

# PARCO COMMUNICATION ON PROGRESS 2021





### **Message from the Managing Director**

It is a matter of pride that PARCO has been a part of the UNGC fraternity since the past decade and I am pleased to share our 11<sup>th</sup> Communication on Progress report 2021.

The year 2020 had been challenging as the entire world witnessed the COVID-19 pandemic. Thousands of precious lives were lost globally and life came to a standstill as lockdowns lingered to contain the virus spread. Pakistan suffered immensely as well. Not only that the country witnessed loss of precious lives, but the economic downturn due to lockdowns and slow business activity affected many families.

During this crisis, our first priority was to contain the virus spread. In this regard, PARCO took several measures on its own as well as strictly followed the advised preventive measures such as wearing masks, washing hands frequently, using sanitizers and practicing social distancing. The Company also introduced the concept of work from home and provided various technical facilities to employees remotely. With several measures in place, PARCO ensured business continuity and delivered energy with responsibility.

At this hour of need, the Company was mindful of its commitment towards its external stakeholders. During severe lockdowns, PARCO and its subsidiaries supported the most vulnerable communities to minimize the negative impact of the pandemic.

PARCO is committed to advancing Sustainable Development Goals. We believe, by working together with meaningful partnerships, we will be able to make a positive impact.



**Shahid Mahmood Khan**  
Managing Director  
Pak-Arab Refinery Limited

March 2021

# Pak-Arab Refinery Limited (PARCO)

PAK- ARAB REFINERY LTD (PARCO) is a Joint Venture between the Government of Pakistan and the Emirate of Abu Dhabi, incorporated as a public limited company in 1974. As an integrated energy company, PARCO is the leading player in Pakistan's petroleum industry with major operations in refining, transportation, storage and marketing. PARCO has the most modern refinery in Pakistan having a capacity of 120,000 BPD, over 2000 kms of cross-country pipeline network including its JV subsidiary Pak-Arab Pipeline Company Limited (PAPCO) with a strategic storage of over one million tons, and a rapidly expanding retail network of TOTAL PARCO Pakistan Limited (TPPL) – a joint venture with TOTAL of France. With the acquisition of Chevron's fuel business in Pakistan, TPPL is now the second largest Oil Marketing Company in the country. PARCO is also engaged in countrywide marketing of LPG under the brand name of Pearl Gas and high quality asphalt is being marketed as Biturox.

PARCO Pearl Gas (Pvt) Ltd (PPGL), formerly known as SHV Energy Pakistan (Pvt) Ltd is a 100% owned subsidiary of PARCO, having the largest LPG marketing and distribution network. PPGL manages sourcing, transportation, storage, filling and marketing/distribution of LPG.

PARCO's performance can be judged by the fact that it has maintained its AAA and A1+ long and short term credit rating by Pakistan Credit Rating Agency (PACRA) for twenty two consecutive years. The company set another first in Pakistan when it obtained three simultaneous international certifications: ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Health and Safety Management System). PARCO has also received the Environment Excellence Awards for the last several years and is rated among the top 10 organizations in Pakistan for outstanding achievement in Environment Management.

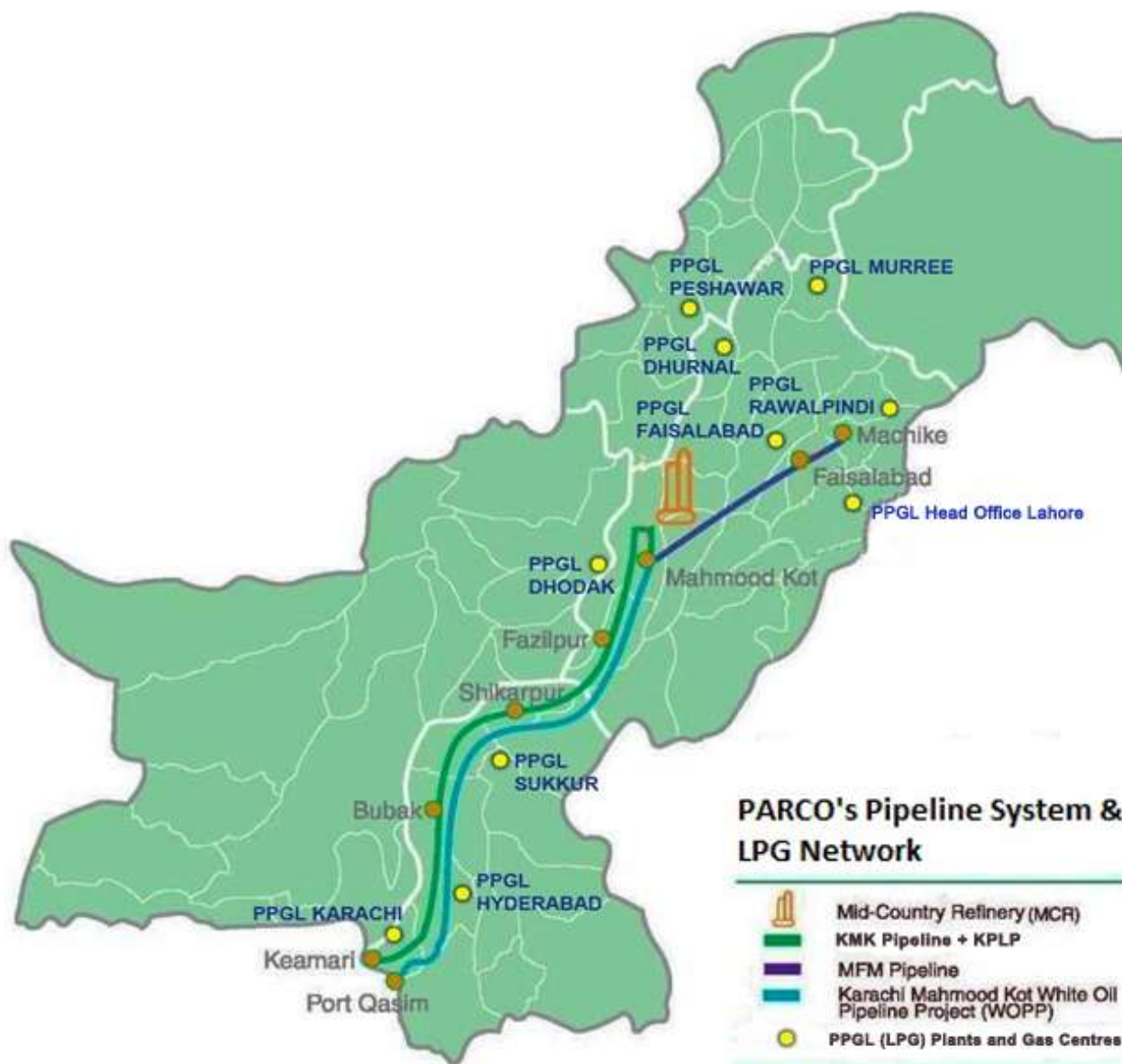
As a good corporate citizen, the company focuses on meeting the expectations of its internal and external stakeholders in a professional and strategic manner. PARCO not only invests in its employees, makes efforts for customer satisfaction and operates ethically, but also undertakes a wide range of projects to benefit society in areas of education, health, environment, sports, culture, community development, road safety, and response to natural calamities.

Processing and handling hydrocarbons is our business and it comes with its share of hazards. PARCO proactively identifies, minimizes and mitigates situations that have the potential to cause harm to the health and safety of its employees, customers, service providers, communities, public and the environment. The focus and diversity of technical, social and environmental projects of PARCO speak for themselves.

Our cross-country pipeline network makes us next-door neighbor to many remote and underprivileged communities. PARCO's Schools & Clinics Support Program is aimed at providing basic education and health facilities. The program is an ongoing initiative in which new schools and clinics are identified and existing ones are improved by providing sustained help for infrastructure development and delivering first-hand services that are fundamentally required by the surrounding communities who are happy that PARCO is there for help, when they need it most.

PARCO has always responded passionately to the nation's distress calls during natural calamities such as earthquakes or floods. PARCO also supports culture and heritage by patronizing indigenous music, poetry and the arts. As a member of WWF, PARCO helps in the conservation of nature, with several initiatives to its credit. In keeping with the values of the company and our traditions, PARCO makes philanthropic contributions to institutions that are making significant efforts to help the underprivileged.





# CORPORATE RECOGNITION DURING 2020

## FPCCI Achievement Award

The 8<sup>th</sup> FPCCI Achievement Awards 2020 Ceremony was arranged by the Federation of Pakistan Chambers of Commerce and Industries (FPCCI) on Sept 24, 2020 to recognize the services of various organizations from different industries that have contributed towards the progress and prosperity of Pakistan. PARCO was awarded this honor after being selected by the FPCCI's esteemed jury in the category of 'Energy, Power and Petroleum Sector' for the 8<sup>th</sup> consecutive year.

The Gold Medal was presented in a prestigious ceremony by the Honorable President of Pakistan, Dr Arif Alvi to Mr. Shahid Mahmood Khan, Managing Director-PARCO. Distinguished diplomats, representatives of business fraternity, FPCCI members and Government officials attended the ceremony.



The Honorable President of Pakistan, Dr Arif Alvi presenting the award to Mr. Shahid Mahmood Khan, MD-PARCO

## Corporate Social Responsibility Award

The National Forum for Environment and Health (NFEH) along with Sustainable Development Policy Institute (SPDI) and CSR Club of Pakistan organized the 13th Annual CSR Summit 2021 at Serena Hotel, Islamabad on February 25, 2021. The objective of the event was to recognize and promote organizations that are making outstanding contributions for a sustainable future through CSR initiatives.

In a prestigious ceremony, PARCO was awarded the 10th consecutive Corporate Social Responsibility Award for its Best Practices in CSR. As a member of United Nations Global Compact, PARCO has a clear vision to implement Sustainable Development Goals (SDGs) in all spheres of its businesses. Ms. Sharon Dias, General Manager Corporate Affairs-PARCO, received the award from Mr. Ch. Mohammad Sarwar, Governor Punjab.



Mr. Ch. Mohammad Sarwar, Governor Punjab presenting the award to Ms. Sharon Dias, General Manager Corporate Affairs-PARCO

Dr. Sania Nishtar, Special Assistant to Prime Minister on Poverty Alleviation and Social Protection inaugurated the conference. Prominent personalities belonging to the Corporate Sector, Government Officials and many NGO's also attended the event.

## Environment Excellence Award

PARCO has been awarded the 15<sup>th</sup> consecutive Annual Environment Excellence Award by the National Forum for Environment and Health (NFEH). The panel of judges voted unanimously to award the excellence certificate to PARCO for the company's vision, environment protection policies and practices, and its Corporate Social Responsibility program.



**Mr. Adil Aziz Khan, General Manager-Pipeline**  
receiving the award

## Occupational Safety, Health and Environment Award by EFP

PARCO efforts and initiatives were recognized in the area of Occupational Safety, Health and Environment (OSHE) for the year 2019 by the Employers' Federation of Pakistan at its 15<sup>th</sup> EFP Annual Awards Ceremony.

The event was planned to commemorate the International Day on Safety & Health at Work, which included presentations, keynote addresses and panel discussions by eminent professionals who shared their experiences.

Awards were conferred after a thorough and transparent evaluation of nomination papers submitted by participating companies. The evaluation was done by an independent jury consisting of experts in the field of OSHE. PARCO was recognized for its excellent workplace environment and consistently maintaining highest safety standards. It reflects company's commitment to follow best practices and remain a preferred employer.



**Mr. Aly Zaki Ansari, General Manager Technical**  
receiving the OSHE Award

## FIRE AND SAFETY AWARD

The National Forum for Environment and Health (NFEH) and Fire Protection Association of Pakistan (FPAP), awarded PARCO with Fire and Safety Award 2020. This is the eighth consecutive award won by PARCO.

Being a leading energy provider in the country and a role model for HSE practices, the Company has always given priority to occupational health, safety and environment protection. Mr. Ahmed Mubeen Awan, Manager HSE, PARCO received the award.



**Mr. Ahmed Mubeen Awan, Manager HSE at PARCO**  
receiving the Fire and Safety Award





# HUMAN RIGHTS

- PRINCIPLE 1** Businesses should support and respect the protection of internationally proclaimed human rights; and
- PRINCIPLE 2** make sure that they are not complicit in human rights abuses.



## HUMAN RIGHTS

### PRINCIPLE 1

### BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

#### Our Commitment

At PARCO, we deliver “Energy with Responsibility”. PARCO respects all human beings and considers employees as its greatest asset, striving to support employees, their families, nearby communities and other stakeholders in accordance with Human Rights.

#### Management Systems

HR Management, Administration

HR Management, HSE, Security

#### Actions

#### Education

#### Health

#### Work Safety

#### Results

##### Employee Development

- PARCO has been continuously endeavoring to enrich its human capital by adopting new techniques and methods for developing its people. PARCO helps and guides its employees, through appropriate training, to make the best use of their talents.
- Training Needs Analysis, Personal Development Plan and Career Planning are formalized processes for all employees.
- PARCO provides its employees with developmental opportunities to acquire knowledge and build up skills through training and self-development, to the mutual advantage of the employees and the Company. The ‘Educational Refund Plan’ is one such initiative intended to provide financial assistance to eligible employees who wish to undertake studies or trainings not directly covered by Company initiated programs or plans.
- In order to encourage employees to enhance their professional competence, PARCO provides membership of reputable professional bodies and organizations which impart technical, professional and managerial knowledge to the employees through the ‘Organizational Membership’ policy.
- PARCO provides one-year Traineeship program for Engineers, Technologists and Business Graduates. Under this program a sizeable number of graduates are inducted who go through a rigorous classroom and field training.
- PARCO has an extensive Management Development Program (MDP) for employees. All trainings are planned according to Company needs and talents required. Training programs are aimed at bridging the talent gap. Training Man-Hours data for the last three years is given below.



##### Employee Care

- PARCO provides 100% free medical cover to its employees, their spouses, dependent sons (up to 21 years, dependent daughters (till their marriage) and reimbursement of 60% medical costs of employees’ parents. For employees who are offered Monetized Compensation Package, PARCO offers a fixed monthly medical allowance as well as Hospitalization coverage through insurance.
- All female employees including trainees are eligible for maternity leave of 12 weeks.
- PARCO helps its employees and their families with economic protection against loss of earnings in the event of employee’s death or disability occurring as a result of illness or accident under the ‘Death & Disability Benefit Plan’.
- Under the Company Wellness Program, employees in the age bracket of 45-50 years are required to undergo medical check-up every two years and employees above 50 years are required to undergo medical examination annually to determine the quality and level of their health and fitness.
- To provide full medical cover to its employees and dependents, PARCO has on its panel, a large number of hospitals, consultants, laboratories, pharmacies across the country.

##### Employee Family

- Ibn-e-Sina Hospital at Mid-Country Refinery (MCR) ensures timely medical assistance to the employees and their families residing in MCR Housing Colony in Qasba Gujrat.
- The Company also covers medical/traveling expenses of employees and their dependents if the patient is suffering from a disease which requires treatment which is not available locally.

##### Healthy Working Environment

- PARCO is an ISO 45001:2018 (Health and Safety Management System) certified Company. The Company has been receiving National Environment Excellence Awards for the past several years.
- During the COVID-19 pandemic, PARCO took several measures to contain the spread of the virus. The Company also made sure that the employees follow strict guidelines like avoiding shaking hands, washing hands frequently, covering the mouth inside elbow while coughing, avoid touching eyes, nose, mouth and maintaining at least 3 feet distance from everyone coughing or sneezing.



- The PARCO’s Pipeline Division had successfully completed more than 11 million man-hours without Lost Time Accident (LTA) in October 2020.
- Before mobilization, employees and Service Providers’ staff undergo detailed HSE Orientation & Training program.
- Toxic Gas areas are marked with toxic gas signs and no one is allowed to enter the area without proper Personal Protective Equipment.
- All PARCO drivers are provided training annually to comply with Road Safety Rules and Pakistan Traffic Code. There are proper road markings and road safety signs installed at all PARCO facilities and locations for strict compliance. Wearing seat belt is compulsory for all drivers.

##### Measures during Covid-19 Pandemic

The corona virus reached Pakistan in February 2020 and by March 2020, the virus had spread all over the Country. PARCO took the following measures to stop the spread of the virus while ensuring business continuity at the same time.

- Formation of Crisis Management Team: To prepare and implement COVID-19 Emergency Response Plan in accordance with the World Health Organization (WHO) guidelines.
- Screening at Sites: Screening measures including thermal detectors have been placed at all sites to ensure the health and wellbeing of employees at these locations. Entry of visitors has been restricted to limit exposure.
- Wellbeing of Staff: Health awareness sessions were conducted companywide along with placement of standees and notice boards on corona virus awareness at all locations as well as dissemination of health advisories via emails. Social distancing was practiced throughout while ensuring provision of hand sanitizers, face masks and disposable gloves. Cleaning and disinfecting measures at all locations were also strengthened.
- Reduced Staff at all Locations: The staff, including all management and non-management employees, had been reduced to essential operations and employees were advised to work from home. Working hours were reduced. All avoidable get-togethers such as meetings, social events, etc. were replaced by online options.
- Business Continuity Plans: PARCO’s business continuity plan amended for Covid-19 is in place and has been efficiently implemented since the first onslaught of the pandemic to face any future challenges.



Health Awareness Session by Company Doctor



Hand Sanitizers placed at all PARCO locations



Screening through thermal detectors at all PARCO location entrances



Several messages pertaining to precautionary measures during COVID-19 pandemic were shared with employees on emails and social media



PARCO placed standees to spread awareness about COVID-19 prevention. Also, to acknowledge employees hard work during COVID-19 pandemic, PARCO placed several banners throughout the company



## HUMAN RIGHTS

### PRINCIPLE 1 Contd. BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

**Our Commitment** At PARCO, we deliver “Energy with Responsibility”. PARCO respects all human beings and considers employees as its greatest asset, striving to support employees, their families, nearby communities and other stakeholders in accordance with Human Rights.

#### Management Systems

HR Management, Administration

Communities

#### Actions

Work-Life Balance

Education

Stakeholder Involvement & Community Investment

#### Results

- PARCO ensures a balanced work environment to all employees to allow them rest and relaxation, recuperation after sickness and for attending to personal matters.
- An employee proceeding on Annual Leave may request for advance salary payment for the approved leave period. In addition, employees are also entitled to ‘Leave Fare Assistance’.
- The Company provides opportunities for employees to socialize with professionals from other walks of life. To facilitate this inter-relation, the Company sees that the employees have the facility and use of a reputable club in the city where they are posted. This is called the ‘Club Membership’ policy.
- Employees posted at remote stations work on ROTA system, where they perform duty for 20 days consecutively and then enjoy 8 days paid leaves with their families.
- PARCO has a cafeteria for employees where healthy meals are served at more than 70% subsidy. PARCO employs 2 cooks at each Station and Terminal for cooking meals for staff.
- PARCO provides financial assistance to support the non-management staff for their daughter’s marriage and education assistance for their children.
- Every year, PARCO organizes an Annual Family day for all employees and their families, where they enjoy fun rides, puppet show, magic show, games, food, etc. In January 2020, many PARCONIANS and their family members visited the Annual Family Day where they all spent quality time together. The event helps employees to unwind from their busy schedules and enjoy the whole day with their families and socialize with fellow PARCONIANS.

#### Employee Family

- The School at PARCO’s Mid-Country Refinery (MCR) Housing Complex provides subsidized education to the employees’ children till pre-university level. The School’s performance is monitored / guided by the School Board which includes School Administration and PARCO management.
- PARCO has also been supporting the educational endeavors of its employees and their children. ‘Scholarship for Children of Employees’ policy is intended to support the employees by providing financial assistance to help defray the cost of their children’s professional education on the basis of a formal procedure that recognizes academic merit.
- Educational Awards which include a certificate and cash rewards are given to school going children of the employees, based on good performance in their Secondary Education Examinations. This recognition helps motivate children to further enhance their educational performance. During 2020, 94 children of PARCO employees were provided Educational Awards.

Engaging communities especially those neighboring PARCO locations and facilities is the hallmark of PARCO’s CSR program. PARCO’s social investment in communities it operates in has been well received since the past several years. Adopting relevant Sustainable Development Goals (SDGs) have helped us in developing CSR strategy that works towards solving problems of communities. Following initiatives were taken in the year 2020.

#### Support for Education and Health

- During 2020, under the leadership of Mr. Shahid Mahmood Khan, PARCO’s newly inducted Managing Director; the Company has made several developments in the area of CSR in a short span of time. He has played an instrumental role in providing quality healthcare by upgrading the Rural Health Center at Qasba Gujrat near PARCO Mid-Country Refinery. PARCO established a complete Emergency Unit at the Rural Health Center at Qasba Gujrat with necessary equipment which were not available since its inception. This upgrade is now helping the doctors at the Rural Health Center to provide quality healthcare at the center and cater to emergencies.



- Under the umbrella of Schools and Clinics Support Program, PARCO has supported several Basic and Rural Health Centers based in small villages near PARCO cross-country pipelines and Stations and Terminals. The clinics are providing basic healthcare to the local communities within their domains. As a result, community members are no longer required to travel for long hours to the cities for basic treatment.
- PARCO manages a cross-country oil pipeline network which makes us neighbor to many remote and underprivileged communities. Since the past several years, PARCO has been managing an extensive Schools & Clinics Support Program which aims at improving the education and health infrastructure in adjoining communities. The Company supports Basic and Rural Health Centers, Primary, Middle and Secondary Schools, being run by Government of Pakistan.
- This year, PARCO distributed school bags along with stationary items and note books to the children at PARCO supported government schools in Ibrahim Hyderi near PARCO Corporate Headquarters and wheels in the vicinity of Mid-Country Refinery at Qasba Gujrat. The initiative has helped the schools in improving attendance and the schools have reported increased enrollment as well. Such initiatives motivated children to choose education over vocation which led to child labour.



#### Increasing Self-Reliance through Vocational Training

- Under the Vocational Training and Entrepreneurship Program, PARCO has been supporting various vocational training centers to inculcate employable skills among youth. PARCO helps these institutions in improving their infrastructure and equipment for quality training and skill development. During 2020, PARCO provided latest desktop computers to Government Technical Training Institute, D.G. Khan. PARCO has been supporting VTI Mahmood Kot for the past several years. PARCO Sewing & Display Center (S&DC) was established in Qasba Gujrat under CSR Program with the objective of facilitating and empowering underprivileged local women to learn the craft of professional sewing and embroidery under a six-month on-the-job training program. Since the inauguration of the center in 2015, more than 100 women have graduated in six batches. The 7<sup>th</sup> batch comprising of 20 participants graduated in October 2020.

#### PARCO’s Response during Covid-19 Pandemic

- The year 2020 had posed several challenges for businesses to continue the way they operated before the Covid-19 pandemic. The virus spread around the globe, claiming millions of lives. PARCO did its utmost to take care of those who were in need during the peak of the crisis. PARCO had been closely monitoring developments concerning the pandemic, and took all necessary steps to ensure the wellbeing of employees and prevent any potential business impact.
- A robust CSR plan had been executed to limit the negative impact of the pandemic, primarily for the most vulnerable communities. PARCO and its subsidiaries supported leading welfare organizations across Pakistan by making philanthropic contributions for their institutional sustainability, treatment of corona virus patients and distribution of food rations for the ones most affected by pandemic. PARCO also worked together with the government, the armed forces, federal and provincial authorities, as they tirelessly contained the spread of COVID-19. PARCO distributed safety kits with necessary food items to the Law Enforcement Agencies to motivate them for their efforts.



Distribution of goody bags to Law Enforcement Agencies (LEAs) on daily basis



Dry ration packets provided to communities working at PARCO-MCR Housing Complex



PARCO distributed dry food ration packets through reputed NGOs in Karachi, Lahore and Quetta





## HUMAN RIGHTS

### PRINCIPLE 2

**BUSINESSES SHOULD MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES**

### Our Commitment

PARCO makes all possible efforts to avoid complicity in Human Rights Abuses and abides by the laws of the country.

### Management Systems

HR Management, Operations, Contract Management, Communities, etc.

### Actions

Ethical Standards and Fair Dealings with Shareholders, Staff, Customers, Suppliers, Service Providers and Other External Partners

Equal Opportunity Employer

Gender Equality & Women Empowerment

### Results

- During the joining process, every employee of PARCO signs a declaration agreeing to PARCO's *Guiding Principles* which includes a complete set of guidelines on fair and ethical dealings with customers, internal and external stakeholders and communities. Violations of these principles are viewed seriously, have resulted in disciplinary action, and in some cases have led to termination of service. Following are some highlights of PARCO's *Guiding Principles*:
  - We practice a merit-based equal-opportunity policy for recruitment and reject any influence of gender, color, caste, faith, ethnic origin or recommendations by influential persons.
  - PARCO believes that the laws on the statutes must be followed but only in letter but also in spirit. The heavy expenditure incurred for abatement and mitigation of environmental hazards at MCR exceeds the existing legal obligations, is a case in the point.
  - PARCO believes that valid profits are made by good businesses through efficient services, productivity of operations, value addition, innovative financing and strategic management of its assets and skills, contributing to the wellbeing of the Society.
  - PARCO believes in the value of transparency, openness and self-examination, and consider them as safeguards against potential faults.
  - We consider our Suppliers, Contractors and Service Providers as our business partners and deal with them with the same fairness that we reserve for our employees and customers.

- All appointments in PARCO are based on merit and all the positions are advertised in reputable newspapers. Our recruitment process ensures fair and competitive matching of candidates with job specifications. Non-job factors e.g. gender, origin, religion, and external influence are not considered. Underage employment is strictly forbidden.
- PARCO job advertisements clearly state that use of any extraneous influence will disqualify the candidate.
- PARCO provides equal career growth opportunity to both male and female employees, some of whom are at key positions in the Company. The company has females working in Engineering, Finance, Projects, IT, Telecom, Marketing, HR, and Medical functions. PARCO's target is zero discrimination in a male dominated society and industry.
- Management and Engineering Trainees, upon successful completion of their traineeship, are considered on merit against vacant positions, as permanent employees without discrimination, in case if there is vacant position.
- Benefits, facilities and allowances, as specified in the Company's policies are provided to all employees and their dependents without discrimination.

- We believe that Gender Equality and Women Empowerment are necessary for a peaceful, prosperous and sustainable world. Even PARCO's CSR programs are designed in a manner that supports gender equality and women empowerment. Following are some of the examples that show how our CSR initiatives support women empowerment.
- The Government of Pakistan promulgated "Protection Against Harassment of Women at the Workplace Act, 2010" with an objective to create a safe working environment for women which is free of harassment, abuse and intimidation so that they can work with dignity. PARCO enforced this Act throughout the company and has placed it on its intranet portal and notice boards to educate women at workplace about their rights.
- PARCO has a committee to deal with harassment complaints take suggestions and give recommendations to the Management. Employees, including heads of departments, are advised to report any acts of harassment, as harassment is considered misconduct, liable to disciplinary action. No case of harassment against women has been registered since the inception of the Company.

### International Women's Day Celebrated at PARCO

- PARCO being a Best Practices Company, and an advocate of equal opportunity employment, celebrates Women's Day every year. This year's theme was aligned with UN Women's new multigenerational campaign 2020, "An equal world is an enabled world". All female employees at PARCO Corporate Headquarters Karachi were invited in the event. Apart from PARCO, several other female guests from Pakistan State Oil, Asia Petroleum Limited, Pakistan Refinery Limited, Total PARCO Pakistan Limited, Employers' Federation of Pakistan, International Labor Organization and renowned consultants and trainers attended the event.
- The event commenced with a welcome address by General Manager Corporate Affairs, Ms. Sharon Dias. In her address, Ms. Dias recapitulated the initiatives undertaken by PARCO to ensure gender diversity and efforts made by PARCO over the years to make women an integral part of the organization. Ms. Dias further expounded on PARCO's role in maintaining parity between all its employees irrespective of gender and increasing the male-female ratio in business areas within the organization, be it Engineering, Legal, Finance, HR, IT and so on. Ms. Dias reiterated PARCO's commitment to a healthy work-life balance, which has made PARCO a preferred employer for women. She also highlighted PARCO's efforts in improving lives of women from the community at large through its CSR endeavors.
- To cover various aspects of a woman's life, three eminent trainers from different fraternities were invited as guest speakers. The speakers talked about work-life balance, grooming personality for professional women, followed by a Yoga Session to encourage women to incorporate meditation and simple yoga asanas in their daily lives. Following are few glimpses from the occasion:



### Budding Future Leaders



PARCO-TCF Schools at Yousuf Goth, Karachi and Qasba Gujrat employ all female staff belonging to the nearby communities. These schools have generated employment for local women to earn a decent living. There are 1,063 children receiving quality education at PARCO TCF schools.

### Developing Women Entrepreneurs



PARCO's Sewing and Embroidery Center at MCR is playing an instrumental role in training women on fashion designing to become successful entrepreneurs.



The Company supports several Vocational Training Institutes nearby PARCO facilities in Sindh and Punjab to develop skills.

PARCO operates a center for vocational trainings for inmates at Women Central Prison, Karachi to help them develop skills for traits like industrial sewing, stitching, embroidery and beautician.









- PRINCIPLE 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- PRINCIPLE 4** the elimination of all forms of forced and compulsory labour;
- PRINCIPLE 5** the effective abolition of child labour; and
- PRINCIPLE 6** the elimination of discrimination in respect of employment and occupation.



LABOUR			
PRINCIPLE 3	BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING		
Our Commitment	PARCO believes in addressing Employee issues practically and providing the right of collective bargaining to all its workers by complete compliance to all Industrial Relations Ordinances and Laws.		
Management Systems			
Actions			
Freedom of Association			Proactive Focus and Redressed Employee Grievances to Maintain a Good Organizational Climate
Collective Bargaining Negotiations and Union Charter Signing			
Results			
<ul style="list-style-type: none"><li>PARCO workers are free to form or join a trade union of their choice without fear of intimidation or reprisal.</li><li>The Company complies with Industrial Relations Ordinance 2012. PARCO has one registered trade union comprising of all non-management employees represented by 10 Collective Bargaining Agents (CBA).</li><li>Management and CBA work together on many Employee Development and Welfare Programs.</li></ul>			<ul style="list-style-type: none"><li>Employees are encouraged to voice their suggestions for improving the Company’s performance and efficiency through an ongoing ‘Employee Suggestion Program’. The objective of this initiative is to provide employees an opportunity to come up with innovative and creative ideas for process improvement, cost savings, operations effectiveness, safety and efficiency. Under this program, employee suggestions towards improving organizational efficiency are recognized and rewarded. Suggestions made by the employees are reviewed by the Managing Director and the Executive Committee Members which includes Company’s top management.</li><li>In order to obtain feedback from exiting employees on the problem areas in the Company and on the employee’s concerns, complaints and suggestions, exit interview of all exiting employees is conducted and remedial actions are taken accordingly.</li><li>For answering queries/suggestion/complaints of employees, the PARCO HR Department has a dedicated Helpdesk.</li><li>The Human Resource Department at PARCO regularly conducts visits of PARCO installations at remote locations, to gather employee feedback, complaints and suggestions. The HR department also conducts Employee Focus Group sessions and Organizational Climate Survey. The objective of these discussions is to gather information pertaining to issues faced by the employees.</li></ul>

LABOUR			
PRINCIPLE 4	BUSINESSES SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR		
Our Commitment	PARCO completely disallows any form of forced or compulsory labour in all its functions.		
Management Systems			
Human Resource Management		Business Partners, Operations	
Actions			
Maintaining Industry-competitive Compensation and Benefits		The Terms of Employment at PARCO Provide Maximum Freedom to Employees to Voluntarily Enter or Leave the Organization on Free Will	
		Compliance by checking of Vendors/Suppliers/Service Providers	
Results			
<ul style="list-style-type: none"><li>PARCO’s policy is to pay salaries to employees commensurate with their duties and responsibilities. Salaries and wages are compared with prevailing salaries for similar work in comparable organizations. For this purpose, salary surveys are regularly conducted and salary adjustments, benefits and revisions are accordingly granted.</li><li>PARCO benefits its employees with economic protection against loss of earnings in the event of separation from service through ‘Gratuity Fund’. Besides this, PARCO also benefits its retired employees with ‘Pension Funds’. The widow/children of a deceased employee are also entitled to receive pension.</li><li>PARCO has a ‘Transfer of Ownership of Company Assets’ policy aimed at increasing employee satisfaction and retention. Under this scheme, employees are allowed to purchase Company vehicles and household appliances at a nominal cost.</li><li>To assist employees in solving their transportation, housing problems and in acquiring hard furnishings for their homes, PARCO grants Car, House and Furniture Loans to its employees.</li><li>Employees who are availing the residence facility at the Mid-Country Refinery benefit from allotment of Company–owned housing, hard and soft furnishings, household appliances, world-class sports, club facilities, schooling, mosque, shopping centers, etc.</li><li>PARCO places utmost importance to the continuous services of its employees as being a factor to be recognized in terms of granting reward and recognition. The Company recognizes long and dedicated services rendered by employees and in recognition thereof has instituted Long Service Awards.</li></ul>		<ul style="list-style-type: none"><li>PARCO’s employment contracts do not violate human rights or labor laws. PARCO does not follow the practice of service bonds.</li><li>Separation process, payment of outstanding dues, post-retirement benefits, etc. are done expeditiously.</li></ul>	
<ul style="list-style-type: none"><li>Vendors/Suppliers/Contractors are checked by PARCO, ensuring no forced labor is utilized for PARCO’s jobs. During prequalification, PARCO employees visit suppliers and vendors to visually observe and report if any children are employed or if forced labor is practiced.</li><li>PARCO conducts open competitive bidding for services and materials procurement to provide equal opportunity to all qualified vendors/suppliers.</li></ul>			



## LABOUR

### PRINCIPLE 5 BUSINESSES SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR

**Our Commitment** PARCO forbids engagement of any form of child labour in its operations or by any of its business partners.

#### Management Systems

Human Resource Management, Operations

Business Partners

Corporate Social Responsibility

#### Actions

Documented Procedures Prohibit Employment of Child Labour

Third Party Audit of Labour Conditions

Inclusion of Labor Laws (that Disallows Child Labour) in Contracts with Business Partners

PARCO Assists in Enhancing School Education & Vocational Trainings to Reduce Child Labour in its Adjoining Communities

#### Results

- No child labor has ever been employed by PARCO. Despite the fact that under the labor laws of Pakistan, the minimum age of hiring is 14 years, PARCO's minimum age limit for induction is 18 years, which is thoroughly checked by birth certificates, educational testimonials, national identity card by NADRA (National Database and Registration Authority) and other age verification documents, thus ensuring that there is no child labor across the company.
- Regular third party audits are conducted by the Labor Directorate's labor department and health & hygiene department, Employees Old Age Benefit Institution (EOBI), Social Security Department, Workers Children Education, Sindh Employers Social Security Institution and other authorities which ensure elimination of Child Labor and compliance of other requirements of Labor Laws.
- By asking Suppliers and Service Providers to adhere to the laws of the country, they are required to comply with all labor laws, meet security and human rights requirements as well as eliminate employment of underage workers.

#### PARCO and TCF (The Citizens Foundation) – Partners in Progress

- PARCO in partnership with TCF (The Citizens Foundation) – a reputed NGO in Pakistan - has developed three campuses i.e. two primary and one secondary school at Qasba Gujrat and Yousuf Goth, Karachi. These campuses are built in underprivileged communities and impart quality education to around 1,063 children. These schools are making a great difference in the lives of the underprivileged in many ways.



#### Support to Primary and Secondary Education

- The CSR program at PARCO has been making progress to support various Sustainable Development Goals (SDGs). One of the key areas where the Company has made serious progress is abolishing child labour. Not only that the Company is vigilant with its key vendors and suppliers that no child labour is employed for PARCO jobs, also the progress is seen in developing an environment that provides the children an alternative to regular labour.
- PARCO has been conducting a comprehensive Schools and Clinics Support Program since 2007. The program is focused on supporting schools and clinics at rural communities located near PARCO's Mid-Country Refinery and its Stations & Terminals in the Sindh and Punjab provinces of Pakistan. The program directly supports several SDGs like no poverty, good health and wellbeing, quality education, gender equality, clean water and sanitation and reduced inequalities.
- Till date, more than 100 Schools and Clinics have been supported by developing their much needed infrastructure, procurement of necessary equipment, etc. This helps them sustain their operations for providing basic facilities to the communities. Out of these institutions, about 80 percent are schools where thousands of children are receiving education. PARCO's assistance to these institutions has raised the communities' interest to enroll their children in these refurbished and well-maintained schools diverting them from child labor to primary and secondary education, raising the literacy rate.



#### A School Bag That Did Wonders



- The Schools and Clinics support program has played an instrumental role in bringing the company closer to its neighboring communities. During close interactions, it was noted that the parents of these children could not afford school bags and stationeries. They used polythene bags and several other temporary arrangements to bring their books to school.
- PARCO helped many of these schools by providing the enrolled children with free school bags and stationery. PARCO has also provided them with interesting story books that helps children in creating awareness towards personal hygiene, daily stuff that surrounds us, etc. Such stories also help children in thinking creatively.
- As a result, these schools have witnessed increased enrollment of students. Clearly, this initiative by PARCO has diverted the children's attention from opting manual labour. The difference is clearly visible in the surrounding communities during our visits.



#### Developing Future Entrepreneurs



PARCO not only supports the primary, middle and secondary education, the Company also invests in developing future entrepreneurs. PARCO supports reputed vocational training institutes and many others located nearby PARCO facilities to engage the youth to gain much needed skills for entrepreneurial ventures.

Our Commitment

PARCO provides equal employment opportunity and supports diversity of human capital in all its functions.

Management Systems

Human Resource Management

Corporate Social Responsibility

Actions

Ensuring Equal Employment Opportunities for All

Enforcing Code of Ethics

Workforce Diversity

Merit-driven Appointments and Promotions

Expand PARCO's Interaction with Educational Institutions

Technology Transfer

Results

- PARCO offers equal opportunities to all qualified applicants, men and women, belonging to all faiths and religion, origin, ethnicity, color, caste or creed.
- PARCO ensures that no discrimination is made amongst employees and to date, all male and female employees belonging to different religions are employed at all levels including senior management positions.
- Employees are given holidays in accordance with their religious customs.
- PARCO provides employment opportunity to handicapped / challenged individuals and as of now, has 5 such people on the company's payroll.
- See Gender Equality and Women Empowerment in Principle 2.

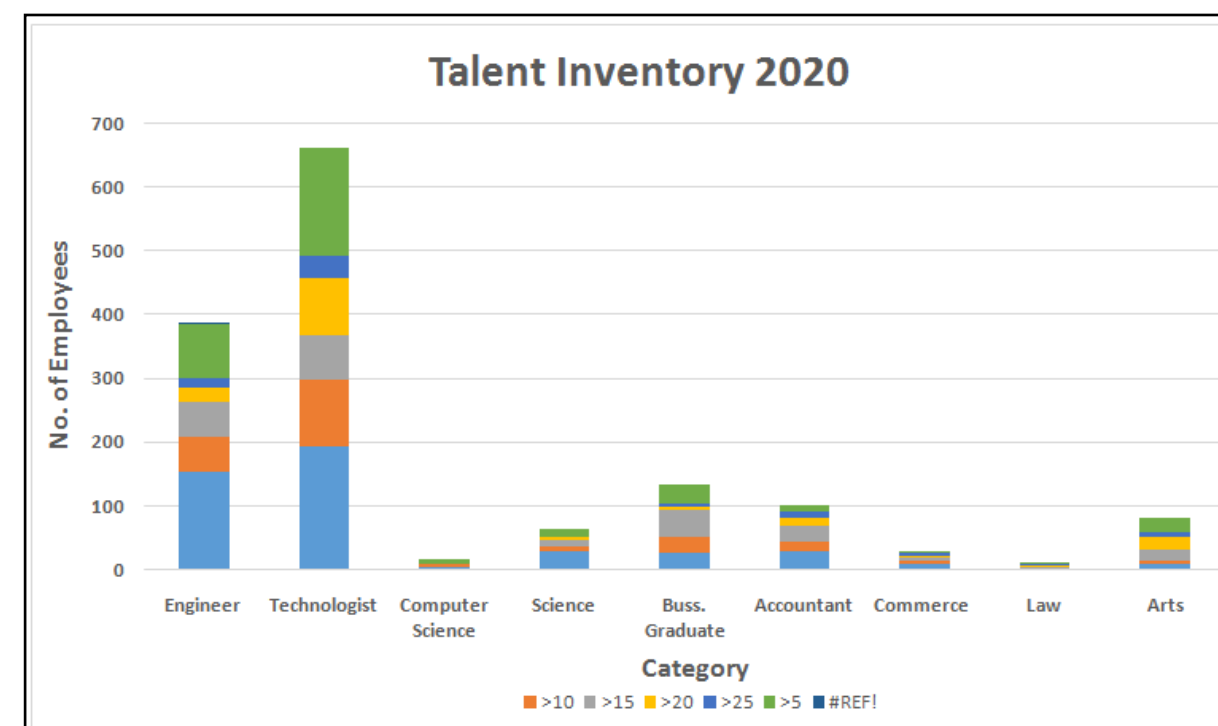
- PARCO ensures that employees abide by the Company's Code of Ethics. Every employee has to sign, at the time of induction, a declaration agreeing to PARCO's Principles which include a complete set of guidelines on avoiding discrimination, ensuring fair and ethical dealings with all internal and external stakeholders, communities, customers, suppliers and vendors.

- PARCO employees come from all over the country, irrespective of domicile/origin, ethnicity, religion, gender, or any other non-job dimension. Thus there are workers of all ages, from all provinces i.e. from the northern most cities to the southernmost areas.
- PARCO is a national employer, employing people without discrimination and strictly on merit, from all parts of the Country.
- Despite being a petroleum engineering organization, PARCO encourages women for employment at the Mid-Country Refinery, which is located in a remote area, by providing separate accommodation for single women.

- PARCO discourages nepotism and every form of favoritism. The way up the PARCO ladder is open to everybody. The policy of the Company is to develop and promote employees from within the organization through career and succession planning.
- Hiring and promotions are done on merit, performance and ultimate potential of each employee through professional and transparent HR processes. If any employee exerts external pressure of any sort s/he is automatically disqualified and faces disciplinary action.

- PARCO offers regular internships to students enrolled in business and engineering degree programs. The selection of internees is done on merit.
- Universities show keen interest in visiting PARCO's facilities and the company organizes plant visits for petroleum, chemical, civil, electrical, electronics, telecommunication, and other engineering and business students belonging to different universities. However, due to the COVID-19 pandemic, no such visits were organized as physical campuses of all educational institutions were closed and students had been taking classes online.

- PARCO possesses competent specialists in many areas and in order to utilize their expertise, these internal training resources develop and deliver training programs.
- PARCO offers Traineeship Program in the fields of management and engineering. This one-year traineeship provides the candidate learning and exposure to different aspects of a real life working environment. Upon demonstrating satisfactory performance at the end of the traineeship period, the Trainee is inducted as an employee if a suitable vacancy exists.
- Since 1975, PARCO has trained 1, 415 Engineering and Management Trainees. This number is ever increasing and shows that PARCO has not stopped inducting fresh talent even at times when the Country faced challenging external environment.
- To address the issue of scarcity of trained manpower in the country, an 'Apprenticeship Program' has been introduced. The objective of this six-month program is to provide technical training to fresh graduates and upgrade their skills.
- PARCO has a sizeable reservoir of highly skilled and experienced human capital. Please refer to the below graph showing our Talent Inventory in different areas.







- PRINCIPLE 7** Businesses should support a precautionary approach to environment challenges;
- PRINCIPLE 8** undertake initiatives to promote greater environmental responsibility; and
- PRINCIPLE 9** encourage the development and diffusion of environment friendly technologies.



## ENVIRONMENT

### Principle 7

## BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

### Our Commitment

PARCO is committed to comply with all Provincial Environment Quality Standards and ensures minimal impact on the environment.

### Management Systems

HSE, Operations and Administration

### Actions

#### Environment Friendly Supply-Chain

#### Efficient Effluent Management

#### Environmental Auditing, Certification and Awards

#### Solid Waste Management

### Results

- Crude Oil is the basic raw material in any oil refining industry. Environmental stewardship is a prime motivation while PARCO manages transportation of crude from the Keamari Port in Karachi to our Mid-Country Refinery (MCR) in Mahmood Kot, through 864 km long pipeline which is approximately 400 ft above sea level. The pipeline ensures that each drop of crude oil is transported to MCR without environmental impact.

- We have leak detection system, emergency shutdown system, smart pigging, corrosion protection, and microwave towers for communication, SCADA (Supervisory Control and Data Acquisition) system to avoid leakages, thefts and intermediate storage tanks at 5 different pumping stations.

- In order to maintain sustainable supply chain of refinery, smooth operation of KMK pipeline was ensured. During the year 2020, approximately 3.15 Million Metric Tons of crude oil was transported from Karachi to PARCO's Mid-Country Refinery (MCR) at Mahmood Kot through an 870 km long pipeline network, ensuring safe and secure transportation. This efficient supply chain reduces the movement of oil tankers, significantly contributing in reduction of air pollution.

- In 2020, the 362 km Mahmood Kot-Faisalabad-Machhike (MFM) pipeline transported approximately 1.09 Million Metric Tons of refined fuel from PARCO Mid-Country Refinery at Mahmood Kot to Machhike via Faisalabad where gantry facility is available for product off-take. This has also reduced quite a number of tank lorries off the road and has improved road safety.

- The 786 km White Oil Pipeline, during 2020, transported approximately 3.84 Million Metric Tons of HSD (High Speed Diesel) from Karachi to Mahmood Kot.

- Effluent monitoring is being conducted regularly at all operational facilities of PARCO including Mid-Country Refinery and Stations & Terminals. A state of the art Effluent Treatment Plant (ETP), having capacity of 340m<sup>3</sup>/hr, treats all the effluent generated during refining operations. The waste water generated from all over the refinery is collected and sent to ETP further processing, i.e. skimming, neutralization, dissolved air floatation, aeration, clarification, filtration to meet the PEQS specification and the effluent is discharged to Saim Nala after being verified through in-house and 3<sup>rd</sup> party EPA approved Laboratory analysis. During December, 2019 to November, 2020 total 1,665,095 m<sup>3</sup> effluent of refinery was processed and treated at ETP plant.

- To ensure the compliance of PEQS parameters, daily monitoring is being done in-house by our state of the art laboratory. To ensure the transparency and legal requirements bi-annually an independent EPA approved 3<sup>rd</sup> party is also hired for environmental monitoring.

- All contractors' equipment is checked for compliance to PEQS and SEQs.

- Impact on the environment from the refining process is controlled by treating and managing emissions. Low NOx (Nitrous Oxide) burners and Sulfur removal from fuel gases are examples.

- Senior Management Audit is carried out on monthly basis in which the Senior Management visits the plant and conducts its audits based on their expertise and also interacts with employees to gain insights.

- The refinery has been divided into 12 major units and 12 audit teams for conducting senior management audits on monthly basis. Action points are identified and sent to concerned departments for implementation. Overall performance in 2020 remained 97%. This shows a high management commitment and communication with employees.

- The Company revised its HSE Policy and Quality Policy in compliance with ISO 45001-2018 Health & Safety Management System, ISO 14001-2015 Environment Management and ISO-9001 Quality standards.

- To focus on operational excellence, PARCO management decided to issue a separate Quality Policy. This is to ensure that we raise the bar in terms of quality of our operations, processes and products.



Left: PARCO's new HSEQ Policy; Right: PARCO's new Quality Policy

- Corporate Headquarters (CHQ) have successfully achieved IMS Re-certification of the ISO 14001:2015 (EMS), ISO 9001:2015 (QMS) and ISO 45001:2018 standards following an external Surveillance Review conducted by a third party certification body in July 2020.

- PARCO Mid-Country Refinery had its first IMS re-certification audit based on revised ISO standards conducted by a third Party in November 2020.

- Safety and Housekeeping Audit 2020 of all Stations & Terminals conducted by an independent third party during September-October, 2020.

- The 30<sup>th</sup> IMS internal audit was conducted in October 2020.

- Risk Assessments of the activities/areas (OHS, Environmental and Quality) are carried out on regular basis keeping in view new hazards identification and its mitigation/control to reduce the risks.

- Audits of housekeeping, gas masks, noise, work permits, closed sampling box, regular third party vehicle emissions monitoring, bi-annually third party stack emissions and liquid effluent monitoring, ground water monitoring within the refinery and neighboring areas are done on regular basis.

- Regular HSE Audits of operational areas and office buildings are carried out to ensure safe environment in the office areas. Any discrepancies found during the audit are analyzed for their risks on safety and appropriate recommendations are provided as key performance indicators. Till now 130 Plant Safety and Housekeeping Audits of MCR have been conducted.

- Annual Pipeline HSE and Housekeeping Audits ensure the same commitment towards housekeeping and clean environment both in operational areas and office buildings at all stations and terminals.

- The disposal of solid waste at PARCO is done in a way that it does not harm the environment. All the hazardous waste from Refinery, different Stations & Terminals is collected at hazardous waste yard, at MCR. A proper SOP is in place for waste disposal. An online waste disposal procedure has been introduced in MCR with more influence regarding the proper maintenance of data with respect to segregation of waste and it also helps to prompt the paper less environment.

- To ensure the proper segregation at origin source, three different types of waste drums have been introduced to collect the waste. These three types of waste drums (yellow, red and green) are positioned in each zone, i.e. field, maintenance building, truck loading and laboratory, etc. Yellow drum is used for storing hazardous waste while the green drum is used for non-hazardous waste, red drum is used for storing pyrophoric material.

- Solid Waste Management Yard is established near the north side boundary wall of the refinery. All forms of solid wastes are collected in this waste yard and separated according to their nature. There are five separate yards according to the nature of waste. Scrap Yard is situated near the South side boundary wall of the refinery in front of Solid Waste Management Yard.

- In the Solid Waste & Scrap yard, all waste produced at Stations & Terminals and MCR is also stored. These solid waste yards have been constructed on environmental safety rules and regulations. Hazardous waste yard remains under lock & key to ensure the check on disposal and the keys are accessible round the clock with the Fire Station. HSE Environment section is the custodian that keeps the record of solid waste yard inventory.

- The non-hazardous waste is dumped in the green drums. It is shifted to the non-hazardous waste yard on daily basis. Administration department at MCR keeps the record of all the municipal waste and submits the record to the HSE engineer. The hazardous waste is dumped in its designated drums. For increasing the awareness regarding waste disposal methodology, trainings are organized in routine.

- In 2020, approximately 104,000 Kgs of hazardous waste was disposed-off and incinerated through EPA approved facility.



#### PARCO's Guidelines for Disposal of Hazardous Waste

The hazardous waste is disposed-off through Environment Protection Agency (EPA) approved third party on an annual basis through open bidding and stringent evaluation criteria to comply with all the legal requirements i.e.

- EPA's No Objection Certificate (NOC) for disposal of hazardous waste.
- Safe handling and transportation of hazardous waste methods and statements.
- Incineration through EPA approved facility.
- Recycling of used oils through government approved reclamation plant.
- Safety of workers for handling of hazardous waste.
- Necessary packaging and labeling requirements.
- Provision of waste disposal/recycling certification and undertakings.



## ENVIRONMENT

### Principle 7 (Contd.)

## BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

### Our Commitment

PARCO is committed to comply with all Provincial Environment Quality Standards and ensures minimal impact on the environment.



### Management Systems

### HSE, Operations and Administration

### Actions

#### Efficient Effluent Management

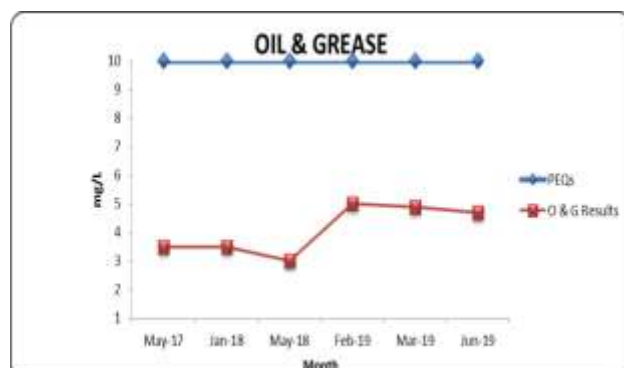
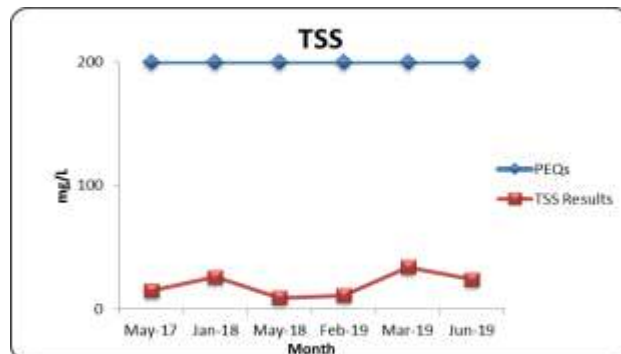
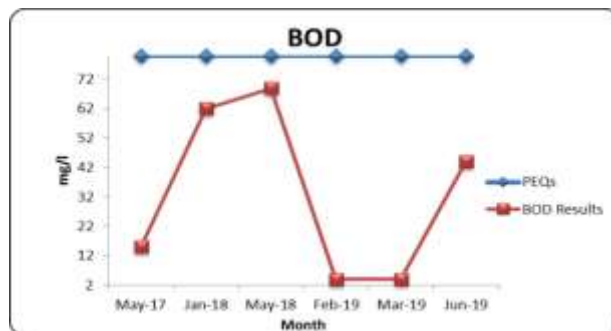
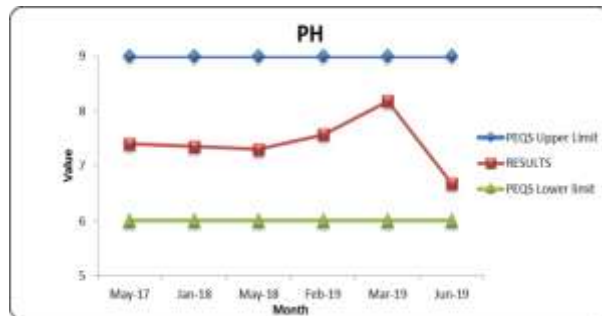
#### Environmental Auditing, Certification and Awards

#### Air Emissions Monitoring

#### Environment Friendly Products

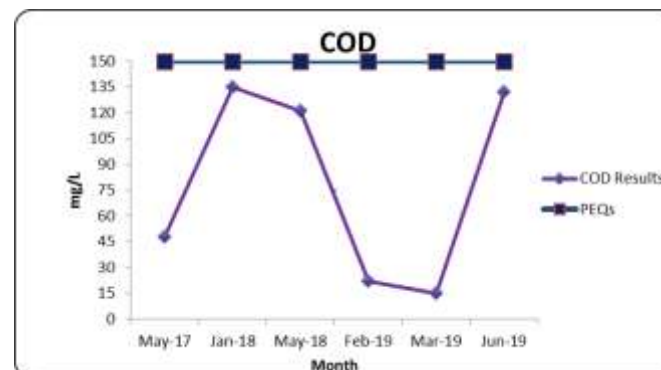
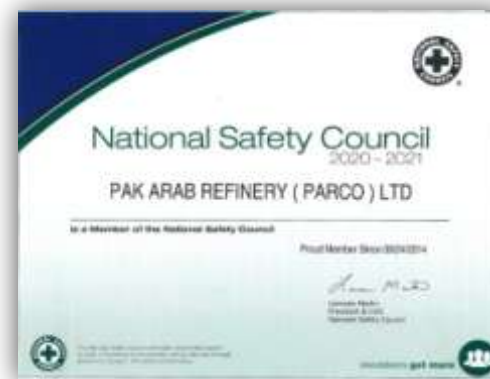
### Results

- Results of some key parameters are shown below.

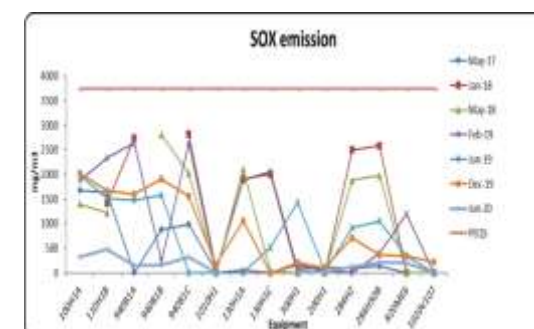
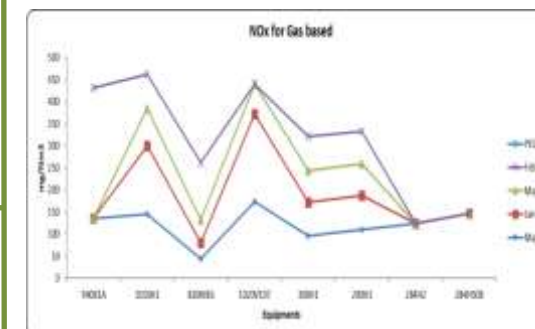
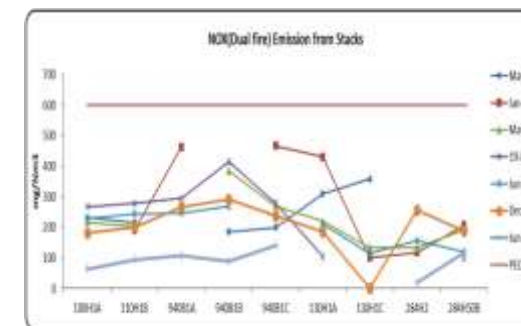
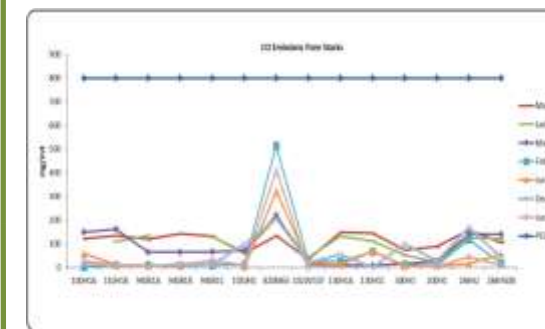


#### National Safety Council (NSC) Membership

- PARCO renewed the National Safety Council membership for 2020-21. The United State's leading safety advocate for more than 100 years the National Safety Council is a non-profit organization with the mission of eliminating preventable deaths at work, in homes and communities, and on the road through leadership, research, education and advocacy. NSC advances this mission by engaging businesses, government agencies, elected officials and the public.
- The Council recognizes organizations that focus on safety as a critical part of their business operations. The group focuses on areas where the greatest number of preventable injuries and deaths occur, including workplace safety, prescription medication abuse, teen driving, use of cell phone while driving and safety in homes and communities.
- NSC works with the U.S. Occupational Safety and Health Administration (OSHA) and the U.S. Department of Labor, to strengthen workplace safety and help reduce the number of unintentional injuries and fatalities. NSC is an affiliate of the World Health Organization's (WHO) Safe Communities program. Communities apply for the Safe Communities designation by indicating their long-term commitment to the promotion of safety.



- PARCO conducts air emissions monitoring through its laboratory every monthly and through EPA approved third party twice a year for NOx, SOx, CO, Particulate Matter etc. The results always fall within PEQS limits of all the parameters entire year. Graphical representation of some results is as follows:



#### DHDS Plant Operation

DHDS unit at PARCO MCR remains operational to produce the Euro-II grade diesel product. During the year 2020, the DHDS unit has processed more than 0.86 Million Metric Tons of High Speed Diesel.



An aerial view of DHDS Plant at PARCO Mid-Country Refinery

#### Mid-Country Refinery (MCR) Revamp Project

PARCO has successfully completed its Revamp project in March-2020 and increased the refining capacity from 100,000 to 120,000 BPD to meet the demands of petroleum products in the country. This enhanced capacity will be consuming the local crude and condensate from Pakistan as feedstock resulting in overall decrease in oil imports.

#### Environment Friendly Fuel

PARCO is serving the nation with high quality fuels by converting its major fuel products (Gasoline & Diesel) from Euro-II to Euro-III grade, reducing Sulphur from 500 to 350 ppm, as per Government of Pakistan regulations to reduce the hazardous emissions from vehicles. Furthermore, PARCO is aiming to upgrade its fuel products (Gasoline & Diesel) to Euro-V grade for compliance with future regulations.

#### Isomerization Unit

Construction of Isomerization unit was completed during the turnaround (Feb-Mar 2020) and successful commissioning of unit in October-2020 resulted in supply of low Benzene content, (<1 vol %) environment friendly Gasoline to OMCs. This has also enabled PARCO Mid-Country Refinery to decrease/eliminate the dosing of metallic additive in Gasoline and complying the limits given by Government of Pakistan.

#### Infrastructure Upgrade

PARCO Mid-Country Refinery has upgraded its infrastructure by installing new storage tanks for local crude decanting and isomerate storage. Two tanks for receiving of local crude were commissioned in March-2020 and are being utilized to decant the local crude and condensate from different oil fields. This increased the flexibility to receive the maximum quantity of local crude and its consumption in refinery.

## ENVIRONMENT

### Principle 8

### COMPANIES SHOULD TAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

### Our Commitment

PARCO and its employees show responsibility in operations and in adjoining communities.

### Management Systems

HSE, IMS, Operations, CSR

### Actions

#### Increasing Health & Safety Awareness and Performance

#### Community Environment Monitoring

#### Initiatives Promoting Greater Environmental Responsibility

### Results

- PARCO encourages employee participation, maintained in the planning and implementation of OHSE-MS activities like:

- Job Safety Analysis for all new and critical jobs
- Risk Assessment for Occupational Health Safety and Environment
- Environmental aspects & impact assessments of each activity and equipment
- Environmental load summaries of each area
- Departmental Safety committee meetings
- Incident Reporting and Investigation
- Training and implementation of Standard Operating Procedures (SOPs)
- Tool Box/ Safety Talks

The Occupational Health Safety and Environmental Management Program is applied at all levels of the organization through a well-structured management evaluation process.

- Corporate Executive committee meetings
- Mid-Country Refinery safety committee meetings
- Departmental Safety committee meetings
- Turnaround core committee meetings
- Technical review meetings
- HAZOPs Review Meeting
- Pipeline Inter-station meetings

- Emergency drill is performed at all PARCO sites to ensure that any form of emergency preparedness is ready. Every year, four new ERT batches are being prepared to replace the retiring ERT participants. PARCO also prepares its staff for first aid by qualified first aiders. There is also refresher practice for first aiders and drill for members of the ERT.

- To enhance health and safety awareness among employees, trainings like fire fighting, emergency response plan, anti-terrorist attack, risk assessment and industrial hygiene management, etc. were organized from time to time.

- During 2020, health awareness sessions on corona virus were organized by the Company Doctor for all employees. Similarly, Medical Bulletins were issued on the Company's intranet portal and emails were sent to all employees to increase health awareness on various topics among the employees.



Awareness Sessions during COVID-19 Pandemic were conducted with complete SOPs and safe distancing

#### Community Environment Monitoring

PARCO is implementing a robust soil and groundwater monitoring plan to ensure that no pollution of soil and water has occurred as a result of PARCO operations and is actively developing the database for trend analysis of past years. It includes following monitoring twice a year:

- Ambient Air Quality Monitoring at 8 points at 1km distance of Refinery emissions
- Ambient Particulate Matter Monitoring at 8 points at 2km distance of Refinery emissions
- Offsite Ground Water Monitoring at 10 different locations
- Noise Level Monitoring at the boundary walls

Surroundings of PARCO MCR are packed with a number of independent service stations for trucks, lorries and other vehicles which are potential contaminants for Ground Water. Moreover in the recent past; many oil depots have been constructed and are operational in the vicinity around PARCO. Keeping their environmental factor in mind; we are establishing data base of the monitoring results and keenly observing the trend. However, so far the results conducted by independent 3<sup>rd</sup> parties remained satisfactory.

#### Community's Ground Water Monitoring

The ground water of PARCO MCR's neighboring community premises is being monitored biannually through third party laboratory certified by EPA in order to ensure safe usage of water by local community. There are 16 different parameters i.e. pH, color, TDS, taste and odor, total hardness, coliform organism, arsenic, chloride, sulfate, iron, cyanide, lead, elenium and manganese are being tested from different locations outside the Refinery as per PEQS requirements.

#### Community's Ambient Air Monitoring

Emissions are potential risk for ambient air quality. Being a responsible organization, we always strive to use cleaner fuel for our heaters and a robust system for better efficiency of the heaters. To check the impact of emissions on ambient air, air sampling is being carried out twice a year by the third party laboratory accredited by EPA. NOx, SOx, CO, O<sub>3</sub> and particulate matter are the variables being tracked. All results conducted during the past one year have been well within permissible limits.

#### Noise Survey

In all operating areas of refinery and station & terminals, noise assessments are carried out on a regular basis. Sign boards & signs are pasted on high noise zone and accordingly ear muffs & ear plugs are made compulsory. In addition to this, noise monitoring is also conducted outside boundary walls by third parties in order to ensure that neighborhoods outside the facilities of PARCO remain unaffected.

#### Tree Plantation/Horticulture

- PARCO is always talking about sustainability when it comes to protecting and improving the eco-system.
- PARCO Mid-Country Refinery keeps the lion's share in the budget for Tree Plantation / Horticulture annually. PARCO has planted 4,700 trees in different stations, government schools and colleges, communities etc.
- District Officer Environment appreciated the efforts of PARCO and issued an acknowledgment certificate to PARCO as well.

#### HSE Newsletters and Bulletins

- The company magazine "Pulse" has a section dedicated to HSE, highlighting the activities, HSE performance and new initiatives. Monthly newsletters and company magazines are used to propagate the clean environmental practices. Environmental standards and our activities are also shared in the articles being published in these publications.

#### Appreciation Program for Best Environmental Practices

In order to reduce the effect of business operations on the environment, PARCO has always been at the forefront. From environment-friendly products to immaculate plant facilities and infrastructure, everything is true reflection vision of PARCO "Preserving Mother Nature and Making the Environment Purer". To recognize employees' commitment to environmental initiatives and best practices, PARCO has a very sound awarding system:

- Gardening competition was organized at the MCR housing complex to promote green environment. More than 20 awards were distributed in 6 different categories.
- Tree plantation activities on Environment day by employees and children. Approximately 3,000 trees were planted at housing complex and refinery. In addition to this, 2,500 more trees are planted by PARCO inside MCR, various surrounding schools and PARCO chowk near Qureshi More.
- Appreciation letters were given to employees on promoting environmental stewardship.
- Environmental quizzes are conducted on yearly basis.
- Appreciation letter is given to employees on preventing spills and fires.
- Plantation day is organized to celebrate Environment day at PARCO.

#### Environmental Safety Quiz 2020

- The HSE department at the PARCO Mid-Country Refinery (MCR) organized the safety quiz competition in February, 2020 with the theme of "Healthy Life Style". The winner team was presented with appreciation awards by the management.

- Due to COVID-19 situation safety walk was cancelled to avoid the public gatherings.

#### Home Awareness Drives

In order to promote safety culture among the employees, HSE team issues a quarterly Newsletter and Bulletins regarding various environmental concerns frequently. Moreover, presentations made by HSE engineer are also aired on local cable network of housing complex.





## ENVIRONMENT

### Principle 8 (Contd.)

### COMPANIES SHOULD TAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

### Our Commitment

PARCO and its employees show responsibility by keeping its operations safe and in protection of adjoining communities in case of any emergency.

### Management Systems

### HSE, Operations

## Health Safety Environment (HSE) Training Programs

### Results

#### HSE Training Overview at PARCO Mid-Country Refinery

Providing Environmental and OHS trainings ensures that employees are trained on environmental challenges, PEQS and other legal requirements. The main objective of training is to develop a positive health and safety culture where safe, healthy and working on environmental friendly condition becomes second nature to the individual. Main focus is to explore how an individual could manage health and safety better and meets legal duty to protect environment and the health & safety of our employees. Effective trainings contribute towards making employees competent in HSE, which helps to avoid the distress of accidents and bad health. The Company's objectives are to take into account the capabilities, trainings, knowledge and experience of PARCO staff; and ensure that the demands of the job do not exceed their ability to carry out their work without risk to themselves, others and environment.

- Trainings are carried out twice a week for all PARCO employees.
- Trainings are based on the training need analysis, audits and incident reports.
- A comprehensive two week HSE training plan is in place for all new employees and trainees.
- Emergency Response Team (ERT) was provided ERT training along with various refresher courses. These sessions were planned for over 20 days.
- All contractors before mobilization on site go through detailed Orientation & Training covering both aspects of Occupational Health, Safety & Environment.
- The contractual staff including labor also attends in house HSE training program once a week. On-site safety talks are carried out each morning before commencement of work.
- HSE trainings were also provided to other refineries of Pakistan such as Attock Refinery Limited, EnarPetrotech's refining facility, Fauji Fertilizer Company, etc.
- Mutual Aid Partners were provided trainings on Emergency drills.
- HSE trainings to the internees and students of different institutions.
- Trainings for Senior Management are also organized every year
- Specialized trainings through external sources also included to enhance the individual professional skills.



#### Emergency Response Team (ERT) Training

PARCO HSE conducts in-house ERT training on quarterly basis to train its employees from different engineering/technical disciplines. The aim of ERT training is to enhance preparedness of PARCO Employees in order to deal with the emergencies and thus increase additional vigilance and response to mitigate any emergency at the very initial level. There have been remarkable achievements at many occasions when our ERT members have proved useful by using their training skills in extinguishing a fire that had a potential of developing into a huge fire, if the response was delayed. This training was initiated in the year 2001 and till now 538 participants from MCR, 285 participants from Pipeline Division and 44 PPGL employees, as well as 15 contractor's staff members have been trained in the form of batches; thus creating a huge number of ERT members which are still increasing. The participants were provided with comprehensive two weeks ERT training followed by field trainings pertaining to Fire Management System, different types of Fire Equipment installed at PARCO, use of Emergency Equipment, Personal Protective Equipment (PPEs), Work Permit Systems implementation, classification of Hazardous Area, operation of Fire Water Suppression System, Crisis Management, Emergency Response Plan, practical Fire Fighting Training and Fire Tender Operation. During 2020, no ERT trainings were conducted due to COVID-19 pandemic.

#### HSE Trainings for New Employees

New talent management is one of the key areas for PARCO's strategic growth and development process. In this regard, the HSE department organized a comprehensive training program in two separate groups for the new batch of trainees at MCR. The training program was spread over two weeks of classroom sessions and practical field trainings. As a result, the new inductees are now fully trained in HSE systems and procedures and able to identify potential hazards. For analyzing the effectiveness of training, a post training evaluation test was also conducted by HSE which shows their interest in training elements and promotion of safe working culture.

#### IMS Training

- International Register of Certified Auditors (IRCA) approved Lead Auditor Training Course (LAC) on ISO 45001 was conducted on 15-19 June, 2020 for IMS Team.
- About three training sessions on revised OH&S risk assessment procedures were conducted in July, 2020 for STC members.
- Training for Senior Management on ISO 45001 was conducted on 2 September, 2020.
- Training on revised Environment Procedure and System procedures have been conducted on 3 Sept, 2020 for STC members.
- Training on identification of interested parties for STC members conducted on October 8, 2020.
- Moreover, HSEQ policy of PARCO is also revised in September, 2018 based on revised standards of ISO 9001:2015 (QMS), ISO 14001:2015 (EMS) & ISO-

#### Environmental Training Topics

- Environmental protection act 1997 to understand legal requirement and fulfill company's obligation for companywide legal compliance
- ISO 14001:2015 requirements and implementation across the company
- Punjab Environmental Quality Standard (PEQS) for front line workforce to fulfill legal compliance regarding air emissions, effluent disposal, noise monitoring, vehicle emission and ground water monitoring
- Solid waste management and importance of waste segregation at source point and to find out ways and means for waste recycling, reduction and reuse
- Environmental aspects and impacts assessments to find out environmental risk and its control measures
- Global warming and Greenhouse gases monitoring and control
- Hazards of chemicals and control measures to save human health and environment
- Awareness session for contractor work force to understand environmental requirements during new and modified projects and fulfill the requirements
- Environmental and safety promotion walks in community and housing complex to educate general public on environmental challenges
- Environmental and safety quiz among employees to enhance general knowledge regarding environment and safety
- Awareness sessions on reduction of electricity consumption to save energy and protect environment
- Gardening competition in plant and housing complex
- Environmental awareness session and posters' competition in PARCO School to educate new generation



## ENVIRONMENT

### Principle 9

## COMPANIES SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

### Our Commitment

PARCO makes all efforts to minimize the impact of its operations on environment by utilizing technologies that are environment friendly.



### Management Systems

### HSE, Operations

### Actions

#### Automated Incident Reporting System

#### Energy Conservation Program

### Results

- The Online Incident Reporting System (IRS) was successfully launched in January 2012. The purpose of the online system is to combine the IRS system of Mid-Country Refinery and Pipeline Division. From “raising an incident report” till completion of “incident investigation” and “implementation of recommendations”, all these activities are carried out online with zero paper use.
- All the Incidents / near misses of the Pipeline Division are being reported and recorded through the online IRS system. Benefits such as timely information to senior management, an investigation by cross-functional teams, root cause analysis and recommendations, and lessons learned are also being extracted from this system for sharing with all employees.
- All the incidents occurring in PARCO are reported/recorded and then investigated appropriately according to a procedure through an online IRS system company wide. Key features of the IRS System are:
  - Online reporting system – a companywide program
  - Incident reporting criteria for major and minor incident
  - Information to the senior management within 24 hours
  - Investigation by cross functional teams
  - Root cause analysis and recommendations
  - Implementation verification through safety audits
  - Sharing of incident learning with employees
  - All major international accident investigations collected are shared with employees during training sessions and key findings are considered during incident investigation process.
  - All leakage/ spillage incidents are followed by rehabilitation work to restore environmental condition and legal compliance.

- Heaters and Boilers are the major consumers of Energy in a refinery plant. PARCO has taken following steps for Energy Conservation and Energy efficiency.

#### Heaters

- Efficient heaters are being operated at highest efficiency (above 85%)
- Regular heater efficiency monitoring program is in place
- Access air monitoring is done on daily basis
- Heater efficiency monitoring is done on monthly basis
- To save energy and environment we have dual fire system heaters operated on fuel oil and gas

#### Refinery Turnaround

Overhauling of all equipment was successfully carried out in turnaround (TA-IV) to increase the refinery efficiency up to maximum level.

#### Carbon Dioxide Emission Monitoring

CO<sub>2</sub> emission monitoring is carried out on monthly basis and Carbon Emissions Index (CEI™) is calculated as per Solomon guidelines. Although our organization CEI is very good as compared to many refineries of our region, we always strive towards the benchmark. The feasibility study for flare gas recovery system and vapor gas recovery system in this regard has already been carried out.

#### Energy Savings at Stations and Terminals

PARCO ensures saving of energy resources by adopting economical pipeline pumping configurations, gravity transfer and electrical load management. Total Energy savings on account of electricity is about 4,241,000 kWh during 2019-20.

#### Boilers

- Boilers are operated at highest efficiency (above 90%)
- Boilers are annually inspected and certified by government agencies

#### Heat Exchangers

- All heat exchangers are monitored for their efficiency and energy consumption on daily basis and corrective actions are taken to maintain the highest level of efficiency
- Scheduled inspection and maintenance of exchangers
- Cleaning of heat exchangers in turnaround to increase the efficiency

#### Motors

- Standard specification power driven motors are used to achieve;
  - Highest levels of efficiency
  - Low energy losses

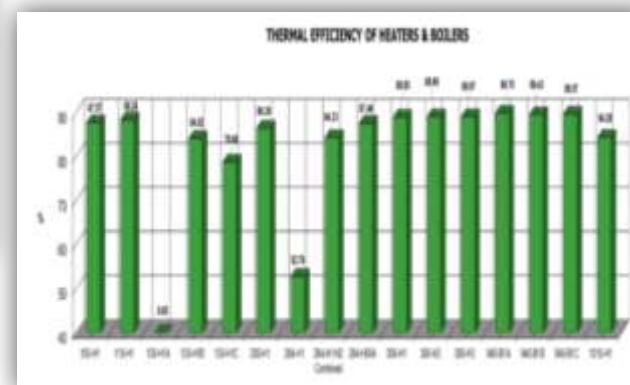
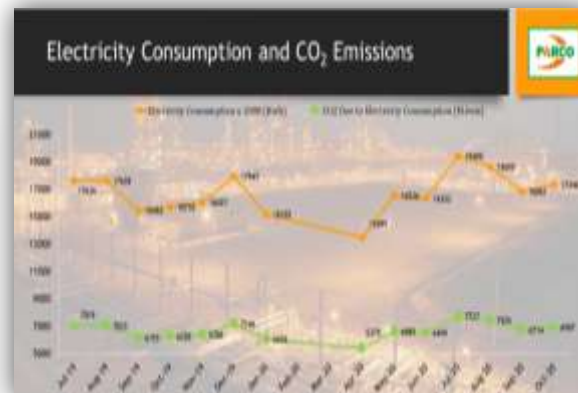
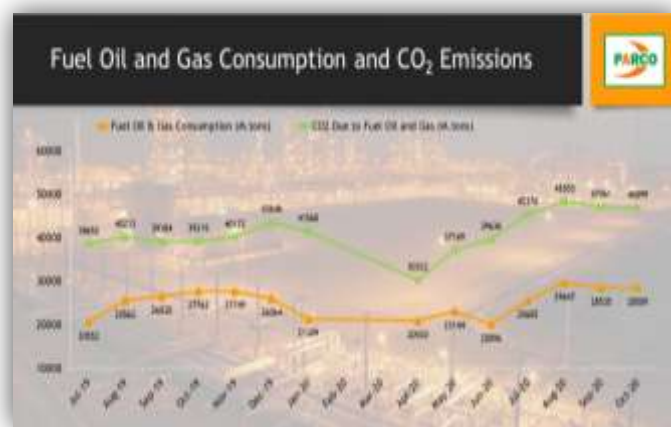
#### Solomon Benchmarking

PARCO Mid-Country Refinery has presented its systems periodically for International Benchmarking by Solomon associate USA for key performance indicators i.e.

- Manpower utilization
- Energy Index
- Operation efficiency

### ENERGY SAVING ACTIVITIES AT PARCO

S.No	Project/Activities	Energy Savings
1	During TA-IV offline chemical cleaning of convection section of Dual Fired Heaters (100-H1, 110-H1, 130-H1A/B/C, 284 H50 A/B, 284-H2) was performed	Approx 78.13MMKcal/Day energy saving
2	Crude Distillation Unit Preheat Exchangers Train cleaning was carried out in TA-IV	Approx 9.06MMKcal/Day energy saving
3	Replacement of Sour Water Stripper Reboiler (810-E7) due to leakage and cleaning of Sour Water Stripper Feed/Bottom Exchanger (810-E6A/B/C) during TA-4	About 5.7 MMKcal/Day energy saved in terms of Low Pressure Steam due to decreased consumption at 810-E7
4	Cleaning of Combined feed heat exchangers (200-E1A-F) and replacement of NHT unit charge heater (200-H1) tubes improved the heat transfer efficiency	Approximately 19.48 MMKcal/Day of energy saved in terms of fuel gas consumption at NHT unit charge heater (200-H1)
5	Installation of new PACKINOX CFE (300-E1)	Approximately 25.44 MMKcal/Day of energy saved in terms of fuel gas consumption at Plat forming Unit Charge heater (300-H1).
6	Replacement of CCR-Plat forming Reactors (300-R1/R2/R3) catalyst	Approximately 15.24 MMKcal/Day of energy saved in terms of fuel gas consumption at Plat forming heaters (300-H1/H2/H3)
7	External Cleaning of Fired Heater (1010-H1) Radiant & Convection Section Tubes and new catalyst loading in Reactor (1010-R1)	Approximately 50.0MMKcal/Day decrease in energy consumption in terms of fuel gas burning





## ENVIRONMENT

### Principle 9 (Contd.)

## COMPANIES SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

### Our Commitment

PARCO makes all efforts to minimize the impact of its operations on environment by utilizing technologies that are environment friendly.

### Management Systems

### HSE, Operations

### Actions

### Environmentally Friendly Technologies

### Environmental Stewardship

### Results

#### Weather Station - Weather Hawk

The PARCO Mid-Country Refinery has installed its own weather station to monitor the weather conditions on a daily basis and to keep track of historical data. The parameters measured are CO, NO<sub>2</sub>, PM<sub>10</sub>, wind speed, wind direction, temperature, relative humidity, barometric pressure, light intensity and rain, etc.



#### Effluent Treatment Plant

- PARCO is also equipped with Effluent Treatment Plant having a capacity of 340m<sup>3</sup>/hr. The ETP collects waste water from all over the refinery and processes through skimming, neutralization, dissolved air floatation, aeration, clarification, filtration and drying operations to make treated water falls within PEQS limits before discharging into local Saim Nala. The laboratory tests for effluent water are held on daily basis and after ensuring that the parameters are within PEQS limits it is discharged into Saim Nala. If any parameter does not match the PEQS limit then whole batch of effluent water is recycled back to diversion tank of capacity 25400m<sup>3</sup> and processed again. During the year 2020, effluent water treated was 1,706,365 m<sup>3</sup> at the plant.

#### Diesel Hydro Desulfurization Plant Producing Euro II High Speed Diesel

- With the commissioning of the DHDS plant at the Mid-Country Refinery in 2010, PARCO has the capability of producing High Speed Diesel conforming EURO II standards. This product is helping EURO II compliant automobiles to perform better through fuel efficiency and low emissions.

#### Technology Upgrades at PARCO Mid-Country Refinery

- With the investment of USD\$ 112 Million, PARCO has completed the construction of Isomerization Unit (PENEX Unit) Project for the production of Euro III compliant gasoline products along with a dedicated storage tank for the Isomerate product.
- Construction of Isomerization unit was completed during the turnaround (Feb-Mar 2020) and successful commissioning of unit was done in October, 2020 which ultimately resulted in supply of low Benzene content (<1 vol%) environment friendly Gasoline to OMC's. This has also enabled us to decrease/eliminate the dosing of metallic additive in Gasoline and complying the limits given by Government of Pakistan.
- Hydrogen Purification Unit i.e. Pressure Swing Adsorption (PSA), proposed to recover hydrogen and purify it to 99.9% by volume; meeting the downstream processing requirements of DHDS plant. It will enhance the production capacity of DHDS plant.
- The Pressure Swing Adsorption (PSA) construction and installation was completed in December 31, 2019 and the commissioning activities had been completed successfully in March, 2020. Now, PSA is successfully operational.
- The 4<sup>th</sup> turnaround (TA) of PARCO Mid-Country Refinery was carried out successfully from February 1<sup>st</sup>, 2020 to till March 26<sup>th</sup>, 2020. All pre-TA activities began from November, 2019. The plant was handed over to maintenance in February, 2020.



PENEX Plant at PARCO Mid-Country Refinery

- Occupational Health and Safety Management and Environment Management systems in PARCO are fully complied with the National as well as International, standards such as ISO, OSHA, PEQS, NFPA, Pak EPA, API, US EPA and ASTM.
- PARCO has a very comprehensive occupational health monitoring program to manage health of employees exposed to occupational health related risks, for example:
  - Noise control program (covering area noise level monitoring, noise reduction and controls. sign posting, personal exposure assessment, audiometric). Apart from this, noise monitoring is also carried out by third party outside boundary walls so as to ensure communities outside PARCO's facilities remain unaffected.
  - Equipment modification to control noise from recourse by engineering means
  - Dust monitoring program
  - Volatile organic compound monitoring
  - Audiometric testing for noise
  - Employees health management program
- PARCO has recently started VOC Monitoring considering its impact on environment and personal health.
- HAZMAT document has been prepared by MCR HSE for all the chemicals used in the plant and lab. In this regard, a one page MSDS document is prepared for each chemical being used along with the factsheet of all chemicals. This provides a great ease for employees in considering the first aid requirements, handling and storage procedures, environmental aspects, etc.

#### Enhancement of MFM Utilization:

- The pre-commissioning of MFM motor gasoline transportation project has been commenced. The main purpose of the project is to add and modify facilities for receiving, storing, pumping, and delivering Motor Gasoline and make MFM Pipeline suitable for handling and transporting Mogas in batches along with HSD.
- This project was divided into two phases. In the first phase, the existing infrastructure of Kerosene/High-Speed Diesel at MFM stations has been modified for handling motor gasoline. In the second phase, an intermediate pumping station (PS-6) at Kot Bahadur Shah along with additional storage capacities at Faisalabad and Machike are being constructed.
- In addition to the above, the existing Gantry facility at Faisalabad is being expanded with more loading arms. Independent headers have been installed to deliver motor gasoline to OMCs through pipelines in the periphery of TS-3 and TS-4. Transmix tanks along with blending and truck loading facilities have been installed to receive transmix at TS-4 and transport it back to Mahmood Kot for processing in Transmix Process Facility/MCR.

#### White Oil Pipeline Optimal Utilization:

- PARCO's subsidiary company, PAPCO owns 786 km long White Oil Pipeline (WOP), which runs from Port Qasim (near Karachi) to Mahmood Kot, where it ties into PARCO owned 364 km long Mahmood Kot-Faisalabad-Machhike (MFM) Pipeline. WOP was originally designed for crude oil and HSD transportation and is presently being used for the HSD transportation and is operating below its design capacity. For optimum WOP utilization, PAPCO engaged with a reputed third party to conduct techno-economic feasibility study which concluded that Mogas can be pumped along with HSD in batches after necessary addition and modifications in WOP system.
- After completion of Front End Engineering Design (FEED), Engineering, Procurement & Construction (EPC) contract was awarded. Project activities included construction of storage tanks for Mogas along with slop tanks, sump pits, related piping works at PAPCO terminal & pumping stations (WOTS-I, WOTS-II & WOTS-III) and new Gantry facility at WOTS-2 and WOTS-3. Mechanical works have been completed. After commissioning of both above mentioned projects, we will be able to operate our pipeline system to its optimum capacity. After commissioning of both above-mentioned projects, we will be able to operate our pipeline system to its optimum capacity. Also, this would reduce Mogas transportation through tank lorries resulting reduction in heavy traffic on roads/highways and reduce impact on the environment with cost benefits to consumers and improve road safety.

#### Isomerization Unit and MCR Revamp Project:

Isomerization Unit will convert and upgrade Light Naphtha into environmental friendly Benzene free gasoline with reduced sulphur and aromatic contents. This will also have an effect on increased Motor Gasoline production thus will serve as a substitution for imports, and greatly offset the necessity of unnecessarily expensive imported Motor Gasoline. Environmental NOC for construction phase of PENEX and PSA units was successfully achieved in year 2018; now the project is in operational phase.

#### Environmental Impact Assessment (EIA)

PARCO is committed to meeting all EPA legal requirements at all times. Active and detailed Environmental Impact Assessment (EIA) was performed for this purpose by the 3rd Parties approved by EPA for all projects undertaken in PARCO. EIA was conducted for the following projects:

- Capacity enhancement from 100,000 bbl/day to 120,000 bbl/day
- Installation of Penex/Isomerization unit and Hydrogen purification plant.
- White Oil Pipeline Optimization and MFM Pipeline Revamp Project.







# ANTI-CORRUPTION

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



## ANTI - CORRUPTION



Principle 10	BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY		
Our Commitment	PARCO does not allow any form of corruption and monitors its business transactions with internal and external stakeholders to eliminate this malpractice.		
Management Systems	All Corporate Functions		
Actions			
	Corporate Governance	Transactions with Suppliers, Contractors, Service Providers	Elimination of Discrimination
Results			
	<ul style="list-style-type: none"> <li>Compliance with Statement of Ethics and Business Practices is pursued at all levels and locations.</li> <li>All funds, assets, receipts and disbursements are properly recorded in the Books of the Company.</li> <li>Compliance with regulations of the Securities and Exchange Commission of Pakistan.</li> <li>PARCO employees, if found involved in corruption in any form or contravening with any Company Policy on Ethics, Finance, Procurement, HR, Operations or any other function, face disciplinary action. Such deviations can lead to termination of service and are reflected in the employee's performance appraisal.</li> <li>PARCO has IMS, HSE, Environment, Financial, HR and other audits done to ensure compliance with best practices and ethical standards.</li> <li>PARCO has NEVER been involved in any court case related to corporate malpractices or corruption or bribery, etc.</li> <li>We adhere strictly to the internationally accepted Accounting Principles, SECP (Securities and Exchange Commission of Pakistan); the Country's Financial/Tax/Labor/Environment and other national and provincial legislations.</li> <li>PARCO developed and implemented a comprehensive Business Continuity Management Plan (BCP). The scope of the document is to have risk assessment of core business areas, identification of contingencies that can lead to loss of business reputation, credibility, a companywide or a national crisis and resources that need to be mobilized for business continuity while establishing the structure, responsibilities and communication necessary for crisis management. Business Continuity Management is a holistic process that a framework for building organizational resilience with the capability for an effective response. It safeguards the interests of key stakeholders, reputation, brand and value-creating activities.</li> <li>BCP is a documented collection of procedures and information that is developed, compiled and maintained in readiness for use in an incident and enables PARCO to continue to deliver its critical products and services.</li> <li>At PARCO, transparency in all our operations and management systems is considered top priority and ensured at all levels.</li> <li>PARCO has an independent Internal Audit Division that conducts periodic audits for compliance and business process improvements and reports to the Audit Committee of the Board of Directors. This is achieved by bringing a systematic approach to evaluate and improve the risk management processes, making Internal controls robust yet business friendly, and fostering a Good Corporate Governance Process.</li> </ul>	<ul style="list-style-type: none"> <li>Since the commencement of PARCO's operations in 1974, there has been no instance of extortion or bribery.</li> <li>Compliance with the Company's Financial Authority Manual specifying fiscal limits for transactions at various levels and positions.</li> <li>Company Procurement Policy is approved by Board of Directors.</li> <li>Any form of extortion and bribery, given or taken, is a very serious misconduct according to the HR Policy of the company and the concerned employee is liable to be terminated for such misconduct.</li> <li>Separate committees are constituted for transparent and merit-based prequalification, quotations opening, tender opening, etc.</li> <li>Development of Annual Procurement Plan and plans for contractual work and services by external Service Providers which are pre-approved by the Company and subsequently monitored in monthly and quarterly management review meetings.</li> <li>All contracts, business activities, operations, procurement, etc., are subject to Internal and External Audit.</li> <li>To ensure transparency, sealed bids are invited against request for quotations, except for proprietary items.</li> <li>Purchase Orders are issued to technically compliant commercially lowest bidders for procurement.</li> <li>Centralized Procurement with due diligence.</li> <li>PARCO is not allowed to commit any terms and conditions with any Supplier/Service Provider against any law of Pakistan.</li> <li>Payment to any Supplier/Service Provider/Contractor is made after proper inspection by the concerned Department and confirmation of acceptance.</li> <li>The IMS department at PARCO takes periodical feedbacks from different vendors on PARCO's performance and their treatment. Vendor's grievances are heard and dealt with due care.</li> <li>To maintain the transparency of the process, end users are not permitted to have a direct contact with the vendors and contact is only through materials function, prior to award of procurement.</li> <li>In exceptional cases, where it's deemed necessary, price negotiations are carried out by a Committee approved by Managing Director.</li> </ul>	<ul style="list-style-type: none"> <li>Elimination of discrimination during selection of Vendors/Contractors/Service Providers by check and balances against introduction of discriminatory conditions.</li> <li>Pre-qualified Vendors/Contractors list is periodically updated through advertisements placed in newspapers and evaluations based on predetermined criteria.</li> <li>No discrimination is made on basis of gender, religion, caste, origin, etc., while hiring an employee. HR policies are transparent and merit based where there are no influences or pressures as mentioned in Principle 6.</li> </ul>



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