



# UN Global Compact Communication on Progress 2019



*As part of the company's CSR effort to ensure consistent power supply, using renewable resource, to essential facilities in remote areas, PPL recently installed a 60 kilowatts solar system at District Headquarters Hospital and Complex in Washuk, Balochistan*



**Pakistan Petroleum Limited**



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Our reference:

CC/UNGC/2019

Your reference:

Date:

July 2, 2019

**United Nations Global Compact  
Communication on Progress 2019**

**Message from Managing Director & Chief Executive Officer**

We, at Pakistan Petroleum Limited (PPL), reiterate our commitment to the 10 principles of United Nations Global Compact (UNGC) and are pleased to share annual progress on them in human resource development, corporate social responsibility and quality, health, safety and environment (QHSE).

Our CSR programme remained focussed on providing sustainable solutions for on-ground issues faced by deserving communities in operational and urban areas. With this, long-term projects in education, healthcare, livelihoods generation and infrastructure development gained traction by using new approaches and latest technology. To this end, e-learning initiated at Sui Model School and Girls College to enrich learning experience with diverse pedagogical approaches. Similarly, tertiary-level educational opportunities at renowned institutions expanded for deserving students through support for pre-admission preparation process.

Likewise, PPL continued to use environment-friendly energy technology for its CSR projects, especially infrastructure development. With a focus on solar energy, abundantly available in Pakistan, several water supply schemes in operated areas were powered through solar panels. This has not only sustained project life but also increased participation by local communities, especially women, in maintaining solar panels. Provision of solar modules to households in Awaran, Balochistan, where grid-electricity is mostly unavailable, has opened-up livelihood opportunities for locals.

In recognition of its social contributions, PPL was adjudged the largest corporate giver in terms of volume of donations for the 14<sup>th</sup> consecutive year by Pakistan Centre for Philanthropy.

Meantime, the company stand committed to carrying out its business in line with international QHSE standards. To date, 16 assets, departments and facilities are certified for ISO 9001 Quality Management System, 13 for ISO 14001 Environmental Management System and 14 for OHSAS 18001 Occupational Health and Safety Assessment Series. Besides, process safety management practices have been integrated and automated throughout the company.

We continue to invest in our human resource through need-based, ongoing capacity building initiatives, including in-house classroom-based and online training, mentoring, coaching and cross-functional rotation. To this end, 150 sessions, including 44 facilitated by foreign trainers, were organized during the year.

The enclosed Communication on Progress 2019 provides further details of our ongoing efforts to align our business practices in line with the UNGC's 10 principles.

**MOIN RAZA KHAN  
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER**

# Principle 1



Business should support and respect the protection of internationally proclaimed human rights.



## Commitment

Pakistan Petroleum Limited (PPL) respects the dignity and rights of its human resource. Through our Corporate Social Responsibility (CSR) Programme, we also support the right to education, healthcare, basic civic amenities and healthy recreation for communities.



## 1 Strategic System for Organizational and Human Development

### ACTIONS

#### Organizational Surveys

##### Performance

PPL remains committed to improve its employee engagement. To this end, the company participates in various countrywide Human Resource (HR) benchmarking surveys to assess existing and emergent trends. The findings enable PPL to align its HR system with leading companies and consolidate best practices already followed by the company.

- ▶ The findings of a recently-conducted employee engagement survey indicate that there is a need to improve the current performance management system. Addressing this observation, the company plans to review the current performance management system and recommend appropriate changes to bring it in line with best industry practices.

#### Capacity Building

##### Performance

Staff capacity building at PPL is based on an integrated approach, including on-job training, coaching, mentoring, e-learning and classroom sessions, aligned with employee job requirements as well as need identification. To this end, staff are regularly offered learning opportunities with a liberty to prioritise their training plan while line managers are also sensitized on the importance and relevant skills for staff development. These efforts are supported by an organisational culture that enables personal and professional growth of staff.

- ▶ To ensure that the values of PPL are in line with its vision and mission, a project was initiated in early 2018 to review the company's corporate values. The review of PPL values entailed detailed discussions, management interviews, cross-functional and cross-location focus groups along with a management retreat. As a result, revised values were finalized, comprising value creation, respect, integrity, serving the nation and empowerment (V-RISE)
- ▶ Following the board's approval, interactive value communication sessions were held at all locations for management staff to ensure that they relate the company values to their own personal values. Furthermore, values are being translated in Urdu and slated to be rolled out to N-MPT staff as well in the next few months
- ▶ Keeping in view the changing industry context and company needs, in early 2018, discipline-wise skills matrix was updated for staff to include those skills that are needed to meet new strategic objectives. Later, the matrix was translated into annual training plan for technical and non-technical functions through

consultation with line managers

- ▶ PPL has a defined Leadership Competency Framework to achieve superior performance through effective and strong leadership. Senior management's capacity is developed in these competencies to enable them to consistently perform and deliver better results. In the long-term, this framework also helps build a succession pipeline in preparing the next generation of leaders for the company.
- ▶ As part of the annual training plan, in-house and public training sessions were arranged for staff at all levels. A total of 183 training programmes were held, which included 30 sessions facilitated by foreign trainers in the core technical/professional areas. Moreover, Annual Assets and Exploration conferences were organized to review and plan exploration and operational activities
- ▶ PPL's e-learning portal, in collaboration with International Human Resource Development Corporation (IHRDC), continues to offer more than 1500 online courses for oil and gas industry professionals to augment the capacity building efforts. To facilitate access to management best practices, the company also extended soft-skills trainings to staff through globally acknowledged Harvard Business Review's online learning portal Harvard Manage Mentor.
- ▶ The first batch of the Associates inducted in March 2016, completed their two-year on-job training in March 2018. Out of a total of 67 Associates, 54 were offered regular employment based on performance and available vacancies. The second batch of 35 Associates inducted in July 2017 is now been placed in their core functional areas for focused on-

job training for a year. The batch will complete the two-year on-job training in July 2019. As such, PPL's Associates programme is geared towards development of talent pipeline as well as maintain an in-house skill set for achieving the company's strategic and operational requirements.

- ▶ Posting of staff between fields and head office, on a rolling-basis, has been streamlined. Also, regular lateral staff rotation within head office has assisted employees in diversifying their learning and assisted company to benefit from their experiences.
- ▶ 30 Special Trainees inducted for a two-year on-job training programme in 2016 as part of capacity building of young professional engineers and diploma holders belonging to company's producing fields have been confirmed based on their performance and available vacancies.
- ▶ PPL has a Technical Management Centre that subscribes to leading industry journals as well as other resources to keep staff updated with the latest trends and use of technology in the Exploration and Production sector.
- ▶ Current reading material, including newspapers, magazines and periodicals are provided to keep staff updated on latest trends and information.
- ▶ The company's monthly newsletter *Progress*, now in its 63<sup>rd</sup> year of publication regularly reports on company activities and industry related news. The Urdu version of *Progress*, initiated in January 2011, reaches to staff and stakeholders who are otherwise not able to get first-hand information due to language barrier.
- ▶ Staff is kept updated on company activities through posting photographs of various corporate events on intranet portal. Besides, press clippings on oil and gas and energy sectors from leading newspapers are posted daily on the portal and circulated to senior management.

## 2 Industrial Relations and Employees

### ACTIONS

#### Fair Investigation Procedures

##### Performance

**PPL protects employee rights, ensuring equitable treatment and opportunity for all to voice their views.**

- ▶ The company has an effective policy for redressal of staff grievances, if any.
- ▶ Based on laws relevant to its various locations, PPL follows the Standing (Orders) Ordinance 1968 for official reprimand of staff.
- ▶ The company regularly organizes town hall meetings for staff at all locations to share new developments, concern and issues in an open communication with senior management.

#### Benefits

##### Performance

**PPL provides its staff with competitive remuneration packages as well as strives to facilitate enabling working environment with ample capacity development and career progression opportunities.**

- ▶ In line with Companies Profits (Worker's Participation) Act 1968, PPL contributes five percent of its net profit to the Workers Participation Fund.
- ▶ PPL follows the Employees Old Age Benefits (EOB) Act 1976, contributing five percent of minimum basic salary to EOB institutions with employees' participation of 1 percent.





- ▶ The company pays Statutory Bonus under Section 10-C of the West Pakistan Industrial and Commercial Employment (Standing Order) Ordinance 1968 as well as Annual Settlement Bonus to non-management staff.
- ▶ Annual Leave Fare Assistance is given to non-management staff in addition to monthly remuneration.
- ▶ PPL also extends loans to staff for house construction/renovation and purchase of home appliances and vehicles.
- ▶ The company offers 13 annual scholarships to children of permanent non-management staff, with four scholarships for post-intermediate and professional and 9 for post-matriculation education.
- ▶ Free bachelor accommodation along with necessary utilities is given to field-stationed staff.
- ▶ Gratis *Hajj* and *Umrah* facilities are provided to workers.
- ▶ PPL provides pick-and-drop transport facility to women staff.
- ▶ The company provides a nutritious and balanced lunch facility for management staff and women employees at head office and fields.

## Employee Recognition

### Performance

**PPL follows fair and transparent policies and procedures to recognize and reward high standards of performance and enhance staff motivation.**

- ▶ Performance Awards are given on an annual basis to employees together with departments in recognition of their outstanding achievements. The company recognizes and rewards individual and department's efforts for extraordinary performance, innovation, creativity, cost savings, productivity gains and complexity reduction, waste elimination and outstanding QHSE contribution. Besides employee's notable social contributions are also rewarded. The scheme also sets out to establish role models within the organization that other employees can emulate. Moreover, other initiatives such as spot bonus schemes are also in place.
- ▶ PPL considers human capital its premium asset and acknowledges longevity of service, ranging from 15 to 40 years, through annual long service awards.
- ▶ The company arranges farewells for retiring staff in appreciation of their services.

## Healthy Entertainment for Employees

### Performance

**PPL attaches great importance to providing sports facilities and entertainment for staff.**

- ▶ PPL encourages sports among employees and regularly organizes events such as Annual Inter-location Cricket Tournaments and in-door games to engage staff at head office and fields in healthy recreation. Besides, the company has

teams for various sports such as cricket and table tennis that participate in contests/ matches with other organizations.

- ▶ The company maintains fully-equipped health and fitness facility at head office as well as proper indoor games/ recreation facilities at field locations to keep its employees mentally and physically fit. Head Office Sports Club remains available for staff recreation during lunch break and after working hours. The club at Sui Gas Field (SGF) and Kandhot Gas Field has a jogging track, badminton, tennis and squash courts and a swimming pool for staff use.
- ▶ PPL also organizes indoor games competition among head office and field employees.
- ▶ PPL organizes musical and other cultural programmes for employees.
- ▶ Company management and staff celebrate religious and cultural festivals as well as national days.

## Preventing Forcible Displacement of Individuals

### Performance

**Due to its strict adherence to prescribed laws, PPL has never had a case of forcible displacement of employees.**

## Employment Policy for Handicapped and Disabled People

- ▶ PPL follows the Disabled Persons (Employment and Rehabilitation) Ordinance 1981 and ensures employment of handicapped personnel.
- ▶ In line with the Workmen Compensation Act in matters related to disability, alternate job assignments are given to disabled staff.



# 3 Employee Safety and Security

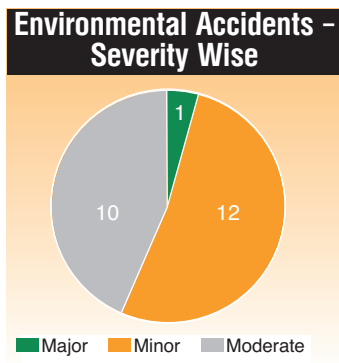
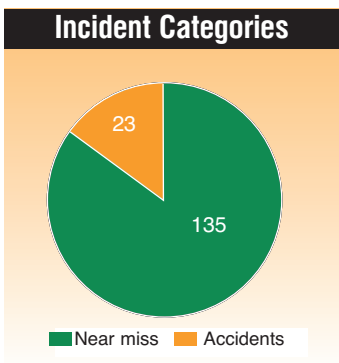
## ACTIONS

### Safe Working Conditions

#### Performance

Employee safety and security is one of PPL’s top priorities. The company’s senior management is committed to recognising QHSE as a core value for sustainable business growth and profitability. PPL has dedicated Security and QHSE departments to ensure hazard-free working conditions. The following initiatives are taken to help protect company employees from risky situations and conditions:

- ▶ To ensure safe plant operations and proactively avoid incidental environmental releases, Process Safety Management (PSM), based on OSHA (Occupational Safety and Health Administration Series) 3132 principles, has been implemented. This came through a comprehensive PSM benchmarking study undertaken by DuPont a couple of years back. For implementation, PPL used three core dimensions for Process Safety: leadership, culture and values; competence and information / hazard analysis. For this, leadership workshops were organized and staff were engaged through training and seminars. Competence framework was developed, procedures strengthened and hazard identification and hazard & operability studies completed across the board as some of the key deliverables.
- ▶ PPL continues to ensure contractors’ safety through various pre-emptive measures, including pre-mobilisation workshops, pre-spud meetings, audits and placement of additional QHSE human resource on seismic and drilling sites.
- ▶ In order to improve quality of risk assessment and proactive precautionary response in mitigating risks, automation of ‘Risk Management’ and ‘Incident Management’ processes are



completed in collaboration with globally renowned QHSE IT Software solution provider. Further, several trainings conducted for the staff before the software went Live in 2017. This has resulted in improved quality of risk assessments and tracking on compliance for necessary control measures.

- ▶ For monitoring progress on health and safety measures, especially at fields and facilities, senior management regularly

undertakes Safety Observation & Feedback Tour Audit of assets/ locations beyond the set target.

- ▶ Use of personal protective equipment (PPE) and clothing continue to remain efored for staff safety at work according to the nature of the job.
- ▶ Safety alerts and travel advisories are regularly sent to employees.
- ▶ Security passes are compulsory for PPL employees at the head office and field locations.
- ▶ Safety and fire drills are regularly conducted as per Health, Safety and Environment (HSE) requirements at head office and all field locations.
- ▶ HSE awareness and training sessions are regularly held. To further focus on increased understanding and improvement in the use of safety procedures, a specialized mandatory training campaign for all staff is in place to build capacity in fulfilling basic QHSE protocols, including firefighting, incident investigation and reporting, defensive driving, firefighting and first aid, over the period of four years.
- ▶ ‘Hazard Identification, Risk Assessment and Management’ processes are shared with staff for compliance. Field-based QHSE representatives provide training for conducting risk assessment of routine and project activities.
- ▶ Head Count System in the form of T-card is implemented at all PPL fields, drilling sites, regional office in Islamabad and West Wharf as a quick and accurate estimation of personnel’s location at various sites.
- ▶ Lost Time Injury Frequency (LTIF) has been on a decline over the years due to PPL’s commitment to PSM and implementation of QHSE procedures. LTIF of the company remained 0.23 during the reporting period.



## Employee Travel Safety

### Performance

PPL has a comprehensive Road Transport Safety framework, focussing on safety of company staff as well as safe transport of hydrocarbons

- ▶ A comprehensive framework is introduced on Road Transport Safety (RTS) which focuses on passenger safety with basic guidelines on hydrocarbon transport.
- ▶ Detailed gap assessment criteria developed in line with RTS framework and implemented at fields and offices.
- ▶ Behavioural monitoring of drivers and passengers is focussed to improve Journey Risk Management plans and developing base stations.
- ▶ Any unsafe driving practices, travel route issues, vehicle or employee complaints regarding transport are reported to Administration Department for necessary countermeasures.
- ▶ All company vehicles are regularly inspected for fitness/ tuning/ service at designated workshops/ garages.
- ▶ Wearing seat belts is mandatory for company transport drivers and employees using company vehicles. A policy is in place to bind staff to wear seat belts.
- ▶ All PPL employees are insured while travelling locally, domestically or internationally.
- ▶ Use of mobile phones is prohibited while driving company vehicles.
- ▶ First aid boxes, fire extinguishers, safety cones, toe chain/ stop are placed in all company vehicles.
- ▶ Road Transport Safety guidelines are being prepared to further emphasize company's focus on safe road travel.
- ▶ Driving Safety Handbook has been introduced at PPL drilling sites.
- ▶ Comprehensive QHSE evaluation criteria as well as contractual clauses have been developed to improve transportation of crude oil/ condensate, LPG & NGL from Adhi, Nashpa, Gambat South, Mazarani & Dhok Sultan besides, HSD & MS transportation across PPL fields.
- ▶ Apprised management that 'risk transfer' approach by parent companies to hold contractors and subcontractors solely responsible for incident management and compliance of laws, regulations and standards is not enough
- ▶ Risk card generated at the company level, including risk litigation plan
- ▶ Reviewed legal & regulatory requirements as well as international standards (ADR 2018) and awareness campaigns held at select fields, head and Islamabad offices
- ▶ Incident Analys is performed through VEHS software

## 4 Health

### ACTIONS

## Healthy Environment for Employees

### Performance

PPL supports a safe and healthy workplace by enhancing staff health and well-being.

- ▶ Periodic check-ups are carried out for fire extinguishers, fire alarms and sprinklers at all field locations.
- ▶ Ergonomics survey has been initiated to review working postures/ conditions of employees at workplace.
- ▶ Kitchen hygiene and inspections are a regular feature along with medical screening of food handlers.
- ▶ Compliance assessment of Occupational Health Protocols have been completed at Sui, Gambat South, Kandhkot, Adhi and Hala through independent consultant
- ▶ Chartered flight from Karachi to Sui has been resumed through national carrier PIA after thorough QHSE review.

## Basic Health Facilities

### Performance

PPL extends a comprehensive health plan and medical policy to employees and their families. The company has qualified doctors for providing medical consultation and treatment at head office and field locations.

- ▶ The company provides medical assistance to all employees, including their immediate family, and pensioners as per medical policy. More recently, the company has started the provision of parental medical facility to management staff.





- ▶ PPL maintains a city clinic in Karachi, providing services throughout the day and on weekends to ensure easy access for employees and their families. Besides, PPL has a full-fledged hospital located within the SGF premises. At other company fields and locations, Kandhkot, Adhi, Mazarani, Adam and Gambat South, proper arrangements for emergency medical care are in place.
- ▶ The company has initiated hospitalization facility through insurance services in order to further facilitate employees and their dependents
- ▶ PPL follows the Factories Act - 1934, Mines Act - 1923 and Oil and Gas (Safety in Drilling and Production) Regulations -1974, which include employee personal hygiene, environment, emergency medical assistance and periodic medical check-ups.
- ▶ Health awareness sessions are regularly conducted by company doctors and guest consultants for informing and updating staff on preventive measures and treatment of common diseases and outbreaks.
- ▶ Ex-gratia payments are made to staff in case of prolonged sickness.
- ▶ Clean drinking water is provided to staff at all locations.

## 5 Corporate Social Responsibility

PPL stands committed to improving the quality of life for deserving population around its operational areas as well as in large urban areas through provision of education, healthcare, infrastructure development, livelihood generation, sports and cultural conservation and has allocated a minimum 1.5 percent of its pre-tax profit for CSR activities.

The company spent over Rs. 1191 million for CSR initiatives during March 2018 to February 2019, which is over and above its minimum commitment.

### ACTIONS

#### Education

##### Performance

**PPL believes that one of the sustainable ways of improving livelihoods and well-being of underserved communities is by providing them access to quality education.**

- ▶ The company has been providing quality education to children of staff and locals at Sui Model School (SMS) since 1957. SMS was upgraded to a girls' college in 2009. Currently, the school caters to nearly 3000 local boys and girls, including 95 at the college. PPL has also established e-learning distant learning facility at SMS&GC.

- ▶ The Computer Training Centre and Library at Sui established in 2010 continues to be operated by Kalsoft, an Information Technology company. So far, nearly 950 locals have been trained in basic and advanced certificate courses. Besides, over 700 residents are registered library users.
- ▶ The company provides free-of-cost transport facility to students of Taaleem Foundation Grammar School (TFGS) and Federal Government Public School (FGPS), Sui. Besides, PPL has extended infrastructure and in-kind support to both schools since inception. Recently, three family quarters for teaching staff were constructed and furnished at FGPS
- ▶ PPL regularly provides the following scholarships for local students residing around its operational fields to enable them to acquire quality education at renowned institutions:
  - Higher Professional Education Scholarship (HPES) scheme was initiated in 2005 to support both boys and girls in District Dera Bugti to pursue education in reputable institutions across the country. The scheme was extended to include local students around PPL's operated producing assets in other areas during 2009. To date, HPES has benefited over 350 students.
  - Four-year scholarship programme offers 40 annual scholarships for students of grade IX to XII from Balochistan to study at reputed educational institutions across the country. Starting 2011-2012, nearly 230 students have benefitted from the scheme.
  - The company has extended 100 scholarships for students of FC College Sui (previously known as Balochistan Public School). With an annual cost of Rs. 2.5 million, the



scholarship enables 10 deserving girls and boys each from grade 1 up to 10 to study free of cost. PPL has also contributed Rs. 20 million towards constructed of a FC Girls college.

- 30 scholarships are extended at a cost of Rs. 2.5 million per annum for the hearing challenged students from Matiari and Sanghar districts in Sindh to study at Family Education Services Pakistan which has enabled them to study free of cost for a year.
- PPL has recently introduced a scholarship scheme to encourage local girls' students of Sui Model School and Girls College to take up studies in medicine at HEC-recognized medical colleges across the country. Currently, one girl student secured the scholarship award.
- ▶ The company regularly covers operational expenses of its two adopted schools in District Kambar Shahdaddkot, Sindh.
- ▶ PPL established and operationalized three primary schools in Kandhkot in partnership with The Citizen's Foundation in 2011 with an input of Rs. 83 million for which an endowment fund was created. To date, over 650 students, both girls and boys, are enrolled at these schools. One of the campuses have been upgraded to a secondary school.
- ▶ To strengthen academia-industry partnership and promote research and development in disciplines relevant to the industry, the company has established chairs at prominent universities. PPL Chair in Petroleum Engineering is operationalized at Mehran University of Engineering and Technology (MUET), Jamshoro. PPL has allocated about Rs. 50 million for MUET chair.
- ▶ PPL continues to provide operational expenses for Virtual University (VU), Sui campus which was earlier established by PPL with an input of about Rs. 20 million. The VU campus is equipped with an advanced computer lab comprising 32 systems and an 8-MB fiber optic value-added network providing online courses leading to a bachelors, masters and doctorate in a host of disciplines. Currently, 56 students are studying at VU Sui campus which is being run by Taaleem Foundation.
- ▶ The company continues to support education of 10 deserving

students at Quaid-e-Azam Rangers Special Children School, Karachi in the third year with a commitment to cover their education over a period of 10 years until they complete their matriculation with a donated of Rs. 3.6 million.

- ▶ PPL donated Rs. 5 million on to Habib University Foundation to support five underprivileged students for one year under the Talent Outreach Promotion and Support Programme of Habib University.
- ▶ The company donated around Rs. 17 million to National University of Sciences and Technology (NUST), Islamabad for capacity building of 160 students each from Balochistan and FATA to appear in the NUST admission test under NUST-PPL Outreach Programme.
- ▶ The company installed solar energy system for computer laboratory at Government Boys Degree College, Kalat
- ▶ PPL repaired and refurbished historic Dawood Government Boys Model High School, Kalat

To further its efforts in promoting education, especially in remote areas, PPL has made contribution/donations and provided support to the following institutions, including:

| Institutions/ Initiatives  | Spending during April 2018- March 2019<br>(Rs. in millions) |
|--|---|
| Government Boys Middle School, Kanyal Bijrana, Tehsil Gujjar Khan, District Rawalpindi for construction of 3 classrooms  | 3.76  |
| Government Middle School, Mureed Bajkani, District Kashmore for construction of 5 classrooms and sanitary facility   | 6.5   |
| Government Primary School, Akram Bajkani, District Kashmore for construction of 3 classrooms   | 3.5   |
| Government Girls Middle School, Rayian Gorcian, tehsil Gujjar Khan, District Rawalpindi for construction of 2 classrooms   | 2.59  |
| Government Kazmia High School, Chichi Noor, tehsil Gujjar Khan, District Rawalpindi for construction of an examination hall  | 4.76  |
| FC Public High School, District Barkhan for construction of 4 classrooms and provision of furniture  | 4.8   |
| Two government schools at District Washuk and three government schools at District Barkhan and Tehsil Gujjar Khan, District Rawalpindi each for provision of furniture | 3.3   |
| MUET, Jamshoro for Petro Fest 2018   | 0.4   |



## Healthcare Initiatives

### Performance

The company has provided extensive healthcare facilities in some of the remotest regions of Pakistan through building and assisting hospitals, mother and child healthcare centres, mobile dispensaries and medical camps

- ▶ PPL runs Sui Field Hospital (SFH) since 1964. In addition to PPL staff and those of partners, SFH provides free-of-cost medical facilities to a large number of local patients. SFH is equipped with latest medical facilities, including a 24-hour emergency ward to cater to trauma and accident patients.
- ▶ Fully-equipped mobile medical dispensaries (MMD) regularly visit more than 70 villages/ locations around Kandhkot, Mazarani and producing fields of Hala and Gambat South on a weekly/ bimonthly basis to provide free-of- cost consultation and treatment to resident communities. Approximately 85,000 patients are reached annually through these MMDs. PPL has also developed e-monitoring software to review MMDs impact and its staff performance.
- ▶ The 50-bed PPL Public Welfare Hospital (PPL PWH) was constructed, furnished and equipped by PPL at a cost of over Rs. 350 million on land provided by Government of Balochistan in Sui Town. The hospital became autonomous with an independent board. Hiring of management, consultants, other doctors and nurses is nearly completed. The out-patient department commenced operations in December 2013 and caters to over 200 patients on a daily basis. PPLPWH has necessary facilities, including gynaecology and obstetrics, emergency, operation theatres, laboratory and pharmacy.
- ▶ PPL organizes bi-annual free-of-cost surgical eye camps around its operational fields in partnership with Al-Shifa Trust Eye Hospital. Each camp benefits about 2000 patients for testing and provision of glasses with nearly 200 patients undergoing onsite cataract surgery.
- ▶ PPL has adopted Marie Adelaide Leprosy Centre's Triple

Merger Centres (TMC) at Turbat, Balochistan and Kandhkot, Sindh since 2005. The company provides annual operational expenses of these centres at a cost of nearly Rs. 3 million. Besides, PPL established ophthalmic operation theatre at TMC Kandhkot at a cost of Rs.8.5 as well as provided operational cost for the theatre at Rs. 3.5 million. The centres extend free-of- cost treatment for leprosy, blindness and tuberculosis to local communities.

- ▶ The company continues to provide free-of-cost treatment to local patients through a dispensary, earlier constructed and furnished by PPL in Mastala near Adhi Field in 2007. A female doctor is deputed by PPL to cater to the healthcare needs of local women. PPL annually provides Rs. 2 million to the dispensary for operational expenses.
- ▶ PPL installed 60 KW solar power system at district headquarters hospital Washuk at a cost of Rs 10 million to help provide uninterrupted supply of electricity at the hospital
- ▶ To support viable community healthcare projects and services, PPL has provided donations/ sponsorships to the following institution:

| Institutions/ Initiatives                                  | Spending during April 2018- March 2019<br>(Rs. in millions) |
|--|---|
| Layton Rahmatulla Benevolent Trust for a fundraising event | 0.150   |



## Enhancing Livelihood Opportunities

### Performance

PPL believes in creating livelihood generation options to enable marginalized communities raise their quality of life. The company has substantially invested in projects to engage local communities, both men and women, residing around its operational areas in earning livelihoods through sustained income sources.

- ▶ The company set-up a Women Welfare Centre in Sui in 2006 to provide skill learning opportunities for local women. The centre trained over 400 local women until 2015 when it was shifted to a purpose-built facility. Developed at a cost of nearly Rs. 32 million within TFGS premises, the Vocational Training Institute (VIT) provides training to both women and men with access to market. VIT is run by Taaleem Foundation. The batch of 45 students were trained in tailoring and embroidery as well as operating computer for six months. Recently, 30 students among these successfully cleared the formal end-of-the-term assessment conducted by Trade Testing Board, Quetta. For now, 35 local students are enrolled at VTI.
- ▶ PPL provides scholarship to local youth around producing assets to study at The Hunnar Foundation – recognized by City and Guilds United Kingdom – for a 6-month diploma in vocational training. Starting off with Sui-based students in 2009, the company has so far extended 150 scholarships to youth in Sui, Matiari and Sanghar.
- ▶ Women Vocational Training Centre (WVTC), Mastala near Adhi Field was established in 2011 to facilitate local women in increasing their income potential. PPL regularly provides resource material and operational expenses for the centre which is run by Behbud Association of Pakistan, a non-governmental organization. WVTC trains women in embroidery, tailoring and basic literacy skills. To date, over 500 local women have been trained. These include over 35 women who are regularly engaged to carryout traditional embroidery on dresses sold at Behbud-run outlets without engaging a middleman.

| Institutions/ Initiatives  | Spending during April 2018- March 2019<br>(Rs. in millions) |
|--|---|
| Distinguished Secretaries' Society of Pakistan for 47 <sup>th</sup> Annual Gala 2018       | 0.150   |
| Pakistan Society for Training & Development for HR Conference (CONNEX 2018)                | 0.150   |
| Pakistan Association of Petroleum Geoscientists for a field trip                           | 0.100   |
| All Pakistan Geoscientist's Association for 4 <sup>th</sup> Annual Technical Workshop 2018 | 0.350   |
| Pakistan Association of Petroleum Geoscientists for Annual Technical Conference 2018       | 1.500   |

## Infrastructure Development

### Performance

Provision of need-based, durable infrastructure is a key to economic growth, especially in the far-flung areas of Pakistan. The company has focused on developing infrastructure and civic amenities not only for its own use but also for local communities.

- ▶ PPL completed reconditioning of 1.6 km road from Shahdadpur-Nawabshah road to village Mohammad Khoso, District Sanghar.
- ▶ PPL has completed five solar-powered water supply schemes at districts Lasbela, Kharan and Awaran.
- ▶ The company built 17 km road in various villages of Kandhkot Gas Field, District Kashmir.
- ▶ To provide clean drinking water, the company has extended solar powered water supply schemes at four village in districts Kalat, Sanghar and Kashmir.
- ▶ PPL provides free-of-cost gas and water supplies to over 90000 residents of Sui town and villages around SGF. An average of 3 MMscfd free gas and nearly two million gallons of drinking water is pumped daily to Sui town at an annual cost of about Rs. 373 million and Rs. 112 million, respectively.
- ▶ To provide free-of-cost potable water to over 3000 residents of Ghaibi Dero town and its surrounding villages near Mazarani Gas Field, District Kamber Shahdadkot, Sindh, PPL runs a water supply scheme using a bowzer facility since 2010 at an annual cost of about Rs. 3 million.



## Social Welfare

### Performance

The company has a diverse, need-based social welfare policy. With a minimum pre-tax profit of 1.5 percent, PPL's CSR initiatives go well beyond obligatory requirements to support the disadvantage communities. To ensure optimum on-ground implementation and impact, PPL works through government, local civil society organizations and local communities.

- ▶ The company won the Pakistan Corporate Philanthropy Award instituted by Pakistan Centre for Philanthropy for the 14 consecutive years from 2004 to 2017 as the largest corporate giver in terms of volume of donations.
- ▶ The company organized 2<sup>nd</sup> PPL Blind Cricket Championship 2018 in collaboration with Pakistan Blind Cricket Council at Peshawar.
- ▶ PPL donated Rs 200,000 to Pakistan Blind Cricket Council (PBCC) for Nepal-Pakistan Women's Blind Cricket Series
- ▶ The company continues to conduct impact analysis of its CSR projects around its producing fields
- ▶ The company established badminton court at Public Club, Kalat
- ▶ To support organizations providing welfare services, enabling neglected societal segments to prosper and promoting environmental and cultural values, PPL has given generous donations to the following:

| Institutions/ Initiatives  | Spending during April 2018- March 2019<br>(Rs. in millions) |
|--|---|
| The Institute of Chartered Accountants of Pakistan (ICAP) for CFO conference                 | 0.500   |
| ICAP for Women's Day   | 0.250   |
| ICAP for Public Financial Management Conference 2018   | 0.300   |
| IG Head Quarter, FC (South) - Quetta, Balochistan (IGFC South) for Ramzan Cricket Tournament | 0.100   |
| IGFC South for Independence Day celebrations   | 0.200   |

# Principle 2



Business should ensure that they are not complicit in human rights abuses.



## Commitment

PPL is highly committed to conducting its business in accordance with the highest ethical and legal standards.



## 1 ETHICS

### ACTIONS

#### Adherence to Highest Corporate Values

##### Performance

PPL's vision, mission and values are testament to the importance the company places on corporate ethics. As such, the company expects its employees to adhere to the following core values:

- ▶ Promote leadership, empowerment and accountability
- ▶ Pursue highest standards of integrity
- ▶ Value people as the most important resource
- ▶ Promote innovation and value creation
- ▶ Ensure excellence in all spheres of performance
- ▶ Advocate teamwork aligned with business objectives
- ▶ Conserve environment by minimizing carbon footprint

#### Code of Conduct

##### Performance

Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

- ▶ PPL believes in carrying out its business with integrity and honesty, adhering to the principles of good corporate governance and best practices. The company's Code of Conduct, approved by the Board of Directors, provide guidelines to employees for planning, managing and executing work. The Code is available to all employees through the company's portal and website. Besides, periodic reinforcement is done through notice boards, brochures, e-learning modules and on-screen pop-ups on employees' desktops/ laptops.
- ▶ All incoming employees and trainees sign and submit an undertaking to ensure clear understanding and acceptance and uphold the company's Code of Conduct. Further, employees' acceptance and adherence to the Code of Conduct is ensured through online undertaking at the time of filling-in performance appraisals as a mandatory step towards form submission.

- ▶ PPL requires its employees to maintain an environment free from prejudice, harassment and disruptive activities.
- ▶ In compliance with Oil & Gas Regulatory Authority's directives to implement 'Protection Against Harassment of Women at Workplace (PAHWW) Act 2010', the company took the following measures:
  - ▶ Circulated brochures on salient features of the Act, including instructions on compliance, to all employees.
  - ▶ Company's harassment policy was prominently placed on PPL website and portal.
  - ▶ A three-member committee, including a women staff, was constituted to address staff grievances.
  - ▶ Awareness raising sessions for staff have been periodically organized on PAHWW Act 2010 and PPL's harassment policy with a mandatory requirement for each staff to participate.
  - ▶ Any suspected violations or actions that create hostile or offensive work environment such as sexual harassment or insensitive comments concerning gender, religion, race, disability or age are promptly reported to management that ensures appropriate actions in line with Standard Operating Procedures.
- ▶ Violations of the Code of Conduct are viewed seriously and have often resulted in disciplinary actions and, in some cases, led to termination of service.

# Principle 3



Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.



## Commitment

We acknowledge and respect rights to freedom of association and collective bargaining. We are committed to addressing issues, problems and grievances proactively to regulate the company's operations with dignity of labour, minimization of animosity and fostering a relationship of trust between management and workers.





## 1 Industrial Relations

### ACTIONS

#### Freedom of Association

##### Performance

The company believes in the freedom of opinion and expression of all stakeholders and seeks to ensure a congenial and equitable working environment as per law.

- ▶ The company complies with the Industrial Relations Act, wherein employees are free to join any trade union of their choice.
- ▶ PPL has a registered trade union, Pakistan Petroleum Workers Union, of which most workers are members.

#### Collective Bargaining

##### Performance

The company management and Collective Bargaining Agent (CBA) work towards creating a cordial working environment for workers at all field locations.

- ▶ The CBA together with stewards and union members, coordinates with management to improve working conditions and redress job-related issues.
- ▶ Negotiations of the Charter of Demands are always settled amicably with CBA representatives.
- ▶ Initiatives for change are undertaken by incorporating the union's suggestions to ensure hassle-free implementation.

- ▶ The office bearers of the trade union enjoy freedom to discharge their legal responsibilities without any interference from management.
- ▶ All terms and conditions of employment of workers are reviewed biennially and discussed in a friendly environment with CBA. After bilateral negotiations, a handsome increase in wages and other allowances are paid through settlement.
- ▶ Policies on salaries and allowances as well as other benefits such as medical, leave and travel are duly discussed and finalized with the CBA every two years.
- ▶ The company provides special leave to CBA union/employees for appearance in court cases, if it is party to disputes.



## Principle 4

Business should support the elimination of all forms of forced and compulsory labour.



## Principle 5

Business should support the effective abolition of child labour.



## Commitment

PPL supports abolition of child labour and elimination of all forms of forced and compulsory labour in its areas of operations or by any of its business partners and contractors.



## 1 Employees

### ACTIONS

#### Procedure for Preventing Under-age Employment

##### Performance

The company strictly forbids child labour and actively prevents hiring under-age workers.

- ▶ All PPL permanent workers are in the adult person (18 years and above) category, in accordance with the law.
- ▶ To prevent under-age hiring, the ages of all workers are confirmed through national identity cards, birth certificates, educational certificates or Form 'B' issued by the National Database and Registration Authority.

#### Procedure for Preventing Forced Labour

##### Performance

The company follows strict procedures to prevent forced labour.

- ▶ Employment agreement clearly states terms and conditions of service, voluntary nature of employment, freedom to leave and any conditions associated with departure or cessation of work.
- ▶ Employment agreements do not violate any human rights or labour laws.

- ▶ Either party can terminate employment contracts within the notice period.
- ▶ Exit notice period for workers is 30 days and for management, professional and technical staff is 90 days.
- ▶ Exit interviews are taken to solicit feedback and institute corrective measures, if necessary.

#### Record of Checking Minimum Wage Rate Against Regulated Amount

##### Performance

The company keeps its wage policy in line with governmental directives to ensure fair corporate governance.

- ▶ All workers in the company (both permanent and contract) are employed above the minimum wage rate as specified by the government and paid competitively in accordance with market norms.

# Principle 6



Business should support the elimination of discrimination in respect of employment and occupation.



## Commitment

PPL is committed to providing equal opportunities for employment as well as growth without any discrimination on the basis of race, gender, religion, language, social origin, birth or other status.



## 1 Recruitment

### ACTION

#### Equal Employment Opportunity

##### Performance

PPL's employment policy provides equal opportunities for employment and discourages all forms of employee discrimination.

- ▶ PPL is an equal opportunity employer and provides equal opportunity to women employees.
- ▶ Women employees are placed at various levels in the organization, ranging from non-management to senior management positions.
- ▶ The company employs men and women employees under standard screening processes based on merit and job suitability.
- ▶ There are equitable career paths and opportunities for women employees.
- ▶ To further emphasize equitable participation of working women and address their issues at workplace, the company celebrates International Women's Day and Working Women's Day. Dedicated sessions are organized for women employees to increase awareness about their role and responsibilities and address their issues.

## 2 Employees

### ACTIONS

#### Enabling working conditions for diversified workforce

##### Performance

As a leading employer and responsible corporate citizen, PPL provides an enabling environment for professional growth, with equity, security and human dignity, irrespective of gender or religion.

- ▶ PPL has a diversified workforce and does not discriminate on the basis of race, colour, gender, religion, disability or family status in recruitment, training or advancement of its employees.
- ▶ Minorities are given special holidays in accordance with their religious festivals to ensure an open and moderate culture across the company.

#### Career Plan: No Discrimination in Staff Promotions

##### Performance

- ▶ Hiring and promotions are done on merit, professional performance and qualification.



# Principle 7



Business should support a precautionary approach to environmental challenges



## Commitment

PPL is committed to environmental conservation by complying with National Environmental Quality Standards (NEQS).



## 1 Environmental Management

### ACTIONS

#### Quality, Health, Safety and Environment

##### Performance

- ▶ The company's QHSE policy is in place to ensure quality in all company operations with emphasis on 'embedding green practices, proactive risk management, complying with relevant laws and maintaining communication with stakeholders to promote sustainability. The policy is displayed at prominent locations at head, regional and field offices and can be accessed through the company's website: <https://www.ppl.com.pk/content/policies>
- ▶ PPL has a well-defined HSE Management System developed in line with internationally recognized ISO 14001 EMS and OHSAS 18001. The system provides continuous assessment and monitoring against standard parameters to ensure the highest level of safety and minimal damage to surrounding natural environment.
- ▶ Annual QHSE targets are set and implemented within all business segments/ assets. Monitoring of environmental key performance parameters (KPIs) is embedded in the standardized, regular QHSE reporting framework. Corporate environmental guidelines/ procedures, management tools and reporting have enabled the company to improve its environmental performance. Besides, QHSE Monthly Performance Report structure has been significantly upgraded to add on KPIs, improvise data gathering and facilitate analysis and inferring useful results for continual improvement.
- ▶ PPL is an active member of PPEPCA and participates in its HSE committee meetings. These meetings provide a forum to discuss latest industry practices, use of technology and benchmarking in HSE management system.

#### Environmental Studies

##### Performance

- ▶ Initial Environment Examination (IEE) and Environment Impact Assessment (EIA) studies are consistently undertaken for all development initiatives, including drilling, seismic operations and projects, in compliance with Pakistan Environmental Protection Act, 1997. IEE/ EIA aim to identify potential environmental impacts at development sites and advise mitigation measures accordingly. The studies are submitted to relevant provincial Environmental Protection Agencies (EPA) for approval. Once approved, IEE/ EIA provide a benchmark for regular internal and external monitoring against suggested mitigation measures.

- ▶ Independent Environmental Monitoring is carried out for all seismic and drilling operations, especially in environmentally sensitive areas, through reputed consultants to ensure compliance with environment management plan that includes recommended methodologies, legal requirements and company's HSE standards to address environmental issues while meeting stakeholders' expectations.
- ▶ All PPL-operated fields are registered with Federal EPA under Self-Monitoring and Reporting Programme for monthly testing through external laboratory and reporting against emission parameters prescribed by NEQS. Also, monitoring of vehicular emissions against parameters such as smoke, CO and Noise (dBA) was conducted. Subsequently, emissions, exceeding NEQS/ PEQS parameters, have been identified for root cause analysis and rectification.
- ▶ To reduce ecological footprint of its operations, PPL regularly undertakes environmental studies prior to physical mobilization at worksite. These studies aid in carefully chalking out Environmental Management Plans (EMPs) for the entire project duration. Use of advance technology, new tools and techniques remain essential for development of EMPs to minimize impacts.
- ▶ Monthly Performance Reports and Monthly Management Reviews are simple yet effective monitoring tools to derive management to sort out emerging risks & capitalize on available opportunities in a timely manner.
- ▶ In addition to visits of officers from environmental protection agencies, QHSE monitors are deployed at operating assets and

# Management Systems

project sites to verify and report compliance of comprehensive EMPs. Management is committed at all levels to address real time issues in an environment friendly manner

## Precautionary Measures

### Performance

- ▶ Noise monitoring and abatement is ensured for safe working environment in high noise areas. For this, enclosures, sound barriers and PPE are provided, as appropriate.
- ▶ To control accidental leakage, adequate control arrangements such as barriers and spill control kits are available at all operational areas. Besides, designated trained contingency teams are available to handle incidental spills.





# Principle 8



Business should undertake initiatives to promote greater environmental responsibility



## Commitment

PPL ensures proactive acceptance of its responsibility and accountability for environmental imperatives. The company recognizes that operational excellence cannot be achieved without embedding HSE considerations into business decision making processes. PPL remains committed to raising environmental awareness among staff, suppliers and contractors for encouraging eco-friendly practices.



## 1 Environmental Management

### Enhancing Environmental Awareness

#### Performance

- ▶ Awareness raising sessions and training, focusing on environment and sustainability, are regularly held to apprise staff on emerging issues. QHSE safety talk, alerts and bulletin boards are effectively utilized to promote conservation.
- ▶ QHSE weeks and international days such as World Environment Day are regularly celebrated through special sessions and activities to foster conservation efforts, green practices and safe working culture.
- ▶ Comprehensive QHSE guidelines for projects have been developed in line with best international environmental standards and effective risk management planning using the latest environment-friendly technologies.
- ▶ 'Sustainable Energy Management' was introduced in 2011 to promote energy conservation at all fields. Initially, baseline data for consumption pattern at each field was collected. Since then, significant improvement has been achieved against each year's benchmark in conserving electricity, gas, fuel and water as well as waste generation, especially at fields. For this, target is set at asset as well as corporate level through a systematic process to align KPIs. For instance, sustainability targets are set based on consumption in preceding year and compliance recorded at field asset.
- ▶ PPL offices and fields have been declared 'No Smoking Zone' and separate smoking areas are designated for smokers. The non-smoking policy is displayed in all departments and locations.
- ▶ PPL is a corporate member of the Pakistan Chapter of World Business Council for Sustainable Development as well as leading environmental organizations, including World Wide Fund for Nature.

## 2 Environmental Responsibility

### ACTIONS

#### Eco-friendly practices

#### Performance

**PPL is adopting eco-friendly practices to minimize damage to natural resources through its operations in line with its commitment towards sustainability. The following green practices are adopted by PPL:**

- ▶ Light-Emitting Diode (LED) technology is used in all new projects and expansion activities as well as several existing projects, replacing conventional lights. LEDs has many advantages over traditional incandescent light sources, including lower energy consumption, longer lifetime, improved physical robustness, smaller size and faster switching.
- ▶ Tree cutting is avoided during seismic activities and site restoration is simultaneously carried out for even minor removal of flora/ vegetation through green teams.
- ▶ Tree plantation campaigns are undertaken at company-operated fields and exploration assets to off-set emissions and improve ambience.
- ▶ Water-based mud, which is known for compatibility with natural soil, is preferred over oil-based mud that requires special treatment for disposal for all drilling operations.
- ▶ Biodegradable explosives are used during seismic surveys.
- ▶ Electronic communication together with duplex printing has been promoted to reduce paper usage. More recently, Managed Print Services (MPS)



was launched back in 2018 for managing all business printing needs, including printers, scanners and copiers. With MPS, the company aims to produce less paper waste and increase efficiency as well as cost cutting.

- ▶ PPL's E-procurement portal (<https://eprocurement.ppl.com.pk/esop/pks-host/public/ppl/web/login.jst>) provides collaborative, web-based tools that enable staff and suppliers to conduct entire procurement and contract management activities. This has also resulted in saving a lot of paper that was earlier used in manual procedural requirements and approvals.

## Evaluation of HSE Performance

### Performance

- ▶ PPL fields and select departments have integrated QHSE certifications aligned with ISO 14001 Environmental standard, ISO 9001 Quality and OHSAS 18001 Occupational Health & Safety Assessment Series. QHSE practices are gradually converted on advanced ISO 2015 version during surveillance audits of fields/ departments through external certification agency.
- ▶ Internal and external audits/ monitoring of departments/ fields are carried out to assess compliance of standardized procedures at site and implementation of QHSE Management System and performance. Inspections, spot checks and suggestion forms are used during the process with staff participation.
- ▶ The pool of ISO certified departments, fields and facilities contain 16 assets, departments and facilities that stand certified for ISO 9001 Quality Management System, 13 for ISO 14001 Environmental Management System and 14 for OHSAS 18001 Occupational Health and Safety Assessment Series. These include Adhi, Kandhkot and Hala/ Gambat South/ Mazarani assets, Sui Production, Sui Field Gas Compressor Station, Sui Field Hospital, Sui Field Utility and Drilling and Well Engineering, QHSE, Projects, Exploration and Construction departments.
- ▶ QHSE Audit Module in SAP made functional with work in progress to automate processes, including incident investigation, monthly performance monitoring and sustainability reporting.



# Principle 9



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



## Commitment

PPL believes in the use of emerging environment-friendly technologies, especially for new projects, to reduce its carbon footprint.



## 1 Environment-friendly Technologies

### ACTION

### Waste management and emission control

#### Performance

The company seeks to minimize adverse environmental impact of its operations through the use of innovative technologies. Besides, PPL is focussing on adopting/ embedding environment-friendly technology in all new project designs.

- ▶ PPL has a well-defined waste disposal and management procedure, which is effectively implemented across the company. This includes minimization, segregation at source, recycling and reuse, safe handling and disposal of hazardous waste as per standard environment-friendly procedures.
  - ▶ Effective arrangements such as landfill and incinerators are employed for safe disposal of waste, besides acquiring services of specialized contractors for disposal of hazardous waste and oily sludge recovered from operations. Moreover, composting of food waste is also carried out.
  - ▶ Corporate procedure on waste management has been reviewed to include technological advancements and end user feedback for adopting more effective and environmentally safe processes. The procedure has been issued with emphasis on existing waste disposal measures. Moreover, to ensure effective implementation of waste management procedure by contractors, PPL staff visits contractors' waste disposal sites to verify the adequacy of disposal protocols as part of its commitment to ensure environmental sustainability.
  - ▶ Emissions from all equipment at company facilities are controlled through in-house maintenance programmes and end of pipeline solutions. Going beyond minimum legal compliance, PPL carries out ambient air monitoring in and around its fields/ sites since 2015 to proactively control air pollution with a focus on containing levels of CO, H<sub>2</sub>S, NO<sub>x</sub>, particulate matter, SO<sub>x</sub>, O<sub>3</sub>, CO<sub>2</sub>.
- ▶ Further, advanced analytical software tools have been applied on stack emissions to conduct dispersion modelling of significant pollutants such as H<sub>2</sub>S from hot flares and cold stacks to safeguard surrounding community, flora and fauna from its detrimental effects.
  - ▶ Metal analysis of stack emissions continues at SGF, Mazarani and producing assets of Gambat South and Hala have been carried out through external laboratory for assessing potential environmental impact. Parameter including Lead, Mercury, Cadmium, Arsenic, Copper, Antimony and Zinc all were found to be within safe limits.
  - ▶ Process water is contained in ponds lined with pit line for evaporation. Alternatively, wastewater evaporator and forced draft evaporation systems are also utilized for treating effluent water in order to eliminate soil and ground-water contamination.
  - ▶ H<sub>2</sub>S dispersion modelling study carried out at SGF to ascertain harmful concentration at ground level in routine as well as emergency situations. Also, fire mapping studies have been conducted to ensure adequate coverage of fire and gas detection systems across processing facilities. These proactive efforts are expected to minimize environmental impact in routine plant operations and improve emergency response.



# Principle 10



Businesses should work against all forms of corruption, including extortion and bribery.



## Commitment

PPL is committed to eliminating corruption through implementation of ethical codes and policies that govern business operations and relationships with external stakeholders.



## 1 Employees

### ACTIONS

#### Code of Conduct

##### Performance

The company has zero-tolerance for all forms of corruption, including bribery and extortion.

- ▶ All employees are required to sign the Code of Conduct at the time of joining as well as submission of their appraisal besides undergoing online training especially designed to increase awareness on the Code.
- ▶ All employees are forbidden to give or receive any bribes or other payments intended to influence business decision or compromise fair judgment.
- ▶ No employee can give money to obtain business for the company or receive money for giving company business to an external agency.
- ▶ All employees are forbidden to accept gifts from suppliers, contractors, dealers or competitors, who have or wish to have a business relationship with the company.
- ▶ Rumour mongering and gossiping is strictly prohibited.
- ▶ All employees are required to declare their assets on a yearly basis.

#### Corporate Governance

##### Performance

- ▶ PPL promotes fair business practices and ensures compliance with regulatory and legal requirements.
- ▶ The company uses internationally acceptable accounting standards to maintain transparency.
- ▶ All funds, assets, receipts and disbursements are properly recorded in the books of the company.
- ▶ The company complies with regulations of the Security and Exchange Commission of Pakistan.
- ▶ Signed statement of compliance is included in the company's annual reports.
- ▶ No incident of corruption has been reported in the company.
- ▶ All business units are analyzed for risks related to corruption.
- ▶ Regular checks by Internal Audit Department are carried out for all departments to ensure compliance with company procedures and ensure course correction, if required.

## 2 External Interfaces

### ACTION

#### Credible Disclosure of Information to Investors and Stakeholders

##### Performance

- ▶ PPL ensures transparency in business transactions and rejects any business practice, which may deem improper.
- ▶ All financial reports are properly audited by external auditors.
- ▶ Quarterly briefing on financial statements is given to management.
- ▶ Meeting of PPL's Board of Directors is held on a quarterly basis.
- ▶ Media/ press briefings and interviews are given on demand.
- ▶ Consultative meetings with CSR partners are held for social development initiatives.
- ▶ The company ensures timely payment of taxes.
- ▶ Checks such as annual declaration of assets, notifying the company in case of receipt of gifts above a certain value, hospitality and potential conflicts of interest are in-built into the system to preempt corruption.
- ▶ Similar checks and balances are built into organizational processes, governing procurement, materials and personnel in accordance with the Manual on Delegation of Authority and Public Procurement Regulatory Authority, a public sector entity to monitor procurement in a transparent manner.





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