



HASCOL PETROLEUM LIMITED

COMMUNICATION ON PROGRESS - 2018

May 2018





MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

The last twelve months have been phenomenal for HASCOL in all respects. The Company has not only surpassed its Sales and Profitability Targets but has also expanded its Retail Network, constructed new Plants, Depots and Installations, expanded its Fleet, enhanced Employment by 20%, and diversified into New Products and Businesses. Today, HASCOL is the largest private sector Oil Marketing Company in Pakistan in terms of volume. We are proud of our Management Team and our People who have brought this success.



As HASCOL builds and grows, it also contributes in a Socially Responsible and Sustainable manner benefiting our Stakeholders, the Underprivileged and Society at large. Our Corporate Strategy is to create Shared Value by investing in Education, Health, Sports, Infrastructure Development, Road Safety, Environment and other areas. Also, we are continuously making efforts to attract, motivate, and reward Human Resource for the Company from the Community, while developing them both.

It is in continuation of this spirit that HASCOL has become a member of UNGC, and I am pleased to reaffirm HASCOL's support of UNGC's Ten Principles in the areas of Human Rights, Labor, Environment and Anti-Corruption. These Principles are, by and large, already present in HASCOL.

In this first Communication on Progress Report, we have mentioned the specific actions and initiatives we are taking to integrate UNGC's Principles in our Organizational Culture, Business Strategy and Operations. This is just the beginning of a long term commitment.

Saleem Butt

Chief Executive Officer



MANAGEMENT TEAM

<p>Mr. Muhammad Ali Ansari (<i>Chief Operational Finance & Commercial</i>), has been associated with HASCOL since 2009 and has 8 years of experience. He is heading the Finance, IT and Commercial functions of the Company and plays an important role in the financial packaging of projects.</p> 	<p>Mr. Aamir Butt (<i>Chief Logistics</i>), has 21 years diversified experience in Fuel Supply Chain. He started his professional career with Chevron Pakistan Limited (formerly Caltex Oil (Pakistan) Limited) in 1996 and served in both domestic and international assignments. Before joining HASCOL, he was also the Secretary General of Oil Companies Advisory Council.</p> 	<p>Mr. Aqeel Ahmed Khan (<i>Chief Retail Sales & Marketing</i>), has 16 years' experience in Petroleum Supply Chain, Sales and Marketing, Operations, Commercial and Business Development. Before joining HASCOL, he was associated with Attock Petroleum Limited where he was instrumental in the strategic development of the organization through securing various Commercial contracts, development of Storages, Retail Network and strengthening the Supply Chain function. At HASCOL, he is looking after the Retail Sales and Marketing.</p> 
<p>Mr. Pervez Yusoof (<i>Chief Supply and Imports</i>), has been involved for more than 39 years in the downstream sector of Petroleum industry in various capacities. Prior to joining HASCOL, he was Secretary General at Oil Companies Advisory Committee (OCAC). At HASCOL, he is responsible for planning and procuring fuel for the company through imports and local refineries.</p> 	<p>Dr. S. Nazir Zaidi (<i>Chief Operations and New Business</i>), is a senior Petroleum professional with over 32 years' experience in the Petroleum Industry. He has a PhD from Sheffield University. Before joining HASCOL, he was Senior General Manager (International Marketing) at PSO. He also held the position of Secretary General, Oil Companies and Advisory Committee.</p> 	<p>Mr. Sarwat Hasan (<i>Chief Engineering</i>), has 33 years' experience in construction and development of Depots, Oil Installations and Retail Outlets all over Pakistan. He has been with HASCOL since November 2006 and is playing a vital role in the successful completion of HASCOL's major projects including the installations at Shikarpur, Machike, Daulatpur and Keamari.</p> 
<p>Mr. Shah M. Saad Husain (<i>Chief HR, Corporate Planning, HSSE & Procurement</i>), has an illustrious career spanning 40 years in leading companies. Prior to joining HASCOL he was GM HR & Corporate Affairs in PARCO, GM in British Petroleum, GM in BHP and Director Marketing/HR/ Corporate Planning in Toyota Indus Motors Co. At HASCOL, he is looking after Human Resource, Corporate Planning, HSSE, CSR and Procurement function.</p> 	<p>Mr. Shameem Raza Naqvi (<i>Chief Joint Ventures and New Projects</i>), has over 37 years' experience in the Petroleum industry. Before joining HASCOL, he was associated with PRL for 30 years in various capacities overseeing Plant Operations optimization, Procurement, Supply Chain and Commercial. At HASCOL, he is responsible for the execution of new Projects.</p> 	<p>Mr. Syed Yasin Haider Rizvi (<i>Chief Operating Officer Lubricants</i>), has 42 years' experience in the Lubricants industry and has worked in senior positions in Caltex/ Chevron in the country and in overseas assignments. He played a vital role in bringing profitable and sustainable business growth of Chevron in Saudi Arabia and as Vice President for Total- Lubricants in Pakistan. He was elected Chairman of Lubricant Business Society of Pakistan and remained Chairman from 2010-2014.</p> 
<p>Mr. Taimur Khan (<i>Chief LNG, LPG and Chemicals</i>), has done his MBA from INSEAD, MEngg from MIT, and BA in Economics and Engineering Sciences (Electrical) from Yale. He has 19 years' experience and was employed in senior positions in Royal Dutch Shell in its LNG, Gas Exploration, Production and Supply, Lubricants and Fuels. He has also worked with Sempra Energy as Project Development Manager – LNG, in Citigroup as Vice President Strategic Initiatives and in consulting firms in the US.</p> 	<p>Mr. Zafar ul Haq Munshi (<i>Chief Retail Development</i>), holds the position of Chief Retail Development and is amongst the senior most employees in the Company having been associated with HASCOL for over 11 years. He worked in the oil industry for around 24 years with extensive experience in the development of Retail Outlets, Sales and Marketing. Previously, he was employed in the Retail function at Shell Pakistan Limited.</p> 	

Our PEOPLE – THE HASCOL TEAM

Our Irreplaceable, Irreversible and Sustainable Competitive Advantage.



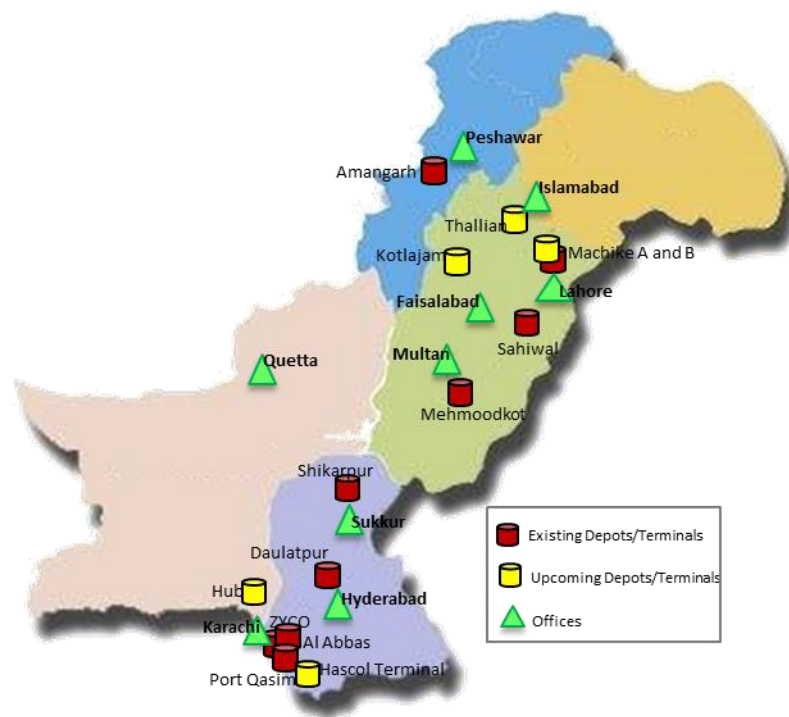


HASCOL PETROLEUM LIMITED

HASCOL Petroleum Limited is currently engaged in the purchase, storage and sale of petroleum products including High Speed Diesel, Gasoline, Fuel Oil, Lubricants, LPG, Chemicals, Aviation Fuel and Automobile accessories. The Company is also diversifying into other fuels and business streams.

In 2005, HASCOL was granted an Oil Marketing License by the Government of Pakistan. Since then, HASCOL has developed depots, terminals and installations, and a network of 512 Retail Outlets all across Pakistan including Azad Kashmir. HASCOL has extensive links with domestic and international oil trading companies and today, it is the second largest importer of petroleum products in Pakistan.

In 2014, HASCOL became a listed company on the Pakistan Stock Exchange, and within 3 years, its share price rose 337%, reflecting the Company's phenomenal performance and potential. This massive growth has been made possible due to the strategic Vision of the Board, an aggressive Corporate Plan, the untiring efforts of its Human Capital, the focus on Customer Satisfaction, and the Company's Reputation as a Good Corporate Citizen. HASCOL has made major headway in constructing storage installations at Keamari, Daulatpur, Shikarpur, Mehmood Kot, Machike, Amangarh and Sahiwal. New storage facilities are being constructed at Port Qasim, Kotlajam, Thalian, Machike (expansion), Hub and Gatti.





Existing Depots/Installations	Capacity (M.Tons)	Upcoming Depots/Installations	Capacity (M.Tons)
1 Port Qasim Terminal	56,000	10 HASCOL Terminals (Vtti JV)	250,000
2 ZY-Oil Storage Terminal	23,500	11 Thallian	65,800
3 Al Abbas Storage Terminal	21,000	12 Hub	50,500
4 Shikarpur installation	18,350	13 Machike-B	50,200
5 Mehmoodkot installation	13,500	14 Kotlajam	15,000
6 Sahiwal Depot	9,500		
7 Machike-A installation	9,370		
8 Daulatpur Depot	6,200		
9 Amangarh Depot	2,500		

Total Capacity = 591,420 M.Tons

In 2016, VITOL, the largest independent oil trading entity in the world, acquired 15% equity in HASCOL which was later increased to 25% making VITOL the single largest shareholder in the Company.

In joint venture with VITOL, HASCOL has also set up an LNG marketing company, VAS LNG (PVT) LTD. HASCOL will have a 30% stake in this company and VITOL 70%. HASCOL has also signed a Technical Services Agreement with VITOL Aviation enabling HASCOL to start fueling aircrafts at Karachi, Lahore and Islamabad airports. Additionally, a separate joint venture company with VITOL, **HASCOL Terminals Limited (HTL)** is constructing the largest Petroleum Terminal in Pakistan at Port Qasim, having a capacity of 250,000 Metric Tons. Phase I of this terminal is expected to be commissioned in the third quarter of 2018.









A Lubricants Plant to manufacture lubricants is also being constructed at Port Qasim which will commence production in 2018.

In 2017, in recognition of its performance, growth momentum and corporate reputation, JCR-VIS Credit Rating Company Limited upgraded the ratings of HASCOL from A+/A-1' (Single A Plus/A-One) to 'AA-/A-1' (Double A Minus/A-One). HASCOL also received the *Recognition Shield* at the Living the Global Compact Best Practices Sustainability Award from the United Nations Global Compact Pakistan/Employers' Federation of Pakistan.



PRINCIPLE 1 Businesses should support and respect the protection of internationally proclaimed human rights.

Commitment Statement: *HASCOL respects the Universal Declaration of Human Rights including Equal Employment Opportunity without any discrimination of religion, sex, race, color, ethnicity, origin, nationality, marital status or social class. This commitment is embedded in the Company's Values, Code of Conduct, HR Policy Manual, HSSE Manual and CSR Policy approved by the Board of Directors.*

Management Systems 1.1 HR Management and Administration - Human Resource Policy Manual		1.2 HSSE - Integrated HSSE Manual	1.3 Corporate Social Responsibility - CSR Policy
Actions			
1.1.1 Education	1.1.2 Health Facilities	1.2.1 Work and Road Safety	1.3.1 Corporate Philanthropy
Results			
<ul style="list-style-type: none"> Employee Development Policy which provides employees with specific knowledge, skills and competencies to maximize performance for professional development and for meeting organizational needs. Training Needs Assessment (TNA) is conducted to identify the specific needs of each employee. In addition to this, Personal Development Plan and Career Plans are also made for all the High Potential employees. Education Improvement Policy assists employees to improve their education by obtaining a Professional Qualification/Certification/Diploma. For example, employees were provided Financial Assistance for completing programs like Certified Supply Chain Professional course, Diploma on topics such as Industrial Relations and Labour Laws, Human Resource Management, Supply Chain Management etc.   		<ul style="list-style-type: none"> The Company is committed to providing its employees a Healthy, Safe and Secure Work Environment. Each work location has Safety Rules that must be followed. All employees, contractors, suppliers, service providers and organizations working at the Company's sites or locations or using the Company's assets or transporting, handling or selling Company's products are required to comply with applicable Health and Safety standards, as well as the Company's HSSE Manual, policies and procedures, which often go beyond what the law requires. HASCOL ensures that workers of the Company and its Contractors at all its Installations and Depots use Personal Protective Equipment (PPE) and comply with HSSE requirements.   	
<ul style="list-style-type: none"> Basic Health Facilities Health Insurance Policy according to which employees are entitled for Out Patient Medical facilities, Hospitalization and Maternity expenses. All permanent employees on joining the Company are entitled to 48 basic salaries as Group Life Insurance Female employees are entitled to 60 days of Maternity Leaves and Male employees are provided with 3 days of Paternity Leaves Employees are entitled to the best quality health care through pre-approved Hospitals, Pharmacies, Laboratories, etc. For betterment of staff members, the Company has a Pay Continuation Policy to support families of employees in case of death or total permanent disability due to accident or illness. To save families from financial hardship, the employee's last drawn monthly basic salary will be paid for 24 months (2 years) after such death or disability. 		<ul style="list-style-type: none"> CSR Committee is a high level forum comprising of the Company's Directors and Chief HR Officer. In consonance with its Vision, Mission, Core Values and the UNGC Principles, HASCOL aims to demonstrate responsible corporate conduct throughout the entire spectrum of its activities, Operations, Plants and Retail Outlets. HASCOL contributes in a Socially Responsible and Sustainable manner providing resources, knowledge and skills to the communities in which we live and work, while also benefiting other stakeholders in society. During 2017, HASCOL contributed to the following organizations: Pakistan Red Crescent The leading humanitarian organization of Pakistan, in their project for improving the quality of life and productivity of individuals who are deprived of their limbs in accidents, by providing prosthetic services. 	



Management Systems

1.1 HR Management and Administration - Human Resource Policy Manual

1.2 HSSE - Integrated HSSE Manual

1.3 Corporate Social Responsibility - CSR Policy

Actions

1.1.1 Education

1.1.2 Health Facilities

1.2.1 Work and Road Safety

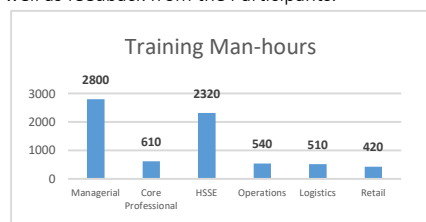
1.3.1 Corporate Philanthropy

Results

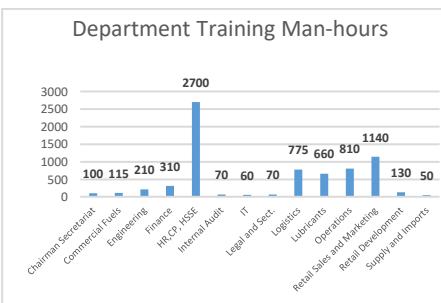
- Management Development Program** comprising of Managerial, Core Professional and HSSE training for employees belonging to different Management Cadres. The MDP provides a structured framework through which competencies of our employees can be enhanced continuously, enabling us to develop a workforce capable of meeting the Company's growth challenges and targets.



- Training and Development:** Quarterly Training Report is also published specifying the Trainings conducted, Training Man-Hours, Number of Employees Trained as well as feedback from the Participants.



- During the year 2017, a total of 360 employees were trained leading to 7200 Training Man-hours. This includes Managerial, Technical/Professional, HSSE, Logistics as well as Operations trainings



HASCOL Ambulance

HASCOL provides its own **24 hrs Ambulance Service** for any accident taking place at Motorway and in Karachi



HASCOL Pharmacy

- HASCOL is offering pharmacy services to its customers at its retail outlets, where medicines are easily available.



Eye Camps

- Free Eye-sight check-up camps are organized every year for providing basic guidance and medication to the retail outlets' staff as well as people from adjoining communities.



- Road Safety Program** is an ongoing feature of our Terminals/Logistics Operations. In this program, trainings are organized by the Company, by external trainers and in coordination with Motorway Police.



- Work Safety Trainings** are regularly provided to the employees and workers at all the Installations/Depots related to Safe Work Practices.



Fatimid Foundation Pakistan's largest Not-for-Profit Organization in the field of Blood Banking and Haematological Services, for the treatment cost of 100 sick children suffering from genetic blood disorders.

Layton Rahmatullah Benevolent Trust (LRBT), The largest NGO of Pakistan devoted to the prevention of curable blindness and impaired vision in underprivileged people





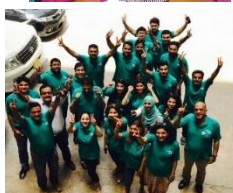

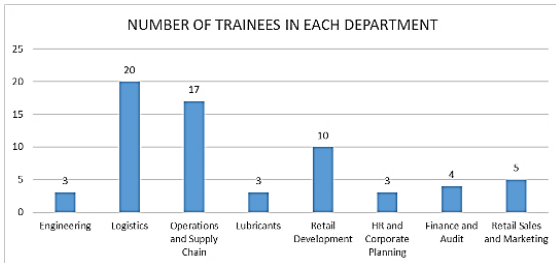


We have also made contributions to: **Marie Adelaide Leprosy Centre**, **Bait-ul-Sukoon Cancer Centre**, **SOS Childrens Village**, **Family Education Services Foundation**, **Pakistan Association of the Blind**, **Family Welfare Association**, **Lahore Hospital Welfare Society**, **Noor Fatima Rehabilitation Centre**, **Welfare Aid Trust**.

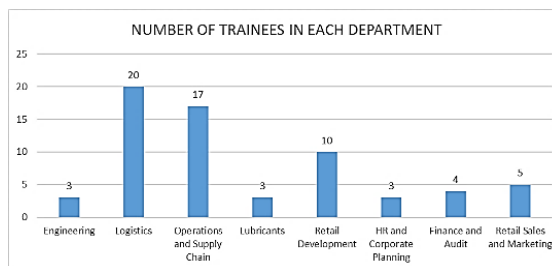




PRINCIPLE 2: Businesses should make sure that they are not complicit in human rights abuses.

Commitment Statement: *HASCOL, through its policies and practices, makes all efforts to avoid Human Right abuses, ensuring compliance with the Laws of the Land.*

Management Systems																							
2.1 HR Management, Operations, Contract Management																							
Actions																							
2.1.1 Code of Conduct		2.1.2 Equal Opportunity Employer	2.1.3 Workplace Harassment																				
Results																							
<ul style="list-style-type: none">HASCOL's Code of Conduct specifies that employees are required to observe highest ethical standards in the conduct of its business activities.The Code of Conduct advises employees about the Ethical Standards and Practices required by the Company.It is necessary for employees to follow this Code in its true letter and spirit and comply with Standards of Professional and Personal Integrity. <div></div>		<ul style="list-style-type: none">At HASCOL, the Recruitment Process ensures fair and competitive matching of candidates with job specificationsFactors such as gender, religion, nationality, etc. are not considered in recruitment and selection.We provide Equal Growth Opportunities for both male and female staff. Despite being a male dominated industry, all departments of HASCOL have female employees, including some managers also.Benefits, Facilities and Allowances, as specified in the HR Policy Manual, are provided to all employees and their families without any discriminationTrainee Program was introduced to induct high quality young talent for our Talent Pipeline. Through a comprehensive process of assessments and group interviews, 65 Trainees from the top universities of Pakistan were selected to work at our locations throughout Pakistan. <div></div> <div><p>NUMBER OF TRAINEES IN EACH DEPARTMENT</p><table border="1"><thead><tr><th>Department</th><th>Number of Trainees</th></tr></thead><tbody><tr><td>Engineering</td><td>3</td></tr><tr><td>Logistics</td><td>20</td></tr><tr><td>Operations and Supply Chain</td><td>17</td></tr><tr><td>Lubricants</td><td>3</td></tr><tr><td>Retail Development</td><td>10</td></tr><tr><td>HR and Corporate Planning</td><td>3</td></tr><tr><td>Finance and Audit</td><td>4</td></tr><tr><td>Retail Sales and Marketing</td><td>5</td></tr></tbody></table></div>		Department	Number of Trainees	Engineering	3	Logistics	20	Operations and Supply Chain	17	Lubricants	3	Retail Development	10	HR and Corporate Planning	3	Finance and Audit	4	Retail Sales and Marketing	5	<ul style="list-style-type: none">HASCOL's Code of Conduct defines harassment as any action or behaviour or attitude that creates an intimidating, hostile or offensive work environment. Such actions include, but are not limited to, sexual harassment, disparaging comments based on gender, religion, colour, race, language, origin or ethnicity.The Company, in accordance with Pakistan's Workplace Act 2010, strictly prohibits any inappropriate misconduct or unwelcome sexual advances. The Company expects all employees, regardless of their seniority or work relationship, to maintain an environment that is free from harassment and in which all employees are respected. <div></div>	
Department	Number of Trainees																						
Engineering	3																						
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Finance and Audit	4																						
Retail Sales and Marketing	5																						





Management Systems

2.1 HR Management, Operations, Contract Management

Actions

2.1.1 Code of Conduct

2.1.2 Equal Opportunity Employer

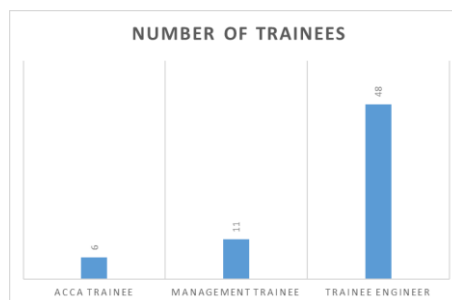
2.1.3 Workplace Harassment

Results

- Employees are responsible at all times to protect and safeguard the reputation of the Company. Any contravention of the **Code of Conduct** which is part of the Company policy will be regarded as misconduct by the employee.



- Trainees and New Entrants are given **Orientation and initial briefings** at Head Office and through visits to different Installations.










- Since the time of its inception, **Zero Harassment Cases** have been reported in the Company.





PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Commitment Statement: *HASCOL ensures that employees' salaries, benefits and facilities are in the top 20th percentile of the Industry and comply with Industrial Relations and Labor laws. Employee Satisfaction is gauged and Employee Rights ensured through Surveys, good Employee Relations and Initiatives.*

Management Systems		
3.1 HR OD and Administration		
Actions		
3.1.1 Proactive focus and redressal of Employee Grievances to ensure a good Organizational Climate	3.1.2 Sports and Employee Activities	3.1.3 Benefits
Results		
<ul style="list-style-type: none"> While HASCOL takes care of its employees through its policies, procedures and systems approved by its Management and Board of Directors in both professional and personal spheres, the Company also has a Grievance Policy in place, to ensure that employee issues and problems are resolved. Grievances are handled as far as possible within the confines of the relevant management structure. Resolution of grievances occur as quickly as possible to avoid the negative effects of on-going problems at the workplace. Employee Salary and Benefits Surveys are done every two years to make sure that the Company's Compensation Structure and terms of Employment are equitable, both internally and externally. Apart from the usual routes of employee feedback and communication, the CEO, CHRO and the Management Team personally visit each office, location, installation, depot, terminal and project site to meet staff, listen to employees, redress their grievances, note suggestions and encourage Best Practices. An in-house magazine, INFINITY, is published bi-annually which highlights the achievements of employees and the Company. HASCOL also recognizes the accomplishments of its employees and is committed to honouring and encouraging individuals' contributions towards the success of the organization. In recognition of the valuable contribution of our Employees and to honour their dedicated service to the company, an Annual Conference is  	<ul style="list-style-type: none"> Apart from professional development, a good Work-Life Balance is very important for the wellbeing of our employees. In this context, HR has established a Sports Committee which is actively organizing Cricket, Football, Volley Ball and other indoor and outdoor sports activities while also enabling Company employees to participate in various tournaments. Sports play a vital role in maintaining employees' health, building bonds, and enhancing employee morale. Our Cricket Team performed well in 2017. Despite being a new team, it has won several matches against teams like IBA, Bank Islami Pakistan Limited and Pak-Arab Refinery (PARCO). In addition to this, HASCOL sponsors various Sports events including national tournaments organized by the Pakistan Tennis Federation, Golf and Cricket Clubs and other organizations for the promotion of sports in the country.  	<ul style="list-style-type: none"> HASCOL's Vision, Mission and Values are all employee centric and promote Talent Management, High Quality Human Capital, Professionalism, Commitment and Teamwork. Company has initiated a new unique scheme for giving Shares to Outstanding Employees, which is not done by any other company in the Petroleum Sector in Pakistan.   



Management Systems

3.1 HR OD and Administration

Actions

3.1.1 Proactive focus and redressal of Employee Grievances to ensure a good Organizational Climate

3.1.2 Sports and Employee Activities

3.1.3 Benefits

Results

organized. High performing employees are rewarded with **Outstanding Employee Awards** and **Long Service Awards**. This is a huge recognition and motivation for the employees.



- In the **Annual Conference**, which is held abroad, a cross section of the Company's employees from all functions, the Management Team, Chairman and CEO deliberate interactively on the Corporate Goals, Strategies and Plans.



- Company also celebrates important national events like **Pakistan Independence Day**, **Eid-e- Milad un Nabi**, **Ramadan Iftar Parties** etc.



- **Picnics, Outing, Dinners**, etc. are arranged by departments to build Teamwork and Bonding. The CEO holds various receptions and events at his residence and other locations.



- **Employee Portal** and **Intranet** is available to Employees so that they are aware of their Rights, Benefits and Facilities as well as their obligations. **An Employee Help Line** and 24x7 access to CHRO provides instantaneous communication to employees to address their grievances and to attend to emergencies. There are also **Management and Departmental Whatsapp Groups** for continuous, real time communication.










- Because the Company provides benefits which are **Market Competitive**, determined through surveys, there is no Labour Union and employees' suggestions, demands, enquiries and complaints are handled expeditiously at the Department, HR and Corporate level.





PRINCIPLE 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.

Commitment Statement: At HASCOL, under its HR Manual and Corporate Policies, any form of forced or compulsory labor at any of its locations, is strictly prohibited.

Management Systems		
4.1 HR Organization Development		
Actions		
4.1.1 Industry Competitive Compensation and Benefits	4.1.2 Compliance by Suppliers, Contractors, Vendors, etc.	4.1.3 Terms of Employment
Results		
<ul style="list-style-type: none"> The Company's Compensation Philosophy is to reward employees in accordance with their performance, market competitiveness and potential for growth. The objective is to establish a performance driven work culture. The Company utilizes external independent consultants to conduct Salary Surveys and advise industry competitive salaries. HASCOL is providing its workers' salaries and wages above the Minimum Wage fixed by the Government. Both Sindh Employees Social Security Institution (SESSI), Punjab Employees Social Security Institution (PESSI), standards are met. There is no discrimination in wages or benefits, on the basis of gender, religion, nationality or any external job factor. Benefits like Employees' Old Age Benefits, Gratuity Fund and Provident Fund are also provided to the employees.   	<ul style="list-style-type: none"> Suppliers are selected after they confirm the legitimacy of their labour practices and assure that they in compliance with the Laws of the Land, including Labour Laws, Industrial Relations, etc. Vendor and Contractor Visits are also done to ensure compliance. HASCOL conducts Open Bidding for different jobs to provide equal opportunity to all qualified suppliers and vendors. Non-discriminatory Procurement Procedures and Procurement Committee are utilized for projects and services at Company locations.  	<ul style="list-style-type: none"> HASCOL's employment contracts make sure that there is no violation of Human Rights or Labour Laws. The Company does not believe in hiring people on Temporary Basis or Daily Wages or through Manpower Contractors, for its Core Operations. All such staff are Regular Contract Employees of the Company and are entitled to full benefits. Employees have complete Freedom of Choice of Employment. All employment contracts can be terminated by giving notice of 30 days by either side. Exit Interviews and other surveys are conducted to obtain useful insights and direct feedback from separating employees. This is used to take appropriate remedial measures for enhancing Employee Satisfaction. Payments of Benefits, Claims and Outstanding Dues are made as early as possible. Both Induction as well as Separation procedures are smooth and graceful. As the opposite of Forced Labour, the Company provides several forms of Employee Assistance for example; Loan Facilities, Group Life and Health Insurance for self and family, Education Improvement and Career Development as well as Emergency Assistance is provided to Employees for their personal and family needs.  



PRINCIPLE 5: Businesses should uphold the effective abolition of child labour.

Commitment Statement: HASCOL does not allow any Child Labor at any of its Operations, Sales and Marketing Locations, or by any of its Contractors, Suppliers and Service Partners.







Management Systems	
5.1 HR Organization Development and Administration	
Actions	
5.1.1 Inclusion of labour laws that abolish child labour	5.1.2 Educational Assistance to the children to reduce Child Labour in adjoining communities
Results	
<ul style="list-style-type: none"> The Company's HR Manual and Recruitment Policy strictly disallows Child Labour, specifying the minimum hiring age as 18 years. There is Zero Tolerance for this regulation. New entrants, rural site workers, fresh technicians, trainees, etc. are all above 18 years of age. Suppliers and Service Providers are required to adhere to the laws of the country, comply with all labour laws, meet security and human rights requirements as well as eliminate employment of under-age workers. 	<ul style="list-style-type: none"> HASCOL contributes to the Education of the Younger Generation so that they are gainfully employed professionally and do not have to resort to Child Labour. Consequently, the Company participates in several initiatives, some of which are mentioned below: HASCOL has contributed to the construction of Aligarh Boys School & College at Manga near Lahore. The Company supports the Family Educational Services Foundation (FESF) for their Deaf Reach Program aimed at providing academic and vocational education to deaf children. HASCOL is constructing a Children's Family Home in SOS Village Khairpur, to provide shelter to orphans and abandoned children of/ nearby communities. Many HASCOL's employees and Senior Management serve as Visiting Faculties in renowned Educational Institutions and Universities, contributing towards the Learning and Development of students and children.





PRINCIPLE 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.





Commitment Statement: *HASCOL is an Equal Opportunity Employer with the target of Zero Discrimination. This is practiced through its HR Policies, Systems and Procedures at all levels and at all locations*

Management Systems				
6.1 HR Organization Development and Administration				
Actions				
6.1.1 Performance Management and Employee Development Process	6.1.2 Equal Employment Opportunity	6.1.3 Code of Conduct	6.1.4 Interaction with Educational Institutions and Professional Bodies	
Results				
<ul style="list-style-type: none">HASCOL recognizes that motivating people to achieve high levels of performance as well as business goals is essential for gaining competitive advantage. It is of prime importance to the Company that every employee is provided with opportunities for personal challenge, development, growth and recognition. This is done by ensuring that all employees contribute to their highest level and to the best of their capabilities. 	<ul style="list-style-type: none">HASCOL offers Equal Opportunities to all qualified applicants, including women and minorities belonging to any religion, colour, caste or nationality.The Recruitment Process is designed in such a way that there is no discrimination amongst applicants.Male and Female Minorities are employed at different levels, with some women holding Management Positions. Women Managers are heading departments or key functions, e.g. HR Administration, Organizational Development, Retail Marketing, Logistics.Minorities are given extra holidays in accordance with their Religious Customs. 	<ul style="list-style-type: none">HASCOL ensures that employees abide by the Code of Conduct. At the time of induction, every employee is required to read and sign the Code of Conduct as well as the Disciplinary Policy. This is the basic requirement for avoiding discrimination and focusing on merit and employee rights.  	<ul style="list-style-type: none">Interaction with the Labour Market and professional manpower keeps HASCOL abreast with employment and occupational requirements so that there is parity and discrimination is avoided.HASCOL is involved with Teaching and Professional Institutions, advising on curriculum, industry – academic projects, training interventions, participating in the Career Fairs, etc. Through the Company's Trainee Program, in which it invites fresh graduates from the top universities of Pakistan to undertake trainings in different departments and locations. Selected Trainees are given an Orientation through briefings at Head Office and posted at different Installations and offices.HASCOL employees are also serving as Visiting Faculties, Guest Speakers and Mentors in various professional institutions.  	



Management Systems











6.1 HR Organization Development and Administration

Actions			
6.1.1 Performance Management and Employee Development Process	6.1.2 Equal Employment Opportunity	6.1.3 Code of Conduct	6.1.4 Interaction with Educational Institutions and Professional Bodies
Results			
<ul style="list-style-type: none"> Company has professional Training and Development, Talent Management, Career and Succession Planning and Promotion practices to make sure that opportunity for career growth and mobility is provided to all deserving employees. 	<ul style="list-style-type: none"> Given the cultural, social, religious and traditional requirements for women, suitable arrangements are made for them at all work locations so that they can pursue their professional occupations and employment without hindrances or discrimination. 	<ul style="list-style-type: none"> Code of Conduct is a declaration by the employee to avoid discrimination in all activities, ensuring ethical dealings with all internal and external stakeholders. 	<ul style="list-style-type: none"> Employees are also members of Professional Organizations like Pakistan Engineering Council, ACCA, ICMA, Marketing and Management Association of Pakistan, Pakistan Society for Human Resource Management (PSHRM), American Production and Inventory Control Society (APICS), United Nations Department of Safety and Security (UNDSS), American Society for Industrial Security (ASIS), etc. 



Principle 7: Businesses should support a precautionary approach to environmental challenges.










Commitment Statement: *HASCOL, as a Petroleum and Energy Company, is cognizant of the possible Risks and Hazards to the Environment because of its Operations, and is committed to comply with International Standards and Regulatory requirements, the Environmental Protection Agency, National Environmental Quality Standards, etc.*

Management Systems				
7.1 Health, Safety and Environment				
Actions				
7.1.1 Environment Friendly Supply Chain		7.1.2 Waste Management	7.1.3 COCO (Company Owned and Company Operated) Fleet Management	7.1.4 Precautionary HSSE Initiatives
Results				
<ul style="list-style-type: none">The Fuel Supply Chain is an integral and critical part of our business. From the Sea Port to Terminals to Depots to Retail outlets or Customer's plants to the nozzle and point of usage, the Company takes all possible precautions to meet the environmental challenges and mitigate negative impact.Major portion of our Supply Chain is dependent on road transport done through ADR/OGRA compliant Tanker Lorries. HPL over time, instead of external transport contractors, intends to have a fully ADR compliant fleet to save the environment with less VOC emissions, Controls on spill and prevention of fire incidents.Our piping system at operational sites and installations have an inspection mechanism, which ensures Leak Free Operations.Provision of inter Floating Roof Tanks for gasoline has also been done to decrease VOC emissions.Environmental Friendly provisions such as periphery drains, bunded areas to contain spill, sumps etc. to avoid soil and groundwater contamination. The drainage network is routed through oil water separator.		<ul style="list-style-type: none">Waste Management is an integral part of our HSSE management system. Waste is categorized as Hazardous and non-hazardous waste. For non-hazardous waste, waste bins are provided at each operational sites and for Hazardous waste the disposal is made safely by an independent third party.Safety Signage with an environment slogan/message are placed at offices and operational sites to serve as a constant reminder.Effluent is discharged after meeting NEQS and is routed through Oil Water Separator		
				
				
				
				
				
				



Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Commitment Statement: *HASCOL, through its policies, systems, operating practices and employee behavior, mitigates harm to the Environment.*

Management Systems																
8.1 All Corporate Functions																
Actions																
8.1.1 Integrated HSSE Manual		8.1.2 HSSE Trainings and Drills	8.1.3 Environmental Stewardship	8.1.4 HSSE Reporting and Awards												
Results																
<ul style="list-style-type: none">We have developed an Integrated HSSE Manual with 14 elements including Security. We believe Security is an equal stakeholder for Safe Operations.As per our operational requirement, two  <p>elements of Process Safety Management are part of Management System. Integrated Management Manual fully</p>  <p>complies with National as well as International standards, such as ISO, OSHA, NEQs, NFPA, EPAs, API and ASTM. Manual also contains Checklists and Standard Operating Procedures ensuring HSSE preparedness.</p> 		<ul style="list-style-type: none">HSSE Trainings help us to ensure employees accept environmental responsibility and are not injured or made ill at work, leading to a positive Health and Safety Culture.Based on Training Needs Assessment, an HSSE Training Matrix has been developed containing mandatory trainings which are conducted at all locations and Depots/Installations.HASCOL also uses external Specialist Trainers e.g. Rescue 1122 and Civil Defence for relevant Trainings. Last year, more than 3000 Training Man-Hours were achieved by imparting in-house trainings.   			<ul style="list-style-type: none">Breather Valves are installed on PMG storage tanks to comply with best industrial practices and controlled release of hydrocarbon to the atmosphere.  <ul style="list-style-type: none">A Horticulture Campaign was run for all operational sites in 2017 to reduce our environmental footprints. For office buildings, specialized in-house plants are placed as well.  <ul style="list-style-type: none">Oil Water Separators are installed at all operational sites to avoid soil and groundwater contamination.			HSSE Management Walkabout <ul style="list-style-type: none">Quarterly Management Walkabouts are being conducted to ensure HSSE compliance, Commitment of Senior Management Responsibility and obtaining suggestions for Improvements which are included in a consolidated Action Point Register (APR) with target dates and delegation of responsibilities. The APR is reviewed monthly by Senior Management. Monthly HSSE Dashboard <ul style="list-style-type: none">Monthly HSSE Dashboard with Leading and Lagging Indicators is circulated to all concerned including the CEO.A stringent Check Listing Mechanism is in place with the provision of environmental checks.  <table><caption>APR CLOSURE RATE Year 2017</caption><tr><th>Category</th><th>Percentage</th></tr><tr><td>Closed Items</td><td>53%</td></tr><tr><td>Open Items</td><td>47%</td></tr></table>			Category	Percentage	Closed Items	53%	Open Items	47%
Category	Percentage															
Closed Items	53%															
Open Items	47%															



Management Systems

8.1 All Corporate Functions

Actions

8.1.1 Integrated HSSE Manual

8.1.2 HSSE Trainings and Drills

8.1.3 Environmental Stewardship

8.1.4 HSSE Reporting and Awards

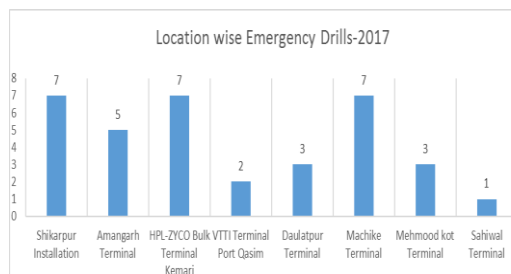
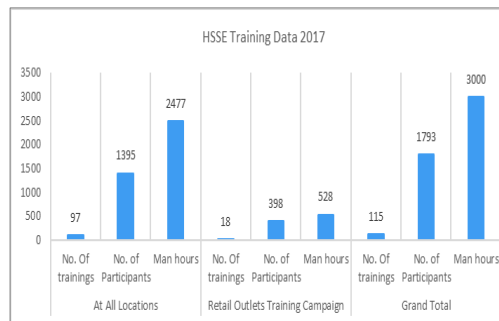
Results

Development of HSSE Policies

- Following three policies are developed:
 - 1) Health, Safety, Security and Environmental Policy
 - 2) Smoking Policy
 - 3) PPEs (Personal Protective Equipment) Policy
- Policies are signed by the CEO, Employees have been trained on these policies and the **HSSE Manual** and these are visibly displayed at all locations as reminders.



- Emergency Response Drills** are conducted regularly.



- Environmental Bulletins** are shared time to time and are communicated to all through email and are posted on notice boards and other locations. At operational sites, **Environmental Signages** are placed at prominent positions.





Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

Commitment Statement: *HASCOL adopts environmentally friendly technologies at all stages of its business - from the Port to the Terminal, to the Depot, and to the nozzle at the Petrol Pump*

Management Systems

9.1 All Corporate Functions and Operational Locations

Actions

9.1.1 Environmentally Friendly Technologies

Results

- **Compliance Monitoring** of all depots, installations and terminals is being done by On-Line CCTV Camera, digital nationwide connectivity, enabling 24x7 Visual, Audio and Test data available for HSE, Security, Operations, Logistics, etc.
- A range of Technologies that are Environment Friendly have been inducted. **On line Communication and Instrumentation Technologies** are also being used for Monitoring and Control. This is in keeping with our HSSE policy statement, “**Promote Pollution Prevention, Resource Conservation, GHG Emissions Management, and Horticulture.**”
- **Horticulture campaign** is part of our **Best Installation Award System**, which motivates and creates a sense of positive competition amongst Installations. A **Plantation Drive** was also done on 11th April, 2017 at Islamabad, the Capital. Guests of Honour included the **Mayor of Islamabad and Chairman, Capital Development Authority**. Over **1700 plants** were planted during this activity, showing HASCOL’s commitment to a **Green Environment**.
- In order to conserve electricity HPL is planning **Green Retail Outlets** using **Solar Power Supply** which will reduce GHG Emissions, a Practical Execution of Policy Statement.
- **Oil Water Separators** are installed at all operational sites to avoid soil and groundwater contamination.
- **Emissions and Air Quality Monitoring** of NEQS is being done at Operational Sites
- **Dispensers at Retail Sites** are spill free and have the provisions to absorb static charge with accurate measurement of the amount of fuel pumped. The Dispensers are also provided with Auto Cut Off Valve to immediately stop the flow during an emergency
- **Depot and Terminal Metering System** are connected with the **bonding system**
- Modern 24x7 **Pressurised Firefighting Network Systems** at all locations
- **Intrinsically Safe Communication Systems** at all Depots and Installations





Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Commitment Statement: *HASCOL prohibits bribery, extortion, corruption and other unethical practices, in all its operations and business transactions.*

Management Systems	
10.1 All Corporate Functions	
Actions	
10.1.1 Corporate Governance	10.1.2 HASCOL Values
Results	
<ul style="list-style-type: none"> Prohibition of unethical practices, compliance with laws and responsible behaviour is embedded in HASCOL's Values, Code of Conduct, Undertakings signed by employees, HR Manual, HSSE Manual, Procurement Policy, Agreements, etc. Deviation by any employee is tantamount to misconduct leading to disciplinary action. In 2017, HASCOL became a member of UNGC and signed the UNGC Charter in support of the Ten Principles. Communication and compliance is being done throughout the Company. Corruption and malpractices are also avoided by compliance with all legal, financial, tax, operational, labour, HSSE, government and industry regulations including: Oil and Gas Regulatory Authority (OGRA), Oil Companies Advisory Council (OCAC), Securities & Exchange Commission of Pakistan (SECP), Pakistan Stock Exchange (PSX), Overseas Investors Chamber of Commerce and Industry (OICCI), Federation of Pakistan Chambers of Commerce & Industry (FPCCI), Karachi Chamber of Commerce and Industries (KCCI), Competition Commission of Pakistan (CCP), Employers' Federation of Pakistan (EFP). HASCOL has also become a member of the Employers' Federation of Pakistan and abides by its policies Awards. In recognition of HASCOL's responsible conduct: HASCOL has received Recognition Award from UNGC Pakistan The JCR-VIS Credit Rating Company Limited upgraded the ratings of HASCOL from A+/A-1' (Single A Plus/A-One) to 'AA-/A-1' (Double A Minus/A-One). Reports as required by the regulatory bodies are also submitted. 	<ul style="list-style-type: none"> The Core Values of HASCOL provide a guideline for acceptable behaviour that needs to be demonstrated by employees. Below are the seven values which every employee has to adhere to, including "Integrity and Honesty".

