



Year: March 2011 to February 2012

STATEMENT OF CONTINUED SUPPORT:

ARL considers UN Global Compact one of the important CSR alliances in the world which works in support of a more sustainable and broad global economy. ARL's dedication to creating value for its stakeholders is connected hand-in-hand with its commitment to Corporate Social Responsibility (CSR) which is one of Company's core values. The triple bottom line approach i.e people, planet & profit has been vigorously followed at ARL.

ARL considers the call of the Global Compact to companies a noble mission to embrace, support and enact, within their sphere of influence, a set of four issue areas of human rights, labour standards, the environment, and anti-corruption. ARL incorporates the UN Global Compact principles within its strategy, culture and day-to-day operations.

In pursuance of the Global Compact principles, our sustainability attributes are based on five pillars of strength i.e diversification, competitiveness, transparency, synchronized community & social responsibility services and environmental protection.

We realize that integrated approach to manage social, environmental and financial issues is a challenging task especially to embark on patrolling of boundaries between legal and illegal, ethical and unethical, right and wrong, fair and unfair, good and poor quality. In order to work within the defined boundaries and eliminate barriers to innovative ideas, our business practices are aligned with our deeply embedded core values.

My team is passionately committed to provide a healthy workplace which should have a positive impact on adjoining communities. The safety of our employees, contractors and stakeholders remains paramount for us. In view of our commitment to preserve Mother Nature, we have applied to become first oil and gas sector industry in Pakistan to achieve green industry status from Federal Environment Protection Agency.

We once again reiterate our continual commitment to be a socially responsible company by extending full support to UN Global Compact guiding principles leading to fair business practices all over the world.

March 20, 2012; M. Adil Khattak , Chief Executive Officer

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PRINCIPLE 1	BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS
Actions	<p>Actions taken</p> <p>Commitment:</p> <p>ARL recognizes and respects internationally recognized human rights and support the observance of these rights. Our commitment for acknowledging human rights is evident from our HR Policy, Core Values, our commitment to the Code of Gender Justice, Policy of Ethics and Business Practices alongwith various initiatives taken for protecting human rights.</p> <p>System:</p> <p>We have defined mechanism of Collective Bargaining Agent (CBA) to recognize the basic right of all employees through which they elect their labor representations and office bearers. We prohibit use of forced labor and Child labor. We have implemented Code of Gender Justice and policy of Ethics and Business practices for protecting all our stakeholders.</p> <p>Activities:</p> <ul style="list-style-type: none"> • We strictly comply with relevant provisions of Factories Act 1934 and Bonded Labor System (Abolition) Act, 1992. • We have vibrant ARL Gender Harassment committee to address discrimination based on Gender. • We have Values and Ethics Committee to address any issue relating to violation of these aspects. • ARL being a Socially Responsible Company organizes seminars/workshops, which depicts its commitment to the above social obligation. • Safe and healthy working conditions beyond legal compliance are provided to employees • There is freedom of association to workers for expressing their voice and CBA elections are held as per statutory requirement. • We have been following policy of non-discrimination in HR practices. • We discourage directly or indirectly forced labour or child labour, and by providing access to basic health, education and housing for the workers and their families.
Outcomes	<p>Measurement of (expected) outcomes and value added for our company</p> <ul style="list-style-type: none"> • Value based organizational culture • Employer of Choice • Labour's right of association guaranteed • Exemplary relations between Management and labour union • Winner of Global Compact Award for Responsible Business Practices. • Talent Triangle Award for Good HR Practices in Pakistan • Best Sustainability Report Award • Compliance to country's labour laws. • Stakeholders' Trust

PRINCIPLE 2	BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES
Actions	<p>Actions taken</p> <p>Commitment:</p> <p>ARL believes that transparent legal system is a fundamental element of a healthy society and growing economy and we support strong enforcement structures to protect citizens against abuse of power.</p> <p>System:</p> <p>We have signed the Ethics Policy on the platform of Oil Companies Advisory Committee (OCAC) along with other members from Oil and Gas Sector. The objective is to abide by the highest ethical standard, observe regulations applicable to the industry and laws of the country, conduct business with integrity and honesty, treat stakeholders fairly, communicate openly and be accountable.</p> <p>Besides, to prevent human rights abuses, workers have their representatives (office bearers) in each department to register any human right abuse for which management has high concern to address and resolve. Human right abuses in the form of forced labor and Child labor are strictly discouraged by ARL.</p> <p>Activities:</p> <ul style="list-style-type: none"> • Strict Compliance with Factories Act, 1934 and Bonded Labor System (Abolition) Act, 1992. • ARL arranged different seminars and training in collaboration with ILO and Directorate of Labour and other organizations to sensitize workers about their rights. • Workers are allowed the freedom of association and even the process of Unions internal elections, referendum for CBA determination, and other related activities are facilitated by ARL to promote this right of people • We review our HR practices in the light of changes made in national and internal human rights and labour laws to ensure our commitment with protecting human rights.
Outcomes	<p>Measurement of (expected) outcomes and value added for our company</p> <ul style="list-style-type: none"> • Compliance to country's labour laws. • No child labour employed • Full adherence to grievance resolution process • Talent Triangle Award for Good HR Practices in Pakistan • Best Sustainability Report Award • Winner of Global Compact Award for Responsible Business Practices. • Stakeholders' Trust