



UN Global Compact Communication on Progress 2014



*Local patient examined at PPL Public Welfare Hospital,
Pakistan Petroleum Limited's latest community healthcare project*



Pakistan Petroleum Limited



Pakistan Petroleum Limited

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***United Nations Global Compact
Communication on Progress 2014***

Message from Managing Director and Chief Executive Officer

Endorsing our commitment to United Nations Global Compact (UNGC), I am pleased to share substantive progress made by Pakistan Petroleum Limited (PPL) during the year under review in areas of sustainable community and human resource development, human rights, Health, Safety and Environment (HSE) and operational excellence.

On the Corporate Social Responsibility (CSR) front, PPL once again clinched the prestigious Pakistan Centre for Philanthropy award for largest corporate giver in volume terms for the ninth consecutive year. Besides ongoing projects, the company's CSR portfolio increased further with new initiatives in education, healthcare, livelihood generation, infrastructure development and post-disaster rehabilitation. Notable among these is the 50-bed PPL Public Welfare Hospital at Sui, District Dera Bugti, Balochistan that opened in December 2013 and is expected to cater to approximately 40000 local residents.

The company reaffirmed its support to human resource development in the oil and gas sector by strengthening local tertiary-level educational institutions and scholarship schemes. An important development was the Memorandum of Understanding (MoU) signed by PPL, NED University of Engineering and Technology and Norwegian University of Science and Technology in January 2014. The first-ever MoU between industry and a foreign educational institution, the collaboration is expected to reinforce industry-academia linkages, promote research and development and train professionals in line with industry needs.

Our bid to integrate best HSE practices across all company-operated projects remained on stream together with efforts to bring PPL fields and facilities at par with international quality standards. In 2013, PPL achieved 0.12 Loss Time Injury Frequency, 60 percent lower than the preceding year. Currently, 13 PPL-operated fields and facilities stand certified for ISO 14001 Environment Management System and Occupational Health and Safety Assessment Series 18001 and 15 for ISO 9001 Quality Management System.

We hope the enclosed Communication on Progress 2014 will validate these and other efforts aligned with UNGC's principles.

**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.
- ▶ 'Good Learning Practices Award 2013' was conferred to PPL by Pakistan Society for Training and Development (PSTD). The award demonstrates management's commitment for building a learning culture at PPL and enhancing human resource competencies.
- ▶ The company sends its head office staff on regular field visits to seek their opinion and suggestions for work-related improvements. Posting of staff between fields and head office, on a rolling-basis, has been streamlined during the last few years. To this end, a number of staff was moved from head office to fields and vice versa to enrich their experiences. Also, regular lateral staff rotation within head office has assisted employees in diversifying their learning and helping the company to benefit from 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 organizes town hall meetings for staff to share concern and issues in an open communication with the management. The forum also provides an opportunity for management to share company's progress and challenges with employees.

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 non-management staff, 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 and keep them updated with the latest trends and use of technology in the Exploration and Production sector.
- ▶ 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 58th year of publication regularly reports on company activities and industry-related news. The Urdu version of *Progress* was initiated in January 2011 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 and 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. PPL also organizes indoor games competition among head office and field employees.
- ▶ PPL organizes musical and other cultural programmes for 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 Quality, Health, Safety and Environment 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 Health, Safety and Environment (HSE) requirements at head office and all field locations.
- ▶ HSE awareness and training sessions on fire fighting, incident investigation and reporting and permit-to-work system are regularly held. 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.
- ▶ 'Hazard Identification, Risk Assessment and Management', processes are shared with staff, particularly on fields, for compliance. Field-based 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 implemented at PPL fields and drilling sites. As a quick and accurate estimation of personnel's location at various field sites, the T-Card boards are in use at Kandhkot, Mazarani, Adhi, Chachar and Hala fields. Besides, the T-Card system is also implemented at the regional office in Islamabad.
- ▶ To ensure safe operations at plants together with proactively avoiding incidental environmental releases, a project on 'Process Safety Management' has been initiated.

Employee Travel Safety

Performance

PPL regularly arranges training programmes on defensive and evasive driving and road sense and safety 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 workshops/ garages.
- ▶ 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 supports 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 0.12 LTIF in 2013 which is 60 percent less than the preceding year.
- ▶ The company has developed an Occupational Health Surveillance Programme to ensure healthy environment for employees by keeping a check on work-related illness/ diseases. The programme is gradually implemented with 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 and outbreaks.
- ▶ 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 support and has allocated minimum 1.5 percent of its pre-tax profit for CSR activities.

The company spent around Rs. 1,070 million for CSR initiatives during July 2012 to June 2013 and about Rs. 440 million during July 2013 to March 2014, 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 50 girls and the school caters to nearly 2900 students both boys and girls.
- ▶ The company earlier constructed and operationalized



the first-ever Computer Training Centre and Library (CTCL) at Sui in 2010 for general public and 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). 360 students, 60 in each batch, have completed CIT until December 2013, bringing the total number of computer literates to nearly 550. Besides, CTCL also houses a reading area where books and selected magazines are provided. Over 650 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 Public School (FGPS), Sui.
- ▶ 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 in District Dera Bugti to pursue higher professional education in renowned universities/ colleges across the country. Later in 2009, the scholarship programme was expanded to include students living around other producing assets. To date, the higher professional education scholarship has benefited more than 90 students in District Dera Bugti, among these 53 have completed studies, and about 35 students in districts Kashmore, Sanghar, Gujjar Khan and Kambar Shahdadkot.
- ▶ A four-year scholarship programme for secondary and higher secondary students of Balochistan has commenced during 2011- 2012. Under this scheme, 30 scholarships are provided annually for a study programme from grade IX to XII to students already enrolled at renowned educational institution across the country. So far, 70 students have benefitted. Currently, scholarships are being awarded for 2013-2014, which will bring the total number of beneficiaries to 100.
- ▶ The company is supporting Balochistan Public School (BPS) in Sui since the early 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. 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. For 2013-2014, the fifth tranche of scholarship was provided to BPS bringing the total number of beneficiaries to 60. Besides, the company also provided laboratory apparatus, equipment and books worth Rs. 0.750 to BPS during 2013.
- ▶ 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 2013-2014, PPL provided nearly Rs. 2 million to meet operational expenses and construction-related activities.

- ▶ PPL has constructed three primary schools in Kandhkot, near its operational field. These schools are run by The Citizen's Foundation (TCF). As per the Memorandum of Understanding (MOU) signed between the two organizations, TCF ensures provision of quality education to children from local communities while PPL finances operations, construction and other expenses besides continuous monitoring on progress. The company created an endowment fund over Rs. 83 million for establishment and operationalization of these schools over a period of 10 years. The schools became operational during 2011 with an encouraging enrolment of nearly 300, including both girls and boys students. To date, the total number of students has increased to about 600. The company plans to construct two secondary schools for the primary grades to move swiftly to the next level.
- ▶ Based on the success of PPL-TCF schools in Kandhkot, the company is building PPL-TCF Tando Mohammad Khan campus on the same lines over an area of 4000 sq. ft. with eight class rooms, laboratory, art room, library and staff rooms. The school has become operational in a makeshift arrangement with about 100 students from kindergarten to grade II with four teachers. The company has earmarked Rs. 12 million for construction and furnishing the facility and provided Rs. 4.5 million for operational expenses for three years.



- ▶ The National Outreach Programme (NOP) of the Lahore University of Management Sciences (LUMS) was launched in 2001 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 LUMS 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 scholarship scheme for students of Balochistan and Khyber Pukhtunkhwa (KPK) under National Talent Hunt Programme of Institute of Business Administration (IBA), Karachi was initiated last year. The scheme started off with offering scholarships 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.
- ▶ The company established a computer laboratory at Government Girls Degree College, Khuzdar. The lab was set-up in a hall earlier constructed by District Education Department. PPL provided computers, printers, relevant equipment, furniture and fittings at a cost of nearly Rs. 1.3 million for the facility.
- ▶ A multi-purpose open plan building with a seating capacity of over 400 was constructed for Government Boys High School, Mohra Noori, close to PPL's Adhi Field, at a cost of nearly Rs. 8 million. The facility will enable the host school and nearby institutions/ schools to organize various events, including examinations and celebrations.
- ▶ PPL constructed and established a multipurpose hall spanning an area of 5000 sq. ft. at Government Girls Junior Model High School, Bahawalpur at a cost of Rs. 10 million to enable school management to organize various events. Besides, the company also provided Rs. 1 million to furnish the facility.
- ▶ The company committed to support construction of a purpose-built Babaza Foundation Trust School in Korangi, Karachi with a contribution of Rs. 15 million over the period of two years. The first tranche of Rs. 9 million was provided during 2013-2014. PPL's assistance will enable trustees to match existing school development funds to provide quality education to nearly 500 children from marginalised communities.
- ▶ PPL constructed a laboratory block at the Department of Chemical Engineering (DCE), University of Karachi with a

covered area of 4600 sq. ft. at a cost of Rs. 8.55 million. The company also equipped the facility with Rs. 4.5 million. The initiative enabled the DCE to secure accreditation from Pakistan Engineering Council.

- ▶ Support was extended to the Department of Petroleum and Gas Engineering at Balochistan University of Information Technology, Engineering and Management Sciences (BUIITEMS) for furnishing and equipping its existing lab. PPL provided Rs. 25 million to BUIITEMS in two tranches during 2012-2013 and 2013-2014 to encourage research and development (R&D) in petroleum engineering through the use of latest equipment.
- ▶ During 2012, PPL established Geophysics Chair at Bahria University (BU) to promote credible and relevant research and development in the field and enable BU to become a knowledge and research hub in geophysics for academia and industry. As part of its long-term commitment with BU, the company provided Rs. 5 million during 2013-2014 to obtain relevant software for Digital Geophysics Lab and R&D initiatives.
- ▶ PPL is endeavouring to strengthen industry-academia linkage to promote R&D in petroleum engineering and geosciences to not only facilitate its business but also bring academic excellence in these disciplines to nurture future human resource for the country's development. To this end, a MoU was signed between PPL, NED University of Engineering and Technology and Norwegian University of Science and Technology in 2014.
- ▶ To further its efforts in promoting education, especially in remote areas,



PPL has made contribution/ donations and provided support to the following institutions, including:

| Institutions/ Initiatives | Spending during April 2013- March 2014 (Rs. in millions) |
|---|---|
| Annual scholarship/ fees for girls transferred from FGPS at TFGS | 1.256 |
| Architecture Department, NED University of Engineering & Technology, Karachi for First Architectural Conference | 0.240 |
| Pakistan Association of Petroleum Geoscientists for Annual Technical Conference | 1.255 |
| Pakistan Association of Petroleum Geoscientists for an International Conference | 0.400 |
| The Institute of Chartered Accountants of Pakistan for Chartered Accountant Students' Conference | 0.100 |
| Tabani School of Accountancy for Gold Medal 2013 | 0.090 |
| Society of Petroleum Engineers (SPE) - NED Chapter for a student's participation in a conference | 0.044 |
| SPE-NED Chapter for Switch Energy Awareness Programme | 0.050 |
| TCF for literacy homage to Balochistan | 0.100 |
| Shaheen Karachi Grammar School as annual donation | 0.025 |
| Department of Geology, University of Peshawar for students' magazine | 0.300 |
| National Centre for Excellence in Geology, University of Peshawar for a conference | 0.100 |
| Mohammad Ali Jinnah University for Excellence Award Ceremony | 0.025 |
| Society of Economic Geologists and Mineral Technologists, Department of Geology, University of Karachi for International Conference on Energy Resources | 0.400 |
| Academy Bazyafat for publication of a book | 0.120 |
| ENTECH Pakistan for Engineering Exhibition at International Engineering Congress | 0.500 |
| Institute for Business Administration for a mega event | 0.100 |
| Professional Education Foundation for Carnival 2014 | 0.100 |
| Hamdard Institute of Management Sciences for Business Transformation Training | 0.250 |
| Government Girls Primary School (GGPS) & Government Boys Primary School, Mastala for construction of school building | 3.831 5.538 |
| Construction of boundary walls for GGPS Mastala and Government Girls High School, Dhong | 3.635 |
| Government Girls Elementary School, Adhi for construction of an academic block | 1.498 |
| Government Girls Primary School, Shakal Khan, Eshani, Barkhan for construction of an academic block | 2.500 |
| Government Primary School, Rasool Bakhsh, Chachar, for construction of an academic block | 2.271 |

Healthcare Initiatives

Performance

The company has provided extensive medical facilities in some of the remotest 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. SFH is equipped with latest medical facilities, including two operation theatres, blood bank with regular blood donation drives to meet the needs, and laboratory, delivery room with fetal heart monitor and infant incubator as well a cardiac care unit with heart monitors and defibrillator. The hospital also has a 24-hour emergency ward to cater to trauma and accident patients.
- ▶ Fully-equipped mobile medical dispensary (MMD) regularly visit more than 15 villages/ locations around SGF, Kandhkot and Mazarani fields on a weekly/ bimonthly basis to provide free healthcare facility to locals residing in the area. Approximately 100 to 150 patients are reached on a daily basis through each MMD. The dispensary refers cases for further investigation and treatment to SFH in Sui and relevant taulka hospitals in Kandhkot and Mazarani.
- ▶ PPL constructed, furnished and equipped a 50-bed PPL Public Welfare Hospital (PPL PWH) in Sui Town with an investment of over Rs. 350 million on the land provided by Government of Balochistan (GoB), who is also responsible to run the facility, to cater to a large number of unreached local patients. The hospital has necessary facilities,



including gynaecology and obstetrics, emergency and operation theatres. The out-patient faculty of PPL PWH started functioning in December 2013 and caters to over 300 patients on a daily basis. PPL is also in the process of hiring 10 specialists and will bear their service cost. Moreover, the company will also provide medicines worth Rs. 10 million on an annual basis to PPL PWH.

- ▶ PPL provides free medicines to Rural Health Centre, Sui on a monthly basis.
- ▶ 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. Eye camps are organized in partnership with Al-Shifa Trust Eye Hospital. Besides, PPL also holds need-based free-of-cost medical camps for epidemic diseases such as scabies.
- ▶ 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.
- ▶ 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 allocated Rs. 13 million for construction, equipment and development of laboratory and library for TDPRC. During 2013-2014, nearly 65 percent construction was completed.
- ▶ The company committed to provide treatment for 50 cancer patients annually, starting 2013-2014 up to a period of three years, belonging to PPL's producing assets around Balochistan and Sindh, at Jinnah Postgraduate Medical Centre (JPMC) through CyberKnife Robotic Radiosurgery technology. A cutting-edge non-invasive and painless process, CyberKnife

technology treats usually early stage tumours. Rs. 5 million was provided during 2013-2014 to JPMC as a first tranche of the donation.

- ▶ In order to further ongoing efforts for treatment and rehabilitation of drug addicts, PPL committed to support treatment of 50 patients annually for a period of three years at Model Addiction Treatment and Rehabilitation Centre of Anti Narcotic Force (ANF). The first and second tranches of Rs. 2 million each was provided to ANF during 2013- 2014 and 2013-2014. The company further provided Rs. 3 million to ANF for awareness raising about adverse effects of drug addiction through theatre and camps in interior Sindh, especially close to PPL's producing assets.
- ▶ PPL provided state-of-the-art equipment worth Rs. 10 million to Murshid Hospital and Healthcare Centre to replace the ageing ones for providing quality services to incoming patients.
- ▶ To support viable community healthcare projects and services, PPL has provided donations/ sponsorships to various institutions/ initiatives, including the following:

| Institutions/ Initiatives | Spending during April 2013- March 2014 (Rs. in millions) |
|---|---|
| Poor Patients Aid Society, Civil Hospital for annual donations | 0.300 |
| Accident and Emergency Foundation, JPMC for annual donation | 0.100 |
| Karawan-e-Hayat, Karachi for annual fundraising event | 0.200 |
| Pakistan Foundation for Fighting Blindness for fundraising events | 0.350 |
| Pakistan Association of the Blind for White Cane Day | 0.100 |
| Sui Southern Gas Company Women Association for awareness raising on breast cancer | 0.010 |
| Welfare Society for Patient Care for fundraising event | 0.300 |
| The Lahore Hospital Welfare Society for fundraising event | 0.450 |
| JPMC for construction of Tuberculosis Ward (second/ last tranche) | 5.000 |
| Make a Wish Foundation for terminally-ill children | 0.150 |
| Basic Health Unit, Jamshoro for an ambulance | 0.100 |



WE SUPPORT

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 set-up a Women Welfare Centre (WWC) since 2006 in the FG Public School's premises, Sui to provide skill learning opportunities for young local women who could not complete their formal education and are interested in enhancing their income potential. So far, over 300 women have benefitted from the centre, which was initially run by Pakistan Army. Later, PPL constructed and furnished a purpose-built facility for WWC at a cost of over Rs. 32 million within the TFGS premises and provided equipment and material together with operational cost. The centre also has a day care facility for participant mothers to look after their children while they attend classes. The new facility is being run by Taaleem Foundation, a renowned civil society organization working in Balochistan.
- ▶ PPL is extending infrastructure and maintenance support for Technical Training Centres (TTCs) in Sui and Daultala since the 1990s. The courses offered at these centres 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. To date, 43 students have benefitted from the scholarship since 2009. 10 more scholars for 2013-2014 will soon be added to the list of beneficiaries.
- ▶ In 2011, the company established Women Vocational Training Centre (WVTC) in Mastala near its Adhi Field to facilitate interested women to increase their income potential by learning new skills. The centre is run by Behbud Association of Pakistan, a non-governmental organization. PPL constructed and furnished the facility and committed to provide 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 benefitted through WVTC.

| Institutions/ Initiatives | Spending during April 2013- March 2014 (Rs. in millions) |
|--|---|
| Human Development Foundation | 0.020 |
| Society for Human Resource Management Forum for National Human Resource Development Conference | 0.100 |
| Pakistan Society for Training and Development for Annual Learning Conference | 0.200 |
| Master Trainers' Training for TTC-Sui staff | 0.600 |

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 Pakistan. 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 not only for its own use but also for local communities.

- ▶ The company has recently constructed a four-km. *kacha* road connecting to main Sui-Kashmore road at a cost of Rs. 16.5 million. The road is being used by locals residing in New Shaikh and Haji Adal colonies in Sui town as a safe and convenient route.
- ▶ PPL provides free-of-cost gas and water supplies to over 40000 residents of Sui town and villages around SGF. An average of 4 to 5 MMscfd free gas is provided at an approximate annual cost of Rs. 390 million. Besides, more than two million gallons of drinking water is pumped daily to Sui town through Khewali Pumping Station situated 55 km. away from the town at an annual cost of about Rs. 180 million.
- ▶ Due to line losses and pilferages on the PPL water supply line, the Sui town residents' needs were not fully meet. To address the 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 runs a water supply scheme using a bowser facility since 2010. As the area is prone to frequent underground water pollution, the potable water is brought from a safe source, 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. Over 3000 people are benefitting from the facility. The company provides maintenance, supply and salaries at an annual cost of about Rs. 2.7 million.
- ▶ After successful installation of pumping machinery and laying of pipeline, PPL has completed work on the potable water supply scheme near Fateh Khan town in District Dera Ismail Khan with an investment of Rs. 3 million. The scheme benefits over 7000 town residents.
- ▶ The company developed a water supply scheme to address water scarcity issues faced by locals in District Washuk, Khara, Balochistan on a voluntary basis. With an investment of nearly Rs. 15 million, the scheme caters to 13 villages. The development work involved drilling of water bores, installation of pumping machinery, construction of pump room and storage tanks together with laying of pipelines.
- ▶ As per its commitment to install 50 deep hand pumps in two phases to address water shortages in villages of Union Councils (UCs) Jungshahi and Jamphir in District Thatta, Sindh adjacent to its exploration block, Jungshahi, PPL installed 29 hand pumps between 2013 and 2014. During the first phase, 21 hand pumps were installed between 2012 and 2013. PPL spent Rs. 8. 60 million for the initiative.

- ▶ During the 2010 floods, PPL not only provided relief to affectees but also allocated Rs. 50 million for rehabilitation of affected communities. To this end, the company is implementing the rehabilitation programme in Kandhkot near its producing field in partnership with a local civil society organization. Development initiatives are planned at three UCs in Taluka Kandhkot, District Kashmore, focusing on infrastructure development/ repair of educational, healthcare, agricultural and water supply facilities together with training of locals. So far, RCC pipes, link roads and hand pumps have been installed in target UCs at a cost of over Rs. 10 million.
- ▶ To support earthquake victims of Balochistan that hit parts of the province in 2013, especially District Awaran, PPL's Board of Directors approved Rs. 40 million for relief initiatives. Among this, Rs. 10 million was donated to 'Prime Minister's Balochistan Earthquake Relief Fund 2013' while the remaining amount was used for distributing over 10000 food bags and 540 tents amongst affected local population in District Awaran.

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 also invests 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.



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. To ensure optimum on-ground implementation and impact, PPL works through government, local civil society organizations and local communities.

- ▶ The company won the Pakistan Corporate Philanthropy Award instituted by the Pakistan Centre for Philanthropy for nine consecutive years from 2004 to 2012.
- ▶ 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 2013- March 2014 (Rs. in millions) |
|--|---|
| World Wide Fund for Nature (WWF), Pakistan for Earth Hour (EH) 2014 | 0.150 |
| WWF Pakistan for tree plantation campaign | 0.100 |
| Institute of Cost and Management Accountants of Pakistan for a seminar on Mutual Fund | 0.020 |
| SPE, Pakistan Chapter for Golf Tournament | 0.100 |
| Sufystical for musical performance | 0.030 |
| Citizen Police Liaison Committee for annual donation | 0.200 |
| National Academy of Performing Arts for various shows | 0.245 |
| Pakistan Institute of Corporate Governance for PICG Conference | 0.250 |
| Rahim Logistics for Inter-firms Table Tennis Championship | 0.030 |
| SPE - NED Chapter for annual dinner | 0.035 |
| Distinguished Secretaries' Society of Pakistan for 42 nd Anniversary Gala | 0.015 |
| SGS Pakistan (Private) Limited for a summit on Asset Integrity Management | 0.500 |
| Hissar Foundation for a conference on Water Management | 0.200 |
| Islamabad Cricket Club of the Blind for a cricket tournament | 0.100 |
| Karachi Flames Football Club and Academy for a team tour | 0.050 |
| Capital Publications (Private) Limited for a supplement for Roundtable Conference on Energy Crises | 0.500 |
| Karachi Boat Club for Chinna Regatta 2013 | 0.150 |
| Sindh Rural Support Organization for craft festival | 0.100 |
| Petroleum Institute of Pakistan for launch of Energy Outlook | 0.140 |
| New World Concepts for Women Leaders Conference | 0.200 |
| Pakistan Society for Training and Development for Women Business and Leadership Conference | 0.100 |
| Institute of Business Management for Spring Festival 2014 | 0.050 |
| The Institute of Chartered Accountants of Pakistan for CFO Conferences | 0.600 |
| Floral Art Society of Pakistan for National Flower Show | 0.150 |
| All Pakistan Music Conference for Annual Music Festival 2014 | 0.150 |
| British Women Association for grand charity bazaar | 0.025 |
| Deputy Commissioner, Kashmore, for a flower show | 0.300 |
| Rizq Foundation for upgrading a roundabout in Karachi | 0.200 |
| Project Management Institute Karachi, Pakistan Chapter for International Project Management Day | 0.010 |
| Pakistan Association of the Blind for a cricket tournament | 0.100 |
| Sindh Welfare Association of the Deaf for a cricket tournament | 0.030 |

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, which was disseminated across PPL for compliance, further stresses on professionalism from directors and employees.
- ▶ 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.
- ▶ 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 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 celebrates 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 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 and ensuring environmental conservation in all company operations. The policy was 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 head, regional and field offices and can be accessed through the company's website: <http://www.ppl.com.pk/content/policies>
- ▶ 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 continuous assessment and monitoring 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 latest industry practices, use of technology and benchmarking 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 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 Environmental Protection Agencies (EPA) for approvals. Once approved, IEE/ EIA provide a benchmark for regular internal and external monitoring against suggested mitigation measures.
- ▶ Independent Environmental Monitoring is carried out for seismic and drilling operations in environmentally sensitive areas through reputed specialized consultants to ensure

compliance with methodologies recommended in relevant studies, legal requirements and company's HSE standards to address local environmental issues together with meeting stakeholders' expectation, including environment, wildlife and forest authorities.

- ▶ All PPL-operated fields are registered with Federal EPA under Self Monitoring and Reporting Programme for monthly testing through external laboratory and reporting of emission parameters against NEQS.

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 international EMS and OHSAS standards. EAIA helps in proactively identifying and evaluating potential environmental hazards and taking appropriate precautionary control measures to mitigate 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 recognizes that operational excellence cannot be achieved without embedding HSE considerations in business decision making processes. Therefore, PPL remains committed to raising environmental awareness among staff, suppliers and dealers for encouraging eco-friendly practices.



1 Awareness Raising

ACTION

Enhancing Environmental Awareness

Performance

- ▶ Awareness raising sessions and training with a focus on environment and sustainability are regularly held to apprise staff on emerging issues. In addition, HSE safety talk, alerts and bulletin boards are effectively utilized to promote conservation.
- ▶ 'Sustainable Energy Management' was promulgated in 2011, as part of corporate HSE procedures, to implement energy conservation at all fields. Initially, baseline data for consumption pattern at each field was collected. Since then significant improvement has been achieved against each year's bench mark for conserving electricity, gas, fuel and water resources as well as waste generation.
- ▶ Water and energy conservation campaigns are regularly organized at all fields, involving awareness raising sessions and dissemination of relevant resource material among staff. Besides, HSE week and international days such as World Environment Day are regularly celebrated, through special sessions and activities, to foster conservation efforts, green practices and safe working culture.
- ▶ 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 a corporate member of the Pakistan Chapter of World Business Council for Sustainable Development. The company works with partners to encourage local organizations to adopt business practices based on sustainable development principles.
- ▶ PPL is a corporate member of leading environmental organizations, including WWF, and participates in relevant events and campaigns. The company has been sponsoring EH since its inception in Pakistan by WWF in 2010. For the current year, all company locations observed EH with unnecessary lights switched off during the given time. The company is an associate of Karachi Water Partnership and supports water conservation initiatives led by key civil society organizations, including Hissar Foundation.

2 Environmental Responsibility

ACTIONS

Eco-friendly practices

Performance

PPL is moving towards eco-friendly practices to minimize damage to natural resources through its 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 existing projects instead of conventional bulbs. The technology is promoted for all new projects and expansion activities. LEDs has many advantages over incandescent light sources, including lower energy consumption, longer lifetime, improved physical robustness, smaller size, and faster switching.
- ▶ 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.
- ▶ Biodegradable explosives are used during seismic surveys.
- ▶ Electronic communication together with duplex printing is promoted to reduce paper usage.





Evaluation of HSE Performance

Performance

- ▶ The HSE Executive committees at field and head office, comprising field and senior management staff, regularly evaluates activities at various company locations, provides feedback and monitors compliance.
- ▶ Internal audits of departments/ fields are carried out in line with annual HSE audit plans 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 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 OHSAS 18001. While Sui Purification is also certified for OHSAS18001. During 2013-2014, Exploration Department was recommended for ISO 14001 EMS and OHSAS 18001 certification.

Principle 9



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



COMMITMENT

PPL believes in the use of emerging environment-friendly technologies, especially for new projects, 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.

- ▶ 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.
- ▶ A pilot project for waste water treatment using an unconventional method 'Constructed Wetland Technology' was initiated at Mazarani Gas Field. The project is closely monitored for possible implementation on a larger scale.

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.

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.
- ▶ 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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