



ATTOCK REFINERY LIMITED

ESG REPORT 2023



FACING UPTO CHALLENGES

Attock Refinery Limited (ARL) is the pioneer of crude oil refining in the country with its operations dating back to 1922. Backed by a rich experience of more than 100 years of successful operations, ARL has now grown into a modern state-of-the-art refinery with a name plate capacity of 53,400 barrels per day.

The past three years have seen a series of unprecedented events worldwide including disrupting demand and supply patterns leading to an extremely tight global oil market. The unnerving combinations of a global pandemic compounded by energy scarcity, rapid inflation, geopolitical tensions etc. have all created new challenges around us.

After a sharp collapse in oil demand due to the COVID-19 pandemic, a stronger-than expected demand rebound came due to the Russian – Ukraine conflict and the subsequent sanctions on Russian crude and product created new challenges for world economies and Pakistan is no exception.

Pakistan business environment during the recent past has remained very challenging and volatile especially for Oil Refining Sector. Factors like stringent environmental regulations, reliance on alternate sources of energy, economic recession, smuggling from neighboring countries and political instability has added to the difficulties of refineries.

Since past few years, there was a major shift in the Government policy for power generation from furnace oil to alternate fuels. The aftermath of this decision has left limited choices for Refining sector. Refineries have to either store the product during lean periods or export the surplus quantity.

To cater for this challenge, ARL has initiated process to acquire dedicated FFO storage facility at Port Qasim, Karachi in order to enhance its operational flexibility.

The whole industry including ARL has been struggling with the menace of smuggling of petroleum products from the neighboring countries which have seriously impacted product uplifting especially High Speed Diesel. ARL remained engaged with the relevant regulatory authorities to perform their vigilant role in curbing this menace, which is not only causing revenue losses to the Government but also damaging the local industry.

The crude supplies to ARL from northern fields have declined to a level of 40,000 BPSD. In order to augment capacity utilization of our Refinery, ARL pursued Government for allocation of crude from southern oilfields and its freight reimbursement from country IFEM Pool. The matter has been recently approved by Economic Coordination Committee (ECC) of Cabinet thus paying way for getting the around 5,000 bpd supplies of crude from southern oil fields in near future. This crude allocation will not only help ARL to operate at optimum capacity but will also result in saving of precious foreign exchange and additional freight savings to Government of Pakistan.

Due to sharp decline of country's foreign exchange reserves, ARL along with other industries faced serious challenge for opening/retiring of Letter of credits (LCs). However, with the help of different state institutions including Ministry of Energy (Petroleum Division)-MEPD, Oil Gas Regulatory

Authority (OGRA) and State Bank Pakistan (SBP), ARL was able to ensure continuity of critical supply chain. Besides, ARL along with other foreign companies have been facing challenges in repatriation of dividend payments to their shareholders due to restrictions on foreign exchange payments for the last one year. We expect from relevant authorities to resolve this issue to keep the faith of foreign investors especially in capital intensive industries like refineries.

ARL in collaboration with other local refineries has been continuously emphasizing the need for a comprehensive and vibrant Refining Policy as the Refining Policy was last revised in 1997. After continuous following up with MEPD, the Refining Policy for brownfield refinery projects has been finally approved and is expected to provide solace to the complicated challenges of today's refining sector in Pakistan. With approval of the Refining Policy 2023, ARL will be undertaking a major up-gradation project for value addition.

Amidst continuously evolving challenges and rapidly changing economic environment, ARL is not only facing up to daunting challenges but also striving to turn these into opportunities for a promising future. We shall continue to work for sustainability of our existing operations by taking proactive strategic decisions with collective wisdom and to up-grade our facilities to meet the future challenges.

2023 FINANCIAL HIGHLIGHTS

Net Sales¹

369,221.5

(2022: 261,486.59)

Gross Profit/Loss¹ (Before Tax)

45,048.67

(2022: 18,678.25)

Operating Profit/Loss¹

53,248.47

(2022: 20,571.49)

Earnings before interest, taxes, depreciation, and amortization (EBITDA)

13.70%

(2022: 7.70%)

Shareholder's Fund

62.10%

(2022: 38.77%)

Return on Shareholder's Fund

26.62%

(2022: 19.27%)

Throughput Volumes²

1.881

(2022: 1.911)

1. Rupees in Million
2. Million Tons

2023 Non Financial Highlights

Employee and HR Statistics

Training Hours per Employee)

9.33

(2022: 1.83)

Employee Turnover

7.13%

(2022: 12.3%)

Skills Development Training Hours

5,987

(2022: 1,111)

Water Utilization

Water withdrawal Cubic Meter (m3)

1,423,000

(2022; 1,378,000)

Water Recycled Cubic Meters (m3)

265,000

(2022: 470,000)

Percentage of Water Saved by Recycling

19 %

(2022: 34.1 %)

Health and Safety

No. of High-level spills (Greater than 10 liters)

4

Total Accidents

8

(2022:0)

Total accident incident frequency rate (TAIFR)

0.68

(2022: 0)

Work-related Fatal Injuries

0

(2022: 0)

HSE Training (Hours)

9,661

(2022: 7,191)

Value creation

Community Welfare PKR '000'

30,266

(2022: 9,238)

Community Skill Development Training & Education) PKR '000'

51,753

(2022: 39,863)

Environment

Env. Expenses PKR '000'

348

(2022: 210)

PEQS Compliance

100%

(2022: 100%)

Total Renewable Energy Generation Capacity (kWh)

305

(2022: 215)

OUR SUSTAINABILITY JOURNEY

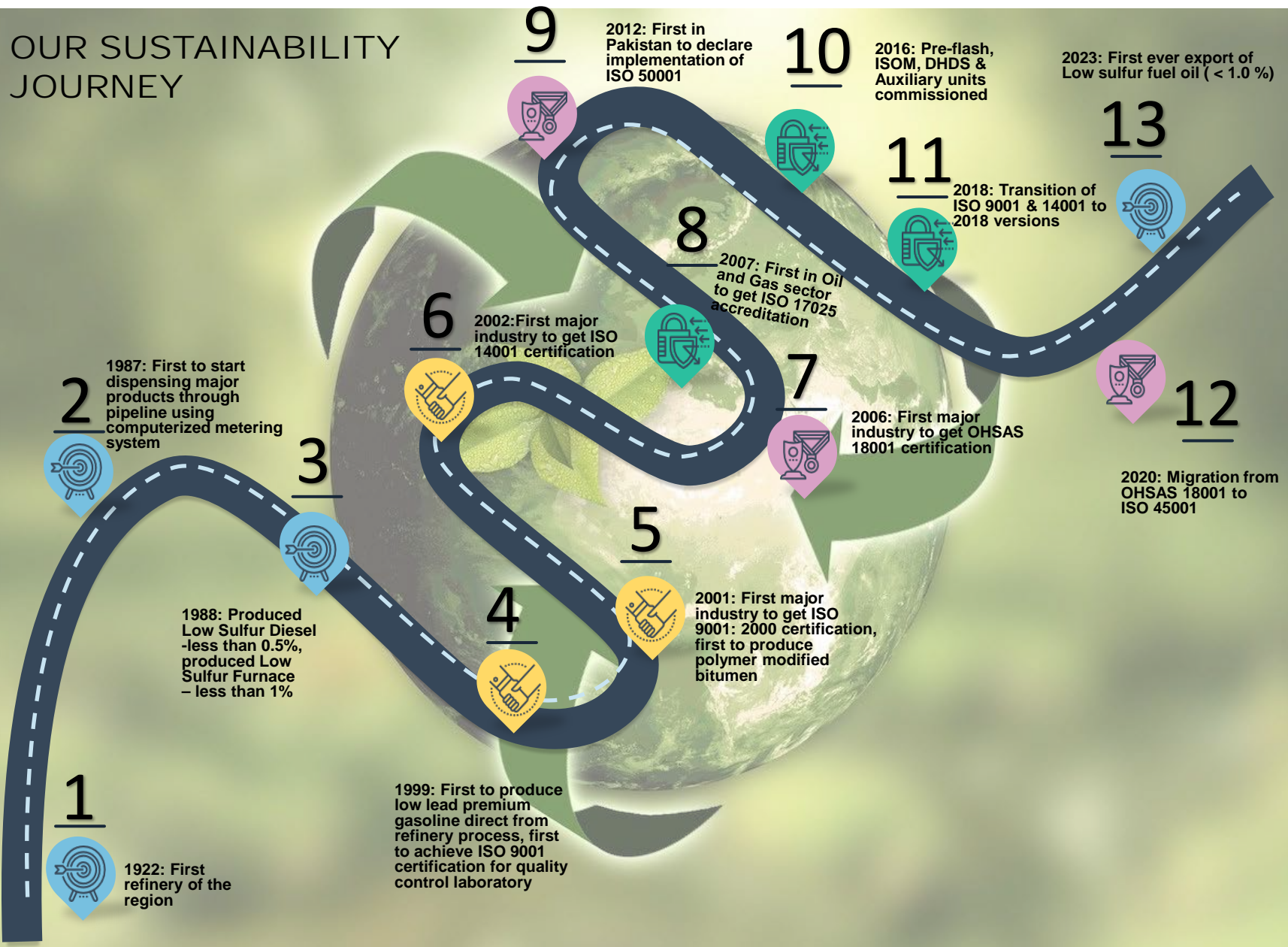


Table of Contents



100 Years of Excellence
1922-2022

THE COMPANY	05
CEO Message for the Stakeholders	06
Our Vision, Mission & Core Values	08
Materiality Assessment	09
Risks & Opportunities Management	12
About This Report	16
Board Of Directors	18
Company Information	20
ARL Management Team	23
STAKEHOLDER ENGAGEMENT	24
Stakeholder Engagement	25
Human Capital Development	33
Organizational Development	38
Human Rights & Labor Practices	39
Defined Benefit Plan Obligations	42
ARL Policies & Practices	43
CORPORATE SOCIAL RESPONSIBILITY	44
Strategic Principles	45
Identification of Social Challenges	46
Philanthropy and Corporate Investment	49
Business Ethics & Anti-Competitive Measures	55
HEALTH, SAFETY, ENVIRONMENT & ENERGY	56
HSEQ and Energy Policy	57
Sustainability Management System	59
Energy Management	61
Water Management	64
Biodiversity	67
Environmental Monitoring & Compliance	72
Climate Scenario Analysis	78
ARL Allignment with Sustainable Development Goals	94
ECONOMY	97
Statement of Compliance	98
Economic Impact on Local Communities	101
Awards and Recognition	102
SUPPLY CHAIN	103
Operational Configuration	104
Supply Chain Management	105
Product Stewardship & Customer Satisfaction	107
Customers Confidentiality & Feedback	109
Business Associations	111
Credibility & Reporting Index	112
ESG Reporting Standard	113



THE COMPANY ATTOCK REFINERY LIMITED

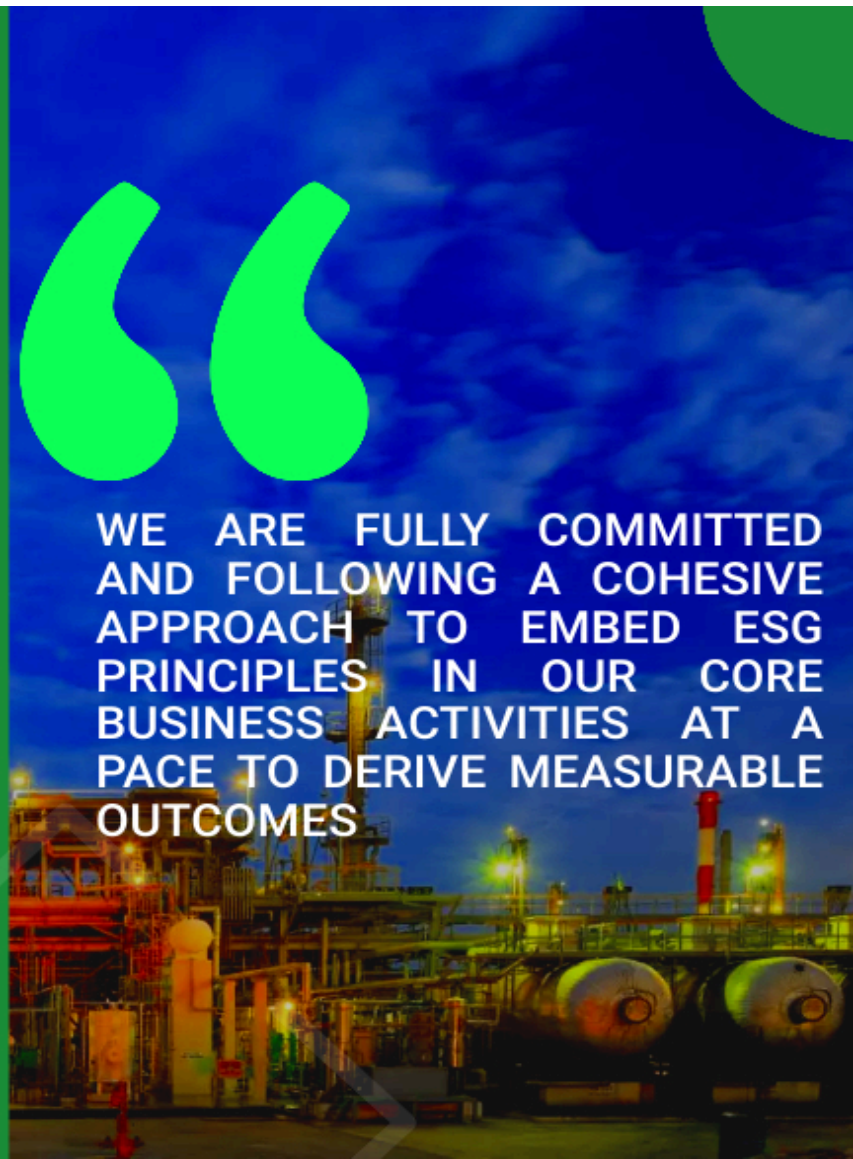




M. Adil Khattak
CHIEF EXECUTIVE OFFICER



WE ARE FULLY COMMITTED AND FOLLOWING A COHESIVE APPROACH TO EMBED ESG PRINCIPLES IN OUR CORE BUSINESS ACTIVITIES AT A PACE TO DERIVE MEASURABLE OUTCOMES



CEO MESSAGE FOR THE STAKEHOLDERS



Having a legacy of more than 100 years, we understand the importance of adapting new strategies and innovations to remain competitive and market leader in the refining sector. Driven by our corporate vision "To be a world-class & leading organization continuously providing high-quality diversified environment-friendly energy resources and petrochemicals", we continued to prioritize sustainability at the core of our business. Our business growth and continuity are guided by our core values. As a responsible business entity, ARL is complying with all the applicable laws, regulations and its HR's wellbeing.

We are cognizant of the fact that ESG standards adoption is instrumental for the growth of businesses. Over the years, ARL has strengthened its commitment towards sustainability. I am proud to share that Attock Refinery Limited is part of the joint task force set up by the Pakistan Stock Exchange (PSX) and the Pakistan Institute of Corporate Governance (PIGC). The task force aims to develop strong advocacy of ESG as a long-term institutional investment and to launch a realistic framework of ESG standards and guidelines for companies and financial institutions with voluntary adoption.

Despite several economic and political challenges, 2023 was a remarkable year for ARL in terms of profitability. The volatility in international energy prices was high along with several other uncertainties in the energy sector. Amid this complex situation, our company managed to implement some of the most sustainable strategic decisions in terms of business growth. During the last fiscal year, ARL was able to achieve its highest-ever profit of 194% (after tax) in comparison to the year 2022, which was due to high refiner's margin and efficient operations. Outstanding performance by the company in the refining sector contributed to the overall economic stability of the country.

The much-awaited refining policy for existing refineries has finally been approved by the Government. ARL plans to avail the incentives provided in the policy for its planned upgradation projects. We hope that the future governments will continue to provide a conducive environment necessary for the implementation of upgradation projects. The upgradation projects would enable the company to produce Euro-V compliant environment-friendly gasoline and high-speed diesel along with increase in gasoline production. In the year 2023, the company continued to face challenges due to the precarious position of country's foreign exchange reserves, massive currency devaluation, very high financing cost and rising inflation. Moreover, the issue of non-fulfillment of FFO remained a concern but the company explored the alternate opportunity and managed its first-ever export of FFO which ultimately helped in the business continuity. The company remained focused on its already initiated endeavors of providing a healthy and conducive working environment to its

employees and nearby communities by supporting health, education & provision of basic amenities directly & through partnering with Attock Hospital Limited, Attock Sahara Foundation & NCPC. The implementation of ISO Management systems, continual risk assessment practices, and alignment with international reporting standards helped the company to set time-bound KPIs to cover the ESG matters, the company's capabilities, governing structure, GHG emissions reduction, and health & safety of their employees.

The last decade has experienced some of the disasters of climate change which has compelled nations & societies at large to consider it as an unavoidable and undeniable truth that needs immediate redressal. The commitments made by the international community in the Paris Agreement and recently in COP28 have paved a clear pathway to follow. The need for organizations to act & reduce environmental impacts continued to be a top priority.

To combat climate change and to contribute our share to this effort, ARL continued its plantation drives of planting more than 10,000 plant saplings/year, increased its renewable energy capacity to 305 kW by the installation of more on-grid solar systems at feasible locations in the refinery, reducing water consumption & recycling of wastewater, replacement of energy-intensive equipment as part of other measures under the umbrella of ISO 50001 (EnMS). Besides the establishment of Morgah Biodiversity Park at an area of 28 acres, ARL has enhanced its care for nature with the establishment of "Attock Institute of Horticulture" and the development of an organic vegetable/fruit farm at an area of 40 acres. The company has also allocated an amount of Rs. 17.40 Million for the development of a solid waste management facility including composting of biodegradable waste to protect the environment. The Lost Time Injury occurred in the fourth quarter of 2023 resulting in a loss of 3.25+ million safe hours re-emphasizing the need for an ongoing commitment to a strong HSE culture. We are committed in continuing our efforts for the optimization and reduction of greenhouse gas emissions through improved utilization of our facilities and energy-saving initiatives.

On behalf of ARL's entire management team, I assure our stakeholders that appropriate measures have been taken to cope with existing and emerging challenges of HSE, digitalization, and technological advancement. We would greatly appreciate your feedback and support to achieve the never-ending journey towards a sustainable future.

A handwritten signature in black ink, appearing to read 'M. Adil Khattak', is written over a light blue horizontal line.

M. Adil Khattak
Chief Executive Officer

OUR VISION, MISSION & CORE VALUES



Learning & Innovation:
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.

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

Team Work:
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.

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

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

Social Responsibility:
We believe in respect for the community and preserving the environment for our future generations and keeping National interest paramount in all our actions.

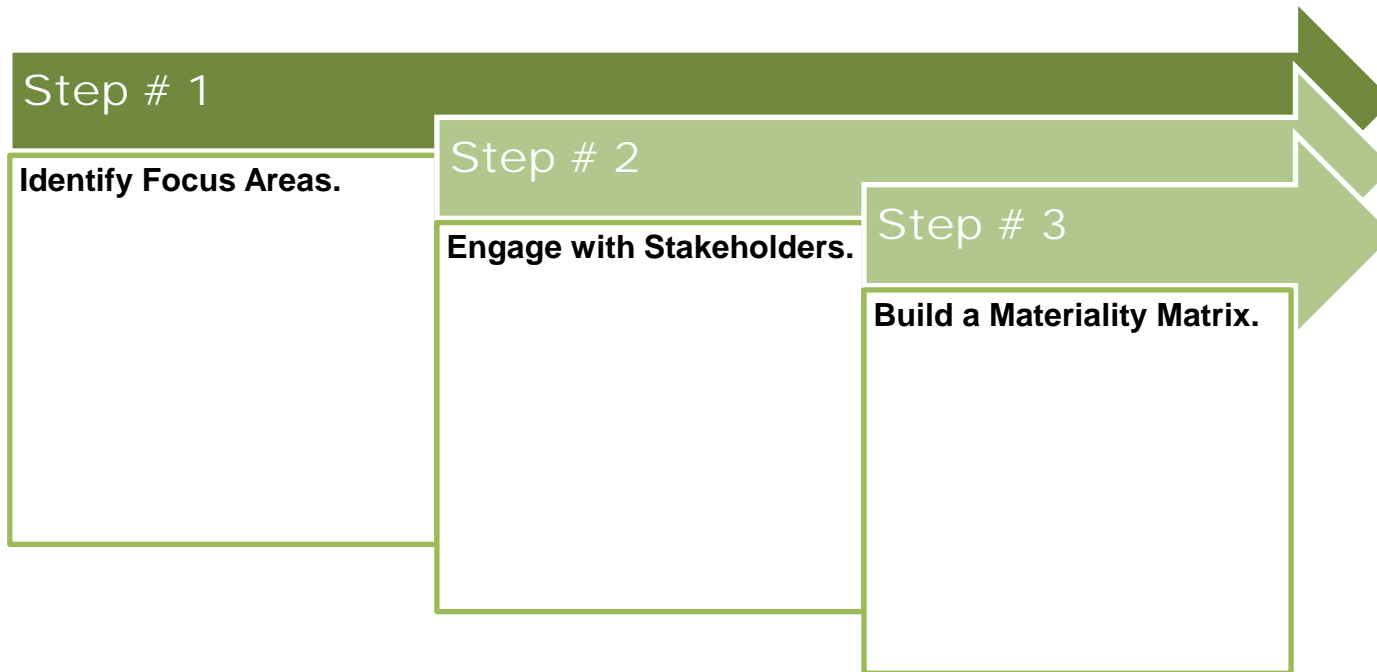


MATERIALITY ASSESSMENT

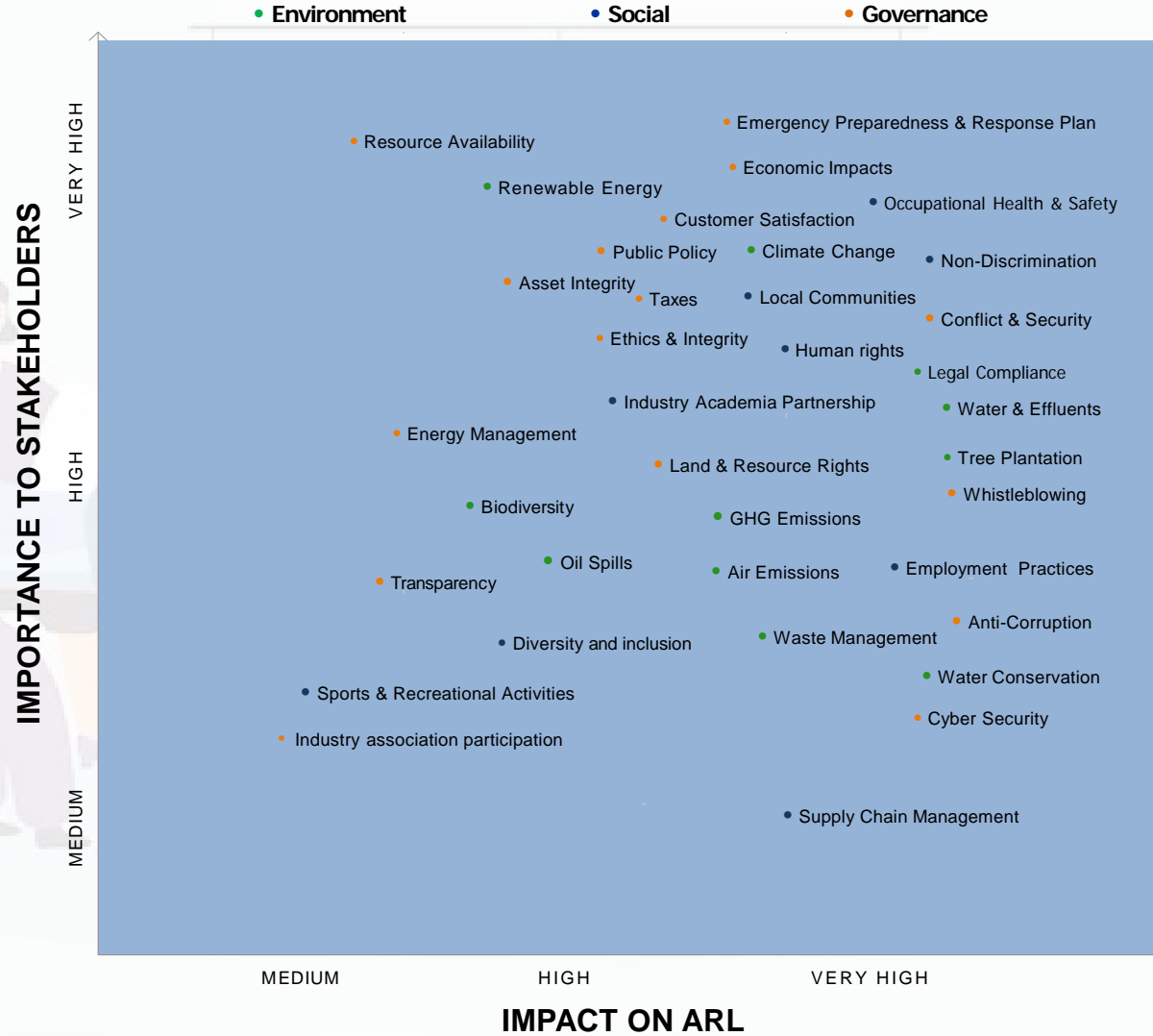
Basics of Materiality Assessment

- Company Objectives, Strategies, Policies and Programs, Vision, Mission, Core Values.
- Auditors Reports.
- Independent Judges Feedback on our previous sustainability reports.
- GRI Standard & UNGC Indices.
- Customer Meetings, Surveys and Feedback.
- Community Meetings.
- Educational Institutions.
- ARL Employees.
- Legislative Guidelines.

Materiality Assessment Process



OUR DOUBLE MATERIALITY MATRIX



RISKS & OPPORTUNITIES MANAGEMENT

Risk management is one of the most critical parts of governance since there are many risks associated with uncertainties and opportunities that require immediate and strategic decisions. Our performance, risks, and opportunities related to ESG topics including climate change, are identified and managed by company leadership with the oversight of our Board.

At ARL, a 'Risk Management & Strategic Planning Committee' headed by the CEO and comprised of all departmental heads who continually oversees the identification, assessment, and response to Principal Risks, including all ESG and climate-related risks. The Risk Management Committee team members review and reassess risks at least bi-annually in their functional areas to evaluate the strength of

existing controls and determine whether changes in risk reduction actions are needed to ensure the risk level is within the risk appetite. The CEO and each Head of the Department is responsible and accountable for managing risk and risk mitigation within their domain. Directions and guidance are provided at the Board, senior management, and other operational levels.

Management responses for monitoring and addressing the risks and opportunities could cause actual results to vary from those described herein in the description below, which may include forward looking statements, or could impact on our ability to meet our targets or to be detrimental to our profitability or reputation.

REFINERY POLICY	
POTENTIAL IMPACT	MITIGATION STRATEGY & PROGRESS MONITORING
Sustainability of Refinery economics & profitability.	<p>Pakistan's refining sector has also been struggling for its survival due to various policy issues over the last two decades compounded by the last three years of a very difficult business environment. The last Refining Policy was announced in 1997. The said policy lost its efficacy within a few years as it could not keep pace with the accelerated changes happening in the refining sector. In spite of this local refineries invested in various expansion and up-gradation projects.</p> <p>ARL along with other refineries has been intensively engaged with Ministry of Energy (Petroleum Division)- (MEPD) for the development of a comprehensive Refining Policy for the sustainability and up-gradation of existing refineries for the last two years. A Working Group comprising representatives from MEPD and refineries was set up in December 2019. The Working Group has drafted Refining Policy and presented its proposals to competent authority for approval. As a result of joint efforts, Pakistan Oil Refining Policy for Upgradation of Existing/Brownfield Refineries 2023 has been approved by the Federal Government and is the implementation stage. The approval of the new refining policy would pave the way for upgradation/expansion of the existing refineries and enable them to produce more high value and environment friendly products locally thus saving precious foreign exchange of the country through import substitution.</p>
REDUCTION IN PRODUCT DEMAND	
Financial Capital/ Manufactured Capital	<p>Technological, social, economic and political changes can have adverse impact on demand of products produced by the Company; e.g. conversion of electricity power plants to RLNG has adversely impacted the demand of Furnace Oil in the country. This in-turn impacts the operations and profitability of the Company. These risks are mitigated by focusing on operational, technological and logistics solutions, thus ensuring the continuation of refinery operations at optimum level.</p>

COMPETING PRODUCTS AND ENTITIES	
POTENTIAL IMPACT	MITIGATION STRATEGY & PROGRESS MONITORING
Financial Capital/ Manufactured Capital	ARL is only refinery in the northern region and has an assigned area for sale of its products. With the emergence of alternate resources and advent of superior grade products, there is always a looming threat of competitors trying to capture ARL's established market. The Company strives for investing in the latest technologies to retain its market share.
NON-UPLIFTMENT OF FFO	
Uncertainty in Business Activities	Due to constraint placed by the Government on utilization of furnace fueled power plants in the country, the Company intermittently faces problems with respect to non-uplifting of FFO. To address this issue, the company has obtained FFO storage facilities at Karachi on rent, and FFO is being transported to especially during lean periods for exports/sale in other markets in the South of the country. This initiative of the company has ensured continuation of refinery operations at optimum levels throughout the year.
CYBER SECURITY	
Phishing attacks on the company's IT server	To counter against possible cyber-attack number of measures have been taken including changing of public to private IP scheme, Up-gradation from windows 7 to windows 10 (windows 10 is more reliable and secure), regular conduct of IT security awareness sessions with the end users, strict anti-spam polices have been implemented and direct delivery of mails to recipient server, ISP mail server has been bypassed.
MAN POWER RETENTION	
Company is facing some serious turnover challenges due to opening of overseas employment opportunities and inflation, Pak currency fluctuation and domestic and international market volatilities, therefore, retention in key areas of specialists and generalists is a major challenge.	The management is fully cognizant of enrolling HR of the set standards, provision of healthy workplace environment, reasonable salaries and perks, career progression, training and development, ensuring work-life balance, provision of accommodation and recreational facilities are some of the measures to keep turnover under check. We are trying to meet the challenges by means of efficiency orientation and absorb the shocks through a well-defined backup plan thus ensuring our business standards paramount. In order to match the market trends, ARL participates in HR Surveys (latest being Refining Sector Survey 2023 and Spot Survey 2023) to keep a watch on the market dynamics.
TRAINING & DEVELOPMENT	
COVID-19 put the Training & Development activities at half due to social distancing and work from home environment limiting trainings to on-line trainings which was found least effective.	During the era of COVID-19 pandemic, ARL was also compelled to curtail employee's exposure to physical/in person trainings to ensure their health and wellbeing. Hence, these employees were exposed to relevant online/ digital training opportunities, on need basis. Though, the impact of distance learning remained a point of concern for us. Therefore, soon after lifting of COVID-19 restrictions, a substantial amount for Training and development of employees was approved by the management. Since then, by adapting multipronged approach, employees have been given exposure to numerous functional/ technical and behavioral trainings including signature programs held within premise, in-land and overseas training institutions. Such round the year training opportunities have helped a lot in motivation, development and retention of our management staff members.



REVISION - LIMITS OF AUTHORITY MANUAL	
POTENTIAL IMPACT	MITIGATION STRATEGY & PROGRESS MONITORING
<p>The new normal witnessed uncertain and unpredictable developments in market place. Price hikes and fluctuating trends remained bigger challenges. In order to encounter the challenges and match the market tendencies, ARL Management realized the review of Limits of Authority Manual. ARL Limits of Authority Manual envisions the delegation of authorities at all functional levels.</p>	<p>ARL Limits of Authority Manual is a comprehensive document defining the limits of each Authority Level thus making it easy to understand and thus making the decision-making process actionable and accountable at each Authority Level and simultaneously making the Authority workable in the right-time and accountable. The document was reviewed by a Preliminary Committee, constituted for the purpose, including representatives from all the departments, to make it in line with the current needs, practices and applicable laws. The Recommendations of the Preliminary Committee were thoroughly reviewed by the ARL Management Committee (includes the CEO and Department Heads), and a draft was submitted before the ARL Board of Directors, who gave final approval of the document and has been implemented with letter and spirit w.e.f. October 13, 2023.</p>
DISASTER-SABOTAGE/TERRORISM	
<p>Security threat due to anti-Pakistan activities by hostile neighboring countries. Destabilizing Pakistan in order to divert international attention from their internal issues. Sabotage/ terrorist activities by foreign sponsored groups within the country to create unrest by inflicting damage to strategic installations.</p>	<p>Enhancing vigilance round the clock and strengthening security apparatus. Continuous assessment of national and international environment for evaluation of threat assessment for mounting matching response. Liaison with Law Enforcement Agencies (LEAs) for provision of early warning on impending threat and assistance if required.</p>
LAND DISPUTES	
<p>Litigation due to land disputes.</p>	<p>Security and Land Sections report all construction activities within 200 yards of ARL boundary in line with KPID instructions and necessary measures are adopted to deal with such violations as per policy. Pending land issues with DHA are being pursued for final settlement.</p>
CIRCULAR DEBT	
<p>Reduced Industrial Activity, Cash flow Shortfall.</p>	<p>The issue of circular debt in petroleum sector has not been resolved but in case of refineries it has reduced to some extent as a result of payments made under recent agreements between Independent Power Producers (IPP) and Government of Pakistan (GOP). The Company closely monitors receivable/payable position and dispatches.</p>
FLUCTUATING EXCHANGE RATES	
<p>Uncertainty in Business Activities.</p>	<p>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 the extent of respective flows involved. ARL does consider getting the forward exchange cover for its major capital expenditure.</p>
CHANGE IN TAXATION & OTHER LAWS	
<p>Uncertainty in Business Activities.</p>	<p>All proposed changes in the laws and policies which may affect the Company are thoroughly monitored and discussed at relevant forums at the initial stage to avoid any unexpected exposure upon promulgation of relevant law.</p>

INTEREST RATES	
POTENTIAL IMPACT	MITIGATION STRATEGY & PROGRESS MONITORING
Uncertainty in business activities.	Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has financial assets and liabilities as appearing in its statement of financial position and it is monitored by having a sensitivity analysis identifying the impact of interest rates.
PRICING FORMULA	
Uncertainty in business activities.	Under the present Refineries pricing formula the Company remains exposed to the risk of adverse fluctuation in the prices of petroleum products and crude oil. This risk has been mitigated to certain extent by introduction of fortnightly product prices. The Company has time and again taken up the matter with the Government and looks forward to formulation and implementation of a Refining Policy in consultation with all stakeholders to address such anomalies. The draft refinery policy is under consideration by the Government after taking the inputs from the stakeholders.
CHANGE IN QUALITY OF CRUDE OIL & REDUCTION IN CRUDE OIL QUANTITY	
Change in crude oil quality may relate to either a change in its API gravity or to the number of unwanted contaminants in it. This may impact the throughput of refinery, product slate and may also cause damage to the equipment resulting in financial loss/impact. Moreover, reduced crude availability can impact profitability.	<p>Having four distillation units at ARL provides flexibility of operation to handle various types of crudes differing widely in specifications.</p> <p>In case of quality variance (increase/decrease in API gravity and Sulphur contents) the crude blends may be adjusted to suit the unit's capability. In case of high sediments & salts, the De-salters are capable of getting rid of such impurities and save the downstream equipment from any adverse effect. Moreover, specialized equipment for detection of organic chlorides in crudes is also being procured during current FY budget. Organic Chlorides are a very important quality parameter to monitor in crudes . ARL corrosion monitoring program is also in place with regular monitoring and inspection.</p> <p>ARL was also pursuing Government of Pakistan for diversion of southern crude to manage the crude depletion in northern region and operate at maximum operating capacity. The proposal has now been approved.</p>
COMPETITORS REFINERIES IN NORTH REGION	
ARL is the only refinery existing in the north region. In case if another refinery is setup in north region, the major share of crude received at ARL will be diverted to it, and there will be deficiency of crude for refinery operation.	Viability of an inland gross root complex refinery of small capacity far from port is minimal. Further, crudes available in northern Punjab will still be available to ARL being the nearest refinery. Due to the foregoing reasons, none of the various plans in the north have materialized as yet.



MARKET TRENDS	
POTENTIAL IMPACT	MITIGATION STRATEGY & PROGRESS MONITORING
<p>Low throughput, Uncertainty in Business, OMCs erratic PMG/HSD upliftment & decrease in profitability</p>	<p>The introduction of LNG into the country energy mix and improved quality petroleum products including higher RON PMG & Low sulfur Diesel is changing the petroleum products market dynamics.</p> <p>After the pandemic (COVID-19), Refinery margins have improved and currently maintaining the positive trend. Government of Pakistan has finally approved the “ Pakistan Oil Refining Policy for upgradation of Existing/Brownfield Refineries 2023 (as amended in February 2024)” has been approved. The policy provides incentives for refineries and will allow ARL to proceed with implementation of its projects to produce Euro V PMG and Diesel.</p> <p>As a result of Government’s decision to minimize furnace fuel consumption in power plants (IPPs) with cheaper RLNG availability, FFO upliftment from refineries reduced drastically. ARL managed logistics and tankage in Karachi for FFO export and recently, first FFO consignment exported. This allowed the refinery to run at optimum capacity during high margin period.</p> <p>For uninterrupted dispatches of PMG and HSD, ARL has taken up the matter with OGRA to ensure that ARL product is lifted by OMCs prior to moving product from south as per prevailing rules and regulations. Product upliftment by OMCs has improved.</p>
WATER MANAGEMENT	
<p>Constraints to growth, Decrease in profitability, Rising costs for raw-water reconditioning.</p>	<p>Water is an essential utility in Plant Operations. It is used in cooling tower for water make-up; Boiler Feed Water; Plant Water; in crude desalting; for flushing of pipelines and for drinking purpose. Availability of water sufficient supply to ARL water reservoirs as per demand is very critical for smooth refinery operations.</p> <p>During hot and dry months (May-June), water demand is at its peak. When Supply-Demand gap widens, a fraction of treated effluent water from Effluent Treatment Plant (ETP) is recycled, after testing from Laboratory. A study for zero effluent has been carried out and its implementation has started in which at initial stage a RO unit is being installed at Boiler house. Optimization of water usage is an ongoing activity that is adopted all year around in general and particularly in dry months. Moreover finding new water resources and drilling for deep tube wells on yearly basis is continued to ensure sustainable water requirements.</p>
Up gradation of refinery to produce Environment friendly Euro-V compliant HSD & PMG	
<p>Government has implemented Euro-V specification for PMG and HSD. Refineries producing lower than Euro-V grade products will be penalized for quality differential in product price.</p>	<p>Currently ARL is meeting the sulfur content requirement of Euro-V gasoline while HSD produced at ARL meets the Euro-III specifications. In order to be able to produce Euro-V compliant higher RON PMG, ARL has planned to install a CCR unit. Basic Engineering Design for the CCR unit and revamp of existing Naphtha Complex has been completed. For production of Euro-V HSD, Licensor FEED for revamp of the existing DHDS unit is in progress by the Licensor of the unit.</p>

ABOUT THIS REPORT

We are pleased to share the Annual ESG Report-2023 from Attock Refinery Limited (ARL) which depicts the progress of our sustainability journey for 2023.

SCOPE: This report reflects our commitment to public disclosure of every aspect of our non-financial performance, which is aligned with the following six aspects. They are:



The scope of this report covers all activities & operations of Attock Refinery limited situated at Morgah, Rawalpindi. This report comprehends ARL's efforts towards economic, social and environmental performance. The report portrays ARL's commitment to good governance, transparency and describes the methodology for recognition and evaluation of stakeholder's needs/expectations and its transformation into actionable items. We consider Sustainability Report as a tool for sharing ARL's performance to all stakeholders

REPORTING PERIOD: The reporting period is Annual starting from 01-Jan,2023 to 31 December,2023 for social and environmental data while financial data reporting period starts from 01-July,2022 to 30th June 2023. The content integrates information from the most recent published Annual Report and the Sustainability Report 2022. This year reporting is based on the guidelines & recommendations of GRI Standard, TCFD (Task Force on Climate-Related Financial Disclosures), IFRS (International Financial Reporting Standards), the CSRD (Corporate Sustainability Reporting Directive) and the United Nations' Sustainable Development Goals (SDGs).

REPORT AUDIENCE: We have identified Investors, Board of Directors, Employees, Contractors, Community, Local administration, Banks, Union Councils, Employees Union and all other employees, Utilities suppliers like Sui Northern Gas Pipelines Limited (SNGPL), Water and Power Development Authority (WAPDA), Pakistan Telecommunication Limited (PTCL), crude oil suppliers like OGDCL, PPL, OPL, POL, MOL and MGCL, Government agencies like MoCC, PAF, Army, EPA-Punjab, Ministry of Labor, ILO,FBR, PSQCA, MEPD, OGRA, PNAC, SECP, OCAC, Rescue 1122, Adjoining Hospitals, Adjoining Educational Institutions, Refineries like PARCO, Pakistan Refinery Limited, Energyico, National Refinery Limited, Customers like Attock Petroleum Limited, Pakistan State Oil Company Limited, Shell Pakistan, Total PARCO, Q1 petroleum, be energy, community, students, External Auditors like SGS and Ferguson and all interested parties as our audience.

DIFFERENCE FROM SUSTAINABILITY REPORT 2022: This report is in accordance with GRI Standards, and we have also tried to cover the Sustainability Accounting Standards Board (SASB) Standards with the industry specific version of June, 2023. The major difference lies in terms of the new reporting standards added in this year reporting. The 2023 ESG Report includes details and data from the 2022 Sustainability Report, restated for evaluation and comparison purpose. This covers how we managed our Environmental, Social & Governance aspects as mentioned in reporting standards IFRS S1 & S2, climate scenario analysis and resilience to climate risks.

For more information or to share your views about this report, please contact:



Mr. Anwer Saeed
 Manager Health, Safety, Environment & Quality
 Attock Refinery Limited, P.O. Morgah, Rawalpindi
 Ph: 92 51 5487041, Fax: 92 51 5487254
 Email: anwersaeed@arl.com.pk





OUR ESG REPORTING TEAM



100 Years of Excellence
1922-2022

M. Adil Khattak



CHIEF EXECUTIVE OFFICER

M. Adil Khattak, has a firm commitment towards a far reaching vision for sustainable development. He always encourages and emphasizes sharing company's progress with all stakeholders in a transparent way. He leads the ESG team, provides guidance and accords necessary approvals.

Anwer Saeed



HEAD OF DEPARTMENT HSEQ

Mr. Anwer Saeed's role is to ensure two way communication on all ESG matters, their immediate solutions and seeking approvals from top management. He develops and implements communication strategies to support initiatives and to involve key stakeholders (internal and external) on the subject. In addition, his key role is management of Health, Safety, Environment and Quality department activities. He is also member of various management committees including risk management and Central Health, Safety and Environment Committee.

Muhammad Tahir Hussain



DEPUTY MANAGER Q&E

Mr. Muhammad Tahir Hussain plays a lead role in the process of data collection from different departments and reviewing the contents and data credibility as per IFRS & GRI Standards. He highlights ESG issues, reviews and identifies material topics with external stakeholders and maintains righteous relationship with internal and external stakeholders. He also leads the acceleration of sustainability integration into core business to set new strategies for sustainable growth of the company.

Muhammad Usman



ENVIRONMENTAL ENGINEER

Mr. Muhammad Usman drives the procedure of inter-departmental information assortment for the convenient compilation of ESG Report according to IFRS & GRI Standards, GHG Inventory Management, data analysis & interpretation, material issues identification, training of employees regarding sustainable practices and independent external assurance from certified consultant.

BOARD OF DIRECTORS



Mr. Laith G. Pharaon
Non-Executive Director
Chairman Attock Group
of Companies



Mr. Wael G. Pharaon
Non-Executive Director



Mr. Shamim Ahmad Khan
Independent Non-Executive Director



Mr. Shuaib A. Malik
Chairman/Non-Executive Director &
Alternate Director to
Mr. Laith G. Pharaon



Mr. Tariq Iqbal Khan
Independent Non-Executive Director



Mr. Abdus Sattar
Non-Executive Director



Mr. Babar Bashir Nawaz
Alternate Director to
Mr. Wael G. Pharaon



Mr. Jamil A. Khan
Non-Executive Director



Mr. M. Adil Khattak
Chief Executive Officer



Board Committees

AUDIT COMMITTEE

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. Four (4) quarterly meetings were held during the financial year ended June 30, 2023.



SHAMIM AHMAD KHAN
CHAIRMAN (INDEPENDENT DIRECTOR)



SHUAIB A. MALIK
MEMBER



ABDUS SATTAR
MEMBER



TARIQ IQBAL KHAN
MEMBER



BABAR BASIR NAWAZ
MEMBER

HR & REMUNERATION COMMITTEE

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. One (1) meeting was held during the financial year ended June 30, 2023.



TARIQ IQBAL KHAN
CHAIRMAN (INDEPENDENT DIRECTOR)



SHUAIB A. MALIK
MEMBER



JAMIL A. KHAN
MEMBER



M. ADIL KHATTAK
MEMBER

COMPANY INFORMATION



CHIEF EXECUTIVE OFFICER
M. ADIL KHATTAK

CHIEF FINANCIAL OFFICER
SYED ASAD ABBAS (FCA)

COMPANY SECRETARY
SAIF UR REHMAN MIRZA (FCA)

AUDITORS
A. F. FERGUSON & CO.
CHARTERED ACCOUNTANTS

LEGAL ADVISOR
ALI SIBTAIN FAZLI & ASSOCIATES
LEGAL ADVISORS, ADVOCATES & SOLICITORS

BANKERS
Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

REGISTERED OFFICE

The Refinery, Morgah, Rawalpindi
Tel: (051) 5487041-5 Fax: (051) 5487093
(051) 5406229 Email: info@arl.com.pk
Website: www.arl.com.pk



ABOUT THE COMPANY

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 its shares are quoted on the Pakistan Stock Exchange Limited. 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 1,066.163 million. ARL is the pioneer of crude oil refining in the country with its operations dating back to 1922. Backed by a rich experience of 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.

It all began in February 1922, when two small stills of 2,500 barrel per day (bpd) came on stream at Morgah 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 Refinery capacity was increased by the addition of two distillation units of 20,000 and 5,000 bpd, respectively. Due to their vintage, the old units for lube/wax production, as well as Edeleanu, were closed down in 1986. 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. In 2000, a Captive Power Plant with installed capacity of 7.5 Megawatt was commissioned.

The latest Expansion/Up-gradation Project completed in November, 2016 comprised of DHDS unit to meet Euro-III Diesel to decrease benzene and increase production of premium motor gasoline by around 20000 M. Tons/Month and expansion of existing power plant capacity by another 18 MW.

ARL's current nameplate capacity stands at 53,400 bpd and it possesses the capability to process lightest to heaviest (10-65 API) crudes. The Company is ISO 9001, ISO 14001 and ISO 45001 certified. ARL laboratory is ISO/ IEC 17025 accredited. It is the first refinery in Pakistan to self-implement ISO 50001 (Energy Management System).



MANAGEMENT COMMITTEES

Various Management Committees have been formulated to look after the day to day operational and financial matters of the Company. These committees are directly overlooked by the Chief Executive Officer (CEO). The main purpose of these committees is to achieve the predefined objectives by exchanging ideas and working collectively as a team. These committees also cover various aspects of Environment, Social and Governance including the community engagement activities, training programs worker’s welfare and the assessment of relevant risks which are associated with the business continuity.

ARL COMMITTEES

CEO Committees

- CEO Committee
- Management Committee
- Risk Management/Strategic Plan Committee

Commercial Committees

- Econo-tech Committee
- Budget Committee
- Pricing Committee
- Bid Evaluation –'A' /Asset Disposal /Inventory Control Committee
- Bid Evaluation Committee-'B'
- Information Technology Committee

HR & Admin Committees

- Appraisal Committee/Rewards Committee
- Succession Planning & Career Management Committee
- Training Steering & Scholarship Committee
- Employees Relation Committee
- Standing Committee for Gender Justice
- Value & Ethics Committee
- Morgah Club Executive Committee
- Bungalow No. 26 SMS Mess Committee
- Elliot Club Management Committee
- ARL Diner Management Committee
- Estate Management Committee
- Performance Improvement Program Committee



Technical Committees

- Technical Committee-A
- Technical Committee-B
- Central HSE Committee
- Quality Council
- Process Chemicals & Additive Appraisal Committee

Statutory Committees

- ARL Staff Provident Fund
- ARL General Staff Provident Fund
- Pension Fund
- ARL Management Staff Gratuity Fund
- Worker’s Participation Fund Board
- Worker’s Management Council

Special Committees

- Attock Sahara Foundation-Executive Committee
- Junior Model School-Board of Governors



ARL MANAGEMENT TEAM



M. Adil Khattak
Chief Executive Officer



Syed Asad Abbas
Assistant General Manager
(Finance & Corporate Affairs)



Munir A. Temuri
Assistant General Manager
(Operations)



Salman Tariq
Assistant General Manager
(Maintenance)



Asif Saeed
Assistant General Manager
(Commercial and Materials
Management) / Additional
charge (Human Resources &
Administration)



Saleem Anwar
Assistant General Manager



Khalid Mahmood
Senior Manager
(Technical Services,
Planning & Development)



Saeed Uddin Faruqi
Manager
(Engineering)



Anwar Saeed
Manager
(Health, Safety,
Environment & Quality)



Usman Ishaq
Manager
(Business Review &
Assurance)

STAKEHOLDER ENGAGEMENT

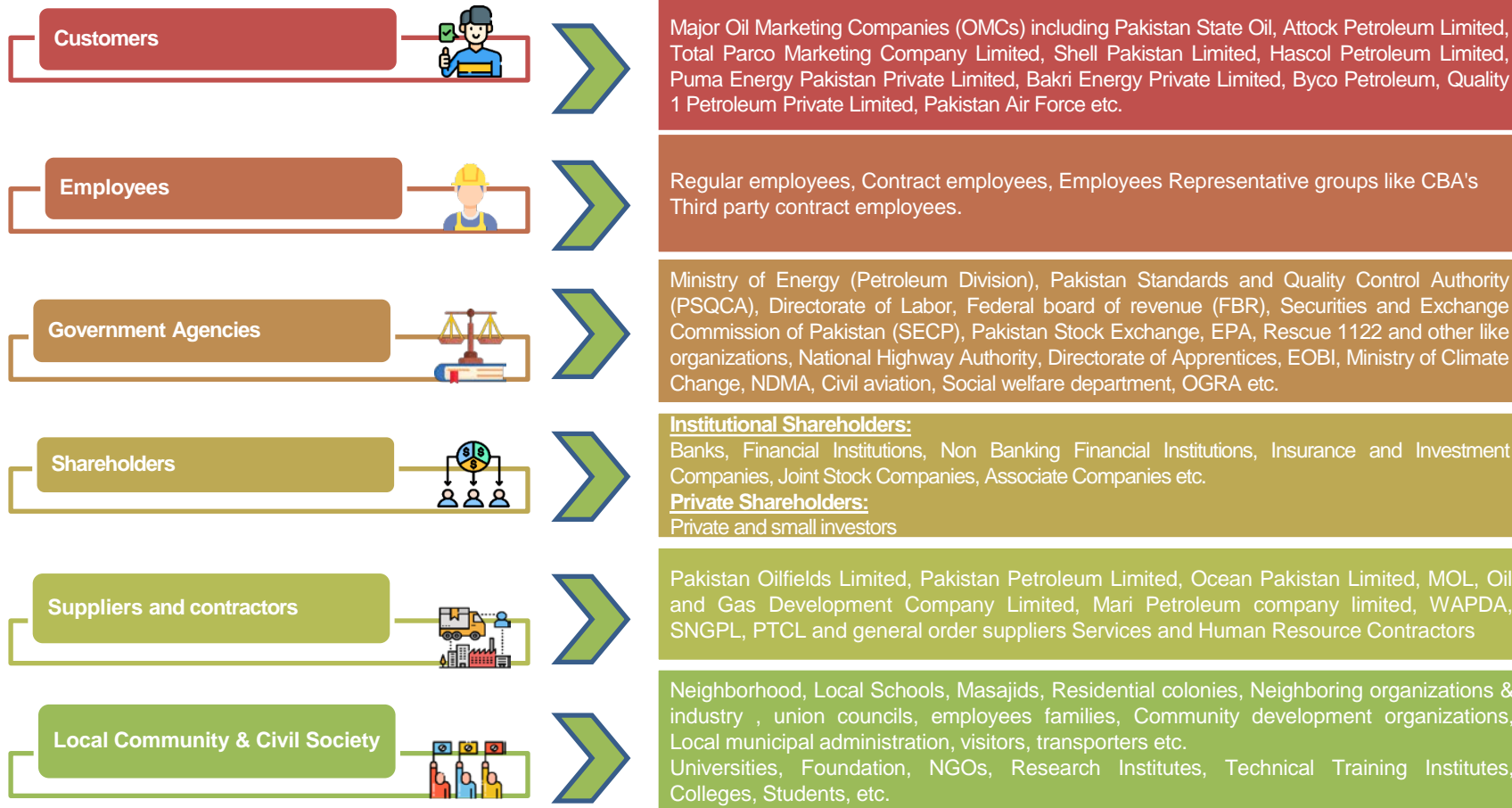


STAKEHOLDER ENGAGEMENT PROCESS

One of the important aspects of corporate sustainability is stakeholder engagement and ARL has various stakeholder groups. ARL strives hard to create an optimal balance among the mutual responsibilities of its stakeholders. Our stakeholder engagement process comprises of identification of material issues relevant to the Environmental, Social & Governance (ESG) and their analogous impacts on its partners & ARL's business. Stakeholders having similar interests & needs are grouped together.

We consider the need for thoughtful interactions on climate and energy-related matters with our stakeholders. It can help to improve our Company's progress on sustainability-related business objectives and contribute to sustainable economic growth. We therefore engage effectively with our stakeholders to discuss their reservations and interests to incorporate them in our policies so that we can all work together towards creating a better future.

ARL Stakeholders



STAKEHOLDER ENGAGEMENT

Stakeholders	Expectations & Interests	Mode of Engagement
Customers	Quality and quantity of product, Timely delivery, Technical assistance and financial compliance, after sales services, Customer satisfaction, Asset's safety and security.	<ul style="list-style-type: none"> ➤ Customer site visits ➤ joint testing of product quality. ➤ Quarterly customers feedback
Employees	Market competitive salaries, career growth, training and development, safety and security of employees, conducive and friendly working environment, sharing of information, residence, medical facilities, sports and recreational facilities.	<ul style="list-style-type: none"> ➤ Human Resource Policies ➤ Planning and Career Management Committee Meetings. ➤ Career Development Sessions.
Government Agencies	Compliance to the code of corporate governance, Compliance of quality of products and services, Legal and PEQs Compliance, Tax deduction and deposition, Development of policies framework, Infrastructure development, safe procedures and workers welfare.	<ul style="list-style-type: none"> ➤ Fortnightly product allocation meetings ➤ Sharing of daily sales figures to Ministry of Energy (Petroleum Division) ➤ Monthly and Annual coordination with FBR for taxation,
Shareholders and Investors	Maximum throughput of refinery, Timely payment of dividends & bonus shares, Sharing of social, environmental and financial statements for Compliance to the code of corporate governance and materiality principles, Increasing value of market share, safe operations of the refinery, Value addition and Transparency.	<ul style="list-style-type: none"> ➤ Quarterly Board of Directors meetings and Shareholders general meetings ➤ Refinery Management Committees
Suppliers and Contractors	Timely bill payments, Prompt response to queries, safety and security of personnel and assets, conducive working environment, facilitation, compliance of contract agreement, Technical assistance and feedback, compliance to the code of corporate governance.	<ul style="list-style-type: none"> ➤ Joint testing of crude oil, direct coordination with WAPDA, SNGPL, PTCL and general order suppliers ➤ visit to contractors and suppliers' sites as & when required,
Local Community & Civil Society	Infrastructure development, Provision of facilities and funding to schools, Health facilities, Better living standards, Safety and security, Provision of utilities, sports and recreational facilities, clean environment, employment, Community Awareness and Support, Policy Lobbying. Industrial academia relationship, Industrial tours, Research and development with research institutes, Medical camps, Internship and Trainings, Joint celebrations with different institutes, Sharing of information and Technical support.	<ul style="list-style-type: none"> ➤ Meeting with nearby communities ➤ Participation and Sponsoring in school events ➤ Organizing Conferences & Seminars ➤ Apprenticeship & senior management trainee programs



Responses to Stakeholders

CUSTOMERS

- Timely delivery of products and quantity compliance, response to queries, administrative complaints being addressed by oil movement section of Operations department.
- Quality assurance and end user customer satisfaction, technical assistance in testing and quality related matters are addressed by quality control lab section of HSEQ department.
- Timely billing, reconciling and financial coordination is addressed by invoicing and receivables management section of F& CA department.
- Customer liaison & satisfaction, Compliance of sales agreements by sales section of C&MM department.
- Assets safety and security is ensured by HSEQ department and security section of HR&A department.



EMPLOYEES

- Training programs, employee meetings, annual and quarterly family festivals, conducting regular employee satisfaction survey, Formal agreement of CBA's, Administrative assistance, Residence and medical facilities, employees engagement through training sessions, team building activities and annual sports by human resource and administration (HR&A) department.
- Safe and secure working environment, provision of PPE's and handling of emergencies at the workplace is being addressed by health, safety, environment and quality (HSEQ) department.
- Health facilities through AHL..
- Timely payment of salaries and bonuses by F&CA department.



Glimpse of Training Sessions arranged for ARL Employees



Glimpse of ASF Meena bazaar

GOVERNMENT AGENCIES

- Compliance to code of conduct by Business Review and assurance department.
- Coordination with Ministry of Energy for crude pricing and discounts, Petroleum development levy, FBR for excise duty and sales tax by oil movement section, F&CA and C&MM department.
- FBR for monthly/annual return of withholding, income and personal tax by payroll and employees fund section.
- Dealing with stock exchanges, SECP, financial institutions by corporate affairs section.
- Liaison with local government labor departments and EOBI by human resource department.
- Dealing with PSQCA, Civil aviation, EPA, Rescue 1122, OGRA, NDMA, District Disaster Management by HSEQ Department.



Plantation Drive organized with NCPC & EPA-Rawalpindi



Compliance Monitoring visit of EPA-Rawalpindi team

SHAREHOLDERS & INVESTORS

- Safe operations of the plant and value addition of products is ensured by operations & Technical Service department.
- Compliance to the code of corporate governance, Materiality principle compliance, Coordination with third party auditors, Routine review and internal audits by business review and assurance (BR&A) department.
- Transparency in dealing, Preparation of quarterly and annual financial reports, sharing of financial statements, Liaison with financial institutions for investments, Timely payment of dividends and bonus shares to shareholders by F&CA department.
- Succession planning for key managerial positions & hiring of talented staff to keep operations smooth and trouble free by human resource and administration (HR&A) department.
- Ensuring safe operations in compliance with environmental regulations and sharing social and environmental performance of company by health, safety, environment and quality (HSEQ) department.
- Arrangement of board and shareholders meetings by company secretary.



Annual General Meeting of ARL



SUPPLIERS & CONTRACTORS

- On time payment to crude oil suppliers by oil movement section of Operations department.
- Crude oil analysis, personnel and assets safety, technical assistance by HSEQ department.
- Payments to contractors by F&CA Department.
- Facilitation to contractors by HR&A and operation department.
- Evaluation of crude and other raw materials/ services by HSEQ, technical services, C&MM and other relevant departments.



Interaction with Suppliers

LOCAL COMMUNITY & CIVIL SOCIETY

- Financial and administrative support is being offered through F&CA Department.
- Health facilities are provided by Attock Hospital Limited (AHL).
- Safety seminars, environmental activities, promotion of cleaner technologies by HSEQ department.
- Recruitment with preference to local communities on merit basis by human resource & administration (HR&A) department.
- Provision of free utilities and drinking water to neighborhood including masajids ,schools and awareness campaigns arranged by HR&A department.
- Tree Plantation & provision of ARL's play grounds for sports by HR&A.
- Liaison with educational institutes regarding research facilitation in order to create shared values by human resource and administration department.
- Sharing technical information and research assistance is provided by different concerned departments.
- Resource provision and sponsoring of events by HR&A and finance department.
- Medical camping with NGOs' at different locations through Attock Hospital Limited.
- Providing safety training by HSEQ department.



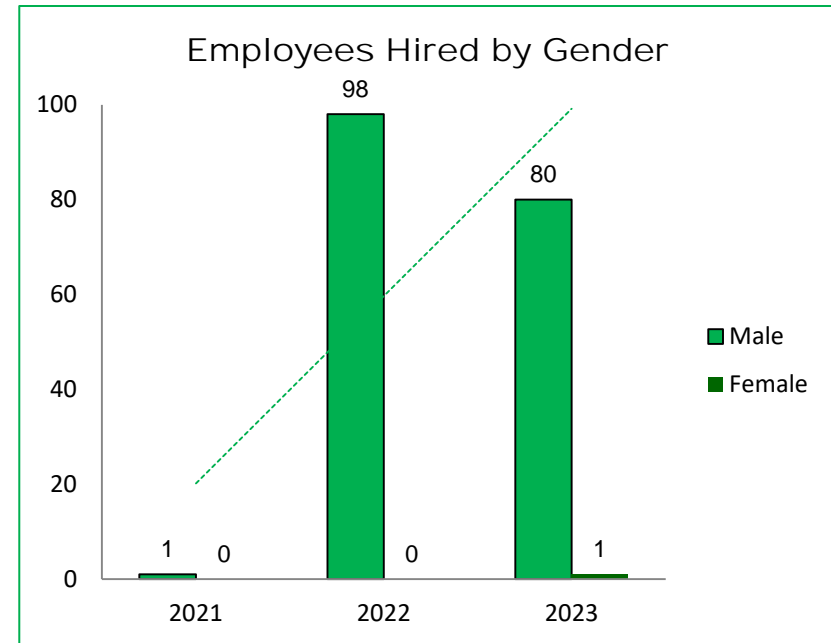
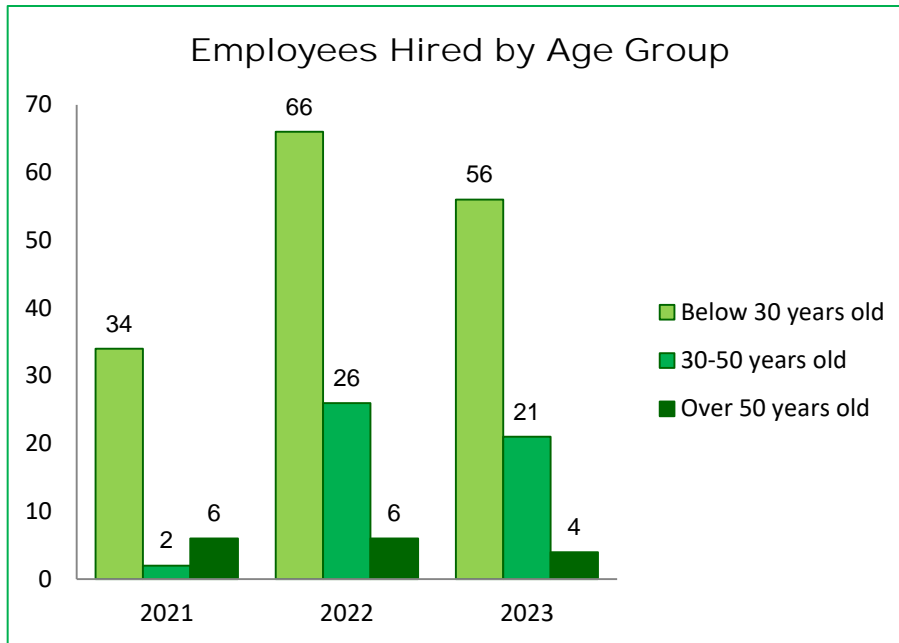
Glimpses of Various Community Events

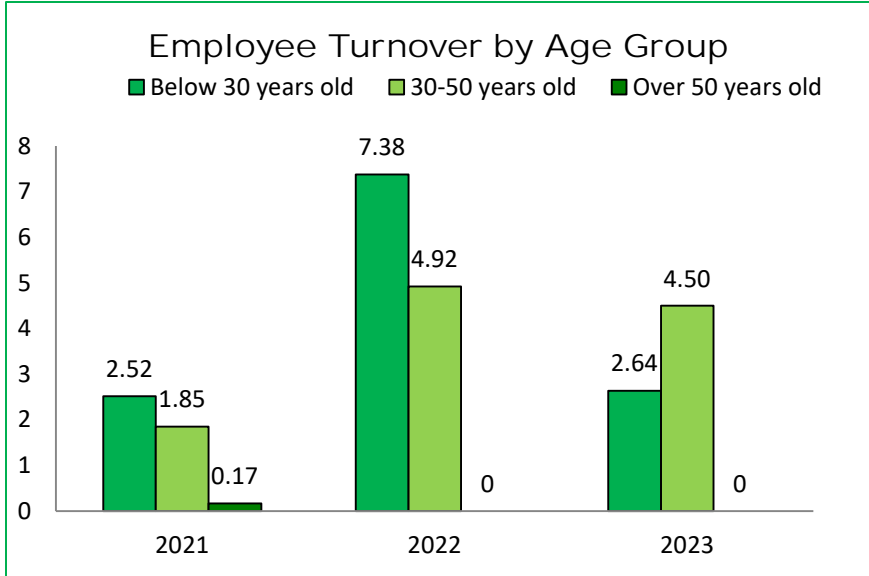
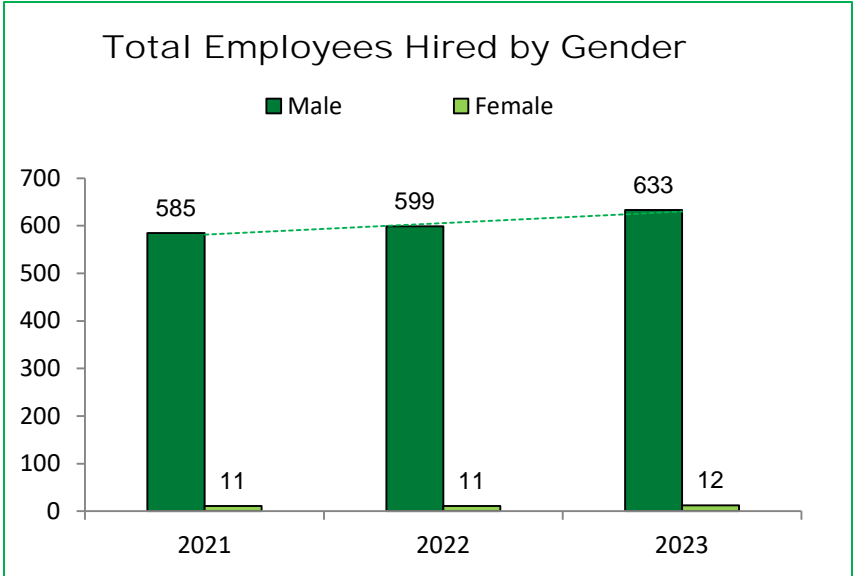
HUMAN CAPITAL DEVELOPMENT

Human resource is considered a fundamental asset and it is ensured that all employees are treated with dignity and respect by creating an atmosphere of mutual understanding and open communication. ARL proliferate under an ecosystem based on the concept of empowerment. Company encourages socialization, team spirit and motivation to make work place attractive and interesting. Company has a well-defined human resource policy to attain the highest standards of professionalism. Being signatory of United Nations Global Compact guiding principles on human rights, we also support and respect the internationally proclaimed human right principles and endeavors to make sure that ARL is not complicit in human right abuses and violations. We are an equal opportunity employer and consider our human resource capital, a seminal factor for sustainable growth and revitalize it by promoting best human resource practices. The primary part is engaging best talent.

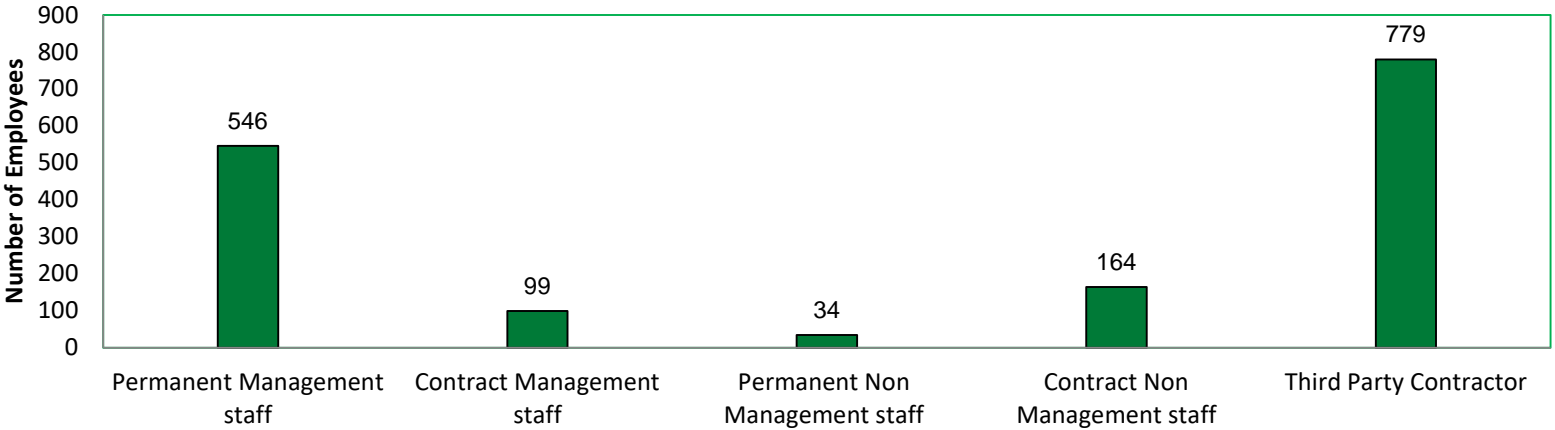
Recruitment & Hiring

We pursue a merit-based policy for induction and promotion of employees. Company is located at Morgah Rawalpindi and while hiring company prefers people from district Rawalpindi and nearby districts. Moreover about 23% of the company total staff comprises of locals. Senior management staff includes the entry level engineers/finance graduates to the head of departments. Data for the disclosure 2-7 and 2-8 is mentioned below and it is based on head count and the workers who are not employees perform non-essential jobs (Labor/ Janitorial/ Horticulture/ Cooks/ Waiters etc.)

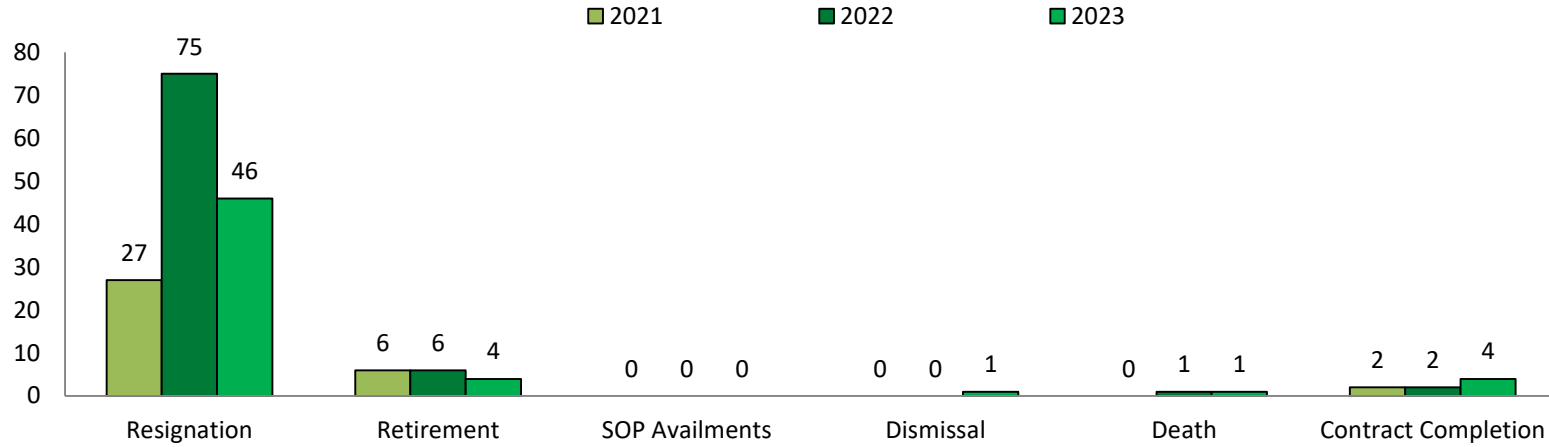




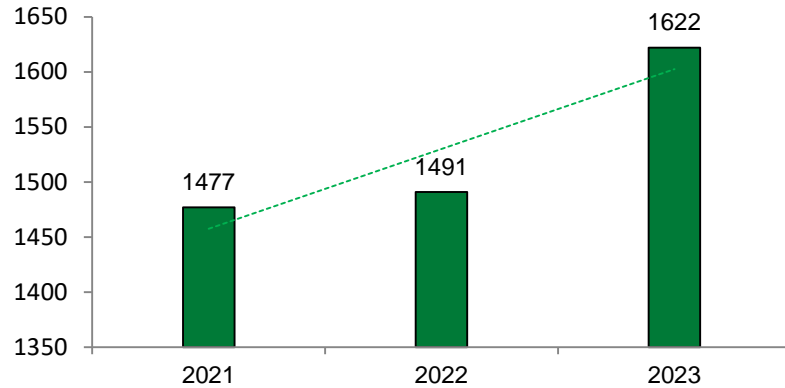
Employees at ARL Total Employees = 1622



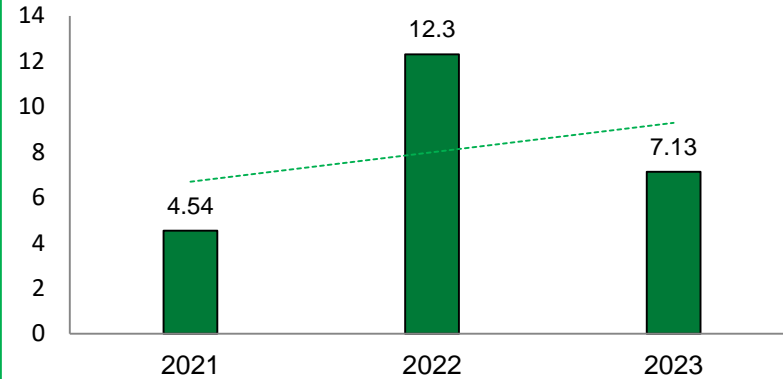
Reasons for Employees Separation



Total Staff

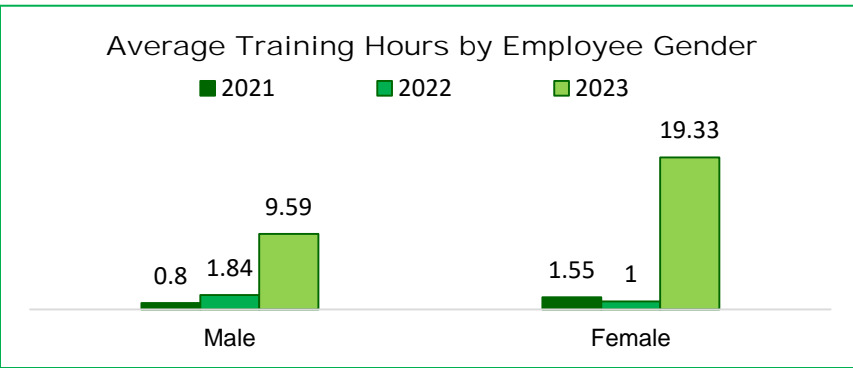
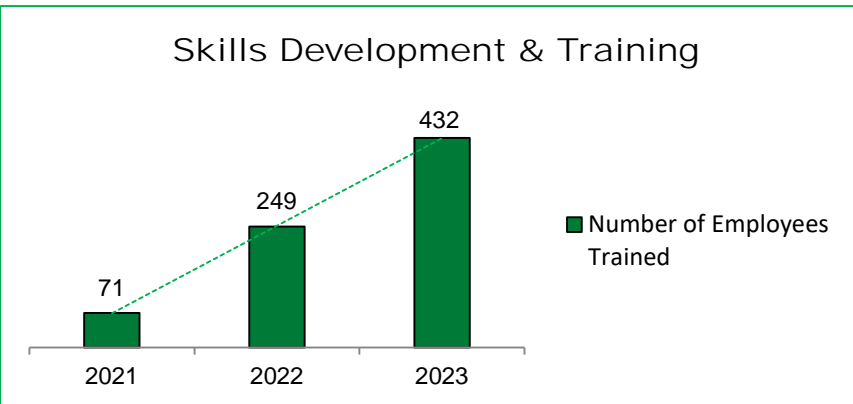


Employee Turnover Rate



Company has a well-developed corporate culture for human resource development. Trainings & development of employees are ensured on continuous basis considering training need assessment, technical requirements & competencies. ARL has established T&D center for planning & arranging in-house/outside technical & soft skill trainings. 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. We are continuously striving to enhance employees' technical and managerial competence through in-house technical, soft skill trainings and periodic learning tours to foreign countries.

ARL HSEQ department provides 40 hours training program on health, safety & Environment to all newly inducted staff including trainees & apprentices. ARL has become first organization in country's oil refining sector to acquire customized Operator Training Simulator (OTS), a tool which creates real time environment identical to control room for operators to learn / practice operation of plants. The OTS has been engineered by M/s Schneider Electric (Invensys). It has been of great use for manpower training prior to Commissioning of new units. Additionally; it has immensely contributed to lessen the low skill level issue of relatively inexperienced workforce arising out of high employee turnover. This has helped in safe and smooth operation of the new and existing units hence ensuring sustained profitability for the company. The Skills Development Initiative (SDI) program leads to skills management and lifelong learning that supports the continued employability and assists in career progression. The company provides good working environment, which in turn makes it possible, for the employees to put in their best efforts.



Training Hours per Employee by Employee Category (Year 2023)

Category	Avg. No of Employees	Man Hours	Avg. Training Hours
Top Management (Managers and above)	39	432	27
Mid-Management (AM to DM)	72	1179	30.23
Executives (Grade 3 & 4)	128	2011.5	12.89
Junior Management	193	2365	5.49



Performance Reviews of Management and Non-Management Staff by gender and category

100%

Employee Performance Review

Every employee has the opportunity to realize their potential and develop a successful career. Performance evaluation and assessment of employees is also carried out on periodic basis. There are also bi-annual evaluation & review of performance appraisals to gauge the employee's efforts.

Employee Motivation and Encouragement

To encourage staff in attaining their optimum level of performance, ARL organizes regular quarterly award ceremony to appreciate the star performers of all departments through commemorative shields and cash awards. These performance awards are awarded in the fields of core performance, safety and housekeeping. Moreover CEO's special appreciation letters and cash awards are also part of encouragement for individual outstanding performers.



Employee Quarterly Performance Award Ceremony

ORGANIZATIONAL DEVELOPMENT

Succession Management Strategy

Succession management is one of the ARL's HR major initiative. The main objective for introducing a formal succession management strategy is to ensure leadership and management continuity throughout the company at each strategic key position. Succession management guarantees 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 competency and expanded management role in their work.

Cultivation of Learning Culture

Our core value of learning and innovation is an advocate of promoting learning culture within and outside the organization. ARL employees are encouraged to share their knowledge through participation in conferences and present their papers and publications. On the other hand a very well planned training and development is being pursued for ARL employees. ARL is emphasizing an extra effort on grooming internal trainers and for this an upgraded technical skills development initiative has been rolled out with considerable success.

Japan Cooperation Center Petroleum (JCCP)

Japan Cooperation Center Petroleum (JCCP), offers training courses to its member organizations to ensure continuity of learning opportunity for the participants. Four management staff members were selected from ARL for different courses by JCCP in 2023.



Glimpse of Trainings arranged for Organizational Development

HUMAN RIGHTS & LABOR PRACTICES

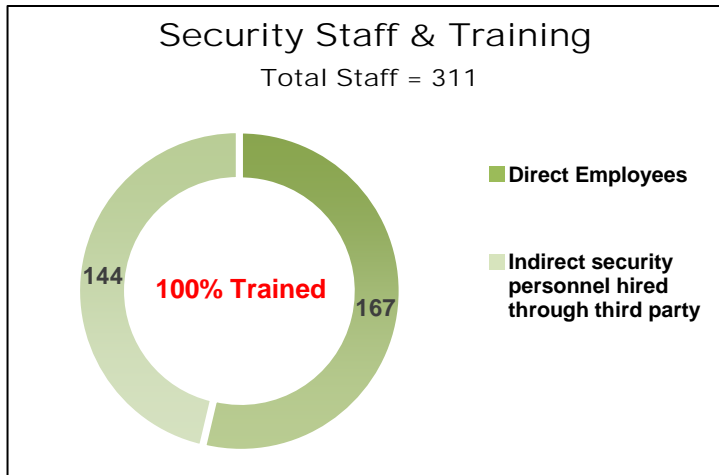
Human Rights

ARL endorse and comply all legal bindings and compliances of human rights. We believe that every individual's right needs to be acknowledged. Hence, all the outsourced employment agreement (100%) includes human right clauses. Each employee is given a briefing by HR department on human right policies and procedures implemented at ARL during the orientation and 100% of the employees are sensitized on human rights policies.

ARL has strong commitment to ensure good work ethics and there is a Value and Ethics Committee. The primary role of this committee is to investigate and advise the Chief Executive Officer (CEO) appropriate action regarding the violation of ARL core values and related codes and policies. Transparent legal system is a fundamental element of a healthy society & growing economy and ARL supports strong enforcement structures to protect employees against abuse of power. We feel pride in being signatory of the Ethics Policy at the platform of Oil Companies Advisory Committee (OCAC) along with other members from Oil and Gas Sector of Pakistan. The objective is to abide by the highest ethical standards, observe regulations applicable to the industry and laws of the country, conduct business with integrity and honesty, treat stakeholders fairly, communicate openly but in a responsive & accountable way. ARL also supports its Non-Muslims employees by facilitating them to visit their holy places. Moreover all employees of minority sects are entertained with financial support for visiting to their sacred places through balloting. ARL also provides conducive and decent working environment to its employees and contractors keeping in view their health and safety aspects. Continuous training and development of security staff is of prime importance to the organization and heads of the respective department used to have an informal interactive session with all the security staff in order to train them on human rights policies and gender justice.

Non-Discrimination

The Company has defined procedures that enable our human resource team to recruit, hire, develop and retain employees based on job related attributes, including experience, qualification and other criteria. No incident in the reporting year has been reported that involved discrimination, prejudicial treatment based on color, religion and gender. All employees are treated equally and organizational policies and practices doesn't allow in promoting any kind of inequality and injustice. ARL has adopted the code of gender justice at work place to create conducive working environment for men and women, free of any harassment, abuse and intimidation. **Code of Conduct for Protection Against Harassment at Workplace available at [ATTOCK REFINERY LIMITED \(arl.com.pk\)](http://arl.com.pk)**



INVOLVEMENT OF COLLECTIVE BARGAINING AGREEMENT

ARL considers its workforce at all levels as the true partner in sustainable development and doesn't make any decision without the involvement of CBA and workers union. The minimum number of weeks' notice typically provided to employee and their elected representative prior to the implementation of significant operational changes that could substantially affect them is decided with mutual discussion between ARL management and CBA representatives. The notice period and provision for consultation and negotiation are specified in collective agreements with mutual consent.

Union/Collective Bargaining

ARL give credence to a collaborative work environment which benefits all involved parties, including employees, contractors and shareholders. ARL abides by all the rules and applicable laws including National Labor laws. The company periodically schedule meetings and collaborates with CBA in formal and informal settings. We respect the workers right to associate with CBA and right to vote in CBA referendum. Therefore company doesn't outrage and disrupt freedom of association and no incident regarding the violation of rights has been reported. More than 94% of non-management permanent staff is covered under the CBA while less than 6% are not covered being essential non-management staff.

Child/ Forced/ Compulsory Labor

ARL is committed to abide by all national and international laws for abolition of child labor and denounce all forms of forced or compulsory labor. ARL neither engages in employment of children nor supports child labor. The company adheres to the International Labor Organization (ILO) convention regarding minimum age of employees. ARL pays heed to all local laws and regulations regarding age requirement for workers. The company strictly complies with Factories Act 1934 and Bonded Labor System (Abolition) Act 1992. Being the signatory of UNGC, ARL strictly adopts the effective abolition of child labor and support with the elimination of all forms of forced or compulsory labor. At ARL, no operation is identified having a significant risk for incidents of child and forced labor. We have a commitment on the restriction of employment below the age of 18 years and consider it a serious violation to Labor Laws. The contractor of ARL also observe and abide by minimum age and compulsory laws prohibiting the hiring of underage employees and the company's policies and practices truly reflect this approach. The company sensitizes its members and staff on these important aspects through various means like group discussions, meetings and seminars etc.

Percentage of Total Employees Covered under Collective Bargaining Agreement (2023)	
Number of total employees covered under CBA	34
Total employees	2401
% of employees covered under CBA to total employees	1.4



Compensation & Benefits

ARL doesn't make any discrimination on the basis of gender in offering compensation packages including basic salary & other remuneration to male and female employees. ARL sustains employee compensation to meet local market standards and comply with legal requirements as per labor laws. Fair compensation is provided to all employees taking into consideration factors such as business needs, economic conditions, individual job responsibilities and personal performance. Besides career development, Pension and other employee benefit plans are monitored by ARL for relevance, compliance and suitability. 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 and Leave Fare Assistance which are offered only to regular staff. Life Insurance, Health care facilities through self-run Attock Hospital Pvt. Ltd (AHL) and outside hospitals on ARL panel for employees & their families, disability coverage for employees, parental leave (Maternity) for female employees, retirement provisions etc. are being provided to all employees. The standard entry level wage to the minimum wage ratio is 1:1.12. The ratio has been calculated using the minimum wage of third party employee (standard entry level wage) and ARL employee wage. The significance of the invested agreements is based on cost of the project and approval from BOD. However, all the non-significant investment agreements including the outside employment agreements are included with relevant human rights clauses and bound with our whistle blowing policy.

Parental Leave

Female Who Entitled to Parental Leave		
Year	2022	2023
Female Who Entitled to Parental Leave	0	1
Return to Work rate	-	100%

Diversity and Equal Opportunity

There is no discrimination in hiring on the basis of religion, color and gender. We have a blend of workforce comprising of different age groups, gender and religions. Equal opportunities are provided to each group at appropriate forums. We are an equal opportunity employer and take it as a competitive edge in the market.

Category	Male	Female	<30 Years	30-50 Years	>50 Years
Number of Individual within the Organization Governance bodies	09	-	-	01	08
Number of Individual in organization Management Committee	11	-	-	02	09
* Refer to Statement of Compliance Section for further Details					

DEFINED BENEFIT PLAN OBLIGATION

Employee Retirement Benefit Plans

The main features of the retirement benefit schemes operated by the company for its employees are as follows:

Defined Benefit Plan

The Company operates approved pension fund for its management staff and approved gratuity fund for its management and non-management staff. The investments of Pension and gratuity funds are made through approved trust funds. Gratuity is deductible from pension. Management staff hired on and after January 1, 2012 are only entitled to benefits under gratuity fund. Contributions are made in accordance with actuarial recommendations. Actuarial valuations are conducted by an independent actuary, annually using projected unit credit method (related details of which are given in the financial statements in Annual Report 2020 at www.arl.com.pk). The obligation at the statement of financial position is measured at the present value of the estimated future cash outflows. All contributions are charged to statement of profit or loss for the year. Actuarial gains and losses (re-measurement gains/losses) on employees' retirement benefit plans are recognized immediately in other comprehensive income and past service cost is recognized in statement of profit or loss when they occur.

Value in PKR "000"	
EOBI Fund	8,267
Staff Gratuity and Pension Benefits	51,832

Calculation of gratuity and pension requires assumptions to be made of future outcomes which mainly includes increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.



Defined Contribution Plan

The Company operates an approved contributory provident fund for all employees. Equal monthly contribution is made both by the Company and the employee to the fund at the rate of 10% of basic salary.



ARL POLICIES & PRACTICES

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, 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 oriented and dedicated employee force, the Company can maintain its Leadership in the Refining industry.

1. Employ the best-qualified persons available, recognizing each person as an individual thus affording equal opportunity.
2. Pay just and responsible compensation in line with the industry standards.
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 and provide opportunities for growth and promotion.
6. Treat each employee with fairness and respect.
7. Encourage each employee to improve and develop him/ herself and thereby prepare him/ her 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, if any, promptly and amicably.
10. Provide a wholesome and friendly atmosphere for harmonious Labor-Management relations.

HR Policy Statement Available on [ATTOCK REFINERY LIMITED \(arl.com.pk\)](http://ATTOCK REFINERY LIMITED (arl.com.pk))

Code of Conduct

Our Code of Conduct provide guidance about how employees, contractors and anyone else interacting on the platform of ARL must behave to live up to our business principles. The Code of Conduct covers safety, anti-bribery and corruption, fair competition, human rights and other important areas. 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. All employees have signed a code of conduct and the Company takes any deviation very seriously.

ARL Whistle Blowing Policy available on [ATTOCK REFINERY LIMITED \(arl.com.pk\)](http://ATTOCK REFINERY LIMITED (arl.com.pk))

Code of Conduct for Protection Against Harassment at Work Place

Attock Refinery Limited (ARL) is dedicated to provide a working environment that ensures that each & every employee is treated with respect, dignity and afforded with equitable conduct. The Company is committed to encourage a positive professional work atmosphere that is essential for the professional growth of its staff and it also promotes equality of opportunity. Harassment, therefore, has no place at ARL. This policy affirms ARL's zero tolerance for harassment on bases of race, color, origin, gender, religion, age or any physical attributes. The policy also assures employees the right to employment in a place of work that is free from harassment and intimidation in accordance with the spirit and theme of "Protection Against Harassment of Women at workplace Act, 2010"(the Act).

Harassment is not necessarily confined to the behavior of seniors toward juniors, it can take place between colleagues at the same level or involve staff behaving inappropriately towards more senior staff.

The Company views harassment to be among the most serious breaches of work place decorum. Consequently, appropriate disciplinary or corrective action, ranging from a warning to termination, can be expected if such a situation arises and demands for it.

This policy applies to all employees who work in the Company; that includes Senior and Junior management employees and office staff members including internees or apprentices/trainees. The Company will not tolerate harassment whether it is by fellow Employees, junior or senior staff members.

ARL Code of Conduct for Protection Against Harassment at Work Place available on [ATTOCK REFINERY LIMITED \(arl.com.pk\)](http://ATTOCK REFINERY LIMITED (arl.com.pk))

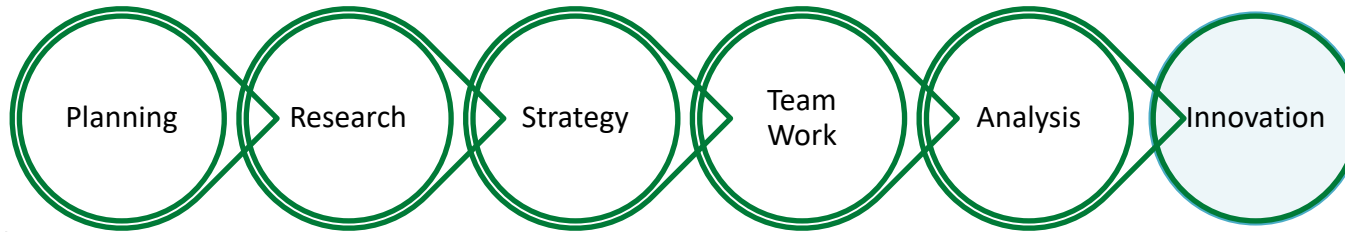


CORPORATE SOCIAL RESPONSIBILITY



STRATEGIC PRINCIPLES

Being considered a pillar for sustainable development Social Responsibility is one of our core values. Since the inception of the company, we are highly sensitive to the needs of the stakeholders and carrying out our social contribution activities regularly in a sustainable manner. ARL's CSR strategy always remains at the forefront to address all the concerns for achieving par excellence in the business ecosystem and proves to be contemporary for sustainable development of the organization. ARL's core value of social responsibility drives its strategic objective of sustainable development and accelerate its growth to achieve the mission by carrying out its obligations as a responsible corporate entity and creating shared values for its customers, employees, shareholders, communities and environment. We respond to community's requests through corporate actions in a transparent and sincere way. We always stand side by side with the community, offering consistent and long lasting support. The Company has a long history of supporting and investing in local communities. The mapping of our social initiatives with United Nations Sustainable Development Goals (UN-SDGs) has been disclosed in this report.



Local Communities

Local Community is engaged directly or indirectly (100%) in all plans and programs after assessing the impacts. ARL has actively been involved in different CSR initiatives that address the key concerns of local communities in the areas of education, poverty alleviation, environmental protection, skills development, employment, sports & recreational facilities, Availability of drinking water, Maintenance of parks and infrastructure development etc. with their active engagement where possible. We at ARL make sure to avoid operations having potential negative impacts hence there is no significant direct and indirect economic, social, cultural and environmental impact identified during this year. EIA/IEE & Risk assessment studies are conducted periodically to mitigate any negative potential impacts with control measures to avoid any harm to the community. The community is engaged in public hearings before the introduction of any new project.



Glimpse of Sports Activities arranged for Local Schools

IDENTIFICATION OF SOCIAL CHALLENGES

Community Engagement

We consult a variety of forums for the identification of social programs using materiality assessment. We remain in contact with our neighbors without any discrimination, keep periodic liaison with all stakeholders to get their views on our social activities. Dedicated staff members interact closely with local communities and work with technical and management staff to come up to their expectations and address their concerns. These include meetings with concerned union councilors & Nazims, schools and colleges administration in the locality, District coordination office, Local fire club members like 1122, National Disaster Management Authority (NDMA), Social welfare department, EPA, suppliers and customers etc. ARL always intends to further strengthen and open new doors of relationships with communities. This approach helps ARL in visualizing and formulating effective strategies into actionable social objectives and plans.

Communication Forums

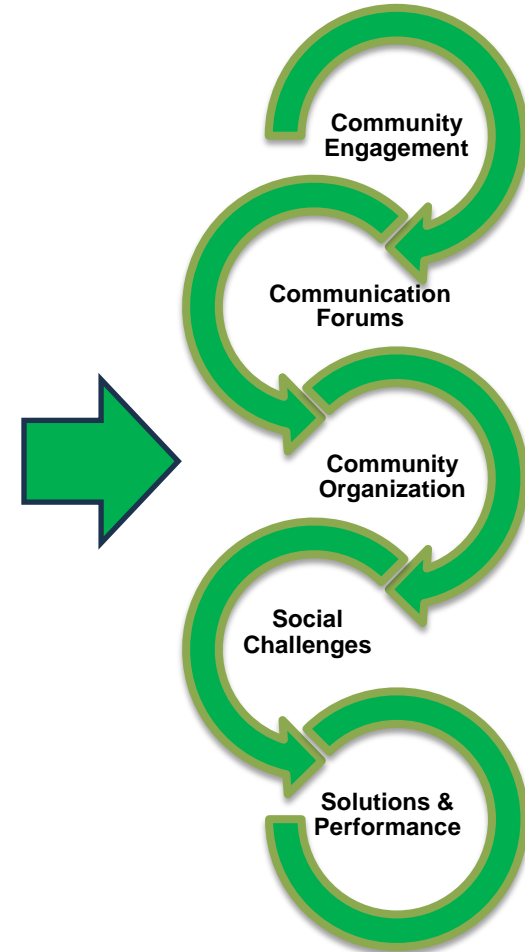
Over the years ARL's commitment towards social aspects and programs are communicated for community awareness through announcements, display of banners and boards at prominent locations and often arranging seminars/conferences to get involvement of maximum number of community members. Apart from these, general public is invited to the public hearing for Environmental Impact Assessment (EIA) studies via newspapers. The feedback received from these forums (Meena Bazar, medical camps, and awareness sessions) is discussed and translated into social action plans for future.

Community Organizations

To keep our social initiatives in line with the needs of community, ARL-sponsored community organizations (i.e. Attock Sahara Foundation & National Cleaner Production Center Foundation) are playing a pivotal role in identifying and enhancing the social and economic aspects of the surrounding community.

In recognition of transparent working & commitments, Attock Sahara Foundation (ASF) was certified by Pakistan Centre of Philanthropy (PCP) in the areas of internal governance, Financial Management and Programmer delivery. Green care Associates, a project of British High Commission in Pakistan has declared ASF as a champion NGO in the areas of governance, project management, and financial management. In addition to create awareness, NCPC provides trainings & arranges workshops for capacity building. In health sector ARL's Attock Hospital Limited (AHL) is making tremendous contributions by providing standard health care facilities at reasonable cost, awareness to community and free medical treatment to the poor segment of the society.

Identification of Social Challenges Process



Social Challenges

Major direct and indirect social challenges identified through above forums are as under:

➤ Women skill development & empowerment	➤ Direct & indirect jobs to Local Residents
➤ Infrastructure development	➤ Scholarships for deserving students of community
➤ Recreational & Sports Facilities	➤ Epidemic diseases including Corona Virus and Dengue
➤ Young locals' capacity building	➤ Rural development
➤ Drinking Water Supplies to Community	➤ Industry-Academia Relationship
➤ Medical facilities and Assistance	➤ Industrial relations and workers welfare
➤ Schools & Masajids utilities assistance	➤ Enhancement of facilities and quality of education at Schools

Solutions & Performance

Our philosophy is based on capacity building instead of donor beneficiary relationship that's why we address the social challenges identified with an approach to involve local community in the development projects focusing on capacity building.

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 the areas of Morgah, Kotha Kalan, Jhamra, various welfare organizations like SOS village, Deaf & Dumb school, other local schools & Masajids. Free water supplies to local community and other essential services are being provided to more than 50,000 people. ARL continued its support for the education over and above the reliance of its workforce on it. ARL provided the opportunity of continuing education to the students of the local 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 only a minimal fee is charged to the students.

Apart from this, 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 initiated the provision of scholarships from the primary up to post graduation and doctorate level for employees' children studying in top rated institutions of Pakistan. The Company also provided a number of internships and apprenticeships opportunities to the nearby community for training and capacity building.

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



Glimpses of CSR Activities



PHILANTHROPY & CORPORATE INVESTMENTS

Attock Refinery Limited (ARL) has been contributing towards Corporate Social Responsibility (CSR) since its inception in year 1922. CSR is an important part of our core values. During last 100 years we have taken exhaustive initiatives in this realm and continued to find ways and means to meaningfully contribute towards community welfare activities. During the year various CSR activities carried out by the Company and other organizations working under Company's umbrella. Some of the activities are enumerated below:

1. Attock Sahara Foundation (ASF)

- a. ASF is a registered Non-Profit Organization (NPO), sponsored by ARL. ASF has also been certified by Pakistan Centre for Philanthropy (PCP). The main objective of ASF is to help and support the poor segment of community through various welfare programs/schemes.
- b. During the year various programs/schemes were conducted which mainly included Skill Enhancement and Capacity Building for womenfolk, Apprenticeship Program, Scholarship Scheme, Marriage Support Fund, Poor Patient Fund, Collection & Distribution of Zakat. Workshops were also conducted to create awareness on dengue prevention, kitchen gardening and tree plantation.
- c. ASF has a well-equipped Industrial Order & Stitching Section which not only serves as its main source of income but also helps to train less privileged women by enhancing their skills to enable them to become earning hands for their families.



2. Attock Hospital (Private) Limited

The Company has a wholly owned subsidiary company; Attock Hospital (Private) Limited (AHL). The hospital provides medical services to the employees of Group companies and people living in the surrounding area. The Company has taken various measures to cater for requirement of the under privileged people of surrounding area through this hospital. In this regard AHL provided free services from Poor Patient Fund. A Covid-19 vaccination center was established and during the year over 10,000 people were vaccinated through this center. A blood donation campaign was launched during the year. Further free and discounted dialysis services were also provided to the marginalized people of the surrounding area. During the year over 500 dialysis were performed free of cost.



3. Community Welfare

The Company supports and arranges multiple community welfare activities. Details of some of the activities are given below:

- The Company maintains play grounds for various sports including hockey, cricket, football etc. This promotes healthy activity among employees and youth living in the vicinity. The Company also patronizes parks and provides potable drinking water and health care to the surrounding communities.
- The Company takes care of schools and worship places in the surrounding area. The Company also provided financial assistance to an NGO working for the betterment of the visually impaired persons.
- The Company provides annual grants to adjoining Union Councils of Morgah and Kotha Kalan for betterment of the community.

4. Campaign to Control Dengue

Dengue fever has remained a challenge for the health of people living in the surrounding area. The Company formed special teams in collaboration with District management and Health Department to ensure taking of effective precautions against Dengue. In this respect workshops were conducted to create awareness among the residents. Fumigation was also carried out over a large area for eradication of dengue larva.



5. Industrial Relations / Workers Welfare

ARL ensures cordial industrial relations through its Collective Bargaining Agent (CBA). Agreement with CBA was signed during the year for the period 2021-22 to 2022-23. The Company extends various facilities to its workers. Some of the facilities are described below:

- a. Provision of highly subsidized food and wheat flour.
- b. The Company gives quarterly Good Performance and Safety Awards to its workers for their motivation and Long Service Awards to acknowledge their long association with ARL.
- c. Free pick and drop facility is provided to the school going children of the workers.
- d. Every year the Company selects through balloting four workers for Hajj and five workers for Umrah along with their spouses or dependents on the Company's expense. The Company also nominates one non-Muslim worker along with spouse or dependent, for visiting their sacred places in Pakistan.

6. Green Environmental Initiatives

- a. The Company in collaboration with its parent Company, the Attock Oil Company Limited has established Attock Institute of Horticulture (AIH). This institute promotes art & practice of horticulture and imparts knowledge and training to domestic gardeners. Courses includes kitchen gardening and horticulture training duly recognized by Technical Education & Vocational Training Authority (TEVTA) Punjab.
- b. The Company has established Morgah Biodiversity Park to conserve the indigenous biodiversity of Potohar region. Under Morgah Biodiversity Park Project, the Company has initiated several CSR activities which include production of natural honey, growing of different fruits including peach, grapes, citrus, papaya, olives and organic vegetables. Ecological sustainability measures like water conservation, kitchen waste water recycling, rain water harvesting for irrigation and solar powered drip & sprinkler irrigation systems are also being observed.
- c. ARL plants 10,000 to 12,000 saplings each year including around 2,000 fruit plants. Tree saplings are also donated to various educational institutions and local communities to enhance the vegetation cover, improve the environment and conserve natural ecosystems for future generations.
- d. 74th Annual Flower Show was organized by Morgah Club in April, 2023. Employees of Attock Group of Companies residing in ARL colony participated in the bungalow lawn competitions. Competition among companies' lawns was also organized to recognize the efforts made by gardeners for beautification of office lawns.



ARL's Grapes Orchard



ARL's Organic Vegetable Farm

7. Employment of Special Persons

ARL not only provides equal employment opportunities to special persons but takes an extra step to help them to earn respectable living.

8. Education/Training

- The Company is operating an extensive management training program of 1 to 2 years for fresh graduates and student internships to students during summer vacations.
- The Company offers scholarships from class 6 to PhD level to employees' children. During the year, 21 scholarships were awarded to the brilliant students amongst employees' children were recognized by awarding prizes.

9. Business Ethics and Anti-Corruption Measures

The Company has voluntarily adopted United Nations Global Compact (UNGC) principles in its business practices including fighting against corruption in all its forms, including extortion and bribery.

10. Development and Impact of Infrastructure

Investments and Services Support 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 being a social responsible company, to avoid the current scenario of health issue, conduct the anti-viral spray to prevent dengue and Corona virus at Morgah. ARL is paying an annual contribution of PKR 200,000 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 benefited 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 scenic look to the area besides preserving natural habitat. Similarly, through pursuing its green plan, ARL has planted thousands of trees in the adjoining area.

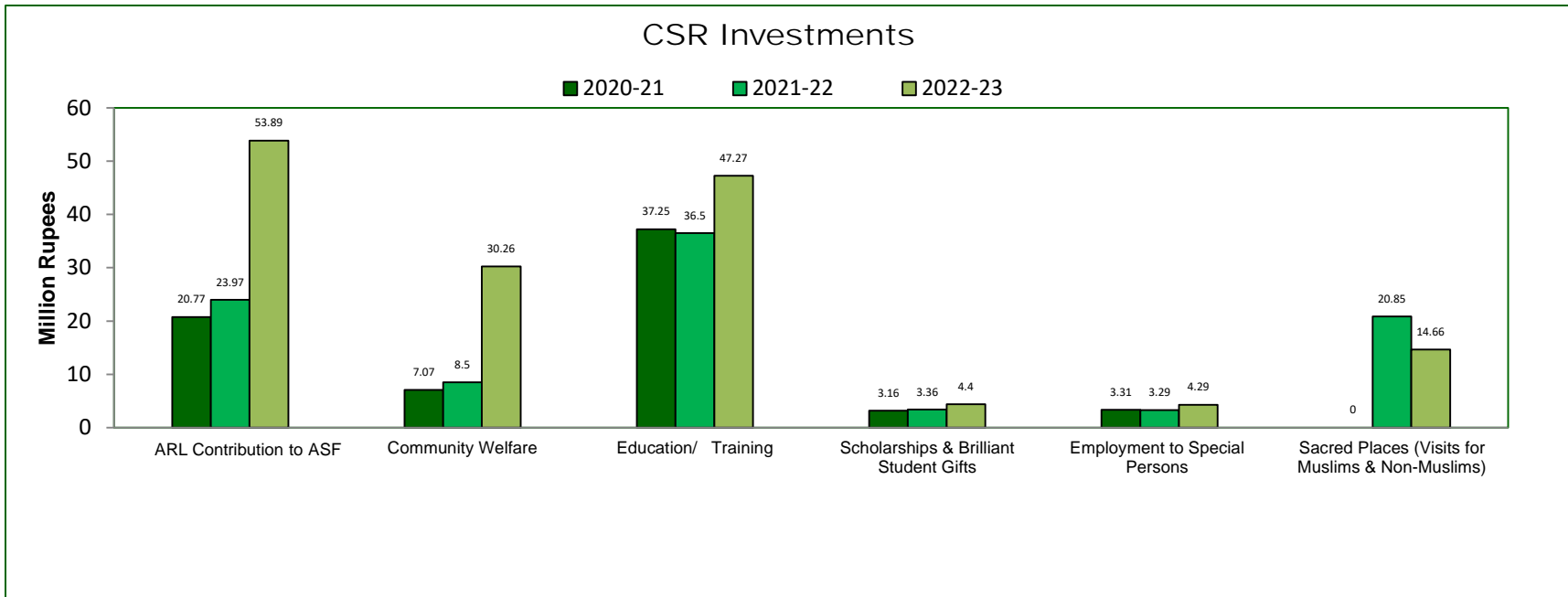
11. Positive & Indirect Economic Impacts

The Company's annual contribution to the national exchequer in the form of taxes and duties amounted to over Rs 103 billion (36 billion in 2022) while foreign exchange savings of US \$ 378 million (256 million in 2022) were achieved through import substitution and exports. The Company is the only refinery in the country which operates on 100% indigenous crude oil. It provides a major outlet to several oilfields located in northern part of Pakistan. The Company also remains the main source of petroleum products to the civil and defense sectors in the northern region of Pakistan.



Direct Economic Value Generated and Distributed	
Economic Performance	Amount in PKR "000"
Revenues	369,221,549
Operating Costs	324,172,876
Employee Wages & Benefits	3,004,541
Payments to providers of Capital	-
Payment to Government	93,932
Community Investment	100,974
Economic Value retained	29,244,970

Note: The detailed Financial Statistical Summary is available in the Annual Report 2023, pg. 98-102.



Attock Institute of Horticulture

Attock Refinery Limited (ARL) in collaboration with Attock Oil Company (AOC) has established an Institution for the promotion of art and practice of horticulture in general and to impart knowledge and training to gardeners and horticultural professionals in particular.

The objective of this institute is to achieve excellence in the domains of Horticulture including Floriculture and Landscaping on non-profit basis, to train Human Resource by building their capacity in the field of horticulture and enable them to seek employment through awarding certificates/ diplomas.

The institute operates under the ambit of Attock Sahara Foundation (ASF) registered as a Non-Profit Organization (NPO) and acts as center for training of horticulture and awareness about utilization of modern technologies in this field. Horticulture plays an important role to overcome adverse environmental effects like air & water pollution, climate change, acid rain, urban sprawl, waste disposal, ozone layer depletion etc. To overcome the impacts of these challenges, the Company has established Horticulture Section responsible for development and maintenance of landscapes and plantations. ARL also established Organic Vegetable and fruit farms comprising Olives, Peach, Grapes, Citrus, Guava and Almond over an area of more than 40 acres furnished with solar powered drip irrigation systems. The fresh and healthy organically grown farm products including natural honey, fish, vegetables and fruits are being provided to ARL dining facility as well as to the employees on subsidized prices.

Various training programs are being offered with affiliation of relevant organizations including Universities, Floriculture Department Punjab and Technical Education & Vocational Training Authority (TEVTA).

All trainings in the facility are being conducted by qualified instructors through a fine mix of theoretical class room training and practical field work.



Business Ethics and Anti-Competitive Measures

Business Review & Assurance department (BR&A) keeping in view its vision “The catalyst for improvement” strives to identify, evaluate and report potential risks and vulnerabilities to management by analyzing risks related to bad practices & corruption. The risk based reviews encompass controls assessment, material misstatement and risk of frauds and errors at different levels. The purpose is achieved by conducting Process Reviews, Compliance reviews and follow-ups throughout the year. International Standards for Professional Practice of Internal Auditing through Standard 2120 (Risk Management) requires that Internal Audit must evaluate potential for occurrence of fraud and how organization manages fraud risk. Keeping in view the above requirement, section wise fraud risk assessment had been conducted by BR&A in coordination with concerned management. On the basis of this assessment, sections which are more vulnerable to fraud were identified and ranked as high risk and are taken up for detailed reviews and probing in phased manner.

The company pursues an elaborated policy of Ethics and Business Practices and every employee is bound to adhere to it, hence 100% of operations are assessed for risk on this aspect. If employee is found culpable or involved in other malpractices, he/she is exposed to strict disciplinary action which can result into termination/dismissal from employment. No person has been terminated being involved in malpractices contrary to company’s policy of Ethics and Business practices in the reporting period.

ARL also has a whistle blowing policy to address any type of malpractice in all of its activities. No case for anti-competitive behavior, antitrust and monopoly practices were identified. All employees and other stakeholders have been communicated about the organization’s anti-corruption policies and procedures through Sustainability Report and ARL’s website etc. informally. All the members of governance body are trained on anti-corruption. All the employees have been imparted training on organizational core values with special emphasis on integrity and ethics and they also sign the code of conduct on annual basis to keep afresh. Regarding anti-corruption measures ARL is also signatory of UNGC. There were no case reported by public or contractor on account of corruption by any employee of the organization.

Public Policy

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. ARL provides supports in public policy development and lobbying where required directly or through the forum of OCAC.



ENVIRONMENT, HEALTH & SAFETY



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, to work for continual improvements 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 & SAFETY

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 the environment. ARL believes that practically all accidents are preventable by carrying out risk assessments and reducing risks identified by appropriate controls. ARL is committed to ensure the participation and consultation of workers and their representatives in health and safety matters.

ENVIRONMENT

ARL is committed to prevent pollution by the efficient use of energy throughout its operations, recycle and reuse of the 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 possible. Energy conservation positively impacts environment and goes a long way in reducing greenhouse gases and other hazardous emissions.

ARL is committed to produce quality petroleum products by employing economical energy efficient processes and equipment. It is our goal to reduce energy consumption where 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 the optimization of the 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:

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



SUSTAINABILITY MANAGEMENT SYSTEM

Environmental Management

Prevention of pollution in operation & care for environment is part of our HSEQ Policy statement. To strengthen our firm stand for sustainable development, we continued with investments aimed at improvement of our environmental performance in the year 2023.

We focus on the prevention and minimization of negative impacts on the social, environmental and economic aspects through the implementation of appropriate measures, procedures & technologies. In this context, we continued our initiatives for improving the production processes, Energy optimization, solid waste management & resource conservation etc.

The systematic introduction of technological advancements in ARL operation processes, environmental legislation and our active participation in consultation processes at different forums contribute significantly to align ARL's strategy for the pursuance of sustainable development along with targeted environmental investments and extensive environmental enhancement programs.

Materiality analysis to Identify Sustainability Issues

Materiality principles have been applied for the identification of significant ESG issues including environment. On the basis of significance, we categorized our plans as short, medium and long-term. This approach results in shorter, focused and sustainable solutions to these issues.

We have identified our environmental issues by thoroughly reviewing our environmental impact & risk assessment studies, legal environmental obligations, feedback from customers, best available environmental management practices, community & employee's feedback, coordination with environmental protection agencies like Federal and Punjab EPA, local government bodies etc.



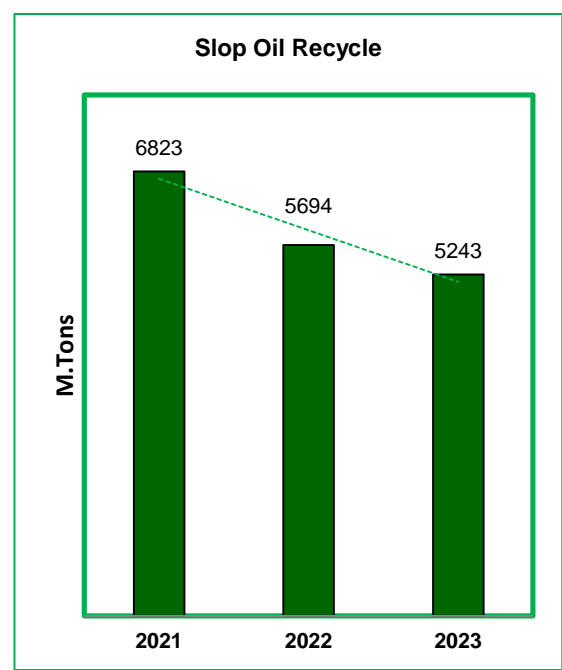
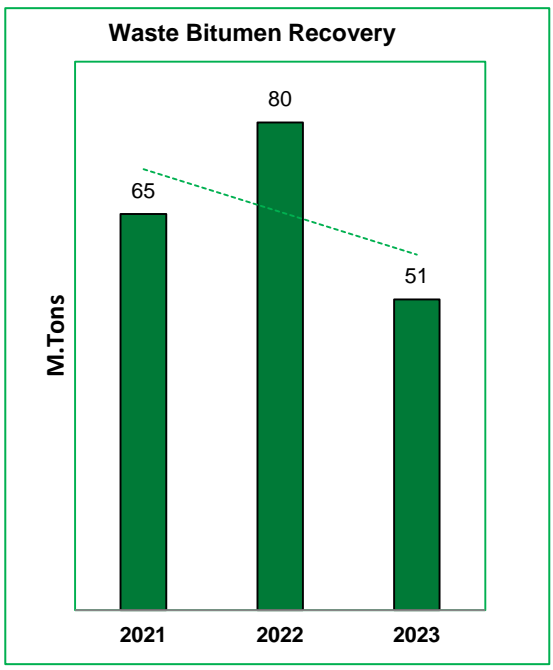
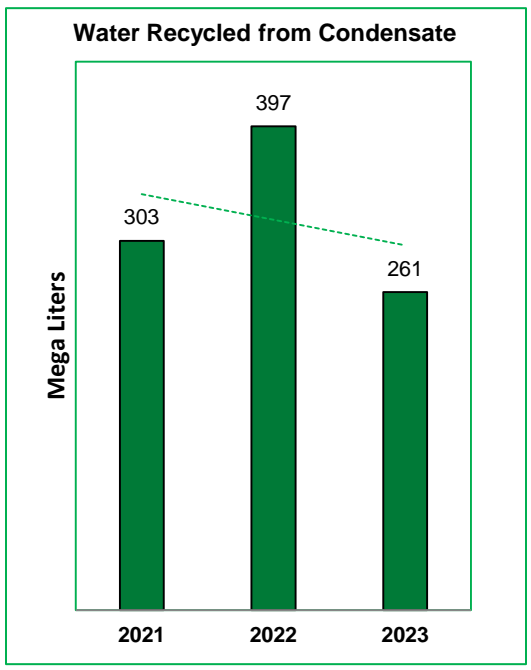
Resource Materials

The company has self-implemented ISO 50001 (Energy Management System) in order to optimize its resource requirements. Below table represents the total amount of basic and auxiliary material resources directly used by ARL to continue its operational activities.

Material		Unit	2020	2021	2022	2023
Non-Renewable	Crude Oil	M. Tons	1,674,852	1,858,175	1,897,414	1,867,711
	Electricity	kWh	72,458,090	74,377,230	73,417,739	71,606,195
	Fuel Oil	Bbl	183,175	249,576	257,481	293,532
	Fuel Gas	MCF	2,324,529	2,199,581	1,445,237	1,473,295
Renewable	Steam	M. Tons	495,175	497,750	488,947	489,996
	Water	Mega Litres	1,415	1530	1378	1424

Resource Recycling/Reuse

Water, bitumen and slop oil are recycled in different refinery operations to enhance the resource efficiency and reduce the carbon footprints.





Energy Management



ENERGY MANAGEMENT

ARL believes in a systematic and structural approach for the effective operation and management of significant energy users. In order to monitor & optimize the energy consumption, ARL is following the guidelines of ISO 50001 since 2012. ARL management goal is to protect environment & naturally existing resources through increasing the awareness on energy efficiency.

Energy Week Celebration

As a responsible corporate entity, ARL is cognizant that natural energy resources are not only scarce but also very precious and need to be optimally utilized. In this realm, World Energy Day was celebrated at ARL on October 26, 2023 to reaffirm its commitment and inculcate energy management and conservation culture. This celebration is being organized in-line with World Energy Day (22nd October).

The purpose of this celebration was to educate, motivate and enhance energy consciousness of employees for strengthening their commitment towards energy conservation at workplace. Energy awareness sessions were arranged throughout the organization to ensure maximum participation of all the employees including the shop floor level workers for creating awareness about energy management & conservation.

Energy Awareness Sessions

The purpose of Energy Awareness Talks/Sessions is to motivate employees, instill energy consciousness, and reaffirm their commitment to energy conservation in the workplace. These sessions aim to achieve greater participation among employees in energy conservation efforts. Energy talks are conducted both in the refinery and office settings to enhance awareness among all staff members.



No. of Training Hours	138
-----------------------	-----

Renewable /Alternate Energy Projects

- 305 kW on grid solar panel system is installed & generating renewable energy.
- Installation of 55 kW projects is in progress during the FY 2023-24.

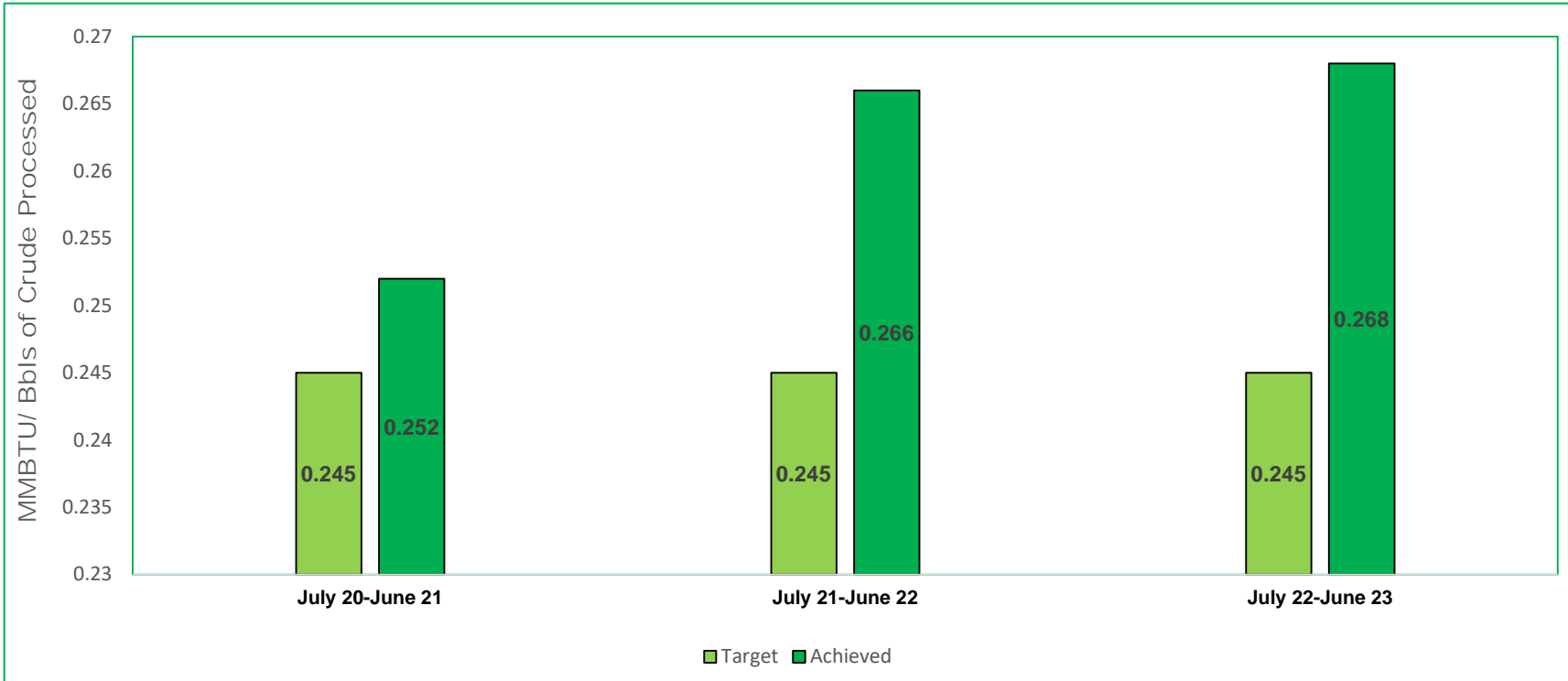
Budget Items

Budget Items	Cost PKR Million
Procurement of energy efficient motors & pumps	112.5



ENERGY INTENSITY

Energy Intensity is defined as “ the energy consumed in MMBTU per Barrel of Crude Processed”. Energy Intensity indicates the total energy consumed within the organization. Energy Intensity is 0.268 MMBtu/Bbls of crude as an average of months from July-2022 to June-2023. Overall energy consumption per barrel is higher with respect to baseline FY2022-23 and there is a marginal increase due to variation in throughput of process units.



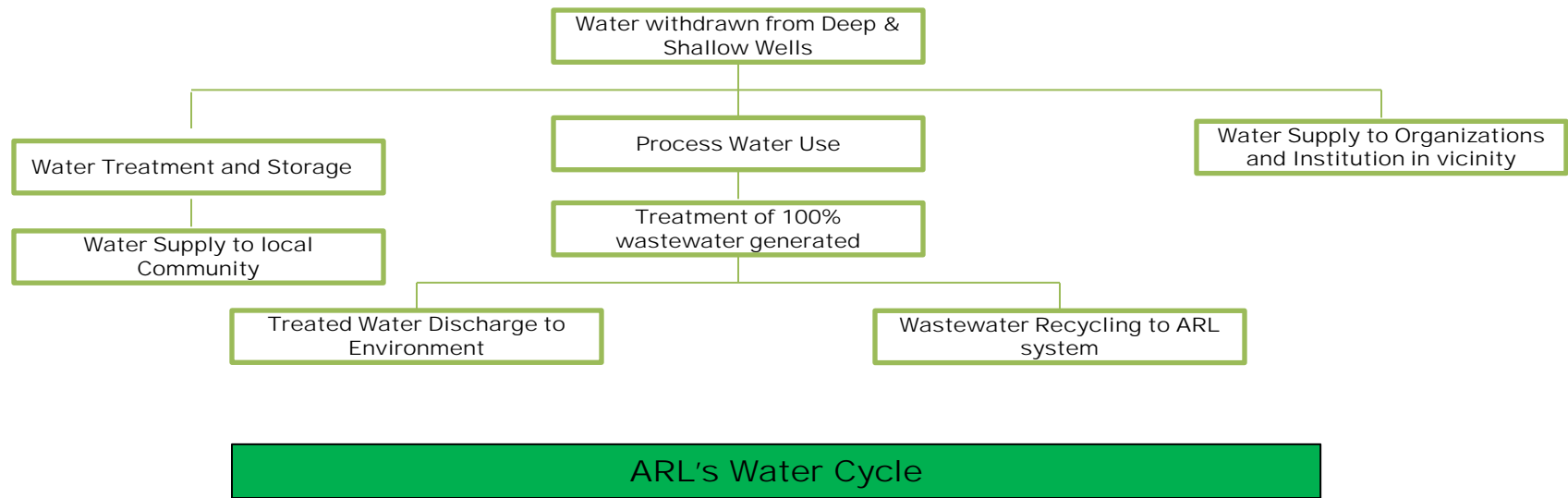
* Energy Intensity target for the year 2023-24 is to maintain the value of 0.245 MMBtu/Bbl of Crude Processed.

Energy Consumption from Renewable Energy		
Source	Unit	Quantity
Solar	MMBTU	0.000022
Biofuel	-	Nil
Biomass	-	Nil

WATER MANAGEMENT SYSTEM AT ARL

Keeping in view the fact that Water is scarce and getting scarcer every day. ARL interacts with water as a shared resource, i.e. uses water for its own needs and provides treated potable drinking water to neighboring community free of cost. ARL receives water from 11 shallow wells at Shahpur and Sohan areas and four deep tube wells at ARL own land at Morgah, Rawalpindi. ARL has three tube wells at Hummak as well whose water is pumped to ARL via Sohan pumping station.

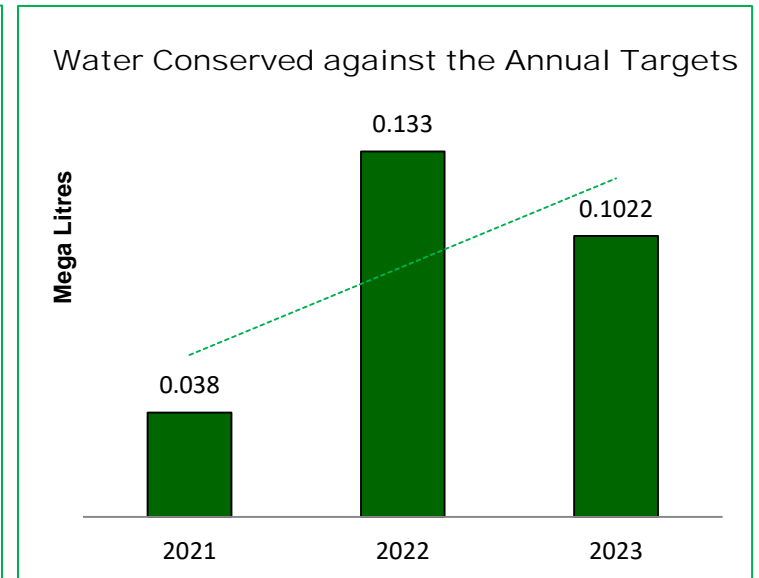
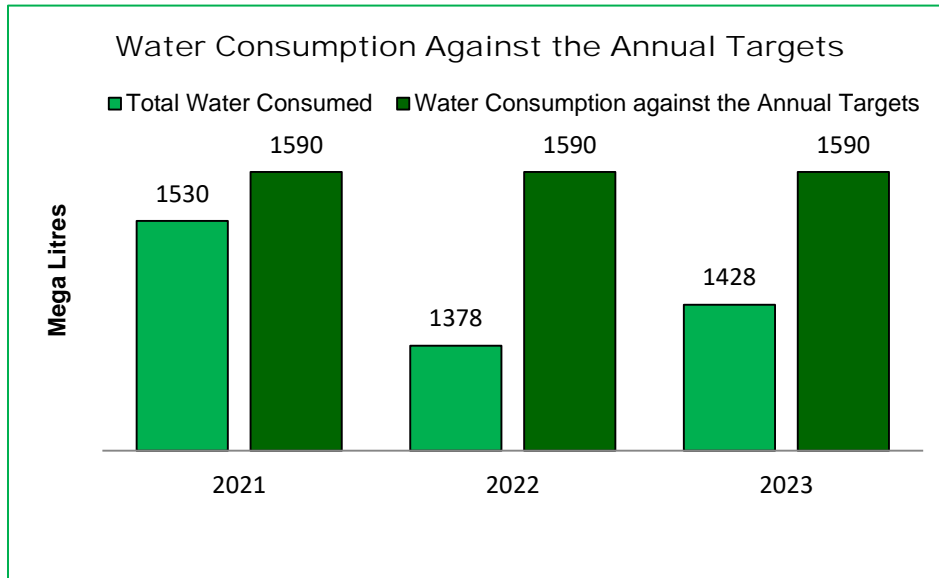
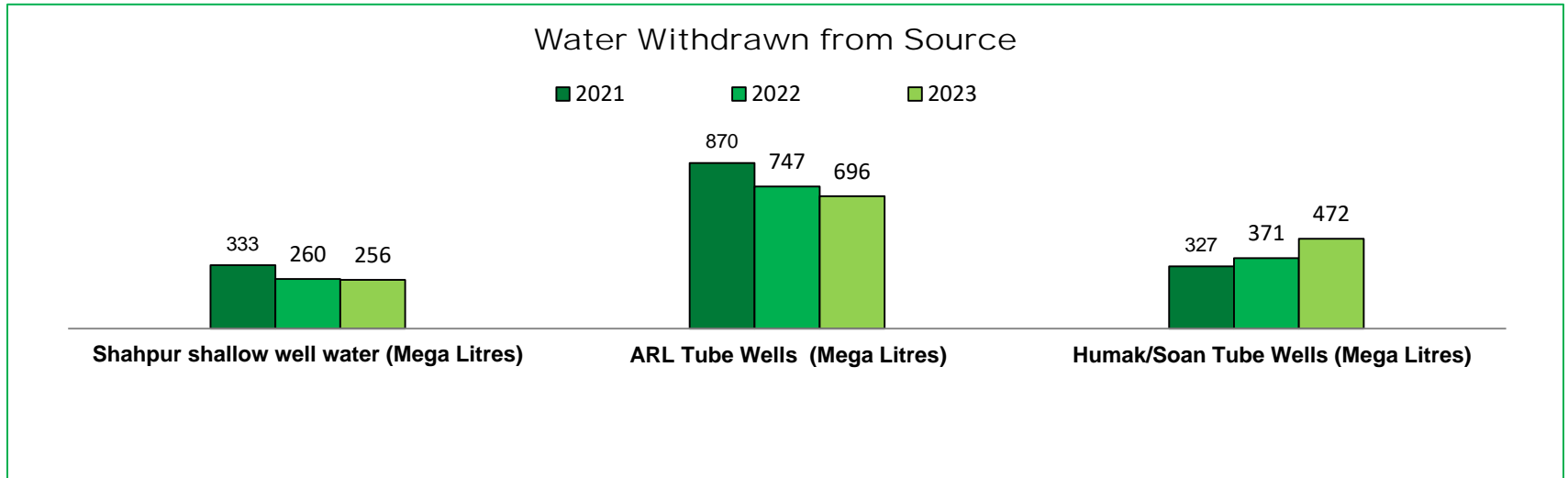
Provision of safe drinking water is an essential to basic human right. ARL is providing safe drinking water to the local community of Morgah and Kotha Kalan. ARL is creating a positive impact in terms of clean drinking water provision to the local community. ARL is positively contributing to the "Clean water & Sanitation" Sustainable Development Goal by providing 27% of the extracted water for drinking purposes. Following is the water cycle which ARL is following for Sustainable water management.



Sufficient supply of water to ARL, being a material aspect, is very critical for smooth refinery operation. In dry months (April-June), water supply from source (shallow wells/tube wells) is naturally reduced. As supply/demand gap widens, a fraction of treated effluent water from Effluent Treatment Plant (ETP) is recycled in process water, after testing from Laboratory. Considering water as a highly important utility, ARL always sets corporate targets for consumption & availability of water. The company has taken a number of steps for water conservation, which resulted in meeting last year's corporate target of water consumption. In addition to daily water supply, a good quantity of water is kept as emergency water bank to meet emergencies.

Water Withdrawn from Source

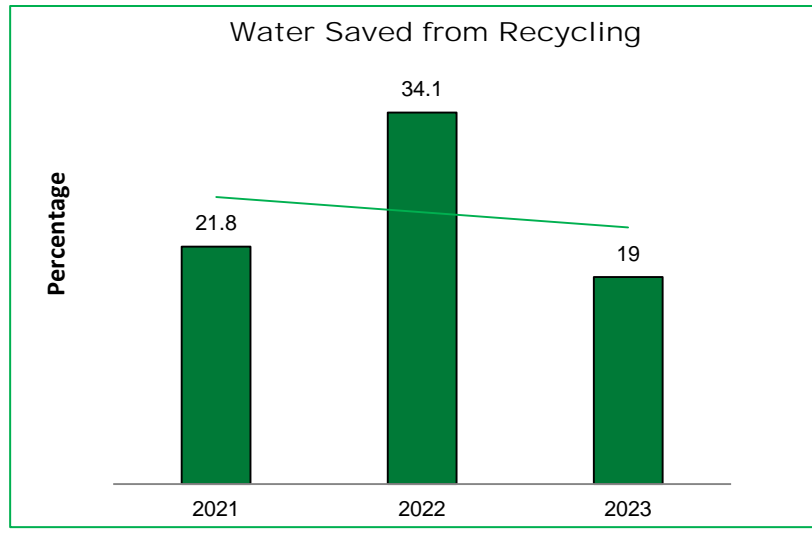
All the sources have TDS <1000 mg/L and no water withdrawal is made from areas with water stress



Wastewater Discharge

ARL uses water for a variety of purposes in the production process, and as a result the water is partly polluted. Therefore, the production wastewater is treated to reduce the pollutant to acceptable limits, prescribed by Punjab Environmental Quality Standards (PEQS), before using and discharging into the River Sohan. Due to the better quality of effluent water, 4 Mega liters of water is recycled from ETP in year 2023 approximately 5.3% of total water consumed. All the discharges are within PEQS Limits and regularly reported to EPA-Punjab. Further details of the results are available at page # 73, 74 of this report.

Water Recycling at ARL			
Source	2021	2022	2023
Water Recycling from ETP (Mega Litres)	31.0	73	4
Water Recycling from condensate (Mega Litres)	303	397	261
Total Water Recycling	334	470	265
Percentage of Water Recycled	21.8	34.1	19



BIODIVERSITY

There is a great variety of life on planet earth. It is the wide range of animals and plants, their genes, habitats and ecosystems that makes up biodiversity. Biodiversity provides food, clothing, energy, shelter and medicines to humans. It cleans water, purifies air, forms and protects soil, has moderating effects on climate, maintains balance in food chain and biogeochemical cycles.

Tragically, the Earth's biological diversity is being lost at a rate unprecedented in human history. The loss of species of plants and animals is directly attributable to various human activities such as destruction and fragmentation of habitat for agricultural, industrial and other developmental activities.

Biodiversity of Pakistan is extremely important, as three out of six biogeographical regions of the world are represented in this country. However, biodiversity loss has already been enormous with only 2.5% area of country left under forest. The condition of biodiversity loss in Potohar area is even more critical. It is for the same reason that motivate our organization to choose and launch a role model project to protect the biodiversity of Potohar region.

Mitigating the Environmental Challenges

Development of Morgah Biodiversity Park (MBP) is one of the biggest CSR achievements of ARL. The concept of biodiversity conservation under Morgah biodiversity project was started with an objective of ex-situ conservation by development of a biodiversity park over a core area of 28 acres. The initial plan of the MBP was developed consisting a nursery, botanical garden, aviary, butterfly farm and a pond for local aquatic life and fisheries. These elements would comprise the "core" area of the park. The evolution of the idea led to the possibility of the MBP being used to promote species that were being threatened by urban or industrial development, which could be preserved and exhibited (bearing in mind that the ecosystems on which they relied could probably not be transferred in their entirety).

Activities Under the Project

The demonstration project aims to develop a model Bio-diversity park in Morgah through public-private partnership. The park is to promote conservation of biodiversity of the Potohar plateau of Pakistan while alleviating poverty of neighboring communities. The park enables:

- Ex-situ conservation of endangered and threatened flora and fauna of the Potohar region of Pakistan in a core area.
- A partnership joint venture to develop, operate and maintain the Morgah Biodiversity Park (MBP) for conservation of biodiversity of the Potohar region.
- A sustained source of income to poor households in the community through trainings and 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 Potohar region.
- Solid waste management at ARL premises and development of compost at park from organic waste for growing medicinal herbs and organic vegetables and fruits over an area of about 44 acres.
- Established as public awareness point regarding biodiversity, its importance, role in human lives and need to conserve.
- Biogas generation through organic waste has successfully installed and operated.
- A model biodiversity park has established for replication elsewhere.



ENVIRONMENTAL MANAGEMENT

GHG Inventory Management

Green House Gas	Chemical Formula	Anthropogenic Source	Anthropogenic Lifetime (Years)	GWP (100 Years Time Horizon)
Carbon Dioxide	CO ₂	Fossil-fuel combustion, Land-use conversion, Cement Production	~100	1
Methane	CH ₄	Fossil fuels, Rice paddies, Waste dumps	12	25
Nitrous Oxide	N ₂ O	Fertilizer, Industrial processes, Combustion	114	298

Scope-I Emissions (M.Tons/Year)			
Fuel Type: Gas			
Plant	CO ₂ Emission	CH ₄ Emission	N ₂ O Emission
HBU-I	31731	1.6	0.3
HBU-II	4730	0.2	0.05
Lummus	3955	0.2	0.04
HCU	6403	0.3	0.07
Reformer	1679	0.08	0.01
ISOM	8636	0.5	0.09
DHDS	7663	0.4	0.08
HYU	2423	0.1	0.02
Total	67220	3.38	0.66

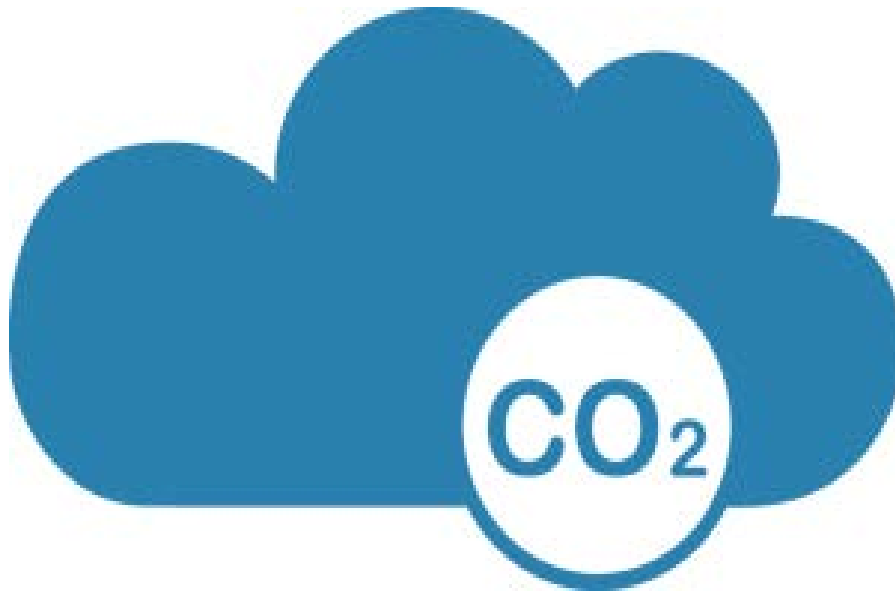
Scope-I Emissions (M.Tons/Year)			
Fuel Type: Oil			
Plant	CO ₂ Emission	CH ₄ Emission	N ₂ O Emission
HBU-I	19674	0.8	0.16
HBU-II	2227	0.1	0.02
Lummus	4194	0.2	0.03
HCU	3811	0.2	0.03
Reformer	-	-	-
ISOM	5021	0.2	0.04
DHDS	8283	0.3	0.07
HYU	6	0.002	0.00005
Total	43216	1.8	0.3

The methodology used for the computation of GHG Emissions is "Fuel Analysis Method" prescribed by U.S. EPA Center for Corporate Climate Leadership – GHG Inventory Guidance & Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)



GHG Emission Reduction

- ARL has achieved another milestone by commissioning 305 kW on grid Solar Power System commissioned. It will generate enough solar energy over the next 10 years to prevent more than 19.65 million pounds of carbon dioxide from entering the atmosphere-the equivalent to stopping the burning of approximately 10 million pounds of Coal or planting more than 1,000 acres of forest in one year. (Source: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>)
- **Humak pipeline project:** Previously water from Humak was being transported in bowzers in dry season. Humak pipeline was commissioned in December 2018 resulted in reduction in fuel consumption ultimately reducing carbon emissions.
- **Installation of Multi Media Filter (MMF):** Drinking water was being used as Reverse Osmosis (RO) plant feed. MMF was commissioned on 1st January 2019 and RO plant was started being fed from Reservoir#3, saving energy incurred on producing drinking water.
- Installation & commissioning of Burner Management System.
- Implementation of ISO 50001 (Energy Management System) and extending its scope to all processing units.
- Policy approval for the replacement of conventional lights and split ACs.
- Water Conservation Schemes.



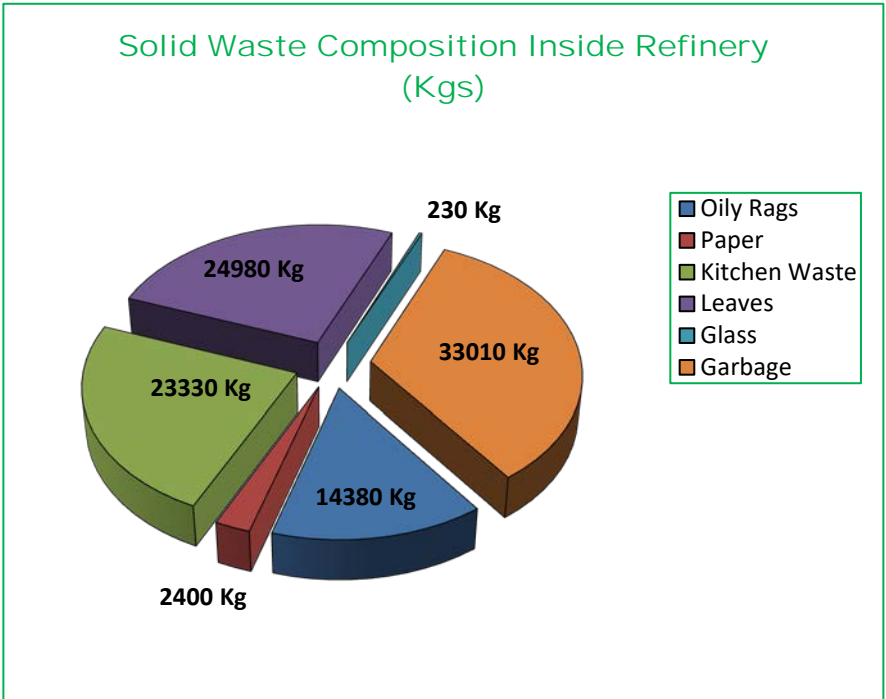
SOLID WASTE MANAGEMENT

Waste management is based on an integrated process covering all stages in the life cycle of the waste in one of the following ways: recycling, recovery and final disposal. The main aims of the solid waste management program are:

- Reduction of waste quantities produced at the source.
- Separation of hazardous and non-hazardous waste at source wherever possible.
- Safe transportation and final disposal.

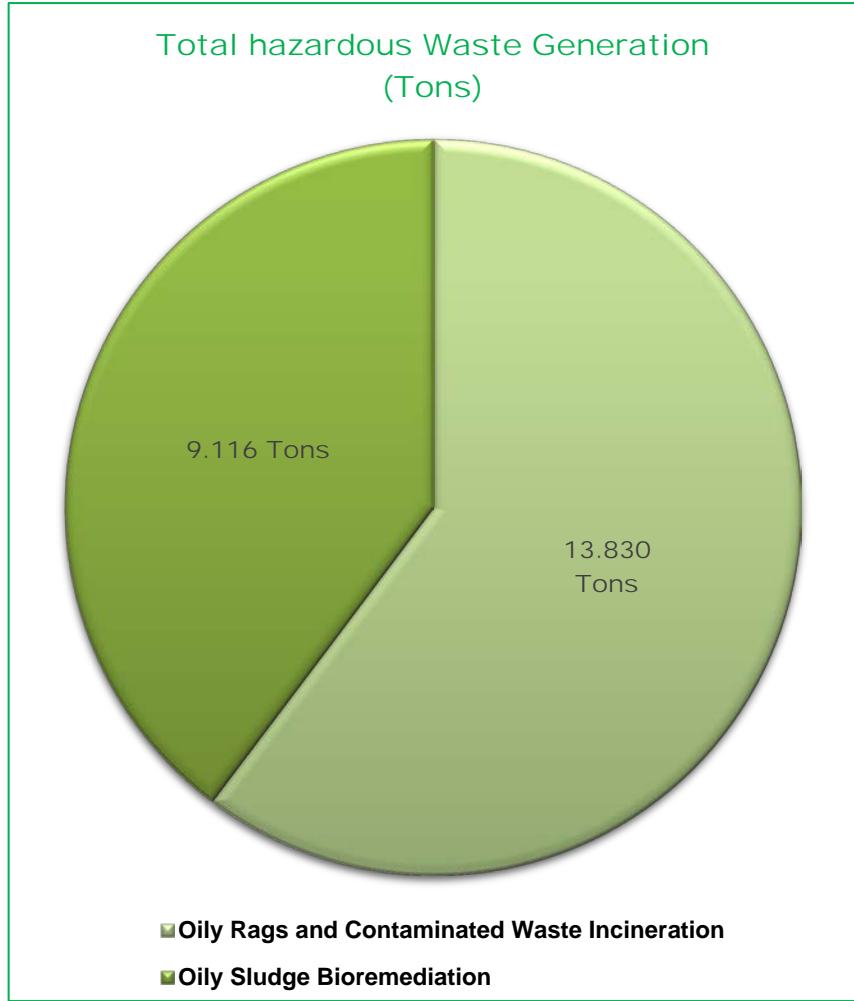
Solid waste is segregated at source in different categories. These categories are paper, oily rags, glass, plastic, different types of metals and leaves. A waste collection schedule has been implemented to ensure proper disposal. ARL keep track of its inventory levels and disposes of solid waste through certified external third-party contractor who adhere to all relevant legal waste disposal regulations. The Hazardous waste is safely delivered to the incineration facility, while the non-hazardous waste is disposed of in company's owned landfills.

Solid Waste Composition



Hazardous Waste

Hazardous wastes are properly handled at the source and then handed over to an EPA certified contractor for proper treatment and disposal. We ensure that our hazardous wastes are properly disposed-off through monitoring and random on-site inspections.



Non-Hazardous Waste

Type of Non-Hazardous Waste	Disposal Method	Quantity (Kg)		
		2021	2022	2023
Paper	Incineration	1,370	8,990	2,400
Garbage	Landfilling	27,850	32,490	33,010
Glass Waste	Sold for Recycling	140	240	14,380
Leaves	Compost	11,650	13,230	24,980
Plastic Scrap	Sold for Recycling	4,280	0	5,820
Kitchen Waste	Landfilling	25,330	22,820	23,330
Wood	Sold	115,660	150,280	23,430
Metallic Scrap	Sold for Recycling	70,810	72,570	95,130
Tyres/Rubber	Sold for Recycling	-	-	4,441
Total	-	182,000	300,620	226,921

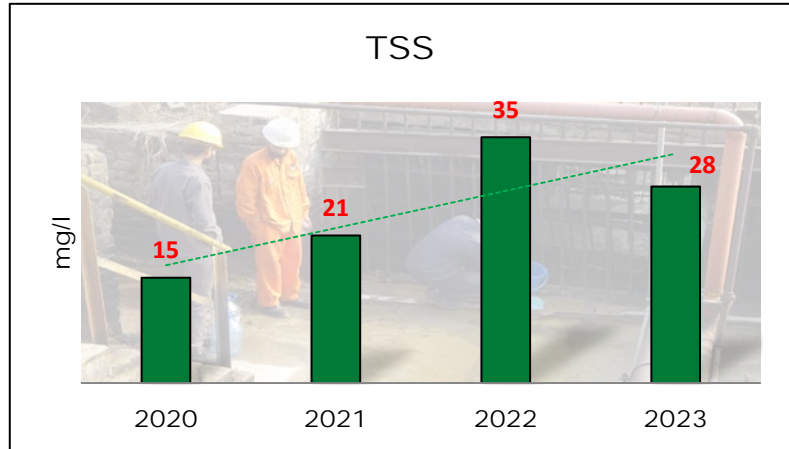
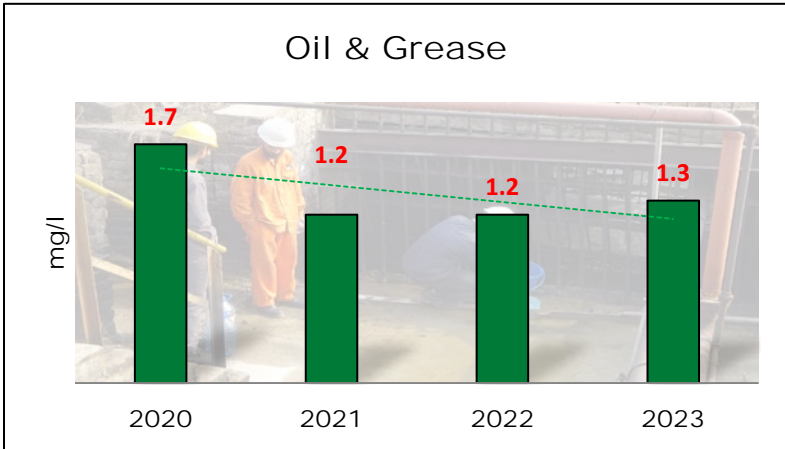
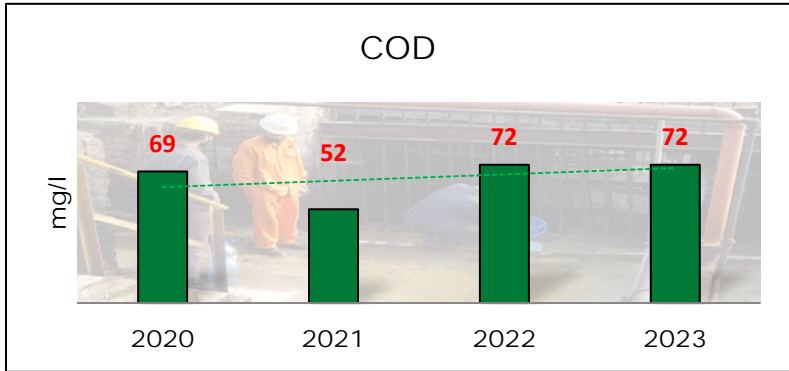
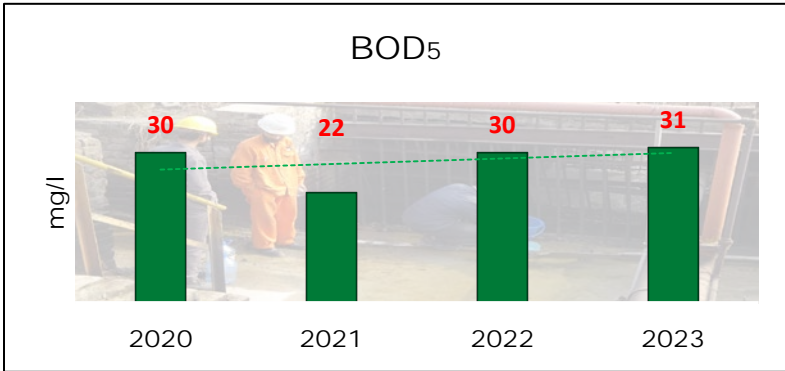
Environmental Investments

Activity	Investments (Million PKR)		
	2021	2022	2023
Environmental Monitoring & Testing	1.0	2.3	3.2
EMS Audits from third party	0.1	0.1	0.5
Effluent Treatment Plant Operation	23.6	23	35.63
Tree Plantation & Landscaping	31.8	41.7	30
Safe Disposal of Waste	1.1	0.7	1.3
Drinking Water Treatment Plant Operation	11	13.1	15.3
Environmental Reporting	2.1	2.1	2.5
Total Environmental Protection Expenditure	136.9	126.5	260

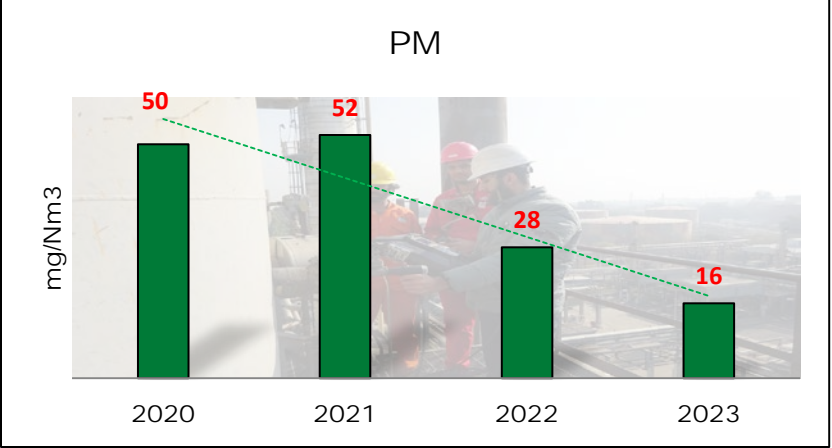
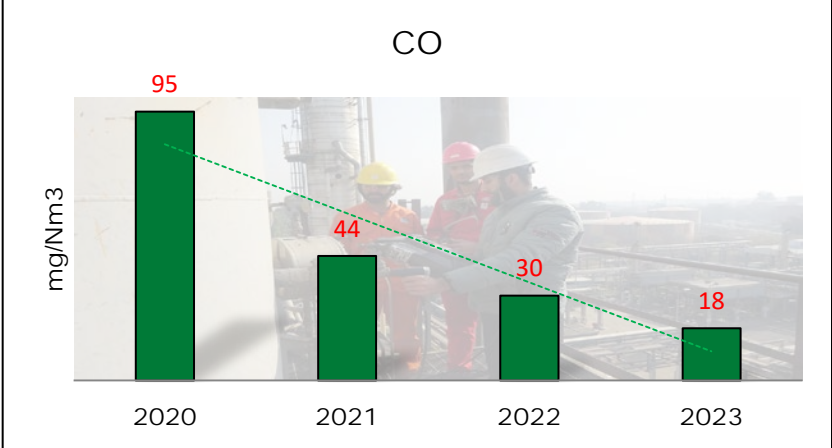
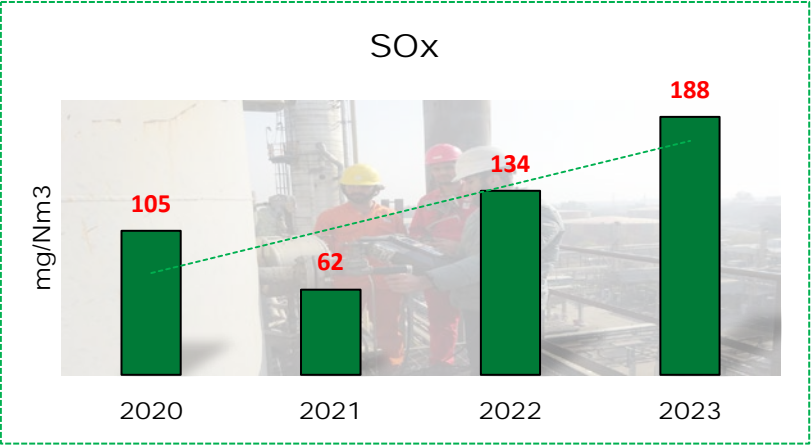
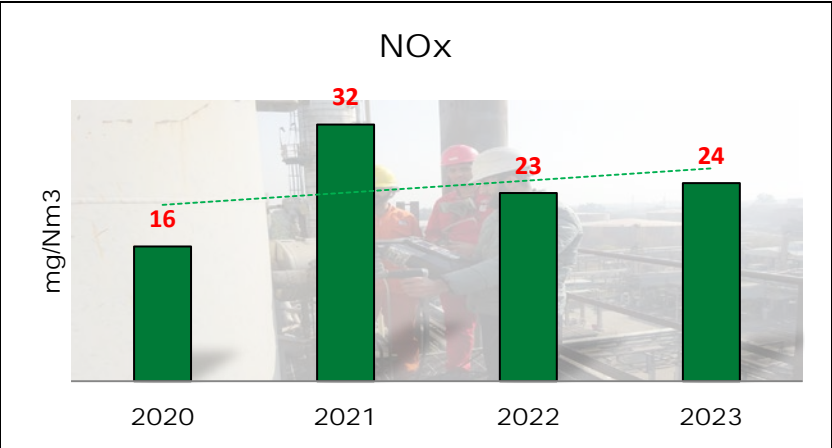


We report our environmental performance each month to EPA- Punjab regularly. Gaseous Emissions of Carbon Monoxide (CO), Sulfur Dioxide (SO₂), Nitrogen Oxides (NOx) and Particulate Matter from the stacks of different heaters and boilers remain in compliance with Punjab Environmental Quality Standards (PEQS) throughout the year. Oil & Grease, pH, Flow, Temperature, TSS, BOD, COD, and phenol exiting from the refinery are monitored regularly and remained in compliance with the Punjab Environmental Quality Standards (PEQS) throughout the year. Moreover, the conditions of compliance status reports which has been given in the Environmental Approvals are being fulfilled. During 2023, the average flow was 32 m³/hr, pH was 8.1 and the annual average phenol concentration in the effluent was 0.04 mg/L.

EFFLUENT DATA



EMISSION DATA



Green Transportation

ARL pool vehicles are monitored after every two years by an outside agency for vehicular emissions. Following parameters are tested to confirm vehicle condition & need for maintenance as per PEQS requirements:

- Smoke
- Carbon monoxide
- Hydrocarbons
- Noise

The vehicular emission report shows a detailed analysis of the required parameters and also gives recommendation for further maintenance of the vehicle. All of the vehicles have been monitored from third party as per PEQS.

Spill Management & Control

Spill management procedures are available and in case of any oil spillage, proper control measures are taken to mitigate its adverse impacts. However, during the year 2023, zero chemical and 06 oil spillage incidents were reported inside refinery except few minor spills. The spill of lesser than a volume of 10L is considered to be a minor spill. In case of any oil spillage during transportation of crude and other petroleum products, bioremediation of oil spillage is done on site. █

Penalty on Non-compliance

To ensure 100% compliance of PEQS is a corporate target. As a result of ARL efforts for the environmental preservation and stringent voluntary commitments, we are not aware of any cases in the year under review in which ARL has been accused of not having acted essentially in compliance with applicable laws, regulations and voluntary codes of practice in connection with nature and environmental protection. As such, ARL did not have to pay any fines or non-monetary penalties for non-compliance with environmental laws and regulations in 2023.

Environmental Grievance Mechanism

In case of any environmental complaint from stakeholders, ARL has an environmental grievances mechanism in place where complaints regarding negative environmental impacts of operations can be filed. The Environment section inside the refinery and administration section outside the refinery deals with such complaints and necessary actions are taken as per requirement.

Rather than that complaints can also be filed through HSEQ Management system. The complaints received through Pakistan Citizen's Portal has also been added in our environmental grievances mechanism to identify and mitigate negative impacts (if any).

Environmental Impact of Product & Services

ARL has an internal procedure to forbid and/to ensure suitable environmental management of hazardous substances, raising awareness about their impacts among the staff and service providers. Safety data sheets and labeling instructions convey safety information about the chemical products used and their dangers. Some of the initiatives taken by ARL in this regard are as follow:

- ARL took an initiative to purchase Non-Asbestos material instead of Asbestos sheets in March 2014.
- There is no use of the ozone-depleting substance at ARL. Purchase of all equipment using ozone-depleting substances is discontinued since September 3, 2004, as a matter of policy.
- Green purchasing is being ensured where availability of alternate environment friendly materials is confirmed and economically viable.



National Cleaner Production Center (NCPC)

NCPC was formulated with the aim to introduce and promote Cleaner Production (CP) techniques and processes for Pollution Prevention at source along with integrated waste management. It was established by United Nations Industrial Development Organization (UNIDO) in 1999 with collaboration of United Nations Environment Programme (UNEP), United Nations Development Programme (UNDP), EPA's, Ministry of Climate Change (MOCC) and Ministry of Petroleum and Natural Resources (MNPR). We hold Membership of Global Network for Resource Efficient and Cleaner Production RECPnet (UNEP & UNIDO).

NCPC has carried out a large number of activities for community development with different sectors of society.

1. Pilot Projects for Universities (Phase VI & VII)

This initiative has been taken in 2018 to encourage proposals for sustainable pilot environmental projects from universities. It has been developed with the objective of working together for environmental protection and conservation. During 6th and 7th Phase, twenty nine projects have been awarded to universities. Since 2018, sixty projects have been funded for a number of universities all over Pakistan.



2. National Environment Mela 2023

Since 2013, NCPC has been organizing National Environment Melas with the goal of raising awareness about environmental challenges and giving a platform to diverse participants in society to voice their perspectives on these issues.

National Environment Mela was organized on March 04, 2023 in Ayub National Park by National Cleaner Production Center (NCPC) with a theme of 'Ecosystem Restoration. It was held in collaboration with Army

Heritage Foundation (AHF), Asian Institute of Technology Alumni Association Pakistan Chapter (AITAA), Ministry of Climate Change (MOCC) Pak Environmental Protection Agency (Pak-EPA) and Environment Protection Agency Rawalpindi (EPA Rwp).



3. Tree Plantation Program

Almost 15,000 trees were planted during Spring and Monsoon tree plantation Program. Tree plantation activities on ownership basis were performed at different educational sector like Schools, Colleges, Universities and Housing Colonies etc.



4. Kitchen Gardening & International Observance Days

More than 500 packets of seeds were distributed in different communities of Pakistan. International observance days related to environment marked by United Nations are also being observed with resilience.



6. Model Projects

NCPC has provided electric water coolers, segregated waste bins, first aid boxes, cloth bags, bird water bowls and fire extinguishers to a large number of Educational Institutions, Mandir, Girl Guides Associations, Police Stations, Oil Fields, Madrassas, Orphanages, Old-age homes, Special Education Institutes and transgender.

7. Eco Internships & Door to Door Campaigns

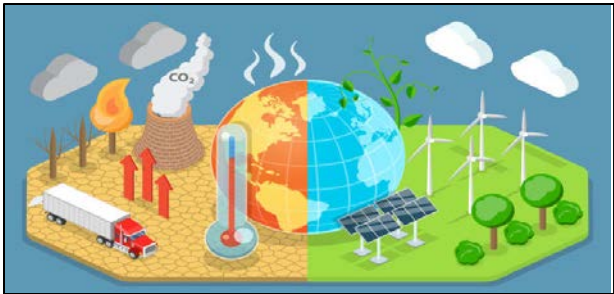
In 2023, internships have been provided to large number of students from the top leading institutes of Pakistan. Door to door campaigns regarding Plastic Pollution, Tree Plantation, Kitchen Gardening and Waste Management in different areas of Pakistan.



5. Awareness Sessions/Trainings/Workshops/Walks/Stalls

- OGDCL Internees Orientation at NCPC
- Awareness Session on Kitchen Gardening for FJWU students at Attock Institute of Horticulture
- Session on Service Promotion and Environmental Issues by Mr. Ijaz Suddle under knowledge sharing Session Series
- Session on Climate Change to Bahria University Islamabad at NCPC
- Orientation and Networking Session with IRM at NCPC
- Session at Quaid-e-Azam University Islamabad on Environmental Awareness
- Session on Cleaner Production Leading to Minimization of Pollution at FCCU
- Capacity Building of FJWU and UNIDO about importance of Forests
- Orientation Session about NCPC to World Bank
- Smog Rules 2023 awareness session in collaboration with EPA Punjab
- Symposium on Triple Planetary Crisis at IRM
- Orientation Session with Bahria University Karachi Campus at NCPC
- Road Show at D-Chowk in collaboration with Pak EPA and PBSA





CLIMATE-SCENARIO ANALYSIS



CLIMATE-RELATED RISKS & OPPORTUNITIES

We carefully review, evaluate and manage climate related risks and opportunities to ensure our ability to adapt and strengthen our resiliency. These include both transitional and physical risks, which we regularly discuss with Company Management at appropriate required forums.

Strategy for Identifying Climate related Risks

ARL is committed to act as an environmental steward and ensuring that appropriate systems & resources are in place for evaluating and managing environmental & climate related risk and opportunities. We are an ISO 14001 certified & ISO 50001 self-declared Company ensuring that the resources which are used & the systems and processes which are applied to our key operating asset are consistently maintained. We aim to comply with all applicable environmental laws and regulations in true letter & spirit.

Our strategy is focused on the prevention and minimization of negative impacts on the environment through the implementation of best suitable measures, procedures and technologies to produce environment friendly petroleum products. The ARL Board and Senior Leadership Team review our strategy, which incorporates an assessment of our current portfolio to inform forward looking plans to ensure that the business maintains its resilience and is positioned for growth.

Our approach to identifying risk is consistent for all types of risks, relying on a systematic approach which is informed by a wide range of information sources. Our approach to identifying climate-related risks and opportunities will continue to evolve as the depth of understanding grows across our organization and we continue to embed consideration of transition and physical risk exposure in our business planning and decision making.

Potential Risks & Opportunities

The following categories are identified under the materiality assessment of climate-related risks:

1. Physical Risks

2. Transition Risks

3. Liability Risks

Potential Transitional Risks

Transition risks are those associated with the extent at which an organization manages and adapt to the transitions related to climate change. These can be in the form of transition to net-zero emissions, technological innovations, market shifts, governmental policies, and some reputational risks.

Policy & Legal Risks: Regulations (Fuel& emission standards, renewable energy mandates, new legislation for climate change) could reduce demand for the petroleum-based transportation fuel or increase the cost of production of refinery. We could face increased climate related litigation or delays in obtaining regulatory permits for future projects.

Technology Risks: Advancements in battery technology and electric vehicle market penetration could reduce demand for traditional transportation fuels. Technology breakthroughs relating to renewable fuels or other fuel alternatives (i.e. Hydrogen etc.) or efficiency improvements for internal combustion engines could reduce demand for traditional transportation fuel.

Market Risks: Consumer focus could shift from fossil fuels reducing demand. There is a potential of reduced demand for transportation fuel due to changes to work, school and travel habits as witnessed during COVID-19.

Reputational Risks: Concerns associated with carbon emissions could impact investor sentiments, affecting access to capital.

Potential Physical Risks

Physical risks can have either acute or chronic effects of climate change which might interrupt the business operations, workforce, communities, investors, infrastructure and assets.

Acute Physical Risks: The intensity of weather events such as flooding, drought or temperature extremes or earth movements or changing subsurface conditions could impact our operations directly or indirectly.

Chronic Physical Risks: Availability of fresh water could impact our operations.

Liability Risks

The Liability Risks can be considered as those if the business stakeholders consider our climate practices and other mandatory disclosures as insufficient or detect any non-compliance to the applicable climate-related pledges.

Potential Opportunities

1. Resource Efficiency

We consider energy efficiency to be a core business function and opportunity because it reduces the costs and GHG emissions, enhancing long term cost competitiveness. Reduced fresh water use intensity increases resiliency and reduces long term operating cost.

2. Energy Source

The availability and procurement of low carbon or renewable energy to power our operations could further reduce the life cycle carbon intensity of the fuels and products we manufacture.

Business Strategy and Climate-Related Scenario Planning

The energy mix of the country is continually evolving to solve the complex issues of energy security and climate change. We conducted scenario planning to evaluate various differing future energy outcomes that could affect our company. We continually evaluate the climate-related risks and opportunities associated with these different scenarios to understand where we should invest capital to strengthen our existing assets and where to invest in potential new growth opportunities.

Throughout this section, we provide detailed analyses of our business strategies against future scenarios. Scenarios are not forecasts or predictions of the future. Rather, they highlight central elements of a possible future and draw attention to key factors that could drive future developments. It is important to remember that scenarios are hypothetical concepts; they are not sensitivity analyses. In this year's report, we applied various hypothetical scenarios to analyze the impacts of climate change on our business.



CLIMATE CHANGE SCENARIOS

1. Stated Policies Scenario (STEPS)

This scenario is designed to provide a sense of the prevailing direction of energy system progression, based on a detailed review of the current policy landscape. Whereas the Announced Policies Scenario (APS) reflects what governments say they will achieve, the STEPS look in detail at what they are actually doing to reach their targets and objectives across the energy economy. The STEPS is now associated with a temperature rise of 2.4 °C in 2100 (with a 50% probability).

2. The International Energy Agency (IEA) Announced Policies Scenario (APS)

Assumes that all long-term emissions and energy access targets and pledges in Nationally Determined Contributions (NDCs), including net-zero commitments, will be met on time and in full, even where policies are not yet in place to deliver them. Pledges made by businesses and other stakeholders are also considered where they add to the ambition set out by governments. The APS is associated with a temperature rise of 1.7 °C in 2100 (with a 50% probability).

3. The IEA Net-Zero Emissions by 2050 (NZE)

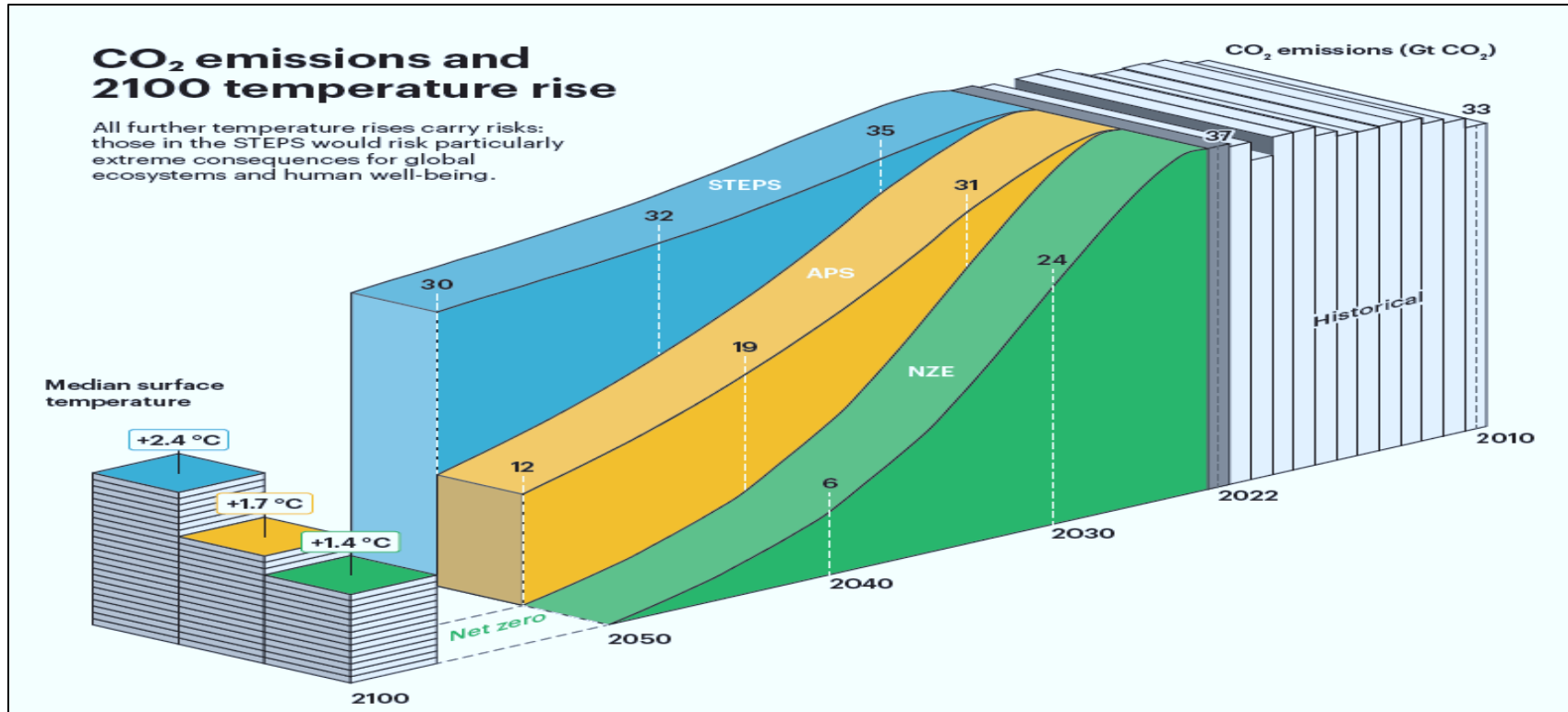
Sets out a pathway for the global energy sector to achieve net-zero CO2 emissions by 2050. This normative scenario portrays a pathway for the energy sector to help limit the global temperature rise to 1.5 °C above preindustrial levels in 2100 (with at least a 50% probability) with limited overshoot.

4. The IPCC Scenarios

Refers to the 16 vetted IPCC scenarios, identified by the IEA, that reach net-zero energy sector emissions by 2050. Because they reach net-zero energy sector emissions by 2050, they are comparable in terms of energy sector ambition with the IEA NZE Scenario.

Temperature Change in these Scenarios

Scenario	Range of Temperature Change by 2100 (°C)
IPCC Scenarios	1.5
IEA APS	1.7
IEA NZE	1.4



Source: IEA, World Energy Outlook 2022

Climate Scenario Analysis

There are numerous possibilities for how the future energy system will evolve to address climate change and energy security. How the world decarbonizes is highly dependent on multiple factors, including technology innovation, geopolitical stability, and government policies and regulations. As per Pakistan Energy Yearbook 2021-22, 76.22 % petroleum products are used by the transportation sector. The refined products that we produce at our refinery are critical to Pakistan's economy and expected to be critical for the foreseeable future even under many peer-reviewed and Paris-aligned Climate Scenarios.

Pakistan is importing approximately 50 % petroleum products while ARL share in the remaining 50 % is only 10 % in year 2023. ARL is the only refinery in the country operating on indigenous crude oil, moreover, ARL feed area is mostly in the northern part of the country. Hence we foresee a very meager affect at ARL's operations in all of the scenarios.

At world level, across the three scenarios, there is a much wider variation in the demand outlook in emerging market and developing economies than in advanced economies. Oil demand in advanced economies declines by between 35-85% through to 2050; in emerging market and developing economies, it ranges from a 20% increase to a 70% decrease over this period.

Pakistan being a developing economy, we assume that petroleum products demand would increase in all three scenarios. As per World Energy Outlook Report-2023, the refining industry enjoyed bumper profits in recent years as a recovery in demand after the Covid-19 pandemic, particularly for middle distillates such as diesel and kerosene, coincided with the first net reduction in capacity in 30 years. The industry is now set to add more than 6 mb/d of refining capacity, mostly in developing economies in Asia and the Middle East: however, this wave of capacity additions is likely to be the last, with limited capacity growth after 2030 projected in all scenarios. Transport fuels have historically been the main cause of demand growth in refining over the past few decades but this is set to end: in 2050, the share of gasoline in total demand drops from 25% today to 17% in the STEPS, to 14% in the APS, and to close to zero in the NZE Scenario. Emerging market and developing economies in Asia currently account for just over 40% of global crude oil imports. More robust demand and limited domestic production potential cause this share to rise to 45-60% in 2050 in all scenarios.

Assessment of Resilience

The climate scenario analysis shows that without any action, climate change will affect us to a varying degree in terms of physical, transitional and liability factors. These risks can vary significantly depending on the nature and speed at which the world act in response to the Paris Agreement promises. ARL consider its climate-related risks very critical and have assessed those risks based on the defined time horizon, so that to act on it appropriately.

ARL Strategic Response to Resilience

In terms of managing, adapting and mitigating the climate-related risks, ARL wants to contribute toward creating a long-term sustainability in the world for our present and future generations. For that purpose, we are accelerating our efforts to address a significant portion of identified climate risks which are also relevant to the achievement of Sustainable Development Goals.

Resilience to Transitional Risks

ARL supports the goals of the Paris Agreement, namely, to hold the increase in the global average temperature to well below 2°C and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. We are committed to achieve Net Zero by 2050 on our Scope-1 & 2 GHG emissions basis through a combination of decarbonizing our operated assets in ARL and identifying suitable nature-based solutions to offset our hard to abate emissions. We have a strong commitment to decarbonization our operations where possible with a target to reduce emissions across our portfolio by the reduction of routine leakages & flaring. In the first phase we are targeting to set a baseline based on 5 years data of GHG emission till 2027.

Components of our Net-Zero Pathway

1. Manufacturing

Using the best available technologies, adopting green building concepts in our future designs, and improving the energy efficiency of our plants. After the approval of refining policy, the company is planning for an up gradation project to produce environment friendly euro-V compliant products till 2030.

➤ Installation of flare recovery system to reduce routine flaring

By the installation of flare recovery system to reduce routine flaring of gas by 2030, we will significantly reduce GHG Scope-1 emissions.

➤ Resource efficiency & implementation of Leak detection and repair (LDAR) program

ARL has self-declared ISO 50001 (Energy Management System) for the optimization of energy usage and is always looking for procurement of energy efficient equipment. Moreover, we are committed to implement a LDAR program to minimize the leakages and hydrocarbon emissions.

2. Operational Transformation

Continuously working on improving our waste management procedures, increasing water conservation and recycling rates which will help to promote circular economies. We are planning for development of solid waste management facility till year 2026 for better management of solid waste generated inside refinery and ARL residential areas.

3. Reputation

Improving our climate data transparency efforts by sharing and diversifying our GHG emissions calculations.

4. Carbon Crediting

Increasing our renewable energy production capacity, periodic plantation drives and rehabilitation of areas in the refinery vicinity.

➤ Increasing solar power capacity

In 2023, we further increase the capacity of our PV solar array at different locations at ARL from 215 kW to approximately 305 kW. We are committed to further increase our solar power potential in the year to come.

5. Regulatory Compliance

Compliance of relevant environmental regulations including emission standards and adopting voluntary framework for disclosing sustainability-related disclosures.

Resilience to Physical Risks

Pakistan is highly vulnerable to climate change despite contributing only 0.9 % of global greenhouse gas emissions. In addition to increased heat, drought and extreme weather in parts of the country, Pakistan is already experiencing the effects of climate change, including more frequent and intense flooding, changes in rainfall patterns and melting glaciers. According to scientific research, climate change played a substantial role in the devastating floods of 2022, which had a direct impact on over 30 million people in Pakistan, resulting in the loss of lives, damage to public infrastructure, and displacement from homes.

Attock refinery limited is situated at Rawalpindi at a height of 517 meter above sea level. The most potential physical climate related risk at Rawalpindi are: Varying precipitation, flash flooding and rising temperatures. Higher precipitation has the potential to overwhelm the catchment area of Nullah Lai and lead to urban flooding, population dispersion, and damage to infrastructure. Change in seasonal distribution of precipitation will impact the abstraction rate from the groundwater aquifer. Increased risk of heat waves from higher temperatures will increase water demand.

Based on the above discussion, we consider that there is no direct risk to ARL operation and location due to flash flooding in Nullah Lai however floods at large scale may affect indirectly in terms of oil movement. Disruption in oil movement would limit production capacity and potentially may increase operational cost.

To address rising temperature and subsequent effect on ground water availability issue, ARL has planned multiple projects for water conservation including but not limited to "Planning and designing of tertiary water treatment plant and zero liquid discharge. Moreover, Rain water harvesting at selected and feasible locations would also be evaluated. At year 2022-23 ARL managed to consume 10.18 % less water than target value of 39000 Gph while water availability was ensured 101.35 % against the target of 46000 Gph. In year 2023-24 water consumption ensured 7.43 % less than target of 38000 Gph while availability ensured as per target of 47000 Gph till December, 2023.



HEALTH & SAFETY



OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM

ARL has implemented a Safety Management System (SMS), which follows the PLAN – DO – CHECK – ACT scheme; it is based on the Occupational Health and Safety Management system ISO 45001 and International Organization for Standardization (ISO) 14001 and has been designed to take an integrated approach to managing health and safety of our employees. ARL has an occupational health and safety management system in place for risk assessment of operations and committed to preserving its employees' health by avoiding accidents as much as possible. The Health and safety management system is implemented to meet the legal and other requirements.

The HSE department is currently heading the Occupational health and management system. ARL employs its own employees to run the Occupational health & safety management system. ARL HSE Management system supports improvement through continuous learning. The system helps improve capabilities through incident reports and allows prevention of future incidents or accidents. ARL Health, Safety and Environment (HSE) Policy Statement, which is endorsed by our CEO, is conveyed to all employees through our induction programs and routine communications. ARL is committed to ensure the participation and consultation of workers and their representatives in health and safety matters. ARL delivers a health and safety program that focuses on the ongoing health and safety of everyone involved in and impacted by our work – including ARL employees, clients, contractors, as well as surrounding communities.

Risk Assessment

ARL has a long standing safety culture along with a detailed reporting of process and plant safety for prevention and mitigation of occupational health and safety impacts directly linked to operations and business relationships. ARL Occupational health safety, hazard identification, risk assessment & control are based on ISO 45001: 2018 standard. ARL identifies work-related hazards and assess risks on a routine and non-routine basis and applies a hierarchy of controls through various risk and hazard mitigation tools such as:

➤ Hazard Identification and risk assessment	➤ HAZOP study (Hazard and Operability study)	➤ Job Safety Analysis
➤ Area Safety In-charges meeting (Monthly)	➤ Incident Investigation and Reporting committee (Bi-annually)	➤ Quality Council Meeting (Chaired by CEO occurs Bi-annually)
➤ Central HSE Committee (Chaired by CEO occurs on a Monthly basis)		

ARL has defined how it calculates its risk through the following:

- 1. Frequency of Exposure:** Rate at which any person is exposed to the hazard.
- 2. Incident Probability:** Likelihood that the exposure will result in loss. It has an integral value from 1 to 4.
- 3. Potential Consequences:** Severity of the resulting loss is rated in this category. It has an integral value from 1 to 4.
- 4. Degree of Risk:** Frequency of Exposure*Incident Probability*Consequences
- 5.** A rating scale for Degree of Risk, Risk Classification/Action has been defined. Risk assessment is incorporated into OHS hazard identification, control & Risk Assessment Form. (OHS-FM-001)

Hazard Identification

All ARL employees are encouraged to identify Occupational Health, safety and environmental hazards. Hazard identification is based on ISO 45001:2018 standard.

- Employees/workers are encouraged to communicate through several mediums such as Health safety, environment, quality and energy reporting card, Microsoft outlook messaging system, walkie talkie, and phone.
- When facility in-charges receive information regarding hazards through said communication, they decide about the significant nature of the hazard/aspect. If the hazard/aspect is considered significant, then facility in-charges incorporate the hazard/aspect in the OHS identification, control & risk assessment form of the facility.



- Engineer (OHS/IMS) coordinates with concerned area in-charge for updating relevant section risk assessment.
- Area in-charges in consultation with workers, prepares a Hazard Identification, control & Risk Assessment Form by identifying all risk factor/potential hazards of only those activities, which may have significant health and safety impact keeping in view the history of near misses, incidents, accidents etc. that happened in the past. This form is incorporated into the departments Occupation Health, safety, hazard identification, risk assessment and control form.
- The procedure outlined for the identification of Health & Safety hazards is performed/reviewed every three years or if there is any significant change in the ongoing processes, if a new facility is installed at ARL or identified in the internal and external audit.
- ARL employees and workers are encouraged to log in action items through the HSEQ management system which provides protection from reprisals.
- Employees/worker can discontinue working if they see a job or a task as a risk or hazard.

To further eliminate hazards and minimize risks continuous trainings, safety talks and awareness sessions are organized throughout the year to ensure the quality of process and competence of the persons involved. Work Permit tests and management safety audits also ensure competence of the individuals. Related KPIs for safety and occupational health are reviewed monthly in the management meeting. ARL has seven different systems for addressing non-conformities.



Glimpse of Health & Safety Trainings and Live Fire Mocks Drills





100 Years of Excellence
1922-2022

Safety Week 2023

Attock Refinery Limited celebrated Safety Week from April 26th to 28th, 2023, in-line with the International Labor Organization’s World Day (April 28th) for Occupational Health and Safety at Work. The ILO theme for 2023 “A safe and healthy working environment is a fundamental principle and right at work”.

With the idea of raising awareness and reiterating the principles of safety, the Safety Week was organized with full zeal and enthusiasm. On first day of Safety Week, refinery employees joined together for a safety walk. Safety walk reminds the significance of prioritizing safety culture in all aspects of refinery operations. The event reaffirmed the commitment of organization to maintain a safe workplace that prioritizes the well-being and security of its employees.

During the Safety Week, a series of safety talks were organized to engage with employees for their suggestions to further improve OH&S practices. Presentations were conducted on Occupational Acquired Diseases, Electrical Safety, chemical Handling and Storage Safety. Moreover, a highly interactive and informative session on Defensive Driving & Road Safety was conducted by the National Highway and Motorway Police.



8th Health Safety & Environment Conference 2023

ARL organized the 8th Health, Safety and Environment (HSE) Conference on October 23, 2023, at Morgah Club, Rawalpindi. The event drew imminent speakers and participants from a wide array of fields, making it a prestigious and highly anticipated gathering. In opening remarks, ARL representative accentuated the paramount importance of HSE in today's business landscape. This event holds a significant importance depicting a successful century of ARL's Gradient of achievements. The value of sharing best practices and learning from other's experiences to ensure a safer and a sustainable future was reinforced. The management of ARL reiterated one of its core value "Learning and Innovation" and their commitment to HSE, viewing it as a cornerstone of business operations and corporate social responsibility.

During the conference, six papers were presented, including Project Safety Management, Paradigm Shift from Conventional Compliance Based Process Safety to Quality and Risk Based Process Safety, Safety Culture & Leadership, The Double-Edged Sword of Carbon Capture & Storage Technologies in Oil & Gas Sector- Pakistan's Perspective, HSE Implementation – Cement Sector and Customized Employee Wellbeing Program – Fit for Life.



OCCUPATIONAL HEALTH SERVICES

ARL's occupational health and industrial hygiene services aim to protect the health of our Employees through early identification, evaluation and control of possible health risks associated with working environments. ARL maintains confidentiality of its workers/employees medical and personal files. Worker/employees are nominated for testing through their In-charges in coordination with HSEQ. Transport facilities are usually provided. Testing of worker/employees can occur during working hours as well during the weekend depending on type of testing. ARL has an occupational health and safety committee which meets on a monthly basis to discuss various Occupational health and safety issues. Section head of Health and safety has the overall responsibility for the committee and Engineer (OHS/IMS) acts as its secretary. Occupational Health & safety advisor is responsible for overall development, implementation and monitoring of the occupational health program for our employees. OHS committee ensures continuous improvement of the OHS health services and meets on a monthly basis.

Following topics essentially form the agenda of the meeting:

- Review of previous meeting action items
- Review of policies and procedures
- Review and recommend actions to improve the effectiveness of the health and safety program.
- Audiometry Test of employees, Food Handlers medical tests etc.
- Occupational health and safety related surveys i.e. Noise surveys, Ergonomic Surveys, obesity surveys etc.
- Training of refinery staff related to occupational health and safety i.e. (first Aid, diseases related to occupational health and safety).
- The review output/decisions taken in meeting are converted into action item and are appropriately assigned to the concerned department.

Worker Participation

The presence of workers in HSE committees is ensured at all levels. The CBA President is member of Central Health Safety & Environment Committee (CHSEC) headed by CEO. To review the performance of Health, safety & environment, CHSEC committee meets on monthly basis. The CBA president communicates workers inputs and concerns to the management and vice versa.

Every ARL employee and contractor is required to be an active participant in managing the safe execution of work. We are focused on improving our safety performance through monitoring key indicators, holding leaders accountable and empowering all employees.

The International Labour Organization (ILO) marks the World Day for Safety and Health at Work on 28th of April each year to promote the prevention of occupational accidents and diseases.

Worker Training

Health and Safety Programs Success of a good HSE Management System depends on the safety mindset of workers and contractors. To promote the safety culture at ARL, following initiatives have been taken:



➤ Monthly Basic HSE Induction Training Program	➤ Monthly Live Fire Practice	➤ Scenario based Emergency Drills
➤ ERP & on-site refinery staff training	➤ Behavior Based Safety awareness & Surveys	➤ Monthly meetings of Area Safety & Environment In-charges to discuss and present HSE aspects, performance and KPIs.
➤ Monthly Health, safety, and Environmental walk to identify areas of improvement	➤ Quarterly Safety Awards for employees to reward and recognize their efforts in improving safety culture	➤ Delegating responsibility to Line management for the compliance of safety in their concerned areas
➤ Involvement of Shop Floor Level workers in the Health and Safety through Safety Stewards Forum	➤ Arranging HSE Conferences at national level on alternate year.	➤ Celebration of Annual Safety Week etc.
➤ Health & safety awareness sessions including ergonomics, obesity, First Aid CPR by OHS advisor.		

Monthly Basic HSE Induction Training

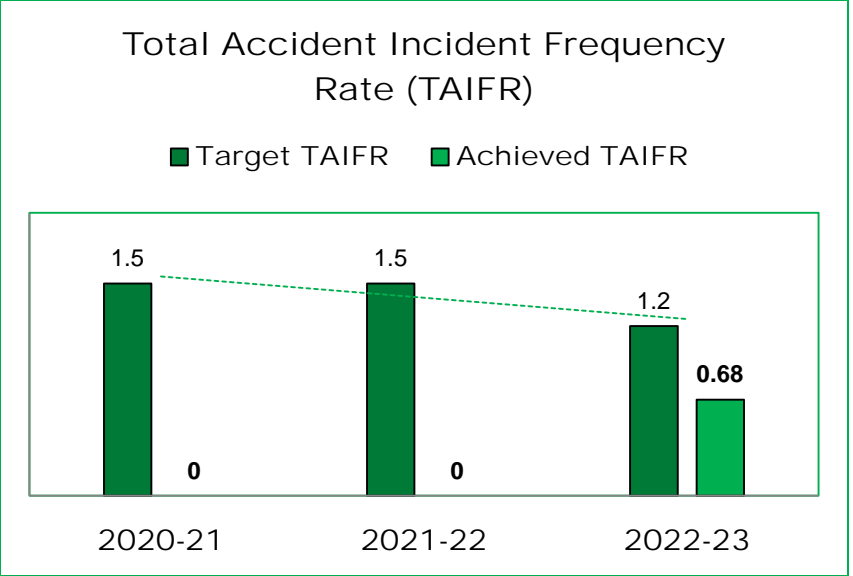
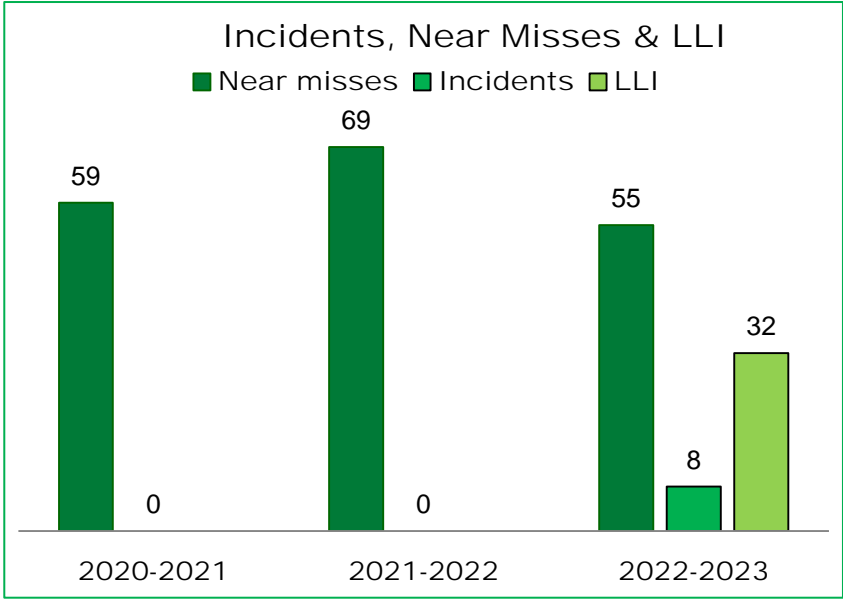
The safety training module is designed to give key aspects of the refinery regarding safety. Monthly basic training occurs over a period of 3 days and at the end of the third day a test is conducted to assess the capabilities of the participants. Since a majority of the workforce speaks and understands Urdu, the training is usually presented in Urdu. Training is provided free of charge during working days. Tea and meals are provided to the participants. It is mandatory for participants to attend this training. Training is evaluated through discussion and a written test.

➤ Process safety Management	➤ Emergency response plan	➤ Office safety / Behavior Based Safety
➤ Permit to work system	➤ Personal protective equipment	➤ Integrated Management system
➤ H2S Safety	➤ NH3 safety	➤ Chemical handling
➤ First Aid/ Drowning	➤ ISO 50001	➤ Hazard identification and risk assessment

Prevention and Mitigation of Occupational Health & Safety Impacts Directly Linked by Business Relationship

ARL ensures that it provides a safe working environment not only for its employees but also prevents/mitigates occupational health and safety impacts by following government guidelines on quality fuel. ARL ensures continuous improvement of its processes and systems through up-gradation. ARL occupational health, safety & environmental hazard identification follows ISO 45001 standard to mitigate its risk and hazards. Trainings are conducted on various safety and health topics which are a clear signal to improve workplace health & safety. During the year, trainings were provided to workers on CPR, first aid, drowning, ergonomics, obesity, food handling, rescue and firefighting in addition to work related hazard.

MONTHLY HSE TRAININGS	
No. of Training Man Hours	8040
No. of Participants	335
EMERGENCY RESPONSE TRAININGS	
No. of Training Man Hours	696
No. of Participants	1392
SCENARIO-BASED EMERGENCY DRILLS	
No. of Training Man Hours	405
No. of Participants	405
MONTHLY LIVE FIRE PRACTICE	
No. of Training Man Hours	520
No. of Participants	520



Accidents by Category

Accident	Category	Total Events
Gas Release	Environment	1
Acid/Hypo Leakage	Environment	1
Slip/Trip	Injury/Illness	1
Explosion	Asset	1
Electric Arc/Flash Injury	Injury/Illness	1
Hand Finger Injury	Injury/Illness	1
Acid Burn	Injury/Illness	1
Fracture	Injury/Illness	1



Contractor Safety

1. All the contractor's before being put into any contract with ARL are required to follow the Occupational Health and Safety Requirements of Attock Refinery Limited.
2. Moreover, regular monitoring of Contractors Equipment fitness, Personal Protective Equipment is ensured. Training is also imparted to contractor's staff.
3. The safety of contractor is being ensured and constantly monitored by ARL HSE Staff.

Promotion of Worker Health

Employees' health is an integral part of the company's safety policy. Scheduled medical checkups of employees are ensured. It helps to optimize healthcare facilities and to increase productivity, performance and motivation at workplace. ARL has 2 state of the art ambulances 24/7 inside refinery for shifting of employees to attached hospital where medical services are provided.

Medical Services

Attock Hospital was established in 1930. Now it has a capacity of forty six beds with air conditioned facility. AHL provides services in 15 specialties round the clock to facilitate employees and neighboring communities and has well equipped operation theatres, laboratories, dialysis, radiology facilities and pharmacy.

Prevention and mitigation of occupational health

Trainings are conducted on various safety topics which are a clear signal to improve workplace safety. During the year, trainings were provided to workers on CPR, first aid, drowning, ergonomics, obesity, food handling, rescue and firefighting in addition to work related hazard.

Confidentiality of Worker Health

AHL maintains the confidentiality of worker/employee health through a worker/employee file and AHL has its own software through which it maintains its data. Access of data is only allowed to medical professionals such as doctors or employees/workers themselves.

Workers covered by an occupational health and safety management system

ARL defines workers as either permanent, contract or third party workers/employees which are further classified into sub-categories.

Permanent/Contract:













1. Management Staff
2. Non-Management Staff

Third Party Workers:

1. UHRS staff
2. Contractor staff

ARL occupational health and safety management covers the entire area of the refinery, including all workers working inside the refinery whether they are permanent/contract or third party. The HSEQ department including section in-charges has the overall responsibility to enforce occupational health and safety management system.

ARL ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS (SDGs)

SDG LINKAGE			OUR CONTRIBUTION
			ARL itself & through its sponsored NGO "ASF" is playing a vibrant role in uplifting the economic condition and to ensure "No Poverty & zero hunger "in community. ARL provides free of cost supply of clean drinking water to more than 50000 inhabitants of nearby Community, schools and Masajids from its water reservoirs.
			ARL is paying due attention to the health & well being of its employees and connected communities. ARL in collaboration with Attock Hospital Ltd. and Attock Sahara Foundation arranged free medical camp and health awareness sessions for needy people of the surrounding areas.
			Company constructed Junior Model School in ARL colony area for community and minimal fee is charged to the students. The company continued awarding scholarships to the children of employees, offering internships, providing training and joint research facilities.
			ARL commitment for Gender equality & Reduced inequalities is evident from its human resource policy, whistle blowing policy & acknowledgement of Code of Gender Justice. Moreover there is a standing committee for gender justice who safeguards rights of male and female employees and making work environment free of harassment.
			ARL has self implemented ISO 50001:2011 energy management system to improve energy efficiency by lowering operating cost and integrating environment friendly solutions. The company has also invested for production of renewable clean energy and has installed 305 kW on-grid solar power systems. installation of more such projects are in pipeline.
			Application of decent work practices into business leads to economic growth. Ethical work practices and compliance to the corporate governance structure is embedded in ARL culture. Integrity & ethics is one of the core values. Whistle blowing policy is a gate without obstacle to reach to the highest level. ARL's employment practices support recruiting, hiring, compensating and developing employees by providing conducive work environment ultimately resulting to economic growth.
			ARL is the second refinery in Pakistan producing low sulphur diesel of EURO-II Specifications and PMG of less than 2 % benzene by installing state of the art technologies. We abide by the laws of the country including environmental legislation for climate change. ARL has also taken initiative for GHG inventory management. These milestones have greatly contributed towards a greener environment.
			Resource efficiency is the ultimate goal and ARL has implemented ISO 50001:2011 to achieve this target. We have set corporate targets for water consumption, energy base line and refinery production.



SDG LINKAGE		OUR CONTRIBUTION
		ARL treating its wastewater by installing state of the art waste water treatment technologies and its effluent water moving out of refinery premises has no significant impact downstream on the biodiversity value of water bodies.
		ARL has a Morgah Biodiversity Project as a pro-poor public-private partnership at Morgah, Rawalpindi. The concept of biodiversity conservation has started with an objective of ex-situ conservation by establishment of a biodiversity park over an area of 20 acres. Moreover the company has target for planting more than 10000 trees each year.
		ARL is a member of multiple national & international organizations including UNGC, for achieving its objective of sustainable development. ARL does not hire employees under the age of 18 years. The company strictly complies with factories Act 1934 and bonded Labor system (Ablotion) Act, 1992 regarding age requirement and forced or compulsory labor.



SUSTAINABLE DEVELOPMENT PLAN

SHORT TERM PLANS (1-3Years)	MEDIUM TERM PLANS (3-5 Years)	LONG TERM PLANS (5-10 Years)
<ol style="list-style-type: none"> 1. 100% Compliance of Punjab Environmental Quality Standards (PEQS) for effluent and emissions. 2. Green plan for plantation of saplings (10-12 thousands) in Morgah and Kotha Kalan areas. 3. Replacement of all conventional split AC's with inverter type AC's. 4. ARL's Operation Carbon foot print calculation and optimization. 5. Expanding the scope of training at AIH, collaboration with other relevant departments. 6. Replacement of undersized and oversized motors at plants and off-site areas. 7. Provision of internships and apprenticeships to neighboring community. 8. Provision of management training programs to fresh graduates. 9. Registration of ASF current vocational curriculum with Punjab Vocational Board. 10. Awareness of local community on health and social issues. 11. Maintenance of infrastructure like Roads, play grounds, Morgah Biodiversity Park etc. 12. Provision of Gymnasium & sports coaching facilities for employees and student of local schools. 13. Coordination and collaboration with Colleges & Universities to get benefit of refinery technical facilities. 14. Third party Certification of energy management system ISO 50001: 2018. 15. Replacement of all conventional street lights (inside, outside refinery) with LEDs. 16. Conducting steam system survey of ARL for minimization of steam consumption and conservation of energy. 	<ol style="list-style-type: none"> 1. Development of Environmental Inventory and Accounting System. 2. Construction of wetland at Morgah Biodiversity Park. 3. Installation of energy meters as per ISO 50001 for monitoring of energy performance indicators. 4. Planning and designing of tertiary treatment plant and Zero Liquid Discharge to reuse effluent of refinery in place of process water. 5. Establishment of world class Attock Oil Polytechnic Institute to cater for serious shortage of skilled manpower in Pakistan. 6. Rain water harvesting at selected and feasible locations. 7. Solarization of Effluent Treatment Plant. 	<ol style="list-style-type: none"> 1. Up-grade polytechnic institute to college and to get foreign university affiliation 2. Establishment of Paramedic training institute affiliated with Punjab Medical Faculty 3. Up-gradation of Model School in Morgah to intermediate level in coordination with Punjab Workers Welfare Board 4. Model Health, Safety, Environment and Quality facilities for training of oil and gas sector of Pakistan 5. Recovery of refinery flare gases 6. Morgah Club Swimming pool heating through solar water heaters.



ECONOMY



STATEMENT OF COMPLIANCE

With listed companies (Code of Corporate Governance) Regulations, 2019

- **Name of the Company: Attock Refinery Limited**
- **Year Ended: June, 30th 2023**

The company has complied with the requirements of the Regulations in the following manner:

1. Total number directors are seven as per the following:

Gender	Number
Male	8*
Female	Nil

*This includes seven elected directors and one Chief Executive Officer of the Company.

2. The composition of the Board as at June 30, 2023 is as follows:

Category	Name
Independent Directors	Mr. Shamim Ahmed Khan
	Mr. Tariq Iqbal Khan
Other Non-Executive Directors	Mr. Laith G. Pharaon <i>(Alternate Director: Mr. Mohammad Raziuddin)</i>
	Mr. Wael G. Pharaon <i>(Alternate Director: Mr. Babar Bashir Nawaz)</i>
	Mr. Shuaib A. Malik
	Mr. Abdus Sattar
	Mr. Jamil A. Khan
Executive Director	Mr. M. Adil Khattak (Chief Executive Officer)
Female Directors	Nil



A Constitutional Petition was filed by the Company before the Sindh High Court, where in Company has challenged Compliance with, inter alia, and the provision of regulation 7 of the Code / law relating to appointment of female director. The matter is still pending adjudication. The law officer of Securities and Exchange Commission of Pakistan has also made a statement before the Court that no action contrary to the law would be taken against the Company.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/Shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The Meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. In terms of Regulation 19 of the Code, companies are encouraged that all directors on their board have acquired the prescribed certification under Directors Training Program (DTP) by June 30, 2022. Presently, five (5) directors of the Company meet the exemption requirement of the DTP, while two (2) directors have already completed this program. Further, one alternate director and the Chief Executive Officer (CEO) of the Company have also completed DTP;
10. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The terms of reference of the aforesaid committees have been formed, documented and advised to the Committee for compliance;
13. The Board has set up an effective internal audit function who are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
14. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

15. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
16. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with. Please refer paragraph 2 above of the Statement of Compliance. However, fraction (0.33) contained in one-third number for Independent directors has not been rounded up as one, as the existing independent directors have the requisite skills, knowledge and diversified work experience to take independent decision in the interest of the Company; and
17. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is below:

Committee	Reg. No.	Explanation
<p>Nomination Committee: The Board may constitute a separate committee, designed as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.</p>	29 (1)	The responsibilities as prescribed for the nomination committee are being taken care of at board level as and when needed so a separate committee is not considered to be necessary.
<p>Risk Management Committee: The board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.</p>	30 (1)	Risk Management Committee (RMC) at the level of the Company's management is already in place which is headed by the CEO. The CEO briefs the Board about the Committee's findings and recommendations for consideration and approval of the Board.



Shuaib A. Malik
Chairman

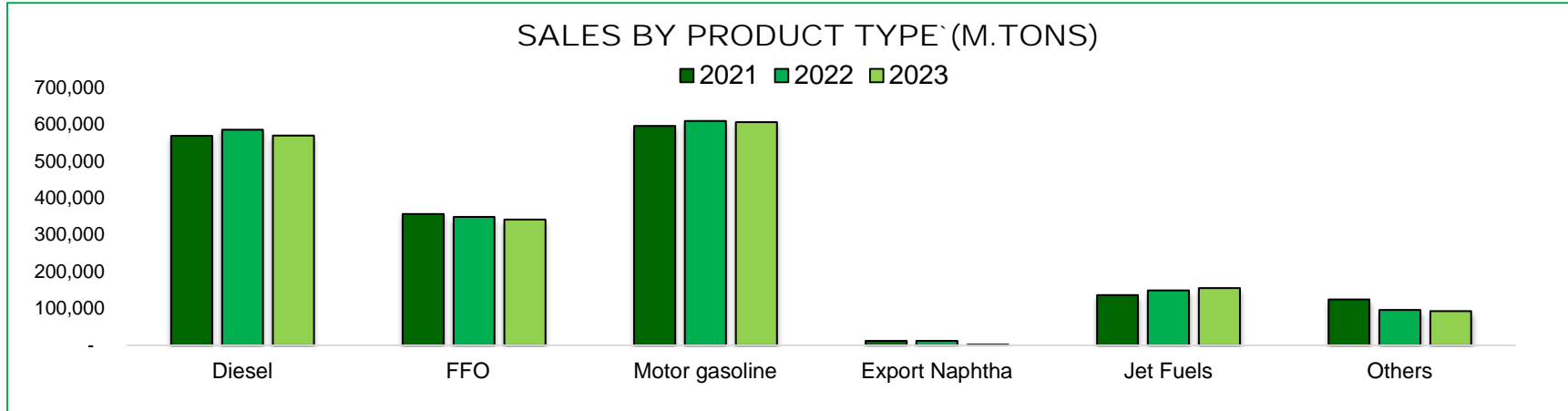


M. Adil Khattak
Chief Executive Officer

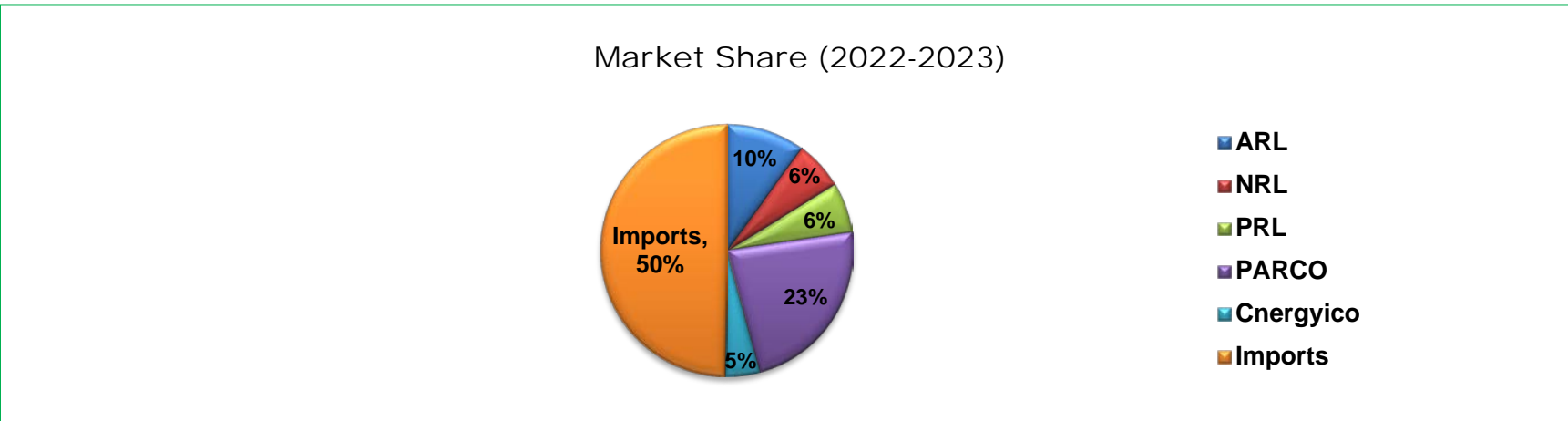
Economic Impacts on the Local Communities

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 being a social responsible company, to avoid the current scenario of health issue, conduct the anti-virus spray to prevent dengue virus at Morgah. ARL is paying an annual contribution to union council Morgah and Kotha Kalan other than provision of free of cost electricity and gas connections to the area.

Economic Highlights



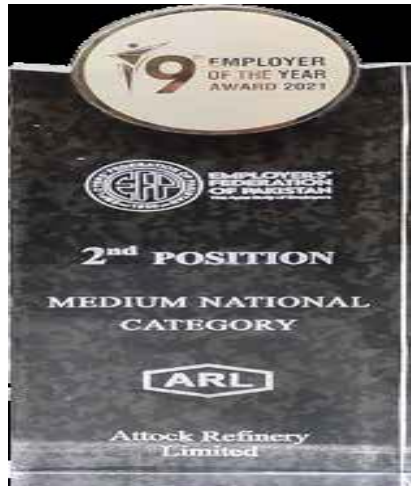
Note: The detailed Financial Statistical Summary is available in the Annual Report 2023, pg. 98-102 (<https://www.arl.com.pk/category/fin-annual/>)



AWARDS



Best Corporate Report Award 2022



Awarded 2nd Position in "Employer of the Year Award" by the Employer Federation of Pakistan



Best Sustainability Report Award 2022

ACCREDITATION & CERTIFICATIONS



ISO/IEC 17025:2017
LABORATORY MANAGEMENT SYSTEM



SELF IMPLEMENTED ISO 50001
ENERGY MANAGEMENT SYSTEM

ISO 45001:2018
OCCUPATIONAL HEALTH & SAFETY
MANAGEMENT SYSTEM



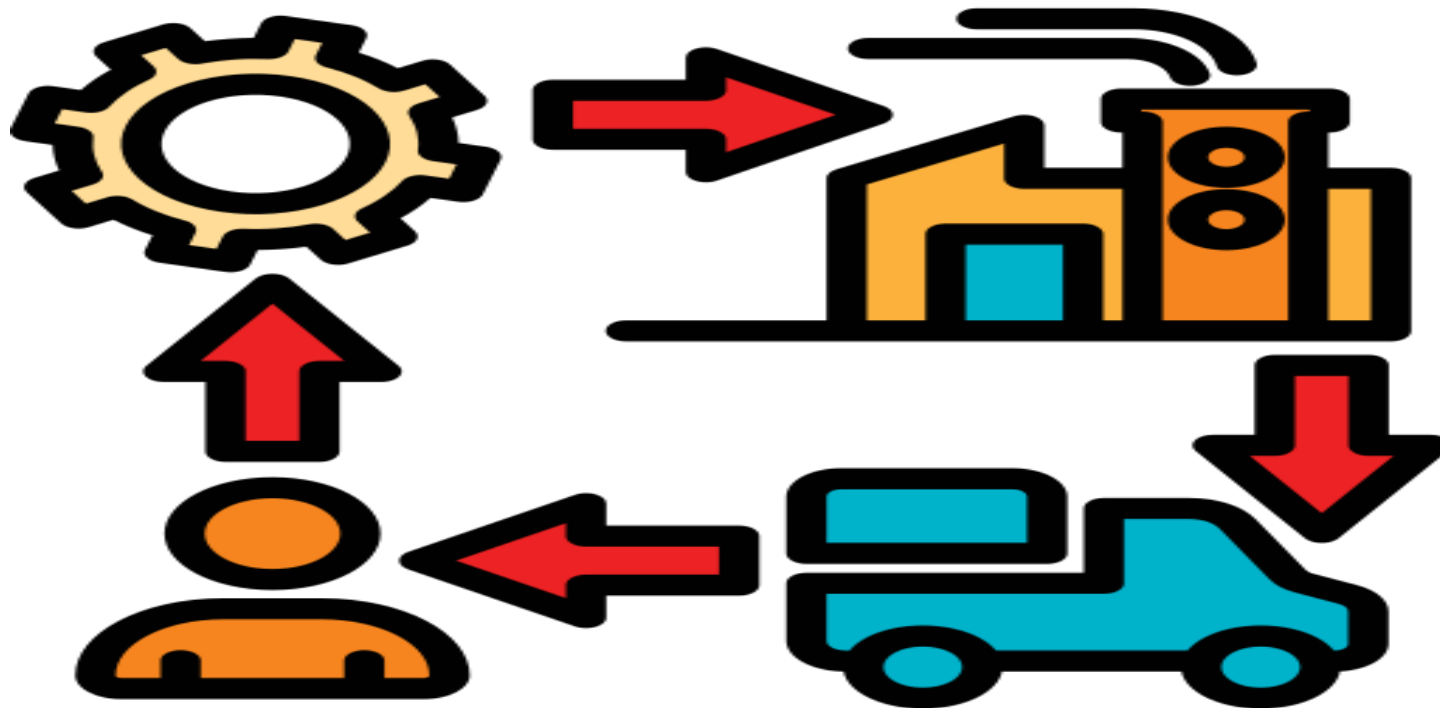
ISO 14001:2015
ENVIRONMENTAL MANAGEMENT SYSTEM



ISO 9001:2015
QUALITY MANAGEMENT SYSTEM



SUPPLY CHAIN MANAGEMENT



OPERATIONAL CONFIGURATION



SUPPLIERS



60%

40%



BUYERS



RESOURCES	Source	Unit	2021-22	2022-23
	Electricity	KWh	73,417,739	71,606,195
	Steam	Ton	488,947	489,996
	Fuel Gas	MCF	1,445,237	1,473,295
Fuel Oil	BBL	257,481	293,532	

PRODUCTION (M.Tons)

PRODUCTS	2021-22	2022-23
LPG		1,854
PMG	611,842	605,204
Export Naptha	11,481	1,666
JP-1	116,598	126,880
JP-8	29,666	30,484
Solvent	0	0
MTT	5,220	6,539
Kerosene	33,840	25,779
HSD	586,942	576,453
DFO	6,403	4,003
JBO	2,349	2,365
FFO	353,176	341,938
Bitumen	46,505	52,342
Cut Back-MC-70	240	439
Cut Back RC-250	105	78
Total	1,806,059	1,787,880

SUPPLY CHAIN MANAGEMENT

Supply chain management at ARL is the management of supply chain activities to maximize customer value and to achieve a sustainable competitive advantage. Supply chain activities starts from sourcing of raw materials, product manufacturing, operation, logistics & services as well as the information systems needed to coordinate these activities. Our supply chain is “linked” through physical and information flows.

Physical Flows

Physical flows involve the transformation, movement, and storage of goods and materials. It is the visible part of our supply chain.

Information Flows

Information flows allow ARL various supply chain partners to coordinate their long-term plans, and to control the day-to-day flow of goods and materials up and down the supply chain. We put every effort to produce environment friendly petroleum products whilst also taking end users health & safety into consideration.

The principal parameter for ARL sustainable business is the uninterrupted and continuous supplies of crude oil, which is being ensured with the support and coordination of our suppliers. The crude oil is supplied 40% through bowsers and 60% through pipeline. While the products are supplied to the customers through multi product pipeline (approximately 80% of the products are being dispatched through pipeline). All suppliers (excluding crude oil suppliers) are thoroughly assessed for performance and credibility prior to enlisting them for providing quotation for any services and/or material supplies. ARL ensures the uninterrupted procurement by following the below criteria while selecting/registering the suppliers.

Supplier Assessment Process

Foreign Supplier

Foreign suppliers have to testify their credibility, fulfilment of legal requirements, accountable associations and performance by providing the following documents:

- Memorandum Article of Associates.
- List of products dealing / dealt with (Copies of Letters of Credit/ Purchase Orders and Bill of Entries to be provided).
- Details of Experience of the firm for last 5 years, work in hand with estimated cost and certificate.
- Type of Business (with proofs):
 - I. Manufacturer
 - II. Stock Market

Local Supplier

Local suppliers have to satisfy below mentioned requirements before start of business:

- Copy of National Income Tax Registration
- Certificate and Tax paid in the last 3 years
- Sales Tax Registration number
- Type of Firm / Supplier / Organization (Memorandum Article of Associates)
- List of products dealing / dealt with (Copies of Purchase orders to be attached)
- Details of Experience of the firm for last 5 years, work in hand with estimated cost and certificate.
- Undertaking on Rs. 50/- stamp paper that firm is not blacklisted by any company and/or entered into litigation.
- Bank certificate and financial / bank statement for last one year.

Contractor Selection Criteria

Civil, Mechanical, Electrical & Instrumentation contractors are short-listed through contract section:

1. Pre-Qualification of all contractors.
2. Preparation of ITB documents, bids evaluation and finalization of contracts.
3. Preparation of standard rates applicable to work order issued inside ARL.

The performance of all contractors are evaluated periodically after a defined period of time.

Opportunities for Local Suppliers

ARL procures all products/equipment which are environment friendly & energy efficient wherever possible from local suppliers. Furthermore, ARL encourages and provides support to Local Industry by purchasing first locally manufactured materials if it meets the requirements. All the purchases that are procured from within the country are made on the basis of five important factors that are:

1. Supplier Repute/Standing
2. Quality (Specification)
3. Quantity
4. Delivery (Time & Location)
5. Price

These are listed depending upon the preferences, as Supplier is a significant factor for the reason, his reputation & quality of purchases affects the company's repute. Quantity is also the most important parameter and cannot be compromised. After that the time taken in delivering goods and the supplies location plays an important role in making purchases. Our total procurement from local suppliers for year 2022-23 is Rs. 978 million, while the total procurement expenditures are Rs. 10,427 million. The registered local suppliers are 151 in Year 2022-23. The %age local share of procurement for the reporting year is 29.4%. The total number of suppliers had a slight increase from 434 to 463.

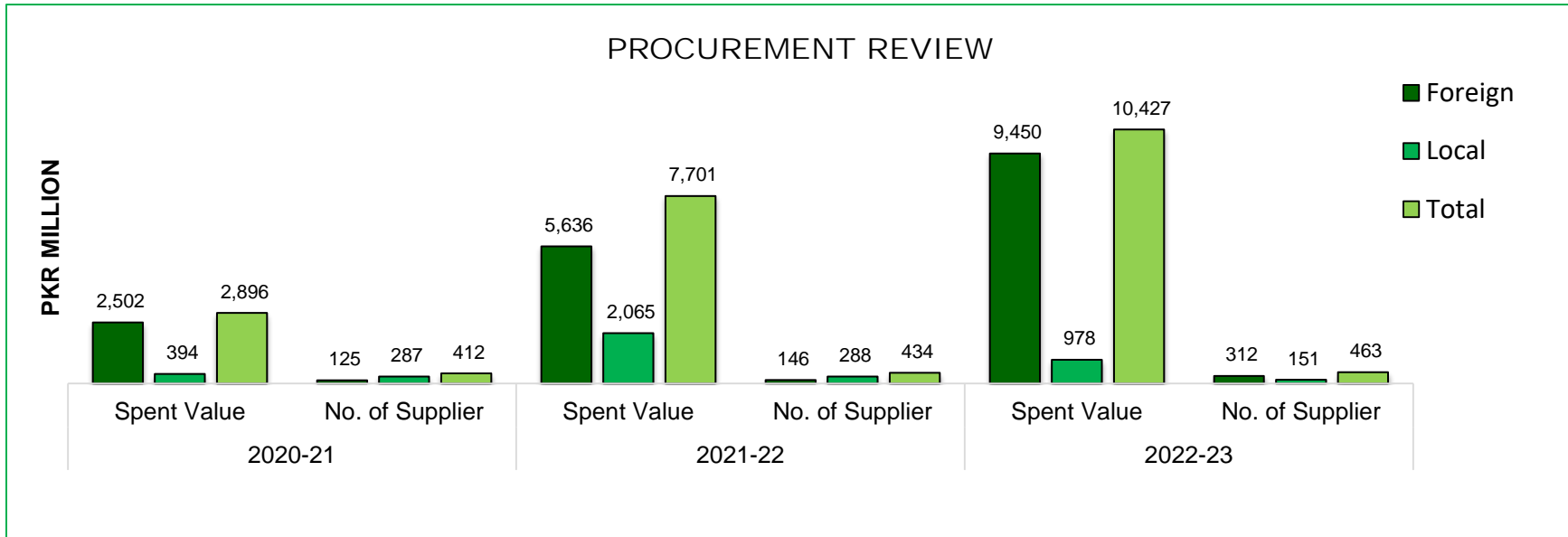
Procurement Review Process

Procurement process is under continuous review by Business Review & Assurance Department (BR&A) at various levels for the purpose of maintaining integrity and transparency. These reviews are carried out in the following manner:

Sealed quotations of all purchases, above Rs.50000 are opened in the presence of representative of BR&A department. This is done to ensure confidentiality of quoted rates. Every item over and above Rs. 1 million is recommended for purchase by Bid Evaluation Committees which comprise of members from different departments including a member from BR&A department.

- BR&A representative also witnesses public opening of quotations which are carried out for major projects in the presence of bidders.
- Detailed review of purchase cycle is also carried out after a certain interval in which purchase controls are checked for compliance and design improvements.

Apart from the above, all (100%) new and existing suppliers are screened using labor practices, environmental & social criteria. However, it is not the only criteria for assessment.



PRODUCT STEWARDSHIP & CUSTOMER SATISFACTION

We are well aware of the fact that product stewardship can boost businesses. For increasing customer satisfaction, product stewardship provides a competitive advantage to businesses by ensuring higher quality and safer products.

ARL is fully onboard and recognizes responsibilities towards environmental, social & economic impacts of its services and products. We believe product and service stewardship are core to our business strategy and continuity.

There is an unbroken chain of ownership starting from raw material to product life cycle management considering all risks associated with our core activities. We remain in contact with customers and end users in the value chain, besides the optimization of safety and environment related features of the product. ARL maintains continuous liaison with the customers, and provides its support where required. ARL Sales, Operations, Technical services, C&MM and HSEQ departments provide relevant inputs to resolve technical issues and problems at customer end.

Feedback from Oil marketing companies is taken in fortnightly meetings held at ARL for allocation of product quota. Apart from this forum, ARL also gets quarterly feedback from external customers on quality of products and services. The customers' complaints received are discussed in biannual Quality Council review meetings chaired by Chief Executive Officer.

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

Performance Improvement Program

Performance Improvement Program (PIP), the Company's suggestions program. Number of suggestions received from employees for improvement in safety and process through ARL own developed software of HSEQ management system.

Customers Awareness Program

In the process of providing awareness to its customers, the Company practices to conduct four week training course for Army Officers in collaboration with GHQ and Army Services Corps (ASC) School, Nowshera. During the year, number of visitors (Govt.-officials, educational institutes) were provided information on refinery operations and product quality.

Product Life Cycle Assessment

ARL is an ISO 45001 certified company and it does consider all the impacts associated with the production of refined petroleum products. Health & Safety impacts of all products (100%) and all allied services are assessed throughout the life cycle i.e. from raw material (crude oil) till refining of different products and dispatch to customers. The impacts on health and safety from production till dispatch are assessed for improvement on continuous basis.

In year 2023, No incident of non-compliance with regulations and voluntary codes concerning our products quality, safety, environmental and health impacts during their life cycle reported. The guiding principles of the quality standards in 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.

Product & Service Labeling

ARL produces different petroleum products as per PSQCA & Ministry of Petroleum (Energy Division) specifications, which are accessible to all stakeholders through ARL's website. This information gives complete description of each product. Material Safety Data Sheet of each product is also provided to customers. 100% products are subject to such information requirements. ARL has no incident of non-compliance with regulations and voluntary codes concerning product, service information and labelling during the reporting period.

ARL management monitors customer satisfaction through quarterly customer surveys. Changes in trends indicate changes in customer satisfaction with respect to the performance of concerned departments. In case of low rating customers are contacted to assess their views & subsequent necessary actions are taken.

Marketing Communications

Although ARL does not have any formal marketing campaign and promotion 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.

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. Moreover, 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 year-2023.

Compliance

ARL has never been fined regarding non-compliance with laws and regulations concerning the provision and use of products. Moreover, we have a code of conduct which also has declaration on confidentiality and impartiality. The code of conduct is signed by every employee once in a year to recall the commitment.



Customer Confidentiality & Feedback

ARL has a policy which safeguard the confidentiality of its customers and has received no complaints to report regarding breaches of customer privacy or losses of customer data during the year-2023. For the sake of customer privacy protection, ARL limit its collection of personal data unnecessarily and only the data mentioned under the policies are collected and maintained as per procedure. ARL respects its customer primacy and take all the reasonable measures to ensure the security of personal data that they collect, store, process and disseminate.

ARL maintain a customer engagement mechanism which is based on the periodic feedback from our major customers. This feedback is based on the quality of our products, the competencies of our company, availability of people, quality of our services, cycle time and the response time to the customer. The feedback which is collected on quarterly basis is used to assess our performance and the areas of improvement in our business activities. This helps in the smooth continuation of our operational activities by satisfying the customers demands which are one of the most critical stakeholder of our business.

Major Customers

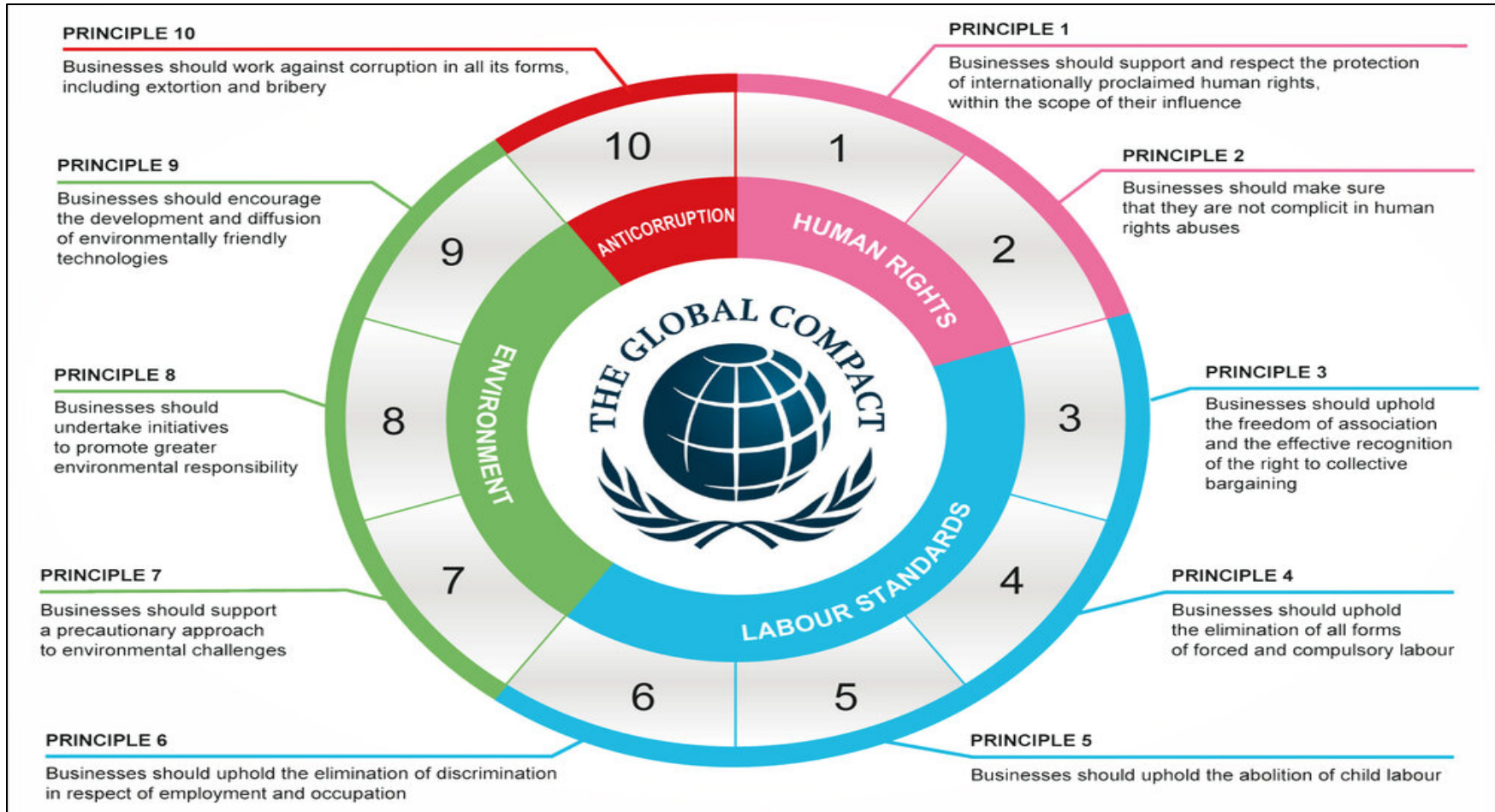
- Pakistan Air Force (PAF)
- Total Parco Pakistan Ltd (TPPL)
- Attock Petroleum Ltd (APL)
- Shell Pakistan Ltd (SPL)
- Pakistan State Oil (PSO)



UNITED NATIONS GLOBAL COMPACT

ARL adopted Ten Principles of the United Nations Global Compact in 2008 as a guideline to their business management. The 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, labor standards, the environment and anti-corruption.

TEN PRINCIPLES OF UN GLOBAL COMPACT



OUR ESG REPORTING STANDARD

Background on the reporting standards

The general disclosure index presented is in accordance with the Global Reporting Initiative (GRI), International Financial Reporting Standards (IFRS), Task-Force on Climate Related Disclosure (TCFD) and the United Nations Global Compact (UNGC) principles. The UN Sustainable Development Goals (SDGs) are being mapped with the reporting standards.

Statement of Use

The social and environmental performance data is presented during the period of Calander year 2023 and the economic and financial performance is based on the fiscal year from July 1st,2022 to June 30th ,2023.

	GRI	IFRS	TCFD	UNGC
Full Coverage	Full	Full	Full	Full
Partial Coverage	Partial	Partial	Partial	Partial
No Coverage	None	None	None	None
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable



INDEX TABLE

Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG	Explanatory Note
The organization and its reporting practices							
2.1 Organizational Details	20-21						ARL Operates only at Morgah Rawalpindi in Pakistan
2.2 Entities included in the organization's sustainability reporting	16						ARL is the only entity included in the report.
2.3 Reporting period, frequency and contact point	16						ARL publishes standalone sustainability report and annual report separately
2.4 Restatement of information	16						
2.5 External Assurance	-						
Activities and Workers							
2.6 Activities, value chain and other business relationship	104, 111						
2.7 Employees	33, 34, 35						
2.8 Workers who are not employees	33, 34, 35, 93					8	The third-party workers are contract workers employed through contractors performing multiple tasks and services including general, janitorial, gardening, security and maintenance etc.
Governance							
2.9 Governance Structure and composition	18, 19, 41, 97-99						

Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG	Explanatory Note
2.10 Nominating and selecting the highest governance body	-						The shareholders of the Company after every three years elect a Board of Directors amongst them, in accordance with the eligibility criteria given in the Companies Act 2017 and the prevailing Listing Regulations of the Pakistan Stock Exchange. The Board of Directors have expertise in the financial, operational, economic and environmental aspects of the Company.
2.11 Chair of the highest governance body	18						The chair of the highest governance body is not a senior executive.
2.12 Role of highest governance body in overseeing the management of impacts	11,17, 30						
2.13 Delegation of responsibility for managing impacts	17						There are executive level position having responsibilities regarding economic, social and environmental topics and these report to the governance body through HODs and CEO. For further details refer to the department section at www.arl.com.pk . The shareholders' can give their feedback/recommendation in general meetings of the company. CEO has formulated various committees comprising of senior management on operational, environmental & financial matters of the Company, which regularly give their feedbacks on the matters concerning their respective areas.
2.14 Role of the highest governance body in sustainability reporting	11, 17, 30						

Strategies & Analysis	Page #	GRI	IFRS (S1 &S2)	TCFD	UNGC	SDG	Explanatory Note
2.15 Conflicts of interest	-						Directors and employees, irrespective of their function, grade or standing, must avoid conflict of interest situations between their direct or indirect (including members of immediate family) personal interests and the interest of the Company. Also, no employee will perform any kind of work (involving monetary benefit directly or otherwise) for a third party without prior approval of CEO. Refer to Annual Report 2023 Page 16 & 73.
2.16 Communication of critical concern	16, 134						Any critical concern regarding any potential risks and opportunities relating to operations, health, safety & environmental impacts on local community are communicated to the CEO by the senior management in the fortnightly Management Committee meetings & if required earlier. As per policy, all critical matters relating to operation and environment are communicated to the Board. The Board gives guideline to the management for amicable resolution of the problem.
2.17 Collective knowledge of highest governance body	-						The Company's management encourages its senior management to participate in international and local workshops, seminars etc. to enhance their knowledge of economic, environmental and social topics. Further the Company organize Human Resource and HSE Conferences on regular basis for the professional development of its management.



Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG	Explanatory Note
2.18 Evaluation of the performance of the highest governance body	-						The Board strives to continuously improve its and Board Committees' effectiveness. Board of Directors has developed a mechanism as required under the Code of Corporate Governance to undertake annual evaluation to assess Board's and its Committees' performance. The Board also reviews developments in corporate governance to ensure that the Company always remains aligned with best practices
2.19 Remuneration policies	19,30, 99						The Board of Directors have formulated a Directors' Remuneration Policy. Its main features include that every director including alternate directors are entitled to meeting fee as remuneration for attending meetings of the Board of Directors. No remuneration shall be paid for attending General Meeting(s) or meetings of the Committee(s) of the Board and/or any other business meetings of the Company. 0
2.20 Process to determine remuneration	41, 42						
2.21 Annual total compensation ratio	-						Stakeholders' views are sought and taken into account regarding remuneration through independent organizational surveys, HR resources, & remuneration committee of BOD.

Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG	Explanatory Note
Climate Related Risks							
The climate-related risks and opportunities the organization has identified over the short, medium, and long term.	79-84						
The board's oversight of climate-related risks and opportunities.	79-84						
The management's role in assessing and managing climate-related risks and opportunities.	79-84						
Strategy, Policies and Practices							
2.22 Statement on sustainable development strategy	6,7						
2.23 Policy Commitment	43, 55						Limit of Authority (LOA), a document explaining extent of employee authority across different levels within organization/ limits are clearly defined. All organizational strategies are implemented through Corporate Target on macro level. Individual Targets are derived in line with Corporate Targets, where applicable. Internal / External Audits are conducted to monitor performance.
2.24 Embedding policy commitments	43						



Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG	Explanatory Note
2.25 Processes to remediate negative impacts	-						There is Grievance Policy in practice in the Company. A proper procedure is followed. Employee can register complaint in Suggestion Box placed at various locations or through writing addressed to HOD (HR&A) or the CEO.
2.26 Mechanism for seeking advice and raising concerns	39, 43						Employee Relations Manual (ERM) is the company rule book and guideline for all the matters of the Management staff. Labour Laws (Code of Labour) is the manual and guideline for the non-management/Apprentices staff in order to seek advice on matters related to organizational integrity and alike
2.27 Compliance with laws and regulations	7,25-27,31, 73						No significant instances of non-compliance with laws and regulations during the reported period
2.28 Membership associations	110						
The current and anticipated effects of those sustainability-related risks and opportunities on the entity's business model and value chain	11-15						
The effects of those sustainability related risks and opportunities on the entity's strategy and decision-making	11-15						

Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG	Explanatory Note
Resilience							
The resilience of the entity's strategy and its business model to those sustainability-related risks.	83, 84						
The uncertainties arising from sustainability-related risks	83, 84						
Climate-related scenarios, including a 2°C or lower scenario	83, 84						
Risk Management							
The organization's processes for identifying and assessing climate-related risks.	79-84						
The organization's processes for managing climate-related risks.	79-84						
The processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	79-84						
Stakeholder Engagement							
2.29 Approach to stakeholder engagement	25,26					16	
2.30 Collective bargaining agreements	40					16	



Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG	Explanatory Note
Management Approach on Material Topics							
3.1 Process to determine material topics	9, 10						
3.2 List of material topics	10						
3.3 Management of material topics	11-15						
Economic Impacts							
201-1 Direct economic value generated and distributed	52					2,5,7,8,9	There is no discrimination of wages on the basis of gender
201-2 Financial implications and other risks and opportunities due to climate changes	79-84					13	
201-3 Defined benefit plan obligations and other retirement plans	42						
201-4 Financial assistance received from government	-						Government of Pakistan has no shareholding in the company. ARL has not received any financial assistance from Government of Pakistan.
Market Presence							
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	33, 40-41					1,5,8	
202-2 Proportion of senior management hired from the local community	40-41						

Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG #	Explanatory Note
Indirect Economic Impacts							
203-1 Infrastructure investments and services supported	52, 53					2,5,7,9,11	
203-2 Significant indirect economic impacts	52, 53					1,2,3,8,10,17	
Procurement Practices							
204-1 Proportion of spending on local suppliers	106					12	
Anti-Corruption							
205-1 Operations assessed for risks related to corruption	55					16	
205-2 Communication and training about anti-corruption policies and procedures	55					16	
205-3 Confirmed incidents of corruption and actions taken	55						No incident of corruption reported during the year 2023. Further refer to ARL Code of Conduct available at http://arl.com.pk
Anti-competitive Behavior							
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	55					16	



Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG	Explanatory Note
Materials							
301-1 Materials used by weight or volume	60					8,12	Only crude oil was purchased externally while all other resources are sourced internally
301-2 Recycled input materials used	60					8,12	
301-3 Reclaimed products and their packaging materials	-					8,12	Packaging materials are not in use since fuels are transported via pipelines and bowsers. ARL products sold are not reclaimable hence not applicable
Energy							
302-1 Energy consumption within the organization	63, 64					7,8,12,13	The calculations are based on the MMBtu of energy consumed per barrel of crude processed while the conversion factors are taken from Pakistan Annual Energy book
302-2 Energy consumption outside of the organization	63, 64					7,8,12,13	Our significant energy consumption lies within refinery due to refinery operations. Hence we do not calculate energy consumption outside the organization
302-3 Energy intensity	63					7,8,12,13	
302-4 Reduction of energy consumption	63, 64					7,8,12,13	Various energy initiatives have been introduced during the reporting year, but energy reduction targets are not achieved due to the low throughput of the refinery,

Strategies & Analysis	Page #	GRI	IFRS (S1 &S2)	TCFD	UNGC	SDG	Explanatory Note
302-5 Reductions in energy requirements of products and services	63,64						ARL's products are not of long useable life while no services are provided by ARL. Hence we have not included products and services.
Water & Effluent							
303-1 Interactions with water as a shared resource	65					6	All the mentioned data related to water is directly measured.
303-2 Management of water discharge-related impacts	65, 66					6	Covered in the management of material topics.
303-3 Water withdrawal	65, 66					6,8,12	
303-4 Water discharge	65, 66						
303-5 Water Consumption	65, 66						
Water recycling	65, 66						
Biodiversity							
304-1 Operational sites owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas	68					6,14,15	ARL does not fall in or adjacent to any protected area, hence not applicable
304-2 Significant impacts of activities, products, and services on biodiversity	68					6,14,15	
304-3 Habitats protected or restored	68					6,14,15	



Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG	Explanatory Note
304-4 UCN Red List species and national conservation list species with habitats in areas affected by operations	67					6,14,15	There is no IUCN red listed species and national conservation listed species with habitats in ARL vicinity
GHG Emissions							
305-1 Direct Scope-I GHG Emissions	68						
305-2 Energy indirect (Scope 2) GHG emissions	-						ARL has its own captive power plant to meet its energy demand, so we have no indirect GHG emissions from purchased electricity.
305-3 Other indirect (Scope 3) GHG emissions	-						ARL doesn't calculate scope-3 emissions.
302-3 GHG emissions intensity	68						
305-5 Reduction of GHG emissions	68						Reduction in GHG emissions are reflected in our Future Energy Plans.
305-6 Emissions of ozone-depleting substances (ODS)	-						There are no emissions of ozone depleting substances at ARL. Purchase of all equipment using ozone depleting substances is discontinued on September 3, 2004 as a matter of policy.
305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	74						

Strategies & Analysis	Page #	GRI	IFRS (S1 &S2)	TCFD	UNGC	SDG	Explanatory Notre
Effluent & Waste							
306-1 Water discharge by quality and destination	65, 66					3,6,12,13, 14,15	
306-2 Waste by type and disposal method	70					3,6,12,13, 14,15	
306-3 Significant spills	75					3,6,12,13, 14,15	Total 6 spill incidents were reported during the year 2023. The highest magnitude incident occurred on July 27th, 2023 due to the spillage of HSFO. Around 1.5 barrels of spill was reported and recollected.
306-4 Transport of hazardous waste	-					3,12,13,15	ARL doesn't import or export hazardous waste
306-5 Water bodies affected by water discharges and/or runoff	-					6,12,13,14 , 15	ARL remained 100% compliant to all the applicable Environmental Regulations and no concerns expressed by any of the stakeholders. It is concluded that ARL's effluent water moving out of the refinery is harmless to the downstream biodiversity of water related habitats.



Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG	Explanatory Note
Environmental Compliance							
307-1 Non-compliance with environmental laws and regulations	73, 74					12,13,14,15,16	
Supplier Environmental Assessment							
308-1 New suppliers that were screened using environmental criteria	105, 106						All new Suppliers are assessed on the basis of Environmental Criteria.
308-2 Negative environmental impacts in the supply chain and actions taken	105, 106						
Employment							
401-1 New employee hires and employee turnover	33-35					8,5	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	37-40					8	
401-3 Parental leave	41					8,5	
Labor Management							
402-1 Minimum notice periods regarding operational changes	36					8	The minimum period is decided with prior mutual discussion on case to case basis.

Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG	Explanatory Note
Occupational Health & Safety							
403-1 Occupational health and safety management system	86-93					8	
403-2 Hazard identification, risk assessment, and incident investigation	86-93					3,8	HSEQ policy and Permit to Work System authorizes workers to stop work and report immediately if the conditions are not safe.
403-3 Occupational health services	86-93					3,8	
403-4 Worker participation, consultation, and communication on occupational health and safety	86-93					8	
403-5 Worker training on occupational health and safety	86-93					3,8	
403-6 Promotion of worker health	86-93						
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	86-93						Occupational Health & Safety impacts are covered in our material topics.
403-8 Workers covered by an occupational health and safety management system	86-93						100% Employee are covered by ARL's Occupational Health and safety management system.
403-9 Work-related injuries	86-93						There has been no fatality reported during the year
403-10 Work-related ill health	86-93						



Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG	Explanatory Note
Training & Education							
404-1 Average hours of training per year per employee	36					4,5,8	
404-2 Programs for upgrading employee skills and transition assistance programs	37					8	
404-3 Percentage of employees receiving regular performance and career development reviews	37					8	100 % coverage of management and non-management employees by gender and category.
Diversity and Equal Opportunity							
405-1 Diversity of governance bodies and employees	41						No females are included in governance body while female employees do constitute in the sub management committees on the basis of their experience and technical expertise
405-2 Ratio of basic salary and remuneration of women to men	41						
Non-Discrimination							
406-1 Incidents of discrimination and corrective actions taken	41						
Freedom of Association & Collective Bargaining							
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	40						

Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG	Explanatory Note
Child Labor							
408-1 Operations and suppliers at significant risk for incidents of child labor	40					2,3,4	
Forced or Compulsory Labour							
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	40					2,3,4	No operation & suppliers is identified having a significant risk for incidents of child and forced labour. We have commitment on the restriction of employment below the age of 18 years and consider it a serious violation to Labour Laws.
Security Practices							
410-1 Security personnel trained in human rights policies or procedures	39						All the security staff either directly hired or through third party has been trained on human right policies.
Rights of Indigenous Peoples							
411-1 Incidents of violations involving rights of indigenous peoples	-						ARL respects the right of indigenous people and no incident is reported regarding its violation.



Strategies & Analysis	Page #	GRI	IFRS (S1 &S2)	TCFD	UNGC	SDG	Explanatory Note
Human Rights Assessment							
412-1 Operations that have been subject to human rights reviews or impact assessments	-						ARL is a member of UNGC and strictly adheres to the Human Rights charter & applicable laws. All the operations at ARL subjected to impacts are assessed. 100% human rights reviews or impact assessments has been made at all operations.
412-2 Employee training on human rights policies or procedures	39						
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	39						In the reporting year no significant investment agreements were made.
Local Communities							
413-1 Operations with local community engagement, impact assessments, and development programs	45-53						
413-2 Operations with significant actual and potential negative impacts on local communities	45-53						

Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG	Explanatory Note
Supplier Social Assessment							
414-1 New suppliers that were screened using social criteria	-						ARL assessed and ensured 100% assessment of suppliers on social basis.
414-2 Negative social impacts in the supply chain and actions taken	-						ARL ensures to mitigate any significant actual and potential negative impacts within its boundary and control. Impacts of Suppliers are assessed 100 % and no supplier has been found with potential negative social impacts.
Public Policy							
415-1 Political contributions	-						No financial and in-kind political contribution made by the company.
Customer Health & Safety							
416-1 Assessment of the health and safety impacts of product and service categories	107-109						
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	107-109						
Marketing & Labelling							
417-1 Requirements for product and service information and labelling	107-109						



Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG	Explanatory Note
417-2 Incidents of non-compliance concerning product and service information and labelling	107-109						
417-3 Incidents of non-compliance concerning marketing communications	107-109						
Customer Privacy							
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	109						No incident reported.
Socioeconomic Compliance							
419-1 Non-compliance with laws and regulations in the social and economic area	99					16	ARL complies with all country applicable laws, regulations and neither fined nor faced any non-monetary sanctions. No Non-compliance with laws and regulations in the social and economic area was observed during the reporting year



Your comments and suggestions are encouraged.

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. Any other suggestions?

Your Personal Information (Optional)

Name:

Address:

Tel No:

Mr. Anwer Saeed
Manager (Health, Safety, Environment & Quality)
E-mail: anwersaeed@arl.com.pk
Attock Refinery Limited, P.O. Morgah, Rawalpindi
Ph: 92 51 5487041, Fax: 92 51 5487254

