



Year: March 2012 to February 2013

STATEMENT OF CONTINUED SUPPORT:

Attock Refinery Limited (ARL) has served Pakistan and its people not only by being a leader in refining sector of the country but also by becoming a shining example of continued endeavors for excellence and sustained development.

Corporate Social Responsibility (CSR) is not a new concept for ARL; it has been part of the Company's core values since its inception; ARL's history of over 90 years is replete with CSR initiatives. At ARL, we feel it is our foremost duty to consider the economic, social, ethical and environmental impact of our activities on our stakeholders.

In pursuance of ARL's compliance with the UN Global Compact principles, it is our privilege to confirm that ARL's 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, ARL business practices are aligned with our deeply embedded core values.

ARL being pioneer and pace setter in oil refining sector in Pakistan takes lead once again by adopting the economy of sustainable development - the green economy; to grow in a way that benefits not sacrifices the environment, social justice and equity. The Company strongly advocates community well-being and conservation of environmental resources by operating in a sustainable way. Besides, the safety of our employees, contractors and stakeholders remains paramount for us.

We believe in green growth universally as it is the core approach that guarantees the preservation of natural resources of the world for our future generations while enabling us to continue benefiting from these resources more prudently.

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 11, 2013;

M. Adil Khattak , Chief Executive Officer

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Brief description of nature of business

ARL is the pioneer of crude oil refining in the region with its operations dating back to 1922. Backed by a rich experience of more than 85 years of successful operations, ARL's plants have gradually been upgraded / replaced with state-of-the-art hardware to remain competitive and meet new challenges and requirements. Today, it has grown into a modern state-of-the-art refinery with a capacity of 42,000 bpd.

ARL is one of the unique refineries in its operations as it refines 40 different types of crude oils with API 12 to 65. ARL produces a complete range of petroleum products from LPG to Asphalt including specialty products such as Jet Fuels (Jet A 1, JP-4, and JP-8), Cutback Asphalts, Polymer Modified Asphalt, Mineral Turpentine Oil, and Solvent Oil.

PRINCIPLE 1		BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS	
Actions	Actions taken		
	<p>Commitment:</p> <p>ARL recognizes and respects internationally recognized human rights and support the observance & compliance of these rights. Our commitment for acknowledging human rights is evident from our HR Policy, Core Values, Code of Gender Justice, Policy of Ethics and Business Practices alongwith various initiatives taken for protecting human rights.</p> <p>System:</p> <p>ARL firmly believes in carrying out our business in accordance with high ethical, legal, and safety standards.</p> <p>Recognizing the basic human rights of association, a well defined mechanism of determining the Collective Bargaining Agent (CBA) has been set in place whereby workers elect their labor representatives and office bearers. We also have implemented the Code of Gender Justice and the Policy of Ethics and Business Practices in compliance with UNGC principal.</p> <p>Activities:</p> <ul style="list-style-type: none">• Compliance in letter and spirit of all the applicable provisions of relevant national and international statutes.• Standing Committee on Gender Justice is effectively addressing any gender based issues.• We have Values and Ethics Committee to address any issue relating to violation of these aspects.• ARL being a Socially Responsible Company frequently organizes seminars/workshops, which depicts its commitment to social obligations.• Safe and healthy working conditions beyond legal compliance are provided to employees• There is freedom of association to workers for expressing their voice and conduct referendum to determine CBA every 2 years as per statutory requirements.• We have been following policy of non-discrimination in HR practices.• We discourage forced labour or child labour in any form, and provide access to basic health, education and housing for the workers and their families.		
Outcomes	Measurement of (expected) outcomes and value added for our company		
	<ul style="list-style-type: none">• Stakeholders' Trust - our efforts have earned recognition of stakeholders through bestowing of UN Global Responsible Business Awards in 2010 and 2011. Best Sustainability Report Award – after successive winning of best sustainability report award, ARL has been placed at the judging penal of this award.• No non-compliance issue of country's labour laws – labour inspection authenticates our efforts.• Exemplary relations between Management and labour union• Workers' right of association guaranteed• Values based organizational culture• Employer of Choice		

PRINCIPLE 2	BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLACENT 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>ARL feels pride in being signatory of the Ethics Policy at the platform of Oil Companies Advisory Committee (OCAC) along with other members from Oil and Gas Sector of Pakistan. 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 responsive and be accountable.</p> <p>Furthermore, 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"> • We review our HR practices in the light of changes made in national and international human rights and labour laws to ensure our commitment with protecting human rights. • Workers exercise the freedom of association as per their free will. The process of Unions internal elections, referendum for CBA determination, and other related activities are facilitated by ARL to promote this right of workers • ARL participates in different seminars and training in collaboration with Directorate of Labour, Government of Punjab and other organizations to sensitize workers about their rights. • Strict Compliance with Factories Act, 1934 and Bonded Labor System (Abolition) Act, 1992.
Outcomes	<p>Measurement of (expected) outcomes and value added for our company</p> <ul style="list-style-type: none"> • Stakeholders' Trust - Our efforts recognized through bestowing of UN Compact Award for Responsible Business Practices. Best Sustainability Report Award – after successive winning of best sustainability report award, ARL has been placed at the judging penal of this award. • No non-compliance issue of country's labour laws – labour inspection authenticates our efforts. • No child labour employed • Full adherence to grievance resolution process

PRINCIPLE 3	BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING
Actions	<p>Actions taken</p> <p>Commitment:</p> <p>Maintenance of a congenial atmosphere at work place is utmost priority of ARL. We consider the freedom of association and freedom of choice as workers' undeniable rights.</p> <p>The company supports, facilitates, and ensures the workers' right of freedom of association and the effective recognition of the right to collective bargaining as per national laws.</p> <p>System:</p> <p>The workers are represented through their Unions; out of the registered trade unions one is elected through a referendum (held under the auspices of Labour Department, Government of Punjab) by the workers to represent them as Collective Bargaining Agent (CBA). The Company puts no restriction on employees regarding participating in these activities.</p> <p>Activities:</p> <p>ARL facilitates the process of periodic elections of workers Unions and the referendums for determination of CBA in coordination with Labour department, Government of Punjab, ensuring impartiality and transparency of the process.</p> <p>Workers' terms and conditions are determined through a process of bilateral negotiations between CBA and the management. After receipt of charter of demands from the CBA a settlement is arrived through a process of bilateral negotiations; the settlement is signed by both parties for two years' term.</p> <p>Workers' involvement in decision making process is ensured through their representation in Joint Management Board and various other committees.</p>
	<p>Measurement of (expected) outcomes and value added for our company</p> <ul style="list-style-type: none"> • The relations between workers' Union and management are based on the principles of mutual trust, mutual respect, and open communication. At ARL, we consider our workers as partners in continued success & profitability and an asset for our company. • Stakeholders' Trust - our efforts have earned recognition of stakeholders through bestowing of UN Compact Award for Responsible Business Practices. Best Sustainability Report Award – after successive winning of best sustainability report award, ARL has been placed at the judging penal of this award. • No non-compliance issue of country's labour laws – labour inspection authenticates our efforts. • Exemplary relations between labour union and management • Workers' right of association guaranteed • Values based organizational culture • Employer of Choice

PRINCIPLE 4	BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR
Action	<p>Actions taken</p> <p>Commitment:</p> <p>ARL recognizes and a respect internationally recognized principles and standards of fair labour practices and supports their observance & compliance. Our commitment for acknowledging fair treatment is evident from our well defined HR Policy, Core Values, Code of Gender Justice, and Policy of Ethics & Business Practices etc. We denounce all forms of forced and compulsory labour.</p> <p>System:</p> <p>We have consistently been following the policy of complying with all laws & regulations and generally set a standard well above the minimum legal requirements. At ARL, there is no concept of getting any kind of forced or bonded labour; all employees are paid minimum wage as per company law and their terms and conditions are well set out in relevant documents. Work timings have been defined in accordance with the provisions of labour laws and proper rest is allowed between the shifts. We care for the work-life-balance of our staff. In order to avoid excessive overtime hours, we have established a “Time Office” that maintains timecards, payroll and production records for review on a regular basis.</p> <p>Activities:</p> <p>We strictly comply with relevant provisions of Factories Act 1934 and Bonded Labor System (Abolition) Act, 1992.</p> <p>We have a elaborate policy of Ethics and Business practices. ARL being a Socially Responsible Company organizes seminars/workshops, which depicts its commitment to the above social obligation.</p> <p>Proper shift rotas have been defined and excessive overtime work is discouraged.</p> <p>Work-life-balance of staff is maintained</p> <p>Sports and other activities are provided to workers in shape of club and tournaments.</p>
Outcomes	<p>Measurement of (expected) outcomes and value added for our company</p> <ul style="list-style-type: none"> • ARL is considered as one of the workers’ friendly company and not a single example is available of any forced and compulsory labour here. • Stakeholders’ Trust - our efforts have earned recognition of stakeholders through bestowing of UN Compact Award for Responsible Business Practices. Best Sustainability Report Award – after successive winning of best sustainability report award, ARL has been placed at the judging penal of this award. • No non-compliance issue of country’s labour laws – labour inspection authenticates our efforts. • Exemplary relations between labour union and management • Values based organizational culture • Employer of Choice

PRINCIPLE 5	BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR
Actions	<p>Actions taken</p> <p>Commitment:</p> <p>ARL is committed to abide by local and international laws for abolition of child labour</p> <p>System:</p> <p>ARL has well defined policy of recruitment of potential employers wherein minors can't be employed. ARL neither engages in employment of children nor supports child labor. The Company respects and adheres to the International Labour Organization (ILO) convention regarding minimum age of employees.</p> <p>Activities:</p> <ul style="list-style-type: none"> • We have database for each category of employees with their authentic birth dates. • The Company sensitizes its members on this important aspect through various means like focus groups, meetings, seminars etc. •
	<p>Measurement of (expected) outcomes and value added for our company</p> <ul style="list-style-type: none"> • ARL has earned good reputation by complying with the minimum age requirement. We do not employ anybody without valid National Identity Card which is a valid proof of his/her attaining the age of majority. • Stakeholders' Trust - our efforts have earned recognition of stakeholders through bestowing of UN Compact Award for Responsible Business Practices. Best Sustainability Report Award – after successive winning of best sustainability report award, ARL has been placed at the judging panel of this award. • No non-compliance issue of country's labour laws – labour inspection authenticates our efforts.

PRINCIPLE 6	BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION
Actions	<p>Actions taken</p> <p>Commitment:</p> <p>ARL is committed to eliminate discrimination and promote equality and diversity in respect of employment and occupation through its policies, practices and procedures.</p> <p>System:</p> <p>ARL pride in pronouncing itself as an equal opportunity employer. The company do not discriminate in hiring, promotion, compensation, development on the basis of gender, race, colour, or religion. ARL is one of the few companies in Pakistan which has adopted the Code of Gender Justice at Work Place in Pakistan to create conducive working environment for men and women, free of any harassment, abuse and intimidation.</p> <p>Activities:</p> <ul style="list-style-type: none"> • In our meetings and general policy discussions, the management reiterates its commitment to the equal opportunity principle. • The Company management frequently sensitizes its new as well as existing employees through focus groups, meetings and sessions on the aspect of diversity and equal opportunity. • Company maintains diversity of its workforce and has employed from different regions, religions, casts, genders and creeds. • All our job advertisements consistently express our commitment to the principle of equal opportunity employment.
Outcomes	<p>Measurement of (expected) outcomes and value added for our company</p> <ul style="list-style-type: none"> • As a result of sensitization on this important aspect, not a single complaint was referred to ARL Gender Harassment committee during the year 2012. It shows that all segments of population are working amicably at ARL. • No complaint has been received / filed during the period under report with respect to discrimination on account of gender, race, colour, or religion in our performance management process.

PRINCIPLE 7	BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES
Actions	<p>Actions taken</p> <p>Commitment:</p> <p>ARL is an environmental conscious company and strongly believes on the philosophy “that prevention is better than cure”. In this regard, we are committed to adopt precautionary approach by taking early actions to ensure that irreversible environmental damage did not occur.</p> <p>System:</p> <p>ARL has a well defined and implemented Environmental Management System (ISO14001), where we have clearly defined procedure of hazard identification and risk assessment (OHS-PR001). The procedure defines ARL precautionary approach towards systematic application of risk assessment, risk management and risk communication.</p> <p>Activities:</p> <ol style="list-style-type: none"> 1. ARL has Health, Safety, Environment and Quality (HSEQ) policy endorsed by the Company’s Board of Directors, which clearly reveals our commitment to prevention of pollution and care for environment. 2. Hazard identification and risk assessment is conducted for all operations of the refinery. The hazards identified include environmental, safety, chemical, physical, psycho-social, hygiene, ergonomics and fire etc. On the basis of identified hazards, potential consequences are determined quantitatively, which further classifies the hazard as high, medium and low risk. 3. A quality council committee headed by CEO reviews the application of precautionary approach like hazard and risk assessment on defined frequency. 4. The implementation of hazard and risk assessment is also assessed by the third party auditors. 5. Ambient air quality is monitored to see if there are any adverse impacts of ARL operations to the surrounding community to take any precautionary measures if required. 6. Monthly environmental monitoring of air emissions and effluent water to check if the National Environmental Quality Standards (NEQS) are met. 7. Environmental Impact Assessment (EIA) & Public hearing sessions are carried out for all new projects to address any future concerns of nearby community regarding environment.
Outcomes	<p>Measurement of (expected) outcomes and value added for our company</p> <p>Precautionary approach provides us guidelines to tackle environmental challenges in a much better & effective way. It also provides the basis for preparing our short-term and long-term environmental improvement plans & targets.</p>

PRINCIPLE 8		BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY	
Action	Actions taken		
	Commitment: ARL believes in the ‘triple bottom line’ of sustainable development – environmental quality, economic prosperity and social equity. We are committed to promote greater environmental responsibility guided by ARL core values, HSEQ policy and initiatives integrated into all elements of business planning and decision-making fostering openness and dialogue with employees and public. System: ARL management has identified its vision, mission and core values. In line with Company’s Core Values, ARL Annual Corporate Targets for sustainable development are set. All environmental, social and economic initiatives, targets and achievements are then published in the form of Annual Reports and Annual Sustainability Reports. Activities: <ul style="list-style-type: none">• ARL has defined its vision, mission and six core values to demonstrate its responsibility towards environment and all stakeholders.• ARL believes in transparent business practices. We publish annual sustainability report as per the guidelines of Global Reporting Initiatives (GRI) and Accountability 1000 (AA-1000). The report provides environmental, social and economic initiatives, targets and achievements of ARL. It also includes stakeholder needs and our response. The report is shared with all stakeholders and is also available on our website (www.arl.com.pk).• In compliance to our sustainable business strategy, ARL has voluntarily implemented Management Standards like Quality Management System (ISO 9001), Environmental Management System (ISO 14001), Occupational Health and Safety (OHSAS 18001), Laboratory Management System (ISO/IEC 17025) and Energy management system (ISO 50001)• ARL transparent sustainable practices are endorsed in the form of prestigious ACCA-WWF Best Sustainability Report Award for the last three consecutive years (2007-2009) which leads ARL on the judging panel of ACCA-WWF from 2009.• We engage the neighbouring education institutes, environmental protection agencies, community organizations and customers to celebrate world events like World Environment Day, World Biodiversity Day etc.• To promote the environmental aspects the Company selected “ARL Getting Greener” as the theme for its Corporate Annual Report 2012.		
Outcomes	Measurement of (expected) outcomes and value added for our company		
	<ul style="list-style-type: none">• All these initiatives have not only given a green image of ARL to the stakeholders but also self-satisfaction that we are running business on a sustainable basis with greater environmental responsibility.• Company has shown its commitment to environmental aspects by choosing “ARL Getting Greener” as the theme of Company’s Annual Report 2012.		

PRINCIPLE 9	BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES
Actions	<p>Actions taken</p> <hr/> <p>Commitment:</p> <p>ARL is fully committed to adopt such environmental friendly technologies which are applicable in the country. Our mission states “we will utilize best blend of state-of-the-art technologies, high performing people, excellent business process and synergetic organizational culture thus exceeding expectations of all stakeholders”.</p> <p>System:</p> <p>At ARL, we have well defined environmental treatment mechanism. This mechanism applies to gaseous emissions, effluent water, recycling of wastewater, oily sludge and incineration of hazardous wastes.</p> <p>Activities:</p> <ol style="list-style-type: none"> 1. Installation of low NOx, low SOx burner at plants reduced the green house gases emissions to a considerable extent. 2. Wastewater is subjected to effluent treatment plant comprises of oily water separators, equalization basins, slant rib coalescing units and dissolved air floatation units before exit the refinery. The wastewater complies with National Environmental Quality Standards (NEQS). 3. Boiler blowdown water and Merox spent caustic is treated on plant before disposal. 4. Kitchen wastewater is treated in a 50 gallons capacity treatment facility. 5. Car wash water is recycled after treatment. Unit is indigenously developed with a capacity of 1 ton / day. 6. Bioremediation is frequently used in refinery for the treatment of oily sludge. Oily sludge from crude oil tanks, furnace oil tanks, API separators, drain channels etc. is collected in pre-defined pits for this purpose having polythene lining. Cow dung is used to fasten the bioremediation process to convert the sludge into manure. 7. Incineration of hazardous materials like oily rags etc.
Outcomes	<p>Measurement of (expected) outcomes and value added for our company</p> <hr/> <ol style="list-style-type: none"> 1. Compliance to country legal requirements 2. Stakeholder's confidence 3. Reuse of resource like water 4. Green image of ARL

PRINCIPLE 10	BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY
Actions	<p>Actions taken</p> <p>Commitment:</p> <p>We are committed to follow the highest standards of ethical and best business practices. We feel that running business in an ethical, transparent and legal manner is the only way forward. Bribes, kickbacks, and other illegal payments are not made on behalf of the Company in connection with all of its business activities.</p> <p>System:</p> <ul style="list-style-type: none"> • ARL management has identified corporate Vision, Mission, and Core Values which are a part and parcel of our way of doing business. All these statements have been endorsed by ARL Board of Directors and fully communicated to all stakeholders; our first and foremost core value is “Integrity & Ethics” which states that Integrity, honesty, high ethical, legal and safety standards are a cornerstone of our business practices. • In order to ensure the transparency, we have well elaborated systems for procurement & sale of any item and we strictly follow the directions of government authorities to do our business in a lawful manner. • An elaborate policy of Ethics & Business practices has been adopted and fully communicated to all stakeholders. We implement this policy in letter and spirit. <p>Activities:</p> <ul style="list-style-type: none"> • We regularly organize events/seminars to inculcate the importance of Ethical business practices in our employees at all levels. These events are also addressed by the Chief Executive Officer & other Senior management members of the company to give more comprehension to our employees regarding what is lawful and what is unlawful. Strict action is taken against incidents of corruption (if found) including termination from employment. • The Policy of Ethics & Business Practices is circulated to all management employees on yearly basis requiring them to sign it depicting their commitment to this very important document. • Values & Ethics committee has been formulated to investigate and advise the CEO appropriate action regarding violations of ARL Core Values.
Outcomes	<p>Measurement of (expected) outcomes and value added for our company</p> <p>Only one incident of corruption/dishonesty was reported in 2012 and appropriate disciplinary action including termination of employment of the concerned staff was taken accordingly. No other case was reported which has only become possible due to strict and transparent ARL’s systems and policies.</p>

How do you intend to make this COP available to your stakeholders?

ARL intends to make the Communication on Progress available and propagate through its website annual report, company publications, company policies press releases etc to its all stakeholders.