



Message from the Chief Executive

The global economic slowdown has had a very significant impact on businesses and Pakistan, too, has been affected by this recession. This situation has put the very existence of businesses at risk.

Despite a resource challenge, Pakistan Refinery Limited firmly believes that the future lies in reducing poverty, eradicating corruption, ensuring delivery of human rights including labor and preserving the purity of environment. Pakistan Refinery Ltd regards community involvement and community investment as key elements in its success as a business enterprise. These are the very principles of the United Nations led Global Compact initiative. This year is our fourth as a founder member signatory to this initiative.



We, today, have a bigger challenge towards poverty reduction and environmental sustainability. Consequently, and in line with the Global Compact Principals, each year we support a broad range of social development initiatives in the areas of health, education & environment. Pakistan Refinery has continued to support the work of NGOs. These have included the Kidney Centre, the Layton Rahmatullah Benevolent Trust & Sindh Institute of Urology and Transplantation. We have worked towards earthquake relief operations in Baluchistan and the resettlement of internally displaced people of Swat in recent anti terror operations.

PRL is an environmentally and socially responsible company. Our core values are linked to our vision and business principles due to which we have made great progress in the areas of Health, Safety, Environment and Quality.

We annually report to our stakeholders on actions we have taken related to UN Global Compact principles. In addition to this, we have also taken various initiatives in our surrounding community to support the UN Millennium Development Goals.

We are showing our actions through our continuous support and commitment to this unique initiative of the United Nations and are trying to play our role under the umbrella of UN Global Compact principles to make this world a better living place.

Sincerely,

Ijaz A. Khan
MD&CEO

Conformance to UNGC's 10 Principles

It is indeed a privilege to be part of UNGC which is linked, not just to its employees and shareholders but also, to the communities around its working sites.

Our objective here is to be recognized as a conscientious and responsible corporate citizen, endeavoring to bring sustainable change in the lives of communities associated with us.

HUMAN RIGHTS:

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

PRL has upgraded its Occupational Health & Safety Management System to the OHSAS 18001: 2007 version. Management is committed to avoid damage to health and safety of its employees / contractors and the community where it operates. This is in accordance with internationally acclaimed practices including human rights.

PRL has systemized this commitment by installing an HSE Policy. This policy is disseminated organization wide through an HSE manual and made available to all the stakeholders at PRL's own website (www.prl.com.pk).

In pursuance of these policies hazard identification, risk assessment and risk control of all routine / non-routine activities of personnel & facilities is carried out at regular intervals & operational controls are developed & implemented. Additionally, all incidences are investigated & recommendations are implemented.

Principle 2: Make sure that they are not complicit in human rights abuses.

PRL is committed to right to life, liberty & security of a person. No discrimination is made on the basis of political affiliation, gender and religion. PRL is also committed to right to rest and leisure including reasonable limitation of working hours & periodic holidays with pay.

PRL ensures these rights by adhering to labor laws and good governance practices. Additionally, there is a CBA agreement every two years,. PRL also carries out climate surveys & compensation surveys every 1 – 2 years. The above are ensured through the implemented HSEQ Management System, Health Management System, LFA Policy, Annual Leave & Bonus policies and CBA negotiations framework.

LABOR STANDARDS:

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

PRL believes in the freedom of association rights for workers and encourages formation of Unions. Additionally, all policies relating to worker administration are achieved through a collective bargaining process every two years.

PRL has an active Workers Union.

The last CBA was finalized in July 2008. Presently negotiations for next two years agreement are in progress.

Principle 4: The elimination of all forms of forced and compulsory labour

All employees are taken against established positions and defined job specifications. All work is guided by policies and procedures in the shape of a manual. The company reports on progress every quarter to stakeholders including an HR Committee.

These commitments are formalized through the HR policy, defining work hours, and quarterly reporting to the Board of Directors.

Principle 5: The effective abolition of child labour

PRL does not hire anyone below the age of 18 years and without requisite qualifications.

Principle 6: The elimination of discrimination in respect of employment and occupation

PRL is an equal opportunity employer and does not discriminate on the basis of race, gender, religion or ethnicity in hiring, promotions, training and developmental opportunities, during the period under review PRL hired three female engineers which is a positive step towards compliance of principle 6.

ENVIRONMENT:

Principle 7: Businesses should support a precautionary approach to environmental challenges

PRL is committed to prevent pollution through progressive reduction of emissions, effluents and disposal of waste materials which are known to have a negative impact on the environment.

The company conducts regular Environmental Impact Assessments; conforms to National Environmental Quality Standards; and has Health, Safety, Environmental and Quality systems in line with established international standards ISO 9001, ISO 14001 & OHSAS 1800. PRL is certified against these standards.

In conformance, Environment Reports 2004, 2005, 2006 & 2007 are available on the PRL website. Shipping standards are reviewed regularly and assuring the fitness of ships carrying crude oil and finished products. PRL and SPL jointly purchased the TIER-I oil spill response equipment

Principle 8: Undertake initiatives to promote greater environmental responsibility.

As an environmentally responsible company, PRL is committed to controlling its own emissions and liquid effluents and has solid waste management systems in place. Additionally, in view of its potentially hazardous business, it is also cognizant to restricting surrounding construction. PRL maintains an asbestos free environment. It also conducts regular soil and underground water testing.

The above are systemized through PRL's HSE policy and periodic Environmental Impact Assessments.

The information on environment is disseminated to stakeholders through biannual newsletters and Environmental Reports.

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

PRL is committed to prevention of pollution through progressive reduction of emissions, effluents and disposal of waste materials that are known to have a negative impact on the environment.

To ensure this PRL has a waste water treatment plant, an efficient heat exchanger, and an advanced process controller for crude oil distillation. High Speed Diesel Sulfur specification is 10,000 ppm, PRL plans to bring it down to 500 ppm (Euro II) by 2012. Basis of Design (BOD) and Basic Design Package (BDP) is prepared by Shell Global Solution and now we are in the process of pre-qualifying the vendors for FEED & EPCM contract.

ANTI CORRUPTION

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery

PRL strongly believes that business should work against all forms of corruption, including extortion and bribery. To ensure this, PRL has a Business Principles Policy in place and takes a commitment from all employees towards their adherence to it. Additionally, it has an Ethics Committee in place chaired by a senior management member. Any employee of the Company can approach the Committee on relevant issues and have it addressed. This Committee is mandated to take up any observed or reported unethical practice in any business area of PRL. PRL also has a Gift Policy in place, which defines unacceptable gifts and their treatment.

Conformance to UN Millennium Development Goals

PRL believes and conforms to the Millennium Development Goals (MDGs).

HEALTH ACTIVITIES

During the year 2008-09 PRL focused more on the occupational health and Safety of the employees to protect from any hazardous situation.

We have developed 2 bedded Special care unit in the Dispensary to deal with any emergency to give first aid treatment before sending the employee to any nearest Hospital, this unit consist of Multipara Cardiac monitor, suction machine, Oxygen supply, Nebulizer, and EKG machine facilitated by 2 qualified Doctors.

During the last year we developed Physio-rehabilitation center within the vicinity of dispensary consisting of 3 beds and fully equipped physiotherapy instruments to provide physiotherapy to the employee with any Musculoskeletal disorder without sending him to any institution and for immediate relief from the pain and 1 qualified physiotherapist is also available for 3-4 hrs daily for in house services.

In PRL we established and developed Fitness To Work Program both for permanent and contractual employees to protect them from any occupational and clinical diseases and proactive measures for any Hazardous situation. Fitness to work is an integral part of occupational Health and safety of the employees.

we are in process of doing FTW for all employees according to their nature of job including Eudiometry for hearing, Spirometry for lung function test, Lab Testing for any underlying disease and complete physical and Neurological assessment of the employees working on a critical job.

During the year 2008-09 we have done the Health Risk assessment (HRA) of all the activities going on within the refinery or in the adjacent areas.

We developed FLU Pandemic Plan for PRL to deal with any kind of emergency situation and placed in the HSE Manual

For the Community:

The Company contributed a sum of Rs1.62 million towards providing health care facilities to needy people & surrounding communities.

- a. PRL contributed Rs 0.3 million to Indus hospital for the welfare of needy & non affording patients passing through chronic or life threatening diseases.
- b. PRL supported the anti-rabies drive of by providing donation amounting to Rs 0.2 million for much needed and expensive vaccines to an institution work for the surrounding communities.
- c. PRL also contributed Rs 0.5 million to sindh Institute of urology and Transplantation (SIUT) for the welfare of needy & non affording patients passing through chronic or life threatening diseases.
- d. PRL contributed Rs 0.5 million to Kidney Centre for the welfare of needy & non affording patients passing through chronic or life threatening diseases

2. **EDUCATION**

Pakistan Refinery Limited focused its efforts on supporting education by providing and supporting the employees in the following sectors.

- Initiating the scholar ship scheme, to deserving and outstanding students where by 10 children were awarded scholarships.
- To provide on job training to the graduating students PRL trained 60 students, through Internship schemes.
- Students of various institutions were also provided guidance for their project completion.

3. **ENVIRONMENT**

PRL is committed to the protection of environment and our HSEQ department facilitates conducting periodic audits and risk assessment of its activities, process and products. This continually improves the HSEQ system, energy efficiency index and loss control. PRL is the first one in the refining business in Pakistan to have achieved the ISO 9001, ISO 14001 and OHSAS 18001 certifications.

The following achievements highlight PRL's attitude towards maintaining environment:

- Received "Annual Environment Excellence Award 2006 & 2007" organized by National Forum for Environment and Health, supported by Ministry of Environment, UNEP and FPCCI
- Consecutively received third time the ACCA-WWF best environment reporting award.
- Won the Employers' Federation of Pakistan (EFP) Occupational Health and Safety (OHS) award for best practices:
- Excellence in Environment award from HELP International. And also developed Sustainability Report 2007 regarding refinery Orientation. ([click Here to View the Sustainability Report 2007](#))
- All parameters of effluent and emissions remained within the National Environmental Quality Standards (NEQS) and results are being voluntarily reported to Pakistan Environmental Protection Agency under Self Monitoring and Reporting software.
- PRL supported the activities of Pak Plus Society, an organization working for HIV/AIDS awareness, by contributing financially.

<http://www.unglobalcompact.org/>