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## Message from Chief Executive

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The world is currently facing a challenge of globalization. Some view it as a process that is beneficial—a key to future world economic development and also inevitable and irreversible. Others regard it with hostility, believing that it increases inequality within and between nations, threatens employment and living standards and thwarts social progress. The crises in the emerging markets has made it quite evident that the opportunities of globalization do not come without risks—risks arising from volatile capital movements and the risks of social, economic, and environmental degradation created by poverty.



This is not a reason to reverse direction, but for all concerned in developing countries, in the developed countries, and investors to embrace policy changes to build strong economies and a stronger world financial system. Such a system will produce more rapid growth and ensure that poverty is reduced. The same theme/idea was initiated by Mr. Kofi Annan, Secretary General of the United Nations in 1999 under the umbrella of United Nation's Global Compact and was conveyed to business world to build the missing social infrastructure of the new global economy by improving their own corporate practices.

Pakistan Refinery Limited is a signatory to the United Nations-led Global Compact, a network of companies, governments, non-governmental and labour organizations who have agreed to work with the UN to support 10 principles in the areas of human rights, labour, the environment and anti-corruption. We are committed in making Global Compact part of our strategy, culture and day-to-day business operations. PRL agrees with the Global Compact that simple declarations of commitment satisfy neither the performance-oriented business community nor the stakeholders anxious to see actual progress. As such, we annually report to our stakeholders on actions we have taken related to UN Global Compact principles. In addition to this, we have also taken various initiatives in under-privileged areas to improve the community services in support of UN Millennium Development Goals.

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

Sincerely,

**Zafar Haleem**  
**Managing Director & Chief Executive Officer**

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## Communication on Progress

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In 1999 Mr. Kofi Annan, Secretary General of United Nations invited businesses to play their role in building the missing social infrastructure of the new global economy by improving their own corporate practices under the umbrella of *United Nation's Global Compact* (Global Compact's Ten Principles). These *Ten Principles* are derived from the area of *Human Rights* (drawn from the Universal Declaration of Human Rights), *Labour* (drawn from the ILO declaration on Fundamental Principles and Rights at Work), the *Environment* (drawn from the Rio Principles on Environment and Development) and *Anti-corruption* (drawn from United Nations Convention Against Corruption) and are accepted by most of the Employers' around the world

The UN's Global Compact is a voluntary corporate citizenship initiative, which companies across the world are encouraged to join. Its purpose is to establish partnerships between the UN and the businesses and thereby advance responsible corporate citizenship. In this manner the businesses undertake a commitment to meet the challenges of globalisation. Pakistan Refinery Limited (PRL) joined the Global Compact in 2004, as we consider these principles suitable for substantiating central themes in our Mission and Vision.

In order to give an understanding to our employees about the spirit of Global Compact Principles, a series of in-house programs have been arranged so that they can also adopt these guiding principles in their daily business / operational activities. In these programs, the following were presented and discussed:

- Global Compact Ten Principles
- Detailed discussions on the source of these principles i.e.,
  - Universal Declaration of Human Rights*
  - ILO declaration on Fundamental Principles and Rights at Work*
  - Rio Declaration on Environment and Development*
  - United Nations Convention against Corruption*
- Advantages of adopting these principles
- How companies participate?
- Dialogue on bringing these principles in company policy and culture

**Note:** [Click here for complete presentation](#)

In the last quarter of 2005, PRL formed a committee comprising of senior executives with the objective to identify the project(s) in support of United Nations Millennium Development Goals and Corporate Social Responsibility. After having several meetings and conducting surveys, the committee finalized following projects to be undertaken:

- Improving health care services through supporting hospitals*
- Achieving universal primary education through supporting schools*

In order to improve health care services and reduce maternal and child mortality rate, PRL selected a Government Hospital which is located in the coastal rural area, where the population is over 0.2 million and serves a focal point for providing health care services. PRL decided to enhance the health care service by renovating its OPD, Operation Theatre, Labour Room, Nursery, Laboratory and Female Ward. In addition to this renovation, PRL provided necessary hospital equipments so that the people of this less privileged area could be benefited from these facilities. The total estimated cost of project is around Rs.4 Million and is expected to be completed by end June 2006.

Besides providing support to improve the health care services, PRL has also contributed in the form of donations (amounting to Rs.1.8 million) to the following institutions/hospitals which are catering to the masses in providing health care services:

- Aga Khan Hospital in building their Day Surgery Unit;
- Sindh Institute of Urology and Transplantation; the largest institution for kidney transplantation in Pakistan;
- LRBT Eye Institution; and Pakistan Eye Hospital which provides free of cost health services to the poor people
- World Monument Fund

PRL has already been providing support to the government schools in the vicinity for the last couple of years in the form of books, notebooks, uniform, shoes, etc to the deserving children. During the current financial year, PRL has also contributed an amount of Rs.1 million towards these schools in order to help the poor students. We are also in the process of constructing new class room in a government school in the surrounding community so as to enhance the number of children in the primary education.

Not only in providing health care services and primary education to its community, PRL has also contributed generously in natural catastrophe within and outside Pakistan. The devastating **tsunami** which hit regions of Asia and Pacific caused tremendous human suffering around the world. PRL donated a sum of Rs.1 million and the employees of the company also donated their one day salary to help the Asian tsunami's unfortunate affected people in their difficult times.

PRL and its employees once again showed their spirit of brotherhood in the Pakistan's worst ever earthquake that hit Azad Kashmir and parts of our northern areas last year very badly. PRL donated a sum of Rs.10 million in cash, fuel worth Rs.3.2 million along with two containers loaded with basic necessity items such as rice, wheat, flour, cloth, blankets, medicines, etc. In addition to the donations made by PRL, its employees also contributed their one day gross salary towards the earthquake victims.

PRL provides the freedom of association and the effective recognition to the right to collective bargaining. We believe in harmonious relationship with our employees. After every two years, management and union enter into bilateral negotiations on the Charter of Demands and arrive at a mutually acceptable agreement. This has lead to a peaceful and healthy working environment among the management and the workers since the last over two decades.

We believe in safe and healthy work environment for our employees, stake-holders and community where we operate. We are the first refinery in Pakistan to be certified against the standards of ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:1999 certifications.

PRL completed 10 million man-hours without Lost Time Injury through adopting best safety practices and quality human resources.

PRL is a pioneer member of Marine Oil Spill Response Centre, first institution having established a disaster recovery plan in case of oil spillage in sea.

All our Emissions and Effluents are maintained within National Environment Quality Standards (NEQS) throughout the period under consideration. Better operational control has resulted into reduction in soil / underground contamination levels.

Worker involvement in HSE is ensured at various stages as through:

HSEQ Committees. Workers are represented in HSEQ Committee meeting.

Hazard identification and risk assessment process

Training programs

Involvement in incident investigations

Planned inspections

Safety talks

Milestone recognition / celebrations at every stage

PRL is proud to communicate that we have won the best Environmental Reporting Award for two consecutive years i.e.; **2004 and 2005** being jointly awarded by ACCA and WWF. We are also the first prize winner of “Occupational Health & Safety Award 2005” awarded by Employers’ Federation of Pakistan.

This is not the end but it is just the beginning. We are striving to make our-self committed to the UN Global Compact principles. We believe that all such activities will contribute to serve the community better and a long-term value creation for our key stakeholders.