



UN Global Compact Communication on Progress 2013



Providing quality education for disadvantaged communities, particularly girls, remains a focus area in Pakistan Petroleum Limited's Corporate Social Responsibility Programme. Students during morning assembly at Government Girls High School, Miana Mohra



Pakistan Petroleum Limited



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**United Nations Global Compact
Communication on *Progress* 2013**

Message from Managing Director and Chief Executive Officer

Like the past several years, we reaffirm our commitment to the principles of the United Nations Global Compact (UNGC) and are pleased to share information on substantive progress and initiatives during the reporting period.

As a company with a long-established stake in the country's development, Pakistan Petroleum Limited (PPL) believes in conducting business based on good governance practices, which include commitment to sustainable community development, environmental conservation, human resource development and ensuring health and safety of employees.

Focusing on healthcare, education, livelihood generation, infrastructure development and disaster relief and rehabilitation for marginalized communities within as well as beyond operational areas, new initiatives were launched through PPL's Corporate Social Responsibility (CSR) programme to enhance on-ground delivery, impact and sustainability.

PPL strived to constrict the ecological footprint of its operations and improve quality of outputs. Besides certification of 13 fields and facilities for ISO 14001 Environment Management System and Occupational Health and Safety Assessment Series 18001 and 15 for ISO 9001 Quality Management System, the company has executed various initiatives to conserve natural resources.

As part of our ongoing efforts to ensure a safe and hazard-free working environment for staff and contractors, the company notably achieved 0.3 Loss Time Injury Frequency in 2012, which is well below the industry benchmark.

The company also engaged an external consultant for a review of its organizational structure and growth pattern in line with key performance targets to enhance synergies between business strategy, operations and human resource requirements. This exercise assisted not only in developing a roadmap for further aligning the organizational matrix with current and future business needs but also provided an opportunity to extend equitable career growth and development opportunities for staff.

PPL's business and CSR performance was widely acknowledged by many prestigious organizations, including the Pakistan Centre for Philanthropy which declared the company as the largest corporate giver in donation volume for the eight consecutive year, as well as the Management Association of Pakistan and Employers' Federation of Pakistan.

The Communication on Progress for 2013 that follows details specific initiatives undertaken for each UNGC principle.

ASIM MURTAZA KHAN
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Principle 1



Business should support and respect the protection of internationally proclaimed human rights.



Commitment

Pakistan Petroleum Limited (PPL) respects the dignity and rights of its human resource. Through our Corporate Social Responsibility (CSR) Programme, we also support the right to education, healthcare and basic civic amenities for communities.



1 Strategic System for Organizational and Human Development

ACTION

Organizational Surveys

Performance

PPL conducts and participates regularly in organizational surveys, enabling the company management to review and adopt best practices from benchmark companies. This proactive approach helps in continuous improvement of systems and procedures.

- ▶ PPL participates in various countrywide Human Resource (HR) benchmarking surveys to assess prevailing and emergent trends. The findings enable the company to align its HR system with leading companies and consolidate best practices already followed by the company.
- ▶ During 2012, PPL undertook an external review of its organizational structure and growth pattern in line with the company's short- and long-term business strategy to bridge the gap between strategy, operations and human resource base. Later, a workshop was organized to develop a road map for PPL to deliver on its production and growth targets. Subsequently, the company's management structure was re-organized to align to its corporate strategy. This involved change/ shift in staff responsibilities in line with their experience and skills for enhanced productivity.
- ▶ The company sends its head office staff on regular field visits to seek their opinion and suggestions for work-related improvements. Besides, posting of staff between fields and head office, on a rolling-basis, has been further streamlined during the last two years. To this end, a number of staff was moved from head office to fields and vice versa to enrich their experiences.

2 Industrial Relations and Employees

ACTIONS

Fair Investigation Procedures

Performance

PPL protects employee rights, ensuring equitable treatment and opportunity for all to voice their views.

- ▶ The company has an effective policy for redressal of staff grievances, if any.
- ▶ Based on laws relevant to its various locations, PPL follows the Standing (Orders) Ordinance 1968 for official reprimand of staff.
- ▶ The company regularly organizes town hall meetings for staff to share concern and issues in an open communication with the management. The forum also provides an opportunity to management to share company's progress and challenges with

employees. During 2012, two town hall meetings were arranged at head office.

Benefits

Performance

The company provides its staff with competitive remuneration packages as well as strives to facilitate enabling working environment with ample capacity development and career progression opportunities

- ▶ In line with the Companies Profits (Worker's Participation) Act 1968, PPL contributes five percent of its net profit to the Workers Participation Fund.
- ▶ PPL follows the Employees Old Age Benefits (EOB) Act 1976, contributing five percent of minimum basic salary to EOB institutions with employees' participation of 1 percent.
- ▶ The company pays Statutory Bonus under Section 10-C of the West Pakistan Industrial and Commercial Employment (Standing Order) Ordinance 1968 as well as Annual Settlement Bonus to non-management staff.
- ▶ Annual Leave Fare Assistance is given to non-management staff in addition to monthly remuneration.
- ▶ PPL also extends loans to staff for house construction/ renovation and purchase of vehicle.
- ▶ The company offers 13 scholarships to children of permanent workers, with four scholarships for post-intermediate and professional and 9 for post-matriculation education on an annual basis.
- ▶ Free bachelor accommodation along with necessary utilities is given to field-stationed staff.
- ▶ Gratis Hajj and Umrah facilities are provided to workers.
- ▶ PPL provides pick-and-drop transport facility to women staff.
- ▶ For senior executives and women employees, the company provides a nutritious and balanced lunch facility at the head office.



Employee Recognition

Performance

PPL follows fair and transparent policies and procedures to recognize and reward high standards of performance and enhance staff motivation.

- ▶ Performance Excellence Awards are given on an annual basis to employees in recognition of their outstanding achievements in both tangible and intangible categories. The company recognizes and rewards individual efforts for extraordinary performance, innovation, creativity, cost savings, productivity gains and complexity reduction. The scheme also sets out to establish role models within the organization that other employees can emulate.
- ▶ PPL considers human capital its premium asset and acknowledges longevity of service, ranging from 15 to 40 years, through annual long service awards.
- ▶ The company arranges farewells for retiring staff in appreciation of their services.

Healthy Entertainment for Employees

Performance

PPL attaches great importance to providing sports facilities and entertainment for staff.

- ▶ PPL encourages sports among head office and field employees such as Annual Inter-location Cricket Tournaments. Besides the company has teams for various sports such as cricket and table tennis that participate in contests/ matches with other organizations.
- ▶ PPL has a dedicated Exploration Library that subscribes to leading industry journals to enhance staff's knowledge.
- ▶ PPL has established Data Management Centre to facilitate technical staff for easy access to information.
- ▶ Current reading material, including newspapers, magazines and periodicals are provided to keep staff updated on latest trends and information.
- ▶ The company's monthly newsletter *Progress*, now in its 57th year of publication regularly reports on company activities and industry-related news. Since January 2011, the Urdu version of *Progress* has been initiated to increase reach and update staff and stakeholders who were otherwise not able to get first-hand information due to language barrier.
- ▶ PPL maintains a fully-equipped health and fitness facility to keep its employees mentally and physically fit. Head Office Sports Club remains available for staff recreation during lunch break or after working hours. The club at Sui Gas Field (SGF) also has a jogging track, badminton, tennis and squash courts and a swimming pool for staff use. Besides, the company has proper indoor games/ recreation facilities at all field locations. The company also organizes indoor games competition among the head office employees.
- ▶ PPL organizes musical and other cultural programmes for its employees.

- ▶ Company management and staff celebrate religious and cultural festivals as well as national days.

Preventing Forcible Displacement of Individuals

Performance

Due to its strict adherence to prescribed laws, PPL has never had a case of forcible displacement of employees.

Employment Policy for Handicapped and Disabled People

- ▶ PPL follows the Disabled Persons (Employment and Rehabilitation) Ordinance 1981 and ensures employment of handicapped personnel.
- ▶ In line with the Workmen Compensation Act in matters related to disability, alternate job assignments are given to disabled staff.

3 Employee Safety and Security

ACTIONS

Safe Working Conditions

Performance

Employee safety and security is one of PPL's top priorities. The company has dedicated Security and Health, Safety and Environment (HSE) departments to ensure hazard-free working conditions and has taken the following initiatives to help protect its employees from risky situations and conditions:

- ▶ Safety alerts and travel advisories are sent regularly to employees.
- ▶ Employees are provided personal



protective equipment (PPE) and clothing according to the nature of their job.

- ▶ Safety and fire drills are regularly conducted as per HSE requirements at head office and all field locations.
- ▶ HSE awareness and training sessions are held regularly in English and Urdu on fire fighting, incident investigation and reporting and permit-to-work system. Besides, safety talk is regularly shared with staff, through local portal, highlighting safety measures for common and emerging issues.
- ▶ Security passes are compulsory for PPL employees at the head office and field locations.
- ▶ HSE procedure on 'Hazard Identification, Risk Assessment and Management' is developed and distributed to all concerned. Field HSE representatives provide training to all concerned for conducting risk assessment of routine and project activities at PPL locations.
- ▶ Head Count System in the form of T-Card is being implemented at all PPL fields and drilling sites. As a quick and accurate estimation of personnel's location at various field sites, the T-Card boards are already in use at Kandhkot, Mazarani, Adhi, Chachar and Hala fields.

Employee Travel Safety

Performance

PPL regularly arranges training programmes on defensive and evasive driving. Awareness programme on road sense and safety has been initiated for company staff.

- ▶ Any unsafe driving practices, travel route issues, vehicle or employee complaints regarding transport are reported to the Administration Department for necessary countermeasures.
- ▶ All company vehicles are regularly inspected for fitness/ tuning/ service at designated workshop/ garage.
- ▶ Wearing seat belts is mandatory for company transport drivers and employees using company vehicles. A policy is in place to bind staff to wear seat belts.
- ▶ All PPL employees are insured while travelling locally, domestically or internationally.
- ▶ Use of mobile phones is prohibited while driving company vehicles.
- ▶ First aid boxes and fire extinguishers are placed in all company vehicles.

4 Health

ACTIONS

Healthy Environment for Employees

Performance

PPL's goal is to support a safe and healthy workplace by enhancing staff health and well-being

- ▶ Periodic check-ups at all field locations are carried out for fire extinguishers, fire alarms and sprinklers.
- ▶ Assessment of Occupational Health, Safety and Environment (OHSE) performance against identified Key Performance Indicators, including Loss Time Injury Frequency (LTIF) for the year, PPE compliance by management, non-management and contract staff in routine and project activities and implementation of annual work plans, is undertaken through regular monitoring and conducting awareness sessions.
- ▶ In line with the company's efforts to ensure safety and hazardous-free environment for both staff and contractors through implementation of HSE procedures, it has achieved 0.3 LTIF in 2012 which is well below the industry benchmark.
- ▶ The company has chalked out an Occupational Health Surveillance programme to ensure healthy environment for employees by keeping a check on work-related illness/ diseases. The programme will be implemented after necessary capacity building and fulfilling procedural requirements.



Basic Health Facilities

Performance

PPL extends a comprehensive health plan and medical policy to employees and their families. The company has qualified doctors for providing medical consultation and treatment in the head office and field locations.

- ▶ The company provides medical assistance to all employees, including their immediate family, and pensioners as per medical policy.
- ▶ PPL maintains a city clinic in Karachi, providing services in two shifts, to ensure easy access for employees and their families. Besides, PPL has a full-fledged hospital located within the premises of the SGF. At other company fields and locations, Kandhkot, Adhi, Mazarani, Chachar and Hala fields, proper arrangements for emergency medical care are in place.
- ▶ PPL follows the Factories Act – 1934, Mines Act – 1923 and Oil and Gas (Safety in Drilling and Production) Regulations – 1974, which include employee personal hygiene, environment, emergency medical assistance and periodic medical checkups.
- ▶ Health awareness sessions are regularly conducted by company doctors and guest consultants for informing and updating staff on preventive measures and treatment of common diseases, including high blood pressure and obesity, and outbreaks such as dengue.
- ▶ Ex- gratia payments are made to staff in case of prolonged sickness.
- ▶ Clean drinking water is provided to staff at all locations.

5 Corporate Social Responsibility

PPL stands committed to community development through provision of education, healthcare, infrastructure, livelihood generation and post-disaster rehabilitation and has allocated minimum 1.5 percent of its pre-tax profit for CSR activities.

The company spent around Rs. 1,100 million for CSR initiatives during July 2011 to June 2012 and about Rs. 445 million during July 2012 to March 2013, which is over and above its minimum commitment.

ACTIONS

Education

Performance

As its key CSR priority, PPL promotes educational facilities for rural communities, especially around the company's operational areas, to improve their quality of life.

- ▶ The company has been providing quality education to children of company employees and local communities at Sui Model School (SMS) since 1957. SMS was upgraded to girls' college in 2009. Currently, the college offers education to 37 girls and the school caters to over 2900 students both boys and girls.
- ▶ To promote a reading culture at the local level, PPL has constructed public libraries at various towns, especially those where the company initiated exploration efforts. To this end, the company constructed and furnished a public library in Kalat together with computer laboratory at a cost of Rs. 1.537 million. The facility was completed in 2012.



- ▶ The company earlier constructed and operationalized the first-ever Computer Training Centre and Library (CTCL) at Sui in 2010 for general public. PPL engaged Kalsoft, an Information Technology company, to operate the centre. So far, more than 200 local students, in three batches, have completed three-month basic computer course. Since January 2011, CTCL has offered a six-month Certificate in Information Technology (CIT). 240 students, 60 in each batch, have completed CIT during January 2011 to December 2012, bringing the total number of computer literates to nearly 500, trained through CTCL. Besides, CTCL also houses a reading area where books and selected magazines are provided. Over 600 residents have been registered as regular library visitors.
- ▶ The company provides free-of-cost transport facility to students of Taaleem Foundation Grammar School (TFGS) and Federal Government (FG) Public School, Sui.
- ▶ In order to encourage competent and professional teachers from other areas to teach at TFGS, PPL has constructed a staff hostel within the TFGS premises. Moreover, PPL has constructed additional classrooms at TFGS to address the issue of large classes due to high enrolment rate. The hostel and classrooms were built with an investment of around Rs. 35 million.
- ▶ PPL regularly provides scholarships for students residing around its operational fields, especially in District Dera Bugti, to enable them to acquire quality education at renowned institutions. To this end, a scholarship programme was initiated in 2005 to support both boys and girls pursuing higher professional education in renowned universities/ colleges across the country. Later in 2009, the scholarship programme was expanded for students living around other producing assets. To date, the higher professional education scholarship has benefited more than 80 students in District Dera Bugti, among those 37 have completed their studies, and about 35 students in districts Kashmore, Sanghar, Gujjar Khan and Kambar-Shahdadkot.

Higher Professional Education Scholarship, excluding District Dera Bugti

District	No. of Scholarships
Kashmore	10
Sanghar	02
Kambar-Shahdadkot	03
Adhi	05
Total Awardees	20

- ▶ A four-year scholarship programme for secondary and higher secondary students of Balochistan has commenced in 2012. Under this programme, 40 scholarships are provided for a study programme from grade IX to XII on an annual basis to students already enrolled at any renowned and well-reputed educational institution across the country.
- ▶ The company is supporting Balochistan Public School (BPS) in Sui since the mid-2000. BPS provides quality secondary education to local boys from grade VII to XII through a residential facility, latest teaching and learning resources and qualified teachers. Initially, PPL provided about Rs. 6 million for renovation of the school building and provision of books and uniforms for students. Later, Rs.14.108 million was provided

for construction of hostel and messing facility. In 2009, PPL's Board of Directors approved 12 annual scholarships for six years for deserving students from District Dera Bugti to study at BPS. During 2012-2013, the fourth tranche of scholarships was provided to BPS students bringing the total number of beneficiaries to 48.

- ▶ PPL regularly provides furniture, stationary and other relevant items/ equipment to schools near its operational areas to support their curricular and co-curricular activities. To this end, the company supports operational expenses of its two adopted schools in District Kambar Shahdadkot: Government Primary schools in Ghazi Khan Chandio and Ghaibi Dero. During 2012-2013, PPL provided Rs. 1.591 million to meet the operational expenses for these schools.
- ▶ PPL has constructed three primary schools in Kandhkot, near its operational field. These schools are run by The Citizen's Foundation (TCF). As part of the Memorandum of Understanding (MOU) signed between the two organizations, TCF will ensure provision of quality education to children from the local communities while PPL will provide the cost for operation, construction and other expenses besides continuous monitoring on progress. The company has created an endowment fund worth Rs. 83 million for construction and operationalization of these schools over a period of 10 years. The schools became operational during 2011 with an encouraging enrolment of nearly 300 students. To date, the total number of students has increased to about 500.
- ▶ The National Outreach Programme (NOP) was launched in 2001 by the Lahore University of Management Sciences (LUMS) to provide financial assistance towards study for a



bachelor's degree for high-achieving matriculation and intermediate students across Pakistan. PPL signed a MOU with the university to create an endowment fund for the NOP to finance two deserving students from PPL's operational areas, particularly Balochistan, each year for a period of four years, bringing the total number of students to eight. During 2011-2012, two students from Balochistan were inducted at LUMS for a four-year degree programme. The company bears the admission and tuition fee together with accommodation and messing facility with an annual cost of Rs. 1.85 million per scholar.

- ▶ A new scholarship scheme for students of Balochistan and Khyber Pukhtunkhwa (KPK) under National Talent Hunt Programme of Institute of Business Administration (IBA), Karachi has been initiated. The scheme will cater to three students each from KPK and Balochistan for the first year and one student from each province during subsequent years until 2019-2020, who qualify the entry test and secure admission at IBA. Only two students qualified for the scheme from KPK during 2012-2013. The total expenditure for a four-year degree programme for each student comes to about Rs. 2 million, including admission and tuition fees, accommodation and messing, stipend and purchase of course material.
- ▶ To promote education, especially in remote areas, PPL has made contribution/ donations and provided support to the following institutions, including:

Institutions/ Initiatives	Spending during April 2012- March 2013 (Rs. in millions)
Annual scholarship for female students studying at TFGS	0.886
NED University of Engineering & Technology, Karachi for a symposium	0.028
National Centre for Excellence in Geology, University of Peshawar for a conference	0.100
Professional Educational Foundation for fund raising carnival	0.06
Shaheen Karachi Grammar School	0.025
Greenwich University for sponsoring Deevan-e-Sufi	0.15
Tabani School of Accountancy for Gold Medal 2012	0.85
Rashid Publisher for purchase of books	0.10
Government Girls Degree College, Khuzdar for setting-up a computer lab	0.70
Government Girls High School, Barkhan for refurbishing of school building	0.50
Government Primary School Ghazi Khan Chandio for construction of an academic block	0.0091
Government Girls Elementary School, Takra Mohra for construction of an academic block	0.546
Government Girls High School, Dhumali for construction of an academic block	2.510
Government Girls Junior Model High School for construction of a multipurpose hall	3.268
PPL-Tameer-e-Millat Primary School, Nushki, for construction of school building	1.625

Healthcare Initiatives

Performance

The company has provided extensive medical facilities in some of the most remote regions of Pakistan through building and assisting hospitals, rural health/ mother and childcare centres, mobile dispensaries and medical camps.

- ▶ PPL runs a fully equipped Sui Field Hospital (SFH) at SGF since the early 1960s. The hospital provides free-of-cost medical facilities to a large number of local patients, in addition to PPL field staff.
- ▶ A fully equipped mobile medical dispensary (MMD) weekly visits more than 12 villages around SGF to provide free healthcare facilities, including treatment of common diseases, X-Rays and minor procedures, to locals residing in the area. The dispensary refers cases for further investigation and treatment to SFH.
- ▶ PPL in partnership with Government of Balochistan (GoB) has constructed a 50-bed PPL Public Welfare Hospital in Sui Town to cater to a large number of patients in Sui who could not be reached despite having SFH and MMD. The land is provided by GoB who will also run the hospital. PPL has invested nearly Rs. 270 million for construction. The company will furnish the hospital and provide basic equipments at a cost of about 50 million. Besides, PPL has committed to hire 10 specialists and provide medicines worth Rs. 10 million on an annual basis. The hospital will have the necessary facilities such as gynaecology and obstetrics, emergency and operation theatres. The facility will shortly be operational after hiring of staff and procurement of equipment.
- ▶ PPL provides free medicines to Rural Health Centre, Sui on a monthly basis.



- ▶ The company operates MMDs for local communities living around Mazarani and Kandhkot Gas fields.
- ▶ PPL holds bi-annual free-of-cost surgical eye camps around its operational areas in Sui, Adhi, Kandhkot, Mazarani, Chachar and Hala fields for treatment of ophthalmic diseases. PPL is among the few companies that hold surgical camps as only eye testing facilities are provided at such camps organized by other organizations. Besides, PPL also holds free-of-cost medical camps for critical epidemic/ contagious diseases such as scabies around its producing assets.
- ▶ PPL adopted Marie Adelaide Leprosy Centre's Triple Merger Centres at Turbat and Panjgur in Balochistan and Kandhkot in Sindh in 2005 for four years. The company further committed to support these centres for another four years until 2013/ 2014 at a cost of nearly Rs. 11 million. The centres extend free-of-cost diagnosis and treatment for leprosy, blindness and tuberculosis to local communities.
- ▶ In order to strengthen research for prevention and early diagnosis of Thalassemia, PPL is supporting the District Government Badin in Sindh to develop Thalassemia Diagnostic, Prevention and Research Centre (TDPRC) at Thalassemia Care Centre. The company has committed to provide Rs. 13 million for construction, equipment and development of laboratory and library for TDPRC. Currently, the centre is being constructed.
- ▶ To support viable community healthcare projects and services, PPL has provided support/ donations to various institutions, including the following:

Institutions/ Initiatives	Spending during April 2012- March 2013 (Rs. in millions)
District Headquarters Hospital, Dera Bugti for purchase of fully equipped ambulance	0.176
Poor Patients Aid Society, Civil Hospital	0.10
Karawan-e-Hayat, Karachi	2.496
Children Cancer Hospital	2.00
Jinnah Post-graduate Medical Centre for construction of a ward for tuberculosis	5.00
Rural Health Centre, Daultala and Public Dispensary, Mastala for furniture & fittings	0.286
Mobile dispensary, Mastala for medicines	0.171
Town Municipal Administration, Kandhkot for purchase of suction & jetting unit	10.776
Association for Children with Emotional and Learning Problems	0.2

Enhancing Livelihood Opportunities

Performance

PPL realizes that changing the fate of marginalized communities is better addressed through creating livelihood options on a sustainable basis. The company has invested substantially in engaging people, both men and women, in earning livelihoods through sustained sources of income.

- ▶ The company has been supporting operational cost of Women Handicraft and Welfare Centre (WHWC) at Sui since 2006. The centre, currently run by Pakistan Army in the FG Public School's premises, provides skill learning opportunities for young local women who could not complete their formal education and are interested in enhancing their income potential. A purpose-built facility has been constructed by PPL at a cost of nearly Rs. 32 million within the TFGS premises, to be run by a renowned civil society organization Taaleem Foundation (TF) working in Balochistan. PPL is also furnishing the facility and providing relevant equipment and material. The centre has a daycare facility for participant mothers to look after their children while they attend classes. Presently, WHWC is being handed over to TF for commencement of operations.
- ▶ PPL is extending infrastructure and maintenance support for Technical Training Centers (TTCs) in Sui and Daultala since the 1990s. The courses offered at these centers include automobile, electronics, carpentry, welding and plumbing. Besides, PPL is supporting 15 top graduating students of TTC-Sui to pursue diploma level



studies in recognized polytechnics across the country through provision of scholarships on an annual basis. The scholarship covers admission and tuition fee together with boarding and messing facility. To date 35 students have benefitted from the scholarship since 2009.

- ▶ In 2011, the company established a Women Vocational Training Centre (WVTC) in Mastala near its Adhi Field to facilitate women who want to increase their income potential by learning new skills. The centre is run by Help in Need, a non-governmental organization. PPL constructed and furnished the facility together with providing resource material and operational expenses for three years at a cost of Rs. 7 million. The centre focuses on training women in tailoring, embroidery and cooking. Besides, WVTC also runs a basic adult literacy programme for participants. A play area with a trained baby sitter is also available within the centre's premises to facilitate participating mothers. To date, over 350 women from surrounding communities have been trained by WVTC.
- ▶ To provide further skills enhancement opportunity to youth in Sui, District Dera Bugti, PPL extended scholarships to 13 candidates holding a Diploma in Associate Engineering to obtain one-year technical training from National Fertilizer Corporation-Institute for Engineering and Technology (NFC-IET), Multan during 2013-2014. The scholarship will cover tuition fee, meals and accommodation. The company has invested about Rs. 4 million for this initiative.

Infrastructure Development

Performance

PPL recognizes that provision of meaningful, durable infrastructure is a key to development and sustained economic growth, especially in the far-flung areas of the country. The company's business takes it to the remotest and usually the disadvantaged areas of the country, where it has focused on developing infrastructure and civic amenities, including roads, bridges, culverts, water supplies and construction of basic facilities, not only for its own use but also for local communities.

- ▶ The company has recently built two new link roads in Sui town at the cost of around Rs. 6 million to facilitate communication for local residents and staff.
- ▶ PPL provides free-of-cost gas and water supplies to over 40000 residents in Sui Town and villages around SGF. An average of 4 to 5 MMscfd free gas is provided at an approximate cost of Rs. 156 million and more than two million gallons of drinking water is supplied daily through Khewali Pumping Station situated 55 kilometers away from the town at an annual cost of Rs. 200 million.
- ▶ Due to line losses and pilferages on the PPL water supply line, the Sui Town residents' needs were not fully meet. To address this issue, PPL in partnership with GoB, who is the major stakeholder in the project, has undertaken a new water supply system for the town. With a contribution of Rs. 135 million, the company is funding the construction of trunk lines, overhead tanks, storage tanks, pump houses and pumping machinery together with provision of independent electrification system for operating the pumping station.
- ▶ To provide free-of-cost potable water to Ghaibi Dero (GD) town and its surrounding villages near Mazarani Gas Field, PPL initiated a water supply scheme using a bowser facility in 2010. Since the area is prone to frequent underground water pollution, the potable water is brought from a safe source, which is some 25 kilometres away from town, and stored in two storage tanks built in the centre of GD from where it is collected by nearby communities. Some 3000 people are benefitting from the facility. The company provides maintenance, supply and salaries at an annual cost of about Rs. 2.0 million.
- ▶ PPL recently completed a water supply scheme for residents of villages located close to Shoran town in District Kachhi, where PPL had an exploration block Dadhar, which was later relinquished. The village residents were facing acute water shortage, resulting in loss of livelihood. Completed at the cost of Rs. 17 million in 2012, the scheme will deliver both drinking and irrigation water, benefiting some 4000 users.
- ▶ PPL has installed 24 pressure pumps and two Rod Kohi systems to provide potable water and store rain/ flood water for irrigation, respectively, for communities residing in various villages and towns in District Lakki Marwat. The company has invested nearly Rs. 5 million for the water supply scheme.
- ▶ To facilitate residents of Fateh Khan town in District Dera Ismail Khan, the company is building a water supply scheme with an investment of Rs. 3 million. On completion, the scheme will benefit over 7000 people. So far, 90 percent work on the scheme has been completed.



- ▶ To address water shortages in villages adjacent to its exploration block, Jungshahi, in District Thatta, Sindh, PPL has committed to install 50 deep hand pumps. In the first phase, the company has installed 21 hand pumps at a cost of Rs. 3.268 million. Remaining 29 pumps will be installed during the second phase.

Post-disaster Relief

Performance

In times of national emergencies, PPL has always provided support to victims of disaster-hit areas through substantial donations in cash and kind. Moreover, the company has also moved a step forward to invest in long-term rehabilitation of affected communities.

- ▶ PPL established and operationalized a Rehabilitation Centre in Bagh in 2006 for the October 8, 2005 earthquake victims, needing prostheses and orthoses treatment. The centre is managed by Chal Foundation and extends physiotherapy and counselling services for physical and psychological management of the disability besides provision of limbs to affectees. Since 2010, PPL has created an endowment fund worth Rs. 24 million to support the centre's operational cost for three years.
- ▶ During 2010 to 2012 when different parts of the country were hit by heavy rains that also led to severe floods in 2010, the company moved forward to generously support affected communities.
 - In 2010, the Board of Directors approved Rs. 100 million for flood relief, of which Rs. 20 million were donated to Prime Minister's Flood Relief Fund (PMFRF). The company distributed relief goods amounting to Rs. 30 million among affectees, particularly around operational areas. Besides, PPL also established free medical camps and operated MMD, benefitting over 6000 patients. The remaining Rs. 50 million was earmarked for rehabilitation of affected communities in partnership with a local development organization. Currently, development initiatives are in progress at three union councils in Taluka Kandhkot, District Kashmore, focussing on infrastructure development/ repair of educational, healthcare, agricultural and water supply facilities together with training of locals, where required.
 - To support rain affectees in 2011, PPL contributed Rs. 20 million to PMFRF together with distribution of relief goods amounting to over Rs. 15 million among affected communities in Sindh. The company also organized free medical camps at various locations in affected districts that benefitted about 6000 people.
 - In 2012, the company committed Rs. 50 million for relief of rain-hit communities in Sindh and Balochistan. Besides providing Rs. 10 million to PMFRF, relief goods amounting to over Rs. 33 million were distributed among affected communities. Free medical camps were also organized around PPL's Kandhkot Gas Field, benefitting 3000 affectees.



Social Welfare

Performance

The company has formulated a diverse, need-based social welfare policy. With a minimum pre-tax profit of 1.5 percent, PPL's CSR initiatives go well beyond obligatory requirements to support the disadvantage communities, particularly living in rural settings. To ensure optimum on-ground implementation and impact, PPL works through government, local civil society, non-governmental organizations and communities.

- ▶ The company won the Pakistan Corporate Philanthropy Award instituted by the Pakistan Centre for Philanthropy for eight consecutive years from 2004 to 2011.
- ▶ To support organizations delivering social welfare, healthcare and other services to the needy, PPL has given generous donations to the following:

Institutions/ Initiatives	Spending during April 2012-2013 (Rs. in millions)
World Wide Fund for Nature (WWF), Pakistan for Earth Hour (EH) 2013	0.10
Karachi Boat Club for Inter-school Regatta	0.125
Commissioner Karachi for construction of Shireen Jinnah Terminal	3.0
Environment Protection Agency (EPA) – Bahawalpur for World Environment Day	0.05
Management Association of Pakistan's (MAP) 28 th Excellence Award – Fund raising cricket tournament	0.50
Pakistan Institute of Corporate Governance	0.474
Engineering Review for 2 nd Engineering Review Award	0.10
Society of Petroleum Engineers and Pakistan Association of Petroleum Geoscientists for Annual Technical Conference 2012	1.50
Society of Petroleum Engineers – NED University of Engineering and Technology for a seminar on Occupational Safety and Engineering Management	0.075
St. Patrick's Cathedral for fundraising cricket tournament	0.01
British Women Association for grand charity bazaar	0.05
Petroleum Institute of Pakistan for World Gas Conference and Shale Gas Seminar	0.535
Sindh Welfare Association for Deaf for fundraising walk, International Deaf Women's Day & cricket tournament	0.060
Pakistan Tennis Federation for training camp	0.450
Working Women Welfare Trust for a task group session	0.020
Distinguished Secretaries Society of Pakistan for 41 st anniversary gala	0.070
Civil Services Academy Alumni, Sindh	0.300
Pakistan Eye Bank Society	0.100
Islamabad Cricket Club of Blind	0.100
Pakistan Management Institute, Karachi for Pakistan Chapter Symposium 2012	0.100
Asghar Ali Shah Memorial Sports Foundation	2.0
Farid Publishers for publishing three books of Ahmed Naveed	0.100
The Pakistan Parsi Collegiate Association	0.015
Ziauddin University for debate competition	0.030
All Pakistan Music Conference for Annual Festival 2013	0.100
Commissioner Sibi for Sibi Mela	0.500
Institute of Chartered Accountants of Pakistan for CFO Conference	0.350
National Forum for Environment & Health for 5 th CSR summit	0.20
Hissar Foundation for fundraising event	0.10

Principle 2



Business should ensure that they are not complicit in human rights abuses.



COMMITMENT

PPL is highly committed to conducting its business in accordance with the highest ethical and legal standards.



1 ETHICS

ACTIONS

Adherence to Highest Corporate Values

Performance

PPL's vision, mission and values are testament to the importance the company places on corporate ethics. As such, the company expects its employees to adhere to the following core values:

- ▶ Recognizing that leadership, empowerment and accountability are essential for corporate success
- ▶ Pursuing the highest standards of ethical behaviour and integrity
- ▶ Considering people as the most important resource
- ▶ Valuing creativity and innovation
- ▶ Committing to excellence in all spheres of performance
- ▶ Advocating team spirit and work
- ▶ Respecting environmental imperatives and striving for its conservation

Code of Conduct

Performance

Ethical commitments and values remain the centre piece of PPL's Code of Conduct, compliance to which is mandatory for all employees.

- ▶ The Code of Conduct for directors and employees were revisited by the Board of Directors in line with the changes in the Code of Corporate Governance of Securities and Exchange Commission of Pakistan. The revised Code of Conduct further stresses on professional behaviour from directors and employees. The revised code was disseminated across PPL for compliance.
- ▶ All incoming employees and trainees sign and submit an undertaking to ensure clear understanding and acceptance and uphold the company's Code of Conduct.

- ▶ PPL requires its employees to maintain an environment free from prejudice, harassment and disruptive activities.
- ▶ In compliance with Oil & Gas Regulatory Authority's directives to implement 'Protection Against Harassment of Women at Workplace (PAHWW) Act 2010', the company took the following measures:
 - Circulated brochures on salient features of the Act, including instructions on compliance, to all employees.
 - Company's harassment policy was prominently placed on the PPL website and portal.
 - A three-member committee, including a women staff, was constituted to address staff grievances.
 - Awareness sessions for staff were organized on PAHWW Act 2010 and PPL's harassment policy at head office and SGF.
- ▶ Any suspected violations or actions that create hostile or offensive work environment such as sexual harassment or insensitive comments concerning gender, religion, race, disability or age are promptly reported to management that ensures appropriate actions in line with Standard Operating Procedures.
- ▶ Violations of the Code of Conduct are viewed seriously and have often resulted in disciplinary actions and, in some cases, led to termination of service.

Principle 3



Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.



COMMITMENT

We acknowledge and respect rights to freedom of association and collective bargaining. We are committed to addressing issues, problems and grievances proactively to regulate the company's operations with dignity of labour, minimization of animosity and fostering a relationship of trust between management and workers.



1 Industrial Relations

ACTIONS

Freedom of Association

Performance

The company believes in the freedom of opinion and expression of all stakeholders and seeks to ensure a congenial and equitable working environment as per law:

- ▶ The company complies with the Industrial Relations Act, wherein employees are free to join any trade union of their choice.
- ▶ PPL has a registered trade union, Pakistan Petroleum Workers Union, of which most workers are members.

Collective Bargaining

Performance

The company management and Collective Bargaining Agent (CBA) work towards creating a cordial working environment for workers at all field locations.

- ▶ The CBA together with stewards and union members, coordinates with management to improve working conditions and redress job-related issues.
- ▶ Negotiations of the Charter of Demands are always settled amicably with CBA representatives.
- ▶ Initiatives for change are undertaken by incorporating the union's suggestions to ensure hassle-free implementation.

- ▶ The office bearers of the trade union enjoy freedom to discharge their legal responsibilities without any interference from management.
- ▶ All terms and conditions of employment of workers are reviewed bi-annually and discussed in a friendly environment with CBA. After bilateral negotiations, a handsome increase in wages and other allowances are paid to them through settlement.
- ▶ Policies on salaries and allowances as well as other benefits such as medical, leave and travel are duly discussed and finalized with the CBA every two years.
- ▶ The Collective Bargaining agreement is concluded through bilateral negotiations.
- ▶ The company has not witnessed any strike, legal or illegal, or lockout during the last five years.
- ▶ No cases of unfair labour practices have been filed by the union.
- ▶ The company provides special leave to CBA union/employees for appearance in court cases, if it is party to disputes.





Principle 4

Business should support the elimination of all forms of forced and compulsory labour.



Principle 5

Business should support the effective abolition of child labour.



COMMITMENT

PPL supports abolition of child labour and elimination of all forms of forced and compulsory labour in its areas of operations or by any of its business partners and contractors.



1 Employees

ACTIONS

Procedure for Preventing Under-age Employment

Performance

The company strictly forbids child labour and actively prevents hiring under-age workers.

- ▶ All PPL permanent workers are in the adult person (18 years and above) category, in accordance with the law.
- ▶ To prevent under-age hiring, the ages of all workers are confirmed through national identity cards, birth certificates, educational certificates or Form 'B' issued by the National Database and Registration Authority.

Procedure for Preventing Forced Labour

Performance

The company follows strict procedures to prevent forced labour.

- ▶ Employment agreement clearly states terms and conditions of service, voluntary nature of employment, freedom to leave and any conditions associated with departure or cessation of work.
- ▶ Employment agreements do not violate any human rights or labour laws.

- ▶ Either party can terminate employment contracts within the notice period.
- ▶ Exit notice period for workers is 30 days and for management, professional and technical staff is 90 days.
- ▶ Exit interviews are taken to solicit feedback and institute corrective measures, if necessary.

Record of Checking Minimum Wage Rate Against Regulated Amount

Performance

The company keeps its wage policy in line with governmental directives to ensure fair corporate governance.

- ▶ All workers in the company (both permanent and contract) are employed above the minimum wage rate as specified by the government and paid competitively in accordance with market norms.

Principle 6



Business should support the elimination of discrimination in respect of employment and occupation.



COMMITMENT

PPL is committed to providing equal opportunities for employment as well as growth opportunities without any discrimination on the basis of race, sex, religion, language, social origin, birth or other status.



1 Recruitment

ACTION

Equal Employment Opportunity

Performance

PPL's employment policy provides equal opportunities for employment and discourages all forms of employee discrimination.

- ▶ PPL is an equal opportunity employer and provides equal opportunity to women employees.
- ▶ Women employees are placed at various levels in the organization, ranging from non-management to senior management positions.
- ▶ The company employs men and women employees under standard screening processes based on merit and job suitability.
- ▶ There are equitable career paths and opportunities for women employees.
- ▶ To further emphasize the equitable role of working women and address their issues at workplace, the company marks the International Women's Day and International Working Women's Day. Dedicated sessions are organized for women employees to increase awareness about their role and responsibilities and address their issues.

2 Employees

ACTIONS

Enabling working conditions for diversified workforce

Performance

As a leading employer and responsible corporate citizen, PPL provides an enabling environment for professional growth, with equity, security and human dignity, irrespective of gender or religion.

- ▶ PPL has a diversified workforce and does not discriminate on the basis of race, colour, gender, religion, disability or family status in the recruitment, training or advancement of its employees.
- ▶ Minorities are given special holidays in accordance with their religious festivals to ensure an open and moderate culture and environment across the company.

Career Plan: No Discrimination in Staff Promotions

Performance

- ▶ Hiring and promotions are done on merit, professional performance and qualification.

Principle 7



Business should support a precautionary approach to environmental challenges



COMMITMENT

PPL is committed to environmental conservation by complying with National Environmental Quality Standards (NEQS).



1 Environmental Management

ACTIONS

Health, Safety and Environment

Performance

- ▶ PPL's HSE Policy recognizes its management's commitment to the health and safety of its employees, contractors and visitors ensuring environmental conservation in all company operations. The policy has been revised in 2012 to provide further emphasis on 'embedding green practices throughout its business activities to ensure sustainability'. The policy also stresses on proactive HSE risk management, complying with local HSE laws and maintaining communication with all stakeholders. The policy is displayed at prominent locations at the head, regional and field offices and can be accessed through the company's website: <http://www.ppl.com.pk>
- ▶ Environmental management has been given a top priority in running business operations. PPL has a well-defined HSE Management System developed in line with internationally recognized ISO 14001 — Environmental Management System (EMS) and Occupational Health and Safety Assessment Series (OHSAS) 18001. The system provides a continuous assessment and monitoring process against standard parameters to ensure the highest level of safety and minimal damage to surrounding natural environment.
- ▶ PPL is an active member of Pakistan Petroleum Exploration and Production Companies Association and participates in its HSE committee meetings. These meetings bring together representatives of leading oil and gas companies and provide a forum to discuss key areas such as latest industry practices and use of technology in HSE Management System.

Environmental Studies

Performance

- ▶ Initial Environment Examination (IEE) and Environment Impact Assessment (EIA) studies are consistently undertaken for all development initiatives, including drilling and seismic operations and projects, in compliance with the Pakistan Environmental Protection Act, 1997. IEE/ EIA aim to identify potential environmental impacts at development sites and advise mitigation measures accordingly. These studies are submitted to relevant provincial EPA for approvals. Once approved, IEE/ EIA provide a benchmark for regular internal and external monitoring against suggested mitigation measures.
- ▶ Independent Environmental Monitoring during seismic and drilling operations in environmentally sensitive areas is carried out through reputed specialized consultants to ensure that

environmental studies carried out for these operations address local environmental issues and comply with legal requirements and company's HSE standards together with meeting stakeholders' expectation, including environment, wildlife and forest authorities.

- ▶ Monthly environmental monitoring is carried out through an external laboratory for compliance with local regulatory requirements. Environmental reports are communicated to concerned EPAs through the Self Monitoring and Reporting Tool (SMART) programme.

Environmental Aspect Impact Analysis

Performance

- ▶ The company has devised Environmental Aspect Impact Analysis (EAIA) procedure for all operational activities at its fields/ exploration blocks in line with the international EMS and OHSAS standards. EAIA helps in proactively identifying, evaluating potential environmental hazards and taking appropriate precautionary control measures to mitigate environmental impacts.

Precautionary Measures

Performance

- ▶ Noise monitoring and abatement is ensured for safe working environment in high noise areas. For this, enclosures, sound barriers and PPE are provided, as appropriate.
- ▶ To control accidental leakage, adequate control arrangements such as barriers and spill control kits are available at all operational areas. Besides, designated teams are trained to handle incidental spills.

Principle 8



Business should undertake initiatives to promote greater environmental responsibility



COMMITMENT

PPL ensures proactive acceptance of its responsibility and accountability for environmental imperatives with a focus on operational excellence. The company is committed to raising environmental awareness for staff, suppliers and dealers through encouragement of eco-friendly practices.



1 Awareness Raising

ACTION

Enhancing Environmental Awareness

Performance

- ▶ Awareness sessions and trainings with special focus on environment and sustainability principles are regularly held to apprise staff on emerging environmental issues. In addition, HSE column 'Safety Talks' and bulletin boards are effectively utilized, to promote environmental conservation.
- ▶ 'Sustainable Energy Management' as part of the corporate HSE procedure was promulgated in 2011 leading to implementation of energy conservation programme at all fields. The programme started off with collecting baseline for energy consumption pattern at each field. During 2012, inventories were recorded for electricity, gas, fuel and water consumption to achieve set targets against the baseline.
- ▶ Following the energy conservation campaign initiated by the management, SGF observed Energy Conversation Day on July 14, 2012 to create awareness about conservation, particularly individual responsibility, among staff. Besides displaying promotional material, all unnecessary lights (except safety and security lights) and appliances at the field were switched off as a collective symbol to save energy.
- ▶ PPL offices and fields have been declared 'No Smoking Zone' and separate smoking areas are designated for smokers. The non-smoking policy is displayed in all departments and locations.
- ▶ PPL is an active corporate member of the Pakistan Chapter of World Business Council for Sustainable Development. The company works with other corporate partners to bring together organizations in Pakistan to adopt business practices based on sustainable development principles.
- ▶ PPL is a corporate member of leading environmental organizations, including WWF, and participates in various events and campaigns organized by them. PPL was a sponsor for the EH 2013 organized by WWF. All company locations observed EH with unnecessary lights switched off during the given hour. The company has also been an associate of Karachi Water Partnership.

2 Environmental Responsibility

ACTIONS

Eco-friendly practices

Performance

PPL is gradually moving towards eco-friendly practices to minimize damage to natural resources through its regular operations to support company's commitment towards sustainability. The following green practices are adopted by PPL:

- ▶ Light-Emitting Diode (LED) technology is used in several projects instead of conventional bulbs. LEDs present many advantages over incandescent light sources, including lower energy consumption, longer lifetime, improved physical robustness, smaller size, and faster switching.
- ▶ As a result of replacing conventional lighting fixtures with LEDs at head office and implementation of Sustainable Energy Management programme at all locations, PPL saved Rs. 1.3 million during 2012.
- ▶ Tree cutting is avoided during seismic activities and site restoration is simultaneously carried out for even minor removal of flora/ vegetation through green teams.
- ▶ Tree plantation campaigns are undertaken at company-operated fields and exploration assets to off-set emissions and improve ambience.
- ▶ For all drilling operations, water-based mud, which is known for compatibility with natural soil, is preferred over oil-based mud that requires special treatment for disposal.
- ▶ Use of biodegradable explosives during seismic surveys.





- ▶ Electronic communication together with duplex printing is promoted for official purpose to reduce paper usage.
- ▶ 'Burn Calories Not Electricity' campaign was initiated at PPL's head office to encourage use of stairs instead of elevators to support energy conservation and improve health and fitness of employees. Promotional stickers were displayed at point of use.

Evaluation of HSE Performance

Performance

- ▶ The HSE Executive Committees at field and head office, comprising field management and senior management, regularly evaluates activities at various company locations, provides feedback and monitors compliance.
- ▶ Internal audits of departments/ fields are carried out in line with the annual HSE audit plan to assess implementation of HSE Management System and performance. In addition, external audits are also carried out to verify compliance to ISO 14001 EMS and OHSAS 18001 certifications. HSE inspections, spot checks and suggestion forms are utilized with participation of all staff in accordance with the guidelines provided in the HSE Management System for eliminating hazards.
- ▶ 13 fields and facilities, including Kandhkot, Adhi, Mazarani and Chachar fields, Sui Field Gas Compressor Station, Sui Production, Sui Field Engineering, Sui Stores, Sui Hospital together with Drilling Operations, Design and Construction, HSE and Projects departments have been certified for ISO 14001 EMS and OHSAS18001. While Sui Purification is also certified for OHSAS18001.
- ▶ PPL got the Occupational Safety, Health and Environment Award in 2012 by Employers' Federation of Pakistan in response to its improved HSE performance.

Principle 9



Business should encourage the development and diffusion of environmentally friendly technologies.



COMMITMENT

PPL realizes the importance of emerging environment-friendly technologies to reduce its carbon footprint



1 Environment-friendly Technologies

ACTION

Waste management and emission control

Performance

The company seeks to minimize adverse environmental impact of its operations through the use of innovative technology. Besides, PPL is focussing on adopting/ embedding environment-friendly technology in all new project designs.

- ▶ PPL has a well-defined waste disposal and management procedure, which is effectively implemented across the company. This includes waste segregation at source, minimization, recycling and reuse, safe handling and disposal of hazardous waste as per standard environment-friendly procedures. Effective arrangements such as landfill and incinerators are employed for safe disposal of waste, besides acquiring services of specialized contractors for disposal of

hazardous waste and oily sludge recovered from operations. Moreover, composting of food waste is also carried out.

- ▶ All company-operated fields are registered with the Federal EPA under SMART programme for monthly testing through external laboratory and reporting of emissions against NEQS parameters.
- ▶ Emissions from all equipments at company facilities are controlled through in-house maintenance programmes and end of pipeline solutions.
- ▶ Process water is contained in ponds lined with pit line for evaporation. Alternatively, waste water evaporator and forced draft evaporation systems are also utilized for treating effluent water in order to eliminate soil and ground-water contamination.

Principle 10



Businesses should work against all forms of corruption, including extortion and bribery.



COMMITMENT

PPL is committed to eliminating corruption through implementation of ethical codes and policies that govern business operations and relationships with external stakeholders.



1 Employees

ACTIONS

Code of Conduct

Performance

The company has zero-tolerance for all forms of corruption, including bribery and extortion.

- ▶ All employees are required to sign the Code of Conduct at the time of joining.
- ▶ All employees are forbidden to give or receive any bribes or other payments intended to influence business decision or compromise fair judgment.
- ▶ No employee can give money to obtain business for the company or receive money for giving company business to an external agency.
- ▶ All employees are forbidden to accept gifts from suppliers, contractors, dealers or competitors, who have or wish to have a business relationship with the company.
- ▶ Rumour mongering and gossiping is strictly prohibited.
- ▶ All employees are required to declare their assets on a yearly basis.

Corporate Governance

Performance

- ▶ PPL promotes fair business practices and ensures compliance with regulatory and legal requirements.
- ▶ The company uses internationally acceptable accounting standards to maintain transparency.
- ▶ All funds, assets, receipts and disbursements are properly recorded in the books of the company.
- ▶ The company complies with regulations of the Security and Exchange Commission of Pakistan.
- ▶ Signed statement of compliance is included in the company's annual reports.
- ▶ No incident of corruption has been reported in the company.
- ▶ All business units are analyzed for risks related to corruption.
- ▶ Regular checks by Internal Audit Department are carried out for all departments to ensure compliance with company procedures and ensure course correction, if required.
- ▶ PPL secured the prestigious MAP's 28th Corporate Excellence Award in the 'Oil and Gas and Utilities sector' for the fourth consecutive year. PPL's performance was accredited by MAP, following a detailed review not only of the company's management systems and policies and procedures but the efficacy of their implementation.

2 External Interface

ACTION

Credible Disclosure of Information to Investors and Stakeholders

Performance

- ▶ PPL ensures transparency in business transactions and rejects any business practice, which may deem improper.
- ▶ All financial reports are properly audited by external auditors.
- ▶ PPL's Annual Report 2011 was chosen as the best report among the five selected companies from the Fuel and Energy sector and was adjudged runner up across all sectors by the Institute of Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan. The Annual Report 2011 also received the 'Certificate of Merit' in the Manufacturing Sector category by the South Asian Federation of Accountants.
- ▶ Quarterly briefing on financial statements is given to management.
- ▶ Meeting of PPL's Board of Directors is held on a quarterly basis.
- ▶ Media/ press briefings and interviews are given on demand.
- ▶ Consultative meetings with CSR partners are held for social development initiatives.
- ▶ The company ensures timely payment of taxes.
- ▶ Checks such as annual declaration of assets, notifying the company in case of receipt of gifts above a certain value, hospitality and potential conflicts of interest are in-built into the system to preempt corruption.
- ▶ Similar checks and balances are built into organizational processes, governing procurement, materials and personnel in accordance with the Manual on Delegation of Authority and Public Procurement Regulatory Authority, a public sector entity to monitor procurement in a transparent manner.



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