



keja Eletric Plc., Nigeria's largest power distribution company, serves over 800,000 registered customers located within

Lagos and some parts of Ogun State. We power lives and businesses through our committment to innovation and an

unwavering drive for excellence.

This Sustainability Report provides information on the economic, social and environmental impact of our activities in 2017.

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## From the Chairman

Ikeja Electric Plc has continued to blaze the trail in the electricity distribution subsector of the Nigerian Electricity Supply Industry (NESI) despite the numerous challenges prevalent in the industry.

Temitope Shonubi

quately powering Africa's most populous city, Lagos activities impact on millions of Nigerians and their businesses on a daily basis, so we are strategically driven to deliver improved standards of living to the numerous Nigerians who depend on our services by lighting up homes and businesses, thereby stimulating economic improvement in the reduction of our collecgrowth and development "BY BRINGING **ENERGY TO LIFE"** 

For Ikeja Electric, we are committed to our vision of being the provider of choice wherever energy is consumed, and we remain dynamic and innovative in our approach to realizing this vison. Our goal is to generate and increase value for our customers, shareholders and other stakeholders in a sustainable manner while responsibly managing the socio-economic and environmental impacts of our activities. We are constantly improving on our service delivery and customer service standards while aiming at surpassing performance standards.

2017 was an epochal year for us as we invested heavily in improving our systems and infrastructure geared towards

improved service delivery and meeting our target baseline Aggregate, Technical, Commercial and Collection (ATC & C) losses. A huge amount of investment (funds, human capital development, etc.) went into acquiring leading edge information technology (IT) infrastructure to achieve automated systems geared towards eliminating the incidence of human errors in order to significantly reduce losses. This culminated in a substantial tion and commercial losses, compared to the previous years.

To consolidate on our successes in 2016 which focused on building customer and stakeholder confidence in our business and processes, and advance our vision of being the provider of choice wherever energy is consumed, we started the year 2017 with a focus on further reducing losses by driving efficiency through improvement in business processes by developing strategies to actualize our goals for the year.

#### **Short-term Goals**



#### through business process improvements. To achieve this, deliberate efforts were channeled towards maximizing the use of current available technology to support business processes with a view to ensuring more efficient processes that deliver better output with less dependence

on human intervention.

Reduce losses by driving efficiency

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#### **Medium-term Goals**

To attain and demonstrate better control of business outcomes. The strategies deployed to achieve the Company's 3 year medium-term goals (2017 to 2019) in the period under review are as follows:



Improving performance management processes to track performance and ensure accountability among all members of staff.



Improving energy management systems for better control of the flow of energy across the network. Ikeja Electric's Power Allocation Team (PAT) and the network optimization team led efforts in this direction to ensure that energy delivered to Ikeja Electric from the national grid is distributed across the network by taking into consideration, customer's needs and performance targets.



Increasing the deployment of meters for better energy accounting and loss management. In addition to intensively metering all distribution transformers (DT) across the network to improve billing and collection efficiency, lkeja Electric deployed a significant number of meters to new and old customers to reduce customer's apathy to payment for electricity consumed.

#### **Long-term Goals**

Our long-term goals and objectives are to continually be the front runner in the electricity supply industry and to be the reference point across Africa as the epitome of success in the electricity distribution space.

The business continued to be plagued by familiar industry issues such as customer apathy to payments, energy theft and meter bypass as well as disruption of business operations due to industrial action by labour unions. Of particular concern is the ongoing reluctance of government ministries, departments and agencies (MDA's) to pay for their energy consumption which has contributed to the liquidity crisis in the sector. In the year under review, we also faced the challenge of insufficient supply from the grid which negatively affected our ability to distribute the quantum of energy our esteemed customers desire.

The challenges in the industry are daunting, the stakes are high but we are determined to succeed. We remain resolute in our drive to become the best "utility and service provider in Africa. We express our heartfelt gratitude and appreciation to our customers and all stakeholders for their support and understanding as we grow through the process. We solicit you, our esteemed stakeholder's cooperation, to help us deliver on our promises.

#### Temitope Shonubi

Chairman





## From the CEO

Despite the enormity of the challenges we face, we will never lose sight of the fact that as a provider of a critical service, we must be committed to intensifying our efforts in surmounting all challenges.

Anthony Youdeowei

#### **Improving Electricity Distribution**

have continued to improve on the provision of reliable lectricity supply to our customers. In order to ensure short, medium and long-term availability and reliability of electricity supply, To achieve this, Ikeja Electric embarked on a comprehensive energy demand study using a bottom-up approach to establish the present total demand (including suppressed and unconnected demand), identify existing demand gaps, and present a 5-year energy demand growth projection. The study showed IE's total demand to be 1,657MW as at 2017 with an annual demand growth of about 3% over the next five years, culminating in a total demand of 1,902MW by 2021.

To meet this demand, a robust distribution network expansion plan was developed. The long-term plan encompasses the entire power distribution value chain including the radiation of 33kV feeders, uprating of existing injection substations, construction of new injection substations to serve existing and emerging load centers, construction of 11kV feeders and the deployment of new distribution substations.

This culminated in some of the following strategic investments made in 2017 in line with our 5 year energy demand growth projections:

- The radiation of new 33kV feeders to increase primary distribution capacity from 1,740 MVA to 2,000MVA;
- The construction of new injection substations and uprating of existing injection substations to increase injection substation capacity from 1,890 MVA to 2,300MVA;
- The construction of distribution substations to provide relief for overloaded distribution transformers, increase power quality and prolong asset life by increasing distribution substation capacity from 3.133.4MVA to 3.382MVA:
- The introduction of auto-reclosers for the reduction of downtime on transient faults,



load control, reduction of fault clearing time and to limit the number of customers affected by outages through precise, selective isolation of faulty areas only;

- A total of 90MVA of new 33kV feeder capacity was added in 2017 while another 60MVA of stranded capacity was recovered through the reconstruction of collapsing towers; and
- We increased injection substation capacity by 45MVA following the commissioning of three (3) 1×15MVA injection substations at Amikanle, Abule Taylor and Olowora.







#### **Customer Service**

In living up to one of our core values at Ikeja Electric, which is exceptional service delivery, we launched the IE "WOW" experience (WOWe) initiative to stimulate our colleagues at the Customer Care Unit to exceed the expectation of customers they attend to. Our target was to ensure that we resolve at least 90% of customer complaints on a monthly basis thereby engendering more trust from our customers. Maintaining an accurate and reliable customer database, and improving revenue collection from customers were also of critical importance in 2017.

At the end of 2017, the installation and configuration of Queue Management System (QMS) was concluded at the Corporate Headquarters (CHQ) and some Business Units. The successful implementation of the QMS, resulted in a 49% reduction of customer's average wait time. There was also a company-wide deployment of an updated Customer Relationship Management tool which made for seam-less integration with our various platforms for effective and efficient customer engagement purposes.



We launched the IE "WOW" experience (WOWe) initiative to stimulate our colleagues at the **Customer Care Unit to exceed the expectation of** customers they attend to

Our target of resolved customer complaints monthly

49%

Reduction in customer average wait time





New employees added, boosting our human capital strength



#### **Human Capital**

Ikeja Electric places a premium on its workforce. To achieve our very ambitious vision for the sector means that we must have a viable and formidable workforce. Ikeja Electric embarked on various learning and development programs for its critical areas of operation. In 2017, we brought in an additional 307 employees to boost our human capital strength and diversity.

Our commitment to sustainability especially in the area of business and operational succession planning, brought about additional investment in our human capital requirements. We embarked on several learning and development programs in the 2017 financial year some which include but not limited to the following:

- The Young Engineers Programme
- Oistribution Substation Operator Training in partnership with AETI Power Systems Ltd
- Customer Enumeration, Technical Audit and Asset Mapping (CEETAM) / Geographical Information System (GIS) Training
- Metering, Smart Grid & MSP workshops
- ✓ Understanding MYTO and Tariff Setting Process trainings







#### **Health and Safety**

In line with one of our core values, the Company has again committed to carrying out its operations in a safe manner in accordance internationally accepted standards. In 2017, we leveraged on lessons learnt from the previous years and redesigned our safety innovative strategies to improve our processes at all levels in line with the company's safety target, Harm to Zero (H2O), to reduce incidents of fatality to zero and reduce the occurrence of accidents to both third parties and staff. We implemented the "Beyond Zero" Programme which enhanced occupational health & safety accountability at all levels. Through the implementation of this Programme, we resolved 954 unsafe network conditions, carried out internal Occupational Health And Safety (OHS) audit at the Company's Undertakings and facilitated Network Protection System audit of 59 Injection Substations, among others.

The outcome of the strategies deployed are the numerous awards and honours bestowed on Ikeja Electric by reputable safety organisations and practitioners, including the Corporate Pacesetter and Best Use of Social Media (Organization) awards at the 2017 Nigeria Safety Award for Excellence. One of the most pivotal achievements in 2017 were the ISO 9001:2008 and OHSAS 18001:2007 international certifications. By this achievement, Ikeja Electric became the first and only company in the power sector to receive the highly coveted OHSAS 18001 certification - an attestation of our dedication and passion for sustainable safety culture and excel-

lence. In the same vein, with the ISO 9001 certification, Ikeja Electric also became the first electricity distribution company to set up business improvement models with customer focus in Nigeria.



**添** 954

Unsafe network conditions resolved in 2017

Network protection audit of Injection Substations





Certificates awarded to IE earned in 2017.

With the award of OHSAS 19001 certificate, IE became the first and only company in the power sector to receive the highly coveted certification



## **VISION ZEROOO**

Safety.Health. Wellbeing.

At the XXI World **Congress on Safety** and Health at Work 2017 in Singapore, the largest gathering for **OHS Professionals in** the World, Ikeja Electric was certified as one of the companies of the **VISION ZERO Campaign** 2017-2020.

#### **ATC&C Loss Reduction**

Reducing ATC&C losses is the primary objective for the privatization of the NESI, and as such, numerous steps and initiatives are being undertaken for the purposes of drastically reducing ATC&C losses across board. Although the baseline losses for Ikeja Electric were under-represented at the time of privatization, Ikeja Electric has dedicated its efforts to progressively reducing the losses through innovative approaches.

Ikeja Electric consolidated its achievements in the previous years by deploying productive initiatives to improve energy accountability, and significantly reduce initiatives were:

- Metering of all trading points, from feeders all the way to distribution gy accounting.
- Installation of 2055 distribution transformer meters to engender proper energy accounting and improve accuracy of the Estimated Billing Methodology in billing unmetered customers. Plans are also in place to continuously recertify these meters to ensure they are fully functional at all times.
- Continuous enumeration and mapping of customers and assets with the objective of improving the integrity of our customer database and to further develop the functionalities of the CRM platform,

- Increased vigilance and surveillance activities to guard against energy theft and identify free riders for possible energy recovery.
- The introduction of the Meter Reading Application across the network to enhance the reliability of customer meter readings.
- Continuous installation and recertification of meters.

To increase our collection efficiency, lkeja Electric engaged the services of two additional Revenue Service Partners to expand collection operations at our Shomolu and ed our payment channels to provide more payment options to our customers.

In subsequent reporting years, we are looking forward to improved operational transformers, to ensure proper ener- efficiency by leveraging technology to handle some of our core commercial and technical processes. Undoubtedly, there were a lot of challenges, however, with the dedication and support of the Ikeja Electric family, a lot was achieved in 2017. We are grateful to all our stakeholders who made all that we achieved possible.

#### **Anthony Youdeowei**

Chief Executive Officer





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# Corporate Profile

he operations of Ikeja Electric in the Nigerian Power Sector dates back to 1986 when it was created as one of the directorates under the utility monopoly, National Electric Power Authority (NEPA) as Lagos North Distribution Directorate. Over the years the company transformed into Ikeja Electricity Distribution Company (IKEDC) prior to privatization. The enactment of the Electric Power Sector Reform (EPSR) Act by the Federal Government of Nigeria in 2005 led to the evolution of Ikeja Electricity Distribution Company PLC as one of the 11 successor distribution companies that were privatized and handed to successful bidders/private investors in November 2013.

During the privatization process, Sahara Group through a special purpose vehicle, New Electricity Distribution Company Limited (NEDC) (with KEPCO as its technical partner) acquired a 60% stake in Ikeja Electricity distribution Company (IKEDC) PLC in 2013. The company was subsequently rebranded in 2015 into Ikeja Electric Plc (IE) with 32% and 8% stake held by the Bureau of Public Enterprises (BPE) and the Ministry of Finance Incorporated, respectively.

Ikeja Electric is primarily responsible for the distribution of electricity to the mainland area of Lagos (Lagos North) and some parts of Ogun State. Our goal is to improve the quality of lives of our customers through the provision of reliable power and delivery of quality customer services. IE is responsible for maintaining, modernizing and strengthening our network grid, and ensuring that there is adequate capacity to support the needs of our customers.

IE is governed by a board of directors accountable to shareholders for creating and delivering sustainable value to our customers, employees and other stakeholders.

#### IE Shareholding Structure





## **Core Values**

The core values of IE centre around sustainability which is captured in the acronym "SPICES".



#### Exceptional **Service Delivery**

To ensure we deliver exceptional services through creativity and innovation at all times



#### Safety

We ensure safety in all our areas of operation



#### Committed to **Stakeholders**

To maintain our committment to delivering quality service to all our stakeholders



#### Sustainability

sustainable bausiness



#### **Professionalism**

To deliver on all our endeavours with the highest level of professionalism



#### **Integrity & Disipline**

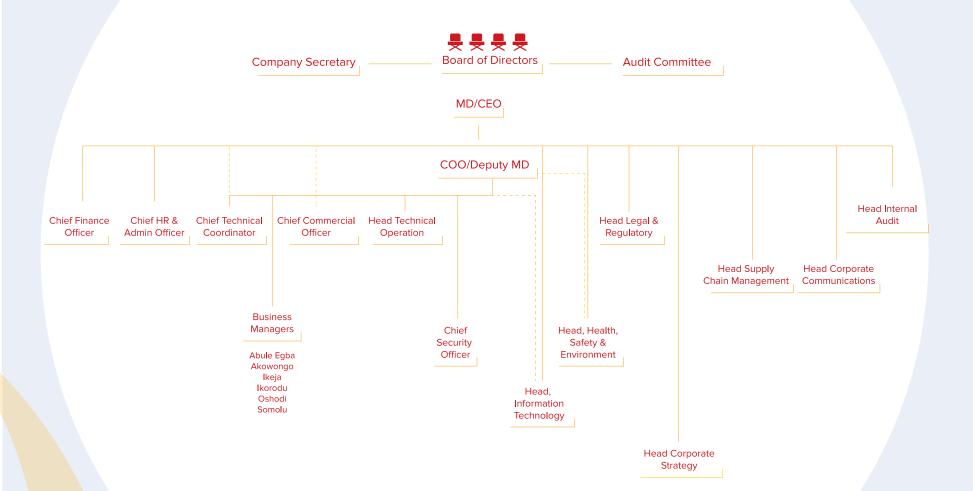
To maintain integrity through discipline in all our actions





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## **Organisation Structure**





IE is governed by a board of directors accountable to shareholders for creating and delivering sustainable value to our customers, employees and other stakeholders.

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## **Ikeja Electric Strategic Pillars & Initiatives**



#### **Building a Custome Centric System**

- The WowE Experience
- Managing Customer Complaints - CRM and QSM
- Connecting with our customers





#### **Entrenching a Safety** Culture

- Safety Monitoring and Compliance Audit
- ISO1400:2015 Certification, OHSAS 18001 and ISO 9001:2008 QMS





#### Running a Financially **Sustainable Business**

- Empowerment





- Safety Mentorship and



- Responsible **Procurement Practices**
- Managing Commercial and Collection Loses
  - Metering
- > Billing and Collection Efficiency
- Demand Side Management





#### **Engaging with Local** Communities

- Protective Communication and Engagement (internal & external)
- Personal Corporate Social Responsibility





#### **Building a Sustainable** Workforce

- Talent Management and Succession Planning
  - Performance Management
- Learning and Development
- Culture Change Management





#### **Building Stable Networks & Improving** Infrastructure

- Investing in our Network
- Strengthening our Network
- Expanding our Network/ Improving access to **Electricity Supply**
- Leveraging Technology
- Measuring our Performance
- Managing Technical Loss

# Our Sustainability Pledge

t Ikeia Electric, we are committed to the achievement of the United Nations' Sustainable Development Goals (SDGs) as they relate to our operations. In the context of 'Sustainability', the Company recognizes the importance of adopting an enduring and balanced approach to economic activity, social progress and environmental responsibility and accordingly commits itself to conduct its business operations with minimal impact on the environment and natural energy for the future generations. resources. For this purpose, the company undertakes projects and/or makes investments in projects which mitigate the environmental impact of its business operations.

Towards this end, our commitment will go beyond embracing sustainable business practices. We will work with our stakeholders including authorities, investors, partners, service providers, employees and communities to adequately meet the present needs of power and water. We will also take greater responsibility to ensure that our current actions will positively contribute towards improving access to affordable, reliable, sustainable and modern



Our core business impacts and actively promotes the achievement of SDG 7 which is to ensure access to affordable, reliable and sustainable modern energy. To actively achieve this goal, we have structured our business in such a way that



Increasing the share of renewable energy in the energy mix



Investing heavily in our energy



**Improving energy** efficiency



Improving access to



We are open to partner and collaborate with all categories of stakeholders - government, investors, international organisations etc. to achieve this lofty dream of being the biggest and best electricity distribution company in Africa.

Moving forward, we will continuously identify and capitalize on common synergies, strengths and resources to integrate sustainability into our day-to-day business operations and behaviour. Our end objective is to improve our operational efficiencies and deliver long-term growth and value for all our stakeholders.

As a business that is fully committed to the achievement of the United Nations' SDGs, we have continued to make impact in

• greater responsibility to ensure that our current actions will positively contribute towards improving access to affordable, reliable, sustainable and modern energy for the future generations.

the following areas towards the achievement of the goals, and we strive to expand our Corporate Social Responsibility projects and activities to achieve more of the Sustainable development Goals:



## **Sustainability Development Goals Impact**



Donated 1, 000 mosquito nets to "At-Risk Communities" in and around Olambe, Igando, Oke-Ira and Aboru areas of Lagos State in commemoration of World Malaria Day 2017.

Organized medical outreach to communities in partnership with XT Monitor and a US-based medicalteam.

#### IMPACT

Contributing towards ending malaria and other tropical diseases and reducing malaria to 1:1000 per population.







Hosted pupils in educational tour/
learning trip around IE facilities.

Organised Electrical Safety Outreach to primary schools to mark Children's Day 2017

#### 1PACT

Ensuring quality education and that all learners acquire the knowledge and skills needed to promote sustainable development





Engaged in environmental sanitation exercises in various communities within IE's network.

#### IMPACT

Improving general community health and wellbeing by reducing the risk of diseases and infections as a result of poor hygiene.



Added 307 new employees to our workforce towards increasing our capacity, strength and diversity to deliver on our objectives

#### IMPACT

Building local capacity to ensure the availability of skilled workforce equipped to help achieve excellent service delivery.





Executed various 33kV and 11kV feeders and poles reinforcement projects across our network, including new distribution substations and upgrade of existing ones.

#### IMPAG

Heavily investing in our power infrastructure, strategically positioning us to relentlessly drive industrialization of the Nigerian economy



Carried out various stakeholder and community engagements within our networks to foster peaceful coexistence and co-operation thereby providing us a social license to operate peacefully within the communities.



Deployed widespread awareness of the IE Code of Ethics and Professional Conduct as well as IE's Whistleblowing Programme.

#### IMPA

Building peace in our local communities for sustainable development and profitable business operations

Demonstrating ethical leadership in our approach to zero-tolerance to unethical practices, and promoting fairness and transparency in dealing with suppliers thus encouraging justice.

Our collaborations in achieving the SDG's signifies our commitment to attaining sustainability by working other organizations in line with SDG 17

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# Corporate Governance & Culture

t IE. we are committed to maintaining the highest standards of governance and ethical practices. We recognize the importance of shareholder value creation and understand that this means more than financial performance. To this end, we have placed fairness, accountability, responsibility and transparency as the foundational pillars of our governance structure.

The corporate governance structure was developed in line with the requirements of the Code of Corporate Governance for public companies in Nigeria, taking into consideration international best practices in corporate governance and board management.

Activities of the Board of Directors ("the Board") are regulated by the applicable laws such as the Companies and Allied Matters Act: constitutional documents such as the Board Charter, the Memorandum and Articles of Association, the Shareholders' Agreement; the IE Corporate Governance Business Principles and other internal policies which are reviewed periodically for relevance to our business objectives.

#### The Board of Directors:

#### Stewardship

The primary role of the board is to assume responsibility for the stewardship of IE thereby overseeing the activities of management which are particularly focused on strategy and risk oversight of the business and succession. The Board of Ikeja Electric is composed of seven (7) directors. However, effective from January 2017, Mr. Yeom Goo-Chull resigned while Mr. Alex Okoh was appointed to the Board to replace Mr. Benjamin Dikki who also resigned. To fulfill their responsibility of providing

oversight, the board is supported by three Board Committees, namely: Audit, Risk and Governance (ARG) Committee: Finance. Investment & General-Purpose Committee; and Technical & Operations Committee, to oversee the common risks faced by the company such as financial reporting, reputation, litigation, ethics, technology and health, safety and environment.

#### Relationship with management

In order to achieve good corporate governance, the board ensures that senior management understands all the potential risks to the company and puts in place appropriate processes to mitigate them. These risk factors include economic and market risks as well as operational risks inherent in acquisitions, financings, dispositions, infrastructure and technology, as well as reputational, disclosure and environmental risks. The IE board ensures that senior management and the board are in sync in terms of the strategy, priorities, internal controls, risk management; that accountabilities are clearly set out and agreed upon; and that information flow is timely, effective and adequate so that the foundations of building and managing a trusting relationship is strong.

Beyond this, the Board considers, periodically, looking beyond the statutory requirements of their role and considers items such as company culture, employee engagement, learning as well as development of the people and succession planning; all the matters that are important to building and managing a trusting relationship with senior management. IE encourages a culture of entrepreneurialism, innovation, development exploration, strong ethical values, engagement and empowerment.



#### Our Values

Our commitment to corporate governance is contained in a range of documents including but not limited to:

- Corporate Governance Business Principles
- Core Values
- Code of Ethics and Professional Conduct
- Internal Policies



#### CORPORATE GOVERNANCE **BUSINESS PRINCIPLES**

- Principle 1: We establish the roles of the board and senior executives with a balance of skills, experience and independence appropriate to the nature and extent of company operations, objectives, values and principles
- Principle 2: We ensure integrity among the board and senior management, who influence IE's strategy and financial performance
- > Principle 3: We meet the information needs of a modern investment community in terms of accountability and attracting capital
- Principle 4: We report all material matters timeously

- > Principle 5: We recognize and uphold the rights of IE's shareholders
- > Principle 6: We manage risk through effective oversight and internal control
- > Principle 7: We reward excellence to attract the skills required to achieve the performance expected by shareholders
- Principle 8: We guarantee responsible and ethical decision-making which take into account not only legal obligations but also the interests of stakeholders.

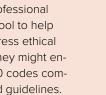
#### IE strives to achieve its corporate governance principles by:

- **\)** Laying solid foundations for management and oversight by the board of directors
- Actively promoting ethical and responsible decision-making
- > Promoting timely and balanced disclosure of all material matters concerning the company
- Establishing a sound system of risk oversight, management and internal control
- > Ensuring that the level and composition of remuneration is sufficient and reasonable

#### CODE OF ETHICS AND $\triangle + \triangle$ professional conduct

The Code of Ethics and Professional Conduct was developed as a tool to help our employees effectively address ethical issues and gray areas, which they might encounter on a daily basis. The 10 codes complement existing standards and guidelines. They serve as an ethical benchmark for our employees. They are:

- 2. Demonstrate Competence and Quality of Service
- Employee conduct at all times
- 6. Protection and use of Assets.
- Regulations and Policies
- 8. Maintaining accurate books of records and accounts
- Reporting breach in compliance with Codes
- 10. Compliance with codes and sanctions grid



1. Loyalty, Honesty and Integrity

- 4. Proper dealing with third parties (Agents, suppliers, contractors etc.)
- Conflict of interest
- Resources and Information
- Compliance with Laws, Rules,



**Babatunde Osadare** Head, Legal & Regulatory



# Enterprise Risk Management Assessment

he Board of Ikeja Electric provides oversight on the enterprise-wide management of the company's risk exposures. The board is focused on the effective risk oversight to ensure that appropriate tone and culture are set towards effective risk management through strategy setting, formulation of high level understandable and shared objectives, approval of broad-based resource allocations, and alignment of the corporate portfolio of risks with the stakeholder appetite for risks. Board review and monitoring of risks is delegated to and performed by the Governance Risk and Audit Committee of the Board.

At Ikeja Electric, risk management is embedded in our internal processes. Corruption related risks are

identified on an ongoing basis as part of the business management responsibility. Assessment of those risks is done using our risk metrics to guide on the level of priority required for the mitigation and monitoring strat-Growth in units assessed for various risk

In Ikeja Electric, risk management processes are monitored through Internal Audit function. This process entails the business and process owners under the guidance of the Internal Audit risk assessing the significant operating units within the company including the Business Units and Head Office functions. In 2017, 38 units were assessed for various risk areas when compared to 35 in the preceding year. This indicates a 9% growth.

In 2017, dominant risk event occurrences were fraud, energy theft, asset theft, certificates forgery, bribery, and extortion. In line with the commitment of the Board and Management, effective risk mitigation measures were implemented including process and control automation, increased supervisory accountability, improved awareness of staff and customers, accelerated learning and development programs for staff, and application of consequence management. The risk mitigation environment was strengthened during the year, as the company launched its Whistleblowing portal effective 1 June 2017. The portal, christened Tip-of Anonymous (TOA), is managed by independently by Deloitte to provide opportunities for staff and the general public to report irregularities in a safe and confidential manner. This initiative led to an increase of 60% in the number of established cases of corruption-related infractions during 2017 compared to the prior year.

A total of thirty-two (32) corruption-related infractions were recorded in 2017, compared to 20 recorded in 2016 and 29 in 2015. The increase in the recorded infractions was attributed to the increasing utilization of the Whistleblowing TOA channel that was introduced during the year.

The recorded 32 corruption-related infractions com-

 ⚠ The risk mitigation environment was strengthened during the year, as the company launched Whistleblowing portal effective 1 June 2017. The portal, christened Tip-of Anonymous (TOA), is managed by Deloitte to provide opportunities for staff and the general public to report irregularities in a safe and confidential manner.

prised customer extortion (13), fraud (8), asset theft (3), forgery of academic certificates (5), and dishonesty (3). The preventive measures applied to mitigate these unwanted incidents were increased awareness and learning and development programs, automated process controls, intensified supervision, consequence management, and whistleblowing process.

Internal Audit's investigation of the corruption-related cases was aimed at identifying the primary root causes of the events. The affected staff therefore went through the company's rigorous disciplinary process which guaranteed fair hearing, at the end of which sanctions were meted out in line with the company's consequence management grid for both primary and secondary offenders.

On account of the corruption-related cases, thirty-six (36) staff were sanctioned in 2017 (17 in 2016). These included twenty-four (24) that were terminated or dismissed and twelve (12) that received warnings. Two (2) vendors were also sanctioned for impropriety in 2017.





Sanctions, including 2 vendors for impropriety in 2017

Two (2) business partners were involved in corruption related cases in 2017 compared to one that was recorded in 2016. The affected business partners were blacklisted in line with the company's policy.

• embedded in our internal processes. Corruption related risks are identified on an ongoing basis as part of the business management responsibility. Assessment of those risks is done using our risk metrics to guide on the level of priority required for the mitigation and monitoring strategies.

Waidi Gbadamosi

Head, Internal Audit



e ensure that we are on the right track, strive to meet our regulatory and performance standards as well as actively pursue the achievement of agreed and relevant KPIs for the business.

The short-term strategy for IE in 2017 was to focus on reducing losses by driving efficiency through improvements in business processes. In line with the foregoing, deliberate efforts were channelled towards the introduction of technology to support current business processes with a view to ensuring more efficient processes that deliver better performance with less dependence on human intervention.

For the medium-term (2017-2019), IE's strategy is to attain and demonstrate better control of business outcomes. This will be achieved through the following channels:



Improved performance management process to track performance and ensure accountability among all members of

staff. To achieve this, deliberate efforts will be directed towards ensuring that business goals and objectives are clearly communicated to all staff as well as showing how each individual's efforts tie-in with the business' goals and objectives.



Improved energy management system for better control over the flow of energy throughout the network; IE's Power Allocation Team (PAT) and the

network optimization team are leading efforts in this regard to ensure that energy delivered to IE from the grid is distributed across the network in line with IE's overall objectives and performance targets.



Increased consumer metering for better energy accounting and loss management beyond the Distribution Transformer (DT) level and to improve billing and collection efficiency. IE plans to deploy a significant amount of consumer meters via a comprehensive metering strategy that is aligned to the business' objectives and performance target.

Ultimately, IE's strategy is to become an integrated power company developing and promoting multiple sources of energy and providing an array of services to customers including other utility companies in Nigeria.



Head, Vigilance, Strategy and Loss Reduction (VSL)



- Improved stakeholder engagement process to ensure that messages are not just being pushed out but that the company gets feedback from communities within our network area, our customers and employees. By learning from our stakeholders in this manner, the organization will develop a better understanding of each stakeholder's expectations and what they consider success in IE's operations to be.
- Improved Health, Safety & Environment (HSE) practices & initiatives to ensure zero injury and fatality resulting from business operations. For example, in 2017, one major HSE initiative was the achievement the OHSAS 18001 Occupational Health and Safety Management Systems certification. No mean feat, this achievement is a first in the Nigerian Electricity Supply Industry (NESI) and is further proof of IE's commitment to to developing sustainable business footprints.

Looking ahead, the business will build on current efforts and achievements in these focus areas to ensure that set goals are achieved and gains made are sustained into the future. Plans have been put in place to ensure successful transition from OHSAS 18001 to ISO 45001 by the end of 2018 Financial Year. Also, a robust communication plan has been put in place in line with IE's strategy objectives to improve stakeholder engagement, brand perception and build trust with the public.

In 2017, the business continued to be plagued by familiar industry issues such as customer apathy to payments, energy theft and meter bypass as well as disruption of business operations due to industrial actions by labour unions. Other challenges faced during the year include:

**Commercial:** High levels of government (MDA) debt ≈ NGN70.9b

Technical: Insufficient supply from the grid; highest average monthly allocation was 444MW which represents about 26.79% of the estimated electricity demand within the IE network.



## Other successes recorded during the 2017 FY include:

The achievement of OHSAS 18001 Occupational Health and Safety Management Systems and ISO 9001:2008 Quality Management Systems certification.





Expansion of payment channels including the introduction of USSD as a payment method

## \*565\*6#

- Increased remittance to Nigeria Bulk Electricity Trader (NBET) & Market Operator (MO) respectively throughout the year.
- Improvement in performance management process by introducing monthly performance review
- Mitigation of potential loss by effectively distributing energy using the power allocation model.

For the 2018 Financial Year, IE's focus remains the continued reduction of the ATC&C losses

Looking into the future, a robust threeyear metering strategy is being developed in line with IE's medium-term strategy to support the business' objectives of further reducing ATC&C losses and increasing gross revenue figures. The metering strategy will also be used to address current customer complaints with respect to the estimated billing methodology and the associated negative feedback.

	S/NO	KPI's	UNITS	2016	2017	Variance
	1	System Average Interruption duration indictor(SAIDI)*	No.	74.56	281.86	▲ 278%
	2	System Average interruption Frequency indicator (SAIFI)*	No.	24.13	32.30	▲ 34%
	3	Customer Average interruption duration indicator (CAIDI)	No.	3.09	8.73	<b>▲</b> 182%
	4	Customer Average interruption Frequency Indicator (CAIFI)	No.	0.01	0.01	▲ 3%
	5	Faults Clearance Index	No.	88%	92%	<b>▲</b> 4%
	6	Distribution Unit Cost	NAIRA	3.72	5.39	▲ 45%
	7	Billing Efficiency	%	77%	75%	-2%
	8	Collection Efficiency	%	66%	82%	▲ 24%
	9	ATC&C (Aggregate Technical, Commercial & Collection Losses)	%	49%	38%	▼-22%
	10	New Service Average Connection Time Indicator	DAYS	13	13	0%
	11	Customer Complaints Resolution Index	No.	82%	85%	▲ 4%
	12	Customer Payment Response Rate	No.	27%	44%	<b>▲</b> 62%
	13	Number of Significant Incidents Recorded	No.	20	9	▼-55%
IKEJA		ramber of Significant incluents recorded				

Formula for derivation of SAIDI and SAIFI changed and as a result represented more increase in 2017 values.

<sup>▲</sup> Percentage Increase as compared to 2016

<sup>▼</sup> Percentage Decrease as compared to 2016



ince takeover, we have been able to evolve and transform the es of incidents within the network. safety culture of our staff from ground zero to safety excellence through our innovative strategies, unrivalled commitment by the Management and Board with an unflinching support of our dedicated staff.

In 2017, we leveraged on lessons learnt from previous years and developed updated strategic innovations to improve our processes at all levels in line with the company's mission and corporate safety vision, Harm to Zero (H2O) towards the continued reduction of fatality to zero, thereby enhancing operational excellence and business performance in Ikeja Electric.

We implemented "Beyond Zero" Programme that enhanced occupational safety & health accountability at all levels Through the Initiatives implemented we resolved 954 Unsafe Network Conditions, carried out internal OHS audit in the Undertakings and facilitated Network Protection System Audit of 59 Injection Substations amongst others. However, one member of staff was lost as a result of working alone contrary to the health and safety practices in the company.

Furthermore, lessons learnt from past incidents and the trend analysis of audits carried out at the Undertakings were fed back into the business, which led to thorough updates of process/procedures, learning and development programs and dissemination of information on "What Went Wrong". These led to better awareness campaigns and improved internal

controls aimed at preventing re-occurrenc-

Ikeja Electric PLC was awarded the Corporate Pacesetter and Best Use of Social Media (Organization) Awards at 2017 Nigeria Safety Award for Excellence and also achieved the ISO 9001:2008 and OHSAS 1 8001:2007 International Certifications awarded by SGS





By this achievement, Ikeja Electric Plc becomes the first and only company in the Power Sector to receive this highly-prized OHSAS 18001 Certification; an attestation to our dedication and passion for sustainable safety culture and excellence. In the same vein, with the ISO 9001 certification, we are also the first Electricity Distribution Company to set up Business Improvement models with customer focus in Nigeria.



**HSE** Performance Scorecard

In 2017, activities across the business continued to expand with increased manhours worked compared to the previous years. Despite this phenomenal increase, data reported from January to December showed remarkable improvement in both lagging and leading indicators.

In all aspects of our deliverables, we remained strong, focused and determined in meeting our 2017 targets. However, we lost a Linesman on the 22nd of June, 2017 under Epe Undertaking as a result of 'lone working' and unauthorized operation contrary to the IE Safety Code and Operational Control Procedures.





Environmental Audit of Injection Substations



what Went Wrong **Publications** 

\$ N87,342,415 HSE Proactive Action Savings







15,345 Hours

Safety Competence Development Programmes

## **Outcome of Competence Development**

In addition to our Technical Safety and Injury Prevention Programme facilitated companywide, we worked with the Learning and Development Unit to deliver bespoke HSE competence development Programme for staff in different Units and levels; these combined efforts played prominent role in the success attained.

Furthermore, One Thousand One Hundred and twenty-three (1123) personnel (Contractors) passed through our Contractor Safety Engagement.



Personnel passed through Contractor Safety Engage-



## **Reactive Performance Indicators**

#### Injury/Fatality Statistics

NATURE OF INCIDENTS	STAFF	NON-STAFF	TOTAL
Fatality	1	1	2
Major Injury	4	1	5
Minor Injury	5	1	6

#### **Incident Causative Factors**

MAJOR CAUSES OF INCIDENTS	INJURY	FATALITY	TOTAL
massic sacretic si interpretation		. A.A.	IOIAL
Non-adherence to safety procedures	8	1	8
Poor knowledge of the dangers around powerline	1	0	1
Interference of road construction with powerline infrastructure	0	1	1
Breaker explosion	1	0	1
Contractor working on a wrong feeder	1	0	1
Total	11	2	13

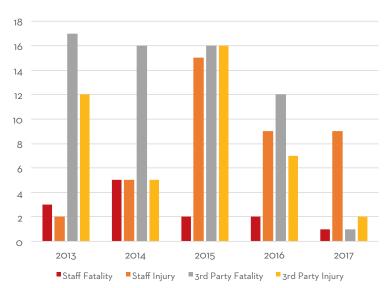
#### **Incident Classification per Business Unit**

		LOCATION: BUSINESS UNITS						
TYPE/CLASSIFICATION		Abule-Egba	Akowonjo	Ikeja	Ikorodu	Oshodi	Shomolu	Total
	Fatality	0	0	0	1	0	0	1
Staff	Major Injury	0	0	0	1	1	2	4
	Minor Injury	0	2	0	1	1	1	5
Party	Fatality	0	1	0	0	0	0	1
Third Party	Injury	0	2	0	0	0	0	2

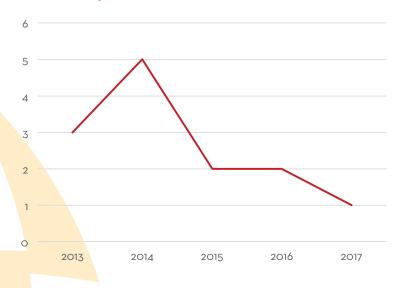
#### **Incident Trend Analysis** - Safety Dashboard (2013 - 2017)

éar	Staff Fatality	Staff Injury	3rd. Party Fatality	3rd. Party Injury
013	3	2	17	12
014	5	5	16	5
015	2	15	16	16
016	2	9	12	7
017	1	9	1	2

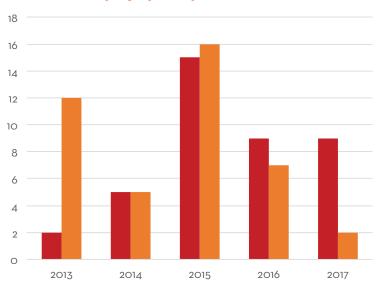
#### **Combined Fatalities**



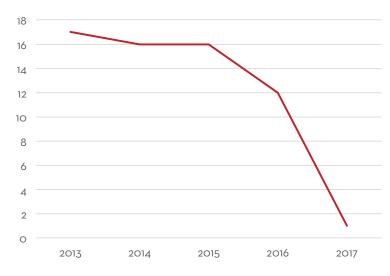
#### **Staff Fatality**



#### Staff / 3rd Party Injury Analysis



#### **3rd Party Fatality**



2017 witnessed a drastic reduction in staff and third-party injury/fatality incidents when compared to the previous years as shown on the tables and graphs

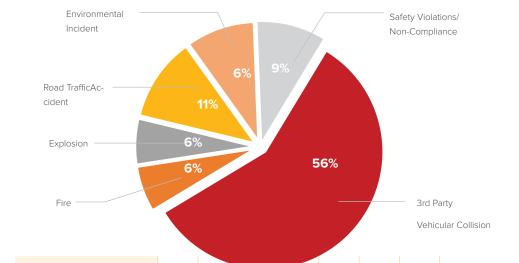
#### Staff / 3rd Party Injury Analysis

We recorded a total of thirty-four (34) Non-Injury incidents in 2017 with Third Party Vehicular Collision constituting (56%) of the incidents followed by Road Traffic Accident (RTA) (11%), Fire (9%), Environmental Incidents (9%), Safety Violations/ Non-Compliance (8.9%) and Explosion (6%) as shown on the table and analyzed below:

#### Incident classification & number of incidents

3rd Party Fire Vehicular Collission Road Traffic Explosion Accident Environmental Safety Violations/ Accident Non-Compliance

#### **Non-Inury Statistics per Location**



Nature of Incidents	Abule Egba	Akowonjo	Ikeja	Ikorodu	Oshodi	Shomolu	CHO	Total
3rd Party Vehicular Collision	4	2	3	5	2	3	0	19
Fire	1	0	1	1	0	0	0	3
Explosion	1	0	0	0	0	1	0	2
Pole Collapse	0	0	0	0	0	0	0	0
Road Traffic Accident	0	1	0	2	0	1	0	4
Environmental Incident	0	0	0	2	0	1	0	3
Property Damage	0	0	0	0	0	0	0	0
Near Miss	0	0	0	0	0	0	0	0
Safety Violations/ Non-Compliance	0	0	0	0	0	2	1	3
Total	6	3	4	10	2	8	1	34

(le)



#### **Stakeholder Engagement**

The HSE Department are closely involved with a lot of stakeholders to assist the team and the company to drive its OHS goal to reduce accidents to both Third Party and Staff. These Stakeholders are

- **Employees**
- General Public/Customers
- Contractors
- Regulators
- **)** Union

These stakeholders were identified based on their OHS concerns and the need to meet their various requirements.

For employees, Learning and Development programs based on their Job Scope were facilitated periodically to create awareness on the types of hazard surrounding their work activities and how to apply safety procedures thereby reducing accidents. Lessons learnt from accidents and audit reviews are further shared through the monthly Safety Bulletins to provide information relating to new ways by which accidents could occur.

Other stakeholders, end users as well as the general public, are engaged on a monthly basis in collaboration with the Corporate Communications Department through various Corporate Responsibility platforms and our social media platforms. Meetings with several Community Development Associations (CDAs) are held to discuss the Dangers of Electricity and interference with electrical infrastructure.

Various tips such as (Not trading under Powerlines, not engaging the Illegal and Incompetent Electricians, Earthing of houses and reporting all unsafe network conditions to Ikeja Electric for prompt resolution etc.) are shared with feedback also encouraged from the customers via are numerous communication channels.

In line with our internationally accepted standards, it is mandatory that for all projects, all contractors attend our HSE learning and development induction program, where they are acquainted and sensitized on Ikeja Electric's HSE policy, IE Safety Code and Procedures towards carrying out their activities in line with our safety standards.

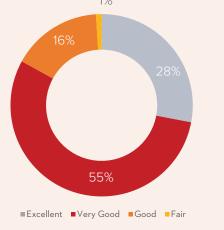
Employee Union Associations are also engaged periodically to allow room for representative consultation and feedback on behalf of the employees towards ensuring a safe work environment and eliminating accidents.

In line with our internation-• ally accepted standards, it is mandatory that for all projects, all contractors attend our **HSE** learning and development induction program, where they are acquainted and sensitized on Ikeja Electric's HSE policy, IE Safety **Code and Procedures towards** carrying out their activities in line with our safety standards.

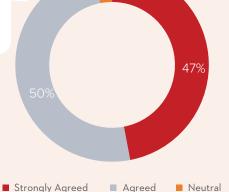
## **HSE Implementation** Feedback

In line with Good International Industry Practice (GIIP), OHSAS 18001:2007 and global best practices in safety management, continual improvement plays a very critical role hence we carried out a survey to obtain feedbacks from stakeholders companywide with respect to safety performance and improvement in Ikeja Electric in 2017. The analysis of the feedbacks is as follows:

How would you describe the present level of safety awareness and culture in Ikeja Electric

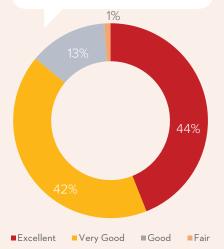




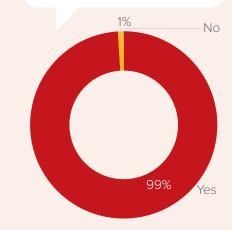


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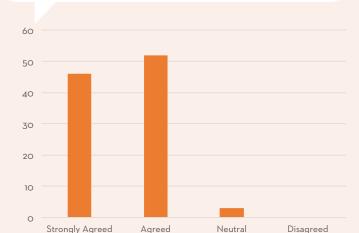
Please indicate your level of satisfaction with the recent OHSAS 18001:2007 International Certification acquired by Ikeja Electric in 2017



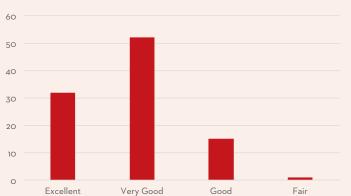




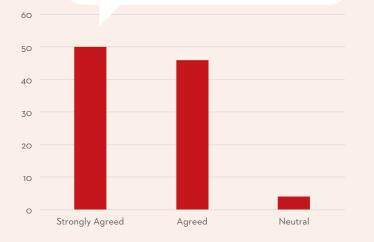
Do you agree that the Health and Safety trainings / Programmes conducted for staff have helped to change staff perception on HSE in Ikeja Electric



Please, rate the performance of the HSE Team



Management (at all levels) is committed to the establishment of a positive safety culture so as to reduce accident



# 4

# HSE Footprints

In 2017, in recognition of our passion and commitment to sustainable HSE Footprints and excellence in the national and global HSE community, on the 15th of September, 2017 at the Nigeria Safety Award for Excellence (Hall of Fame) Ikeja Electric was bestowed with the following awards:



Receiving the Best use of Social Media (Organization) and Corporate Pacesetters Award at the Nigeria Safety Award for Excellence





As part of our sustainable HSE Footprints journey, we integrated our flagship HSE Compliant Award amongst the Undertakings. The award provides for the use of safety performance criteria to improve safety excellence towards enhancing a safety culture. This maiden edition of the award was highly competitive with our Oba Akran Undertaking emerging as the best HSE Compliant Undertaking in 2017.





Ikeja Electric Management Team with the CEO and Heads presenting award to the Most HSE Compliant Undertaking (Oba Akran) during the Maiden Edition of the Safety OH&S ranking, Q-1



At the XXI World Congress on Safety and Health at Work 2017 in Singapore (The largest gathering for OSH Professionals in the World) from 3rd of September, 2017 – 6th of September, 2017, Ikeja Electric was certified as one of companies in the world for VISION ZERO Campaign

# Celebrating the ISO 9001 and OHSAS 18001 Award













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## **HSE Trainings & Activities**

Bespoke HSE Learning and Development Programs are conducted for staff based on their job roles while Contractors are also thoroughly engaged to ensure compliance with Ikeja Electric's HSE rules and procedures.

Contractor's Personnel

Licensed Electrical Contractors Association of Nigeria (LECAN) Members trained

HSE Meetings are held monthly in all Business Units and Corporate Head Office with "Safety Leads". Safety Leads are functional line managers held accountable and given the responsibilities to drive HSE compliance at all functional levels. This includes Business Unit Managers, Undertaking Managers, and Supervisors.



Safety Counselling Session- 17th January, 2017



Safety Counselling Session- 17th January, 2017



Technical and Injury prevention Program on the 7th of February 2017 at Akowonjo Business Unit



Technical and Injury prevention Program on the 7th of February 2017 at Akowonjo Business Unit



Stop Work Order issuance on Contractor during Field Safety Monitoring





# Looking Forward – 2018



Analysis of the causative factors of accidents (basic, direct and indirect causes) in 2017 indicated that the safety strategies in 2018 must be driven to emphasize working and going home safely.

Based on the premise above, the Safety Slogan for 2018 shall be tagged "Target Zero" – Go Home Safely and is predicated upon three (3) key ingredients:

- > All harm is preventable
- > We all have the right to go home unharmed every day
- We must work together to achieve it





ecurity of IE employees, infrastructure and the brand are the paramount roles of the security department. IE strongly believes that the foundation for business prosperity is authorized government security agencies etched on good security, as such, its strategy with responsibility for law enforcement in line is anchored on appreciating the levels of business risk exposures, developing and imhuman rights. plementing adequate mitigants and adopting measures to contain or neutralise them.

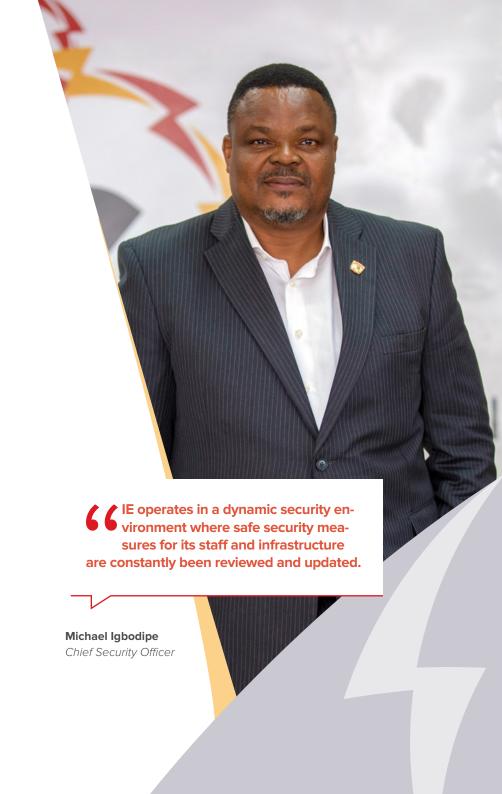
IE operates in a dynamic security environment where safe security measures for its staff and infrastructure are constantly been reviewed and updated. Security awareness through our Learning and Development Programs is paramount for IE staff as they navigate our network system towards excellent service delivery. We are continually updating and improving our approaches to security management with all our stakeholders considering the challenges faced in delivering clean and dependable power.

As part of our business sustainability footprints, we do not advocate the use of force in managing peaceful and legitimate remonstration by our stakeholders against our operations and business activities.

Our management of challenges facing our operational and business activities are carried through conflict resolution methods such as dialogue and use of constituted and with our Corporate Governance tenets on

We ensure that armed security agents deployed by authorized government agencies to its operations abide by local regulations as well as comply with our internal policies in line with our commitment to human rights. In line with our commitment to promoting and protecting human rights within our sphere of influence, we are subscribed to United Nations Voluntary Principles on Security and Human Rights. This is further restated in our contribution to promoting SDG 16, which seeks to promote Peace, Justice and Strong Institutions.

Two categories of armed security personnel are involved in security operations in IE. The Nigeria Police Force (NPF) and Nigeria Security and Civil Defence Corp (NSCDC) deploy their personnel to protect IE's assets, facilities and staff while civil guards who do not carry firearms provide day to day security routine and protocols.





Our commitment to providing excellent service to our over 800,000 customers is secured by Our New Spirit, New Drive and New Energy. At IE, our goal to meet our customer's needs for clean and reliable power supply centers on our ability to secure the assets (staff, infrastructure, etc.), despite the varying degree of challenges and risks encountered in carrying out operational activities in our business environment.

The responsibility for putting in place operational management strategies as well as mitigate these risk and challenges is the Security department. The security business risk exposures include, but not limited to the following:

- Violent attacks on employees by delinquent customers while on legitimate duties
- Vandalism of critical assets
- **L**abour union activities
- > Unwholesome activities of energy sales agents
- > Energy theft

A key aspect for managing our sustainability journey is the adoption, implementation, management and monitoring of the right corporate and operational security strategies. In view of this, we have put in place processes and procedures aimed at identifying, analyzing, mitigating and reporting security risk exposures.

The dynamic environment in which we carry out our operational activities, help to ensure that IE security management is in line with its departmental mission and focus "to protect and foster confidence amongst staff and stakeholders".

## A Prosperous, Secure, Modern and Outward Looking Company, Confident in Its Values and Ideas

Our outlook is characterised by flexibility and resilience and underpinned by firm commitment to

- Save Life
- Protect the environment
- Prevent commercial and technical losses and damage to company assets and restore business activities within the shortest period of time in the event of any disruption.
- Preserve the company's reputation
- Ensure confidence of employees and business stakeholders

#### **Mission Statement**

The mission of the Security Department is to protect and foster confidence amongst staff and stakeholders. We will accomplish this mission by collaborating with the Board, management and various business departments including staff of the company and partnering with other groups and organizations including security agencies to provide services in a professional and courteous manner. We will ensure that all who we serve are treated with dignity and respect.

#### **Values**



#### **Professionalism**

We aspire to the concepts of trust, integrity, respect, and accountability in the performance of our responsibilities.



#### **Accountability**

We meet high standards, work with positive attitudes, assume responsibility, and are accountable for our behaviours, decisions and actions.



#### **Teamwork**

We achieve success through cooperation, partnership, and teamwork. Only through internal and external cooperation can our mission be accomplished.



#### Communication

We encourage involvement at all levels and provide information through clear and open communication as well as objectivity. We encourage feedback and active participation in problem solving and resolution.



#### Responsibility

We take full responsibility for our actions and are accountable for the services that we provide to ensure the safety and security of employees and company assets



#### Training

We believe that proper training is integral to a well-functioning professional organization. Learning and advancing competency are essential to our growth as individuals and as an organization. We provide whatever is necessary to grow personally and professionally.



#### Innovation

We recognize that the "status quo" will not allow us to grow as an organization therefore, we confront, embrace change, and actively seek new and better ways to fulfil our mission.



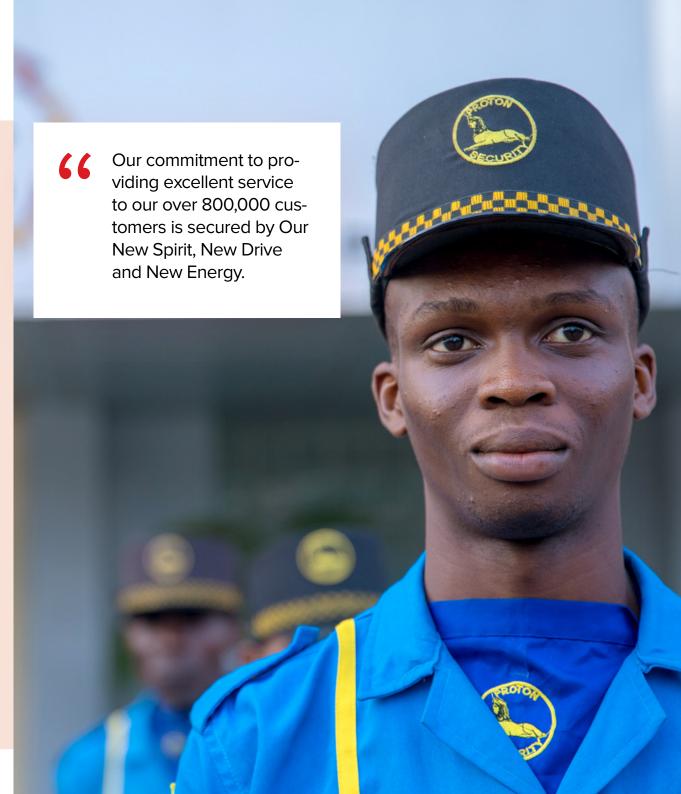
#### **Decision Making**

We believe in using our best judgment in our work and in making decisions based upon objective research and analysis.



#### Service

We believe in providing quality services in a timely and professional manner. We are service driven, partnership-oriented, and we strive for excellence. We endeavour to provide services in a fair, friendly and respectful manner, sincerely caring for the welfare of people.



#### 1. Maintain A Collaborative Culture for a Safe and Secure Facility to Work.

#### Action Steps

A community which encourages engagement, acceptance of shared safety responsibilities, corporation collaboration and active participation helps in the reduction of security breaches. At IE working with our stakeholders, we have created such an environment by implementing action steps which include but not limited to the following:

- 1. Creation of a companywide safety and security committee.
- 2. Developing security services as critical business resource necessary for accomplishment of its goals.
- 3. Increase access to security resources through training and presentations and awareness tips provided to increase level of awareness amongst employees.
- 4. Increase formal and informal interactions with consumers in various communities to get their buy-in towards protection of company assets against vandalism and that of employees who are on duty in such communities against assault etc.

GOAL	BASE	TARGET	OUTCOME
Create companywide secu- rity and safety committee	Committee exists.	Achieve several meetings to identify and close out observed non-compliances	Enhanced community engagement in security and safety processes.
Develop security programs for the company	Continuous process	To carry out at least one secu- rity awareness campaign once a year	Promotes interaction with employees and also enhance their relationship with security
Increase access to safety and security resources through training, presen- tations and awareness tips provided to increase level of awareness amongst staff	Currently a significant level of awareness activities is being carried out at work place	Emergency Management Train- ing at least once a year	This would increase level of awareness and knowledge about security resources, policies and procedures including emergency management

#### 2. Develop A Comprehensive and **Collaborative Approach to Security** that Focus on People, Property and Processes.



#### Action Steps

Also, as part of our goals to delivering quality security service thereby minimizing breaches in security, IE has commenced its implementation of the 3P's Security Focus – People, Property and Processes.

In designing our 3P's Security Focus management system, our key variable of People is pivotal to the driving our Processes which will culminate in a more sustainable approach to utilizing and protecting IE's Properties and Assets – (Human Capital, Infrastructure etc.

- Create IE Emergency Management Team (EMT) to provide resources and support necessary to prepare for, respond to and recover from real or potential emergencies.
- 2. Develop, Implement, Monitor and Revise Emergency Management Plan for security manage-
- 3. Develop, Implement, Monitor and Manage Continuity of Operations Plan, which is meant to provide guidance on how to continue service delivery in case of a security breach.
- Develop, implement, monitor and manage an Incident Management Procedure and ensure availability and facilitation of Learning and Development Programs.

	GOAL	BASE	TARGET	OUTCOME
	Create IE Emergency Management Team (EMT) to provide resources and support necessary to prepare for, respond to and recover from real or potential emergencies.	EMT plan is in the process and would be followed with training	Members will meet routinely to increase capacity to prepare, respond and recover from any threat to the business. At least 2 meetings will hold in a year	Develop a team that has the capacity to effectively react to any incident that threatens the security of the business and its employees.
	Revise Emergency Management Plan	Upon completion, Plan has to be reviewed	Complete plan and review	Develop a consistent procedure that is best suited for emergency management in the company
	Create Continuity of Operations Plan (COOP)	Development in progress	Complete revision in line with contribution from every depart- ment	Development of a plan that identifies es- sential function in the business so that they can be protected or restored if under threat or com- pletely lost
	Create Incident Management Procedure and incident management training.	Several training including table top exercises have been held for security personnel.	Provide several optional knowledge improving and contingency planning training for the team and members of security agencies on the facility.	IMT will allow for understanding nature of inci- dences and ef- fective response to any of them that occurs.

#### 3. Develop Routine and Emergency **Communication Ability.**



#### Action Steps

In line with IE's Communication Policy, our first two principles towards managing our strategic security plans would be incomplete.

As such, we are putting in place the needed communication guidelines to operationalize our strategic plans towards increasing our sustainability foorprints.

- 1. Evaluate routine and emergency communications tools and capabilities to identify and act on opportunities that enhance communications effectiveness.
- 2. Develop formalized policies and procedures consistent with timely warnings, emergency notifications and other relevant information.
- 3. Enhance the ability to send emergency notifications to both business and the community through the Security Operations Command Centre.

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#### 4. Provide Professional Security **Training to Security Employees**

#### Action Steps

Identify relevant training to meet expectations of a safe and secure company that uses internal and external subject matter experts.

1. Provide frequent, professional trainings for security personnel including team building exercises with Government security agents deployed to the facility.

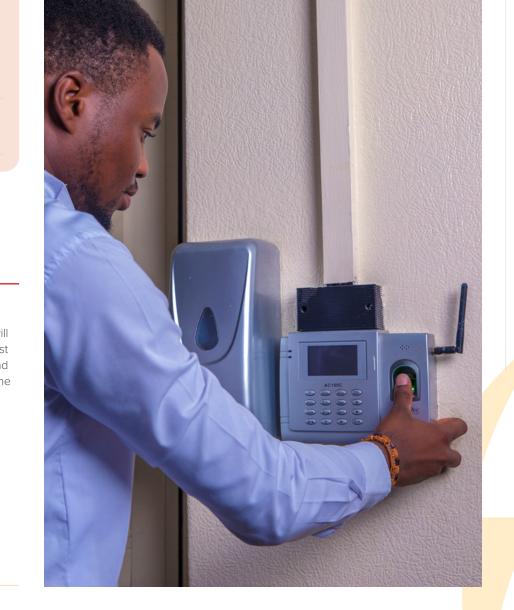
GOAL	BASE	TARGET	OUTCOME
Provide quality security and safety training to employees and family members	Currently, awareness training for employees is on-going however there is need to improve on the subject matter to take care of emerging security issues	Incident management and awareness training. Within the time frame we expect to carry out minimum of 2 training and desk top exercises for staff.	Training will increase awareness of people and in turn reduce the risk exposure to people and business.

#### **5.** Effectively Use of Technology to Create A Safe and Secure Company.

#### Action Steps

- 1. Evaluate current technology use and determine opportunities for expanding existing technology and adapting new technologies.
- 2. Create a security technology policy for the company, the adoption of which will ensure effective utilization of existing and emerging technologies and resources.

		<b>.</b>	
GOAL	BASE	TARGET	OUTCOME
Continually evaluate existing and developing security technologies	Evaluation exercises currently going on to ascertain integrity and reliability of installed technology. So far, the result has been very good. Plan is on-going to install new technologies for checking people, luggage and vehicles against explosives and other harmful objects.	We expect significant increase in security of facility and confidence of employees resulting from use of technologies.	Development of both short and long-term plan wi guarantee highes level of safety and security across th business.







#### IE Security Alert Levels and **Action Plan.**

The dynamic nature of security in our operating environment necessitates that IE develop, implement, monitor and manage an Alert Matrix which seeks to provide guidance on how to address various security risks exposures.

At IE, the adoption of proactive approaches to managing security risks exposures inherent in our operating business environment, led to needed capacity development in the area of security incident responses using structured guides to continually ensure the following:

- Save Life
- Protect the environment
- Limit damage to company assets
- Preserve the company's reputation
- Ensure confidence of employees, visitors and families
- Restore business activities within the shortest period of time.

Our security threat levels are classified into three major alert statuses namely:



Green





Each status defines the security situation and mitigating action plan to be adopted in neutralizing or managing the threat.

#### **Threat Status Alert**

THREAT STATUS	INDICATORS	ACTION PLAN	PARTICIPATION
GREEN	Low risk to security situ- ation. A state of normalcy.	<ul> <li>Refine and exercise as appropriate pre-planned protective measures.</li> <li>Ensure security personnel receive proper training on procedures and specific pre-planned protective measures.</li> <li>Staff awareness program instituted and implemented.</li> <li>Institute a process to ensure that all facilities and regulated sectors are regularly assessed for vulnerabilities and steps taken to mitigate vulnerabilities.</li> </ul>	Security Department
AMBER	Reflects a high risk of attacks across similar business and environment. Sign of fluctu- ating risk alert status	<ul> <li>Coordinate necessary security efforts with Govt. Security Agencies.</li> <li>Continually monitor alert status and gather critical information for the organisation.</li> <li>Adjust level of supervision in accordance with current risk alert status.</li> <li>Place security response teams on standby alert notice.</li> <li>Increase communication with staff to reduce exposure and help strengthen capacity for response.</li> <li>Take additional precautions at public events and possibly cancel.</li> <li>Watch out for reports on suspicious people and events.</li> <li>Anticipate and review steps to take during Red alert status.</li> <li>Monitor general assess into facility.</li> </ul>	Government Security Agencies (GSA), members of Security Incidence Response Team (SIRT), company security team.

#### RED



severe risk of imminent direct attack on the company based on credible intelligence.

Reflects a

- > Increase or redirecting personnel to address critical emergency needs.
- Confirm seriousness of situation with local authorities.
- > Place staff on alert for immediate action.
- Closely monitor access into facility.
- Encourage staff to connect and support anxious family measures and fellow staff members.
- Assign emergency response personnel and mobilize specially trained teams and resources.
- Activate as appropriate emergency response and company response team
- Monitor, redirect or constrain transportation process into the facility.
- **>** Restrict access to essential personnel only.
- Activate as appropriate plans for managing staff, transportation, homes and evacuation if need be.
- Assess the situation and necessity to close business.

GSA, Regulatory agencies, Community leaders, members of

SIRT and Egbin

Security Team.

#### **IE Security Team**

This group is comprised of internal security personnel that are already operating in IE. It consists of the office of CSO, civil guards and armed team deployed to IE. The group shall be responsible for day to day operations of security procedures in the company.

#### **Security Incidence Response** Team (SIRT)

Members of this group shall provide critical support services to incidence management process during the period of distress. Members shall be drawn from HR. Corporate services, legal, Operations and Security.

#### Responsibilities

#### **Government Security Agencies (GSA)**

Government security agencies comprise of the Military, Police and the Directorate of State Services (SSS). These agencies shall be called in when the alert level fluctuates between Amber and Red. Their operating procedure while providing protective support services shall be in sync with IE Security plan. They shall be responsible for protection of Key installations, vulnerable points and access into the facility. These agencies shall maintain 24/7 presence on the facility until the situation has been reviewed downward or upgraded.

#### **Regulatory Agencies**

These include NERC and the Ministry of Power, Bureau of Public Enterprise, etc. These organs of Government shall have oversight function and responsibility for ensuring that the entire operating procedures applied during the period are in consonance with extant laws and practices

#### **Community Leaders**

Where necessary, members of Community Development Authority (CDA) across IE business network shall be mobilized to support IE emergency management plan. This is significantly important to protect company assets located in the communities. If the crisis is customer induced. CDA leaders will only be called in when considered appropriate

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keja Electric PLC is the leading power distribution company in Nigeria and wheels about 15% of the total power generated into the national grid. To wheel this power effectively and efficiently, the right and functional distribution network is required.

To ensure the continuous availability of power for distribution to our customers in an efficient and safe manner, our Technical Services Department is responsible for designing, constructing, modifying, operating and maintaining the distribution network. To deliver on its goal of power distribution in an efficient and safe manner, the department which is headed by the Chief Technical Coordinator (CTO) is divided into three functional units - Network Planning, Project Management (Project & Works) and Operations and Maintenance.

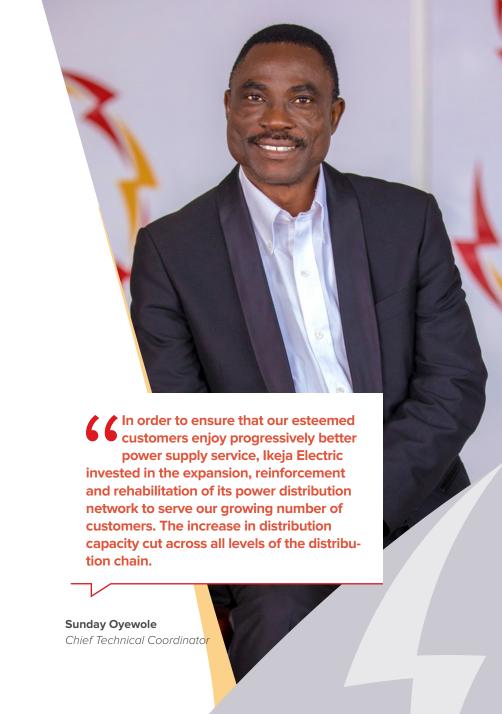
At Ikeja Electric's three administrative levels - the Head Office, Business Units (BU) and Undertakings, the responsibilities for achieving this goal falls on The Network Operations Managers (NOM), who heads the BU technical team and the Operation and Maintenance Coordinator (OMC) at the Undertaking level of administration..

# The Operational Boundaries before 2017

The Head Office technical team was responsible for High Voltage (HV) network monitoring and management, network planning and project development as well as resolving faults at injection substations and major 33kV cable faults. The team was also responsible for carrying out time-based and condition-based maintenance activities on injection substation equipment.

The main responsibilities of the Business Unit

Teams included equipment tests, cable maintenance activities at 11kV and 0.415kV levels, project supervision and O&M activities on 33kV O/H lines. The Undertaking team was responsible for O&M operations on 11kV lines and distribution substations. Maintenance of the overhead 0.415kV distribution network and power supply issues affecting individual customers. In 2017, following a strategic restructuring, the Department introduced the 3T initiative called Towards a Total Technician, the first of its kind among Distribution Companies. Through this initiative, technicians have been developed into multi-skilled personnel to perform functions other than their hitherto core functions. The initiative has created the needed platform where technical operational staff are trained in other technical disciplines towards making them more rounded technicians. This subsequently changed the operational boundaries and improved our operations. The successful pilot scheme will be replicated across our business locations in subsequent financial years.





Ikeja Electric serves 8 Local **Government Areas, mostly in the** mainland area of Lagos State Nigeria. The distribution network, which is operated at 3 (three) voltage levels- 33kV, 11kV and 400V, comprises of

- > 87 (eighty-seven) 33kV feeders
- > 72 (seventy-two) injection substations
- > 272 (two hundred and seventy-two) 11kV feeders
- and well over 14,000 (fourteen thousand) distribution substations powering homes, businesses and industries.

**IE Distribution Network** 

87 33kV **Feeders** 

**272** 

11kV

Feeders

**72** Injection **Substations**  >14,000 Distribution

substations

11,306.892

**Total Route** Length

VOLTAGE CATEGORY	33kV	11kV	0.415kV	33kV	11kV	0.415kV
UNDEGROUND/OVERHEAD	UNDERGROUND	UNDERGROUND	UNDERGROUND	OVERHEAD	OVERHEAD	OVERHEAD
ROUTE LENGTH	17.037	80.552	N/A	986.008	2990.066	2990.066





## **Economic Availability** and Reliability

Ensuring short- and long-term availability and reliability of electricity supply requires that IE understands the demand trend within its coverage area, the key drivers behind projected demand growth (or decline) and their sustainability over short and long-term periods.

By accurately ascertaining expected areas of demand growth both in terms of geographical locations and customer class, IE is able to structure its infrastructural investment plans to deliver a good balance between demand and supply, siting of new projects and timing investments to deliver optimal services. The various outcomes of our methodical studies sets up the basis by which IE design and implement plans to expand and/or modify our network to meet customer demand expectations and increased service delivery excellence.

In this regard in 2017, Ikeja Electric conducted a comprehensive energy demand study using a bottom-up approach to establish the present total demand (including suppressed and unconnected demand), identify existing demand gaps and presenting a 5-year energy demand growth projection.

The study showed IE's total demand to be 1,657MW as at 2017 with an annual demand growth of about 3% over the next five years, culminating in a total demand of 1,902MW by 2021. The existing network capacity at the various power distribution chain was:

- 33kV feeder capacity: 1,740MVA
- Injection substation capacity: 1,890MVA
- 11kV feeder capacity: 1360MVA

Due to the uneven geographical spread of distribution capacity at the injection and 11kV feeder level, the actual

impact of the demand gap goes beyond the numeric difference between upstream and downstream capacities.

In order to meet our demand projections, we have put in place a robust distribution network plan, with a long-term view that encompasses the entire power distribution value chain. This will include but not limited to - Radiation of 33kV feeders, Uprating of existing injection substations, Construction of new injection substations to serve existing and emerging load centers, Construction of 11kV feeders and deployment of new distribution substations as listed below:

- > Radiation of new 33kV feeders to increase primary distribution capacity from 1,740 MVA to 2,000MVA.
- Construction of new injection substations and uprating of existing injection substations to increase injection substation capacity from 1,890 MVA to 2,300MVA.
- Standardization of all Injection substations, including the replacement of all aged and obsolete breaker
- Radiation of new 11kV line to increase present capacity from 1,360MVA to 1,610MVA.
- **>** Construction of distribution substations to provide relief for overloaded distribution transformers, increase power quality and prolong asset life by increasing distribution substation capacity from 3.133.4MVA to 3.382MVA.
- Major rehabilitation and standardization of troublesome and substandard 33kV & 11kV feeders to achieve stability and reliability. This includes re-conducting of undersized line sections and replacement of defective line accessories.
- Network redesign and reconfiguration to create flexibility of supply to downstream load using a ring-net work arrangement.

time on transient faults, load control, reduction of fault clearing time and to limit the number of customers affected by outages through precise, selective isolation of faulty areas only.

General network standardization and modernization with the introduction of network switching and monitoring devices for automatic network control towards modern Distribution-network Management System (DMS).



An installed auto-recloser unit for reduction of downtime on tran-Introduction of auto-reclosers for reduction of down-sient faults and to provide selective isolation of fault areas

struction of collapsing towers

Five (5) 11kV feeders (Walter Anderm, Isoto, Ayetobi, Bankole and

#### Other projects include:

Danger

45MVA

capacity in 2017

Increase in substation

#### **Power Transformer Reconditioning**

at Itire, and T4 at New Alausa.

In order to ensure that our esteemed customers enjoy progressively better power supply service, Ikeja Electric invested in the expansion, reinforcement and rehabilitation of its power distribution network to serve our growing number of customers. The increase in distribution capacity cut across all levels of the distribution chain.

Our injection substation capacity increased by 45MVA following these injection substations brought about much-needed relief of neighboring injection substations and led to improved availability complete elimination of load shedding which had been ongoing due to limited capacity.

#### Commissioning of New 33kV Feeders and Rehabilitation of Existing 33kV Feeders

A total of 90MVA of new 33kV feeder capacity was added in 2017 while another 60MVA of stranded capacity recovered by recon-

#### Radiation and Commissioning of 11kV Feeders

Unilag Quarters) were commissioned in 2017, increasing our 11kV distribution capacity by 30MVA.

Reconditioning, a technical process of restoring the key operational characteristics of a transformer was completed on three (3) power transformers at various injection substations- T1 at lju, T1A

#### Replacement of Obsolete **Distribution Panels**

In addition, obsolete 11kV distribution panel panels were replaced with modern panels at Ogudu and Maryland Our Research and Development (R injection substations; thus, boosting the & D) efforts at understanding new, reliability of supply from both stations.

#### Commissioning of Distribution Substations

In 2017, the technical team commissioned a total of 300 plinth-mounted distribution substations representing an additional 88.6MVA of distribution capacity. 565 pole-mounted CSP DTs were also commissioned and serviced.

#### Redeployment of Underutilized Distribution Assets

In 2017, we successfully increased capacity utilization by redeploying underused distribution substations to areas with higher demand while simultaneously freeing up idle capacity at locations with verified absence of load growth. This cost-effective redeployment initiative was successfully executed at eight locations and successfully unlocked 1.6MVA of distribution capacity.

## Research and **Development**

better, effective and efficient steps for performance improvements is key to our sustainability footprints.

Areas of R & D's research include. but not limited to some of the following – use of new and better technology for network infrastructure improvements, use of technology in driving our processes, procedures and data acquisition interface with our customer etc. Some of our recent gains include procurement and deployment of auto reclosing equipment and various applications. which has had a significant impact on operational activities.

Currently, we are consolidating on our investments to date as we continually strive for increased efficiency and excellent service delivery towards satisfying the varied, yet interconnected interests of all our stakeholders. In our continued path to sustainability, IE remains open to partnership's that recognize the need for and demonstrate capabilities in providing alternative energy solutions that seeks to check environmental degradation and brings about diversification of our energy mix, as well as aligning with IE's technical and commercial goals throughout our sustainability journey.

Currently, we are consolidating on our investments to date as we continually strive for increased efficiency and excellent service delivery towards satisfying the varied, yet interconnected interests of all our stakeholders.

## **System Efficiency**

Technical and Distribution (T&D) losses, especially technical losses, are an inevitable consequence of power distribution. This is because some of the power generated upstream is dissipated in the transmission, sub-transmission, transformation and distribution process of the power distribution value chain. Our major priority is to reduce the losses as low as possible to fall within internationally accepted standards for T & D losses. Technical losses in distribution systems are of two types-

Fixed technical losses, which do not vary with the amount of current flowing through the line or equipment and Variable technical

losses, which vary exponentially with the amount of current flowing through the equipment. Fixed technical losses account for 25-33% of technical losses while variable losses account for the rest.

Distribution losses in Ikeja Electric are caused by factors such as undersized distribution lines, overloaded distribution feeders, overloaded distribution transformers, unbalanced loading of distribution transformers, extremely lengthy LT lines, aged transformers and obsolete power distribution equipment. Presently in Ikeja Electric, T&D losses on the HV distribution network stands at 7%.

#### **Product Responsibility: Access**

Access to electricity in the Lagos region is generally estimated to be around 97% and, in most cases, 'unserved' areas are industries on self-generation, commercial setups and residential housing projects still under development. The eight local governments in Lagos State served by Ikeja Electric are sufficiently built up regions with very high penetration of electricity supply service.

While we continue to serve customers in new set up areas where we have improved

supply, we prospect those industries on self-generation to connect to our grid while we plan embedded generation for those where our supply has not improved significantly.

Our projections indicate that the population density, i.e. the energy demand will increase and we are confident that our network expansion plan will match up to projected growth.

(le)

- Table 14

3 x 15MVA

commissioned at Amikanle,

Abule Taylor and Olowora

Injection substations



#### **Power Outage** Frequency (SAIFI)

While we continue to strive to provide reliable power supply to our customers, forced outages do occur. Forced outages refer to undesired interruption to power supply caused by fault conditions in the distribution network. This is because our network systems are mainly overhead and radial.

The fault conditions can be attributed to several factors including but not limited to overloading, short-circuits caused by vegetation or birds and inherent weakness of aged distribution accessories. Our SAIFI data indicate that our customers experienced an average of 32 interruptions during the reporting year. Our objective for subsequent reporting years is to ensure continued reduction, by improvement in our network system through the deployment of new technology, establishment and deployment of stand-alone maintenance teams and increased network rehabilitation which we have started in 2017. network rehabilitation.

#### **Average Power Outage Duration (SAIDI)**

Outages durations vary widely from transient faults lasting a few minutes to faults lasting longer periods. In the worst cases, outages caused by extensive damage to power distribution assets due to natural events (e.g. storm conditions) or man-made occurrences (e.g. destruction of line sections by vehicular collisions) prolong the unavailability of power supply service to our customers. Our SAIDI figures for 2017 indicate an average customer interruption duration of 23 hours. The improvement initiatives stated above will also reduce this number.

#### **Key Performance** Indicators:

At Ikeja Electric, we continuously strive to improve the quality of our service to customers. In the provision of technical service, this translates to effective deployment of skilled workforce and other resources in ensuring reduced fault frequency and improved turnaround time.

At the start of the year and in line with the company's overall strategy, performance metrics were determined for critical areas of our technical operations. Targets were set and closely monitored using daily operational reports and monthly performance review sessions. Where deviations were observed, case-specific steps were taken to correct them.

- > ATC&C loss reduction
- **Expansion of distribution ca**pacity by commissioning and integrating new distribution assets into the network
- Investment in maintaining and upgrading existing infrastructure.
- Improved power quality and network reliability through prompt resolution of fault-induced power outages

FOCUS AREA	PERFORMANCE INDICATOR	2017 TAR- GET	2017 PERFOR- MANCE	2016 PERFOR- MANCE
ATC&C Loss Reduction	ATC&C Losses	35%	38%	42%
Network Expansion	Commissioning of NIPP injection substations	5	3	3
	Deployment of CSP DTs	500	565	227
	Integration of third-party projects for public supply	50	43	Not Avail- able
Network Reliability	Average Fault clearing index within agreed SLAs (HV and LV)	90%	71.35%	71.76%



Reduction of ATC&C losses from 35% to 22%

23 Hours average availability on 33kV feeders

16 Hours average availability on 11kV feeders

Increase distribution capacity on injection substations, HV lines and distribution substation level.

Commission 1000 CSP DTs

#### **Other Metrics**

KPI's	DATA DESCRIPTION UNITS	UNITS	JAN.'17-Dec '17
TECHNICAL PERFORMANCE INDICATORS	ON 33&11KV FEEDERS ON FAULTS ONLY		
System Average Interruption duration indictor (SAIDI)	Total Duration of interruption (Hrs.)	Hrs.	110,401
	Total Number of Interruption to customers	No.	9,037
	Total Number of Registered Customers	No.	888,459
System Average Interruption Frequency indicator (SAIFI)	Total Number of System Interruption	No.	9,037
	Total Number of Supply point effected	No.	349
Customer Average interruption duration	SAIDI	SAIDI	23
indicator (CAIDI)	SAIFI	SAIFI	3
Customer Average Interruption Frequency Indicator	Total Number of customer interruption	No.	9,037
(CAIFI)	Total Number of Registered Customers	No.	888,459
H.V Faults Clearance Index	No. of 33KV & 11KV Faults cleared within 8hrs	No.	4,117
	Total 33KV & 11KV Faults reported	No.	9,037
L.V. Fault Clearance Index	No of L.V Faults cleared within 8hrs	No.	71,163
	Total L.V Faults reported	No.	73,219
Distribution Losses = ATC Losses = (Aggregate Technical	Energy delivered to Distribution Company (KWH)	KWH	3,297,303,746
& Commercial Losses)	Energy billed (KWH)	KWH	2,481,524,091
ATC (Aggregate Technical & Commercial Losses)	=Technical + Billing Efficiency losses (Aggregate Technical & Commercial Losses)	KWH	815,779,655
New KVA Distribution Capacity Added	New KVA Distribution Capacity Added	KVA	88,600
New Distribution Length Added	New Distribution Lines length added	KM-RL	44.10
Ratio of Capacity of relief substations or upgraded ca-	Capacity of new substation/relieves added (KVA)	KVA	88,600
pacity of substations to Distribution system requirement	Capacity of new substation/relieves required (KVA)	KVA	72,000





he Aggregate Technical,
Commercial and Collection
Loss "ATC&C" is the measure of the wellbeing of a an
electricity distribution company. As
the name implies, the ATC&C Loss is
a combination of three important performance indicators which are core to
lkeja Electric which are Technical loss,
Commercial loss and Collection loss.

Reducing the technical losses in Ikeja Electric involves improving and maintaining the network infrastructure of the business as well as ensuring that losses due to weak conductors and distribution lines are minimized. Our technical team is saddled with this responsibility. The commercial department is charged with ensuring that Ikeja Electric's commercial and collection losses are brought to the barest minimum as these losses reduce the profitability of the business. Commercial losses also increase costs to customers as there is likelihood of paying for energy being used by free riders or energy thieves where there are instances of illegal connections. Also, collection losses reduce liquidity of the business which translates to non-availability of funds to improve network infrastructure that will improve supply availability or to procure customers meters. The commercial department implemented a lot of initiatives to reduce commercial and collection losses in 2017.

# In 2017 energy accountability improved through:



Metering of all trading points, from feeders all the way to distribution transformers, to ensure proper energy accounting.



Installation of 2055 distribution transformer meters to improve proper energy accounting and improve accuracy of the Estimated Billing Methodology in billing unmetered customers. Plans are also in place to continuously recertify these meters to ensure their functionality.



Continuous enumeration and mapping of customers and grid assets to ensure database accuracy.



Increased vigilance and surveillance activities to guard against energy theft and identify free riders for possible energy recovery.



Introduction of the Meter Reading System in three business units to enhance reliability of customer meter readings.



Continuous installation and recertification of meters (NMD and MD meters).



Reducing the technical losses in Ikeja Electric involves improving and maintaining the network infrastructure of the business as well as ensuring that losses due to weak conductors and distribution lines are minimized. The commercial department implemented a lot of initiatives to reduce commercial and collection losses in 2017.

Folake Soetan

Chief Commercial Officer



# Increase Collections and Customer

Due to our low metering density, we have faced challenges collecting revenues billed from our customers. Data shows that over the years, less than 50% of our customers were making payments for energy billed. Thus, it became necessary to emphasize the importance of driving customer response to boost collections which resulted in the following initiatives.

- The Disconnection Monitoring and Reconnection Project was expanded to two more business units as two additional Revenue Service Partners were recruited and deployed to Shomolu and Ikorodu business units to follow up delinquent customers who have not made payments in more than a year.
- More Disconnection and Reconnection teams were deployed across the business to focus on customers owing between three to six months
- 3. The Debt for Metering initiative for customers owing over N150,000.00 was introduced to reduce the debt burden and increase response rate. Under the scheme, 744 meters were deployed and over N165 Million was generated from collections
- 4. Expansion of payment channel availability and increased payment agents' footprint across the network.

#### The results of these bold initiatives are shown below

PERFORMANCE INDICATORS	2016	2017
Energy Received (kwh)	3,307,179,486	3,302,374,337
Energy Billed (kwh)	2,538,556,897	2,483,487,991
Billing Efficiency	77%	75%
Revenue Billed (N)	68,834,890,896	70,915,182,991
Total Collections (N)	45,550,483,838	57,833,420,975
Collection Efficiency	66%	82%
ATC&C Losses	49%	38%
Customer Response Rate	41%	55%

In 2018, plans have been put in place to ensure improved operational efficiency by leveraging technology to handle some of our core commercial processes such as maintenance, meter readings, Estimated Billing Methodology, bill delivery, identification of energy theft and Queue Management System to improve turnaround time in attending to customer complaints.

Ikeja Electric has undertakings situated in rural areas such as Adiyan, Ijaiye, Lambe, Epe, Igando, charged with the responsibility of ensuring excellent service delivery to customers living in these areas. A special tariff class - the Residential Life line (R1) Tariff class has also been designed for low income customers who consume less than 50 kilowatts of energy. Customers on R1 tariff are charged N4/kwh for energy consumed. There is also provision for repayment plans for customers with

huge outstanding to pay off their debts in instalments for periods ranging from 12 – 36 months. This way, the financial burden on low income customers is reduced and customers still have access to electricity.

The Debt for Metering initiative for customers owing over N150,000.00 was introduced to reduce the debt burden and increase response rate

# Disconnection and Reconnection

The standard operating procedure for reconnection after disconnection for non-payment states that affected customers are required to pay their current bill and at least 30% of their outstanding as well as a reconnection fee before they can be reconnected to supply. It is expected that such customers are reconnected once all conditions for reconnection are fulfilled and this usually does not exceed 48 hours.



In 2018, plans have been put in place to ensure improved operational efficiency by leveraging technology to handle some of our core commercial processes



#### **Customer Growth Management**

The commercial department of Ikeja Electric is in charge of energy sales, customer relationship management, revenue collection and protection. At Ikeja Electric, we recognize that our customers are core to our business and thus, we put effective strategies in place to effectively manage our customers who have been growing steadily over the years.

Details of customer growth are as follows:

Ikeja Electric has just three customers connected at 132kv feeders (transmission) which are Omnik Ltd., Landcraft Industries Ltd. and Top-Steel Nigeria Ltd. Other customers are connected at 33kv and 11kv feeders (Distribution). The table below

#### **Number of Accounts Per Tariff Class**

	2013	2014	2015	2016	2017
Residential	505990	537187	601473	668665	720835
Commercial	123173	129367	145219	157841	179283
Industrial	1065	1453	2353	2926	3811
Special	3127	4325	6887	9415	12427
Streetlight	42	35	66	97	153

The Ikeja Electric network is divided into six strategically located Business Units with full compliments of administrative offices and customer care service centers. To further reach some of our most remote customers, we also have additional 54 Undertaking offices located within each of our Business Units. Each Undertaking is enhanced to provide proximity to our customers and achieve better service delivery.

To also better serve our customers, Ikeja Electric assigns well trained Energy Sales Representatives whose responsibilities include but not limited to accurate meter reading, bill distribution and resolving on the spot complaints on behalf of the customers.

Also, our Maximum Demand customers are managed by the Key Accounts Management team who ensure premium service delivery to our top priority customers. Our Undertakings also have customer care touchpoints where customers can walk in to make enquiries and lodge complaints for speedy resolution. The company has also increased its payment channel avail-



We increased our payment channel availability to ensure that all customers can make payments on their electricity bills with ease.



To also better serve our cusnot properly named or numbered and it well trained Energy Sales Representatives whose responsibilities include but not limited to accurate meter reading, bill distribution and resolving on the spot complaints on behalf of the customers.

ability to ensure that all customers can make payments on their electricity bills with ease.

In 2017, the commercial department faced a number of challenges with managing customer growth. The inability to effectively meter all our customers remains a major challenge as Ikeja Electric still has a customer metering gap of over 60% of its customers. There have also been cases of compromised and bypassed meters which contribute to increased unbilled energy in 2018 is to reduce the metering gap by installing about 85,000 NMD meters. In addition, there will be increased vigilance and surveillance activities as well as legal actions taken against energy thieves and free riders. Employees skill set will also be improved to detect cases of energy theft and meter bypass.

ers optimally is the lack of a comprehenes in Lagos State. There are no updated government records for small & medium customers who are switching from strictly residential activities to commercial activities. Also, some new growth areas are

tomers. Ikeia Electric assigns is difficult to enumerate all customers that live in clustered areas.

To curb these issues, Ikeja Electric has

kicked off a Know Your Customer (KYC) initiative targeted at improving the accuracy of our customer database and showcases our commitment to ensure continuous customer enumeration. Also, Ikeja Electric carried out a tariff reclassification project across the network from Q3 – Q4 2017 to verify that our customers were placed on the right tariff class. The result of this exercise was the upward tariff review of over 42,000 accounts unlocking a potential revenue pool of about N189.6 million annually. Customer fairs and engagement/enlightenment sessions are also held quarterly to increase customer awareness about our services and the need for customers to collaborate with and commercial losses. However, the plan the company to improve service delivery; these sessions also provide an avenue to receive feedback from customers on improvement areas.

Another challenge with customer management is the erratic nature of supply availability and the lack of customer trust in the reliability of bills received as is reflected in the quantum of custom-Another hindrance to serving our customer complaints. The commercial team through the corporate communications sive database for residents and business- and customer care teams work hard to ensure that customers are duly notified via text messages on the cause of faults enterprises which makes it difficult to track and resolution of faults. Also, plans have been put in place to automate the meter reading process and the Estimated Billing Methodology such that there is minimal

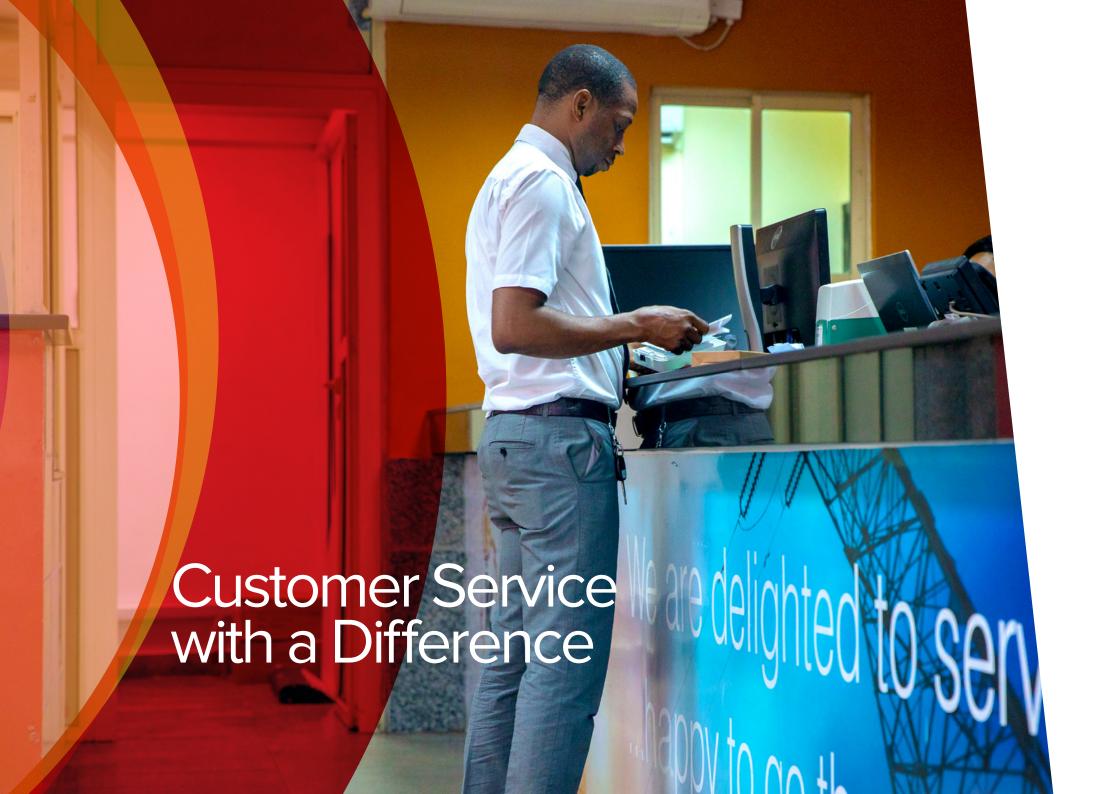


Ikeja Electric Staff on a Know Your Customer (KYC) drive



human input in the determination of customer bills which enhances the integrity of bills and customers are assured that they are being billed for energy they have actually consumed. The Meter Reading System and Estimated Billing Methodology applications were tested in Q4 2017 and are scheduled to go live in all business units in Q1 2018

(72)



The major focus of the Customer Care Unit in Ikeja Electric is to provide exceptional service at every point of interaction. This is powered by the WOWe (Wow Experience) initiative, which is to ensure that all Customer Care staff remember to exceed the customer's expectation in service delivery. This led to the approval of the three customer care quality objectives, which has been the focus of our activities, namely:



To improve customer satisfaction by achieving at least 90% Customer Complaint Resolution Index monthly.



To improve revenue generation by processing at least 100% of newly captured customers monthly.



To build a strong and healthy customer database by capturing 100% customer information in IE database.



The Customer Care Unit has been able to ensure a steady resolution efficiency of above 90% annually thereby building more trust in customers about its complaint handling processes





#### In the 2017, we have been able to achieve the following:

#### **ACTIVITIES**

#### **UPDATES**



Training, deployment, equipping and onboarding of 22 new staff have been completed. (3 Quality assurance analysts, 1 Customer care Lead, 3 Customer Care Specialists and 15 Customer service representatives)



#### **DEPLOYMENT OF ROBUST SMS PLATFORM**

The setup and deployment of VANSO bulk SMS platform has been concluded.

- Integration to CRM and CNN (Customer's Need Notification) has been concluded
- We have started our Integration process documentation to CIS platform and would commence integration implementation and deployment in the next reporting year.



#### CUSTOMER **EXPERIENCE MANAGEMENT**

#### **Deployment of Queue Management System**

- The installation and configuration of CHQ QMS system has been concluded and is in its operational phase.
- Installation of the QMS at Akowonjo and Ikeja BU is ongoing. The project is about 100% and 85% complete in the respective locations.

These systems have assisted in reducing the average waiting time for customers by at least 48.94% and impacting the transaction time at 43.50%, thereby making it easier and convenient for customers to transact business at these locations.



**Before QMS** 15mins 20Secs

**Waiting Time** 

After QMS 7mins 44Secs



**Before QMS** 

8mins 23Secs

Average **Transaction** Time

After QMS 3mins 58ecs

#### **Reduced Average Turnaround Time (TAT) of Resolving Customer Complaint**

The Customer Care Unit has been able to ensure a steady resolution efficiency of above 90% annually thereby building more trust in customers about its complaint handling processes.

YEAR	RECEIVED	UNRESOLVED	RESOLVED	RESOLU- TION EFFI- CIENCY
2014	229,942	9,216	220,726	96%
2015	353,495	15,048	338,447	96%
2016	415,529	25,407	390,122	94%
2017	293,903	22,793	271,110	92%

#### **ACTIVITIES**

**CRM UPGRADE** 

#### **UPDATES**

#### > Application requirements setting was concluded

- > Complaint Category definition was concluded
- > TAT plugin was implemented
- > User group, Line reports, hierarchy and complaint flow structure has been developed and plugged into the upgrade.
- > CIS integration has been concluded.
- > CONLOG integration is ongoing
- **DCRC** operation integrations are ongoing
- Integration if IE-force (Fault Management System) is
- > CNN operation integration has been concluded
- > VANSO integration has been concluded
- Integration of other Departments/units
  - > VSL has been concluded. (Payment Channels Management was updated)
  - MDMM&EE is ongoing (MDKAM integration has been concluded)
  - > Store/DT replacement team integration has been concluded
  - Integration of Field Commercial Staff, Billing, Treasury and finance is ongoing



The construction of workstation for the contact center is ongoing, although vendor survey, work station sample adoption and signoff have been concluded. On deployment, the contact center will have a 32-man capacity as opposed to the current 16-man capacity. This will house the call center team, email team, social media team and the CNN team. The materials have already been procured and will be installed before the end of Q3, 2018.

#### **ACTIVITIES**

#### **UPDATES**

**PROMOTION OF STAFF WORK ETHICS** REGARDING **HIGH QUALITY SERVICE DE-LIVERY** 

Update have been carried out on the customer care SOP to incorporate new office rules, processes and procedures

The draft customer Service Charter has been developed and is currently being reviewed. Sample video creatives for publicizing the Charter have been recorded.

New service staff were deployed to new locations to improve work efficiency level and distribute staff knowledge/creativity application in the new locations.



#### **IMPROVE CUSTOM-ER DATABASE**

There has been about 54% increase in the customer contact database from its initial value at the beginning of the Year, Customer database increased to 243002 in 2017.



#### **VIRTUAL COM-MUNICATION TO CUSTOMERS**

- > SMS notifications on all payments made have been implemented.
- Monthly SMS bill delivery was achieved
- Also, with the deployment of the VANSO bulk SMS portal, the following operations of the CNN team were revised.
  - Triggers for payment plan SMS reminders
  - Triggers for monthly SMS bill delivery
  - Triggers for periodic payment reminders for maximum demand and non-maximum demand customers.
  - > SMS on faults, outages, downtimes and maintenances as well as improved reporting on delivery status

(76)



**ACTIVITIES** 

#### **UPDATES**

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#### RESTRUCTURING OF NEW SERVICE SUB-UNIT

During the course of the year, the Unit implemented a complete overhaul of the entire New Service sub unit by shuffling all staff across the 6 business units. The reshufling also came with even distribution of staff strength.

The reshuffling was necessary to optimize staff productivity and provide new challenges to staff that are currently getting too bored of their current location.



- Payment Plans: The customer care team has actively engaged indebted customers to sign in on payment plans of which about N28,509,190.53 has been generated so far from 435 customers.
- Debt for Metering: Customer have been aggressively engaged to key into the Debt for Metering initiative. This resulted in the generation of N50,960,141.09 during the short period the scheme was in effect.

#### **STRATEGIES**

**GENERATION** 

- Complete deployment of companywide Customer Relationship Management tool that has proper integration various platforms for proper customer engagement.
- **Develop** new and improve existing SLAs with all departments and units directly or indirectly involved in customer engagement and complaint resolutions.
- Touch point expansion in selected Locations and ensure all customer care offices are revamped and well branded to reflect the mission/vision





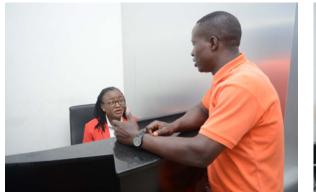
### **Revamped and Developed Customer Care Units**

#### Upgrade of Ikorodu, Akowonjo, Magodo **Customer Care Units.**

In 2017, we were able to uplift the faces of the Walk-In touch points at Ikorodu, Akowonjo, and Magodo.

#### **Development of Ayangbunren, Ilupeju UT Customer Care Unit**

The unit over the 2017 fiscal year was able to start the development of Ayangburen and Ilupeju Undertaking Customer Care Units.







Ikorodu Business Unit – Customer Care Unit







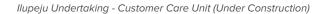
Akowonjo Business Unit – Customer Care













Magodo Undertaking – Customer Care Unit (Face Lift)











n Ikeja Electric, our supply chain consists of wholesalers, manufacturers, licensees' franchises, distributors consultants and contractors. In 2017, we engaged with over 200 organisations within Lagos State and its environs and spent over N2.2bn on local suppliers. Our supply chain management approach, is to promote fiscal discipline in the procurement of goods and services in IE by entrenching planned (i.e. budget/ strategy-driven) procurement processes, cycles that are coordinated across all IE's Departments.

For us, effective supply chain management ensures service delivery, avoids revenue loss due to operational downtime It also encourages competition and and ensures that the organisation receives reduces the reliance on single source value for money spent. For our customers, suppliers. Thus far, the policy has helped our procurement practices are important as delay in provision of necessary materials can lead to downtime in fault clearing, which in turn disrupts the lives and busi-

nesses of our customers. Our ability to secure high quality materials and equipment has an impact on customer safety and the stability of electricity supply. Also, our procurement practices have a significant impact on our employees, as poor sourcing practices could lead to an increase in their workload, and could also expose them to safety hazards.

In 2017, vendors were evaluated for most of the categories; competitive quotes were also being received for every request sent by the user department. Supply Chain policy aims at promoting fiscal discipline by entrenching planned procurement processes and cycles. promote fairness and transparency in dealing with third parties.

One of the goals set in 2017, was for Ikeja Electric to be in a position to



Local contractors engaged in Lagos State and environs



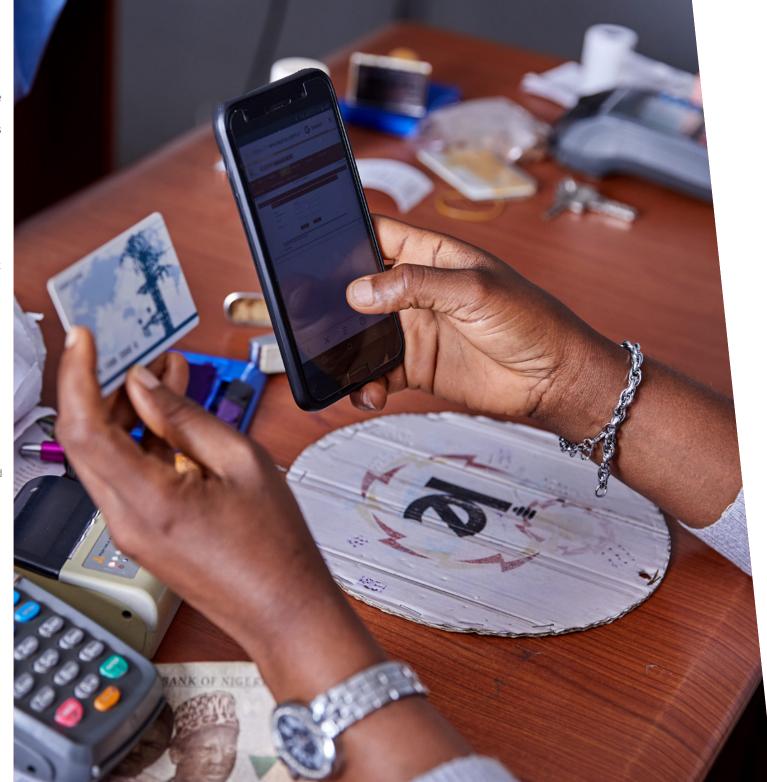




transform the procurement function in IE to an integrated system which ensures the procurement of high-quality goods and/ or services based on the confirmed needs of departments and business units in line with approved budgets and business plans. As part of our sustainable footprints towards managing our business principles relating to our environment all procurement requests are done electronically to promote effectiveness and efficiency.

In line with our Supply Chain Management System (SCMS) Policy towards ensuring compliance with our Know Your Customer and Business Partner (KYC/BP) standards, we conducted an evaluation exercise for all the vendors registered on our SCMS database. The evaluation criteria included but not limited to the following areas - performance, promptness, regulatory conformance, experience on the job and service delivery. We also carried out a procedural review of the materials delivery system to ensure that the quality of materials/services delivered is ascertained by the user department and compliance with IE's security safety processes and measures are in place confirmation of the items received.

Significant recurring challenges we faced in 2017 are regular emergency procurement of items from user departments which usually violates the procurement process; piecemeal procurement which affects prices of items due to the fluctuating market prices; delays from supporting departments, continuous requests for old and obsolete items as well as unstable market prices due to the highly volatile foreign exchange rates.



## Ensuring Financial Stability

ccess to stable and reliable electricity is the foundation for economic development, as electricity plays a significant role electricity for our customers. in poverty alleviation through industrialization, education, healthcare, etc. On a daily basis, our activities affect millions of Nigerians as they rely on us to power their homes and businesses.

Owing to the strategic importance of the services we render, our stakeholders have a significant interest in our ability to labour, our employees are also concerned this is yet to be embarked upon by the about our financial performance, and how we distribute value created through payour investments in human capital.

Our financial performance is also of great concern to other stakeholders in the electricity generation and supply value chain such as the generation and transmission companies. Uniquely positioned at the end of the value chain, our ability to collect payments from our customers for electricity consumed has a significant impact on the viability of the industry. Being mindful of our strategic position in the electricity sector, we have continued to improve on our collection efficiency to

drive the viability of the industry. We have also made progress in stimulating efficient power supply and increased access to

The economic environment has continued to present challenges to the financial stability of the electricity industry. As has been the case since the publication of our inaugural sustainability report for 2015 Financial Year, Ikeja Electric has continued to struggle with lack of a cost-reflective end-user tariff. Significant changes in the continue to operate as a going concern in input factors call for a review of the Multithe long term. As a significant employer of Year Tariff Order (MYTO) 2015. However, regulatory agency. While other players in the sector are able to pass costs down the ments of compensation and benefits, and value chain to the distribution companies, the failure to review the tariff in accordance with set mechanisms and industry agreements means that distribution companies, such as Ikeja Electric, are unable to pass these costs to consumers. This means that distribution companies will continue to sell electricity at a significant loss, in the interim.

> Energy theft constitutes another serious challenge to the profitable running of the electricity industry. Many households indulge in different forms of electricity theft and illegal tampering of electric metering



Olubunmi Olukoju Chief Financial Officer

devices. These lead to distribution system faults and overload as well as loss of revenue by the distribution companies. Inflation rate, exchange rate, etc. are all major challenges to efficient running of a financially sustainable electricity distribution system.

Despite the enormous challenges, Ikeja Electric has continued to invest in ways of improving overall market efficiency and continuously making positive impacts on its customers and the communities in which it operates.

### Community **Investments**

In 2017, we spent over N69 million on environmental sanitation measures including waste disposal and waste management.



### **N69**Million

Amount spent on environmental sanitation measures in our environment



Statement of **Financial Position**  N68.6 Billion

**ENERGY SOLD** (REVENUE)

N145.7 **Billion** 

**TOTAL COST** 

N34
Billion

**PROVIDERS OF ENERGY** 

**N7.2 Billion** 

**CAPEX** 

N8.8 Billion

OTHER **EXPENSES** 

N7.7 Billion

**EMPLOYEES** 

N69.4 Million

**ENVIRONMENT** SANITATION

N41.3 Million **PCSR** 

For more information on IE's financial performance in 2017, please visit our website on http://www.ikejaelectric.com/ie-investor-relations/ to view our 2017 Audited Financial Statement



s providers of an essential service and as users of natural relationships that will enable them secure a social license to operate legitimately towards sustainability. Ikeja Electric regularly engages identified stakeholders such Groups, Market Leaders and Schools. Key as Community Development Committees (CDCs), Community Development Associations (CDAs), Artisan Bodies, Licensed Electrical Contractors Association of Nigeria (LECAN), Market Leaders and all Customers. These stakeholder groups are identified by their proximity to and influence within the local communities where IE operates.

Ikeja Electric considers it very important to sustain a healthy relationship with the communities in which we operate and as such community engagement remains one of the key ways we foster healthy

relations. The company adopted an approach of town hall meetings, medical outresources, stakeholders expect reach and educational support, etc. lkeja Electric worked with identified stakeholder groups such as Community Development Committees and Community Development Associations, Monarchs, Licensed Trade topics raised through stakeholder engagement include efficient billing, pattern of power supply, faulty electricity distribution equipment, safety issues and bill payment.







Donated **Mosquito nets** 

to "AT Risk Communities" in and around Olambe, Igando, Okeira and Aboru

Carried out massive safety/sensitization against commercial activities under electric power lines

Organized medical outreach in partnership with XT Monitor and a US-based medical team.

Organized quarterly Safety Engagement with Licensed Electrical Contractors Association of Nigeria

Organized Electrical Safety Outreach to primary schools to mark Children's Day 2017

Hosted pupils in Educational Tour/Learning Trip around IE facilities

Ikeja Electric's approach to stakeholder engagement is mainly done through meetings, community panels, forums, courtesy calls, social media communication, etc.













Visit to orphanages







Free medical outreach







ENGAGEMENT	DAILY	WEEKLY	MONTHLY	Quarterly	BI-ANNUAL	TOTAL	REMARKS
CDC Engagement			2 per BU (12)	36		144	Most LCDA CDC meetings fall within the same date either last week or first week in the month
CDA Engagement		2 per BU weekly	48	144		576	Community based
Ad-hoc Engagement		2 Per BU weekly	48	144		576	HQ/BU/UT-Unplanned
Monarch's				1 per BU	1HQ	37	On metering of Monarch's palace for energy accountability to ensure payment of electricity bills
Town Hall meeting Customer fair					1	2	Resolving customer's complaints instantly.
Artisan		Welders			1 (Central)	2	Sensitization on energy theft and safety hazard
LECAN				1		4	Licensed Electrical Contractor Association of Nigeria to wire houses.
Market leaders (lya-Oloja / Baba-Olo- ja General)				1 (Central)		2	Sensitization on payment of electricity bills, safety and other IE campaigns
Quarterly Media Round Table /Cover- age of events				1		4	For adequate publicity of campaigns
Use of van tape for sensitization/ Awareness	Daily (3 ve- hicles at differ- ent locations)	15	60	720		4320	Sensitization of customers on campaigns and outages.



#### **Provision of Information**

Provision of information is essential to ensure that our customers have access to electricity thus, delivering significant improvements to their standard of living. In areas where English may not be the dominant language, Ikeja Electric ensures that all literature, signage, labeling and communication are in a language which can be understood by all, including people with disabilities.

Radio jingles on relevant electricity information such as safety cautions, complaint resolution process, etc. are produced in English, Pidgin and Yoruba languages on select radio stations and tailored to reach our target audience.

We also provide van tape drives within local communities in English, Pidgin and Yoruba languages to ensure message penetration at grassroots

#### **Marketing Communications**

Our marketing communications are usually carried out with due regard to applicable laws, regulations guiding communications and stakeholder engagements bearing in mind reputational risks, customer satisfaction and loyalty. Ikeja Electric has not recorded any incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.







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# Labour Practices at Ikeja Electric

gaining

IE as a responsible organization respects the rights of employees to freedom of association regardless of their location, department or job role. Employees may therefore enlist in

any Union of their choice in line with the provisions of the Constitution

and other relevant labour laws.

uman Rights: Freedom of Association and Collective Bar-

Accordingly, about 54% of IE employees are members of either of two registered labour unions i.e. the Senior Staff Association of Electricity and Allied Companies (SSAEAC) and the National Union of Electricity Employees (NUEE). The Union members are represented across the various job levels and locations in the organization.

In line with our commitment towards fostering improved industrial harmony, the company leveraged various platforms to promote Union and Management engagement and drive the implementation of industrial relations best practices. This was implemented through the following:

- Conducting tripartite workshops with the Union towards reviewing proposals for Procedural Agreement and Conditions of Service
- 2. Conducting Joint Consultative Meetings to discuss and address staff welfare issues with the Unions
- 3. Proving proactive notification to the Union when taking decisions that could impact on their members (e.g. disciplinary cases, disengagement).
- 4. Seeking union members' involvement/input during some policy development sessions
- 5. Supporting Union Executives (e.g. providing paid leave) to participate in Union functions and conferences.
- 6. Processing monthly remittances on behalf of employees to the Union





54%

IE Staff in Labour Unions: Senior Assoication of Electricity and Allied Companies (SSAEAC) and the National Union of Electricity Employees (NUEE)



#### The Challenges Faced Were As Follows:

- Unions position on endorsing certain internal business processes before implementation (e.g. disciplinary hearing decisions, disengagement)
- Unions position on certain areas in the Procedural Agreement and Conditions of Service thereby creating avoidable delays
- Picketing threats by the Union following disengagement of 10 of their members in August 2017

#### **IE's Approach to Managing the Key Issues:**

- Notifying the Union when taking decisions that could impact on their members (e.g. Disengagement of staff due to performance related issues; disciplinary cases).
- b. Conducted a Tripartite meeting in October 2017, to update the Union on the company's position on the Procedural Agreement which helped address any ambiguity and created a channel for further deliberations.
- Extensive engagement with the Union and other necessary stakeholders thereby mitigating picketing threat.

Actions taken to address negative impacts of certain labour practices:



Joint Consultative Council

Meetings— Maintaining the commitment of holding Joint Consul-

mitment of holding Joint Consultative Council Meetings (JCCs) to address staff welfare issues.



Goals and Targets – Introduction of tracking and feedback mechanisms to update the Union on progress made on matters raised at JCCs.



**Resources** – Maintaining a dedicated Unit with direct responsibility for managing and processing labour relations matters.

The effectiveness of our approach was monitored through stakeholder feedback during meetings and correspondences.



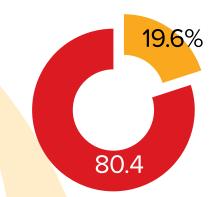
#### **Key Achievements with Labour Union in 2017**

- Leveraging platforms
  i.e. JCC meetings,
  Tripartite Update
  Meetings, informal
  sessions to maintain a
  platform for continued
  open engagement with
  the Union
- Provide supportive mechanisms to enable Union Executives carry out their Union obligations while delivering on their job responsibilities in IE.
- Seeking Union member's involvement/input during the design of some policies e.g. The Reward and Incentive initiative.
- A critical lesson learnt was the need for stakeholder engagement with the 2 in-house unions. The Company and unions now appreciate the importance of engagement and industrial harmony. Accordingly, each party endeavors to engage each other where possible on matters of mutual interest to the union and lkeja Electric.



### Our Employees





#### **Workforce by Cadre**

CADRE	MALE	FEMALE
Executive Management	2	3
Senior Management	80	18
Middle Management	165	56
Non-Managerial	749	445
Junior Staff	1233	20

#### **New Hires in 2017**

Total	256	51	307
Over 50 years old	0	0	0
30-50 years old	113	11	124
Under 30 years old	143	40	183

#### **Employee Turnover**

AGE	MALE	FEMALE	TOTAL
Under 30 years old	18	9	27
30-50 years old	99	39	138
Over 50 years old	22	4	26
Total	139	52	191

### **Diversity in our Workforce**



t Ikeja Electric (IE), we encourage a diversified workforce made up of high-performing professionals from varied backgrounds, contributing innovative solutions to the success of the organization and power/energy sector. To achieve this, we strive to create an environment that is open, inclusive and collaborative.

We know that embracing diversity is not just a smart thing to do but leveraging all of these backgrounds and experiences ensures that each person brings unique perspectives and broadens our capability.

IE has leveraged the competitive edge that diversity provides by driving the following.

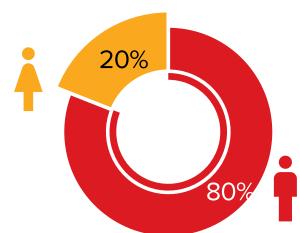
#### IE has leveraged the competitive edge that diversity provides by driving the following.

- > Striving to create an inclusive environment respectful of all cultural backgrounds and beliefs, including by recognizing and celebrating various multicultural events across the business;
- Fostering a culture which supports and respects the values and needs of all individuals, regardless of their age, sex, gender, race, nationality, religion, cultural background, marital or family status etc.;
- Considering ability and not disability when employing and promoting employees as well as aiming to create a physical and cultural environment which supports participation and reasonably accommodates special needs;
- Ensuring recruitment and selection processes across all levels of IE are structured so that a diverse range of candidates are considered;
- Opposing and avoiding all forms of unlawful discrimination. This includes in pay and benefits, terms and conditions of employment, dealing with grievances and discipline, disengagement, leave benefit, recruitment, promotion, training or other developmental opportunities;
- Taking seriously complaints of bullying, harassment, victimization and unlawful discrimination by fellow employees, customers, suppliers, visitors, the public and any others in the course of the organisation's work activities. Such acts are dealt with as misconduct under the organisation's grievance and/or disciplinary procedures.

workplace affinity programme aimed at attracting, developing, inspiring, and retaining female professional talent in Ikeja Electric.



#### **Male to Female New Hire ratio**



#### **Diversity Report Total Gender Ratio**



#### **Diversity Report - Gender Ratio: Executive Management**

This comprises of the CEO and Heads of Department



#### New employee hires by Age and Gender

	2016				2017	
Age	Male	Female	Total	Male	Female	Total
Under 30 years old	154	40	194	143	40	183
30-50 years old	245	54	299	113	11	124
Over 50 years old	1	0	1	0	0	0
Total	400	94	494	256	51	307

#### **Diversity Report – Age Group Distribution**

AGE GROUP	MALE	FEMALE	TOTAL
Under 30 Years	366	95	461
30-50 years old	1623	425	2048
Over 50 years old	240	22	262
Grand Total	2229	542	2771

Diversity Report- Staff with Special Needs (disability)





### **Payroll, Compensation and Benefits**

Benefits form a significant part of Ikeja Electric's overall employee value proposition. The Company promotes benefits that include some competitive healthcare services and insurance covers. There are also opportunities to access other financial benefits. Human Resources Department offers advisory services in this area.

We currently run three major social insurance schemes which cater for any eventuality that may arise in the course of duty of our employees.

#### 1. Group Life Insurance

This is a Death-In-Plan scheme to insure employees and provide payment of benefit to the beneficiary of any employee that dies while in the employment of Ikeja Electric up to a minimum of three times the annual total salary of the employee.

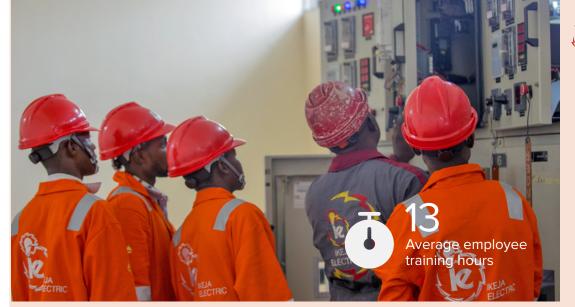
#### 2. Group Personal Accident Insurance

This is an Accident Plan scheme to insure employees and provide payment of benefit to the employee / beneficiary involved in an accident while in the employment of Ikeja Electric. The scheme is designed to provide 24-hour coverage, which is inclusive of non-work-related accidents.

#### 3. Employee Compensation Scheme

This provides adequate compensation for employees or their dependents in the event of death, injury, disease or disability arising out of or during employment. The Company remits 1 percent of the entire month's payroll to the National Social Insurance Trust Fund (NSITF) as insurance premium on behalf of employees.

We operate a contributory pension scheme backed by the Pension Reform Act of 2014. Employees contribute 8 percent of their Basic salary, Housing & Transport Allowance, while the Employer contributes 10 percent of the employees' Basic salary, Housing & Transport Allowance. Employees are also allowed to make Additional Voluntary Pension Contribution (AVC) in line with the Pension Reform Act. All employees (100%) in Ikeja Electric participate in the contributory pension scheme.



### **Learning, Talent and Development**

A Learning and Development needs analysis is done at the beginning of each year to identify learning and development requirements for all staff through engagements with Heads of Departments and Units and based on performance results from the previous year. This exercise drives the implementation of learning and development programmes through the course of the year; providing employees with new skills or upgrade on existing skills for improved performance in their core duties.

Adopting these techniques in identifying learning and development needs provides the Learning and Development team with insight as to the core challenges employees face on their jobs and skill gaps that cut across different job groups.

#### **Performance Management**

Ikeja Electric's performance management system works towards the improvement of the overall organizational performance by managing the performances of teams and individuals for ensuring the achievement of the overall organizational ambitions and goals. The performance management system played a very crucial role in managing performance in the organization.

We run a distinct performance management system. Our performance management cycle begins in January with employees agreeing with their Line Manager on their annual performance targets. Between June/July of the year, a mid-year performance review is done, while in December an annual performance review takes place.

There are 4 rating grades in our performance appraisal system and a monthly performance review system has been introduced in order to track individual and company performance regularly.

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#### **Total Staff Strength by Location**

LOCATION	NO. IN LOCATION
Abule Egba B/U	324
Akowonjo B/U	439
Company Head Office	440
Ikeja B/U	289
Ikorodu B/U	409
Oshodi B/U	496
Shomolu B/U	374
Total	2771

Percentage by gender who received a regular performance and career development review in 2017



Percentage by employee category who received a regular performance and career development review in 2017

EMPLOYEE CATEGORY	FE- MALE	MALE	% Re- viewed
Executive Management	3	2	100%
Senior Management	18	80	100%
Middle Management	56	165	100%
Non-Managerial	445	749	100%
Junior Staff	20	1233	100%
Total	542	2229	100%



#### **Succession Planning**

To protect the growth, development and survival of Ikeja Electric, we have embraced succession planning as a key element to long-term success. The continued success and survival of our organization depends on having the right talent in the right place at the right time.

Several programs have been put in place to ensure business continuity and that there would be no vacuums in critical leadership positions resulting from staff exits.

In terms of planning for the future, we currently have 76 trainees comprising Graduate Engineers and Distribution Sub Station Operators who will be injected into our technical operations in 2018.

Training programmes /apprenticeship programs for new workers and specialized training on existing and new technologies for existing workers for the year 2017 are;

- Young Engineer Programme
- Distribution Substation Operator Training (Partnered with AETI Power Systems and Controls Limited in developing the technical capabilities of our DSOs)
- Understanding MYTO and Tariff setting Process & the impact of ATC&C losses to IE (Partnered with Energy Markets and Regulatory Consultants-EMRC in delivering this training to build and develop capacity)
- **Understanding Power allocation**
- **Power Protection learning programme**
- **CETAAM/GIS Training**
- VII. Metering, Smart Grid & MSPs workshop

#### Labour Practices Grievance Mechanisms

Ikeja Electric has a mechanism for addressing grievances raised to address any feeling of injustice, victimization, concerns, problems, complaints or dissatisfaction in connection with the employee's conditions of employment or work or relationship with colleagues. No formal grievance was raised by employees or the Labour Unions in 2017

#### Percentage of Employees Eligible to retire in the Next 5 & 10 years as at 2017

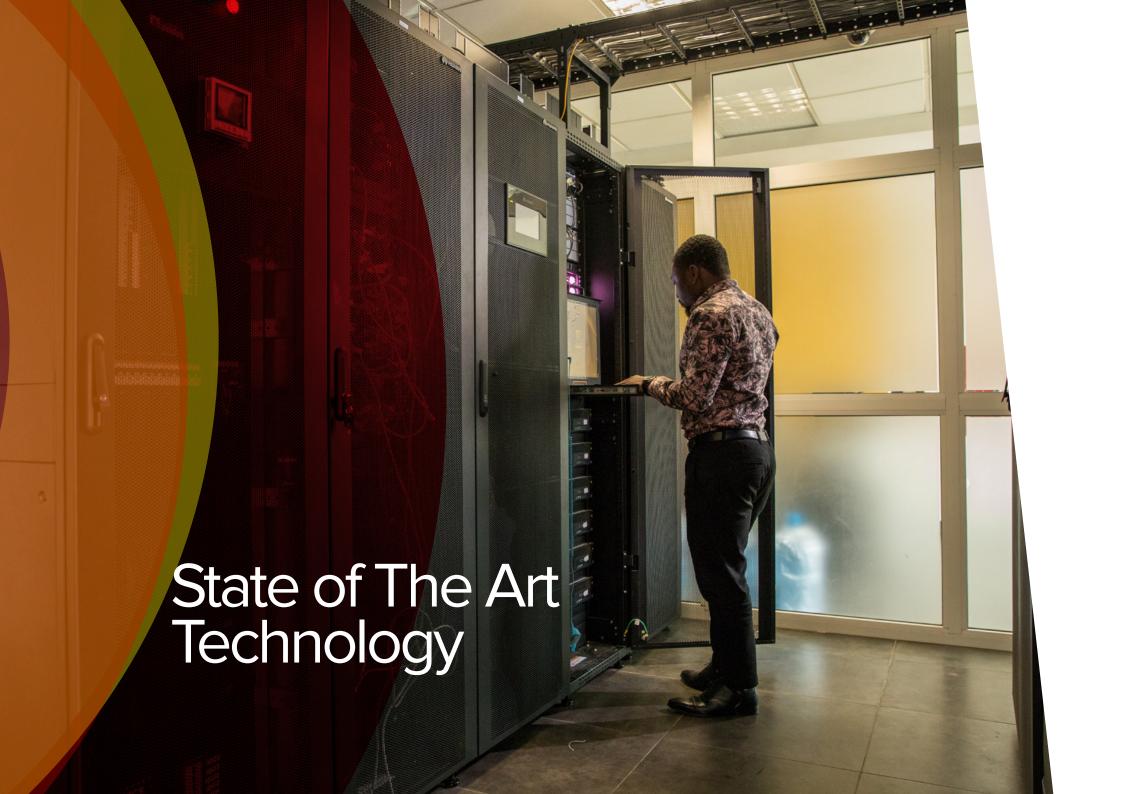
CATEGORY	<5 YEARS	6 -10 YEARS	TOTAL
Technical Services	2.20%	5.45%	7.65%
Commercial Services	0.43%	1.95%	2.38%
Support Services	0.29%	0.94%	1.23%
Total	2.92%	8.34%	11.26%

#### Actual or estimated percentage of employees eligible to retire over the next 5 and 10 year periods broken down by gender and job category

	<5 YEARS		6-10 YEARS	
ategory	Male	Fe- male	Male	Female
echnical Services	60	1	147	4
ommercial Services	12	0	43	11
upport Services	6	2	16	10
otal	78	3	206	25

#### Actual number or percentage of employees that retired in 2017

DEPARTMENT	FEMALE	MALE	TOTAL
Technical Services	0.04%	0.18%	0.22%
Commercial Services	0%	0.04%	0.04%
Support Services	0%	0.04%	0.04%
Total	0.04%	0.25%	0.29%



ncreasing rate of adoption of Information Technology in all facets of organisation al endeavours globally, and its evident impact in transforming business process es and outputs across the globe, it is paramount that all progressively thinking organisations follow suit. At Ikeja Electric, our dynamic, flexible and unrelenting nature ensures we are well positioned and ready to embrace germane technologies in all areas of our business. These enviable qualities ensure we are strategically positioned at an enviable spot within the industry.

growth in our overall business processes Objective). through the implementation of various technologically enhanced processes. Specific areas of our business that have benefited from this growth include The Advanced Metering Infrastructure (AMI), IT Asset Management, IT Service Desk operations, Employee Performance Appraisal System, Payroll System, Revenue Collection System, IT Data Centre, Business

h the rapid and relentlessly Continuity & Disaster Recovery etc.

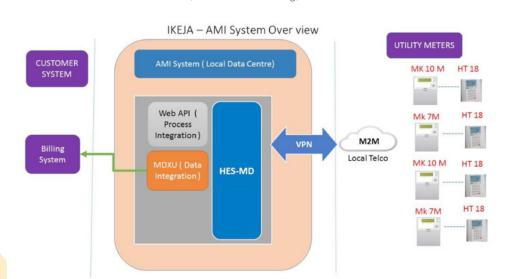
In 2017, we revamped our IT Infrastructure by building a state-of-the-art Data Centre which today is the platform on which our services are built. Given the critical nature of our business and its huge impact on our esteemed customers, we proceeded with the design of a Disaster Recovery roadmap which so far has seen us build a provisional Secondary Data Centre, serving as backup to the Primary Data Centre. We are resolutely on course with our prototypical plan to establish an ultra-modern, fault tolerant system which will ensure we meet our Service Availability & Reliability objectives, as well as our RTO (Recovery Over the years, we have witnessed steady Time Objective) and RPO (Recovery Point

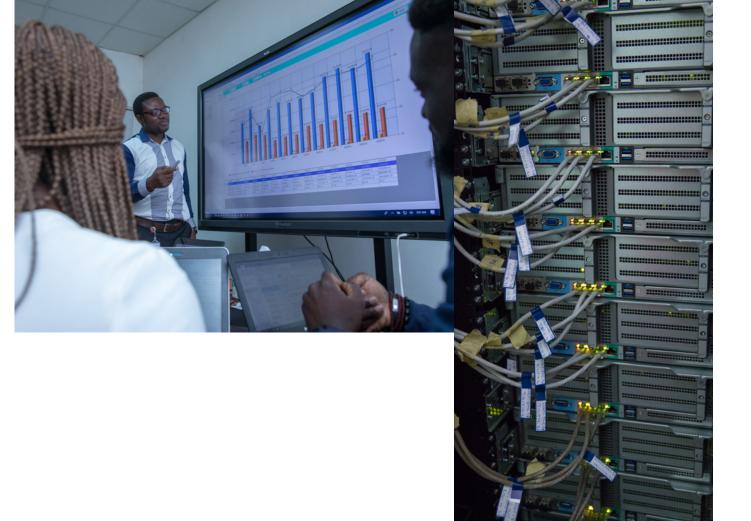


## 2017 Highlights

### **Advanced Metering Infrastructure**

An integrated system for automated two-way communication between us and our customers, consisting of smart meters, data management back-end systems, communication networks and customer systems like meters and energy management devices. It provides a platform for automation of several functions previously performed manually, like remote meter reading, detection of meter tampering and energy theft, disconnection and reconnection of customers, network monitoring, etc.





#### **Data Centre Infrastructure**

In line with some of IE's long-term strategic focus, we committed substantial amounts of investment in the construction of a Tier 3 Data Centre Infrastructure which offers 99.982% service availability. By standard design, a tier 3 Data Centre facility should have no more than 1.6 hours of unplanned downtime per annum, and this was achieved in 2017. This is evident from the review and monitoring highlighting the fact, that IE recorded no technical, commercial and collection loss due to Data Centre downtime.

The Data Centre hosts high performance multiplatform systems fully integrated to provide reliable and secure information and communication services which drive the business core of payment & collection channels, smart metering as well as customer service.

This includes but not limited to, a Dual Multi-homed BGP Network Infrastructure (connecting two of Nigeria's leading Internet Service Providers) that offers fully redundant, reliable and highly efficient connectivity, providing 24/7 secured connectivity for the company's payment integrators.

The dedicated payment systems locally hosted in the Data Centre are fully integrated securely to Ikeja Electric's payment integrators and channels, which offers both pre-paid and post-paid customers a variety of payment options to settle their energy bills anywhere and at any time. Prepaid customers using smart meters can now vend for energy and recharge/reload energy units through various payment platforms which include but not limited to SMS short codes, internet-based payment/collection channels and banks.

Our Data center ensures that prepaid customers using smart meters, can now vend for energy and re charge/ reload energy units through various payment platforms which include but not limited to SMS short codes, internet-based payment/collection channels and banks.

### **Revolutionary IT-Helpdesk** Solution

We implemented an IT helpdesk solution which transformed our mode of interaction with our users. This provided a globally accessible web-based platform for users to request IT services and support. It also provides great visibility and unified control in dealing with IT issues in order to ensure that the business suffers no downtime.

The IT helpdesk has contributed largely to improved Turn-Around Time (TAT) in resolving all IT related issues across all our Business Units and Undertakings thereby greatly improving customer experience.

#### Benefits of the AMI infrastructure to IE



Reduction in commercial and collection losses – the AMI system detects meter tampering, energy theft, illegal connections and other illegal customer conducts across the network



Local and Remote vending/recharge of energy electricity units - customers now have the flexibility of recharging/reloading their energy meters anywhere and at any time and through several means SMS, banks, internet, franchise outlets, etc.



Improved customer-friendly pow**er allocation** – remote collection of periodic data and analysis has enhanced equitable allocation of power across Ikeja Electric network



**Integration with other information systems.** The AMI infrastructure integrates with other information and management systems, in particular the Geographic Information System (GIS) which helps us create and keep detailed customer information, location, company assets, outage maps, etc. Some of this information are made available to the company's customer care team so that customers are informed about outages and service restoration progress



Increase in revenue collections through improved billing accuracy and enhanced remote meter reading





# Robust IT Services Monitoring Solution

In 2017 our network monitoring solution was replaced by a more robust IT Service Monitoring Suite which actively provides real-time information on our entire infrastructure. Gone are the days of sudden application and server crashes due to undetected bottlenecks. Bottlenecks are now easily and promptly detected and eliminated ensuring availability and optimal performance of critical applications.

The new solution enables us set thresholds for server resources, network links, and applications and sends notifications of impending failures and/or beached thresholds. This initiates proactive steps to ensure stability in the affected resource.

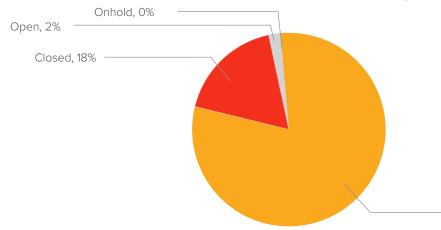
Resolved, 81%

#### CHALLENGES

- Sourcing talents at the right cost, Balancing Manning levels with rapid increase in workload
- Integration with an increasing number of applications and technologies
- Interoperability of various solutions from diverse vendors

#### **FUTURE GOALS**

- Conclude the setup of an Ultra-Modern Disaster Recovery Site that guarantees a Recovery Time/Point Objective of 30 minutes.
- Build a mobile field activity monitoring and reporting solution which is aimed at significantly reducing our ATC & C losses while driving increased collection rates
- Automate the Meter Reading Process
- Upgrade the payment Infrastructure







### About the Report

keja Electric's 2017 Sustainability Report reflects our economic, social and environmental activities from January 1 to December 31, 2017.

This is our third sustainability report so far. We aim to publish these reports on a yearly basis. The intended audience for this report are our key stakeholders such as our shareholders, customers, employees, suppliers, government and regulatory organizations. These stakeholders directly impact and are also directly impacted by the activities of the organization.

IE's Sustainability Reports have gone beyond communicating financial risks to performance reporting that serves as a differentiator in the power sector, and aimed at fostering stakeholder confidence, long-term risk management, building our reputation and refining our corporate vision and strategy.

#### **GRI Content**

The 2017 Sustainability Report has been organized and presented in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). The Standards seek to achieve consistency amongst corporations reporting on their sustainability activities.

The GRI Standards includes two options for reporting in accordance: "core" and "comprehensive". This report has been prepared in accordance with the GRI Standards: Core option. We also present additional information not specified by GRI, such as statements contributed by outside stakeholders and graphics that illustrate various aspects of our business.

#### **GRI CONTENT INDEX**

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102-40	List of stakeholder groups	89
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102-42	Identifying and selecting stakeholders	42
102-43	Approach to stakeholder engagement	90
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102-45	Entities included in the consolidated financial statements	This has not been disclosed as it is not material.
102-46	Defining report content and topic Boundaries	1-2
102-47	List of material topics	1-2
102-48	Restatements of information	There are no restatements of information.
102-49	Changes in reporting	There are no significant changes in reporting.
102-50	Reporting period	110
102-51	Date of most recent report	110
102-52	Reporting cycle	110

102-53	Contact point for questions regarding the report	N/A
102-54	Claims of reporting in accordance with the GRI Standards	110
102-55	GRI content index	111-113
102-56	External assurance	This report has not been assured by external parties. We have however gotten an independent external review of the display and alignment of the content. Internal assurance measures are discussed on page 27
MANAGEMENT AF	PPROACH - GRI 103	
103-1	Explanation of material topic and its Boundaries	9-13, 16-23, 24-25, 26-27,28-33,34-47, 48-57, 58-67, 68-73, 74-81, 83-84, 85-87, 88-95, 96-103, 104-108
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# Some Champions

Everyday, thousands of people at IE work together to ensure that over 900,000 customers receive the energy they require to power their homes and businesses. At IE, we call them our champions. Here are a few of them.





























