaulting customers and encourage payments. The scheme offered rebates ranging from 25% to 70%. These also included targeted area-wise rebate schemes in collaboration with the area representatives. PKR 3.6 bn was recovered against 99,000 registrations.



MEETING FUTURE DEMAND

With an eye on the future, KE aims to become a regional leader among utilities and an example of global excellence in energy provision and management. KE's Research & Innovation wing was established in 2021 to pursue creative, and innovative initiatives across the organisation – in both technologies and business processes.

To meet the growing demand and better serve our customers amidst the evolving sector landscape, the team is currently exploring possible implementation of off-grid and green energy solutions that will expand energy access for people in Karachi and beyond. With a robust pipeline of renewables to be added by 2030, a plan for solarisation and electric vehicular charging, KE is sharpening focus on decarbonisation and reducing emission footprint. In addition to exploring new revenue verticals, KE is also fostering innovation in the power sector space.

ENERGY TRANSITION - 30 BY FY 30

In line with the GOP's objectives and the approved National Electricity Policy (NEP 2021), KE targets to diversify and optimise our energy mix with the addition of renewable projects, along with a shift from thermal/baseload generation to indigenous fuels/sources. This would enable KE to serve a more reliable, affordable and sustainable power to customers, while also meeting the national target of increasing renewable sources of generation and reducing the carbon footprint.

KE is committed to this transition, and as such plans to add c. 1,200 MW through renewable projects in our generation basket. Furthermore, a portion of renewable energy will also be added in our system via the National Grid, which would increase the total share of renewables in KE's fleet to c. 30% by FY 30.

RENEWABLE ADDITIONS TO OUR GENERATION FLEET



Particulars (MW)	FY-25	FY-27	FY-28	FY-29	FY-30	Total
Solar	500	200	-	200	-	900
Wind	-	-	100	-	100	200
Hydel	-	-	-	80	-	80
Total	500	200	100	280	100	1,180

To meet the above targets, KE has initiated the process for setting up 150 MW of solar generation under an IPP mode in the Balochistan region via competitive bidding. KE has also launched its subsidiary, K-Solar – to provide clean and green energy solutions to commercial and industrial consumers.

K-Solar is exploring innovative solutions to meet the growing needs and demands of the customers, including providing solution for low-income segments, to enhance their income and provide reliable power for their businesses. At present K-Solar provides its service all over Pakistan, having installed 3.36 MW of total distributed generation which is serving over 70 residential and commercial consumers. Other innovative projects include K-Solar's partnership with Shell in Karachi and Gadap for EV projects.

OUR FINANCIAL PERFORMANCE

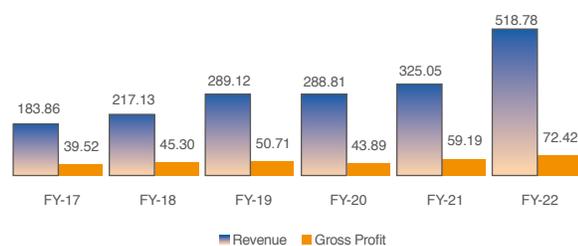
In FY 22, despite challenges in the macro-economic environment, KE invested across the value chain. This enabled the Company to show positive growth in key operational performance indicators such as the reduction of T&D losses from 17.5% to 15.3% and an increase in our sent out growth by 1.6%. The negative impact of additional PKR 9.5 billion recorded this year on account of Mid Term Review (MTR) did partly set off our improvement in performance. But, due to the operational improvements made, the Company's gross profit increased by 22% from FY 21.

However, as a result of one-off adjustment in respect of exchange loss of PKR 9 billion owing to the devaluation of Pak Rupee and increase in impairment loss by PKR 9.1 billion against doubtful debts due to high inflation, increase in our consumer tariff, and current economic condition impacting the consumers propensity to pay, the EBITDA decreased by 9.3%.

Additionally, profit before tax of the Company witnessed a decline of around 63% as compared to last year mainly due to the finance cost increase by 36%. This was mainly on account of increase in effective rate of borrowing and higher levels of borrowing as compared to last year. Decrease in profit before tax was partially off-set by recognition of deferred tax income on unrealised tax losses, resultantly the Company's net profit decreased by 29% as compared to last year.

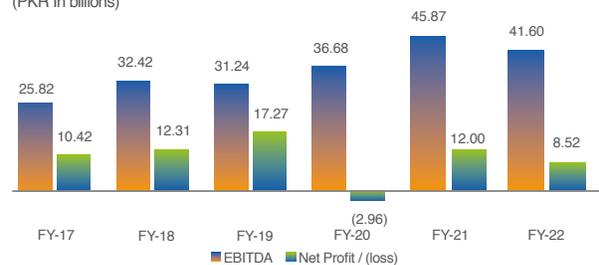
REVENUE & GROSS PROFIT

(PKR In billions)



EBITDA & NET PROFIT / (LOSS)

(PKR In billions)



ENGAGING WITH OUR STAKEHOLDERS

We define our stakeholders as all those parties or entities that have an interest in the organisation and can both affect or be affected by our business. KE's approach to stakeholder engagement is underpinned by our core values and governance framework that supports transparency and value creation. We strive to continuously engage with our stakeholders to better understand their interaction with our material issues and align our ESG strategy with their needs to create shared value. KE works to prioritise partnerships with all of our external stakeholders – customers, investors, governments, regulators, NGOs—to ensure the necessary progress is accomplished for sustainability across the energy ecosystem.

How KE engages with Stakeholders		
<p>Employees KE's Human Resource policies and procedures ensure that employees are engaged, heard and supported. This is achieved via:</p> <ul style="list-style-type: none"> • Paish Qadam - internal communication platform • Internal events • Engagement surveys • Performance management system • Awaz portal 	<p>Board of Directors KE engages with the Board members and Board committees on a quarterly and annual basis. Updates are shared via:</p> <ul style="list-style-type: none"> • Progress reports • Action plans • Field visits <p>Board of Directors also engage with the shareholders by upholding strong commitment to transparency and communicate:</p> <ul style="list-style-type: none"> • Strategic, operational and financial results • Progress on priorities 	<p>Community KE engages with communities through a series of activities and projects in which KE employees also participate. Outreach and participation with local communities and stakeholders is undertaken through</p> <ul style="list-style-type: none"> • Dialogue • Field visits • Surveys • Events and activities • Deliberations
<p>Customers KE maintains a two-way communication with customers, offering a range of platforms to ensure 24/7 connectivity where complaints and issues are highlighted, along with providing updates. Modes of engagement with the customers include:</p> <ul style="list-style-type: none"> • KE website • Digital platforms • Print advertisements • Call center helpline with IVR • KE Live Mobile Application • KE WhatsApp • SMS 8119 • Roshni Bajis 		
<p>Vendor Engagement KE maintains working relationships with its suppliers in order to ensure higher product quality, improved planning and greater supplier support to the KE value chain.</p> <ul style="list-style-type: none"> • Procurement related communication on the website • Written and verbal communication to all suppliers on compliance for Code of Conduct • Written and verbal communication on HSE related requirements • Onboarding engagement 		

How KE engages with its Stakeholders

<p>Academia KE engages academia for research activities, recruitment drives, and knowledge sharing based collaborations.</p> <ul style="list-style-type: none"> • Technical or advisory services • Field visits • Guest speaker sessions • Participation in recruitment events • Sponsorship of particular initiatives 	<p>Environmental Enforcement Bodies Compliance with environmental law is considered a pre-requisite at all levels of KE. Concerns and directions by the environment regulatory bodies are taken into account for adherence.</p> <ul style="list-style-type: none"> • IEEs and EIAs • Sharing information as per the reporting requirements
<p>Public Affairs and Government bodies Multiple teams at KE are responsible for engaging with the public and government bodies:</p> <ol style="list-style-type: none"> 1. Public Affairs & Government Relations team engages stakeholders from all of the governing bodies of Pakistan to ensure optimum results and acts as an intermediary for liaising with internal departments. 2. Technical Liaison team has been allocated responsibilities that include but are not limited to planning and development of KE's infrastructure in the city with maintaining relationships and discourse with the governing and civic agencies. 	<p>Financial Institutions/Partners /Investors KE engages with local and international banks, DFIs, capital market investors and Export Credit Agencies (ECAs) to explore financing options, to keep them apprised of the progress on various on-going and upcoming projects and strategic initiatives. Methods of engagement include:</p> <ul style="list-style-type: none"> • Commitment to transparency – communicate strategic, operational and financial results and progress on priorities • Contact emails provided • Furthermore, financial and other relevant information is shared with lenders as per their reporting requirements
<p>Industrial & Commercial Customers The success of Karachi's industrial base is KE's success. Dedicated teams work towards meeting the need of the industrial customers:</p> <ul style="list-style-type: none"> • Answer queries through meetings and site visits • Arranging regular sessions/visits of the KE CEO and other senior management 	<p>Media The power utility regularly engages with business and energy sector reporters via:</p> <ul style="list-style-type: none"> • Press releases • Briefing sessions • Press conferences • Engagement sessions
<p>Global Stakeholders KE interacts with international networks, global think tanks and policy institutions and local trade offices of diplomatic missions upon request.</p>	<p>NGOs/Civil Society For long-term sustainability of its projects, KE collaborates with trusted partners working in the social and environmental spectrum.</p>



How KE engages with its Stakeholders

Memberships

- Overseas Investors Chamber of Commerce & Industry (OICCI)
- Pakistan Institute of Corporate Governance (PICG)
- Pakistan Business Council (PBC)
- Audit Oversight Board (AOB)
- Karachi Chamber of Commerce & Industry (KCCI)
- Management Association of Pakistan (MAP)
- United Nations Global Compact (UNGC)
- Global Compact Network Pakistan (GCNP)
- UN Women

Regulatory Bodies

The guiding principle of KE's policy for relationship and engagement with all the regulators is based on mutual respect, legal and regulatory compliance in letter and spirit ensuring:

- Disclosure and dissemination of material information in a timely manner to ensure transparency at all levels
- Any query routed through the regulators is addressed with highest priority

FACILITATING OUR CUSTOMERS

With a focus on value creation for our customers, new strategies have been introduced at every level, including environment, social, and governance policies. As we continue to meet the electricity needs of all types of customers across the network, KE strives to provide efficient and accessible customer service through quality of delivery, simplified processes, a well-trained and equipped customer service team, efficient platforms and alternate channels for customer engagement.



KE's focus on Digital Acceleration is at the core of revitalising the customer experience. Data driven customer insights underpin the transition towards proactive and transparent customer communications which has amplified customer satisfaction. Simultaneously, powering industrial growth has always been pertinent to us, as reflected in the prioritisation of simplifying the new connection processes in Project Phoenix under Operational Excellence. Interactive digital channels have continued to take precedence as the channels:

- Offer a variety of channels for customers to interact
- Reduce the time taken to resolve customer queries
- Enable an automated approach to facilitate the general requests common to most customers

CUSTOMER SERVICE AND FACILITATION CHANNELS



Customer Care Centers

- 54 Customer Care Centers, including 29 IBCs, focus on customer experience.
- Improvements made in Queue Management System in FY21-22 through feedback from customers.
- Availability of Wifi services for waiting customers.
- Guidance given on Digital platforms to reduce walk-in customers.
- Reduction in walk-in customers from 1.59 million to 1.51 million marking the digital transformation a success.



Customer Facilitation Centers

- For facilitation the no. of Centers increased by 22 in FY 22. This has led to improvement in customer engagement as these cater to areas where there are no Customer Care Centers.



IBC on Wheels (IOW)

- 11 IOWs have been operating in Karachi to facilitate locations with restricted payment channels for bill payment and customer service features.
- The one window operation facilitates customers for new connections and bill payments.



KE Website

- Significant company announcements.
- Regularly updated schedules for Load Shedding and Maintenance Shutdowns.
- Tariff related information.
- Guidance on our customer services.
- Updated FAQs.



KE Live App

- An increase in number of registered customers from 349,224 (FY2021) to 500,224 (FY2022).



118 Response Centre

- Reduction in calls from 7.1 million to 4.86 million, largely due to the increased use of other platforms.



KE Whatsapp

- Subscription to KE official WhatsApp Account has shown incremental growth to about a total of 400,000 subscribers.
- Facilities offered include generating a duplicate bill, register technical complaints, or seek update on the load shedding schedule.
- KE has incorporated the Urdu language feature following feedback from customers.



KE SMS Service

- 92 million messages were sent during the year to customers.
- Information relayed about load-shedding schedules, outages, bill payment, etc.



KE Social Media

- 880,015 queries were answered within average response time of 5 minutes, via Facebook and Twitter.
- SM Outreach:
Facebook: 493,000
Twitter: 150,000
LinkedIn: 186,000
Instagram: 14,389



ENGAGING WITH OUR VENDORS

The business ecosystem that KE operates in involves working with multiple local and global suppliers and vendors. These symbiotic relationships allow the organisation to perform its operations without any interruptions. KE's Supply Chain function has played an integral part in business continuity by engaging suppliers that could withhold the adverse impacts of the pandemic, for critical business needs, while continuing to keep supply base consisting of SMEs engaged with optimised orders, to ensure that they continue to retain their position in the lower tier supply market.

KE is also focused on digitisation to improve procurement processes and streamline continued growth in the business. Steps taken by supply chain to improve vendor on boarding process include:

- Adapting to digital transformation through automation - Industry 4.0.
- Using the SAP ARIBA E-Procurement tool to digitise the Supply Chain function, enabling a culture of trust and transparency. Around 92% of our spend was done via SAP ARIBA.
- Advocating and supporting other functions to enable electronic payment transfer across our vendor base.
- Reducing the timelines for procurement through Switch and Swift project (See Operational Excellence).

The function ensures all suppliers and employees follow a responsible approach in the supply chain. KE ensures all vendors follow our Health, Safety and Environment and Quality policy. Furthermore, KE recognises that a sustainable supply chain respects human rights throughout the value chain.

TENDERING PROCESS AT KE

KE's website provides information for new vendors, access to the vendor registration portal, the Supplier Code of Conduct, training resources to guide online registration and the contact address for further information.

The procurement process ensures all suppliers:



Are evaluated on related subject parameters.

Adhere to HSEQ policies via self-evaluation form and inspection checklist, following which KE reviews the HSE policies through the PDCA Cycle and improve them via continuous improvement process.



Sign an undertaking to adhere to the Supplier Code of Conduct.

Observe and uphold rights of employees and sub-contractor in compliance with the Conventions covered with the International Labor Organization (ILO).



COMMUNICATING WITH STAKEHOLDERS

INTERNAL STAKEHOLDERS

KE's continued success depends on the ability of our teams to stay abreast of changing regulations, city dynamics, health and safety updates, environmental systems and operational developments in the backdrop of a strong value system that embodies customer centricity. KE's internal communication platform "Paish Qadam" was launched in 2021 symbolising a forward leaning approach. Our internal communications strategy uses a multi-channel approach and fosters both top down communication as well as interactive two way dialogue. In FY 22, over 62,000 engagements were generated through over 400 communication moments, including 46 poll surveys.



ACTIVITIES IN	2020-2021	2021-2022	GROWTH
BROADCAST EMAILS	26	349	13.4x
WEBINARS	1	14	14x

The Paish Qadam App
A single communication platform that aims to connect over 10,000 internal stakeholders and engage employees with relevant and timely information.

Emails
Used to disseminate information regarding business and operations across all functions at management levels.

Paish Qadam TEAMS
Account is accessible to 2,300 employees (Assistant Managers & above) for real-time updates on business and operations. Webinars conducted on Microsoft Teams include safety updates, stakeholder management & brand building.



EXTERNAL STAKEHOLDERS

Today information moves as fast as the electrons in our system. Due to the complex nature of our business and regulatory environment, a steady stream of communication with a comprehensive strategy to keep external stakeholders informed is critical. KE regularly, and sometimes almost daily, disseminates critical information through events, and announcements using shared, owned, paid and earned methods including electronic, print, and digital media as well as via phone / SMS. Information is typically released through the Company's pre-approved platforms to relevant audiences whereas a press information department and designated spokesperson are available for media queries.

In FY 22, communication initiatives undertaken by KE included:

- Raising awareness on the global impact of rising fuel prices, maintaining a constant flow of timely information as regards to the fuel-supply crisis and the macroeconomic factors impacting the sector.
- Information related to power supply status and schedule, tariff changes, business hours, due date as well as our social and business initiatives and community work as well as company achievements and accolades and financial performance.
- Value added offerings that benefit our customers such as cashback facilities and discounts on partner platform purchases.
- Driving Energy Conservation awareness in public to help lower electricity bills and reduce carbon footprint.
- Policy dialogues under the "KE Future of Energy" Series.
- Advocacy on need for better urban planning and infrastructure, and highlighting investments by KE to enhance network safety.
- Public Safety messages especially during the monsoon season (Power with Safety).
- Driving a gender balanced approach in power sector by highlighting our D&I initiatives such as Elevate for Equity on International Women's Day 2022 and our flagship Roshni Baji programme's transformative impact on the recruits at Dubai Expo 2020 in February FY 22.

Heatwave safety messaging disseminated at 346 spots through multiple mediums. Outreach: 175,000 people in 189 locations.

Pre-Monsoon safety messaging given out at 513 spots through multiple mediums. Outreach: 270,000 people in 307 locations.

Participation in 12 external events related to the energy sector including webinars, forums and conferences.



ENABLING INNOVATION

KE is aware of the criticality of embedding a DNA of innovation within its operational strategy, in the evolving energy and regulatory landscape. This requires a robust model which emphasises on improving efficiency, scaling up in new avenues through technological expertise, leadership, and empowering employees. KE's business approach is rooted in the premise that the utility's role in the city is not just limited to serving power supply but also aims at building social and infrastructure capital in the communities served. KE's strategic approach is guided by and evaluated periodically through set Key Performance Indicators. (For further information on KE's Strategic Approach, view our Annual Report FY 22).

IN THIS SECTION

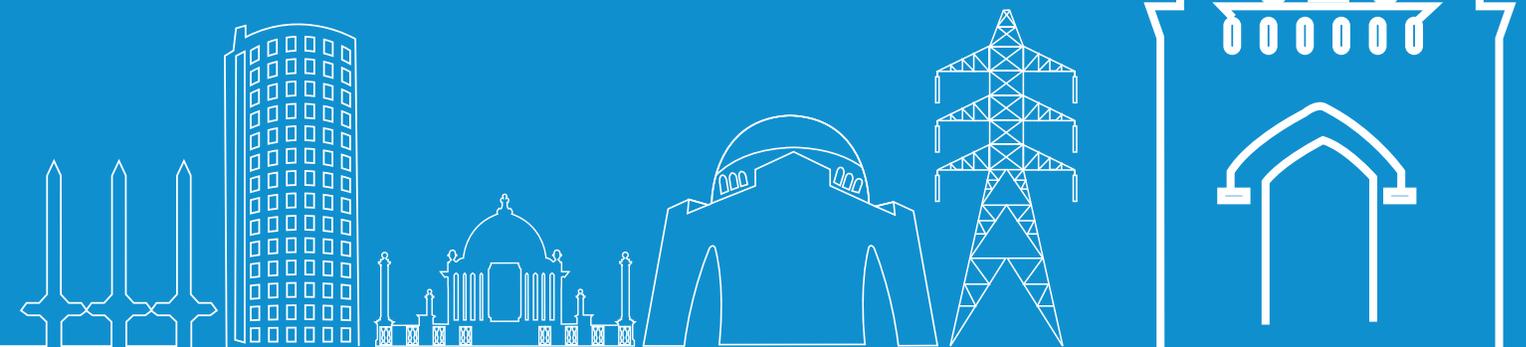
OUR STRATEGIC APPROACH TO SUSTAINABILITY

DRIVING FUTURE INNOVATION THROUGH 7/11+ CHALLENGE

CONTINUOUS IMPROVEMENT THROUGH OPEX

BIRD FALL PROTECTION PROJECT

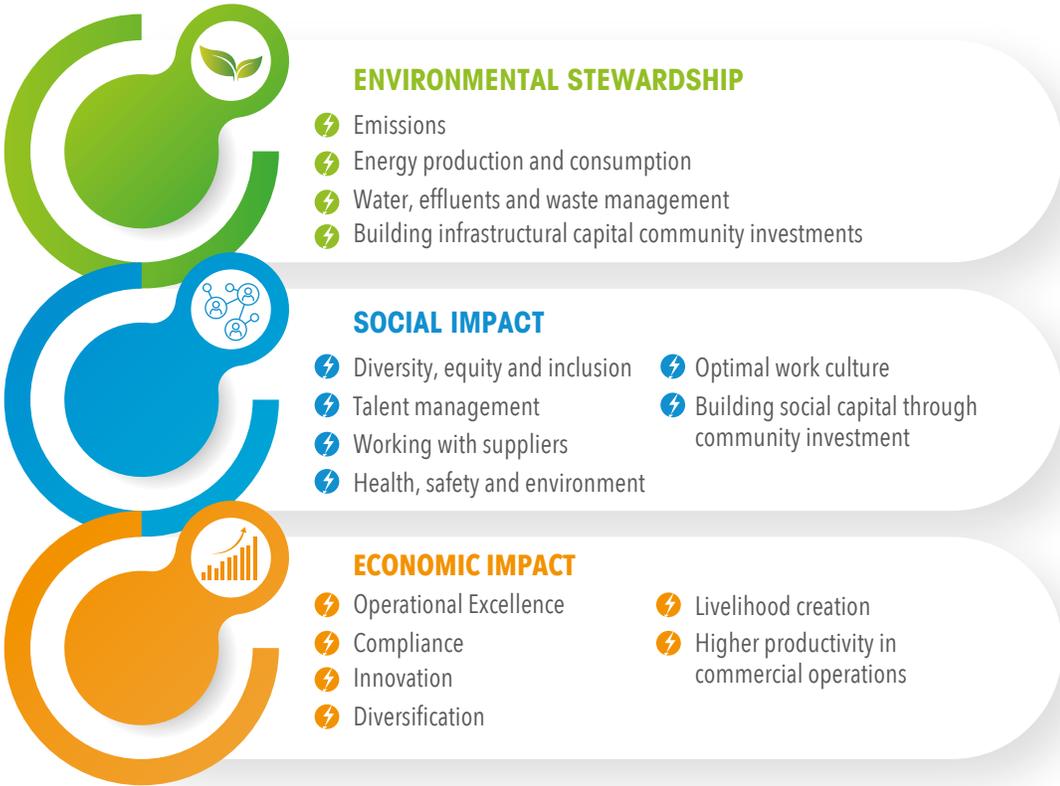
DIGITALISING CUSTOMER INTERACTIONS



OUR STRATEGIC APPROACH TO SUSTAINABILITY

Sustainability drives our strategy and decision making to ensure that Karachi's growing power demands are met with resilience, reliability and safety.

Sustainability is embedded in KE's governance structure. This integration enables the organisation to ensure efficient oversight on all aspects of environmental, social and governance. This allows an alignment to best practices and ensures accountability on meeting both short and long-term targets. In 2021, KE became a signatory to the United Nations Global Compact and continues to disclose to material stakeholders with reference to the GRI Standards ensuring focus on the sustainability agenda.



DRIVING FUTURE INNOVATION THROUGH



With the initiation of 7/11+ Innovation Challenge in 2022, KE brought to life our vision of incorporating innovation in operations through research, out of the box problem solving, and partnerships with the start-up and academia eco-system. Participants were invited to address specific 'Challenge Statements' identified by KE in areas of affordable and clean energy, customer experience, supply chain and logistics, smart infrastructure and digitalisation. Participants were also asked to address specific 'Challenge Statements' identified by KE in the areas of Customer Experience and Operational Excellence. KE aspires to incorporate innovation in our operations through research, innovative problem solving, and partnerships with the startup and academia ecosystem of Pakistan.

Engaging with startups enables KE to explore innovative opportunities for diversified investment, discover potential partnerships with startups and university research centers working in energy or associated businesses, and support solutions in the fields of affordable and clean energy, sustainable cities, climate change, consumer experience, and others.

After launching the 7/11+ Innovation Challenge, a team from KE visited universities and incubation centers across Pakistan to explore opportunities for partnerships. As a result, an overwhelming response from the startup and researchers' community across the country was received. The 7/11+ Innovation Challenge aims to put shortlisted projects into pilot testing in the near future.



Scan for further details



25,000 unique individuals visited the website to learn more about the challenge



300 Applications received



14 projects shortlisted after multiple rounds to be given comprehensive support by KE to execute their pilot plans



Final stage of the competition will identify 3 winners out of the shortlisted candidate projects



DRIVING FUTURE INNOVATION THROUGH



THANK YOU FOR AN OVERWHELMING RESPONSE TO OUR ROADSHOWS



innovation.ke.com.pk

Encouraging WOMEN INNOVATORS to bring breakthrough ideas in the areas of SUSTAINABLE CITIES and GREEN AND AFFORDABLE ENERGY



Application deadline: March 26th 2022

innovation.ke.com.pk

#BREAKTHEBIAS

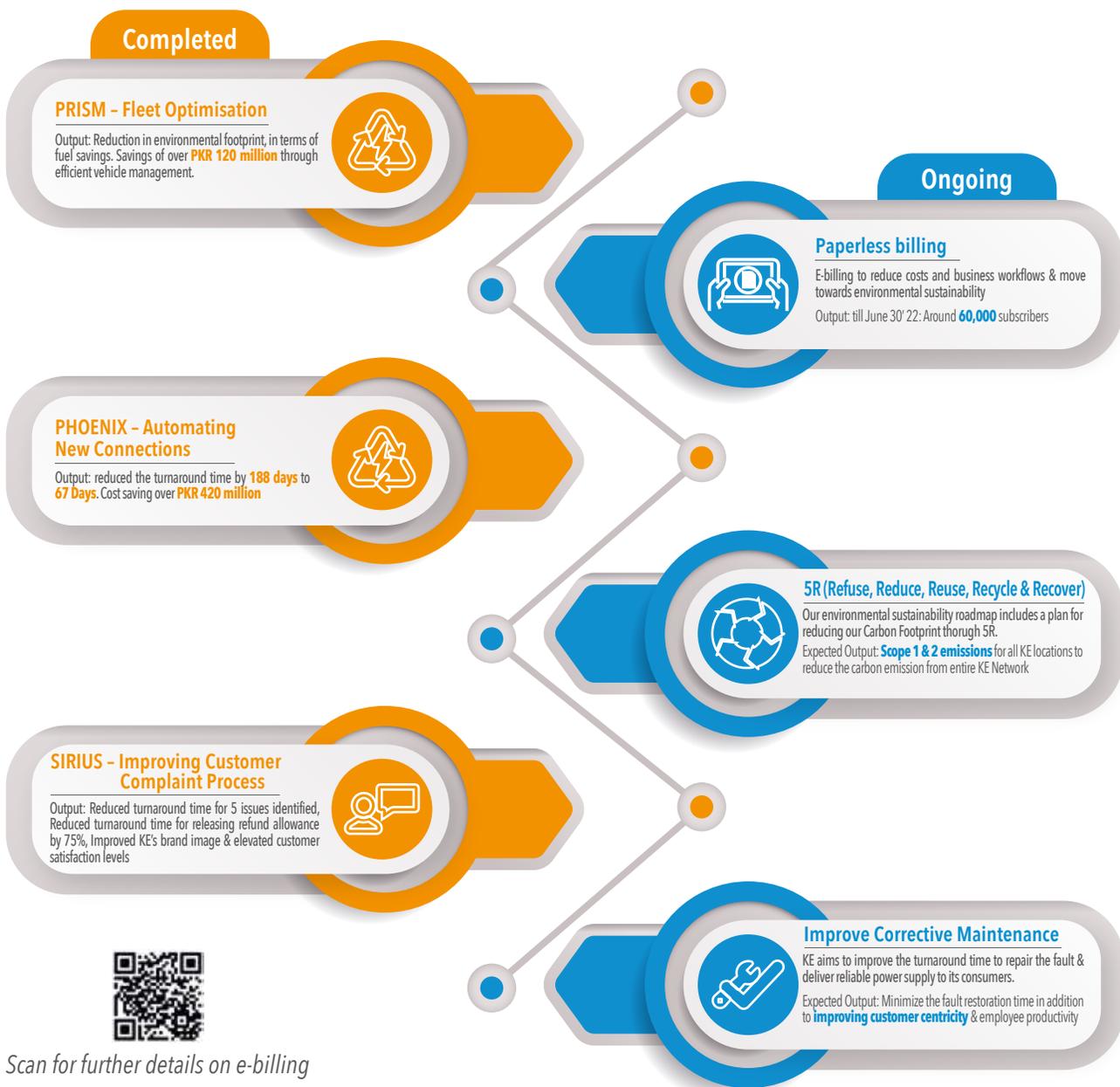


 NUST CEME A Novel Insulator	 LUMS Digital to Smart Meter	 NUST PNEC LoRaWAN Based Meter Retrofit	 Orko Pvt Ltd EV Charging Stations and Consumer App	 SETPAK Indigenously Developed Mobile Biogas Plants
 VTOL DYNAMICS VTOL DYNAMICS PVT LTD Geospatial Aerial Drone Solution	 KU LEUVEN KU Leuven Electricity Demand Prediction with Intelligent AI/ML Algorithms	 OptimaLoad Smart Demand side Load Balancing	 LUMS Power Distribution System Improvement	 NUST PNEC Smart Transformer Health Mgmt
 Energy Informatics Company (LUMS) Data Analytics-based Prediction & Forecasting	 ezBike Electric Bikes and Charging Infrastructure	 ezGeysers بچت سہولت KytherTek SMC Pvt Ltd (Ezgeyser) Energy Saving through Electric Geyser Systems	 Thingsty Smart IoT Solution for Automation	

CONTINUOUS IMPROVEMENT THROUGH OPERATIONAL EXCELLENCE

With an eye on the future, KE aims to become a regional leader among utilities and an example of global excellence in energy provision and management. KE's Operational Excellence (OPEX) program intends to improve processes across the value chain when serving customers in a safe, reliable, sustainable and cost-effective manner. In 2020, Operational Excellence program was initiated across KE; over 1,200 improvement ideas were gathered from employees through brainstorming and design thinking sessions. The ideas were synthesized into 30 projects. To date, this program has delivered substantial benefits in terms of operational efficiencies and cost optimisation. The Company is now committed to deliver the same value this year as well with its additional 7 projects.

KEY OPEX HIGHLIGHTS



Scan for further details on e-billing



BIRD FALL PROTECTION PROJECT

Our external environment poses many challenges that often lead to outages on the network and affect our customers. One unique cause is debris such as wires, twigs and ropes being dropped by birds building their nests on or near our grid infrastructure. The project aimed to reduce transient tripping frequency of transformers and grid equipment. After trying various globally used methods that did not solve the problem, a cross functional team successfully piloted a novel home-grown solution.

This involved developing customised insulation boots which were then installed on bushing clamps and cable lugs of Power Transformers. Ultimately, the solution led to an increased grid reliability of 8%. Additionally, aluminum cladding on steel support structures at Azizabad grid was installed to mitigate whole grid tripping due to the objects dropped by birds and other uncontrollable environmental factors.

No transient tripping event has been reported at the grid so far after installation. The project has also been successfully rolled out at two other locations.



DIGITALISING CUSTOMER INTERACTIONS

Facilitating digital payments has been a focus area for KE, as alternate channel enable residential consumers to view and pay their bills with ease.

Collaborated with tech-based companies, not just related to finance, but also with organisations such as Careem (to provide our customers with promo codes) or Ufone (White-listing KE Live App on Ufone, allowing Ufone customers to access our KE Live App without any data charges.)



Onboarding & Partnering with Digital Banking & Fin-Tech partners



KE collaborated with banks and fintechs for various cashback and discount offers for consumers to avail upon payment of their bills.

Promotion of e-Payment through incentivisation



Bringing the payment online channels to our own platforms and provide our consumers with even more convenience.

Payment Gateway on Website and KE Live App



Available in English and Urdu, our WhatsApp number (03480000118) once added by the consumer allows them to easily avail several services including downloading bill, lodging a complaint, payment of their bill and even apply for new connection, all through the convenience of your phone.

Launched WhatsApp for Business



Being the first power utility to launch this value-based service in Pakistan, KE has joined hands with Bank Alfalah to introduce the QR Code payment feature on KE bills as a hassle-free payment method for a better consumer experience.

QR Code - Scan to Pay KE Bill



Our partnership with Avanza Solutions to implement Real-Time Payment System (RTPS) is aimed at facilitating bill payment by directly interlinking all the banks with KE.

KE Real-Time Payment System Deployment -

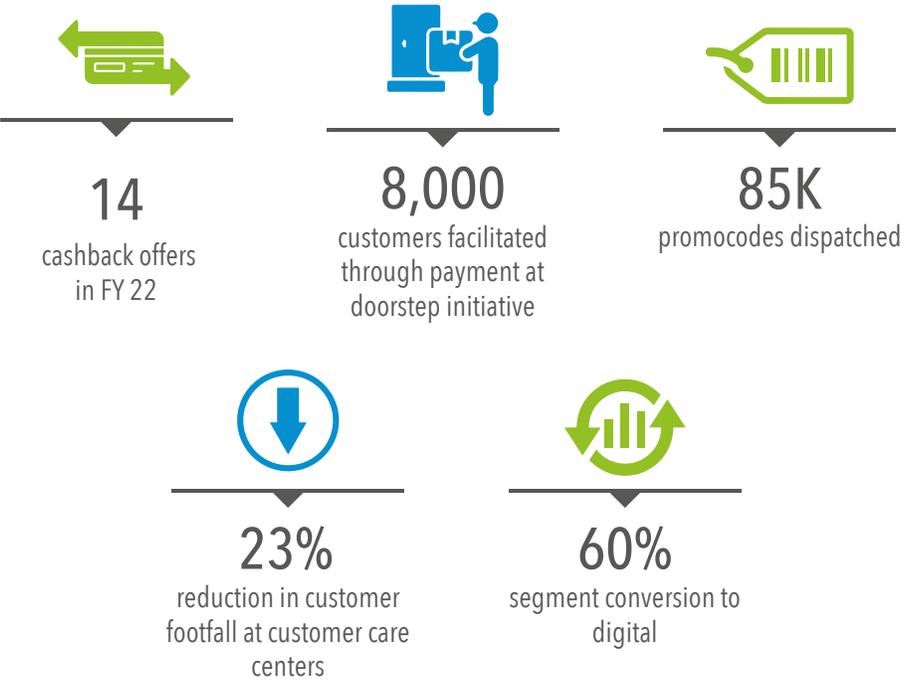


Integrated Social Media platform with SAP so customer can share their queries and get responded in real time.

Social Media Integration



IMPACT



STRENGTHENING OUR DIGITAL ARCHITECTURE

Integration of digital technology into all areas of business is a key focus at KE as these digital transformation initiatives improve the transparency and timely availability of information which lead to smarter business decisions and protection of information assets through a robust governance structure.



- **Migrating core services on cloud platforms**
SAP SuccessFactors, SAP Ariba, Office 365, and Oracle demand planning
- **Partnerships**
Partnering with best-in-class global cloud providers like Microsoft and Amazon
- **Mobility platforms with minimum coding requirements**
Providing on-the-go mobility to on-field and off-field workforce for use during energy audits and other field services
- **Established Advanced Metering Infrastructure (AMI)**
An integrated system of smart meters, communication networks, and a data management system that enables two-way communication between utilities and customers.
- **Implementation of Qlik Sense**
Leveraging modern reporting for improved transparency and timely availability of information, and AI-driven cloud analytics to empower users at all skill levels to uncover insights and trigger actions when it matters.

FOSTERING GROWTH

With a workforce exceeding 10,000 individuals distributed across multiple functions and designations, KE is one of the largest employers in Karachi, thus generating a proportionately significant social impact which extends to its employees, partners, and the community at large. Hence, the organisation's management approach values a strong work culture built on inclusive and ethical best practices; robust policies on the hiring, retention, promotion, and wellbeing of its human resource; and the integration of social needs into its business models.

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EMPLOYEE PROFILE



NUMBER OF EMPLOYEES BY GENDER & LEVEL: HEAD COUNT AS OF JUNE'22

Job Levels	Female	Male	Grand Total
CEO	-	1	1
Group Head	2	7	9
Advisor/ Consultant	-	17	17
DIR	4	37	41
DD	1	36	37
GM	8	145	153
DGM	17	287	304
MGR	47	543	590
DM	68	612	680
AM	76	682	758
SNR OFF	44	1,270	1,314
OFF	61	1,571	1,632
JNR OFF	48	1,347	1,395
Trainee	35	94	129
RT	8	-	8
NMS	4	3,554	3,558
NMS Trainee	-	70	70
Grand Total	423	10,273	10,696
Percentage	4.0%	96.0%	

AGE BRACKET WISE COUNT

Age Bracket	FY 2021	FY 2022
18-20	83	41
21-30	2,233	2,033
31-40	3,455	3,460
41-50	2,972	3,103
51-60	2,202	2,059
Grand Total	10,945	10,696

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (REGULAR & CONTRACT), BY GENDER*

Employee Category	Female		Male		Overall headcount	
	2021	2022	2021	2022	2021	2022
Management Staff	353	367	6,513	6,401	6,866	6,768
Non-Management Staff	4	4	3,374	3,157	3,378	3,161
Management Trainee	15	12	14	18	29	30
Total	372	383	9,901	9,576	10,273	9,959
KE Contract	9	9	319	551	328	560
Apprentice Trainee	12	7	282	99	294	106
Finance Trainees	10	16	39	46	49	62
Total	31	32	640	696	671	728
TOTAL	403	415	10,541	10,272	10,944	10,687

TOTAL NUMBER & RATE OF NEW EMPLOYEE HIRES DURING THE REPORTING PERIOD, BY AGE GROUP & GENDER

Age Bracket	FY 21	FY 22
30-40 Years	245	291
41-50 Years	52	56
Above 50 Years	11	109
Below 30 Years	496	664
Total KE Employees	804	1,120
Total Female Employees	45	137
Total Male Employees	759	983

TOTAL NUMBER & RATE OF EMPLOYEE TURNOVER DURING THE REPORTING PERIOD, BY AGE GROUP & GENDER

Age Bracket	Management Staff Voluntary Exits		MANAGEMENT STAFF HC		Voluntary Turnover	
	2021	2022	2021	2022	2021	2022
30-40 Years	85	195	2,728	2,804	3.12%	6.95%
41-50 Years	28	49	1,449	1,530	1.93%	3.20%
Above 50 Years	8	20	930	843	0.86%	2.37%
Below 30 Years	128	185	1,759	1,591	7.28%	11.63%
Total Female Employees	56	77	353	367	15.86%	20.98%
Total Male Employees	193	372	6,513	6,401	2.96%	5.81%

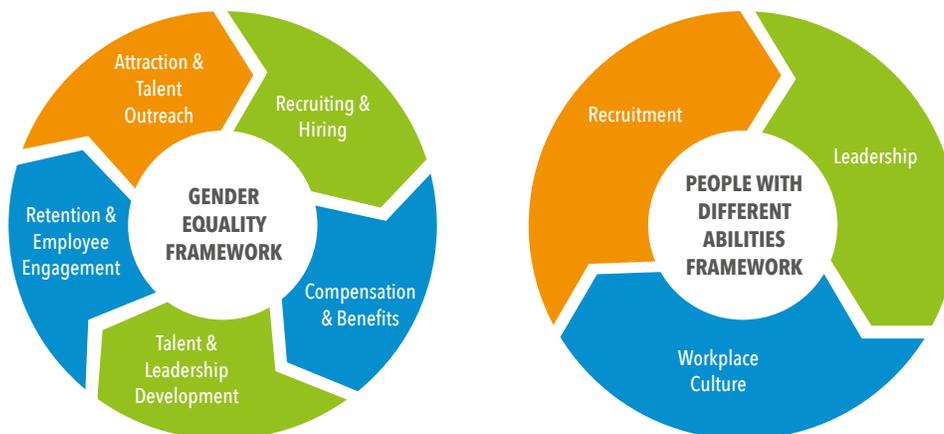
*not inclusive of returnship numbers



DIVERSITY, EQUITY AND INCLUSION

KE is paving the way for excellence in leadership through its initiatives for Diversity and Inclusion (D&I). Focus on D&I resulted in an increase in the number of women employed at the organisation from 372 FY'21 to 383 FY'22. 22 women joined the middle management workforce this year. Among our female workforce, 9 females restarted their careers after an extended break through our Returnship Programme.

D&I is a core strategy at KE that is encased in two main frameworks: (i) Gender equality and (ii) Disability inclusion (also referred to as the "People with Different Abilities Framework"). The vision behind this strategy is to leverage a diverse workforce engaged through an inclusive work culture to drive growth in business at KE. The strategy is encased in a comprehensive "Gender Equality and Diversity" policy document detailing D&I guidelines for talent outreach, diverse recruitment, fair compensation, talent and leadership development, and employee engagement.



PEOPLE WITH DIFFERENT ABILITIES FRAMEWORK

The inclusion of differently abled persons is still in its nascent state across Pakistan's private sector, but KE contributes to the cohort of organisations that have formalised their policies with regards to attracting, training, and providing for the well-being of these individuals. According to our Gender Equality & Diversity policies, KE has incorporated a corporate structure to promote disability inclusion through identifying and hiring people with speech, hearing, and visual impairments; acquiring assistive technology and other accommodations; accessing talent and support through disability service providers, pursuing flexible working arrangements; leveraging inclusive leadership; and conducting regular audits for disability accessibility. In FY 22, KE conducted accessibility audits for 8 facilities, out of which 3 facilities were recommended for infrastructural changes in line with the needs of differently abled employees.

YAQEEEN - ENABLING ABILITIES

To increase the visibility of differently abled persons, in May 2022, KE launched "Yaqeen - Enabling Abilities", a recruitment drive with walk-in interviews that received 350 registrations. Out of this number, 10 interns joined in June 2022. To enhance their employee experience, Disability Champions were trained across the organisation in the same month.



GENDER EQUALITY FRAMEWORK

In terms of gender equality, KE adopted key policies and industry best practices to not only attract female talent to the organisation but create a pipeline of leaders and managers for cross-functional roles. Most of these will be discussed in further sections of this report, but the primary focus is to circumvent two key obstacles to women joining the workforce:



1. Facilitating women despite gendered cultural and safety roadblocks with the provision of childcare assistance, parental leaves, allowance for safe transportation, flexible work arrangements, and self-defense training.
2. Promoting values in line with inclusive leadership through mandatory gender sensitisation training (Better Together), networking for the female workforce and the community at large, incentivisation for referrals to women for open positions, and wellness support trainings for the managers of female employees that are expecting.

This enables KE to create a culture that promotes equitable workspaces while, at the same, propagates the social impact of inclusive hiring practices enabling financial empowerment of women. The Company is thus able to ensure provision of decent work environments for the current human resource available and also facilitate the preparation of a talent pipeline, resulting in a sustained provision of skilled talent.

EMPOWERING OUR WOMEN

The integration of women across all levels in any organisation drives enormous business returns, which is aided by coaching and mentoring programmes that are specifically designed to navigate a traditionally male-dominated sector. Our policies and practices reflect the urgency and appreciate the growth leveraged by gender equality and inclusion, core components of which are the development of female leadership, cross-skill development, and induction of women in specialist roles in engineering and fieldwork, through some of the following programmes:



Empowering Women Programme

5-week internship to female engineers.

The program aims to develop women in the engineering field in collaboration with engineering universities through extensive trainings for personal and professional capacity building by in-house trainers, and job shadowing along with group projects. Each year, 10 females are inducted into the Distribution, Generation and Transmission departments.



Female Apprentices in Distribution

2-year programme with Sindh Technical Education & Vocational Training Authority (STEVTa).

In FY22, 12 women were enrolled into the programme, out of which 5 of them graduated with a distinction for the Grid & Transmission departments.



Returnship Program

A program that creates opportunities for experienced women professionals who have been on career break of at least 1 year. The project offers a six to twelve month flexible work arrangement to help ease women back into the workforce, as long as they meet a minimum of 15 hours per week during their tenure, which can be protracted further based on performance. This year, KE inducted 9 women under this programme, of which one was regularised.



KE's Returnship Programme

Noor Us Sahar – Assistant Manager, Talent Management

In 2015, Noor left work after getting married, prioritising the wellbeing of her new family. In 2020 when the pandemic hit, she once again took a career break to care for her toddler. Noor wanted to come back to her professional life as soon as her baby was old enough but realised that finding a job was difficult as many organisations felt that work-life balance would be a concern for someone who has been on a break.

Noor came across and applied to our Returnship Programme while scrolling through her social media. The 6 months Returnship journey was a challenging one but also rewarded her with recognition of her skill-set, where she was able to add interesting projects to her resume. She believes her transition to corporate life was aided by the convenience of flexible hours and work-from-home facility; and she looks forward to a fulfilling career ahead.

Noor recalls "Though at the time of contract signing, there wasn't any promise of regularisation. However, the day I found out, that I would be regularised, has been one of the days my faith grew stronger. In our culture, there are many voices which hinder women from following their aspirations by giving them excuses such as family, kids, responsibilities and more importantly age. KE's Returnship programme, doesn't filter out women on the basis of their age or the longer break in career."



Country's First Female Meter Readers – MDMO

For the past few years, KE has recruited, trained and deployed female meter readers under the first of its kind program in Pakistan. This year, the recruits also became Pakistan's First Certified Female Electricians under a 8,000 man-hour training program done in collaboration with Hunar Foundation. As a direct result of the program, the company also saw a 33% improvement in Quality of Billing for female centric business.

Country's First Female Grid Operating Officers

Also a first for Pakistan, this program inducts females as Grid Operating Officers (GOOs) in our Transmission leg. The program aims at selecting and training women to take on challenging roles in traditionally male-dominated technical fields.



PARENTAL LEAVE & CHILDCARE

In line with the Maternity Benefits Act, 2018 by the Government of Sindh, KE offers 4 months of paid maternity leave to all expectant mothers, with an additional two months of unpaid leave that can be availed in exceptional circumstances. In terms of paternity leave for new fathers, KE offers 7 calendar days to be taken within 8 weeks of birth, and in FY 22, 674 new fathers availed this benefit.

WELLNESS & VITALITY

All expectant mothers are offered a customised e-module "Wellness and Vitality", that they can choose to attend with their managers with the purpose of guiding line managers to meet the needs of their employees appropriately and compassionately during pregnancy. In FY 22, it was attended by 23 women employees and 16 managers, who also availed health check-ups and guidance from the in-house health team at KE. Expectant mothers are also offered monetary childcare assistance from the company, which is PKR 20,000 per child for a daycare facility, where the one-time registration fee is reimbursed up to PKR 15,000, while PKR 15,000 per child is provided for caregivers.

NUMBER OF EMPLOYEES WHICH HAVE AVAILED MATERNITY & PATERNITY LEAVES

	Maternity FY'22	Paternity FY '22
No. of availed leaves	3,112	4,163
No. of employees eligible for leaves	184	4,506
No. of employees availed leaves	36	674
No. of employees that returned to work from leaves	29	674
No. of employees still employed 12 months after return to work	30	641

REMUNERATION AND PERFORMANCE APPRAISAL

KE's Remuneration Policy consists of a combination of fixed and variable pay plans as well as benefits. These plans are differentiated by business and talent profiles within the organisation, whereas the benefits are differentiated on the basis of job level. The aim of our remuneration strategy is to enhance our competitive market positioning and to help inculcate a pay for performance culture within the organisation.

The process for determining remuneration across all employee levels is based on a performance differentiated model through which we consider three primary elements:



To ascertain our market positioning from a compensation and benefits perspective, we participate in Mercer’s Total Remuneration Survey which includes participants from over 170 organisations across Pakistan. The survey helps us to determine market best practices and keep at the forefront of changing trends.

For the determination of our Comparator Basket when reviewing our positioning against the market, we engage our primary stakeholders, namely the KE Leadership Team and Lead HR Business Partners, to get their views on movement of talent within the market/industry. Our Remuneration Policy has been reviewed by the KE Leadership and approved by the Board HR Committee.

KE conducts an annual appraisal exercise whereby the performance of all employees is measured against objectives defined in the beginning of the performance year. Increments are awarded on the basis of each employee’s individual performance and their respective positioning within the market to inculcate a market competitive pay for performance culture.

GENDER-BASED PAY GAP (FEMALE : MALE)

Job Level	Female	Male
Director	1.0	1.0
Deputy Director	1.0	1.0
General Manager	1.0	1.0
Deputy General Manager	1.0	1.0
Manager	1.0	1.0
Deputy Manager	1.0	1.0
Assistant Manager	0.9	1.0
Senior Officer	0.9	1.0
Officer	0.9	1.0
Junior Officer	1.0	1.0
NMS	1.1	1.0

HONING OUR TALENT

For any organisation, talent management is a crucial aspect of attracting, retaining, and developing a skilled and productive workforce. KE applies a multifaceted approach that pursues not only inclusive hiring practices, but the physical and emotional well-being of its employees, training and development programmes, and women-specific coaching and mentoring opportunities to circumvent gender biases.

At KE, we also aim to attract and retain talent by providing them ample opportunities of career growth and development. Our Flagship Programmes cater to fresh talent and their transition into our talent pipeline:

1. The Emerging Talent Programme (ETP) 37 fresh graduates as Management Trainees and Trainee Engineers from well-reputed institutions
2. The Aspiring Talent Programme (ATP) 71 interns across the organisation
3. The Finance Trainee Programme (FTP) 20 trainees from various financial educational institutions

Other interventions include Employee Engagement surveys and activities to enhance the motivation and satisfaction levels of employees, whereas LEAD (Leadership Exploration and Development) Programme is aimed to develop top performers and talent in the organisation for critical positions. The pool comprises of around 180 employees identified as top talent in KE.

EMPLOYEE TRAINING AND DEVELOPMENT

On average, an Assistant or Deputy Manager at KE spent 12.24 hours in FY 22 on training. The number was 10.87 hours for Managers and Deputy General Managers, and 10.6 hours for General Managers and more senior designations. In line with its commitment to gender equality, KE records similar information disaggregated by gender as well, which demonstrates that female employees spent 10.88 hours undertaking employee training and development, which is similar to the average for male employees at 10.88 hours. These training hours were aggregated through programmes such as:

- “Meri Shanakht”, a self-development programme running for five months, training 1,500 employees in batches of 60.
- “Up Your Game”, focused on developing work/life skills, also 5-months long in duration, graduating 900 employees in cohorts of 50.
- “HumQadam – Customer Centricity” for 1,000 customer-facing employees over a 5-month period.
- G&T Officers Certification Programme, in collaboration with NED University, an 8-week modular programme.

KE DISTRIBUTION NETWORK ACADEMY (KE DNA)

KE DNA was formed with the objective of providing high quality technical and professional skills to field staff to enhance the quality of their workmanship and increase the safety of their workplace. The Academy provides indepth and immersive learning experiences to ensure quality and reliability benchmarks are understood and implemented across the Distribution network.



DISTRIBUTION TECHNICAL TRAINING & DEVELOPMENT

KE DNA designs and develops a variety of Technical Trainings for KE Distribution Staff. Long Term Skillset Development Training package is one of them which is targeted to augment proficiencies of a cadre. These trainings are designed to cultivate technical, analytical, and social skills of KE’s Distribution Staff and will help achieve standardised levels of capability across the force.



In addition, short-term Key Skill Development Training package imparts new skills to enhance technical know-how of our operation teams.



Batches Trained:
1,914



Man-Hours:
872,011



Population Trained:
51,398



APPRENTICESHIP PROGRAM

As per the Apprenticeship Ordinance of 1962, any employer who employs five or more persons in an apprenticeable trade shall train apprentices in the proportion of a minimum of 20% of the total number of persons employed in apprenticeable trades. DNA offer Apprenticeships in Non-Management Staff (NMS) and Management Staff (MS) trade as Apprentice Lineman, Fitter, Cable Jointer and Assistant Engineer. We offer 2-year Apprenticeship Program in collaboration with Sindh Technical Educational & Vocational Training Authority (STEVTA). Apprentices are trained through a robust mechanism of in-house classroom and practical learning, on site exposure, mentoring and coaching to transform them intellectually, socially, and professionally with an unparalleled learning experience.

As per KE's objective of increasing diversity and to bring a change in an otherwise male dominated sector, the first mixed batch with 08 females and 30 males Apprentices was on-boarded last year.

Since 2017, 689 (out of this 419 DNA Apprentices) apprentices have successfully graduated and currently 148 (including 7 females) are enrolled in both MS and NMS Apprenticeship Trades.



LABOR RIGHTS

KE is committed to the welfare of all employees and has taken steps to ensure internal structures and mechanisms are in place for our employees to feel safe and cared for. In 2016, KE launched the Awaz Channel as a grievance mechanism for all employees. Suggestions or complaints can be filed through the Awaz online portal, email address, drop box, walk-in, post, or helpline 7447. The Awaz Channel was created to cover multiple issues including work-related, discriminatory, harassment-related, administrative, and related to health and safety.

In addition to compliance with human and labor rights and benefits under the local laws, KE also provides competitive market-based remuneration, additional benefits including medical facility for self and dependents/parents, welfare facilities, subsidised utilities, and more. KE promotes a congenial work environment and right of association whereby worker representatives participate in various decision-making committees, forums and unions. KE has 8 workers unions, of which one has been determined as a Collective Bargaining Agreement (CBA). All of KE direct workers are covered under CBA.

HEALTH AND WELL-BEING

In terms of health and well-being, KE offers 24-hour medical coverage on a non-contributory basis for employees and their dependents (spouses and children) on both outpatient and inpatient services (OPD and IPD, respectively). For non-management staff, their parents are also insured. The limits of coverage and the available options of healthcare centers vary according to the designation of the employees and management staff above the Assistant Manager designation may also claim maternity services. Coverage for the children of employees is provided completely, albeit varying according to the gender and age of the child, as well as the designation of the parent.

Emotional well-being across the world is being seen as an increasingly crucial aspect of employee engagement; hence, KE has begun to initialise the adoption of well-being policies. Firstly, we developed a set of health and well-being activities and events designed to keep employees fit, resilient, and active. Secondly, to accommodate for the personal circumstances of its workforce, a bereavement leave was built into our "Take a Break" policy, which entitles women to 130 days and men to 15 days of leave in the event of the death of a spouse. Additionally, it also allocates 30 days for women and 15 days for men in the event of divorce, as detailed in their "Gender Equality and Diversity" policy. Lastly, KE conducts awareness sessions for employees and their families on general wellbeing and health, as per the policies outlined by the Health, Safety, Environment, and Quality (HSEQ) department.

DRIVING WORKPLACE SAFETY

KE's commitment to safety is paramount, and each year the teams strive to introduce new initiatives to make safety a cultural value. To this end, KE initiated implementation of "Process Safety Management" (PSM) System by DuPont in FY 21. This year, major elements of Process Safety Management (PSM) were implemented across the Company. The new system will support and improve efficiency in the existing structure along with traceability and accountability, and will help the Company achieve our Zero-Accident vision.

The system introduced provides focused interventions, addresses identified risks and system gaps, and aims to ensure proper alignment on safety objectives in the organisation.



PROCESS SAFETY MANAGEMENT (PSM)

In FY 21 a gap analysis/benchmarking of KE Safety Management System with the help DuPont Sustainable Solution (DSS) was conducted with the vision to implement this system in KE. Based on the gap analysis, an action plan was developed to ensure implementation of PSM system in the organisation. Some of the major steps taken were that 07 PSM elements were developed, total 2,736 staff were trained (12,189 Manhours) on different PSM modules. Subsequently the action plan shared by DuPont sustainable solutions (DSS) was also implemented in FY 22, and 51 points (37%) have been resolved.

- Integrated Organisation Structure - Formation of Safety Committees completed, comprising of A-Level Corp HSEQ Committee (leadership), Sub-A Level Committees (BU wise), B-Level Committees (Department wise) and D-Level committees (up to grassroot level).
- Behavioral Observation Program - (MSA audit); Total 39 training sessions were conducted for AMs and above, in which 2,111 staff were trained. (Total manhours 7,389). MSA audits are being conducted as per defined frequency from Leadership to Officer level.

In accordance with globally-recognised HSE best practices DuPont PSM, our Distribution team conducted 51 sessions to train 942 "Safety Leaders" on topics of Safety Leadership, Risk Assessment and Contractor Safety Management, who would inculcate and demonstrate best practices in safety, counsel staff in identifying safety hazards for timely rectification, and ensure ownership of safety management with contractors. Furthermore, Seven Lifesaving Rules were developed and Behavior Safety Management sessions were conducted for field staff to reduce electrical risks for increased workplace safety.



Job Safety analysis was developed and implemented across operational teams for better understanding and effective on ground implementation of safety policies and procedures. A Training and Competency booklet was introduced for all Non-Management Staff to include all safety related information and guidelines including record of MSA and trainings.

Similarly, we also introduced regulations to ensure all MTL drivers received attention to their well-being, with the installation of sun canopies on their vehicles and free vaccination against COVID-19. By December 2021, all drivers had undergone defensive driving training.

In FY22, 46,616 management safety audits (MSA) were carried out to monitor compliance with local safety laws and regulations, organisational safety measures, department-specific requirements, and industry best practices.

Additionally, KE's safety team developed the Quality Assurance Management function and "Summer and Monsoon" Steering Committee and introduced incentives for safety ownership within the organisation through initiatives such as the "Best Near-Miss" Award and "Employee Safety" Award. These were accompanied by various other comprehensive trainings on safety and personal protection, as well as the development of protocols targeting specific aspects of KE's value chain.

All these efforts were recognised locally and globally. NEPRA recognised KE by awarding its Best Lineman Award to KE out of all DISCOS in Pakistan. This was a result of rigorous effort by our teams to ensure a safe and healthy environment for not only its employees but also for the public. Globally, KE won in the "Seize the Opportunity Award" category in the International Safety Awards 2022 presented by British Safety Council UK for taking maximum possible measures to keep its employees safe during Covid pandemic.

SAFETY ALERT AND ADVISORIES

Following safety alerts and advisories were issued to focus on special activities

- Importance of appropriate marking of temporary and permanent network changes on SLD
- Safety Protocols regarding Underground Cable Excavation
- Safe Motor Bike Driving
- Identification and Safe System of Work for Deteriorated / Tilted infrastructure
- Safe Operations of RMUs and Usage of Anti Flash hood
- Use of Double hook lanyard with Full body harness belt
- Guidelines on RCA (Root Cause Analysis) During Incident Investigation
- Safe Operations and Parking of Crane
- Implementation of Incident Reporting & Investigation Procedure in True Spirit
- Compliance of Line Isolation and Permit to work (PTW) SOP
- Pre and during monsoons: Rain forecast and Rain Advisory, Home and Outdoor Safety, Health and Road Safety and Field staff Safety.



KEY SAFETY HIGHLIGHTS



46,616

Management Safety Audits (MSAs) conducted



78,360

HSEQ Training Manhours



886

Training Sessions Conducted



22,711

Staff trained on HSE



468

Fire Drills conducted



558

First Aid boxes replenished



839

New Inductees trained through HSE Orientation Program



5,583

Hygiene and Health Checks of Non-Management staff



SAFETY AWARENESS MESSAGING

EXTRA CARE IN THE RAINY SEASON CAN SAVE YOU FROM A SEVERE ACCIDENT

STAY AWAY FROM POWER INSTALLATIONS

DO NOT TOUCH ANY DOWNED POWER LINES

USING KUNDA IS STEALING AND ALSO LIFE-THREATENING

DO NOT TOUCH POLE-MOUNTED STREET LIGHT SWITCHES

Take Care, Stay Safe

Kundas are dangerous

Do not touch switches with wet hands or while barefoot

Internet, TV cable, boosters & street lights switches are hazardous

Stay away from electricity infrastructure

Do not use wet / submerged electrical appliances / wires

MONTHLY SAFETY REWARD WINNERS
AUGUST 2022

Best Staff

MUHAMMAD DANISH ANSARI - 80 Distribution
MUHAMMAD ASHRAF KHAN - 80P - FC 587

Public Employees

MUHAMMAD BAKR ARBAZI - 80 Existing Functions
Munim Management - 80 Existing Functions

Safety Officer

ARJAN SHARIF - 80 Distribution
FAHEEM AHMED - 80P - 80 Distribution
WANJIB AZIZ - 80 Existing Functions

Safety Improvement

SHAD AKHTAR, MUHAMMAD ASHRAF KHAN, MUHAMMAD USMAN, MC 842 - 80 Distribution
MUHAMMAD IBRAHIM, NAWAS AHMED, JADEL BHATTI, SYED ACHILAN AHMED - 80P - 80 Transmission
ANWAR AKHTAR VC ZAMAN, SALMAN MOON SHENI, MUHAMMAD BAKR ANWAR, WT575 - 80 Distribution
ARJAN FAIZ, ADEL SOGAOH, MUHAMMAD SAIB DASTAGIR, NAZIF AZTA UN REHMAN - Munim Management - 80 Existing Functions

Special Recognition

FUJAN PEYTAZ & TEAM - Projects Dept. - 80 Distribution
SALMAN AHMED, MUHAMMAD AKBAR SIDDIQI - 80P - 80 Transmission

SAGHIR RAZA - Munim Dept. - 80 Distribution

اپنے ماہانہ بجلی کے بل پر بچت کریں

بجلی استعمال سے احتیاط کریں

1 ماہانہ بجلی بچاؤ
2000 روپے بچاؤ

26°C پر رکھیں
2000 روپے بچاؤ

رات میں ڈالنا بند کر دیں
2000 روپے بچاؤ

گرمی بچانے کے لیے
1000 روپے بچاؤ

#FarqPartaHal

لو سے خود کو بچائیں

پانی بچانے کے لیے

1000 روپے بچاؤ

2000 روپے بچاؤ

26°C پر رکھیں
2000 روپے بچاؤ

بڑش میں جانگی اقدامات

1. بڑش سے دور رہیں

2. بڑش سے دور رہیں

3. بڑش سے دور رہیں

4. بڑش سے دور رہیں

IMPACT ON COMMUNITIES

KE recognises its role in the communities goes beyond the provision of power. Our outreach to the community impacted more than 2 million people in Karachi through infrastructure upgrade, health initiatives, awareness events, advocacy, energy conservation, clean-up drives, public space creation, facilitation of healthcare provision, and skill development. Additionally, KE's social investment strategy recognises and provides support to other organisations that work to uplift the city. The initiatives are devised based on a need assessment of that specific area and with the input of its community representatives, following the community engagement framework. Measures like these have enabled us as an organisation to build strong relationships with the community so our on-ground teams can address the electricity theft issues which also adversely impact the residents, whilst having a positive impact on the communities.

IN THIS SECTION

KHI AWARDS 22

EMPOWERING OUR WOMEN IN COMMUNITIES

PRIORITISING HEALTH

PRIORITISING EDUCATIONAL INITIATIVES

RECLAIMING PUBLIC SPACES

ENCOURAGING COMMUNITY SPORTS

DRIVING PUBLIC SAFETY



KEY HIGHLIGHTS FY 22



150,000

persons provided access to clean water through 15 water plants



37,500

persons provided access to free health services through health care camps



5,000

Covid-19 vaccination facilitated in inaccessible areas for community members



1,300

children engaged in sports through our community sports initiative



33,000

water bottles with ORS sachets were distributed at 11 Heatwave relief camps



950

students facilitated by renovation of 03 school



1,000

safety gear distributed among the coastal communities



170 women

trained in financial literacy training

KE'S KHI AWARDS 2022 - RECOGNIZING OUR FLAG BEARERS OF SOCIAL PROGRESS



The KHI Awards honor organisations of Karachi who embrace it in the name of hope, peace and development - they commemorate the rich history of our city and pay tribute to social sector organisations from all walks of life by enabling them to create impact for the city, its people and its socio-economic landscape.

In continuation of last year, KE KHI AWARDS FY 22 will benefit over 9 million people through social investments of PKR 40 million as electricity rebates. More than 160 Applications were received through rigorous process headed by 16 Jury Members who shortlisted 40 Winners to award rebates averaging up to PKR 1 million.



WINNERS | 9 MILLION LIVES REACHED



تم سے ہنس چلتا ہے
شہر



Scan to view
more details



EMPOWERING OUR COMMUNITY WOMEN

We have always worked closely with the communities where we operate. KE has been aware of the challenging dynamics that the underprivileged areas face and to that end has taken a number of initiatives that add value or uplift the lives of the people. An area that we have particularly focused on is the women in these communities because as multiple studies have concluded, in order to end poverty and develop the economy, there has to be gender parity.



A HOLISTIC EMPOWERMENT PROGRAM

KE's global award-winning Women Neighborhood KE Ambassador Network - "Roshni Baji" was created to act as a bridge between the community women and KE. It is a compelling example of women breaking barriers in traditionally gender-based roles.

As KE Ambassadors from within the community, the Roshni Bajis engage with female members of their community to play an informed role in adoption of a safe lifestyle, conversion to a legal and safe electricity connection and energy conservation. The Roshni Baji Project was designed as a holistic empowerment program that could anticipate and meet challenges the women face in the field by building their capacity in a range of areas including personal development and communication.

60 women were inducted this year in October as part of the second cohort. During the course of this program these women were responsible for the implementation of over a thousand safety and energy conservation measures in multiple communities across Karachi.

While recognised for creating a safe environment for women to learn about critical safety precautions with ease, the Roshni Baji programme has also emerged as an example of women breaking barriers in the energy sector and opening up non-traditional paths to inclusion.

At the end of the programme, 40 of them graduated with 15 participants being offered roles in meter data maintenance and customer service. In collaboration with the Hunar Foundation they were trained as Female Grid Operating Officers and Female Meter Readers.

Additionally, 40 Roshni Bajis from Cohort 1 participated in Pakistan's first certified female electrician programme. This training allows the Roshni Bajis to pursue an entrepreneurial route where they can serve in their communities. It also opens up opportunities for recruitment in other organisations, and establishment of regular technical trainings for women.



*Scan to view More Details On
Our Roshni Baji Programme*



Our Shero – Abeera Kamran

A mother of two, Abeera, holds a Master's Degree in Economics. However, due to cultural reasons she had never worked in a formal environment prior to joining KE. Abeera joined the Roshni Baji programme and along the way started a YouTube channel to share her experience and document noteworthy milestones that she achieved. One of them being the training to become an electrician under Pakistan's 1st Women Certified Electrician Course and eventually becoming a meter reader.



Her ambition to do more in life and become a role model for her children is reflected in a stellar performance that led to her hiring as a full time KE Customer care Representative.

She has represented the Roshni Baji programme at key forums including the prestigious 'Women of Pakistan: Leading a Change' presentation by KE at the Dubai Expo 2020.



Our Shero – Beenish

A mother of two, Beenish underwent devastating trauma when her husband died of cardiac arrest.



Beenish, who had never stepped out of home for a job, applied and came forward to join Roshni Baji Programme. With a Masters degree in Political Science and willingness to prove herself to society, her credentials led to selection in this programme. She went through a rigorous training program on self-awareness, communication skills, stress management, self-defense, financial literacy, CPR with first aid certified training along with extensive KE network and electrical safety orientation.

Today, she leads the Bin Qasim team in community management and influence creation while visiting communities for safety messaging to women.

During the course of this program, Beenish has visited over 5,000 households. She is now proudly breaking the barriers and becoming economically empowered to continue the education of her children. She's indeed a role model for many women.





Our Shero - Fatima Urooj

After completing her education, Fatima Urooj, a resident of Baldia town, wanted to embark on her professional career.



When Fatima applied and got selected to the Program, she faced reluctance from her immediate family. Her persistence paid off and she joined the team to visit around 5,300 households to disburse safety messages. An avid bike rider, she also persuaded her team members to learn the skill. Declared Best Performer in the Baldia team, Fatima is also part of Pakistan's First certified female electrician programme and looks forward to a promising career ahead.

Fatima recalled how she was reluctant to partake in field work at first but after the interview she found it promising. She finds personal fulfilment in bringing awareness among the most neglected women across the slums of Baldia town who never had any formal education or knowledge, especially on related to electrical or fire safety issues.



OTHER INITIATIVES UNDERTAKEN BY KE UNDER THE UMBRELLA OF WOMEN EMPOWERMENT



Financial literacy Training by State Bank of Pakistan for 170 women from Ibrahim Hyderi & Korangi Creek including 60 women from the Roshni Baji Cohort 2.

"Women on Wheels" (Project WoW), in collaboration with the Salman Sufi Foundation to enable greater mobility for women. Completed in November 2021, out of the 120 women that registered, 94 of them graduated under this programme.



Self-defense training by the Sindh Judo Association (Given to Roshni Baji - Cohort 2).

PRIORITISING HEALTH

To ensure employee and community safety, KE conducted COVID-19 Mobile Vaccination Drive for communities in Balochistan, BQPS Power Complex and other areas which come under our business ambit. 5,000 people were vaccinated through these drives.

Recognising the role of frontline health workers, 100 Khayal Rakhna bags were donated through the Shamil initiatives (via Edhi Foundation, and Saylani Welfare Trust). Furthermore, KE also provided support to the government's vaccination efforts in Karachi, by donating 10 computers to the EXPO Centre, which is visited by 5,000 people per day. Other vaccination drives include providing support to UNICEF Measles and Rubella Vaccination Drive at KE.



49,591

**men, women and children
availed medical assistance**

KE set up 30 healthcare camps that provided access to free healthcare for more than 37,000 people. Additionally, access to clean water is a critical element in keeping people healthy as several diseases are water borne. Diarrhoea, for instance, is known to be the second leading cause of fatality in children under five and this is completely preventable through safe drinking water and adequate sanitation. To do our part and keeping our alignment with SDG 6, KE also installs water filtration plants, with this year's additions bringing our total to 15 plants, which impact over 150,000 individuals all over Karachi.

During the early summer months of 2022, a heatwave emergency was declared in Karachi. As a company operating under the integrated business model, we mobilised our resources to spread awareness regarding safety measures during the heatwave:



Door-to-door visits ensured communities were given timely messages on heatwave safety.

Around 40 Women of Mohalla Committee were trained by Pakistan Red Crescent Society Sindh on Heatwave symptoms and relief.



On the ground, KE distributed 33,000 water bottles and ORS sachets Heatwave relief camps in 11 different locations in Karachi.





Water Purification Plant at Gharo

As part of KE's community development initiative, a water filtration plant was installed at Gharo, with the capacity to produce 24,000 Gallon per day. Living at the edge of Karachi, Gharo is a severely deprived community, lacking provision to clean and safe drinking water which ultimately results in various diseases.

After the installation of the water plant, 20,000 residents have been and continue to be directly impacted across the area as they can now avail the clean drinking water facility.



PRIORITISING EDUCATIONAL INITIATIVES

The physical structure of a classroom is a critical variable in affecting student morale and learning.

To this end, in FY 22 we set about to renovate three schools namely in (1) Afridi Colony - Baldia, (2) Faqeer Colony - Orangi and (3) Babar Market - Landhi. The initiative benefitted at least 950 students, as they now have a pleasant environment to study in, with freshly painted class rooms, proper furniture to sit on and equipment to work with.

KE also revamped and developed the play area of GBHS Ali Muhammad Brohi School. Located at Rehri Goth, Bin Qasim Town this school enrolls over 700 children, all of who can now benefit from their new recreational space.

Furthermore, KE equipped the Computer Lab at DMC Muhammad Ali Jinnah School Landhi Babar Market with 10 computers and other items of furniture and equipment.

BEFORE



AFTER



BEFORE



AFTER



RECLAIMING PUBLIC SPACES

In present times with pollution on the rise, limited open spaces as a result of urbanisation and increased traffic on the roads, the presence of public parks has become increasingly necessary for overall social well-being. As such, KE has continued investing in parks.

Tanveer Shaheed Park, located in Nazimabad, is a key example of one such investment. It was upgraded by KE in collaboration with the office of DMC central and area influencers.

The park was upgraded with provision of desks, grass, plants, swings for kids, dustbins, steel fencing around parks and fresh coat of paint. The community members came forward and formalised Baghban committee to ensure KE's investment is monitored and benefits the community for a long time. This park has had over 5,000 beneficiaries.

Another activity conducted was a Storytelling session held in collaboration with Idara-e-Talim-o-Agahi at the Muhammad Ali Sadpara park managed by KE. The Kitab Gari session which saw a participation of over 50 children was aimed to encourage the community members to visit and enjoy the recreational space.



ENCOURAGING COMMUNITY SPORTS

Recognising the importance of physical activity on health, KE has also played a vital role in promoting athletic activities for the youth in communities we are engaged with. In FY 22 KE mobilised the community of Chanesar Goth, Tipu Sultan through a football tournament where free playing kits, footballs, ground and food arrangement for at least 90 youth was organised.

Two other such initiatives taken this year were the "Girls Futsal Exhibition Match" arranged by KE at Muhammad Ali Sadpara Park Korangi for Under-19 female players and inauguration of Mahigir Cricket/Futsal Ground at Rehri Goth.

Overall, KE's efforts led to engagement of 500 youth through 6 sporting events including 2 football and 4 cricket tournaments.



KE'S OTHER COMMUNITY RELATED INITIATIVES

- A blood drive was conducted at Elander Complex. More than 100 people visited, and 41 donated blood after medical examination.
- KE employees joined 70 children of AAS Trust for iftaar which was organised by KE and AAS Trust.
- KE employees conducted a cyber security awareness session for 66 children of KE renovated government school at Afridi Colony, Baldia.



DRIVING PUBLIC SAFETY

KE prioritises the safety of the people we work with and the communities in which we operate, making safety one of our key focus areas. We work with great commitment to achieve safety goals in a larger context by encompassing all those connected to KE both directly and indirectly.

PUBLIC ACCIDENT PREVENTION PLAN (PAPP)

KE has prepared a robust Public Accident Prevention Plan (PAPP) for re-validation of HT and LT assets to improve network resilience and public safety which currently stands at a 99% completion rate.

PUBLIC AWARENESS SESSIONS FOR EHT INFRASTRUCTURE

KE conducted several public awareness sessions with the community influencers, for spreading awareness of electrical hazards among public, specially residents of encroached areas surrounding KE Extra High Tension (EHT) infrastructure. Awareness flyers in Urdu were also distributed widely within these high risk communities.

KHELO SHAN SE - AN ENGAGING APPROACH TO SAFETY

Under the flagship campaign 'Khelo shaan se' three sports champions - Arshad Nadeem, Haider Ali and Fatima Ali - who have won accolades in the global sporting arena, were engaged to create awareness about dangers of kunda theft prevalent in underprivileged communities.

They encouraged communities to redirect their children to sports. The message was strengthened through a sports tournament for the underprivileged and differently-abled. The following impact was create.



IMPACT

900

Registrations of children in Athletics Competition

70

Differently abled children participated

14

Schools and organisations participated in the event

32

Potential athletes given the opportunity to develop their talent by receiving membership at NCC

1,200

People reached to give awareness regarding dangerous practice of Kunda



Scan to view our
Khelo Shan Se AD

MONSOON SAFETY CAMPAIGN

We positioned Rain Safety as a collective responsibility of all administrative stakeholders. Bringing all key stakeholders on a collaborative platform created synergies, and encouraged proactive measures to be taken before and during Monsoons for the safety of the general public.

Positioning **Rain Safety** as Karachi's need through **first-of-its-kind collaborative** campaign



We galvanised Stakeholder Consciousness around Safety through the following initiatives:

SAFETY RAIN GEAR DISTRIBUTION

During the monsoons, 1000 Rain safety gears including rain-jackets, rain-boots, and lifejackets were distributed to support all relevant stakeholders specially the administrative frontliners and emergency workers.



FRONT LINE WORKERS TRAINING

Around 50 frontline workers emergency workers were trained on First Respondent Monsoon Emergency with CPR, the training organised in collaboration with Pakistan Red Crescent Society.



ROAD SHOWS FOR THE MASSES

KE teams carried out safety road shows on observing safety measures during the monsoons and illegal and unsafe electricity connection. These were conducted in 8 high risk areas of Karachi that reached over 30,000 persons.



Scan to view
more details



Safety Messaging through Religious Networks, Roshni Bajis and Area Influencers:

Approximately 300,000 households were reached via flyers and frequent Safety messaging from Masjids, Churches and Temples.



SPEAKUP

KE also has a public platform SpeakUp (speakup@ke.com.pk) where consumers can reach out to us to report any public hazards they observe on or near our infrastructure including illegal connections and encroachment of our infrastructure. Complaints raised on this platform are routed to the relevant teams for immediate measures to be taken.



ENVIRONMENTAL IMPACT

KE has a dedicated team that manages the overall environmental framework across Generation, Transmission and Distribution. Furthermore, KE encourages each employee to accept and exercise individual responsibility by working safely and contribute effectively towards environmentally sustainable activities across the company. KE Management puts Environmental Sustainability ahead of its planning, construction, operations, maintenance schedules, quality, costs, and all other phases of business.

All departments are required to keep proper records of water, material, energy and electricity consumption and conservation and share monthly data with the Audit team.

IN THIS SECTION

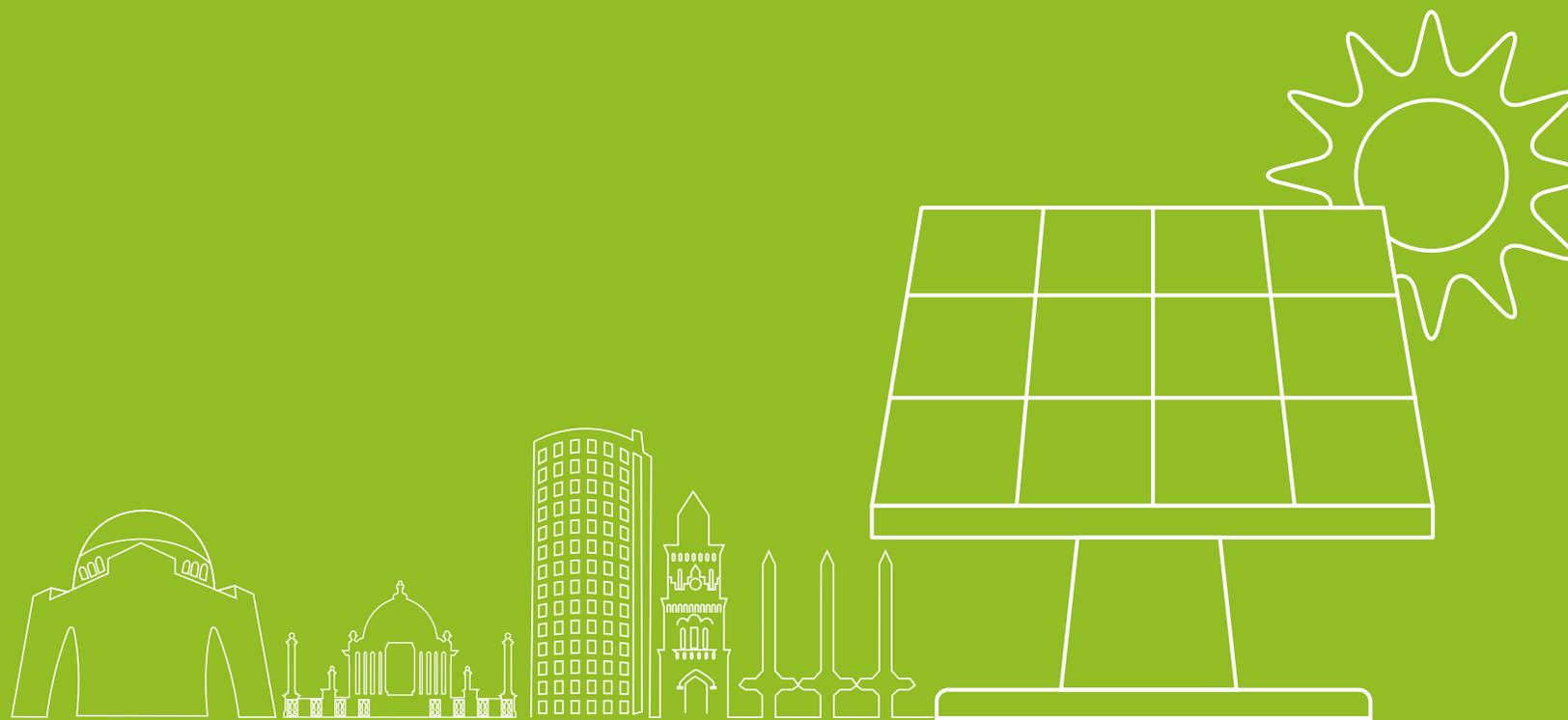
ENVIRONMENTAL STEWARDSHIP

ENERGY PRODUCTION

ENVIRONMENTAL MONITORING AND PERFORMANCE OF OUR GENERATION FLEET

OUR GHG EMISSIONS

OUR MITIGATION MEASURES



KEY HIGHLIGHTS FY 22



4.517

GHG emissions (MMT)
reduced from 5.902, FY 21



2,000

people reached through
7 webinars



15,000

Trees planted
this year



1,000 KG

of paper and standee material
was donated to RLCC for recycling
into gift bags and roof coverings



PKR 7.5 Million

donated to NEPRA's solar
microfinance fund



Won 3 Awards

in the Environment
category on Local and
International forums



331GWh

Renewables



190,000

Liters decline in annual fuel
consumption

ENVIRONMENTAL STEWARDSHIP

KEY ELEMENTS OF KE'S ENVIRONMENTAL FRAMEWORK

Designated teams look after different facets of environmental sustainability across the company.

The comprehensive Environmental Sustainability Management System (ESMS) Manual is based on ISO 14001 and British Five Star Environmental Sustainability Audit process. It incorporates HSEQ Policy, procedures and controls, hierarchy of reporting, training and other allocated resources, internal audit procedures and verification activities including environmental excellence award audits.

An Environmental and Social Management Representative is appointed in accordance with the ESMS manual. The ESMS is implemented through a committee comprising of representatives from 30 departments across G&T, Distribution and Enabling Functions.

Companywide environmental procedures were prepared and disseminated which have been customised as per need in different business units across KE. Procedures provide guidance for standardized best practices.

A list of applicable local, and international legislation, and other related requirements is maintained for compliance. This includes conducting environmental studies for new projects.

Our safety and environmental policy includes assessment of environmental impacts of our activities, conservation of natural resources, pollution prevention, biodiversity protection, carbon footprint reduction and management of climate change risks.

Monthly and Quarterly emission monitoring is conducted of all power plants as per the Sindh Environmental Quality Standards (SEQs). KE is now moving towards compliance of international standards as well.

Environmental trainings are also given on demand to both existing and new employees to give an overview of environmental problems and solutions. Employees from different functions attend the trainings and are also given responsibility to train their teams. This year, 1,576 man hours were dedicated only for these trainings.

Environmental Excellence Award Audit Criteria has been prepared by the relevant team and as per this process, biannual audits are conducted across core functions. The focus is primarily on proper documentation and procedures, trainings, implementation of good environmental practices, resource conservation practices and record keeping. After the completion of the audit cycle, winners are recognised across different categories.



ENERGY PRODUCTION

In FY 22, 19,802 GWh electricity was served by KE. 7,890 GWh were generated by KE owned power plants (KE's generation Fleet), whilst 11,912 GWh has been purchased from external sources.

The overall electricity provided to KE's customers is predominantly made up of natural gas and furnace oil, whilst we are looking to increase the renewable energy mix by 2030 both through its self-generation capacity and its purchased electricity.

YEAR	RLNG	OIL	GAS	HSD	RENEWABLES	Others	TOTAL
FY21	4,778	4,253	3,406	33	554	6,448	19,487*
FY22	4,450	3,948	1,409	269	331	9,350	19,802*

*including power import from net-metering consumers

OUR INSTALLED GENERATION PROFILE

KE's generation fleet has 2,345 MW of installed generation capacity making up around 55% of total installed capacity including external sources.

KE GENERATION STATION*	TYPE OF TURBINES	GWh GENERATED (ON NET BASIS)	
		FY 21	FY 22
Bin Qasim Power Station I (840 MW)	4 x Hitachi Steam Turbine Each of the units can be fired on Gas or HFO	4,730	3,289
Bin Qasim Power Station II (572 MW)	3 x G.E. PG 9171 Gas Turbines and 1 Steam Turbine	3,926	3,588
Bin Qasim Power Station III (942 MW)**	2 x Siemens Gas Turbines (SGT5-4000F) and Steam Turbines (SST5-3000)	-	244
KCCP (248 MW)	4 x GE LM 6000 Gas Turbines and 2 x GE Steam Turbines	949	552
KGTPS (107 MW)	32 x GE JENBACHER Gas Engines JGS620 GS-NL and 1 x NG Allen Steam Turbine	365	115
SGTPS (107 MW)	32 x GE JENBACHER Gas Engines JGS620 GS-NL and 1 x NG Allen Steam Turbine	216	103

*Installed Capacity as per Generation License

**Unit 1 of BQPS III was under testing during the year

OUR FUEL CONSUMPTION

FURNACE OIL AND HSD

NAME OF PLANT	FO CONSUMPTION (000 M. TONNES)		HSD CONSUMPTION (000 LITERS)	
	FY 21	FY 22	FY 21	FY 22
BQPS-I	787	695	-	-
KCCP		-	7,949	62,854

NATURAL GAS

NAME OF PLANT	NATURAL GAS CONSUMPTION IN MMCFT BY YEAR	
	FY 21	FY 22
Bin Qasim TPS-I	7,618	1,744
Bin Qasim TPS-II	10,448	3,095
KCCP	2,903	559
KGTPS	1,261	251
SGTPS	744	203

RLNG

NAME OF PLANT	RLNG CONSUMPTION MMCFT BY YEAR	
	FY 21	FY 22
Bin Qasim TPS-I	12,974	6,785
Bin Qasim TPS-II	21,671	26,470
Bin Qasim TPS-III*	-	1,892
KCCP	4,677	1,810
KGTPS	2,269	924
SGTPS	1,303	797

*Unit 1 of BQPS III was under testing during the year



ENVIRONMENTAL MONITORING AND PERFORMANCE OF OUR GENERATION FLEET

Environmental compliance monitoring is conducted to ensure that gaseous emissions and effluent discharges from KE's power plants comply with the applicable environmental quality standards.

FUEL TYPE	OIL FIRED	GAS FIRED
Categorisation	Category A	Category B
Reporting Frequency	Monthly	Quarterly
Liquid Effluents	Effluent Flow, Temperature, pH, TSS, Oil & Grease	--
Gaseous Emission	SOx, NOx, CO, Particulates and Heavy Metals	NOx and CO

NUMBER OF EXCEEDANCES (SEQS) RECORDED FY22	
Ambient Noise Quality	0
Ambient Air Quality	0
Gaseous Emissions priority parameters	0
Effluent Discharges priority parameters	0

KE'S GENERATION STATIONS HAVE OBTAINED THE FOLLOWING CERTIFICATIONS:
<ul style="list-style-type: none"> • Integrated Management System (IMS) including Environment (ISO 14001:2015)
<ul style="list-style-type: none"> • Energy Management System (ISO-50001)
<ul style="list-style-type: none"> • WWF Green Office Certification at 04 plants (BQPS II, KCCP, KGTPS & SGTPS)



OUR GHG EMISSIONS

An efficient monitoring of carbon emissions is the first step to effectively assess current and future carbon emission trends to plan accordingly for curtailment. As a vertically integrated power utility, KE has always been cognizant of its footprint and has therefore implemented a monitoring system for its plants.

Under scope 1, KE is taking GHG emissions from our power plants, generators, firefighting systems (CO₂ extinguishers and fire suppression systems installed) and industrial gases (mainly SF₆). Mobile emissions from vehicles used for KE operations will also be included. Under scope 2, electricity consumption at KE locations is considered for GHG calculation as well as Transmission and Distribution losses.

Scope 3 which is not mandatory to calculate is not included at this stage. However, in future KE also plans to include scope 3 emissions in its annual GHG reporting.

GHG EMISSIONS - FROM KE OWNED PLANTS		
Fuel	FY 21	FY 22
HFO in Tonnes (000 M. Tonnes)	787	695
Diesel in Liters (000 Liters)	7,949	62,854
GHG emissions (Million Metric Tonnes)	5.902	4.517

FUEL CONSUMPTION - KE'S VEHICLE FLEET

FUEL CONSUMPTION RECORD FY22	
Fuel use (diesel, gasoline - litres)	76,436,044

ENERGY CONSUMPTION AT KE

KE uses two sources for electricity:

1. Grid electricity
2. Installed solar panels at different locations within KE

KE has an installed solar PV capacity of 410 KW around different in-house locations. During FY 21-22, these systems have generated 106 MWh of clean-green energy. KE has also re-energized its 290 KW Solar Carport PV system installed at its Head Office, having the capability to generate 417 MWh of energy, and reducing the carbon footprint by 180 MT of CO₂ from the atmosphere per annum.

ELECTRICITY USED AT ALL KE OFFICES AND IBCS (GWh)	
FY 22	950



OUR MITIGATION MEASURES

WASTE MANAGEMENT

KE manages waste as defined by internal procedures. While general waste is disposed with municipal waste, hazardous waste is only managed through a SEPA certified waste contractor. KE takes responsibility and ensures that waste is safely disposed-off by keeping record of waste disposal certificate along with pictorial evidence. Discarded material having monetary value is collected and treated as scrap which is later sold. It may include wood, paper, scrap iron, copper conductor, aluminum conductor, tires and tubes, scrap cables, and energy meters, among others.

WASTE GENERATION AT KE	FY 21	FY 22
Solid Waste (tonnes)	3,553	1,025
Hazardous Solid Waste (tonnes)	192.4	584
Hazardous Liquid Waste (m ³)	7,041.5	3,549

WASTE MANAGEMENT INITIATIVES TAKEN BY OUR MANAGEMENT TO REDUCE ENVIRONMENTAL IMPACT

In FY 22 the Inventory management function reduced the impact on the environment and improve the well-being of stakeholders.

- Secondary oil containment pit to prevent soil contamination due to oil spillage:** Designed and developed 4,000 Square feet of customised secondary oil containment pit to ensure safe storage of bulk scrap oil without contaminating the area due to oil spillage.
- 7 million PKR worth of scrap utilisation:** Through active engagement with end users KE successfully managed to get various types of waste/scrap material for productive operational use. Wood, iron scrap and other waste material has been converted to benches and wooden pallets storage bins and protection barriers.



POLYCHLORINATED BIPHENYLS (PCB) IDENTIFICATION AND REMOVAL

A Polychlorinated Biphenyls (PCB) Management procedure was developed, following which PCB monitoring was conducted across Generation, Transmission and Distribution Networks through third party laboratories and a detailed inventory prepared. The identified equipment was removed from all premises.

WATER MANAGEMENT

KE carefully manages water used and monitors the impact of wastewater discharged into waterways. KE's only operations which have significant water usage are the power generation plants. As with other activities related to managing resources, the view of improving operational efficiency is employed. All departments are required to keep proper records of water used and discarded. Water is conserved through:

- Two relatively small plants which have closed-cycle cooling systems. The plants have installed water flow meters at key locations to effectively monitor the process water consumption pattern and also maintain water balance record. By closely monitoring the water usage, serious leakages and behavioral patterns are timely deducted and quickly fixed. Routine water audits are carried out for identification of undetected leaks and rectification.
- KE's three large power plants use mainly sea water for (once through) cooling purpose. Care is taken to ensure that effluent discharge parameters are compliant with the prescribed Environmental Quality Standards. The parameters are monitored by EPA certified laboratories, and results submitted to the EPA as per defined frequency. Domestic wastewater is treated and reused in horticulture to the extent possible.

The wastewater from respective locations is discharged into municipal sewer system like any other office buildings. During the past year, various departments have started reusing grey water generated from ablution activity in green belts/plantation.

WATER CONSUMPTION	FY 21	FY 22
Mains Water use (m ³)	995,854	891,434
Extracted/Well Water use (m ³)	111,025	56,126

WASTEWATER GENERATION	FY 21	FY 22
Sewage/Effluent (m ³)	822,037	676,565



GHG REDUCTION THROUGH OUR MOBILE FLEET

KE's vehicle fleet plays a significant role in throughout our core operations, predominantly in distribution. Due to the significant use of fuel for its vehicles, fleet management is another area where KE aspires to reduce its environmental footprint through the following:

1. Reduction in fuel consumption

KE has implemented a structured maintenance program for its fleet to ensure efficient fuel consumption. Simultaneously, number of vehicles in our fleet has been optimised, by a reduction of 37% (86 Vehicles), to ensure that our demand for fuel is contained. There has been a decline of Annual 190,000 Liters in fuel consumption, during FY 22.

2. Reduction in emissions

By optimisation of 86 KE owned vehicles and 17 Hired vehicles we are trying to create a positive impact to traffic. Further, assessment of aged vehicles had been carried out to measure the emissions of vehicles, based on the results of which 37% aged vehicles from KE owned fleet has been retired. To ensure long-term efficacy, a policy of exclusion of vehicles aged beyond 25 years has been implemented on Jan 2021. Further, to decarbonize road emissions over the next 10 years, Electric Vehicles are being explored to replace existing vehicles.

3. Reduction in mileage

We have implemented policies which controls usage of company pool vehicles and ensures consolidation of routes and trips. Subsequently, a 31% of the pool vehicles were rationalised for the period of one year.



REDUCING GHG EMISSIONS ON CONSUMER-END

Reducing scope 3 emissions involves carbon footprint reduction at the consumption level. KE spreads awareness to its energy-intensive customers on reducing energy consumption by increasing energy efficiency and conservation.

Initiatives are also taken on voluntary load curtailment, conducting energy audits, and Power Factor Improvement Programme (PFIP). KE conducts energy audits for different large-medium sized industrial and commercial customers. Those customers who optimised load based on these recommendations have also seen a monetary saving.

ENERGY AUDIT			
	FY 20	FY 21	FY 22
Number of Energy Audits conducted	23	19	14
Estimated Carbon footprint reduction MT CO ₂ /annum	6,847	3,579	2,745

POWER FACTOR

In FY 2022, 1,170 Power Factor (PF) Improvement surveys were conducted. These resulted in a release of 52.1 MVA of apparent power and a carbon footprint reduction of 45,875 MT CO₂/annum. The program is designed to counsel and advise consumers about the benefits of PF improvement and aims to improve quality of power supply and voltage profiles.

POWER FACTOR IMPROVEMENT SURVEYS			
	FY 20	FY 21	FY 22
Number of surveys conducted	650	847	1,170
Savings in electricity – MVA of Apparent Power	58.00	49.40	52.1
carbon footprint reduction of MT CO ₂ /annum	63,684	43,717	45,875

NET METERING

In FY 2022, KE actively engaged with consumers and registered 3,192 applications in line with NEPRA's Net Metering guidelines, whereby customers can obtain generation license to sell their excess electricity back to the power utility. This year alone, 2,801 cases were commissioned, whereas since inception 5,181 cases have been commissioned and a total PV injection of 100.1 MW has been made to the system.

SOLAR MICROFINANCE FACILITY

As a part of its commitment to increase accessible and affordable power, KE partnered with , NEPRA under its CSR drive "Power with Prosperity" along with other energy companies to co-create a Solar Microfinance Facility Program with Akhuwat Foundation as the implementing partner.

This program offers setting up a Revolving fund with multiple contributors for underprivileged communities to get loans, interest free. Along with the objective of providing small business owners easy access to clean energy, this program also aims at improving the quality of life by means of reduced utility bills and provision of reliable power which is crucial for running any business.



Total Fund:
PKR 15 Million

KE Contribution:
PKR 7.5 Million

Total number of beneficiaries:
50 and counting



SUCCESS STORY

Rehana Kousar, a mother of five, belongs to a lower lower-income family living in an underprivileged community of Lines Area, Jamshed Town. The area is plagued with various issues including encroachment, poor infrastructure, narrow streets, and bumpy roads. The area is also one with a high proportion of electricity theft as well as a low propensity to pay electricity bills resulting in a higher number of interruptions to power supply.

By profession she is a seamstress who earns approximately PKR 15,000/month working from home, while her husband, an auto-rickshaw driver, earns approximately PKR 20,000/month. The frequent disruptions in electricity supply was not only affecting her family but also her sewing work which contributed around 50% of their household income.

She applied for a loan and got PKR 200,000 from Akhuwat Foundation through a simple process. She purchased 600 watts solar system that is now installed at her house, giving her and her family access to un-interrupted electricity throughout the day.

This has helped her to manage sewing work and provided her family a comfortable environment to thrive in.

OTHER INITIATIVES



To mark Global Recycling Day on March 18th, employees were engaged to share their practices of the 5 R's of waste management - refuse, reduce, reuse, repurpose, and recycle. Responses: 112 responses received from across the company. Depending on quality of initiatives received, top 5 entries will be given Eco Giveaways by Trashit.



Recognising the importance of sustainability as a driver of operational efficiency and innovation, KE has signed an MoU to enlist in the United Nations Global Compact (UNGC), joining a network of over 14,000 companies across 162 countries.



Park renovated at Tanveer Shaheed Park, Paposh Nagar, Nazimabad which provides recreational facility to 1,000 households.



KE observed World Wildlife Day by placing 50 bird boxes in its locations and donated 25 boxes to Karachi District Central Parks.

APPENDIX

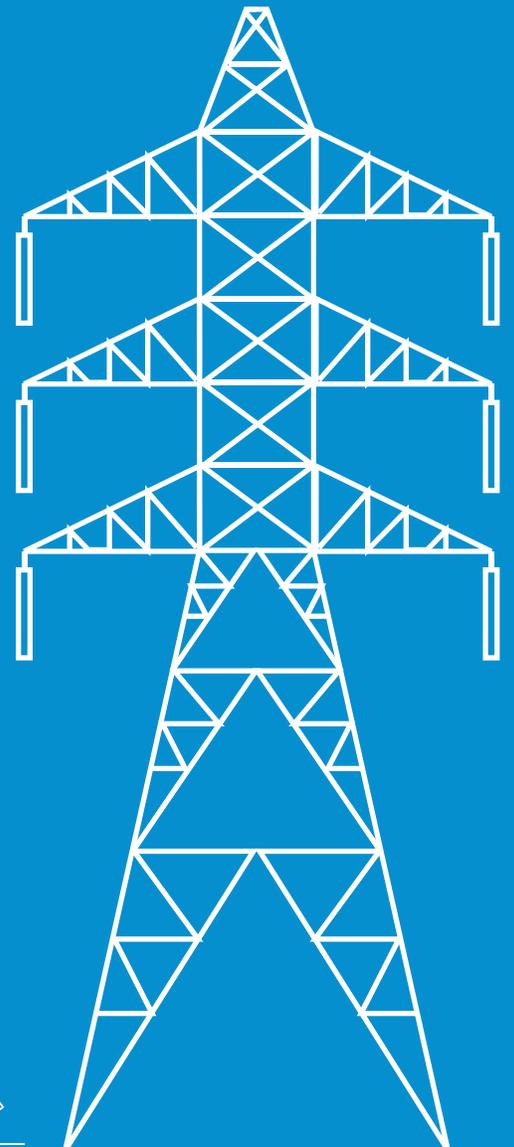
IN THIS SECTION

GLOSSARY

GRI INDEX

DUPONT ANALYSIS FOR FY 2022

FINANCIAL PERFORMANCE SUMMARY



GLOSSARY

Abbreviation	Full Form
ABC	Aerial Bundled Cables
CHSEQ	Corporate Health, Safety, Environment, and Quality
EHT	Electrical High Tension
ESG	Environment, Social, and Governance
G&T	Generation and Transmission
GOO	Grid Operating Officer
GWh	Gigawatt hours
IBC	Integrated Business Center
HT	High Tension
IVR	Interactive Voice Response
KWh	Kilowatt-hour
LT	Low Tension
MDMO	Meter Data Maintenance Office
OPEX	Operational Excellence
PMU	Pad Mounted Unit
PMT	Pole Mounted Transformer
PV	Photovoltaics (also known as Solar Cells)
RLNG	Regasified Liquefied Natural Gas
SCADA	Supervisory Control and Data Acquisition
SDGs	United Nations Sustainable Development Goals adopted by all United Nations Member States in 2015
T&D	Transmission and Distribution
VHF	Very High Frequency

GRI INDEX

Statement of use	K- Electric Limited has reported the information cited in this GRI content index for the period 1st Jul 2021 – 30 June 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	The Electric Utilities Sector Disclosures

DISCLOSURE	LOCATION
2-1 Organisational details	Our Corporate Background
2-2 Entities included in the organisation's sustainability reporting	Our Holding Structure
2-3 Reporting period, frequency, and contact point	About this Report
2-6 Activities, value chain and other business relationships	Our Value Chain
2-7 Employees	Employee Profile
2-8 Workers who are not employees	Employee Profile
2-9 Governance structure and composition	Our Corporate Governance and Annual Report
2-10 Nomination and selection of the highest governance body	Annual Report
2-11 Chair of the highest governance body	Chairman's message and Annual Report
2-12 Role of the highest governance body in overseeing the management of impacts	Our Corporate Governance and Annual Report
2-13 Delegation of responsibility for managing impacts	Annual Report
2-14 Role of the highest governance body in sustainability reporting	Our Corporate Governance and Annual Report
2-15 Conflicts of interest	Annual Report
2-16 Communication of critical concerns	Annual Report
2-17 Collective knowledge of the highest governance body	Annual Report
2-18 Evaluation of the performance of the highest governance body	Annual Report
2-19 Remuneration policies	Employee Profile
2-20 Process to determine remuneration	Remuneration and Performance Appraisal
2-22 Statement on sustainable development strategy	CEO's Message
2-26 Mechanisms for seeking advice and raising concerns	Code of Conduct, Engaging with our Stakeholders, Fostering Growth and Driving Public Safety
2-27 Compliance with laws and regulations	Our Corporate Governance
2-28 Membership associations	Engaging with our Stakeholders
2-29 Approach to stakeholder engagement	Materiality Matrix
2-30 Collective bargaining agreements	Labor Rights
GRI 201: Economic Performance 2016	
201-1 Direct economic value generated and distributed	Financial Performance Summary, Annual Report
201-3 Defined benefit plan obligations and other retirement plans	
GRI 203: Indirect Economic Impacts 2016	
203-1 Infrastructure investments and services supported	Powering Purpose and Enabling Innovation
203-2 Significant indirect economic impacts	Our Financial Performance



DISCLOSURE	LOCATION
GRI 201: Economic Performance 2016	
201-1 Direct economic value generated and distributed	Financial Performance Summary, Annual Report
201-3 Defined benefit plan obligations and other retirement plans	Annual Report
GRI 203: Indirect Economic Impacts 2016	
203-1 Infrastructure investments and services supported	Powering Purpose, Enabling Innovation and Financial Performance Summary
203-2 Significant indirect economic impacts	GRI 204: Procurement Practices 2016
GRI 204: Procurement Practices 2016	
204-1 Proportion of spending on local suppliers	Engaging with our Vendors
GRI 205: Anti-corruption 2016	
205-2 Communication and training about anti-corruption policies and procedures	Annual Report - see Code of Conduct
GRI 207: Tax 2019	
207-1 Approach to tax	Annual Report
207-2 Tax governance, control, and risk management	Annual Report
207-3 Stakeholder engagement and management of concerns related to tax	Annual Report
GRI 302: Energy 2016	
302-1 Energy consumption within the organisation	Energy Consumption
302-2 Energy consumption outside of the organisation	Energy Generation
GRI 303: Water and Effluents 2018	
303-1 Interactions with water as a shared resource	Impact on Communities
303-2 Management of water discharge-related impacts	Water Management
GRI 305: Emissions 2016	
305-1 Direct (Scope 1) GHG emissions	Environmental Impact, Enabling Innovation
305-2 Energy indirect (Scope 2) GHG emissions	Environmental Impact, Enabling Innovation
305-5 Reduction of GHG emissions	Environmental Impact
305-6 Emissions of ozone-depleting substances (ODS)	PCB identification and removal at KE
GRI 306: Waste 2020	
306-3 Waste generated	Waste Management
GRI 308: Supplier Environmental Assessment 2016	
308-1 New suppliers that were screened using environmental criteria	Engaging with our Vendors
GRI 401: Employment 2016	
401-1 New employee hires and employee turnover	Employee profile
GRI 403: Occupational Health and Safety 2018	
403-1 Occupational health and safety management system	Driving Workplace Safety
403-2 Hazard identification, risk assessment, and incident investigation	Safety Alert and Advisories

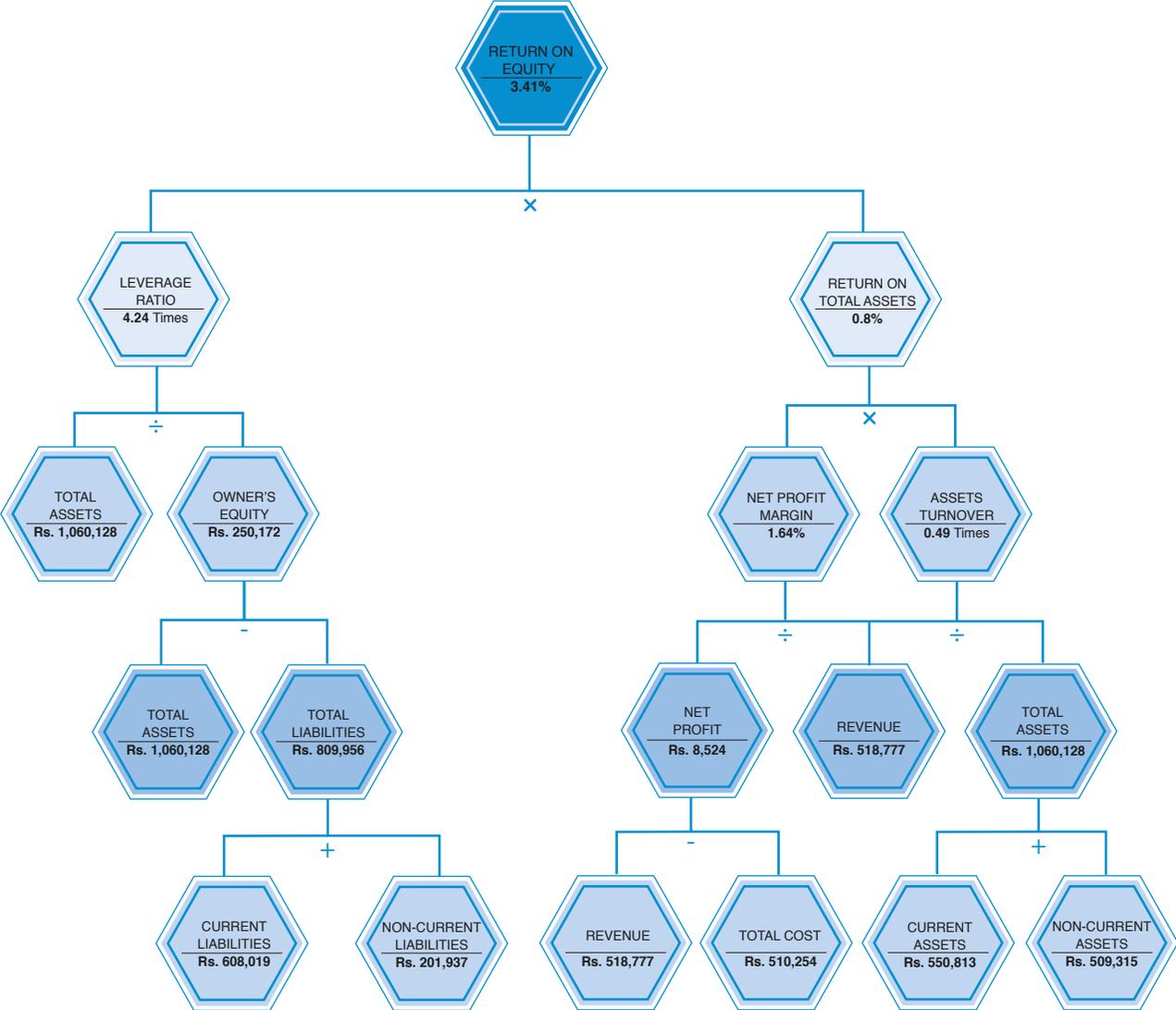
DISCLOSURE	LOCATION
403-3 Occupational health services	Driving Workplace Safety
403-4 Worker participation, consultation, and communication on occupational health and safety	Driving Workplace Safety
403-5 Worker training on occupational health and safety	Labor Rights
403-6 Promotion of worker health	Labor Rights
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Driving Workplace Safety
403-8 Workers covered by an occupational health and safety management system	Driving Workplace Safety
GRI 404: Training and Education 2016	
404-1 Average hours of training per year per employee	Employee Training and Development
404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training and Development
404-3 Percentage of employees receiving regular performance and career development reviews	Employee Training and Development
GRI 405: Diversity and Equal Opportunity 2016	
405-1 Diversity of governance bodies and employees	Annual Report
405-2 Ratio of basic salary and remuneration of women to men	Remuneration and Performance Appraisal
GRI 406: Non-discrimination 2016	
406-1 Incidents of discrimination and corrective actions taken	Annual Report
GRI 413: Local Communities 2016	
413-1 Operations with local community engagement, impact assessments, and development programs	Impact on Communities
GRI 414: Supplier Social Assessment 2016	
414-1 New suppliers that were screened using social criteria	Engaging with our Vendors
GRI 416: Customer Health and Safety 2016	
416-1 Assessment of the health and safety impacts of product and service categories	Driving Public Safety
GRI 417: Marketing and Labeling 2016	
417-1 Requirements for product and service information and labeling	Driving Public Safety
G4 SECTOR DISCLOSURES: The Electric Utilities Sector Disclosures	
EU1 Installed Capacity	Our Installed Generation Profile
EU2 Net Energy Output	Our Installed Generation Profile
EU3 Number of Residential, Industrial, Institutional & Commercial Customer Accounts	Our Business Overview
EU4 Length of Above And Underground Transmission And Distribution Lines	Our Business Overview
G4-DMA Management Approach To Ensure Short And Long-Term Electricity Availability And Reliability (FormER EU 6)	Our Business Overview
G4-DMA Demand-Side Management Programs Including Residential, Commercial, Institutional And Industrial Programs (Former EU7)	Powering Purpose



DISCLOSURE	LOCATION
G4- DMA Research And Development Activity And Expenditure Aimed At Providing Reliable Electricity And Promoting Sustainable Development (Former EU8)	Enabling Innovation
EU 10 Planned Capacity Against Projected Electricity Demand Over The Long Term, Broken Down By Energy Source And Regulatory Regime	Business Overview
EU 11 average Generation Efficiency Of Thermal Plants By Energy Source and And By Regulatory Regime	KE Installed Generation Profile
EU 12 Transmission And Distribution Losses As A Percentage Of Total Energy	Business Overview
Programs And Processes To Ensure The Availability Of A Skilled Workforce (Former EU14)	Fostering Growth, DNA
Policies And Requirements Regarding Health And Safety Of Employees And Employees Of Contractors And Subcontractors (Former EU16)	Driving Safety, Engaging with our Vendors
Stakeholder Participation In Decision Making Processes Related To Energy Planning And Infrastructure Development (Former EU19)	Engaging with our Stakeholders
Contingency Planning Measures, Disaster/Emergency Management Plan And Training Programs, And Recovery/Restoration Plans (Former EU21)	Business Continuity Plan
Programs, Including Those In Partnership With Government, To Improve Or Maintain Access To Electricity And Customer Support Services (Former EU23)	Engaging with our Stakeholders
Practices To Address Language, Cultural, Low Literacy And Disability Related Barriers To Accessing And Safely Using Electricity And Customer Support Services (Former EU24)	Impact on Communities
EU28 Power Outage Frequency	Powering Purpose
EU 29 average Power Outage Duration	Powering Purpose

DuPONT ANALYSIS

For the year ended June 30, 2022
(PKR in millions)



SIX YEARS' PERFORMANCE

Description 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22

OPERATIONAL PERFORMANCE

(Units In Gwh)

Units Generated - Gross	10,147	10,338	10,727	10,358	10,938	8,496
Units Generated - Net	9,374	9,557	9,928	9,629	10,186	7,890
Units Purchased	7,206	7,862	7,769	8,158	9,301	11,912
Units Sent out	16,580	17,419	17,697	17,787	19,487	19,802
Units Billed	12,981	13,860	14,318	14,277	16,069	16,763
T&D loss (in percentage)	21.7%	20.4%	19.1%	19.7%	17.5%	15.3%

SUMMARY OF STATEMENT OF PROFIT OR LOSS

(Rupees In Millions)

	Restated					
Revenue	183,855	217,127	289,119	288,807	325,049	518,777
Purchase of electricity & consumption of fuel and oil	123,132	149,325	215,770	219,470	240,181	420,032
O&M Expenses	56,264	57,194	60,712	60,156	66,641	78,775
Gross Profit	39,521	45,297	50,706	43,893	59,195	72,416
Financial Charges	3,609	3,236	6,285	16,737	11,113	15,120
Other Income / (Charges)	7,862	6,348	2,531	7,914	8,232	799
Profit before Finance Cost	12,321	16,956	15,167	17,096	26,459	20,769
Profit before taxation	8,712	13,719	8,883	359	15,346	5,648
Profit / (Loss) after taxation	10,419	12,312	17,274	(2,959)	11,998	8,524
EBITDA	25,818	32,422	31,236	36,684	45,867	41,598

SUMMARY OF STATEMENT OF FINANCIAL POSITION

(Rupees In Millions)

	Restated					
Non-Current Assets	237,981	277,733	326,857	364,369	427,653	509,315
Current Assets	157,962	195,965	272,008	339,045	408,024	550,813
Total Assets	395,943	473,698	598,865	703,414	835,677	1,060,128
Share Capital & Reserves	184,316	207,293	214,490	210,659	223,951	250,172
Non-Current liabilities	53,822	60,451	89,027	113,289	105,796	201,937
Current liabilities	157,805	205,954	295,348	379,466	505,930	608,019
Total Equity & Liabilities	395,943	473,698	598,865	703,414	835,677	1,060,128

SUMMARY OF STATEMENT OF CASHFLOWS

(Rupees In Millions)

	Restated					
Net cash generated from / (used in) operating activities	27,836	19,335	(16,884)	21,871	42,259	(26,857)
Net cash used in investing activities	(19,593)	(43,726)	(33,843)	(49,411)	(74,465)	(63,843)
Net cash (used) in / generated from financing activities	(11,849)	6,040	52,012	27,192	22,061	84,804
Net increase / (decrease) in cash and cash equivalent	(3,606)	(18,351)	1,285	(348)	(10,144)	(5,896)
Cash and cash equivalent at beginning of the year	(4,815)	(8,421)	(26,772)	(25,487)	(25,835)	(35,979)
Cash and cash equivalent at end of the year	(8,421)	(26,772)	(25,487)	(25,835)	(35,979)	(41,875)

KEY FINANCIAL INDICATORS

Description	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Profitability Ratios						
	(In Percentage %)					
	Restated					
Gross Profit Margin	21.5%	20.9%	17.5%	15.2%	18.2%	14.0%
Net Profit / (Loss) Margin	5.7%	5.7%	6.0%	(1.0%)	3.7%	1.6%
EBITDA Margin	14.0%	14.9%	10.8%	12.7%	14.1%	8.0%
PBT Margin	4.7%	6.3%	3.1%	0.1%	4.7%	1.1%
Return on Equity / Shareholder's Funds	5.7%	5.9%	8.1%	(1.4%)	5.4%	3.4%
Return on Capital Employed	4.6%	4.9%	5.6%	(0.8%)	3.1%	1.8%
Return on Total Assets	2.6%	2.6%	2.9%	(0.4%)	1.4%	0.8%
Return on Property, Plant and Equipment	4.4%	4.4%	5.3%	(0.8%)	2.8%	1.7%
Shareholder's Funds	46.6%	43.8%	35.8%	29.9%	26.8%	23.6%
Operating Leverage Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
Liquidity Ratios						
	(In Times)					
Current Ratio	1.00	0.95	0.92	0.89	0.81	0.91
Quick / Acid test ratio	0.94	0.90	0.88	0.86	0.77	0.88
Cash to current liability	0.01	0.01	0.01	0.01	0.005	0.005
Cash flow from operations to revenue	0.15	0.09	(0.06)	0.08	0.13	(0.05)
Cash flow to capital expenditure	(1.17)	(0.43)	0.47	(0.44)	(0.55)	0.52
Cash flow coverage ratio	0.56	0.27	(0.13)	0.14	0.23	(0.09)
Free Cash Flow (Rs in million)	4,915	(24,342)	(50,727)	(27,541)	(32,024)	(74,102)
Economic Value addition (Rs in million)	(21,198)	(20,995)	(29,993)	(49,889)	(29,454)	(40,415)
Activity / Turnover ratio						
Inventory [Furnace & Other Oil] Turnover Days	9	12	11	9	14	14
Debtor Turnover Days** (No. of days)	300	294	304	393	410	322
Creditor Turnover Days (No. of days)	165	164	160	233	292	232
Operating Cycle (No. of days)	144	142	155	169	132	104
Total Asset turnover ratio (Times)	0.46	0.46	0.48	0.41	0.39	0.49
Fixed Asset turnover ratio (Times)	0.77	0.78	0.89	0.80	0.77	1.06
Investment / Market Ratios						
	(In Rupees)					
Earnings / (loss) per Share - Basic / Diluted	0.38	0.45	0.63	(0.11)	0.43	0.31
Price Earning Ratio (In Times)	18.29	12.74	7.02	N/A	9.62	9.85
Market Value Per Share - year end	6.90	5.68	4.39	3.01	4.18	3.04
- High during the year	10.92	7.51	6.75	5.00	4.88	4.31
- Low during the year	6.50	5.11	3.54	2.57	3.11	2.40
Price to book ratio (In Times)	0.48	0.33	0.20	0.12	0.14	0.08
Breakup Value per Ordinary Share (including Surplus on Revaluation of Property, Plant & Equipment) / Net Assets per share	6.67	7.51	7.77	7.63	8.11	9.06
Breakup Value per Ordinary Share (excluding Surplus on Revaluation of Property, Plant & Equipment)	4.95	5.55	5.38	5.48	6.08	6.53
Capital Structure Ratios						
	(In Times)					
Long-term debt to equity ratio - as per book value*** (including revaluation surplus)	0.14	0.13	0.21	0.28	0.26	0.41
Long-term debt to equity ratio - as per book value*** (excluding revaluation surplus)	0.17	0.17	0.28	0.35	0.32	0.49
Long-term debt to equity ratio - as per market value***	0.13	0.17	0.32	0.50	0.40	0.68
Interest Cover ratio	3.41	5.24	2.41	1.02	2.38	1.37
Average Cost of Debt	0.09	0.07	0.11	0.16	0.09	0.10
Financial Leverage Ratio (local and foreign lenders)	0.27	0.35	0.60	0.74	0.82	1.13
Debt Service Coverage Ratio ****	3.38	2.60	1.80	1.10	1.45	1.19
Employee Productivity ratios						
Production per employee (Gwh)	0.94	0.99	1.04	0.97	1.06	0.85
Revenue per employee (Rs in million)	17.0	20.9	28.0	27.1	31.6	52.1
Staff turnover ratio (In Percentage)	6.6%	7.8%	10.6%	10.0%	8.3%	12.4%
Others						
	(In Percentage %)					
Spares Inventory as % of Assets Cost	2.3%	2.1%	1.9%	1.9%	1.7%	1.4%
Maintenance Cost as % of Operating Expenses	0.7%	0.8%	0.8%	0.7%	0.8%	0.9%

* Not Applicable, as the Company's profitability is not dependant on its revenue

** includes tariff adjustment receivable from Government

*** Long term debt also includes current maturity of debts

**** This ratio is computed by dividing net income as adjusted for non-cash items (excluding provision for doubtful trade debts) by Debt Service.



VERTICAL & HORIZONTAL ANALYSIS

VERTICAL ANALYSIS

STATEMENT OF FINANCIAL POSITION 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22

	Restated					
Non-Current Assets	60.1%	58.6%	54.6%	51.8%	51.2%	48.0%
Current Assets	39.9%	41.4%	45.4%	48.2%	48.8%	52.0%
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Share Capital & Reserves	46.6%	43.7%	35.8%	29.9%	26.8%	23.6%
Non-Current Liabilities	13.6%	12.8%	14.9%	16.1%	12.7%	19.0%
Current Liabilities	39.9%	43.5%	49.3%	54.0%	60.5%	57.4%
Total Equity and Liabilities	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

STATEMENT OF PROFIT OR LOSS 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22

	Restated					
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Expenditure						
Purchase of electricity	(33.5%)	(35.7%)	(32.9%)	(35.8%)	(34.5%)	(40.0%)
Consumption of fuel and oil	(33.4%)	(33.1%)	(41.7%)	(40.2%)	(39.4%)	(41.0%)
	(67.0%)	(68.8%)	(74.6%)	(76.0%)	(73.9%)	(81.0%)
Expenses incurred in generation, transmission And distribution	(11.5%)	(10.4%)	(7.8%)	(8.8%)	(7.9%)	(5.1%)
Gross Profit	21.5%	20.9%	17.5%	15.2%	18.2%	14.0%
Consumers services and administrative expenses (including impairment loss against trade debts and other receivables)	(19.1%)	(16.0%)	(13.2%)	(12.0%)	(12.6%)	(10.1%)
Other operating expenses	(0.8%)	(1.0%)	(1.7%)	(0.2%)	(0.5%)	(1.8%)
Other operating income	5.1%	3.9%	2.6%	2.9%	3.0%	2.0%
	(14.8%)	(13.1%)	(12.3%)	(9.3%)	(10.1%)	(10.0%)
Profit Before Finance Cost	6.7%	7.8%	5.2%	5.9%	8.1%	4.0%
Finance cost	(2.0%)	(1.5%)	(2.2%)	(5.8%)	(3.4%)	(2.9%)
Profit Before Taxation	4.7%	6.3%	3.1%	0.1%	4.7%	1.1%
Taxation	0.9%	(0.6%)	2.9%	(1.1%)	(1.0%)	0.6%
Profit / (loss) for the year	5.7%	5.7%	6.0%	(1.0%)	3.7%	1.6%

HORIZONTAL ANALYSIS

STATEMENT OF FINANCIAL POSITION 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22

	Restated					
Non-Current Assets	100.0%	116.7%	137.3%	153.1%	179.7%	214.0%
Current Assets	100.0%	124.1%	172.2%	214.6%	258.3%	348.7%
Total Assets	100.0%	119.6%	151.3%	177.7%	211.1%	267.7%
Share Capital & Reserves	100.0%	112.5%	116.4%	114.3%	121.5%	135.7%
Non-Current Liabilities	100.0%	112.3%	165.4%	210.5%	196.6%	375.2%
Current Liabilities	100.0%	130.5%	187.2%	240.5%	320.6%	385.3%
Total Equity and Liabilities	100.0%	119.6%	151.3%	177.7%	211.1%	267.7%

STATEMENT OF PROFIT OR LOSS 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22

	Restated					
Revenue	100.0%	118.1%	157.3%	157.1%	176.8%	282.2%
Expenditure						
Purchase of electricity	100.0%	125.6%	154.3%	167.5%	182.0%	336.6%
Consumption of fuel and oil	100.0%	116.9%	196.2%	189.0%	208.2%	345.7%
	100.0%	121.3%	175.2%	178.2%	195.1%	341.1%
Expenses incurred in generation, transmission and distribution	100.0%	106.1%	106.8%	120.0%	121.1%	124.2%
Gross Profit	100.0%	114.6%	128.3%	111.1%	149.8%	183.2%
Consumers services and administrative expenses (including impairment loss against trade debts and other receivables)	100.0%	98.9%	108.6%	99.0%	116.8%	149.6%
Other operating income	100.0%	90.1%	80.5%	90.5%	104.2%	108.6%
Other operating expenses	100.0%	138.1%	327.4%	38.8%	101.5%	612.3%
	100.0%	104.2%	130.7%	98.5%	120.3%	189.9%
Profit Before Finance Cost	100.0%	137.6%	123.1%	138.8%	214.8%	168.6%
Finance cost	100.0%	89.7%	174.1%	463.8%	307.9%	419.0%
Profit Before Taxation	100.0%	157.5%	102.0%	4.1%	176.2%	64.8%
Taxation	100.0%	(82.4%)	491.4%	(194.3%)	(196.0%)	168.4%
Profit / (loss) for the year	100.0%	118.2%	165.8%	(28.4%)	115.2%	81.8%

GRAPHICAL ANALYSIS

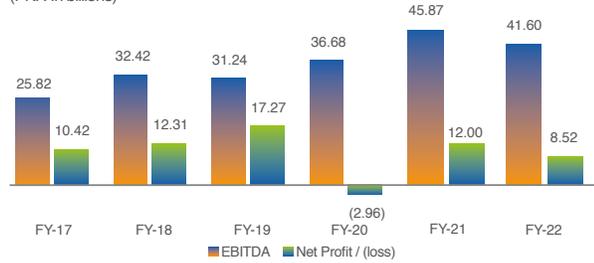
REVENUE & GROSS PROFIT

(PKR In billions)



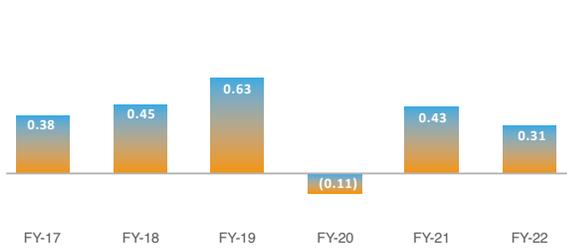
EBITDA & NET PROFIT / (LOSS)

(PKR In billions)



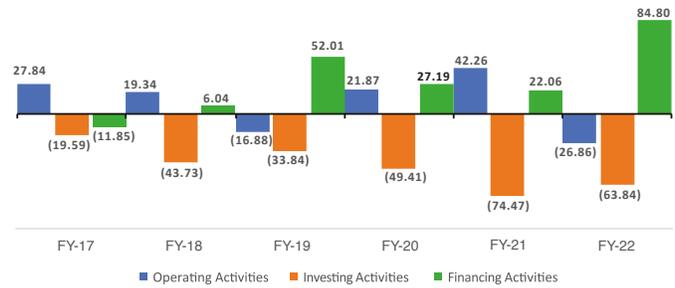
EARNING PER SHARE (EPS)

(in PKR)



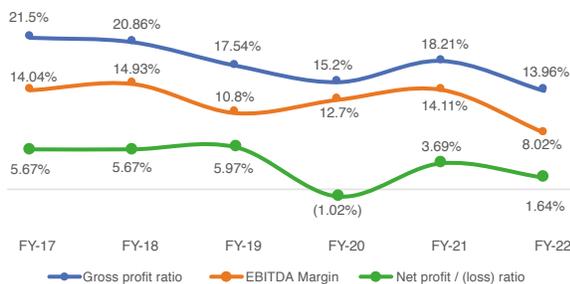
CASHFLOWS ANALYSIS

(PKR In billions)



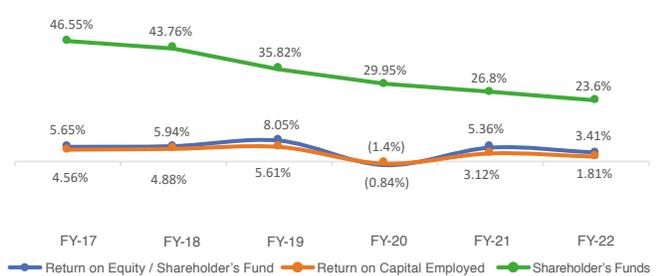
PROFITABILITY RATIOS

(In %)



PROFITABILITY RATIOS

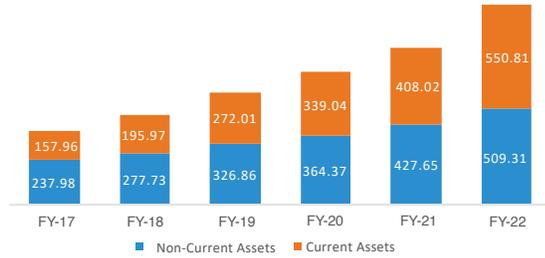
(In %)



GRAPHICAL ANALYSIS

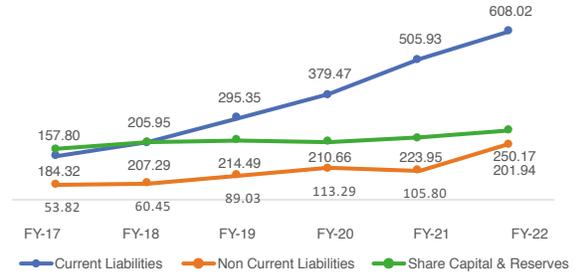
TOTAL ASSETS

(PKR In billions)



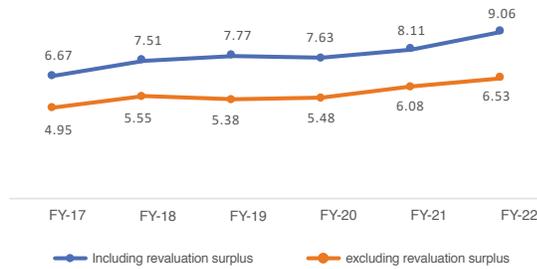
EQUITIES & LIABILITIES

(PKR In billions)



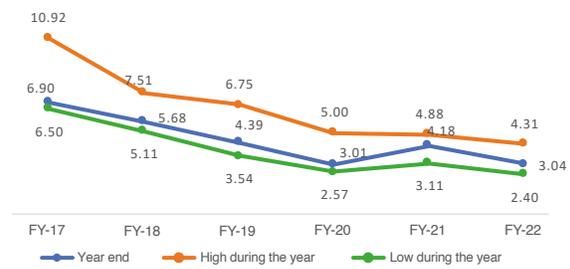
BREAKUP VALUE PER SHARE

(In PKR)



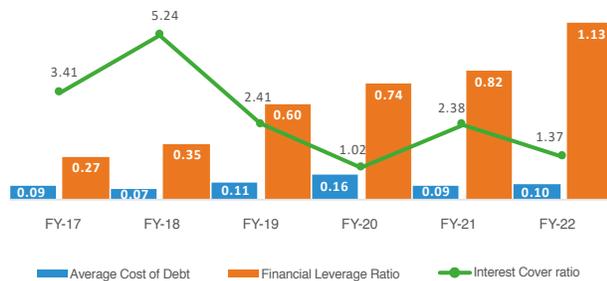
MARKET VALUE PER SHARE

(In PKR)



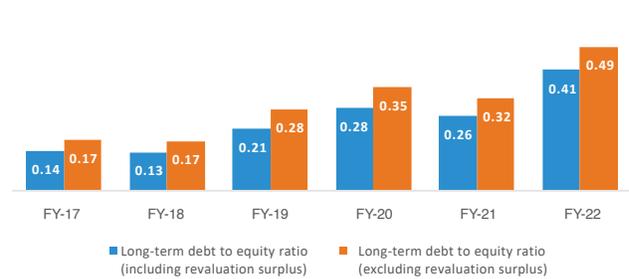
CAPITAL STRUCTURE RATIOS

(In times)



LONG TERM DEBT TO EQUITY

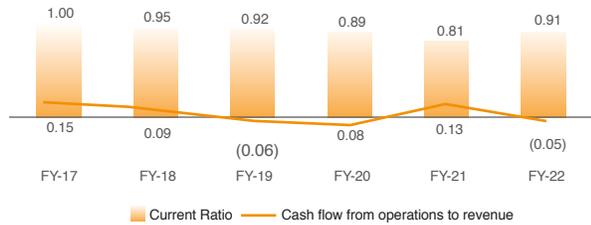
(In times)



GRAPHICAL ANALYSIS

LIQUIDITY RATIO

(In times)

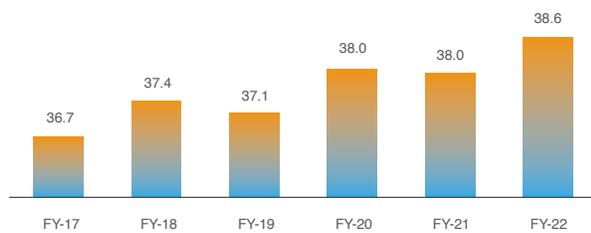


EMPLOYEE PRODUCTIVITY RATIOS



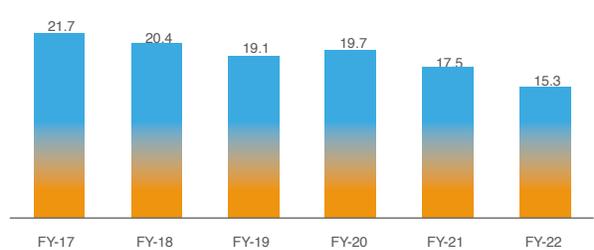
GENERATION FLEET EFFICIENCY

(In %)



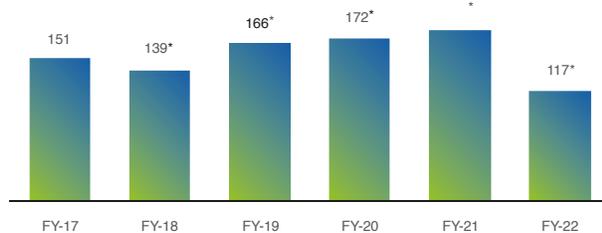
T&D LOSSES

(In %)



GAS

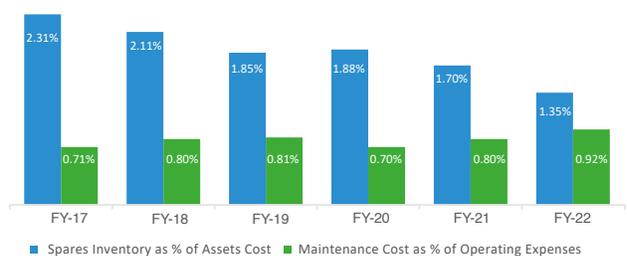
(MMCFD)
181



*Includes RLNG effective from April 2018

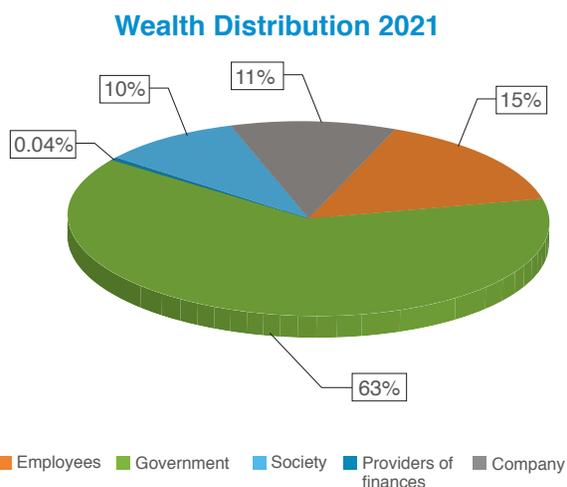
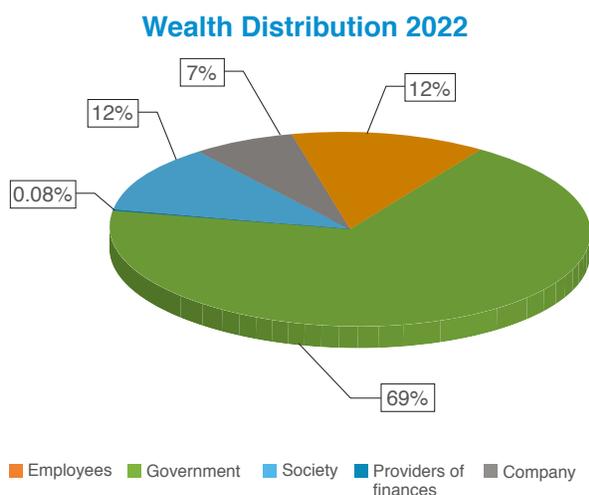
OTHER RATIOS

(In %)



STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

	2022 Rs. in million	%	2021 Rs. in million	%
Wealth Generated				
Sale of energy inclusive of all taxes	428,705		318,427	
Tariff adjustment	172,687		70,042	
Other Income	10,210		9,792	
Electricity purchase, consumption of fuel and oil, service and other cost (exclusive of taxes)	(492,286)		(292,534)	
Deferred tax income	7,228		529	
	126,544		106,256	
Wealth Distribution				
To Employees - Salaries, benefits and other costs	15,837	12%	15,803	15%
To Government - Income tax, sales tax and others	86,968	69%	67,298	63%
To Society - Donations	95	0.08%	44	0.04%
To providers of finances - Financial Charges	15,120	12%	11,113	10%
To Company - Retained within the business	8,524	7%	11,998	11%
	126,544	100%	106,256	100%



STATEMENT OF CASH FLOWS DIRECT METHOD

	2022	2021
	----- (Rupees in '000) -----	
Cash flows from operating activities		
Cash receipts from customers	379,664,107	302,915,873
Tariff differential subsidies	11,275,001	6,540,000
Cash paid to suppliers and employees	(399,486,308)	(253,110,078)
Cash generated from operations	(8,547,200)	56,345,795
Employee retirement benefits paid	(398,004)	(1,731,671)
Income tax paid	(3,507,518)	(2,744,078)
Receipts in deferred revenue	5,288,658	5,076,643
Finance cost paid	(20,119,046)	(14,868,433)
Payments made in respect of out of court settlements	(25,650)	(52,900)
Interest received on bank deposits	450,032	231,891
Long term loans	1,966	2,664
Long-term deposits	-	(486)
Net cash generated from operating activities	(26,856,762)	42,259,425
Cash flows from investing activities		
Capital expenditure incurred	(51,248,262)	(76,566,596)
Proceeds from disposal of property, plant and equipment	4,003,158	2,283,807
Investment in other financial asset - at amortised cost	(16,504,844)	-
Subscription of share capital in subsidiary	(92,900)	(182,100)
Net cash used in investing activities	(63,842,848)	(74,464,889)
Cash flows from financing activities		
Repayment of long-term diminishing musharaka - net	(4,400,000)	(3,241,590)
Proceeds from / (Repayment of) long-term financing - net	94,002,181	(851,972)
Lease payments	(50,167)	(45,215)
(Repayment of) / Proceeds from short-term borrowings - net	(5,858,876)	25,052,730
Security deposit received	1,110,582	1,147,489
Net cash used in financing activities	84,803,720	22,061,442
Net increase in cash and cash equivalents	(5,895,890)	(10,144,022)
Cash and cash equivalents at the beginning of the year	(35,979,547)	(25,835,525)
Cash and cash equivalents at the end of the year	(41,875,437)	(35,979,547)



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