



# ESG REPORT 2024



**Turning Challenges  
Into Opportunities**





# TURNING CHALLENGES INTO OPPORTUNITIES

Attock Refinery Limited (ARL) is a pioneer and pacesetter in Pakistan oil refining industry. The Company has stood the test of time through war and peace since its inception in 1922. Today, ARL has grown into a modern state-of-the-art refinery with a capacity to process 53,400 barrels of crude oil per day.

At ARL, we are fully cognizant of the increasingly challenging times we live in striving to turn challenges into opportunities in time constrained conditions not only to endure the moment but also to sustain the business for the future.

The past few years have seen a series of unprecedented events and challenges. These have stemmed from various factors including, tightening of global supply chain, influx of smuggled petroleum products in the country, high inflation, geopolitical tensions, and international efforts for decarbonization etc. All these factors present significant challenges to every business in Pakistan including the Refining Sector. These challenges call for creative and out of box solutions to survive & thrive.

ARL had been regularly carrying out up-gradation of its processing units and last such major upgradation was completed in year 2016 at a cost of around US\$ 250 million. The Company is now envisaging that investment is required to further improve specification of its products. ARL in collaboration with other local refineries engaged the Government to provide for a comprehensive and vibrant Refining Policy. Ministry of Energy (Petroleum Division) (MEPD), finally approved the Refining Policy for Brownfield Refineries in August, 2023, later amended in February, 2024. With approval of the Refining Policy 2023, ARL is now all set to undertake a major upgradation project for value addition. However, recently, the Government has made certain changes in the Sales Tax Act, 1990 which in turn have nullified the incentives envisaged under the Refining Policy 2023. Refineries have jointly taken up the matter with the Government. It is hoped that the matter would be resolved to the satisfaction of all stakeholders.

Foreseeing reduction of crude oil receipts from the Northern oilfields and to operate its refinery at optimum throughput, ARL approached MEPD and requested for allocation of crude oil from Southern oilfields of the country.

Based on ARL representation, the Economic Coordination Committee (ECC) of Federal Cabinet approved allocation of 5,000 BPD of southern crude oil to ARL and its freight reimbursement through IFEM. 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 the country.

Due to major shift in the Government policy for power generation from furnace fuel oil (FFO) to alternate fuels, FFO disposal was becoming a constraint for ARL's operations. To cater for this challenge, ARL timely made arrangement for export of surplus quantity of FFO. This year the Company successfully exported around 80,000 M. Ton of Low Sulphur Furnace Fuel Oil (LSFO). This strategic move not only provided operational flexibility to the Company throughout the year but also allowed to realise spreads on premium products. As part of our planned marketing strategy, ARL has been regularly supplying petroleum products to the emerging OMCs in addition to the major market players. This diversification has facilitated the disposal of our products. During the last one year, ARL supplied about 100,000 M. Tons of MS/ HSD to the emerging OMCs, which positively contributed towards continuity of refinery operations.

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

Sustainable transformation follows a predictable pattern of build-up and breakthrough. ARL's strategy to overcome challenges comes through sheer resilience by confronting the brutal facts with disciplined thoughts and actions.

ARL shall continue to follow its journey of growth and sustainability by taking proactive strategic decisions with collective wisdom and to expand and upgrade its facilities to meet the future challenges.



## 2024 Financial Highlights

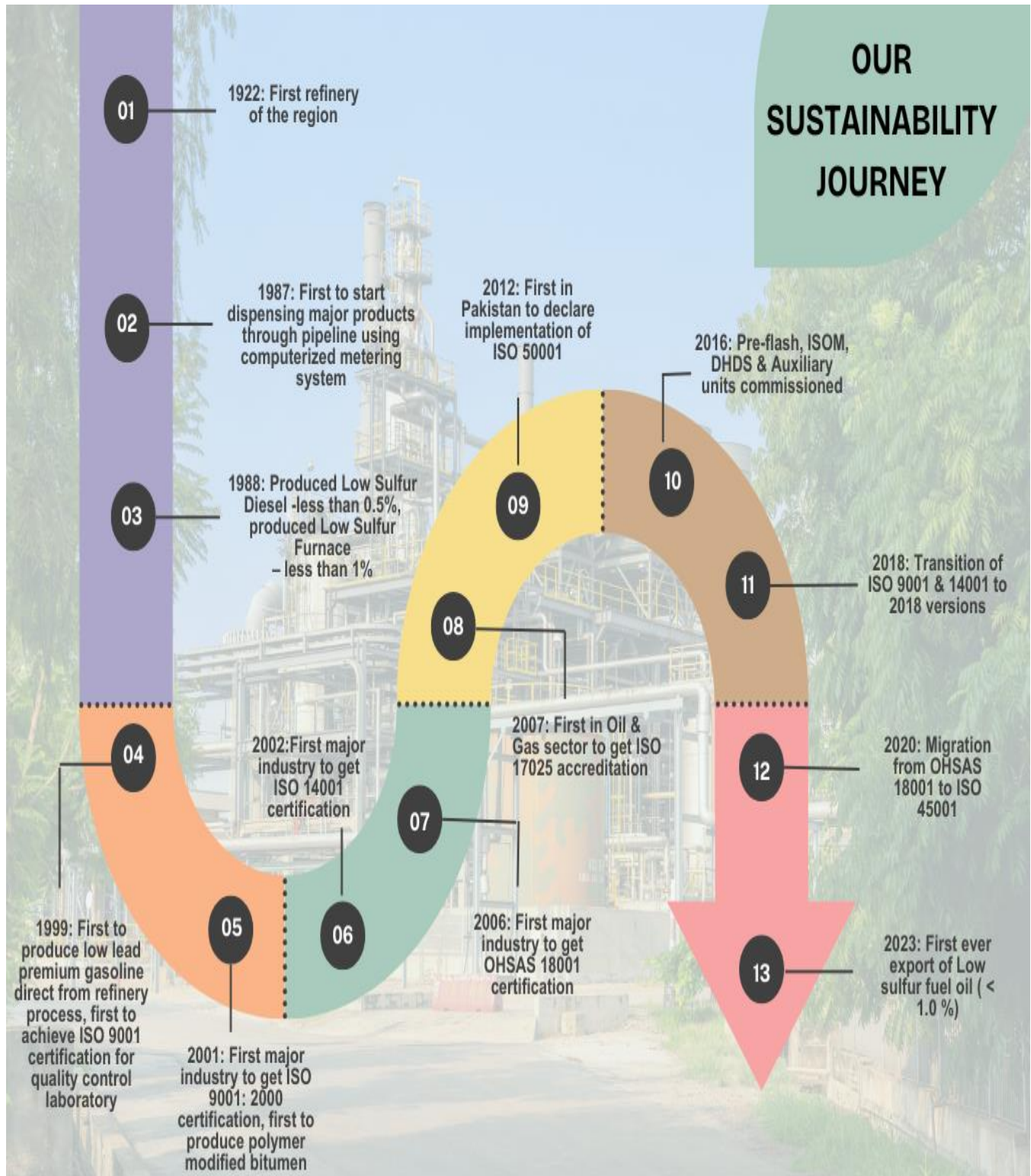
<p><b>Net Sales<sup>1</sup></b></p> <p>382916.6</p>	<p><b>Gross Profit/ Loss<sup>1</sup> (Before Tax)</b></p> <p>28790.47</p>	<p><b>Operating Profit/Loss<sup>1</sup></b></p> <p>43198.49</p>		
<p><b>Earnings before interest, taxes, depreciation, and amortization (EBITDA)</b></p> <p>11.33 %</p>	<p><b>Shareholder's Fund</b></p> <p>62.36%</p>	<p><b>Return on Shareholder's Fund</b></p> <p>18.91%</p>	<p><b>Throughput Volumes<sup>2</sup></b></p> <p>1.833</p>	

1. Rupees in Million
2. Million Tons

## 2024 Non-Financial Highlights

Employee & HR Statistics	Water Utilization	Health & Safety		Value Creation	Environment
<p>Training Hours per Employee)</p> <p><b>9.27</b></p>	<p>Water withdrawal Cubic Meter (m3)</p> <p><b>1,352,000</b></p>	<p>No. of High-level spills (Greater than 10 liters)</p> <p><b>4</b></p>	<p>Total accident incident frequency rate (TAIFR)</p> <p><b>0.68</b></p>	<p>Community Welfare PKR '000'</p> <p><b>18,311</b></p>	<p>Env. Expenses PKR '000'</p> <p><b>56</b></p>
<p>Employee Turnover</p> <p><b>9.19%</b></p>	<p>Water Recycled Cubic Meters (m3)</p> <p><b>248,000</b></p> <p>Percentage of Water Saved by Recycling</p> <p><b>18 %</b></p>	<p>Total Accidents</p> <p><b>7</b></p>	<p>Work-related Fatal Injuries</p> <p><b>0</b></p> <p>HSE Training (Hours)</p> <p><b>6312</b></p>	<p>Training / Education) PKR '000'</p> <p><b>33.63</b></p>	<p>PEQS Compliance</p> <p><b>100%</b></p> <p>Total Renewable Energy Generation Capacity (kWh)</p> <p><b>384.6</b></p>

## Sustainability Journey







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# The Company

## Attock Refinery Limited





## CEO MESSAGE FOR THE STAKEHOLDERS



With over a hundred years of our business history, we understand that staying ahead in the refining sector requires continuous innovation and strategic evolution. By integrating progressive technologies and adapting to industry advancements, we remain dedicated to excellence and long-term sustainability. Our growth and resilience strategies with the vision to be a world class leader, are driven by our core values and an unwavering commitment to ensuring regulatory compliance, environmental stewardship, and employee well-being.

As a responsible national entity, Attock Refinery Limited (ARL) is proactively integrating ESG (Environment, Social and Governance) principles into its operations by improving energy efficiency and optimizing resource utilization. ARL joined ESG Sustain in 2024, an initiative introduced by the Securities and Exchange Commission of Pakistan (SECP) which is an online platform for reporting of sustainability-related disclosures.

Our journey of ESG implementation encompasses various impactful and flagship initiatives including Attock Hospital Limited, with its healthcare services that exemplify our commitment to social welfare and community well-being. The Attock Sahara Foundation extends our outreach further, focusing on philanthropy and support for marginalized groups. Our Morgah Biodiversity Park, spanning 28 acres, the ARL nature reserve at Shahpur, covering 32 acres, and our 25 acres of organic vegetable and fruit orchards, predominantly maintained through solar power and drip irrigation, demonstrate our dedication to environmental conservation. The plantation of 10-12 thousand saplings each year is also an example of ARL's dedication. These endeavors are living examples of our commitment to the conservation of natural habitats, biodiversity, native ecosystems, and offsetting our carbon footprint. Furthermore, National Cleaner Production Center (NCPC) which is supported by ARL in many community development and environmental initiatives, carried out a number of tree plantation & kitchen gardening campaigns. It also provides





financial support to universities for environmental research & development projects along with community awareness and promotion of sustainable development. It supported approximately 60 pilot projects in the year 2024 with different universities across Pakistan.

ARL has undertaken numerous initiatives to combat climate change, showcasing its commitment to climate actions. ARL integrated the green plan into its business strategy by embedding environmental management systems within its core operations. In 2024, we continued our commitment to renewable energy, expanding our total solar power capacity from 305 to 384.6 kW, directly contributing to carbon offsetting. We further improved our Greenhouse Gases (GHG) emission reporting by incorporating Scope 2 emissions. In line with our strategy of prevention and minimization of negative impacts on the environment, we are actively working on the next Upgradation project for which the licensor’s Front End Engineering Design (FEED) for major units of the Upgradation project has been completed in 2024. Further pace of the project’s progress is linked with an unresolved hurdle due to a change in sales tax law which has nullified the incentives envisaged under the “Pakistan Oil Refining Policy 2023 for Brownfield Refineries”.

Addressing water scarcity remains a key priority for ARL, driving the implementation of innovative water conservation initiatives. These include the further enhancement of the drip irrigation system in and around the refinery, coupled with kitchen, car wash recycling systems, and budgetary allocation of PKR 300 million to upgrade boiler water treatment technique using Reverse Osmosis (RO) leading to substantial annual water savings. In the reporting year, recycled sources accounted for 22.53% of the total water consumed. Moreover, we maintained 100% compliance with Punjab Environmental Quality Standards (PEQS) in 2024 as well, reinforcing our commitment to environmental protection. ARL is also complying with all relevant laws and regulations including those related to human rights which address both workers and public health safety. We achieved 3.58 million Safe-man hours since the last Lost Time Injury. In 2024, Total Accidents / Incidents Frequency Rate (TAIFR) was recorded at 0.68, well below the limit of 1.2.

Although refining margins have declined compared to previous years, the company has maintained financial stability through strategic efforts and efficient operations. As we move forward, ARL remains dedicated to tackling the evolving challenges of digitalization, energy transition and technological advancements proactively through best practices and innovation to ensure sustainability. Collaboration and stakeholder engagement are key to this journey. We welcome your support and insights towards achieving climate resiliency.

**M. ADIL KHATTAK**  
**CHIEF EXECUTIVE OFFICER**

## OUR VISION, MISSION AND CORE VALUES



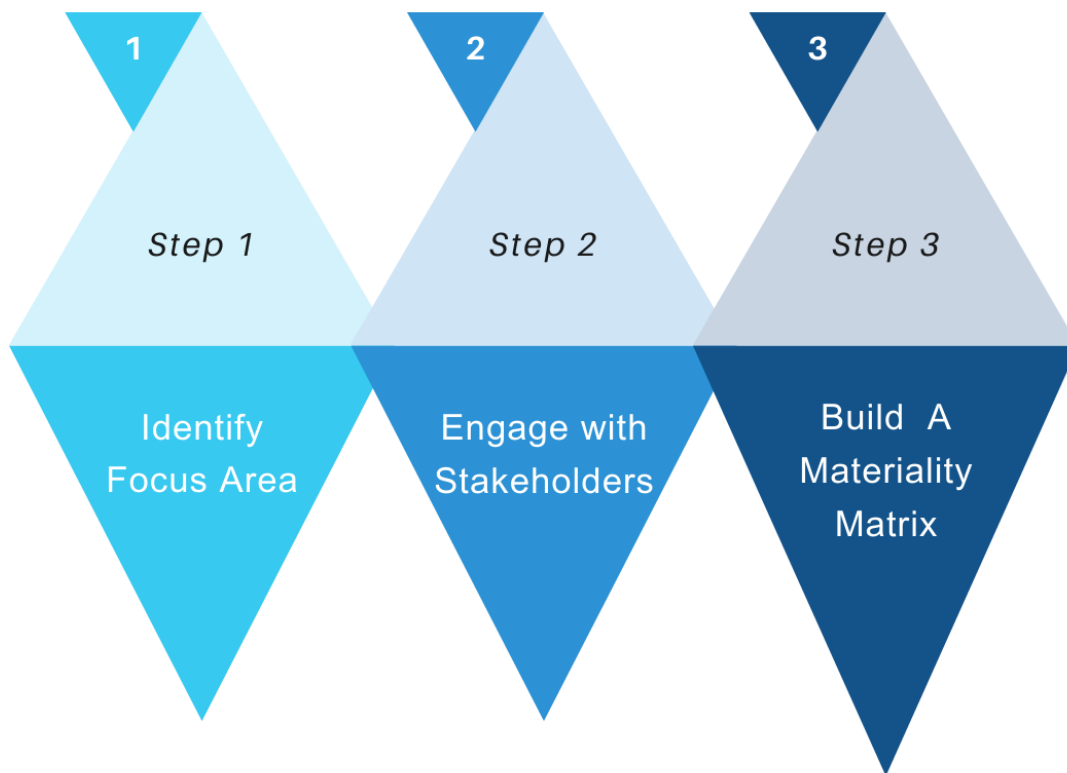


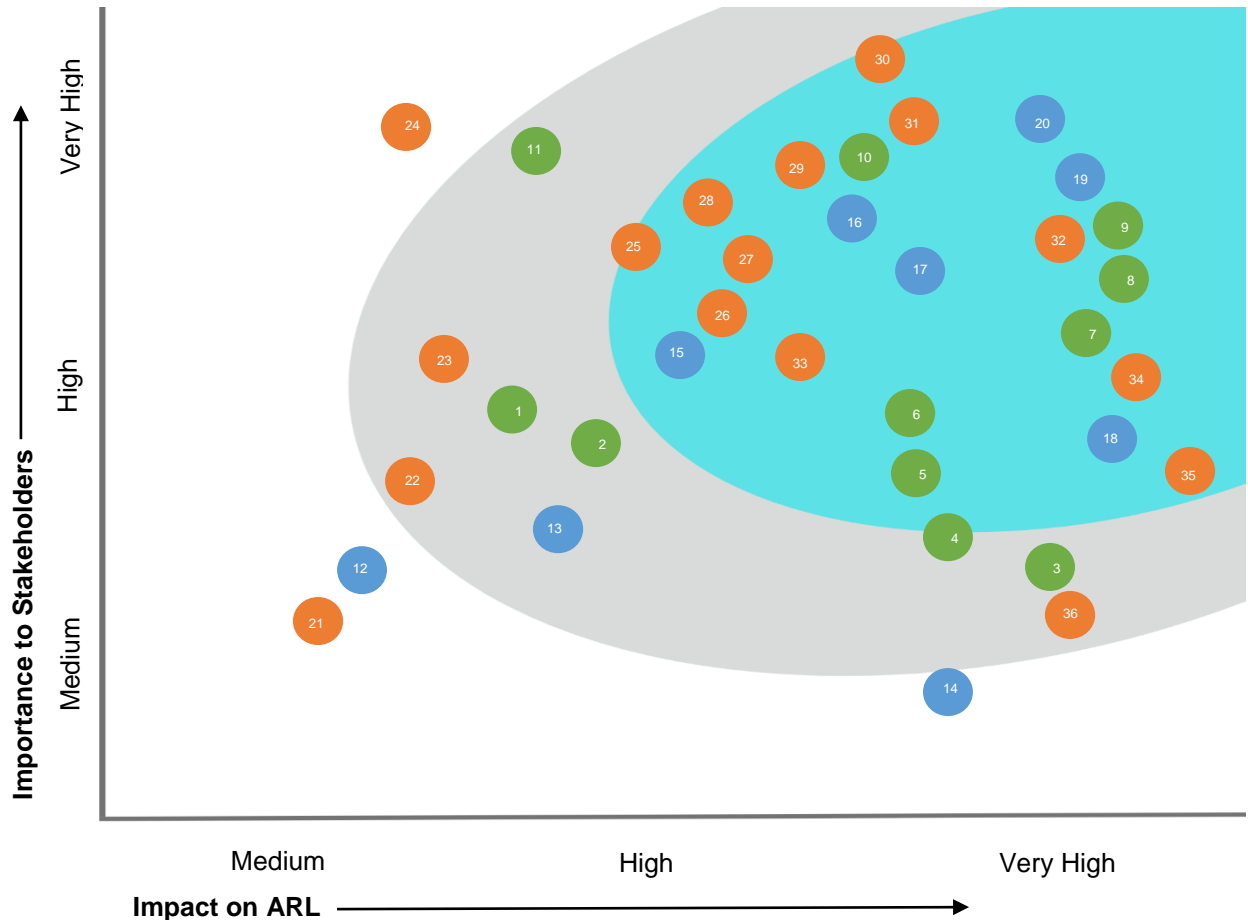
## MATERIALITY ASSESSMENT

### Basis of Materiality Assessment

1. Company Objectives, Strategies, Policies and Programs, Vision, Mission, Core Values.
2. Auditors Reports.
3. Independent Judges Feedback on our previous sustainability reports.
4. GRI Standard & UNGC Indices.
5. Customer Meetings, Surveys and Feedback.
6. Community Meetings.
7. Educational Institutions.
8. ARL Employees.
9. Legislative Guidelines.

### Materiality Assessment Process





**Environment**

- 1. Biodiversity
- 2. Oil Spill
- 3. Water Conservation
- 4. Waste Management
- 5. Air Emissions
- 6. GHG Emissions
- 7. Tree Plantation
- 8. Water & Effluents
- 9. Legal Compliance
- 10. Climate Change
- 11. Renewable Energy

**Social**

- 12. Sports & Recreational Activities
- 13. Diversity & Inclusion
- 14. Supply Chain Management
- 15. Industry Academia Partnership
- 16. Local Communities & Issues
- 17. Human Rights
- 18. Employment Practices
- 19. Non- Discrimination
- 20. Occupational Health & Safety

**Governance**

- 21. Industry Association Participation
- 22. Transparency
- 23. Energy Management
- 24. Resource Availability
- 25. Asset Integrity
- 26. Ethics & Integrity
- 27. Taxes
- 28. Public Policy
- 29. Customer Satisfaction
- 30. Emergency Preparedness & Response Plan
- 31. Economic Impacts
- 32. Conflict & Security
- 33. Land & Resource Right
- 34. Whistle Blowing
- 35. Anticorruption
- 36. Cyber Security





## RISK & OPPORTUNITY MANAGEMENT

Risk management is crucial part of the governance since there are many risks having associated uncertainties and opportunities which needs immediate and strategic decisions and directions. Our performance, risks and opportunities related to ESG topics including climate change, are identified, evaluated and managed by the company leadership with the oversight of the Board.

At ARL a “Risk management & Strategic Planning Committee” headed by CEO comprised of all departmental heads continually oversees the identification, assessment, and response to significant ESG and climate related Risks & opportunities. The Risk–Management committee team members review and re-assess risks & opportunities biannually 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. CEO and each Head of department is responsible, and accountable, for managing risk and risk mitigation & exploring opportunities within their domain. Directions and guidance are provided by the Board & senior management to the operational levels for achieving the targets accordingly. The required competencies of the relevant teams responsible for actions against ESG & climate related targets are being ensured through trainings and incentives in the form of appreciation letters and monetary benefits.

We use the same criteria for all types of sustainability & climate related risks & opportunities identification, adopting a systematic methodology which is informed by a wide range of information sources. Our approach to management of risks and opportunities will continue to evolve as the depth of understanding grows across our organization. We are open to embed consideration of transition in our business planning and decision making resulting from the introduction of emerging technologies and change scenarios.

Our strategy is focused on the prevention and minimization of negative impacts on the environment, Society & business 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 the business maintains its resilience and is positioned for growth.

We continually evaluate the climate-related risks and opportunities associated with these different scenarios to understand where we should invest capital to strengthen our resilience/existing assets and where to invest in new growth opportunities.

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.

<b>Short-term</b>	<b>Medium-Term</b>	<b>Long-term</b>
<b>0-3 Years:</b> Focuses on immediate risks and opportunities, including regulatory changes, market shifts, or short-term operational impacts.	<b>3-10 Years:</b> Addresses emerging risks such as technological innovations, shifts in market demand, or changes in consumer behavior.	<b>10+ years:</b> Involves broader, more systemic issues such as climate change, resource scarcity, or shifts in global socio-economic dynamics.

## ➤ Sustainability Related Risk

### Risk

### Management of Risk & Opportunity

#### Upgradation of refinery to produce Euro-V compliant fuels

**Impact & Consequence:** Government has implemented Euro-V specification for PMG and HSD. Refineries producing lower than Euro-V grade products is being penalized for quality differential in product price. In order to achieve Euro-V compliance, refinery has to undergo an upgradation project costing more than 700 million USD.

**Time Frame:** ◆

**Actions:** Currently ARL is meeting the sulfur content requirement of Euro-V gasoline while HSD produced at ARL meets the Euro-III specifications.

Further subjected to the approval of ‘Pakistan Oil Refining Policy for Brownfield Refineries 2023’, ARL is fully committed to invest in the refinery upgradation projects for the production of environment-friendly Euro-V compliant fuel. In this context, the licensor’s Front End Engineering Design (FEED) has been completed for major units. As a next step, Project FEED including utilities and offsite will be carried out followed by detailed engineering, procurement, construction and commissioning (EPCC). However, there is still an unresolved hurdle due to a change in sales tax law which has annulled incentives envisaged under the Refining Policy. The matter has been taken up with the government for early resolution.

#### Water Management

**Impact & Consequence:** Constraints to growth, decrease in profitability, rising costs for raw-water reconditioning, decreased water tables due to climate change.

**Time Frame:** ◆

**Actions:** 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 purposes. Availability of water sufficient supply to ARL water reservoirs as per demand is very critical for smooth refinery operations. 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.

A study for zero effluent has been carried out and its implementation has started in which at initial stage a RO unit is being planned to be installed at Boiler house. Optimization of water usage is an ongoing activity that is adopted all year round in general but in dry month in particular. Moreover, finding new water resources and drilling for deep tube wells on yearly basis is continued to ensure sustainable water supplies. water conservation measures are being implemented at process units and at the colony area.

Further land surveys in the ARL vicinity are planned to identify potential future water availability sites. Efforts to arrange water supply for the colony area from alternative government sources will also be explored. Feasibility for using rain water as an alternate source would be considered.





### Critical Incident Risk Management

**Impact & Consequence:** Critical Incident Risks in the refinery may be Operational, Environmental & inadequate security that may lead to any disasters like Fire, oil/chemical spills, Process accidents, explosions/terrorist attack, and other hazardous material release. The scale and severity of the consequences largely depend on the type of disaster, the area affected, and the company's preparedness and response.

These risks can be far-reaching and devastating for a company, affecting various aspects of its business, including financial, performance, reputation, and long-term sustainability

**Time Frame:** ◆

**Actions:** The operational risks are being managed with frequent process safety & operational audits, periodic reviews, Inspections, following Standard Operating Procedures and complying with API, NFPA codes and Govt. rules & regulations. The maintenance of necessary firefighting and other equipment for handling emergencies & training of refinery staff are being ensured and monitored regularly to minimize the chances of occurrence.

The Environmental risks associated with critical incidents are release of hazardous gases, fall out of fly ashes in case of fire, release of oil from refinery etc. The necessary arrangements are in place to curtail the associated risks i.e. the burner and flare stacks have been designed on the basis of dispersion models to minimize the adverse environmental impacts, Effluents are being exit from refinery through a number of API separators, ETP and proper containments like C-Sump and E-separators are being constructed to cater any unintentional oil release with effluent from refinery. The environmental risks are being monitored regularly in order to take necessary actions to avoid any damage to environment in case of disaster.

Security-related risks are managed through enhanced vigilance round the clock and strengthening security measures. Continuous assessment of national and international environment for evaluation of threat assessment for mounting matching response. Liaison with Law Enforcement Agencies (LEAs) is being ensured for provision of early warning on impending threat and assistance if required.

### Hazardous & Non-Hazardous Materials Management

**Impact & Consequence:** Oil refineries generate significant amounts of hazardous and non-hazardous waste, including sludge, spent catalysts, oily wastewater, chemical residues, and contaminated soil. Improper handling, storage, and disposal of these materials can lead to soil and water contamination, regulatory fines, reputational damage, and safety hazards for workers and surrounding community

**Time Frame:** ◆

**Actions:** ARL has implemented Solid Waste Management procedure that ensure proper segregation, labeling, and storage of hazardous and non-hazardous waste to prevent contamination and eliminate the risk of fire. Non-hazardous waste is recycled & reused where possible while hazardous waste is disposed through EPA certified contractors that ensure safe disposal mechanisms with minimal environmental impacts. By proactively managing waste and hazardous materials, ARL has reduced its environmental liabilities by ensuring its regulatory compliances.

### Employee Turnover & Staff Retention

**Impact & Consequence:** ARL is facing some serious turnover challenges due to opening of overseas employment

**Actions:** The management is fully cognizant of enrolling HR of the set standards, provision of healthy workplace environment, reasonable salaries and perks, career

opportunities and inflation, Pak currency fluctuation and domestic and international market volatilities, hence retention in key areas is a major challenge.

The key consequences of employee turnover include Increased Recruitment and training Costs, Loss of Organizational Knowledge and Expertise & Negative Financial Impacts.

**Time Frame:** ◆

progression, training and development, ensuring work-life balance, provision of accommodation and recreational facilities. These are some of the measures to keep turnover under check.

ARL is also 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 Employee engagement survey-2024) to keep a watch on the market dynamics.

In order to gauge the turn over all round the year a corporate target has also been defined for critical and management staff.

In the year under review the turnover remained low i.e. 7.36% for critical and 5.82 % for all management staff against the limit of < 10 & 12% respectively.

**MIS/Data Backup / Cyber Security**

**Impact & Consequence:** MIS, data backup, and cybersecurity risks can severely impact a company by causing operational disruptions, financial losses, reputational damage, regulatory non-compliance, and data breaches. Data breaches may expose sensitive customer or corporate information, damaging trust and attracting legal penalties. Insufficient backups can result in permanent data loss, affecting decision-making and long-term planning.

**Time Frame:** ◆

**Actions:** The steps taken for MIS/data backup of ARL servers hosted in AITSL include a backup routine with automated procedures for daily onsite backups and placement of weekly offsite backups, with a retention period of one month. Daily offsite backups will include ARL data from all systems hosted by AITSL. To counter possible cyber-attacks, several measures have been taken in collaboration with AITSL such as changing the public to private IP scheme, upgrading 99 PCs from Windows 7 to Windows 10 (as Windows 10 is more reliable and secure), conducting IT security awareness sessions on a regular basis with end users, and implementing stricter anti-spam policies. Additionally, direct delivery of mails to the recipient server has been ensured by bypassing the ISP mail server. ARL has also recently awarded a contract to provide Vulnerability Assessment and Penetration Testing (VA/PT) services to a reputable firm. The report on this activity will be beneficial in further strengthening the internal controls on MIS and cybersecurity areas.

**Change in Quality & Quantity of Crude Oil**

**Impact & Consequence:** 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.

**Actions:** Having four distillation units at ARL provides flexibility of operation to handle various types of crudes differing widely in specifications.

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



**Time Frame:** ◆

effect. Specialized equipment's are being used for monitoring of contaminants ensuring smooth operation. ARL corrosion monitoring program is also in place with regular monitoring and inspection.

ARL was also pursuing GOP for diversion of southern crude to manage the crude depletion in northern region and operate at maximum operating capacity.

**Market Trends**

**Impact & Consequence:** Low throughput, Uncertainty in Business, OMCs erratic PMG/HSD upliftment & low demand for Furnace resulting a decrease in profitability

**Time Frame:** ◆

**Actions:** 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.

GOP 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 for incentives for refineries and will allow ARL to proceed with implementation of its projects to produce Euro V PMG and Diesel but there is still an unresolved hurdle due to a change in sales tax law which has annulled incentives envisaged under the Refining Policy.

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 on continuous basis to ensure refinery operation. This allowed the refinery to run at optimum capacity during high margin period.

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

**Adverse Change in Tax and other Laws**

**Impact & Consequence:** An adverse change in tax and other laws can have a significant impact on businesses, depending on the nature and scope of the legal or regulatory changes.

**Time Frame:** ◆

**Actions:** Changes in tax laws will be reviewed and any adverse change will be taken up with GOP for modification through the forum of Refineries working group, OICCI and OCAC.

**Circular Debt**

**Impact & Consequence:** Reduced Industrial Activity, Cash flow Shortfall

**Time Frame:** ◆

**Actions:** Overdue receivables from OMCs will be addressed through follow-ups with GOP and, if necessary, by curtailing supplies. Cash flows will be managed by withholding payments for crude oil to E&P companies where GOP has a stake.

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### Pricing Formula

**Impact & Consequence:** Uncertainty in business activity

**Time Frame:** ◆

**Actions:** 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. Issues relating to pricing of products and crude oil will be taken up with GOP for resolution through the forum of OCAC.

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### Gross Refinery Margins (GRM)

**Impact & Consequence:** Uncertainty in Business Activities

**Time Frame:** ◆

**Actions:** Refining Policy will be followed up jointly with other refineries for inclusion of Tariff Protection in pricing of HSD and PMG.

Crude oil/condensates which do not suit refinery's configuration/GRM will be declined systematically or discount will be negotiated with the crude suppliers.

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### Climate Related Risk

**Impact & Consequence:** ARL can face financial, operational, and regulatory challenges due to greenhouse gas (GHG) emissions, shifting weather patterns, carbon pricing policies, and emerging fuel regulations.

**Time Frame:** ◆

**Actions:** ARL is committed to adopting best available technologies, improving energy efficiency, and implementing green building designs. The company is planning for upgrading its infrastructure to produce Euro-V compliant fuels and installing a Flare Recovery System to reduce emissions.

To address extreme weather risks, ARL has reinforced critical infrastructure, enhanced drainage systems, and for water scarcity, the company has optimized water usage through drip irrigation, rainwater harvesting and efficient cooling system in addition to water conservation measures at source.

ARL is engaging with policymakers to align with evolving regulatory frameworks. Moreover, monitoring advancements in electric vehicles and alternative fuel technologies enables the refinery to adapt its business model and ensure long-term sustainability and compliance. Further detailed climate-scenario analysis is conducted to assess the impacts of the climate-related risks on our business.

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### Occupational health and safety of employees and safety of assets

**Impact & Consequence:** High absenteeism rate, direct and indirect accident cost and lower productivity

**Time Frame:** ◆

**Actions:** In order to minimize the chances of accidents and incidents, the company carries out a detailed analysis of its operations and possible risks, consequently adjusts the existing processes, including increased control over the efficiency of equipment, employee training in the field of occupational health and safety, and permanent readiness for emergencies'. The company plan to further improve the process of hazards identification, risk assessment and use of risk based approach for HSE planning.





## ➤ Climate-Related Risk

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 forums.

### Potential Risks & Opportunities:

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

- 1- Potential Transitional Risks
- 2- Potential Physical Risks

### 1. 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 Risk: Time Frame: Short-Medium Term

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

The government has implemented Euro-V fuel specifications for PMG and HSD in order to improve air quality, that has resulted negatively on ARL profitability in year 2024. In order to achieve the required fuel standards, the company is in the process of plant upgradation project which is subjected to government facilitation. With the recent emphasis on climate related issues, the GOP is in the process of formulating new rules & regulations. In year 2024, The government announced Pakistan Policy Guidelines for Trading in Carbon Markets to foster low-emission, sustainable economic development in Pakistan & Enhance climate resilience, environmental integrity, and social well-being. Moreover, the pressure from international community regarding the imposition of Carbon tax/levy on fossil fuels is mounting. The impact of future policies/regulations could not be predicted at this moment as Pakistan being a developing economy and oil deficient country mostly relying on imported crude and petroleum products. Under these circumstances any policy interventions by the government would be assessed with respect to economic growth and progress on NDCs (Nationally determined contributions).

#### ➤ Technology Risks: Time Frame: Short-Medium Term

Advances in battery technology and electric vehicle market penetration could reduce demand for traditional transportation fuels. Technology break-through 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.

With a growing economy, it is important to decarbonize the transport sector to limit emissions. The sector largely consumes oil-based energy and there is significant scope for emissions mitigation. Considering the global trend toward clean transportation modes, and assessing energy resource availability within the country, electrification of the transportation system is the most obvious technological option to mitigate emissions from the sector.



The electrification of transport requires the extensive use of electric vehicles either as battery electric vehicles or as plug-in hybrid electric vehicles. For their widespread use, the installation of a large-scale charging infrastructure, either domestic or public, is critical.

At present, the penetration of electric vehicle in Pakistan is limited and the market is dominated by oil-based vehicles. There are significant barriers to transitioning to electric vehicles, such as limited charging infrastructure and power outages. Electricity breakdowns are a frequent occurrence, and hence electric vehicles may not work very successfully in the short term. There is no substantial growth observed in year 2024 in Pakistan, hence this risk remains as it was in the year 2023.

- **Market Risk:**  
**Time Frame: Medium-long term**

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

## 2. 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, supply chain and assets.

- **Acute physical risk:**  
**Time Frame: Short-Medium Term**

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

- **Chronic Physical Risk:**  
**Time Frame: Medium-long term**

Sea level rise or non-availability of fresh water could impact our operations.

- **Liability Risks:**  
**Time Frame: Short-Medium Term**

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.

### 3. Use of Liquid Renewable Fuel as Blending Component:





Blending of Liquid renewable fuels which are derived from biomass and waste feed stocks and include ethanol, biodiesel, renewable diesel and sustainable aviation fuel could further reduce the life cycle intensity of the fuels. Because renewable fuels are sourced from biomass materials (e.g., plants and animal fats) the CO<sub>2</sub> released from combusting these fuels is part of the current carbon cycle and offset by the CO<sub>2</sub> recently removed from the atmosphere. As a result, combusting these renewable fuels does not increase net atmospheric CO<sub>2</sub> levels.

Pakistan is preparing to launch an ethanol-blending program to reduce reliance on imported fuel, lower carbon emissions, and promote renewable energy. The government is expected to approve a plan that would allow petrol to be mixed with up to 5% ethanol.

## 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 conduct scenario planning to evaluate how differing future energy outcomes 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.

It is important to remember that scenarios are hypothetical concepts; they are not sensitivity analyses. In this year's report, we apply the following hypothetical scenarios:

- 1. Stated Policies (STEPS)/Business as Usual (BAU) Scenario:** 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 APS reflects what governments say they will achieve, the STEPS looks 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).

### Low carbon Scenario

- 2. The 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 CO<sub>2</sub> 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.

## Climate Scenario Analysis for Refining in Pakistan:

The energy demands of a growing population who are seeking to improve their standard of living will continue to rely on the ability to access reliable and affordable sources of energy. Long-term energy security & sustainability must be achieved in parallel to carbon-reduction ambitions to better ensure economic and societal development. We believe energy supply and technologies will continue to grow, and we are excited to be engaged in its growth. We believe the disclosures and analyses in this report will help demonstrate that ARL is well positioned for the future, even in a carbon-constrained economy.





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.

Oil demand in the country is driven by two sectors—the economic sector and the power sector. The power sector demands major contributions from Furnace Oil, which is already in the process of being phased out by 2030. Pakistan, in line with the rest of the world, has largely been dependent on the consumption of POL products by the transportation sector. The two highly consumed POL products—namely motor spirit and high-speed diesel (HSD)—are the primary energy providers for the transportation sector. Historical trends show that, oil and POL products will constitute the major part of the energy mix for serving the sectoral demand. Because transport is a major sector in oil and POL products consumption, its demand will be met by local production and imports. As per Pakistan energy yearbook 2022-23, 81.05% petroleum products used by the transportation sector compared to 76.22 % in year 2021-22.

The demand for the transport sector, coupled with the recent industrial growth, demographic changes, and economic progress, will increase the overall consumption from the current 16.8 million Tons in 2024 to nearly 19.0 million Tons over the next five years (FY 2028- 29) with steady annual increases as reported by OCAC Oil Report 2023-24. The report attributes this growth to improved economic indicators, including economic stability, a stable exchange rate, potential improvements in transport infrastructure and population growth. However, the report also highlights challenges that may affect petrol sales, such as unresolved issues related to the pending brownfield refinery policy, environmental constraints and a lack of policies supporting the transition to alternative fuel sources.

The refined products that we produce at our refinery are critical to Pakistan’s economy and owing to the above discussion expected to be critical for the foreseeable future in BAU & even under low carbon scenarios.

ARL is the only refinery operating on 100% indigenous local crude. During the last 8 years, the production of oil has sharply declined in the upstream oil sector. Historical trends show a decline in the local oil production from 94,493 BBL/day in 2015 to 69,513 BBL/day in 2023, until and unless any major oil sources are discovered. With a similar trend, the future projections show a further decline in oil production from 62,663 BBL/day by 2025 to 51,029 BBL/day by 2030. The declining trend may impact ARL profitability in the medium-long term. Presently ARL process crude from northern part of the country but to cater the declining crude supplies, efforts are being made to ensure sufficient availability of crude oil from the southern part.

Despite the planned expansion of local refining capacity, local crude oil processing has been estimated to diminish by more than 30 percent by 2030 compared to 2020; whereas the import of crude oil has been estimated to increase by more than 60 percent by 2030. As a result, the share of local POL products processed through local refineries will be boosted enormously, while the share of imported POL products will diminish significantly by 2025.

Pakistan is importing approximately 50% petroleum products while ARL share in the remaining 50% is only 10% in the year 2024. ARL is the only refinery in the country operating on indigenous crude oil, moreover ARL feed area is mostly northern part of the country hence we foresee a very meager affect at ARL’s operations in BAU & low carbon scenarios. However, in low carbon scenario the profitability may affect.

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 both BAU & low carbon 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.

### 1. 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.

### 2. Resilience to Transitional Risks in BAU & NZE Scenario

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 have committed to achieving Net Zero by 2050 on our Scope 1 and 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 de-carbonize 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 upgradation 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**

In 2024, we further increase the capacity of our PV solar array at different locations at ARL from 1 kwh/ year to approximately kwh/year. 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 (Acute & Chronic) In BAU & NZE Scenario

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.

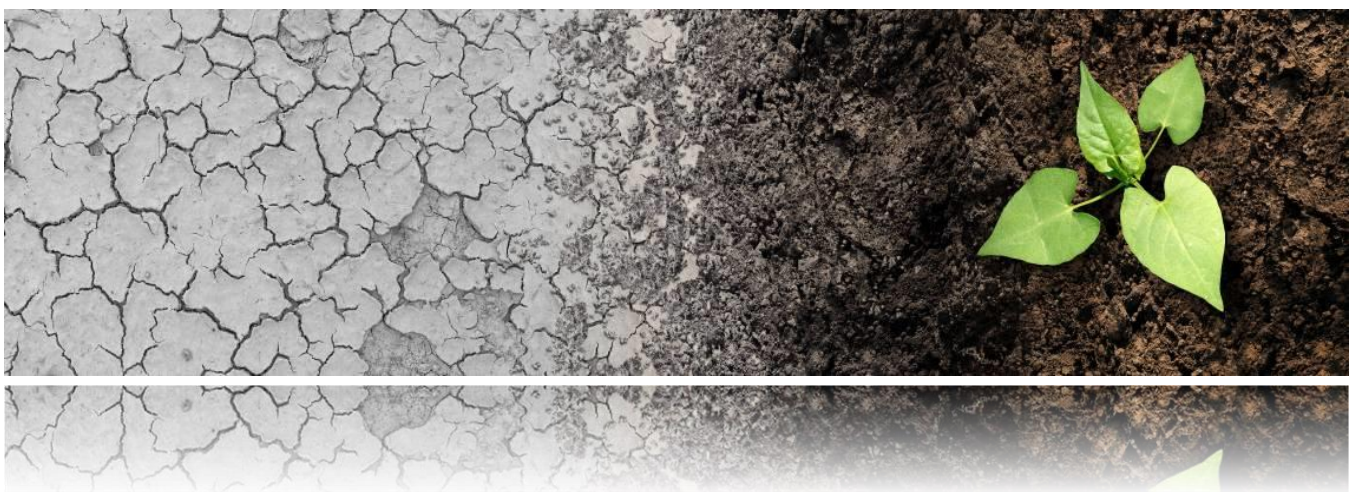
Attock Refinery Limited is situated at Rawalpindi at a height of 517 meter above sea level. The most potential physical climate related risk at Rawalpindi is: Varying precipitation, flash flooding and rising temperatures. Higher precipitation has the potential to overwhelm the catchment area of Nullah 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 heatwaves from higher temperatures will increase water demand. (Reference: <https://www.adb.org/projects/documents/pak-55236-001-rrp>)

Based on the above discussion, we consider that there is no direct risk to ARL operation and location due to flash flooding in Nallah 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 counter any acute physical risk, ARL has an Emergency Response Procedure and plan which is being implemented in BAU scenario to ensure business continuity and crises management. Continuous Risk assessment is being done to review and update the vulnerability of core operated and non-operated production assets & identify and assess impact of physical risks on finances, operations risk and wider Business.

To address rising temperature and subsequent effect on ground water availability issue, ARL has planning of 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.

In the year 2023-24, ARL managed to consume 6.73 % less water than target value of 38000 Gph while water availability was ensured 100 % against the target of 47000 Gph.







## ABOUT THIS REPORT

We are pleased to share the Annual ESG Report-2024 from Attock Refinery Limited (ARL) which depicts the progress of our sustainability journey for 2024.

**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:

 01	 02	 03	 04	 05	 06
<i>Emissions &amp; Energy</i>	<i>Natural Environment</i>	<i>Economic &amp; Social Contribution</i>	<i>Workforce Diversity &amp; Development</i>	<i>Business Sustainability</i>	<i>Security &amp; Safety</i>

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,2024 to 31 December,2024 for social and environmental data while financial data reporting period starts from 01-July,2023 to 30th June 2024. The content integrates information from the most recent published Annual Report and the ESG Report 2023. 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, Cnergyico,

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 2023:

This report is in accordance with GRI Standards, and we have also covered the Sustainability Accounting Standards Board (SASB) Standards with the industry specific version of June, 2023. We have updated our business sustainability issues as mentioned in the SASB which are mandatory to be covered for a company lying in “Oil & Gas – Refining & Marketing” category. The 2024 ESG Report includes details and data from the 2023 ESG 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.

## OUR ESG REPORTING TEAM

### ESG REPORTING TEAM



**M. Adil Khattak**  
**CEO**

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**  
**HOD 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 a member of various management committees including risk management and Central Health, Safety & Environment Committee.



**Muhammad Tahir Hussain**  
**Deputy Manager (E&Q)**

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**  
**Environment 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. Wael G. Pharaon  
Non-Executive Director



Mr. Tariq Iqbal Khan  
Independent Non-  
Executive Director



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



Mr. Mohammad Haroon  
Independent Non-  
Executive Director



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



Mr. Abdus Sattar  
Non-Executive Director



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



Mr. Shamim Ahmad 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.



**TARIQ IQBAL KHAN**  
CHAIRMAN



**SHUAIB A. MALIK**  
MEMBER



**ABDUS SATTAR**  
MEMBER



**SHAMIM AHMAD KHAN**  
MEMBER



**BABAR BASHIR NAWAZ**  
MEMBER

### ➤ HR & REMUNERATION COMMITTEE

The prime role of the Human Resource & Remuneration (HR&R) Committee is to give recommendations to the Board 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. The Committee also considers recommendations of CEO on such matters for key management positions.



**MOHAMMAD HAROON**  
CHAIRMAN  
(INDEPENDENT DIRECTOR)



**SHUAIB A. MALIK**  
MEMBER



**BABAR BASHIR NAWAZ**  
MEMBER



**M. ADIL KHATTAK**  
MEMBER

## COMPANY INFORMATION

### CHIEF EXECUTIVE OFFICER

M. ADIL KHATTAK

### CHIEF FINANCIAL OFFICER

SYED ASAD ABBAS (FCA)

### COMAPNY SECRETARY

SAIF UR REHMAN MIRZA (FCA)

### AUDITORS

A.F. FERGUSON & CO.

CHARTERED ACCOUNTANTS

### LEGAL ADVISORS

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](mailto:info@arl.com.pk)

Website: <https://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 more than 100 years of successful operations, ARL's plants have been gradually upgraded/replaced with state-of-the-art hardware to remain competitive and meet new challenges and requirements. 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 capacity of Refinery was increased by the addition of two distillation units of 20,000 and 5,000 bpd capacity, respectively. Due to their vintage, the old units for lube/wax production, as well as Edeleanu, were closed down in 1986. Another expansion and an upgradation 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/Upgradation Project completed in November, 2016 comprised the following:

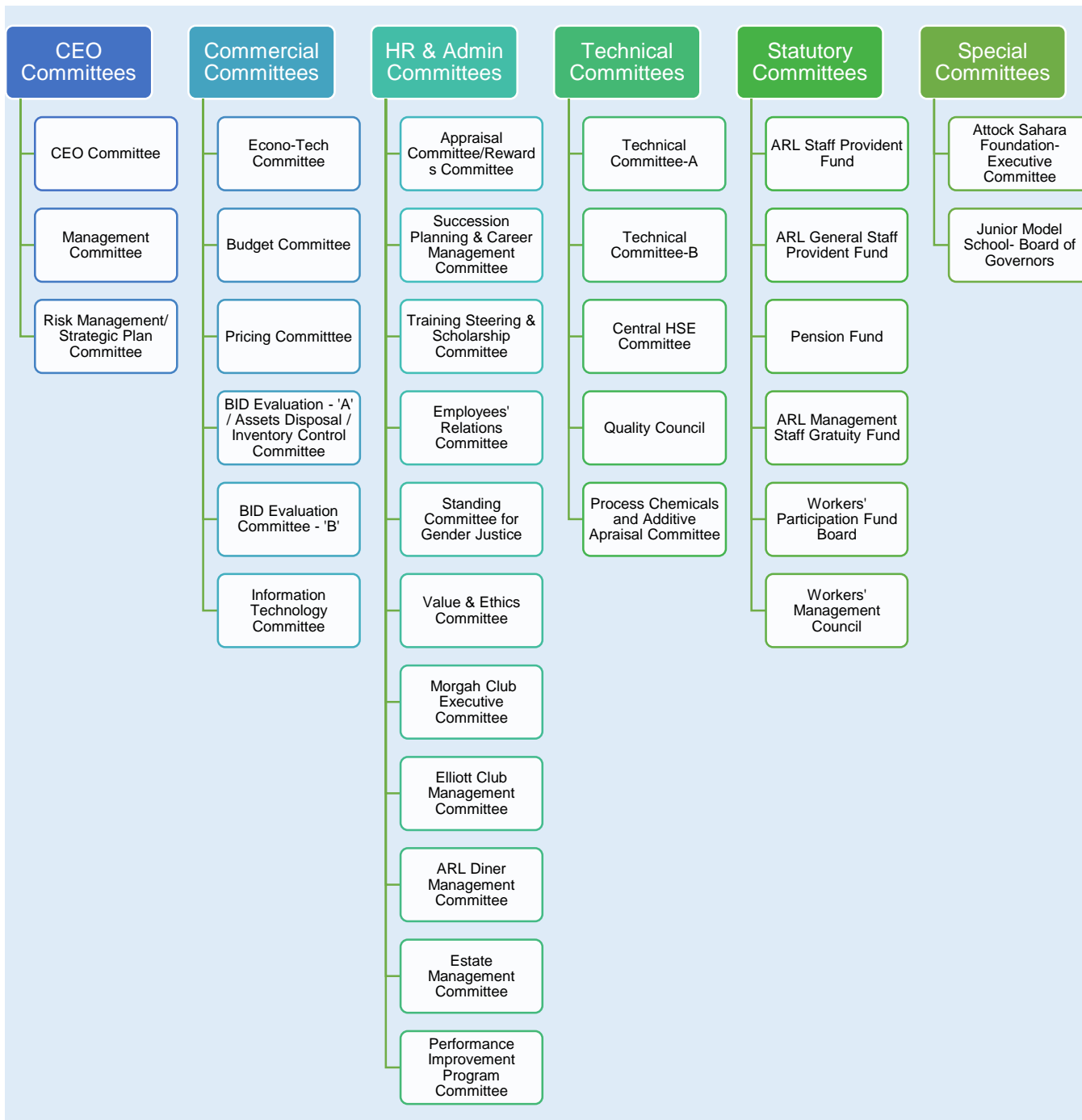
- Diesel Hydro Desulphurization (DHDS) unit: This has reduced Sulphur contents in the High Speed Diesel to meet Euro II and Euro III specifications;
- Pre-flash unit: This has increased refining capacity by 10,400 bpd;
- Light Naphtha Isomerization unit: This has enhanced production of Premium Motor Gasoline by about 20,000 M. Tons per month;
- Expansion of existing Captive power plant by 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 implement ISO 50001 (Energy Management System).

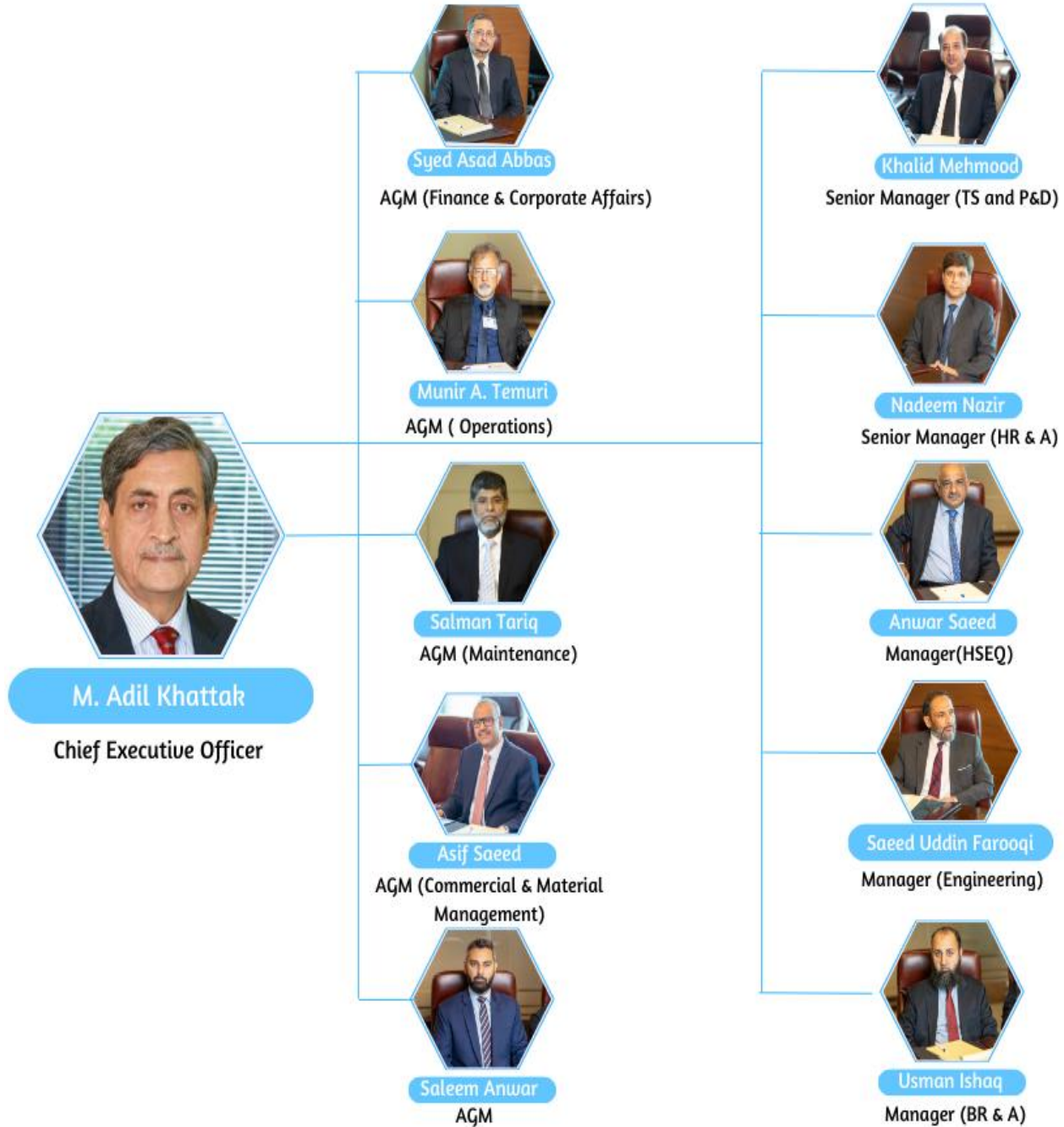


## MANAGEMENT COMMITTEES

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 MANAGEMENT TEAM



# STAKEHOLDER ENGAGEMENT

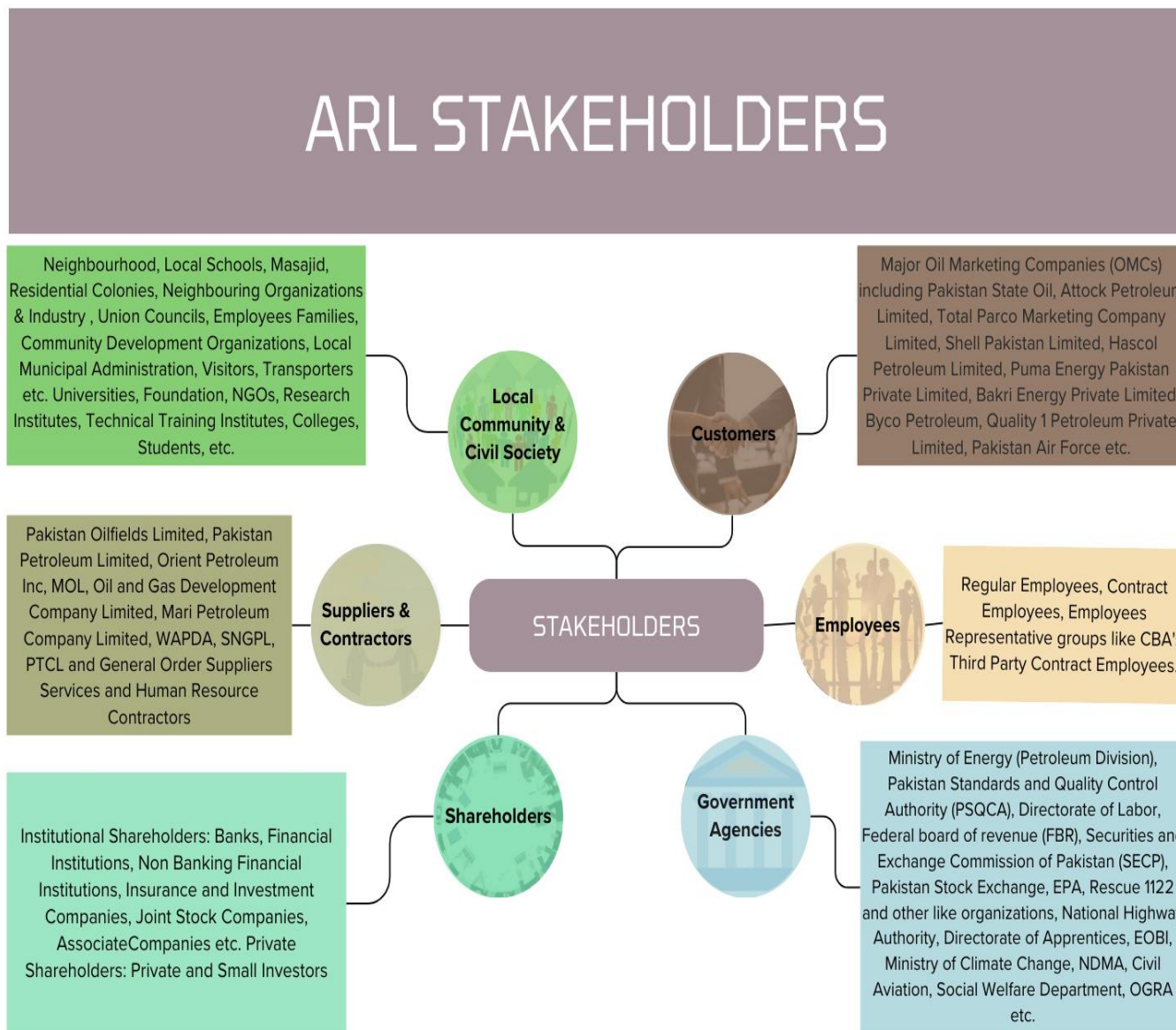


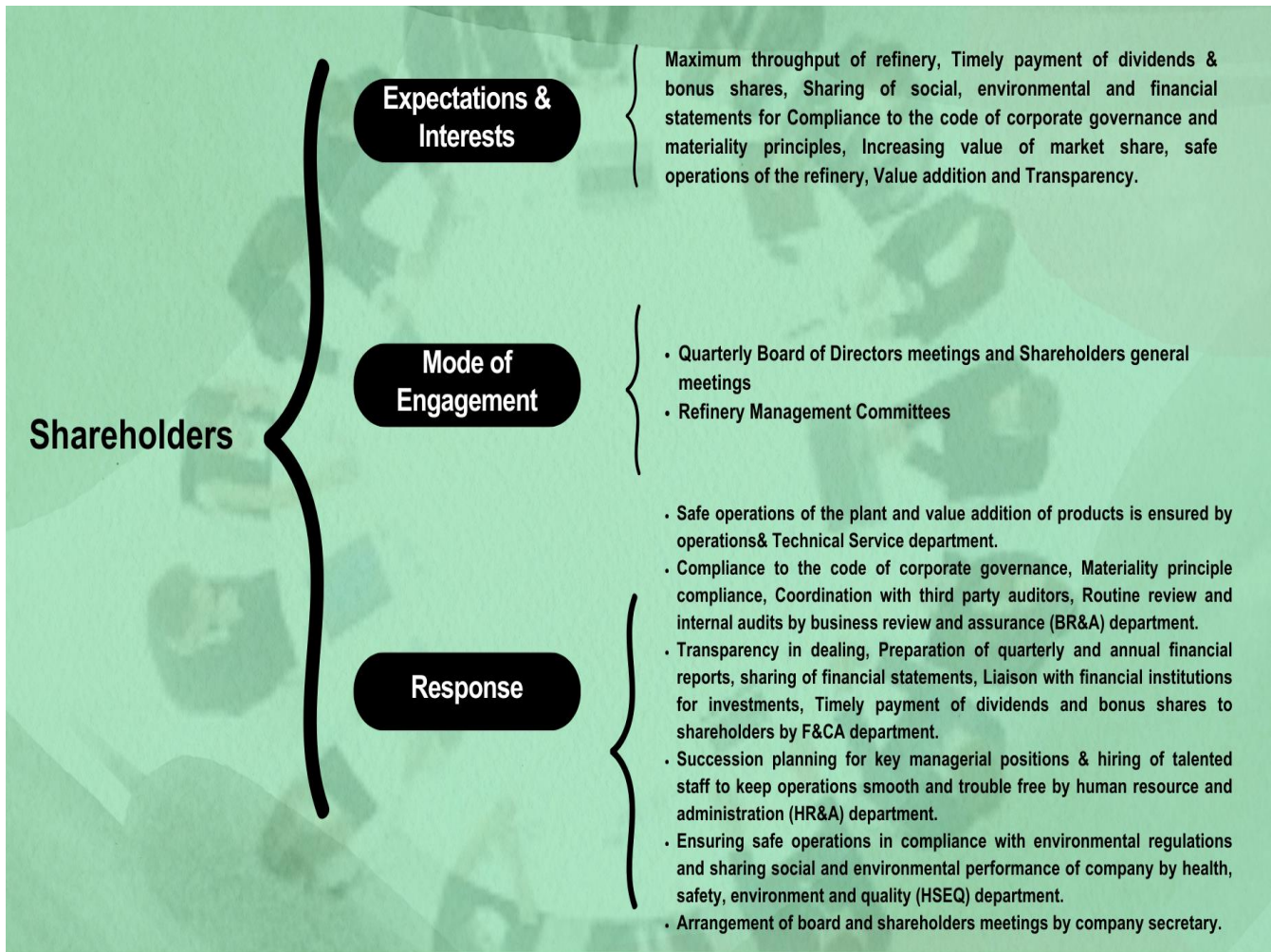


## STAKEHOLDERS ENGAGEMENT

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.

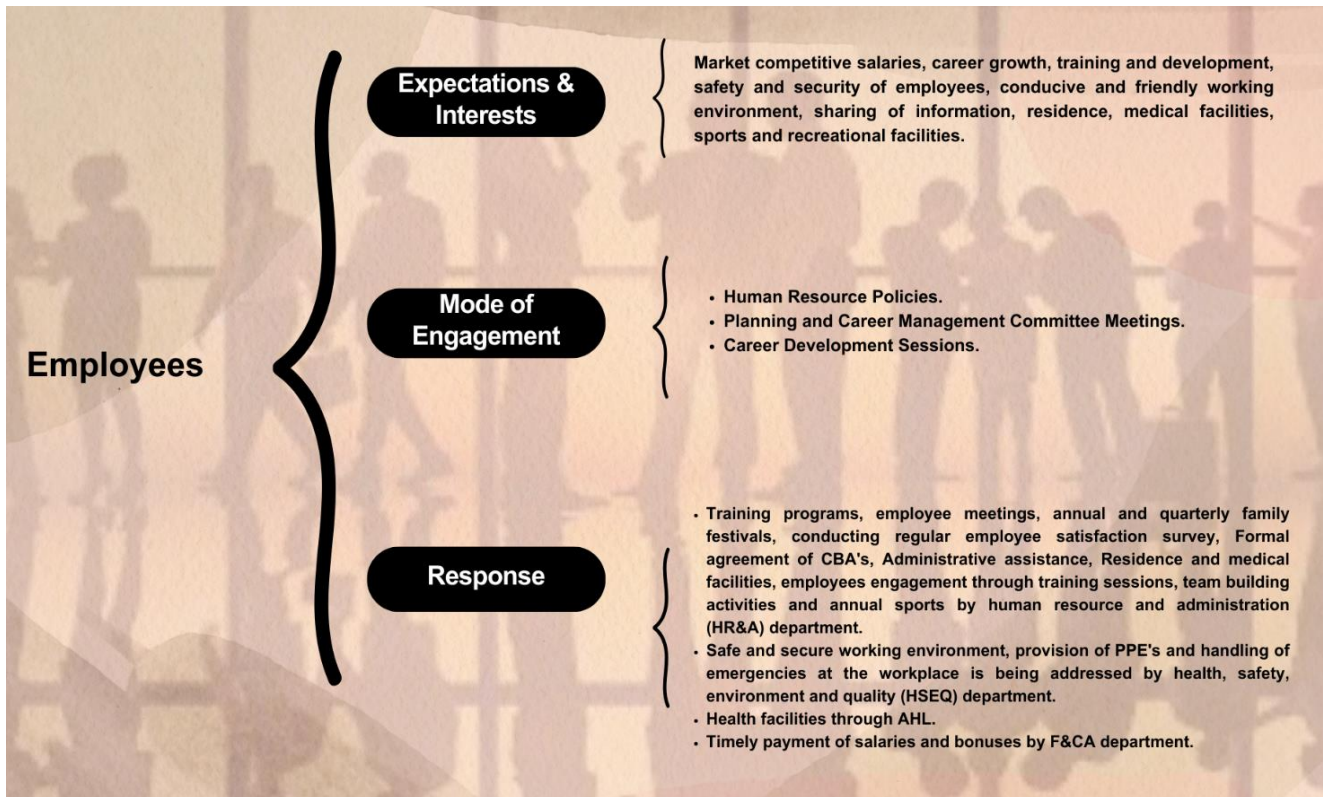
We consider the need for thoughtful interactions on climate and energy-related matters with our stakeholders. It can help to improve our Company's progress on sustainability-related business objectives and contribute to sustainable economic growth. We therefore engage effectively with our stakeholders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





Annual General Meeting of ARL



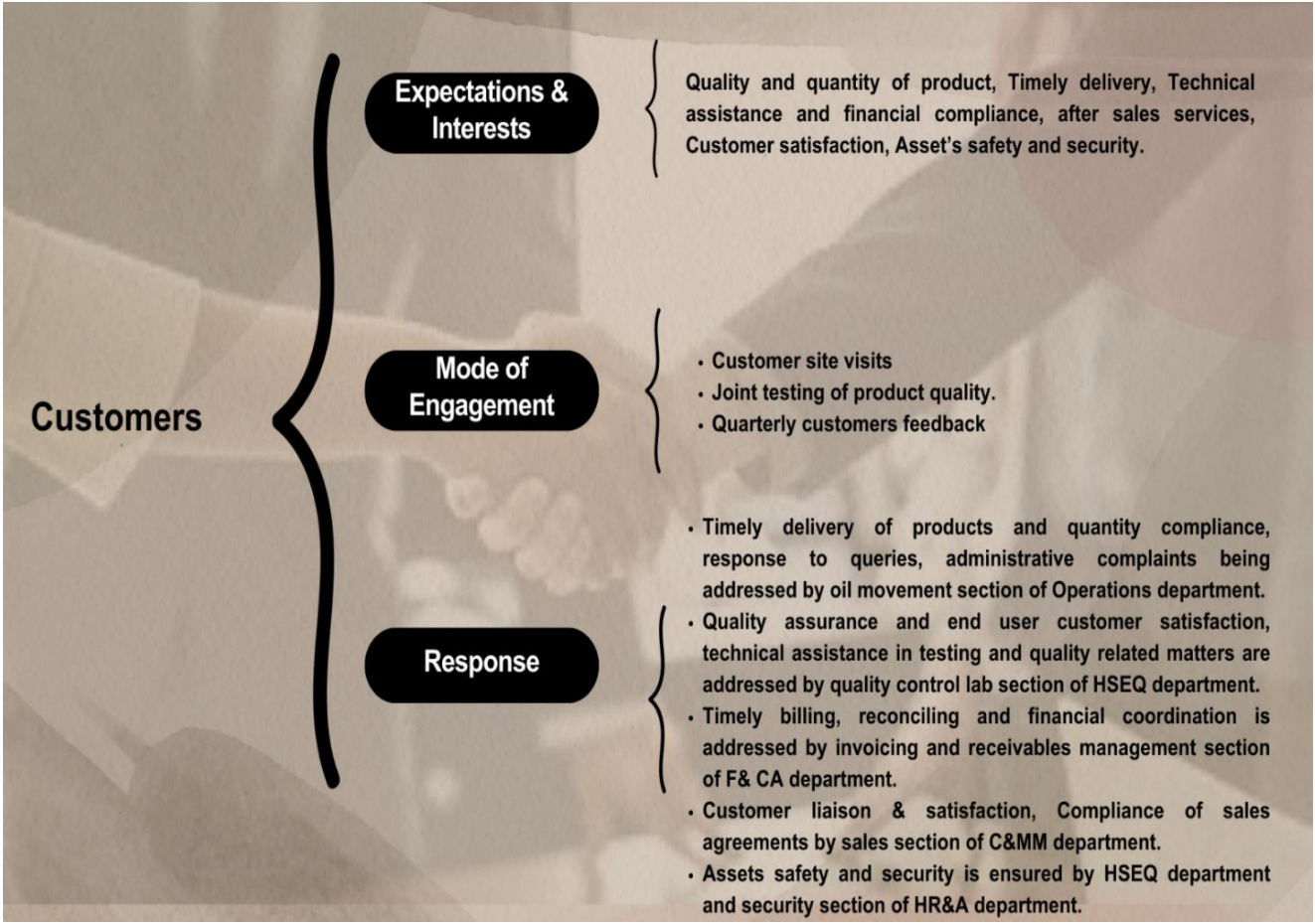


Glimpse of Training Sessions arranged for ARL Employees



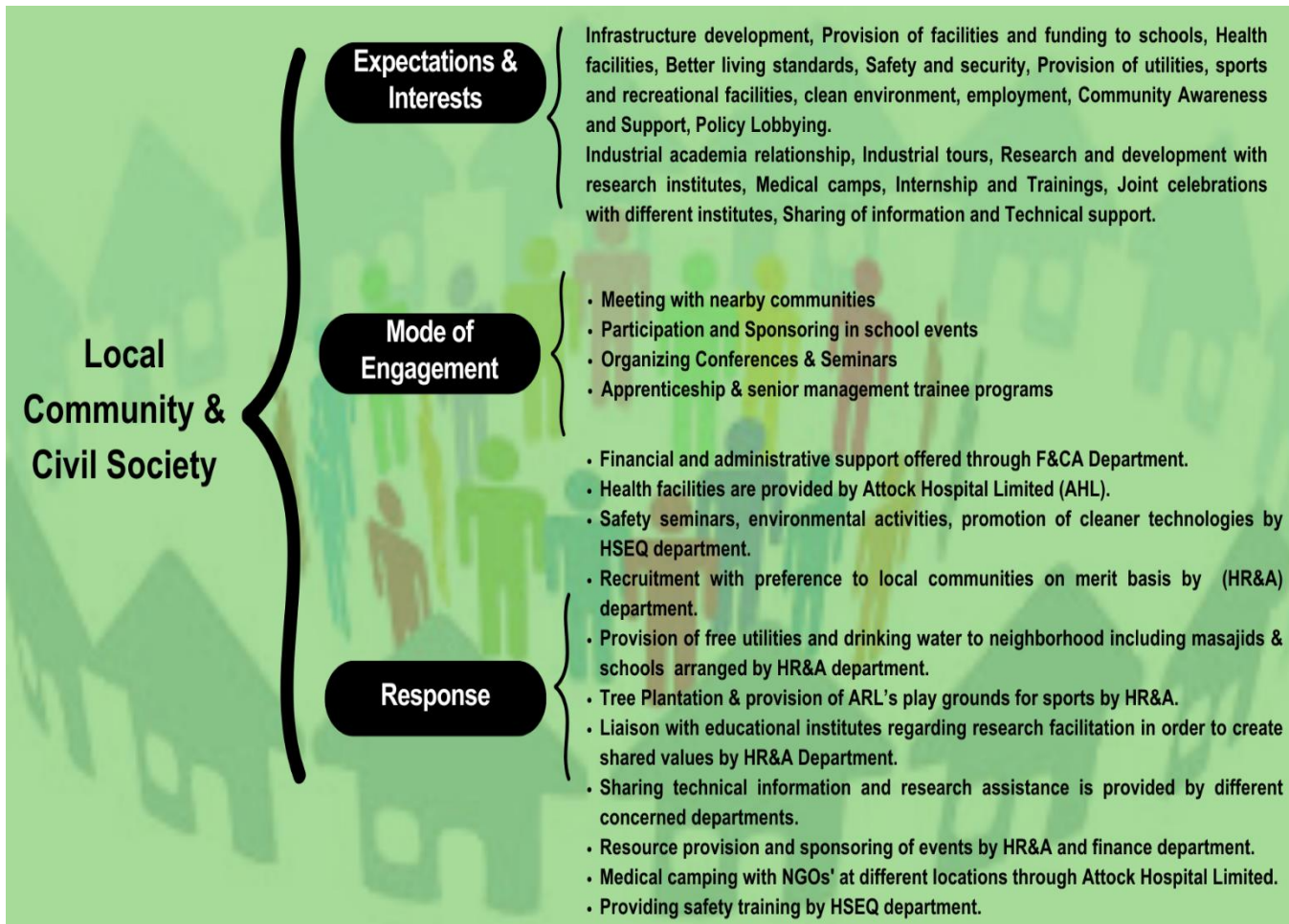
Glimpses of ASF Meena bazaar





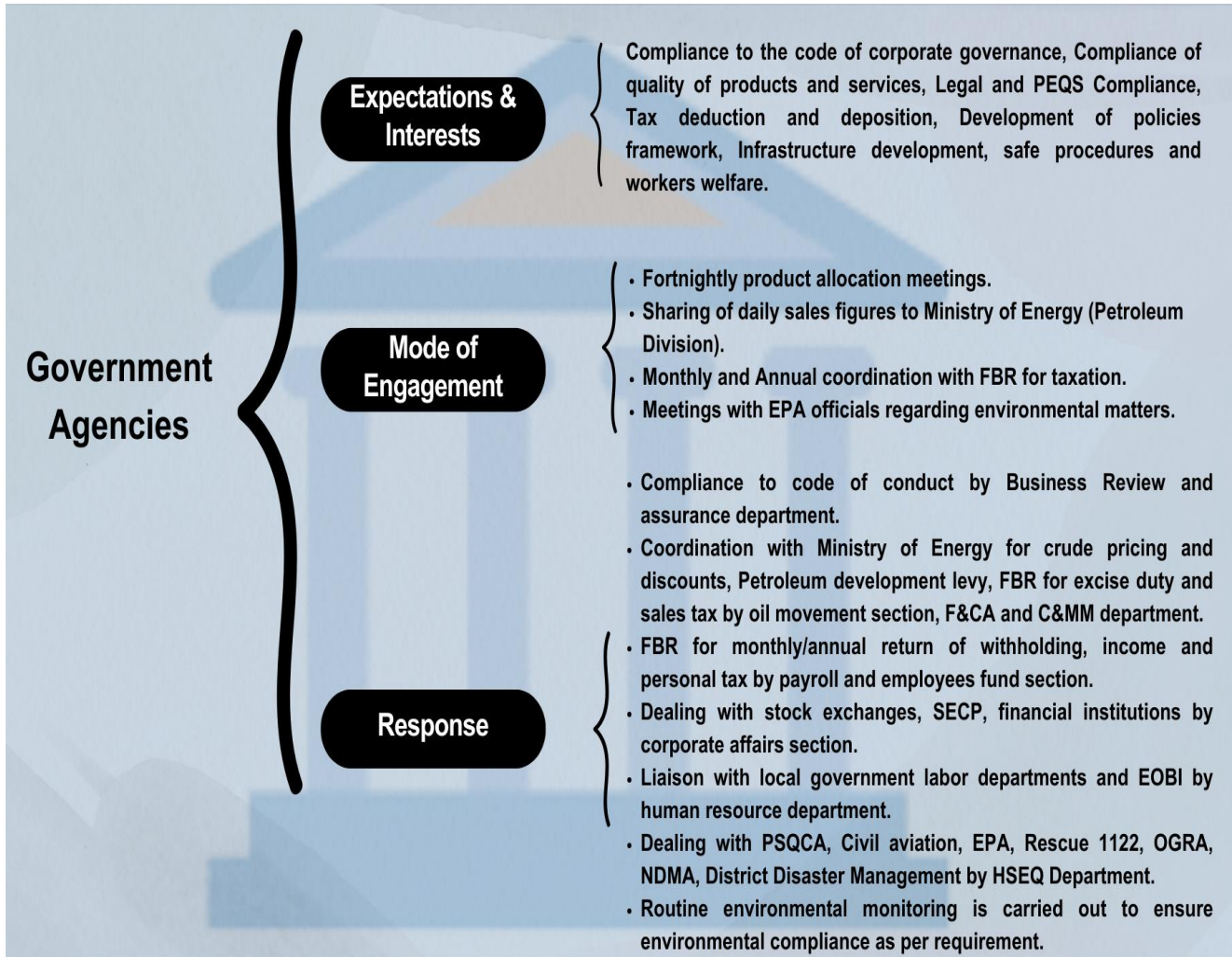
**ARL Interaction with Customers**





Engagement Activities with Local Community





ARL Interaction with Government Officials



# Suppliers & Contractors

## Expectations & Interests

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.

## Mode of Engagement

- Joint testing of crude oil, direct coordination with WAPDA, SNGPL, PTCL and general order suppliers
- Visit to contractors and suppliers' sites as & when required,

## Response

- 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.



Vendor Stall for Safety Equipment

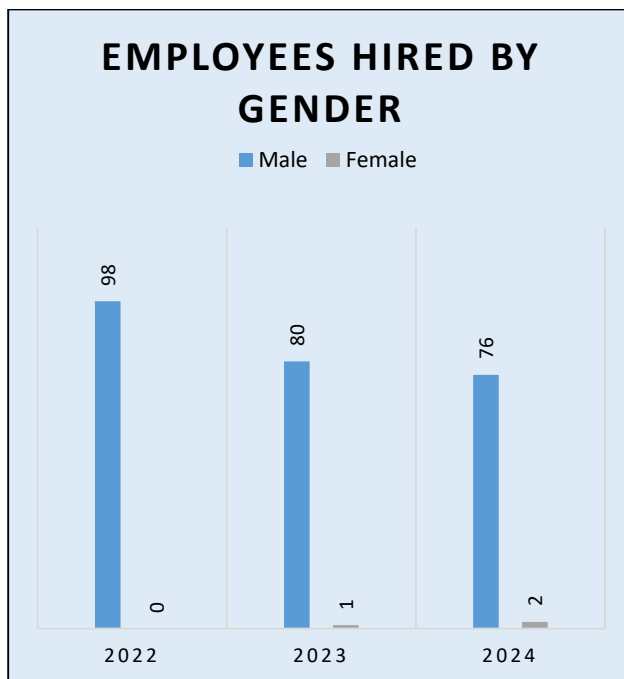
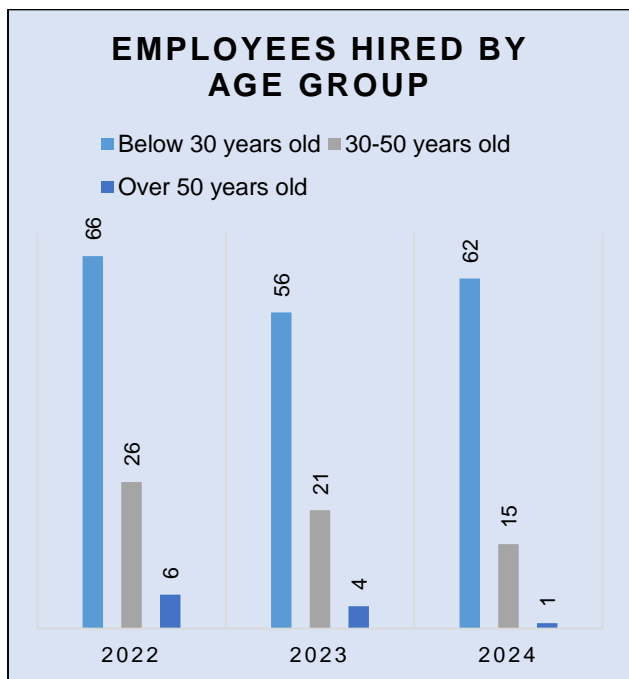
## HUMAN CAPITAL DEVELOPMENT

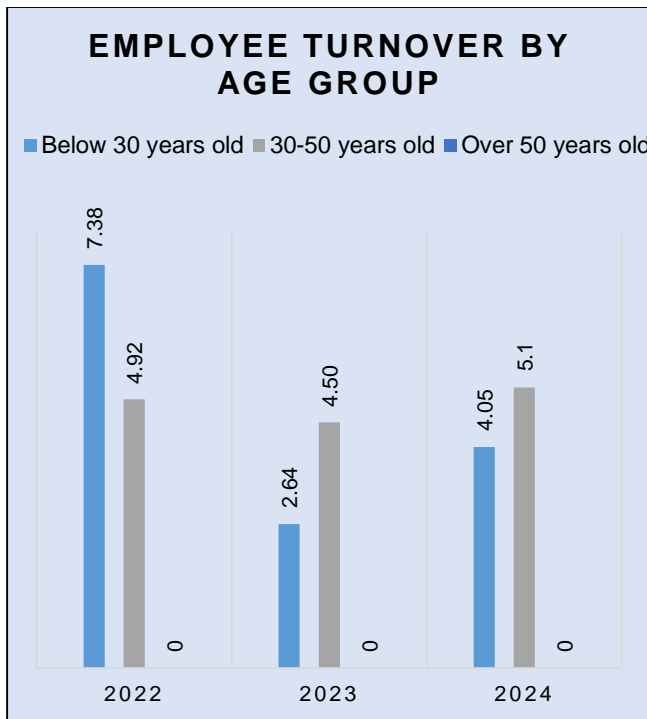
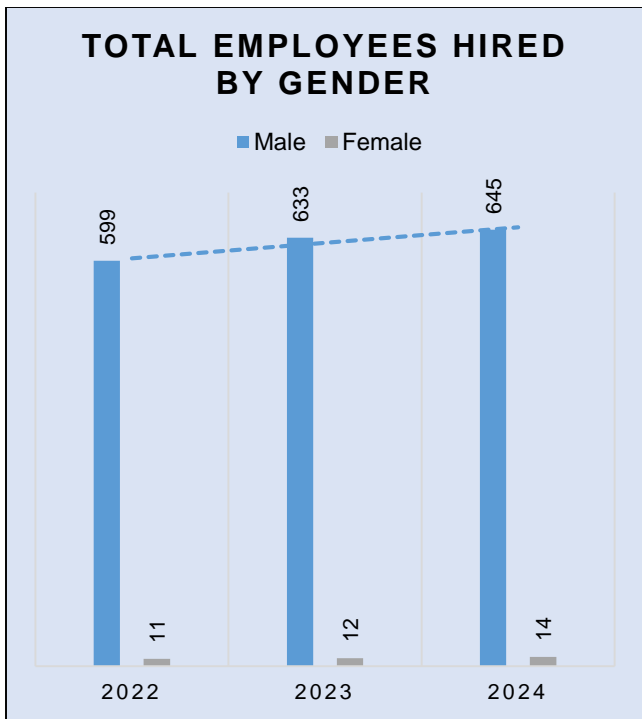
Human resource is considered a fundamental asset and it is ensured that all employees are treated with dignity and respect by creating an atmosphere of mutual understanding and open communication. ARL proliferate under an ecosystem based on the concept of empowerment. Company encourages socialization, team spirit and motivation to make work place attractive and interesting. The 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

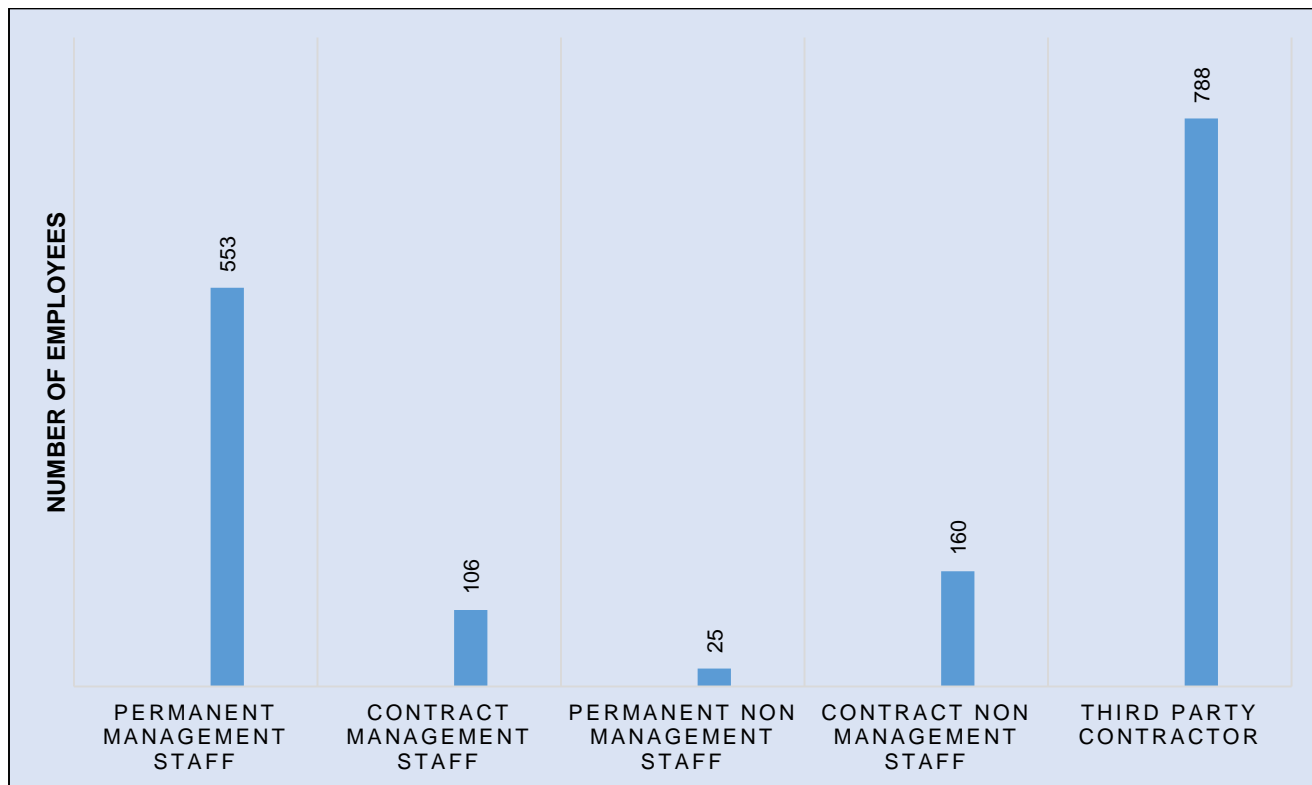
We pursue a merit-based policy for induction and promotion of employees. Company is located at Morgah Rawalpindi and while hiring company prefers people from district Rawalpindi and nearby districts. Moreover, about 23% of the company total staff comprises of locals. Senior management staff includes 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.)





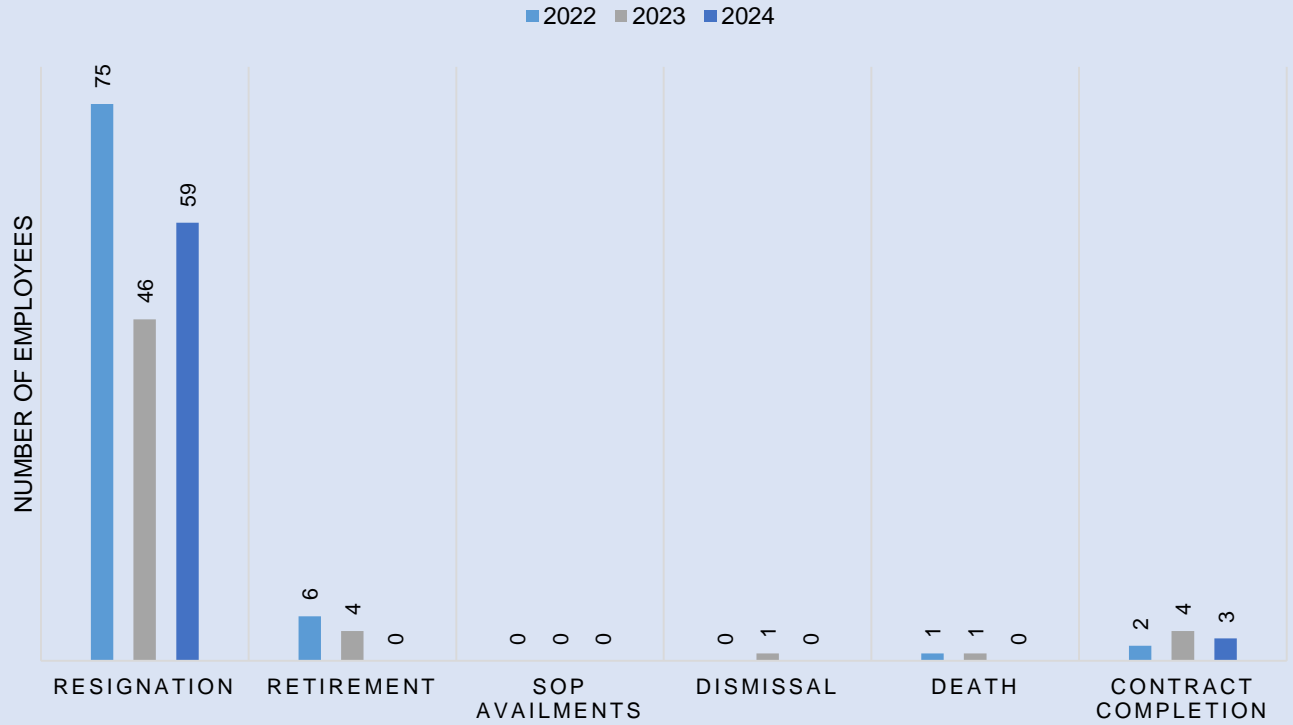
### Employees at ARL

Total Employees = 1632

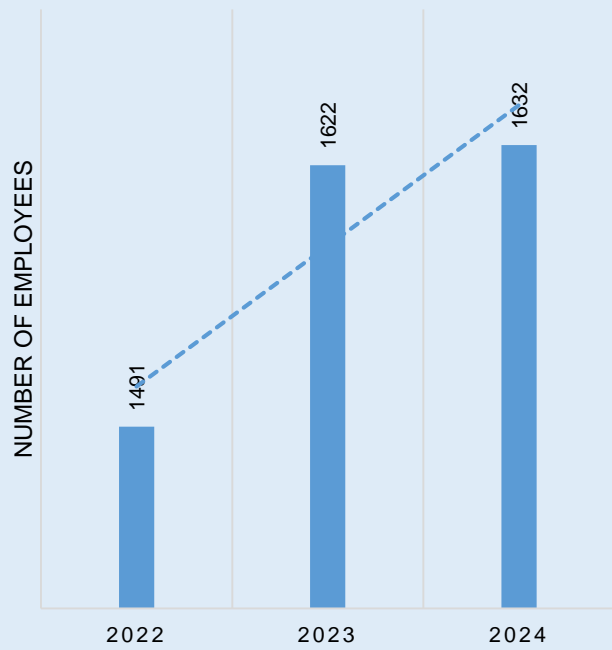




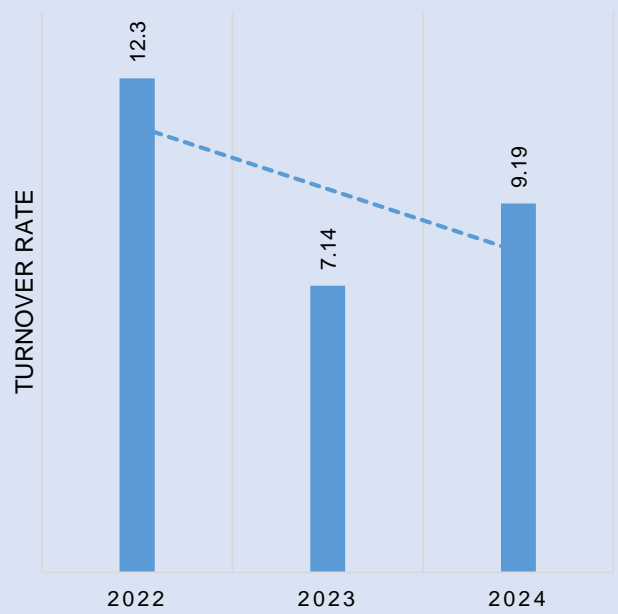
## REASON FOR EMPLOYEE SEPARATION



## TOTAL STAFF



## EMPLOYEE TURNOVER RATE

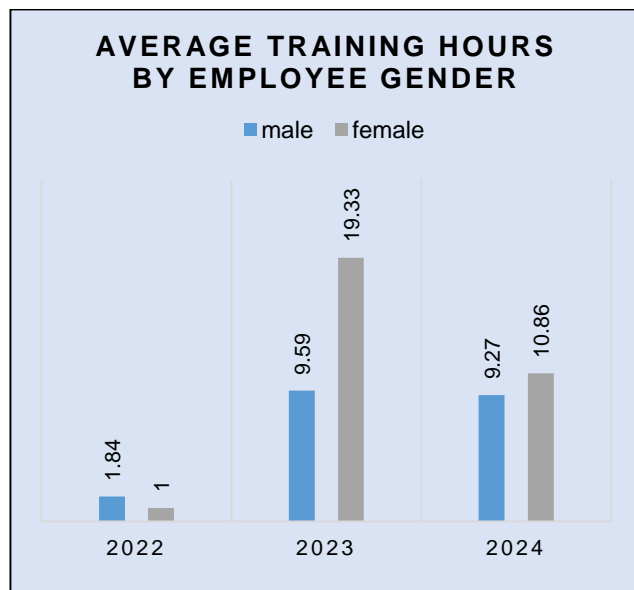
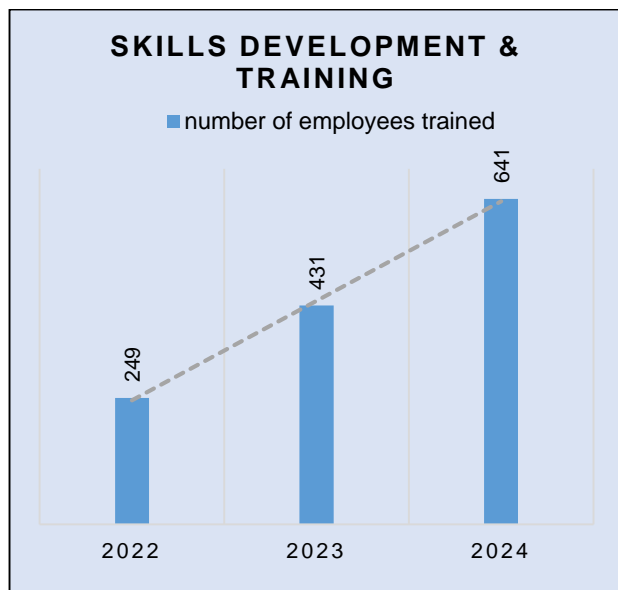


## EMPLOYEE DEVELOPMENT & TRAINING



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 effort.



Training Hours per Employee-by- Employee Category Year (2024)			
Category	Avg. No. of Employees	Man Hours	Avg. Training Hours
Top Management (Manager & above)	72	652	9.06
Mid Management (AM to DM)	167	1709	10.23
Executives (Grade 3 & 4)	173	1574	9.10
Junior Management	229	2124	9.28



### 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 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 2024.



Glimpses 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 website ([Attock Refinery Limited](#)).



## 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 observes 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	25
Total employees	1632
% of employees covered under CBA to total employees	1.5





## Compensation & Benefits

ARL doesn't make any discrimination on the basis of gender in offering compensation packages including basic salary & other Collective bargaining 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	2023	2024
Female Who Entitled to Parental Leave	1	2
Return to Work rate	100%	100%

## Diversity & 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 individuals within the organization governance bodies	9	-	-	01	08
Number of individuals in organization management committee	11	-	-	02	09

**Refer To Statement of Compliance Section for Further Detail**

## 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 2024 at [Attock Refinery Limited](#)). 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.

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.

VALUE IN PKR "000"	
<b>EOBI</b>	17,965
<b>Staff Gratuity and Pension Benefits</b>	87,842

#### 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.



Quarterly Award Ceremony

## ARL POLICIES & PRACTICES

### 1. 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.

- Employ the best-qualified persons available, recognizing each person as an individual thus affording equal opportunity.
- Pay just and responsible compensation in line with the industry standards.
- Help employees to attain their maximum efficiency and effectiveness through a well-rounded training and development program.
- Provide and maintain comfortable, peaceful and orderly working conditions.
- Promote and provide opportunities for growth and promotion.
- Treat each employee with fairness and respect.
- Encourage each employee to improve and develop him/ herself and thereby prepare him/ her for positions of higher responsibility.
- Recognize and reward efficiency, team work, discipline and dedication to duty and responsibility.
- Exhaust all means to resolve Labor-Management differences, if any, promptly and amicably.
- Provide a wholesome and friendly atmosphere for harmonious Labor-Management relations.

### 2. 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.

### 3. 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.

All the policies are available at ATTOCK REFINERY LIMITED website ([Attock Refinery Limited](#)).

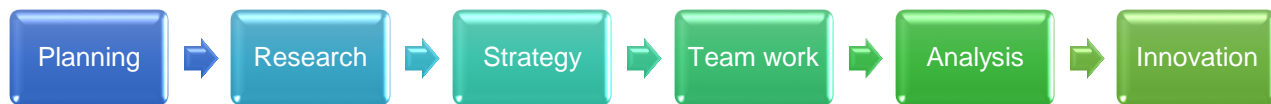


# CORPORATE SOCIAL RESPONSIBILITY



## 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.



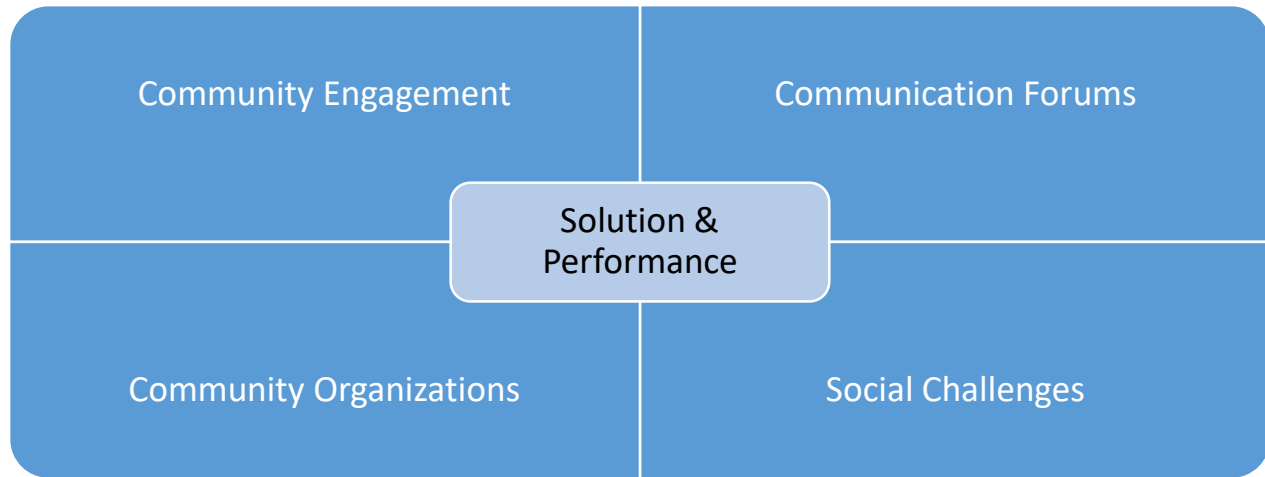
### Local Communities

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.



Glimpses of Sport 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, 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) 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.



## Social Challenges

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

➤ Women Skill Development & Empowerment	➤ Direct And Indirect Jobs To Locals
➤ Infrastructure Development	➤ Scholarships For Deserving Students Of Community
➤ Recreational And Sport Facilities	➤ Epidemic Diseases Including Corona Virus And Dengue
➤ Young Locals And Capacity Building	➤ Rural Development
➤ Drinking Water Supplies To Community	➤ Industry-Academia Relationship
➤ Medical Facility And Assistance	➤ Industrial Relations And Workers Welfare
➤ Schools And Masjids Utility Assistancess	➤ Enhancement Of Facilities And Quality Of Education At Schools

## Solutions and 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.

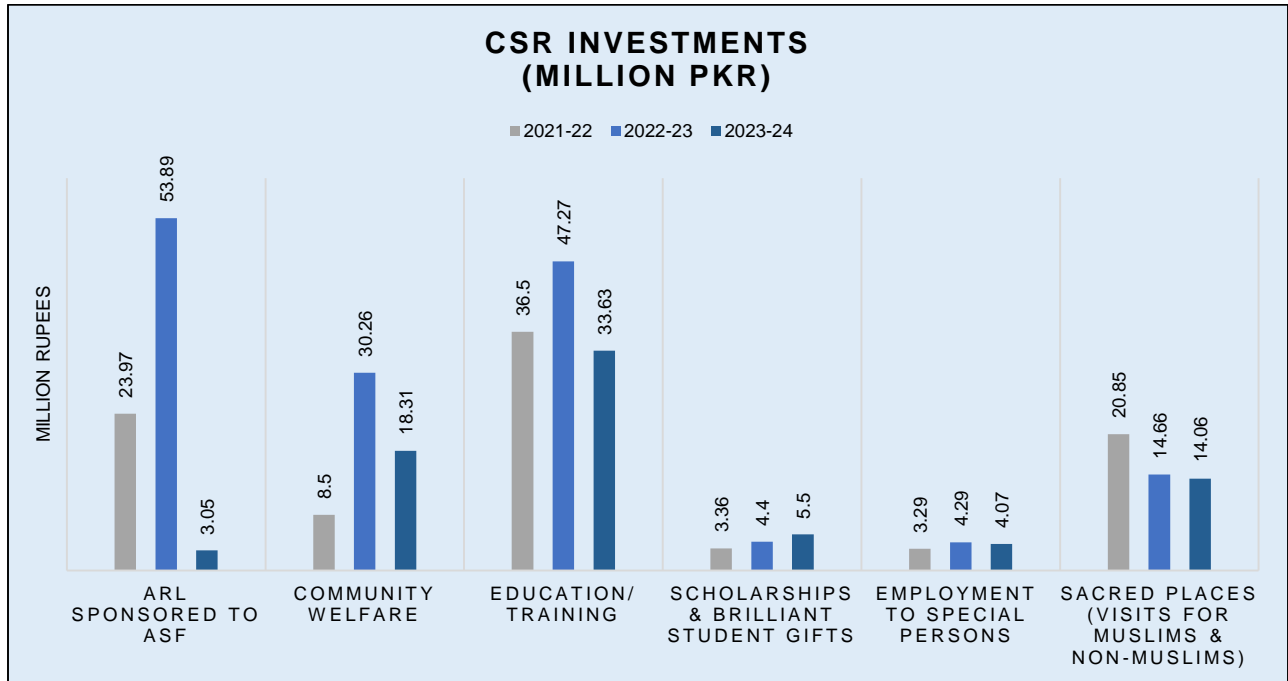
Apart from this, the Punjab Workers Welfare Board has constructed two model schools at Morgah with the active assistance of the company, these are now operational. Moreover, The Company initiated the provision of scholarships from the primary up to post graduation and doctorate level for employees' children 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

### CSR Investments



## 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:

- a. 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.
- b. 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.





- c. The Company provides annual grants to adjoining Union Councils of Morgah and Kotha Kalan for betterment of the community.

#### 4. Campaign to Dengue Control

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.



Glimpses of Dengue Awareness Session

#### 5. Industrial Relations/Workers Welfare

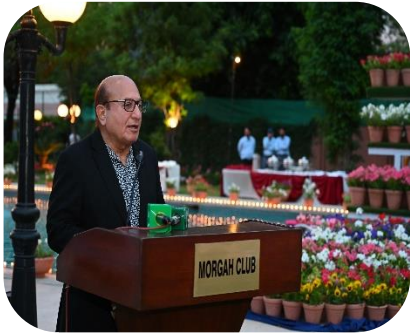
ARL ensures cordial industrial relations through its Collective Bargaining Agent (CBA). Agreement with CBA was signed during the year for the period 2022-23 to 2023-24. The Company extends various facilities to its workers. Some of the facilities are described below:

- 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 include 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. 75th Annual Flower Show was organized by Morgah Club in April, 2024. 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.



Glimpses of Annual Flower Show

## 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

- a. 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.
- b. 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.



Trainee Induction



Prize Distribution Ceremony

## 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 bribe.

## 10. Development and Impact of infrastructure

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 socially 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 of Rs 45,000 to union council Morgah and Kotha Kalan other than provision of free of cost electricity and gas connections to the area.

Local community is also benefitted by ARL's efforts to ensure cleanliness of the area and upkeep of roads in appropriate condition. The famous Morgah Biodiversity Park, developed and maintained through ARL support provides a picturesque look to the area besides preserving natural habitat. Similarly, through pursuing its green plan, ARL has planted thousands of trees in the adjoining areas.

## 11. Positive and indirect economic impacts

The Company's annual contribution to the national exchequer in the form of taxes and duties amounted to over Rs 127 billion (103 billion in 2023) while foreign exchange savings of US \$ 315 million (378 million in 2023) were achieved through import substitution and exports. All the raw materials produced in Pakistan are treated as local. The Refinery processed 1.833 million Tons (June 2023: 1.811 million Tons) 100% of the crude oil was received from northern oilfields. Further the entire indigenous crude production from the northern region including enhanced production from certain fields continued to be processed at the Refinery.

Economic Performance	Amount in Rs "000"
<b>Revenues</b>	382,916,673
<b>Operating costs</b>	354,126,203
<b>Employee wages and benefits</b>	3,346,217
<b>Payments to providers of capital</b>	-
<b>Payments to government</b>	112,412
<b>Community investments</b>	116,049
<b>Economic value retained</b>	25,326,452



## 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.



Glimpses of Training Sessions

## Business Ethics and Anti-Competitive Measures

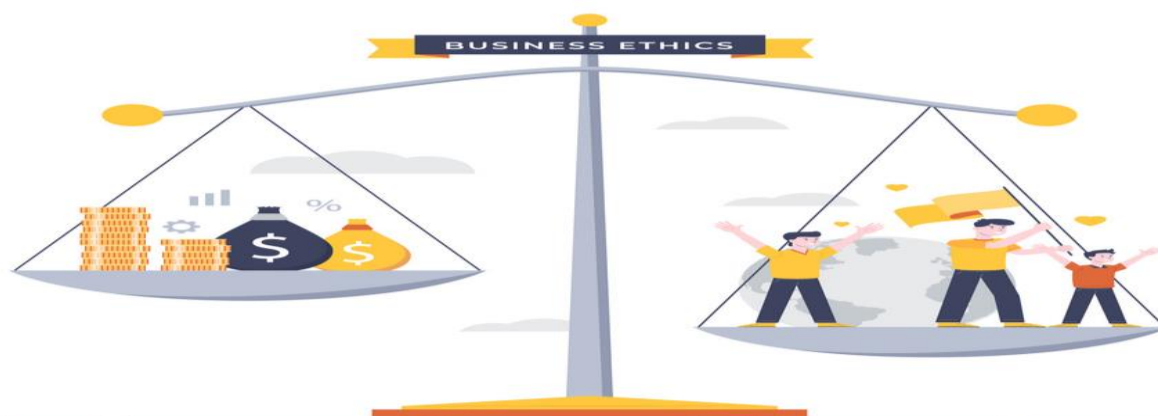
Business Review & Assurance department (BR&A) keeping in view its vision “The catalyst for improvement” strives to identify, evaluate and report potential risks and vulnerabilities to management by analyzing risks related to bad practices & corruption. The risk based reviews encompass controls assessment, 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 was 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.



# HEALTH, SAFETY, ENVIRONMENT & ENERGY





## HEALTH, SAFETY, ENVIRONMENT AND QUALITY (HSEQ) POLICY

# 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.

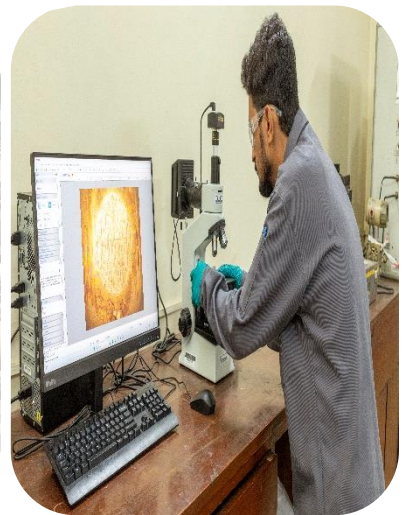
### ENVIRONMENT

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 2024.

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.





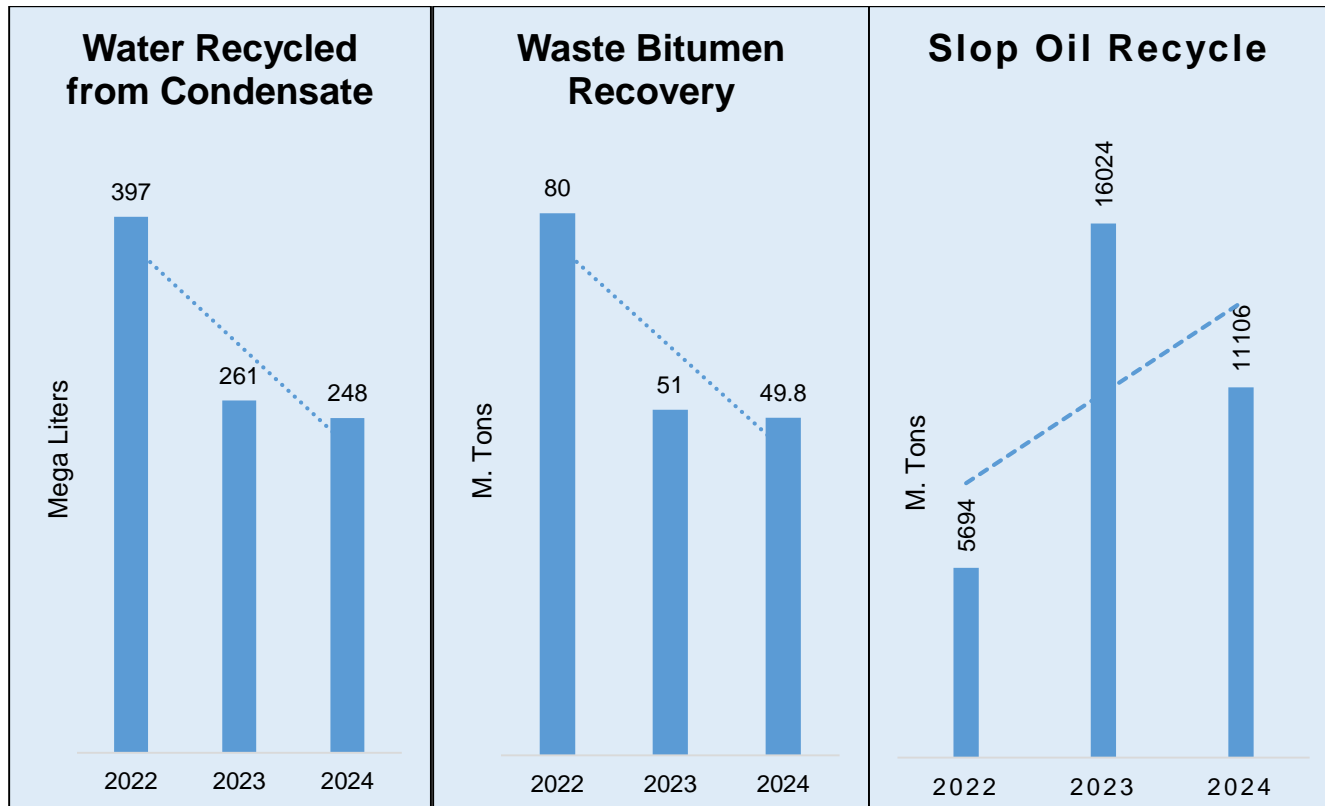
## Resource Materials

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	2022	2023	2024
Non Renewable	Crude Oil	M. Tons	1897414	1867711	1816368
	Electricity	Kwh	73417739	71606195	69,967,716
	Fuel Oil	Bbl.	257481	293532	293,834
	Fuel Gas	MCF	1445237	1473295	1,507,788
Renewable	Steam	M. Tons	488947	489996	521,014
	Water	Mega Liters	1378	1424	1352

## 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

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 well aware of the fact that natural energy resources are not only scarce but also very precious and needs effective utilization. In this business realm, ARL celebrated World Energy Day on October 22, 2024, to reaffirm its commitment to energy management and conservation and to promote a culture of sustainability. The purpose of this celebration was to educate, motivate and raise awareness among employees for strengthening their commitment towards energy conservation at workplace. We also introduced placing banners at different locations to increase the awareness of the employees.



Glimpses of Awareness Session

### Energy Awareness Session

ARL organized Energy awareness sessions throughout the organization to ensure maximum participation of all the employees. The aim of the sessions was to achieve maximum participation of employees for greater effectiveness and understanding among them.

No. of Training Hours

170

### Renewable /Alternate Energy Projects

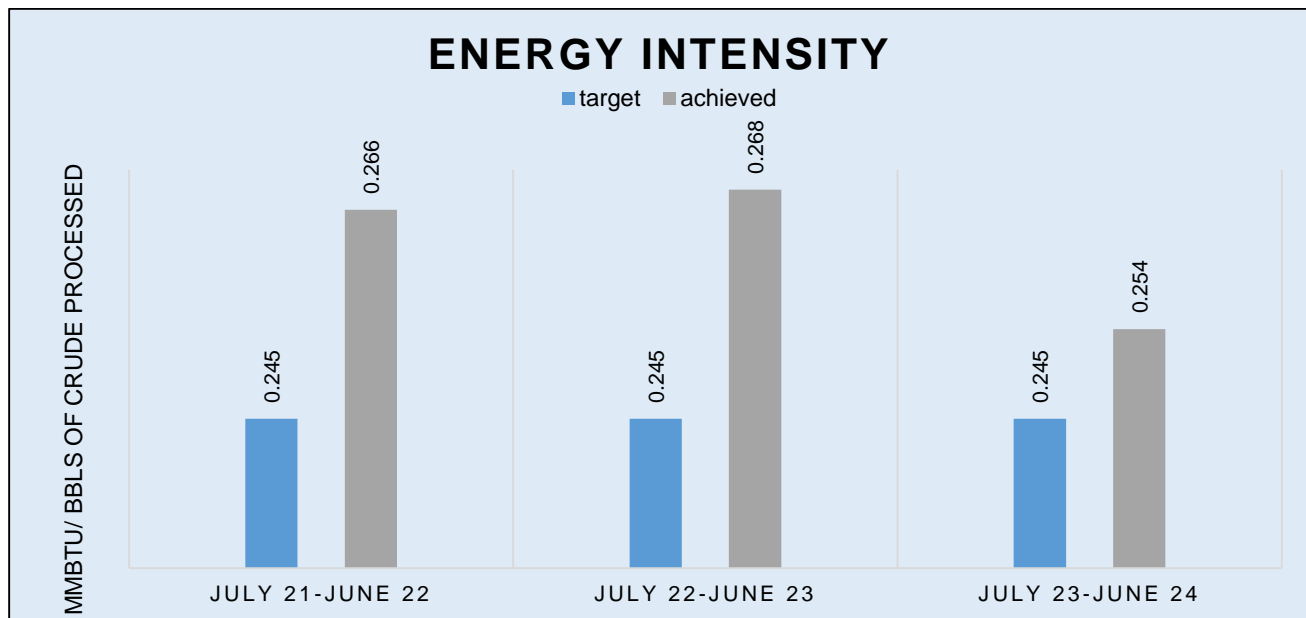
1. **384.6** KW on grid solar panel system is installed & total generation by solar system is 312221.7 kwh.
2. Installation of 24.36 KW projects is in progress during the FY 2024-25.

## Budget Items

Budget Items	Cost PKR Million
Procurement of energy efficient motors & pumps	480.83
HVAC	28.6
On- Grid Solar Panel System Installation (PKR)	3.9

## 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 0.254 MMBtu/Bbls of crude as an average of months from July-2023 to June-2024.



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

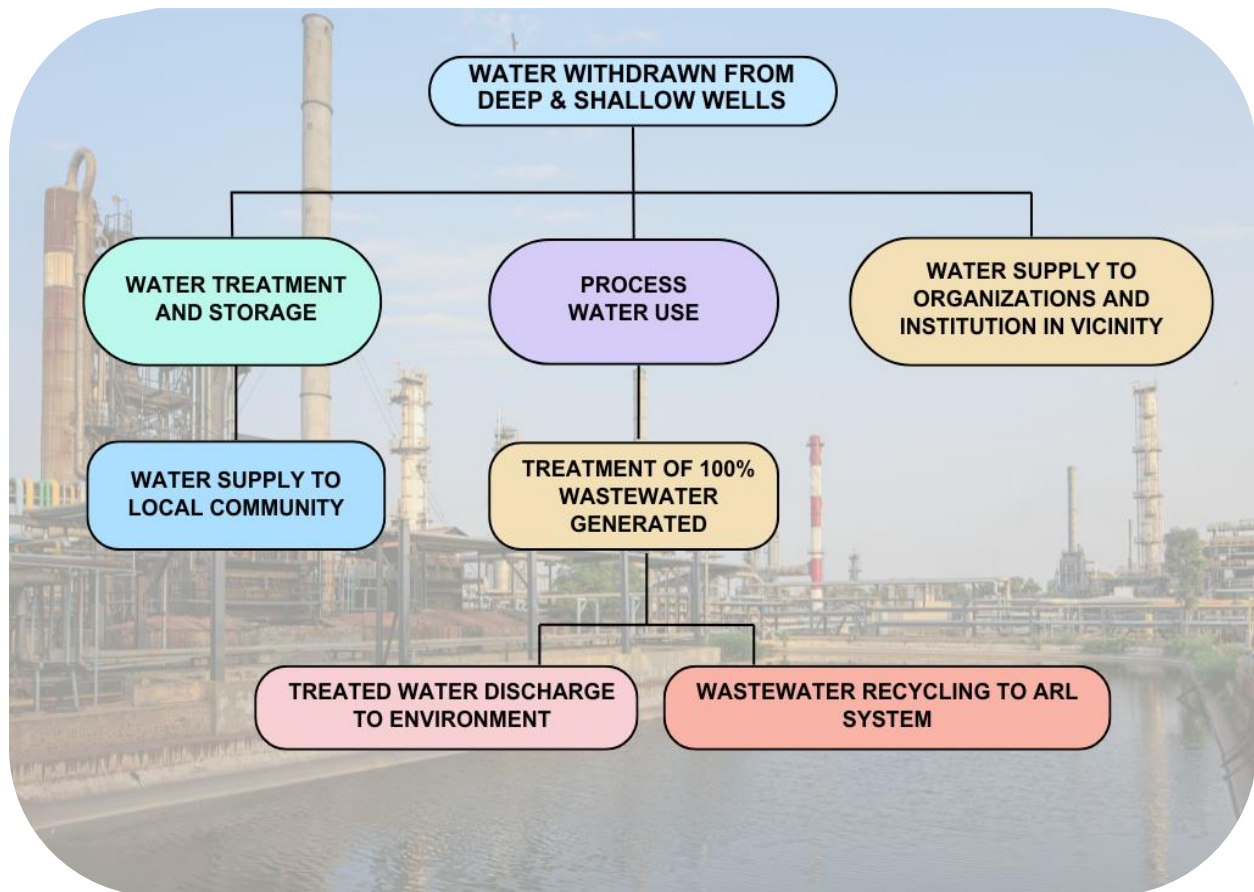
Energy Consumption from Renewable Energy		
Source	Unit	Quantity
Solar	MMBTU	0.0000022
Biofuel	-	Nil
Biomass	-	Nil



## WATER MANAGEMENT SYSTEM AT ARL

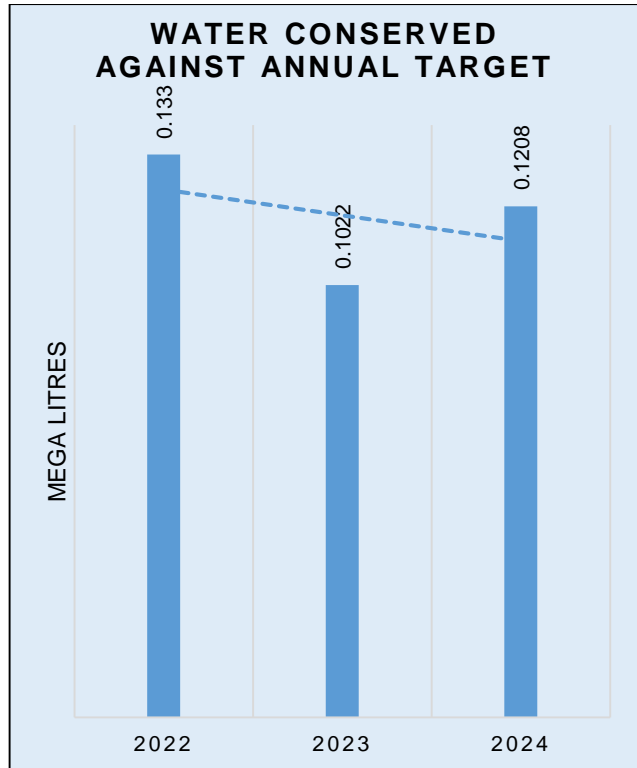
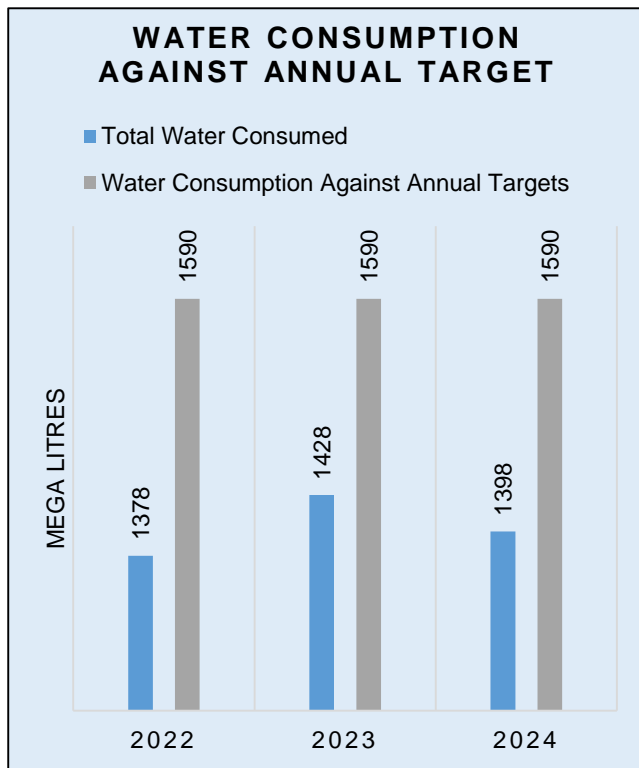
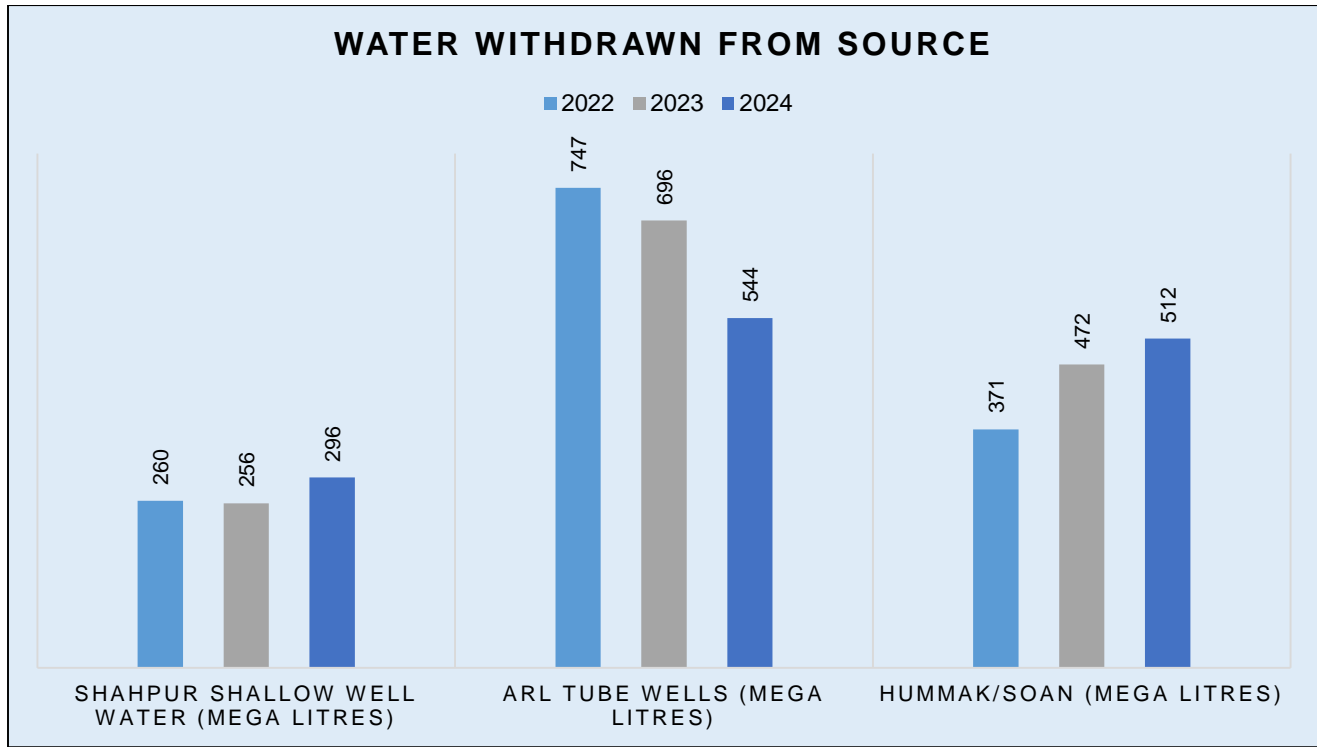
Keeping in view the fact that Water is scarce and getting scarcer every day. ARL interacts with water as a shared resource, i.e. uses water for its own needs and provides treated potable drinking water to neighboring community free of cost. ARL receives water from 11 shallow wells at Shahpur and Sohan 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.

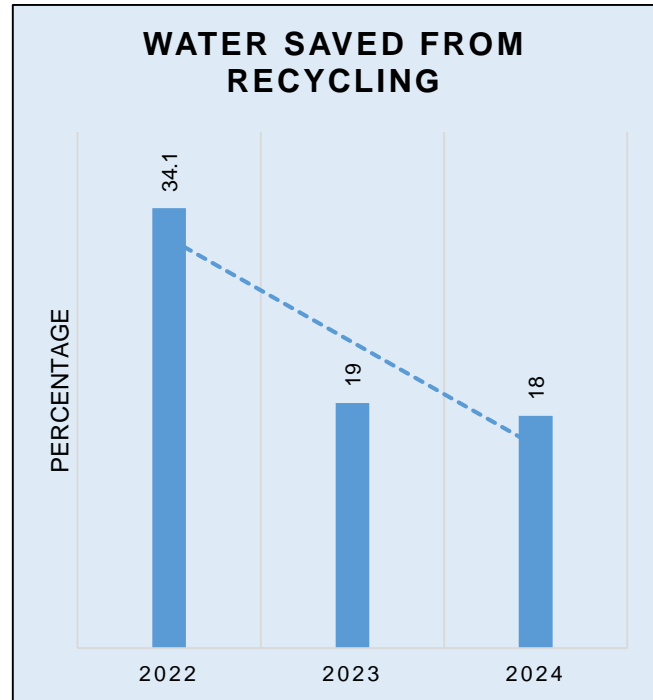
## Water Withdrawn from Source



## 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. Water recycling is less than the previous years because of zero water recovery from ETP water. Further steam was used in old boiler house resulting in less recovery from old boiler. All the discharges are within PEQS Limits and regularly reported to EPA-Punjab. Further details of the results are available at page # 77-78 of this report.

Water Recycling at ARL			
Source (Mega Liters)	2022	2023	2024
Water Recycling from ETP	73	4	0
Water Recycling from Condensate	397	261	248
<b>Total Water Recycling</b>	<b>470</b>	<b>265</b>	<b>248</b>
<b>Percentage of Water Saved using Recycling</b>	<b>34.1</b>	<b>19</b>	<b>18</b>





## 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 bio-geographical 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 covers 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

To better manage ARL's input in the global climatic change issue, GHG inventory management is essential for taking effective corrective actions. The emissions of greenhouse gases have a major environmental impact which cannot be completely avoided, despite all environmental protection measures. We calculate the Scope-I emissions using tier-2 approach for GHG emission calculations. Global warming potential used for Carbon Dioxide, Methane and Nitrous Oxide is given in the table. Below are the uncertainties associated with the approach for GHG emissions calculations:

- Uncertainty is associated with all methods to calculate GHG emissions.
- No emission factor for LP gas used in distillation plants as a fuel, therefore, it is added to fuel gas as a whole.
- Currently, this emission inventory is not evaluated by any third party auditor.

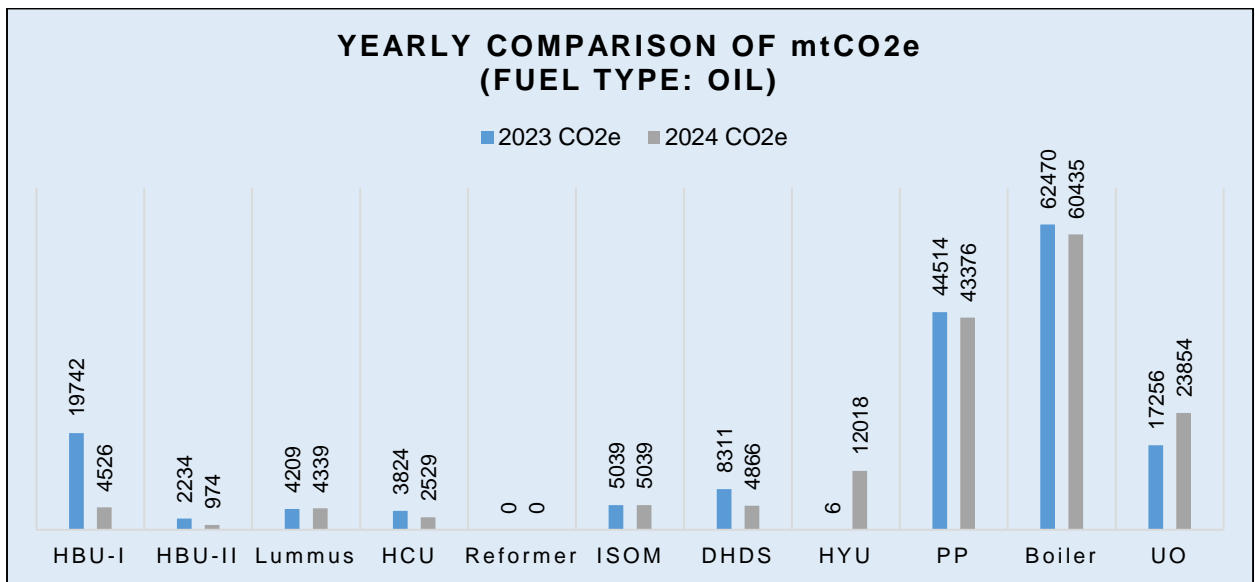
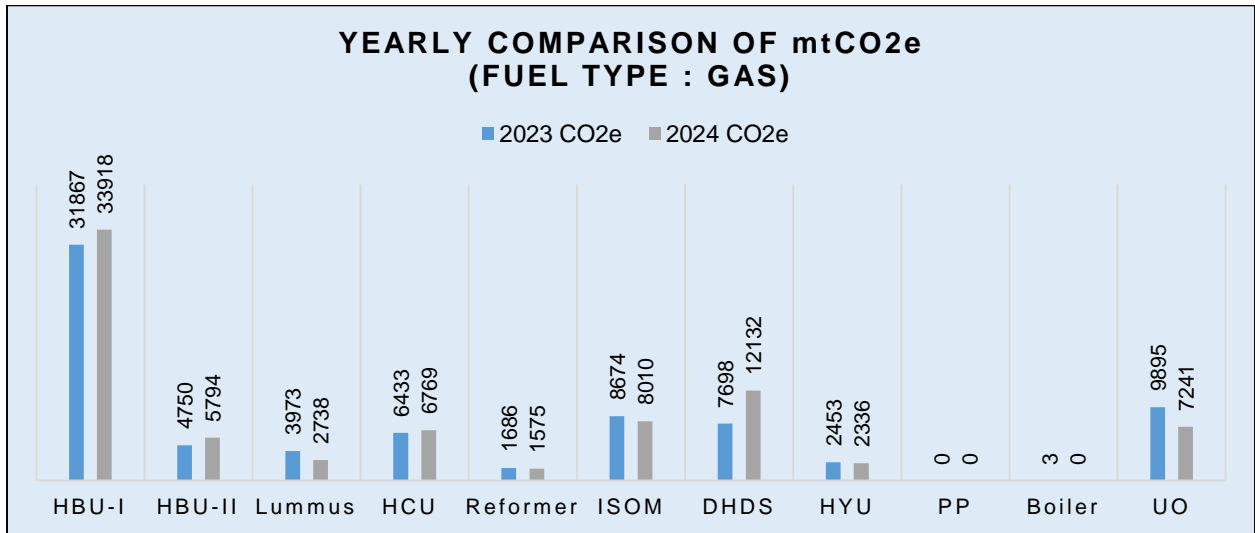
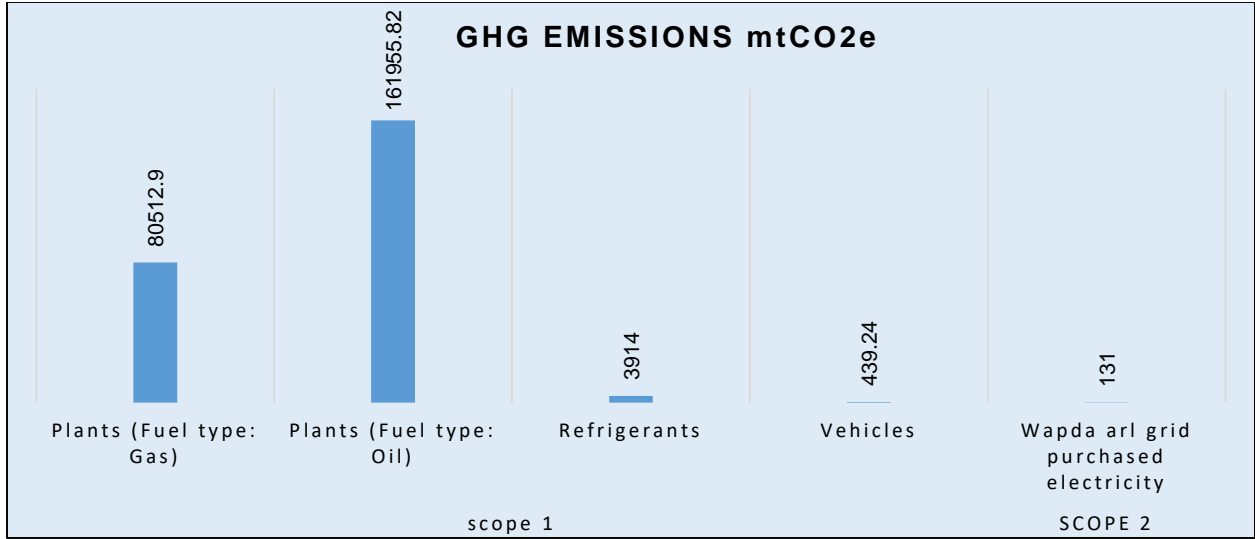
Greenhouse Gas	Chemical Formula	Anthropogenic Source	Anthropogenic Lifetime Years	GWP (100 Years' Time Horizon)
<b>Carbon dioxide</b>	CO <sub>2</sub>	Fossil Fuel Combustion, Land use conversion, Cement Production	~100	1
<b>Methane</b>	CH <sub>4</sub>	Fossil fuels, rice paddies, Waste Dumps	12	27
<b>Nitrous Oxide</b>	N <sub>2</sub> O	Fertilizers, Industrial Processes, Combustion	114	273

Scope I Emissions	
CO <sub>2</sub> Equivalent (Metric tons/Year)	
<b>Plants (Fuel type: Gas)</b>	80512.9
<b>Plants (Fuel type: Oil)</b>	161955.82
<b>Refrigerants</b>	3914
<b>Vehicles</b>	439.24
<b>Total CO<sub>2</sub> Equivalent m. Tons (Scope-I)</b>	246821.95

Scope – II Emissions	
CO <sub>2</sub> Equivalent (Metric tons/Year)	
<b>WAPDA ARL Grid Purchased Electricity</b>	131.001
<b>Total CO<sub>2</sub> Equivalent m. Tons (Scope-II)</b>	131.001

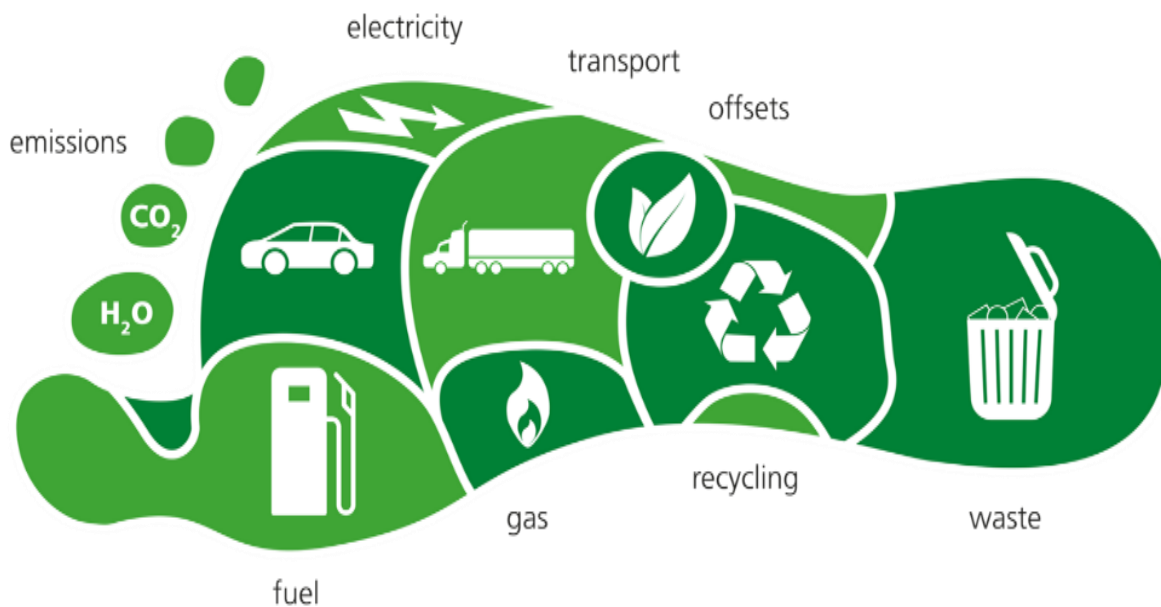
The methodology used for the computation of GHG Emissions is "Fuel Analysis Method" prescribed by U.S. EPA Center for Corporate Climate Leadership – GHG Inventory Guidance & Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)





## GHG Emission Reduction

- ARL has achieved another milestone by commissioning 384.6 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: [Greenhouse Gas Equivalencies Calculator | US EPA](#))
- **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 required for the withdrawal of 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.



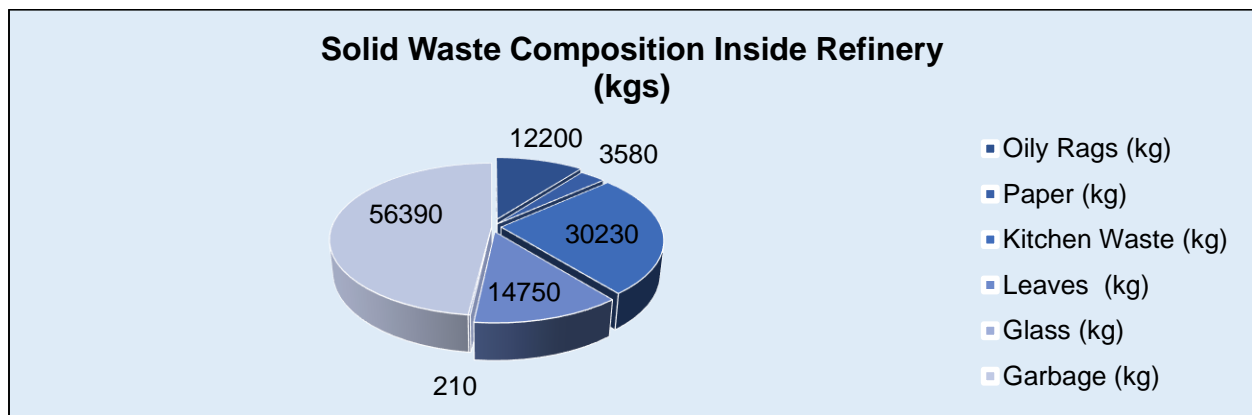
## Solid Waste Management

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.

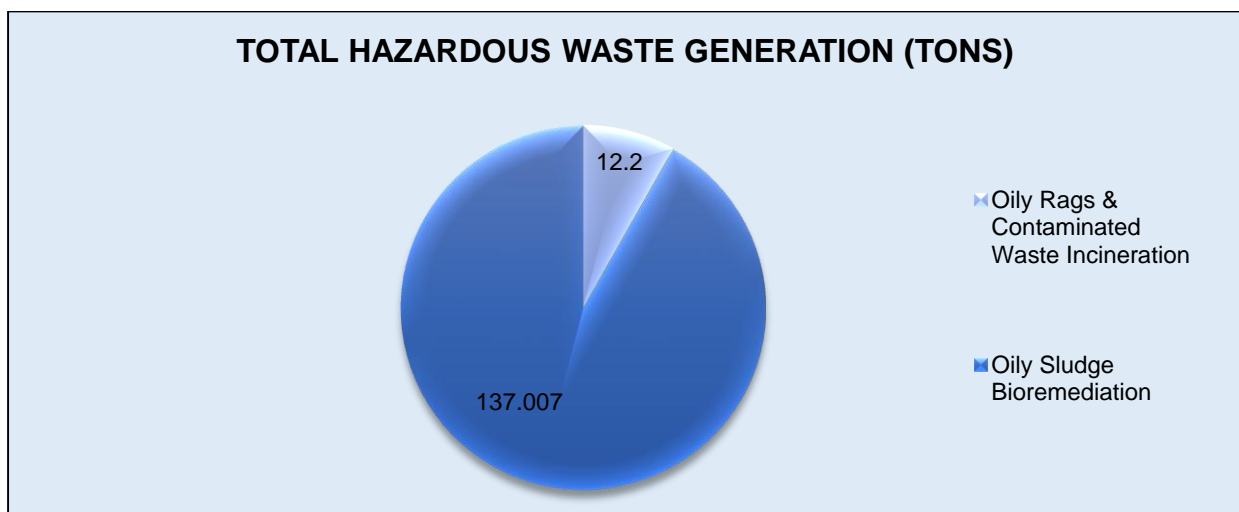
Solid waste is segregated at source in different categories. These categories are paper, oily rags, glass, plastic, different types of metals and leaves. A waste collection schedule has been implemented to ensure proper disposal. ARL keep track of its inventory levels and disposes of solid waste through 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 (kgs)		
		2022	2023	2024
Paper	Incineration	8990	2400	3580
Garbage	Landfilling	32490	33010	56390
Glass waste	Sold for recycling	240	14380	210
Leaves	Compost	13230	24980	14750
Plastic scrap	Sold for recycling	0	5820	7080
Kitchen Waste	Landfilling	22820	23330	30230
Wood	Sold	150280	23430	30950
Metallic Scrap	Sold for recycling	72570	95130	118,620.00
Tyres/Rubber	Sold for recycling	-	4441	-
<b>Total</b>		<b>300620</b>	<b>226921</b>	<b>261810</b>

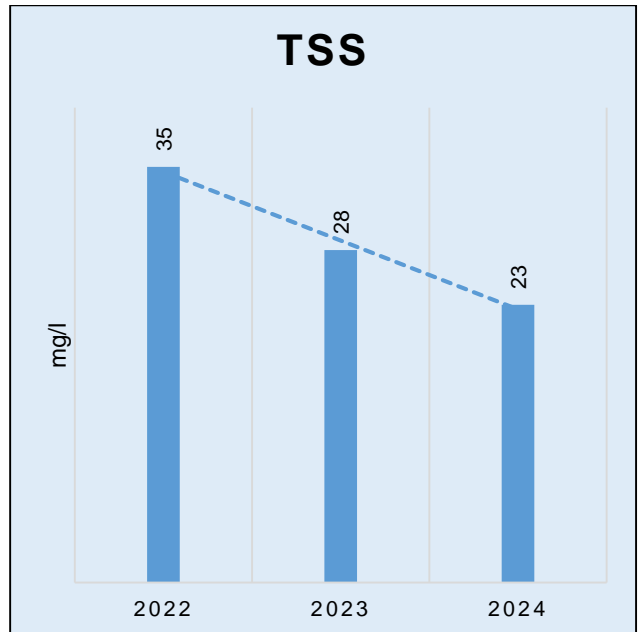
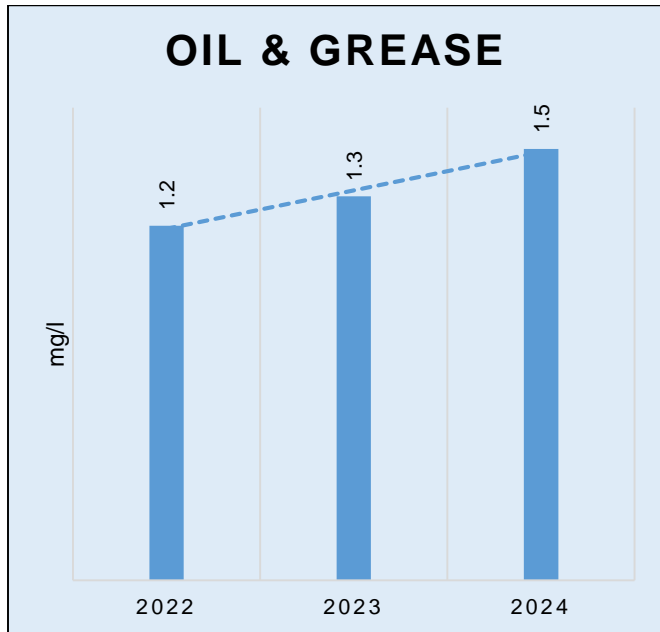
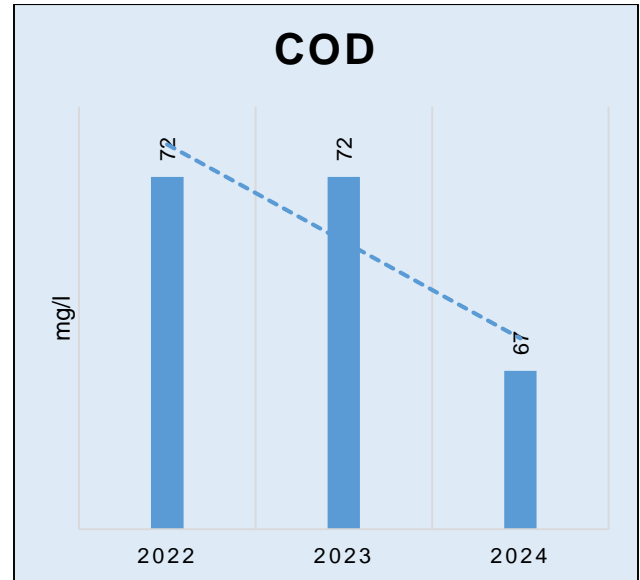
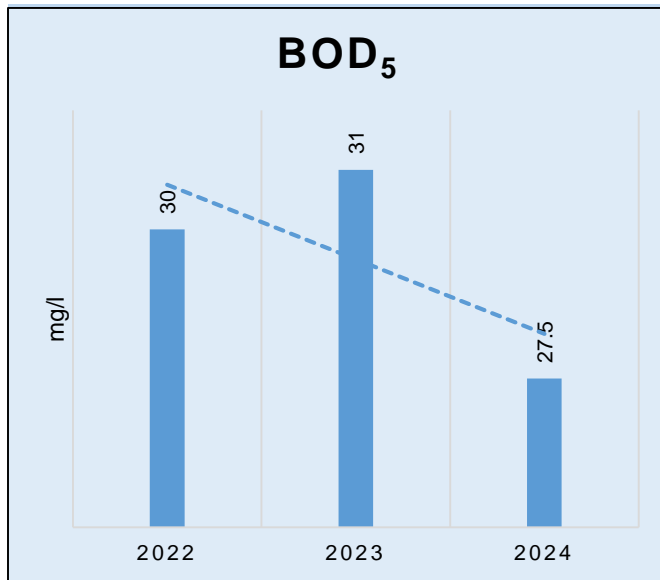
## Environmental Investment

Activity	Investments (Million PKR)
	2024
Environmental Monitoring & Testing	2.3
EMS Audits from Third Party	0.12
Effluent Treatment Plant Operation	28.55
Annual Green Plan Budget	5.0
Safe Disposal of Waste	1.3
Drinking Water Treatment Plant Operation	17.52
Environmental Reporting	2.2
<b>Total Environmental Protection Expenditure</b>	<b>56.99</b>

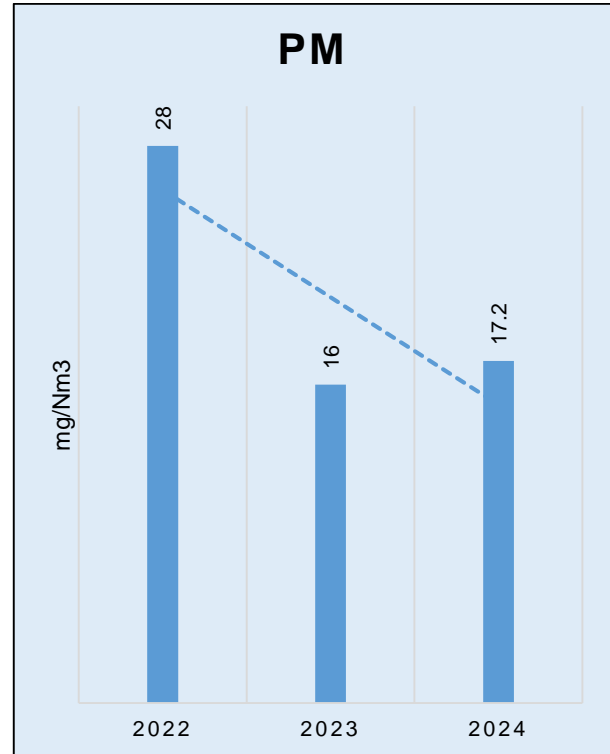
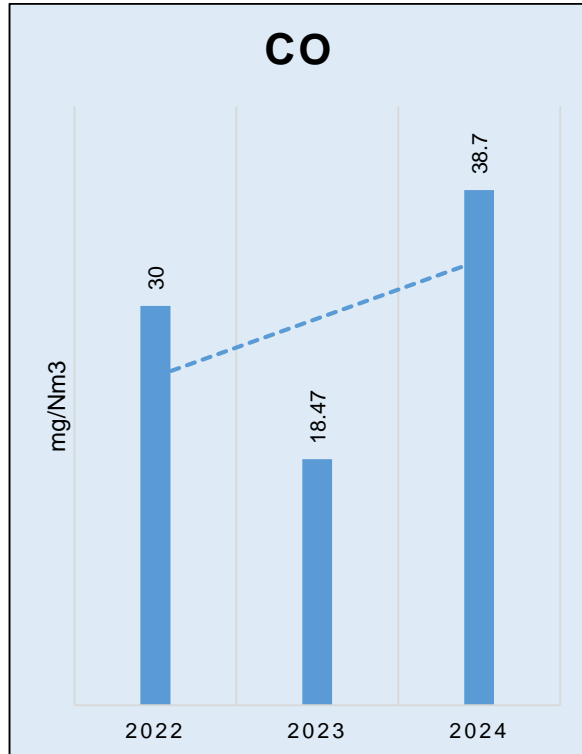
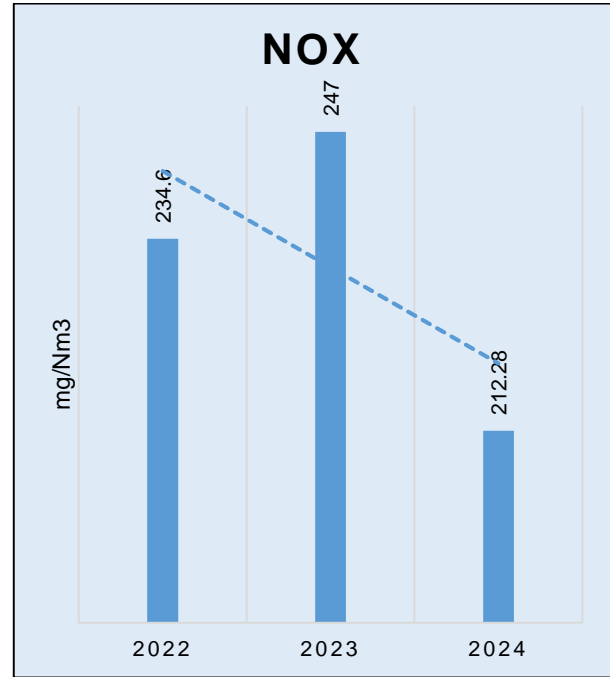
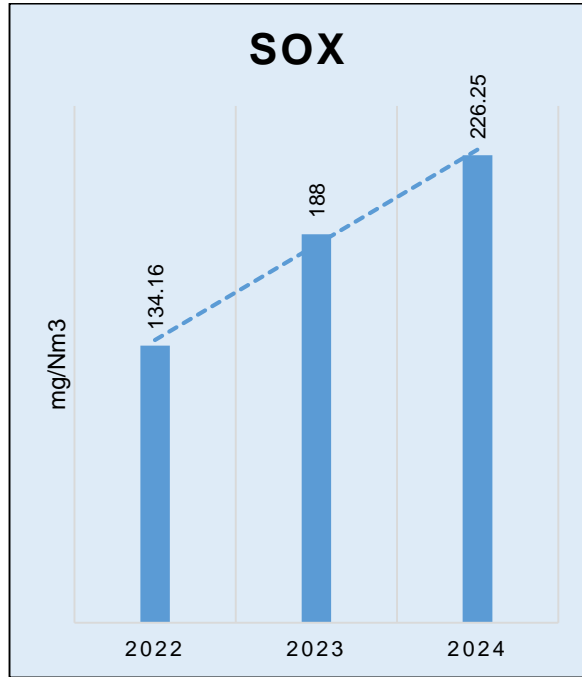
## ENVIRONMENTAL MONITORING AND COMPLIANCE

We report our environmental performance each month to EPA- Punjab regularly. Gaseous Emissions of Carbon Monoxide (CO), Sulfur Dioxide (SO<sub>2</sub>), 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 2024, the average flow was 32.6 m<sup>3</sup>/hr, pH was 8.2 and the annual average phenol concentration in the effluent was 0.05 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 2024, 02 chemical and 11 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 2024.

## 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 Centre (NCPC)

National Cleaner Production Center (NCPC) aims 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). We have MOU's with top universities from all over Pakistan like Fatima Jinnah Women University-Rawalpindi, University of Engineering and Technology-Taxila, Lahore College for Women University-Lahore, Government College University-Lahore, Pakistan Institute of Engineering and Applied Sciences-Islamabad, Quaid-i-Azam University-Islamabad, Mirpur University of Science and Technology-AJK, International Islamic University-Islamabad, University of Punjab-Lahore, Abbottabad University of Science and Technology-Abbottabad, Mir Chakar Khan University of Technology DG Khan, Shaheed Benazir Bhutto University, Sheringal and Pakistan Girl Guides Association, who support our activities and share their knowledge. NCPC has achieved following important milestones during its journey.

- Member of Global Network for Resource Efficient and Cleaner Production RECPnet (UNEP)
- Energy Services Company (ESCO) Certification by ENERCON (NECCA)
- Environment Consulting Company by Pakistan Ministry of Environment
- Environmental Laboratory Certification from Pak EPA and Punjab EPA
- Hazardous Waste Management Company Certification from Pak EPA
- ISO 14001:2015 Certification of Environmental Management System (EMS)
- Non-Profit Organization Certification from Pakistan Centre for Philanthropy (PCP)
- Non-Profit Organization Certification from Federal Board of Revenue (FBR)
- Hazardous Waste Incinerators Certified from Punjab EPA
- Site for Bioremediation and Composting Activity
- Biodiversity Park
- Solar Energy Development Facility
- Biogas Plants
- Honey Bee Farming Facility
- Organic Vegetable Farming Facility and Plant Nurseries
- More than 500 Clients
- Network with multi-sectors

NCPC has carried out a large number of activities for community development with different sectors of society. The details and glimpses of them are as follows:

## 1. Pilot Projects for Universities (Phase VII and VIII)

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 7<sup>th</sup> and 8<sup>th</sup> Phase, twenty-nine projects have been awarded to universities. Since 2018, seventy projects have been funded for a number of universities all over Pakistan.



Pilot Projects

## 2. National Environmental Mela 2024

The National Environmental Mela organized by NCPC with a theme of 'It is the Time for Nature' on 27<sup>th</sup> April 2024 at **Rose & Jasmine Garden, Islamabad** in collaboration with Capital Development Authority (CDA), Pak-Environmental Protection Agency (Pak-EPA), Institute of Ruler Management (IRM) and AITAA Pakistan Chapter. The National Environment Mela is an incredible initiative, focusing on nature's transformative power and the importance of conservation is crucial in today's world. It's heartening to see efforts aimed at increasing public awareness and encouraging action toward preserving our natural resources for future generations. Every step taken toward conservation and sustainable living is a step toward securing a better future for all life on earth. A multitude of schools, colleges, universities, and social and environmental organizations showcased their stalls, offering a diverse array of exhibits. The rain also added traditional taste in the event like cultural melas. The event showcased numerous captivating performances, infusing vibrancy and energy into the proceedings.



Glimpses of Environmental Mela



### 3. Tree Plantation Program

Almost 18,000 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, Housing Colonies like Divisional Public School, Al-Aleem Grammar School, Government Girls High School AOC Morgah, Viqar Un Nisa School, Gordon College, Rawalpindi Medical Staff Colony, Askari XIV, Kashmir Colony, Mira Kalsi Village AJK Muzaffarabad, District Poonch AJK, GHQ Residential Colony, DHA, Bahria Town, ARL, Gulshanabad, Muslim Colony, Agosh Housing Society, OPF Housing Society, Bureau Veritas, Qasim Base 503 Workshop, 21 Signal Battalion, 44 Corp Battallion, Heavy Mechanical Complex, Gulshan e Sehat, Railway General Hospital, Poly Clinic Hospital, Haq Bahu Memorial Hospital Ghora Deri, NGOs like AHKMT, Akhuwat Foundation, Sultana Foundation, Khan Memorial Trust, Anjuman, Memorial Trust Westridge- 3, Falah Social Trust AJK, Alkhidmut Foundation, Perma Culture Center, Government Offices EPA, OGDCL, IESCO, Pakistan Girl Guides and Boy Scouts Association, Hospitals, Banks, Parks, Offices etc.



Glimpses of Plantation Drives

## 4. Kitchen Gardening

More than 500 packets of seeds were distributed in different communities of Pakistan.



Gardening Session at School

## 5. International Observance Days

International observance days related to environment marked by United Nations are being observed with resilience.



Environment Day Celebration

## 6. Awareness Sessions/Trainings/Walks

- a) Climate change session and kitchen gardening at Mohallah Sahiyan of the Toor village and Fateh Pur village near Sarai Alamgir
- b) Door to Door awareness session on Single Use Plastic and Water conservation Karamabad Town, Village Nakka Kalan, Jehlum
- c) Symposium Silent Spring at FJWU
- d) International Conference of Soil Sciences
- e) No Littering Campaign at village Bhagna, Tehsil Gujjar Khan
- f) Plantation and Environmental Awareness Session at Liaqat Campus School, Gulshan Colony Taxila
- g) Awareness Session at Usswa School, Kallar Kahar
- h) Environmental Awareness Session on Green and Clean earth among children of Fateh Pur village
- i) Environmental Awareness and Plantation at Jamia Uml Khair, Mardan
- j) Session on Single Use Plastic at Saba Trust Homes (Orphanage), Rawalpindi
- k) Environmental Awareness and plantation at Sihala Police College
- l) Session on Climate change, Environment and Humanitarian Impact on South Asia at Lincoln Reading Lounge, Islamabad
- m) Environmental Awareness session at Govt. Degree College for Women Sanghoi, Jehlum
- n) Awareness Session on Smog at Rawalpindi Women University
- o) Stall at ASF Meena Bazaar
- p) Awareness Session and Plantation at MC Boys High School, Gujjar Khan
- q) Orientation Session with Bahria University Karachi Campus at NCPC.
- r) Waste Management and Sustainable Development seminar at APS DHA 1, Islamabad.
- s) Climate Change Session and Kitchen Gardening at PGGA, Islamabad.
- t) Participation in Pakistan US Alumni Network, National Climate Emergency Conference.
- u) No littering Campaign at Kohala Bridge.
- v) Participation in job fair Bahria University, Islamabad





Glimpses of Awareness Sessions

## 7. 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, Oldage homes, Special Education Institutes and transgender.



Glimpses of Model Projects for Schools

## 8. Door to Door Campaigns:

Door to door campaigns regarding Plastic Pollution, Tree Plantation, Kitchen Gardening and Waste Management in different areas of Pakistan.

## 9. Urban Forestry

Urban forestry project initiated at Rawalpindi Medical University Colony.



## 10. IESCO Green Grid Station

More than three thousand trees planted at IESCO Grid Stations

## 11. HDF Olive Garden at Soon Valley

NCPC established Olive Garden at Soon Valley in collaboration with HDF.



Glimpses of Various Activities by NCPC

## 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 are 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:



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

- Frequency of Exposure: Rate at which any person is exposed to the hazard.
- Incident Probability: Likelihood that the exposure will result in loss. It has an integral value from 1 to 4.
- Potential Consequences: Severity of the resulting loss is rated in this category. It has an integral value from 1 to 4.
- Degree of Risk defined as Frequency of Exposure \*Incident Probability\* Consequences.
- 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) ensures quality of these by processes by coordinating 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

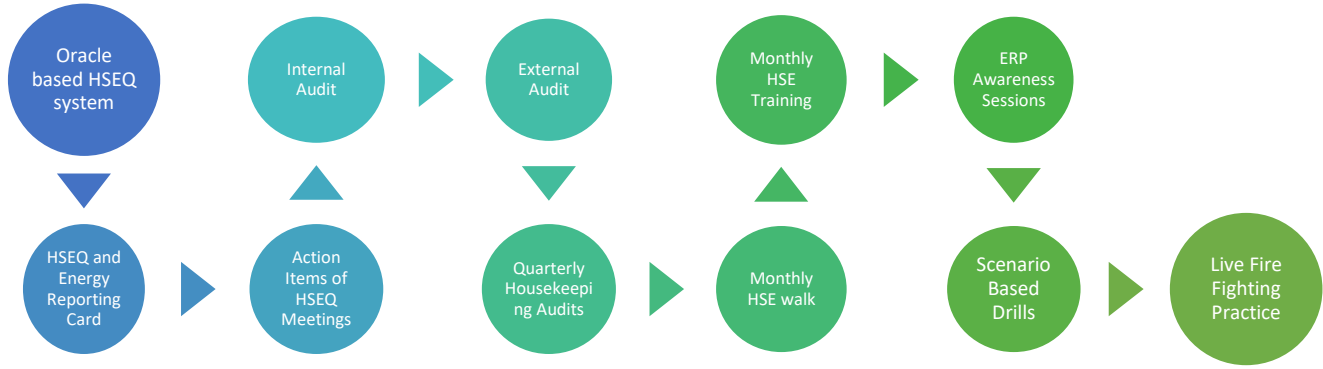
factor/potential hazards of only those activities, which may have significant health and safety impact keeping in view the history of near misses, incidents, accidents etc. that happened in the past. This form is incorporated into the departments Occupation Health, safety, hazard identification, risk 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 them with protection through 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.







Glimpses of OHS Drills

## Safety Week 2024

Attock Refinery Limited Celebrated Safety Week from April 22nd to April 26th, 2024, in alignment with the International Labor Organization's World Day for Occupational Health and Safety at Work, which falls on April 28th. The theme for this year, according to ILO is "impacts of climate change on occupational safety and health". On the first day of the week, safety walk was conducted by refinery employees, demonstrating our steadfast commitment to fostering a safety-first culture throughout refinery. Safety week served to emphasize our dedication to creating a workplace environment that prioritizes the well-being and safety of every individual.

Throughout Safety Week, safety talks were organized to engage shop floor level employees and gather their feedback on hazards associated with climate change, including excessive heat, extreme weather events, and air pollution. Moreover, classroom sessions were conducted on topics such as Behavior Based Safety, Operational Safety, Digital Technologies in Plant Safety, and Contractor's Safety, aimed at enhancing the safety culture within the refinery.

Moreover, ARL collaborated with National Highway & Motorway Police and Rescue 1122 to facilitate an interactive session on Road Safety and Role of Emergency Services in the Community.



Glimpses of Safety Training Sessions Arranged for ARL Employees



## 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:

- i. Monthly Basic HSE Induction Training Program
- ii. Monthly Live Fire Practice
- iii. Scenario based Emergency Drills
- iv. ERP on site refinery staff training
- v. Behavior Based Safety awareness & Surveys
- vi. Monthly meetings of Area Safety & Environment In-charges to discuss and present HSE aspects, performance and KPIs.
- vii. Monthly Health, safety, and Environmental walk to identify areas of improvement
- viii. Quarterly Safety Awards for employees to reward and recognize their efforts in improving safety culture
- ix. Delegating responsibility to Line management for the compliance of safety in their concerned areas
- x. Involvement of Shop Floor Level workers in the Health and Safety through Safety Stewards Forum
- xi. Arranging HSE Conferences at national level on alternate year.
- xii. Celebration of Annual Safety Week etc.
- xiii. 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 and occurs 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 with the participants.

Topics Include:

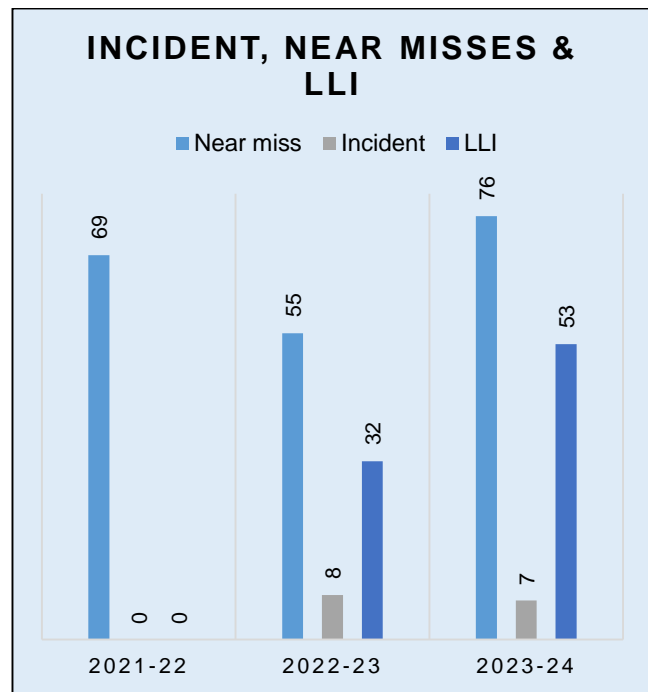
i. Process safety Management	ii. Emergency response plan	iii. Office safety / Behavior Based Safety
iv. Permit to work system	v. Personal protective equipment	vi. Integrated Management system
vii. H2S Safety	viii. NH3 safety	ix. Chemical handling
x. First Aid/ Drowning	xi. ISO 50001	xii. Hazard identification and risk assessment

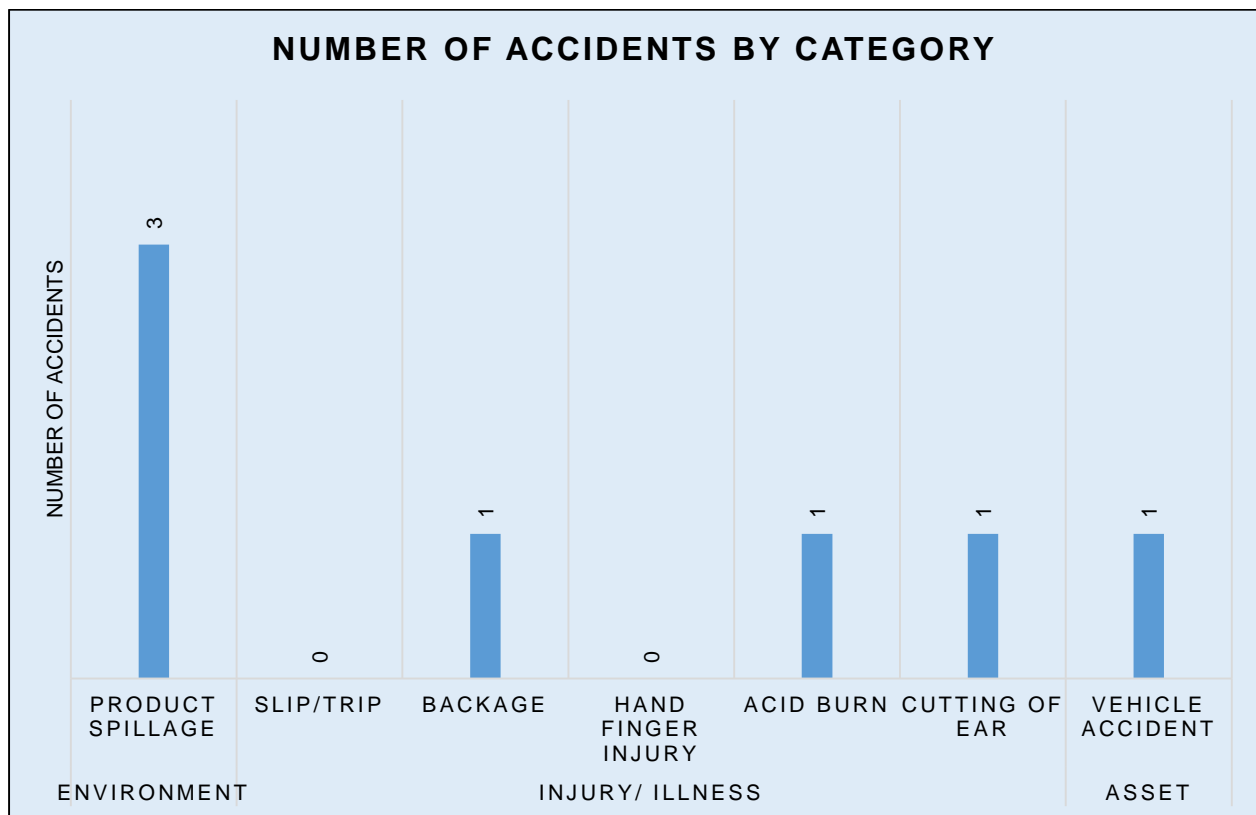
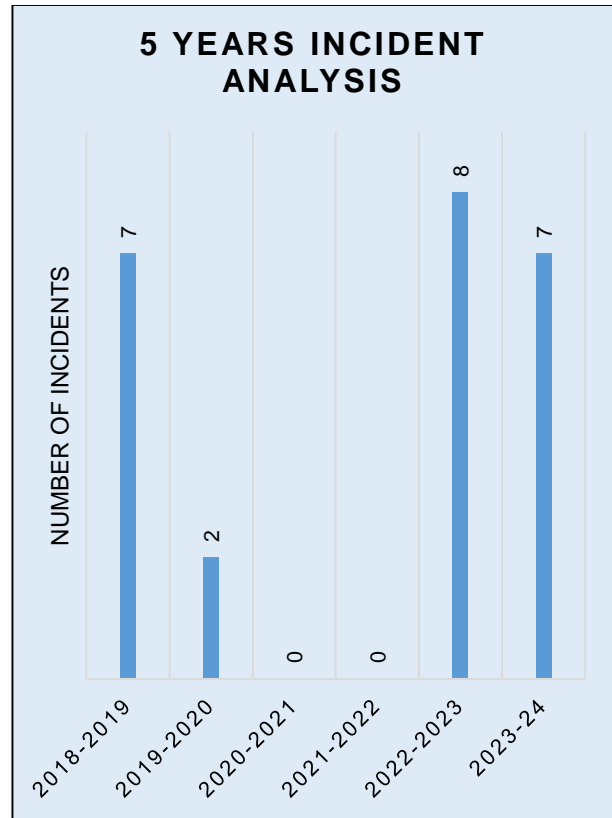
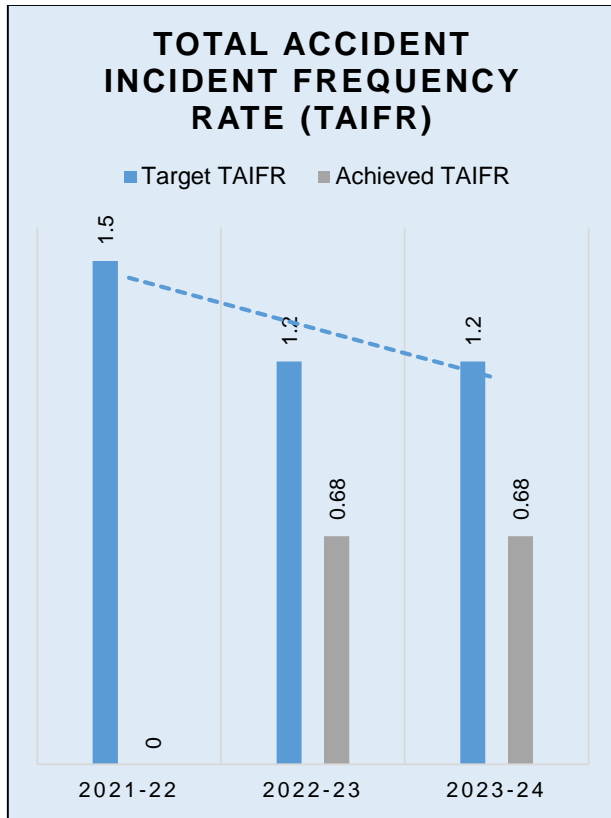
## Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

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.

## Health & Safety Statistic

Monthly HSE Trainings	
No. of training Man Hours	6312
No. of participants	263
Emergency Response Trainings	
No. of training Man Hours	1076
No. of participants	2152
Scenario Based Emergency Drills	
No. of training Man Hours	338
No. of participants	338
Monthly Live Fire Practice	
No. of training Man Hours	699
No. of participants	699





## Contractors Safety

- i. 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.
- ii. Moreover, regular monitoring of Contractors Equipment fitness, Personal Protective Equipment is ensured. Training is also imparted to contractor's staff.
- iii. 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.

## OHS Activities

Occupational health and safety is of major importance for Attock refinery Limited. Different activities for Occupational Health and safety include:



## Medical Service

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

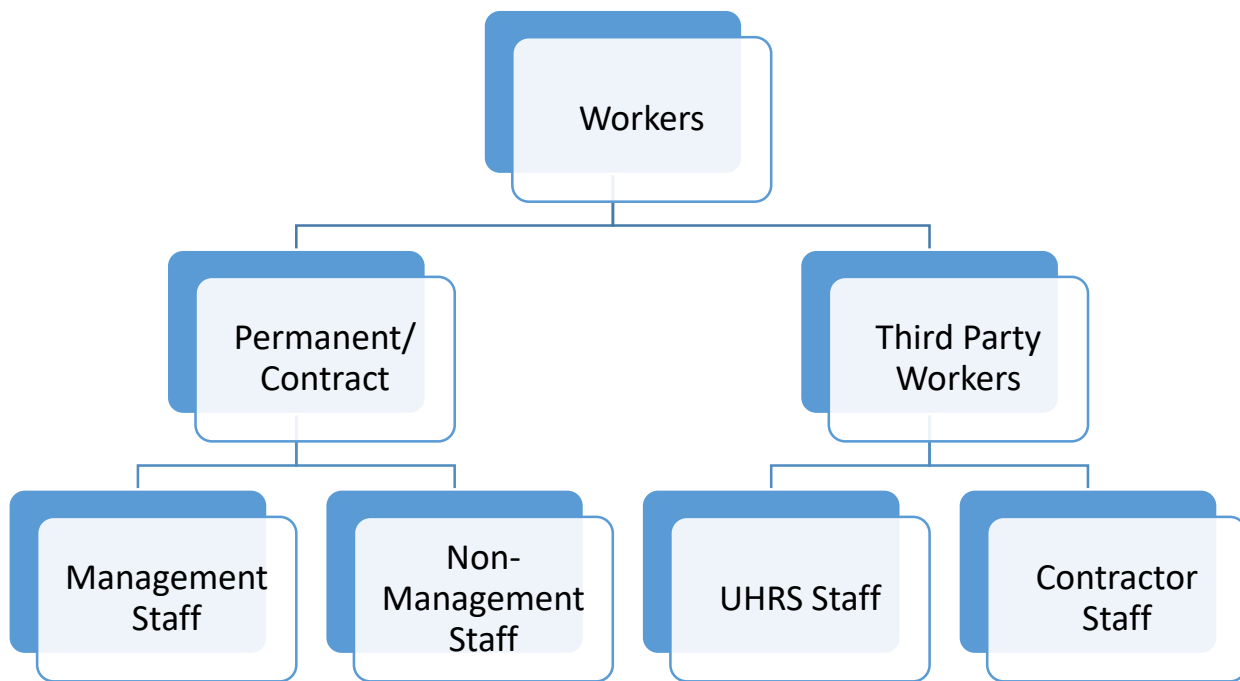
professionals such as doctors or employees/workers themselves.

## Work Related Injuries & Ill Health

All first aid cases and injuries are regularly reported. The fatality and injury rates for company and contractor are calculated by taking into consideration the number of recordable injuries multiplied by 1000000 and divided by Man-hours worked.

## 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.



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 (SDG'S)

SDG Linkage	Our Contribution
	<p><b>Actions:</b> ARL itself &amp; through its sponsored NGO “ASF” is playing a vibrant role in uplifting the economic condition and to ensure “No Poverty &amp; zero hunger” in community. ARL provides free of cost supply of clean drinking water to more than 50000 inhabitants of nearby Community, schools and Masjids from its water reservoirs.</p>
	<p><b>Actions:</b> ARL is paying due attention to the health &amp; wellbeing 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.</p>
	<p><b>Actions:</b> 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.</p>
	<p><b>Actions:</b> ARL commitment for Gender equality &amp; Reduced inequalities is evident from its human resource policy, whistle blowing policy &amp; 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.</p>
	<p><b>Actions:</b> 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.</p>
	<p><b>Actions:</b> 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 &amp; 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.</p>



**Actions:** 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.



**Actions:** ARL fosters sustainable communities by providing essential services, affordable housing (subject to availability), and plans for additional flats. It ensures safe, affordable transportation for employees and preserves heritage through a company museum with equipment from 1922. ARL also maintains the Morgah Biodiversity Park, offering an inclusive green space for all, especially women, children, the elderly, and individuals with disabilities.



**Actions:** 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.



**Actions:** ARL is treating its wastewater by installing state of art wastewater treatment technologies and its effluent water moving out of refinery premises has no significant impact downstream on the biodiversity value of water bodies.



**Actions:** 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



**Actions:** 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 (Abolition) Act, 1992 regarding age requirement and forced or compulsory labor.



## SUSTAINABLE DEVELOPMENT PLAN

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

SHORT TERM PLANS (1-3 Years)	MEDIUM TERM PLANS (3-5 Years)	LONG TERM PLANS (5-10 Years)
<p>14. Third party Certification of energy management system ISO 50001: 2018.</p> <p>15. Replacement of all conventional street lights (inside, outside refinery) with LEDs.</p> <p>16. Conducting steam system survey of ARL for minimization of steam consumption and conservation of energy.</p>		



# ECONOMY





## STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019

- Name of Company: Attock Refinery Limited
- Year ended: June 30, 2024

1. The Company has complied with the requirements of the Regulations in the following manner:

The total number of directors are seven (7) as per the following:

Gender	Number
Male*	7
Female	Nil

\* This includes six elected directors and one Chief Executive Officer of the Company. Mr. Jamil A. Khan resigned from the Board on June 24, 2024.

2. The composition of the Board as at June 30, 2024 is as follows:

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

*Subsequent to the year, election for the Company's Board of Director's was held on July 12, 2024 and the related requirements of the Code of Corporate Governance Regulations, 2019 (the Code) has also been complied with. A Constitutional Petition was filed by the Company before the Sindh High Court, where in Company has challenged compliance with, inter alia, 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 one (1) director 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 Board has formed committees comprising of members given below:

Committees	Composition/Name
<b>Audit Committee</b>	Mr. Shamim Ahmad Khan (Chairman)
	Member:
	Mr. Shuaib A. Malik
	Mr. Abdus Sattar
	Mr. Tariq Iqbal Khan
	Mr. Babar Bashir Nawaz (Alternate Director: Mr. Wael G. Pharaon)
<b>HR &amp; Remuneration Committee</b>	Mr. Tariq Iqbal Khan (Chairman)
	Members:
	Mr. Shuaib A. Malik
	*Mr. Jamil A. Khan
	Mr. M. Adil Khattak


\* Mr. Jamil A. Khan resigned from the Board on June 24, 2024.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the Committee for compliance;
14. The frequency of meetings of the committees were as per following:

Meetings	Frequency
<b>Audit Committee</b>	Four (4) quarterly meetings were held during the financial year ended June 30, 2024.
<b>HR &amp; Remuneration Committee</b>	Two (2) meetings were held during the financial year ended June 30, 2024.

15. 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;
16. 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;
17. 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;
18. During the year, the Securities and Exchange Commission of Pakistan issued certain amendments to the Listed Companies (Code of Corporate Governance) Regulations, 2019 through its notification dated June 12, 2024. While the Company is already complying with most of the requirements of the Regulation 10A of the Code, we are actively working towards ensuring its complete compliance at the earliest.
19. 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. 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
20. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is below. Furthermore, refer paragraph 18 above of the statement.

Committee	Reg. No.	Explanation
<b>Nomination Committee:</b> The Board may constitute a separate committee, designed as the nomination committee, of such number and class of directors, as it may seem appropriate in its circumstances.	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.
<b>Risk Management Committee:</b> 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.	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



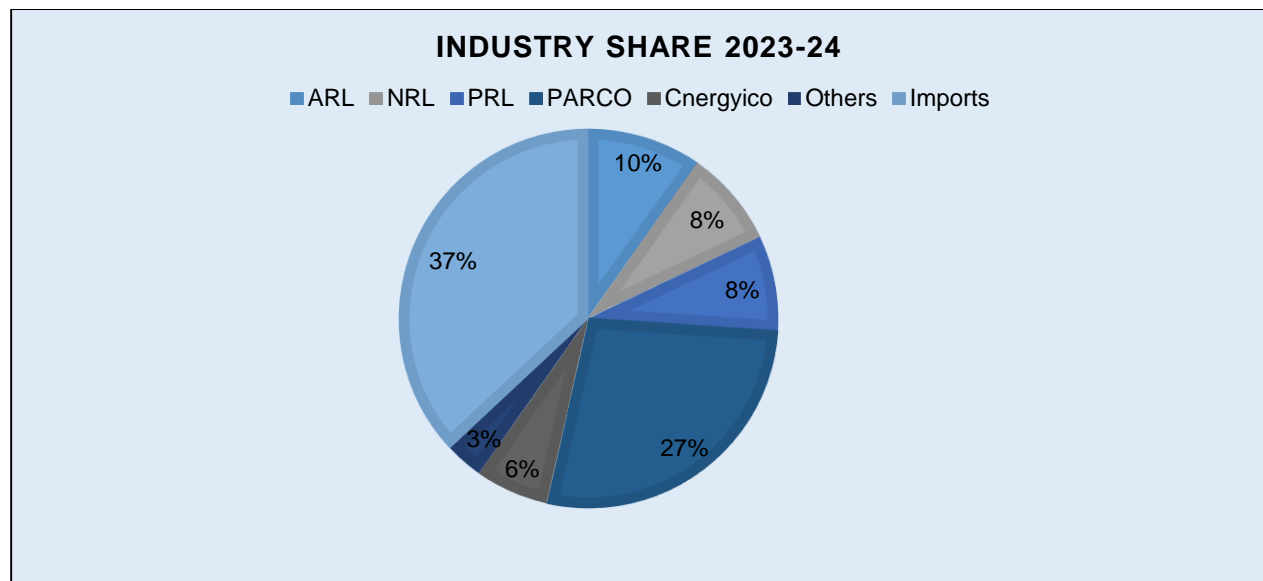
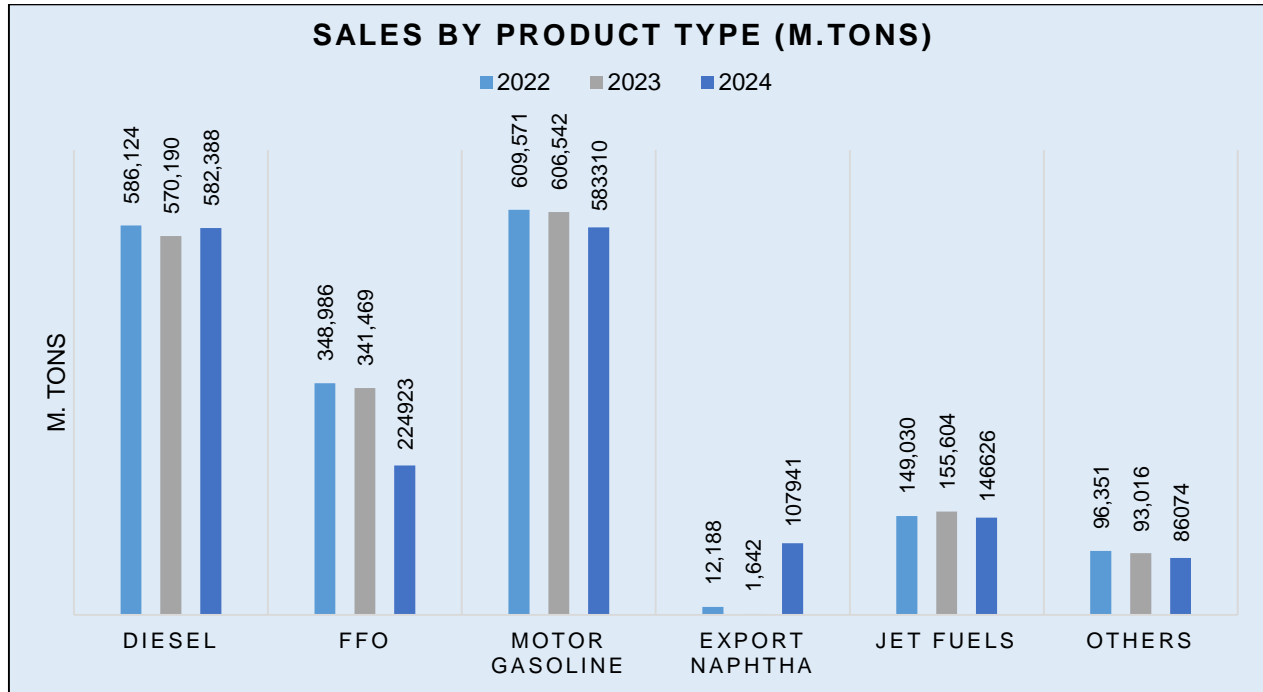
M. Adil Khattak  
Chief Executive Officer



## ECONOMIC IMPACTS ON THE LOCAL COMMUNITIES

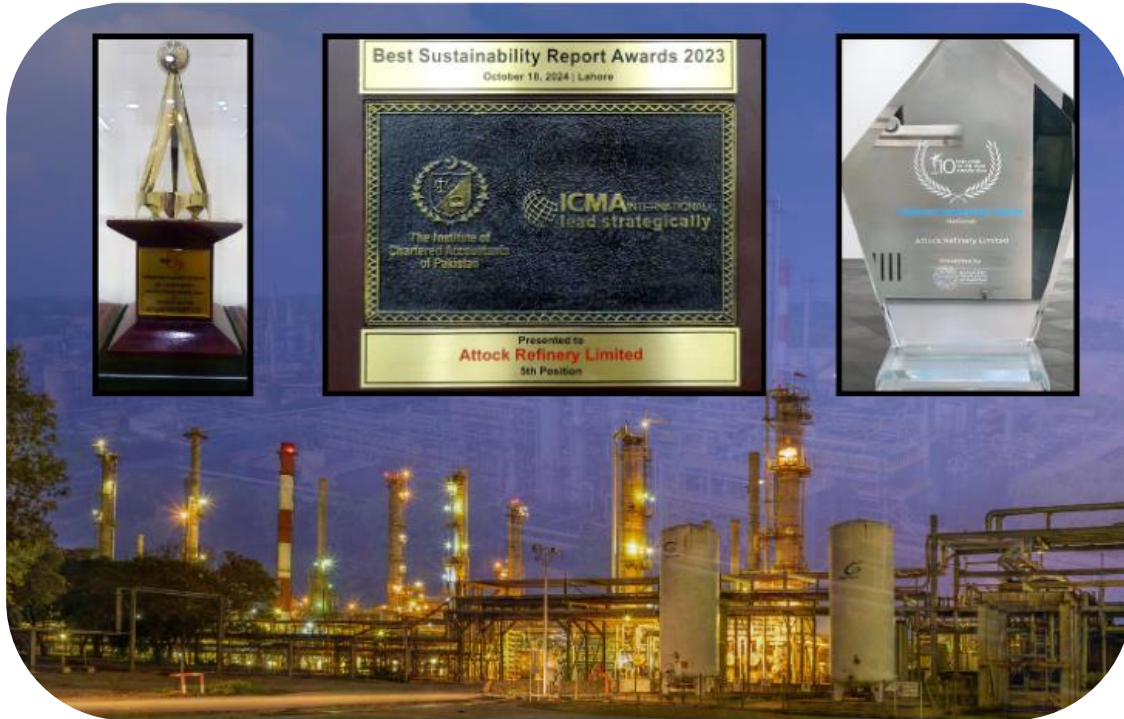
Availability of potable water is a big issue in this region. To facilitate local community in this regard, ARL continued with its policy of providing potable water to the surrounding population in the villages of Morgah, Kotha Kalan, Jhamra & to the welfare organization like SOS village, Deaf & Dumb School, other schools, Masjids and Churches. ARL being a socially 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



## AWARDS AND RECOGNITION

### Awards



### Accreditations & Certifications



Self-Implemented at ARL

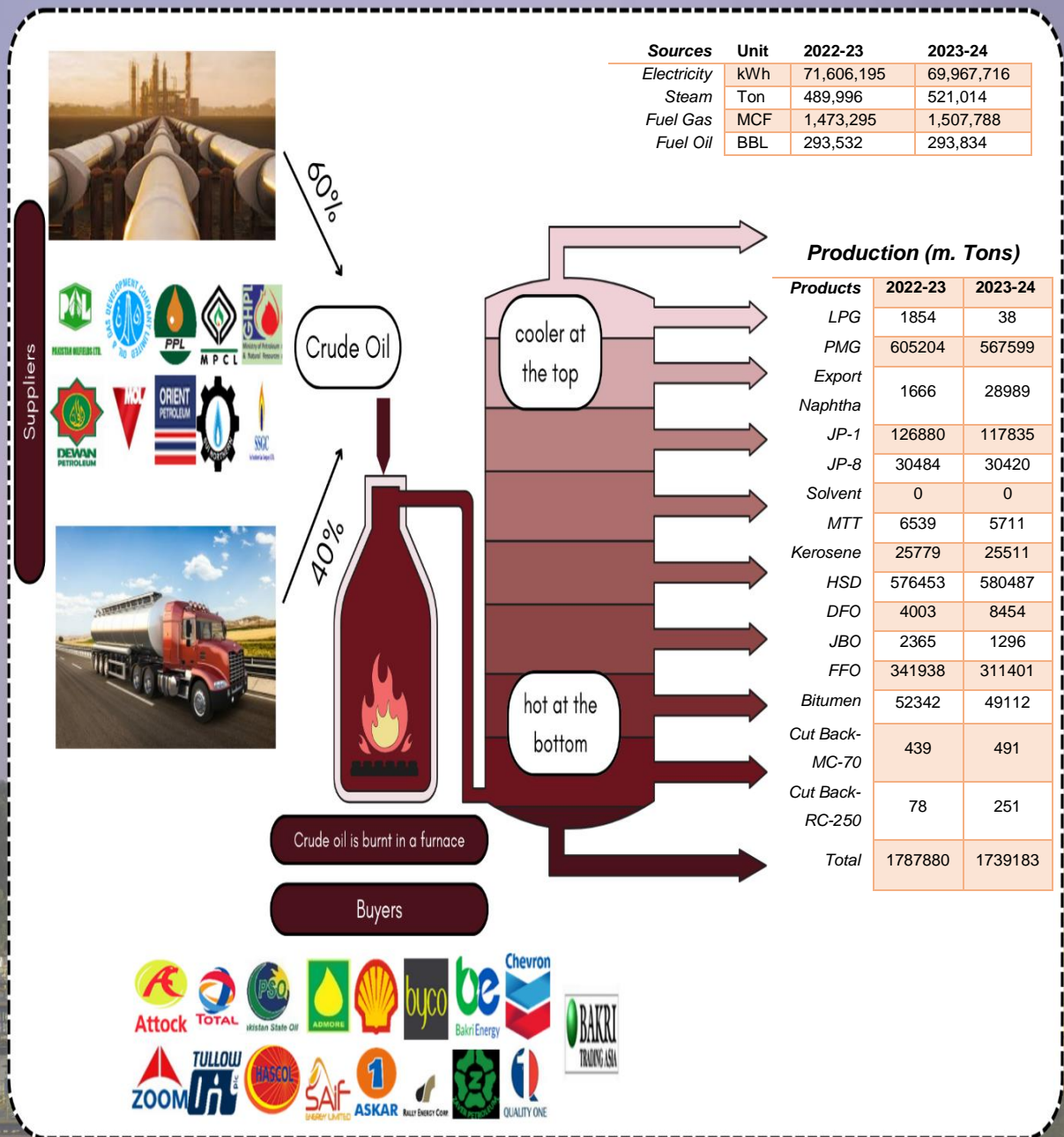


# SUPPLY CHAIN





# OPERATIONAL CONFIGURATION



## 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 start 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):
  1. Manufacturer
  2. 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 and the performance of all contractors is 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

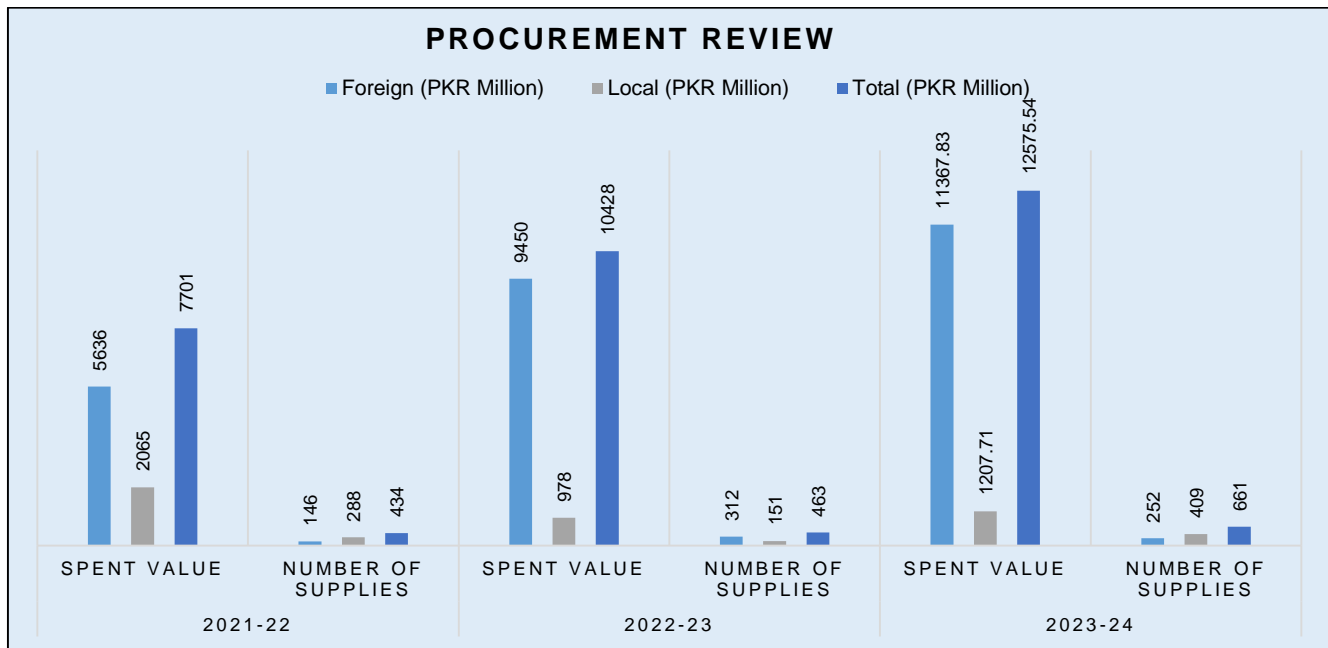
These are listed depending upon the preferences, as Supplier is a significant factor for the reason, his reputation & quality of purchases affects the company's repute. Quantity is also the most important parameter and cannot be compromised. After that the time taken in delivering goods and the supplies location plays an important role in making purchases. Our total procurement from local suppliers for year 2023-24 is Rs. 1207.71 million, while the total procurement expenditures are Rs. 12575.54 million. The registered local suppliers are 409 in Year 2023-24. The %age local share of procurement for the reporting year is 9.6%. The total number of suppliers had an increase from 463 to 661.

## Procurement Review Process

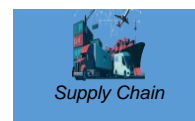
Procurement process is under continuous review by Business Review & Assurance Department (BR&A) at various levels for the purpose of maintaining integrity and transparency. These reviews are carried out in the following manner:

- 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, Noshera. 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-2024.

## 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-2024. 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



1. Pakistan Air Force (PAF)



2. Total Parco Pakistan Ltd (TPPL)



3. Attock Petroleum Ltd (APL)



4. Shell Pakistan Ltd (SPL)



5. 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.

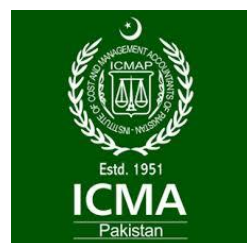
### Ten Principles of Un Global Compact



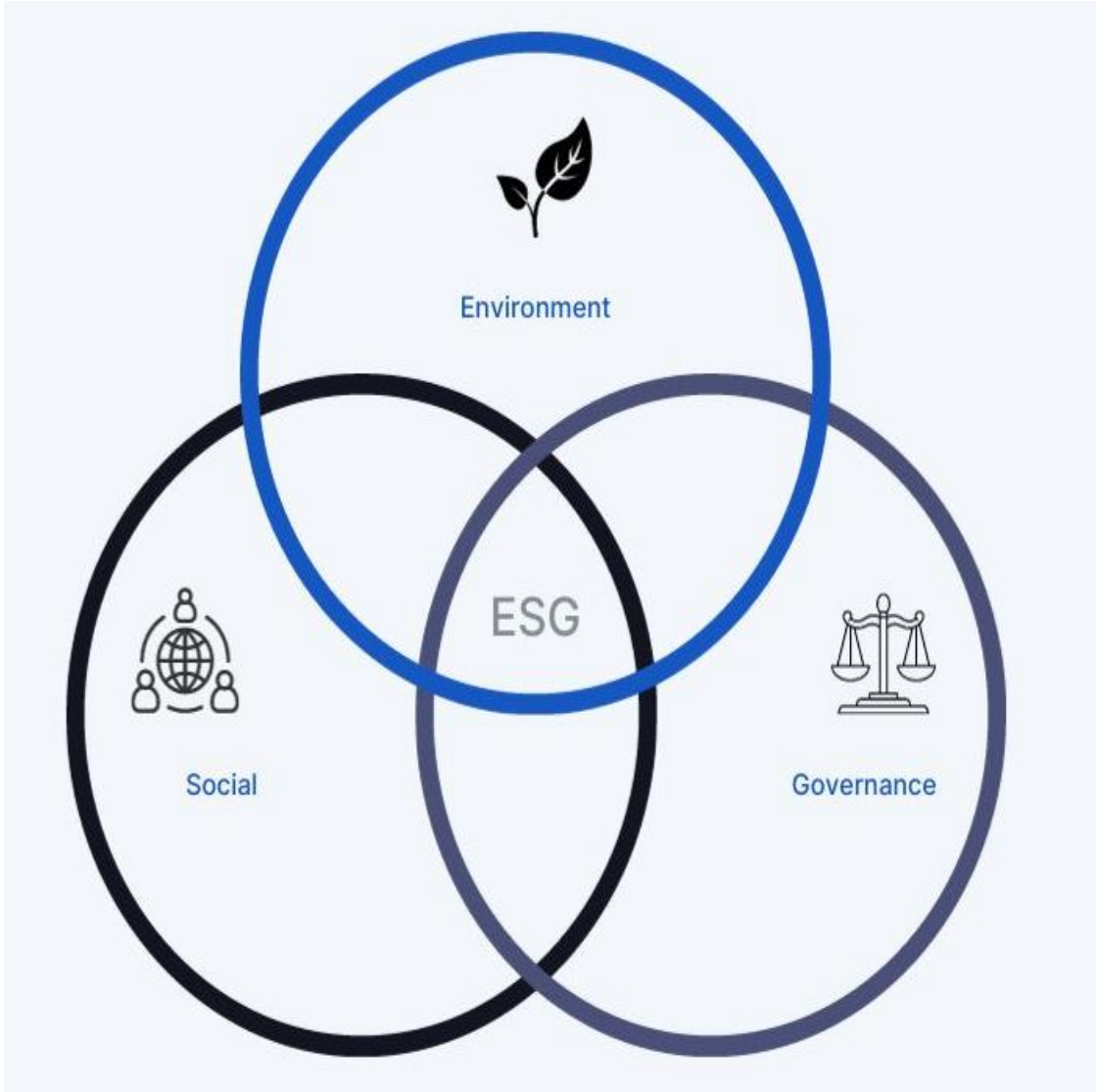
## BUSINESS ASSOCIATIONS

ARL is having associations with the following governmental and non-governmental organizations and agencies

- Pakistan Stock Exchange
- Oil Company Advisory Committee (OCAC)
- Federation of Pakistan Chamber of Commerce and Industries (FPCCI)
- Overseas Investors Chamber of Commerce and Industries (OICCI)
- Rawalpindi Chamber of Commerce and Industries (RCCI)
- Petroleum Institute of Pakistan (PIP)
- Pakistan Standard and Quality Control Authority (PSQCA)
- Management Association of Pakistan (MAP)
- Employers Federation of Pakistan (EFP)
- Trade Development Authority of Pakistan (TDAP)
- National Fire Protection Association (NFPA), USA
- Rescue 1122
- WWF Pakistan
- Fire Prevention Association of Pakistan
- Pakistan Alliance against Sexual Harassment (AASHA)
- CSR Association of Pakistan
- Alternative Energy Development Board
- Association of Certified Chartered Accountant (ACCA)
- Key Point Installation Division (KPID), Interior Ministry
- Japan Cooperation Centre Petroleum (JCCP)
- Nippon Keidanren International Cooperation Center (NIC)
- Pakistan Institute of Corporate Governance (PICG)
- Institute of Chartered Accountant of Pakistan (ICAP) & Institute of Cost and Management of Pakistan (ICMAP)
- Association of Overseas Technical Scholarship (AOTS), Japan



# CREDIBILITY & REPORTING INDEX





## 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 Calendar year 2024 and the economic and financial performance is based on the fiscal year from July 1st ,2023 to June 30th ,2024.

Reporting Standard Coverage	Symbol
Full Coverage	
Partial Coverage	
No Coverage	













# INDEX TABLE

Strategies & Analysis	Page #	GRI	IFRS (S1 & S2)	TCFD	UNGC	SDG	Explanatory Note
<b>THE ORGANIZATION AND ITS REPORTING PRACTICES</b>							
2.1 Organizational Details	27-28	✓					ARL Operates only at Morgah Rawalpindi in Pakistan
2.2 Entities included in the organization's sustainability reporting	23	✓					ARL is the only entity included in the report.
2.3 Reporting period, frequency and contact point	23	✓					ARL publishes standalone sustainability report and annual report separately
2.4 Restatement of information	23	✓					
2.5 External Assurance	-						
<b>ACTIVITIES AND WORKERS</b>							
2.6 Activities, value chain and other business relationship	107-112	✓	✓	✓			
2.7 Employees	38-40	✓	✓				
2.8 Workers who are not employees	40-41,94	✓				8	The third-party workers are contract workers employed through contractors performing multiple tasks and services including general, janitorial, gardening, security and maintenance etc.
<b>GOVERNANCE</b>							
2.9 Governance Structure and composition	25-26,47,100-102	✓	✓	✓			
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	25	✓					The chair of the highest governance body is not a senior executive.
2.12 Role of highest governance body in	11,24,34	✓	✓	✓			

overseeing the management of impacts							
2.13 Delegation of responsibility for managing impacts	24	✓	✓	✓			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 <a href="http://www.arl.com.pk">www.arl.com.pk</a> . 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	11,24,33	✓	✓	✓			
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 2024.
2.16 Communication of critical concern	23,113	✓	✓				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.
<b>2.18 Evaluation of the performance of the highest governance body</b>	-						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
<b>2.19 Remuneration policies</b>	26,33,102						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.
<b>2.20 Process to determine remuneration</b>	47,48						
<b>2.21 Annual total compensation ratio</b>	-						Stakeholders' views are sought and taken into account regarding remuneration through independent organizational surveys, HR resources, & remuneration committee of BOD.
<b>CLIMATE-RELATED RISKS</b>							
The climate-related risks and opportunities the organization has identified over the short, medium, and long term.	17-18						
The board's oversight of climate-related risks and opportunities.	11						
The management's role in assessing and managing climate-related risks and opportunities.	11						
<b>STRATEGY, POLICIES AND PRACTICES</b>							

<b>2.22 Statement on sustainable development strategy</b>	6-7	✓	✓	✓			
<b>2.23 Policy Commitment</b>	45,60	✓	✓	✓			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.
<b>2.24 Embedding policy commitments</b>	45	✓	✓	✓			
<b>2.25 Processes to remediate negative impacts</b>	-	✓	✓	✓			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.
<b>2.26 Mechanism for seeking advice and raising concerns</b>	45,49	✓	✓	✓			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 & Apprentice staff in order to seek advice on matters related to organizational integrity and alike
<b>2.27 Compliance with laws and regulations</b>	7,32-38,80	✓					No significant instances of non-compliance with laws and regulations during the reported period
<b>2.28 Membership associations</b>	114	✓					
<b>The current and anticipated effects of those sustainability-related risks and opportunities on the entity's business model and value chain</b>	11,17-22		✓	✓			
<b>The effects of those sustainability related risks and opportunities on the entity's strategy and decision-making</b>	11,17-22		✓	✓			
<b>RESILIENCE</b>							
<b>The resilience of the entity's strategy and its business model to those sustainability-related risks.</b>	17-22		✓	✓			

The uncertainties arising from sustainability-related risks	17-22		✓	✓			
Climate-related scenarios, including a 2°C or lower scenario	17-22		✓	✓			
<b>RISK MANAGEMENT</b>							
The organization's processes for identifying and assessing climate-related risks.	11		✓	✓			
The organization's processes for managing climate-related risks.	11		✓	✓			
The processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	11		✓	✓			
<b>STAKEHOLDER ENGAGEMENT</b>							
2.29 Approach to stakeholder engagement.	32-38	✓	✓	✓		16	
2.30 Collective bargaining agreements.	46	✓				16	
<b>MANAGEMENT APPROACH ON MATERIAL TOPICS</b>							
3.1 Process to determine material topics.	8-9	✓	✓	✓			
3.2 List of material topics.	10	✓	✓	✓			
3.3 Management of material topics.	11	✓	✓	✓			
<b>ECONOMIC IMPACTS</b>							
201-1 Direct economic value generated and distributed.	58	✓	✓			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.	11,17-22	✓	✓	✓	✓	13	
201-3 Defined benefit plan obligations and other retirement plans.	48	✓	✓	✓	✓		
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.
<b>MARKET PRESENCE</b>							
202-1 Ratios of standard entry level wage by gender compared to local minimum wage.	47	✓				1,5,8	



202-2 Proportion of senior management hired from the local community.	39	✓					
<b>INDIRECT ECONOMIC IMPACTS</b>							
203-1 Infrastructure investments and services supported	58	✓	✓	✓		2,5,7,9,11	
203-2 Significant indirect economic impacts.	58	✓	✗	✗		1,2,3,8,10,17	
<b>PROCUREMENT PRACTICES</b>							
204-1 Proportion of spending on local suppliers.	109	✓				12	
<b>ANTI-CORRUPTION</b>							
205-1 Operations assessed for risks related to corruption.	60	✓				16	
205-2 Communication and training about anti-corruption policies and procedures.	60	✓				16	
205-3 Confirmed incidents of corruption and actions taken.	60	✓					No incident of corruption reported during the year 2023. Further refer to ARL Code of Conduct available at <a href="http://arl.com.pk">http://arl.com.pk</a>
<b>ANTI-COMPETITIVE BEHAVIOR</b>							
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	60	✓				16	
<b>MATERIALS</b>							
301-1 Materials used by weight or volume.	65	✓				8,12	Only crude oil was purchased externally while all other resources are sourced internally
301-2 Recycled input materials used.	65	✓	✓			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
<b>ENERGY</b>							
302-1 Energy consumption within the organization.	65,67	✓	✓	✓		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.	65,67	✓				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

<b>302-3 Energy intensity.</b>	65,67	✓	✓	✓		7,8,12,13	
<b>302-4 Reduction of energy consumption.</b>	66-67	✓	✓	✓		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,
<b>302-5 Reductions in energy requirements of products and services.</b>	65,67	✓				7,8,12,13	ARL's products are not of long useable life while no services are provided by ARL. Hence, we have not included products and services.
<b>WATER &amp; EFFLUENT</b>							
<b>303-1 Interactions with water as a shared resource.</b>	68	✓	✓	✓		6	All the mentioned data related to water is directly measured.
<b>303-2 Management of water discharge-related impacts.</b>	68-70	✓	✓	✓		6	Covered in the management of material topics.
<b>303-3 Water withdrawal.</b>	69	✓	✓	✓	✓	6,8,12	
<b>303-4 Water discharge.</b>	69	✓	✓	✓			
<b>303-5 Water Consumption.</b>	69	✓	✓	✓			
<b>Water recycling.</b>	70	✓	✓	✓			
<b>BIODIVERSITY</b>							
<b>304-1 Operational sites owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas</b>	71-72	✓	✓	✓		6,14,15	ARL does not fall in or adjacent to any protected area, hence not applicable
<b>304-2 Significant impacts of activities, products, and services on biodiversity</b>	71-72	✓	✓	✓	✓	6,14,15	
<b>304-3 Habitats protected or restored</b>	71-72	✓	✓	✓		6,14,15	
<b>304-4 UCN Red List species and national conservation list species with habitats in areas affected by operations.</b>	71-72	✓	✓	✓		6,14,15	There is no IUCN red listed species and national conservation listed species with habitats in ARL vicinity.
<b>GHG EMISSIONS</b>							
<b>305-1 Direct Scope-1 GHG Emissions.</b>	73-74	✓	✓	✓			
<b>305-2 Energy indirect (Scope 2) GHG emissions.</b>	73-74	✓	✓	✓			
<b>305-3 Other indirect (Scope 3) GHG emissions.</b>	-	✗	✗	✗			ARL doesn't calculate scope-3 emissions.
<b>302-3 GHG emissions intensity.</b>	73	✓	✓	✓			
<b>305-5 Reduction of GHG emissions.</b>	75	✓	✓	✓			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.	79	✓	✓	✓			
<b>EFFLUENT &amp; WASTE</b>							
306-1 Water discharge by quality and destination.	69-70	✓	✓	✓	✓	3,6,12,13,14,15	
306-2 Waste by type and disposal method.	76-77	✓	✓	✓		3,6,12,13,14,15	
306-3 Significant spills.	80	✓	✓	✓		3,6,12,13,14,15	Total 13 spill incidents were reported during the year 2024. Out of those spills, 4 were categorized as major/significant spills which were recollected and the land was restored.
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.
<b>ENVIRONMENTAL COMPLIANCE</b>							
307-1 Non-compliance with environmental laws and regulations.	78-80	✓	✓	✓		12,13,14,15,16	
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>							
308-1 New suppliers that were screened using environmental criteria.	108-109	✓	✓	✓			All new Suppliers are assessed on the basis of Environmental Criteria.
308-2 Negative environmental impacts in the supply chain and actions taken.	108-109	✓	✓	✓			
<b>EMPLOYMENT</b>							
401-1 New employee hires and employee turnover.	39-40	✓				5,8	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees.	42-43	✓				8	
401-3 Parental leave.	47	✓				5,8	



LABOR MANAGEMENT							
402-1 Minimum notice periods regarding operational changes.		✓			✓	8	The minimum period is decided with prior mutual discussion on case to case basis.
OCCUPATIONAL HEALTH & SAFETY							
403-1 Occupational health and safety management system.	87-95	✓	✓			8	
403-2 Hazard identification, risk assessment, and incident investigation.	87-95	✓	✓			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.	87-95	✓	✓			3,8	
403-4 Worker participation, consultation, and communication on occupational health and safety.	87-95	✓	✓			8	
403-5 Worker training on occupational health and safety.	87-95	✓	✓			3,8	
403-6 Promotion of worker health.	87-95	✓	✓				
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	87-95	✓	✓				Occupational Health & Safety impacts are covered in our material topics.
403-8 Workers covered by an occupational health and safety management system.	87-95	✓	✓				100% Employee are covered by ARL's Occupational Health and safety management system.
403-9 Work-related injuries.	87-95	✓	✓				There has been no fatality reported during the year.
403-10 Work-related ill health.	87-95	✓	✓				
TRAINING & EDUCATION							
404-1 Average hours of training per year per employee.	42-42	✓	✓			4,5,8	
404-2 Programs for upgrading employee skills and transition assistance programs.	42-42	✓	✓			8	
404-3 Percentage of employees receiving regular performance and career development reviews.	42-42	✓	✓			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.	47	✓					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.
<b>405-2 Ratio of basic salary and remuneration of women to men.</b>	47	✓					
<b>NON-DISCRIMINATION</b>							
<b>406-1 Incidents of discrimination and corrective actions taken.</b>	47	✓					
<b>FREEDOM OF ASSOCIATION &amp; COLLECTIVE BARGAINING</b>							
<b>407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.</b>	46,112	✓					
<b>CHILD LABOR</b>							
<b>408-1 Operations and suppliers at significant risk for incidents of child labor.</b>	46	✓				2,3,4	
<b>FORCED OR COMPULSORY LABOR</b>							
<b>409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor.</b>	46	✓				2,3,4	No operation & suppliers is identified having a significant risk for incidents of child and forced labor. We have commitment on the restriction of employment below the age of 18 years and consider it a serious violation to Labor Laws.
<b>SECURITY PRACTICES</b>							
<b>410-1 Security personnel trained in human rights policies or procedures.</b>	45	✓					All the security staff either directly hired or through third party has been trained on human right policies.
<b>RIGHTS OF INDIGENOUS PEOPLES</b>							
<b>411-1 Incidents of violations involving rights of indigenous peoples.</b>	-	✓					ARL respects the right of indigenous people and no incident is reported regarding its violation.
<b>HUMAN RIGHTS ASSESSMENT</b>							
<b>412-1 Operations that have been subject to human rights reviews or impact assessments.</b>	-	✓					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.
<b>412-2 Employee training on human rights policies or procedures.</b>	45	✓					
<b>412-3 Significant investment agreements and contracts that include human rights clauses or</b>	45	✓					In the reporting year no significant investment agreements were made.

that underwent human rights screening.							
<b>LOCAL COMMUNITIES</b>							
413-1 Operations with local community engagement, impact assessments, and development programs.	51-59	✓	✓	✓			
413-2 Operations with significant actual and potential negative impacts on local communities.	51-59	✓	✓	✓			
<b>SUPPLIER SOCIAL ASSESSMENT</b>							
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.
<b>PUBLIC POLICY</b>							
415-1 Political contributions.	-	✓					No financial and in-kind political contribution made by the company.
<b>CUSTOMER HEALTH &amp; SAFETY</b>							
416-1 Assessment of the health and safety impacts of product and service categories.	110-112	✓	✓				
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services.	110-112	✓	✓				
<b>MARKETING &amp; LABELLING</b>							
417-1 Requirements for product and service information and labelling.	110-112	✓					
417-2 Incidents of non-compliance concerning product and service information and labelling.	110-112	✓					
417-3 Incidents of non-compliance concerning marketing communications.	110-112	✓					
<b>CUSTOMER PRIVACY</b>							
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.	112	✓					No incident reported.





**SOCIOECONOMIC COMPLIANCE**

<b>419-1 Non-compliance with laws and regulations in the social and economic area.</b>	102-103	✓					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.
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Your comments and suggestions are encouraged.

1. Your overall comments on this report?

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2. Your comments on our approach to stakeholders?

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

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4. Any other suggestions?

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### Your Personal Information (Optional)

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