



UN Global Compact Communication on Progress 2020



Pakistan Petroleum Limited



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**United Nations Global Compact
Communication on Progress 2020**

Message from Managing Director & Chief Executive Officer

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

2020 has been an exceptional year for the global community which faced immense socioeconomic challenges posed by the COVID-19 pandemic with a larger footprint on developing countries like ours.

PPL, being a leading national E&P company, played a pivotal role during this challenging time to ensure uninterrupted business operations without compromising on health and safety of staff and contractors as well as its responsibilities towards stakeholder communities and environment. To this end, 90 percent staff at our head office worked from home for over 5 months through effective use of technology and exemplary teamwork and there were no lay-offs. Regular online awareness and capacity building sessions were held for staff together with strict implementation of recommended COVID-19 SoPs. High-risk staff still continue to work from home despite ease in restrictions. This resulted in curtailing the spread of epidemic among employees with 99 percent recoveries ensured through constant support and treatment by our Medical Services department which was also extended to dependents.

Our CSR programme continued to serve deserving communities in these challenging times through ongoing projects in education, healthcare, livelihoods generation and infrastructure development in operational and urban areas. With this, PPL has provided support to hard-hit communities during the pandemic around remote operational areas. Ration bags were distributed to deserving families and Personal Protective Equipment to healthcare professionals in several districts. Similar initiatives were also funded through partners to reach affected communities in urban areas.

The company remains committed to upgrading its processes and carrying out its business in line with international QHSE standards with our assets, departments and facilities certified for ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System.

In recognition of its extensive CSR programme, PPL was once again declared the largest corporate giver in terms of volume of donations for the 15th consecutive year by Pakistan Centre for Philanthropy.

The enclosed Communication on Progress 2020 provides details of our ongoing efforts to align our business practices with the UNGC's 10 principles.

**MOIN RAZA KHAN
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
PAKISTAN PETROLEUM LIMITED**

Principle 1



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



Commitment

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



1 Strategic System for Organizational and Human Development

ACTIONS

Organizational Surveys

Performance

PPL conducts and participates regularly in organizational surveys, enabling the company management to review and adopt best practices from benchmark companies. This proactive approach helps in continuous improvement of systems and procedures.

- ▶ The company participates in various countrywide Human Resource (HR) benchmarking surveys to assess prevailing and emergent trends. The findings enable PPL to align its HR system with leading companies and consolidate best practices already followed by the company.
- ▶ The findings of a recent employee engagement survey indicated that there was a need to improve the existing Performance Management System. To this end, PPL has implemented a new Performance Management System (PMS) together with a new SAP solution SuccessFactors. SAP SuccessFactors has been implemented to make performance appraisal effective due to its user-friendly operation and capacity to integrate various modules as well as configure / automate PSM features without customizations.
- ▶ PPL won the prestigious Global Diversity and Inclusion Benchmarks (GDIB) Awards 2020 in three categories of recruitment, benefits, work-life, integration and flexibility' and 'job design, classification, and compensation'. These awards are organized by The Centre for Global Inclusion, USA in collaboration with Diversity Hub Pakistan - HR Metrics
- ▶ Conducted 'Human Resources Open Days' at all field locations to improve communication and address staff issues and suggestions.

Capacity Building

Performance

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

- ▶ In view of changing industry context and company needs, discipline-wise skills matrix has been updated for staff since early 2018 to include those skills that are needed to meet new

strategic objectives.

Subsequently, the matrix has been translated into annual training plans for technical and non-technical functions through consultation with line managers.

- ▶ In line with annual training plan, in-house and public training sessions were arranged for staff at all levels. To this end, a total of 41 in-house training programmes were held, which included 19 sessions facilitated by foreign trainers in the core technical/professional areas. Moreover, Annual Assets and Exploration conferences were organized to review and plan exploration and operational activities. In addition, 35 in-house trainings were held in soft, technical and quality, health and environment to enhance competencies of non-management staff members. In wake of COVID-19 outbreak, training activities were carried out through online sessions using, Zoom and MS Teams applications. A total of 18 online trainings have so far been arranged for both management and non-management staff. PPL's e-learning portal, in collaboration with International Human Resource Development Corporation (IHRDC), continues to offer more than 1500 online courses for staff to augment the capacity building efforts.
- ▶ PPL's on-the-job Trainee programme is offered to aspiring young professionals to provide them with opportunities for learning and development, improving employability and developing talent pipeline aligned with the company's strategic and operational requirements. The second batch of 35 Associates were inducted in July 2017 for a two-year on-job training programme. Among these, 21 associates were offered regular employment based on their performance and available vacancies. Training period of

the remaining 14 associates was extended for one year due to unavailability of suitable vacancies.

- ▶ PPL has a defined Leadership Competency Framework to achieve superior performance through effective and strong leadership. Senior management's capacity is developed in these competencies to enable them to consistently perform and deliver better results. In the long-term, this framework also helps build a succession pipeline in preparing the next generation of leaders for the company.
- ▶ In order to strengthen the leadership pipeline and nurture in-house talent for senior positions, a leadership development framework has been developed comprising aspects related to oil and gas industry knowledge, financial acumen, effective communication and leadership.
- ▶ Posting of staff between fields and head office, on a rolling-basis, has been streamlined. Also, regular lateral staff rotation within head office has assisted employees in diversifying their learning and assisted company to benefit from their experiences.
- ▶ PPL has a Technical Management Centre that subscribes to leading industry journals as well as other resources to keep staff updated with the latest trends and use of technology in the Exploration and Production sector.
- ▶ Current reading material, including newspapers, magazines and periodicals are provided to keep staff updated on latest trends and information.
- ▶ The company's monthly newsletter *Progress*, now in its 65th year of publication regularly reports on company activities and industry related news. The Urdu version of *Progress*, initiated in January 2011, reaches to staff and stakeholders who are otherwise not able to get first-hand information due to language barrier.
- ▶ Staff is kept updated on company activities through posting photographs of various corporate events on intranet portal. Besides, press clippings on oil and gas and energy sectors from leading newspapers are posted daily on the portal and circulated to senior management and Board of Directors.

2 Industrial Relations and Employees

ACTIONS

Fair Investigation Procedures

Performance

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

- ▶ The company has an effective policy for redressal of staff grievances, if any.
- ▶ Based on laws relevant to its various locations, PPL follows the Standing (Orders) Ordinance 1968 for official reprimand of staff.

Benefits

Performance

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

- ▶ In line with Companies Profits (Worker's Participation) Act 1968, PPL contributes five percent of its net profit to the Workers Participation Fund.
- ▶ PPL follows the Employees Old Age Benefits (EOB) Act 1976, contributing five percent of minimum basic salary to EOB institutions with employees' participation of 1 percent.
- ▶ The company pays Statutory Bonus under Section 10-C of the West Pakistan Industrial and Commercial Employment (Standing Order) Ordinance 1968 as well as Annual Settlement Bonus to non-management staff.



- ▶ Annual Leave Fare Assistance is given to non-management staff in addition to monthly remuneration.
- ▶ PPL also extends loans to staff for house construction/ renovation and purchase of home appliances and vehicle.
- ▶ The company offers 13 annual scholarships to children of permanent non-management staff, with four scholarships for post-intermediate and professional and 9 for post-matriculation education.
- ▶ Free bachelor accommodation along with necessary utilities is given to field-stationed staff.
- ▶ Gratis *Hajj* and *Umrah* facilities are provided to workers.
- ▶ PPL provides pick-and-drop transport facility to women staff.
- ▶ The company provides a nutritious and balanced lunch facility for management staff and women employees at head office and fields.

Employee Recognition

Performance

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

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

Healthy Entertainment for Employees

Performance

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

- ▶ PPL encourages sports among employees and regularly organizes events such as annual inter-location cricket tournaments and in-door games to engage staff at head office and fields in healthy recreation. Besides, the company has teams for various sports such as cricket and table tennis that participate in contests/ matches with other organizations.

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

Preventing Forcible Displacement of Individuals

Performance

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

Employment Policy for Handicapped and Disabled People

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



3 Employee Safety and Security

ACTIONS

Safe Working Conditions

Performance

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

- ▶ To ensure safe plant operations and proactively avoid incidental environmental releases, Process Safety Management (PSM), based on OSHA (Occupational Safety and Health Administration Series) 3132 principles, have been implemented in line with a comprehensive PSM benchmarking study undertaken by DuPont earlier.
- ▶ For this, PPL used three core dimensions for implementation: leadership, culture and values; competence and information / hazard analysis. To this end, leadership workshops were organized, competence framework was developed, procedures strengthened and hazard identification and hazard & operability studies completed across the board as key deliverables.
- ▶ Process Safety training, including risk-based PSM, IIRMS-certified PSM implementer, IOSH managing safely ERP for confined space and gas leak and process safety event reporting, continued in the reporting period both at head office and fields
- ▶ Moreover, QHSE prepared a strategy to shift from DuPont Assessment to Center for Chemical Process Safety (CCPS) model. To this end, market survey was carried out and work contract was awarded through international tender. The study is to be initiated. For now, PPL is considering to implement the revised strategy through its own model.
- ▶ PSM elements incorporated in newly developed Operational Risk Management System roll out and gap analysis/ assessment planned in 2020-2021.
- ▶ The available indicators for Process Safety Performance are available, monitored and reported at field and corporate level. However, deliberations initiated on defining Process Safety Performance Measurement Metrics at Enterprise level for concise reporting to the PPL Board
- ▶ PPL continues to ensure contractors' safety through various pre-emptive measures, including pre-mobilisation workshops, pre-spud meetings, audits and placement of additional QHSE human resource on seismic and drilling sites.
- ▶ For monitoring progress on health and safety measures, especially at fields and facilities, senior management regularly undertakes Safety Observation & Feedback Tour Audit of assets/ locations beyond the set target.
- ▶ Use of personal protective equipment (PPE) and clothing continue to remain enforced for staff safety during at work according to the nature of the job as well as for personal safety during the COVID-19 pandemic.
- ▶ Safety alerts and travel advisories are regularly sent to employees.
- ▶ Security passes are compulsory for PPL employees at the head office and field locations.
- ▶ Safety and fire drills are regularly conducted as per Health, Safety and Environment (HSE) requirements at head office and all field locations.
- ▶ HSE awareness and training sessions are regularly held. To further focus on increased understanding and improvement in the use of safety procedures, a specialized mandatory training campaign for all staff is in place to build capacity in fulfilling basic QHSE protocols, including firefighting, incident investigation and reporting, defensive driving, firefighting and first aid, over the period of four years.
- ▶ 'Hazard Identification, Risk Assessment and Management' processes are shared with staff for compliance. Field-based QHSE representatives provide training for conducting risk assessment of routine and project activities.
- ▶ Head Count System in the form of T-card is implemented at all PPL fields, drilling sites, regional office in Islamabad and West Wharf as a quick and accurate estimation of personnel's location at various sites.
- ▶ Lost Time Injury Frequency (LTIF) has been on a decline over the years due to PPL's commitment to PSM and implementation of QHSE procedures. LTIF of the company remained 0.20 during the reporting period.



Employee Safety during COVID-19 Pandemic

Performance

In the wake of the COVID-19 pandemic, PPL has taken special measures to ensure safety of employees as well as contractors to restrict the spread of virus while keeping the momentum on for the supply of hydrocarbons to the country. The company is also actively involved in reaching out to employees and their dependants who have suffered from the disease. Since March 2020, the following key initiatives were undertaken by PPL at head office and all field locations to restrict the spread of COVID-19 infection. Some of these were reversed such as field rotations when the first COVID-19 wave subsided:

- ▶ Awareness sessions: staff awareness raising sessions (classroom-based and online) have been organized at head and regional offices as well as field locations, starting January 2020, well before the onset of wide spread of disease in the country together with sending out alerts to all staff through company portal. Besides, live webinars were also organized for staff with health experts, including 'Ask Your Questions' session with Aga Khan University Hospital experts for company staff. Moreover, focussed group sessions, especially for staff at risk, including security guards, food handlers and drivers, are conducted to provide hands-on-training to ensure their safety as well as of others from COVID-19. Posters, standees and other awareness raising material has been placed at all offices and field locations for staff, contractors and others entering PPL premises to take precautions and minimize the spread of infection.
- ▶ Work from home: head office-based staff was encouraged to work from home except those who were essentially required at office for executing critical task. For this, IT infrastructure support was provided to all employees, including required software and MS Teams, enabling them to seamlessly work from home and coordinate with colleagues. So far, high-risk staff still work from home when other staff resumes onsite work as per the government guidelines.
- ▶ Access control at PPL offices: All employees/ contractors staff visiting PPL offices are only allowed to enter the premises for essential tasks. In this case, they are required to fill out a self-assessment questionnaire about their health. Further, temperature screening is done at the entrance for all those entering PPL premises. Wearing mask is mandatory for staff/ contractors together with sanitizing hands for which a hand sanitizer are provided at the entrance as well as throughout the office premises. If any staff/ visitor seems to have COVID-19 symptoms, they are denied entry to PPL offices in order to prevent the spread of infection to others.
- ▶ Field Reception: Safety briefing, including that on COVID-19, is provided to all visitors, including contractors and rotation staff, in order to enforce precautions to minimize the spread of virus.
- ▶ Field rotation cycle: The rotation cycle for field-based staff was extended from 21 to 36 and stretched to 42 days to minimize local transmission and transport risks. All employees, contractors and drivers are screened remotely before initiating their journey to PPL fields/ location and drilling sites. Besides, they are also examined upon arrival to field location to ensure unnecessary exposure of field staff infection. Vehicles utilized for movements are also disinfected pre- and post trip as part of the well-defined Journey Risk Management plan.
- ▶ Any staff member at field location/ office who develops fever, upper respiratory tract infections such as cough or difficulty in breathing are required to report their condition to company doctor.
- ▶ All delayable/ non urgent visits/ engagements are deferred that involve other PPL office staff/ contractors / visitors at locations
- ▶ All staff are updated through company portal on the number of new cases as well as recoveries on daily basis with re-assurance on the best possible care taken by the management.
- ▶ The following are the key controls implemented across PPL with guidelines. These are also highlighted/ reinforced through charts, standees and banners displayed throughout office premises:
 - Temperature screening (for fever) and use of face mask is mandatory for all entrants. Wearing of face masks is also required for visiting common areas.
 - Relocated staff workstations are to maintain required social distance. However, for staff whose workstation are in close vicinity to others are mandatorily required to wear face mask at all time
 - Ventilation in offices is increased to allow entry of fresh air
 - All non-essential movements in the office premises or in field operation areas during

and after duty time are restricted. Moreover, recreational areas and TV lounges remain closed as well as in head office

- Preventive personal care is continuously enforced through awareness raising, including:
 - Coughing/ sneezing into tissue paper or in elbow, followed by washing/ sanitizing hands
 - Maintaining social distance of 6 feet during conversations and 3 feet in a queue while shaking hand and crowding remains strictly prohibited
 - Meetings and discussions are advised to be held through telephone and MS Teams. Only under unavoidable circumstances these may be held in rooms while maintaining at least 6 feet distance (in all directions) between participants with all wearing face mask throughout the meeting
 - Hand washing/ sanitizing hands is encouraged before moving to workstations each time. Frequent hand wash/ sanitizations is promoted throughout the day by following WHO handwashing technique. Avoid touching eyes, nose and mouth
 - Social distancing and ventilation are enforced in dining areas at field locations
- Strict compliance of road transportation requisites as per 'Field Staff Changeover Protocol' and corporate procedure on 'Road Transport Management System'
- Smoking is only permitted in the designated areas while maintaining social distance of more than 6 feet with other smokers. As such, smoking makes one more vulnerable to contracting COVID-19
- Regular cleaning and disinfecting frequently touched surfaces at offices such as doorknobs, handles, tables

Employee Travel Safety

Performance

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

- ▶ A comprehensive framework is introduced on Road Transport Safety (RTS) which focuses on passenger safety with basic guidelines on hydrocarbon transport.
- ▶ Detailed gap assessment criteria developed in line with RTS framework and implemented at fields and offices.
- ▶ Journey management plan is strictly followed for staff travel to and from fields to ensure safety and avoid accidents.
- ▶ Behavioural monitoring of drivers and passengers is focussed to improve Journey Risk Management plans and developing base stations.
- ▶ Any unsafe driving practices, travel route issues, vehicle or employee complaints regarding transport are reported to Administration Department for necessary countermeasures.
- ▶ All company vehicles are regularly inspected for fitness/ tuning/ service at designated workshops/ garages.
- ▶ Wearing seat belts is mandatory for company transport drivers and employees using company vehicles. A policy is in place to bind staff to wear seat belts.
- ▶ All PPL employees are insured while travelling locally, domestically or internationally.
- ▶ Use of mobile phones is prohibited while driving company vehicles.
- ▶ First aid boxes, fire extinguishers, safety cones, toe chain/ stop are placed in all company vehicles.



- ▶ Road Transport Safety guidelines are prepared to further emphasize company's focus on safe road travel.
- ▶ Driving Safety Handbook has been introduced at PPL drilling sites.
- ▶ Comprehensive QHSE evaluation criteria as well as contractual clause(s) developed to improve transportation of crude oil/ condensate, LPG & NGL from Adhi, Nashpa, Gambat South, Mazarani & Dhok Sultan besides, HSD & MS transportation across PPL fields.
- ▶ The management is on board that 'risk transfer' approach by parent companies to hold contractors and subcontractors solely responsible for incident management and compliance of laws, regulations and standards is not enough
- ▶ Risk card generated at the company level, including risk litigation plan
- ▶ Reviewed legal & regulatory requirements as well as international standards (ADR 2018) and awareness campaigns held at select fields, head and Islamabad offices
- ▶ Incident Analysis performed through VEHS software

4 Health

ACTIONS

Healthy Environment for Employees

Performance

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

- ▶ Periodic check-ups are carried out for fire extinguishers, fire alarms and sprinklers at all field locations.
- ▶ Kitchen hygiene and inspections are a regular feature along with medical screening of food handlers.
- ▶ Compliance assessment of Occupational Health Protocols have been completed at Sui, Gambat South, Kandhkot, Adhi and Hala through independent consultant

Basic Health Facilities

Performance

PPL extends a comprehensive health plan and medical policy to employees and their families.

The company has qualified doctors for providing medical consultation and treatment at head office and field locations.

- ▶ The company provides medical assistance to all employees, including their immediate family, and pensioners as per medical policy. The company also provides parental medical facility to management staff.

- ▶ In the wake of COVID-19 pandemic, special arrangements have been made for testing of suspected patients and dependents. Medical leaves are granted for entire duration until recovery for all employees. Moreover, work from home facility is provided to all head office and Islamabad-based employees.
- ▶ PPL maintains a city clinic in Karachi, providing services throughout the day and on weekends to ensure easy access for employees and their families. Besides, PPL has a full-fledged hospital located within the SGF premises. At other company fields and locations, Kandhkot, Adhi, Mazarani, Adam, Gambat South and Dhok Sultan, proper arrangements for emergency medical care are in place.
- ▶ The company has initiated hospitalization facility through insurance services in order to further facilitate the process for employees and their dependents
- ▶ PPL follows the Factories Act - 1934, Mines Act - 1923 and Oil and Gas (Safety in Drilling and Production) Regulations -1974, which include employee personal hygiene, environment, emergency medical assistance and periodic medical check-ups.
- ▶ Health awareness sessions are regularly conducted by company doctors and guest consultants for informing and updating staff on preventive measures and treatment of common diseases and outbreaks.
- ▶ Ex-gratia payments are made to staff in case of prolonged sickness.
- ▶ Clean drinking water is provided to staff at all locations.



5 Corporate Social Responsibility

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

The company spent over Rs. 1.753 million for CSR initiatives during July 2019 to June 2020, which is over and above its minimum commitment.

ACTIONS

Education

Performance

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

- ▶ The company has been providing quality education to children of staff and locals at Sui Model School (SMS) since 1957. SMS was upgraded to a girls' college in 2009. Currently, the school caters to nearly 3000 local boys and girls, including 100 at the college who also benefit from additional teaching and learning resources through e-learning facility.
- ▶ The Computer Training Centre and Library at Sui established in 2010 continues to be operated by Kalsoft, an Information Technology company. So far, nearly 1190 locals have been trained in basic and advanced certificate courses. Besides, over 855 residents are registered library users
- ▶ The company provides free-of-cost transport facility to students of Taaleem Foundation Grammar School (TFGS) and Federal Government Public School (FGPS), Sui. Besides, PPL has extended infrastructure and in-kind support to both schools since inception. Three family quarters for teaching staff were constructed and furnished at FGPS with an input of nearly Rs.10 million.
- ▶ PPL regularly provides the following scholarships for local students residing around its operational fields to enable them to acquire quality education at renowned institutions:
 - Higher Professional Education Scholarship (HPES) scheme was initiated in 2005 to support both boys and girls in District Dera Bugti to pursue education in reputable institutions across the country. The scheme was extended to include local students around PPL's operated producing assets in districts Kashmore, Kamber-Shahdadt Kot Sanghar and Matiari during 2009 and more recently to Union Council Dakhnair & Chhab, Tehsil Jhand, District Attock in 2020. To date, HPES has benefited approximately 400 students.
 - Four-year scholarship programme offers 40 annual scholarships for students of grade IX to XII from Balochistan to study at reputed educational institutions across the country. Starting 2011-2012, nearly 300 students have benefitted from the scheme.
 - The company has extended 100 scholarships for students of FC College Sui (previously known as Balochistan Public School). With an annual cost of Rs. 2.5 million, the scholarship enables 10 deserving girls and boys each from grade 1 up to 10 to study free of cost education. PPL has also contributed Rs. 15 million towards construction of a FC Girls college. Earlier, a separate building was constructed for incoming girl students at BPS with PPL's support of Rs. 20 million.
 - 30 scholarships are extended at a cost of Rs. 2.5 million annually for hearing challenged students from Matiari and Sanghar districts in Sindh to study at Family Education Services Pakistan which has enabled them to study free of cost.
 - PPL has also introduced a scholarship scheme to encourage local girls students of Sui Model School and Girls College to take up studies in medicine at HEC-recognized medical colleges across the country. So far, two girls have secured the scholarship award.
- ▶ The company regularly covers operational expenses of its two adopted schools in District Kambar Shahdadt Kot, Sindh.
- ▶ PPL established and operationalized three primary schools in Kandhkot in partnership with The Citizen's Foundation in 2011 with an input of Rs. 83 million for which an endowment fund was created. One of the campuses have been upgraded to a secondary school. To date, over 700 students, both girls and boys, are enrolled at these schools.



- ▶ To strengthen academia-industry partnership and promote research and development in disciplines relevant to the industry, the company has established chairs at prominent universities. PPL Chair in Petroleum Engineering is operational at Mehran University of Engineering and Technology (MUET), Jamshoro. PPL has allocated about Rs. 50 million for PPL Chair at MUET.
- ▶ PPL continues to provide operational expenses of Rs. 5 million annually for Virtual University (VU), Sui campus, a first online higher education facility, in Sui, Dera Bugti, established earlier by PPL with an input of about Rs. 20 million. The VU campus is equipped with an advanced computer lab comprising 32 systems and an 8-MB fiber optic value-added network providing online courses leading to a bachelors, masters and doctorate in a host of disciplines. Currently, over 100 students are studying at VU Sui campus which is being run by Taaleem Foundation.
- ▶ The company continues to support education of 10 deserving students at Quaid-e-Azam Rangers Special Children School, Karachi in the fourth year with a commitment to cover their education over a period of 10 years until they complete their matriculation with a donation of Rs. 3.6 million.
- ▶ PPL provided Rs. 3.821 million to Tehzibul Akhlaq Trust for

extending free-of-cost quality education, including boarding, lodging and academic expenses, to 18 students hailing from Balochistan for one academic year in 2020 at Aligarh Public School and College, Manga, Lahore

- ▶ In 2020, PPL extended support to Saran Educational Trust for expansion of its Gwalior Society Campus, Karachi with a donation of Rs.1 million for education of children coming from underserved communities in urban areas.

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

Institutions/ Initiatives	Spending during April 2019- June 2020 (Rs. in millions)
Support for annual school Mela at St. Joseph's Convent School	0.15
Akhwat under its 'Sponsor a Student' programme at NJV school for six students	0.302
Mehran University of Engineering & Technology – Petrotech 2019	0.3
Constructed Examination Hall at Government. Boys High School, Dhoong	6.1
Constructed academic block of three classrooms at Government Girls Primary School, Chechi Noor	4.6
Constructed academic block of two classrooms at Government Boys Middle School, Usman Zada Adra, Punjab	3.2
Constructed one classroom with verandah at Government Girls High School, Dhoong	1.5
Constructed one classroom with verandah at Government Girls Model Primary School, Chak Naban	1.5
Constructed sanitary facility at Government Girls High School, Dhoong & Government Boys Primary School, Mastala	1
Constructed sanitary facility at Government Girls Elementary School, Adhi	0.62
Provision of furniture to Government Schools around Adhi Field	1
Provision of furniture to government schools around Dhok Sultan Field District Attock	0.62
Provision of school bags to students of local schools around Dhok Sultan Field, District Attock	0.58
Scholarship for three students to obtain Masters in Geology at COMSATS University Islamabad	0.84
Annual Donation for Shaheen KG School for purchasing fixture and furniture for classrooms, Sheikhpura	0.05
Construction of Indus Resource Centre -Sojhro School, including classroom and veranda in Goth Tando Masti Khan, Taluka Gambat, District Khairpur	0.73
Establishment of library at District Bar Council Kandhkot, Sindh	1
NED University of Engineering & Technology for International Conference (AMPE 2019)	0.3



Healthcare Initiatives

Performance

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

- ▶ PPL runs Sui Field Hospital (SFH) since 1964. In addition to PPL staff and those of partners, SFH provides free-of-cost medical facilities to a number of local patients. SFH is equipped with latest medical facilities, including a 24-hour emergency ward to cater to trauma and accident patients. During 2019-20, over 8000 in-patients were treated and more than 800 surgical procedures carried out at SFH, of which 42 percent had no connection with PPL.
- ▶ Fully-equipped mobile medical dispensaries (MMD) regularly visit more than 70 villages/ locations around Kandhkot, Mazarani and producing fields of Hala and Gambat South on a weekly/ bimonthly basis to provide free-of- cost consultation and treatment to resident communities. PPL also uses e-monitoring software to review MMDs impact and its staff performance. The three MMDs have jointly benefitted nearly 90000 patients during 2019-20.
- ▶ The 50-bed Public Welfare Hospital (PWH) was constructed, furnished and equipped by PPL at a cost of over Rs. 350 million on land provided by Government of Balochistan in Sui Town. The out-patient department caters to over 200 patients on a daily basis. PWH has necessary facilities, including gynaecology and obstetrics, emergency, operation theatres, laboratory and pharmacy. PPL annually contributes for various operational activities, including consultants' fee, repair and maintenance and facilitation for in-patients. To this end, about Rs. 400 million has been provided since 2013-2014, including Rs 150 million for purchase of necessary equipment. The GoB operates the hospital under the supervision of an independent Board of Governors
- ▶ PPL organizes bi-annual free-of-cost surgical eye camps around its operational fields in partnership with Al-Shifa Trust Eye Hospital. Each camp benefits about 2000 patients for testing and provision of glasses with nearly 200 patients undergo onsite cataract surgery.
- ▶ PPL has adopted Marie Adelaide Leprosy Centre's Triple Merger Centres (TMC) at Turbat, Balochistan and Kandhkot, Sindh since 2005. The company provides annual operational expenses of these centres at a cost of nearly Rs. 3 million each. Besides, PPL established ophthalmic operation theatre at TMC Kandhkot, which is now renamed as Dr. Ruth Pfau MALC Health Center" (DRFHC) in recognition of Dr. Ruth Pfau's noble services for the country, at a cost of Rs.8.5 as well as provided operational cost for the theatre at Rs. 3.5 million. More recently, DRFHC also started mother and child healthcare and postnatal services due to prevailing need in the area, which is also supported by PPL. TMC Turbat's Blindness Control Programme caters to over 12000 residents annually through diagnostic and surgical. During 2019-20, these centres treated about 14400 ophthalmic, 114 tuberculosis, 6 leprosy patients together with screening of nearly 450 contact family members and school going children each for leprosy and eye diseases. Besides, these centres provided consultation to over 6600 patients for skin diseases and 12000 for other health issues, including COVID-19 related treatment.
- ▶ The company has extended support for construction of a mother and child facility at Shahdadpur Institute of Medical Sciences, Shahdadpur along with provision of equipment & furniture at a cost of Rs. 9.5 million. The facility is being developed around company's producing assets of Gambat South Block.
- ▶ The company continues to provide free-of-cost treatment to local patients through a dispensary, earlier constructed and furnished by PPL, in Mastala, near Adhi Field in 2007. A female doctor is deputed by PPL to cater to the healthcare needs of local women. PPL annually provides Rs 3 million for operational expenses, including medicines to the dispensary that provides free-ofcost consultation, treatment and medicine to over 6000 local patients annually.
- ▶ The company donated a Phacoemulsification Machine to Al-Shifa Eye Trust Hospital, Rawalpindi at a cost of 5 million in 2019 and another one to its Sukkar based hospital in 2020 with similar cost. PPL and implementing partner ASTEH have been organizing bi-annual free-of-cost surgical eye camps for local communities around the company's producing fields.
- ▶ PPL has been supporting Basic Healthcare Units (BHU) around its operational areas during the last two decades in terms of donation of equipment and construction and renovation of facilities. To this end, the company recently donated nearly Rs. 2 million for rehabilitation of BHUs in Dhong



and Sukkho near Adhi Field in Tehsil Gujjar Khan, District Rawalpindi.

- ▶ Over the years, PPL has been supporting Sindh Institute of Urology and Transplantation (SIUT) for treatment of patients, expansion of facilities and provision of equipment. More recently, PPL donated Rs. 10 million to SIUT in 2020 for purchase of a lithoclast machine for kidney stone surgeries.
- ▶ The company donated Rs. 5 million to The Kidney Center in 2020 for purchase of three dialysis machines for their Karachi Centre in line with its long partnership with PPL for providing quality healthcare services to deserving communities.
- ▶ PPL has been supporting Murshid Hospital and Healthcare Center (MH&HC) since 2013 for various facilities. During 2019-20, the company provided Rs. 5 million for a new Medical High Dependency Unit along with necessary equipment to provide health services to patients predominantly belonging to local under-privileged communities, especially from Balochistan due to its proximity to the area.
- ▶ PPL provided a donation of Rs. 4.86 million to Karwan-e-Hayat (KH) during 2019-20 to support operations of a 9-bedded ward at its 100-bed hospital in Keamari, Karachi. The company has been supporting KH since 2002, a non-profit welfare organization established in 1983, that provides treatment and rehabilitation services to underprivileged mentally challenged patients.
- ▶ PPL has been supporting Koohi Goth Hospital (KGH) since 2010 that provides obstetrics and gynaecology services, free-of-cost to disadvantaged women, especially fistula patients with urology diseases due to childbirth complications, mostly from Sindh and Balochistan. More recently, PPL donated Rs 8.641 million during to KGH for purchase of 10 infant incubators for its 24-bed Neonatal Intensive Care Unit.
- ▶ PPL donated Rs.10 million to Lady Dufferin Hospital (LDH) in 2019-20 for purchase of a laparoscopy machine and Rs. 9.02 million in 2018 for purchase of medical equipment and sterilizer. LDH is one of the largest reputable maternity

hospitals in Pakistan established in 1898. The hospital provides services for free or on subsidized rates for those who cannot afford treatment.

- ▶ The company provided Rs 5 million to Healthcare and Social Welfare Association, a nonprofit organization that operates an Artificial Limb Center, in Karachi to continue their operations to benefit disadvantaged patients with free-of-cost services for provision of prosthetic legs and callipers.
- ▶ PPL extended support to marginalized communities around its operational areas during COVID-19 pandemic through district administration. To this end, PPL Board of Directors approved Rs. 10 million to provide ration to hard-hit communities as well as personal protective equipment, including facial masks and sanitizers, for healthcare professionals around remote districts surrounding PPL producing fields and exploration sites.
- ▶ To support viable community healthcare projects and services, PPL has provided donations/ sponsorships to the following institution:

Institutions/ Initiatives	Spending during April 2019- June 2020 (Rs. in millions)
Dowites 78 Operation Theatre Complex for purchase of a suction machine and multi-parameter patient monitor	0.935
Patient Aid Foundation to support its operations	0.9
Al-Shifa Eye Trust Hospital, Sukkur for accessories of Phacoemulsification Machine	1.5
Construction of two rooms, baths, veranda and a boundary wall at Rural Health Centre, Pazza, District Kohlu, Balochistan	1.0
Donation for Cancer Patients at Taluka Hospital, Kandhkot	0.70
Pink Ribbon Pakistan for Breast Cancer Hospital in Lahore	0.5
DC, District Chakwal for disposable face mask for local community	0.17



Enhancing Livelihood Opportunities

Performance

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

- ▶ The company set-up a Women Welfare Centre in Sui in 2006 to provide skill learning opportunities for local women. The centre trained over 400 local women until 2015 when it was shifted to a purpose-built facility. Developed at a cost of nearly Rs. 32 million within TFGS premises, the Vocational Training Institute (VTI) provides training to both women and men with access to market. VTI commenced formal operations in April 2017. The company provides operational costs since inception at about Rs. 4 million per year. VIT is run by Taaleem Foundation. Since inception, 140 trainees, including 43 women, have been trained by VTI in four batches and certified by Trade Testing Board -Balochistan. Of the 140 passed out students, 64 trainees did dressmaking, 49 were trained in operating computer while 27 completed the course in computer graphics. Most of these passed out trainees are self-employed now.
- ▶ PPL provides scholarship to local youth around producing assets to study at The Hunnar Foundation – recognized by City and Guilds United Kingdom – for a 6-month diploma in vocational training. Starting off with Sui-based students, the company with an input of Rs. 26 million during the last six years, enabled over 100 youth belonging to districts Dera Bugti, Sanghar, Matiari and Kashmore to get trained through the accredited diploma programme that has also opened up options for them to seek international employment.
- ▶ Started off as Women Vocational Training Centre in Mastala near company's Adhi Field (AF) in 2011, PPL-Behbud Industrial Home(PPL-BIH), Adhi is one of the leading success

stories of PPL CSR initiatives which has become self-sustainable over time. PPL-BIH was established to facilitate local women in increasing their income potential almost a decade ago. The industrial home is run by Behbud Association of Pakistan (BAP), a non-governmental organization. Initially BIH provided training in cooking, stitching, embroidery and dress making trades besides adult literacy. Later, in line with the interest of participants, focus was given to stitching, embroidery and dress making. More recently, computer training and production of leather goods have also been added to the skill training for which PPL has provided an additional input of Rs. 3 million for equipment and fixture. During the last nine years, over 1000 local women have been trained by the centre through six-month – year long certificate courses. These include over 700 trained local women who are engaged by BAP to generate regular income through dress making and carrying out traditional embroidery on dresses sold at Behbud-run outlets without engaging a middleman.

Institutions/ Initiatives	Spending during April 2019- June 2020 (Rs. in millions)
Aaghosh Trust for 4 th Aaghosh special Talent Awards 2019, Karachi	0.10
Petroleum Institute of Pakistan ADIPEC 2019	2.19
Pakistan Association of Petroleum Geoscientist PAPG-ATC Oil Show	1.15
Petroleum Institute of Pakistan Oil & Gas Conference 2019	1
Distinguished Secretaries' Society of Pakistan for 48 th Annual Gala 2019	0.20



Infrastructure Development

Performance

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

- ▶ The 33-km road from Indus Highway to Haibat Bridge, a main arterial link route for locals residing in remote rural areas of District Kashmore, has been built by PPL over the last five years between 2015 and 2020 with an overall cost of over Rs. 250 million. During the first phase about 8 km road was constructed, including reconditioning of adjacent existing arterial roads, from Indus Highway to Punhal Golo village during 2015-16. During the second and third phases between 2018-2020, nearly 25.5 km of new road from Indus Highway to Melap Stop and Akram Bajkani Village up to Haibat Bridge which also includes its reach to PPL-TCF school, Bajkani Campus, was constructed to replace kacha tracks at a cost of approximately Rs. 200 million.
- ▶ A PCC road was constructed from Wak Gas to a dispensary at Mastala, near Adhi Field has been reconditioned at a cost of Rs.1.64 million. PPL has built the dispensary earlier and provides its operational cost together with medicines.
- ▶ A small dam was constructed near Dakhnir, District Attock at a cost of nearly Rs. 1 million.
- ▶ PPL provided Rs. 1 million for construction of Community Centre / Masjid, at Pazza, District Kohlu, Balochistan.
- ▶ A 3-km road was re-conditioned from Nawabshah road to Dost Mohammad Khoso Goth, District Sanghar at a cost of Rs. 6.89 million
- ▶ PPL took up construction and installation of 34 water supply schemes across Pakistan during 2019-20. These schemes are located in districts Shaheed Benazirabad, Naushahro Feroz, Kashmore, Sujawal, Lasbela, Awaran, Hyderabad, Jamshoro, Washuk, Kalat, Lakki Marwat, Dera Ismail Khan, Khuzdar and Attock. Among these, five schemes were completed and handed over to locals for operations at tehsil Dureji, District Lasbela, two reverse osmosis (RO) plants one each at District Hyderabad and District Naushahro Feroz and two at District Kalat. Moreover, RO plants are installed at village Fateh Muhammad Punjabi, District Naushahro Feroz and village Qasim Panhwar, UC Bohiki, District Hyderabad.
- ▶ In early 2020, PPL completed installation of a 30-kilowatts water pumping solar system along with a 30000 gallons storage tank and water pipeline transmission and distribution network at Nichara town, a valley nearly 55 km away from Kalat town, facilitating around 6000 residents.
- ▶ PPL provides free-of-cost gas and water supplies to over 90000 residents of Sui town and villages around SGF. An average of 3 MMscfd free gas and nearly two million gallons of drinking water is pumped daily to Sui town at an annual cost of about Rs. 750 million and Rs. 200 million, respectively.
- ▶ To provide free-of-cost potable water to over 3000 residents of Ghaibi Dero town and its surrounding villages near Mazarani Gas Field, District Kamber Shahdadkot, Sindh, PPL runs a water supply scheme using a bowzer facility since 2010 at an annual cost of about Rs. 3 million.



Social Welfare

Performance

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

- ▶ PPL won the Pakistan Corporate Philanthropy Award instituted by Pakistan Centre for Philanthropy for 15 consecutive years from 2004 to 2018 as the largest corporate giver in terms of volume of donations.
- ▶ The company organized 3rd PPL Blind Cricket Championship 2019 — PPL Blind Cricket Super League in collaboration with Pakistan Blind Cricket Council at Karachi.
- ▶ PPL, as part of its urban donations programme, partnered with reputable organizations to reach deserving families hard-hit by COVID-19 pandemic. Saylani Welfare International Trust, Orange Tree Foundation and Dawood Global Foundation for Ladiesfund were supported for ration drive for affected families and daily wagers with a collective input of Rs. 1.5 million. Besides, the company also extended Emergency relief to district administrations at a cost of Rs. 5.74
- ▶ The company continues to conduct impact analysis of its CSR projects around its producing fields

To support organizations providing welfare services, enabling neglected societal segments to prosper and promoting environmental and cultural values, PPL has given generous donations to the following:

Institutions/ Initiatives	Spending during April 2019- June 2020 (Rs. in millions)
Behbud Association of Pakistan Rawalpindi for Behbud Book: Embroidering dreams	0.40
Foundation Art Divvy for programming event showcasing work exhibited at Pakistan Pavilion of Venice Biennale	0.78
Hashoo Foundation for annual autumn ball	0.50
PPECA for CSR magazine	0.50
The Institution of Engineers Pakistan for National Seminar on OHS	0.3
Lady Dufferin Hospital for fundraising golf tournament	0.5
Habib University Foundation for fundraising sports olympiad	0.1
Young Men's Christian Association for 114 years of centenary celebrations	0.5
The Citizen Foundation for fundraising golf tournament	0.5
Layton Rahmatullah Benevolent Trust for fundraising golf tournament	0.5

Principle 2



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



Commitment

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



1 ETHICS

ACTIONS

Adherence to Highest Corporate Values

Performance

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

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

Code of Conduct

Performance

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

- ▶ PPL believes in carrying out its business with integrity and honesty, adhering to the principles of good corporate governance and best practices. The company's Code of Conduct, approved by the Board of Directors, provide guidelines to employees for planning, managing and executing work. The Code is available to all employees through the company's portal and website. Besides, periodic reinforcement is done through notice boards, brochures, e-learning modules and on-screen pop-ups on employees' desktops/ laptops. During 2020, all employees were mandated to pass an online assessment based on Code of Conduct training and questionnaire to ensure they have understood the code.
- ▶ All incoming employees and trainees sign and submit an undertaking to ensure clear understanding and acceptance and uphold the company's Code of Conduct. Further, employees' acceptance and adherence to the Code of Conduct is ensured through online undertaking at the time of filling-in performance appraisals as a mandatory step towards form

submission.

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



Principle 3



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



Commitment

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



1 Industrial Relations

ACTIONS

Freedom of Association

Performance

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

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

Collective Bargaining

Performance

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

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

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





Principle 4

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



Principle 5

Business should support the effective abolition of child labour.



Commitment

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



1 Employees

ACTIONS

Procedure for Preventing Under-age Employment

Performance

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

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

Procedure for Preventing Forced Labour

Performance

The company follows strict procedures to prevent forced labour.

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

labour laws.

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

Record of Checking Minimum Wage Rate Against Regulated Amount

Performance

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

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



Principle 6



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



Commitment

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



1 Recruitment

ACTION

Equal Employment Opportunity

Performance

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

- ▶ PPL is an equal opportunity employer and provides equal opportunity to women employees.
- ▶ Women employees are placed at various levels in the organization, ranging from non-management to senior management positions.
- ▶ The company employs men and women employees under standard screening processes based on merit and job suitability.
- ▶ There are equitable career paths and opportunities for women employees.
- ▶ To further emphasize equitable participation of working women and address their issues at workplace, the company celebrates International Women's Day. Dedicated sessions are organized for women employees to increase awareness about their role and responsibilities and address their issues.
- ▶ The company has recently set-up an infant care centre at head office to enable women staffers with young children to take care of them during office hours. This has led to retention of valuable women resource as well as enhanced their productivity with the facility to have their infants with them at work.

2 Employees

ACTIONS

Enabling working conditions for diversified workforce

Performance

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

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

Career Plan: No Discrimination in Staff Promotions

Performance

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

Principle 7



Business should support a precautionary approach to environmental challenges



Commitment

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



1 Environmental Management

ACTIONS

Quality, Health, Safety and Environment

Performance

- ▶ The company's QHSE policy is in place to ensure quality in all company operations with emphasis on 'embedding green practices, proactive risk management, complying with relevant laws and maintaining communication with stakeholders to promote sustainability. The policy is displayed at prominent locations at head, regional and field offices and can be accessed through the company's website: <https://www.ppl.com.pk/content/policies>
- ▶ PPL has a well-defined HSE Management System developed in line with internationally recognized ISO 14001 EMS and ISO 45001 Occupational Health and Safety Management System. The system provides continuous assessment and monitoring against standard parameters to ensure the highest level of safety and minimal damage to surrounding natural environment.
- ▶ Annual QHSE targets are set and implemented within all business segments/ assets. Monitoring of environmental key performance parameters (KPIs) is embedded in the standardized, regular QHSE reporting framework. Corporate environmental guidelines/ procedures, management tools and reporting have enabled the company to improve environmental performance. Besides, QHSE Monthly Performance Report structure has been significantly upgraded to add on KPIs, improvise data gathering structure and facilitate analysis and inferring useful results for continual improvement.
- ▶ PPL is an active member of PPEPCA and participates in its HSE committee meetings. These meetings provide a forum to learn from latest industry practices, use of technology and benchmarking in HSE management system.

Environmental Studies

Performance

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

seismic and drilling operations, especially in environmentally sensitive areas, through reputed, experienced consultants to ensure compliance with environment management plan that includes recommended methodologies, legal requirements and company's HSE standards to address environmental issues while meeting stakeholders' expectations.

- ▶ All PPL-operated fields are registered with Federal EPA under a Self-Monitoring and Reporting Programme for monthly testing through external laboratory and reporting against emission parameters prescribed by NEQS. In addition, PPL has initiated monitoring of ambient air quality, metal analysis (process stacks), environmental noise monitoring and drinking water quality. Results mostly comply with NEQS. In case of deviation, a protocol is in place to find out root cause and undertake mitigation measures. Also, monitoring of vehicular emissions against parameters such as smoke, CO and Noise (dBA) was conducted. Subsequently, emissions, exceeding NEQS/ PEQS parameters, have been identified for root cause analysis and rectification.
- ▶ To reduce ecological footprint of its operations, PPL regularly undertakes environmental studies prior to physical mobilization at worksite. These studies aid in carefully chalking out Environmental Management Plans (EMPs) for the entire project duration. Use of advance technologic, new tools and techniques remain essential development of EMPs to minimize impacts.
- ▶ Monthly Performance Reports and Monthly Management Reviews are simple yet effective monitoring tools to derive

Management Systems

management to sort out emerging risks & capitalize on available opportunities in a timely manner.

- ▶ In addition to visits of local environmental officers from environmental protection agencies, QHSE monitors are deployed at operating assets and project sites to verify and report compliance of comprehensive EMPs. Management is committed at all levels to address real time issues in line with environment friendly practices.

Precautionary Measures

Performance

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

Principle 8



Business should undertake initiatives to promote greater environmental responsibility



Commitment

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



1 Environmental Management

Enhancing Environmental Awareness

Performance

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

2 Environmental Responsibility

ACTIONS

Eco-friendly practices

Performance

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

- ▶ Light-Emitting Diode (LED) technology is used in all new projects and expansion activities as well as several existing projects, replacing conventional lights. LEDs has many advantages over traditional incandescent light sources, including lower energy consumption, longer lifetime, improved physical robustness, smaller size and faster switching.
- ▶ Tree cutting is avoided during seismic activities and site restoration is simultaneously carried out for even minor removal of flora/ vegetation through green teams.
- ▶ Tree plantation campaigns are undertaken at company-operated fields and exploration assets to off-set emissions and improve ambience. Recently, 10000 native saplings were provided to EPA Attock as part of the government's 'Clean and Green Pakistan' initiative.
- ▶ Water-based mud, which is known for compatibility with natural soil, is preferred over oil-based mud that requires special treatment for disposal for all drilling operations. Moreover, the company plans to engage waste disposal contractor for treatment and restoration of water-based mud pits at its operated well-sites located in



agricultural or water logged lands.

- ▶ Biodegradable explosives are used during seismic surveys.
- ▶ Electronic communication together with duplex printing has been promoted to reduce paper usage. More recently, Managed Printed Services (MPS) was launched in 2018 for managing all business printing needs, including printers, scanners and copiers. With MPS, the company aims to produce less paper waste and increase efficiency as well as cost cutting.
- ▶ PPL's E-procurement portal (<https://eprocurement.ppl.com.pk/esop/pks-host/public/ppl/web/login.jst>) provides collaborative, web-based tools that enable staff and suppliers to conduct entire procurement and contract management activities. This has also resulted in saving paper that was earlier used in manual procedural requirements and approvals.

Evaluation of HSE Performance

Performance

- ▶ PPL's assets, fields and departments have integrated QHSE certifications aligned with ISO 14001 Environmental management, ISO 9001 Quality management and earlier OHSAS 18001 Occupational Health & Safety Assessment Series which have now been upgraded to ISO 45001 Occupational Health & Safety Management System. As such, company's QHSE practices are gradually converted on advanced ISO 2015 versions during surveillance audits of fields/ departments through external certification agency.
- As a result, 16 assets, departments and facilities stand certified for ISO 9001 Quality Management System, 13 for ISO 14001 Environmental Management System and 14 for ISO 45001 Occupational Health & Safety Management System. These include Sui, Adhi, Kandhkot and Hala/ Gambat South/ Mazarani assets, Sui Production, Sui Field Gas Compressor Station, Purification Plant, Sui, Sui Field Hospital, Sui Field Utility, Sui Field Store and Drilling and Well Engineering, QHSE, Projects, Exploration, Construction and Medical Services departments.
- ▶ Internal and external audits/ monitoring of departments/ fields are carried out to assess compliance of standardized procedures at site and implementation of QHSE Management System and performance. Inspections, spot checks and suggestion forms are used during the process with staff participation. Company's senior management is involved in

carrying out QHSE audits of assets, fields and facilities, to ensure identification of gaps and addressing these in time which also highlights company's commitment to health, safety and environment through ensuring safe operations.

- ▶ QHSE Audit and Inspection process through VelocityEHS, a cloud- based platform, was successfully automated during 2019 to promote safe and healthy workplace by enhancing automation and adoption of QHSE-based best industry practices. This module encompasses online reporting for audits, inspections, walkthrough and observation via guided workflow and checklists that ensures adequacy and completeness of the generated reports. The automation has also transformed existing paper formats into a digitized form that can be tracked and analyzed from start to end and supports continual improvement with many advance features. Also, it has reduced the paper use and time in managing surface mails.
- ▶ Risk of hydrocarbon spill, gas release to environment (process safety) and H₂S exposure are corporate high risks under mitigation in current risk management cycle. Apart from corporate level risk, various location specific environmental aspects & impacts are highlighted through QHSE Audit and Inspection Software and control measures complied within specified time.

Principle 9



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



Commitment

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



1 Environment-friendly Technologies

ACTION

Waste management and emission control

Performance

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

- ▶ PPL has a well-defined waste disposal and management procedure, which is effectively implemented across the company. This includes minimization, segregation at source, recycling and reuse, safe handling and disposal of hazardous waste as per standard environment-friendly procedures.
- ▶ Effective arrangements such as landfill and incinerators are employed for safe disposal of waste, besides acquiring services of specialized contractors for disposal of hazardous waste and oily sludge recovered from operations. Moreover, composting of food waste is also carried out.
- ▶ Corporate procedure on waste management has been reviewed to include technological advancements and end user feedback for adopting more effective and environmentally safe processes. The procedure has been issued with emphasis on existing waste disposal measures. Moreover, to ensure effective implementation of waste management procedure by contractors, PPL staff visits contractors' waste disposal sites to verify the adequacy of disposal protocols as part of its commitment to ensure environmental sustainability.
- ▶ Emissions from all equipment at company facilities are controlled through in-house maintenance programmes and end of pipeline solutions. Going beyond minimum legal compliance, PPL carries out ambient air monitoring in and around its fields/ sites to proactively control air pollution with a focus on containing levels of CO, H₂S, NO_x, particulate matter, SO_x, O₃, CO₂
- ▶ Further, advanced analytical software tools have been applied on stack emissions to conduct dispersion modelling of significant pollutants such as H₂S from hot flares and cold stacks to safeguard surrounding community, flora and fauna from its detrimental effects.
- ▶ Metal analysis of stack emissions continues at SGF, Mazarani

and producing assets of Gambat South and Hala through external laboratory for assessing potential environmental impact. Parameter including Lead, Mercury, Cadmium, Arsenic, Copper, Antimony and Zinc all were found to be within safe limits.

- ▶ Process water is contained in ponds lined with pit line for evaporation. Alternatively, wastewater evaporator and forced draft evaporation systems are also utilized for treating effluent water in order to eliminate soil and ground-water contamination.
- ▶ H₂S dispersion modelling study carried out at SGF to ascertain harmful concentration at ground level in routine as well as emergency situations. Also, fire mapping studies have been conducted to ensure adequate coverage of fire and gas detection systems across processing facilities. These proactive efforts are aimed at minimizing the environmental impact of routine plant operations and improve emergency response.
- ▶ To enhance data reporting quality and end user facilitation on emissions and resource utilization, PPL has awarded a contract to Velocity EHS-Canada for purchasing Sustainability Reporting Module. This will help PPL to manage/ automate Green House Gases (GHG) emissions as well as tracking resource utilization including waste, water, electricity and fuel. Master data is being developed to have PPL- specific demo before going into developing complete software solution.

Principle 10



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



Commitment

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



1 Employees

ACTIONS

Code of Conduct

Performance

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

All employees are required to sign the Code of Conduct at the time of joining as well as submission of their appraisal besides undergoing online training especially designed to increase awareness on the Code. Besides, all employees were required to pass an assessment based on their understanding of the Code of Conduct.

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

Corporate Governance

Performance

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

2 External Interfaces

ACTION

Credible Disclosure of Information to Investors and Stakeholders

Performance

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



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