



KESC, in line with its vision to promote enlightened thoughts and objectivity, has created a prestigious 'Thought Leadership Forum' as a contribution towards the development of the country's economy. Under this forum, a series of seminars related to key economic issues and opportunities would be organized periodically focusing on logical, implementable and contemporary perspectives aimed at sustainable economic and social development. KESC would invite the most respected and established thought leaders who would present their in-depth analysis of various economic issues and their solutions. Businessmen, corporate leaders, diplomats, media personalities and key personalities from various walks of life would be invited to attend these seminars.

The inaugural session of the Thought Leadership Forum on 'The Impact of Privatisation on Sustainable Development', was held on the 99th anniversary of KESC. Dr. Ishrat Husain, former Governor of the State Bank of Pakistan and currently Dean and Director of IBA Karachi, delivered the keynote address on 'The Impact of Privatization on Sustainable Development' at the inaugural session. Around 180 corporate executives and KESC managers attended the session.

Dr. Husain rejected the criticism of privatization by economic populists and comprehensively dismantled it, using data and facts, with incredible ease. He touched on the theoretical arguments in favour of privatization before laying out in detail how – in the few cases where privatization had been implemented in Pakistan – it had proved to be a roaring success. He presented three sectors to support his argument: banking, telecommunications and the

power sector. In each, he laid out the reasons why it had been a success, quoting visible and quantifiable facts. He strongly maintained that the government needs to focus on the social sectors and infrastructure development initiatives. Dr. Ishrat Husain and Mr. Tabish Gauhar strongly advocated the need for an effective, competent and responsible regulatory body in order to ensure that benefits of privatization could be optimized for the economy as well as for the common man.

KESC CEO Mr. Tabish Gauhar expressed hope that the 'Thought Leadership Forum' would highlight meaningful, practical and insightful solutions and provide useful inputs to our policymakers. He elaborated as to how a differentiated approach could be utilized effectively in devising service strategies for various customer segments, quoting KESC's experience where customers vary largely in their usage and payment behaviours. He emphasized the need for the state to provide an enabling environment to potential foreign investors in order to accelerate the economic development process.

Ghufran Khan – KESC Chief Engagement Officer, in his welcome address said, "KESC has always seen its role as going beyond that of just supplying electricity to over 20 million people of Karachi. We have consciously developed a 360 degree value creation model that guides us in defining our role in much broader terms. Social, environmental and governance gains are integral parts of our economic turnaround strategy. We are committed to build stronger ties with our diverse stakeholder groups, ensuring a regular, open and transparent two-way communication, something that was neglected completely during the pre-privatization era".



SEEDS is a holistic approach that fully recognizes the impact of our performance in sustainable development across our stakeholders' universe. It ensures that the community goals set by KESC work in harmony with the financial objectives of the organization. SEEDS essentially drives four distinct programs:

- ESG Initiatives • Social Investments
- Stakeholder Engagement • Thought Leadership

KESC LAUNCHES UNIQUE 'EMPOWERMENT PROGRAM' FOR SOCIAL WELFARE INSTITUTIONS

KESC's 'Social Investment Program' (SIP) aims at investing resources, including time, into sustainable projects that can change the social and economic landscape of the city. As part of this Program, KESC has launched a unique "Empowerment Program" to provide relief to social welfare organizations in health and education sectors. To qualify for the Empowerment Program, the institution would need to be a charitable organization, operating in the public welfare domain in the health or education sector located and operative within the limits of KESC's distribution territory. It must be an independently registered NGO with declared Articles and Memorandum of Association, whose accessibility of operations must be open to the general public without any specific community focus or restriction.

The qualifying entity must be providing at least 70 per cent of its services to deserving individuals free of cost or on minimal charges, acceptable to KESC. In general, the entity must be a non-profit institution, totally non-political and a non-government institution and not associated or linked to any business house. The magnitude of operations of such an entity would need to be relatively large, having direct annual impact on a minimum of 5,000 individuals belonging to underprivileged segments of society. Such institutions should generally also enjoy a good reputation in the public and their credibility would have to be beyond any doubt.

Under SIP's "Empowerment Program" KESC has recently signed MoUs with five healthcare and educational institutions.

50% OF INDUS HOSPITAL'S POWER BILLS TO BE PAID BY KESC

Under the SIP with the Indus Hospital, KESC will bear 50 per cent of the hospital's cost of electricity every month.



Indus Hospital provides quality medical care in its wide ranging clinical departments and also provides post-graduate medical education to deserving persons free of cost.

LRBT – FREE ELECTRICITY FOR TWO HOSPITALS

KESC will bear 100 per cent of electricity charges of two hospitals of Layton Rahmatulla Benevolent Trust (LRBT) located in Korangi and North Karachi, respectively. LRBT offers all eye-related treatments and surgeries absolutely free of charge.



FREE ELECTRICITY FOR MARIE ADELAIDE LEPROSY CENTER

Under the Social Investment Program (SIP), KESC will be paying 100 per cent of the electricity bills of MALC every month. MALC provides free medical aid to a large number of leprosy, eye and TB patients across the country, including Karachi.



THE CITIZENS FOUNDATION (TCF) – FREE ELECTRICITY FOR 320 SCHOOLS

KESC will bear 100 per cent cost of the electricity consumed by approximately 320 school units of The Citizens Foundation and its Head Office in Karachi. In addition to the above, KESC would be working with TCF to provide meters to additional 46 schools units of TCF in the city.



SIUT THREE DIALYSIS CENTERS TO GET FREE ELECTRICITY

KESC will provide absolutely free of cost electricity to the three dialysis centers of Sindh Institute of Urology and Transplantation (SIUT) as part of its Social Investment Program (SIP). The company has also undertaken to assign a 2.4 MW new connection to SIUT's main complex, which is currently on self-generation, and 50 KW for its Primary Health and Dialysis Center in Education City, free of charge.



KESC EARNS LEVEL 'A' RATING FROM GLOBAL REPORTING INITIATIVE FOR 2012

Karachi Electric Supply Company has secured a level 'A' rating from the Global Reporting Initiative (GRI) for its Integrated Sustainability Report for 2012. This makes KESC the first organization in Pakistan to achieve the level 'A' rating for an integrated report. This rating also places KESC as one of the very few organizations globally that have been rated 'A' by GRI in the very first attempt.



In keeping with international best practice, KESC's integrated sustainability report provides depth and context to the group's performance and identifies how sustainability is central to the utility's culture and business. KESC is the first public utility in Pakistan to comply with GRI sustainability reporting standards G3.1.

The award is recognition of KESC's commitment to embedding sustainability management into its business and applying global best practices to environmental, social and governance principles (ESG). As the sole provider of power to the largest metropolis of the country, serving 20 million consumers, KESC acknowledges that its own sustainability is fundamentally linked to economic, social and environmental value creation.

US CONSUL GENERAL VISITS KESC'S HEAD OFFICE ALONG WITH HIS TEAM

The US Consul General in Karachi, Michael Dodman, paid a visit to the KESC head office and met the top management. The Consul General was accompanied by other members of the US mission in Pakistan.

The KESC CEO, Tabish Gauhar thanked the Consul General for the keen interest shown by the Consulate in KESC's affairs. He also briefed the US delegation on the progress that KESC has made under the present management team over the past three and a half years. The Consul General showed a deep understanding of the present energy situation in Pakistan and informed the KESC team that he would work to encourage American investors to come to Pakistan and work in the power sector. He also assured KESC of the US Consulate's full cooperation and stressed the need for an ongoing dialogue and further strengthening of the relationship between the two entities.

PRIVATISED KESC MAKES MAIDEN PROFIT

KESC posted a net profit for the financial year June 30, 2012 of Rs 2.6 billion, which translated into earning per share (eps) of Re 0.11. The CEO of KESC, Tabish Gauhar exuded enthusiasm: "Seven years after privatisation, KESC has achieved an important milestone of becoming a profitable entity. Based on an unprecedented \$ 1 billion investment, major overhauling of its technical resources, wide ranging capacity, efficiency improvements and an effective management." He conceded that the profit of Rs 2.62 billion seemed insignificant when compared with the financial investments made. Yet, he said, it represented a step towards a 'sustainable future'. The CEO observed that during the last few years, KESC was successful in arranging substantial funds for its development projects from IFC, ADB, OEKB and other local financial institutions.

KESC & ENGRO CORP SIGN MULTI-FACETED ACCORD

The Karachi Electric Supply Company (KESC) has signed a multi-faceted Memorandum of Understanding with Engro Corporation Ltd (Engro Corp) to cooperate on projects of mutual interest. The Memorandum of Understanding would cover four key initiatives; fertilizer off-take agreement, from KESC's Bio-gas waste-to-energy power project for generation of 22 MWs electricity; a 300-600 MW coal project in Thar; import of LNG as alternate fuel for KESC's generation plants and supply of up to 65 MWs electricity to Engro's Polymer and Chemicals unit at Bin Qasim.



The memorandum was signed by Tabish Gauhar, CEO, KESC and Ali Ansari, President, Engro Corp, to mark the cooperation between the two private sector companies on four key initiatives. On this occasion, Tabish Gauhar, CEO KESC, said, "This multi-dimensional MoU is strategic in nature as both the private-sector companies are keen to work closely to address various issues confronting the energy sector. We are confident that together we would realize these key projects that are of significant importance for the national economy".

RELIEF TO BALDIA INFERNO VICTIMS

KESC has waived previously outstanding power bills to the tune of Rs. 1.4 million for affectees of the Baldia fire tragedy. This decision was announced earlier by KESC purely on humanitarian grounds, where the affected households would be exempted from the payment of their KESC bills, from September '12 to February '13.

KESC stepped forward to waive the entire existing outstanding dues and previous arrears up to August 2012 of the 155 identified victims, totaling approximately Rs. 1.4 million. Under its Corporate Social Responsibility initiative, KESC has provided this humble relief to the aggrieved families in their time of sorrow, while they put up with the irreparable loss of the deaths of their dear ones, most of whom were sole bread earners of the families.



EC PARTICIPATES IN ITCN-ASIA EXPO

Recently an exhibition and conference was held at the Expo Centre Karachi, titled ITCN-Asia. The conference was an ideal platform where industrialists, decision-makers, experts, stakeholders, analysts, policy-makers, leading researchers and other professionals took the



opportunity to bring to light the growing need and advancement in the IT sector. The Energy Conservation (EC) department of KESC took this golden opportunity and participated in the three day conference held from September 18-20, 2012 at the Expo Centre, Karachi. Provincial Minister for Youth Affairs Sindh, Syed Faisal Ali Sabzwari inaugurated the event. The Energy Conservation team conveyed the message to approximately 50,000 consumers from all walks of life.

BQPS II, SGTPS & KTGTPS EARN PRESTIGIOUS OHSAS 18001:2007 CERTIFICATION

It is KESC's goal to create a zero accidents culture, and this certification is intended to help our plants reduce occupational health and safety risks and safeguard the well being of our employees, contractors and customers. Power stations BQPS-II, SGTPS & KTGTPS have been awarded the prestigious Occupational Health and Safety Standard (OHSAS) 18001: 2007 certification. The label aims at acknowledging the daily involvement of people in preventing risks in the company.



After completing a mandatory three-phase evaluation process by renowned external accreditation audit companies, which includes review of supporting documentation and surveillance of on-site operations, SGTPS, BQPS- II and KTGTPS were awarded the OHSAS 18001, 2007 certification.

KESC LIFT RLCA FOOTBALL TITLE

In the first All-Pakistan RLCA Football Tournament organized by the Rashid Latif Cricket Academy, KESC won the Trophy by defeating the nine-time national champions PIA by 2-1 in the final.



Twelve teams, distributed in four groups, participated in the Ramazan-ul Mubarak Floodlight Tournament, that commenced on from 30th July at the RLCA ground. KESC played a total of five matches in the tournament. The KESC team reached the quarter final after winning two round matches. After defeating DFA (South) by 2-1 and while defeating KPT by four goals, it reached the final. An extremely sensational competition took place in the final, KESC defeated PIA by two goals and won the tournament.



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CSR RELATED CUSTOMER FEEDBACK

Sharmila Faruqi@shamilafaruqi: Appreciated! KESC to provide free electricity to 320 TCF schools :)

Asad Abbasi @AsadAbbasipk: KESC rocking through its (SIP) as well to providing interrupt supply to its consumers. KESC proved no.1 in the country.

Adeel Mirza @adeelmirza1980: Such acts not only encourage other ppl to step forward but also educe importance of CSR in our society where it is much needed.

Ali Jawad Hansraj @alijawadhansraj : Kudos KESC! nobody deserves support more than TCF.

Junaid Faruqi@junaid_faruqi: Brilliant-KESC to Provide FREE Electricity to LRBT Hospitals.

ABOUT BALDIA FACTORY VICTIMS

Ixaidi @iqbalxaidi Extremely pleased that KESC remembered its social cooperate responsibility of compensating the families of Baldia Factory inferno.

Hira Shah @RebelHira: a commendable step of excusing bills of the victims and their families.

M.Munir @92MAK: Thank you KESC that you thought on this line and taking action to waive the bill of affectees.

GENERAL COMMENTS

Tasmay@tasmay: KESC are real heroes! Climbing up poles, fixing impossibility entangled wires at odd hours is not many ppl's career choice.

Rabeeya moin@rabeeyam: By far the most responsive & consistent customer care service I've recently observed is from KESC.

Sameer Razvi@sameer_razvi: better late than never, excellent service from a well organized company, so proud to be a Karachiite.



WORKING TOGETHER FOR A BRIGHTER FUTURE

Providing light to over 20 million of our consumers is just one of many ways we brighten up lives. Even more profound is our commitment to empower social welfare initiatives with KESC's Social Investment Program (SIP).

Today, we reach more than 2.1 million lives through our SIP partners. Indus Hospital, LRBT, MALC, SIUT and TCF Schools are improving the quality of life of the underprivileged and we are proud to be associated with these worthy institutions.

Uninterrupted and free of charge or subsidized electricity for these institutions is our humble contribution towards changing lives. We are responsibly playing our part in making our city and our country a beacon of hope and optimism.



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