

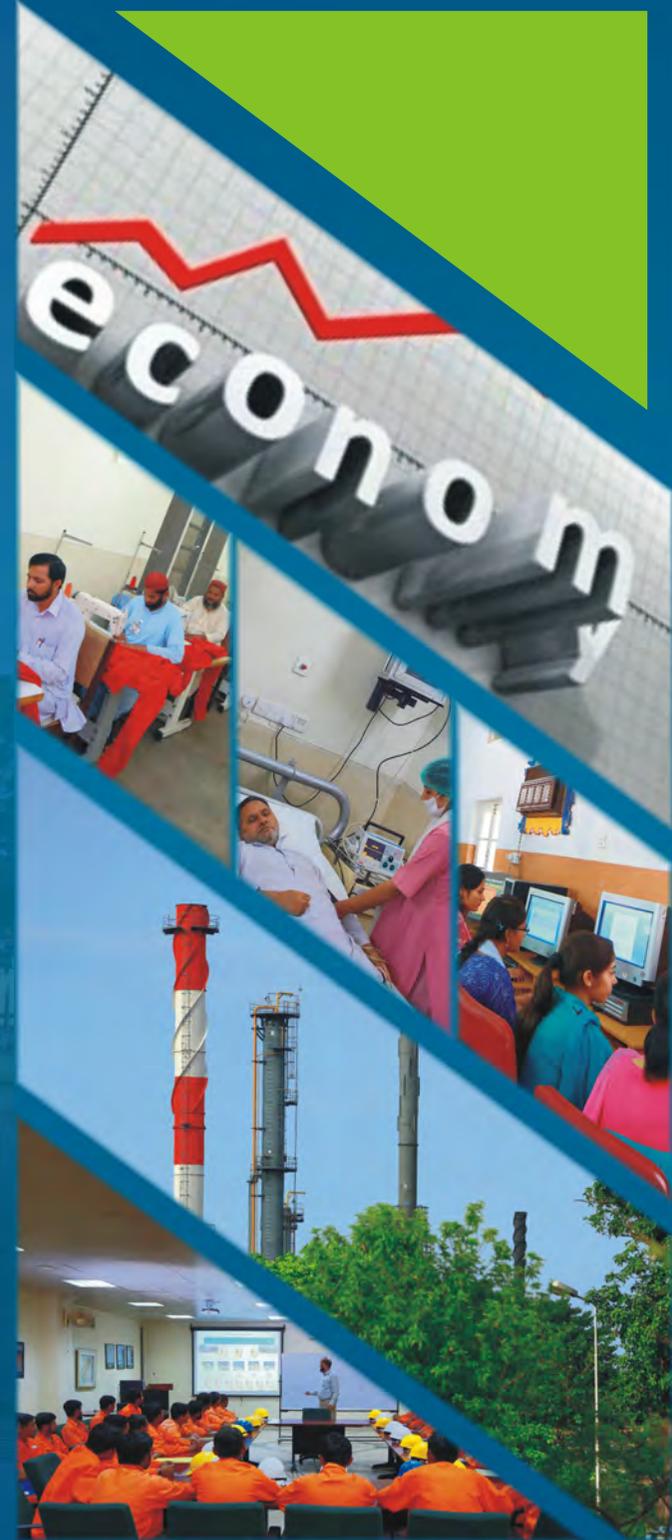
SUSTAINABILITY

Report 2013



Attock Refinery Limited

Knowledge Fueled Growth





Knowledge Fueled Growth

Knowledge is basic and critical resource which leads to management initiatives for better strategic decisions and their implementation.

We, at Attock Refinery Limited (ARL) are passionately strengthening and using our knowledge resource in pursuance of our vision "To be a world class and leading organization continuously providing high quality diversified environment-friendly energy resources and petrochemicals." This has enabled ARL to become a shining example of continued endeavors for excellence and sustained growth to retain our claim of being pioneers and pace setters.

In today's highly competitive and performance driven business climate the Company cannot afford to rest on its laurels. Our highly professional and dedicated human resource works in a culture supportive of openness, meritocracy, team work, knowledge sharing and innovation.

The Company over a period of time has undertaken various expansion and up-gradation projects successfully. Our current Refinery Up-gradation Project to be completed by September 2015 comprises of Preflash Unit, Isomerization Unit, Diesel Hydrodesulphurization (DHDS) Unit and expansion of existing Captive Power Plant. This will increase refining capacity by 24%, motor gasoline production by 70% and enable us to produce Euro-II compliant low sulphur high speed diesel.

For effective production planning and refinery optimization under various economic scenarios, we are using state of the art, Aspen HYSYS and Aspen PIMS (Process Industry Modeling System), and Aspen EDR (Exchanger Design and Rating) softwares. Similarly, on Enterprise Resource Planning (ERP) side, ARL has successfully implemented solutions like MAXIMO, Oracle Financials, Oracle Oil Accounting, Human Resource Management System (HRMS), Security Management System (SMS), Laboratory Information & Management System (LIMS), Electronic Permit to Work (E-PTW) System, HSEQ Management System, Fuel Management System, Product Pricing System, Sales Information System etc. Most of these systems have been developed in-house.

In pursuance of our core value of Learning & Innovation, ARL organizes yearly conferences on Health, Safety & Environment, Human Resource, Plant Maintenance and Operations for learning and skill development of its employees and spectrum of participants from diversified industries.

Using our own knowledge base, we were the first, amongst petrochemical industry, to achieve ISO 9001, ISO 14001, OHSAS 18001, and ISO/IEC 17025 certifications. ARL last year became the first to implement Energy Management System (EMS) ISO 50001 - 2011 and that too without outside support. We are also a proud signatory to UN Global Compact (UNGC) Principles which guide us in international level compliances.

Winning the prestigious RoSPA Gold Award twice in a row, ICAP & ICMAP Best Sustainability Report Award, ACCA-WWF Sustainability Report Award three years in a row, UN-Global Compact Award, consistent compliance with National Environmental Quality Standards (NEQS) and practicing best quality standards have made ARL distinct nationally and internationally.

ARL reiterates its resolve to keep no stone unturned in maintaining a learning and knowledge sharing environment which, we believe will ensure sustenance of our success for all times to come.

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OUR VISION & MISSION

Vision

To be a world class and leading organization continuously providing high quality and environment friendly energy resources and petrochemicals

Mission

We will utilize best blend of state-of-the-art technologies, high performing people, excellent business processes and synergetic organizational culture thus exceeding expectations of all stakeholders



Integrity, honesty, high ethical, legal and safety standards are a cornerstone of our business practices.

We pursue quality as a way of life. It is an attitude that affects everything we do for relentless pursuit of excellence.

We believe in respect for the community and preserving the environment for our future generations and keeping National interests paramount in all our actions.

We embrace lifelong learning and innovation as an essential catalyst for our future success. We believe in continuous improvement and to seize opportunities inherent in change to shape the future.

We believe that competent and satisfied people are the company's heart, muscle and soul. We savour flashes of genius in the organization's life by reinforcing attitude of teamwork and knowledge-sharing based on mutual respect, trust and openness.

We flourish under an ecosystem of shared understanding founded on the concept of empowerment, accountability and open communication in all directions.

The Company



CEO'S MESSAGE

It's a privilege to present Attock Refinery Limited (ARL) Sustainability Report 2013. Economical & technical improvements are common parameters to gauge any organization's success. However, at ARL we strive for wholesome success; besides achieving high performance in these areas we keep our corporate environmental & social goals in paramount focus. This report is all about the way we keep a balance among financial, technological, environmental and social aspects of business.

At ARL, sustainability is not a 'flavor of the month' kind of thing or something we've embraced very recently; rather it has been in forefront of our minds and actions. History of Attock Group of Companies, since its inception in 1913, adequately reflects our seriousness of purpose in this regard. We take pride in our past but in today's highly competitive and performance driven business world nobody can afford to rest on one's laurels. Attock Refinery Limited has always been working to do the right thing and remain focused on continuous improvement that is what sustainability is all about. We continue delivering our commitments based on business reliability strongly guided by our core values of Integrity & Ethics, Quality, Social Responsibility, Learning & Innovation, Team Work and Empowerment, in spite of the challenging socio-economic environment.

It's our belief that the companies that take their responsibilities to people and the planet seriously will increasingly be in the vanguard. That is why ARL is looking closely at sustainability. Our sustainability attributes are based on five pillars of strength i.e., diversification, competitiveness, transparency/compliance, synchronized community & social responsibility services, and environmental protection. We realize that integrated approach to manage social, environmental and financial issues is a challenging task especially guarding the boundaries between legal and illegal, ethical and unethical, right and wrong, fair and unfair, good and poor quality.

It is vivid in this report that sustainability is a way of life at ARL. The Company has already taken a number of steps for resource efficiency, energy management, water management & conservation of biodiversity to demonstrate its continuous commitment for safety, environment & quality. Implementation of ISO-50001 (EnMS), up-gradation project of ARL effluent treatment, water conservation



Sustainability is a way of life at ARL. The Company has already taken a number of steps for resource efficiency, energy management, water management & conservation of biodiversity to demonstrate its continuous commitment for safety, environment & quality.

measures like drip irrigation, waste water recycling/reuse, zero effluent, are some of the manifestations of ARL's commitment to sustainable development. ARL's endeavors in this regard have successively been recognized by international and national bodies; winning of RoSPA (Royal Society for prevention of Accidents) gold award for second time, consecutive three time winning of achievement award in sustainability reporting from ACCA-WWF and acquiring a position in their judging panel, winning gold in "living the UN-Global compact award competition", getting third position in ICAP-ICMP sustainability reporting award, certification & practicing of ISO management systems, continuous compliance of National Environmental Quality Standards (NEQS) are some feathers in ARL's Cap.

ARL is environmental conscious company and one of our key performance indicators is the compliance of National Environmental Quality Standards (NEQS). As stated in our last sustainability report, three projects namely Preflash Unit, Isomerization Unit and Diesel Hydro Desulfurization Unit, have been launched to address the future challenges of products specifications warranted by environmental concerns, and the construction activities have started. These units will become operational in 2015. The construction of Secondary Treatment unit for enhancing the capability of our effluent treatment system to cater for the future units' load is near completion and will be commissioned in the first quarter of 2014.

Adhering to our core value of social responsibility, ARL is committed to work even harder to provide a healthy workplace which should have a positive impact on adjoining communities. On the social front we have continued our endeavors for

the benefit of community. As part of community welfare policy our hospital is continuously providing community services in the shape of free medical camps, blood donation campaigns and free /discounted rate services for poor and needy persons of the surrounding community. In addition, ARL continued its support for women development activities in the neighboring vicinity through Attock Sahara Foundation (ASF), providing potable water to the surrounding villages and free fuel, utilities and maintenance support to the area schools, mosques and organizations for special persons.

ARL's focus on these areas is not new. We have been measuring our performance and reporting thereon for many years. We are happy that we have already achieved a lot but we also recognize that there is always more to do. I take this opportunity to reiterate our continual commitment to remain a socially responsible company by extending full support to Sustainability leading to fair business practices locally as well as globally.



M. Adil Khattak

December 31, 2013



Our business is subject to risks, uncertainties and opportunities. The risks that we regard as the most relevant to our business are identified below. We have also commented our response that we believe help us to manage these risks. In addition risks and uncertainties could cause actual results to vary from those described herein in the descriptions below, which may include forward-looking statements, or could impact on our ability to meet our targets or be detrimental to our profitability or reputation.

Current Expansion & Up-gradation Projects

ARL has taken following measures for the sustainability of current expansion & up-gradation projects: ARL is in process of installing:

- a) A Pre-flash Unit to increase its capacity.
- b) An Isomerization Unit to increase Premier Motor Gasoline production and improve its quality to make it more environment friendly.
- c) A DHDS unit to improve diesel specifications.

The here-mentioned detailed steps have been taken at ARL for the afore-stated expansion projects so far:

- 1) Engineering, Procurement, Construction and Commissioning (EPCC) Contract for the entire project has been awarded to M/S Hyundai Engineering Co. Ltd Korea [being world renowned EPCC Contractor].
- 2) Financial Close has been achieved by ARL with consortium of local banks in order to finance the afore-stated Expansion Projects.
- 3) ARL has sought and obtained the requisite approvals from State Bank of Pakistan for the payments to M/S Hyundai Engineering Co. Ltd Korea with regard to EPCC Contact.
- 4) The Site Clearance required for setting up of plants has been made.
- 5) Lay down area has been marked on which the requisite temporary facilities & contractors' offices will be constructed.
- 6) Project staff & operational staff hiring has been initiated.

Stringent product specifications

As per plan ARL is proceeding with its upgradation project that includes installation of an Isomerization and Diesel Hydro De-Sulfurization unit which will enable it to meet stringent product specifications and produce Euro-II compliant PMG & Diesel respectively. Isomerization unit will reduce the benzene and aromatics content in the PMG pool and the DHDS unit will reduce the sulfur level in the diesel to 500 wt ppm. These units will become operational in 2015.

On going circular debit issue

The circular debt mainly arises from government owned entities. The issue of circular debt, which had aggravated in prior years, has been resolved to a greater extent as a result of inter-corporate debt settlement arranged by government in June 2013. Still we keep on following-up the issue at all available forums for its permanent resolution which requires long term remedial actions. Further, we closely monitor receivable/payable positions and dispatches.

How ARL is going to manage

How ARL is going to manage

Fluctuating exchange rate

The prices of ARL's products and crude oil are primarily determined in foreign currency therefore fluctuation in exchange rate has a mitigating effect in our case to extent of respective flows involved. ARL will consider getting the forward exchange cover for its major capital expenditure.

Security and political issues in the country

We have taken appropriate security measures to counter/foil any threat under the current law & order situation of the country. We are in constant touch with the relevant government agencies in this regard.

Environmental Issues

ARL is in the process of installing the Second Phase of its Effluent Treatment Plant (ETP) to further improve the quality of effluent water and to cater the future units load as well as to comply NEQS requirements consistently. ISO-50001 (Energy Management System) has been implemented and self-declared to manage energy requirement, address the environmental issues of greenhouse gas emissions and other impacts.

Increasing Crude from the North

The production of crude oil from Northern Region of Pakistan has increased significantly. ARL is in process of upgrading its refining capacity keeping in view afore-said increased production of North Crude. In the first phase, the Preflash Unit will increase the capacity of the refinery up to 53,400 BPD. This will cater the additional crude production. ARL is also reviewing the possibility to further increase the capacity by installing a 50,000 BPD green field refinery, if sustained production of Northern Crude (over and above 53,400 BPD) is realized.

Competition

A refinery is being planned in the North by PSO, however, the plan is still in its initial phase and viability of an inland grass root, complex refinery far from port is uncertain & minimal. Even if the Project of PSO does materialize, from conception to commissioning, it will take about 5 years by which time ARL will have completed its up-gradation project. Crude availability as well as progress of PSO' refinery Project would to be monitored regularly to ensure availability of crude at ARL and resolve any issues with GOP, if the need arises.

Man power Retention

The company's management is fully cognizant of retention of skilled manpower and has taken appropriate measures including revision of certain HR Policies, which will help the management in curtailing employee's turnover rate.

Land Disputes

Land department remains vigilant to report about any possible construction activity within 200 yards of ARL land and deal any violation (if any) within the parameters of the relevant laws.

EXECUTIVE SUMMARY

Sustainability report for year 2013 of Attock Refinery Limited highlights the company's growth and performance during the year. The report has been prepared following the same perspective as being followed in our previous reports but with some further additions. The summary includes precise and complete description of ARL's stakeholder's needs, how we respond to satisfy those needs, our future plans and pledge.

The report is designed as per guidelines given in Global Reporting Initiative (GRI-G3.1), Accountability-1000 (AA1000), Social Accountability (SA-8000), United Nations Global Compact (UNGC) Indices, ISO management Standards and ARL vision, mission and core values.

The most significant part of ARL initiatives is having active involvement in all spheres of sustainability core areas. ARL's social, environmental and economic performance for the year 2013 is described in detail supported by information on core and additional GRI (Global Reporting Initiatives) indicators. Update on ARL short / mid / long term plans are also provided in the report.

Being essential part of core values, CSR is not a new concept for ARL. Mature and more sustainable efforts have been made this year to further strengthen this core area. Various welfare activities carried out in this area include, support in education sector by providing assistance to the Government Special School, Junior Model Schools, Pak Darakhshan, Vocational training for local community and scholarships for employees children, Support in Health sector include providing free medical assistance to poor patients of nearby locality, arranging free Medical camp and awareness sessions on health related topics, providing support for rural development, providing financial Assistance to area union councils and arranging conferences to bring all stakeholders and business communities at one forum.

Detail on all CSR activities are given in the report.

In year 2013, HSE affairs remain the top priority of ARL. Our Health, Safety & Environment (HSE) performance in year 2013 compared with previous years has improved significantly. To keep the track record of adopting new & innovative approaches, ARL started working on BSC Five star Environmental rating program &

WWF green office initiative. The detail of energy conservation being achieved after the implementation of ISO-50001 (Energy Management System) last year is also provided in the report. Celebration of Energy week is one of the most significant activity of the year. An update on the new projects has also been given i.e. Status of new Effluent treatment Plant (ETP), ARL-Up gradation (ARU) project.

ARL effluent water & gaseous emissions remain within NEQS compliance and data has been presented in the report.

Total Accident Incident Frequency Rate (TAFIR) reduced. Detail on scenario based emergency response exercises, engagement of stakeholders and community for the celebration of events like World Environment Day, Earth Day, Biodiversity Day, Energy Week and Safety Week is given. Plantation of more than 12,000 saplings in and around the Morgah area is also an important success of the year 2013.

During the year under review, we experienced fluctuating gross refiner's margin (GRM). However, because of overall favorable movement in prices of products as compared to crude oil prices, the average GRM remained not only positive but also slightly better than the previous year. The Company also showed improved performance with respect to capacity utilization which rose to 100% as compared to 99.5% of last year. During the year Company's production capacity also increased by 1,000 barrels per day (bpd) due to installation of new charge heater. These factors improved Company's operating profit from refinery operations to Rs 1,673 million (June 30, 2012: Rs 382 million). Other income increased to Rs 3,082 million (June 30, 2012: Rs 2,389 million) mainly on account of delayed payment charges of Rs 1,635 million (June 30, 2012: Rs 1,195 million) on fuel oil supplies. The same has been included in the report. The report is also being assured externally from URS.

In order to make the report more realistic & reliable, statements from the reports of our third party assessors like ISO-14001, OHSAS-18001, ISO-9001, ISO/IEC 17025 and financial accounts have been reproduced in the last chapter.

ABOUT THIS REPORT

SCOPE

This report covers Social, Environmental & Economic aspects of our organization & principally covers all operations conducting at Refinery. Attock Refinery Limited (ARL) is dedicated & committed for sharing information about its sustainability priorities, targets, goals, initiatives and performance. Sustainability report aims to provide economic, social and environmental accomplishments, challenges and our response. The report illustrates ARL commitment to good governance, transparency and highlights the method of recognizing and evaluating the needs, expectations of stakeholders and providing actionable outcome. We communicate our performance to our stakeholders through annual sustainability report.

REPORTING PERIOD

ARL's social and environmental performance data is for the calendar year 2013. Economic and financial data correspond to fiscal year July 2012 to June 2013.

DATE OF MOST RECENT PREVIOUS REPORT

The previous sustainability report by ARL was dated and published in Jan- 2013. The report was the sixth sustainability report of the company.

PROCESS FOR DEFINING REPORT CONTENT & INFORMATION CREDIBILITY

The indicators included in ARL sustainability reporting have been selected, supplemented and specified in working groups for economic, social and environmental responsibility. Materiality was assessed for each indicator when setting up a data management system for GRI-based reporting.

The working groups determined the relevance and identified key stakeholders expected to use the report. The report was reviewed & verified by the Managers of all departments involved in the process of data gathering and reporting.

In sustainability reporting, ARL followed the GRI, guidelines, principles, terms,

indicators, calculation methods and structure as closely as possible. ARL has chosen the applicable meters and indicators from GRI standard disclosures and supplemented them with calculated and descriptive indicators derived from ARL operations.

Credibility of the information given in the report is the sole responsibility of ARL management. All the information provided is thoroughly checked and confirmed by Business Review and Assurance (BR&A) department having documented checks and control systems. The same is cross verified by SGS (Pvt.) Limited for Occupational Health, Safety and Environment, Pakistan National Accreditation Council for Quality of Testing Services and M/S Ferguson & Company for Financial Accounts.

REPORT FORMAT AND CORE SUSTAINABILITY

PRINCIPLES

There are no specific limitations in the scope or boundary of the report neither any significant changes in the size and structure of organization since last year. ARL site at Morgah, Rawalpindi encompasses 196 acres area for the plant and 136 acres for residential colony. This report identifies key sustainability aspects of our business of crude oil refining for production of Liquefied Petroleum Gas, Unleaded Premium Motor Gasoline, Solvent Oil, Kerosene, Aviation Fuels, Mineral Turpentine Oil, Jute Batching Oil, Diesel Fuel oil, Low Sulfur Furnace Fuel Oil, High Sulfur Furnace Fuel Oil, Cutback Asphalts, Paving Grade Asphalt and Polymer Modified Bitumen.

ARL after sales services and business meetings with customers is being used to identify areas of improvement to fulfill product stewardship cycle requirements.

It is our belief that sustainable and stable fiscal and regulatory policies would provide confidence to investors to meet future demands in a free and open market. Cleaner fuels and energy efficiency needs to be encouraged as it benefits both the environment and the economy of the country.

It is our firm conviction that provision of a safe and reliable operation, by minimization of risks to safeguard people and property, is our top priority. Our three layered safety management system is inculcating safety culture among our employees especially by floor level Safety Stewards to ensure safety in action.

The Company

Safety Stewards reporting to middle level representative called Area Safety Incharges which directly reports to top level management led by CEO.

Good workplace conditions and relations can help us to attract, keep and develop human capital with high morale. To protect the health of employees, neighbors and consumers, we pro-actively manage the relevant aspects of our operations through our subsidiary Attock Hospital Limited (AHL).

It is our obligation to meet environmental challenges at both local and Pakistan level by providing services to Small Medium Entrepreneurs through National Cleaner Production Centre. We are meeting all priority parameters of National Environmental Quality Standards and planning to achieve zero effluent by developing a wetland in Morgah Biodiversity Park.

We are following guidelines of Global Reporting Initiative (GRI-G3.1), Accountability (AA1000), Social Accountability (SA-8000), UNGC indices, ISO Management Standards (ISO 14001, ISO 9001 and OHSAS 18001) for reporting Social, Environmental and Economic performance. We consulted a variety of sources both internal and external as part of our materiality assessment. These sources included:

- Company objectives, strategies, policies, programs and risk factors
- Shareholder Annual General Meeting resolutions and anecdotal feedback
- Employee surveys and other input gathered through feedback mechanism
- Input gathered through stakeholder dialogues
- Customers contact, surveys and feedback
- Meetings with Neighbors & Union Councils
- Media news and blog discussions
- Stakeholder feedback
- Suppliers input

After reviewing these sources, we compile a list of issues and prioritize each one into actionable targets. ARL is publishing its report since 2007 and the progress given on some of the activities in 2013 report is only to show the connection with previous reporting.

The report has been divided into six sections to provide information regarding

company, stakeholders, social, environmental and financial sustainability challenges and credibility. External assurance from third party external assurance body has been sought for this report to make it credible as per GRI guidelines.

ASSURANCE

To ensure credibility of the report contents and reporting procedures against GRI guidelines, this report has received third party assurance from URS.

The report is being published in soft as well as in hard form for circulation among our key audience. The same shall be available for reference upon request. In order to make contents of our sustainability report available to other interested parties, a copy of this report is also available at ARL website (www.arl.com.pk)

REPORT AUDIENCE

We have identified our audience like Investors, Board of Governors, Employees, Contractors, Community, Union Councils, CBA Union, Utilities suppliers like SNGPL, WAPDA, PTCL, crude oil suppliers like OGDCL, OPL, POL, MOL, MGCL and Government agencies like PAF, Army, EPA-Punjab, Ministry of Labor, ILO, FBR, PSQCA, MP&NR, OGRA, PNAC, SECP, OCAC, Rescue 1122, Adjoining Hospitals, Adjoining Educational Institutions, Refineries like PARCO, PRL, Byco, NRL, Oil Marketing Companies like APL, PSO, Shell, Chevron, Total PARCO, External Auditors like SGS and Ferguson.

FEEDBACK FORM & CONTACT PERSON FOR FURTHER INFORMATION

Please apprise us your feedback for further improvement by filling feedback form attached at the end of this report. Further information and details can be obtained from:

Mr. Mohammad Aliemuddin
 Manager (Health, Safety, Environment & Quality)
 Attock Refinery Limited, P. O. Morgah, Rawalpindi
 Ph: 92 51 5487041, Fax: 92 51 5487254
aliem@arl.com.pk

BOARD OF DIRECTORS



Dr. Ghaith R. Pharaon
Non Executive Director
Chairman Attock Group of Companies



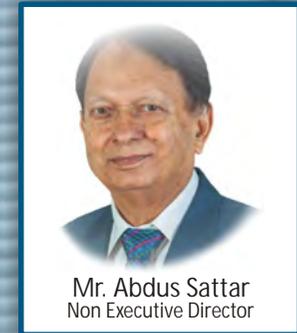
Mr. Laith G. Pharaon
Non Executive Director



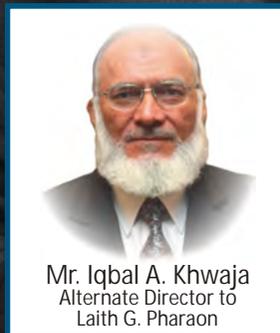
Mr. Wael G. Pharaon
Non Executive Director



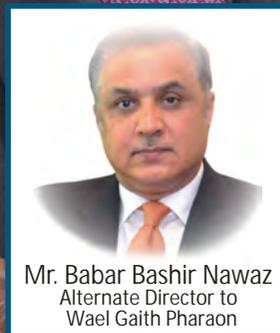
Mr. Shuaib A. Malik
Chairman/Non Executive Director
& Alternate Director to
Dr. Ghaith R. Pharaon



Mr. Abdus Sattar
Non Executive Director



Mr. Iqbal A. Khwaja
Alternate Director to
Laith G. Pharaon



Mr. Babar Bashir Nawaz
Alternate Director to
Wael Gaith Pharaon



Mr. Munaf Ibrahim
Independent Non Executive Director



Mr. Agha Sher Shah
Independent Non Executive Director



Mr. M. Adil Khattak
Chief Executive Officer

COMPANY INFORMATION AND BOARD COMMITTEES



AUDIT COMMITTEE

- Munaf Ibrahim, Chairman
- Abdus Sattar, Member
- Babar Bashir Nawaz, Member, (Alternate Director)
- Agha Sher Shah, Member

TECHNICAL & FINANCE COMMITTEE

- Abdus Sattar, Chairman
- Shuaib A. Malik, Member
- Agha Sher Shah, Member
- M. Adil Khattak, Member

HR & REMUNERATION COMMITTEE

- Shuaib A. Malik, Chairman
- Munaf Ibrahim, Member
- M. Adil Khattak, Member

SCHOLARSHIP COMMITTEE

- Dr. Ghaith R. Pharaon, Chairman
- Shuaib A. Malik, Member
- M. Adil Khattak, Member

The Audit Committee's primary role is to ensure compliance with the best practices of Code of Corporate governance, statutory laws, safeguard of Company's assets through monitoring of internal control system and fulfill other responsibilities under the Code.

To recommend annual capital and revenue budget and review any other financial matters or technical aspects relating to refinery operations/upgradation etc.

The prime role of the Human resource & remuneration committee is to give recommendations on matters like human resource management policies, Selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO, CFO, Company Secretary and head of internal audit to the board. The committee also considers recommendations of CEO on such matters for key management positions.

The scholarship committee's primary role is to ensure that the scholarship schemes are aligned with the strategic vision and core values of the company and also accords approval for any revision required in the schemes.

SHAREHOLDER INFORMATION

As at June 30, 2013: Registered share holders were 3,383 and total number of shares were 85,293,000. Detail pattern of Share holding is available at www.arl.com.pk.

BANKERS

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

CHIEF FINANCIAL OFFICER

Syed Asad Abbas, FCA

COMPANY SECRETARY

Saif ur Rehman Mirza, ACA

SHARE REGISTRAR

THK Associates (Pvt) Limited
Ground Floor, State Life Building No.3,
Dr. Ziauddin Ahmed Road,
P.O.Box No. 8533, Karachi-75350

AUDITORS

A. F. Ferguson & Company
Chartered Accountants

LEGAL ADVISOR

Ali Sibtain Fazli & Associates
Legal Advisors, Advocates & Solicitors

REGISTERED OFFICE

The Refinery, Morgah, Rawalpindi
Tel: (051) 5487041-5
Fax: (051) 5487254
E-mail: info@arl.com.pk
Website: www.arl.com.pk

COMPANY PROFILE

Attock Refinery Limited (ARL) was incorporated as a Private Limited Company in November, 1978 to take over the business of the Attock Oil Company Limited (AOC) relating to refining of crude oil and supplying of refined petroleum products. It was subsequently converted into a Public Limited Company in June, 1979 and is listed on the three Stock Exchanges of the country. The Company is also registered with Central Depository Company of Pakistan Limited (CDC).

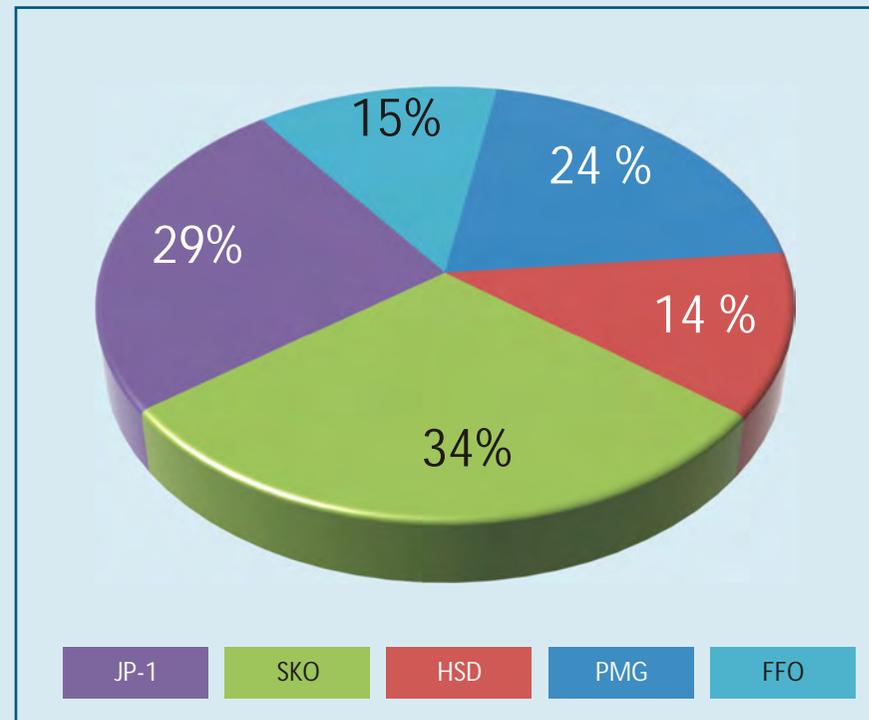
Original paid-up capital of the Company was Rs 80 million which was subscribed by the holding company i.e. AOC, Government of Pakistan, investment companies and general public. The present paid-up capital of the Company is Rs 852.93 million.

AOC is the pioneer of crude oil refining in the country with its first assignment dating back to 1913. Backed by a rich experience of more than 100 years of successful operations, ARL's plants have been gradually upgraded / replaced with state-of-the-art hardware to remain competitive and meet new challenges and requirements.

Refinery operations began in February 1922, when two small stills of 2,500 barrel per day (bpd) came on stream at Morgah Rawalpindi following the first discovery of oil at Khaur where drilling started on January 22, 1915 and at very shallow depth of 223 feet 5,000 barrels of oil flowed. After discovery of oil in Dhulian in 1937, the Refinery was expanded in late thirties and early forties. A 5,500 bpd Lummus Two-Stage-Distillation Unit, a Dubbs Thermal Cracker, Lubricating Oil Refinery, Wax Purification facility and the Edeleanu Solvent Extraction unit for smoke-point correction of Kerosene were added.

There were subsequent discoveries of oil at Meyal and Toot (1968). Reservoir studies during the period 1970-78 further indicated high potential for crude oil production of around 20,000 bpd. In 1981, the capacity of Refinery was increased by the addition of two distillation units of 20,000 and 5,000 bpd capacity, respectively. Due to their vintage, the old units for lube/ wax production, as well as Edeleanu, were closed down in 1986. In 1999, ARL commenced JP-1 pipeline dispatches and in 2000, a Captive Power Plant with installed capacity of 7.5 Megawatt was commissioned. Another expansion and up gradation project was completed in 1999 with the installation of a Heavy Crude Unit of 10,000 bpd and a

Catalytic Reformer of 5,000 bpd. ARL's current nameplate capacity stands at 43,000 bpd and it possesses the capability to process lightest to heaviest (10-65 API) crudes. ARL's current Expansion / Up-gradation Projects comprises of Preflash unit, Naphtha Isomerization unit, Diesel Hydro Desulphurization (DHDS) unit and expansion of existing Captive Power Plant. This would increase refinery capacity by 10,400 bpd, motor gasoline production would increase by 20,000 Tons per month and would enable ARL to produce Euro II compliant low sulphur diesel. These Projects are expected to be completed by September 2015. The Company is ISO 9001, ISO 14001, ISO/IEC 17025, OHSAS 18001 certified and is the first refinery in Pakistan to declare implementation of ISO 50001 (Energy Management System).



% Average share of ARL major Products in Countrywide supplies excluding imports

THE MANAGEMENT



Syed Asad Abbas
Sr. Manager (F & CA)



Malik Masood Sadiq
AGM (C & MM)



Munir A. Temuri
Sr. Manager (TS)



Asif Saeed
Sr. Manager (HR & A)



M. Adil Khattak
Chief Executive Officer



Mansoor Shafique
DGM (TS, P&D)



Khalid Mahmood
Manager (P & D)



Khurram Jalil
Sr. Manager (Engineering)



Ejaz H. Randhawa
DGM (Operations)



Nayyer Ahmad
Manager (OM & U)



Salman Tariq
Sr. Manager (Maintenance)



Raja Nadeem Khalid
Manager (Maintenance)



M. Aliemuddin
Manager (HSEQ)



Usman Ishaq Raja
Deputy Manager (BR & A)



Arshad Hayee Khan
Manager (Plants)

COMMITTEES

Various Committees have been formulated to look after the operational and financial matters of the Company. Brief description of the role of Committees involved in strategic matters is given below:

MANAGEMENT COMMITTEE

This Committee which is constituted of all Departmental heads meets fortnightly under the Chairmanship of CEO to coordinate the activities, refinery operations and to discuss various issues.

VALUE & ETHICS COMMITTEE

The primary role of this committee is to investigate and advise the Chief Executive Officer (CEO) appropriate action regarding violation of ARL Core Values and related codes and policies.

SUCCESSION PLANNING AND CAREER MANAGEMENT COMMITTEE

This committee is responsible for initiating and taking all necessary steps towards formulation and implementation of an appropriate Succession Planning and Career Management System in the Company.

ECONO-TECH. COMMITTEE

This Committee reviews all new proposals relating to Refinery operations and projects and formulates recommendations after discussing / evaluating it from technical and economic aspects.

BUDGET COMMITTEE

This Committee reviews and recommends the annual budget proposals for the approval of the Board of Directors. It also monitors the approved budget utilization.

PRICING COMMITTEE

Responsible for determining prices of deregulated products from time to time.

CENTRAL HSE COMMITTEE

The primary role of the 'Central HSE Committee' is to set operating policy and procedures consistent with HSEQ Policy and to monitor implementation of the policy. Furthermore, this Committee provides a strategic direction, sets goals and objectives, monitors performance and provides a mechanism for dealing with safety behavior issues.

INFORMATION TECHNOLOGY COMMITTEE

Responsible for automation of processes and systems in line with latest technology.

RISK MANAGEMENT & STRATEGIC PLANNING COMMITTEE

This committee discusses and decides all matters related to risk management and strategic planning of Attock Refinery Limited.

REWARDS & RECOGNITION COMMITTEE

The role of this committee is to discuss, evaluate and recognize actions / ideas / suggestions and behaviors manifested by an employee or employees, or any significant improvisation being beyond the normal call of duty.

STANDING COMMITTEE FOR GENDER JUSTICE

The prime responsibility of this committee is to safeguard rights of male & female employees of ARL and making the work environment free of harassment. In case of any complaint, conduct proper investigation and advise CEO for appropriate action.

TRAINING STEERING & SCHOLARSHIP COMMITTEE

This committee proposes names of staff members for outside trainings and also approves scholarships for employees' children.

ARL OPERATIONAL CONFIGURATION

Attock Refinery Limited (ARL) receives 50 % crude oil through bowzers and 50% from pipeline. Crude oil thus received processed to fractional distillation. Products are stored in their respective storage tanks and dispatched to customers after thorough quality inspection. ARL customers include Pakistan State Oil (PSO), Attock Petroleum Limited (APL), Shell Pakistan Limited, Chevron Pakistan Limited, Total Parco, Byco, Hascol, Askar 1, Admore , Bakri Trading Oil , Overseas Oil trading company Ltd and Zoom Petroleum Ltd.

SUPPLIERS		REFINERY	CUSTOMERS	

Inputs		Outputs	
CRUDE OIL	1939553 Tons	LPG	7,550 Tons
STEAM	18,631 Tons	PMG	356,117 Tons
FUEL OIL	12,487 BBL	Naphtha	222,523 Tons
WATER	309.98 M Gals	Solvent Oil	2,765 Tons
ELECTRICITY	38,149,229 KWh	Kerosene	48,215 Tons
FUEL GAS	2,768,573 MCF	Jet Fuel	196549 Tons
		MTT	7,483 Tons
		HSD	553,530 Tons
		DFO	2,076 Tons
		JBO	3,123 Tons
		Furnace Oil	421819 Tons
		Asphalt	43,938 Tons

ONGOING AND FUTURE PROJECTS

REFINERY EXPANSION AND UP-GRADATION PROJECTS

ARL is in the process of upgrading its refining facilities as under:

1. Pre-flash unit - to enhance refining capacity by 10,400 BPD
2. Naphtha Isomerization Unit to enhance production of PMG by 20,000 Tons Per month
3. Diesel Hydrodesulphurization Unit (DHDS) to reduce sulphur contents in High Speed Diesel
4. Expansion of existing Captive Power Plant by 18 MW

Basic design of Pre-flash unit and Isomerization / DHDS units was carried out by M/s CB&I USA and M/s UOP USA respectively where as the basic design of utilities and



HSE Briefing to Contractors at Site Clearance of the Project area

off-sites was carried out by M/s ENAR Petrotech Services Pakistan. Installation of Pre-flash unit will increase ARL's refining capacity thus increasing the production of vital middle distillates. Isomerization and DHDS unit will enable ARL to increase

PMG production and produce Euro-II compliant low sulfur diesel respectively.

Expansion of existing captive power plant will also be carried out to meet the increased power requirement due to addition of new process units and modernization of existing refinery equipment like fire protection pumps etc. Renowned international contractors participated in the bidding process for these projects. EPCC contract for the complete project has been awarded to M/s Hyundai Engineering Co. Ltd, Korea on April 11, 2013. Detailed Engineering of the units is in progress. Preflash, Isomerization, DHDS, their auxiliary units and Captive power plant (after expansion) will start operation in 2015.

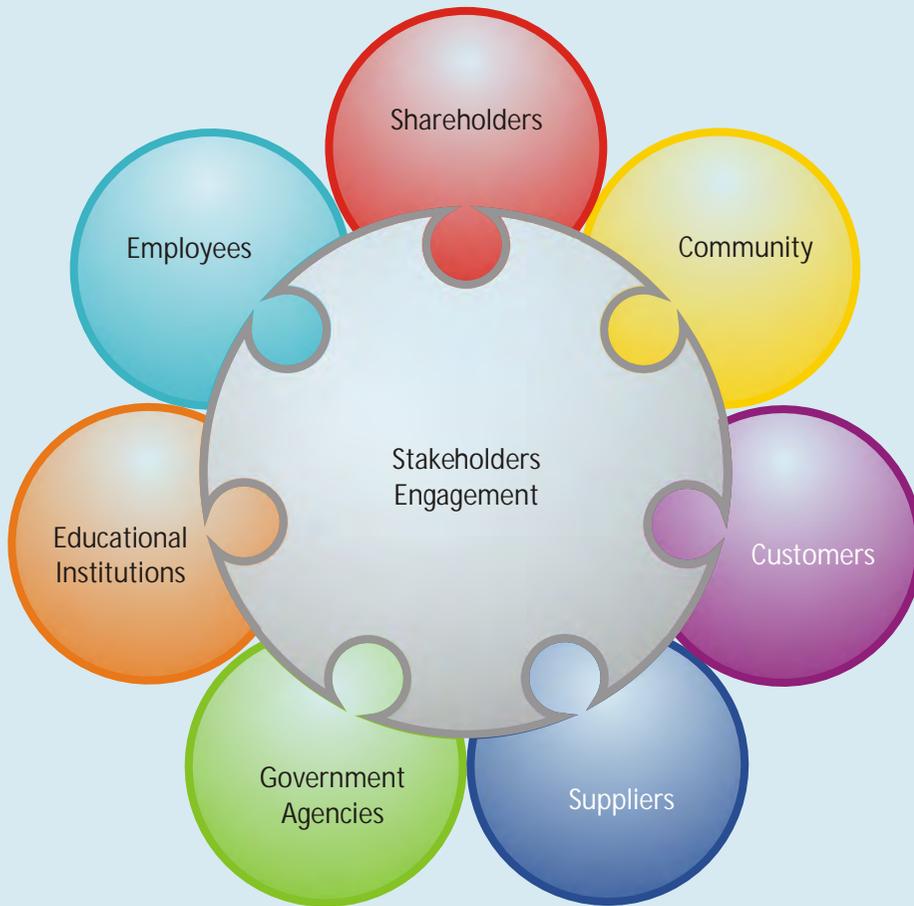
EFFLUENT TREATMENT PLANT PHASE-II

ARL has always been in the forefront to invest in improving the environment as part of its Corporate Social Responsibility (CSR) way ahead of regulatory timelines. The target has always been to go beyond just meeting the minimum requirements of the National Environmental Quality Standards (NEQS) and have even a better quality of effluent streams than required by the NEQS. In the same spirit, Phase-II of Effluent Treatment Plant (ETP) was initiated in year 2012 and contract was awarded to a Malaysian based company to upgrade the existing primary treatment facilities and to install secondary treatment technologies. Phase-II mainly consists of addition of another Dissolved Air Flotation (DAF) unit for removal of Total Suspended Solids (TSS) and Oil & Grease; and Biological treatment plant for the reduction of Chemical Oxygen Demand (COD) and Biological Oxygen Demand (BOD), along with modifications to the existing API separators to improve their efficiency. It is expected that after installation of the ETP Phase-II project the effluent water will not only consistently meet the NEQS requirements but will also improve water conservation by the possibilities of beneficial re-use of the treated water. The project is now near to completion with its commissioning planned in the first quarter of 2014.

Business Partners



STAKEHOLDERS ENGAGEMENT



STAKEHOLDER

SHAREHOLDERS & PROVIDERS OF CAPITAL

INSTITUTIONAL SHARE HOLDERS: Banks, Financial Institutions, Non-Banking Financial Institutions, Insurance & Investment Companies, Joint Stock Companies, Associate companies and related parties

PRIVATE SHAREHOLDERS: Investors majority Shareholders

Needs	ARL Response	Engagement Channels
<p>Safe operation of refinery, Value addition, Transparency, Compliance to code of corporate governance & materiality principles, Sharing of social, environmental & financial statements, Timely payments of dividends & bonus shares, Maximum throughput of Refinery, 100% Sales of products</p>	<p>OPERATION DEPT. Safe operation of Plants and Value addition BR & A DEPT. Compliance to code of corporate governance, Materiality Principle compliance, Coordination with third party auditors, Routine review and audits. FINANCE DEPT. Transparency in dealing, Preparation of Quarterly & Annual Financial reports, Sharing of financial Statements, Liaison with financial institutions for investment, Timely payments of dividends & Bonus shares to shareholders HUMAN RESOURCE & ADMIN DEPT. Succession planning for key managerial positions to keep operation smooth and trouble free HSEQ DEPARTMENT Sharing Social & Environmental performance with share holders COMPANY SECRETARY Arrangement of board & shareholder meetings</p>	<p>Board of directors and shareholder Quarterly and Annual meetings, Refinery management committees, i.e. Risk management & strategic committee meetings succession planning & career management committee.</p>

STAKEHOLDER

CUSTOMERS

OIL MARKETING COMPANIES: Attock Petroleum Limited, Pakistan State Oil, Shell Pakistan Ltd., Chevron Pakistan Ltd., Total Parco Pvt. Ltd etc.

OTHERS: Pakistan Air Force, Defense Energy Support Center, Supreme Global Services, National Highway Authority, Pakistan Oilfield Limited., Kot Adu Power Company Ltd., Foreign Buyers of Petroleum Products.

Needs	ARL Response	Engagement Channels
Response for After Sale Services, Quality & Quantity, Timely Availability of Products, Customer Satisfaction, Technical Assistance and Financial Compliance.	<p>OIL MOVEMENT SECTION Ensures Timely Availability, Quantity Compliance, Response to Queries, Administrative Complaints.</p> <p>QUALITY CONTROL LAB. Ensures Quality, End user and Customer Satisfaction, Technical Assistance, Quality Complaints.</p> <p>INVOICING & RECEIVABLES MANAGEMENT Accurate Timely Billing, Coordination, Financial Complaints.</p> <p>BI-ANNUAL QUALITY COUNCIL MEETINGS Customer Feedback, Compliance Status, Analysis & Action Plan, Integrated Management System Audit Findings, Follow-ups.</p> <p>SALES SECTION Customer liaison & satisfaction, Compliance of sales agreements.</p>	Customer Site Visits (Quarterly/As & when required), Exchange of Information, Joint testing of Product Quality, Quarterly Customer Feedback through Tele/E-Mails/ One to One Meetings, Technical and Awareness Sessions



ARL sales team meeting with Attock Petroleum Limited

Stakeholder

SUPPLIERS:

CRUDE OIL SUPPLIERS: POL, OGDCL, PPL, OPL, MOL and MGCL

OTHERS: WAPDA, SNGPL, PTCL and General Order Suppliers

Needs	ARL Response	Engagement Channels
Timely Bill payments, Prompt response, Assets safety, Conducive working Environment, Technical feedback, Compliance to code of corporate governance, Contract agreements	<p>OIL ACCOUNTING SECTION On time payment to crude Suppliers and Utility bills.</p> <p>HSEQ DEPARTMENT Crude oil evaluation, Assets safety, Technical feedback and R&D</p> <p>OPERATION DEPT. Crude oil receipt and technical feedback.</p> <p>TECHNICAL SERVICES DEPARTMENT Technical evaluation of crude and other raw materials.</p> <p>COMMERCIAL & MATERIAL MANAGEMENT DEPT. Liaison with General order suppliers</p>	Quarterly Joint testing of crude oil, direct coordination with WAPDA, SNGPL, PTCL and General order suppliers, visit to crude production sites as and when required, regular meetings of procurement office with general order suppliers, communication of relevant policies and procedures

Stakeholder

GOVERNMENT AGENCIES

Oil and Gas Regulatory Authority (OGRA), Ministry of Petroleum & Natural Resources (MP&NR), Pakistan Standards and Quality Control Authority (PSQCA), Directorate of Labor, Federal Board of Revenue (FBR), Securities and Exchange Commission of Pakistan (SECP), Stock Exchanges, Environment Protection Agencies (EPA), Rescue 1122 & Other like Agencies, National Highway Authority (NHA), Local & District Govt., Directorate of Apprentices, Employees old Age Benefit Institute (EOBI), Oil Companies Advisory Committee (OCAC)

Needs	ARL Response	Engagement Channels
Compliance to code of corporate governance, Compliance of Quality products & services, Legal and NEQS compliance, Tax deduction & deposition, Development of policies framework, Safety, Infrastructure Development, Workers Welfare, Conducive working Environment, Compliance of Govt. Rules and regulations	OIL ACCOUNTING SECTION: Coordination with MP&NR for crude pricing & discounts, Petroleum development levy, Excise duty, OGRA for IFEM, Payment to crude suppliers, FBR for excise duty & sales tax PAYROLL & EMPLOYEES FUND SECTION: FBR for monthly/annual return of withholding, income & personal tax ACCOUNT PAYABLE SECTION: FBR for contractors, suppliers & service providers tax deposition CORPORATE AFFAIR SECTION: Stock exchanges, SECP, Financial institutions SALES SECTION: MP&NR for product sales figures (daily), MP&NR & OCAC for supply & demand of petroleum products. Import decisions, Area wise product analysis HR & ADMIN: Local Govt. Labor deptt, Directorate of Apprentices, EOBI, NHA HSEQ DEPARTMENT: PSQCA, Rescue 1122, EPA	Fortnightly product allocation meeting with MP&NR at OCAC. Daily sales figures to MP&NR, Crude pricing, PDL, Coordination with MP&NR, Fortnightly meeting with OGRA for Inland Freight Equalization Margins (IFEM) at OCAC, Directorate of Labor, NHA, Directorate of Apprentices, EOBI, Monthly/annually coordination with FBR for income tax, Personal and sales tax, Monthly coordination & reporting to EPA, Quarterly coordination with PSQCA. Coordination with Rescue 1122, regular liaison with local Govt. Invitation to Govt. officials, Information on website, Involvement of EPA in public hearing for new projects



Public hearing of ARL upgradation project

Stakeholder

EMPLOYEES

Regular, Contract, Employees Representative Groups like CBAs, Contractors

Needs	ARL Response	Engagement Channels
Reasonable Salary and benefits, Career Growth, Training, Compliance to HR policy, Safety and Security of Employees and their families, Conducive and friendly working environment, Sharing of Information	HR & ADMIN New employees induction, Arranging Training Programs, Meeting with employees, Conducting regular employees satisfaction surveys, Formal agreement with CBA after 2 year, Administrative Assistance HSEQ DEPARTMENT Safe and secure working Environment FINANCE DEPARTMENT Timely payment of Salaries and bonuses	HR policy, Succession planning & career management committee, Organization Environment surveys, Meeting with Employees, Training need assessment and Trainings

Stakeholder

LOCAL COMMUNITIES, NGOs, COMMUNITY ORGANIZATIONS:
Neighbors, Third party Independent Auditors, HR consultants, Professional Trainers, Local Refineries, Media, Crude/Products Transporters.

Needs	ARL Response	Engagement Channels
Community welfare projects, Sharing of social, environmental & financial statements, Drivers facilities like rest rooms, Payments to transporters, Training Opportunities , Audit of financial statements and facilities, Financial & Technical support	OPERATIONS DEPT. Driver comfortable stay at ARL, Liaison with local Refineries. BR & A DEPT. Coordinate with third party Auditors, FINANCE DEPT. Payment to transporters HR & ADMIN. Providing financial & Administrative support, Community welfare projects, Media liaison, Liaison with neighbors & community, Liaison with HR Consultants and Professional Trainers C&MM DEPT. Compliance to Transport agreement and payment facilities HSEQ DEPARTMENT Safety briefing, Provide support in case of any incident, Sharing Social and Environmental performance	Meetings with communities, Neighbors participation in refinery functions, Agreements with transporters, Involvement of communities in public hearing for new projects, joint celebration of events, external audits, conferences and seminars

Stakeholder

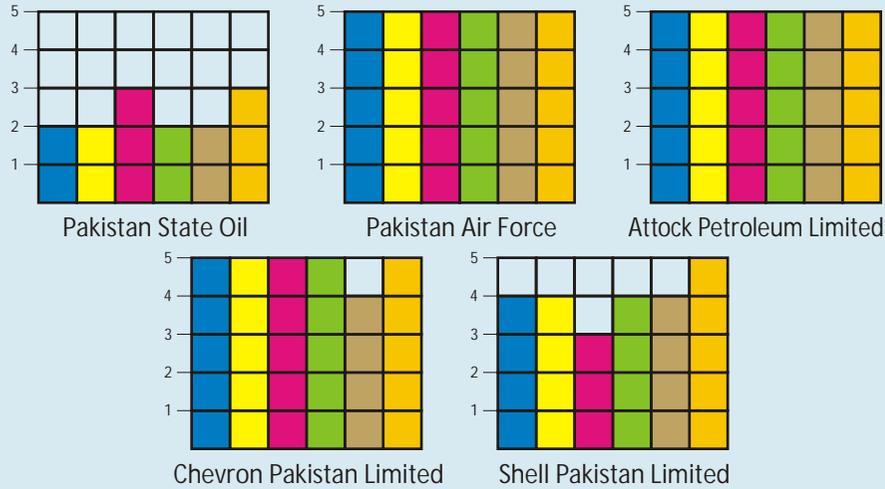
EDUCATIONAL INSTITUTIONS
Schools, Colleges and Universities
STUDENTS
TEACHERS

Needs	ARL Response	Engagement Channels
Educational visits, Internship facilitations, R&D, Trainings	HR & ADMIN. Arrange for Educational Visits, Internship programs and trainings, Liaison with Educational Institutions, Teachers and Students HSEQ DEPARTMENT Safety briefing, Sharing Technical Information, Providing technical support, Sharing social & Environmental performance	Internship and training programs, assisting universities for R&D, educational visits, sharing of information

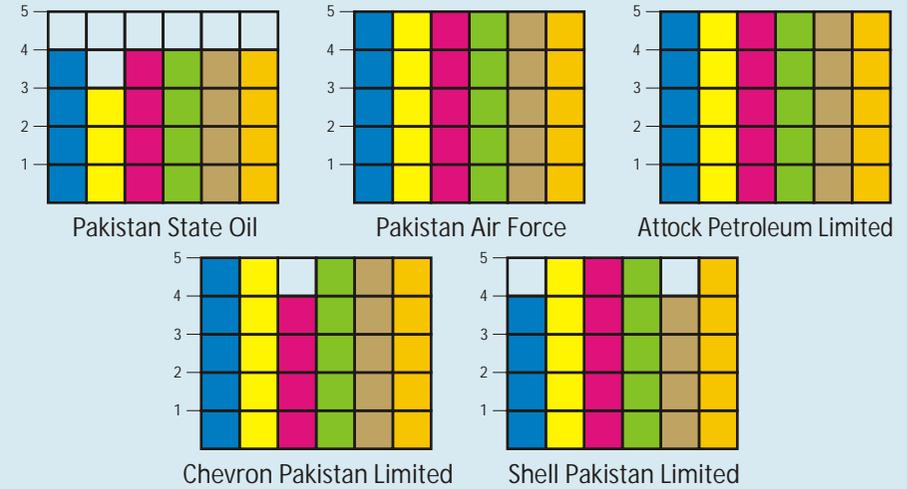


CUSTOMER FEEDBACK

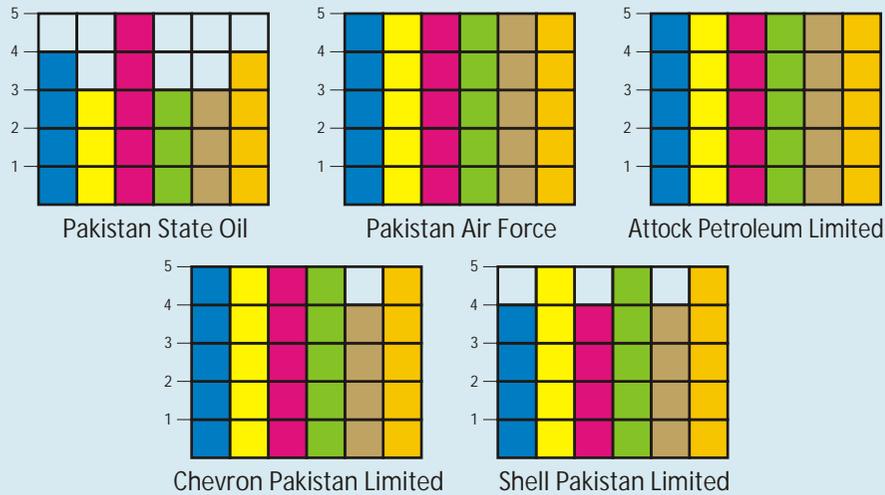
THIRD QUARTER 2013



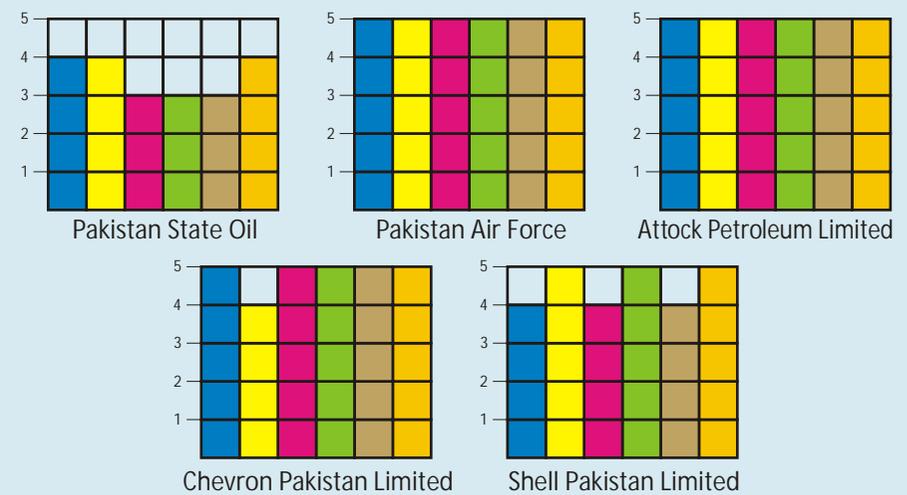
SECOND QUARTER 2013



FIRST QUARTER 2013



FOURTH QUARTER 2012



LEGEND



PRODUCT & SERVICE STEWARDSHIP

At Attock Refinery Limited (ARL), we are well aware of our responsibilities towards environmental, social and economic impacts of our services and products. We believe product and service stewardship is core to our business strategy and operational activities. The figure is depicting our core activities associated with our response to its impacts on stakeholders define unbroken chain of ownership from raw material to product life cycle. The systematic approach towards identification of significant safety risks associated with our products and services helped ARL in development of such a sustainable HSEQ mechanism, which contributes in continual improvement of the ARL management systems. Training is given to all employees to enable them to work consistently as per standard operating procedures.



Business Partners

ARL CSR Initiatives



HUMAN RESOURCE POLICY

ARL corporate policy on human resources is to attain the highest standards of professionalism throughout the organization by recognizing and revealing individual capabilities, productivity, Commitment and contribution. ARL firmly believes that the continued progress and success of the Company depends upon to a great extent on its personnel that only with a carefully selected, well trained, achievement orientated and dedicated employee force, can the company maintain its Leadership in the Refining industry. And because the most valuable asset of the company is its personnel, ARL has the following human resource policies:

ARL corporate policy on human resources is to

1. Employ the best-qualified persons available; attain the highest standards of professionalism recognizing each person as an individual thus affording equal opportunity.
2. Pay just and responsible compensation in line with the industry standards, job requirements and work force.
3. Help employees to attain their maximum efficiency and effectiveness through a well-rounded training and development program.
4. Provide and maintain comfortable, peaceful and orderly working conditions.
5. Promote from within whenever possible and provide opportunities for growth and promotion to the employees.
6. Treat each employee with fairness and respect and in return expect from him in service marked by dedication, devotion, commitment and loyalty.
7. Encourage each employee to improve and develop himself and thereby prepare him for positions of higher responsibility.
8. Recognize and reward efficiency, team work, discipline and dedication to duty and responsibility.
9. Exhaust all means to resolve Labor- Management differences, promptly and amicably, if any.
10. Provide a wholesome and friendly atmosphere for harmonious Labor Management relations.

WHISTLE BLOWING POLICY

The Management encourages whistle blowing culture in the organization and has adopted a culture to detect, identify and report any activity which is not in line with the Company policies, any misuse of Company's properties or any breach of law which may affect the reputation of the Company. The Company has adopted the best corporate policies to protect employee(s) who report corporate wrongdoings, illegal conduct, internal fraud and discrimination against retaliation. The Company promotes transparency and accountability through publication of accurate financial information to all the stakeholders, implementation of sound effective and efficient internal control system and operational procedures. All employees have signed a code of conduct and the Company takes any deviation very seriously. The Company encourages Whistle Blowing to raise the issue directly to Chief Executive Officer provided that:-

The Whistle Blower has sufficient evidence(s) to ensure genuineness of the fact after a proper investigation at his / her own end. The Whistle Blower understands that his / her act will cause more good than harm to the Company and he / she is doing this because of his / her loyalty with the Company and The Whistle Blower understands the seriousness of his / her action and is ready to assume his / her own responsibility. The Management understands that through the use of a good Whistle Blowing Plan, they can discover and develop a powerful ally in building trust with its employees and manage fair and transparent operations. The Company therefore provides a mechanism whereby any employee who meets the above referred conditions can report any case based on merit without any fear of retaliation and reprisal.



ARL SOCIAL RESPONSIBILITY COMMITMENT & ASSURANCE

Our approach to sustainable development derives in the first instance from our vision, Mission, core values and organizational principles. Attock Refinery has a very strong commitment to maintain & introduce best practices beyond legal compliances in its business covering all aspects of economy, society and environment. Goal of sustainable development could not be accomplished without the involvement of stakeholders and ARL considers involvement of stakeholders including neighbors and every one influenced by its activities as key to sustainable growth of the organization. Endorsing the importance of corporate social responsibility it is one of the core values of the company. The company has a long history of carrying out its obligations as a responsible corporate citizen and meeting its responsibility with respect to protection and promotion of interest of its customers, employees, shareholders, communities and environment in all aspects of its operations. As a member of the global community, ARL engage in a full range of social contribution activities, taking part in the creation of a better world.

We have adopted a decision-making process that gives equal consideration to our three highest priorities: Reliable energy source, environmental stewardship and social responsibility. Ultimately, it is about conducting business in a way that benefits both sustainability and the triple bottom line of society. Everything we do as a company is intended for the good & well being of our stakeholders especially community.

Social Responsibility has been the heart of Attock refinery since its inception. The Company has long history of supporting and investing in local communities and our approach is not just meeting the demands but it is a philosophy to go beyond legal boundaries for the benefit of civil society.

Company has special focus in sectors like health, education, infrastructure development, social promotion and community development.

Attock Refinery has adopted AA1000 standard, Global reporting initiative (G3.1) guidelines & UN Global Compact indices for planning and reporting of its social

programs to achieve high standard of transparency, fairness and objectivity.

Key Characteristics principles applied in the assurance process are:

MATERIALITY PRINCIPLE to ensure that all stakeholders are fully on board for planned social and other sustainable development programs covering legal & regulatory policies related performance, behaviors impacts, views and their perceptions to enable them for informed & quick judgments, decisions and actions.

COMPLETENESS PRINCIPLE to ensure the presentation of information is reasonable and appropriate & to assess and identify the dimensions of scope, boundary, and time, extent of un-biased product & service related activities to social, ethical and environment performance. The disclosures of shortcomings of completeness are being mentioned for making it as a target for next report.

RESPONSIVENESS PRINCIPLE is applied to make sure that ARL has responded to stakeholders concerns and adequately communicated its responses. ARL sustainability report has been used as a tool to communicate its response to all stakeholders. The sustainability report is placed on ARL web site not only to ensure easy access but also provides feedback mechanism for two way communication.

GLOBAL REPORTING INITIATIVES GUIDELINES PRINCIPLES are used to present summarized economic, environmental, and social dimensions of ARL performance for comparable reporting across diverse organizations to facilitate standardized and systematic judgment.

FOCUSING ON CORPORATE SOCIAL RESPONSIBILITY MATERIALITY

We have consulted a variety of sources internal as well as external as part of our materiality assessment. These sources included:

- Company objectives, strategies, core values, policies and Programs
- Independent judges feedback on our previous sustainability report
- Stakeholder dialogues & Community meetings
- Employee's & Organizational Climate surveys
- Shareholder resolutions and feedback

ARL CSR Initiatives

- Stakeholders Input & Feedback
- Suppliers feedback
- Auditors reports
- GRI 3.1 recommended topics and data for inclusion

After reviewing inputs from these sources and based on our analysis, we determined the material issues of key importance to ARL and our stakeholders. These issues have been considered as short, medium and long term plans.

SOCIAL PROGRAMS IDENTIFICATION FORUMS & ACTIVITIES

COMMUNITY

The cornerstone of being a good neighbour our social performance is listening and responding positively to local communities and broader society. For this reason, we have a company-wide approach for engaging with our neighbors and keep periodic liaison with all other stakeholders to have their perceptions and views on ARL social activities. Staff liaises closely with local communities and work with technical and management staff to address their hopes and concerns. This includes our meetings with concerned Union counselors & Nazims, Schools & colleges administration in the locality, District Coordination officer, Local Fire Club members like 1122, National Disaster Management Authority (NDMA) and our supplier & customers. However, we are always looking for other ways to further improve relationships with communities.

This mechanism helps ARL in visualizing & formulating its strategies into actionable social objectives and plans.

EMPLOYEES

In an era of corporate culture where international & local competition is increasing day by day, the success and growth of any organization depends on the capability to



attract and retain talented employees. Employees prefer to work for organizations which embrace sustainable development as well as being socially responsible. Employees want alignment of their personal values and their company's values. For this purpose ARL has adopted multiple strategies to transform its culture and values alignment with each employee because of the belief that employee is our most important asset.

Considering most important asset ARL always involve its employees in the process of planning and execution of actions improving their own & social well being.

AREA UNION COUNCILS MEETINGS

These meetings provide us community perception and interpretation of ARL business operation and translatable expectation of the community. One of our representative attend Morgah and Kotha Kalan Union Councils meeting to record debates, discussion and demands of Union councilor's specific to ARL.

COMMUNICATION

ARL commitment and social programs are communicated for community by displaying large number of colorful banners with thought provoking statements at prominent locations as a part of social responsibility & to get involve maximum number of community in these programs. Apart from that community was also invited on public hearing for Environmental impact assessment (EIA) of ARL

upgradation projects via news papers.

ATTOCK SAHARA FOUNDATION

To keep its Social initiatives in line with economic and environmental endeavors, ARL sponsored NGO, Attock Sahara Foundation (ASF) was established which is playing a vital role in uplifting the social and economic aspects of the surrounding community. In recognition of its commitment and transparent working, ASF was certified by Pakistan Centre of Philanthropy (PCP) in the areas of internal governance, Financial Management and Programmer delivery. Main objective of ASF is to identify the social initiatives and help out ARL to streamlines its community based endeavors more focused and result oriented in best interest of community & organization.

FREE MEDICAL & VACCINATION CAMPS

These camps were organized to involve community, employees to inculcate the spirit of volunteerism and service to mankind. These camps helped us in identification of disease profile being faced by community and to make a data base for future planning. Its feedback was utilized for continual improvement.

Major direct and Indirect Social challenges identified through above forums are as under:

- Direct & Indirect jobs to local residents
- Women Skill Development
- Infrastructure development
- Recreational facilities
- Local young's capacity building
- Drinking water supplies to community
- Free Medical Assistance to poor segment of community
- School facilities/Utilities assistance
- Contractors manpower facilities
- Scholarships for deserving students of community

- Employees Retention
- Dengue Virus
- Rural Development
- Industry-academia relationship
- Recognition of employee services
- Human Rights Awareness
- Employees grievances handling
- Supply Chain Management
- Water resources development
- Tree plantation
- Safety / security of employees & community
- Media Fearlessness
- Urbanization

SOLUTIONS & PERFORMANCE

Our responses to above challenges are summarized as under:

ARL gave due importance to the social challenges identified and responded in an approach to involve local community in the development projects focusing on capacity building rather than donor beneficiary relationship. We believe that investing in the well being of communities is not only important for the uplifting of living standard of societies but also for the success & growth of organization.

Continuous support is always required to nourish and mature some of the social activities for the ultimate success & benefit of communities. ARL provided continuous support to the local community in a number of ways .i.e. Free of cost supply of drinking water continued through its overhead water reservoirs to areas of Morgah, Kotha Kalan, Jhamra, various welfare organizations like SOS village, Fauji Foundation Hospital, Deaf & Dumb school, other local schools & Masajids.

Free Water supplies to community is providing essential services to more than 50,000 people.

ARL CSR Initiatives

ARL continued its support for the educational community over and above the reliance of its workforce on it. ARL provides the opportunity of continuing education to the students of the areas. In this connection the company borne most of the expenses incurred on the company constructed Junior Model School in ARL colony area of Morgah and a minimal fee is charged to the students. Rather than that the Punjab Workers Welfare Board has constructed two model schools at Morgah with the active assistance of the company, these are now operational.

Moreover, The Company has continued awarding of scholarships to the children of employees from primary up to post graduation from top rated institutions of Pakistan.

For Rural development & capacity building our company also provides annual grants & support to Union Councils of the area to run their affairs smoothly & efficiently.

Various activities conducted in this area are enumerated below:

CORPORATE PHILANTHROPY

- I) The Company has traditionally been patronizing limited maintenance of parks and sports facilities in the near vicinity of the Company. In this connection it reimburses limited quantities of fuel for consumption in appliances employed for their upkeep. The cost of such fuel reimbursed during the year amounted to Rs 2.06 million.
- II) In order to provide financial assistance to a special school for hearing impaired children and for helping disabled women, the Company has made donation to a NGO, Pak Darakshan. Darakhshan is one of the four programs of Pakistan Foundation Fighting Blindness (PFFB). The annual expenditure incurred was Rs 0.58 million.

COMMUNITY INVESTMENT AND WELFARE SCHEMES

ARL is providing several community services for the welfare of the surrounding population living in the vicinity of the Refinery. These include provision of electricity, water and gas facilities to schools and mosques and limited maintenance services for these buildings. The Company has also provided well maintained sports grounds for hockey and cricket along with other sports facilities.

The total expenditure on such activities amounted to over Rs 2.74 million. ARL has facilitated Punjab Workers Welfare Board for construction of two Girls and Boys Model Schools through provision of 40 kanal of precious land. This is in line with our Commitment for promoting quality education for our children and dreaming for literate Pakistan. These schools have started formal classes from October 22, 2012 and hundreds of children are getting benefited.

WELFARE SPENDING FOR UNDER-PRIVILEGED CLASSES

ATTOCK SAHARA FOUNDATION (ASF)

Attock Sahara Foundation (ASF), Company's sponsored NGO, is playing a vital role in uplifting the economic conditions of the surrounding communities through various welfare activities. These include vocational training, computer classes, financial and dowry assistance, medical assistance through Poor Patient Fund, elementary education etc. Such activities are carried out by ASF on a self financing basis by generating funds through fund raising activities. ASF's annual expenditure is over Rs 12.54 million. The Company provides organizational support in administration, finance and routine operations of ASF.

Besides above mentioned following are the major activities performed by ASF with collaboration and support of ARL in year 2013.

- I) An awareness session on Child Protection was arranged in Elliot Club in



January 2013 by an NGO "Serve the Children" for community mothers to take better care of their children and safeguard their future.

- II) ASF arranged an awareness session on "Workplace Harassment" for male/female employees of ARL/NCPC/AHL & ASF in February 2013 at MDC Hall of ARL. The main aim of this session was to provide a better dignified working environment for both the genders at workplace.
- III) ASF arranged a Five day training Workshop on First Aid with the collaboration of Johanniter International for Girls of Attock Sahara Foundation. The main aim of this workshop was to enable its attendants to combat any type



of emergencies arising in day to day life.

- IV) To meet Corporate objective of Technical Education & to meet one of our last year social plan , 4 new Apprentice Staff have been inducted with effect from March 1, 2013 in the Areas of Tailoring, Electrician / A/c Mechanic & computer operator for the capacity building of local community.

COMMUNITY ASSISTANCE

ARL is also providing education allowance for orphan children and free provision of electricity, gas and water for a period of 5 years in respect of deceased employees of

the Company.

Moreover, disabled children of Company's workers are also provided with children disability assistance allowance. The total annual expenditure on this account amounted to Rs 0.70 million.

FREE MEDICAL & VACCINATION CAMPS

ARL in collaboration with Attock Hospital and Attock Sahara Foundation arranged a free medical camp on April 13, 2013 at Attock Hospital, Morgah, Rawalpindi. 1264 patients were attended with free medicines. Through this camp quality healthcare



facilities were provided to the poor and needy community of Union Councils Morgah, Kotha Kalan and surrounding areas. Special Vaccination Camps were also organized for Polio & Measles outbreak.

To support the campaign of the Government of Punjab for the eradication of dengue fever, ARL also arranged a Dengue Awareness seminar on February 15, 2013 at Elliot Club Morgah, Rawalpindi. Speakers highlighted the possible symptom and prevention from Dengue fever. They also mentioned the importance preventive action to stop the growth of Dengue Mosquito.



A large number of participants from community benefitted from the awareness session.

EMPLOYMENT FOR SPECIAL PERSONS

In order to provide employment opportunities for special persons and to provide them a chance to earn respectable living thus making those useful members of the society, The Company has allocated a quota for such persons and ensures that it keeps under employment the allocated numbers. Emoluments to the tune of Rs 3.54 million were paid to such workers.

RURAL DEVELOPMENT

The Company's refinery and colony is located in the areas adjoining the two Union Councils i.e. Morgah and Kotha Kalan. The Company is paying an annual contribution of Rs 75,000 to the two Union Councils as contribution towards their development expenditure which is shared equally with another associated company. The company also assisted government of Punjab in the development of an alternate road of 1.5 Km length to facilitate the local inhabitants of adjoining union councils in term of infrastructure development. The total cost incurred in this connection is Rs. 8.9 Million.

SCHOLARSHIPS FOR TALENTED STUDENTS

The Company is not oblivious of the fact that the talented children of our employees need considerable support and encouragement in these difficult times. ARL management offers scholarships from class 1 to PhD to employees' children. During 2012-13 scholarships were awarded to 59 students at different levels. Similarly, 31 bright students amongst employees' children who got excellent marks in their Secondary and Higher Secondary Board exams were encouraged through token gifts. The Company has incurred an annual cost of Rs 1.85 million on these scholarships.

TRAINING PROGRAMS FOR STUDENTS

The Company is also operating an extensive management training programme whereby fresh graduates from different disciplines are provided 1 to 2 years training opportunity to enable them to get practical on hand experience. The Company is also operating an apprenticeship programme under Government of Punjab apprenticeship scheme. Further, summer internships are also offered to students from various academic institutions. The annual expenditure on these training schemes amounts to over Rs 22.04 million.

ANNUAL SPORT DAY



Annual Sports Day is a regular feature at ARL. The Company provides all kind of opportunities to the employees to keep them physically and mentally fit. A large number of employees take part in these games every year.

TREE PLANTATION 2013

ARL & NCPC has jointly planted fruit and evergreen plants in the Morgah community, schools, Morgah Biodiversity Park, residential societies on ownership basis to ascertain the growth of plants on sustainable basis. Every plant owner was



guided and instructed to take full care of the plant. Many plants were also donated to different organizations including Fauji Foundation Hospital, NGOs (HRDS, HDF & Payaam) and different schools of Rawalpindi and Islamabad. The company has planted more than 12000 trees in current year.

MORGAH BIODIVERSITY PARK

The Company continues to support the Morgah Biodiversity Park which provides a healthy environment, entertainment and education to the visiting community. This Park had been sponsored by the Company in collaboration with UNESCAP for conservation of biodiversity of the Potohar Region. This park is a place of



amusement for the local community. A number of schools & universities students' visit the park. 4 acres Grapes Orchard developed at Morgah Biodiversity Park (MBP) for sustainability of the park.

MEMORANDUM BETWEEN ARL, AGL & CES-NUST

A Memorandum of Understanding among ARL, AGL & Center for energy systems National University of Sciences & Technology (CES-NUST) Islamabad signed on May 14, 2013 for extending cooperation between Industry & Academia to support each other in national/mutual interest and develop a long term technical and research collaboration bridging the industry-academia relationship.

Under the MOU, ARL and AGL will accommodate CES-NUST students to carry out their research/thesis projects as internees for the projects of mutual interest. Approximately 6 months internship will be provided by ARL and/or AGL in accordance with their respective policies for up to 8 students from CES-NUST. Presently Three students form CES-NUST with the collaboration of ARL are working on different projects at ARL.

INDUSTRIAL RELATIONS / WORKERS WELFARE

The Company believes in maintaining cordial industrial relations with its employees and their Collective Bargaining Agent (CBA) and is always taking measures towards the employees' welfare. The Company provides subsidized food through its dining facilities, subsidized flour on monthly basis, free Ramzan package, school and college pick / drop facility for employees' children, quarterly / annual awards for good performance, long service awards and sports and entertainment facilities. Hajj and Umra facility is also provided to eight (8) Muslim workers annually. The Company provides financial support also to Non-Muslims employees to facilitate visit to their holy places. The total cost incurred in this connection amounted to over Rs 26 million.

BUSINESS ETHICS AND ANTI-CORRUPTION MEASURES

ARL has voluntarily adopted and participated in the United Nations Global Compact (UNGC). Started in 2008, the UNGC is a corporate responsibility initiative built around universal principles of human rights, labor, environment and anti-corruption. These standards form an integral part of our company's values, and we ensure to comply with these standards in all our business practices.

The U.N. Global Compact was originally proposed by U.N. Secretary-General Kofi Annan in an address to the World Economic Forum in 1999.

ARL ensures that company employees and businesses are ethical in nature. An Ethics Committee is formed for this purpose. It monitors ethical practices and allows others to report unethical practices. ARL Code of Conduct is a testimony to the company's commitment to ethical and transparent business practices.

ARL is an equal opportunity employer and ensures that no discrimination takes place on the basis of gender in employment. The company has established a special committee on Gender Justice which ensures that all grievances or complaints regarding harassment are promptly addressed.

Due to Gender Justice Practices ARL adjudged as the Most Gender-Friendly Company by Reuters.

"Our Global Compact is working to bring business to the table as a key partner. It embodies the spirit of shared responsibility that is essential for achieving a better world.

At the Compact's launch in 2000, few companies considered their impact on the environment and on society. Now we have 8,000 participating companies and 4,000 civil society signatories in 145 countries. We have 101 country networks supporting a growing global corporate sustainability movement.

Secretary-General Ban Ki-moon, UN Headquarters, 20 September 2013

HUMAN RESOURCE DEVELOPMENT

Your Company considers its human resource as the most valuable asset and remains committed to ensuring that all employees are treated with dignity and respect and that the working environment is one where each employee's contribution is recognized and valued. Various steps taken by the Company for the development of its human resource capital are outlined below.

EMPLOYEE TRAINING & DEVELOPMENT

Training and development plays a vital role in moulding employees for current as well as future organizational requirements. Since we consider our human resource as the prime resource, we continuously endeavor to ensure systematic enhancement of their technical and managerial competence through well rounded training and development. Training plan forms a part of our performance management strategy and is formulated on the basis of training need assessment, staff career plans, succession plan and other organizational requirements. Technical Training Program initiated in 2012 under ARL Skills Development Initiative



(SDI) continued. Under this program employees were trained by high potential internal trainers to equip them with requisite technical skills. Technical trainings are being conducted on regular basis across the organization under SDI program.

In order to create awareness on HSE aspects, the process of scenario based drills are being continued. Different emergency scenarios are defined and response planning is done as to how to handle & what recourses in terms of men, machine and material are required. This process is providing excellent results in terms of cultivating safety consciousness among the employees.

Through these initiatives the Company is investing a lot in the development of its employees.

CBA-MANAGEMENT RELATIONS

Maintenance of a congenial atmosphere at work place is one of the top priority of your Company. The relations between workers' Union and management are based on the principles of mutual trust, respect and open communication. Workers participation is ensured through their involvement in decision making process with their representation in Workers Management Council, Central HSE Committee and various other committees. The Company considers its workers as partners in

continued success of the Company. Our industrial relations history depicts a will, on both sides of the table, to maintain mutual respect, co-existence and growth. Therefore, The Union Management relations at ARL can safely be termed as "Exemplary".

PERFORMANCE AWARDS

With a view to encourage staff in attaining their optimum level of performance ARL organized "Man of Quarter" ceremony where the star performers of all departments were recognized through commemorative shields and cash awards. These performance awards have been prompting a great impetus to employees' efforts towards high performance over the years.

SAFETY AWARDS

Workers' safety and process safety are given prime importance at ARL as we consider our workers and employees as our prime asset. In order to inculcate a sense of safety consciousness in our employees and workers, the Company holds Safety Awards ceremonies on quarterly basis. Such awards are given to those workers who set high standards of safety consciousness in their normal working. This process has helped a lot in maintenance of safety culture in the Company. To create a sense of positive competition among departments, a Quarterly Safe-Man-hours Trophy is awarded to a Department for taking concrete measures to ensure safe working environment including safe man-hours. This has considerably boosted our efforts to engage all levels of staff in exhibiting even more safety consciousness. Similarly, Safety Week was celebrated and Safety Walks held to strengthen safety culture in the Company.

HOUSE KEEPING AWARDS

Cleanliness and tidiness is promoted in the organization through conduct of Housekeeping competitions on quarterly basis. The Company discourages poor housekeeping and considers it as one of the prime contributing factors that affect productivity as well as workers' safety. Employees show considerable enthusiasm in such competitions. These Housekeeping competitions are playing a significant role in molding the positive safety attitude of employees.

ORGANIZATION DEVELOPMENT

Following efforts have been made to ensure organizational development.

1. SUCCESSION MANAGEMENT

Succession Management in line with our policy of Management Development, the Succession Management Project is one of ARL's major HR initiatives. The main objective for introducing a formal Succession Management was to ensure leadership and management continuity throughout the Company. It ensures that replacements have been prepared to fill key vacancies on short notice and that individuals have the development capacity to assume greater responsibilities and exercise increased technical proficiency and expanded management role in their work. The process has been implemented in two phases and executed in line with the international best practices. By using our in house resources we have been able to save substantial amount which otherwise would have been incurred on hiring a consultant for the purpose.

2. CULTIVATION OF LEARNING CULTURE

ARL, in pursuance of its core value of 'Learning & Innovation' has been promoting a learning culture within and outside the Company, as we consider it as a catalyst for our future success. Over the years, the numbers of international publications by our employees have been on the rise. To provide a platform for knowledge sharing the conduct of conferences has become an established norm at ARL; we have uptill now conducted Four HR Conferences, Two learning & Innovation Conferences, three HSEQ Conferences, and a Plant Maintenance & Operation Conference. On the other hand, a very well thought out training & development program is being pursued for ARL employees. Now we have put extra impetus on grooming of internal trainers and an upgraded technical skills development initiative has been rolled out with considerable success in its first year.

3. 3RD HEALTH SAFETY & ENVIRONMENT (HSE) CONFERENCE 2013

ARL organized 3rd HSE Conference on September 26, 2013. The purpose was to provide a forum to multidimensional stakeholders to share their experiences and knowledge in the field of HSE. More than 100 delegates from 40 different organizations attended the conference. Eminent speakers from diversified field



highlighted the significance of HSE in today's business environment and importance of sharing best business practices and learning from experiences of each others for a safer future.

PRODUCT RESPONSIBILITY & CUSTOMER SATISFACTION

Feedback from Oil marketing companies is taken in fortnightly meetings held in ARL for allocation of product quota. Apart from this forum ARL also get quarterly feedback from external customers on quality of products and services. Few customer's registered complaints on quality of products and after sales services. All customers' complaints were discussed in quarterly Quality Council review meeting chaired by Chief Executive Officer.

There are also following programs to find ways of improvement regarding product responsibility & customer satisfaction:

PERFORMANCE IMPROVEMENT PROGRAM

Performance Improvement Program (PIP), the Company's suggestions program is continuing with considerable success. We value the suggestions put forth by our

employees and customers. A number of innovative ideas relating to cost cutting, reduction in losses and making the processes even more efficient and effective have been generated and adopted. Besides, this program provides the required impetus to the sense of participation & involvement of our employees.

CUSTOMERS AWARENESS PROGRAM

In the process of providing awareness to its customers, the Company continued the annual practice of conducting the four week training course for Army Officers in collaboration with GHQ and Army Services Corps (ASC) School, Nowshera. Over the years, this course has considerably enhanced the customers understanding with the Company's processes resulting into improved customers' service. Internal training on product quality specification provided to Attock petroleum limited (APL) sales & distribution staff to create greater & in-depth knowledge about ARL products & PSQCA specifications.

REVIEW, ASSURANCE & IMPROVEMENT

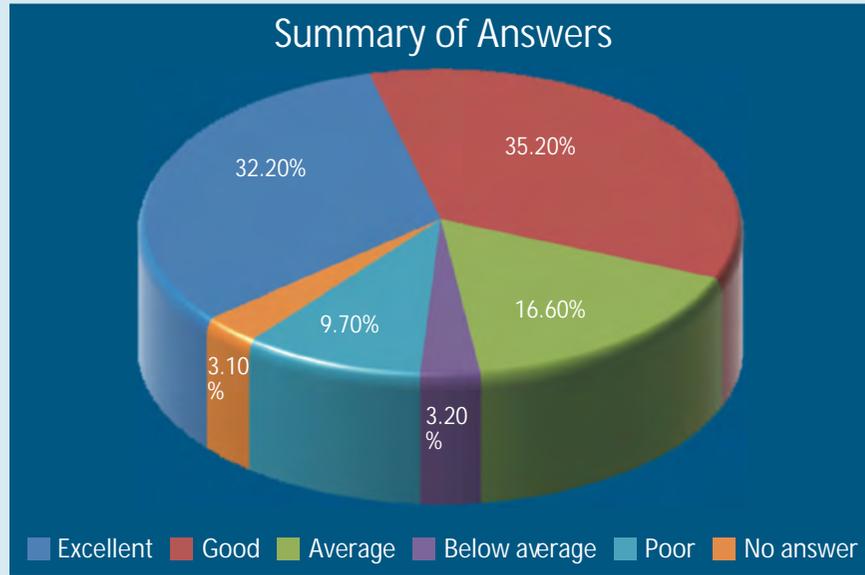
In line with our core value of "Learning & Innovation", we at ARL believe in continuous improvement. For this purpose Business Review & Assurance (BR&A) department is continuously working as a Catalyst for Improvement. Each year BR&A formulates its risk based annual plan and identifies business processes to be reviewed for improvement. Detailed reports of each area highlighting areas of improvement along with recommendations are prepared. These reports are reviewed by Audit Committee of Board of Directors to facilitate the Board in effectively discharging its governance responsibilities and ensuring that adequate systems and controls are in place. Last year a detail review of Safety Section of HSEQ department was conducted and numbers of suggestions for improvement were provided which have been implemented to further strengthen our safety procedures. Other processes reviewed during the year include Product Loss Investigation, Product Movement and Purchase Cycle. Further, Compliance of Company policies and applicable laws and regulations is also monitored by BR&A on test basis to ensure that non compliance, if any, is detected and corrected on timely basis.

ARL CONTRACTORS & SUPPLIERS FEEDBACK

We at Attock Refinery Limited believe in continuous improvement and to seize opportunity inherent in change to shape the future. As part of ARL commitment to continuously improving its services, a survey to obtain feedback of ARL's contractors and suppliers was conducted. The survey was conducted for the purpose of identifying ARL's strengths and weaknesses and assessing the satisfaction level of our suppliers/contractors, with the objective of improving our services to all stakeholders. In the survey, vendors were required to provide feedback for 8 questions. For each question, vendors were provided 5 categories to answer ranging from excellent to poor. Below is the category wise response received through the survey.

To identify areas of our strength and weakness, question wise analyses of response was also carried out. This helped us to focus on the specific areas which need management's attention and improvement. This also helped us to identify areas of our strength.

Q.#	Area	Excellent	Good	Average	Below Average	Poor	Strength	Weakness
		1	2	3	4	5	1+2	3+4+5
Q.1	Clarity of specification mentioned in Purchase Order/ Work Order/ Contract	34%	46%	15%	2%	2%	80%	19%
Q.2	Response time of staff for queries	27%	43%	23%	3%	2%	70%	28%
Q.3	ARL gifts acceptance	54%	10%	9%	4%	5%	64%	18%
Q.4	Transparency of bidding process	38%	38%	12%	3%	4%	76%	19%
Q.5	Sufficiency of time for delivery or completion of work	21%	44%	27%	2%	3%	65%	32%
Q.6	ARL Staff availability	29%	40%	21%	3%	3%	69%	27%
Q.7	ARL payment processing time	31%	38%	21%	3%	3%	69%	27%
Q.8	Overall dealing of ARL staff	38%	44%	13%	1%	3%	82%	17%



CONCLUSION

STRENGTHS

As can be seen from the table mentioned above, following areas of our strength have been identified:

1. Overall dealing of ARL staff
2. Clarity of specification mentioned in Purchase Order/Work Order/Contract
3. Transparency of bidding process

WEAKNESSES

Weaknesses identified which needs prompt action are;

1. Sufficiency of time for delivery or completion of work
2. Response time of staff for queries
3. ARL Staff availability when required
4. ARL payment processing time

We can make our practice effective if we consider our weakness as an indicator or litmus paper for formulating our improvement process.

CONTRIBUTION TO THE NATIONAL ECONOMY

Attock Refinery being the only refinery located in the Northern Region of Pakistan continues to hold a very strategic position. Due to its strategic location the Refinery is playing a pivotal role in the oil and energy sector. The contributions made by the Company to the national economy are outlined below:

- Providing an outlet to country's indigenous production of crude oil and more particularly from the Northern Region, Crude oil is received from more than 42 oilfields spread over the country
- Meeting the petroleum products demand of both the civil and defense market Increasing the production of value added deficit product i.e. high speed diesel (HSD) thereby further saving valuable foreign exchange required for its import
- Generation of Government duties and taxes in the form of excise duty development levy and sales tax on sale of petroleum products
- Deployment of a large transportation fleet for crude oil and products movement
- Employment and work opportunities

The Company's annual contribution to the national exchequer in the form of taxes and duties amounted to over Rs 35.01 billion. Further, foreign exchange savings of US \$ 211.51 million were achieved through import substitution and exports.

GRI SOCIAL PERFORMANCE INDICATORS

ASPECT: EMPLOYMENT

LA1

Total workforce by employment type, employment contract, and region.

Regular Management Staff = 215	Contract Non Management Staff = 31
Regular Non Management Staff = 295	Total ARL Staff= 698
Contract Management Staff = 157	Contractor Staff = 760
	Statutory Apprentices = 150
	Trainees = 59

LA2

Total number and rate of new employee hires and employee turnover by age group, gender and region.

Total number of new employees hired = 60
Employee Turnover rate = 7.04

LA3

Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.

ARL provides full time employment and does not offer part-time employment. Similar terms and conditions are offered to regular and contract staff except provident fund membership, which is offered only to regular staff.

ASPECT: LABOR MANAGEMENT RELATIONSHIP

LA4

Percentage of employees covered by collective bargaining agreements.

40.7 % of total workforce (96.4% of Non- Management staff) is covered under Collective bargaining agreements, while 3.6% of Non- Management staff is not covered under CBA being essential services staff of safety, security and health.

LA5

Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.

Minimum notice period is 3 months for permanent staff and 1 - 2 months for contract staff. In case of non management staff applicable labour laws and CBA agreements are followed.

ASPECT: OCCUPATIONAL HEALTH & SAFETY

LA6

Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advise on occupational health and safety programs.

Company gives top most importance to Occupational Health & Safety. In pursuance of Company's HSEQ policy, 100% staff is represented in the Central HSE Committee; workers are represented through CBA Union leader.

ARL CSR Initiatives

LA7

Rates of injury, occupational diseases, lost days and absenteeism and total No. of work related fatalities by region and by gender.

In last eight years ARL has brought down total accidents incidents rate from 12 to 2, which clearly shows continual improvement in safety culture at ARL. Since lost time injury on 12 January 2013, ARL has achieved 4.65 Million Safe Man Hour till Dec. 31, 2013. One Lost time injury reported during the year while No Work related fatality reported.

LA8

Education, Training, Counseling, prevention & risk control programs in place to assist workforce members, their families or community members regarding serious diseases.

ARL has a well established occupational health and safety related issues communication and training system. The issues are communicated to the workers and their families through safety alerts, on site training and awareness. Moreover, awareness sessions with ARL hospital doctors are conducted regularly about the serious diseases. For detail please refer to CSR disclosures..

LA9

Health and safety topics covered in formal agreements with trade unions.

Yes, health and safety topics have been covered in formal agreements with trade unions.

ASPECT: TRAINING & EDUCATION

LA10

Average hours of training per year per employee by gender and by employee category.

Total number of employees trained in year 2013:	475
Total training hours:	3925
Average hours of training per year per employee:	10.64
Overseas Training :	12
In-Country Training:	27
In-House Training:	23

LA11

Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

ARL has comprehensive and well crafted skills management program of Statutory Apprenticeship, Short term Apprenticeship and management development program for fresh Engineers, B.Sc.s, MBAs etc. The duration of such programs vary from 1 to 3 years. Management staff employees are also extensively engaged in management and technical development programs round the year. For detail please refer to CSR disclosures.

LA12

Percentage of employees receiving regular performance and career development reviews, by gender.

100% of employees are receiving regular performance and career development reviews. ARL performance management system provides employees a platform for presentation of their potential. Guidance sessions are arranged for employees before setting their respective yearly targets. Our appraisal system also encompasses behavioral traits of employees which makes it a good blend of targets and traits.

ASPECT: DIVERSITY & EQUAL OPPORTUNITY

LA13

Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.

Our governance bodies and their compositions have already been discussed in chapter 1 "The Company". Female/ Male Ratio: 8 / 698 - There are significant number of employment opportunities for females at Attock Hospital Private Limited and Attock Sahara Foundation.

ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN

LA14

Ratio of basic salary and remuneration of women to men by employee category.

No discrimination is made on the basis of gender in fixing the basic salary and remuneration

ASPECT: INVESTMENT AND PROCUREMENT PRACTICES

HR1

Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.

100% outsourced employment agreements include human rights clauses

HR2

Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

Zero percent.

HR3

Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

Nil.

ASPECT: NON-DISCRIMINATION

HR4

Total number of incidents of discrimination and actions taken.

None

ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

HR5

Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.

No Incident has been identified in which the right to exercise freedom of association and collective bargaining has been affected. We respect the workers' right to associate with CBA and right to vote in referendum.

ASPECT: CHILD LABOR

HR6

Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective elimination of child labor.

There is no operation identified having significant risk for incidents of child labor. At ARL, minimum age limit for employment is 18 years.

ASPECT: FORCED AND COMPULSORY LABOR

HR7

Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor and measures to contribute to the elimination of forced or compulsory labor.

There is no operation identified having significant risk for incidents of forced labor. The Company strictly complies with Factories Act 1934 and Bonded Labor System (Abolition) Act, 1992. We have also voluntarily adopted the UN Global Compact Principles.

ASPECT: SECURITY PRACTICES

HR8

Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

Training and Development is the key indicator and its contents include policies procedures, management, community development, human rights, gender justice etc. 100% security personnel are sensitized and coached on continual basis with respect to organization's policies or procedures concerning aspects of human rights that are relevant to operations.

ASPECT: INDIGENOUS RIGHTS

HR9

Total number of incidents of violations involving rights of indigenous people and actions taken.

ARL respects the right of indigenous people and no incident has been reported regarding its violation.

ASPECT: LOCAL COMMUNITY

SO1

Percentage of operations with implemented local community engagement, impact assessments, and development programs.

ARL has actively been involved in different CSR Initiatives including education, poverty alleviation, environment, health, community development, sports, water provision etc. Community is also being involved in EIA Studies of the projects. For detail please refer to CSR disclosures.

ASPECT: CORRUPTION

SO2

Percentage and total number of business units analyzed for risks related to corruption.

Analysis of risks related to corruption is a continual process at ARL and the management tolerates no corrupt practice. The Company pursues an elaborated policy of Ethics and Business practices and every employee is bound to adhere to it, hence ARL is 100% analyzed on this aspect.

SO3

Percentage of employees trained in organization's anti-corruption policies and procedures.

Nil

SO4

Actions taken in response to incidents of corruption.

Strict action is taken in response to incidents of corruption, if found guilty including termination from employment. In the reporting year one employee has been terminated from service being found guilty.

ASPECT: PUBLIC POLICY

SO5

Public policy positions and participation in public policy development and lobbying.

ARL has signed the Ethics policy on the Platform of Oil Companies Advisory Committee (OCAC) along with other members from Oil & Petroleum sector to abide by the highest ethical standards, observed regulations applicable to the industry and laws of the country, conduct business with integrity and honesty, treat stakeholders fairly, communicates openly and be accountable.

SO6

Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.

Nil

ASPECT: ANTI COMPETATIVE BEHAVIOR

S07

Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes

None

ASPECT: COMPLIANCE

S08

Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.

ARL complies with all country laws, regulations and neither fined nor faced any non monetary sanctions during the reporting year.

ASPECT: CUSTOMER HEALTH & SAFETY

PR1

Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

ARL's complete product range and services fall under the scope of PR1. ARL is responsible for the health and safety impacts of each of its products and services from production till dispatch to customers.

PR2

Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

ARL has no record of incidents of non-compliance with regulations and voluntary codes concerning our products quality, safety, environment and health impacts during their life cycle. The guiding principles of the quality standards of ARL's entire supply chain are based on full compliance with the ISO standards, best operating practices in manufacturing, products quality assurance, efficiency and fluency of processes, product safety and reliable delivery.

ASPECT: PRODUCT AND SERVICE LABELING

PR3

Type of product and service information required by procedures, and percentage of significant products & services subject to such information requirements.

ARL produces different petroleum products as per PSQCA specifications, which are conveyed to all stakeholders through ARL's website. This information gives complete description of each product. MSDS of each product is also provided to customers. 100% products are subject to such information requirements.

PR4

Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

ARL has no incidents of non-compliance with regulations and voluntary codes concerning product, service information and labeling during the reporting period.

PR5

Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

ARL management monitors customer satisfaction through quarterly customer surveys, performance improvement programs and customer awareness programs. Changes in trends indicate changes in customer satisfaction in relation to the performance of concerned departments of ARL. Customer feedback is given in chapter 2 "Business Partners".

ASPECT: MARKETING COMMUNICATIONS

PR6

Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.

Although ARL does not have any formal marketing campaign and promotional plan yet it is committed to the commonly agreed ethical codes, national and international standards in all its operations. When preparing marketing communications and advertising material, the legislative and regulatory compliance of the content is always checked and confirmed before publication.

PR7

Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.

ARL has no breaches to be reported on incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.

ASPECT: CUSTOMER PRIVACY

PR8

Total number of substantiated complaints regarding breaches of customer privacy & losses of customer data.

ARL has a policy not to share confidentiality of its customers and has received no complaints to report regarding breaches of customer privacy or losses of customer data during the reporting period.

ASPECT: COMPLIANCE

PR9

Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.

ARL has never been fined regarding non-compliance with laws and regulations concerning the provision and use of products.

ARL SOCIAL PLANS

SHORT TERM

1-2 Years

- Scholarships to Employees Children from class 6th to Ph.D.
- Summer training program for employees' children through Attock Sahara Foundation (ASF).
- Provision of internship, apprenticeship and management training for Neighbouring Community from ASF.
- Para Medics & nursing aid training (one year program) for community.
- ASF Poor Patient Fund disbursement
- Technical trade (fitter, electrician, welder etc.) training for community children.
- Facilitating adjoining Schools through provision of books, Laboratory Equipment & glassware, utilities like electricity, gas, potable water, furniture and repairs of buildings etc.
- Provision of security services for community Masajid
- Community Infrastructure development (Roads, parks & drains repair)
- Medical Camps for Community
- Blood Camp for needy patients
- Awareness campaigns for solid waste disposal
- Sport coaching facility for nearby schools.
- Facilitate continuation of education of out source staff children at worker welfare board Model schools.

VITAL

SIGNIFICANT

NOTEWORTHY

MEDIUM TERM

2-5 Years

- Employment generation for local community youth.
- Motivating local youth for attaining technical and professional education
- Establishment of world class Attock Oil Polytechnic Institute to cater for serious shortage of skilled manpower in Pakistan.
- Establishment of a Paramedic training Institute affiliated with Punjab Medical Faculty
- Registration of ASF current vocational curriculum with Punjab & Technical Board
- Water Resources development for sustainable supply of water to community
- Coordination and collaboration with neighboring Colleges & Universities to get benefit of Refinery technical facilities
- Provision of National level sports facilities to Community

VITAL

SIGNIFICANT

NOTEWORTHY

LONG TERM

Beyond 5 years

- Up gradation of Polytechnic Institute to College & get Foreign University affiliation
- Upgradation of Model schools in Morgah to intermediate level in coordination with Punjab Worker Welfare Board.
- Model Health, Safety, Environment & Quality facilities for training of oil & Gas Sector of Pakistan
- Expansion of Attock Hospital

VITAL

SIGNIFICANT

NOTEWORTHY

ARL Environmental Initiatives



HEALTH, SAFETY, ENVIRONMENT & QUALITY (HSEQ) POLICY

ARL is committed to provide the best quality products in the market, endeavors to protect the environment and to ensure health and safety of its employees, contractors and customers and to work for continual improvement in health, safety, environment and quality (HSEQ) systems.

ARL is committed to comply with all applicable Health, Safety, Environment and Quality laws and regulations. The policy shall be used to demonstrate this commitment through:

HEALTH

ARL seeks to conduct its activities in such a way as to promote the health of and avoid harm to its employees, contractors, visitors and the community. ARL ensures that every employee or contractor works under the safest possible conditions. It is our firm belief that every effort must be made to avoid accidents, injury to people, damage to property and environment.

SAFETY

ARL believes that practically all accidents are preventable by carrying out risk assessments, and reducing risk identified, by appropriate controls.

ENVIRONMENT

ARL is committed to prevent pollution by the efficient use of energy throughout its operations, recycling and reuse of effluent wherever possible and use of cost-effective cleaner production techniques that lead to preventive approach for sustainable development.

QUALITY

ARL recognizes employees' input towards quality by emphasizing skills development and professionalism. ARL must be customer driven, cost effective and continuously improving services, works and products to meet requirements of the market. ARL conducts periodic audits and risk assessment of its activities, processes and products for setting and reviewing its objectives and targets to provide assurance, to improve HSEQ standards and loss control. ARL is committed to share all pertinent information related to HSEQ with all concerned parties.



ENERGY POLICY

As a responsible corporate entity, Attock Refinery Limited (ARL) is cognizant that natural energy resources are not only scarce but also very precious and need to be optimally utilized. Ever-increasing environmental consciousness as well as market competition demands enhancement of energy efficiency and energy conservation where ever possible. Energy conservation positively impacts environment and goes a long way in reducing green house gases and other hazardous emissions.

ARL is committed towards producing quality petroleum products by employing economical energy efficient processes and equipment. It is our goal to reduce energy consumption where ever possible by regular monitoring and up gradation. We believe that energy efficiency and optimization is the key to sustainable development

In our economic and development strategies, we focus on initiatives that will use energy resources more efficiently. To further enhance the energy management, ARL has set the following energy objectives:

1. USE OF ROBUST, SCIENTIFICALLY SOUND TECHNOLOGY:

This will enable optimization of existing resources and employing energy efficient equipment while protecting the environment.

2. ENERGY MANAGEMENT:

ARL believes in setting realistic targets pertaining to energy efficiency and conservation and review them periodically to ensure sustainable growth.

3. RESPONSIBLE DEVELOPMENT:

ARL is committed to comply with all applicable legal requirements in respect of energy efficiency, conservation and its reporting.

4. ENERGY CONSERVATION AWARENESS:

ARL aims to keep abreast with latest development in energy conservation technologies and inculcate energy conservation culture in all our activities.



SUSTAINABLE ENVIRONMENTAL INITIATIVES

We at ARL consider that Environmental sustainability is about making responsible decisions that reduce business negative impact on the environment. It is not simply about reducing the amount of waste we produce or using less energy, but is concerned with developing processes that will lead to business becoming completely sustainable in the future.

It is our firm belief that sustainable development can't be brought about by defining policies only; instead we must integrate immediate, short-term and longer-term objectives, applicable legislation and regard social, economic and environmental issues as inseparable and interdependent components for sustainable development.

In order to define ARL's environmental strategy, plans and performance, following points are discussed in detail:

- 1 MATERIALITY ANALYSIS TO DEFINE ENVIRONMENTAL ISSUES
- 2 ENVIRONMENTAL CHALLENGES
- 3 SOLUTION TO THE ENVIRONMENTAL CHALLENGES
- 4 ENVIRONMENTAL MONITORING
- 5 FUTURE ENVIRONMENTAL PLANS
- 6 ARL PERFORMANCE AGAINST GRI ENVIRONMENTAL INDICATORS

MATERIALITY ANALYSIS FOR ARL ENVIRONMENTAL SUSTAINABILITY

In materiality analysis of ARL environmental endeavors, we considered the significant current or potential environmental impacts on our company. We categorized our environmental plans as noteworthy, significant and vital and

extended over the period of time as short, medium and long term.

By using a materiality analysis to identify and prioritize issues, we better able to allocate resources to those issues that are truly important to stakeholders and ARL itself. This definitely results in shorter, focused and sustainable solutions to these issues. This analysis is also important to provide stakeholders the confidence that ARL sustainable environmental strategy is addressing their concerns.

We have identified our environmental issues by seriously reviewing our environmental impact assessment, our short, medium and long terms plans, legal environmental obligations, feedback from customers, best available Environmental management practices ,community, employees, coordination with environmental protection agencies like Federal & Punjab EPA, Local government bodies etc. Following are the material issues to ARL:

- 100% compliance to National Environmental Quality Standards (NEQS)
- Bench marking of ARL Environmental Management System with British Safety Council Five Star Environmental Rating Program guideline/ adoption of best available environmental practices
- Close coordination with neighboring institutions with reference to HSE issues
- Celebration of global events like World Environment Day, Earth Day, World Bio-Diversity Day to revitalize our commitment
- Employees capacity building through awareness and training sessions
- Continuous feedback from customers, employees and community program
- Implementation of WWF-Green office initiative

ARL ENVIRONMENTAL CHALLENGES

Based on materiality analysis result, following environmental challenges identified:

- 1 NEQS Compliance
 - a) Upgradation of effluent treatment plant to meet future requirements
 - b) Vehicular Emission Testing
 - c) Solid waste management

- d) Energy Conservation
- 2 Stakeholders Awareness
- 3 Health, Safety, Environment Protection
 - a) Observance of International Days and other Events
 - b) RCB Flower Show Award 2013
 - c) Morgah Club Annual Flower Show-2013
- 4 Green Image of ARL
- 5 HSEQ Department Vision, Mission and Deliverables
- 6 HSEQ Sustainable Initiatives:
 - a) Energy Management Awareness Week
 - b) Energy Projects with NUST University
 - c) Celebration of Safety Week and World OHS Day-2013
 - d) Third Health Safety and Environment Conference-2013
 - e) Hazards Identification & Communication
 - f) Implementation of Integrated Management System (IMS) Software
 - g) Emergency Response Preparedness Drills
 - h) Training and awareness of refinery staff
 - i) National Cleaner Production Centre Foundation (NCPC)
 - j) Key performance indicators like safe man hours, TAIFR

SOLUTION TO THE CHALLENGES

Our responses to above challenges are summarized as under:

1. NEQS COMPLIANCE

ARL achieved 100% compliance of National Environmental Quality Standards (NEQS) for priority & non-priority parameters of liquid effluent and gaseous emissions in year 2013. This was achieved by maintaining all the treatment facilities (API Separators, SRC, DAF units) in optimum working conditions which resulted in controlling of priority & non priority parameters within NEQS limits. ARL ensures compliance to NEQS on top most priority.

ARL continuously reported environmental monitoring data to Punjab and Federal EPA through self monitoring and reporting tool (SMART) Program.

A brief review on environmental Management projects that are in progress is as under:

a) UPGRADATION OF EFFLUENT TREATMENT PLANT TO MEET FUTURE REQUIREMENTS

Being a responsible corporate entity ARL has always been conscious of its responsibilities towards improving the environment and has periodically invested in upgrading its effluent treatment facilities to comply with the National Environmental Quality Standards (NEQS), Phase-II of Effluent Treatment Plant (ETP) has been initiated to upgrade the existing primary treatment facilities and to install secondary treatment technologies.

Phase-II mainly consists of addition of another Dissolved Air Flotation (DAF) unit for removal of (TSS) Total Suspended Solids, Oil and Grease and Biological treatment plant for the reduction of COD (Chemical Oxygen Demand) and BOD (Biological Oxygen Demand), along with modifications to the existing API separators to improve their efficiency. It is expected that after installation of the ETP Phase-II project the effluent water will not only consistently meet the NEQS requirements on future higher loads but will also improve water conservation by beneficial re-use of the treated water. The project has been started last year and its commissioning is planned in the first quarter of 2014.

b) VEHICULAR EMISSION TESTING

It is a regular procedure at ARL that all Vehicles owned by the company are checked for smoke, CO and Noise parameters as required by NEQS, after every two years by an outside agency. This also governs the mileage based maintenance schedule for vehicles. Unqualified vehicles are overhauled/ maintained by the Workshop, to confirm compliance with the requirements of NEQS. In year 2013, 82 vehicles were tested for vehicular emission.

c) SOLID WASTE MANAGEMENT

Solid waste is one of the key environmental issues. To address this issue, ARL has implemented a solid waste management project where the solid waste is

ARL Environmental Initiatives

segregated at source in different categories. These categories are paper, oily rags, glass, plastic, metals and leaves. The plan found very affective in case of oily rags, which are being incinerated, and metals which are collected and are either reused or sold. National Cleaner Production Centre Foundation NCPC (F), a non-governmental organization, with the support of ARL commissioned a new incinerator increasing their waste handling capacity to 150 kg/day. Oily rags, filters and other materials having traces of oil are properly incinerated. Attock Hospital Limited (AHL) also arranged safe disposal of hospital waste.

d) ENERGY CONSERVATION

The Company continues with its internal programme to conserve energy by creating awareness among its employees. For this purpose, employees are encouraged to optimize consumption of electricity, gas and water to save these precious national resources. This has become more important when the country is facing crisis in meeting the demand for these utilities. Additionally, number of initiatives have been taken to optimize energy consumption in the refinery by introducing fuel efficient processes. Public awareness programmes are also conducted on the subject. Our Company has made yet another achievement for this cause by implementing Energy Management System ISO 50001-2011 in August 2012. This will not only help to optimize energy consumption of processes but will also lower the environmental impacts and reduce green house gases emission.

These measures helped ARL in improving energy performance.

2. STAKEHOLDERS AWARENESS

Stakeholders Awareness is an integral part of sustainable business. To keep various stakeholders aware on different projects regarding improvement and refinery upgradation, events and sessions are being conducted at regular intervals at ARL. These sessions include meetings with the Union Council's Nazim, Community School Principals, and Teachers at different schools, Public hearing on EIA of upgradation projects, observance of HSE related important days with international community i.e. World Environmental Day, Bio-diversity day, World Biological Diversity Day, Global Hand Washing Day, Earth day etc. and visits of stakeholders to ARL facilities. Besides these, special trainings on HSE awareness were also arranged for contractors.



3. HEALTH, SAFETY, ENVIRONMENT PROTECTION

Measures in line with the Health, Safety, Environment and Quality (HSEQ) policy of the Company which emphasizes on achieving and maintaining high standard of health, safety and environment, your Company is committed to protect the environment and to ensure the health and safety of its employees, contractors and customers and work for the continual improvement of HSEQ Management Systems. In this direction the Company conducted following activities and programs:

a) OBSERVANCE OF INTERNATIONAL DAYS AND OTHER EVENTS

The Company in collaboration with National Cleaner Production Center Foundation (NCPC) and related local representative bodies/ association celebrated following international days and other events to help create awareness in the adjacent localities for the respective causes:

- i) World Wetlands Day on February 2, 2013 was celebrated in Beaconhouse School System, Harley Street, Rawalpindi.
- ii) Earth Day 2013 Celebrated on April 22, 2013 at Govt. Girls High School,

Morgah, Rawalpindi.



- iii) World Biological Diversity Day on May 22, 2013. The theme of the day was "Water and Biodiversity". Environment Protection Agency (EPA) and AM-Anglo Montessori, High School and College, Rawalpindi supported the Company by their active participation.
- iv) World Environment Day on June 5, 2013. The theme of environment day was "THINK. EAT. SAVE". EPA Rawalpindi also joined hands with the Company for the noble cause.
- v) International Day for Preservation of Ozone Layer celebrated on September 16, 2013 at Government Girls High School Morgah Rawalpindi.
- vi) International Day for Preventing the Exploitation of Environment in War and Armed Conflict on November 6, 2013 at NCPC Office Morgah Rawalpindi.
- vii) Environment Mela was arranged at Ayub National Park, Rawalpindi on March 16, 2013. The aim of this Mela was to motivate the community to establish and promote an environmentally responsible culture that

maximizes the effective use of Natural Resources by creating interest and increasing awareness about environment.



Seminars, training workshops, festival were conducted during the year to highlight issues of immense importance like Hospital Waste Management, Environmental Management System (ISO-14001), Renewable Energy, Tree plantation 2013, No Littering Day etc. These were warmly attended and participated by individuals from various NGOs, universities and media.

b) RCB FLOWER SHOW AWARD - 2013

The Company participated in the Annual Flower Show - 2013 held under the auspices of Rawalpindi Cantonment Board (RCB) on April 5, 2013. ARL Morgah Club was awarded first position in the clubs category of Rawalpindi while ARL General Office got the second position in respective category.

c) MORGAH CLUB ANNUAL FLOWER SHOW-2013

The 64th Annual Flower and Vegetable Show of Morgah Club, Attock Oil Group of Companies was held on Sunday April 7, 2013 at the Club.

Justice Sheikh Azmat Saeed, Honorable Judge of Supreme Court of Pakistan was the Chief Guest on the occasion. The Chief Guest, while addressing the participants of



the Flower Show appreciated the flower exhibits and the beautiful gardens which he visited. He praised the Attock Group of Companies for their steadfastness in carrying forward the healthy tradition of arranging the Annual Flower Show for the last so many years.

He said that it's a matter of immense pleasure to attend today's Flower Show at Morgah Club after a long time, a place which he frequently visited in his childhood and youth, and the nice memories he had always cherished. He appreciated the gardeners and families for maintaining the gardens and making them esthetically beautiful. Justice Sheikh Azmat Saeed also commended the Attock Group for patronizing such events and expressed immense pleasure about Group Companies related activities, which demonstrate environmental friendliness of the Attock Group.

Mr. M. Adil Khattak, President, Morgah Club & CEO (ARL) thanked the chief guest for taking out time from his busy schedule to grace this occasion. He said that Attock Group was proud of having history of almost 100 years in the region and had been successfully embracing the changes of time and technology besides playing a responsible role in the national development by continuously expanding its investment base in Pakistan.

Mr. Khattak said, "The Attock Group of Companies are not only committed to provide high quality diversified environment friendly energy resources but also believed in respect for the community and preserving the environment for the future generations and keeping national interest paramount in all its actions. We are committed to prevent pollution by efficient use of energy, recycle and reuse of effluent and use of cost effective cleaner production techniques that leads to sustainable development. Our CSR initiatives include environmental protection, health care, education, women development and alleviation of poverty". He said, "We are not only trying to preserve nature but are also striving to inculcate this culture in our children by encouraging them to involve themselves in nature related activities to make our surroundings and life more beautiful".

Mr. Shuaib A. Malik, Group Regional Chief Executive, Attock Group of Companies and Chairman Attock Refinery Limited in his concluding remarks thanked the Chief Guest for sparing time to grace this event. He presented a souvenir to the Chief Guest.

Continuing the tradition of encouraging green and serene environment our Company conducted the 64th Annual Flower and Vegetable Show of Morgah Club on April 07, 2013 in which prizes were distributed among the winners by Justice Sheikh Azmat Saeed, Honorable Judge of Supreme Court of Pakistan.

4. GREEN IMAGE OF ARL

Green plan has been project of ARL for several years. Under this project activities are initiated to keep ARL premises green. Annual tree plantation campaigns and flower cultivation during summer and winter seasons were the major activities of this project, during which thousands of tree saplings had been planted at ARL as well as in surroundings communities. In year 2013, ARL & NCPC had jointly planted fruit and evergreen plants in the Morgah community, schools, Morgah Biodiversity Park and residential societies on ownership basis to ascertain the growth of plants on sustainable basis. Many plants were donated to different organizations including Fauji Foundation Hospital, NGOs (HRDS, HDF & Payaam) and to different schools of Rawalpindi and Islamabad. The company maintained its target of previous year and planted more than 12,000 plants in year-2013.

ARL HSEQ Department continued its working on the Target to benchmark its



environmental management system with British Safety Council Five Star Environmental Rating Program guideline. The current Environmental Management system was assessed & benchmarked through an internal audit using BSC Five star environmental audit specification document.

To get the benefit of the program, working would remain continue in the coming year 2014. ARL also initiated working on WWF-Green Office Initiative program to reduce its carbon foot print.

5. HSEQ VISION MISSION DELIVERABLES

As ARL engaged in refining business, it is essential that we pay thorough consideration to health, safety, environment & Quality (HSEQ). We treat HSEQ with utmost importance, through proper management of HSEQ risks, so that we can achieve our goal of sustainable development.

Following are the major actions, which we are currently practicing:

- Automation of HSEQ Management system.
- Central Health, Safety and Environment Committee (CHSEC) meets every month headed by CEO to revitalize our commitment to HSE, so far 90 CHSEC meetings have been held.

- Quality council headed by CEO meets every six months to discuss the performance of ISO management systems.
- Area safety incharges are working at shop floor level for the improvement of safety culture
- HSE sub-committees headed by managers, looking after each deliverable
- Safety stewards, a worker's forum looking after sectional HSE aspects
- Contractors meetings to keep them synchronized with ARL practices and procedures
- Implementation of process safety audit protocol for refinery plants
- commissioning of new effluent treatment plant
- Internal and third party audits to check ISO systems compliance
- Environmental monitoring to check legal compliance level

Other sources of feedback like customer complaints, safety observation cards, safety talks, celebration of Environment related events, Energy week, World OHS Day and Safety week are also means to achieve HSEQ vision and mission.

6. HSEQ SUSTAINABLE INITIATIVES

We continuously review and improve our HSEQ Management Systems & adopt innovative techniques to prevent incidents, minimize environmental impact, prevent environmental pollution and reduce health and safety risks to our stakeholders. Few of HSEQ initiatives are given:

a) ENERGY MANAGEMENT AWARENESS WEEK



ARL Environmental Initiatives

Realizing the importance of energy in the recent energy deficient situation of the country. Energy Management Awareness Week was celebrated from January 21 to 24 2013 at ARL. Several energy management aspects of our day-to-day life were discussed. Training sessions on energy conservation were arranged to increase the perception. Awareness talks were also held regarding the Power Shortages and share knowledge how we can manage it.

b) ENERGY PROJECTS WITH NUST UNIVERSITY

In order to facilitate academia and Industrial linkage & to develop academic and scientific relationships to support research in the field of energy, Attock Refinery Limited, Attock Gen Limited and CES-National University of Science and Technology Islamabad signed a Memorandum of Understanding (MOU) as a framework for mutual cooperation.

c) CELEBRATION OF SAFETY WEEK AND WORLD OHS DAY-2013

It is the tradition of ARL to celebrate safety week every year. In this connection ARL planned and celebrated safety week (April 22-26, 2013) and the World OHS day (April 28, 2013) this year. The purpose was to reaffirm our commitment and dedication to make work places at ARL safer and healthier for its employees and other stakeholders as committed in our HSEQ policy.



During the safety week different events and programs were arranged according to schedule for enhancement of safety awareness and improvement in safety culture at ARL. Unlike previous years, ARL employees were found more conscious about safety at work place. This was an achievement and was made possible through ARL continual improvement program.

d) THIRD HEALTH SAFETY AND ENVIRONMENT CONFERENCE-2013

Attock Refinery Limited (ARL) on September 26, 2013 organized third Health Safety & Environment (HSE) conference, which was attended by eminent speakers and participants from widely diverse fields. Mr. Adil Khattak, Chief Executive Officer ARL highlighted the significance of HSE in today's business environment and the importance of sharing best business practices and learning from experiences of each others for a safer future. He said organising such knowledge sharing events is in line with ARL's core value of "Learning & Innovation".

Mr. Khattak said improving trust and communication with stakeholders, applying technology to improve health, safety & environmental (HSE) performance and dealing with global climate change are the most important sustainable development issues. In most of the cases, causes of serious accidents are repeats of similar failures in the past. The challenges faced by all of us are of similar nature and



its solution by one of the corporate entities may help others. We must make the most of this truly unique opportunity by committing to open and honest dialogue, real and lasting cross-sector networking and a willingness to share and learn, he said. Khattak said: "We at ARL take HSE as a corner stone of our business as well as moral and social responsibility."

e) HAZARD IDENTIFICATION AND COMMUNICATION

Hazard identification is one of the continuous activity being carried out for managing occupational and operational hazards in the ARL operational facilities. Our objective is to bring risks to ALARP (As Low As Reasonably practicable) level. Process hazard analysis (PHA) technique, HAZOP is being used to identify hazards and operability problems at process unit. To involve all the employees in identification of hazards, Safety Observation Card system has been successfully implemented from the last 5 years. A total of 250 safety observations have been received in which 234 observations have been closed and 16 observations jobs are in progress.

f) IMPLEMENTATION OF INTEGRATED MANAGEMENT SYSTEM (IMS) SOFTWARE

After the successful implementation of incident investigation and reporting software (IIRS), Permit to Work System (PTW) software, this year HSEQ department in coordination with ARL IT section has developed and implemented Integrated Management System (IMS) software. This system will help in tracking the timely closure of different action items related to HSEQ management systems and will reduce the time involved.

g) EMERGENCY RESPONSE PREPAREDNESS DRILLS

ARL HSEQ department adopted the operational philosophy to equip and give the emergency Response Team (ERT) training through scenario based drills. In this regard different emergency scenarios are defined and response planning is done to practice how to handle and what resources in terms of men, machine and material are required to manage specific emergency scenario. On site pre and post drill briefings were conducted to discuss the drill plans as well as areas for improvements highlighted by participants.



h) TRAINING AND AWARENESS OF REFINERY STAFF

HSE trainings are one of the continuous features of HSEQ department. Training sessions on different topics arranged for improvement in HSE awareness of all stakeholders including the contractors & community. Following areas were covered in training sessions conducted in year 2013:

- Backup squad training for refinery and contractor staff
- First aid training in collaboration with rescue 1122 and AHL
- Hazard Identification & Risk Assessment Training
- Emergency response planning training drills for refinery different sections
- Permit to Work System Training
- Training of refinery staff through safety alerts
- Safe Driving for inside Refinery Drivers having Driving permits
- IMS Awareness Sessions
- Training on occupational Health & safety
- Environmental Legal Compliance (NEQS) Awareness Session
- Process hazard Analysis techniques

ARL Environmental Initiatives

i) NATIONAL CLEANER PRODUCTION CENTER FOUNDATION (NCPC)

National Cleaner Production Center Foundation (NCPC) was established by UNIDO and facilitated by Attock Refinery in 1999 and is registered under Section 42 of the Companies Ordinance 1984 by Government of Pakistan in 2002. NCPC is working as a non profit organization and is certified by Pakistan Centre for Philanthropy (PCP) in 2009 and FBR in 2010.

NCPC aims to introduce and promote cleaner production techniques and processes for pollution prevention at source along with integrated waste management. This initiative is the first of its kind in Pakistan with the aim of introducing Cleaner Production Technologies and Cleaner Products. During the year 2013, it has performed several environmental impact assessments studies including an EIA & 7 IEEs for POL, ARL, Polish Oil and Gas Company & CAPGAS Adhi Plant, Energy audit of Muree Brewery, provided analytical services for environmental monitoring to IESCO, MEPCO, Bestway cement, ARL, Gunj Glass etc. For the capacity building of community a number of workshops and awareness sessions were also organized. It also provided its services for incineration of hospital and industrial hazardous waste and bio-remediation of oil spills due to bowzers accidents on roads during crude oil and its products transportation.

Following are some of the community development activities taken by NCPC in year-2013

COMMUNITY DEVELOPMENT INITIATIVE

i) NCPC has initiated Model Schools Project by providing safe drinking water, tree plantation and waste management facilities in the following four Schools of Rawalpindi:

AM- ANGLO Montessori High School & College, Boys Branch, Peshawar Road Rawalpindi, AM- ANGLO Montessori, High School & College, Girls Branch, Peshawar Road Rawalpindi, Govt. Boys High School, Rawat, Rawalpindi & Govt. Girls High School, Morgah, Rawalpindi.

ii) Green Environment Clubs has also been established in following model schools to aware students and makes them responsible toward environment. Govt. Girls High School, Morgah, Rawalpindi, Govt. Boys High School, Rawat, Rawalpindi, AM-ANGLO Montessori, High School & College, Boys Branch, Peshawar Road

Rawalpindi & AM- ANGLO Montessori, High School & College, Girls Branch, Peshawar Road Rawalpindi.

ii) NCPC has initiated Model Clinics Project in order to improve Waste Management Services in the following two Clinics of Rawalpindi:

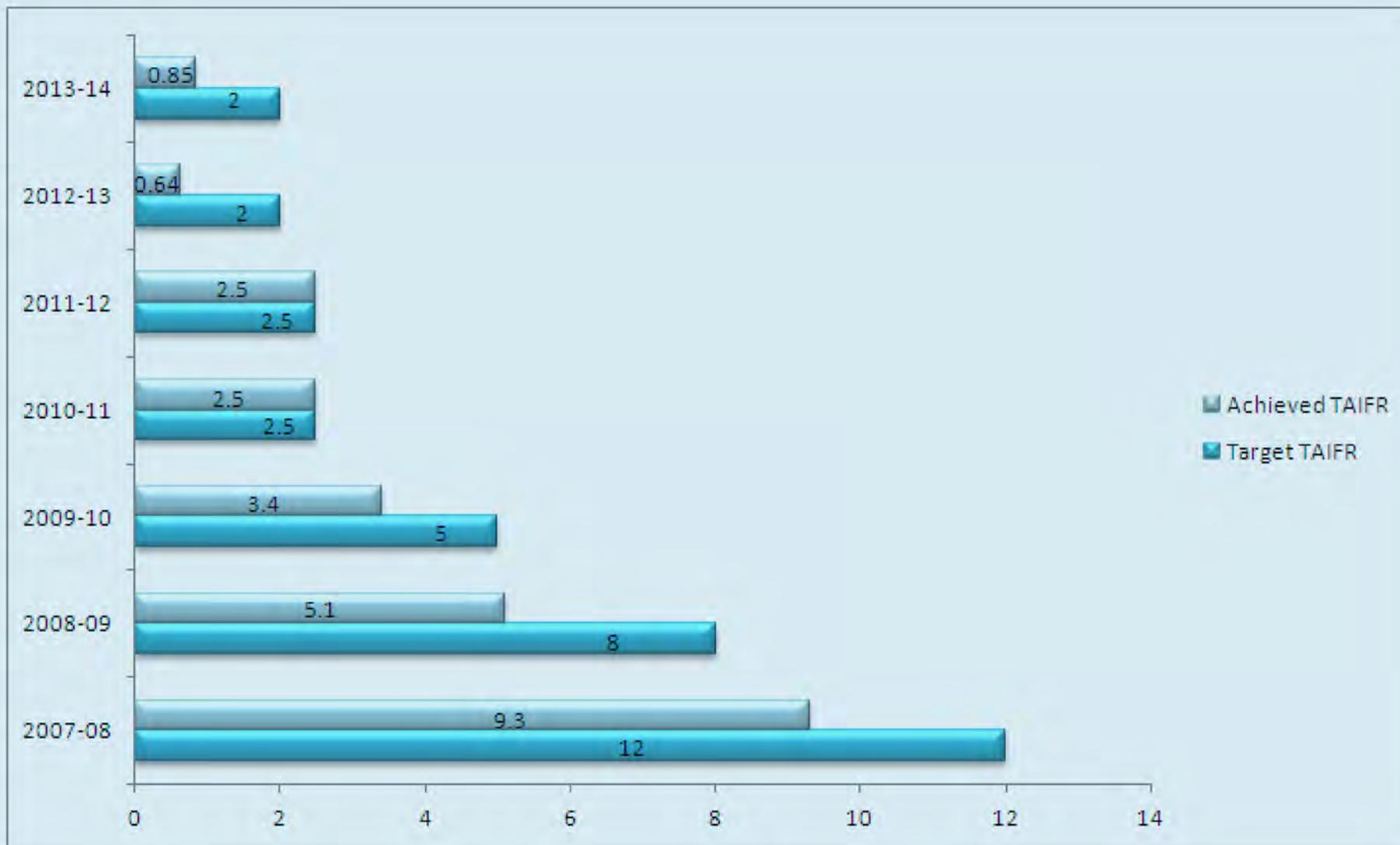
- Usman Clinic, Dhok Syeddin, Rawalpindi
- Al-Abbas Clinic, Dhok Syeddin, Rawalpindi



Environment Mela 2013, at Ayub National Park

j) HSE STATISTICS LIKE SAFE MAN HOURS AND TOTAL ACCIDENT INCIDENT FREQUENCY RATE (TAIFR)

The company achieved 14.21 Million safe man hours till Dec 31, 2012 which was a milestone in the history of ARL. After the lost time injury at Jan-12, 2013, ARL has again achieved 4.6 Million Safe Man Hour till Dec. 31, 2013. ARL last 7 years record of Targeted total accident incident frequency rate (TAIFR) reduced from 12 to 2 and ARL achieved TAIFR is 9.3 & 0.85 respectively. The same has been displaced below. Data for year 2013-14 has been recorded till Dec 2013. It clearly shows the strong HSEQ management system implementation and ARL top management commitment to provide safe working environment to employees, protecting environment and ARL facilities.



ENVIRONMENTAL MONITORING

EFFLUENT WATER PARAMETERS

Effluent water after treatment exit from refinery is a combination of oily and non-oily drains. The oily water from all over the refinery is first collected in equalization basin to prepare feed for effluent treatment units. First of all the effluent water is treated in Slant Ribs Coalescer (SRC) unit. From SRC the wastewater is treated in Dissolved Air Flotation (DAF) Unit. In DAF the effluent water is subjected to coagulation flocculation. DAF helps in reduction of Total Suspended Solids (TSS) and Chemical Oxygen Demand (COD) of the water.

Based on the requirements of Self Monitoring and Reporting Tool (SMART) Phase II, instituted by Pakistan Environmental Protection Agency, we are regularly monitoring priority parameters namely; Effluent Flow, Temperature, pH, COD, TSS, BOD5, Oil & Grease, and Phenolic compounds of effluent water.

ARL continued reporting the Environmental Performance data to Punjab Environmental Protection Agency (EPA) as well as Federal EPA in 2013 and all parameters remained within National Environmental Quality Standards (NEQS).

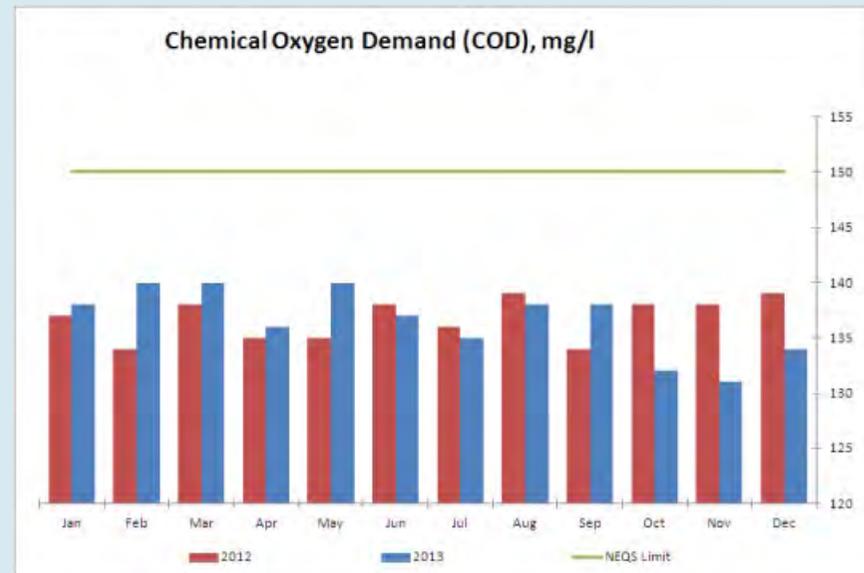
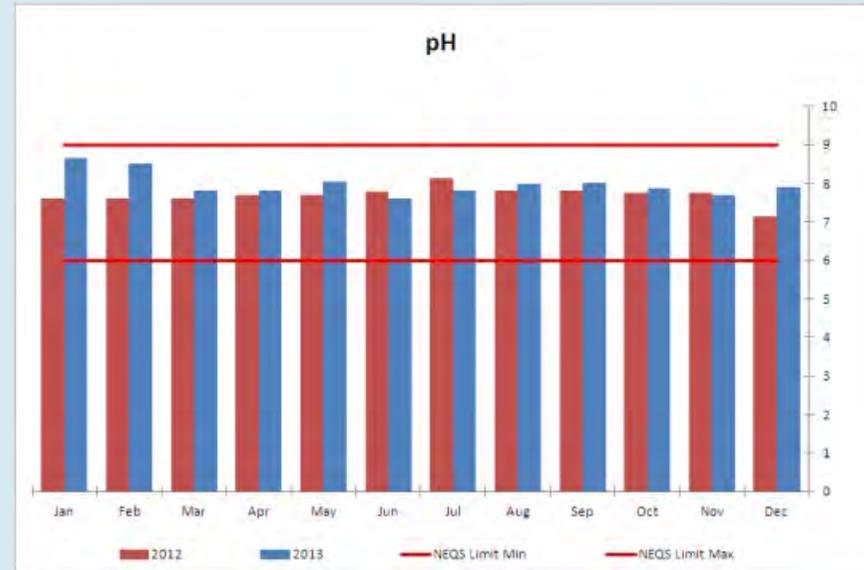
EFFLUENT WATER QUALITY

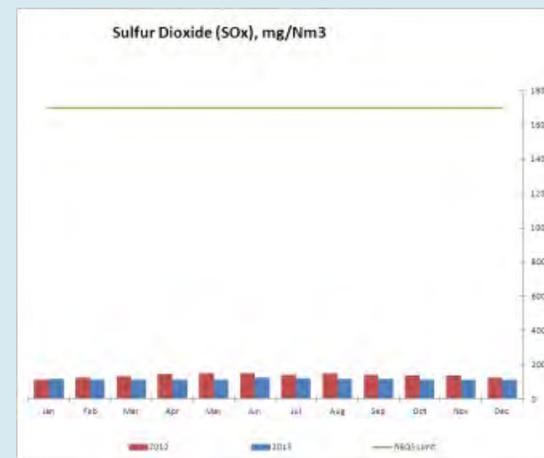
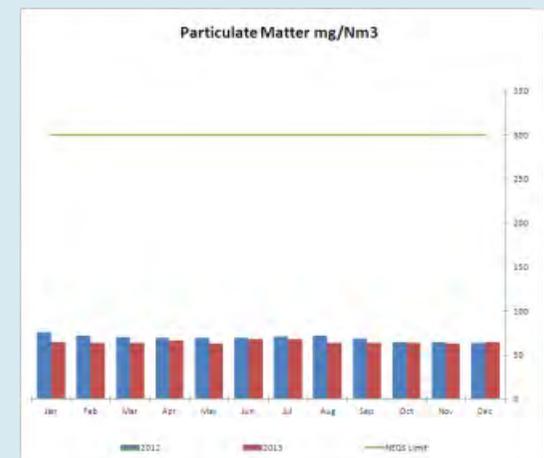
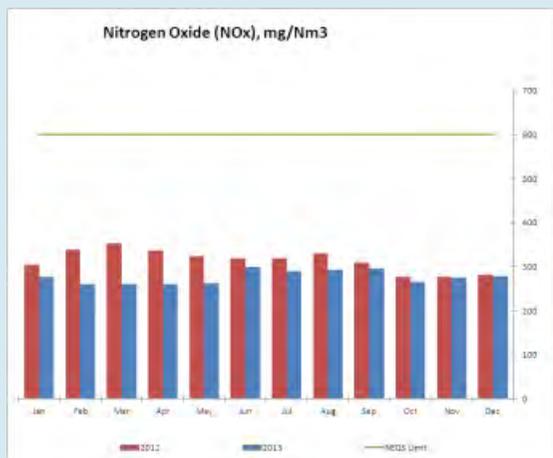
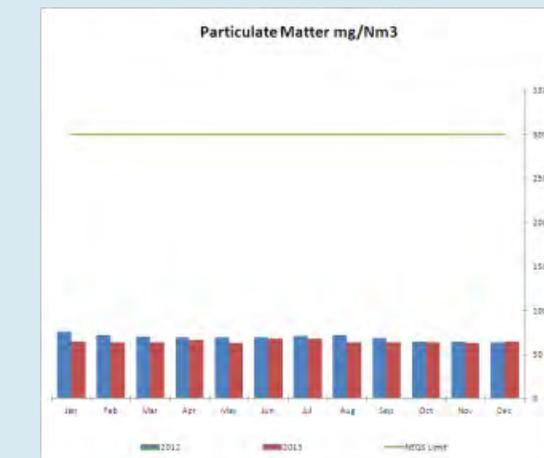
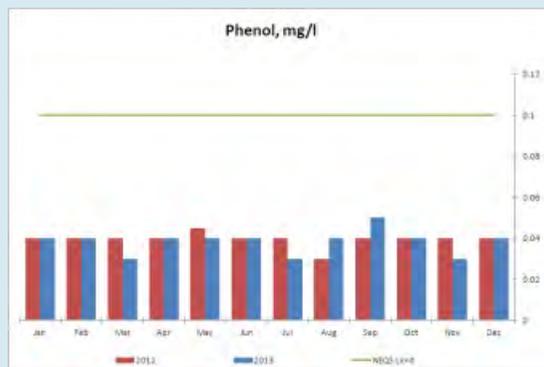
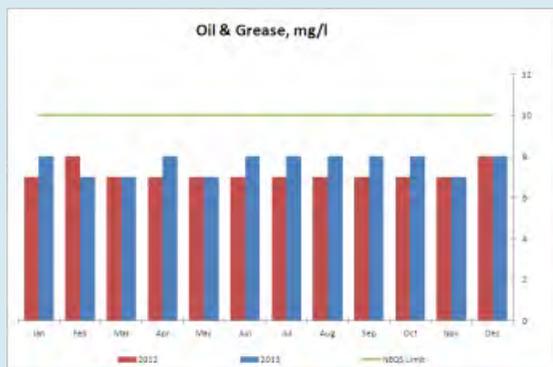
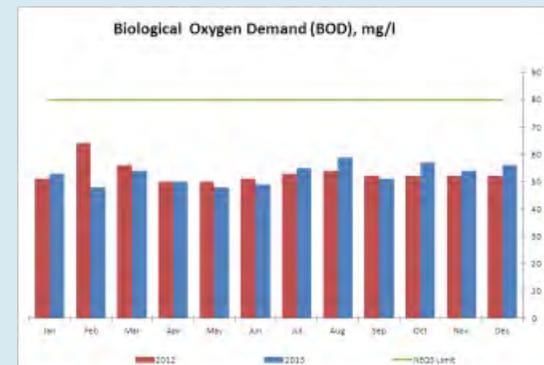
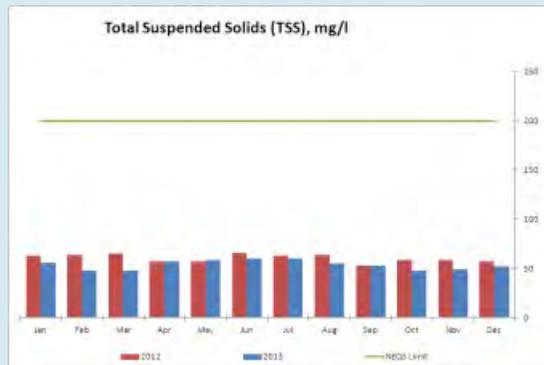
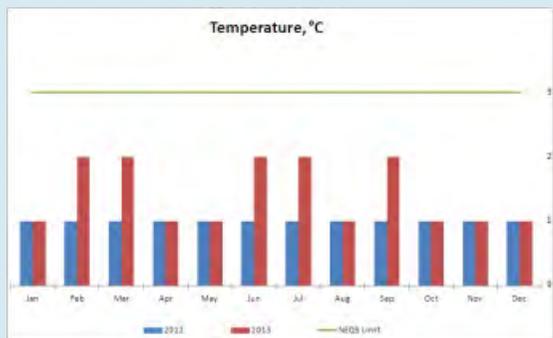
pH value in the liquid effluent stream remains within NEQS limits of 6 to 9 throughout 2013. The consistency of results are mainly due to the treatment of boiler blowdown water.

Chemical Oxygen Demand (COD) remained within NEQS due to implementation of Merox Plant Spent Caustic Treatment project.

Total Suspended Solids (TSS) remained within NEQS throughout 2013.

Rest of the parameters like temperature, Biological Oxygen Demand (BOD), Oil & Grease and Phenol also remained within NEQS compliance limits.





GRI ENVIRONMENTAL PERFORMANCE INDICATORS

ASPECT: MATERIAL

EN1

Material use by weight or volume	Material	Crude Oil	Electricity	Steam	Fuel Gas	Fuel Oil	Water
	Quantity	1939553	38149229	18631	2,768,573	12,487	309.98
	Unit	M. Ton	kWh	M. Ton	MCF	BBL	M. Gallons

EN2

Percentage of materials used that are recycled input materials	Material	Oil	Water				
	Quantity	5892.78	3 to 4 % of the total effluent water				
	Unit	M. Ton	M. Gallons				

Aspect: Energy

EN3

Direct energy consumption by primary energy source	Material	Fuel Gas	Fuel Oil	Water			
	Quantity	2,768,573	12,487	309.98			
	Unit	MCF	BBL	M. Gallons			

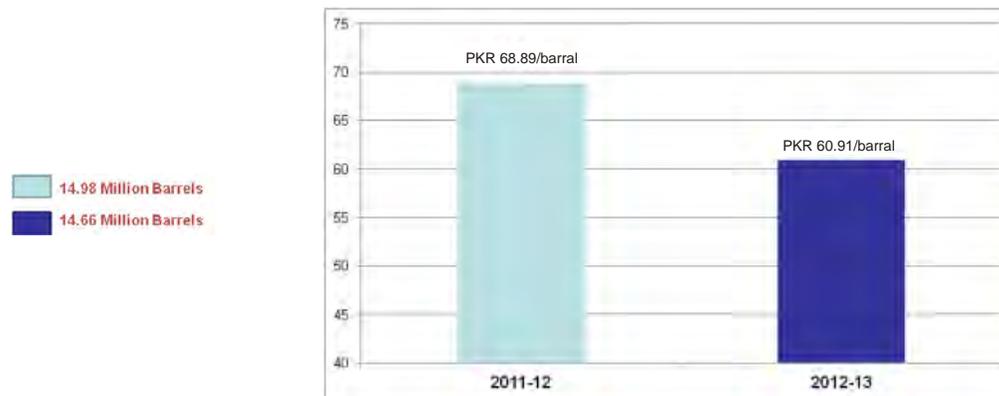
EN4

Indirect energy consumption by primary source	Material	Electricity	Steam				
	Quantity	38149229	18631				
	Unit	kWh	M. Ton				

EN5

Energy saved due to conservation and efficiency improvement	<p>A number of energy conservation & efficiency improvement measure taken during 2013 due to which refining cost per barrel reduced from PKR 68.89 to 60.91. Some of the energy conservation measures are:</p> <ol style="list-style-type: none"> 25 Tons steam per day consumption reduced due to replacement of faulty steam traps and improving the insulation of uninsulated/ or damages steam lines. 						
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2. 8 KWh electricity saving achieved by replacing Tube T-12 by T-8.



EN6

Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.

1. Being an ISO-5001 self declared company Procedures for purchase of energy efficient equipment has been developed and implemented which ensures purchasing of energy efficient equipments.
2. Memorandum of Understanding being signed with NUST university for joint working on Energy Conservation and Bio-fuel research projects.
3. Development and deployment of photovoltaic solar panels for different projects to use solar energy.

EN7

Initiatives to reduce indirect energy consumption and reductions achieved.

1. Steam insulation Line & Steam Traps surveys conducted which resulted in reduction of steam consumption.
2. Calculation for boilers efficiency & energy efficient lighting performed to reduce indirect energy consumption.
3. Condensate recovery systems improved for steam generation to reduce indirect energy consumption.

ASPECT: WATER

EN8

Total Water Withdrawal by Source

Source	Tube Wells (Ground Water)	Shahpur Shallow Well (Ground Water)	Sawan Shallow Well (Ground Water)	Total Withdrawal
Quantity	157.21	141.61	11.06	309.98
Unit	M. Gallons	M. Gallons	M. Gallons	M. Gallons

ARL CSR Initiatives

EN9

Water sources significantly affected by withdrawal of water.

No water sources are affected significantly by ARL water withdrawal due to following reasons:

1. The water withdrawal is less than 5% of the mean annual flow of the water body.
2. It does not pose any threat to the ecosystem.

EN10

Percentage and total volume of water recycled and reused.

Total Water Recycled /Reused = 3 to 4 % of effluent water

ASPECT: BIODIVERSITY

EN11

Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

Attock Refinery Limited has established a Morgah Biodiversity Project (MBP) as a Pro-Poor Public-Private Partnership (5Ps) at Rawalpindi district of Punjab province in Pakistan. The concept of Biodiversity Conservation under MBP has started with an objective of ex-situ conservation by establishment of a biodiversity park over a core area of 20 acres. The site is at an approximate distance of 30 kilometers in south from Margallah Hills National Park.

EN12

Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

Established Morgah Biodiversity park as public awareness point regarding biodiversity, its importance, role in human lives and need to conserve. Other positive impacts are

- A sustained source of income to poor households in the community through employment opportunities.
- Improved vegetation cover under green plan and access to biodiversity in the two union councils and adjacent communities.
- Enhanced institutional capacities for the protection of biodiversity and exchange of information and expertise for conservation in Pothohar region.
- Solid waste management at ARL premises and development of compost at park from organic waste for growing medicinal herbs and organic vegetables.
- As successful biodiversity conservation venture, provide foundation to win PLATTS Global Energy Award for ARL.
- Biogas generation unit through organic waste has successfully installed and operated.
- Organic vegetables are being cultivated on area of about four hectares. Training & awareness to the residents and communities is continued.
- A model biodiversity park with a core and frame has established for replication elsewhere.
- A site for the public amusement and student's knowledge on Biodiversity.

EN13

Habitats protected or restored

Morgah biodiversity Park has been established in the area having greater threats to biodiversity due to ever increasing population pressures and urbanization. The existing park is a good example of conversion of a garbage dump to a "Biodiversity Reserve". The park is a place for variety of flora.

EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	ARL realizes the importance of biodiversity conservation and believes to adopt practical approaches to achieve the objectives through community participation, awareness and through enhancing sense of responsibility at grass root level. A model biodiversity park has established for replication in other habitats of the country to reduce the overall impacts on biodiversity. This model may be used as strategic tool for national policy makers for reducing the threats to biodiversity through public-private partnerships.
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EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	No species of IUCN Red List and national conservation list are affected. The concept of biodiversity conservation under Morgah biodiversity project has a limited objective of ex-situ conservation of species indigenous to Pothohar region by establishment of a biodiversity park. A number of indigenous bird and plant species are being conserved under this project.
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ASPECT: EMISSIONS, EFFLUENTS AND WASTE

EN16	Total direct and indirect greenhouse gas emissions by weight.	Total direct and indirect green house gas (CO2) Emission = 37,458 M. Ton
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EN17	Other relevant indirect greenhouse gas emissions by weight.	Other greenhouse gas emissions = Nil
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EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	<p>Some of the initiatives for reduction of green house gas emission are</p> <ol style="list-style-type: none"> 1. Electricity saving achieved by replacement of Tube lights T-12 by T-8. = 8kwh 2. Reduction in steam consumption per day = 25 ton 3. Reduction in FFO and Fuel Gas consumption due to installation of Burner Management System at boiler house. 4. Reduction in electricity due to installation of variable frequency drive motors at product pumps. 5. Installation of charge heater at HBU-I
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EN19	Emissions of ozone-depleting substances by weight.	Emission of Ozone depleting substances = Nil Purchase of all equipment using ozone-depleting substances is discontinued on September 3, 2004 as a matter of policy.
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EN20	NOx, SOx, and other significant air emissions by type and weight.	Air emissions are given in detail in section "NEQS Compliance". Please refer Environmental monitoring graphs.
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ARL CSR Initiatives

EN21

Total water discharge by quality and destination.	Quality of effluent water is discussed in detail in section "NEQS Compliance". Final destination of the effluent water is River Sawan.
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EN22

Total weight of waste by type and disposal method.	Type	Oily rags	Oily sludge	Hospital waste	Paper	Misc. steel structure	Misc. Electric fitting & panels	Misc. (GI Wire & Sheets, Aluminum Wire, Strips)
	Quantity	372	17445	565	Nil	230210	8627	1950
	Unit	Kg	kg	kg	kg	kg	kg	kg
	Disposal Method	Incinerated	Bio-remediation	Incinerated		Sold (Reused)	Sold (Reused)	Sold (Reused)

EN23

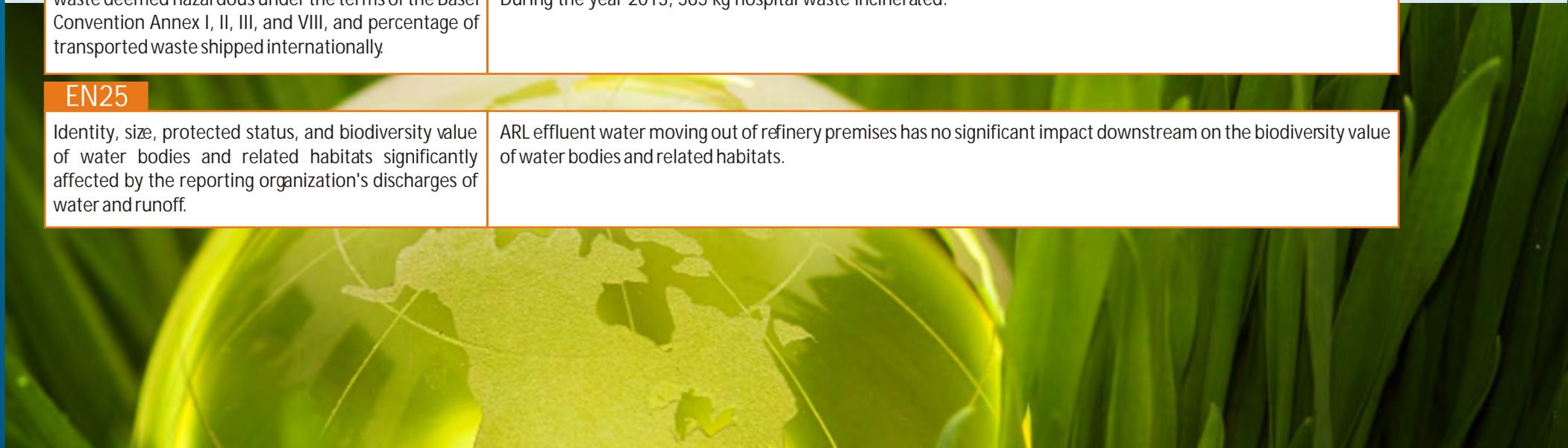
Total number and volume of significant spills.	Total No. of Oil Spills = 4 1st Spill Volume = 0.3 barrel crude oil 2nd Spill Volume = 1.88 barrel crude oil 3rd Spill Volume = 0.25 Barrel RC 250 cutback asphalt 4th Spill Volume = 0.20 Barrel of FFO All spills had been contained within refinery drains and recovered/ corrected.
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EN24

Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	ARL does not import, export hazardous waste, however hospital waste from AHL transported for incineration. During the year 2013, 565 kg hospital waste incinerated.
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EN25

Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	ARL effluent water moving out of refinery premises has no significant impact downstream on the biodiversity value of water bodies and related habitats.
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ASPECT: PRODUCTS AND SERVICES

EN26

Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.

1. New Effluent Treatment Plant is going to be commissioned in first quarter of 2014.
2. ISO-50001 Energy Management System Implemented at ARL
3. ARL pool vehicles got tested for vehicular emissions.
4. Removal of Oily sludge from API separators and C-Sump.
5. In-Plant Treatment of Effluent Water to control COD of effluent water.
6. Boiler Blow down Water Treatment to control pH of final effluent water.
7. Working started on WWF Green office initiative
8. British Safety Council Five Star Environmental rating program bench marking.

EN27

Percentage of products sold and their packaging materials that are reclaimed by category.

ARL products sold are Non-reclaimable

ASPECT: COMPLIANCE

EN28

Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.

Monetary Fines = None
Non-Monetary Fines = None

ASPECT: TRANSPORT

EN29

Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.

The only significant environmental impacts associated with transportation of products for the organization operation is oil spillage. As ARL is an environmental friendly organization and in case of oil spillage during transportation of crude and other petroleum products, bio-remediation of oil spillage is done on site.

ASPECT: OVERALL

EN30

Total environmental protection expenditures and investments by type.

Investment by type	New Effluent Treatment Plant	Environmental Impact Assessment Studies	Incineration Bio-remediation	New Incinerator	EMS audits
Cost (in PKR Million)	152.00	1.20	1.00	2.50	0.13

ARL ENVIRONMENTAL PLANS

Short Term

1-2 Years

- 100% Compliance to National Environmental Quality Standards (NEQS) for effluent and emissions.
- Certification of energy management system ISO-50001.
- Commissioning of Effluent Treatment Plant phase-II.
- Green Plan for plantation of saplings (10-15 thousands) in Morgah and Kotha Kalan areas.
- Conservation of Potohar region Flora at Morgah Biodiversity Park.
- Carbon foot print calculations of ARL activities.
- Implementation of WWF-green office initiative at ARL.
- Local industries facilitation for Environmental testing.
- Bench marking of ARL environmental Management System with British Safety council 5 Star environmental rating program.
- Implementation of burner management system on boilers for environmental compliance & efficient use of energy.

Vital

Significant

Noteworthy

Medium Term

2-5 Years

- DHDS project to reduce sulphur content in high speed diesel fuel in order to meet Euro-II standards.
- Development of ARL image as most Environment friendly refinery.
- Development of Environmental Inventory and Accounting System.
- Research and Development on alternate energy resources e.g. Biogas Plant and Solar PV's.
- Construction of wetland at Morgah Biodiversity Park.
- Development of fruit orchard at Morgah Biodiversity Park.
- Liaison with other educational and environmental institutions to improve awareness and develop solutions for different environmental issues.
- Steam consumption minimisation up to 15%.

Vital

Significant

Noteworthy

Long Term

Beyond 5 years

- Treatment of domestic waste water of Refinery residential areas.
- Waste heat recovery from power plant stack gases.
- Rain water harvesting.
- Conducting steam system survey of ARL for minimization of steam consumption and conservation of energy.
- Zero effluent project.
- Recovery of Refinery flare gases.
- Recovery of steam Condensate at Plant (HCU)
- Morgah Club Swimming pool heating through solar water heaters.
- Converting ARL General Office building on solar power.

Vital

Significant

Noteworthy

ARL Economic Initiatives



CHAIRMAN'S REVIEW

During the year under review, we experienced fluctuating gross refiner's margin (GRM). However, because of overall favorable movement in prices of products as compared to crude oil prices, the average GRM remained not only positive but also slightly better than the previous year. The Company also showed improved performance with respect to capacity utilization which rose to 100% as compared to 99.5% of last year. During the year Company's production capacity also increased by 1,000 barrels per day (bpd) due to installation of new charge heater. These factors improved Company's operating profit from refinery operations to Rs 1,673 million (June 30, 2012: Rs 382 million). Other income increased to Rs 3,082 million (June 30, 2012: Rs 2,389 million) mainly on account of delayed payment charges of Rs 1,635 million (June 30, 2012: Rs 1,195 million) on fuel oil supplies.

Income from the Company's strategic investment in non-refinery business was Rs 1,298 million (June 30, 2012: Rs 1,589 million). Accordingly, profitability of the Company has improved in comparison to the last year. Net profit for the year was Rs 3,916 million (June 30, 2012: Rs 2,735 million).

During the year under review, the issue of circular debt of the energy sector remained a major cause of concern for all stakeholders. However, as a result of recent inter-corporate circular debt settlement arranged by the Government, trade debts amounting to Rs 15.91 billion have been adjusted against trade creditors of the same amount. We acknowledge and appreciate new Government's positive steps to resolve circular debt issue and look forward for major policy decisions to address root causes for resolution of the energy crisis on a long term and permanent basis.

BUSINESS RISKS, CHALLENGES AND FUTURE OUTLOOK

In March 2013 the Government approved Policy Framework for Up-gradation of Expansion of Refineries Projects. We take pride in sharing that Attock Refinery had already done necessary homework on this front which enabled it to move immediately to fulfill its commitments for Up-gradation of the refinery. On April 11, 2013 the Company and M/s Hyundai Engineering Co. Ltd. entered into a contract for the execution of ARL Up-gradation Project which comprises of Preflash unit,



Naphtha Isomerization Unit, Diesel Hydro Desulphurization (DHDS) Unit and expansion of existing Captive Power Plant.

The overall project cost would be around US Dollar 251 million. The Project will be financed in the debt equity ratio of 80:20. Financial close for debt syndicate of Rs 22 billion with consortium of local banks was achieved on August 6, 2013.

The management team deserves appreciation for these remarkable achievements within such a short span of time and I wish them good luck for smooth and timely completion of the Project which would play a pivotal role in the Up-gradation of the refinery and also to economic development of the country.

EMPLOYEE RELATIONS

The workers management relationship continues to be cordial and depicts a will to maintain mutual respect, co-existence and growth on the part of both parties. I would like to appreciate the efforts and dedication of the officers, staff and workers of the Company and the Collective Bargaining Agent (CBA) who enabled the management to run the Company smoothly and efficiently during the year for profitable operations.

ACKNOWLEDGEMENT

On behalf of the Board, I appreciate the continued support received from the Ministry of Petroleum &

Natural Resources and other Government institutions and express gratitude to our valued customers, crude

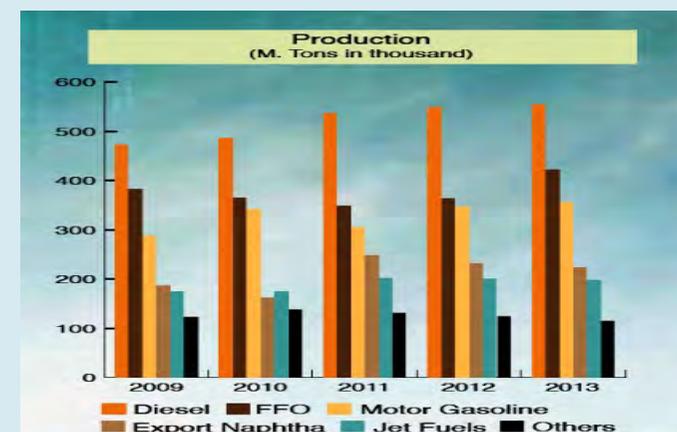
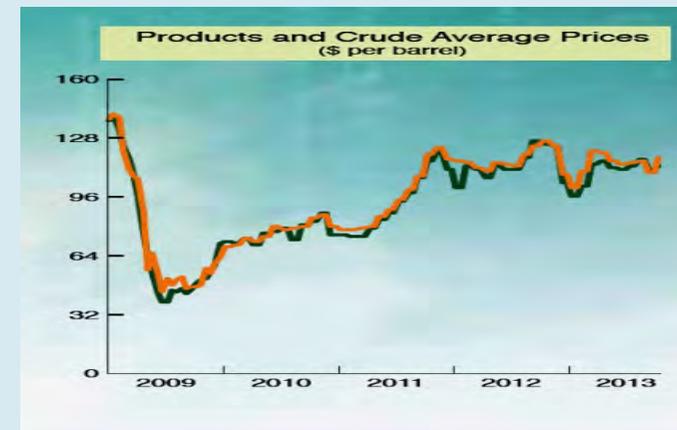
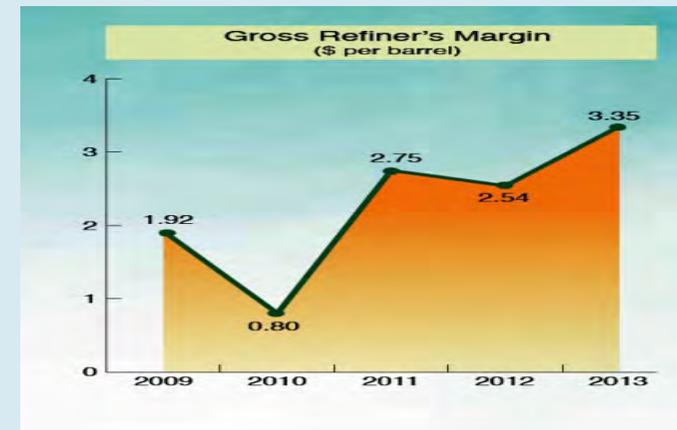
oil suppliers, banks, suppliers and contractors for their continued cooperation.



Shuaib A. Malik
Chairman

August 14, 2013

Rawalpindi



STATEMENT OF COMPLIANCE

WITH THE CODE OF CORPORATE GOVERNANCE

NAME OF COMPANY: ATTOCK REFINERY LIMITED

YEAR ENDED: JUNE 30, 2013

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 35 of listing regulations of Karachi / Lahore / Islamabad stock exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the Board includes:

CATEGORY	NAMES
Independent Directors	Mr. Munaf Ibrahim Agha Sher Shah
Executive Directors	-
Non-Executive Directors	Dr. Ghaith R. Pharaon Mr. Laith G. Pharaon Mr. Wael G. Pharaon Mr. Shuaib A. Malik Mr. Abdus Sattar

The independent directors meet the criteria of independence under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Finance Institution (DFI) or a Non-Banking Finance Institution (NBFI) or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred on the Board of Directors during the year ended June 30, 2013.

5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company alongwith its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies alongwith the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

8. The meetings of the Board were presided over by the Chairman or by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, alongwith agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. Five directors of the Company are exempted from the Directors' Training Program on the basis of their level of education and length of experience as provided in the CCG. During the year 2012-13 the CEO has completed this program.

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee. It comprises of 4 members, of whom all are non-executive directors and the Chairman of the committee is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter

prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed an HR and Remuneration Committee. It comprises 3 members, of whom all are non-executive directors and the Chairman of the committee is a non-executive director.

18. The Board has set up an effective internal audit function.

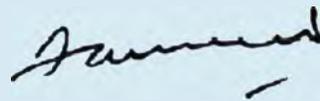
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange(s).

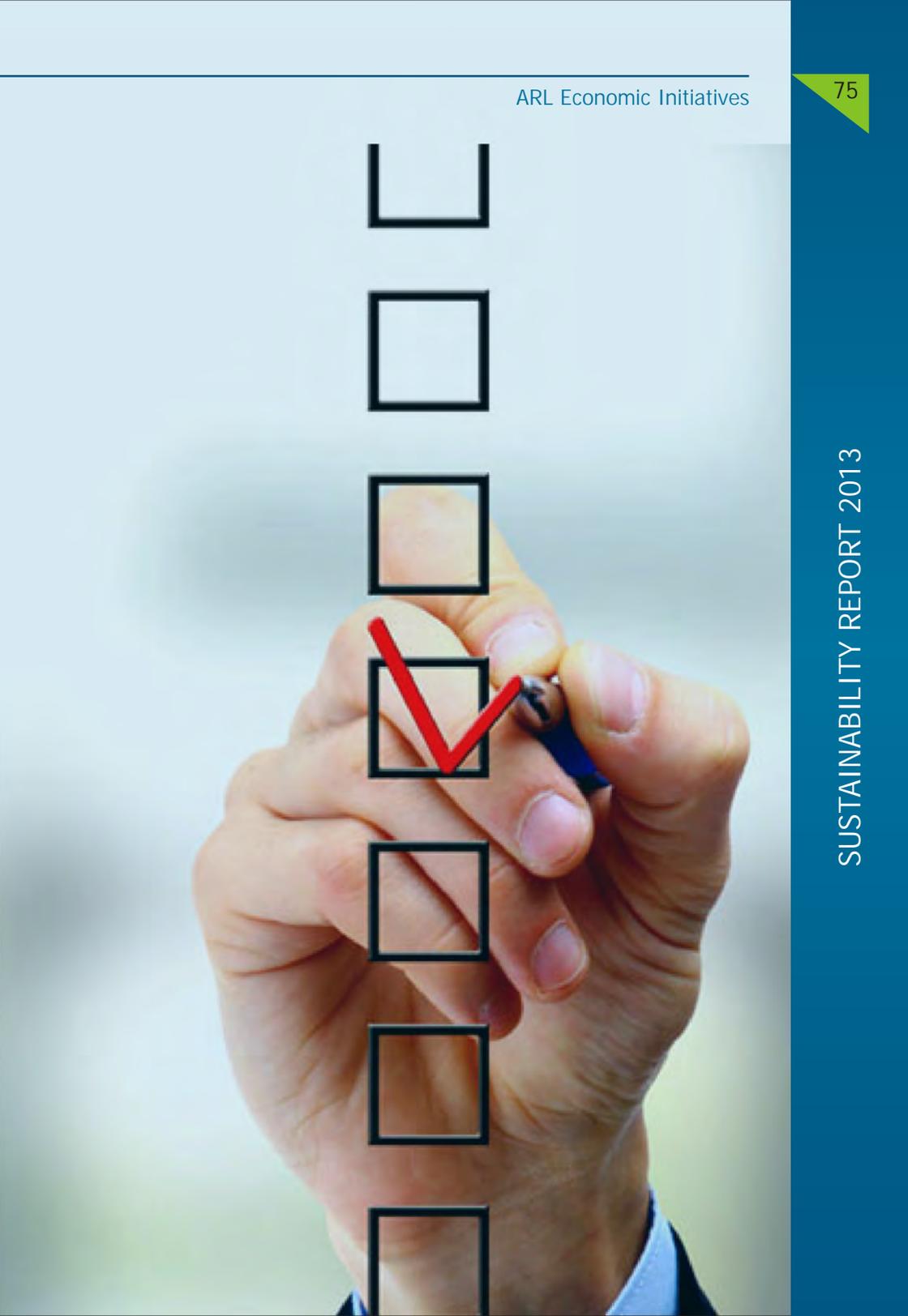
22. Material/price sensitive information has been disseminated among all market participants at once through all the stock exchanges.

23. We confirm that all other material principles enshrined in the CCG have been complied with.



(M. ADIL KHATTAK)
Chief Executive Officer

August 14, 2013



ARL LAST SIX YEAR FINANCIAL SUMMARY

TRADING RESULTS	2013	2012	2011	2010	2009	2008
Sales (Net of Govt. Levies)	163,300.53	154,381.56	116,388.37	88,184.03	76,546.45	91,910.70
Reimbursement from/(to) Government	–	–	9.00	–	714.05	1,743.60
Turnover	163,300.53	154,381.56	116,397.37	88,184.03	77,260.50	93,654.30
Cost of Sales	160,271.23	152,362.20	114,900.77	88,693.69	75,342.10	89,646.37
Gross profit	3,029.30	2,019.35	1,496.61	(509.66)	1,918.40	4,007.93
Administration and Distribution cost	401.82	377.63	315.80	270.12	243.63	218.47
Other Income	3,082.10	2,388.77	1,565.59	983.33	993.70	577.85
Non-Refinery Income	1,298.10	1,588.64	1,068.39	602.20	610.74	4,140.20
Operating profit	7,007.68	5,619.14	3,814.79	805.75	3,279.22	8,507.51
Financial and other charges	954.51	1,259.27	254.12	385.54	1,595.84	1,480.08
Profit before tax	6,053.16	4,359.87	3,560.67	420.21	1,683.37	7,027.43
Taxation	2,137.51	1,625.18	1,375.12	293.82	666.61	879.65
Profit after tax	3,915.66	2,734.69	2,185.55	126.39	1,016.76	6,147.77
Dividend	(426.47)	(639.70)	(170.59)	–	–	(568.52)
Bonus shares	–	–	–	–	–	(142.16)
Transfer from/(to) special reserves	(2,471.76)	(1,000.25)	(971.36)	475.81	(260.22)	(1,861.77)
BALANCE SHEET SUMMARY	2013	2012	2011	2010	2009	2008
Paidup Capital	852.93	852.93	852.93	852.93	852.93	710.78
Reserves	13,123.38	11,368.63	10,146.66	8,563.31	4,719.92	8,330.34
Unappropriated Profit	4,109.58	2,673.67	1,459.48	857.27	4,574.28	657.88
Shareholders' funds	18,085.89	14,895.23	12,459.06	10,273.52	10,147.13	9,698.99
Property, plant & equipment (less depreciation)	10,034.55	9,840.29	9,670.97	2,868.00	2,916.21	2,929.65
Net current assets	3,461.96	430.21	(1,743.10)	(3,967.43)	(4,166.56)	(4,578.05)

CASH FLOW SUMMARY						
	2013	2012	2011	2010	2009	2008
Cash flows from operating activities	74.16	4,792.00	(1,972.58)	(3,741.38)	(11,543.76)	11,074.23
Cash flows from investing activities	2,357.53	2,476.55	1,913.70	1,214.90	1,434.62	444.62
Cash flows from financing activities	(1,272.12)	(1,292.24)	(45.43)	(308.97)	(2,037.95)	(1,471.19)
Increase/(Decrease) in cash and cash equivalents	1,161.30	5,979.39	(104.14)	(2,833.89)	(12,142.33)	10,064.52
PROFITABILITY RATIO						
	2013	2012	2011	2010	2009	2008
Gross profit ratio	1.86	1.31	1.29	(0.58)	2.48	4.28
Net profit to sales	2.40	1.77	1.88	0.14	1.32	6.56
EBITDA margin to sales	3.86	3.01	3.25	0.70	2.45	7.97
Operating leverage ratio	1.69	0.71	20.20	(5.10)	4.29	6.73
Return on equity	21.65	18.36	17.54	1.23	10.02	63.39
Return on capital employed	23.74	19.99	19.23	1.24	10.25	91.23
LIQUIDITY RATIO						
	2013	2012	2011	2010	2009	2008
Current ratio	1.09	1.01	0.96	0.91	0.87	0.88
Quick / acid test ratio	0.76	0.84	0.69	0.75	0.70	0.74
Cash to current liabilities	0.29	0.14	0.09	0.09	0.21	0.49
Cash flow from operations to sales	0.00	0.03	(0.02)	(0.04)	(0.15)	0.12
ACTIVITY/TURNOVER RATIO						
	2013	2012	2011	2010	2009	2008
Inventory turnover ratio	14.31	14.16	12.73	14.72	15.51	20.61
No. of days in inventory	26	26	29	25	24	18
Debtor turnover ratio	5.97	4.90	5.04	4.83	8.16	13.50
No. of days in receivables	61	75	73	77	45	27
Creditor turnover ratio	4.08	3.40	3.78	3.31	2.81	3.70
No. of days in payables	90	107	97	110	130	99
Total assets turnover ratio	2.53	1.65	1.83	1.51	1.74	1.87
Fixed assets turnover ratio	16.27	15.69	12.04	30.75	26.49	31.97
Operating cycle	(3)	(7)	5	(9)	(61)	(54)

ARL Economic Initiatives

INVESTMENT/MARKET RATIO	2013	2012	2011	2010	2009	2008
Earnings per share (EPS) *						
(on shares outstanding at 30 June)	45.91	32.07	25.63	1.48	11.92	86.49
Dividend **	50%	75%	20%	–	–	80%
Cash dividend per share	5.00	7.50	2.00	–	–	8.00
Bonus share issue	–	–	–	–	–	2.00
Price earning ratio	5.56	4.09	4.68	53.96	12.99	1.63
Dividend yield ratio	1.96	5.72	1.67	–	–	7.10
Dividend cover ratio	9.18	4.28	12.82	–	–	10.81
Dividend payout ratio	10.89	23.39	7.81	–	–	11.56
BreakUp Value (Rs per share) without Surplus on Revaluation of Property, plant & equipment	212.04	174.64	146.07	120.45	118.97	136.46
BreakUp Value (Rs per share) with Surplus on Revaluation of Property, plant & equipment	314.58	277.17	248.61	143.00	141.52	163.52
Highest market value per share during the year	208.28	136.89	145.50	169.62	248.00	305.50
Lowest market value per share during the year	123.94	104.42	122.14	80.59	40.95	212.81
Market value per share	255.15	131.05	119.86	79.86	154.86	140.90
CAPITAL STRUCTURE RATIO	2013	2012	2011	2010	2009	2008
Financial leverage ratio	–	–	–	–	–	–
Debt to equity ratio	–	–	–	–	–	–
Weighted average cost of debt	–	–	–	–	–	–
Interest cover ratio	–	–	–	–	–	–

GRI ECONOMIC PERFORMANCE INDICATORS

ASPECT: ECONOMIC PERFORMANCE

<p>EC1</p> <p>Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.</p>	<p>All values are (Rs. '000)</p> <p>Revenue: Rs. 163,300,532</p> <p>Operating Cost: Rs. 160,271,234</p> <p>Employee compensation: Rs. 870,991</p> <p>Other community investments: ARL is providing several community services for the welfare of the people living in the vicinity of the refinery and the total expenditure in this regard was Rs. 2.74 million. Moreover, Attock Sahara Foundation's annual expenditure for the year 2012-13 was Rs. 12.54 million.</p> <p>Payment to Government as taxes: Rs. 35,010,000</p>
<p>EC2</p> <p>Financial implications and other risks and opportunities for the organization's activities due to climate change.</p>	<p>No Significant risk and Financial implications due to climate change</p>
<p>EC3</p> <p>Coverage of the organization's defined benefit plan obligations.</p>	<p>ARL operates a pension plan for its Management staff and a gratuity plan for its Management and Non Management staff. The pension and gratuity plan are invested through an approved trust fund. Contributions are made in accordance with actuarial recommendation. Actuarial valuations are conducted annually using projected unit credit method. The obligation is measured at the present value of the estimated future cash outflows. Unrealized net gains and losses are amortized over the expected remaining service of current member. Further, there is an approved contributory provident fund for all employees to whom equal monthly contribution is made both by the Company and the employee at the rate of 10% of basic salary. Company's expenditure on account of employees' retirement benefits during the financial year 2012-13 is as follows:</p> <p>All values are (Rs. '000)</p> <p>Staff gratuity and pension benefits: Rs. 73,496</p> <p>Contribution to Employees old age benefits: Rs. 2,945</p> <p>Workers Welfare Fund: Rs. 140,015</p> <p>Workers Profit Participation Fund: Rs. 333,075</p>
<p>EC4</p> <p>Significant financial assistance received from government.</p>	<p>Government of Pakistan has no shareholding in company. ARL has not received any financial assistance in any form from Government of Pakistan.</p>

ASPECT: INDIRECT ECONOMIC IMPACT

EC5

Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.

Among the process industry our range of ratios is:
 Senior Management Staff = 50th percentile
 Senior Officers = 50th percentile
 Non Management Staff = 60th percentile

EC6

Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.

ARL procures all products/equipment which are energy efficient. Furthermore, ARL encourage in supporting our Local Industry. All the purchases that are done from within the country are made on the basis of five important things these are;

- Supplier
- Quality (Specifications)
- Quantity
- Delivery (Time & Location)
- Price

These are listed depending upon the preferences as Supplier is a significant factor as his reputation counts a lot because the supplier's repute & quality of purchases affects the company's repute. Quality is also the most important and cannot be compromised. After that the time taken in delivering goods and their place plays important role in making a purchase. Our total procurement for year 2012-13 is Rs. 293.056 million.

EC7

Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.

ARL, being an equal opportunity employer, pursues a non-discriminatory hiring policy. Management staff hiring is based on pure merit through a comprehensive assessment process. Preference, however, is given to locals in case of a tie.

ASPECT: MARKET PRESENCE

EC8

Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind or pro bono engagement.

Availability of potable water is a big issue in this region. To facilitate local community in this regard, ARL continued with its policy of providing potable water to the surrounding population in the villages of Morgah, Kotha Kalan, Jhamra & to the welfare organization like SOS village, Deaf & Dumb School, other schools, Masjids and Churches. ARL is paying an annual contribution of Rs 75,000 to union council Morgah and Kotha Kalan other than provision of free of cost electricity and gas connections to the area. Local community is also benefitted by ARL's efforts to ensure cleanliness of the area and upkeep of roads in appropriate condition. The famous Morgah Biodiversity Park, developed and maintained through ARL support provides a picturesque look to the area besides preserving natural habitat. Similarly, through pursuing its green plan, ARL has planted thousands of trees in the adjoining areas.

EC9

Understanding and describing significant indirect economic impacts, including the extent of impacts.

All the raw materials produced in Pakistan are treated as local. The Refinery processed 14.989 Million barrels (2012:14.665 Million barrels) 100% of the crude oil was received from northern oilfields. Further the entire indigenous crude production from the northern region including enhanced production from certain fields continued to be processed at the Refinery.



ARL CORPORATE TARGETS "2013-14"

ALIGNED WITH ARL VISION & MISSION

STATE OF THE ART TECHNOLOGY

S#	DESCRIPTION	Unit	HOD/Lead Person	Target Date	Total
1-a	Execution of Pre-flash /DHDS/ Isomerization Unit/Power Plant Expansion	% Progress	TS&E	30-Jun-14	40
1-b	Ground-breaking Ceremony of ARL Up- gradation Project	% Progress	HR&A	31-Oct-13	100
1-c	Refinery Upgradation project - Financial Close	% Progress	F&CA	31-Jul-13	100
1-d	Implementation of new attendance & Security system for staff	% Progress	C&MM/HR&A	31-Mar-14	100
1-e	Implementation of Time Office Management System	% Progress	HR&A/F&A/C&MM	31-May-14	100

HIGH PERFORMING PEOPLE

S#	DESCRIPTION	Unit	HOD/Lead Person	Target Date	Total
2-a	Training hours for each Management staff per annum	Hours	HR&A	30-Jun-14	12.00
2-b	Conduct of 30 in-house training sessions	No. of Session	HR&A	30-Jun-14	30.00
2-c	Employee turnover rate for Management Staff (Regular/Contract).	%	CEO / M(HR&A)	30-Jun-14	Max 8
2-d	Employee turnover rate for Critical Management Staff	%	CEO/ Relevant HODs	30-Jun-14	Max 5
2-e	Issue of Management Staff Appraisal Letters	%	CEO / App Committee	01-Jan-14	100
2-f	Conduct of ARL HR Annual Conference	%	HR&A	28-Feb-14	100
2-g	Conduct of ARL Autumn Learning Conference	%	HR&A	31-Oct-13	100
2-h	CBA Agreement 2013-2015	%	HR&A	30-Jun-14	100
2-i	Conduct of ARL HSE Conference	%	HSEQ	30-Sep-13	100

EXCELLENT BUSINESS PROCESSES

S#	DESCRIPTION	Unit	HOD/Lead Person	Target Date	Total
3-a	Unplanned Plant Shut Down	No of shutdowns	(MAINT) / (OPS)	30-Jun-14	Zero
3-b	Increase in Mid Distillates to 43.50% by volume (HSD, KERO & JET FUELS)	% Production	(OPS)	30-Jun-14	43.50
3-c	Throughput per day subject to refinery economics	BPCD	(OPS)	30-Jun-14	41,522
3-d	Average Crude Receipts per day subject to refinery economics	BPCD	(OPS)	30-Jun-14	41,522
3-e	Refining cost	Rs/Bbl	(OPS)	30-Jun-14	190
3-f	Refinery losses	% Vol	(OPS)	30-Jun-14	0.93
3-g	Naphtha Transportation & Storage Losses	%	(OPS)	30-Jun-14	0.85
3-h	Optimum Stores Inventory (excluding CAPEX and safe custody stores)	Rs. Million	(C&MM)	30-Jun-14	560
3-i	Water availability	Gph	(OPS)	30-Jun-14	60,000
3-j	Water consumption	Gph	(OPS)	30-Jun-14	38,000

EXPECTATIONS OF STAKEHOLDERS

S#	DESCRIPTION	Unit	HOD/Lead Person	Target Date	Total
4-a	Improve the Refinery Pricing Formula and Profitability	Impact (Yes/No)	CEO/F&CA	30-Jun-14	Yes
4-b	Sale of 100% production	% Progress	C&MM	30-Jun-14	100
4-c	Production of PMG	M. Tons	OPS	30-Jun-14	348,000
4-d	Best Corporate Annual Report in Energy Sector	Distinction	F&CA	30-Jun-14	1st Position
4-e	Best Sustainability Award by ICAP/ICMA	Distinction	HSEQ	30-Jun-14	1st Position
4-f	UN Global Compact Award	Distinction	HR&A / HSEQ	30-Jun-14	1st Position
4-g	EFP Employer Award (HR& Safety)	Distinction	HR&A / HSEQ	30-Jun-14	1st Position
4-h	RoSPA (The Royal Society for the Prevention of Accidents) Occupational Health and Safety Award	Distinction	HSEQ	30-Jun-14	Gold
4-i	Overtime hours for Regular Staff	Hours	All HOD's	30-Jun-14	130,000
4-j	Overtime hours for Outsourced Staff	Hours	All HOD's	30-Jun-14	130,000
4-k	Telephone, fax & e-mail expenses (Communication Expenses)	Rs. "000"	HR&A	30-Jun-14	2,200
4-l	Staff traveling & entertainment	Rs. "000"	HR&A	30-Jun-14	3,000
4-m	Fuel for Pool vehicles	Kilolitre	HR&A	30-Jun-14	54
4-n	Medical	Million Rs.	CMO	30-Jun-14	90.00
4-o	Acquisition of land at Sohwan Pumping Station	% Progress	HR&A	30-Jun-14	100.00
4-p	Acquisition of 140 Kanal of land at APL/Caltex Road	% Progress	HR&A	30-Jun-14	100.00
4-q	Diversion of Traffic at Alternate Road	% Progress	HR&A	31-Dec-14	100.00

SAFETY & QUALITY

S#	DESCRIPTION	Unit	HOD/Lead Person	Target Date	Total
5-a	Cumulative Safe Man Hours	Million Man Hrs	HSEQ	30-Jun-14	6.90
5-b	Safe Man Hours during the year	Million Man Hrs	HSEQ	30-Jun-14	4.70
5-c	Total Accidents / Incidents Frequency Rate (TAIFR)	Per Million Hrs	HSEQ	30-Jun-14	2.00

CSR/ENVIRONMENT

S#	DESCRIPTION	Unit	HOD/Lead Person	Target Date	Total
6-a	Effluent Treatment Plant Project	%	TS & E / HSEQ	15-aug-13	100
6-b	Benchmarking for British Safety Council (BSC) 5-star environmental rating	%	HSEQ	30-Jun-14	3 Star

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THIRD PARTY ASSESSOR'S STATEMENTS

STATEMENT FROM M/S SGS PAKISTAN (PVT) LIMITED FOR ISO-9001, ISO-14001 AND OHSAS-18001 MANAGEMENT STANDARD AUDIT HELD ON OCTOBER 22-23, 2013.

The Management System documentation demonstrated conformity with the requirements of the audit standard and provided sufficient structure to support implementation and maintenance of management system.

The organization has demonstrated effective implementation and maintenance / improvement of its management system.

The organization has demonstrated the establishment and tracking of appropriate key performance objectives and targets and monitored progress towards their achievement.

The internal audit program has been fully implemented and demonstrated effectiveness as a tool for maintaining and improving the management system.

The management review process demonstrated capability to ensure the continuing suitability, adequacy and effectiveness of the management system.

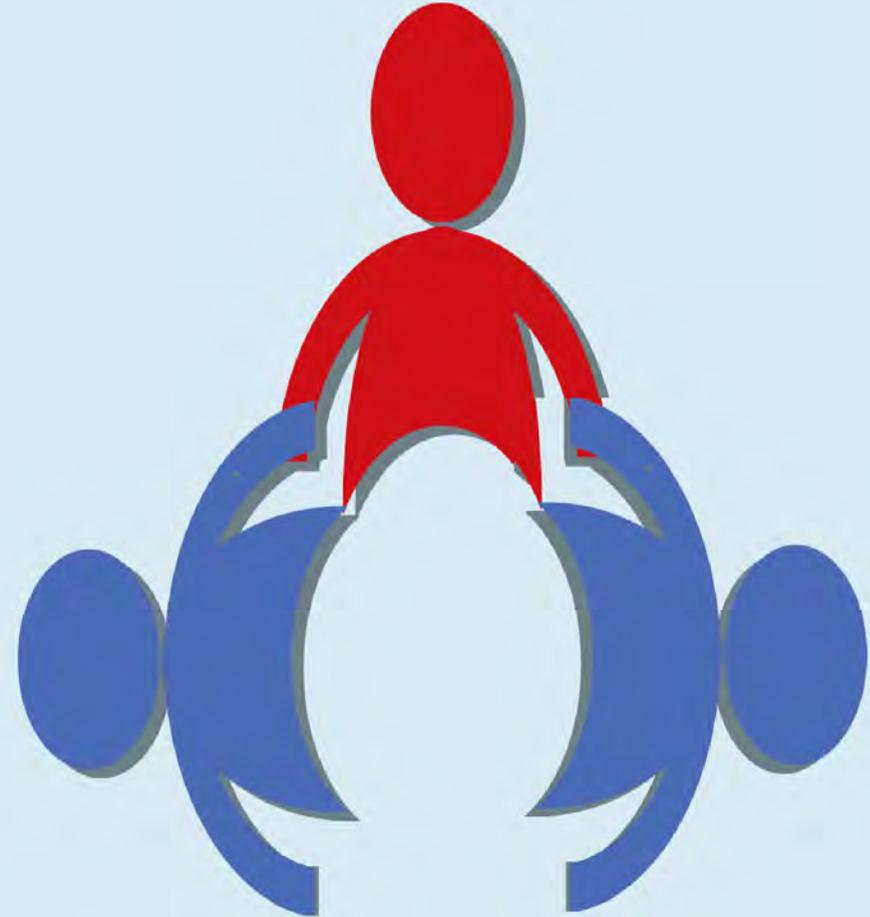
Throughout the audit process, the management system demonstrated overall conformance with the requirements of audit standard.

STATEMENT FROM M/S A. F. FERGUSON & CO. FOR AUDIT OF FINANCIAL ACCOUNTS JUNE 30, 2013

In our opinion, the consolidated financial statements present fairly the financial position of ARL and its subsidiary company as at June 30, 2013 and the results of their operations for the year ended.

STATEMENT FROM PAKISTAN NATIONAL ACCREDITATION COUNCIL FOR ISO/IEC 17025 NOVEMBER 14-15, 2012

The laboratory complies with the conditions of ISO/IEC 17025 accreditation and is recommended for continuation of quality control laboratory management system accreditation.



MEMBERSHIPS IN INDUSTRY AND BUSINESS ASSOCIATIONS

ARL is a member/having association with the following government and non-government organizations and Agencies:

1. Islamabad, Lahore and Karachi Stock Exchange
2. Oil Company Advisory Committee (OCAC)
3. Federation of Pakistan Chambers of Commerce and Industries (FPCCI)
4. Overseas Investors Chamber of Commerce and Industries (OICCI)
5. Rawalpindi Chamber of Commerce and Industries (RCCI)
6. Petroleum Institute of Pakistan (PIP)
7. Pakistan Standards and Quality Control Authority (PSQCA)
8. Management Association of Pakistan (MAP)
9. Employers Federation of Pakistan (EFP)
10. Trade Development Authority of Pakistan (TDAP)
11. National Fire Protection Association (NFPA), USA
12. Fire Prevention Association of Pakistan
13. Pakistan Alliance Against Sexual Harassment (AASHA)
14. CSR Association of Pakistan
15. Alternative Energy Development Board
16. Association of Certified Chartered Accountants (ACCA)
17. Key Point Installation Division (KPID), Ministry of Interior
18. Japan Cooperation Center Petroleum (JCCP)
19. Nippon Keidanren International Cooperation Center (NIC)
20. Pakistan Institute of Corporate Governance (PICG)
21. Institute of Chartered Accountants of Pakistan (ICAP) & Institute of Cost & Management of Pakistan (ICMAP)
22. Association for Overseas Technical Scholarship (AOTS), Japan
23. WWF Pakistan
24. Islamabad Horticulture Society
25. Rawalpindi Horticulture Society
26. Rawalpindi Golf Club

GRI CONTENT INDEX AND APPLICATION LEVEL

BACKGROUND TO THE GRI SUSTAINABILITY REPORTING GUIDELINES

This index is organized using the G3.1 (3rd Generation) Global Reporting Initiative (GRI) Guidelines. The United Nations Global Compact (UNGC) Principles are also being referenced. The disclosure level against the G3.1 framework is A+ (Externally Assured)



A+

STATUS OF REPORTING

- Full coverage ———— ●
- Partial coverage ———— ◐
- No Coverage ———— ○
- Not Applicable ———— (NA)

GRI CONTENT INDEX

STANDARD DISCLOSURES PART:I PROFILE

DISCLOSURES

1. STRATEGY & ANALYSIS				
GRI Code	Description	Status of Reporting	Reference page	UNGC principle(s)
1	Statement from the most senior decision-maker of the organisation.	●	4 & 5	
1.2	Description of key impacts, risks, and opportunities.	●	6 & 7	
2. ORGANIZATIONAL PROFILE				
GRI Code	Description	Status of Reporting	Reference page	UNGC principle(s)
2.1	Name of the organization	●	14	
2.2	Primary brands/products, and or services	●	17	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	●	15 & 17	
2.4	Location of organization's headquarters	●	13	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	●	14	
2.6	Nature of ownership and legal form	●	13	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	●	14 & 17	
2.8	Scale of the reporting organization	●	9	
2.9	Significant changes during the reporting period regarding size, structure, or ownership	●	9	
2.10	Awards received in the reporting period	●	99	
3. REPORT PARAMETERS				
GRI Code	Description	Status of Reporting	Reference page	UNGC principle(s)
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	●	9	
3.2	Date of most recent previous report (if any)	●	9	
3.3	Reporting cycle (annual, biennial, etc.)	●	9	
3.4	Contact point for questions regarding the report or its contents	●	10	
3.5	Process for defining report content	●	9	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	●	9	
3.7	State any specific limitations on the scope or boundary of the report.	●	9	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and	⊙	-	

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	other entities that can significantly affect comparability from period to period and/or between organizations.			
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	●	9	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	●	10	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	9	
3.12	Table identifying the location of the Standard Disclosures in the report.	●	89-96	
3.13	Policy and current practice with regard to seeking external assurance for the report.	●	10	

4. GOVERNANCE, COMMITMENTS AND ENGAGEMENTS

GRI Code	Description	Status of Reporting	Reference page	UNGC principle(s)
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	●	11 & 12	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	●	11	
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	●	11	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	20 & 22	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives and the organisation's performance.	●	12, 74 & 75	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	12, 74 & 75	
4.7	Process for determining the qualifications & expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	●	12, 74 & 75	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	2	
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	12, 16, 74 & 75	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	●	12, 16, 74 & 75	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	●	12, 16, 74 & 75	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	●	97 & 98	

4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	●	87	
4.14	List of stakeholder groups engaged by the organisation.	●	20-23	
4.15	Basis for identification and selection of stakeholders with whom to engage.	●	20-23	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●	20-23	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	●	20-23	

STANDARD DISCLOSURES PART II: DISCLOSURES OF MANAGEMENT APPROACH (DMAS)

5. DISCLOSURES OF MANAGEMENT APPROACH (DMAs)				
GRI Code	Description	Status of Reporting	Reference page	UNGC principle(s)
DMA EC	Disclosure on Management Approach EC - Economic	●	72 & 73	
DMA EN	Disclosure on Management Approach EN - Environment	●	52-63	
DMA LA	Disclosure on Management Approach LA - Labor	●	28-40	
DMA HR	Disclosure on Management Approach HR - Human Rights	●	28-40	
DMA SO	Disclosure on Management Approach SO - Social	●	28-40	
DMA PR	Disclosure on Management Approach PR - Product Responsibility	●	28-40	

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

EC ECONOMIC				
GRI Code	Description	Status of Reporting	Reference page	UNGC principle(s)
ECONOMIC PERFORMANCE				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	●	79	
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	●	79	7
EC3	Coverage of the organisation's defined benefit plan obligations.	●	79	
EC4	Significant financial assistance received from government.	●	79	
MARKET PRESENCE				
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	●	80	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	●	80	

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EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	●	80	
INDIRECT ECONOMIC IMPACTS				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.	●	80	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	●	81	
EN	ENVIRONMENTAL			
GRI Code	Description	Status of Reporting	Reference page	UNGC principle(s)
MATERIAL				
EN1	Materials used by weight or volume.	●	64	8
EN2	Percentage of materials used that are recycled input materials.	●	64	8,9
ENERGY				
EN3	Direct energy consumption by primary energy source.	●	64	8
EN4	Indirect energy consumption by primary source.	●	64	8
EN5	Energy saved due to conservation and efficiency improvements.	●	64	8,9
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	●	65	8,9
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	●	65	8,9
WATER				
EN8	Total water withdrawal by source.	●	65	8
EN9	Water sources significantly affected by withdrawal of water.	●	66	8
EN10	Percentage and total volume of water recycled and reused.	●	66	8
BIODIVERSITY				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	●	66	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	●	66	8
EN13	Habitats protected or restored.	●	66	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	●	67	8
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	●	67	
EMISSIONS, EFFLUENTS, AND WASTE				
EN16	Total direct and indirect greenhouse gas emissions by weight.	◐	67	8
EN17	Other relevant indirect greenhouse gas emissions by weight.	◐	67	8
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	67	7,8,9
EN19	Emissions of ozone-depleting substances by weight.	●	67	
EN20	NO, SO, and other significant air emissions by type and weight.	◐	67	
EN21	Total water discharge by quality and destination.	◐	68	8

EN22	Total weight of waste by type and disposal method.	●	68	
EN23	Total number and volume of significant spills.	●	68	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	●	68	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	◐	68	
PRODUCTS AND SERVICES				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	◐	69	7,8,9
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	●	69	
COMPLIANCE				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	●	69	
TRANSPORT				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	●	69	8
OVERALL				
EN30	Total environmental protection expenditures and investments by type.	●	69	8,9

LA LABOR PRACTICES AND DECENT WORK

GRI Code	Description	Status of Reporting	Reference page	UNGC principle(s)
MATERIAL				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	◐	41	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	◐	41	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	●	41	
LA15	Return to work and retention rates after parental leave, by gender.	○	-	
LABOR/MANAGEMENT RELATIONS				
LA4	Percentage of employees covered by collective bargaining agreements.	●	41	1,3
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	◐	41	
OCCUPATIONAL HEALTH AND SAFETY				
LA6	Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advise on occupational health and safety programs.	●	41	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region and by gender.	●	42	
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	●	42	

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LA9	Health and safety topics covered in formal agreements with trade unions.	●	42	1
TRAINING AND EDUCATION				
LA10	Average hours of training per year per employee by gender, and by employee category.	◐	42	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	42	
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	●	42	
DIVERSITY AND EQUAL OPPORTUNITY				
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	◐	43	1,6
EQUAL REMUNERATION FOR WOMEN AND MEN				
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	●	43	1,6
HR	HUMAN RIGHTS			
GRI Code	Description	Status of Reporting	Reference page	UNGC principle(s)
INVESTMENT AND PROCUREMENT PRACTICES				
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	◐	43	1,2,3,4,5,6
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	●	43	1,2,3,4,5,6
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	●	43	1,2,3,4,5,6
NON-DISCRIMINATION				
HR4	Total number of incidents of discrimination and corrective actions taken.	●	43	1,2,6
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	●	44	1,2,3
CHILD LABOR				
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	●	44	1,2,5
FORCED AND COMPULSORY LABOR				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	●	44	1,3,4
SECURITY PRACTICES				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	●	44	

INDIGENOUS RIGHTS				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	●	44	
ASSESSMENT				
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	○	-	
REMEDIATION				
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	○	-	

SO SOCIETY

GRI Code	Description	Status of Reporting	Reference page	UNGC principle(s)
LOCAL COMMUNITY				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	◐	45	
SO9	Operations with significant potential or actual negative impacts on local communities.	○	-	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	○	-	
CORRUPTION				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	●	45	10
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	●	45	10
SO4	Actions taken in response to incidents of corruption.	●	45	10
PUBLIC POLICY				
SO5	Public policy positions and participation in public policy development and lobbying.	●	45	1,2,3,4,5,6,7,8,9,10
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	●	45	10
ANTI-COMPETITIVE BEHAVIOR				
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	●	46	
COMPLIANCE				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	●	46	

PR PRODUCT RESPONSIBILITY

GRI Code	Description	Status of Reporting	Reference page	UNGC principle(s)
CUSTOMER HEALTH AND SAFETY				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	◐	46	1
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	●	46	

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PRODUCT AND SERVICE LABELING				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	●	46	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	●	47	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	●	47	
MARKETING COMMUNICATIONS				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	●	47	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	●	47	
CUSTOMER PRIVACY				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●	47	
COMPLIANCE				
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	●	47	



UNITED NATIONS GLOBAL COMPACT TEN PRINCIPLES

TEN PRINCIPLES ADOPTED BY THE COMPANY IN JANUARY 2008 AS A GUIDELINE TO BUSINESS MANAGEMENT

United Nations Global compact is not a code of conduct, but rather a voluntary call to action that is being taken by more and more businesses throughout the world. It asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption

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.

LABOR STANDARDS

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.

ENVIRONMENT

PRINCIPLE 7:

Businesses should support a precautionary approach to environmental challenges;

PRINCIPLE 8:

Undertake initiatives to promote greater environmental responsibility; and

PRINCIPLE 9:

Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

PRINCIPLE 10:

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

COMMUNICATION ON PROGRESS

Year: March 2012 to February 2013



STATEMENT OF CONTINUED SUPPORT

Attock Refinery Limited (ARL) has served Pakistan and its people not only by being a leader in refining sector of the country but also by becoming a shining example of continued endeavors for excellence and sustained development.

Corporate Social Responsibility (CSR) is not a new concept for ARL; it has been part of the Company's core values since its inception; ARL's history of over 90 years is replete with CSR initiatives. At ARL, we feel it is our foremost duty to consider the economic, social, ethical and environmental impact of our activities on our stakeholders.

In pursuance of ARL's compliance with the UN Global Compact principles, it is our privilege to confirm that ARL's sustainability attributes are based on five pillars of strength i.e. diversification, competitiveness, transparency, synchronized community & social responsibility services and environmental protection.

We realize that integrated approach to manage social, environmental and financial issues is a challenging task especially to embark on patrolling of boundaries between legal and illegal, ethical and unethical, right and wrong, fair and unfair, good and poor quality. In order to work within the defined boundaries and eliminate barriers to innovative ideas, ARL business practices are aligned with our deeply embedded core values.

ARL being pioneer and pace setter in oil refining sector in Pakistan takes lead once again by adopting the economy of sustainable development - the green economy; to grow in a way that benefits not sacrifices the environment, social justice and equity. The Company strongly advocates community well-being and conservation of environmental resources by operating in a sustainable way. Besides, the safety of

our employees, contractors and stakeholders remains paramount for us.

We believe in green growth universally as it is the core approach that guarantees the preservation of natural resources of the world for our future generations while enabling us to continue benefiting from these resources more prudently.

We once again reiterate our continual commitment to be a socially responsible Company by extending full support to UN Global Compact guiding principles leading to fair business practices all over the world.

M. Adil Khattak

Chief Executive Officer

March 11, 2013

RECOGNITION & AWARDS

HUMAN RESOURCES BENCHMARKING SURVEY REPORT AWARD 2012

The Human Resources Benchmarking Survey (HRBS) 2012 report placed ARL as “Grade A Company” in recognition of Company’s superior HR practices. This achievement was acknowledged through a plaque handed over to the Company at an impressive ceremony held at Karachi on March 15, 2013. It was a remarkable success because the Company stood out of as many as 18 top companies both from manufacturing and service industries who participated in this benchmarking survey.

HRBS is conducted by the renowned consultants M/S Sidat Hyder Morshed Associates on recurrent basis to gain insights on the prevailing HR trends. The survey throws light on current HR trends enabling participants to gather constructive ideas on best HR practices while moving forward.

2. ROSPA (ROYAL SOCIETY FOR PREVENTION OF ACCIDENTS) GOLD AWARD - 2013

This year ARL has won for the 2nd consecutive time RoSPA Gold Award of UK on maintaining high level of safety. RoSPA (Royal Society for the Prevention of Accident) is a UK based society working for the prevention of accidents and Her Majesty the Queen of UK is its Patron.

This is based on the organization’s individual occupational health and safety performance assessed against the RoSPA judging criteria.

3. BEST CORPORATE REPORT AWARD - 2012

The Annual Report of the Company for the year ended June 30, 2012 was awarded fourth (4th) position in the Fuel & Energy sector in the Best Corporate Report Award 2012, by the Joint Committee of Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP) in a ceremony held in Karachi on August 22, 2013.

4. BEST SUSTAINABILITY REPORT AWARD-2012

The efforts of your Company to report and disclose environmental, social and sustainability performance have been recognized by the Joint Committee of ICAP and ICMAP. The Company was awarded third (3rd) position in the Best Sustainability Report Award-2012 in a ceremony held in Karachi on August 22, 2013.



Royal Society for Prevention of Accident (RoSPA) Gold Award 2013 UK’s Occupational Health and Safety Award



Best Sustainability Report Award 2012 (ICAP & ICMAP)



Best Corporate Report Award 2012 (ICAP & ICMAP)



Human Resources Benchmarking Survey (HRBS) Report Award

FEEDBACK FORM



Your comments and suggestions are invited

Please fill and deliver this leaf to your nearest OCS (Overseas Courier Services) Center, who will deliver this to us on our expense

1. Your overall comments on this report:

.....

2. Your comments on our approach to stakeholders:

.....

3. Any particular areas of improvement you would like to identify in this report:

.....

4. What further information would you like to see in our future Sustainability Report?

.....

5. Any other suggestions:

.....

6. Personal Information (Optional):

Name: Tel No.

Address:

.....



Manager (HSEQ)

Attock Refinery Limited.

P.O. Refinery Morgah Rawalpindi.

Ph: +92-51-5487041

Please handover to OCS (Overseas Courier Services) representative or drop at any OCS Express Center

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EXTERNAL ASSURANCE



Independent Assurance Report

United Registrar of Systems have been engaged by Attock Refinery Limited (ARL) to perform an independent assurance engagement in regard to the following aspects of ARL's 2013 Sustainability Report (the "Report")

Scope

Our engagement was designed to provide the readers of The Report with limited assurance on whether the information in The Report is in all material respects fairly presented in accordance with the reporting criteria described below.

Basis of the Assurance

We conducted our work in accordance with the Sustainability Reporting Guidelines Vol. 3.1 of the GRI and International Standard on Assurance Engagements (ISAE) 3000. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement under consideration of materiality to express our conclusion with limited assurance.

Assurance Methodology

We have performed the procedures deemed necessary to obtain the evidence that is sufficient and appropriate to provide a basis for our conclusions. Both quantitative and qualitative data were substantiated through examination of relevant files and documents supplied by the report's authors. Visits to the site, projects and other stakeholders did not form part of the assurance scope.

Our Opinion

Inclusivity

ARL was found to have a suitable approach in place to assist with the identification of and engagement with key stakeholder groups including government agencies, local communities, distributors, customers, and suppliers on economic, social and environmental issues.

Completeness

We have reviewed both qualitative and quantitative information and data and found the presentation in the report to be accurate and complete. The presentation of the data reflects current business practices and performance within ARL.

Materiality and Responsiveness

URS reviewed ARL's risk assessment processes for a number of sustainability topics and found that the risk assessments, review of external feedback and engagement with the business was undertaken to define issues for reporting.

Conclusion

Based on the procedures performed, as described above, the information in The Report does not, in all material respects, appear to be unfairly presented in accordance with the criteria described in 'Basis of Assurance'.

Furthermore, nothing has come to our attention that causes us to believe that, in all material respects, the selected quantitative sustainability information of the Sustainability Report has not been prepared in accordance with the abovementioned criteria of the Sustainability Reporting Guidelines Vol. 3.1 of the Global Reporting Initiative (GRI).

Recommendations

We make the following recommendations for the further development of sustainability management and sustainability reporting:

- Development of an over-arching corporate sustainability strategy with clear identification of key performance indicators.

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- Better representation of sustainability related issues and risk with a clearer link to the initiatives described in the performance sections.
- Better representation of the governance and management framework for sustainability initiatives.
- Enhanced reporting of sustainability trade-offs and dilemmas;
- Reporting on the impact of various sustainability initiatives in relation to effect on the key sustainability indicators pertaining to various stakeholders.



.....
Ali Khan

CEO

United Registrar of Systems

Dated: January 29, 2014



COMPILATION TEAM
Mr. Mohammad Aliemuddin
Mr. Muhammad Tahir Hussain

DESIGN & COMPOSED BY
Muhammad Wajid Ahmad Khan



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