



Communication on Progress Year: February 2008 to February 2010

STATEMENT OF CONTINUED SUPPORT:

Corporate Social Responsibility (CSR) is not a new concept for Attock Refinery Limited (ARL); it has been part of the Company's core values since its inception. ARL's history of over 85 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 various stakeholders.

ARL highly regards the call of the Global Compact to companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption.

In pursuance of the Global Compact principles, our sustainability attributes are based on five pillars of strength i.e diversification, competitiveness, transparency, synchronized community & social responsibility services and environmental protection. We realize that Integrated approach to manage social, environmental and financial issues is a challenging task especially to embark on patrolling of boundaries between legal and illegal, ethical and unethical, right and wrong, fair and unfair, good and poor quality.

In order to clearly define these boundaries, and eliminate barriers to innovative ideas, ARL in 2009 concluded a six month value embedding program for our six corporate values namely Integrity & Ethics , Quality, Social Responsibility, Learning & Innovation, Team Work, and Empowerment in our day to day business affairs.

In view of our commitment to preserve Mother Nature, we have planned to become the first oil and gas sector industry to achieve green industry status from Federal Environment Protection Agency. We once again reiterate our endless commitment to become a socially responsible company by extending full support to UN Global Compact guiding principles leading to fair business practices all over the world

March 26, 2010; M. Adil Khattak , CEO

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Brief description of nature of business

ARL is the pioneer of crude oil refining in the country with its operations dating back to 1922. Backed by a rich experience of more than 85 years of successful operations, ARL's plants have been gradually 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 40,000 Barrels Per day.

ARL is one of the unique refineries in its operations as it refines 40 different types of crude oil with API 12-65. 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 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 priority of ARL. The company supports and is committed to the freedom of association and the effective recognition of the right to collective bargaining as per our country laws.</p> <p>System:</p> <p>At ARL, the workers are represented through Unions and out of the three registered trade unions; one has been elected through a referendum (under the auspices of Government of Punjab Labour Department) by the workers to represent them as Collective Bargaining Agent (CBA). There is no restriction on employees regarding participating in these activities.</p> <p>Activities:</p> <p>Periodical election / referendum is arranged at ARL in coordination with Labour department, Government of Punjab, to ensure transparency in the process. Workers' terms and conditions are determined through a process of bilateral negotiation between CBA and management. The settlement for a 2 year period is signed on part of both parties after receipt of charter of demand from the CBA through bilateral negotiation.</p>
Outcomes	<p>Measurement of (expected) outcomes and value added for our company</p> <p>The relations between workers' Union and management are based on the principles of mutual trust, respect, and open communication. Workers involvement in decision making process is ensured through their representation in Joint Management Board, Management Committee and various other committees. At ARL, we consider our workers as partners in continued success & profitability and an asset for our company.</p>

PRINCIPLE 4		BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR
Action	Actions taken	
	<p>Commitment:</p> <p>Our company supports and implements international labour standards from the ILO Convention 29 in its mission statement and corporate policy, eliminating all forms of forced and compulsory labour.</p> <p>System:</p> <p>At ARL, there is no concept of any kind of forced or bonded labor. Any thing repugnant to the state law is considered as unfair practice.</p> <p>We have been following the policy of acting beyond compliance and have implemented a system for checking and recording that all employees are paid minimum wage. In order to avoid excessive overtime hours, we have a Time Office section in our refinery through which timecards, payroll and production records are reviewed on a regular basis and are even both by internal as well as external representatives.</p> <p>Activities:</p> <p>We strictly comply with relevant provisions of Factories Act 1934 and Bonded Labor System (Abolition) Act, 1992. We have a well elaborated policy on Ethics and Business practices which is being followed. ARL being a Socially Responsible Company organizes seminars/workshops, which depicts its commitment to the above social obligation.</p>	
Outcomes	Measurement of (expected) outcomes and value added for our company	
	<p>ARL is considered as one of the workers' friendly company and not a single example is available of any forced and compulsory labour here.</p>	

PRINCIPLE 5		BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR	
Actions	Actions taken		
	<p>Commitment: ARL is committed to abide by local and international laws for abolition of child labour</p> <p>System: ARL has well defined system of recruitment wherein minors can't be employed. ARL neither engages in employment of children nor supports child labor. ARL respects International Labor Organization (ILO) convention regarding minimum age and recommendation.</p> <p>Activities:</p> <p>We have database for each category of employees with their authentic birth dates verification. The company also organizes seminars/workshops, which depicts its commitment to the above social obligation.</p>		
Outcomes	Measurement of (expected) outcomes and value added for our company		
	<p>ARL has earned good name by complying the minimum age requirement. Even apprenticeship training is offered to students who are over 18 years of age. We do not employ anybody without valid National Identity Card as proof of his age.</p> <p>In recognition, the company has received some of country's premier excellence awards in this regard.</p>		

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 eliminating discrimination and promoting equality and diversity in its own policies, practices and procedures in those areas in which it has influence.</p> <p>System:</p> <p>ARL is an equal opportunity employer. The company do not discriminate in hiring, promotion, compensation, development on the basis of race, colour, religion or gender. 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> <p>The company frequently conducts different sessions for employees awareness and no of training session have already been arranged to inculcate a culture of team which is also aligned with our core value of teamwork</p>
	<p>Measurement of (expected) outcomes and value added for our company</p> <p>As a result of sensitization on this important aspect, not a single complaint was referred to ARL Gender Harassment committee during the year 2009. It shows that all segments of population are working amicably at ARL.</p>

PRINCIPLE 10		BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY	
Actions	Actions taken		
	<p>Commitment:</p> <p>We are committed to follow the highest standards of ethical and best business practices. We feel that conducting our business in an ethical, transparent and legal manner is the only way forward. Bribes, kickbacks, and other improper payments are not made on behalf of the Company in connection with any of its businesses.</p> <p>System:</p> <p>In order to ensure the transparency, we have well defined systems for procurement or sale of any item and we strictly follow the directions of government authorities to do our business in lawful manner. We have also adopted the Policy of Business Ethics to avoid the any untoward incident.</p> <p>Activities:</p> <p>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 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.</p>		
Outcomes	Measurement of (expected) outcomes and value added for our company		
	<p>Only one incident of corruption/dishonesty was reported in 2009 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?	
<p>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.</p>	