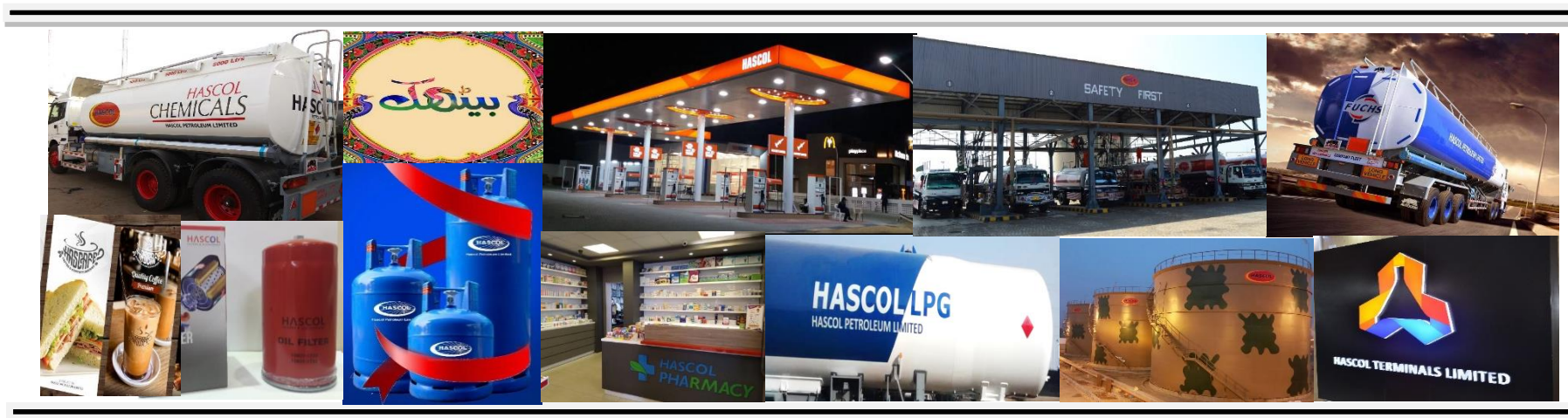




HASCOL PETROLEUM LIMITED

COMMUNICATION ON PROGRESS - 2019

May 2019





MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Following several years of explosive growth by the Company, 2018 was a year of consolidation and focus on completion of our Capital Projects. Today, HASCOL has its presence in all provinces of Pakistan, having constructed an extensive infrastructure of 11 Depots and Terminals, including the largest Petroleum Terminal in Pakistan at Port Qasim. Our Retail Network has expanded to 600 outlets and we are targeting to grow at 100 new retail outlets per year, at least for the next three years.



Our strategy of transforming HASCOL from an Oil Marketing Company to an Integrated Energy Company has led us into new business streams, including Liquefied Petroleum Gas, Lubricants, Chemicals and Aviation Fuels. In addition, we are evaluating other avenues. We now also have our own Transport Fleet to ensure a reliable supply chain for our customers, all the way from the port to the nozzle.

In recent months, the Pakistan economy and our market is facing a slowdown due to which demand for petroleum products has decreased quite substantially. However, our competent HASCOL team is showing tremendous resilience and application. We are making efforts to not only maintain the Company's market share and margins but also do so in accordance with our Core Values and the UNGC Principles.













I am pleased to present the 2nd UNGC Communication on Progress Report. UNGC's Ten Principles in the areas of Human Rights, Labor, Environment and Anti-Corruption are congruent to our beliefs and we are making all possible efforts to incorporate them and visibly practice them fully.

Saleem Butt

Chief Executive Officer



MANAGEMENT TEAM

<p>Mr. Muhammad Ali Ansari (<i>Chief Operating Officer</i>), has been associated with HASCOL since 2009 and has 10 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. Aqeel Ahmed Khan (<i>Chief Operating Officer</i>), has 17 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 securing various Commercial contracts, development of Storages, Retail Network and strengthening Supply Chain function.</p>		<p>Mr. Aamir Butt (<i>Chief Operating Officer: Logistics and LPG</i>), has 22 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. Shah M. Saad Husain (<i>Chief HR, Corporate Planning, HSE and Security</i>), has an illustrious career spanning 41 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.</p>	
<p>Mr. Pervez Yusoof (<i>Chief Supply and Imports</i>), has been involved for more than 40 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>Mr. Shameem Raza Naqvi (<i>Chief Operations</i>), has over 38 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. Sarwat Hasan (<i>Chief Engineering</i>), has 34 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. Taimur Khan (<i>Chief LNG, Chemicals and New Ventures</i>), has 20 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>) is amongst the senior most employees in the Company having been associated with HASCOL for over 12 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>		<p>Brig. Zaheeruddin Babur (<i>Chief Maintenance</i>), has had an eminent career in Pakistan Army for 29 years in the Corp of Engineers holding various positions, including Additional Chief Engineer, Director Logistics, Director GHQ Housing Directorate, etc. His last assignment was CEO of Army Welfare Trust, Real Estate and Development Unit.</p>		<p>Mr. Zeeshan Ul Haq (<i>General Manager Legal & Company Secretary</i>) has over 15 years' experience of Corporate and Legal Affairs. Prior to joining HASCOL, he worked for Byco Petroleum Pakistan Limited, Pakistan Stock Exchange Limited, Central Depository Company of Pakistan Limited and Karachi International Container Terminal Limited.</p>		<p>Dr. S. Nazir Zaidi (<i>Chief Special Projects</i>), is a senior Petroleum professional with over 33 years' experience in the Petroleum Industry. 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>	

Our PEOPLE – THE HASCOL TEAM - Our Sustainable Competitive Advantage.



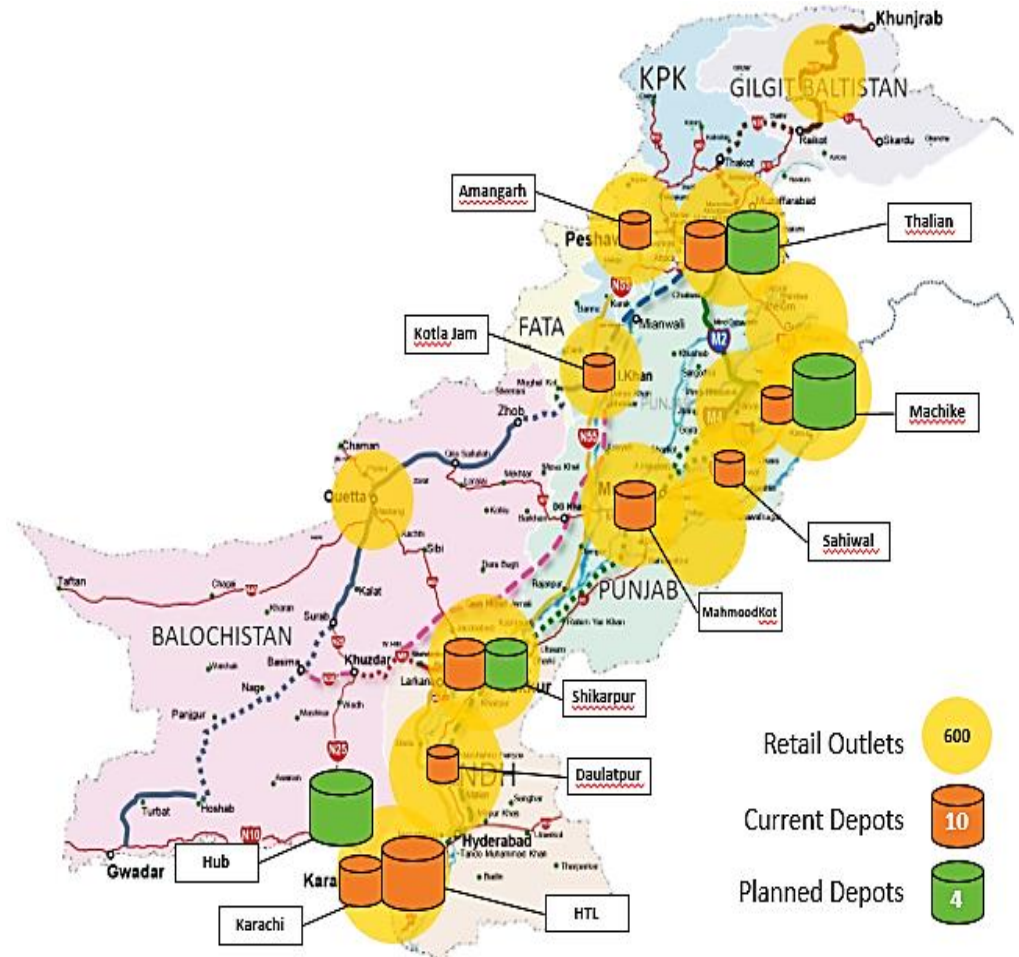


HASCOL PETROLEUM LIMITED

HASCOL Petroleum Limited is 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 600 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, it's phenomenal performance and potential has been made possible due to the strategic Vision of the Board, a dynamic Management Team, 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 terminals and storage installations at Keamari, Daulatpur, Shikarpur, Mehmood Kot, Machike, Amangarh, Sahiwal, Port Qasim, Kotlajam, Thalian and Hub.





In 2016, VITOL, the largest independent oil trading entity in the world, acquired 15% equity in HASCOL which was later increased to 27.46% 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)** has constructed one of the largest Petroleum Terminals in Pakistan at Port Qasim, having a capacity of 197,000 Metric Tons. Phase I of this terminal was commissioned in March 2019.







A Lubricants Plant to manufacture lubricants, has also been constructed at Port Qasim which will commence production in 2019.

HASCOL was conferred the 1st Prize amongst Multinationals in Pakistan at the United Nations Global Compact Best Practices Sustainability Award and 3rd Prize amongst Large National Companies in Pakistan for Best HR Practices 2018 by the Employers Federation of Pakistan (EFP).



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		1.2 HSSE - Integrated HSSE Manual	1.3 CSR Policy
1.1 HR Management and Administration - Human Resource Policy Manual			
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"> The HR Policy Manual, approved by the Board of Directors, contains a specific section on the Employee Development Policy which aims at providing Learning and Development opportunities to the employees for developing and enhancing their Core Professional as well as Managerial competencies; thereby ensuring a pipeline of competent Human Talent for meeting the growth needs of the Company. A comprehensive Training Process is present in the organization, comprising of: <ul style="list-style-type: none"> Training Needs Assessment (TNA) to identify specific Employee needs, Management Development Program (MDP) a structured framework for improving employees' Managerial, Core Professional and HSE related competencies and a Training Calendar encompassing the various trainings planned for the year.  	<ul style="list-style-type: none"> There is a specific section in the HR Policy Manual on 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 90 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. 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 after such death or disability. 	<ul style="list-style-type: none"> Health, Safety, Security and Environment (HSSE) is crucial for HASCOL's Operations. Employees working on Depots/Installations/Terminals operate in a hazardous environment on daily basis. An Integrated HSSE Manual is in place to ensure that all employees, contractors, suppliers and service providers working at the Company's sites or locations or using the Company's assets or transporting, handling or selling Company's products are complying with applicable HSE standards, policies and procedures. Each work location has Safety Rules and Signages that must be followed. The HSE Site Officers and Installation Managers are responsible to ensure that workers of the Company as well as its Contractors use Personal Protective Equipment (PPE) and comply with Standard Operating Procedures, Work Permits, HSSE requirements, etc.  	<ul style="list-style-type: none"> HASCOL considers itself as Responsible Corporate Citizen of the Society. We provide resources, knowledge and skills to the communities located near our Depots/Installations and which intersect with our business. UNGC Principles are embedded in the Vision, Mission and Core Values of the organization so as to ensure that employees demonstrate responsible conduct throughout the entire spectrum of Company activities, Operations, Plants and Retail Outlets. CSR Committee is a high level forum comprising of the Chairman, CEO, a Director and Chief HR Officer. During 2018, HASCOL contributed to the following organizations: <ul style="list-style-type: none"> HASCOL sponsored a Braille Box to Pakistan Association of the Blind (Sindh). This Braille Box, acquired from Sweden, prints Braille Books in a cost-effective way as it is a double-sided printer and embosses on both sides of the sheet. The printing is done at a high speed and is more durable. The high resolution prints enable Blind children to grasp the textured graphics conveniently. 



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

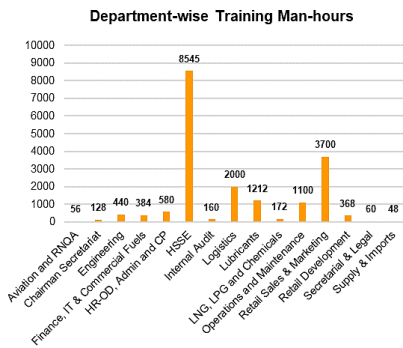
1.1.2 Health Facilities

1.2.1 Work and Road Safety

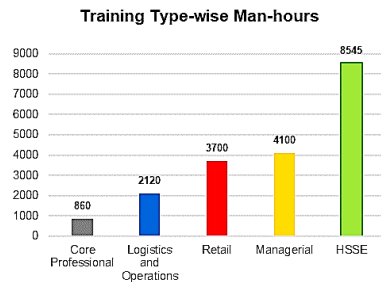
1.3.1 Corporate Philanthropy

Results

- **Training and Development:** Different types of trainings are organized throughout the year comprising of **In-House Training Programs** aimed at utilizing the expertise of our Employees, **Customized External Programs** engaging experienced Trainers from the Industry, **Public-Training Workshops, Conferences** as well as **Seminars**.
- During 2018, a total **19,365 Training Man-hours** related to Managerial Skills, Core Professional Skills, HSSE, Logistics and Retail were conducted.



- Quarterly **Training Reports** to Management highlight the Training Statistics i.e. Trainings conducted, Training Man-Hours, Number of Employees Trained as well as feedback from Employees and Trainers.



- **Trained First Aiders** are available at the Head Office and at all the Depots/Installations round the clock



- Rescue 1122 Lahore provides Emergency Response Services to HASCOL's Machike Installation and nearby vicinities whenever required.

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



- During 2018, **385** employees and their families were provided **Health Care**. This includes In-Patient as well as Out-patient medical facilities.



- **Road Transport Safety Audits:** Logistics Contractors are audited as per devised checklist covering Regulatory and best Industrial requirements.



- HASCOL's **Road Safety Program** is an ongoing feature of our Terminals/Logistics Operations and comprises of trainings by Internal as well as External Trainers. Company has engaged Motorway Police to conduct specialized training sessions for the Tank Lorry Drivers and other related staff members.



- HSE Site Officers regularly conduct **Work Safety Awareness Sessions and Trainings** to equip the employees working at Installations/Depots about the Safe Work Practices.
- HASCOL is the only OMC in the country operating Company Owned and Company Operated (COCO) Fleet which has transferred 1.9 mn tons of Petroleum products with **Absolute Zero Spill Rate**.
- We have **24/7 Vigilant Tank Lorry Monitoring System** which ensures that COCO Fleet does not operate from 0000-0600 hrs, never exceeds 60 KPH and has 02 full time drivers on all highway trucks. There is a mandatory 30 minutes' rest stop after 03 hours of driving.

Vehicle No.	Driver	Vehicle No.	Driver	Vehicle No.	Driver	Vehicle No.	Driver
1	2018	2018	2018	2018	2018	2018	2018
2	2018	2018	2018	2018	2018	2018	2018
3	2018	2018	2018	2018	2018	2018	2018
4	2018	2018	2018	2018	2018	2018	2018
5	2018	2018	2018	2018	2018	2018	2018
6	2018	2018	2018	2018	2018	2018	2018
7	2018	2018	2018	2018	2018	2018	2018
8	2018	2018	2018	2018	2018	2018	2018
9	2018	2018	2018	2018	2018	2018	2018
10	2018	2018	2018	2018	2018	2018	2018



Marie Adelaide Leprosy Centre (MALC) a major NGO in Pakistan, working in the field of leprosy control since 1956, for the upgradation of Turbat and Gawadar Eye Care Centre.

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



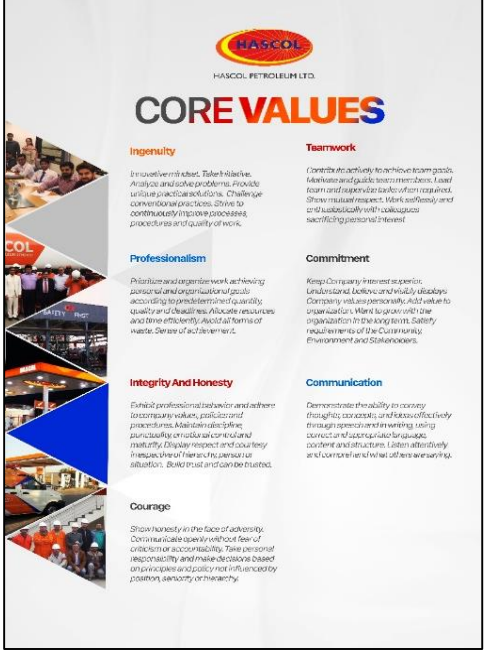



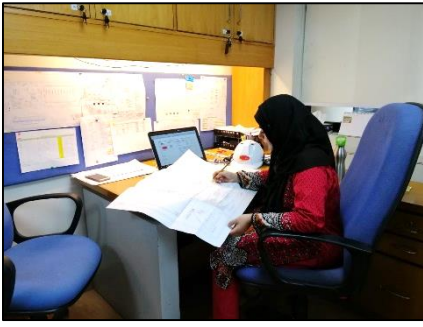
Pakistan Red Crescent (PRC), the leading National Humanitarian Organization of Pakistan for the provision of artificial limbs to individuals that lost their limbs in traffic accidents and terrorist attacks, thereby improving the quality of life.

Health Education and Livelihood Promoter (HELP), a Non-Profit Organization aim to add value in the lives of coal miners, and underprivileged people of Baluchistan in their project "Light of Hope" for providing poor coal miners and their families with portable Solar Lights.



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 Rights to Work	2.1.3 Workplace Harassment
Results		
<ul style="list-style-type: none"> HASCOL's Code of Conduct requires each employee to demonstrate a high level of Integrity and Honesty while executing assigned responsibilities. The Code of Conduct advises employees to maintain appropriate ethical behaviour in all their external and internal dealings. Each employee is obliged to abide by and visibly demonstrate the Company's Values. 	<ul style="list-style-type: none"> HASCOL offers Equal Work Opportunities for both male and female candidates in the job market. Despite being a male dominated industry, all departments of HASCOL have female employees, including managers. The HR Team ensures that during the Recruitment Process factors such as gender, religion, nationality, etc., are not considered and only merit counts. Candidates are selected on unbiased and competitive basis as per the Job Specification. The HR Policy Manual also postulates that the Benefits, Facilities and Allowances, are provided to all employees and their families without any discrimination. 	<ul style="list-style-type: none"> Consistent with Pakistan's Workplace Act 2010, HASCOL stringently forbids any inappropriate misconduct or undesirable 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. The Company's Code of Conduct clearly describes the term harassment as any action or behaviour or attitude that creates a threatening, invasive or uncomfortable work environment. Such actions encompass, but are not limited to, sexual harassment, disparaging comments based on gender, religion, colour, race, language, origin or ethnicity. Since the time of its inception, Zero Harassment Cases have been reported in the Company.
 <p>HASCOL HASCOL PETROLEUM LTD.</p> <p>CORE VALUES</p> <p>Integrity Be objective and fair. Take initiative. Analyse and solve problems. Provide value and take decisions. Challenge conventional practices. Shine in continuously improving processes, procedures and quality of work.</p> <p>Teamwork Contribute actively to achieve team goals. Motivate and guide team members. Lead team and support tasks from scratch. Share mutual respect. Work selflessly and not subsistively with colleagues sacrificing personal interest.</p> <p>Professionalism Perform and deliver work with high personal and organisational quality according to predetermined quality, quantity and deadlines. Allocate resources and drive efficiently. Accept all forms of waste. Sense of achievement.</p> <p>Commitment Keep Company interest superior. Uphold and follow company values. Company values as personality. Add value to organisation. Work together with the organization in the long term. Safety requirements of the Company, Environment and Stakeholders.</p> <p>Integrity And Honesty Exhibit professional behaviour and adhere to company values, policies and procedures. Maintain high integrity, punctuality, on time arrival and punctuality. Display respect and courtesy in response to various situations. Build trust and can be trusted.</p> <p>Communication Demonstrate the ability to convey thoughts, concepts and ideas effectively through spoken or written words using correct and appropriate language, content and structure. Listen attentively and comprehend what others are saying.</p> <p>Courage Show honesty in the face of adversity. Communicate openly without fear of criticism or accountability. Take personal responsibility and make decisions based on principles and policies not influenced by position, seniority or hierarchy.</p>	 	 



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 Employee Engagement Activities	3.1.3 Benefits
Results		
<ul style="list-style-type: none"> HASCOL's Corporate Strategy is Employee Centric. The Company's Management considers it imperative to address employees' suggestions, issues, conflicts and complaints in the best possible manner. A Grievance Policy is in place to resolve grievances swiftly. Whenever any employee raises any issue in the workplace, HR along with the concerned Department Head ensures that grievance is handled as far as possible within the confines of the relevant management structure. Employee suggestions and feedback are also received through regular visits of the CEO, and the Management Team to all Offices, Installations, Depots, Terminals and Project Sites. This helps in creating a positive organizational culture where employees feel heard, encouraged and empowered.    	<ul style="list-style-type: none"> In addition to providing Professional Development opportunities to its employees, the Company also encourages employees to participate in games and other engagement activities. The HASCOL Sports Committee organizes Cricket, Football and other Sports activities in which employees from different departments actively participate. The performance of HASCOL's Cricket Team was very well in 2018. It has participated in various tournaments and won the Lubricant's Super League 2019. A Cricket Team has also been formed at Lahore which is participating in various Matches. HASCOL also sponsors various Sports events including national tournaments organized by the Pakistan Tennis Federation, Golf and Cricket Clubs and other organizations which promotes sports in the country.    	<ul style="list-style-type: none"> HASCOL conducts Employee Salary and Benefits Surveys every two years to make sure that the Compensation Structure is market competitive and equitable, both internally and externally. Due to our proactive policies and employee friendly approach, there is no Labour Union in the Company. Depending on the work in cities or in remote areas, employees are provided suitable benefits specific to the location and job requirements. These include Hardship Allowance, Transport Facilities or Allowances, Rotational Leave Scheduling, and On-site Accommodation. Employees' suggestions, demands, enquiries and complaints are handled expeditiously at the Department, HR and Corporate level.  



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 Employee Engagement Activities

3.1.3 Benefits

Results

- Departments also have their **Annual Meetings** where they have discussions on progress towards assigned targets and areas of improvement. This provides a platform for employees to discuss the issues they are facing during work, with the Supervisors and Head of Departments.



- Different religious and national events are also celebrated in the organization like **Eid-e- Milad un Nabi, Pakistan Independence Day, Christmas, etc.**, to inculcate **team bonding, engagement and networking.**



- HR celebrates **Birthdays of its employees** to make them feel appreciated. Eid, Birthday, Christmas cakes and sweets are also given to employees so that they can celebrate with their families.



- World Happiness Day** was celebrated on 20th March 2019 to build Teamwork and Bonding. A Wall of Happiness was created and employees from different departments participated in this fun-filled activity by sharing their thoughts about the things that make them happy in the workplace.



- With the aim of bringing about change in the Organizational Culture and value diversity, **International Women's Day** is celebrated on 8th March. Gifts, bouquets and Hi-tea were arranged for the female staff in appreciation of their unfaltering commitment and devotion to HASCOL.



- Departmental Outings and Dinners** are also arranged to enhance mutual understanding among the team members. It provides a good opportunity for the employees to mingle with their peers and boost coordination.



- Specific cases of financial, medical and educational difficulties faced by employees, are given a sympathetic consideration and are provided assistance regularly.

- As the Company grows and expands in new business streams, in new geographical territories and diversifies, there are movements and transfers of employees for which adequate transfer and relocation benefits are provided to the employee and the family.











- By and large, the benefits extended to HASCOL employees are quite competitive in the Industry and in most cases exceed the norm.





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"> HASCOL's Compensation Policy ensures that employees are rewarded according to their performance, market competitiveness and potential for growth. External independent consultants are hired by the Company to conduct Salary Surveys and advise industry competitive salaries and benefits. HASCOL complies with both Sindh Employees Social Security Institution (SESSI), Punjab Employees Social Security Institution (PESSI) standards and all Labour Laws and Regulations, to provide its workers' not only salaries and wages above the Minimum Wage fixed by the Government but all other benefits. Discrimination in wages or benefits, on the basis of gender, religion, nationality or any external job factor is strictly avoided Benefits like Employees' Old Age Benefits, Gratuity Fund and Provident Fund are also provided to employees.  	<ul style="list-style-type: none"> Suppliers are selected after they confirm the legitimacy of their labour practices and assure that they are in compliance with the Laws of the Land, including Labour Laws, Industrial Relations, etc. Vendor and Contractor Inspections 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 are adopted and a cross-functional Procurement Committee is utilized for projects, supplies of goods and services at Company locations. Zero Tolerance for unethical practices is followed and suppliers/vendors are black listed on violations.    	<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, graceful and efficient. 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 Terminals, Operations, Installations, 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 Children to reduce Child Labour in adjoining communities
Results	
<ul style="list-style-type: none"> HASCOL's Recruitment Policy strictly prohibits Child Labour. The minimum hiring age is specified as 18 years and this regulation is strictly followed at all locations including rural site workers, fresh technicians, trainees, etc. Apart from compliance of Labour and Human Rights Laws within the organization, Suppliers and Service Providers are also required to adhere to the laws of the country, labour laws, meet security and human rights requirements as well as eliminate employment of under-age workers. 	<ul style="list-style-type: none"> HASCOL's CSR Policy lays special emphasis on contributing towards Education of the Younger Generation so that Child Labour can be reduced. The Company sponsors Deaf Children at the Family Educational Services Foundation (FESF) Deaf Reach Program where they are provided academic and vocational education and are gainfully employed professionally and do not have to resort to Child Labour HASCOL is constructing a Children's Family Home in SOS Village Khairpur, to provide shelter to orphans and abandoned children of nearby communities. The Company contributed to the DOW Endowment Fund which supports deserving students in continuation of their Education. HASCOL has also partnered with Teach for Pakistan to provide education in underprivileged regions of Pakistan. Through this, HASCOL employees will mentor TFP Fellows, offer internship/employment opportunities to young professionals at the end of their Fellowship at TFP. The Management Team is frequently invited to give motivational talks to the younger generation. Mumtaz Hasan Khan, HASCOL's Chairman, was also invited to the Leaders at LUMS session to enlighten the youth with his experiences and present his journey as an entrepreneur. 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 has a structured and comprehensive Performance Management Process that motivates employees to achieve business goals, personal career objectives and rewards through high levels of performance. By providing employees with opportunities for personal challenge, development, growth and recognition, a Performance Driven Work Culture has been established.   	<ul style="list-style-type: none"> At HASCOL, the Recruitment Process ensures that there is no discrimination amongst applicants and Equal Opportunities are offered to all competent candidates, including women and minorities belonging to any religion, colour, caste or origin. Male and Female Minorities are employed at different levels within the Organization. Women Managers are heading departments and key functions, e.g. HR, Administration, Organizational Development, Retail Sales, Marketing, etc. Minorities are given extra holidays in accordance with their Religious Customs. 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"> HASCOL's Code of Conduct is a declaration signed by each employee at the time of induction. This document lays the foundation for avoiding discrimination, ethics, focusing on merit, employee rights and ethical dealings with internal and external stakeholders. 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 is regarded as misconduct by the employee.  	<ul style="list-style-type: none"> HR Team regularly interacts with the Labour Market and professional institutions through participation in Career Fairs, Academic Projects, etc. Through the Company's Trainee Program, fresh graduates are provided trainings in different departments and at various locations.  <div data-bbox="1549 951 1976 1403"> <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>Chairman/CEO Secretariat</td> <td>1</td> </tr> <tr> <td>Logistics and LNG, LPG, Chemicals Operations and Supply Chain</td> <td>3</td> </tr> <tr> <td>Engineering</td> <td>37</td> </tr> <tr> <td>Retail Development</td> <td>13</td> </tr> <tr> <td>HR and Corporate</td> <td>4</td> </tr> <tr> <td>Finance and Audit</td> <td>10</td> </tr> <tr> <td>Retail Sales and Marketing</td> <td>3</td> </tr> <tr> <td>Retail Network Quality Assurance</td> <td>7</td> </tr> <tr> <td>Quality Assurance</td> <td>9</td> </tr> <tr> <td>Other</td> <td>1</td> </tr> </tbody> </table> </div>	Department	Number of Trainees	Chairman/CEO Secretariat	1	Logistics and LNG, LPG, Chemicals Operations and Supply Chain	3	Engineering	37	Retail Development	13	HR and Corporate	4	Finance and Audit	10	Retail Sales and Marketing	3	Retail Network Quality Assurance	7	Quality Assurance	9	Other	1
Department	Number of Trainees																								
Chairman/CEO Secretariat	1																								
Logistics and LNG, LPG, Chemicals Operations and Supply Chain	3																								
Engineering	37																								
Retail Development	13																								
HR and Corporate	4																								
Finance and Audit	10																								
Retail Sales and Marketing	3																								
Retail Network Quality Assurance	7																								
Quality Assurance	9																								
Other	1																								



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

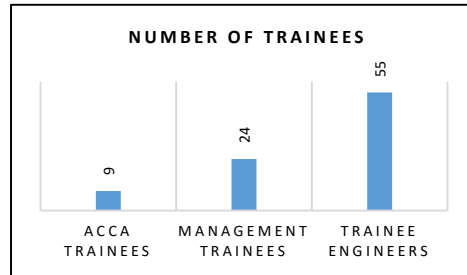
6.1.4 Interaction with Educational Institutions and Professional Bodies

Results

- The Company has professional **Training and Development, Talent Management, Career and Succession Planning and Promotion** policies to ensure that merit-based, equal opportunity for career growth and mobility is available to all employees.



- HASCOL's **Trainee Program** is designed to induct high quality young talent belonging to various disciplines. At present, 88 Trainees from renowned national and international universities are working at our locations throughout Pakistan.



- Employees are also required to follow the Laws of the Land and live the Values of the Company both during as well as after work.









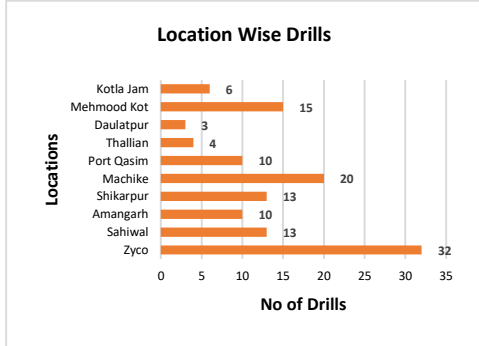



- HASCOL employees regularly attend ACCA Pakistan events as **Guest Speakers and Panellists** to judge and award students on their performance.
- HASCOL is also a **member of various Professional Organizations** like Pakistan Society for Human Resource Management (PSHRM), Pakistan Society for Training and Development (PSTD), Management Association of Pakistan (MAP) as well as Platinum Partner of ACCA.





Principle 7: Businesses should support a precautionary approach to Environmental Challenges.










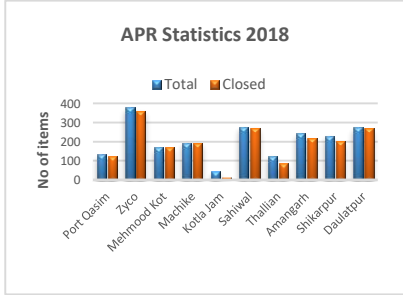

Commitment Statement: HASCOL, as a Petroleum and Energy Company, is cognizant of the possible Risks and Hazards to the Environment because of its Operations, and is committed to comply with International Standards and Regulatory requirements, the Environmental Protection Agency, National Environmental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

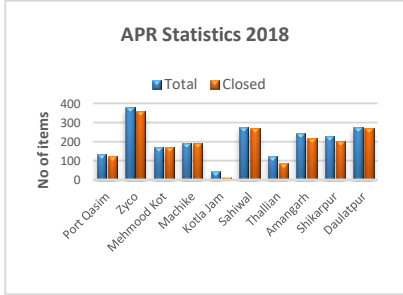
Management Systems			
7.1 Health, Safety and Environment			
Actions			
7.1.1 Environmental Assessment	7.1.2 Waste Management	7.1.3 Spill Control and Prevention	7.1.4 Tree Plantation and Horticulture
Results			
<ul style="list-style-type: none"> For the new projects, Environmental Assessments (IEEs/EIAs) are conducted through third party Environmental Consultants to identify Environmental Impacts of the projects and to develop Mitigation Plans. These IEEs/EIAs are submitted to the relevant Environmental Protection Agency (EPA) to acquire environmental approvals. A mechanism is developed for the identification of Safety Critical Equipment and this is implemented at our Operational Sites. The purpose to identify such equipment is to prepare Predictive Maintenance Plans to avoid any failures of equipment that could cause unsafe operating conditions or violation of HSE Standards. During the identification, Environment is a key aspect during the identification of such equipment. Provision of inter Floating Roof Tanks for gasoline has also been done to decrease VOC emissions.  	<ul style="list-style-type: none"> At all our Terminals and Installations, waste is being segregated at source. Effluents (sewage water) are being treated in septic tank systems and recycled for gardening. We are complying with Industrial requirements of Waste Management and as per the nature of waste (Hazardous and Non-Hazardous Waste) disposals or treatment is adhered. Environmental Protection Agency (EPA) approved vendors are disposing off/treating the waste to minimize the Environmental Impacts Safety Signage with Environment friendly messages are placed at all Operational Sites.   	<ul style="list-style-type: none"> Spills Management include Dike Walls around Storage Tanks, Spill Emergency Response Plan, Retaining Walls and Catch Pits in storage areas. Spill response measures consisting of Spill Response Kit, absorbing-pads, containment buckets, etc. which are placed at appropriate locations to cater to any spill. Transportation of hydrocarbons across Pakistan is part of our operations and keeping in view the hazards/risks associated, spill is a major risk. A quarterly Mega Emergency Response Drill is an ongoing feature. In April 2019, the last Mega drill was conducted which had an extra-ordinary participation from Hauler Contractors, and a special focus on Environmental Protection by utilizing the Spill Response and Control techniques.  	<ul style="list-style-type: none"> The Company undertakes Tree Plantation and Horticulture Campaigns, at new and existing Operational sites. HASCOL participates in Spring Tree Plantation Campaigns and planted around 500 Chir Pine Trees in Islamabad.   



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 Implementation of HSSE Management System	8.1.2 HSSE Trainings and Drills	8.1.3 HSE Initiatives	8.1.4 HSSE Reporting and Awards
Results			
<ul style="list-style-type: none"> • HSSE Management System is fully implemented by adhering to all its elements covering Occupational and Process Safety and focus on Regulatory Compliances. The HSE Policy, signed by CEO, is a Management Commitment which covers Health, Safety, Security and Environment • Environment is a second indicator in HPL's risk matrix. Risk Matrix is covering People, Environment, Assets and Reputation • As per our Operational requirements, two elements of Process Safety Management are part of the Management System. • HASCOL is marketing various chemicals like Xylene, Toluene and VAM. An HSE workshop with stakeholders was conducted by focusing on Material Safety Data Sheets, Handling and Transportation of Chemicals • Lubricant Warehouse Inspections: Campaigns covering Inspections, HSE trainings, Emergency Response drills are conducted across the country and Spill response arrangements are made at all our warehouses  	<ul style="list-style-type: none"> • HASCOL believes in capacity building of its workforce by providing HSSE Trainings according to a planned HSSE Training Matrix. This matrix is developed on the basis of Training Needs Assessment. • In 2018, we conducted more than 8000 HSE Training Man-Hours. In-house and outsourced trainings are part of the matrix. During 2018 and till May 2019, we arranged four (4) training sessions with an emphasis on Process Safety Management. • An exclusive HSE Training Campaign for Retail Outlets across Pakistan is in progress. The training topic is "Fire Safety and Prevention" which is covering practical training on Fire Extinguishers, function of ESD, Safe Decantation procedures, etc. These topics are directly linked with environmental protection. • HASCOL uses external Specialist Trainers e.g. Rescue 1122, Motorway Police and Civil Defence for relevant Trainings.   	<ul style="list-style-type: none"> • Housekeeping Day at all operational sites are held, in which all staff participate as Environmental Protection is everyone's responsibility. • HASCOL is committed to comply with the Prime Minister's Directive of Clean Retail Outlets. HASCOL's Sales staff is monitoring the same by conducting regular and surprise visits. • Introduction and Implementation of Tank Lorry Driver's Safety Fundamentals to acquaint them with the Dos and Don'ts in any untoward situation that can have environmental impacts. An equal emphasis is given to improve Drivers' Safety Behaviours.    	<ul style="list-style-type: none"> • HSSE Management Walkabout of different Operational sites (Depots/Retail Outlets) are conducted every quarter, to ensure HSSE compliance and visible commitment of Senior Management. • Monthly HSSE Inspections of Operational sites (Terminals, Warehouses, Plants, Retail Outlets) as per controlled checklists are being conducted. Areas of improvement are shared with concerned departments for improvements by providing target dates for the closure of action items. Action Point Register is maintained and being shared with Management on Daily and weekly basis. 2018 Closure Rate is 92% • HSSE Bulletins/Information/Newsletter/Whatsapp Groups containing information and updates regarding HSE and Security are shared at appropriate forums on regular basis covering all aspects of HSSE.  





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 Retail Outlet*

Management Systems

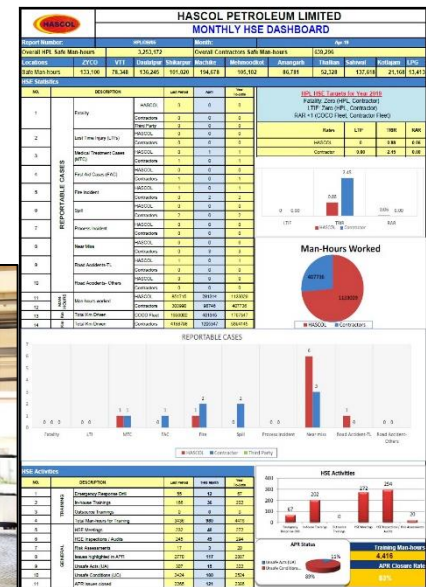
9.1 All Corporate Functions and Operational Locations

Actions

9.1.1 Environmentally Friendly Technologies Induction, Monitoring and Reporting

Results

- **Controlled Emissions through Best Industrial Practices:** At all HASCOL's Operational Sites, the Best Environmental friendly technologies like Breather Valves, Internal Floating Roof Tanks, etc are installed, to reduce the Environmental footprint.
- **Emissions and Air Quality Monitoring** of NEQS is being done at Operational Sites. **Vent pipes** are placed at standard heights to minimize impact to ambient air quality.
- HASCOL offer environmental friendly **Genuine Air Filters** made of recyclable materials for moisture resistance and flame retardancy.
- **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.
- Transportation of hydrocarbons is being commenced through **ADR and OGRA Compliant Tanker Lorries**. ADR is an international standard while OGRA is our regulatory authority. These Tanker Lorries are fitted with PRVs, which are ensuring controlled emissions.
- **Dispensers at Retail Sites** are spill free and have the provision to absorb static charge with accurate measurement of the amount of fuel pumped. 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** are in place at all locations
- **Intrinsically Safe Communication Systems** are installed at all Depots and Installations
- **Incident Reporting and Investigation System** is in place and environmental spills are part of it. Incidents are investigated as well with the areas of improvement and delegating the responsibilities for mitigation measures to concern.





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	
Results	
<ul style="list-style-type: none"> • Prohibition of unethical practices, compliance with laws and practicing responsible behaviour is embedded in HASCOL’s Values, Code of Conduct, Undertakings, Contracts, etc. signed by employees, and in the Company’s HR Manual, HSE Manual, Procurement Policy, Agreements, etc. Deviation by any employee is tantamount to misconduct leading to disciplinary action which may lead to dismissal. • Corruption and malpractices are also avoided by compliance with all legal, financial, tax, operational, labour, HSE, 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), other regulatory bodies and statutory requirements • 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. • HASCOL is a member of the Employers’ Federation of Pakistan and abides by its policies 	
AWARDS: HASCOL was conferred	
<ul style="list-style-type: none"> • 1st Prize amongst Multinationals in Pakistan at the United Nations Global Compact Best Practices Sustainability Award • 3rd Prize amongst Large National Companies in Pakistan for Best HR Practices 2018 by the Employers Federation of Pakistan (EFP). 	
