



**2020
SUSTAINABILITY
REPORT**



**UNSTOPPABLE:
ENHANCED VALUE CREATION FOR
SUSTAINABLE ENERGY**





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2020 Highlights – Enhanced Value Creation for Sustainable Energy

Our demonstration of sustainable value creation for our stakeholders in 2020 is summarised below:

 <p>A customer base of 1.079 million</p>	 <p>24% revenue increase; N125 billion</p>	 <p>4541 GWh energy distributed</p>	 <p>290.43 GWh delivered through Bilateral Power Scheme till date</p>	 <p>Launch of Ikeja Electric National Mass Metering Program (NMMP)</p>	 <p>3185 employees with 20.66% being female employees</p>
 <p>153 new joiners in 2020</p>	 <p>56 training courses for employees</p>	 <p>Deployed 9 community initiatives</p>	 <p>Invested N5.678 million on social investment</p>	 <p>Implementation of leSpark</p>	 <p>2,570 course enrolments on leSpark in 2020</p>
 <p>Launch of IE metering academy with 243 staff trained</p>	 <p>37 trainees certified by NAPITIN</p>	 <p>Deployment of IE Telemedicine in response to COVID-19</p>	 <p>Deployment of WhatsApp Bot for improved customer experience</p>	 <p>Business Continuity Protocol implemented</p>	 <p>Became ISO 9001:2015, ISO 14001 and ISO 450001 Certified</p>
 <p>Received the following awards in 2020: Most Responsive Organisation to COVID-19 Crisis by Nigerian Risks Award/Conrad Clark; African Safety Award for Excellence by AfriSAFE Merit Award; and Merit Award for Innovation Approach to OHS Management and Service Delivery by Nigerian Safety and Security Watch</p>					



Leading Sustainability at Ikeja Electric Plc.



POWERING LIVES AND BUSINESSES WITH INNOVATION AND UNWAVERING DRIVE FOR EXCELLENCE

Ikeja Electric Plc has positioned itself as an industry leader in sustainability through efficient and sustainable energy distribution for sustainable socio-economic development that will enhance the decarbonisation of Nigeria's energy sources.



Chairman's Statement



Mr. Kola Adesina
Board Chairman



Dear Stakeholders,

Welcome to our 2020 Sustainability report which presents the progress we have made in our sustainability efforts and the strategic avenues through which we have lived our purpose and made lasting impact in the lives of our customers, employees, suppliers, and the wellbeing of our communities.

2020 started with great hope for the new decade as the projections and aspirations of businesses and economies were high. However, the disruption by the COVID-19 pandemic in the past two years have solidified the importance of socio-environmental and safety factors and their impact in the society as it relates to economic development and business resilience.

For us at Ikeja Electric Plc., the tough year has polished our spirit and culture as a company and revealed how we have leveraged our strength and capability as a people to provide quality and steady power for our customers in the year while enhancing the socio-economic progress of over a million people within our market coverage. Through innovative solutions and improved service delivery, we have continued to foster economic growth and connect more people to steady power supply.

We are keen on our means as much as we celebrate our wins, and this is buoyed by our commitment to sustainable operations with conscious actions to minimize our environmental impacts and make a lasting impact to our society.

The last 7 years have been significant in attaining our goal of bringing energy to life for our customers in Lagos and Ogun States. Having raised the bar as the foremost power distribution company to have reported on its sustainability performance in the last six years, our performance during the pandemic year reflects our commitment to staying true to our brand promise. As the world coped with the impact of COVID-19, we guaranteed a consistent supply of power to our customers throughout the year. As a provider of a service that is of high priority for the wellbeing of the people. We are making progress in our strategic efforts to improve distribution optimization and operational efficiency to reduce loss of power and maximize the transmission to consumption rate. At the end of 2020, we distributed over 4500 GWh of power to our customers across all categories.

This earned us over N120 billion in revenue for the year and growing opportunities for increasing our sales and reducing collection losses.

Amongst other milestones in the year, the service-reflective tariffs regime was launched by the apex regulator, the Nigerian Electricity Regulatory Commission (NERC) for implementation by distribution companies. Understanding the effect, the new service reflective tariff regime will have on our business, we took proactive steps to align our operations with the new tariff order as we onboarded over 200,000 customers and implemented strategic systems to keep on track with our corporate strategy and targets for the year.

Ikeja Electric Plc. is committed to providing power solutions that meets the energy needs of our over 1 million customers while promoting economic development in Nigeria. We are cognizant of our efforts to serve and safeguard the people, environment, and communities around us as we meet the needs of our customers.

For our society, we extended our impact reach to schools, communities, and hospitals to support with resources and sensitization for their socioeconomic wellbeing. In response to the COVID-19 pandemic, we distributed food items and mosquito nets to communities across our business units. We also shared protective facemasks to contribute to building a culture of safe practices to limit the transmission of the scourge.

This year has challenged us to harness more of the power of digital innovation to enhance our revenue collection while minimizing loss for sustainable growth. The next decade of power will witness unprecedented transformation as the energy market grows and the importance of environmental, social, and corporate governance (ESG) becomes a prioritized trend. IE is ready to take strategic steps as a leader in the energy sector in Nigeria.

I believe this report will be a worthy read for you.

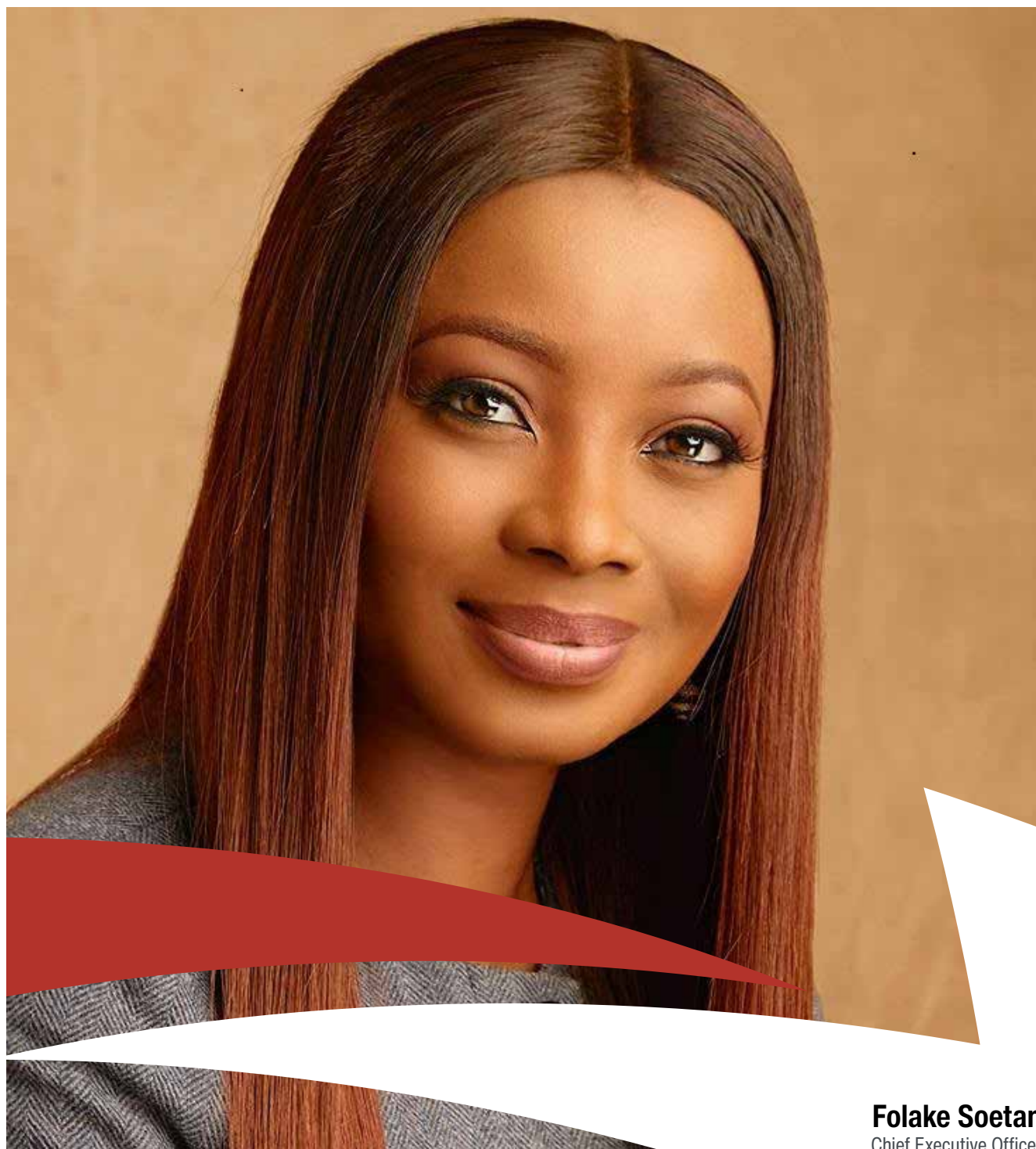
Thank you.

Mr. Kola Adesina
Board Chairman





CEO's Statement



Folake Soetan
Chief Executive Officer
Ikeja Electric Plc.



The year 2020 has had an impact on organizations with the disruption brought by the COVID-19 pandemic putting our strength and weakness to test. However, the changes have made us more efficient as well as improved our operational dynamics. One thing that remained constant for us throughout the year is our determination to conduct business in a sustainable manner and to support our customers in their quest for lasting success.

At Ikeja Electric Plc., we are driven by a purpose that is aligned with sustainable development, primarily Goal 7 of the United Nations Sustainable Development Goals (SDGs) and indirectly impacting 15 other global goals. As a responsible business, we are committed to improving our environmental, social, economic performance in creating lasting value for our employees, customers, vendors, regulators, shareholders, and other stakeholders as we run our regular business.

In our support for the economic recovery, we contributed N50 million as intervention to the government for the recovery of the economy. This was to fund different measures by the government in alleviating the effect of the pandemic on the society. Through our CSR programme, we also expended over 5 million naira to our communities, schools, and hospitals in line with our sustainability priorities.

We have continued to create shared value for our shareholders and all other stakeholders through our business and impact. We demonstrate this through the sustained supply of power to our customers, as received from the national power grid, to ensure energy security, investing in our employees, and contributing to the socioeconomic development of our host communities. Just as importantly, we manage our sustainability risks within our business, protect the environment and the interests of our various stakeholders who contribute to our success.

As a business, we acknowledge the impact of the pandemic disruption on our corporate strategic plan in the year and proactively adopt innovative measures to ensure business resilience. Key among our innovative priorities is the implementation of contactless experience for our customers through the deployment of digital solutions for excellent service delivery. We presented the latest version of IE Mobile App to our customers across the network thereby giving them seamless access to our services with convenience and at the same time enriching their experience. This is testament to the fact that the Management and staff of Ikeja Electric Plc. continuously yearn to deliver quality services and ensure direct access to us through various channels in line with our mantra, Customer first, Technology now.

At the end of 2020, we achieved a 24.36% year on year growth in our annual revenue. In addition, we recorded an increase in our number of customers by 6.29% to over 1.1 million. This success was made possible by the collaboration of our 3185 people, ensuring smooth operations of our network.

In supporting our employees, we created a more enabling workplace through the deployment of tools for virtual collaboration and work excellence. In the year, we deployed an online upskilling platform, ieSpark, to enhance the delivery of live and self-paced learning for our employees. At the end of 2020, our staff took a total of onsite and online 56 training courses with over 2500 enrolments on the online platform. Much more, the platform has enhanced the achievement of our training targets with a significant percentage of our soft skills training deployed via ieSpark to employees across different roles and grade levels.

In a fast growing and complex world, we launched the IE Metering Academy to update the technical competency of our people to delivery excellent service for our customers as we implement latest and best in class technology. In 2020, a total of 243 staff were enrolled in the 3 metering academy schools, leading to the certification of 37 trainees by NAPTIN.

Ikeja Electric (IE), after the pandemic has seen the need to induct 20 young Engineers into a 12-month comprehensive developmental programme targeted at young, dynamic, self-motivated, and highly driven young talent to improve their capacity and practical field practice experience. This strategy is part of the company's objective of infusing and developing the next generation of competent and reliable professionals who are expected to be groomed with a global perspective and exposed to the entire Energy Value Chain as well as driving the company's vision of being the provider of choice wherever energy is consumed.

Our excellent performance in the year has earned us the commendation of the NERC on our innovative customer solutions. This is in recognition of our leverage of technology to improve our operations and customer experience in power supply.

Our focus is on our vision and we are not relenting as we keep the pace in leading the industry and matching global standards in energy solution.

We acknowledge that the challenges we face are not peculiar to only our business, however, our understanding of and preparation for these issues aids our ability to remedy its impact on revenue and places us on the path towards sustainability.

Thank you.

Folake Soetan
Chief Executive Officer
Ikeja Electric Plc.





Managing Sustainability (Message from the Sustainability Lead)



Sustainability has remained at the core of business transition. How organisations operate and the activities they embark on are continuously scrutinised for impact. Over the years, the social responsibility of businesses has evolved. In contemporary times businesses do not just exist for economic gains, their existence is about a holistic sense of creating shared value between them and society. This realisation became more evident during the COVID-19 pandemic. For us at Ikeja Electric, this was about how we partnered and supported our employees, customers, consumers, and communities to deliver sustainable outcomes.

The social and economic uncertainties experienced in 2020 due to the COVID-19 pandemic did not deter our commitment and steadfastness in providing our customers with sustainable energy supply.

Our top priority was the safety of our employees, and as such,

we prioritized and provided our employees with a secure working environment – irrespective of their location. COVID-19 virus from spreading throughout our business and interactions with customers and established a COVID-19 business continuity response plan to engender social distancing, protection, safety, and invariably ensure our esteemed customers had reliable power supply.

Sustainability has always been a focus for Ikeja Electric, and this was reflected in our approach to managing the pandemic and keeping hope alive for our customers.

We made considerable progress and impact in 2020 as presented in our environmental, social, and economic performance in this Sustainability report. We were able to keep our current staff and hire new ones.

We invested in digital infrastructures and tools for our people to improve their learning and work delivery in the face of global uncertainty.

Our employees' collaboration and unwavering commitment to innovation enabled us to provide exceptional value to all our stakeholders. Throughout the recovery, we assisted the government and communities within our network in many ways.

Our 2020 performance amplified the importance of digital innovation in our sustainability journey. This includes minimizing energy loss, improving customer and consumer experience, and boosting payment recovery and sustainable power supply.

We are committed to satisfying the needs of our consumers and gaining the trust of all our stakeholders as we embark on the energy transition journey. As we take proactive steps to stay relevant in the energy future, we will continue to lay the bricks of bringing energy to life the Ikeja Electric way.

Yours in sustainability,

Abisola Oshinusi
Sustainability Lead



About Ikeja Electric Plc.

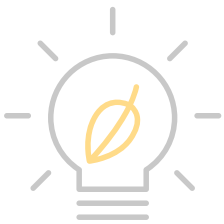


According to the World Bank, over 55% of citizens have access to electricity while 85 million people are out of the power grid coverage in Nigeria. As a responsible company, in achieving SDG 7, we are improving our operational efficiency and market reach at Ikeja Electric so as to provide sustainable and affordable energy for all and enhancing access to power, while enhancing Nigeria's energy decarbonisation.



About Ikeja Electric Plc.

CORPORATE PROFILE

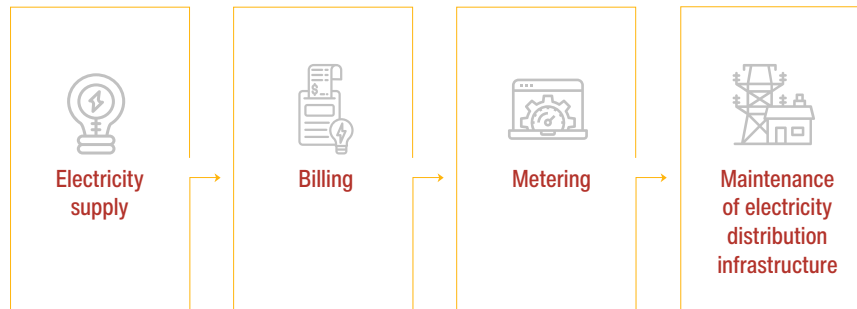


Ikeja Electric Plc. (IE), Nigeria's premier and biggest power distribution network, powers homes and organizations leveraging innovation and unwavering drive for excellence. The organisation commenced its new phase of expansion and growth on 1 November 2013, following the handover of the defunct Power Holding Company of Nigeria (PHCN) to New Electricity Distribution Company (NEDC)/Korean Electric Power Corporation (KEPCO) Consortium under the privatization scheme of the Federal Government of Nigeria.

The consortium has KEPCO which generates about 84,000MW in capacity and has an international efficiency record of a maximum down period of barely above three minutes annually as technical partners. This partnership has positioned IE to effectively drive its commitment to deliver efficient and sustainable power supply through investments in new technology, infrastructure upgrade and human capital development.

Ikeja Electric Plc. serves over 1 million customers with an unwavering commitment to its brand definition of New Spirit, New Drive and New Energy. This resolve continues to elicit a passion for service excellence and new thinking on how to empower lives and businesses across the IE network.

We are supporting our customers to continuously ensure they experience improved:



OUR VISION:

To be the provider of choice wherever energy is consumed.

OUR MISSION:

The provision of quality and reliable services to our customers and adherence to the highest standards of safety always.

BRAND DEFINITION:

New Spirit! New Drive! New Energy!

HEAD OFFICE:

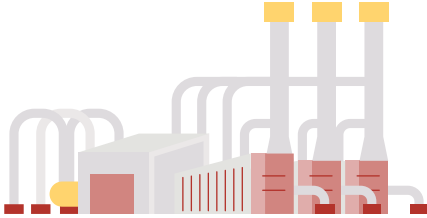
178 Obafemi Awolowo Way, Alausa, Ikeja, Lagos.

BUSINESS UNITS:

Abule-Egba, Akowonjo, Ikeja, Ikorodu, Oshodi, and Shomolu



OUR BUSINESS OPERATIONS



IE's customers are spread across our six (6) business units in Abule-Egba, Akowonjo, Ikeja, Ikorodu, Oshodi, and Shomolu overseeing a part of Lagos State and some parts of Ogun State with 16 transmission substations.

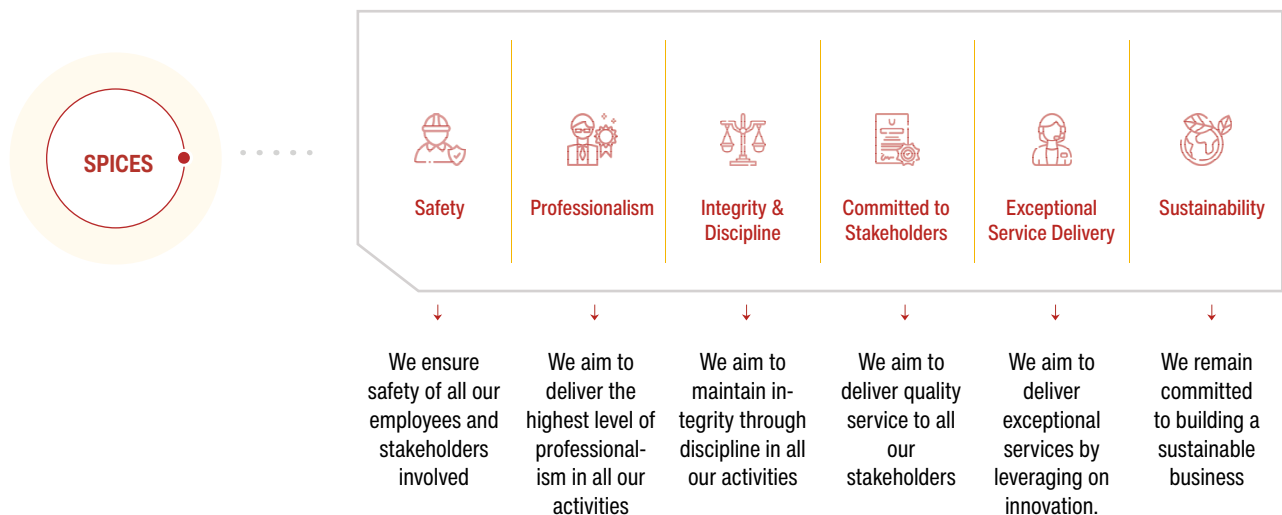
Under these business units, we serve our customers through our chain of 48 undertaking offices. Our customers are divided into two classes – residential and commercial. Ikeja Electric provides services to customers in all sectors of the Nigerian economy within our service coverage area.

We have a distribution network of 87 33kV Feeders, 272 11kV Feeders, 72 injection Substations and 14,000 Distribution Substations.

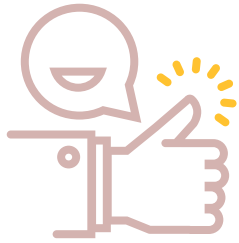


OUR VALUES

At IE, our core values are captured under the acronym – **SPICES**:



OUR BUSINESS PRINCIPLES



Our dedication and adherence to the highest standards of professionalism, ethics, and responsible business are the cornerstones of Ikeja Electric Plc's corporate success and brand reputation. It is embodied directly and indirectly in our policies, guidelines, and procedures at Ikeja Electric Plc.

Our brand values and code of ethics provide the unique identity of an Ikeja Electric professional, which guides our employees in their day-to-day responsibilities. Our brand values are five interconnected pillars of Professionalism, Versatility, Resilience, Dynamism, Service Excellence. These align with our ten codes of ethics that build on loyalty, honesty, and compliance with all laid down rules, regulations, and policies. With these principles, we will continue to demonstrate our commitment to transparency, collaboration, accountability, and quality for a resilient and sustainable energy provision for our stakeholders.

OUR CODE OF CONDUCT



Our code of conduct depicts our values in action. Our dedication to transparency, ethics and stakeholder inclusive business is guided by our 10 codes for professional conduct and ethical work at IE.

- Act with loyalty, honesty & integrity
- Demonstrate competence and quality service
- Be always of good conduct
- Ensure arm's length dealings with third parties
- Avoid all forms of conflict of interest
- Protect the use of our assets, resources, and information
- Comply with laws, regulations, rules, and policies
- Maintain accurate books of records and accounts
- Report breaches of the codes and other company policies
- Comply with all codes

Our Core Values



CORPORATE GOVERNANCE



At Ikeja Electric Plc, our effort and interactions with our stakeholders reflect our values, beliefs, and principles. We keep in mind that corporate governance is fundamental to earning the trust of our stakeholders, which is critical to sustaining the organization's success and preserving shareholder value. In line with this philosophy, the Board is committed to adopting sound corporate governance practices.

Our board members are professionals with requisite skills, competency, and experience relevant to the business in achieving our short to long term corporate strategy while meeting stakeholder needs. Our board is composed of seven (7) directors who are tasked with exercising their business judgment to act in what they reasonably believe to be the best interest of the organization, shareholders, and all other stakeholders. In discharging these obligations, the directors ensure that they adhere strictly to the laid down principles of corporate governance.

The board is committed to sound and effective corporate governance practices in line with international best practices and regulatory guidelines such as the FRC Nigerian Code of Corporate Governance. In driving a more cohesive and consistent culture that aligns with our brand values, the board of directors provides oversight over the executive management and its performance as guided by its corporate governance framework.

The Company's governance framework enables the board to fulfil its role of providing oversight and strategic direction in balance with its responsibility to ensure compliance with regulatory requirements and acceptable risk tolerance parameters. In 2020, the board was composed of seven (7) directors and discharged its responsibilities through the following committees:



Each committee has four (4) Directors designated based on their background and experiences to provide oversight on relevant duties of the committees. Accordingly, the committee chairpersons were selected in line with the requirements of the Nigerian Code of Corporate Governance (NCCG).

S/N	Committee	Chairman	Members
1	Audit, Risk and Governance Committee	Mr. Adedeji Odunsi	Mr. Adedeji Odunsi Mr. Temitope Shonubi Mr. Alex Okoh Mr. Aigbe Olotu
2	Finance, Investment and General-Purpose Committee	Mr. Temitope Shonubi	Mr. Temitope Shonubi Mr. Adedeji Odunsi Mr. Alex Okoh Ms. Ijeoma Nwogwugwu
3	Technical and Operations Committee	Mr. Alex Okoh	Mr. Adedeji Odunsi Mr. Sang-Woo Park Mr. Temitope Shonubi Mr. Alex Okoh



The board is chaired by Mr. Kola Adesina, a non-executive director. In line with our diversity and inclusion policy, we are committed to a diverse and inclusive leadership at Ikeja Electric Plc. Currently, 1 out of the 7 members of the board is a female and an independent director.



OUR CAPACITY - OUR PATH AND PEOPLE

Our distribution network across Lagos and Ogun state is summarised below:

Business Units (BU)	6
Transmission Substation	16
33/11 kV Transformers	160
33/0.415 kV Transformers	1257
11/0.415 kV Transformers	15960
Installed Transmission Capacity	2375MVA
Installed Transformer Capacity(33/11kV)	2092.565MVA
Installed Transformer Capacity (33/0.415kV)	526.135MVA
Installed Transformer Capacity (11/0.415kV)	3426.652MVA
Route Length 33 kV Feeders	901.320593732203 ckt km
Route Length 11 kV Feeders	2449.04744849004 ckt km
Longest Urban 33 kV Feeder	196.44726882374 ckt km
Average Route Length of Urban 33 kV feeder	13.2286655780926 ckt km

OUR WORKFORCE

With a workforce of 3185 people, we deliver top-notch power services across our 6 business units in Lagos and Ogun State. These employees are dedicated to our mission and vision and are continuously striving to achieve our vision of becoming the provider of choice where energy is consumed while providing quality and reliable services to customers and always adhering to the highest standards of safety.



Sustainability as our Core Business: People, Planet and Profit



As a catalyst for sustainable development, Ikeja Electric recognises the importance of the energy sector in creating a better tomorrow, from today. Our commitment to sustainability is integrated in our approach to business and we have prioritised four major imperatives for creating long term value for our stakeholders – through the impact on our people, our conduct, our society and our environment.



Sustainability as our Core Business: People, Planet and Profit

Sustainability at Ikeja Electric Plc.

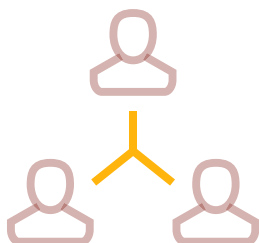


As a utility service provider, we understand that we are operating a business that has significant impact on the lives and businesses of our stakeholders. We understand the importance of balancing the social, environmental, and economic needs of the business without compromising the ability of future generations to meet theirs. This understanding is at the heart of our sustainability commitment. We value accountability and transparency in our relationships with our key stakeholders, as these are the pillars of continued good governance.

Our sustainability commitment is enshrined in our Corporate Governance Business Principles.



KEEPING OUR STAKEHOLDERS INVOLVED



We believe that the success of a business is built on trust and long-term relationships with stakeholders. As a result, we heed the opinions of our key stakeholders when setting our strategies under the economic, social, and environmental pillars. Accordingly, we consider these in defining our annual objectives as we endeavour to create our future in conjunction with our stakeholders. In 2020 we engaged our stakeholder through various means. The frequency of engagement varied with their area of influence and interests in our business decisions and activities.

Internal Stakeholders: Board of Directors, Executive management, Senior Management, Middle level managers, Junior level employees, etc.

External Stakeholders: Customers: Maximum Demand (MD), Non-Maximum Demand (NMD) and Bilateral Customers

Government (Federal Ministry of Power, Nigerian Electricity Regulatory Commission (NERC), Bureau of Public Enterprises (BPE), Nigerian Bulk Electricity Trading PLC (NBET), Transmission Company of Nigeria (TCN), Federal Competition and Consumer Protection Commission (FCCPC), Judiciary, National Assembly, Lagos State Government, Licensed Electrical Contractors Association of Nigeria (LECAN), Nigerian Electricity Management Services Agency (NEMSA)) Local Government (Local Council Development Areas Community Development Community CDCs).

The Media; Journalists, Reporters, Media houses, Online Influencers, Energy correspondents, Radio Presenters. Security: Nigerian Police Force (NPF) Nigeria Security and Civil Defence Corps Suppliers, etc



OUR 2020 MATERIAL TOPICS

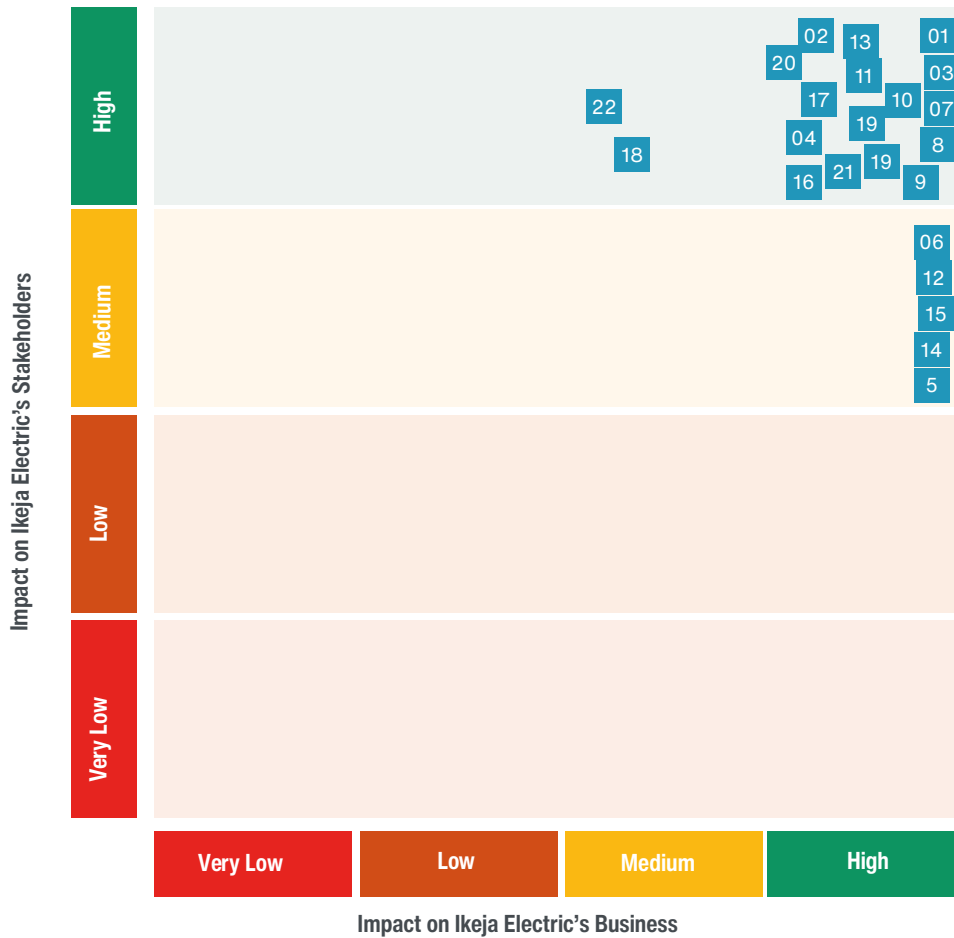


To determine topic areas which can be material to be reported on this edition, we carried out a materiality validation workshop where we considered our current subject matter and verified their level of materiality for the reporting duration. Also, we have taken into consideration international and enterprise traits among different factors to discover new material topics. The method takes into consideration the input of each internal and external stakeholders on what topics had been most applicable and impactful to them in future

Resources used to identify material topics

- Review of prior year material topics
- External benchmark of topics reported by peers in the power distribution industry
- Internal and external stakeholder engagement





- | | |
|--|--|
| 1. Improving Electricity Distribution | 12. Governance and Business Ethics |
| 2. Economic Performance | 13. Community Engagement |
| 3. Digitization | 14. Customer Service and Satisfaction |
| 4. Responsible Procurement Practices | 15. Human Rights |
| 5. Research and Development/
Operating Efficiency | 16. Community Safety |
| 6. Regulatory Compliance (economic) | 17. Employee Engagement and
Development |
| 7. Business Continuity | 18. Diversity and Inclusion |
| 8. New Service-based Tariff Regime | 19. Employee Mental Health |
| 9. Remote work Post-COVID-19 | 20. Regulatory Compliance
(Environmental) |
| 10. Employee Health and Safety | 21. Environmental Protection |
| 11. Customer Relations | 22. Climate Change |



2020 Sustainability Achievements and Progress



Creating shared values for our stakeholders, society and customers have helped us to future-proof our business, leveraging digital technology



Advancing workplace sustainability



Key to our business success is excellent service delivery to our stakeholders. They play an important role in our sustainability journey and we have continued to create unmatched value for them through different mediums. Furthermore, we are engaging them in improving how we impact them and vice versa.

OUR PEOPLE



At Ikeja Electric, we invest in our people as they are imperative to the success of our business. We support a diverse labor force which effectively collaborates towards achieving our vision. We continually develop our people and provide them with the requisite resources for their improved performance and social welfare.

In 2019, we had a total of 153 new joiners with 22 of them being senior management staff. Despite the effects of the pandemic, we recorded an increase in the number of senior management staff from our local community, with a rise from 2 to 3 between 2019 and 2020, increasing the percentage from 9% to 14% in 2020.

	2018	2019	2020
Total number of employees (male)	2509	2538	2527
Total number of employees (female)	601	625	658
Total	3110	3163	3185

EMPLOYEE ENGAGEMENT AND DEVELOPMENT



Despite the restrictions caused by the pandemic, our staff completed 56 training courses across technical and non-technical areas. This is about 41% lower than the number of courses in 2019. We have our training policy in place that provides principles and guidelines for identification, design, administration, delivery and reporting learning and development intervention in Ikeja Electric Plc. The policy further outlines the responsibilities of the Company towards its employees with respect to training and development, as well as the responsibilities of line managers and their employees who are undertaking training.

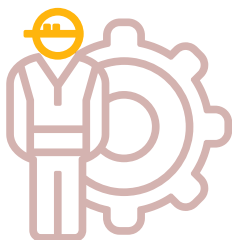
To improve employee development, we implemented leSpark, an online learning platform for all our employees. In 2020, we recorded 2,570 course enrolments on the platform, as our staff uptake in the first month of deployment was 80%, well above the global average of 60%. We moved almost all our soft skills training to the leSpark platform after implementation. Learning on the go and in real time has resulted in increased training performance and compliance with set targets across the organization.

We also launched a flagship project, IE metering academy, in 2020. Through the metering academy, we have trained 243 staff, 46 of which scaled through the non-maximum demand (NMD), maximum demand (MD) and the grid programmes.



37 trainees got certified by the National Power Training Institute of Nigeria (NAPTIN) in the year. 197 Energy Sales Representatives (ESR) participated in the NMD school and 117 of them are due to be certified by NAPTIN in 2021.

EMPLOYEE HEALTH AND SAFETY



We at Ikeja Electric operate a conducive working environment that is safe, open, rewarding, and one which serves as a key factor to our productivity at heart. We ensure that all risks are identified and under control, as the safety of our staff is paramount. Every operation is guided by health and safety regulations and law which are duly followed.

In 2020, we conducted hazard identification and risk assessment for all our projects and operations. In instances where incidents occurred, incident investigation forms were completed, and immediate mitigation response action were taken to contain the situation. At the end of 2020, we recorded 15 incidents across our offices and facilities.

S/N	YEAR	NO OF INCIDENT REPORT	INCIDENT
1	2018	23	17 Injury/Fatality Incidents (Staff and Third Party) and 6 Non-Injury Incidents
2	2019	15	13 Injury/Fatality Incidents (Staff and Third Party) and 2 Non-Injury Incidents
3	2020	15	13 Injury/Fatality Incidents (Staff and Third Party) and 2 Non-Injury Incidents

In 2020, we also kickstarted the IE Telemedicine Scheme in response to the COVID-19 restrictions. This measure provides all Ikeja Electric Plc staff the access to medical support through a mobile application. This process helped to reduce the waiting time at hospitals and saved lives during emergencies.



Enhancing our business operations

Our primary commitment is to provide steady and sustainable power distribution across our market coverage. We have deployed digital and other innovative systems to achieve our key strategies to increase workforce productivity, optimise performance and improve customer service delivery. Through these, we are enhancing business performance, enabling economic growth, and achieving corporate success for us as an entity.

Our investment in power distribution, retail and commercial facilities reflects pragmatic decision-making.

ECONOMIC PERFORMANCE



At Ikeja Electric, our year started on a high note, with an overall goal to increase monthly revenue collection from N8 billion peak in 2019 to N10 billion and reduce ATC&C loss to 15.2%. To drive the growth and productivity of the business, our management focused on optimizing revenue across, driving workplace productivity, deploying technology around the organization's processes, improving customer service delivery, and implementing QAQC plans across various departments.

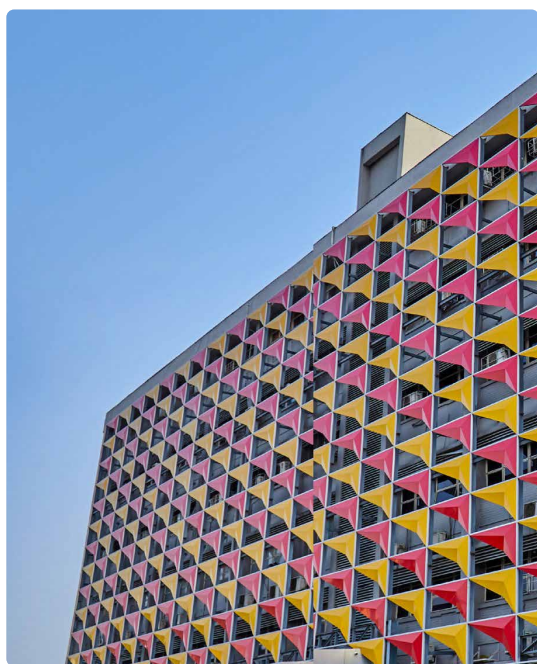


Table 1: Customer population per business unit

Business Unit	2019	2020	Percentage Increase
Abule-Egba	153,380.00	160667.00	4.75%
Akowonjo	202,374.00	216057.00	6.76%
Ikeja	80,086.00	84822.00	5.91%
Ikorodu	223,762.00	239025.00	6.82%
Oshodi	218,309.00	232107.00	6.32%
Shomolu	138,011.00	147131.00	6.61%
GRAND TOTAL	1,015,922.00	1,079,809.00	6.29%

Table 2: Customer population per tariff class

Customer Class	2019	2020	
Residential	760,305	815727	7.29%
Commercial	232,966	238932	2.56%
Industrial	5,422	5592	3.14%
Special (government, religious institutions)	17,035	19341	13.54%
Streetlight	194	217	11.86%
Total	1,015,922	1,079,809.00	6.29%



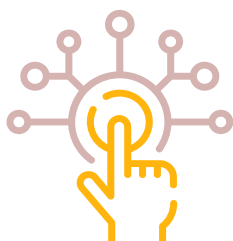
In a daring move, we diversified our revenue by creating new non-energy streams of income. They are broadly classified into five and included the following.

- **Leasing:** Monetization of IE physical assets via lease agreements with 3rd party service providers e.g., Adwrap
- **Data monetisation:** opportunities for commercial value extraction from IE business data e.g., PowerKYC
- **Digital commerce:** niche digital platforms to facilitate buyer-seller exchange of goods and services e.g., IE Marketplace, QEC
- **Physical products:** production partnerships with leading OEMS for IE branded electrical items e.g., IE Cables
- **Services:** specialized products to meet specific customer needs e.g., Singleview

Details of these services can be obtained from our website, www.ikejaelectric.com



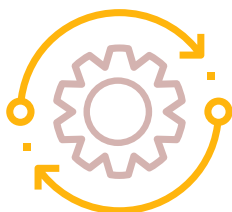
DIGITIZATION



Metering remains the core focus of the commercial team to ensure reduced losses and improved energy accounting. While we focus on closing the metering gap in the short term, the deployment of the intelligent data box (IDB), which independently measures consumption and curbs energy theft will help improve efficiency and reduce losses in the long term.

In what was a key part of our year, multiple IT transformation projects were deployed; some of which include the IE WhatsApp Bot, customer enumeration software and EBM V2, which significantly improved customer experience, increased customer enumeration as seen below and improved the monthly customer billing process.

IMPROVING ELECTRICITY DISTRIBUTION



Our priority is to maintain top-quality supply reliability and customer service. Alongside the agreed strategies for the year, Ikeja Electric's performance improvement plan (PIP) was reviewed in line with the service based tariff (SBT) and was broken down into short-, medium-, and long-term strategies. For short to medium term processes, we are currently working towards investing in network optimization and expansion, to support the intake of more energy into the network.

Although we could not achieve all our planned projects and initiatives due to the pandemic, we were able to execute some which had a significant impact on our performance and energy level including the Initiative for Sustainability. Through the initiative, our energy distribution level grew from 4249GWh in 2019 to 4541GWh in 2020. However, the pandemic presented some limitations in meeting our target of 5257GWh for the year.

See below, a computation of our initiatives and strategies implemented.

Table 3: Initiatives and Strategies Implemented in 2020

Objective	List of Planned Initiatives for 2020	Status (Achieved/Not Achieved / Suspend- ed/Modified)	Impact on Business Performance (Positive/Negative)
Improved Customer Service Delivery	Implement Technical Hub across the business	Partially Achieved: Technical Hub/IE force has been achieved for the 11kV/33kV Feeders across the Business since April 2020.	Positive: Reduced the TAT for feeder outages and proper documentation of our feeder outages
		Rolling out IE force for 415V across the business left to be achieved	



Business Growth/Revenue	Network Expansion Projects	Partially Achieved: 33kV Feeders	Positive:
	<ul style="list-style-type: none"> 8 No. 33kV feeders 13 No. 11kV feeders 2 No. approved 33kV Project in 2020 Total=23 	<ul style="list-style-type: none"> 1 No. Completed 3 No. Ongoing 4 No. Awaiting Board Approval 11kV feeders 11 No. Completed 2 No. Ongoing 1 No. 33 kV feeder completed 1 No. Ongoing 	<ul style="list-style-type: none"> To relieve overloaded feeders in the network Achieve network stability and improved the wheeling of energy. Incremental energy and revenue of N97,017,000.89 and 4,042,375kWh respectively as at Q3. Incremental load of 20.6 MW
Business Growth/Revenue	Upgrade of network infrastructures in Bilateral Power locations	Achieved Upgrade network infrastructures in 5 Bilateral Power locations	Positive: Revenue Optimization and improved customer satisfaction
Improved Customer Service Delivery	Predictive maintenance of 150 Feeders	40% achieved 60 feeders maintained YTD	Positive
Improved Customer Service Delivery	Preventive Maintenance on 3000 DTs	75% achieved <ul style="list-style-type: none">2318 DTs maintained	Positive: Improved customers experience. Reduce down-time and asset failure
Improved Customer Service Delivery	Design new feeders and injection stations	Achieved <ul style="list-style-type: none">12 number of 11kV10 number of 33kV4 number of ISS design	Positive
Business Growth	Roll out 250,000 QR code tag placement for all enumerated customers using QR code- tagging application	78% Achieved <ul style="list-style-type: none">194,822 QR Codes Tagged	Positive: Improved operational efficiency and ease enumeration and tariff classification. Ease access to customers details

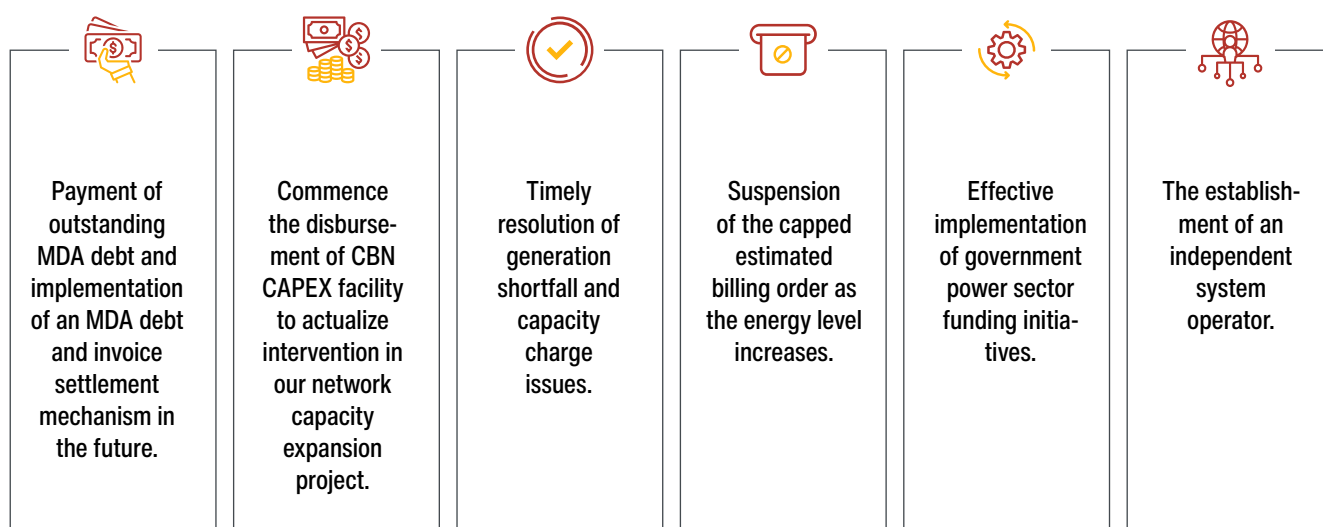
For the next year, we have set plans to enhance the level of power supply and associated services provided to IE customers while optimizing revenue in a sustainable manner while investing on our infrastructure. Below are some of the plans:



Table 4: Performance Improvement Plan for 2021

- Installation of additional 240 transformers to relieve existing overloaded transformers on feeders with the capacity for it (non-overloaded feeders);
- Provision for 200 (1% of total transformers) transformers to address newly overloaded transformers and existing transformer failures;
- Replacement of panels in 21 injection substations;
- Installation of protective equipment in 64 injection substations;
- Installation of 17,903 distribution transformer (DT) monitoring equipment for real time update of DT functional status;
- Standardization of top 20% of substations (fencing and feeder pillars);
- Installation of protective equipment of top 20% substations (D-fuse, gang isolators, lighting arresters);
- Installing NARI relays to protect broken conductors on 95 feeders;
- Rehabilitation (focused feeder maintenance) of the 343 high tension (HT) feeders;
- Rehabilitation of low tension (LT) feeders to support the NMD metering roll out.

Other IE Sustainability Plans



In the long term, there is a focus on network automation geared towards building redundancies and resilience across the ecosystem to maintain the service level required by the customers and regulators. Technical operations will be focused on reducing turnaround time on fault resolutions and the frequency of interruptions.



RESPONSIBLE PROCUREMENT PRACTICES



Our procurement at Ikeja Electric is governed by our Board-approved Supply Chain Management Policy (SCMP) which works in tandem with our supply chain management System (SCMS). We employ the SCMS for our procurement-related functions to ensure goods and services are procured at optimum prices, service delivery is efficient, and waste is minimised. The SCMP articulates the procedures and processes guiding the implementation of our supply chain management system and regular SCMS Standards sessions are conducted for all stakeholders.

To deliver profitable returns for our investors and distribute affordable electricity to our customers, we thoroughly evaluate all vendors and suppliers within our supply chain through a third-party contractor. The assessment process includes conducting KYC on the vendors, suppliers and contractors while monitor the process and the documentation of the third-party due diligence exercise for transparency and accountability. In addition to submitting documents to assess their technical, compliance and financial capacity, vendors are also required to submit evidence of their corporate social responsibility (CSR) and corporate environmental and governance policies for screening. All suppliers undertake a quality, health, safety, and the environment training to make them proficient in our QHSE standards. Upon completion of the project, we ensure prompt processing of invoices and in case of payment delays, we communicate on time.

Using Actura as our procurement process platform, we have automated our operations and improved service delivery to internal stakeholders when requesting for materials and services. Our supply chain team also worked with all departments in ensuring materials procured are used for the purpose stated at the point of request and not wasted.

GOVERNANCE AND BUSINESS ETHICS

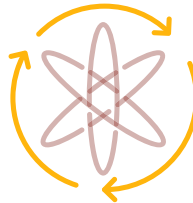


At IE, we strive to live up to our vision, mission and core values by integrating sustainability into every aspect of our operations and corporate culture. This commitment is reflected in our key corporate policies and is supported by our management systems as mentioned throughout this report.

Our corporate governance processes and code of ethics and professional conduct ensure operational transparency, which underpins business resilience. We believe that good governance and sustainable business practices go together, enhancing the ability of our business to innovate and adapt in today's world of heightened risk and uncertainty.

As stated in our code of ethics, compliance at Ikeja Electric is everyone's responsibility. All employees are provided with the code and we ensure that the guidelines are communicated on a regular basis. Our directors renew their commitment to this code on a yearly basis. Our employees and other stakeholders are also guided by the same high standards of ethics. Ethics trainings and assessments are annually undertaken by our management and staff to keep our values at the forefront of all business operations.

RESEARCH AND DEVELOPMENT



We continue to invest in research and development and innovative technology that have the potential to yield sustainable returns. For us, research and development (R&D) is an important vehicle for the achievement of a wide variety of our societal and policy goals. It also provides powerful knowledge and insights, leads to improvements to existing processes where efficiency can be increased, and costs reduced. Three of our most remarkable research and development ventures include:

1. Geographical Network Management System (GNMS)

This makes use of geographic and spatial data collected from our geographic information systems to create an interface through which we can manage independent components inside the bigger network management framework.

Some of the benefits of the GNMS are:

- It has enabled maintenance engineers to troubleshoot faults with the information displayed for the 33kV and 11kV feeders.
- It provides a more granular view for a selected feeder showing its connected DTs and even the customers under them.
- It helps to ensure that views can be assigned per Undertaking (UT) to display technical assets and their status at every point in time e.g., a UT can see the total energy on



- each layer of its assets
 - It allows all assets on the network to be displayed such that the information can be streamlined according to the requirements of the business.
 - It sends fault notifications immediately a fault is detected.
 - It provides detailed information on the nature and cause(s) of faults.
2. **DT Remote Monitoring:** This is a device installed on distribution transformers for remote access and monitoring the operations status of fixed assets like distribution transformers.
 3. **Deployment of iForce:** We deployed this workforce management tool for organisation daily operations and task related to fault management

REGULATORY COMPLIANCE



We operate within a framework of corporate governance processes, guidelines and policies that are aligned with the Companies and Allied Matters Act (CAMA) including the CAMA 2020 set out by the Corporate Affairs Commission, as well as all applicable laws, policies, and regulations.

Our risk management team reviews and interprets applicable laws, policies, and regulations for compliance by each relevant department. Our compliance function ensures continuous update of new policies and alignment of our business to legal requirements. We have continued to make our contributions to the development and implementation of national and state policies for sustainable development.

BUSINESS CONTINUITY



Although the organization was very optimistic at the beginning of the year, 2020 was characterized by a myriad of challenges and its accompanying effects on the business specifically in Q2 and Q4. The COVID-19 pandemic and the lockdown period impacted operations and revenue collection which resulted in a spike in ATC&C losses. However, we adapted to the resultant changes by increasing safety advocacy and improving our business resilience. We issued a COVID-19 Business Continuity Protocol with guidelines aligned to the World Health Organization (Situation Report - 99) on COVID-19. Additionally, we issued the Incident Management Protocol for direction on response to infection and the Business Continuity Protocol for Partial Lockdown. Using technology, as an essential service provider, we implemented remote working for non-critical personnel while increasing seamless collaboration. We equipped onsite and field staff with masks, performed temperature checks, and provided sanitation materials to avoid spread of infection. Safety posters were placed at strategic points and online campaigns were organised for awareness.

The 'EndSARS' protest also had a negative impact on the collection efficiencies of the business and left the business with indelible damages running into millions of Naira. Furthermore, the removal of fuel subsidies, economic inflation, and the increased tariff due to the introduction of the service-based tariff (SBT) regime further increased the inflationary pressures which resulted in customer apathy to payment, thereby causing a significant drop in collection efficiency.

Nevertheless, our net sales increased by 24% in 2020 when compared to 2019, and our total equity almost doubled. Our total assets compared to 2019 increased by 16% in 2020.



Table 5: Total Assets in 2019 and 2020

	2019	2020
Net Sales	100,588,240,000	125,094,289,000
Total Capitalization (debt)		
Total Capitalization (equity)	11,811,241,352.5279	22,649,411,353
Total Assets	154,500,602,324.129	179,264,886,223

CUSTOMER RELATIONS



As one of the most critical electricity distributors in the state, we maintain close dialogue with our stakeholders to ensure that the energy needs of our society continue to be met. We provide services to a vast range of customers in all sectors, who are connected to grid supply within our service coverage area. Compared to the last year, our customer population increased by 6.2% from 1,015,922 to 1,079,809.



Table 6: Customer population per business unit

Business Unit	2019	2020
Abule-Egba	153,380.00	160667.00
Akowonjo	202,374.00	216057.00
Ikeja	80,086.00	84822.00
Ikorodu	223,762.00	239025.00
Oshodi	218,309.00	232107.00
Shomolu	138,011.00	147131.00
GRAND TOTAL	1,015,922.00	1,079,809.00

We constantly ensure that customers get communications on operations that enhances access to the services we render.





Promoting environmental stewardship

Ikeja Electric recognizes the impact of its operations on the environment, as well as the impact of environmental risks on the company's long-term viability. We have remained at the forefront of environmental sustainability and climate resiliency efforts.

ENVIRONMENTAL PROTECTION



At Ikeja Electric, we are dedicated to the security and safety of the communities we serve through our distribution network. This also includes protecting them from environmental threats. We believe that alleviating poverty and hunger, as well as ensuring universal access to education and healthcare, requires affordable, reliable, and sustainable electricity. As a result, we continue to invest in cutting-edge technology that will help in creating a more sustainable future.

In 2020, our ISO 9001:2015 Quality Management System, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety certifications were renewed for our Head Office, following an external audit. These management systems make up our integrated management system at Ikeja Electric. The audit identified areas of strength and improvement areas which we have updated in our environmental aspect register for action. Our Quality, Health, Safety and Environment (QHSE) team track our performance and ensure effective management of the risks.

ISO 9001:2015, ISO 14001 and ISO 45001 Certified

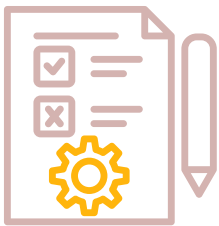


We have strengthened our employee and customer awareness through a variety of digital tools, including social media, to emphasize the need of sustainable energy use. We have guaranteed that all high-energy-demanding equipment are replaced with environmentally friendly ones, and we have decreased paper printing in our offices.

Our e-billing system, which we launched in 2019, has been a huge success. This transition to this digital billing system has resulted in a significant reduction in paper usage and was particularly useful in driving collections during the COVID- lockdowns. The resultant effect of this initiative is that it helps in reducing deforestation and the demand for natural resources used to print papers, which is crucial to re-energizing our planet and contribute to the Paris Climate Agreement's goals.

This transition to a digital billing system has resulted in significant reduction in paper usage and improved billing processes

REGULATORY COMPLIANCE



We take pleasure in being the industry leader in terms of regulatory compliance at IE. In 2020, we reported zero fines for non-compliance with any regulatory requirement, as we have exemplified in 2019. In accordance with Section 3b, Part 1 of the National Environmental (Energy Sector) Regulations 2014, (a subset of NESREA Act, 2007), we conduct an environmental audit every 3 years across our facilities. This is a demonstration of our firm commitment to our company's strong ethos and laws. In accordance with global best practices, we will continue to engage our regulators on a frequent basis in enhancing our relationship and achieve excellent performance.

In 2020, we recorded zero fines for non-compliance with any regulatory requirement

CLIMATE CHANGE



We recognize the importance of taking climate action, and we believe that this decade will be essential in transitioning from Code Red to Code Green, which is why we are fully committed to doing our part.

Over the last year, we've taken various initiatives to demonstrate our growing commitment to global climate change action, particularly in line with Nigeria's National Determined Contributions (NDC). We believe that providing clean, affordable, and sustainable energy is critical in combating climate change and reducing the impacts. We continue to lower our carbon footprints by reducing our energy use, making our facilities more energy efficient, collaborating with strategic partners, and prioritizing responsible procurement practices.

We are aware of the transition to renewable energy and will continue to provide our customers with sustainable energy while protecting the environment.





Engaging with our community

Our Corporate Social Responsibility Initiatives

At Ikeja Electric, we are committed to the people we serve and continue to ensure a wholesome relationship with the community we work. This is reflected in a series of initiatives that have characterised the past year. We believe doing this is not just good for the business but it's also the right thing to do.

In 2020, we embarked on a series of community-based initiatives as follows:

HEALTH CARE

Donation of Phototherapy Machine: The Employee Volunteer Scheme of Ikeja Electric donated a phototherapy machine to the infant ward of Ikorodu General Hospital. This is to help in the fight against infant mortality especially for children born with jaundice.



Safety Starts with Me Campaign: This year, we held the maiden edition of the “Safety Starts with Me Campaign” in the Oshodi operational area. This campaign was aimed at sensitizing children on electricity safety while also showing them the dangers of electrical hazards. This was done in an interactive teaching style using familiar household appliances and the safety measures around them.





World Malaria Day: In recognition of global efforts to reduce the burden of malaria and its devastating effects, we marked the World Malaria day across the six business Units. During this event, we sensitized the communities as well as our staff on Malaria and the steps to reduce the scourge of this preventable and deadly disease. We also distributed free mosquito nets and foodstuff to participants.



CHILDREN'S DAY OUTREACH

At Ikeja Electric, we believe in the unique strength of children and dreams they all carry. Thus, we joined the whole world in marking the International Day of Children on May 27th by visiting underserved children in Amuwo and Alagbole, a waterside community. We donated relief school and educational materials to encourage continuous learning during the lockdown of schools occasioned by the COVID-9 pandemic.



IKEJA ELECTRIC'S OPERATION MASK UP

In a bid to contribute to the fight against the spread of the COVID-19 Virus, we donated protective facemasks to residents of the Arowolawun community within the Shomolu business. Also, the team visited the Lagos State Waste Management Authority (LAWMA) head office at Ijora to donate over 3000 facemasks to its street sweepers.





DONATION OF MEDICAL CONSUMABLES

As part of IE PCSR activities, we visited three (3) primary health centers across 3 business districts namely, Akoka Primary health centre (Shomolu), Powerline Primary Health Centre (Akowonjo) and General Hospital Agbowa (Ikorodu) and presented them with hospital management medical consumables to assist in the fight against the COVID-19 pandemic and other diseases of public health concern.



GLOBAL HANDWASHING DAY

As part of this year's celebration of Global handwashing day; a day dedicated to teaching/ motivating people around the world to improve their hand washing habit, Ikeja electric in collaboration with DRASA Foundation, visited Ipodo Market in Ikeja Business unit on the 12th of November to teach and sensitize the market women on the importance of proper hand washing especially in the face of the global COVID-19 pandemic while also donating handwashing kits.



PROJECT ZERO

Ikeja electric Partnered with the Lagos State Universal Basic Education Board (LASUBEB) to sponsor two hundred (200) out of school children back to school through the project zero initiative; an initiative set up to combat the rate of school drop out for various economic reason flagged off on the 19th of November at the LASUBEB multipurpose hall Maryland Ikeja.





SEASON TO SHARE

In the spirit of the yuletide season, we donated provisions to support families and communities in our Initiative tagged “Season to Share”. The ‘Give Back Team’ who are members of IE’s Employee Volunteer Scheme (EVS) visited different communities under all 6 business units to donate the items to community members.

NEW SERVICE BASED TARIFF REGIME



In furtherance of our commitment to service delivery and for equity, we implemented the service based tariff (SBT) as approved by our regulator, NERC. Under this regime, the tariff classification is based on quality of service and is therefore divided into 5 bands (A – E) measured by the average availability of power supply over a month, interruptions (frequency and duration), voltage levels and other service parameters. This change was necessary for the Nigeria electricity supply industry to cover the cost of operations and to ensure improved service delivery. We communicated this change with our customers and gave adequate time for the readjustment.

HUMAN RIGHTS



People are at the heart of IE operations and strategy. Providing a safe, fair, and respectful work environment is embedded in our culture, operations, and policies and procedures. Our ideals are built on the UN Guiding Principles on Business and Human Rights. Driven by these standards, we strive to respect the fundamental dignity of everyone we might affect directly through our operations, products, and services and indirectly through our business relationships across our network. We prohibit discrimination or harassment against anyone based on race, colour, religion, national or ethnic origin, ancestry, sex, gender, marital status, age, disability, or any other characteristic protected by law. IE respects workers’ rights to freedom of association, privacy, working time, wages, and hours, as well as prohibiting forced, compulsory, and child labor and employment discrimination in our operations and business partnerships.



STAKEHOLDER ENGAGEMENT



Recognising the diversity of our stakeholders and the important role they play in our business, we regularly engaged them to enhance cross-functional collaboration on issue management, generate ideas and build a lasting partnership to create prosperity now and in the future. Living by this social contract, the following activities were organised putting our stakeholders in consideration in the 2020 reporting year.

- We sensitised executive and members of community development associations (CDA) under our business unit on load shedding
- A customer forum was organised to resolve customer complaints.
- Market women and youth leaders were sensitized across our network to understand efficient energy management
- We organised a customer appreciation day to reward our faithful and trusted customers.
- A media roundtable was held with energy correspondents, as well as a forum with customers held in conjunction with NERC.

COMMUNITY SAFETY



We recognise that safety is paramount in conducting our business activities, and we are committed to ensuring safety not only for our staff but also for the communities in our area of operation. We have further strengthened our Network safety monitoring initiative which allows for round-the-clock electrical asset surveyance by special teams who patrol the entire network armed with multimedia gadgets which allow them capture damaged assets and imminently dangerous connections in real time. Apart from the upgrade in our facilities, regular maintenance, and monitoring, we have also been upfront in providing safety awareness to customers. Recognising that children are often vulnerable to safety incidents, we organised a "Safety starts with me" Campaign where we sensitised children on the importance of safety and how to be safe at home. This is in furtherance of our company's health and safety mandate.

CUSTOMER SERVICE AND SATISFACTION



In our continued efforts to serving our customers better, we increased our energy level from 4249GWh in 2019 to 4541GWh. Although the pandemic limited achieving our target of 5257GWh, we were able to execute some projects and initiatives which had a significant impact on our performance and energy level. We implemented technical hubs across our business areas, and this has reduced the TAT for outages and documentation of our outages.

We also upgraded network infrastructures in 5 bilateral power stations to which greatly improved customer satisfaction with our services. Furthermore, 60 feeders have been maintained YTD and a preventive maintenance of 2318 distribution transformers to reduce downtime and asset failure. In addition, the roll out of 194,822 QR codes improved our operational efficiency and eased enumeration and tariff classification which in turn eased access to customer details in the case of any complaints. All these initiatives implemented had an overall positive impact on our service delivery and customer satisfaction and therefore reinforced our commitment to providing them with quality service and optimum comfort.



The Future of Energy



Improving energy access and reliability of power is key to reducing poverty and unlocking economic growth in the aftermath of the global COVID-19 pandemic.



Closing the energy gap in nigeria

Improving energy access and reliability of power is key to reducing poverty and unlocking economic growth in the aftermath of the global COVID-19 pandemic. Nevertheless, a report by the International Energy Agency and the World Bank has identified Nigeria to have the largest energy access deficit in the world. According to the report, only 55% of Nigerians had access to electricity in 2019, leaving about 88 million Nigerians without access to grid electricity. This is especially pronounced in the rural areas where 74% of the population do not have access to electricity. Furthermore, the 2020 World Bank Doing Business report highlights that electricity access is one of the major constraints for the private sector as Nigeria ranks 159 out of 190 countries in electricity supply. This has resulted in annual economic losses estimated at \$26.2 billion which is equivalent to about 2 percent of national output.

A study conducted by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on Nigeria's energy use reveals that electricity demand is expected to rise significantly to 213,122 MW by 2040. This is expected to compound Nigeria's energy deficit, if we do not address our energy access and availability with a focus on clean energy. Rapid growth in urbanization and population growth is expected to drive household electricity demand, which has the largest share, at rates more than twice global averages. Industrial and commercial demand is also expected to increase in the short run. Although the challenges plaguing electricity supply in the country have been observed to be multi-dimensional, several factors such as infrastructural constraint, insufficient end user tariff/pricing, inability to reduce aggregate technical, commercial and collection (ATC&C) losses, sector cash shortfall and sector governance have been continuously highlighted to be primary causes of the observed energy gap in the country.

To surmount this obstacle, Ikeja Electric has continued to implement projects and initiatives which are geared towards improving performance and energy level in the power sector through resolving energy inefficiency in power generation and distribution across its business units. To achieve this, Ikeja Electric has focused on improving its network infrastructure to reduce ATC&C losses, improve revenue collection and increase customer satisfaction in its operations.

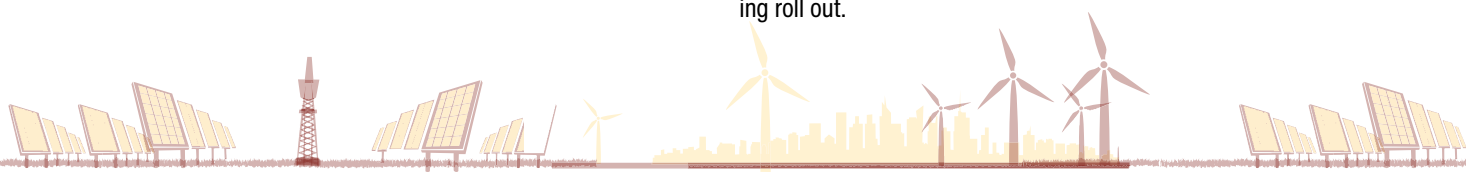
According to NERC, the biggest challenge the distribution sector faces is the level of distribution losses. This includes technical, commercial (energy not billed for), and collection losses (energy billed but not paid for). In 2014, approximately 46% of energy was lost through technical (12%), commercial (6%), and collection

losses (28%). As a result, innovative solutions such as QR code tagging was introduced by Ikeja Electric to improve operational efficiency and ease enumeration and tariff classification across its business units.

Using QR code-tagging application, Ikeja Electric had aimed to roll out 250,000 QR code tag placement for all enumerated customers in 2020. However, due to the challenges posed by the outbreak of the COVID-19 pandemic, only 194,822 were successfully rolled out, signifying a 78 per cent success rate. This is necessary to achieve the implementation of the newly adjusted NERC approved tariff modulations which came into effect on 1 January 2021. This is expected to improve the revenue generation capacity of Ikeja Electric and attract additional investments for network expansion and capital investment projects which are required to improve the performance of the company.

Being focused on power distribution, Ikeja Electric has also continued to invest in its transmission infrastructures such as feeders and injection stations which are critical to improving energy access across its business units. Ikeja Electric has designed and built new feeders and injection stations of various capacities. This has not only resulted in an improved access to electricity from 1,015,922 in 2019 to 1,079,809 in 2020 but has also improved grid failures and downtime as well as grew the energy level from 4249GWh in 2019 to 4541GWh in 2020. Ikeja Electric has also undertaken massive network expansion programmes which has resulted in the completion of critical electricity distribution infrastructures. This has improved network stability, improved the wheeling of energy, and helped relief overloaded feeders in the network. As a result, Ikeja Electric has been able to achieve an incremental load of 20.6 MW and incremental energy of 4,042,375kWh in 2020.

Despite our efforts at Ikeja Electric, the entire sector still has a long way to go to bridge the energy deficit in the country. Several interventions are needed to attract significant private sector capital, improve baseline power supply with data-driven innovations, and enhance sector governance to enhance the effectiveness of service delivery in the sector. Specifically, innovative on- and off-grid solutions are required to improve the operational and technical efficiency of electricity distribution, transmission wheeling capacity and redundancy, as well as improve grid design and electricity demand estimation. As a result, Ikeja Electric plans to install 17,903 distribution transformer (DT) monitoring equipment for real time update of DT functional status as well as rehabilitate low tension (LT) feeders to support the non - maximum demand (NMD) metering roll out.



Government intervention is also necessary to improve sector governance and transparency, to make contracts fully effective, as well as to improve sector communication, coordination, and monitoring.

SUSTAINABLE POWER SUPPLY THROUGH BILATERAL POWER



The Bilateral Power Initiative is an enhanced level of power supply and associated services that we offer to customers guaranteeing a minimum of 20 hours of electricity daily to contracted customers, based on a mutually agreed tariff under the willing buyer – willing seller initiative.

Ikeja Electric's commitment is hinged on excellent customer service and an enforceable service level agreement backed by a power purchase agreement.

Till date, the initiative has resulted in:

- Improved brand perception feedback from performance review meetings with executives of bilateral estates reflect an overall satisfaction with minimal complaints compared to services received pre-bilateral.
- The regulator adopting the framework in the implementation of the SBT regime, as we were the pioneer DisCo to launch this initiative.
- Revenue Assurance. Through the initiative we were able to recover over N65,000,000 of lost revenue through clawback in 2020 from customers not migrated to the appropriate bilateral tariff due to misalignment.

Leveraging growth in prepaid metering and its associated wiring requirements, we collaborated with leading cable original equipment manufacturer (OEMs) for the production of branded cables for retail.

The overall result has improved annual revenue collection from N716m to N7bn and reduced ATC&C losses to 18.86% from 54.45% in Bilateral Power locations.





Appendix

Improving energy access and reliability of power is key to reducing poverty and unlocking economic growth in the aftermath of the global COVID-19 pandemic.



GRI Index

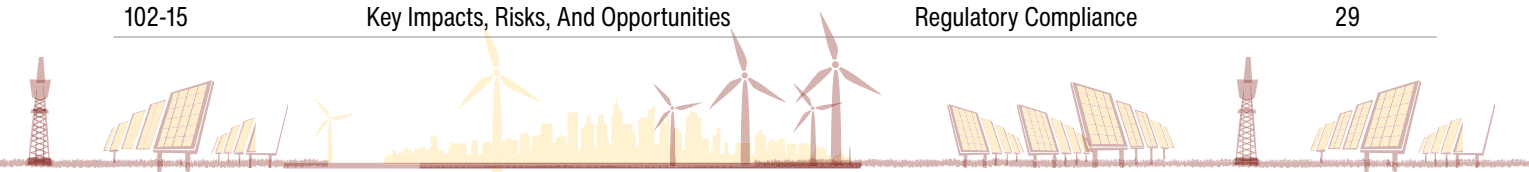
GRI ECONOMIC, ENVIRONMENTAL AND SOCIAL INDICATORS

This report has been prepared in accordance with the Global Reporting Initiative Standards having satisfied the following criteria:

1. Including the statement 'in accordance with' in the report.
2. Aligning with report content and quality as defined by GRI. In defining the report content, internal and external stakeholders were involved in the identification of material areas where impacts occur and the potential threats to the operations of Ikeja Electric Plc. We have also clearly specified the reporting period, boundaries and show completeness. For report quality, although this report has not been externally assured, the accuracy and reliability of this report is not in doubt as all the facts and figures disclosed are subject to audit by our stakeholders. Also, positive and negative (gaps) aspects of each disclosure was reported to ensure balance. Additionally, data in the report has been compared with previous years, and this should enable stakeholders to assess changes in performance to ensure comparability and timeliness. The report has attempted to present the activities of Ikeja Electric Plc. in the wider context of sustainability whilst covering material topics that specifically describe the impact on the economy, environment and society to ensure clarity.
3. We have used GRI 103: Management Approach to report the management approach and the topic Boundary for all material topics and provided omissions as well as reasons if any.
4. We have used the topic-specific GRI Standards (series 200, 300, 400) to report on material topics providing responses to core disclosures and indicating reasons for omissions or non-applicability.

GRI 102: GENERAL DISCLOSURES

Disclosure Number	Disclosure Description	Disclosure Location (Section)	Page
ORGANISATIONAL PROFILE			
102-1	Name Of The Organization	About Ikeja Electric Plc.	11
102-2	Activities, Brands, Products, And Services	About Ikeja Electric Plc.	11
102-3	Location Of Headquarters	About Ikeja Electric Plc.	11
102-4	Location Of Operations	About Ikeja Electric Plc.	12
102-5	Ownership And Legal Form	About Ikeja Electric Plc.	11
102-6	Markets Served	About Ikeja Electric Plc.	11
102-7	Scale Of The Organization	Enhancing Our Business Operations	22
102-8	Information On Employees And Other Workers	Our People	21
102-9	Supply Chain	Responsible Procurement Practices	27
102-10	Significant Changes To The Organization And Its Supply Chain	Responsible Procurement Practices	27
102-11	Precautionary Principle Or Approach	Regulatory Compliance	29
102-12	External Initiatives	Engaging With Our Community	32
102-13	Membership Of Associations	Keeping Our Stakeholders Involved	18
STRATEGY			
102-14	Statement From Senior Decision-Maker	Chairman And Geo's Statement	6 And 7
102-15	Key Impacts, Risks, And Opportunities	Regulatory Compliance	29



Ethics And Integrity			
102-16	Values, Principles, Standards, And Norms Of Behaviour	Our Values	12
102-17	Mechanisms For Advice And Concerns About Ethics	Our Code Of Conduct	13
Governance			
102-18	Governance Structure	Corporate Governance	14
102-19	Delegating Authority	Disclosure Not Required For Core Option	N/A
102-20	Executive-Level Responsibility For Economic, Environmental, And Social Topics	Disclosure Not Required For Core Option	N/A
102-21	Consulting Stakeholders On Economic, Environmental, And Social Topics	Stakeholder Engagement	38
102-22	Composition Of The Highest Governance Body And Its Committees	Corporate Governance	14
102-23	Chair Of The Highest Governance Body	Corporate Governance	15
102-24	Nominating And Selecting The Highest Governance Body	Disclosure Not Required For Core Option	N/A
102-25	Conflicts Of Interest	Disclosure Not Required For Core Option	N/A
102-26	Role Of Highest Governance Body In Setting Purpose, Values, And Strategy	Corporate Governance	14
102-27	Collective Knowledge Of Highest Governance Body	Disclosure Not Required For Core Option	N/A
102-28	Evaluating The Highest Governance Body's Performance	Disclosure Not Required For Core Option	N/A
102-29	Identifying & Managing Economic, Environmental, And Social Impacts	Our 2020 Material Topics	18
102-30	Effectiveness Of Risk Management Processes	Regulatory Compliance	29
102-31	Review Of Economic, Environmental, And Social Topics	Our 2020 Material Topics	18
102-32	Highest Governance Body's Role In Sustainability Reporting	Disclosure Not Required For Core Option	N/A
102-33	Communicating Critical Concerns	Disclosure Not Required For Core Option	N/A
102-34	Nature And Total Number Of Critical Concerns	Disclosure Not Required For Core Option	N/A
102-35	Remuneration Policies	Disclosure Not Required For Core Option	N/A
102-36	Process For Determining Remuneration	Disclosure Not Required For Core Option	N/A
102-37	Stakeholders' Involvement In Remuneration	Disclosure Not Required For Core Option	N/A
102-38	Annual Total Compensation Ratio	Disclosure Not Required For Core Option	N/A
102-39	Percentage Increase In Annual Total Compensation Ratio	Disclosure Not Required For Core Option	N/A
Stakeholder Engagement			
102-40	List Of Stakeholder Groups	Keeping Our Stakeholders Involved	18
102-41	Collective Bargaining Agreements	100% Of Employees Are Covered	N/A
102-42	Identifying And Selecting Stakeholders	Keeping Our Stakeholders Involved	18
102-43	Approach To Stakeholder Engagement	Keeping Our Stakeholders Involved	18
102-44	Key Topics And Concerns Raised	Our 2020 Material Topics	18



Reporting Practice			
102-45	Entities Included In The Consolidated Financial Statements	About Ikeja Electric	11
102-46	Defining Report Content And Topic Boundaries	Sustainability As Our Core Business: People, Planet And Profit	17
102-47	List Of Material Topics	Our 2020 Material Topics	18
102-48	Restatements Of Information	Some Restatements Were Made	N/A
102-49	Changes In Reporting	There Were No Changes	N/A
102-50	Reporting Period	January 2020 To December 2020	N/A
102-51	Date Of Most Recent Report	December 2019	N/A
102-52	Reporting Cycle	Annual	N/A
102-53	Contact Point For Questions Regarding The Report	Gri Index	N/A
102-54	Claims Of Reporting In Accordance With The Gri Standards	Gri Index	N/A
102-55	Gri Content Index	Gri Index	N/A
102-56	External Assurance	None Provided	N/A

GRI 200 SERIES: ECONOMIC DISCLOSURES

Disclosure Number	Disclosure Description	Disclosure Location (Section)	Page
Gri 201: Economic Performance			
201-1	Direct Economic Value Generated And Distributed	Economic Performance	22
201-2	Financial Implications And Other Risks And Opportunities Due To Climate Change	This Has Been Identified As A Gap	N/A
201-3	Defined Benefit Plan Obligations And Other Retirement Plans	Our People	21
201-4	Financial Assistance Received From Government	Economic Performance	22
Gri 202: Market Presence			
202-1	Ratios Of Standard Entry Level Wage By Gender Compared To Local Minimum Wage	Not Disclosed	N/A
202-2	Proportion Of Senior Management Hired From The Local Community	14 (13%) Of Senior Management From The Local Community	N/A
Gri 203: Indirect Economic Impacts			
203-1	Infrastructure Investments And Services Supported	Engaging With Our Community	32
203-2	Significant Indirect Economic Impacts	Economic Performance	22
Gri 204: Procurement Practices			
204-1	Proportion Of Spending On Local Suppliers	Responsible Procurement Practices	27
Gri 205: Anti-Corruption			
205-1	Operations Assessed For Risks Related To Corruption	Not Disclosed	N/A
205-2	Communication And Training About Anti-Corruption Policies And Procedures	Our Code Of Conduct	13



205-3	Confirmed Incidents Of Corruption And Actions Taken	No Case In The Year	N/A
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GRI 206: Anti-Competitive Behaviour

206-1	Legal Actions For Anti-Competitive Behavior, Anti-Trust, And Monopoly Practices	Not Disclosed	N/A
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GRI 300 SERIES: ENVIRONMENTAL DISCLOSURES

Disclosure Number	Disclosure Description	Disclosure location (Section)	Page
GRI 301: MATERIALS			
301-1	Materials used by weight or volume	Not Applicable	N/A
301-2	Recycled input materials used	Not Applicable	N/A
301-3	Reclaimed products and their packaging materials	Not Applicable	N/A
GRI 302: ENERGY			
302-1	Energy consumption within the organization	Environmental Protection	30
302-2	Energy consumption outside of the organization	Not disclosed	N/A
302-3	Energy intensity	Not disclosed	N/A
302-4	Reduction of energy consumption	Climate Change	31
302-5	Reductions in energy requirements of products and services	Not applicable	N/A
GRI 303: WATER			
303-3	Water withdrawal by source	Not disclosed	N/A
303-4	Water sources significantly affected by withdrawal of water	Not disclosed	N/A
303-5	Water recycled and reused	Not disclosed	N/A
GRI 304: BIODIVERSITY			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not disclosed	N/A
304-2	Significant impacts of activities, products, and services on biodiversity	Not disclosed	N/A
304-3	Habitats protected or restored	Not disclosed	N/A
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not disclosed	N/A
GRI 305: EMISSIONS			
305-1	Direct (Scope 1) GHG emissions	Not disclosed	N/A
305-2	Energy indirect (Scope 2) GHG emissions	Not disclosed	N/A
305-3	Other indirect (Scope 3) GHG emissions	Not disclosed	N/A



305-4	GHG emissions intensity	Not disclosed	N/A
305-5	Reduction of GHG emissions	Climate Change	38
305-6	Emissions of ozone-depleting substances (ODS)	Not disclosed	N/A
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not disclosed	N/A
GRI 306: EFFLUENTS AND WASTE			
306-1	Water discharge by quality and destination	Not disclosed	N/A
306-2	Waste by type and disposal method	Environmental Protection	30
306-3	Significant spills	Not disclosed	N/A
306-4	Transport of hazardous waste	Not disclosed	N/A
306-5	Water bodies affected by water discharges and/or runoff	Not disclosed	N/A
GRI 307: ENVIRONMENTAL COMPLIANCE			
307-1	Non-compliance with environmental laws and regulations	Regulatory Compliance	31
GRI 308: SUPPLIERS ENVIRONMENTAL ASSESSMENT			
308-1	New suppliers that were screened using environmental criteria	Responsible Procurement Practices	27
308-2	Negative environmental impacts in the supply chain and actions taken	Responsible Procurement Practices	27

GRI 400 SERIES: SOCIAL DISCLOSURES

Disclosure Number	Disclosure Description	Disclosure location (Section)	Page
GRI 401: EMPLOYMENT			
401-1	New employee hires and employee turnover	Our People	21
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People	21
401-3	Parental leave	Our People	21
GRI 402: LABOUR MANAGEMENT RELATIONS			
402-1	Minimum notice periods regarding operational changes	One month	N/A
GRI 403: OCCUPATIONAL HEALTH AND SAFETY			
403-1	Workers representation in formal joint management-worker health and safety committees	Employee Health and Safety	22
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Employee Health and Safety	22
403-3	Workers with high incidence or high risk of diseases related to their occupation	Employee Health and Safety	22



403-4	Health and safety topics covered in formal agreements with trade unions	Employee Health and Safety	22
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GRI 404: TRAINING AND EDUCATION

404-1	Average hours of training per year per employee	Not Disclosed	N/A
404-2	Programs for upgrading employee skills and transition assistance programs	Our People	21
404-3	Percentage of employees receiving regular performance and career development reviews	Our People	21

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

405-1	Diversity of governance bodies and employees	Our People	21
405-2	Ratio of basic salary and remuneration of women to men	Not disclosed	N/A

GRI 406: NON-DISCRIMINATION

406-1	Incidents of discrimination and corrective actions taken	There was no report of discrimination in the year	N/A
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GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not Disclosed	N/A
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GRI 408: CHILD LABOR

408-1	Operations and suppliers at significant risk for incidents of child labor	Not Disclosed	N/A
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GRI 409: FORCED OR COMPULSORY LABOR

409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not Disclosed	N/A
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410-1	Security personnel trained in human rights policies or procedures	Not Disclosed	N/A
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GRI 411: RIGHTS OF INDIGENOUS PEOPLES

411-1	Incidents of violations involving rights of indigenous peoples	There was no indication or record of violation of the rights of indigenous people	N/A
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GRI 412: HUMAN RIGHTS ASSESSMENT

412-1	Operations that have been subject to human rights reviews or impact assessments	Not Disclosed	N/A
412-2	Employee training on human rights policies or procedures	Human Rights	37
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not Disclosed	N/A

GRI 413: LOCAL COMMUNITIES

413-1	Operations with local community engagement, impact assessments, and development programs	Engaging with our community	32
413-2	Operations with significant actual and potential negative impacts on local communities	Engaging with our community	32



GRI 414: SUPPLIER SOCIAL ASSESSMENT

414-1	New suppliers that were screened using social criteria	Responsible Procurement Practices	27
414-2	Negative social impacts in the supply chain and actions taken	Responsible Procurement Practices	27

GRI 415: PUBLIC POLICY

415-1	Political Contributions	Not Disclosed	N/A
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GRI 416: CUSTOMER HEALTH AND SAFETY

416-1	Assessment of the health and safety impacts of product and service categories	Employee Health and Safety	22
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There was no record of non-compliance with health and safety of our products and services	22

GRI 417: MANUFACTURING AND LABELING

417-1	Requirements for product and service information and labelling	Not Applicable	N/A
417-2	Incidents of non-compliance concerning product and service information and labelling	There was no record of non-compliance concerning our products and service information and labelling	N/A
417-3	Incidents of non-compliance concerning marketing communications	There was no record of non-compliance in marketing communications	N/A

GRI 418: CUSTOMER PRIVACY

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not Applicable	N/A
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GRI 419: SOCIO-ECONOMIC COMPLIANCE

419-1	Non-compliance with laws and regulations in the social and economic area	There was no record of non-compliance with laws and regulations	N/A
OG-21	Contingency planning measures, disaster /emergency management plan and training programs, and recovery/ restoration plans	Not Disclosed	N/A



About the Report

As a sustainability leader in the power distribution industry, Ikeja Electric Plc. has continued to grow in its business and how it impacts the environment and communities around it. In communicating our sustainability commitments, performance, and impact for the 2020 financial year, running from January 1 to December 31, 2020, we present our 2020 Sustainability Report – Unstoppable: Enhanced Value Creation for Sustainable Energy. The report is prepared in accordance with the core option of the 2016 GRI standards. The report covers the material topics that have been prioritized for our business and by our stakeholders in 2020.

The report also highlights our contributions to the achievement of the United Nations Sustainable Development Goals (UNSDGs), especially SGD 7, and other relevant benchmarks/frameworks in our market. We acknowledge the several categories of stakeholders impacted by our business operation and activities, and we have upheld the highest level of responsibility and transparency in our engagement with these stakeholders during the year. In this publication, we have presented what that sense of responsibility means to us in practice and communicated our commitments, performance, and targets to our key stakeholders - our shareholders, customers, employees, suppliers, government, and regulatory organisations. We have provided public access





