



IN-HOUSE NEWSLETTER

PULSE

PAK-ARAB REFINERY LTD.

May 2024

50 *Years*
1974-2024

GLORIOUS PAST | NEW HORIZONS

TABLE OF CONTENTS

Message from the Managing Director 01

Cover Story 02

Corporate News 05

Corporate Visits 10

Sustainability Initiatives 11

Women's Day at PARCO 12

Employee Engagement & Achievement 14

MESSAGE FROM THE MANAGING DIRECTOR



In 2024, PARCO proudly celebrates its Golden Jubilee, marking half a century of unwavering commitment to integrity, professionalism, and adaptability in an ever-evolving business landscape. Our journey, from humble beginnings to industry leadership, has been nothing short of remarkable. As a beacon of excellence, the PARCO Group stands as a testament to the power of collaboration, innovation, and the steadfast dedication of its employees.

We extend our deepest gratitude to the Emirate of Abu Dhabi for their invaluable support and firm belief in our potential. Their partnership has been instrumental in our growth and success. We also acknowledge the visionary leadership of PARCO that has guided us through challenges and opportunities, inspiring us to scale new heights.

To every individual who has been a part of the PARCO family, past and present, you have played an integral role in shaping PARCO into the powerhouse it is today. Your dedication, passion, and expertise have been the driving force behind our achievements. Together, we have built a legacy of excellence, and together, we will continue to write the next chapter of our success story.

As we look towards the future, we are excited to build upon our strong foundation and lead the way to a brighter, more prosperous future for Pakistan. We remain committed to driving innovation, fostering growth, and making a positive impact on our communities.

May PARCO continue to shine as a symbol of excellence and a source of pride for Pakistan.

Yours Sincerely,

Irteza Ali Qureshi

COVER STORY

50 Years of Excellence: From Inception to Industry Leadership

Joint Ventures (JVs) have a mixed history, with both notable successes and failures. However, in today's uncertain markets, companies worldwide increasingly recognize the strategic value of alliances—both equity JVs and contractual ones. These partnerships offer effective risk management, enable the sharing of large-scale capital investments, and infuse ventures with entrepreneurial spirit.



PARCO's establishment was born from the strong fraternal bonds between Pakistan and Emirate of Abu Dhabi. Its subsequent growth and expansion required a unique blend of robust financial backing, a commitment to technical and operational excellence, and a firm reputation for conducting business with transparency, fairness, and professionalism. These core principles underpin PARCO's sustained growth and its ability to meet its obligations to shareholders, employees, business partners, the government, and society at large.

Incorporated on May 9, 1974, as a 60:40 joint venture between the Government of Pakistan and the Emirate of Abu Dhabi through its Mubadala Investment Company, PARCO began with an authorized capital of PKR 1.5 billion. The year 2024 marks PARCO's 50th anniversary, a golden jubilee celebrating a journey of resounding success. Filled with triumphs and challenges, this journey has shaped PARCO into a beacon of excellence, an institution with a wealth of knowledge and experience to new generations of employees, ensuring the continuity of its legacy.



PARCO commenced its Golden Jubilee celebrations with the inspiring slogan “Glorious Past | New Horizons,” a testament to the collective creativity of its employees. On January 26, 2024, a friendly cricket match brought together colleagues of all genders, fostering camaraderie and team spirit at the newly established cricket ground at the Corporate Headquarters in Karachi. The event featured the unveiling of the commemorative 50 Years logo and slogan.



The festivities continued on February 23, 2024, with a formal launch of the celebrations at the same venue. Mr. Irteza Ali Qureshi, Managing Director, PARCO, welcomed former Managing Directors and Deputy Managing Directors, along with the CEOs of PPGL and Total PARCO Pakistan Limited. During the event, Mr. Tariq Rizavi, a former Managing Director, captivated the audience with untold stories of PARCO's humble beginnings and the challenging conditions faced during the company's project phase, shedding light on the resilience and determination that paved the way for PARCO's success.





Mr. Shahid Mahmood Khan, also a former Managing Director, shared insightful views about the successful acquisitions that significantly expanded PARCO's horizons. The event proved to be a great success, offering new employees a valuable perspective on the dedication and innovation that has propelled PARCO to its current achievements. Throughout 2024, several celebratory events will continue to foster connections between employees and the company's rich history while showcasing the promising future endeavors that lie ahead for PARCO.



CORPORATE NEWS

Pipeline Division's 6th Away Day: Prioritizing Operational Excellence and Safety

The Pipeline Division's 6th Away Day Session under the leadership of Mr. Umair Asghar Mir, Deputy Managing Director Technical/Operations, focused on enhancing operational efficiency and safety. Key action points included:

- **Reinforcing Safety Protocols:** Strict adherence to checklists for delivery operations and specialized training on hazard categorization to mitigate risks and prevent incidents.
- **Optimizing Resource Allocation:** Forming expertise-based teams for assessments and audits to ensure thorough evaluation and continuous improvement.
- **Data-Driven Safety Management:** Identifying HSE concerns for stations and terminals through comprehensive analysis of HSE statistics, enabling targeted interventions.
- **Regular Field Engagements:** Emphasizing regular field visits to monitor operations, provide on-site training for plant operators, and ensure compliance with safety standards.
- **Streamlining Maintenance:** Revising maintenance procedures to maximize equipment uptime, minimize disruptions, and optimize resource utilization.



Additionally, the session highlighted the implementation and successful launch of the Go-live of HSE dashboards, manpower utilization, and updating of performance dashboards. These tools aim at enhancing data-driven decision-making and promoting transparency across operations.



Further discussions centered on energy-saving initiatives and progress on the solar project. Continuous monitoring of vehicle operations and timely updating of the HSE pyramid were also identified as crucial for achieving sustained improvements in overall performance and safety.

PPGL and Burque Corporation Join Hands to Revolutionize LPG Distribution

PARCO Pearl Gas (Private) Limited (PPGL), Pakistan's premier LPG marketing company, has forged a strategic partnership with Burque Corporation, a prominent player in the nation's distribution landscape. This groundbreaking collaboration aims to leverage Burque Corporation's expertise and revolutionize the LPG delivery experience by bringing safe and reliable LPG cylinders directly to customers' doorsteps. The initial service areas will encompass DHA, Bahria Town, and neighboring societies in Lahore, with plans to expand to additional locations based on learnings and expertise gained.



The landmark agreement was officially signed at PPGL's headquarters in Lahore, in the presence of senior executives from both companies. Mr. Kashif Siddiqui, CEO PPGL, expressed his enthusiasm for Burque Corporation's inclusion in this pioneering doorstep delivery pilot project.

This strategic alliance underscores PPGL's strong commitment to enhancing customer experience through innovative solutions while upholding the highest standards of safety and reliability. Together with Burque Corporation, PPGL is poised to redefine industry standards in the LPG distribution, ensuring unparalleled convenience and peace of mind for its valued customers.

PARCO Pearl Gas Partners with Indus Motor Company



PPGL achieved another significant milestone by entering into a strategic partnership with Indus Motor Company Limited (IMC). Under this agreement, PPGL will become the primary LPG supplier for IMC's SNG plant, ensuring a continuous and dependable source of fuel. This collaboration will enable IMC to meet the growing demand of LPG for their business, and mitigate any potential disruptions to their operations.



Project Path: A Successful Digital Transformation



PARCO is excited to share the successful conclusion of Project PATH. SAP S/4 HANA and IS-Oil Implementation project, which began in March 2023, was completed in February 2024. This remarkable achievement was realized within a short timeframe through the joint efforts of our IT team, business process users from PARCO and PPGL, and the valuable expertise provided by implementation partners Ernst and Young Pakistan.



Key Achievements toward Digital Transformation:

End-to-End Hydrocarbon Integration:

- Procurement of imported and local crude
- SILO management for visibility of crude and finished products tank levels and quantities in different UOM
- Production of finished oil products, quantity conversion and quality management
- Availability of Daily Production Report and Monthly DCF
- Availability of Mass Balancing and own use and losses
- Real time integration with IP21 ASPEN, TAS and Weighbridge System resulting in accuracy and prompt results
- LC/BG application and credit management along with workflows to build controls
- Management of pipeline and tank-lorry sales along with formula-based pricing





Leveraging Efficiency in Procurement Processes:

- Procurement requests and approvals as per FAM are managed electronically through system
- SAP Ariba provides procurement best practices, reach to global vendors with digitalization of vendor registration, bidding and sourcing
- IEC approvals in Ariba have significantly reduced the timelines for procurement decision makers



Reduce Costs, Increase Profitability and Improve Overall Financial Performance:

- Utilization of Profitability Analysis for analyzing profitability at business unit and segment level
- Variance Analysis and actualization/rollup of variances to Finished Products
- Calculation of Actual GRM directly from system
- Implementation of Capital and Revenue Budgeting along with workflows and its subsequent controls in system
- Financial Consolidation processes across all PARCO entities and subsidiaries



Streamline HR Processes and Improve Employee Engagement:

- SAP Success Factors now provide the core set of common functionalities like Employee Self Service Portal
- Improved Organizational Hierarchies and Team Management/Delegations
- Time management, leave requests via Self Service Portal
- Reimbursements paid via off-cycle payroll run, eliminating paper-based vouchers and cash handling

Analytics and Reporting to make Informed Decisions:

- 5 times faster system performance along with advantages of mobility using Fiori, advance analytics and real-time processing
- SAP Business Warehouse now provides S/4HANA and legacy data for consolidated reports



Looking Ahead:

With Project PATH successfully concluded, we look forward to:

- Financial Planning and Dashboards
- Real-time insights for better decision-making
- Planning/Budgeting Automation together with Analytics, Predictive, and Collaboration Capabilities
- Dashboards for Senior/Line Management including KPIs



HR Digitalization covering the following core HR processes:

- Performance and Goal Management
- Recruitment and Onboarding
- Learning and Development
- Compensation and Benefits
- Succession and Planning

Governance Risk and Compliance (GRC) through SAP:

- Audit Management
- Risk Management

Procure-to-Pay Optimization:

- Modern invoice to pay process using electronic invoice management



With Project PATH, PARCO propels into a more efficient, agile, and digitally-driven future. Together, we are transforming possibilities into achievements, setting new standards of excellence in the industry.

CORPORATE VISITS

Chairman OGRA visits TS-3 Faisalabad

Team TS-3 hosted Chairman OGRA, Mr. Masroor Khan and his team on March 1, 2024. The visit provided us an invaluable opportunity to showcase PARCO's contribution towards maintaining sustainable supply of petroleum products across the country and engage in meaningful discussions pertaining to our operations. An overview was given to OGRA's team regarding the ongoing operations at the terminal, emphasizing key aspects such as product handling, gantry operations and the fire water system. Additionally, the distinguished guests were briefed on the various other Oil Marketing Companies connected with TS-3 through the pipeline, along with an overview of product delivery volumes.



This was followed by a brief site visit and tree plantation activity by the Chairman, OGRA. The OGRA team appreciated the efforts of PARCO in maintaining safe operations considering the complexity of pipeline and gantry operations. We believe that this visit not only reinforced our commitment to operational excellence but also strengthened PARCO's relationship with OGRA.



SUSTAINABILITY INITIATIVES

Improving Access to Quality Healthcare at Qasba Gujrat

In February 2024, Mr. Irteza Ali Qureshi, Managing Director PARCO, officially inaugurated an X-ray machine at the Rural Health Center in Qasba Gujrat. This initiative aims to improve healthcare services for the local population. The X-ray machine represents a significant investment by PARCO in enhancing medical care, recognizing the pivotal role of good health and well-being, aligned with the Sustainable Development Goals.



This endeavor is part of PARCO's broader strategy to upgrade healthcare institutions located near its facilities. These upgraded clinics now offer essential healthcare services to the local communities within their vicinity, eliminating the need for community members to travel long distances to urban centers for basic treatment.

The event, hosted at the health facility, was attended by Mr. Amar Abbas, GM Refinery, along with members from the Civil and Administration Team, the Healthcare Services team, and the Corporate Social Responsibility Department.

Cultivating a Greener Future

In compliance with the regulatory requirement of the Punjab Environmental Protection Agency (PEPA), PAPCO WOTS-3 Mahmoodkot Administration conducted a tree plantation drive of 2,000 trees in District Muzaffargarh.

The Administration Department organized a ceremony on March 8, 2024, during which Syed Munawar Abbas Bukhari, Deputy Commissioner of Kot Addu, inaugurated the drive by planting a fruit tree. The trees were planted across various schools, colleges, and government offices in Kot Addu.

The Deputy Commissioner, Kot Addu expressed his appreciation for the efforts of PAPCO Management.



Women's Day at PARCO



International Women's Day is a global celebration of women's achievements, resilience, and strength. At PARCO, our female employees united across locations to commemorate the diversity, equality, and empowerment that unite our community.

The heart of our celebration was the empowering messages from internal leaders and distinguished external speakers, echoing the voices of women from all walks of life. Their resilience and determination reminded us of the endless possibilities we have to strive for excellence.





In addition to insightful discussions, the day transitioned into a therapeutic art session, providing a space for creative expression and self-reflection. The day culminated in a celebratory drum circle, honoring the roles women play as they triumph in both the corporate world and the heart of their homes.

Together, PARCO honors the remarkable women who shape our world and inspire us all, today and every day.



EMPLOYEE ENGAGEMENT

PARCO Pipeline Division Celebrates 50 Years with Thrilling Sports Gala

A sports gala for the Pipeline Division, in line with PARCO's 50th-anniversary celebrations, was held on March 6-7, 2024, at PS-3 Shikarpur. Three teams representing the South, Center, and North participated. The event featured intense competitions in cricket, volleyball, and table tennis, as well as indoor games like badminton, snooker, and carrom. Team North emerged



South Team



North Team

victorious in snooker and badminton, while the Central team claimed the crown for carrom, table tennis, volleyball, and cricket, showcasing outstanding performances in each sport. The cricket and volleyball matches were particularly enjoyed by attendees due to their thrilling finishes.



Centre celebrating cricket and volleyball wins

Mr. Ishaque Mako, Divisional Head Pipeline, joined the event, expressed his appreciation for the exceptional performances, and encouraged staff participation in such healthy activities. He also shared his insights with the young talent, emphasizing the importance of staying abreast of the latest trends in the energy industry. At the conclusion of the event, trophies were awarded to the winners. The festivities ended with a folk music performance and a collective commitment to maintain a healthy lifestyle throughout the year, with the possibility of expanding the sports gala into an inter-divisional event in the future.

ACHIEVEMENT



Mr. Arman Bari, Engineer III, Digitalization Department has successfully completed Masters in Data Science from IBA Karachi.



PAK-ARAB REFINERY LIMITED
A Pakistan-Abu Dhabi Joint Venture

Published by
PARCO Corporate Communication Team