



Delivering Happiness



हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड
संधारणीयता रिपोर्ट 2017-18

Hindustan Petroleum Corporation Limited
Sustainability Report 2017-18



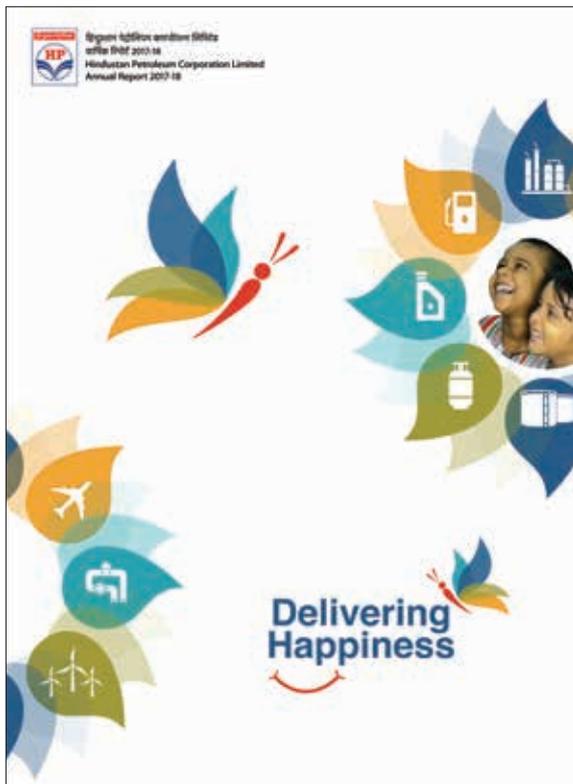
On the Cover

The overall messaging on the cover conveys the exciting journey HPCL has embarked upon to discover new horizons of growth and sustainability.

The cover layout, along with the theme line talks about how our Corporation continues to 'Deliver Happiness' while addressing the triple bottom line. The Green colour of the cover page signifies our unwavering focus on Environmental Sustainability, which is a driving force for our corporation on our quest towards growth, competitiveness and global excellence.

The 'P' shapes hidden in the page design denote the three 'P's of Sustainability: Planet, People and Profit.

Our Corporation, over the years, has sharpened its focus across these three core areas delivering happiness to every stakeholder group.



In the hustle and bustle of everyday life, one often forgets what the heart truly desires. Surprisingly, the things that bring true happiness are simpler and closer than what we think.

Happiness is the sparkle in the eyes of a child on its first ride as a pillion. It is the exhilaration as one accelerates. It is the taste of love as one comes home and the pride of the father as he rides his child's car. It is the hue in the clouds as dreams take flight.

It is the confidence of a soldier, delight of a farmer and the pride of a citizen as the Nation marches forward.

The moments that bring a smile to one's being; Being a part of this is what we at HPCL strive to be...

Blossoming from our vision, led by innovation and steered by a sense of responsibility, we at HPCL, Deliver Happiness...

Registered Office and Corporate Headquarters

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Petroleum House, 17, Jamshedji Tata Road,
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Table of Contents

Our Guiding Principles	2
Vision and Mission	4
HP First	4
From C&MD's Desk	6
From our Directors	10
In this Report	12
Our Sustainability Approach	14
The Sustainability Context	16
Embedding Sustainability Within	19
What We Are Today	24
Our Footprint	27
Infrastructure Development	28
Sustainable Supply Chain	29
Awards	40
Stakeholder Engagement and Materiality	42
Approach	45
Materiality Assessment	53
Being Accountable and Transparent	56
Corporate Governance	59
Internal Systems & Controls	62
Ethics and Integrity	65
Safety and Security of Critical Assets	67
Sustainable Economic Growth	68
Financial Performance	70
Physical Performance	71
Strategic Planning Initiatives	73
Caring for our Planet	76
Efficient Utilisation of Resources	79
Energy Efficiency and Conservation	82
Emission Reduction	84
Harnessing Renewable Energy	87
Conserving and Managing Water	88
Waste Management	90
Empowering Employees	92
Our Family	94
Attracting Talent	95
Stimulating Excellence	96
Performance Management	98
Rewards and Recognition	98
Employee Benefits	99
Encouraging Engagement	99
Upholding Human Rights	100
Providing a Safe and Healthy Environment	102
Bringing Smile, Delivering Happiness	106
Childcare & Education	110
Healthcare	112
Skill Development	113
Promoting Sports	114
Environment & Community Development	114
Expenditure in CSR Projects	116
Product Stewardship	118
Promoting Research & Development (R&D)	121
Green Product Development	122
Quality Assurance	124
Customer-centric Synergies	125
Affiliations	130
Linking Sustainable Development Goals to our Business Practices	131
GRI Content Index	133
Alignment to UNGC Principles	139
Independent Assurance Statement	140
Abbreviations	143



The background image shows an industrial refinery or chemical plant with several tall distillation columns and a complex network of pipes and scaffolding. A large green circular overlay is positioned in the foreground, partially obscuring the industrial structures. The sky is blue with some light clouds.

Our Guiding Principles

- 4 Vision and Mission
- 4 HP First



Vision and Mission

Vision

To be a World Class Energy Company known for caring and delighting the customers with high quality products and innovative services across domestic and international markets with aggressive growth and delivering superior financial performance. The Company will be a model of excellence in meeting social commitment, environment, health and safety norms and in employee welfare and relations.

Mission

HPCL, along with its joint ventures, will be a fully integrated company in the hydrocarbons sector of exploration and production, refining and marketing; focusing on enhancement of productivity, quality and profitability; caring for customers and employees; caring for environment protection and cultural heritage.

It will also attain scale dimensions by diversifying into other energy related fields and by taking up transnational operations.

HP 'FIRST'

We believe in holistic growth and as a company, we strive to make a difference across the three pillars of sustainable development i.e. Environment, Social and Economic. The 'HP FIRST' philosophy is the bedrock of our organisational vision and mission and provides the foundation for the Company's daily operations.



- Free, Frank and Fair



- Integrity



- Respect for Individual



- Sustainable Performance



- Team Spirit





From C&MD's Desk

This report explains our sustainability approach to revenue generation, social impact and environmental care, which is based on a detailed materiality assessment and reflects stakeholder expectations.

We are diligent of our responsibility to the nation and society. Our focus is on building a business which is robust, around processes that are best-in-class, with a mindset that is long-term, while investing in high-quality assets and the best of talent.



Dear Stakeholder,

Thank you for being a part of our journey as we have grown to become a premier public sector corporation recognised for 'Delivering Happiness' by 'fueling' the everyday lives of our citizens. The foundation on which our business is built guides our approach to embedding sustainability across our operations and supply chain. We continue to act responsibly and add value to the lives of people at large.

HPCL has an enviable record of exceptional growth and profitability. In this fiscal, we achieved all-time high combined refining throughput

of 18.3 Million Metric Tonnes (MMT) surpassing the previous best of 17.8 MMT achieved in 2016-17. Mumbai and Visakh refineries recorded highest ever production numbers across product offerings. Our marketing operations achieved its highest ever Sales volume of 36.9 MMT. We recorded our highest ever Profit after tax of ₹ 6,357 Crore this fiscal year.

We have continued to secure strong and stable credit ratings from reputed rating agencies such as Moody's, Fitch, CRISIL, India Ratings and ICRA. This further validates our

business model and approach to sustainability.

Strategic Sustainability at our Corporation

Business responsibility forms the very basis of long-term sustainability and is woven into our vision, mission and values. Sustainability to us means technical expertise, relentless execution, responsible practices and an unwavering commitment to serving national interests.

We take a 360 degree approach and look forward to a greener and more equitable future. The combination

of our efforts towards energy and water conservation, efficient production and delivery, waste recycling, engineering excellence and social impact interventions leads to our ultimate goal of 'Delivering Happiness' and meeting the ever-growing demand for energy in a secure and sustainable manner.

Early adoption of sustainability landscape has enabled us to deepen our approach to developing a strategy that embeds holistic decision-making across the organisation. We have been successful in demonstrating the business case for sustainability by constantly finding ways to ensure that the development, manufacturing and marketing of our products are aligned with safe and environmentally responsible practices. We are constantly reviewing and upgrading our processes to do things in a resource efficient manner, gradually reducing our carbon footprint and making our operations much more sustainable. Today, sustainability is ingrained in our way of doing business. Notwithstanding the challenges in the operating environment, we have managed to stay resilient and achieve a credible performance consistently.

Led by the bold policies and programmes of the Government of India aimed at accelerating the transition to a future that is cleaner, greener and more inclusive, we recognise the urgency to respond to the impacts of climate change and related risks. We contribute to this transformation by future-proofing our business, making climate change an integral part of the risk framework and sustainability strategy.

We have crafted a strategic plan called T20, which defines our target

aspirations by 2020-21 across a range of business priorities. Multiple initiatives have been identified across several themes that focus on achieving substantial growth, keeping safety and integrity at the core. The T20 strategy provides a blueprint to navigate the future business landscape with clearly defined annual growth objectives, profitability targets, investment and action plans to help accomplish our Vision and Mission. Our sustainability approach is in sync with the T20 goals, which are percolated across every business function.

Creating an Impact across the Triple Bottom Line

We are diligent in our responsibility to the nation and society. Our focus is on building a business which is robust, around processes that are best-in-class, with a mindset that is long-term, while investing in high-quality assets and the best of talent. We are further building the organisation by focusing on operational excellence, innovative basket of products, entering new markets and geographies through a sustainable business model that is value-accretive for all our stakeholders.

This report explains our sustainability approach to revenue generation, social impact and environmental care, which is based on a detailed materiality assessment and reflects stakeholder expectations.

Our Key Priorities Include

Commitment to generating revenues responsibly and shared prosperity: By ensuring that as we grow as a company, we share this growth with the people, local communities and the Government that have instilled their trust in us. We are particularly proud of our heritage, which is a testament to the



The T20 strategy provides a blueprint to navigate the future business landscape with clearly defined annual growth objectives, profitability targets, investment and action plans to help accomplish our Vision and Mission.

significant impact that we have had on the wider economic and energy landscape as well as the social fabric of the nation.

Towards a cleaner tomorrow: By upgrading the country's Oil and Gas market to more environment friendly fuels and pioneering innovative projects to reduce the environmental impacts across our operations and extensive supply chain, we are committed to ensure a cleaner tomorrow.

Addressing regional social challenges: By partnering with educational institutions, non-profit organisations and other development-focussed institutions, we are endeavouring to empower underserved communities, improve health and hygiene, nurture talent to continue playing a pivotal role in the development of the society.

Notable sustainability highlights during 2017-18 include the following:

Environment: We have been making continuous improvements across



The Mumbai Refinery has become the first PSU refinery to source 10 MW of power from wind energy.

systems and procedures, focusing on adopting new technologies and upgrading existing infrastructure to further enhance the environmental and safety performance. Optimisation of natural resources in manufacturing processes has been a strong focus area across all facets of business operations. Our major installations are certified with industry standard Environmental Management Systems. To enhance energy efficiency and water conservation across all locations, various means and measures including energy audit, water audit, LED installation, installation of water and energy efficient fixtures etc. were implemented during the year. Furthermore, Effluent Treatment Plants (ETP), Air emission control and Hazardous waste disposal systems are installed at our various locations in line with the industry's best practices and are being monitored periodically.

Our refineries continue to focus on energy efficiency & conservation and are participating in Phase II of Perform, Achieve & Trade (PAT) scheme initiated by Bureau of Energy Efficiency (BEE). They have delivered excellent performance and have undertaken a number of energy efficiency initiatives including enhanced import of power from the grid. Both the refineries recorded best ever Specific Energy

Consumption (MBN). Mumbai Refinery commissioned Tail Gas Treating Unit (TGTU), which will help in reducing sulphur emissions. Visakh refinery commissioned waste heat recovery and condensate recovery systems in some of the units. Visakh refinery also installed a Sewage Treatment Plant based on Constructed Wet Land Technology. Mumbai Refinery has started sourcing about 70% power from the grid, which is the best performance amongst all PSU refineries in terms of power import and Visakh Refinery has undertaken a project to connect the refinery power system to the APTRANSCO grid. Both our refineries are committed to carbon footprint reduction and environmental preservation.

Our T20 strategy focuses on leveraging renewable energy sources to reduce the carbon footprints across the value chain and is continuously expanding the wind and solar power generation capacities. The Mumbai Refinery has become the first PSU refinery to source 10 MW of power from wind energy. We currently operate wind power farms of 100.9 MW capacity in the states of Rajasthan and Maharashtra. During 2017-18, total electricity generation through the wind farms was 169 Million kWh compared to 96.2 Million kWh in 2016-17. In addition, over 1,00,000 Non-Solar Renewable Energy Certificates (REC) were generated during the year, which can be used by our refineries for meeting their Renewable Power Obligation (RPO) compliance. We have commissioned a grid connected captive solar PV plant at Bahadurgarh Terminal, Haryana with a capacity of 750 kWp and we have plans to expand captive solar power capacities across our supply network. A 350 kWp Solar plant at Jodhpur Depot and a 1 MWp plant at Visakh terminal is under execution. To promote clean energy, solar panels were installed at 464 retail outlets during the year. We also launched an electric vehicle charging station at a retail outlet at Nagpur.

Cross country pipelines are the most environmental friendly and safe mode for transporting petroleum products. HPCL has undertaken projects for capacity expansion of Mundra Delhi Pipeline (MDPL), Visakh Vijayawada Secunderabad Pipeline (VVSPL), Ramanandi Bahadurgarh Pipeline (RBPL) and is also setting up new extension pipelines from Palanpur to Vadodara and Vijayawada to Dharmapuri. The project of Uran Chakan Shikrapur LPG Pipeline (UCSPL) is also under progress.

HPCL is promoting the use of Natural Gas by providing CNG facilities at its retail outlets and piped natural gas for households in the geographical areas mandated to it by PNGRB. HPCL is also setting up a 5 MMTPA LNG regasification terminal at Chhara port in Gujarat through HPCL Shapoorji Energy Private Limited (HSEPL), a joint venture between HPCL and M/s S P Ports Pvt. Ltd.

We participated in an industry-wide joint study on 'Climate Change Risks and Preparedness for Oil and Gas Sector in India' conducted by The Energy and Resources Institute (TERI).



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Social: In order to share the value that we create, our social commitments extend to our employees and the communities where we operate.

Our Corporation is focused on delivering multi-faceted HR Services by establishing strong linkages between employees, processes and organisational Vision & Values. Human resource function has identified the needs of the organisation and adopted processes to develop a strong leadership pipeline and a competent, committed and future ready workforce.

During 2017-18, more than 4.2 Million new LPG connections were provided by our Corporation under Pradhan Mantri Ujjwala Yojana (PMUY), taking the total number of PMUY beneficiaries enrolled with HPCL to 9.6 Million as of March 2018. We also sensitised over 85,000 people about safe usage of LPG by conducting 886 Pradhan Mantri LPG Panchayats across the country and about 67,000 Safety clinics educating over 1.9 Million customers.

We improve lives by working with underserved communities through a diverse range of social interventions addressing key development challenges. Leaving a positive impact on the areas that we serve is a commitment that underlies each of our ventures. We continually look to secure sustainable growth and economic progress for our communities. We have a dedicated team operating a portfolio of social projects, in partnership with other social impact and community development based

non-governmental organisations. During 2017-18, ₹ 156.86 Crore has been invested in various social impact interventions across our CSR focus areas of Child Care, Education, Healthcare, Skills Development, Sports, Environment and Community Development.

Validating our sustainability approach and performance, our Corporation has received numerous prestigious awards viz. Golden Peacock Award for Sustainability at National Level; Gold award at the Global Sustainability Awards 2017 instituted by Energy and Environment Foundation; Certificate of Merit at the Sustainability 4.0 Awards 2017, MENASA Edition instituted by Frost & Sullivan and TERI.

Looking Ahead

Be it our drive towards operational excellence or making our products accessible, affordable and available, every time we reflect on the work that we do, we are inspired by the potential we have to create a difference in the lives of our citizens.

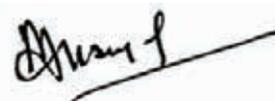
More and more people will need clean gas in their kitchens to cook food and fuel to power their growing mobility needs. Through our strengths of reach, relationship, large customer base, vast experience and market knowledge we are effectively poised to meet the energy needs of a nation that is on the cusp of unprecedented growth and development.

We will continue to involve our stakeholders in everything that we do to help us achieve an environment that is safer and more sustainable for everyone.

Through this report we present a detailed overview of our continued efforts towards 'Delivering Happiness' with the broad aim of creating shared value for all of our stakeholders. The report is culmination of our sustainability performance through 2017-18 and has been compiled as a result of coordination and partnership across the organisation. We are confident that the improvement and impact that we have demonstrated will only accelerate.

We will continue to involve our stakeholders in everything that we do to help us achieve an environment that is safer and more sustainable for everyone.

Thank You,



Mukesh Kumar Surana
Chairman and Managing Director

₹156.86 cr.
investment in social impact interventions

From our Directors



Pushp Kumar Joshi
Director - Human Resources

HPCL strives to be a model of excellence in all its endeavours. We nurture the right environment and opportunities so that various stakeholders can aspire to better their lives, defining paradigms to create new realities.

Being a value-driven Corporation, the key focus is towards ensuring consistent and quality engagement with employees, retaining high performing talent and providing better opportunities for employees to grow and build lasting careers at HPCL.

As a responsible Corporate citizen, we believe that business and society are interdependent thus creating

a sustainable business model that captures economic, social and environmental value for its stakeholders.

The Corporate Vision and Mission are the guiding principles and are fundamental to our decisions and actions.

We continue to act responsibly, add value and delivering happiness to the lives of people.



S Jeyakrishnan
Director - Marketing

HPCL is committed to developing and implementing innovative solutions for creating a safer, sustainable and inclusive ecosystem, for all stakeholders. Our efforts towards innovative solutions integrates key factors and contributors such as deep industry insights, leading technologies and best-in-class resource efficient delivery processes and sustained productivity gains.

Green practices, safety and integrity are key non-negotiable pillars in our operations as a responsible corporate citizen and we are committed to deeply embed sustainability in all spheres of our activities viz., Energy Efficiency, Water conservation, Waste management and Renewable Energy.

We are committed to pursuing sustainable growth through continuous improvement of our products and services, keeping

pace with the environmental focus of society and consumer preferences and by adherence to regulatory requirements. As a marketing organisation, delighting our customers remains the cornerstone of our business strategy, by consistently striving to exceed their needs and expectations. Our continued growth and sales volume of 36.89 MMT registered during 2017-18 is a testimony to our commitment in this regard.

The energy requirements of our country are poised to grow in tandem with GDP growth. HPCL will play a key role for meeting the country's requirements for petroleum and gaseous fuels and by sustainable generation of solar power, development of charging facilities for electricity powered vehicles and by promoting ecofriendly alternatives such as ethanol and biodiesel.



J Ramaswamy
Director - Finance

As a leading Energy company of the nation, HPCL has always kept sustainable economic development in the forefront, increasing spends on cleaner fuels and greener projects.

Business growth has been fostered by preserving the quality of the environment and by proactively managing business impacts, for our employees, customers and communities, in the value chain. All aspects of society, environment and business growth have been duly considered in our strategic growth plans.

HPCL has been at the forefront on the twin aspects of Sustainability and Corporate Governance, together with Technology and Innovation.

My heartiest congratulations to all the team members who have taken efforts to bring out this Sustainability Report duly detailing HPCL's endeavours and accomplishments on this most critical aspect.



Vinod S Shenoy
Director - Refineries

Our refineries at Mumbai and Visakhapatnam are contributing to meet the ever-increasing demand for petroleum products.

We have exceeded performance milestones and surpassed previous benchmarks for safety standards, crude throughput and energy efficiency. Reliability improvement continues to be a focus at both our refineries.

With our emphasis on sustainability towards the protection of the environment, we have been a front-runner at implementing a carbon footprint reduction strategy. We are on track to meet the next wave of future environmental requirements through modern technologies that support sustainability.

Continuing efforts towards a safe and secure work environment, we ensure that both our refineries have robust systems and processes in place.

Climate change and a low carbon path is imperative. We aim to leverage this opportunity by adopting latest technologies and cleaner processes, thereby contributing to meet the ever growing demand for petroleum products in an ecologically responsible manner.

In this Report

At Hindustan Petroleum Corporation Limited (HPCL), we are proud to be an integral part of the endeavours of billions to realise their dreams. We touch lives every day, in every way. By fuelling the Indian economy and empowering lives, we have been instrumental in delivering happiness to millions. Led by innovation and steered by a sense of responsibility, we promise a 'Future Full of Energy' and are committed to 'Delivering Happiness'.



This is our seventh Annual Sustainability Report 2017-18. In this Report, we focus on our performance across the economic, social and environmental aspects of our businesses, highlighting our approach to embedding sustainability within the organisation. We take immense pride in sharing our successes and learnings with our stakeholders, many of whom have participated devotedly in driving the sustainability initiatives.

At the heart of HPCL lies an unwavering commitment to support shared national interests by addressing energy needs, which enable and empower everyday lives. Our portfolio of products, services and solutions are designed to enhance customer value, in turn creating shared prosperity for all our stakeholders. We believe in an inclusive management approach and have built an organisation where differences are acknowledged. We actively reach out to the communities in our vicinity and partner with them on social impact projects across development themes. We have shared our success with the stakeholders, over the years, which has created lasting goodwill and

trust in HPCL brand. We will continue to include our stakeholders in all our future endeavours as well.

Building on our heritage and legacy, we have explored newer strategic businesses and ventured into latest technologies that enable us to meet future needs. We consistently strive to innovate our range of offerings to cater to the ever-changing market environment. Though we look to expand into new markets and geographies outside India, we are committed to widening our reach within the country through an inclusive and sustainable business model.

Our business approach is anchored on building trust with our stakeholders by ensuring compliance, disclosure and responsible and ethical business conduct. In addition to these conventions, our sustainability approach is mainly based on the principles of transparency and accountability. These two principles are evident in our strategies across the triple-bottom-line, which incorporate economic, social and environmental considerations to minimise risk and expand opportunities, enabling us to be ready for future.

This report presents our annual Sustainability performance for the period April 1, 2017 to March 31, 2018. The Report has been developed In Accordance with the 'GRI Standards- Comprehensive Option' on sustainability reporting and disclosures, along with its Oil and Gas Sector Supplement. We have disclosed complete information across the requirements of the GRI Standards, including the Universal Standards (GRI 101, GRI 102 and GRI 103) and Topic-specific Standards (GRI 200, GRI 300 and GRI 400) in line with our 'Materiality Assessment'.

The report boundary is unchanged and includes all fully-owned operations of the Company. These include refineries at Mumbai and Visakhapatnam and the operations of the Strategic Business Units (SBUs) under marketing: Retail (Company-owned and Company-operated outlets only), LPG, Direct Sales, Aviation, Natural Gas and Renewables, Pipelines and Operations & Distribution and Engineering. This Report does not include joint ventures, subsidiaries and international operations.

The data presented in the report has been either sourced centrally from our Enterprise Resource Planning (ERP) system and directly from the operations included within the report boundary. The data measurement techniques and underlying assumptions/calculations have been duly provided in the relevant sections of the report.

We have aligned our report with the United Nations Global Compact Principle (UNGC) on Environment, Human Rights, Labour and Anti-corruption and have mapped our performance to the UN's Sustainable Development Goals (SDGs).

The GRI Standards Content Index provided at the end of the Report acts as an easy reference to all the GRI performance indicators and standard disclosures.

This report is assured by an independent external third party, M/s. Bureau Veritas (India) Pvt. Ltd., as per Assurance Standard AA1000AS (2008).

For any further queries, clarifications, feedback or suggestions related to this report or to our Sustainability initiatives, please reach out to us at:

corporat ehse@mail.hpcl.co.in

or

feedback online at: <https://hindustanpetroleum.com/sustainability-feedback>

The most recent previous Sustainability Report for 2016-17 and all our previous Sustainability Reports are available at <http://www.hindustanpetroleum.com/CSRPolycys>



An aerial photograph of an industrial plant, likely a paper mill, set against a backdrop of lush green hills. A prominent feature is a tall, slender, yellow-painted chimney stack with a blue and white HP logo near its base. The facility includes several large white cylindrical tanks, various pipes, and buildings with corrugated metal roofs. The foreground shows a fenced-in area with green grass and some trees. The sky is a clear, pale blue.

Our Sustainability Approach

16 The Sustainability Context

19 Embedding Sustainability Within



The Sustainability Context

As India aspires to play a formidable role in global efforts to ensure sustainable development for all, we need to work, individually and collectively, towards a cleaner, greener and more inclusive future.

Mohandas Karamchand Gandhi, the father of our nation, succinctly captured the essence of what sustainability means,

“The earth, the air, the land and the water are not an inheritance from our forefathers but on loan from our children. So we have to hand over to them at least as it was handed over to us.”

It is our responsibility to leave behind a proud legacy for the future generations, that will make them realise that we rose above the complex challenges of the world we inhabit today and succeeded in safeguarding the interest of our species.

A number of international meetings have taken place since the UN's Earth Summit in 1972 to recognise the issues around sustainable development and find common and acceptable solutions. The year 2015 was historic as two exceptional global agreements were signed amongst an overwhelming majority of world

governments. The first was the UN's SDGs, the successor to the Millennium Development Goals. The second was the Paris Agreement on climate change at the Paris Conference of Parties (COP 21). Together, both these frameworks represent the largest consensus and collaboration between nations directed towards improving life on earth.

Today, sustainability is a common topic at boardroom discussions and business leaders across the spectrum are beginning to integrate the principles of sustainability into their business strategies. Some business leaders are able to think ahead of the curve and tap into the future potential that exists in developing a green economy. They aspire to leverage on sustainable production, innovation, decentralisation, networking, smart technologies, Research and Development (R&D), etc. by activating the strengths of different stakeholders. Such futuristic outlook will help these leaders and their companies to be better placed to meet the challenges of tomorrow.

India's Oil and Gas sector has a crucial role to play in demonstrating action across sustainability aspects and contributing to the national development agenda.

In this section, we discuss some of the key trends that are shaping the Indian business landscape by outlining the broader sustainability context in which we operate.

UN's Sustainable Development Goals (SDGs)

UN's SDGs, adopted in 2015, are a historic commitment to take on the world's most pressing and pertinent problems. Through the 17 SDGs, 193 UN Member States have agreed to address poverty, hunger, climate change, gender equality and other global issues with a commitment to make major progress across identified indicators by the year 2030.



The UN has identified 232 global indicators that can be used to track progress on the SDGs. The data requirements for reporting on those indicators present an unprecedented opportunity for countries around the world as they assess and report on their progress.

Respective Governments are now developing plans to address their own priorities in the context of this major global effort. At HPCL, we believe that the SDGs are a game changer for the planet and for our business.

Climate Change

Climate change is the most pressing issue that the world is facing and human influence is believed to be the dominant cause. We are already witnessing the adverse impacts of climate change such as deteriorating air quality, warming of atmosphere, extreme weather events, disturbed crop pattern and rising sea levels. Climate change has led to immense loss of life and property, with both the developed and developing nations being equally affected.

At the COP 21 in December 2015, as part of the ongoing negotiations to find collective ways to address climate change, over 196 countries reached an agreement to limit the emissions between 1.5 to 2°C compared to pre-industrial levels (1850-1900 baseline). This is based on the scientific consensus that the most damaging impacts of climate change may be prevented if global average temperature rise is kept within the threshold of 1.5 to 2°C.

Being the world's fastest growing major economy, India has a major role and responsibility in addressing this issue. Our country has taken several steps to control emissions and carbon intensity, including stringent emission standards, a nationwide energy conservation programme, a recent four-fold increase in carbon tax and efforts to establish smart cities and build additional forest cover. Therefore, it is imperative for governments,

businesses and individuals to collectively address this impending issue at different levels in their respective capacities.

Nationally Determined Contributions (NDCs)

Governments have proposed a range of targets and strategies for voluntary emissions that were submitted as Nationally Determined Contributions (NDCs) to the United Nations Framework Convention on Climate Change (UNFCCC). Many countries are already translating these into national regulations, which will be key in unlocking the technology and investment needed to accelerate decarbonisation.

India's NDCs show a strong willingness to play a leadership role in the effort to combat climate change. In its NDC, India has committed to achieve low-carbon growth and sustainable development with the intention of reducing emissions intensity of its Gross Domestic Product (GDP) by 33-35% by 2030 from the 2005 levels and triple its renewable energy capacity by 2022. In addition, it is targeting to derive 40% of its power from non-fossil sources by 2030 and has proposed a broad range of policies, measures and initiatives targeted at accelerating the rate of decarbonisation of its economy and sustainable development.

India has progressed towards expanding its renewable energy capacity due to favourable market conditions and costs. It is in sync to meet its NDC target of 175 GW by 2022 much earlier. Recently, the Government of India declared that it

would increase its renewable energy target by 28% to 227 GW by 2022, suggesting a significant leap.

Water Scarcity

Water is a crucial resource as it is essential for life to exist and for communities and businesses to prosper. Agricultural, industrial, household and recreational activities and ecosystem services require clean, fresh water.

India is facing an acute water crisis in its history and millions of lives and livelihoods are under threat. According to a recent NITI Aayog report titled 'Composite Water Management Index', about 600 million people face high to extreme water stress. Moreover, studies conducted by the World Resources Institute (WRI) indicate that as much as 54% of India faces high to extremely high water stress. By 2030, India's water demand is projected to be twice the available supply, implying severe water scarcity for hundreds of millions of people and an eventual 6% loss in the country's GDP.

Many businesses that require fresh water for production or cooling purposes are already being affected by water shortage. This underscores the urgent need to develop better water management strategies such as rain water harvesting, recycling mechanisms, effluent prevention and control techniques.



Being the world's fastest growing major economy, India has a major role and responsibility in addressing this issue.



Human Rights

Creating a world where the equal worth of every individual is respected and valued is simple to articulate, but difficult to deliver. The Universal Declaration of Human Rights (UDHR, 1948) was a powerful statement of intent and over the years, attempts have been made in every jurisdiction to create legislative, administrative and judicial mechanisms to ensure these values are respected and upheld. This has resulted in the expansion of human rights laws and voluntary business commitments to protect the rights of workers and stakeholders.

The growing reach and impact of business enterprises have given rise to a debate about the roles and responsibilities of businesses with regard to human rights. The UN released the 'Guiding Principles on Business and Human Rights', which placed human rights within the context of business responsibility. The Ministry of Corporate Affairs (MCA) has published the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic (SEE) Responsibilities of Businesses that include nine principles for Indian businesses to incorporate to ensure responsible conduct. Principle 5 of the NVGs states that 'Businesses should respect and promote human rights'. Further, the Securities Exchange Board of India (SEBI) has mandated the top 500 listed companies in India to publish annual Business Responsibility Report (BRR), which are based on the NVGs. Indian businesses are expected to demonstrate and disclose their policies to safeguard human rights and protect the interests of all associated stakeholders.

Responsible Supply Chains

Supply chains have become highly complex, geographically diverse and of an extensive scale. Maintaining resilient supply chains is pivotal to business success in a fast-changing world. Supply chain risks such as workforce health and safety incidents, labour disputes and conflicts, raw

Extending the principles of business sustainability across the supply chain is a significant multiplier in terms of promoting positive social and environmental practices.

material shortages, environmental disasters and new legislations on conflict minerals, human rights and modern slavery have contributed to increasing awareness among customers, investors, employees and communities.

At every stage in the lifecycle of products, there are impacts or externalities on the environment and on society. For many organisations, the most significant environmental and social impacts occur across their supply chains. Extending the principles of business sustainability across the supply chain is a significant multiplier in terms of promoting positive social and environmental practices.

By improving the environment, social and governance performance throughout supply chains, businesses can enhance processes, save cost, increase productivity, reduce risks, discover new opportunities for innovation and impact the society positively. Supply chain sustainability will be critical in establishing the UN SDGs in local businesses so that the extension of a company's operations, products and services can support the realities of our planet and better serve markets today and in future.

At HPCL, we are attuned to the changing pulse of the business landscape and the latest sustainability trends. To keep our people informed of these changes in our operating environment and future trajectory of the Oil and Gas sector, we organise training sessions and workshops with external experts. Aspects such as recent

sustainability-linked regulations, peer benchmarking, developments in the Oil and Gas sector and future scenarios are discussed and deliberated upon.

The Federation of Indian Petroleum Industry (FIPI), on behalf of its members from the Oil and Gas industry in India, including HPCL, engaged The Energy and Resources Institute (TERI) to assist with an assessment of 'Climate Change Risks and Preparedness of the Oil and Gas Sector in India'. The outcomes of the study provided insights into the climate resilience of critical assets and infrastructure and recommendations on short- and long-term interventions to mitigate the consequences of climate change. We are continuously striving to explore effective ways of integrating climate resilience and adaptation into our business strategy.

As an overarching framework, we are aligning our business priorities and sustainability approach to the UN SDG framework, where we have mapped the impact and contributions of our businesses across the 17 SDGs.

We are aware of the undercurrents of economy-wide transformations and are committed to building a stable business model that is inclusive and sustainable.

Embedding Sustainability Within

Environment, social and economic metrics are managed through a defined framework, guided by our sustainability policy, which is implemented and monitored at the Board level by the Corporate Social Responsibility (CSR) and Sustainability Development Committee. By tailoring our approach with specific operational goals, HPCL has embedded the principles of sustainability into all its operations.

Sustainability is the capability to equitably meet vital human needs of the present without compromising the ability of future generations to meet their own needs by preserving and protecting ecosystems and natural resources. The concept of sustainability describes a condition in which human growth and development, required for the continuation of life, is in balance with the earth's natural ability to replenish natural resources.

Sustainability at HPCL is about creating value. It is about changing the paradigm of how we operate our business and understand the expectations of our stakeholders.

Driven by macro trends and changing needs in the markets we serve, we focus our efforts on developing products to meet customer demand and increase accessibility with minimal impact on the environment. We remain responsive to the needs of our customers while creating healthy ecosystems and resilient communities. We are aware that our stakeholders have varied expectations that extend beyond financial goals and legal requirements. In this regard, we have consistently made efforts to integrate sustainability within our operations to create long-lasting value for all.

At HPCL, we are committed to demonstrating economic, ecological and social responsibility objectives through our varied operations and activities. We extend our responsibility to the society by shaping our business strategy to create value through our products and services that enable functionality and deliver direct and indirect sustainable benefits.

Sustainability Policy

We have implemented a Sustainability Policy, which is a statement of commitment applicable across business verticals and functions. Every business unit is expected to adhere to the objectives, commitments and guiding principles enshrined in the policy.

The Policy sets out the following broad objectives:

- ◆ We strive to contribute to sustained overall economic growth by continually improving the efficiency and productivity of our operations
- ◆ We commit to execute our business activities in such a way that the ecological balance is not impacted
- ◆ We commit to develop and conduct programmes for the community, suitably designed towards building their individual capabilities to strengthen social cohesion

Our Sustainability Policy sets out the following guiding principles and commitments to:

- ◆ Promote sustainable development concepts amongst our employees, customers, stakeholders and others
- ◆ Integrate the sustainability objectives and considerations in all our business plans



- ◆ Deploy efficient and clean technologies towards realising minimal impact on environment
- ◆ Develop and implement good practices for optimal usage of natural resources
- ◆ Continuously monitor and control our activities to minimise carbon footprint
- ◆ Endeavour to provide a clean, healthy and safe working environment to our employees, neighbours, customers, consumers and stakeholders
- ◆ Sustain appropriate development programmes for our employees, customers and neighbouring communities
- ◆ Incorporate customised management systems to monitor and control progress of sustainability development objectives
- ◆ Remain committed to disseminate information on our sustainability performance

We have firmly embraced sustainability principles in our everyday operations by striking a balance between economic success, environment protection and social responsibility.

Additionally, we have also implemented policies focused

on specific sustainability aspects related to Human Resources, CSR, Health, Safety and Environment (HSE), Quality and Governance.

Over the years, we have implemented policies and programmes to ensure we remain focused on our core objective of providing energy responsibly to all and thereby delivering happiness.

Sustainability Governance

We believe that the evolution of corporate governance is vital to building sustained value by seamlessly integrating environmental and social risks and opportunities into long-term business strategy.

We recognise that the successful integration and effective management of sustainability depends on committed leadership, clear direction and strategic influence. Successfully embedding sustainability into everyday actions requires establishing accountability at the highest levels of governance and commitment from the senior management to drive the sustainability agenda.

To this end, we have instituted a governance structure to embed sustainability within our strategy, organisational culture and business verticals. The sustainability governance structure helps to build a sustainability strategy across the business, manage goal-setting and



We believe that the evolution of corporate governance is vital to building sustained value by seamlessly integrating environmental and social risks and opportunities into long-term business strategy.

reporting processes, strengthen relations with external stakeholders and ensure overall accountability across sustainability aspects.

CSR and Sustainability Development Committee

The Board of Directors have constituted a sub-committee on Corporate Social Responsibility (CSR) and Sustainability Development, headed by an Independent Director. The sub-committee is responsible for defining the sustainability vision, reviewing the sustainability strategy, identifying projects aligned to our sustainability approach and providing leadership and direction. It also conducts a periodic review of progress and performance across identified sustainability focus areas.

Corporate Health, Safety and Environment Department

While the CSR and Sustainability Development Committee operates at a strategic level, providing leadership and direction, the Corporate HSE Department functions at an operational level, leveraging their combined subject-matter expertise to devise and deliver projects across business functions. It develops suitable systems, manages and monitors the implementation of projects, oversees data collection, reviews the overall sustainability performance and keeps the top

→ Green Belt at Hazarwadi LPG Plant



management appraised. Corporate HSE Department formally carries out the process of material topics identification, reporting on identified material topics, review and approval of Sustainability Report. During the process, continuous feedback is being taken from CFD, SBU Heads and other concerned officers.

Corporate HSE comprises of the following three divisions that function across SBUs:

Sustainability Division

Its purview includes designing and implementing strategic sustainability projects; conducting periodic environmental, social and governance audits; capacity building and training on sustainability and managing the sustainability reporting process.

Environment Division

It is responsible for implementing the Environmental Policy and the Environmental Management System (EMS), monitoring performance across key environmental performance indicators with respect to consent for operation (CFO) and delivering projects to reduce environmental impacts and environmental compliance.

Safety Division

To oversee activities to achieve 'incident-free' operations across the corporation, the Safety Division manages all aspects pertaining to the health and safety of our assets, including the workforce. It develops safety management practices and protocols, conducts extensive health and safety trainings, monitors safety performance and identifies and implements projects to improve safety.

Each division is equipped with experienced personnel from relevant fields and provides key insights, knowledge, expertise, tools and techniques for managing specific sustainability aspects, namely sustainability management, environmental management and safety management.

To further augment the efforts of the Corporate HSE Department, there are Sustainability Coordinators embedded in each SBU. Sustainability Coordinators act as nodal points of exchange between the Corporate HSE and their respective SBUs for assisting and in delivering assigned sustainability projects.

The adopted organisational structure for embedding sustainability has helped infuse ownership of our sustainability goals across all our operations, with clearly defined roles and responsibilities to ensure accountability of the sustainability agenda.

Sustainability Strategy

Sustainability is not new to us. Being a Public Sector Undertaking (PSU), giving importance to the interests of our stakeholders and prioritising national interests have always been central to our philosophy. Since inception, HPCL has promoted long-term economic value and contributed towards the development of the society in ways that are in balance with the ecology.

Our strategy is based on the following approach:

- ◆ Setting goals
- ◆ Developing a roadmap to achieve goals
- ◆ Mobilising resources to execute the roadmap
- ◆ Monitoring and measuring performance
- ◆ Reviewing plans, processes and projects

We constantly benchmark ourselves with industry best practices as we strive to achieve excellence. We are cognisant of the global sustainability landscape and have mapped our business activities across the 17 SDGs.

Sustainability is at the heart of our T20 Strategy, a five-year plan up to 2020-21, which seeks to further

evolve HPCL into a 'future-ready Oil and Gas company having significant presence in India with strategic play overseas and profitable investments in renewable energy'.

Sustainability is an expansive lens and it is important that we identify our key priorities so that we can align time, resources and investment to deliver the triple-bottom-line impact. This year, we narrowed in on our material sustainability issues based on surveys and interviews covering 1,000 relevant stakeholders, including employees, retailers and distributors, suppliers, vendors and transporters.

T20 Strategy

The T20 strategy is aimed at maximising customer value, thereby achieving exponential growth and accelerated profit through the implementation of strategic initiatives, identified across nine broad areas, and having integrity and safety at the heart of all actions. The strategy has been formulated with clearly defined physical and financial goals, an investment plan and a strategic direction to focus on strengthening the core businesses of Refining and Marketing, strengthening presence in the Natural Gas business, diversifying into Petrochemicals and strategically participating in Renewables and upstream businesses.

The strategy provides a blueprint to navigate the future business landscape with clearly defined





‘Comprehensive’ criterion requires complete disclosure across the requirements of the GRI Standards, including the Universal Standards (GRI 101, GRI 102 and GRI 103) and Topic-specific Standards (GRI 200, GRI 300 and GRI 400) in line with our ‘Materiality Assessment’.

As signatories to the UN Global Compact, our Report is aligned with the United Nations Global Compact Principles (UNGC) on Environment, Human Rights, Labour and Anti-corruption. Additionally, we have complied with the Securities and Exchange Board of India (SEBI) notified Listing Obligations and Disclosure Requirements (Amendment) Regulations, 2015, and have continued to publish a Business Responsibility Report this year as a part of our Annual Report 2017-18.

annual growth objectives, profitability targets, investment and action plans to help accomplish our Vision and Mission. The strategy was developed through brainstorming, group deliberations and presentations with over 1,000 HPCL officers across business functions and geographies and has been validated by external experts. Our sustainability agenda and materiality are aligned with the T20 strategy.

To translate the T20 strategy into action and realise the target aspirations, a detailed implementation plan has been developed for achieving business goals responsibly. Corporate responsibility has been made an integral part of the core strategy. A number of sustainable development initiatives have been identified and incorporated in the T20 implementation plan. Over 200 initiatives have been identified across nine themes that focus on safety and integrity.

Sustainability Performance Measurement and Reporting

Though we have always measured our sustainability performance and

reported it to regulatory authorities, we began publicly disclosing holistic performance aligned to the Global Reporting Initiative (GRI) framework seven years ago. Since then, we have consistently improved our internal processes and approach to measure, manage, analyse and report sustainability performance data. We also gradually expanded the boundary and scope of our disclosures to include a wider set of relevant performance parameters. We source sustainability data from individual locations spread across the country. For 2017-18, we have obtained stakeholder responses through an online feedback system to improve efficiency and accuracy and induce more transparency across the data management lifecycle.

In order to reaffirm our commitment towards increasing transparency and disclosure, we have migrated to GRI Standards, which is the latest, stringent and most comprehensive sustainability reporting framework. This year, we will be reporting ‘In Accordance - Comprehensive’, requiring us to report across all defined parameters of the GRI Standards, covering all relevant material sustainability topics. The

Sustainability Training and Awareness Building

It is essential to keep our stakeholders attuned to the latest developments in terms of sustainability trends, potential risks and possible solutions. We have designed training modules on sustainability in partnership with national institutes and professional consultants. Sustainability trainings are delivered by the subject matter experts at our Management Development Institute and other locations. We also organise capacity-building workshops dovetailed with



For 2017-18, we have obtained stakeholder responses through an online feedback system to improve efficiency and accuracy and induce more transparency across the data management lifecycle.

the materiality assessment exercise to spread awareness amongst stakeholders about sustainability issues, regulatory trends, case studies and best practices relevant to the petroleum industry. Every year, based on business needs, we identify and send our employees for relevant external trainings programmes and certifications.

The Corporate HSE Department regularly develops Technical Bulletins and shares through mass mailers that reach all our employees. The technical bulletin is a one-page bilingual document with crisp information on varied sustainability topics ranging from health and safety to environmental conservation and protection. These bulletins are hosted on our internal portal for reference and access by the employees.

GreenCo Certification

The GreenCo rating system, by the CII-Godrej Green Business Centre, is a holistic framework that evaluates companies on the environment friendliness of their activities using a lifecycle approach. It gauges the environmental performance of companies that are committed

to greening their operations. The multifaceted rating system takes into account various parameters such as energy efficiency, water conservation, renewable energy, Greenhouse Gas (GHG) emission reduction, material conservation and recycling, waste management and green supply chain. The GreenCo rating system featured in India's Intended Nationally Determined Contribution (INDC) pledge submitted to the UNFCCC.

The mechanism assesses and helps companies perform beyond compliance and become globally competitive. The GreenCo rating process provides specialist inputs on how to make products, services and operations greener. Trained industry personnel facilitate the rating process for implementing better systems and global best practices leveraging green concepts and principles.

We have the distinction of being the first PSU and the first in the Indian petroleum industry to achieve the GreenCo certification. Five of our units are certified GreenCo facilities are detailed below:

Unit	GreenCo Rating
Visakh LPG Terminal	Platinum
Visakh Vijayawada Secunderabad Pipeline (VV SPL), Visakh	Platinum
New White Oil Terminal, Visakh	Gold
Silvassa Lube Blending Terminal	Silver
Cherlapalli LPG Bottling Plant, Hyderabad	Silver

Sustenance audits were completed for the previously rated GreenCo units.

Greenco Implementation is underway at Hazarwadi and Jabalpur LPG Plants.

Green Building Initiatives

Green building is the practice of creating architecture by using processes that are environmentally responsible and resource-efficient throughout a building's lifecycle, from siting to design, construction, operation, maintenance, renovation and deconstruction. This practice expands and complements the classical building design concerns of economy, utility, durability and comfort.

We have successfully implemented green building principles in new projects and select legacy buildings. Our marketing headquarters office at Mumbai is an Indian Green Building Council (IGBC) Gold-rated green building. We are also in the process of converting our corporate headquarters office at Mumbai to a green building. Our green buildings feature many innovative green practices and systems for energy and water conservation, waste management and effluent treatment, natural lighting utilisation, improvement in air quality, solar reflective coatings and various health and safety improvements.

➔ Green Building - Yediyur LPG Plant





What We Are Today

- 27** Our Footprint
- 28** Infrastructure Development
- 29** Sustainable Supply Chain
- 40** Awards



GPCU COMPRESSOR SHED

What We Are Today

Hindustan Petroleum Corporation Limited (HPCL) is one of the largest public sector enterprises under the administrative control of the Ministry of Petroleum and Natural Gas, Government of India. We have been granted the Navratna status by the Government of India.



→ Award: FIPI Oil and Gas Marketing Company of the Year and FIPI Responsibly Growing Corporate of the Year

Our Footprint

We have been in the business of refining and marketing petroleum products and have a strong presence, with a market share of about 21% in petroleum product sales in the country.

We own and operate two major refineries producing a wide variety of petroleum fuels and specialties, one in Mumbai (West Coast) with a capacity of 7.5 MMTPA and the other in Visakhapatnam (East Coast) with a capacity of 8.3 MMTPA. We also own and operate the largest lube refinery in the country, producing lube base oils of international standards, with a capacity of 428 TMTPA. This lube refinery accounts for over 40% of the India's total lube base oil production.

HPCL, in collaboration with M/s Mittal Energy Investments Pte. Ltd., is operating a 11.3 MMTPA capacity refinery at Bathinda with 49% equity and also hold an equity of about 16.96% in the 15 MMTPA Mangalore Refinery and Petrochemicals Ltd. (MRPL).

We have the second largest share of product pipelines in India with a pipeline network of 3,370 km for transportation of petroleum products. We also have a vast marketing network consisting of 14 zonal offices in major cities and 128 regional offices. These offices are facilitated by a supply and distribution infrastructure comprising Terminals, Pipeline networks, Aviation Service Facilities, LPG Bottling Plants, Inland Relay Depots, Retail Outlets, Lube and LPG Distributorships.

Since its formation, we have been catering to the growing energy needs of our nation, guided by our vision of excellence in social and environmental responsibility. We have pioneered several customer-centric initiatives and innovative services in downstream oil marketing in India and have undertaken a multitude of projects for technological upgradation at our refineries. We are fuelling the growth across various demand sectors such as Agriculture, Automotive, Aviation, Defence, Fertilisers, Manufacturing, Power, Railways, Shipping, Steel, Telecom, Petrochemicals, and others for more than four decades by offering a wide range of energy and non-energy solutions. By supplying lubricants and other petroleum products to Nepal, Bhutan, Myanmar, Malaysia, Sri Lanka and Thailand, we are expanding our footprint in international markets.



During 2017-18, we recorded the best ever combined refinery crude throughput of 18.3 MMT, along with the highest ever market sales of 36.9 MMT.



Over the years, we have widened our business portfolio and deepened the customer reach in line with the growing energy demand of the nation.

During 2017-18, we recorded the best ever combined refinery crude throughput of 18.3 MMT, along with the highest ever market sales of 36.9 MMT.

Infrastructure Development

We have undertaken numerous investments for enhancing the refining capacity and building marketing infrastructure. In this regard, two projects have been initiated: Visakh Refinery Modernisation Project (VRMP) for enhancing the refinery capacity to 15 MMTPA and Mumbai Refinery Expansion Project (MREP) for enhancing the refinery capacity to 9.5 MMTPA.

Activities for both the projects are on schedule. Environment and site clearances have been obtained for both the projects and major backend activities have been completed.

On the Marketing front, expansion of the Mundra Delhi Pipeline (MDPL), Visakh Vijayawada Secunderabad Pipeline (VVSPL), Ramanmandi

Bahadurgarh Pipeline (RBPL), extension line from Palanpur to Vadodara with associated terminal facilities, new Petroleum, Oils and Lubricants (POL) depots, LPG plants and lube blending plants have been planned. The MDPL capacity expansion and Palanpur Vadodara Pipeline (PVPL) extension project have achieved excellent

execution performance on pipeline laying activity. The Uran Chakan Shikrapur Pipeline (UCSPL) project has carried out one of the most challenging Bhivpuri Ghat rework, with 800 m length of pipeline in a steep inaccessible rocky terrain in near-vertical orientation.

New LPG plant at Panagarh, West Bengal

We commissioned new LPG plant of 250 TMTPA at Panagarh (West Bengal). The new LPG bottling plant has a storage facility of 2,100 MT LPG (3 x 700 MT mounded storage vessels).

The plant has a 72-head carousel and also has the provision to add another 72-head carousel. The plant will cater to around 12 Lakh LPG customers.

Under infrastructure enhancement, project work for three new LPG plants, six capacity augmentation projects as well as six mounded storage vessel projects are underway at various locations.

669

New retail outlets commissioned

324

New LPG distributorships commissioned

Roll-out of the first HPCL-owned LPG rake under Liberalised Wagon Investment Scheme (LWIS) of the Ministry of Railways (MOR)

In a first-of-its-kind initiative among Oil Marketing Companies (OMCs), our LPG SBU has taken a giant step in the field of safer, efficient and environment-friendly mode of LPG transportation by rolling out the first HPCL-owned LPG rake. A Standard Operating Procedure (SOP) document developed by the LPG distribution department for safe and efficient operation of HPCL-owned rakes was also unveiled during the flagging-off event.

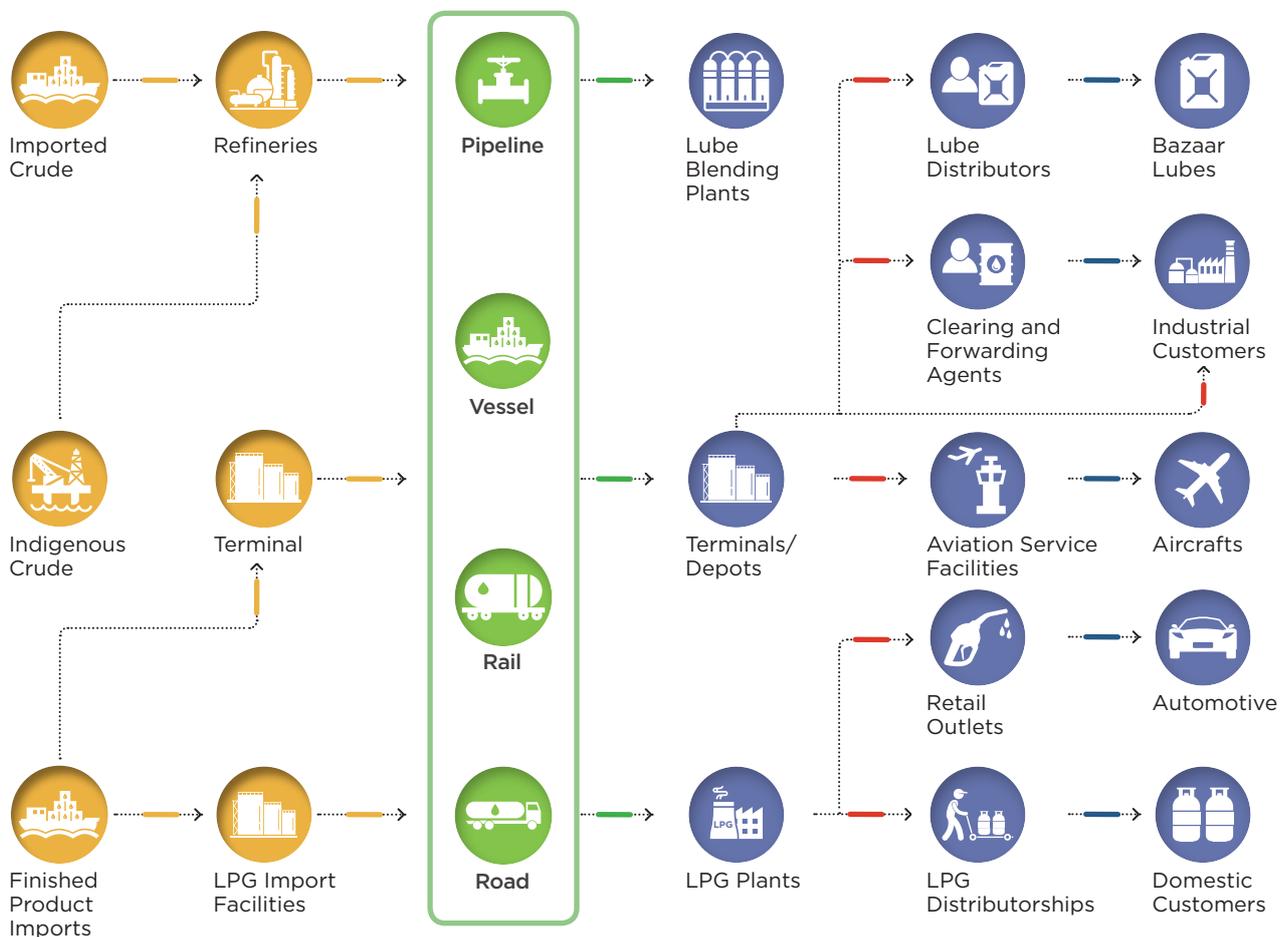
This is the first of the four rakes that the LPG SBU is acquiring with 100% ownership under the Liberalised Wagon Investment Scheme (LWIS) of the Ministry of Railways (MOR) to be operated for self-requirement through railways.

Sustainable Supply Chain

Supply chain is the lifeline of a business operation, especially in the Oil and Gas sector. Given the increasing operational complexities and product quality and processes, ensuring sustainability at all levels throughout the supply chain is of critical importance.

To manage these intricate details in the supply chain, we have developed a sustainable supply chain and an integrated procurement system, which helps us ensure cost effectiveness, prompt delivery, reliability, responsible sourcing of raw material and inventory management. Suppliers, distributors, dealers and transporters have been identified as important stakeholders and are involved in stakeholder workshops to increase their awareness about the important sustainability issues.

Supply Chain Flow Chart



Refineries

We have two refineries located at Mumbai and Visakhapatnam, having capacities of 7.5 and 8.3 MTPA respectively. We also have a lube refinery, which is the largest in the country, with a capacity of 428 TMTA. It makes us the leader in the production of lube base oils.

Both our refineries produce high-quality products under light, middle and heavy distillates such as LPG, Naphtha, MS, Kerosene, Aviation Turbine Fuel, High Speed Diesel, Furnace Oil, bitumen and numerous grades of lubricants, specialties and greases, meeting the highest quality standards.

Our refineries are equipped with the latest technologies to achieve maximum operational efficiency and produce the best quality products. We have been a front-runner in implementing initiatives for the reduction of emissions, achieving energy efficiency and optimal usage of resources. With a focus on low sulphur fuels, both our refineries are producing Bharat Stage IV (BS-IV) grade fuels as per the directives of the Government of India. Further, in line with the Government's guidelines for production of BS-VI grade transportation fuels from 2020 onwards, we have chalked out time-bound plans for compliance of



→ A view of our Mumbai Refinery

BS-VI norms and are implementing capacity augmentation and bottom upgradation projects at Mumbai and Visakh refineries.

Robust internal processes for reliability improvement, sustained efforts for ensuring the right crude mix at optimal price band, speedy evacuation of products and strict adherence to safety and environmental standards helped us to achieve yet another stellar refining

performance during the year. During 2017-18, our refineries achieved a combined refining throughput of 18.3 MMT, which is the highest ever achieved by the refineries.

18.3 MMT
Highest ever combined refining throughput

Mumbai Refinery

- ◆ Achieved the highest ever throughput of 8.64 MMT against the previous best throughput of 8.51 MMT in 2016-17
- ◆ Achieved the best ever MBN of 84.4 against the previous best of 85.7 in 2016-17
- ◆ Completed 21.54 Million safe man-hours (the highest ever recorded) on March 31, 2018
- ◆ Commissioned two new projects, TGTU and DHT Cooling Tower, and revamped SEU-II Furnace
- ◆ Became the first PSU refinery to source 10 MW of the power requirement from wind power farms
- ◆ Started sourcing about 70% power from the grid, which is the best performance amongst all PSU refineries in terms of power import
- ◆ Developed and commenced a robotic process for cleaning American Petroleum Institute (API) separators influent bays and removing sludge having low oil content
- ◆ Used an innovative approach for the first time in the industry to replace deactivated Bensat catalyst with spent ISOM catalyst and sustained designed feed rate

Visakh Refinery

- ◆ Achieved the highest ever throughput of 9.64 MMT
- ◆ Achieved the best ever MBN of 77.33 against the previous best of 78.1 in 2016-17
- ◆ Procured the US crude 'Mars Blend' for the first time in its efforts towards geographical expansion
- ◆ Commissioned various units such as Waste Heat Recovery Scheme (WHRS) in FCCU-II, condensate recovery scheme in DHT-SRU unit and HPRT in DHT
- ◆ Commissioned a process improvement initiative of slop processing in FCCU-II fractionator
- ◆ Undertook a project for connecting the refinery power system to the APTRANSCO grid at 220 KV level
- ◆ Installed a Sewage Treatment Plant (STP) based on Constructed Wetland Technology

In addition, we have also invested in JV refineries: Mangalore Refinery & Petrochemicals Limited (MRPL) at Mangalore, with 15 MMTPA capacity and HPCL and Mittal Energy Limited (HMEL) at Bathinda, Punjab, with 11.3 MMTPA capacity.

HPCL and the Government of Rajasthan have formed a JV company HPCL Rajasthan Refinery Limited (HRRL) to set up a greenfield refinery cum petrochemical complex of 9 MMTPA capacity in Barmer district of Rajasthan. The work commencement for HRRL was launched by the Honourable Prime Minister of India on January 16, 2018. We are also participating in a JV company Ratnagiri Refinery and Petrochemicals Limited (RRPCL) to set up a 60 MMTPA refinery cum petrochemical complex in Ratnagiri district of Maharashtra. In addition, we, along with GAIL India Ltd. have entered into an MoU with the Government of Andhra Pradesh to jointly set up a greenfield standalone petrochemical complex in Kakinada, Andhra Pradesh, with 1 MMTPA ethylene production capacity.

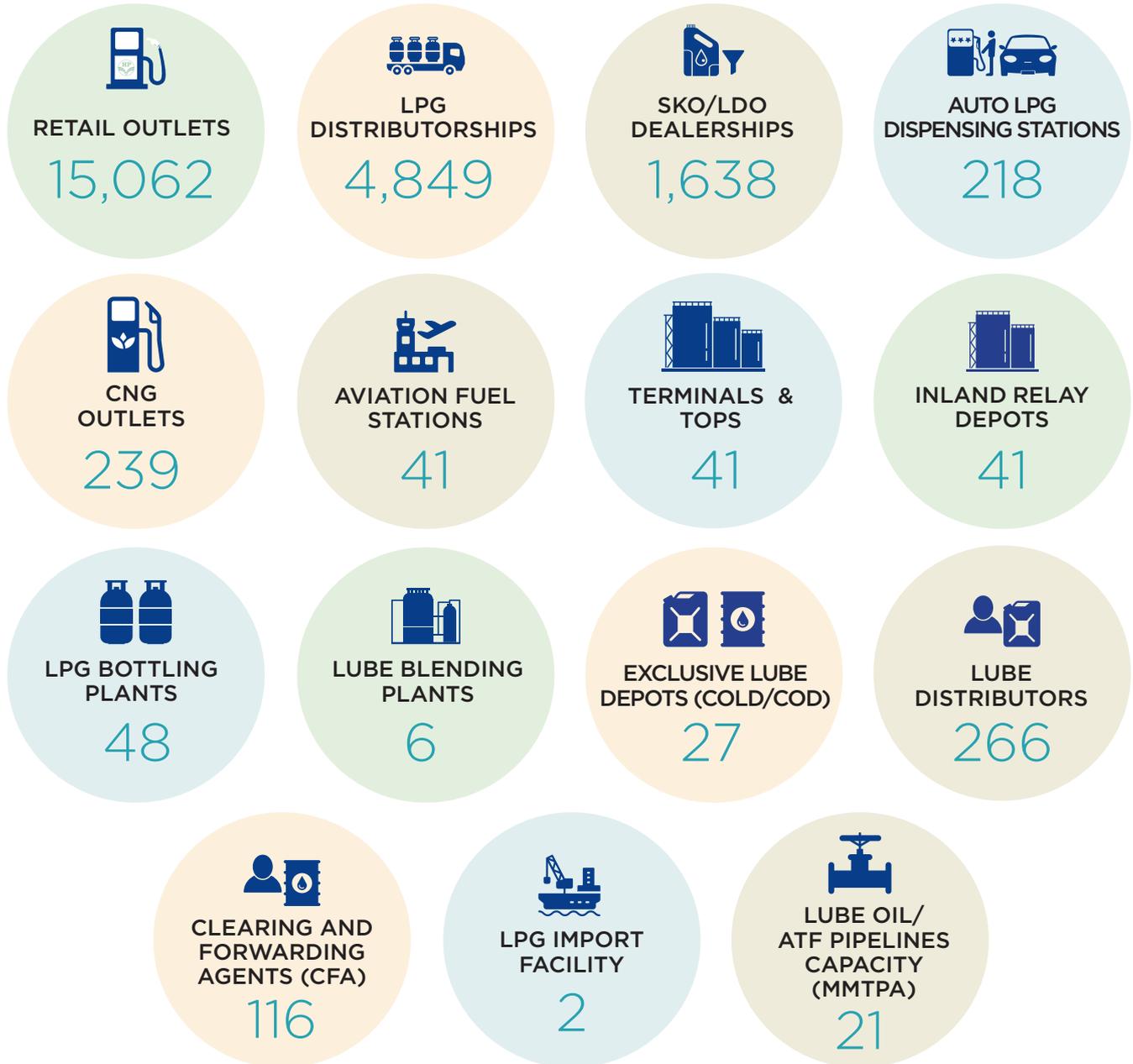
 Work commencement of HPCL Rajasthan Refinery Ltd.



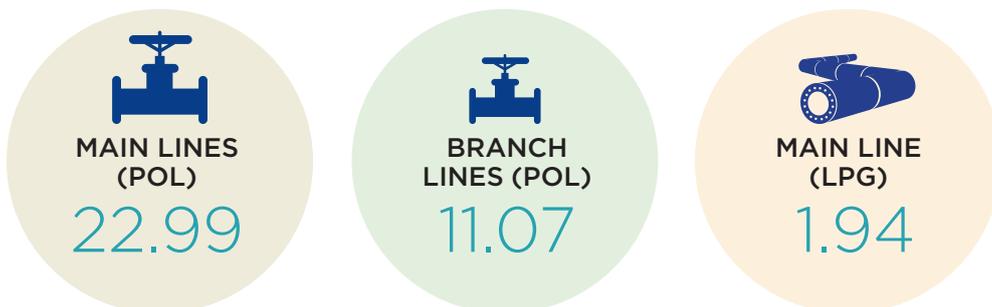
Marketing

We offer numerous products and cater to a large customer base from the domestic, automotive, commercial and industrial segments. Our business verticals include Aviation, Retail, LPG, Direct Sales, Pipelines, Natural Gas and Renewables, Operations and Distribution.

We have a strong country-wide network of infrastructure as below:



Designed Multi Product Pipeline Capacity (MMTPA)



Our performance for the year 2017-18 qualifies for 'Excellent' Rating basis self-evaluation.



We are now in the process of further strengthening our network and infrastructure and are planning our facilities to meet the increasing energy needs.

During 2017-18, we have performed exceedingly well across all business verticals of marketing viz. Retail, LPG, Industrial and Consumer (I&C), Aviation, Lubes and Natural Gas & Renewables. We continued the growth momentum of previous years and recorded the best ever sales performance with total sales volume (including exports) of 36.9 MMT during 2017-18 compared to the sales volume of 35.2 MMT achieved during the previous year.

In domestic sales, we recorded a growth of 4.4% over the previous year with market share of about 21% amongst the public sector oil marketing companies as on March 31, 2018.

Some of the key highlights of our Marketing SBUs for 2017-18 include:

- ◆ Crossed a milestone of 36 MMT and achieved sales of 36.9 MMT (including exports) and marketing sales 36.25 MMT with a growth of 4.4%
- ◆ Gained volume of 1.7 MMT in a year
- ◆ Achieved the highest ever monthly sales of 3.44 MMT in March 2018
- ◆ Achieved 4.5% growth in domestic sales against PSU industry growth of 4.4% on the product marketed by us
- ◆ Gained market share of 0.02% (PSU) without Petcoke and LNG

→ Black Oil Terminal at Visakhapatnam



Marketing SBU Performance

Retail

Retail SBU is the face of our corporation as retail sales constitute major portion of the total market sales. Through a widespread network of retail outlets, we take care of not only the customer's fuel needs, but also of the complete vehicle. Our 'Club HP' and 'Club HP Star' outlets offer differentiated services.

In addition, products for cashless transactions, such as co-branded cards, fleet cards and other loyalty cards, have been developed for the convenience of customers.

The strategic initiatives implemented by the SBU during the last few years, backed by the unstinted efforts of the field officers, helped deliver a superlative retail performance during the year despite various challenges in downstream market.

During 2017-18, Retail SBU continued to deliver excellent performance and recorded market share gain in total motor fuels (TMF) in the PSU category.

Key highlights:

- ◆ Registered total sales volume of 23.7 MMT and incremental sales of 1.2 MMT in the TMF segment, representing a growth of 4.3 %

- ◆ Achieved a growth of 8.5% and 4.8% in MS and HSD, respectively and gained a market share in both products
- ◆ Commissioned 669 new retail outlets, taking the network count beyond 15,000
- ◆ Commissioned gaseous fuel facilities at 27 outlets (CNG - 22 outlets and ALPG - 5 outlets)
- ◆ Registered higher sales growth of 8% and 13% in the eco-friendly fuels CNG and ALPG, with volumes of 275 TMT and 44 TMT respectively
- ◆ Achieved No Automation No Operation (NANO) at 7,341 outlets (representing 89.1% of outlets selling more than 100 KLPM) against the MoU target of 85%

- ◆ Scaled up the availability of super-premium version of petrol, 'poWer 99', for high-end cars by launching it in Visakhapatnam, Delhi, Mumbai, Pune, Secunderabad, Noida and Faridabad
- ◆ Recorded total power sales of 549.4 TKL with a growth of 107.5%, which contributed ₹ 40 Crore to margins
- ◆ Commissioned the first charging station for electric vehicles at a retail outlet in India at Nagpur
- ◆ Enrolled 2.8 Million HP Refuel Cards Digital, 2.3 Million DT+ Cards and 5.1 Million total cards under the loyalty programme
- ◆ Achieved 22.78% of total HSD sales volume through our loyalty cards
- ◆ Started a programme 'Udyama' on entrepreneurship development for our new entrants
- ◆ Commissioned home delivery of diesel for our targeted customers to ensure hassle-free and safe delivery of diesel at their premises
- ◆ Achieved 96.4% of the total number of retail outlets with the availability of at least three operational digital payment modes against the MoU target of 95%
- ◆ Constructed separate toilet blocks for ladies and gents at 1,956 outlets, exceeding the MoU target by 22%

➔ Charging Station for Electric Vehicles at Nagpur



LPG

LPG is a suited fuel in terms of quality, cost, efficiency and environment and has a high business potential. It is supplied under the preferred brand 'HP Gas'. Apart from domestic LPG, HP Gas also markets LPG cylinders for commercial and industrial purposes and bulk LPG by tanker for industries.

HP Gas served about 69 Million customers through 4,849 LPG distributors during the year.

Key highlights:

- ◆ Achieved the highest ever sales volume in Domestic, ND Packed, ND Bulk and Propane and registered a total sales of 6.12 MMT, recording a growth of 8.5% and gained market share
- ◆ Enrolled 77.20 Lakh new consumers, including 42.25 Lakh under the Pradhan Mantri Ujjwala Yojana (PMUY)
- ◆ Commissioned 324 new LPG distributorships during the year
- ◆ Successfully rolled out the first HPCL-owned LPG rake
- ◆ Achieved a bottling of 5,944 TMT in 2017-18, an increase of 9% over the previous year.
- ◆ Commissioned new LPG plant of 250 TMT/PA at Panagarh (West Bengal)
- ◆ Achieved an all-time high LPG import of 2,620.9 TMT during the financial year, representing 20.01% growth over 2016-17
- ◆ Launched composite cylinders, which are light weight, have aesthetically improved design and are safe to use, in Mumbai, Pune and Ahmedabad markets
- ◆ Achieved 43.49% of HPC materialisation through VSPL against authorised share of 42%,

thereby handling 15,453 MT of additional volume, leading to savings in transportation of ₹ 3.31 Crore

- ◆ Achieved cumulative pipeline throughput of 763 TMT through MHMSPL during 2017-18 for HPC with a transportation saving of ₹ 110 Crore

42.25 Lakh
Consumers enrolled under
Pradhan Mantri Ujjwala Yojana



Direct Sales

Our Direct Sales business segment caters to Defence, Railways, State Transport and other Government departments, shipping companies, road construction and industrial consumers.

Direct Sales business consists of Lubes and Industrial & Consumer (I&C) business lines, wherein the former caters to the requirement of lubricants and greases for consumers and the latter markets bulk fuels, bitumen and specialties to various industries including export of bulk fuels and finished petroleum products. We have established channel partners for marketing lubes through CFAs and lube distributors for meeting the demand of consumers and bazaar trade, respectively. We maintain our standing as the largest lube marketer in India for the fifth consecutive year.

Industrial & Consumer

- ◆ Crossed 5 MMT volume for the second year in succession while crossing the 1 MMT mark in each of the three products (FO, HSD and Bitumen) for the third year in succession
- ◆ Handed over 8,600 KL of tankages to the army at Field Petroleum Depot, Leh
- ◆ Successfully bagged 100% volume of HFHSD from Oil and Natural Gas Corporation (ONGC) for their offshore requirement

Lubes

- ◆ Achieved sales volume of 603 TMT with a market share gain of 0.50%
- ◆ Recorded the highest ever value-added lubes sales of 438 TMT, which includes sale of consumer lubes, lube distribution channel and CFA channel of 323.8 TMT, 62.7 TMT and 92.5 TMT, respectively
- ◆ Solicited new business from various industries and renewed partnerships with Original Equipment Manufacturers (OEMs)
- ◆ Silvassa Terminal and Mazgaon Terminal were conferred with Gold and Silver medals, respectively, for Manufacturing Excellence by International Research Institute for Manufacturing (IRIM), Chennai
- ◆ With an aspiration to be a global brand, HPCL has been marketing its lubricants and other petroleum products in Nepal, Bhutan, Bangladesh, Sri Lanka and Malaysia
- ◆ Set up HPCL Middle East FZCO, a 100% subsidiary of HPCL, for marketing of HP lubricants and other petroleum products in the Middle East and Africa



→ Lube Blending Plant at Silvassa

Operations Distribution & Engineering

The Operations Distribution & Engineering vertical extends support to the Marketing SBUs through a countrywide network of terminal and depots for product movement, which forms the backbone of our supply chain.

Our marketing terminals follow the highest safety standards for all operations. We have also implemented an array of technologies and rolled out a number of initiatives to increase operational efficiency and to meet increasing customer demand. We have also sustained focus on the implementation of bio-fuels at our locations.

Key highlights:

- ◆ Enhanced overall productivity by 15% by improving the bay filling rate to 985 LPM (all-India average) against a historical record of 844 LPM
- ◆ All India cumulative HSE Index improved to 96.8% against historical of 95.3%. Live Fire training completed for 1,114 employees during 2017-18 against target of 700 employees
- ◆ Facilitated sale of 25.4 Crore litres of biodiesel-blended diesel from 10 locations
- ◆ Optimised transportation movement and reduced secondary distribution cost by ₹ 26.2 Crore through realignment of 723 retail outlets
- ◆ Piloted the 'SMART' terminal concept initiative across zones and ready for commissioning/operation of locations under SMART terminal
- ◆ Achieved a throughput of 50.32 MMT vis-à-vis 47 MMT in the previous year, which played a key role in increasing market share
- ◆ Finalised 46 Crore litres of Ethanol PO for 2017-18 and achieved 2.11% blending against the industry figure of 2.08%

→ Rajamundhary Terminal



Pipelines

Backed by our vast network of pipelines, we are able to move a huge quantum of products in a cost-effective, energy-efficient, safe and environment-friendly manner.

We currently have an infrastructure of 3,370 km of pipelines with a mainline capacity of 24.93 MMTPA and a branch line capacity of 11.07 MMTPA.

Key highlights:

- ◆ Achieved throughput of 20.4 MMT, resulting in a growth of 14%
- ◆ Commissioned RBhPL capacity augmentation and BTPL direct pumping facility
- ◆ Successfully completed the longest HDD crossing on industry basis for an 18-inch diameter pipeline for Sabarmati River (2,239 m)
- ◆ Achieved excellent execution performance on pipeline laying activity on MDPL capacity expansion and PVPL extension project
- ◆ UCSPL carried out one of the most challenging Bhivpuri Ghat rework with 800 m length of pipeline in a steep inaccessible rocky terrain in near-vertical orientation
- ◆ Started pumping of IOC LPG through MHMSPL in February 2018 and pumped approximately 20 TMT LPG
- ◆ Started dosing of in-house-manufactured corrosion inhibitor in POL pipelines and carried out a trial in LPG pipeline, resulting in significant cost savings

Cross country pipelines are the most environment friendly and safe mode for transporting petroleum products.



20.4 MMT
Highest Ever Pipeline Throughput



→ Pipeline laying in progress at Bhivpuri Ghat, Pune

Aviation

Our Corporation's Aviation Business Unit has been providing Aviation Turbine Fuel (ATF) across the country for decades. The product ATF is fully compliant with Indian and international regulations for jet fuel.

In the reporting period, we have added numerous aviation majors to our existing customer portfolio. Our Aviation Service Facilities (ASFs) undergo continual upgradation to meet norms through feedback and inputs from our robust quality control, our global tech partner - Shell Aviation, international publications, International Air Transport Association (IATA) Guidance Material, customers and other stakeholders. Keeping pace with technology, in-house innovative improvements were made to existing refuellers to develop smart refuellers that incorporate several features and benefit the field staff to remotely monitor and control vital parameters of the refueller.

Key highlights:

- ◆ Achieved sales volume of 729 TMT with a growth of 5.4%

- ◆ Augmented aviation fuel infrastructure by setting up new fixed facilities at Tirupati, Srinagar and Patna airports
- ◆ Commissioned three new ASFs at Jalgaon, Vidyanagar and Mundra airports under the regional connectivity scheme of the Government of India

- ◆ Launched IT initiatives of U Learn and Turbo Doc
- ◆ Launched E-ADR at Visakhapatnam and Kolkata



Natural Gas and Renewables

India is poised to grow on the low-carbon path and we aim to leverage this potential opportunity. To align our business with these changing patterns, we are strengthening our presence in natural gas and renewables.

Key highlights:

- ◆ Achieved CNG sales of 11.89 TMT
- ◆ Consortium of HPCL and Oil India Limited (OIL) has been authorised by Petroleum and Natural Gas Regulatory Board (PNGRB) for setting up of the City Gas Distribution (CGD) network in Kolhapur and Ambala-Kurukshetra

- ◆ Gas Transportation Agreement executed with Reliance Gas Transportation Infrastructure Limited (RGTEL) for supply of Regasified LNG (RLNG) to various industrial customers
- ◆ Facilitated term RLNG contract for Mumbai refinery for 2018
- ◆ Achieved energy generation of 16.95 Crore kWh from 100.90

- MW wind farm located at Maharashtra and Rajasthan. These farms generated about 1,05,968 non-solar RECs worth ₹ 15.9 Crore
- ◆ Commissioned 750 kWp Capacity solar-captive plant at Bahadurgarh Terminal under net metering, which aims to generate 12 Lakh kWh per annum

Awards

We believe that when people with diverse skills are bound together by a common purpose and value system, they can make dreams come true.



➔ MoP&NG Innovation Award for “Best Indigenously Developed Technology”

- ◆ ‘Responsibly Growing Corporate of the Year 2016’ award by Federation of Petroleum Industry (FIPI) for leadership in achieving business excellence with responsibility in Oil & Gas sector in India
- ◆ ‘Oil and Gas Marketing Company of the Year’ award for the second consecutive year by FIPI for leadership in Oil marketing business in India
- ◆ Recognised amongst the Top 100 Global Energy Leaders for 2017 by Thomson Reuters
- ◆ ‘Forecourt Retailer of the Year’ award for the 10th time at Start Retailer Awards 2017
- ◆ ‘Asia’s Most Admired Brands 2018’ and ‘Asia’s Most Valuable Business Brands 2018’ award to HP Gas at Asian Brand and Leadership Conclave 2018 by World Consulting & Research Corporation in association with ibrand
- ◆ ‘Marketing Campaign of the Year’ Award & ‘Emerging Brand Award’ to Retail SBU at ABP News Brand Excellence Awards
- ◆ ‘Excellence in Overall Performance’ award to HP Lubricants for the 2nd consecutive year by M/s Bosch Limited India
- ◆ Innovation Award to HPCL Green R&D centre, Bengaluru by Ministry of Petroleum & Natural Gas (MOP&NG) for ‘Best Indigenously Developed Technology’
- ◆ ‘Vigilance Excellence Award 2017’ in the Outstanding Category for CPSEs, PSBs, Ministries and Departments by Central Vigilance Commission
- ◆ ‘Emerging Brand Award’ to our Drive Track Plus loyalty program at National Awards for Marketing Excellence 2017
- ◆ ‘Best Digital Customer Experience Initiative’ and ‘Best Loyalty Program in B2B Sector’ awards to Retail SBU during Customer Loyalty Summit 2018
- ◆ ‘Digital Enterprise Service 2017’ Award in ‘Good for Organisation’ category at Digital India Summit 2017 by Times Network
- ◆ ‘Best Engagement & Loyalty Scheme of the Year’ Award for Drive Track Plus Loyalty program of Retail SBU
- ◆ ‘INDIASTAR’ 2017 Award to HP Lubricants for HP Racer Synth premium four stroke bike engine oil for excellence in Packaging for ‘Shipper Cum Display Pack’
- ◆ ‘Retail Marketing Campaign of the Year’ (Offline) award to ‘HP Hai Jahan Bharosa Hai Wahan’ campaign at ET Now’s Global Awards
- ◆ ‘IT Innovation and Excellence 2017’ award in ‘Best Government Organisation implementing Information Security’ category by Computer Society of India (CSI)
- ◆ ‘R&D Company of the Year’ award by The Energy & Climate Initiatives Society for development and demonstration of innovative products and processes
- ◆ ‘FICCI Chemicals and Petrochemicals Award’ 2017 & ‘Most Environment-Friendly Company in Petrochemicals Sector’ to MDPL for Excellence in Corrosion Management in Petrochemicals Sector’
- ◆ ‘Oil Industry Safety Award 2017’ to South Zone - LPG under ‘Marketing-LPG Category’ and Mundra-Delhi Pipeline under ‘Cross Country Pipelines- Product category’ by Oil Industry Safety Directorate (OISD)



➔ Golden Peacock Award 2017 for Sustainability

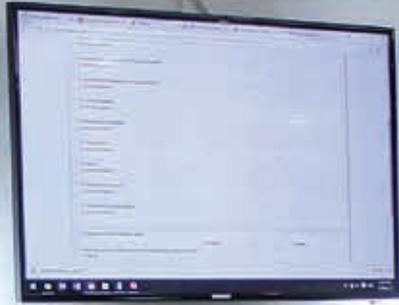


- ◆ 'Global Sustainability Awards 2017' in Gold Category for excellence in Sustainability and Safety at 8th World Renewable Energy Technology Congress by M/s Energy and Environment Foundation
- ◆ 'Golden Peacock Award 2017' for Sustainability by Institute of Directors (IOD)
- ◆ 'Golden Peacock Award 2017' for Corporate Social Responsibility by Institute of Directors (IOD)
- ◆ 'Best Enterprise Award' (Navratna Category) at the Forum for Women in Public Sector (WIPS) under the aegis of SCOPE 'SCOPE Awards for Excellence in Corporate Communication 2017'
- ◆ 'CIPS Supply Management Awards Asia 2017' under the category of 'Best process improvement Initiative' at Procure-con Asia Conference 2017
- ◆ 'Platinum Award' to Mundra Delhi Pipeline in Petroleum Storage & Transportation Sector by Greentech Foundation
- ◆ 'Green Supply Chain Company of the year 2017' award at Express Logistics and Supply Chain Leadership Awards 2017
- ◆ 'PRSI National Awards 2017'- (i) Best Innovation in PR & Communication Campaign for 'Roads That Honk' campaign, (ii) Best House Journal (Hindi) for 'HP Samachar', (iii) best House Journal (English) for 'HP News', (iv) Best Annual Report, (v) Best PSU implementing CSR and (vi) Best CSR Project in Childcare by Public Relation Society of India (PRSI)
- ◆ Platinum Award for Green Building Standards to Yediyur LPG Plant by Indian Green Building Council (IGBC)
- ◆ First Prize to 'Yuvantage' at FICCI Award 2017 in case study contest on the theme 'How Millennials have reshaped your workforce'
- ◆ 'Skill Achievers Silver Trophy' to Skill Development Institute (SDI), Visakhapatnam under the category 'Best Institute - Innovation on Skill Development' by ASSOCHAM
- ◆ Award for 'Best HR Practices' to Capability Building group and HPMDI by Times Ascent Group
- ◆ Multiple Garden Awards to HP Nagar East Colony from Brihan Mumbai Mahanagar Palika (BMC) and Friends of the Trees (FOT)
- ◆ Best Indigenously Developed Technology' from MoP&NG for two HPCL R&D technologies, 'Development and Commercialisation of Pressure Swing Adsorption Technology for Hydrogen Purification (H2 PSA)' and 'SprayMax' FCC Feed Nozzle - Successful Demonstration
- ◆ Bestowed with 'R&D Company of the Year' from 'The Energy & Climate Initiatives Society' at 'Global Refining & Petrochemicals Congress' held at Mumbai in May, 2017
- ◆ Calicut ASF was awarded with Annual Greentech Safety Award- Gold and INNOV 2017 - Gold in OHS category



Stakeholder Engagement and Materiality

- 45 Approach
- 53 Materiality Assessment



Inauguration of
**Online Feedback System
for
Inclusive Sustainable Development**
16th May, 2018



Stakeholder Engagement and Materiality

A fundamental aspect of creating shared value is effective communication and dialogue with our stakeholders. We have an extensive network of people, organisations, businesses and communities whose inputs help us better understand our material sustainability topics.

It is of vital importance to us that we engage in a regular dialogue with our stakeholders to foster a collaborative environment, understand mutual interests and address concerns for better decision making. Throughout the year, we maintain an effective two-way communication with our stakeholders, which allows us to create sustainable relationships with all of them.

With this approach, we promote the objective of inclusive growth, which

is essential for our business, as well as beneficial for our stakeholders, who play a pivotal role in our success. Stakeholder engagement is integral to our sustainability strategy.

We follow a defined approach to stakeholder engagement, which ensures systematic interaction with our stakeholders using diverse modes of engagement such as one-to-one interactions, annual general meetings, press releases, trainings, group discussions, surveys

and grievance redressal mechanisms. Furthermore, the Sustainability Division of the Corporate Health, Safety and Environment Department and other line management representing different SBUs engage with stakeholders regularly through structured engagement mechanisms.

→ Inauguration of Online Sustainability Feedback System



Approach

We have developed dynamic systems that help us meet the expectations of our stakeholders. We evaluate the issues raised by our stakeholders for consideration at a strategic level. It is our endeavour to continually improve our stakeholder engagement mechanism and enhance stakeholder participation in the process. This approach is effective in identifying opportunities for value creation. It opens avenues for productive dialogue with stakeholders to understand their unique perspectives and challenges, and in the process, builds trust for stronger partnerships. We analyse concerns that have a potential high impact and that help us work towards our sustainability priorities. In developing this Sustainability Report, we reached out to internal and external stakeholders, ensuring adequate representation. The process followed for compliance of stakeholders' expectations are:



Identification of Stakeholders

Stakeholders are broadly defined as those who are impacted by a company's operations and who impact a company's operations as well. Hence, identifying a company's stakeholders is integral and the first step to correctly establish the range of engagements that influence a company's daily, as well as long-term operations and performance.

We have identified our internal and external stakeholders. Our internal stakeholders are our employees, including contract employees, trainees and interns. Our external stakeholders comprise our customers, investors, retailers, dealers and distributors, suppliers and vendors, transporters, regulatory bodies and the communities in which we operate.

Internal and External Stakeholder Groups



Over the last two years, we have conducted extensive stakeholder engagement exercises on sustainability covering over 3,000 individuals across different stakeholder groups and geographies.

Stakeholder Prioritisation

Stakeholder prioritisation is the first step towards determining the mode and frequency of engagement with stakeholders. The frequency and mode of engagement can vary from an annual group-level meet and

monthly one-to-one interactions to strategic partnerships. We, therefore, assess the kind of impact that these stakeholders might have, as well as the extent to which our business decisions affect them.

Accordingly, we prioritise our stakeholders based on responsibility, influence, proximity, dependency and representation, as shown in the table below:

Stakeholder Group	Stakeholder Prioritisation Factor				
	Responsibility	Influence	Proximity	Dependency	Representation
	Towards whom the company has a responsibility	With influence or decision making power	Who regularly interact with the company	Directly or indirectly dependent on the company	Representing communities, employees and others
Management employees	◆	◆	◆	◆	◆
Non-management employees	◆	◆	◆	◆	◆
Community	◆	◆	◆	◆	◆
Retailers	◆	◆	◆	◆	◆
Dealers and distributors	◆	◆	◆	◆	◆
Suppliers and vendors	◆	◆	◆	◆	◆
Contractor workers	◆		◆	◆	
Government	◆	◆	◆		
NGOs		◆			
Academic institutions		◆			◆
Industry associations		◆			◆
Media		◆			
Peer companies		◆			



‘We prioritise our stakeholders based on responsibility, influence, proximity, dependency and representation’



Stakeholder Engagement

Sustainability issues are often complex, interconnected and interdependent. Therefore, individual perspectives on them might differ greatly based on the level of appreciation and understanding of a particular issue. These aspects need to be factored into the mode of engagement and methodology for obtaining useful inputs from them. We customise the survey design for each stakeholder group in order to obtain specific feedback and insights.

The stakeholder engagement and materiality assessment follows a systematic plan for stakeholder identification and outreach. Advance intimations are sent to targeted zonal/ regional offices/ locations of all SBUs for inviting

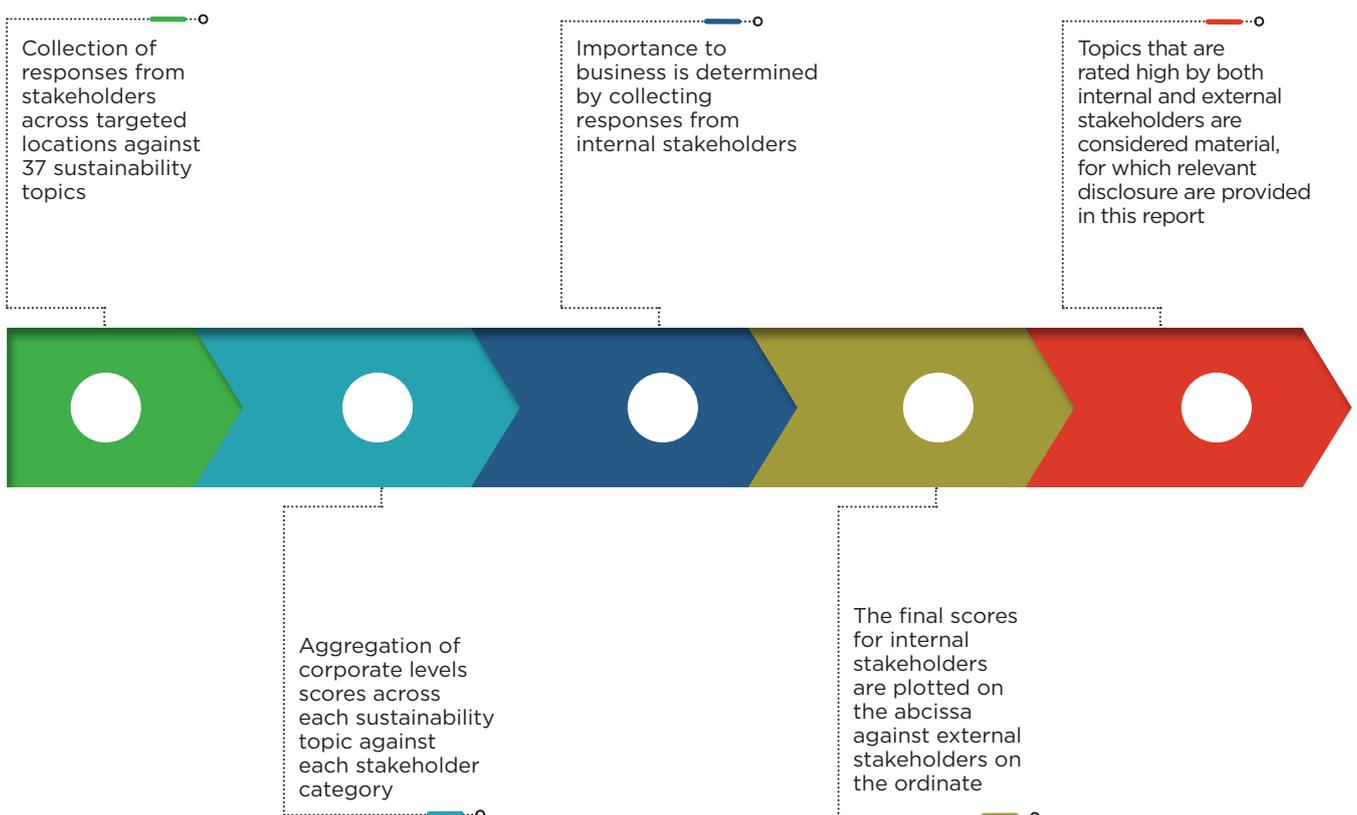
different categories of stakeholders for achieving the desired sample size as per the survey design. As our stakeholders belong to diverse groups and socio-cultural and geographical backgrounds, customised presentations and questionnaires were designed for each stakeholder group, keeping in mind specific nuances.

During each engagement session, in order to sensitise stakeholders, a detailed presentation was made to define the sustainability context covering key trends, latest developments, industry best practices, the regulatory landscape and future scenarios. We also showcased our sustainability strategy, approach, focus areas and projects. Following the

presentation, the participants were asked to complete a questionnaire to understand individual points of view and perceptions on the sustainability aspects relevant to our business.

This fiscal, sustainability engagement sessions were carried out at 16 locations spread across India, covering the corporate headquarters, zonal offices, regional offices, refineries and marketing locations. We interacted with 1,028 stakeholders and solicited their feedback, which was subsequently aggregated and analysed. Furthermore, an online response system was used to capture feedback from stakeholders to increase reach.

Methodology for Analysing Stakeholder Responses



Managing Stakeholder Expectations

Meeting the expectations of our stakeholders is crucial to our success and we have established a stakeholder engagement framework to understand and address their key concerns.

Key Topics	Modes of Engagement	Our Response
<h3>Management and Non-Management Employees</h3> 		
<p>Career progression, opportunities for higher education</p>	<ul style="list-style-type: none"> ◆ Annual performance reviews and appraisal ◆ Education growth plan 	<ul style="list-style-type: none"> ◆ We ensure regular performance review of all our employees and provide appropriate feedback through online performance review and appraisal systems ◆ We also have an education growth plan for our employees for supporting their aspirations of higher education
<p>Need-based trainings</p>	<ul style="list-style-type: none"> ◆ Regular in-house technical and behavioural trainings ◆ Nomination to external trainings, conferences and seminars 	<ul style="list-style-type: none"> ◆ We focus on technical and behavioural trainings for all our employees. These initiatives and programmes have helped them grow in the organisation, learn new skills and develop as professionals ◆ A certified Petroleum Manager Programme, MBA (Oil & Gas), e-learning platform, nomination of employees to conferences and seminars of international repute, etc. are few of the competency development initiatives that are offered to employees
<p>Rewards and recognition</p>	<ul style="list-style-type: none"> ◆ Annual/ biannual recognitions schemes 	<ul style="list-style-type: none"> ◆ We provide incentives in the form of Performance Related Pay (PRP) for management employees and productivity incentive schemes for non-management employees to motivate them to higher levels of performance ◆ We have various reward and recognition schemes for our employees such as HP Icon, Outstanding Achievers Awards, HP Gaurav Award, etc.
<p>Focus on health and safety</p>	<ul style="list-style-type: none"> ◆ Quarterly safety committee meetings 	<ul style="list-style-type: none"> ◆ Regular safety trainings, health check-ups and awareness sessions are organised to secure an incident-free workplace ◆ Under the Periodical Medical Examination scheme, all employees undergo a thorough medical check-up. The periodicity is determined by the age profile and nature of work ◆ Project Sankalp, Shapath, Shrestha and Sachet are few of our safety training programmes ◆ Behavioural-based safety-training programmes are also conducted to internalise safety as a culture
<p>Work-life balance</p>	<ul style="list-style-type: none"> ◆ Regular interactions ◆ Employee-connect forums 	<ul style="list-style-type: none"> ◆ We have taken concerted efforts to maintain a motivating work environment with activities such as picnics, quiz competitions, festival celebrations and Women's Day celebrations, among others ◆ Through Paramarsh, we provide counselling and support to employees and their family members
<p>Grievance redressal</p>	<ul style="list-style-type: none"> ◆ Regular interactions ◆ E-platforms 	<ul style="list-style-type: none"> ◆ We have a robust mechanism to handle and resolve grievances. Online grievance redressal mechanisms such as ICS E-Care, HR Direct, etc. are available for our employees for better management of their concerns

Key Topics	Modes of Engagement	Our Response
LPG Distributors 		
Product quality and product delivery	<ul style="list-style-type: none"> ◆ Regular distributor meets ◆ Regular visits and inspections 	<ul style="list-style-type: none"> ◆ We strictly monitor quality parameters during various stages in the entire value chain ◆ We are developing innovative solutions and leveraging technology such as a Vehicle Tracking System (VTS), Optimised Logistics Assistant (OLA), online inventory monitoring, online LPG connection, etc. for ensuring timely product delivery ◆ Periodic inspections are carried out by our operating personnel
Safety	<ul style="list-style-type: none"> ◆ Training programmes on safety ◆ Regular inspections and safety audits 	<ul style="list-style-type: none"> ◆ The distributors are regularly trained on the safe handling of products ◆ Regular safety audits and inspections are conducted at retail outlets and LPG distributors
Business challenges and competitors	<ul style="list-style-type: none"> ◆ One-to-one meetings ◆ Need-based trainings 	<ul style="list-style-type: none"> ◆ Our consistent focus is on providing behavioural and business skill related training to distributors through capacity building programmes ◆ Our online Distributor Customer Management System (DCMS) portal ensures transparency in business transaction. It has the capability of monitoring indents, supplies and account receivables, which lead to real-time tracking of transactions ◆ We offer premium, branded and niche products for unique positioning in the market. We also provide customised offerings based on customer requirements
Competition from peers	<ul style="list-style-type: none"> ◆ One-to-one meetings 	<ul style="list-style-type: none"> ◆ Case-to-case feasible solutions are discussed and implemented
Credit to customers	<ul style="list-style-type: none"> ◆ Regular dealer meets 	<ul style="list-style-type: none"> ◆ We work with the banks in getting adequate financial support in extending working capital management
Retail Dealers 		
Improvement in vendor services	<ul style="list-style-type: none"> ◆ Regular meetings with vendors and dealers 	<ul style="list-style-type: none"> ◆ We have developed a portal to lodge, review and resolve the complaints within a specified time period. Punitive action is taken against erring vendors ◆ A robust monitoring mechanism is set up for compliance
Upgradation of outlet and dispensing units	<ul style="list-style-type: none"> ◆ One-to-one discussions ◆ Regular dealer meets 	<ul style="list-style-type: none"> ◆ We have procured DUs in large numbers, with the latest configuration, during the year and the same have been provided to dealers ◆ We replaced DUs (procured prior to 2009) with state-of-the-art tamper-proof DUs

Key Topics	Modes of Engagement	Our Response
<h2>Supplier and Vendors</h2> 		
<p>Increased transparency</p> <p>Time delay in tendering process</p>	<ul style="list-style-type: none"> ◆ Regular supplier meets at operating level ◆ One-to-one meetings ◆ Panel meetings ◆ Pre-bid meetings 	<ul style="list-style-type: none"> ◆ To ensure transparency and trust in the bidding process, we have an online tendering process ◆ We hold panel meetings with select representatives
<p>Payment process</p> <p>Awareness regarding new bill tracking system</p>	<ul style="list-style-type: none"> ◆ Online platforms ◆ Need-based communications ◆ Vendor trainings 	<ul style="list-style-type: none"> ◆ We have an integrated disbursement module through which bills can be submitted and tracked up to disbursement by the vendors ◆ We are continuously automating and improving existing processes to reduce cycle time and enhance transparency ◆ We have conducted a series of workshops in various working locations for familiarisation with the new system
<p>Complaints redressal mechanism</p>	<ul style="list-style-type: none"> ◆ Online platforms ◆ One-to-one meetings 	<ul style="list-style-type: none"> ◆ We also have a robust grievance mechanism for suppliers and contractors. Grievances can be reported to the unit heads at the operating locations on a specified day and at a specified time every week
<p>Health and safety</p>	<ul style="list-style-type: none"> ◆ Training programmes on safety ◆ Regular health check-ups ◆ Regular meetings 	<ul style="list-style-type: none"> ◆ The suppliers and contractors are regularly engaged in training programmes and fire drills organised by the working locations. ◆ Regular health check-ups are organised with the support of renowned hospitals ◆ To emphasise safe driving practices, safety parameters, trainings and awareness campaigns such as HP-SOW covering technical and behavioural aspects are conducted for our transporters and their crew on a regular basis ◆ We conduct regular health check-up programmes for the transporters' crew. We also conduct sessions on spirituality and health for them
<p>On-time payments</p>	<ul style="list-style-type: none"> ◆ Email communications ◆ One-to-one meetings ◆ Online platforms 	<ul style="list-style-type: none"> ◆ An online system has been made available for payments and loan status where transporters can log in and check the payment status, taxes and the amount of TDS that has been deducted
<p>Higher running and maintenance costs</p>	<ul style="list-style-type: none"> ◆ Trainings ◆ Tank truck health check-up 	<ul style="list-style-type: none"> ◆ We organise regular training programmes on defensive driving habits and fuel conservation techniques ◆ Our operating locations coordinate with leading OEMs for organising camps for the tank truck fleet. Top performing drivers are awarded and recognised
<p>Improved RTKM transportation rates</p>	<ul style="list-style-type: none"> ◆ Regular meets and discussions ◆ One-to-one interactions 	<ul style="list-style-type: none"> ◆ We have adopted the improved Online Logistics Assistant (OLA) matching the local requirements
<p>Training needs</p>	<ul style="list-style-type: none"> ◆ Regular interactions ◆ Training sessions on safety 	<ul style="list-style-type: none"> ◆ We have dedicated SOPs for delivery men, both in LPG and Retail, on safe use and handling of products ◆ Regular training sessions are organised for the delivery men

Key Topics	Modes of Engagement	Our Response
Delivery Men 		
Customer retention	<ul style="list-style-type: none"> ◆ Regular training sessions 	<ul style="list-style-type: none"> ◆ For the retail staff, a training module, Sada Aap Ke Liye, focuses on upgrading their skills and knowledge and helps them understand the importance of customer satisfaction ◆ Programmes such as Ji Haan Samarth and Samvad 2.0 aim to enhance the knowledge and attitude of delivery staff for creating differentiated customer experiences
Contract Workers 		
Health and safety	<ul style="list-style-type: none"> ◆ Annual health check-ups ◆ Regular wellness sessions 	<ul style="list-style-type: none"> ◆ We ensure health check-up of contractual workmen and hold regular sessions on healthy living ◆ We promote good health and safety practices to enhance the well-being and productivity of our workforce
Training needs	<ul style="list-style-type: none"> ◆ Regular trainings 	<ul style="list-style-type: none"> ◆ We conduct regular trainings on operational safety and emergency preparedness
Regular payment	<ul style="list-style-type: none"> ◆ Regular interaction ◆ Need-based communication 	<ul style="list-style-type: none"> ◆ We ensure minimum wages are being paid to contractor's employees ◆ We have awareness programmes on Provident Fund and ESI-related matters, which have helped the contractors to understand the wages in a more detailed manner
Regulators 		
Compliance	<ul style="list-style-type: none"> ◆ Regular interactions with Government departments and statutory bodies 	<ul style="list-style-type: none"> ◆ We strictly ensure timely compliance to all applicable statutory regulations and local laws ◆ We also ensure to have regular interactions with various Government departments and statutory bodies on compliance-related matters
Community development	<ul style="list-style-type: none"> ◆ Regular interaction with the community through our CSR initiatives 	<ul style="list-style-type: none"> ◆ We invest in the implementation of CSR initiatives in the key areas of childcare, education, healthcare, environment, community development, sports, skill development, etc
Disaster management	<ul style="list-style-type: none"> ◆ Training on safety issues and mock drills for emergency preparedness ◆ Mutual-aid meetings ◆ Meetings with local authorities 	<ul style="list-style-type: none"> ◆ We inform and involve members from nearby communities and neighbouring industries in on-site and off-site mock drills to enhance their level of preparedness and inculcate a sense of confidence

Key Topics	Modes of Engagement	Our Response
<h2>Communities</h2> 		
More support and regular meetings in healthcare	<ul style="list-style-type: none"> ◆ Regular meetings with communities 	<ul style="list-style-type: none"> ◆ We are in constant touch with the identified communities to improve the facilities provided
Meeting deadlines of projects	<ul style="list-style-type: none"> ◆ Meetings with NGOs and implementing agencies 	<ul style="list-style-type: none"> ◆ We constantly engage with NGOs and implementing agencies explaining the process and perspectives of each project ◆ Regular follow-up is maintained for timely completion of identified projects
<h2>Shareholders and Investors</h2> 		
Financial performance	<ul style="list-style-type: none"> ◆ Annual Report ◆ Periodic press releases ◆ Annual General Meeting ◆ Analyst meet 	<ul style="list-style-type: none"> ◆ We update our shareholders and investors on the current business environment and the Corporation strategy to meet new challenges on our way forward
Good corporate ethics and compliance	<ul style="list-style-type: none"> ◆ Regular meetings ◆ Online platform 	<ul style="list-style-type: none"> ◆ We have a Stakeholders Relationship Committee that looks at the grievances of security holders ◆ In order to better understand the concerns of our shareholders, we also provide feedback form, which is made available to all our shareholders
<h2>Customers</h2> 		
Product quality and service standards	<ul style="list-style-type: none"> ◆ Periodic customer satisfaction surveys and customer meets 	<ul style="list-style-type: none"> ◆ We have systems and processes in place for adherence to applicable specifications and standards to ensure the highest quality products from the refining stage to distribution ◆ We are continuously innovating and offering products, which have a reduced impact on the environment ◆ Annual customer satisfaction surveys are being conducted to receive customer feedback
Resolving complaints	<ul style="list-style-type: none"> ◆ One-to-one meetings ◆ Need-based communication ◆ Online complaint management system 	<ul style="list-style-type: none"> ◆ Customer connect is established through multi-language online applications ◆ We have effective complaint management systems in place to address the grievances of our customers on a timely basis ◆ We are also aligned with the Centralised Public Grievances Redress & Monitoring System (CPGRAMS)
Awareness on Safety and Environment Aspects	<ul style="list-style-type: none"> ◆ Periodic campaigns on safety and resource conservation 	<ul style="list-style-type: none"> ◆ Awareness sessions on safety are conducted to enhance customer awareness on the safe usage of our products ◆ Safety clinics are organised for LPG consumers for awareness on the safe handling of LPG ◆ Programmes for conservation of Oil and Gas are conducted at various locations, retail outlets and various LPG distributorships for spreading awareness amongst the masses

Materiality Assessment

Materiality assessment is the backbone of sustainability reporting. It helps identify an organisation's most 'material issues' and determine what should be reported. The process of identifying these issues involves reaching out to internal and external stakeholders to get their feedback on a wide range of relevant sustainability topics. This provides an opportunity to solicit inputs on designing an effective sustainability strategy that is responsive to stakeholder expectations.

The list of sustainability topics for the materiality assessment was prepared by taking into consideration sector-specific sustainability trends, the macro business environment, benchmarking and peer reviews. We have identified an exhaustive list of 37 sustainability topics that were relevant to HPCL and the Oil and Gas sector.

This year, we migrated the response collection to an online platform to improve efficiency, accessibility and transparency. Through the stakeholder engagement sessions on sustainability, we were able to record responses from 991 individual stakeholders. Each stakeholder was asked to prioritise the list of 37 identified sustainability

topics. Furthermore, we provided narratives and additional guidance for each sustainability topic, providing suitable explanations and definitions for the benefit of the respondents.

We plotted economic, social and environmental issues that are of high priority to our external stakeholders against those that pose risks or present opportunities to our

operations in India. The analysis helps us identify the risks and opportunities that have the highest potential to impact our business as well as the issues that are most relevant to our stakeholders.

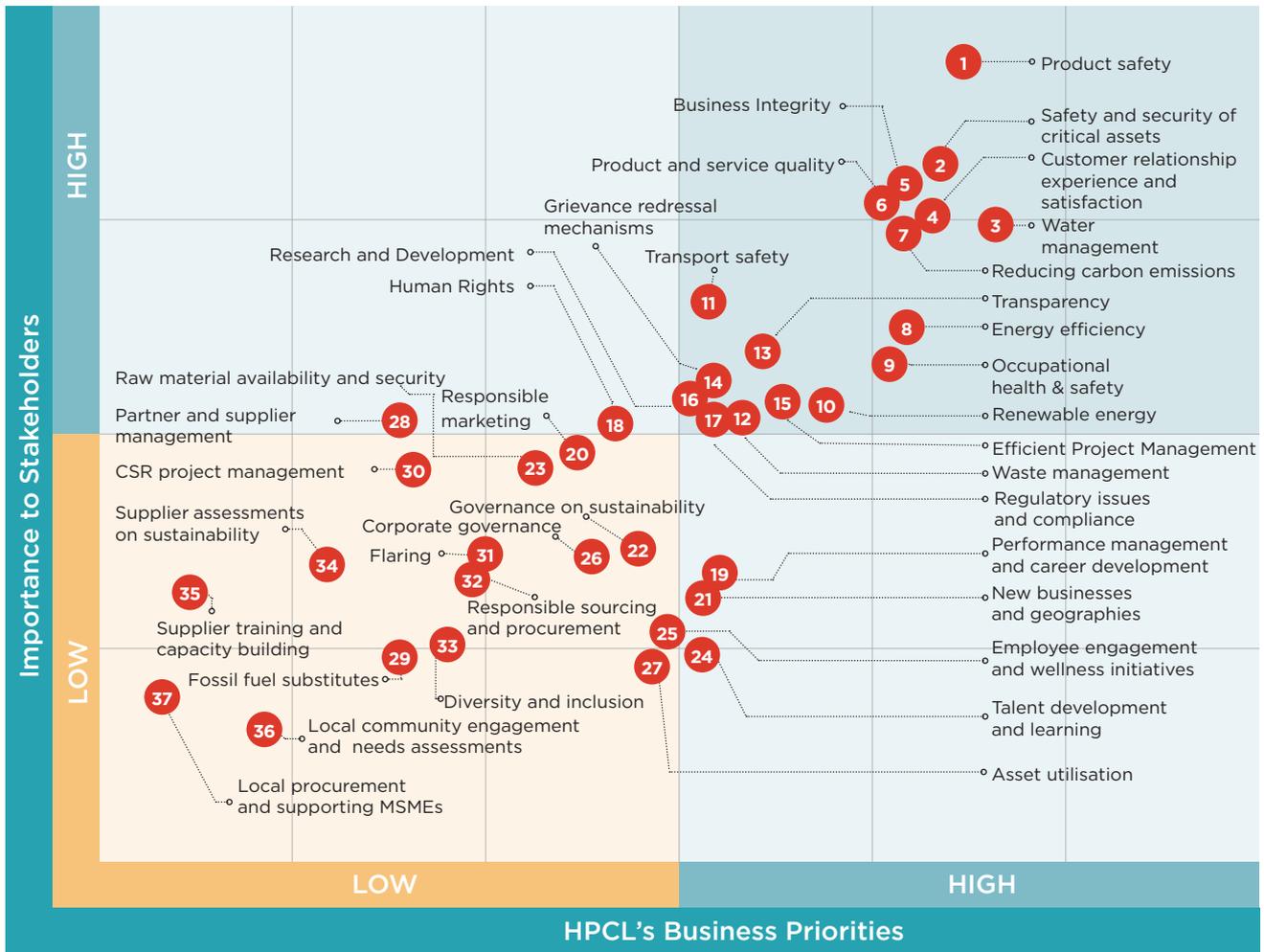
➔ Online Materiality Survey in progress



Through the stakeholder engagement sessions on sustainability, we were able to record responses from 991 individual stakeholders.



Materiality Matrix





Sr. no.	Material Topic	GRI Standards	Boundary
1	Product safety	GRI 416 and 417	Internal / external
2	Safety and security of critical assets	Non GRI	Internal / external
3	Water management	GRI 303	Internal
4	Customer relationships and satisfaction	Non GRI	External
5	Business integrity	GRI 205 and 206	Internal / external
6	Product and service quality	OG 8	Internal / external
7	Reducing carbon emissions	GRI 305	Internal / external
8	Energy efficiency	GRI 302	Internal
9	Occupational health & safety	GRI 403	Internal
10	Renewable energy	GRI 302, OG 2, OG 3 and OG 14	Internal
11	Transport safety	Non GRI	Internal / external
12	Waste management	GRI 306	Internal / external
13	Transparency	GRI 102	Internal
14	Grievance redressal mechanisms	Non GRI	Internal
15	Efficient project management	Non GRI	Internal
16	Research and development	Non GRI	Internal
17	Regulatory issues and compliance	GRI 307 and 419	Internal / external



Being Accountable and Transparent

- 59** Corporate Governance
- 62** Internal Systems & Controls
- 65** Ethics and Integrity
- 67** Safety and Security of Critical Assets



Being Accountable and Transparent

We firmly believe in being transparent and implementing the highest standards of governance through fairness, ethics, accountability and professionalism, thereby building trust and confidence amongst our stakeholders.

Everything that we do is guided by the HP 'FIRST' set of values, which are embedded deep within the DNA of our organisation. The 'HP FIRST' values are emphasised, upheld and modelled by the top management and percolated across the organisation. Each employee is

expected to live the HP 'FIRST' values in their everyday actions and interactions.

At HPCL, we have deployed systems, policies and structures to ensure responsible business practices across our operations and value chain through ethical business

processes, keeping in view the interests of all our stakeholders. We strive to achieve excellence by implementing a transparent governance framework enabled through timely disclosures and digitisation of processes, thereby demonstrating leadership in setting trends for future.



Corporate Governance

HPCL strongly believes that the spirit of corporate governance stretches beyond statutory acquiescence and we are committed to ensuring that our operations are carried out in an environment built upon trust, fairness and responsibility. Our corporate governance framework is designed to ensure transparency and accountability at every level of the organisation. The management strives to enable growth, profitability, stability and sustainability across our businesses in an equitable manner.

Being a premier Public Sector Undertaking (PSU) of the Government of India, we are cognisant of our responsibility towards national interests and ensure that we conduct our businesses within a clearly defined internal framework of policies, procedures and protocols and external regulations. Furthermore, our activities are also scrutinised by external authorities and agencies such as the Comptroller and Auditor General of India (CAG), the Central Vigilance Commission (CVC), Parliamentary Committees & other statutory bodies, etc.

Corporate governance at HPCL is based on the following key principles:

- ◆ Proper composition of the Board of Directors, size, varied experience and commitment to discharge their responsibilities
- ◆ Well-developed internal control, systems and processes, risk management and financial reporting
- ◆ Full adherence and compliance of laws, rules & regulations
- ◆ Timely and balanced disclosures of all material information on operational and financial matters to the stakeholders
- ◆ Clearly defined performance management and accountability

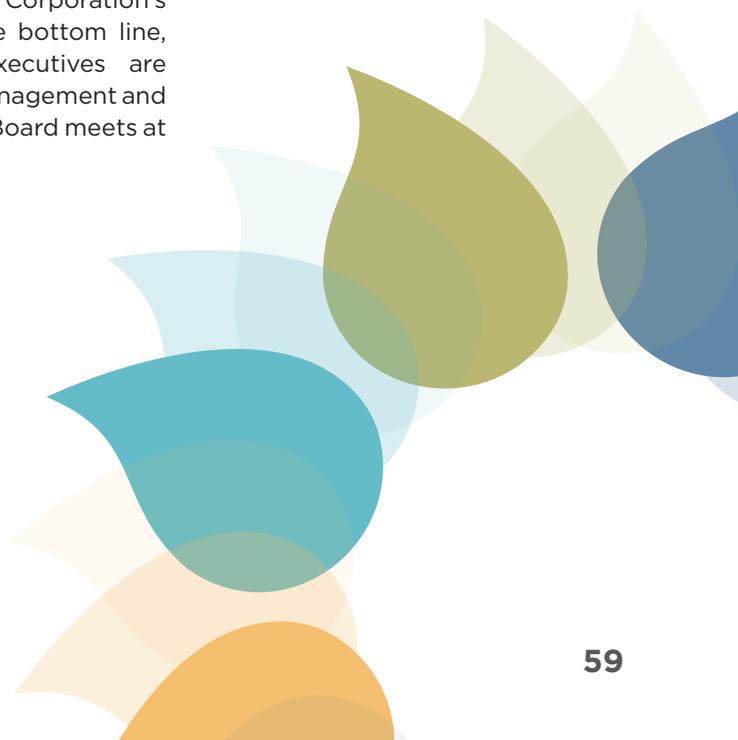
◆ Enhanced accuracy and transparency in business operations, performance and financial position

Board of Directors

The Board of Directors is the highest governing body exercising the powers subject to the provisions of the Companies Act, 2013. The Board is headed by the Chairman & Managing Director appointed by the Government as per its policy for Central Public Sector Enterprises (CPSEs). HPCL's Board of Directors is responsible for the stewardship of the Corporation, formulations of policies, aligning the Corporation's Vision and Mission with business strategy, overseeing the management of its business affairs and the overall Corporation's performance on triple bottom line, while our senior executives are responsible for the management and daily operations. The Board meets at

regular intervals for considering and approving the matters that requires their approval including matters of policy and strategic importance to the Corporation.

As per the provisions contained under Article 121 of the Articles of Association of HPCL, all the Directors of HPCL are appointed by the Government of India through the Ministry of Petroleum and Natural Gas (MoP&NG) based on an evaluation of their competencies and capabilities.



The Directors, through their participation in Board meetings, provide inputs to the management from their relevant fields of knowledge and expertise, namely finance, accounting, marketing, management sciences, human resources, refining and other relevant operational or technical aspects. The decisions taken at the meetings are communicated to the respective functionaries for their action. Key decisions of the Board and its Committees, which are material to stakeholder concerns, are disclosed to the stock exchanges and to the investors in a timely manner to eliminate information asymmetries and promote transparency. Further, the action items, arising out of the decisions of the Board, are followed up and reviewed at Board meetings.

Board members are also sponsored to attend seminars and conferences relevant to the hydrocarbon sector in India. This enables them to stay abreast with the latest developments in the sector. They also attend various programmes based on their areas of concerns, conducted

by the Department of Public Enterprises, Standing Conference of Public Enterprises (SCOPE), etc. Furthermore, newly elected Directors are familiarised with the organisational structure and functions through detailed presentations covering key aspects of business performance.

The tenure of Whole-time Directors is for a period of five years or up to the date of their superannuation or until further orders, whichever is earlier. The tenure of Government Directors is till the period they continue in the Ministry or until further orders, whichever is earlier.

The tenure of Independent Directors is for a period of three years or until further orders, whichever is earlier. The performance evaluation of all the Directors is undertaken by the MoP&NG (Government of India) at the end of each financial year through the process of MoU on specified economic, environment and social parameters. Performance related pay is directly linked with MoU ratings.



Key decisions of the Board and its Committees, which are material to stakeholder concerns, are disclosed to the stock exchanges and to the investors in a timely manner

Composition of the Board of Directors as on March 31, 2018 is as follows:

Whole Time Directors

Shri Mukesh Kumar Surana
Chairman and Managing Director
(DIN: 07464675)

Shri J Ramaswamy
Director - Finance
(DIN: 06627920)

Shri Vinod S Shenoy
Director - Refineries
(DIN: 07632981)

Shri S Jeyakrishnan
Director - Marketing
(DIN: 07234397)

Shri Pushp Kumar Joshi
Director - Human Resources
(DIN: 05233634)



Government Directors



Shri Sandeep Poundrik
Ex-Officio Director
(DIN: 01865958)



Ms Sushma Taihete
Ex-Officio Director
(DIN: 03585278)

Independent Directors



Shri Ram Niwas Jain
Director
(DIN: 00671720)



Smt Asifa Khan
Director
(DIN: 07730681)



Shri G. V. Krishna
Director
(DIN: 01640784)



Dr. T. N. Singh
Director
(DIN: 07767209)



Shri Amar Sinha
Director
(DIN: 07915597)



Shri Siraj Hussain
Director
(DIN: 05346215)

Board Committees

As per the provisions contained under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, various sub-committees of the Board are formed. The Board Committees focus on specific areas and make informed decisions within the authority delegated. The Committees also make specific recommendations to the Apex Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information and approval. Minutes of the Meeting of the Sub Committees of the Board are placed for the Information of the Board.

Board Committees at HPCL include the following:

- ◆ Audit Committee
- ◆ Nomination and Remuneration Committee

- ◆ Stakeholders' Relationship Committee
- ◆ Investment Committee
- ◆ CSR & Sustainability Development Committee

Nomination and Selection Processes and Remuneration

The Board of Directors has constituted the Nomination and Remuneration Committee, which is a Board Sub-committee, to look into aspects around remuneration as well as compensation and benefits for all employees. The terms of reference of the Nomination and Remuneration Committee are as prescribed under Section 178 of the Companies Act, 2013.

The remuneration payable to Whole-time Directors is approved by the Government of India, based on the recommendations of the MoP&NG. The Non-official Part-time Directors are paid sitting fees for

Board Meetings and Sub-committee Meetings of the Board attended by them. We do not have a policy of paying commissions on profits to any of the Directors of the Company. The remuneration payable to officers below Board level is also approved by the Government of India.

Annual total compensation ratio of highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) is 4.4:1 in 2017-18. The ratio of percentage increase in salary of the highest paid individual to the median percentage increase of all other individuals excluding the highest paid individual is -0.6:1

(Please refer to the Company's Annual Report 2017-18 for details on remuneration and Directors' profiles <http://www.hindustanpetroleum.com/Financial>)

Internal Systems & Controls

Our policies and mechanisms are in cohesion with our Vision, Mission & Values, which comprise the core philosophy with which we conduct our businesses. They are formed with the zeal to attain international standards and augment the principles of ethics, integrity and transparency for our people that are the foundation of our internal systems and controls.

The internal systems and controls at HPCL are aligned to the stipulations or recommendations prescribed under the Companies Act, 2013; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Department of Public Enterprises Guidelines on Corporate Governance and the Ministry of Corporate Affairs' National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs), 2011.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, HPCL has framed policies on material subsidiaries and policy of material related party transactions, both of which are available for public access on our website. All the related/ material party transactions were approved in line with the provisions contained in the relevant Act/ Policies.

Risk Management

Risk is inherent to all businesses and the key to success is to anticipate risks, take the right risks and manage them. In today's volatile, uncertain and complex world, the external and internal environment is changing at an ever-increasing pace, which, in turn, requires businesses to not only manage the existing risks but also anticipate emerging risks and deploy mitigating strategies on a continuous basis. It is imperative for businesses to design a robust

enterprise risk management framework to identify all existing and emerging risks, minimise the impact and seize the opportunities created by these continuously evolving changes.

The Company has adopted a well-defined process for managing its risks on an ongoing basis and for conducting the business in a risk-conscious manner in line with our objectives and regulatory requirements. The comprehensive risk management framework helps in identification, assessment and mitigation of risks on an ongoing basis. Risk assessment is considered as a critical input for decision making related to strategy formulation and capital allocation.

There is a well-defined organisational structure for risk management. It mentions the various roles such as Risk Champion, Risk Owner, Risk Coordinator, SBU Council, Working Committee and Risk Management Steering Committee (RMSC), etc. and the responsibilities of each of the role holders.

Roles, responsibilities and self-regulatory processes and procedures are contained in the Risk Management Charter and Policy.

Risks are identified in a number of ways, namely through structured workshops, brainstorming sessions, review of documents, etc. with individual SBUs

The severity of risks is evaluated on the basis of their likelihood of occurrence and the impact of the occurrence. Accordingly, risks are classified under critical, cautionary and acceptable categories.

The key risks identified are volatility in crude oil prices, introduction of alternate fuels, market effectiveness, delays in project completion, changes in regulatory policies and disaster management preparedness.

Based on the nature of the risk, specific treatment plans are devised in consultation with the management team and the status of risk assessment and minimisation procedures for risk groups is periodically reviewed by the RMSC. The Board members are informed about the risks and mitigation procedures. The Corporation has engaged the services of an independent expert for assistance



Key risks identified are volatility in crude oil prices, introduction of alternate fuels, market effectiveness, delays in project completion, changes in regulatory policies and disaster management preparedness.

Exercise of Authority and Delegation of Roles and Responsibilities

At HPCL, the Senior Management comprises Members of the Board, officers occupying the positions of Executive Directors/ Chief General Managers/ General Managers. The officer heading an SBU/ Department is responsible for his/her area of operation and accountable for all aspects related to that SBU / Department's performance. The decisions pertaining to each SBU are guided by the provisions contained in the Limits of Authority Manual. Decisions related to important issues requiring approval of the Committee of Functional Directors (CFD)/ Board are put up for the consideration of the CFD/ Board.

To facilitate the decentralised decision-making process at various levels of the organisation across the country, well-defined manuals and guidelines are drafted and implemented, such as the following ones:

Limits of Authority Manual

It defines the scope of authority for the Board, Committee of Functional Directors and the Executive Committee, the Contracts Committee, the Bids Committee and the senior individual positions. The Manual also covers different functions such as Sales, Crude & Shipping, Capital Projects, Operations & Distribution, Finance, HR and inter-functional groups, including Finance. This ensures a transparent well-considered and streamlined decision-making process adhering to clearly codified systems and procedures, thereby leaving no room for uncertainty of roles and responsibilities.

Procurement Manual

It defines the elaborate procedures to be followed while undertaking and finalising procurement contracts. It states the procurement authorities

at various levels and the norms and processes for procurement.

Chart of Accounts

To ensure transparent and systematic management finances, we have implemented a standardised accounting system to track, collate and organise expenses and payments. It defines specific roles and responsibilities and approval matrices and facilitates the documentation of bills, invoices and expense reports through a central digitised platform.

These guidelines aid the decentralised decision-making process throughout the organisation, which has an extensive national footprint.

Code of Conduct (CoC)

In compliance with the terms of Regulation 17 (5a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with Stock Exchanges, 'Code of Conduct (CoC) for Board Members and Senior Management Personnel of Hindustan Petroleum Corporation Limited' has been devised by the

Corporation and this code has been suitably amended to incorporate the duties of Independent Directors as envisaged in Regulation 17 (5a & b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The purpose of this Code is to enhance further ethical and transparent process in managing the affairs of the Corporation.

The Code has been made applicable to:

- ◆ All Whole-time Directors
- ◆ All Non-whole-time Directors, including Independent Directors
- ◆ Senior Management Personnel

This Code would be read in conjunction with the Conduct, Discipline & Appeal Rules for Officers applicable to Whole-time Directors and Senior Management Personnel. All the Board Members and Senior Management Personnel have provided the Annual Compliance Certificate duly signed by them as on March 31, 2018. During the year 2017-2018, there were no material transactions with Directors or their relatives having potential conflict with the interest of the Company.



Vigilance Mechanism

The vigilance function at HPCL is an integral part of our management approach and supports ethical business decisions. It is focused on preventive and proactive measures to minimise or eliminate deviations from HPCL's values, policies and procedures to secure the integrity of business operations.

We coordinate with the Central Bureau of Investigation (CBI), Central Vigilance Commission (CVC), Chief Technical Examiner (CTE) and the Vigilance Wing of MoP&NG. We have an automated system to register complaints and an online disciplinary management system to eliminate unethical practices at any level in the organisation.

Our vigilance mechanism promotes good corporate governance by being accountable and works against corruption in all forms. Corruption can take various forms, including demand and acceptance of illegal gratification, abuse of official position for obtaining pecuniary advantage for self or any other person, bribery, etc. These cases are handled strictly and monitored through regular and surprise inspections, surveillance of procurement and contract files and scrutiny of employee property returns, etc.

Vigilance mechanism in HPCL is based on the guidelines from Central Vigilance Commission on Vigilance management in Public Sector Enterprises and instructions issued from time to time by the Department of Personnel and Training as well as Ministry of Petroleum and Natural Gas.

Vigilance complaints are handled as per the complaint handling policies stipulated in Vigilance manual 2005/ 2017 of the central Vigilance Commission.

In the past financial year, a total of 160 complaints were received by the Vigilance Department of the corporation, which is empowered to initiate investigation on its own and act on complaints received from public against Employees with

regard to violation of corporation's rules and procedures if any in the conduct of business.

A total of 146 (91.25%) complaints were concluded during the year. Action against Officials/ Associates were recommended wherever acts of omission/ commission were noticed. Systemic improvements were also recommended to plug any gaps identified in the system.

Both our refineries and marketing locations actively participated and promoted the culture of integrity and accountability by observing activities during vigilance awareness week. During this year, we observed Vigilance awareness week with theme 'My Vision- Corruption Free India'.



Our vigilance mechanism promotes good corporate governance by being accountable and works against corruption in all forms



Ethics and Integrity

As a signatory to the United Nations Global Compact (UNGC), we look to lead by example and are committed to ensuring that the highest levels of integrity and ethical conduct are adhered to by all employees and the management. We believe that fostering a culture of high integrity will help build trust and confidence amongst our investors, customers and partners and enable us to attract and retain talented employees.

Through the induction programmes, regular trainings and workshops, our employees are made aware of their rights and responsibilities and are provided with details of the available avenues for voicing their concerns or complaints. Employees can contact our legal department for any queries relating to ethics and compliance.

Whistle Blower Policy

Our Whistle Blower Policy fosters a culture that is safe for our employees to raise concerns if rules, regulations and policies are not being followed. Genuine whistle blowers and the employees supporting them are accorded protection from any kind of unfair treatment, victimisation or retaliation, where confidentiality is safeguarded. However, any abuse of this protection warrants disciplinary action. The Whistle Blower Policy can be accessed at our website.

Public Grievance Redressal Mechanism

HPCL has established a Public Grievance Redressal System wherein designated officers are available at specified times at all major locations throughout India to hear & facilitate redressal of grievances of the public,

if any. The grievance redressal process has two levels to address the issues. The complainant has the right to escalate the issue to the next level in case resolution given in the first level is not satisfactory. The details to locate and contact or correspond with the Grievance Redressal Officer are mentioned on our corporate website.

Our website provides links to the Centralised Public Grievances Redress & Monitoring System (CPGRAMS), a web-enabled grievance redressal system of the Department of Administrative Reforms & Public Grievance (DARPG) to enable any stakeholder to submit their grievances, complaints or queries online. Grievances submitted on the CPGRAMS portal are forwarded by the MoP&NG to the Nodal officer for Public Grievances in HPCL for redressal and are addressed within 30 days.

We have toll-free helpline numbers for registering complaints from customers and are committed to resolve all the complaints within stipulated timelines. Further, we have a highly effective complaint management system for registering any complaints from our customers. An automated system and an online disciplinary management system are also available for stakeholders

to register complaints, with the aim of eliminating unethical practices at all levels of the organisation.

During the year 2017-18, a total of 3,936 public grievances were attended. These included 133 grievances carried forward during 2016-17 and 3,803 grievances received during 2017-18. Out of these, the number of grievances redressed during 2017-18 were 3,823. The remaining 113 grievances were under investigation as on March 31, 2018. The average disposal time of grievances was 16 days as against the 30 days disposal time limit. Additionally, we have also received 31 complaints from shareholders in 2017-18 and all of them were successfully resolved as on March 31, 2018.



Our Whistle Blower Policy fosters a culture that is safe for our employees to raise concerns if rules, regulations and policies are not being followed.

Right to Information (RTI)

Freedom of information is a fundamental human right and a touchstone for all freedoms as it forms the basis of transparency. In India, the Right to Information Act (RTI), 2005, empowers every citizen with the right to access public information and data. As per the requirements of Section 4 of the RTI Act, 2005, HPCL has prepared an information manual to provide guidance to the public for accessing relevant information. Our Public Information Officers and Appellate Authorities deal with queries from the public under the RTI Act. Clear instructions and details are provided on our website on the process of seeking information from HPCL under the RTI Act and submitting an online RTI application.

Integrity Pact

HPCL has been among the first PSUs to sign an MoU with Transparency International India (TII) in July 2007 for the implementation of the Integrity Pact in procurement processes and contracts. The Integrity Pact is applicable for contracts above ₹ 1 Crore and now is a part of tender documents to be signed between HPCL and vendors/bidders. Independent External Monitors (IEMs) are appointed in consultation with TII and CVC to monitor transparency in the purchase and procurement process and to resolve dispute.

Transparency Portal

A Transparency Portal exclusively for stakeholders is accessible online at our corporate website. With a view to share such information on the pricing of products (i.e. PDS SKO, HSD, Domestic LPG and Petrol), shipment details to track their effective delivery to the intended recipients and details related to the consumption of

Domestic LPG, Superior Kerosene Oil for the public distribution system are captured and published on this portal.

The Portal also provides stakeholders with quick links to information and aspects pertaining to the RTI, tenders and contracts, governance and grievance redressal and complaints mechanisms.

Protecting Human Rights

HPCL strongly supports the human rights of all employees and stakeholders it engage with. We are committed to providing a safe and congenial work environment that promotes open and free flow of ideas uninhibited by fear, harassment or discrimination. Our policies protect all our employees from any act of discrimination and everyone is required to abide by these policies. We encourage our employees to speak up openly regarding any issue that infringes on their human rights. We do not employ any child labour in any of our operations and our standards ensure that we comply with the requirements set out by all applicable labour regulations. We expect our business partners to fully abide by these standards.

Prevention of Sexual Harassment Policy

We are committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. We do not tolerate any form of sexual harassment and we are committed to take all the necessary steps to ensure that women employees are not subjected to any form of harassment.

In accordance with the Prevention of Sexual Harassment (PoSH) Act, 2013, we have implemented a PoSH Policy and have instituted Internal Complaints Committees (ICC) with an empanelled external expert at all locations. It ensures the prevention of and deterrence towards committing acts of sexual harassment and communicates procedures for their resolution, settlement or prosecution. Furthermore, we have taken steps to sensitise all our employees about the boundaries of this Policy and its implementation.

United Nations Global Compact (UNGC)

Business responsibility and sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Our approach to corporate governance incorporates the 10 principles of the UNGC. By integrating them with our strategies, policies and procedures and by establishing a culture of integrity, HPCL has been able to demonstrate proactive measures to uphold its responsibilities to the people and the planet, setting the stage for long-term success.

We have been members of the UNGC for over 10 years and continue to support its core principles.

Safety and Security of Critical Assets

HPCL is committed to securing a safe workplace by striving to achieve incident-free operations throughout the year.

Asset integrity, safety and security is managed by our Maintenance and Inspection (M&I) departments. Throughout the year, M&I teams regularly inspect our facilities and ensure timely maintenance schedules. They also identify potential risks, develop mitigation plans and assess the need for investments towards improving asset integrity with the aim of achieving safe, incident-free and efficient operations.

The ability to conduct stable operations relies on maintaining the health, safety and security of our workforce and as such, this will continue to be a focus area for further enhancement and improvement. Best-in-class technology and our trainings on maintenance of equipment & emergency preparedness for our employees enable us to work in a safe environment. We imbibe the industry's best practices to achieve better safety performance every year

As on March 31, 2018, Mumbai Refinery completed 21.54 Million man-hours of safe operation, its highest ever safety record. Earlier, the all-time best safety record was of 12.58 Million man-hours in the year 1991.

Emergency Response and Crisis Management

The high safety risk that exists by virtue of the nature of our operations and products makes safety and security a daily priority for us. Our HSE Policy is a statement of commitment to working in a safe and responsible manner, which protects our workers and communities, preserves the environment and maintains the integrity of our assets. To this end, we have implemented systems at all our operational facilities to identify and manage hazards, risks and emergencies. All our employees actively participate in the management of HSE and are provided regular training on health, safety, security, emergency preparedness and crisis management.

We organise regular trainings on operational safety and emergency preparedness for our employees. Employees are apprised on the safe operating procedures and protocols, thereby mitigating the risks during emergency and crisis. To enhance the confidence level of our communities and neighboring industries, we involve them in our offsite and onsite mock drills.

Information Security

At HPCL, information security systems are deployed to safeguard against data breaches and cyber-attacks. We have implemented an information security strategy covering data safety, safe access and secure storage of data. Our Security Operations Centre monitors all systems for any security-related incidents. Employees are trained on functional and operational areas of various information systems.

The Information Systems Center (ISC) infrastructure of servers and storage has been kept upgraded and updated to take care of the growing requirements of the business. Various additional data management requirements from projects, Distributor Customer Management System (DCMS), Pradhan Mantri Ujjwala Yojana (PMUY), Centralisation of Finance, etc. are integrated and managed efficiently. All major applications have been configured in a disaster-ready mode. The application performance is monitored closely using new tools such as System Centre Operations Manager (SCOM) and Application Performance Monitoring (APM) on a regular basis.

Both of HPCL's Data Centers are certified by ISO 27001 Certification for Information Security Management System (ISMS).



Mumbai refinery completed 21.54 Million Man Hours of Safe Operation.

A photograph of an HP gas station at night. The station is illuminated with blue and red lights. The HP logo is prominent on the roof. There are several fuel pumps visible, with 'Diesel' signs. The scene is decorated with red, white, and blue balloons. A large yellow arc is overlaid on the right side of the image.

Sustainable Economic Growth

- 70** Financial Performance
- 71** Physical Performance
- 73** Strategic Planning Initiatives



Sustainable Economic Growth

As India's oil demand is expected to grow rapidly, we are continuously adapting to the market by enhancing our performance through innovation and operational excellence and by adopting new technologies.

Our sustained financial progress enables us to cater to the needs and concerns of environmental and social performance. We are determined to exert ourselves in overcoming the possible challenges of energy transition, industry disruption, supply and demand volatility, price fluctuations, health and safety risks and environmental impacts. Through all of this, we are progressing at a steadfast pace towards a sustainable global future.

Financial Performance

Economic Value Generated*	2017-18	2016-17	2015-16
Total Income	2,45,934.58	2,15,317.90	1,98,887.99
Profit After Tax	6,357.07	6,208.80	3,726.16
Economic Value Generated*	2017-18	2016-17	2015-16
Operating and Service Cost	7,252.52	7,089.70	7,906.82
Employee Wages and Benefits	2,858.52	2,946.08	2,321.32
Payment to Providers of Capital	3,360.56	4,721.33	2,406.13
Contribution to Exchequer	69,751.51	67,451.87	52,234.73
Community Investment	156.86	108.11	71.76

*All figures are in ₹ Crore

(Refer Company's Annual Report 2017-18 for details on entities included in the consolidated financial statements at <http://www.hindustanpetroleum.com/Financial>).

We have done particularly well as far as our economic performance is concerned. In comparison to our performance of the last three years, our revenues for 2017-18 are the highest.

Continuing the momentum of our previous years' performance, we have been able to create greater value for our shareholders and investors by achieving growth with a net profit of ₹ 6,357 Crore in 2017-18. Our shareholders' earnings per

share is ₹ 41.72, compared to ₹ 40.74 in 2016-17. We registered a five-fold increase in market capitalisation during the last four years and achieved a gross sale of ₹ 2,43,227 Crore. The total sale of products (including exports) for the year 2017-18 was 36.87 MMT as against 35.22 MMT during 2016-17.

We are cognisant of our responsibilities as a tax payer and contributed ₹ 2,490.74 Crore to the Government in the form of income

tax. We undertook social initiatives worth ₹ 156.86 Crore for the growth of local communities. Our long-term debt to equity ratio stands at 0.4:1 and on an overall borrowing basis (long term and short term), the debt to equity ratio stands at 0.88:1 for 2017-18.

During the reporting year, Subsidy on PDS Kerosene and Domestic Subsidised LPG from Central and State Governments amounting to ₹ 7.54 Crore has been accounted.

Shareholding Pattern:

As on March 31, 2018, the shareholding pattern was as follows:

Category	% of total issued shares
Oil and Natural Gas Corporation Ltd.*	51.11
Financial Institutions	3.11
FII/OCBS	23.39
Banks	0.17
Mutual Funds (Includes Alternate Investment Funds)	9.68
Foreign Nationals (NRI, NRI-Repat, Individuals)	0.34
Employees (Physical)	0.05
Others	12.14

* On January 31, 2018, 51.11% Equity Shares held by President of India were transferred to ONGC.

Physical Performance

Excellent physical performance by our refineries and marketing network has been contributing towards generating higher economic value. Our combined gross refinery margin was recorded at \$ 7.40 per barrel

during 2017-18. Our refineries in Mumbai and Visakhapatnam have maximised the crude processing with an unparalleled combined refining throughput of 18.28 MMT with a capacity utilisation of 115%.

We have successfully achieved our target of lowest specific energy consumption. An overview of the operating performance of our refineries for 2017-18 is shown in the table below.

Operating Performance of Our Refineries for 2017-18

Refinery	Crude Throughput (TMT)	Capacity Utilisation (%)	Specific Energy Consumption (MBN)	Fuel and Loss (%)	Distillate Yield (%)	Gross Refinery Margin (\$/Bbl)
Mumbai	8,641	115.2	84.4	7.2	77.4	8.35
Visakh	9,635	116.1	77.3	7.1	74.5	6.55

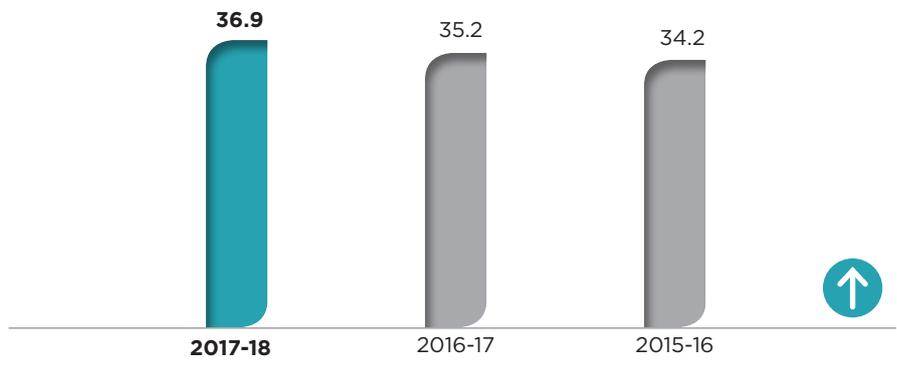
Some of our noteworthy achievements include a distillate yield of 77.4% and 74.5% at Mumbai and Visakh Refinery, respectively, along with the highest ever production of HSD (7,301 TMT), Lube Oil Base Stock (439 TMT) and MS (3,342 TMT). We have also achieved the lowest MBN in the reporting year.

Crude Throughput Refinery	2017-18 (MMT)	2016-17 (MMT)	2015-16 (MMT)
Mumbai	8.64	8.51	8.01
Visakh	9.64	9.30	9.22

Marketing Performance

We have maintained a strong market position in comparison to our peers through our continuous effort to ensure customer satisfaction. We have achieved sales volume of 36.9 MMT with a growth of 4.4% and market share of around 21% amongst the PSU category.

Total Sales Volume (in MMT)



SBU	Sales Volume	SBU	Sales Volume
Retail	23.7 MMT	Aviation	729 TMT
LPG	6.1 MMT	OD&E*	50.32 MMT
Lubes	603 TMT	Pipelines*	20.4 MMT
I&C	5.04 MMT	Natural Gas	11.8 TMT

* For OD&E and Pipelines SBU, throughput is reported

Going Cashless

To support the Government's vision of a Digital India, we are promoting cashless transactions in our everyday operations. We have taken a number of steps in this direction and have achieved the following milestones:

- ◆ We implemented three different modes of cashless payments at 96.4% of the retail network, exceeding the MoU target (95%)
- ◆ Digital transactions contributed a landmark 25.2% of total TMF sales in March 2018
- ◆ HP Refuel and DT+ moved to the digital platform, thereby making the programme card-less; we are the only oil company to have a completely digital programme

We have achieved sales volume of 36.9 MMT with a growth of 4.4% and market share of around 21% amongst the PSU category.

Strategic Planning Initiatives

During 2017-18, HPCL began implementing the T20 strategy, which was crafted during the previous year. The T20 strategy has been formulated by integrating sustainability considerations across our value chain. It defines target aspirations by 2020-21 across a range of business priorities.

Over 200 initiatives have been identified across nine themes that focus on safety and integrity towards achieving capacity expansion in refining, increasing market sales and significant increase in renewable energy portfolio. The T20 strategy provides a blueprint to navigate the future business landscape with clearly defined annual growth objectives, profitability targets and investment and action plans to help accomplish our Vision and Mission. The strategy was developed through consultations with over 1,000 HPCL officers across business functions and geographies and has been validated by external experts. Implementing the T20 strategy requires cross-functional

cooperation and collaborations. To enhance the effectiveness of implementation, a centralised web-based platform, T20 Hub, has been created and institutionalised for real-time review of progress on key strategic initiatives.

In 2017-18, our Corporation formed two new groups – Petrochemical Marketing and Business Development – to strengthen the existing strategy and enable future readiness. The role of Petrochemical Marketing is to catalyse HPCL's foray into petrochemical markets, while Business Development has been formed to identify and leverage new opportunities across the energy value chain, capture new growth

avenues through collaboration with technology start-ups and explore growth opportunities through Mergers & Acquisitions (M&A). These newly formed groups will help our corporation develop a resilient business portfolio and deliver sustainable growth in future.

Furthermore, we have recently formed an Information Systems (IS) strategy group, which will help the Corporation leverage digitisation across all spheres of its business operations and enable upgradation of IT infrastructure to support the future-ready digital initiatives.



→ Executive Council Meet 2018

Opportunities with the Local Communities

Our engagement with the local communities is not limited only to our social responsibility programmes. We realise that our communities can assist us in sourcing and procurement for our business, ensuring cost reduction and acceleration of delivery time. It also gives us an opportunity to develop their skill sets and prepare them for an improved future. We procure materials and services from several local and MSME vendors. We select our vendors through an open competition of bidding, keeping the cost and quality of our products and services as the qualifying parameters. We also provide relaxation in the past track records on a case-to-case basis to improve the ability and competencies of the small vendors. We organise various vendor meets with a focus on MSME and SC/ST MSME. We have exceeded the target of 20% by procuring 31.21% from MSMEs, an estimated value of ₹ 3,012 Crore. We extended the benefit like exemption of Earnest Money Deposit (EMD), allowing to supply a portion quoting within +15% on matching the lowest (L1) rates and up to 20% of requirement etc. to the small vendors.



We have exceeded the target of 20% by procuring 31.21% from MSMEs, an estimated value of ₹ 3,012 Crore.

Central Procurement Organisation (CPO)

CPO has been continuously delivering excellence in Procurement for Marketing and Corporate with enhanced efficiency & transparency, ensuring policy compliances since inception. The entity has recorded procurement worth ₹13,138 Crore in 2017-18, a quantum jump over the last year.

CPO has institutionalised strategic procurement by introduction of innovative concepts such as Total Cost of Ownership, e-Counter Offers, Bench Mark Rates, Net Present Value, Minimum Order Assurance, Developmental Orders, Price Variation Clauses, Long-term Contracts etc. During 2017-18, various strategic initiatives have resulted in 8% increase in vendor participation across categories and 6% reduction in PR to PO lead time recording a saving of ₹ 675 Crore reported @7.3% over benchmark price.

By advanced planning and preparedness, CPO took a lead role in seamless transition into GST regime through capability building amongst its workforce, trainings to Users Vendors. A total of 3,127 change orders were critically reviewed for stranded input tax

credits and processed in shortest time period to ensure business continuity. The HSN/SAC codes, pre-requisite for implementation of GST were assigned for 3.12 Lakh item codes with CA Validation within a month's period in HPCL Data base. Under Ease of Doing Business, several initiatives like introduction of Vendor Profile updation, a special drive towards completion of pending vendor registration applications, introduction of simplified and digitised process for enlistment of small / petty vendor at location level were taken.

CPO is continuously driving all major Government of India flagship initiative like Indigenisation activity by spearheading the INDEG Group under Make in India Campaign, Stage wise implementation of 33 recommendations under Transparency and Efficiency in Public Procurement, Implementation of measures for revival of construction sectors in line with CCEA directives

The focus on MSE procurement through vendor meets, seminars, leading SC/ST entrepreneurs developed through EDP programmes, has resulted in Corporation registering 31.21% procurement from MSE vendors surpassing the 20% mandatory MoU Target for 2017-18.

The strategic and continual improvement initiatives have brought laurels to CPO at National / International forums. CIPS supply management awards Asia 2017, CPO Forum India Awards and Procurement Excellence Awards 2017 are the testimonials for the achievement of CPO.

Integrated Margin Management (IMM)

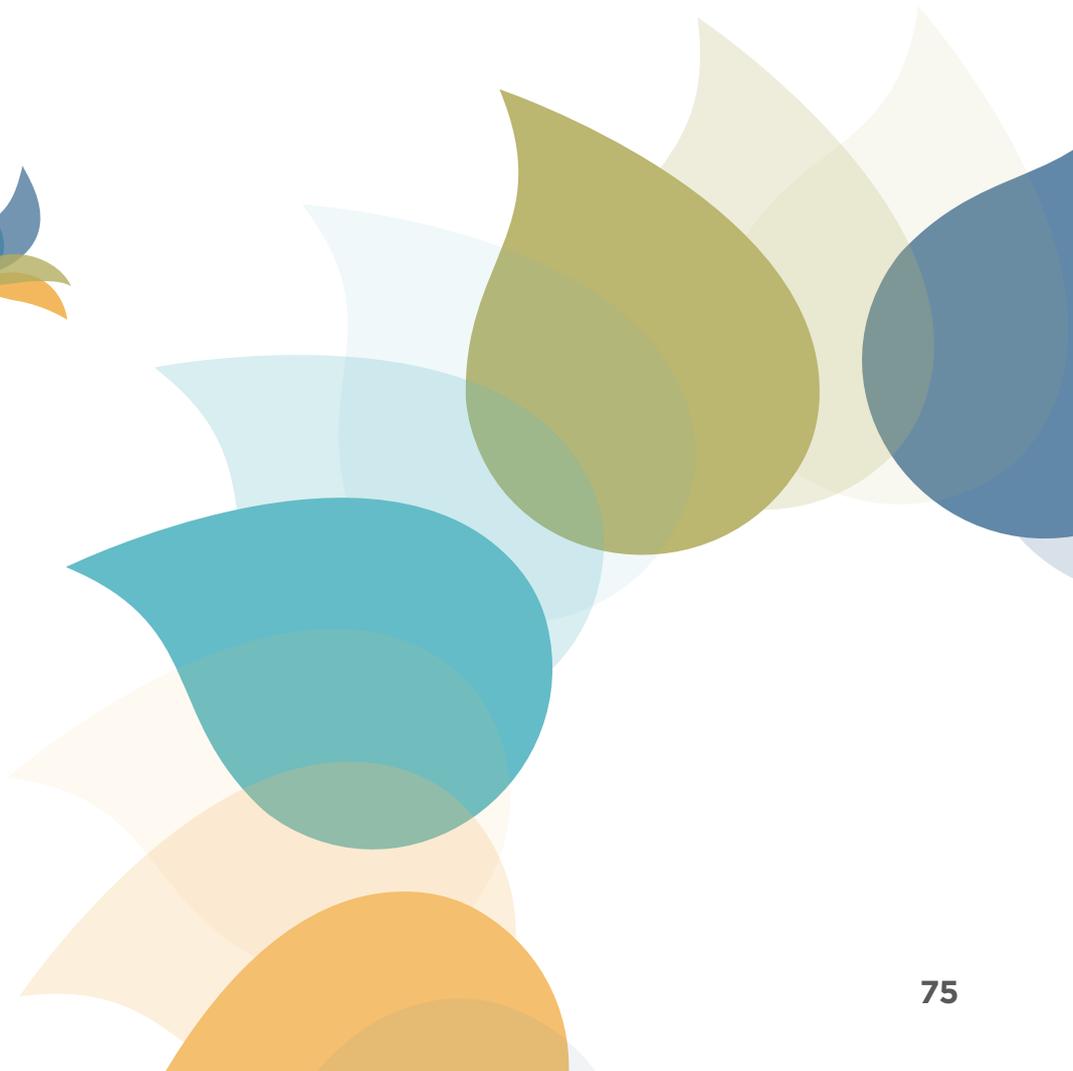
Our Integrated Margin Management (IMM) model driven by a dedicated team helps us monitor our value chain in the corporation. It acts as a nerve system of the corporation by maximising the net corporate realisation across the crude to customer value chain. The system is designed to maximise margins between procured crude price and realised product price while managing the imbalance and delivering value. The model controls the margins at every level of the value chain, including sourcing, refining, supplies, operations, distributions and inventory management. IMM has also helped us in planning for the realistic crude procurement using crude cost and feasibility optimisation, identifying opportunity crudes and processing analysis. Our optimisation practices, market intelligence and data

analytics have also been improved through the implementation of the IMM model in our corporation. The IMM group is also driving various margin improvement ideas generated across corporation through a structured Initiative Management Office (IMO), which regularly tracks the execution of these ideas and reports the progress to the Management.

The international oil market remained highly volatile during 2017-18. Despite having better margins compared to the last year due to strong middle distillate cracks, the market witnessed more volatility in cracks/ margins of major products such as Gasoil, Kero and Gasoline. With the objective of stabilising the margins on account of price volatility, along with the risk arising due to timing mismatches, the Oil Price Risk Management (OPRM) Committee took various initiatives to protect the refinery and

marketing margins by increasing risk coverage. We were successful in hedging refinery margins in terms of protecting planned budgets. Similar initiatives were replicated across marketing to cover the anticipated margins from different business portfolios.

The scope of risk management evolved during the year, aiming to increase coverage to include risks associated with volatile oil markets and price sensitivities. The risk management principles, policies and activities are monitored by the OPRM Committee on a regular basis, including systematic reviews of hedging positions and credit exposure.





Caring for our Planet

- 79** Efficient Utilisation of Resources
- 82** Energy Efficiency and Conservation
- 84** Emission Reduction
- 87** Harnessing Renewable Energy
- 88** Conserving and Managing Water
- 90** Waste Management



Caring for our Planet

Climate change is one of the major global concerns today. Effects of climate change have become evident and are no more a theoretical hypothesis. Observing environmental sustainability is the focal point of our business operations and is of utmost importance in the present context. Global warming and climate change are the largest threats to our planet and they need to be addressed meticulously through a strategic intervention and multifold approach.

We are cognisant of the fact that our business operations contribute to climate change and impact environmental sustainability. It has been our responsibility to minimise our carbon footprint and ensure efficient utilisation of natural resources. We aim for excellence in all our endeavours, including business progression and environmental stewardship. Our environmental performance is at the mainstay of our sustainability context. We continuously try to boost our operational efficiency through innovation and implementation of advanced technology.

Our Enterprise Risk Management System (ERMS) is the framework for identifying, accessing and mitigating risks including the environmental ones that our organisation is exposed to. We have well-defined and structured policies for Environment Management and Sustainable Development. These policies act as a guiding manual for planning our interventions around environment stewardship.

Our climate change policy states:



HPCL is a socially responsible corporate citizen caring for the environment and striving to reduce its carbon footprint by incorporating the 'green' perspective in all its key organisational processes, while pursuing its own growth aspirations towards customer delight.

We are continuously enhancing our environmental performance and reducing our carbon footprint through strategic interventions by embracing the latest technology.

We have institutionalised state-of-the-art Environment Management Systems (EMSs) at our refineries and marketing locations. Both our refineries are ISO 14001 certified. Our refineries are utilising facilities such as Integrated Effluent Treatment Plants (IETPs), stack analysers and continuous air quality monitors to comply with the pollution limits set by the Pollution Control Board. We have also provided extensive green cover in and around the refineries, marketing locations and housing colonies.

We conduct periodic environmental and energy audits to assess the risks and opportunities related to environment and energy efficiency at our facilities. We also carry out an Environment Impact Assessment of all our new projects and locations undergoing expansions. We engage with our internal and external stakeholders on a regular basis to sensitise and train them to operate in a sustainable way. Trainings and workshops are also organised for building skills and enhancing the understanding on environment management, air quality monitoring, flare management, etc. We publish technical bulletins and newsletters that focus on the legislations, concepts, upcoming trends and techniques, industry best practices, etc. pertaining to environmental sustainability.

Our vision is to strategise and implement programmes and practices that help us to minimise the impact of our business operations on the environment. We adopt processes that help us strike a profitable balance between our business targets and environmental risk mitigation. To gain an understanding on the way our businesses impact climate change, we participated in a comprehensive study on 'Climate Change Risk and Preparedness for the Oil and Gas Sector in India'. The outcomes of the study provided insights into the climate resilience of critical assets and infrastructure and also provided recommendations on short and long-term interventions to mitigate the consequences of climate change. We are continuously striving to explore effective ways of integrating climate resilience and adaptation into our business strategy.

We have received environmental clearances for our capacity augmentation and bottom upgradation projects at the Mumbai and Visakh refineries.

This year, we received the Global Sustainability Awards, 2017, in the Gold Category for excellence in Sustainability and Safety at the 8th World Renewable Energy Technology Congress by the Energy and Environment Foundation. We also won the Golden Peacock Awards, 2017, for Sustainability by the Institute of Directors (IOD).

Efficient Utilisation of Resources

We realise that resources are scarce and we depend on these resources for running our business. Therefore, we are always on the lookout for opportunities that help us become resource efficient in our business operations through innovation, waste recycling, adopting new methods and technology. Our R&D department plays a significant role in devising and implementing innovative ways of business operations.

We have been awarded as the 'Most Environment-friendly Company in Petrochemicals sector' for excellence in Corrosion Management for our Visakh Vijayawada Secunderabad Pipeline (VV SPL) in Petrochemical sector by the 'FICCI chemical and Petrochemical Award'.

Material Consumption at Refineries in 2017-18

Materials	Units	Total
Additives, Chemicals and Catalyst	MT	22,052
Caustic	MT	5,303
Liquid Nitrogen	MT	1,546
Lube Oil and Greases	MT	307
Orange dye	KL	9
Dry Chemical Powder	MT	6
Cotton Waste	MT	4
Ethyl Mercaptan	MT	1.5
Foam	KL	64
Corrosion Inhibitors	KL	90
Filters	Nos.	7,875
Wooden Pallets	Nos.	200
Rubber Hoses	Nos.	100
Batteries	Nos.	47

Associated Material Consumed in Refineries in 2017-18

Materials	Units	Total
Refrigerant	Kg	950



→ Pipeline Integrity check using Inspection Gauge

Material Consumption at Marketing Locations in 2017-18

Materials	Units	Total
Bottling Cylinders	MT	58,41,292
Brass Valves	MT	67,141
Additives and Chemicals	MT	22,808
HFHSD	MT	4,315
Pressure Regulators	MT	4,327
MTO	MT	365
O-rings	MT	279
Dry Chemical Powder	MT	55.1
Lube Oil and Greases	MT	61
Conkote	MT	1,094
Cotton Waste	MT	29
Caustic	MT	11
Ethyl Mercaptan	MT	10.52
Base Oils	KL	5,17,396
Paint & Primer	KL	648
Corrosion Inhibitors	KL	276
Foam	KL	667
Blue Dye	KL	19
Cartons and Containers	'000 Nos.	29,682
Plastic Seals and Caps	MT	3,064
Filters	Nos.	2,316
Rubber Hoses	Nos.	1,269
Wooden Pallets	Nos.	1,117

Recycled/Reused Materials in Refineries in 2017-18

Materials	Units	Total
Slop	MT	304
Catalyst	MT	388
Plastic Containers	Nos.	20,495
Metal Containers	Nos.	9,735

Recycled/Reused Materials in Marketing Locations in 2017-18

Materials	Units	Total
Bottling Cylinders	MT	56,66,982
Brass Valves	MT	65,284
Plastic Caps	MT	2,611
O-rings	MT	261



→ Saksham Rally for Fuel Conservation

Resource Efficiency Initiatives

Optimal utilisation of natural resources in manufacturing processes has always been a strong focus area of our corporation across all our business facets. Many of our installations are certified with the Environment Management System. For enhancing energy efficiency and water conservation across all our locations, we undertake periodic energy audits, water audits, LED installation, installation of water and energy-efficient fixtures, capacity building and so on. Some of the resource efficiency initiatives initiated by our Corporation include:

- ◆ We undertook a 'Lifecycle Assessment' study for one of our premium high-selling

products at the Silvassa Lubes Blending plant. The objective of the assessment is to highlight the total environmental impacts caused during 'cradle-to-gate' in the manufacturing of the product and assimilate the learnings into our systems

- ◆ This year, we developed an Environment Audit Index Criteria & Score tool to internally assess the performance of the EMS. The tool is utilised for conducting environment audits and operates on EMS operating/ functional parameters
- ◆ We also introduced new-generation lube packaging for retail market under project 'Unnayan' this year. We received acknowledgement for this project

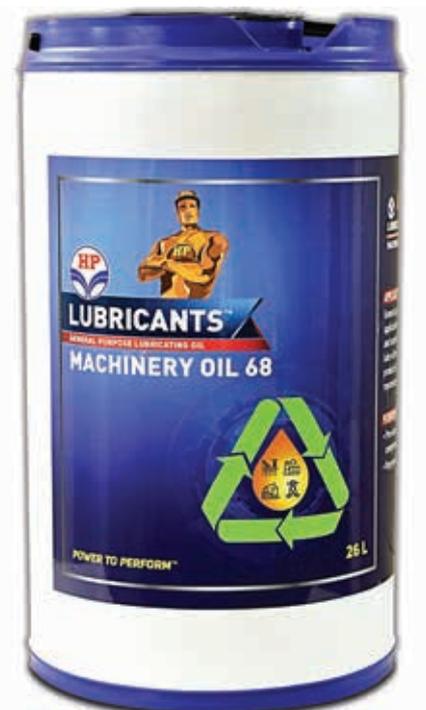
and were awarded the Golden Peacock Award. Additionally, the other packaging nuance Shipper cum Display Carton brought us the India Star Packaging Excellence Award

- ◆ We introduced the sales of new-generation composite cylinders under brand name 'ओजAS'. These cylinders are light weight, aesthetically and ergonomically designed and have improved safety features
- ◆ We supplied a mixed rake of Furnace Oil (FO) and Clarified Lube Oil (CLO) for the first time to one of our major customers M/s. JSPL-Deojhar this year

Saksham

We conduct a month-long campaign called 'Saksham' to spread awareness on 'judicious utilisation and conservation of Oil and Gas products'. During this year, in Saksham, numerous workshops were held across India for the drivers of commercial vehicles, housewives and cooks on adopting simple fuel, to encourage energy-saving measures among them. For instance, in Vijayawada, activities such as quiz shows, Saksham Asian Cycling Championship, walkathons and concerts took place. While in Jammu, a cycle rally for creating awareness among the masses towards judicious utilisation and conservation of resources was organised. These initiatives received active participation and recognition from the people, the Government and media.

Green Initiative:
We developed new HP Machinery Oil Series formulated with Re-refined used oil. This initiative is part of MoP&NG guideline aimed at lowering carbon footprint, conservation of petroleum and reducing environmental pollution.

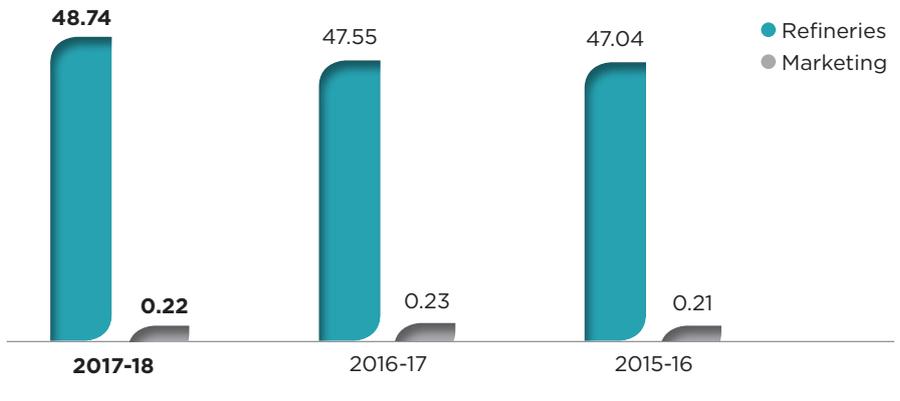


Energy Efficiency and Conservation

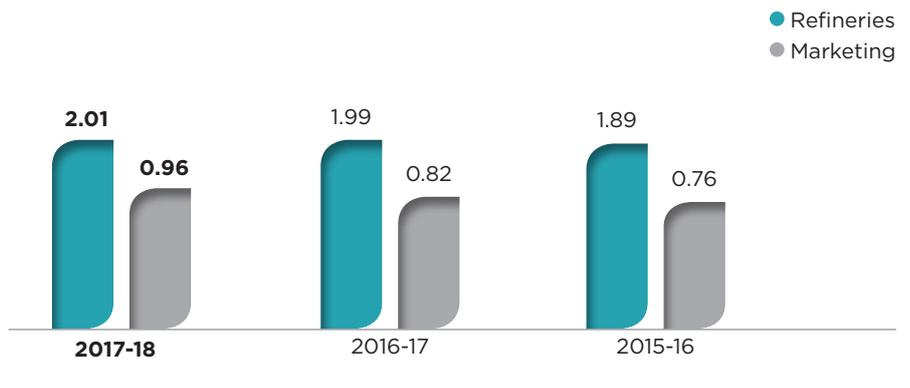
Oil refining is an energy-intensive process. We diligently monitor our energy consumption while producing fossil fuels and proactively find avenues to perform better.

During the year, our refineries at Mumbai and Visakhapatnam have done extremely well in terms of crude throughput and energy efficiency. We have been recognised amongst the 2017 Top 100 Global Energy Leaders by Thomson Reuters.

Direct Energy Consumption within the Organisation (Million GJ)

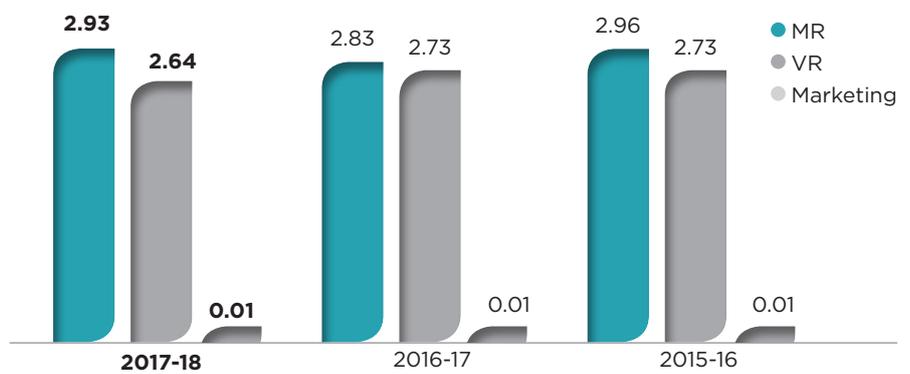


Indirect Energy Consumption within the Organisation (Million GJ)



Local Conversion factors are used for Energy Consumption calculations. Broadly energy is being consumed either by burning of fuels within our premises or purchasing electricity from power grid. The bifurcation of the same is given in the report as Direct and Indirect Energy usage. Further, we are working towards reporting the breakdown of energy consumption utility wise across various locations.

Energy Intensity - (Direct and indirect) (GJ/MT)*



* For Refineries: per MT of Crude processed; For Marketing : per MT of product throughput

Energy Consumption outside the Organisation

This year, we estimated 12.66* Million GJ of Energy Consumption towards product movement of Marketing SBUs. (*Energy consumption excludes product movement via rail)

Refinery	Energy Savings achieved in 2017-18*
Mumbai	11,633 SRFT (Equivalent to 488.58 GJ)
Visakh	6,975 SRFT (Equivalent to 292.95 GJ)

* Based on internal measurements.

Conserving Energy

Efficient utilisation of energy is embedded in our production practices. Elimination of resource wastage results in direct monetary benefits since energy consumption is one of our key operating costs. We adopt a multifold approach to energy conservation, which encompasses adoption of the latest technology and elimination of energy losses and dispensable activities. We have also implemented a broad range of energy conservation interventions such as use of alternative energy, clean technology and energy-efficient equipment.

Energy Conservation at Refineries

We lay strong emphasis on energy conservation at both our refineries and have undertaken significant steps in this direction. We actively participate in improving the operational efficiency of our refineries for better energy usage. This year too, we participated in the benchmarking study of M/s Solomon Associates, US, for the 2016 cycle for the third successive biannual period. We also participated in a specific study undertaken by M/s Engineers India Limited (EIL) for all PSU refineries for energy consumption improvement.

The Bureau of Energy Efficiency (BEE) has extended the Perform, Achieve and Trade (PAT) Cycle-II programme to the petroleum sector, which is being coordinated by

Center for High Technology (CHT) for Indian refineries. Both HPCL refineries, along with other PSUs, are actively participating in this process. As a part of this process, Mandatory Energy Audit (MEA) towards compliance with PAT Cycle-II has been carried out by the Petroleum Conservation Research Association (PCRA) and Form 2 has been submitted to the BEE.

The energy conservation initiatives undertaken have been very impactful for both our refineries. We were able to save approximately 18,608 Standard Refinery Fuel Tonnage (SRFT) this year, which includes 11,633 SRFT and 6,975 SRFT for the Mumbai and Visakh refineries, respectively. The capital investment for the energy conservation equipment was approximately ₹ 10 Crore and ₹ 3.2 Crore for the Mumbai and Visakh refineries, respectively.

Interventions at the Mumbai Refinery

- ◆ The Diesel Isotherming Unit (DIU) was stabilised with steady operation of the recycle pump (P-20), thus improving feed processing and reducing hydrogen consumption
- ◆ In Fluidized Catalytic Cracking Unit (FCCU)-II, feed Condration Carbon (CCR) was increased, which has resulted in an increase in steam generation from waste heat. This has reduced the load on conventional boilers, thus reaping the benefit of lower overall fuel consumption

- ◆ We revamped the SEU-II furnace resulting in an achievement of 46 M³/hr throughput and enhancing furnace efficiency to 85% from 75%, saving 1,355 SRFT
- ◆ We have started sourcing about 70% power from the grid, which is the best performance amongst all PSU refineries in terms of power import
- ◆ We conducted an Energy Efficiency Improvement Study (EEIS) along with EIL; a list of schemes were discussed and finalised with EIL
- ◆ We successfully completed the ISO 50001 - Energy Management System, Stage-I certification audit



Interventions at the Visakh Refinery

- ◆ A waste heat boiler was commissioned to produce Low-pressure (LP) steam of 2 MT/hr from flue gases of the old CO boiler in FCCU-II. This measure has resulted in the reduction of equivalent fuel consumption
- ◆ The shutdown of Crude Oil Distillation Unit CDU-I and CDU-III was taken as an opportunity for improving heat recovery from furnace flue gases by taking up repairs of Air Pre-heaters (APH) in these units
- ◆ Heat rate improvement in Heat Recovery Steam Generators (HRSGs) 3 & 4 was achieved by taking up cleaning of the tubes during outage for combustion inspection
- ◆ Crude preheat temperature in CDU-I was improved by cleaning all the preheat exchangers during T&I

- ◆ We have undertaken a project for connecting the refinery power system to the Transmission Corporation of Andhra Pradesh (APTRANSCO) grid at the 220 KV level
- ◆ We commissioned a condensate recovery scheme in the Diesel Hydro Treater - Sulphur Recovery Unit (DHT-SRU)

- ◆ We maintained a power factor near unity by using capacitor banks
- ◆ We implemented kaizens for energy saving
- ◆ We undertook capacity building and sensitisation of workmen to prevent idle running of equipment
- ◆ We implemented suggestion schemes, inviting suggestions from field operators on energy efficiency

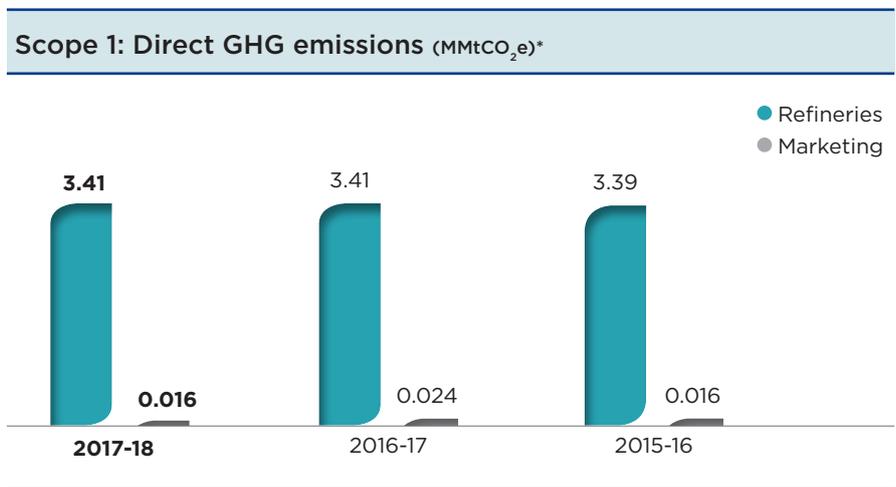
Energy Conservation at Marketing Locations

- ◆ We completed 100% conversion from conventional lighting to LED lighting at 40 OD&E locations
- ◆ We initiated a replacement of existing conventional metal halide lamps with LEDs at our retail network. We have installed LEDs at 4,510 retail outlets so far
- ◆ We have variable frequency drives for motors at our operating locations

Emission Reduction

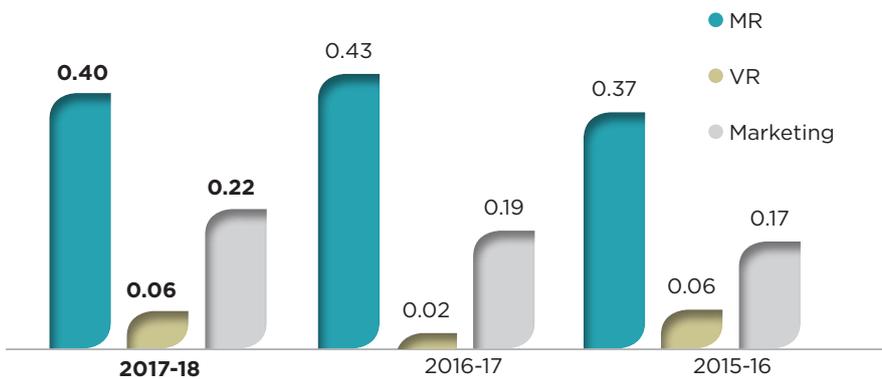
Utilisation of fossil fuels for operations results in GHG emissions. We keep a check on our carbon footprint by taking remedial measures such as reducing specific energy consumption, switching to environment-friendly modes of fuel transportation, optimising utilisation of fleet, implementing biofuels and augmenting green cover in and around our refineries and locations.

The standards, methodologies and assumptions (based on operational control) used for our calculations have been obtained from the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories - 2006, the IPCC AR4 Fourth Assessment Report, Central Electricity Authority (CEA) - CO₂ Baseline Database for the Indian Power Sector, Version 11.0, April 2016 and India GHG Program, Version 1, 2015 (for emission factor for rail transport). No specific base here has been considered for reporting the data.



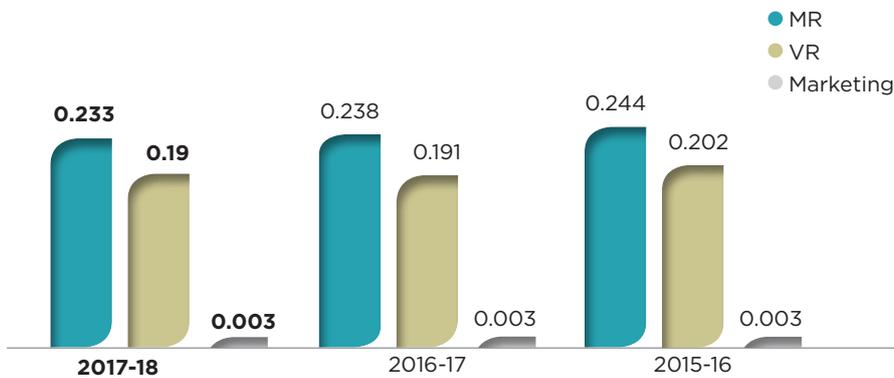
* Includes CO₂ and CH₄
 Total gross Direct emissions for the reporting year is 3.426 MMtCO₂e. The direct emission reduction in 2017-18 against 2016-17 due to various initiatives is 0.008 MMtCO₂e.

Scope 2: Indirect GHG emissions (MMtCO₂e)



Total gross location based Indirect emissions for the reporting year is 0.68 MMtCO₂e. The indirect emission reduction in 2017-18 against 2016-17 due to various initiatives is 0.04 MMtCO₂e.

Emission Intensity (tCO₂e/MT) (Includes Scope 1 and Scope 2 Emissions)



* For Refineries : per MT of Crude processed; For Marketing : per MT of product throughput

Significant Air Emissions for Refineries in 2017-18*:

Emission Type	Unit	Total
Suspended Particulate Matter (SPM)	MT	902
Nitrogen Oxides (NOx)	MT	3,900
Sulphur Oxides (SOx)	MT	3,128

* Measured Values

Initiatives for Emission reduction at Refineries

- A substantial volume of the petroleum products from the refineries are being evacuated through pipelines. Dependence on road transport for evacuation of products has been reduced drastically, resulting in considerable reduction in auto emissions to atmosphere

- The Mumbai refinery has commissioned a Tail Gas Treating Unit (TGTU) for Diesel Hydro Desulphurisation Sulphur Recovery (DHDS SR), which helps in significantly reducing the sulphur emission

- The Mumbai refinery entered into a Power Purchase Agreement (PPA) with NTPC Vidyut Vyapar Nigam for supply of 10 MW renewable (wind) energy to reduce GHG emissions

This year, we estimated 0.0056 Million tCO₂e and 0.002 Million tCO₂e towards domestic business travel by air and commute of our employees, respectively. The emissions due to product movement of Marketing SBUs is estimated at 0.96 Million tCO₂e.

- Comprehensive sampling of all stack flue gases, ambient air and liquid effluent was carried out by the Andhra Pradesh Pollution Control Board (APPCB) at the Visakh refinery

- Detailed inspection of environmental control facilities was carried out by the Central Pollution Control Board (CPCB) during December 2017 at the Visakh refinery

- ◆ Fuel gas is treated in fuel gas desulphurisation unit to bring down the sulphur content before being fired in furnaces and boiler for reduction in SOx emissions
- ◆ We installed low NOx burners for reducing NOx emissions

Emission Reduction Initiatives at Marketing Locations

- ◆ We finalised the purchase order for 46 Crore litre ethanol (green fuel), thereby achieving 2.11% blending against the industry figure of 2.08%
- ◆ We procured approximately 217 TKL of ethanol and 11 TKL of biodiesel for blending in MS and HSD, respectively. The sales volume of ethanol-blended MS was 19,91,525 KL and that of Biodiesel blended HSD was 2,54,000 KL

- ◆ We introduced a fully owned LPG rake under the Liberalised Wagon Investment Scheme (LWIS) of the Ministry of Railways (MOR), resulting in drastic reduction in Scope 3 emissions
- ◆ We installed a pollution control device at the output stack of Diesel Generator (DG) Set at the Bahadurgarh Tikrikalan pipeline location, which captures particulate matter emission from DG exhaust, thereby reducing air emissions
- ◆ Introduced battery car at our Visakh ASF
- ◆ Introduced electric fork lifts at Mazgaon and Silvassa Lube Plants

Developing Green Belts

Planting native trees with carbon sequestration potential is an important part of contributing towards reduction in the overall carbon footprint. Through green belt development initiatives, we strive to mitigate the environmental degradation. We have developed comprehensive guidelines for our green belt initiatives. Through these initiatives, we contribute towards carbon sequestration. The mass movement christened 'Van Mahotsav' is undertaken at our locations to attain this objective. This year, we observed Van Mahotsav at six of our LPG plants, viz., Hazira, Hazarwadi, Aurangabad, Anantpur, Khapri and Raipur. We aim to further continue this activity in a phased manner. We have a greenbelt of approximately 1,000 acres at our locations.



Tree Plantation at the Vijayawada Booster Station (VBS): Tree plantation is one of the most effective ways of reducing environmental footprint. We are conscious of this fact and have commenced a tree-plantation drive under our 'Save Trees to Save Life' at the VBS. Under this project, we planted 150 saplings at various schools and villages under the Swachh Bharat Pakhwada (SBP). The project was divided into three major categories:

- ◆ Tree plantation at schools
- ◆ In-house tree plantation
- ◆ Development of a new green landscape at VBS

The tree plantation activity was carried out, along with four local schools in which 428 students participated. These children helped in planting different types of saplings at the schools.

More than 50 saplings were planted in-house and a wide green landscape was developed at the VBS. We also ensure that our employees are aware of the importance of planting trees. In this regard, we have initiated the 'My Birthday Gift - One Plant' drive under which we plant one sapling on every employee's birthday at the VBS.



Harnessing Renewable Energy

There is a global focus on enhancing the share of renewable energy in the overall energy mix, which is a cleaner mode of achieving the desired growth. India has progressed towards expanding its renewable energy capacity due to favourable market conditions and costs. It is in sync to meet its NDC target of 175 GW by 2022 much earlier. Recently, the Government of India declared that it would increase its renewable energy target by 28% to 227 GW by 2022, indicating a significant leap.

Our business strategy is aligned to contribute towards achieving this objective. We are making inroads towards enhancing the share of renewable energy in our overall energy basket by implementing several initiatives.

We have around 105 MWp installed capacity of renewable energy, which produced approximately 17 Crore kWh during the year.

Wind Projects

Our Corporation is leveraging renewable energy sources to reduce its carbon footprint across the value chain and is continuously expanding the wind and solar power generation capacities.

We have wind power farms of 100.9 MW capacity in the states of Rajasthan and Maharashtra. During

2017-18, these farms generated 16.95 Crore kWh energy. The wind farms also generated 1.05 Lakh non-solar Renewable Energy Certificates (RECs) worth ₹ 15.9 Crore.

Solar Projects

Solar power is becoming the mainstay at an increased pace given the encouragement from the Government and our national targets. We encourage our SBUs to implement solar-based technologies at our locations.

Our total installed capacity of solar power is ~4 MWp across all operating locations including COMCOs (retail dealership network is not included). This year, we commissioned our largest grid connected captive solar PV plant at Bahadurgarh Terminal, Haryana, with a capacity of 750 kWp. The plant is expected to generate 12

Lakh kWh per annum, resulting in a saving of approximately ₹ 1 Crore per year.

Solar panels were also installed at 464 retail outlets during the year. We are further working towards expanding our solar capacity by installing solar PV plants both at our OD&E, pipelines and LPG locations and major projects at our Jodhpur Depot and Visakh White Oil Terminal are under execution.

During the year, the OD&E SBU installed solar plants (rooftop + ground-mounted) of capacity exceeding 2.5 MWp at 32 locations. Moreover, the Pipelines SBU commissioned solar projects at VVSPL - Vizag Disptach station, MDPL - Mundra station and RKPL - Sectionalising Valve (SV) stations with capacities of 20 kWp, 50 kWp and 5 kWp, respectively.

Biogas Plant

With an objective of handling biodegradable wastes, we have installed biogas plants at the Irumpanam and Chennai terminals. These plants operate on the bio-

methanation technology and generate biogas equivalent to 2.5 to 3 kg of LPG. Other benefits accrued are instant disposal of food waste, user-friendly operation with minimal

maintenance, no bad odour, less space requirement and clean and clog-free drains.

With a view to support and promote usage of cleaner energy, we launched an electric vehicle charging station at one of our retail outlets in Nagpur.

Conserving and Managing Water

Our industry is dependent on water and consuming water in the most efficient way is the need of the hour. We always look forward to adopting newer ways and technologies in water harvesting and conservation. In our refinery operations, we try to optimise our water consumption in boilers, cooling circuits and water-utilising processes.

We map our water consumption to identify the areas of improvement and implement methodologies to reduce its usage including water recycling. Our locations measure water consumption using water meters. We lay emphasis on rainwater harvesting techniques and strive to implement these measures in our operating locations with a focus to enhance their reach in the nearby communities as well. We ensure that our activities do not significantly affect water sources due to withdrawal.

Water withdrawal by source at Refineries in 2017-18

Source of Water	Quantity (TKL)
Sea Water	1,00,477
Municipal	9,855
Rain water harvested and collected for reuse	792
Total	1,11,124

Water withdrawal by source at Marketing Locations in 2017-18

Source of Water	Quantity (TKL)
Groundwater through borewell	836
Municipal	349
Tanker	165
Fresh Water from other Organisation	55
River/Canal Water	71
Rainwater harvested and collected for reuse	17
Others	46
Total	1,539

Water Recycled/Reused at Refineries in 2017-18

Type of Water	Quantity (TKL)
Treated Water from ETP used within Premises/ Condensate Recovered	2,268
RO Reject Water	282
Reuse of water in processes (Bearing Cooling)	53,656
Total	56,207

Water Recycled/Reused at Marketing locations in 2017-18

Total	395 TKL
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Percentage of Water recycled / reused / recirculated of total water withdrawal is 50.2%



Water Conservation Initiatives

We undertake water conservation initiatives across all our business locations and operations. We aim to ensure water stewardship through responsible withdrawal of water, judicious use of water resources, reuse and recycling of water and appropriate disposal of water. We have defined programmes and activities for each of these aspects of water management. We are working towards 'zero liquid discharge' at our operations.

In order to create sensitivity towards the growing concern of limited water resources among our employees, we observed 'World Water Day' on March 22, 2018. The initiative aimed to create awareness about responsible water management among our people.

Refineries

- ◆ Both our refineries have Effluent Treatment Plants (ETPs). Our Mumbai refinery has a state-of-the-art new IETP, which has primary, secondary and tertiary treatment sections. This IETP recycled 7,92,097 m³ of water compared to 7,24,576 m³ of water during the previous year.
- ◆ In order to ensure strict adherence to the norms pertaining to the effluent discharge, we have installed an Effluent Quality Monitoring System (EQMS), which monitors parameters such as pH, oil & gas and flow. The data connectivity of the EQMS is established till CPCB. The quality of the groundwater is also monitored with a network of

borewells spread across the entire geographical area of the refinery.

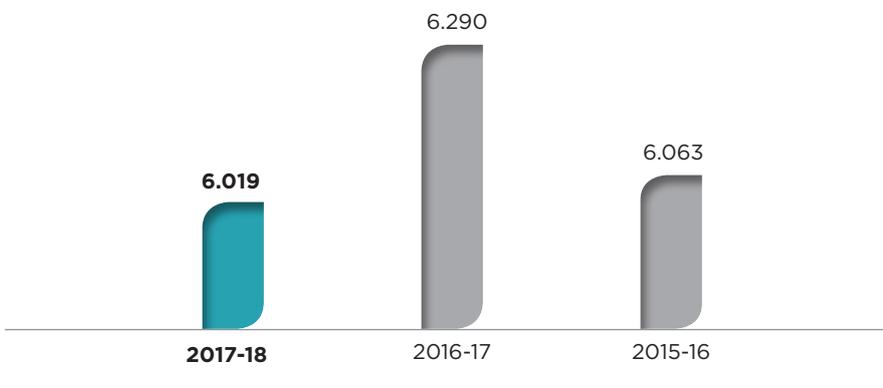
- ◆ At the Visakh refinery, Sewage Treatment Plants (STPs) of a capacity of 40 KLD based on constructed wet land technology were commissioned for administration buildings.

Marketing Locations

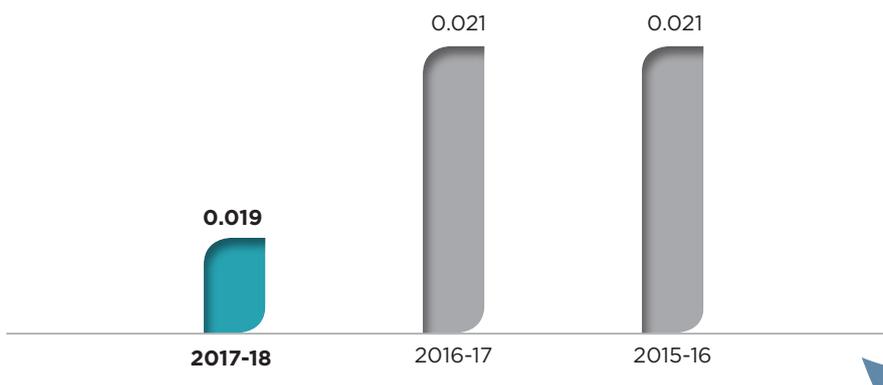
At our marketing locations, we ensure water conservation through a host of initiatives such as:

- ◆ Strict metering and monitoring
- ◆ Installation of water-efficient fixtures
- ◆ Installation of efficient irrigation systems with timers, spray nozzles and sprinklers, etc.
- ◆ Reuse of rejected water from the RO plant for flushing of toilets and use of treated water from ETPs for gardening purposes
- ◆ Recirculation of water in the cylinder washing/ hydrotesting units
- ◆ Recycling of tank truck calibration water
- ◆ Recycling of sewage water through phytoremediation units
- ◆ Harvesting of rainwater by collecting or recharging groundwater

Specific Water Consumption across Refineries (KL/MT)



Specific Water Consumption across Marketing SBUs (KL/MT)



Waste Management

We measure, manage and monitor waste from our operations in order to minimise our impact on people and environment. We have set up well-established systems and processes to handle waste.

Waste generated in our operations is either treated in our premises or disposed through the CPCB-approved waste treatment storage and disposal facility. We comply with all the statutory norms and regulations stated by MoEF&CC, CPCB and State Pollution Control Board (SPCB). During the reporting period, there were no significant spills. We ensure that our activities do not significantly affect water sources due to discharge.

Hazardous Waste Generation in 2017-18: Refineries

Type of Waste	Units	Total
Oily Sludge (including ETP oily sludge)	MT	6,823
Spent Catalyst	MT	2,306
Insulation Wool Waste	MT	0.17
Spent Charcoal (including coke)	MT	150
E-waste	MT	0.29
Oily Soaked Cotton Waste (including gloves)	MT	0.01
Tyres and other rubber scrap (including Hoses and O rings)	MT	18
Scrap Batteries	Nos.	1,485

Hazardous Waste Generation in 2017-18: Marketing Locations

Type of Waste	Units	Total
Oily Sludge (including ETP oily sludge)	MT	341
Paint Sludge	MT	43
Insulation Wool Waste	MT	10
Oily Soaked Cotton Waste (including gloves)	MT	9
E-waste	MT	2
Chemical Containers	Nos.	3,924
Scrap Batteries	Nos.	743
Filter Elements	Nos.	1,125
Tyres and other rubber scrap (including Hoses and O rings)	MT	4
Used Oil	KL	15

Non-hazardous Waste Generation in 2017-18: Refineries

Type of Scrap/Waste	Units	Total
Metal Scrap	MT	10,837
Wood Waste	MT	120
Plastic Waste	MT	39
Plastic Containers	Nos.	6,008
Metal Containers	Nos.	4,600
Vehicle scrap	Nos.	10

Non-hazardous Waste Generation in 2017-18: Marketing Locations

Type of Scrap/Waste	Units	Total
Metal Scrap	MT	3,786
Paper Waste	MT	7
Wood Waste	MT	45
Plastic Waste	MT	27
Plastic Containers	Nos.	9,352
Metal Containers	Nos.	12,219
Scrap Equipment	Nos.	738

Total Volume of Hydrocarbon Flared in Refineries in 2017-18: 30,061.4 MT



Waste Management Initiatives

We are leveraging the use of technology and innovation to find solutions that contribute to the desired environmental outcomes. We treat the slop generated during the crude oil refining process by reprocessing and re-blending it to convert it into valuable products. Similarly, we treat the used water and effluents produced at our refineries in our advanced integrated ETPs.

We ensure that our ETPs, ambient air quality and source emissions comply with the norms of the Ministry of Environment, Forest and Climate Change (MOEF&CC) for both our refineries.

We also have organic waste converters and biogas plants at our specified locations for fast conversion of waste into manure and energy generation.

We developed the New HP Machinery Oil Series formulated with re-refined used oil. This initiative is part of the MoP&NG guideline aimed at lowering carbon footprint, conserving petroleum and reducing environmental pollution.

At our Refineries

◆ The Mumbai refinery has a state-of-the-art new IETP, which has been in operation consistently since 2010, with a design capacity of 300 m³/hr. The technology

conforms to the existing Minimum National Standards (MINAS) of the CPCB and can also cater to further stringent standards in the future

- ◆ At the Mumbai refinery, we adopted the bio-remediation technology to treat low oily sludge. This technology converts the oily sludge into fertile soil. During the year, 2,000 m³ of sludge was bio-remediated
- ◆ We undertake manual as well as online monitoring of the ambient air as per the National Ambient Air Quality Standards (NAAQS) with the help of an MoEF&CC-approved laboratory at our Mumbai refinery
- ◆ At our Visakh refinery, 5,248 m³ of oily sludge was processed and 358 MT of other hazardous wastes was disposed to authorised recyclers / re-processors / Transport Storage Disposal Facility (TSDF)
- ◆ The Visakh refinery has deployed constructed wetland technology for treatment of sewage waste
- ◆ During the year, inspection of environmental control facilities was carried out at the Visakh refinery by the CPCB
- ◆ We have flare gas recovery systems in our refineries for

minimising the emission of flare gases and for utilising them internally towards fuel gas requirement

At Marketing Locations

We carried out the following waste reduction initiatives by encouraging participation from all stakeholders at the locations:

- ◆ Proper segregation of waste
- ◆ Disposal of the waste generated through an SPCB-authorised Common Hazardous Waste Treatment Storage and Disposal Facility (CHWTSDF) to ensure proper processing
- ◆ Treatment of liquid waste through ETPs and STPs
- ◆ Usage of the vermi-composting method and organic waste converters for converting biodegradable waste to manure, which is further utilised in our in-house gardens

There is no fine / non-monetary sanction with respect to environment, however, in regard to one case regarding environment (Cause Title: Charudatt Koli & Anr Vs Sealord Containers & Others), HPCL has complied with the directions of MPCB pursuant to the NGT Orders. Matter is pending for further hearing and has been transferred to NGT, New Delhi.



→ IETP at Mumbai Refinery



Empowering Employees

- 94** Our Family
- 95** Attracting Talent
- 96** Stimulating Excellence
- 98** Performance Management
- 98** Rewards and Recognition
- 99** Employee Benefits
- 99** Encouraging Engagement
- 100** Upholding Human Rights
- 102** Providing a Safe and Healthy Environment



Empowering Employees

We believe that when people with diverse skills are bound together by a common purpose and value system, they can make dreams come true.

Our employees are our greatest resource and we treat them like family, taking every opportunity to invest in their personal and professional development. We see them as the drivers of growth and constantly strive to provide an enabling environment for them to learn, develop and deliver, allowing excellence to become a way of life.

In this regard, we have designed and implemented a number of initiatives to attract diverse talents, foster a simulative learning environment and ensure a safe and healthy workplace. We understand that a healthy work-life balance is crucial for an employee to thrive personally and professionally. A balanced and supportive workplace promotes productivity, motivates commitment and creates a happy workforce. We believe that given the right environment and opportunities,

individuals can aspire to better their lives, defining paradigms to create new realities. Our culture is one of empowerment and we work together to unlock each other's full potential.

We have a robust Human Resource Policy in place to ensure that we adhere to all employee needs and regulatory requirements to augment safety, protection and growth.

Our Family

Our employees are drawn from across the country, creating a vibrant culture in our Corporation. This diverse talent pool is a major contributor to the innovation and creativity that is fuelling our growth. We believe that there is a lot to be gained from having a diverse workforce. As an employer, we provide equal employment

As on March 31, 2018, we are a family of 10,352 people and counting.



opportunities for all. We operate as a team and treat each other as a family. As on March 31, 2018, we are a family of 10,352 people and counting.

The table below gives the statistical distribution of our people under various categories at all our locations:

Employee Category	Senior Management	Middle Management	Junior Management	Non-Management	Total
North Zone	20	177	404	330	931
South Zone	5	122	203	270	600
West Zone	14	218	516	878	1626
East Zone	5	128	267	347	747
North West Zone	6	103	326	202	637
North Central Zone	4	85	256	134	479
South Central Zone	14	229	477	533	1,253
Corporate HQO	91	249	339	207	886
Marketing HQO	57	175	251	94	577
Mumbai Refinery	22	208	448	768	1,446
Visakh Refinery	23	160	467	520	1,170

Employee Category	Senior Management			Gender wise	
	<30 years	30-50 years	>50 years	Male	Female
Senior Management	0	44	217	255	6
Middle Management	0	908	946	1,737	117
Junior Management	1,951	1,652	351	3,389	565
Non-management	55	1,306	2,922	4,009	274
Total	2,006	3,910	4,436	9,390	962

The table below represents employee turnover statistics of our Corporation. It indicates the satisfaction that our employees feel while working here, which ensures that they stay for a longer period of time.

Employee Category	Senior Management	Middle Management	Junior Management	Non-Management	Total
North Zone	0	4	14	24	42
South Zone	1	11	14	23	49
West Zone	0	15	23	55	93
East Zone	0	3	19	44	66
North West Zone	0	3	12	7	22
North Central Zone	0	1	16	4	21
South Central Zone	2	10	18	21	51
Corporate HGO	4	11	15	18	48
Marketing HGO	4	5	13	9	31
Mumbai Refinery	2	18	21	48	89
Visakh Refinery	0	10	21	21	52

Out of the above, 156 numbers are due to resignation (153 in management and 3 in non-management categories)

Number of contract workmen working in different units/locations of HPCL under various contractors was 24,029 as on March 31, 2018. Contract labour is engaged through contractors for non-core activities at HPCL locations. The numbers of permanent and contractual workforce have been derived from internal monitoring system.

Our people are the foundation of our organisation and its sustainability. We are responsive to their viewpoints and inputs when identifying our material sustainability aspects and

indicators and during the preparation of our annual Sustainability Report. This year, we further strengthened the stakeholder engagement process and materiality assessment exercise by creating an online platform for transparent response collection and analysis. It has improved the efficacy of collating employee feedback and has widened our reach.

This year, 991 employees participated in the pan-India stakeholder engagement exercise in which we conducted interactive workshops at 16 locations. They were aimed at apprising participants of the broader sustainability landscape and risks, recent developments on sustainability-linked policies and regulations, trends in the Oil and Gas sector, deliberations on future trajectories and deepening of sustainability within the context of the Oil and Gas sector. Further, participants were asked to provide their feedback through a customised survey on sustainability and also give their perspectives on relevant materiality sustainability topics for HPCL. These responses will be utilised to develop our sustainability strategy and communications approach.

Attracting Talent

HPCL recruits highly motivated individuals who share our vision, values and commitment to deliver



→ Samavesh: On-boarding cum Induction programme

business excellence. This is achieved by participating in career fairs and engaging with students at leading universities to increase awareness of who we are and what opportunities we can provide.

Our human resources administrative services are fully automated and available on our online portal, providing easy access for our employees and accountability on our processes.

A strong brand presence and brand resonance across India's top institutions in different domains has helped us attract quality talent. We adopt a fair, objective, structured and reliable recruitment process that helps us identify and attract talented individuals who possess a fervour to excel.

We always aim to encourage and achieve diversity in all our recruitment processes and we are mindful of hiring people from different backgrounds, gender, caste, origin, etc. In the past, we have actively recruited people from other backward classes, SC/ST and differently-abled individuals and we aim to continue creating job opportunities for the underserved sections of the society in future as well. We conduct special recruitment drives to identify differently-abled candidates for potential roles across the organisation. Irrespective of the cultural backgrounds, we treat everyone equally and give them equal opportunities to learn, grow, perform and provide support when they join the HPCL family. Our fair and transparent policies protect the interests of all our employees.

We also encourage our employees to voice their challenges, concerns or ideas by keeping an open channel of communication.

Familiarising Employees with the Way of Life at HPCL

We understand the anxieties, challenges and hurdles an individual faces when joining a new organisation.

Getting acclimatised to the new systems, processes and culture can initially seem daunting. All new hires undergo an orientation to familiarise themselves with our policies, processes and most importantly, our values.

SAMAVESH is a flagship on-boarding cum induction program of HPCL which helps in integrating new hires with the ethos of the Corporation at a professional, personal & cultural level. A successful induction program provides an opportunity to the organisation in creating a positive atmosphere, increasing feeling of belongingness, increasing knowledge of the organisation as well as its procedures and policies, sharing values of organisation, communicating business/job information and addressing any concerns with new hires.

SAMAVESH, is a mix of induction cum on-boarding program, formal sessions by SME's, field visits to various locations and interaction with Top Management. It is designed to help new hires to 'Dream' for success, 'Rise' up to the situation against all odds & to 'Conquer' the world and reach up to the pinnacle on professional & personal front.

performing talent and providing better opportunities for our employees to grow and build lasting careers at HPCL.

We have undertaken initiatives that help our people realise their full potential. We have a two-fold approach towards learning and development at HPCL, where we focus on enhancing existing skills and developing new competencies. We encourage innovative thought, new ideas and healthy competition at the workplace and ensure that our learning programmes and initiatives are in line with our business priorities. For our existing and potential future leaders, we have special modular programmes that help them enhance their technical know-how and leadership competencies.

Our well-structured and categorised training programmes comprise the following:

- ◆ **Functional training:** These trainings are designed to enhance the technical competencies of employees with respect to the latest technologies and developments in their respective functional areas

Stimulating Excellence

As a value-driven, employee-friendly corporate, our focus is on three key themes - ensuring consistent and quality engagement with our employees, retaining high-



Training man-days for 2017-18

Category	Male	Female
Management	29,102	2,335
Non-management	9,062	55
Contract Workmen	80,141	1,658
Transporter Workmen	48,035	0

◆ **Behavioural training:** These trainings are designed to enhance employees' personal development and nurture various aspects of their behaviour. The trainings impart skills to build interpersonal relationships, enhance communication and develop engaging attitudes and productive emotions

We have a dedicated Capability Building Department that focuses on improving competencies, strengthening the leadership pipeline, introducing cultural interventions to enhance collaboration and leveraging technology for learning and development.

To develop leadership skills, we have introduced some focused initiatives that include interaction with renowned thought leaders from business schools of repute. We have undertaken other specialised programmes with reputed national institutes such as the General Management Programme for Regional Managers at IIM Calcutta, Certificate Programme in Management at IIM Indore and Certification Programme in Project Management at NITIE Mumbai.

Certain other specified learning opportunities that we provide for our employees include:

Certified Petroleum Manager Programme (CPMP)

CPMP is a flagship programme aimed at our Petroleum Managers. The programme encompasses the functional and technical knowledge of the entire hydrocarbon value chain and combines technical, managerial and behavioural areas of

learning to enhance competencies. CPMP is conducted in collaboration with the University of Petroleum & Energy Studies (UPES), Dehradun.

MBA in Oil and Gas

To enhance the management skills of our employees and prepare them for future leadership roles, we have a year-long specialised MBA programme focused on the Oil and Gas sector. The programme is targeted at employees who are Certified Petroleum Manager (CPM) degree holders. It is designed to impart holistic learning across the disciplines of economics, human resources, marketing and business policy. This academically rigorous and structurally robust programme is executed in association with our knowledge partner UPES, Dehradun. It equips officers with requisite knowledge by adopting a contemporary approach to enhance their effectiveness in driving business value.

Shreshtha 2.0

Shreshtha is a management development programme for LPG Plant Managers to further develop their technical and behavioural skills. We launched the second edition of Shreshtha in April 2017. 22 LPG Plant Heads participated in three contact programmes of four days each. The programme involves sessions by internal and external experts and revolves around four themes, namely Stakeholder Management, Self-discovery, Building Effective Teams and Workplace Effectiveness. The participants actively engaged in the programme also identified projects in area such as operational efficiency and behaviour-based safety, which

they committed to implement during the year. Through the programme, our LPG Plant Managers have been able to demonstrate and implement operational excellence and improved safety across the LPG value chain.

Daksh

For location heads of the OD&E SBU, we have a special training programme called 'Daksh'. It is designed to equip our officers with skills across aspects such as stakeholder management, self-discovery, team management and workplace effectiveness. The training programme has provided focused developmental inputs to the depot and terminal managers. The benefits of the programme are reflected in the continuously improving performance of the terminal managers across KPIs at their respective locations. This year, two programmes of Daksh were organised for a batch of 22 select employees.

Providing Access to a Wider Learning Experience through Online Modules

We have capitalised on the latest technology to enhance the learning competencies of our employees, by providing access to a huge database of online learning resources. We have developed these resources in collaboration with EBSCO Information Services. The e-learning portal provides access to 10,000 global company profiles, over 5,000 industry reports and approximately 1,400 country economic reports and 7,000 e-books covering management and business-related topics. It features a highly targeted and filtered search function, journal alerts and easy-to-use information-sharing features.



E-Vidya

E-Vidya is an e-learning platform that enhances the competencies of LPG A/B/C grade Operations Officers. The topics covered in the programme are MS Excel, safety at workplace, electrical and maintenance safety and purchase-related activities.

HR Path

We have initiated a programme called HR Path to enhance the technical competencies of our junior HR officers at grades A and B with officers in grades C, D and E as mentors. The programme is conducted in a phased manner and is aimed at building skills to foster career growth and progression. During 2017-18, 42 HR Officers made 126 high-impact e-learning modules on HR policies and procedures as part of Phase I.

Gyan Jyoti

'Gyan Jyoti', our special computer learning programme, is a far-reaching training module that introduces non-management employees to the basics of computer usage and application, including hands-on training on typing and mouse operation. Once familiar with the basics, they are trained on various internet applications, HP Portal apps on smartphones, as well as usage of Zimbra e-mail IDs. Further, an advanced training module provides the participants with an opportunity to deepen their skills based on their proficiency. In October 2017, another module was introduced with a special focus on cashless transactions, app-based cab bookings and password security for our workmen who have developed varying degrees of proficiency in earlier phases.

Samvardhan

Samvardhan is a focused skill development programme targeted at employees in clerical roles. The three-day programme aims to develop professional and personal behavioural competencies of participating employees

from marketing locations. We successfully completed Phase-I of the programme in the previous financial year and initiated Phase-II this year, covering 782 employees.

Path of Light

Path of Light is a focused training programme for our retiring non-executive employees. The programme provides guidance to our retiring team members on the ways to safeguard their financial, physical and mental well-being after the completion of term of their professional careers. The training module covers post-retirement benefits and superannuation. This year, we conducted 20 training programmes covering 289 employees and their spouses.

Utthan

This project was re-launched for erstwhile pump fitters with a revamped training module in 2017-18. The project focuses on IT orientation, technical competencies, behavioural competencies and internal process knowledge.

Perna

Perna is our special training programme for contract workmen. Its objective is to support contract workmen with regards to their personal well-being and social upliftment. Through a well-designed module, we have been able to create awareness of our way of working at HPCL, the importance of personal health and hygiene, safety and alertness at workplace, personal financial planning and cashless modes of transactions and digital banking. During 2017-18, a total of 127 programmes covering 3,376 contract workmen have been conducted across different zones.

Aathitya

Aathitya is a new initiative that was launched in the month of January 2018. The objective of the training programme is to equip staff of Guest Houses and Transit Houses with appropriate hospitality skills. This year, we covered staff from 50 HPCL properties.

Performance Management

Effective performance management plays an essential role in developing our people and recognising their hard work. We have a transparent performance management system with a systematic framework that recognises employees' proactive initiatives, areas of improvement, strengths and weaknesses. All employees undergo the appraisal process and career development review periodically. The key performance indicators of our employees are aligned with the strategic corporate goals.

Rewards and Recognition

We value the contribution of all our employees and acknowledge that the success of our business is directly linked to their efforts and performance. We have several reward and recognition schemes to encourage and appreciate employee contributions. These reward and recognition schemes are institutionalised based on the grades of the employees and include the following:

HP ICON Awards

This award is given to outstanding performers in middle management roles. It acknowledges those officers that demonstrate excellent team leadership skills, inspire teams to perform better, put in efforts to encourage subordinates to develop professionally, display effective team management and act as role models living the 'HP FIRST' values.

HP Outstanding Achievers Award

This award is felicitated to the officers from junior management aimed at recognising their outstanding contributions. In the year 2017-18, 53 employees were felicitated with the HP Outstanding Achievers Award.

HP Gaurav Awards

These awards have been instituted to recognise non-management employees who have performed exceedingly well on various key parameters. During 2017-18, out of 716 nominations, 90 winners were selected after conducting a fair, transparent and closely monitored assessment. This year, the theme for the HP Gaurav Award was 'Women Empowerment' and special focus was accorded to recognising women performers.

Employee Benefits

Our employees are entitled to benefits in line with our Human Resource Policy. All these employee benefit programmes are designed to support our employees in the best possible way in various spheres of their professional and personal lives.

We have extended support to our employees through a number of initiatives, including leave encashment, gratuity, during-service and post-retirement medical benefits, posthumous benefits for family members of the employees, housing loan, vehicle loan, furniture loan, education growth plan,

employees' children education loan, computer loan, performance-related pay and so on. In addition to annual leave, leave on half pay and casual leave, certain leaves are also given to employees to address their specific needs like:

◆ Maternity leave

To encourage diversity and retain women in the workforce, paid maternity leave of up to 180 days is provided for prenatal and postnatal care. Furthermore, leave for a period of six weeks is also admissible in case of miscarriage.

◆ Adoption leave

We understand the time and efforts required to adopt, familiarise and take care of a child. Female employees who have legally adopted a child or who have less than two surviving children and wish to adopt a child aged up to five years can avail up to 60 days of leave.

◆ Childcare leave

To facilitate care of children aged up to five years, we provide childcare leave to female employees for a period of 730 calendar days for their first two children. This leave can be availed twice during the entire service.

◆ Paternity leave

We understand that the care of a newly born child is not the responsibility of the mother alone and that the father also plays an important role. To support new

parents, we have the provision of paternity leave of 15 calendar days for fathers.

◆ Surrogacy leave

We support our female employees who do not have a child and who need to take care of their child obtained through a surrogacy process by providing them a leave of 60 days.

◆ Superannuation Benefits to Employees

We have four separate funds to administer superannuation benefits to employees - Provident Fund (PF) Trust, Post-Retirement Medical Benefit (PRMB) Trust, Superannuation Benefit (SB) Trust and Group Gratuity Assurance Trust. All these trusts are recognised under the Income Tax Act and the PF Trust is also notified as an Exempted Trust by EPFO under the Ministry of Labour & Employment, Government of India. These trusts have proved to be extremely beneficial for our employees. The SBF Trust takes care of post-retirement pension requirements of employees through a tie-up with LIC of India, the PRMB trust covers the post-retirement medical needs of retired employees and their dependent family members and the PF trust provides more return than the EPFO-mandated return to employees.

Encouraging Engagement

We understand the importance of constantly interacting and engaging with our employees. It helps us maintain a healthy work environment and connect personally with employees across different SBUs and locations. To encourage employee engagement, we undertake various programmes and initiatives that are informative and entertaining.

Some of these initiatives include:

◆ Yuvantage

Yuvantage is an engagement programme for officers below the age of 35 years. We have united HPites across all nooks and corners of the country through this initiative. It is a wave of change brought out 'By the Youth, For the Youth and Of the Youth'. Various events categorised into Euphoria, Spark, Blitz and Carnival are organised at various locations at the Zonal and Corporate levels. The themes of these events have techno-business, cultural, social and fun elements. This is one of the biggest platforms in the history of our Corporation. Since its inception in 2013, more than 1,200 officers have been a part of Yuvantage.

◆ Reboot @ 35+

Reboot @ 35+ is a special programme for our officers in the age group of 35-50 years with an aim to operationalise the vision of engaging self and immediate family members and fostering and building common interest networks across the Corporation. The initiatives under the ambit of this programme focus on self-development in personal, professional, familial and social domains, with mindfulness as its core theme.

Various initiatives have been organised to engage the target group during the year, such as HP Marathon, Pinkathon, Griha Suvidha Policy, photography contest, adventure trips, Biz Wiz, etc.

◆ Corporate Run 2017

Our employees participated in the India's first corporate marathon - Corporate Run 2017. Reboot @ 35+ MR Team, in association with Plus Lane, encouraged 163 Mumbai-based HP employees to register themselves in the 5-km fun run and 10-km run. We got

the Best Corporate Group Award for maximum participation.

◆ HP on Air

HP on Air is our special programme that utilises the medium of radio to engage with our people and encourage communication. It is a 1-hour daily show hosted on internet during lunch time with the aim to inform, educate, engage and keep all the employees connected. The radio show covers the latest happenings of the Corporation along with some great music. HP on Air has helped in aligning employees with the Corporation's objective and in strengthening the connect among the employees.

◆ HR Direct

HR Direct is a platform that provides employees an opportunity to directly communicate with the Director HR on issues pertaining to organisational practices, employee aspirations, the corporation's visions and strategy and so on. It's an open independent platform wherein the Director HR addresses the concerns of the employees.

◆ Employee Connect

We regularly organise Employee Connect programs for our employees and their dependents with activities such as:

- ◆ Visits to places of tourist interest
- ◆ Adventure sports, trekking and marathons
- ◆ Movie shows, plays and theme park visits
- ◆ Photography contests
- ◆ Talent shows
- ◆ Summer camps for children

Workmen Participation in Management

◆ Project Utkarsh

Conceptualised by the HR team and designed and deployed by the LPG SBU, Project Utkarsh aims at bringing productivity improvements by imparting necessary knowledge and skills among employees, specially for the LPG SBU workmen, to achieve excellence.

◆ Project Utkrisht

Our HR and OD&E SBU team together initiated Project Utkrisht with the aim of bringing significant improvements in productivity.

Upholding Human Rights

HPCL strongly supports the human rights of all employees and any stakeholder we engage with. We are committed to providing a safe and a congenial work environment that promotes open and free flow of ideas uninhibited by fear, harassment or discrimination. Our policies protect all our employees from any act of discrimination and everyone is required to abide by these policies. We encourage our employees to speak up openly regarding any issue that infringes on their human rights.

We do not employ any child labour in any of our operations and our standards ensure that we comply with the requirements set out by all applicable labour regulations. We also expect our business partners to fully abide by these standards.

We adhere to the 10 principles of the UN Global Compact and have implemented stringent systems to prevent any form of discrimination

on the basis of caste, religion, gender, status, background, etc.

Our robust grievance mechanism is designed to effectively address and resolve any human rights violations that might arise. There was no incident of discrimination on the grounds of race, colour, gender, religion, political opinion, national extraction or social origin in the reporting period.

Freedom of Association and Collective Bargaining

We support Freedom of Association and Collective Bargaining rights. We believe that it helps to nurture productive professional relationship between the non-management and management employees. Non-management employees across all our site locations are allowed to form trade unions. Currently, 97.97% of our non-management employees are a part of these unions, which enables them to voice their concerns. We have formal agreements with trade unions to cover issues related to labour laws, health and safety of our employees, training and education and grievance redressal. Before implementing any management initiatives that affect or concern non-management employees, we engage in a dialogue with trade unions to understand their perspectives and to arrive at a mutual agreement. 20 settlements with different unions on productivity, redeployment, commencement of a new shift, etc. were signed during the year under the provision of the Industrial Disputes Act, 1947.

Management Employee Relations Committee (MERC)

The Management Employee Relations Committee (MERC) aims at handling the grievances of our employees who are seeking resolutions for their concerns in a fair and transparent manner. We understand that to build trust with our people, we should be responsive to their concerns and should be able to assist them with any problems they may face.

The MERC policy was revised and further strengthened by including a detailed guideline for timely grievance redressal through a decentralised mechanism for process implementation and online workflow application. Its unique features include:

- ◆ Cross-functional constitution of MERC for objective grievance handling
- ◆ E-enabled platform for submission of grievances through the HP Portal
- ◆ De-centralised two-tier structure of grievance redressal with the MERC and appellate authority as per the salary grade of the aggrieved officer and nature of grievance
- ◆ Analysis of all representations carefully through a process of systematic review and engagement in discussions with the concerned person, as required
- ◆ The aggrieved officer, if not satisfied by the decision of MERC, may appeal as per guidelines within 10 days of the same

We review and revise our grievance policy from time to time to ensure that it is robust and has no gaps. In the last revision of the policy, we have introduced the provision of recommending the review of performance ratings by countersigning the authority in case of grievances pertaining to performance rating, for further review and revision of performance

rating, if deemed fit. The final decision of the countersigning authority is communicated to the aggrieved officer. Overall, we aim to review all the representations and concerns through a systematic and thorough process through effective dialogues with concerned individuals.

Prevention of Sexual Harassment Workshop

We organised 10 workshops at various locations to familiarise the line function and seniors about the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

HR Central-ICS E-Care

ICS E-Care is an online platform for all HR and payroll-related concerns. Employees are encouraged to utilise this portal to seek resolutions/clarifications on their compensation and benefits, business travel, leaves, children education loan, children scholarship, payroll, etc. within a defined timeline. In case the employees are unable to seek resolution, they may use the same portal to escalate the matter through the three-tier escalation mechanism. For those who do not have ready access to computers or the internet, a proxy-access facility is available. The parameters used to review the effectiveness of the portal includes responsiveness, courtesy extended, understanding of the problem, timelines and successful resolution.

HP Connect Workshops

Conducted 8 workshops covering 236 workmen from all Zones and Refineries in a programme designed for HP Gaurav Award Winners and second line of union leaders to cover various aspects of HPCL Business and HR Initiatives.

Shri Raja Kulkarni Samman

HPCL has formed a Trust called 'HPCL Trust for Promoting Industrial Harmony', which has instituted prestigious Shri Raja Kulkarni Samman to recognise outstanding contribution of Union Leaders in the arena of Industrial Relations. This year, two Union Leaders were honoured with Raja Kulkarni Samman.

→ Promoting Industrial Harmony - Shri Raja Kulkarni Samman

Providing a Safe and Healthy Working Environment

Providing a risk-free safe working environment is of utmost priority to us. We never compromise the health and safety requirements of our people. Our aim is to ensure the highest safety standards in our organisation and maintain a goal of 'zero incidents'. The safety culture is driven, on priority, by the top management and executed at every level through the Health and Safety Committee. We make sure that all our people are aware about the organisation's health and safety policies, along with the relevant

emergency measures, through regular trainings that are conducted across each SBU. Our workforce is equipped with appropriate Personal Protective Equipment (PPE) and is trained on their proper usage. We also conduct medical checkups and organise health seminars for our employees on a regular basis.

Our maintenance and inspection teams look after the periodic maintenance of all equipment and infrastructure. A Senior Management representative at the headquarters and at the zonal level is assigned the responsibility of carrying out the yearly inspection, of all locations, according to a scheduled format. Through this exercise, asset integrity, security and safety of our assets is ensured. Our aim is to integrate industry best practices to achieve the highest safety standards.

Health, Safety and Environment Department

Our leadership monitors the health, safety and environment aspects of our corporation. We have Health, Safety and Environment (HSE) departments right from the headquarters office up to the operating level. They monitor and assess the safety mechanisms through regular audits, create awareness among the workforce and concerned stakeholders and also engage with Government officials in the matters of environment and safety.

Safety Management

We have Safety Committees at operating levels in our locations. These committees have equal representation from all management and non-management employees. The committees ensure adherence to HPCL's HSE policies and compliance with regulations, thereby maintaining a healthy and safe work environment. The committees diligently address the near-miss incidents at sites to identify gaps in preventive risk mitigation and improve processes and procedures. They also obtain regular feedback from employees on various health and safety considerations.



Safety Performance

	Mumbai Refinery		Visakh Refinery		Marketing	
	Employee	Contractor	Employee	Contractor	Employee	Contractor
No. of Fatalities	Nil	Nil	Nil	Nil	0	2
Lost time Injury Frequency per million hours worked	0	0	0	0.3274	0.1073	0.0739
Total No. of recordable injury incident rate per million hours worked	0	0	0	0.3274	0.1073	0.1726

All above injuries/fatalities are under Male Category, Female category- Nil
 Assumption is being taken for calculating total man-hours worked for Marketing by considering 8 hours a day for 301 days.
 The absenteeism rate for MR, VR and Marketing is 0.0058, 0.0023 and 0.0035, respectively. It is calculated by dividing absent man-days due to loss of pay by total hours worked. The occupation disease rate is reported as nil.

Safety Trainings

All our employees actively participate in the management of HSE and are provided regular training on health, safety, security, emergency preparedness and crisis management.

Some of our tailor-made safety training initiatives include:

Sachet

It is a behaviour-based safety programme that aims at ensuring a safe workplace for all employees by creating a culture of safety and strengthening the attitude of every individual across locations. It is a personal safety intervention without fear of punishment, intended to promote safe behaviour that will lead to zero tolerance towards unsafe acts at workplace. This has been implemented in the LPG SBU by nominating observers and steering committees that review each unsafe behaviour and make quantitative assessment through the BBS Index.

Shapath

This joint initiative by LPG SBU and HR (Marketing) aims to create a safety culture in the Corporation through the enhancement of technical and behavioural competencies of the LPG workmen. We have already completed the second phase of this initiative in which selected officers were identified as facilitators and

were given first-hand knowledge on the methodology of the technical assessment and interviewing skills. During 2017-18, the third phase of the training module has been revamped to make the module more interactive, with voice-over and e-learning features. All the workmen at LPG plants were trained through this module by the Safety Officers at their respective locations.

HSE Highlights

Some of the key highlights on safety include the following:

- ◆ New Corporate HSE portal with a unified platform for all HSE-related information was inaugurated this year
- ◆ Corporate HSE coordinated for numerous training programmes for HSE roleholders:
 - ◆ Training programme on Risk-Based Process Safety Management (RBPSM)
 - ◆ Workshop on 'Improving Safety through Incident Investigation', which focused on the five-Why analysis methodology for incident investigation
 - ◆ Workshop on 'Introduction to Hazardous Atmospheres & Principles of Protection of

Explosive (Ex) Atmosphere Machinery' at the Mumbai refinery

- ◆ Training programme 'Suraksha Parishad' to enhance knowledge in the areas of safety, sustainability and environment development for operating personnel with participation from cross-industry members
- ◆ Corporate HSE prepared and released safety cards booklets to employees, covering the basic aspects of safety equipment and the operating principles and conditions under which the equipment is to be used. It acts as a ready reckoner for enhancing safety knowledge
- ◆ An Access Control Management System was installed at Mahul, Visakh and Bahadurgarh LPG plants on pilot basis
- ◆ CCTV of 35 LPG plants were upgraded with the latest technology of IP-based cameras and new servers with the facility of remote online monitoring by controlling offices
- ◆ The Pipeline SBU conducted 362 onsite mock drills, 50 offsite mock drills, 8 Onshore security coordination committee meets,

- ◆ 1,481 police meets and 405 village meets to sensitise people about the right of use corridor security aspects
- ◆ The Pipeline SBU trained 10,363 personnel from management/ non-management/ contract workmen
- ◆ HSE (M), with the help of the IS department, developed an e-inspection tool for submission of online Surveillance Safety Audit reports for OD&E locations
- ◆ Surveillance Safety Audits were conducted at 64 marketing locations and 12 retail regional offices
- ◆ We observed the 47th National Safety Week on the theme, 'Reinforce positive behaviour at workplace to achieve safety and health goals'. We organised safety-related events and activities to help propagate and promote occupational safety in the corporation

Transport Safety

Our Corporation is committed to the prevention of road accidents in order to protect the health and safety of everybody involved in the transportation and handling of materials and products. Our aim is to reduce the number and frequency of transport-related accidents - both among HPCL employees and our contractual partners. To this end, we have integrated technologies that augment transport safety and ensure that our people are adequately trained in understanding, responding and mitigating transport related safety risks, through preventive measures, maintenance of vehicles and behaviour-based road safety considerations.

Some of the transport safety initiatives taken during 2017-18 are:

- ◆ Conducted 'HP-SOW' (Safety-on-Wheels) a training programme designed for tank truck Crew on reduction of road accidents; the training module covered technical and Central Motor Vehicles (CMV) rules and behavioural learning
- ◆ Under Vehicle Scanning System (UVSS) was installed at Mahul, Bhatinda, Jatni, MLIF, Visakh, Ajmer and Pampore LPG Plants. This system also captures the driver's image and automatically reads and records the vehicle registration number plates
- ◆ 4,850 Bulk LPG tank trucks out of total 5,560 TTs have been fitted with VTS with added advantage for logistic planning at all HPCL locations as well as to transporters by having real-time position of these TTs. It is also transforming safety enabling LPG HSE team to move on to preventive mode from the current Corrective mode by regular VTS data analysis and planning accordingly



→ HP - SOW Session in progress

Process Safety

Process safety management is an integral part of Technical department, which deals with safety of the process unit. It has very well established procedure for Management of Change (MOC) in line with OISD-GDN-178 to identify various types and categories of changes, which are required in operating a plant. MOC procedure ensures that the proposed changes do not affect the integrity of the plant, their inherent safety, standards & reliability. The proposed changes are authorised by management and well documented.



Protecting the Health and Wellbeing of Our People

A healthy work environment fosters good performance and growth of the employees. In order to ensure that our people are able to contribute towards the organisation's goals and lead physically, mentally and emotionally healthy lives, we have undertaken a number of initiatives. We have not identified any workers with high incidence or high risk of diseases related to their occupation.

We have a comprehensive health insurance policy for all our employees and their dependents. Our online wellness portal contains the latest health-related articles, news and other health-related facts. All our employees undergo periodic medical examination based on age and work profile. The results of this examination are available online to employees.

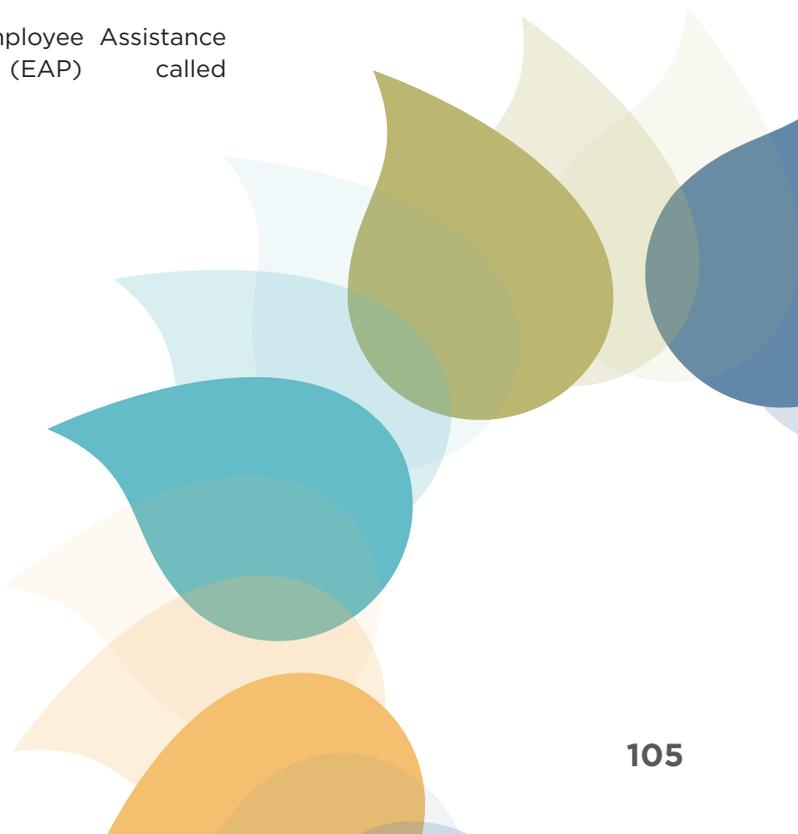
We conduct awareness sessions and diagnostic camps for contract workmen, truck crew and security guards at various locations to maintain their wellbeing. They are also advised on measures to

maintain a good health and prevent illnesses.

This year, we conducted a number of health checkup sessions at our locations. We have been organising a number of activities such as health talks; topic-based workshops; blood donation camps; eye checkup camps; bone density checkup camps; diabetes checks and talks on hypertension, cholesterol, gynecology, oncology, Yoga, stress management, etc. for our employees, their families and our stakeholders (contract workmen, TT Crew, security personnel, forecourt salesmen and LPG delivery boys) from time to time. This year too, our Corporation has carried out a number of such programmes at several locations across India.

We have an Employee Assistance Programme (EAP) called

'PARAMARSH' that aims to provide our employees, their spouses and children consultation on personal or professional matters. This consultation is provided by independent expert counsellors, who maintain a high level of confidentiality. It is a 24x7 service that can be accessed over the telephone, on the mobile app and through live chat and email. The service is available in 10 languages. The information shared by employees or their dependents is kept completely confidential. This year, 54 awareness sessions on PARAMARSH were conducted, covering over 1,600 employees along with their family members.



Bringing Smile, Delivering Happiness

- 110** Childcare & Education
- 112** Healthcare
- 113** Skill Development
- 114** Promoting Sports
- 114** Environment & Community Development
- 116** Expenditure in CSR Projects



हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड

हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड

स्वच्छता ही सेवा

15 सितम्बर से 2 अक्टुबर, 2017

हर घर में हो स्वच्छता का अभियान, यही है एजर्सी का रोलान।

Bringing Smile, Delivering Happiness

Our Corporate Social Responsibility (CSR) approach is aimed at transforming lives by empowering people through education and relevant job opportunities, providing quality healthcare and conserving environment. Our CSR initiatives are rooted in strengthening the educational foundation of the lesser privileged sections of the society for inducing self-dependence among them and improving their access to quality healthcare services. Our aim is to make people self-sufficient and also conserve the environment; this reflects our ethos of concern for our future generations.

We positively impact lives by working with the marginalised and less-privileged communities through a diverse range of social interventions addressing key development challenges. Leaving a positive impact in the areas that we serve is a commitment that underlies each of our ventures. We strive continually to secure sustainable growth and economic progress for our communities. We have a dedicated team operating a portfolio of social projects, in partnership with non-governmental organisations working towards social impact and community development.

Through our shared value approach, we have built a strong relationship with our communities, which further drives us to make a difference to

the social milieu. Every community faces development challenges and we strive to promote projects that create a nurturing and progressive environment conducive for social development.

Our responsibility as a PSU is to ensure that our operations have positive outcomes for all our stakeholders. Our feedback mechanisms are accessible and responsive, allowing us to gain unique insights into community needs and build mutually beneficial relationships with the local communities in which we operate. Treating our communities with respect and fairness is ingrained into our CSR approach and strategy. Community representatives are included in the project planning, implementation & review cycle. This has helped us engage with our communities on critical social issues with sensitivity, rigour and responsibility.

support of our local field offices. We ensure the participation of communities in our projects while implementing our CSR interventions.

The CSR and Sustainability Development (CSR&SD) Committee, a Board Sub-committee, oversees and executes all the Board-approved CSR plans, provides inputs to strengthen the strategy, ensures effective needs assessment and reviews project progress. Every proposed CSR project begins with a needs assessment to understand the nuances of community needs and the development challenges and opportunities for impactful interventions. This is followed by a detailed due-diligence of project partners to ensure that they have the requisite competencies, qualifications and implementation experience. We keenly monitor progress at regular intervals to ensure that the project goals are being met.

We encourage our employees and their families to participate in CSR activities to advance the spirit of social inclusivity. Furthermore, we support local communities by hiring locally and using businesses and services from the areas around our operations.

CSR Strategy and Approach

Our CSR strategy is built around creating long-lasting and holistic community development. To understand communities better, our programmes are designed with the



CSR Policy

We have a Board-approved CSR Policy that defines the scope, structure and guidelines for identification, implementation and monitoring of CSR projects and initiatives.

CSR Objectives

◆ HPCL will lay its focus on CSR activities on local communities in and around areas of Company's operations like Refineries, Terminals, Depots, LPG Plants, Pipelines, Aviation Stations, Lube Blending Plants, Project locations and other offices etc. HPCL is committed to allocate at least 60% of the CSR Budget for these local communities

◆ HPCL will implement CSR activities to empower weaker, less privileged and marginalised sections of the society to create Social Capital

CSR Management

HPCL has a Board-level CSR&SD Committee consisting of three Whole-time Directors and two Independent Directors.

The CSR committee ensures the implementation of the CSR Policy as approved by the Board. The committee promotes a culture that emphasises and sets high standards for corporate social responsibility.

Focus areas

The Corporation's CSR focus areas are inspired by national developmental policies and international commitments of nation for development of children, women and weaker sections. Our CSR focus areas are based on inspiration from legislations on Child Rights, Child Development and Education, National Health Policy and National Health Missions, Health Care in India- Vision 2020, National Skill Development Mission and policies on community/rural development.

As per our CSR policy we focus on the following:



We have undertaken an array of CSR activities for the welfare and development of the marginalised and less-privileged sections of the society, including SC, ST, other weaker sections and minority communities, in order to make them self-dependent and employed.

Community development activities for generating & promoting livelihoods, strengthening education infrastructure and providing access to quality healthcare are organised for the welfare of the underprivileged sections.

Additionally, we have also contributed towards the benefit of armed forces veterans, war widows and their dependents and the restoration of sites of cultural and historical importance.



Childcare & Education

Quality childcare and education is one of the focus areas of HPCL's CSR programme as it is the key to transform the lives of children and the youth. We primarily support projects that focus on woman empowerment and education of differently-abled individuals. We aim to build a strong future for India by enhancing the quality of education for the youth through technology, training and skill development and by providing healthy meals to school children.

Our featured projects directed towards childcare & education include:

Project ADAPT

This project supports the education and therapeutic requirements of Children with Special Needs (CwSN) and makes an attempt to bring them into the mainstream education system. Through this project, focused efforts are directed towards the skill development of differently-abled individuals across various vocations suitable to their age and interest. We have been associated with ADAPT since 2011, providing support to differently-abled persons every year. The project has been impactful, resulting in increased access and opportunities for about 300 differently-abled children. It has also focused on counselling parents to actively participate in the development of their CwSN.

Project Akshayapatra

Through this project, in collaboration with The Akshaya Patra Foundation, we contribute to improve the nutritional and health status of children. 15,000 children enrolled with government schools in Visakhapatnam and Vijayawada

were provided with nutritious mid-day meals. This in turn has indirect benefits such as high enrollment, lower drop-out rates and improved academic productivity and progress.

15,000 children enrolled with government schools in Visakhapatnam and Vijayawada were provided with nutritious mid-day meals.

Project Nanhi Kali

In over 10 years of our partnership with our channel partner, we have changed the lives of girl children by empowering them through an innovative method of providing academic, social and material support. Through Project Nanhi Kali, specific efforts are directed towards organising communities to encourage the education of girls

and ensure that they are enrolled in schools and continue their academic journeys. This project attempts to change regressive cultural mindsets towards empowerment of girls. It is focused on creating a better educational environment for girls from less privileged backgrounds, building their personalities and strengthening confidence, reinforcing the formal education system and promoting gender sensitivity. We have been able to provide assistance to 13,000 young girls in Maharashtra and Andhra Pradesh states through this project.

Project Agastya

We have undertaken Project Agastya to ignite and inculcate the scientific spirit in young minds. Under this project, we provide hands-on practical science education to the new-generation learners from the less-advantaged communities. During 2017-18, we provided hands-on science knowledge to 12,915 students from 25 schools.

Project Unnati

The project provides time-bound computer training programmes and desktop computers in schools for students in the towns and rural government schools to enhance their skills by making them adapt to the modern tools and technologies and equip them with digital competence. Students are given free training on basic computer applications. The training courses span between four to six months. In order to make the project sustainable, a Training-of-Trainer (ToT) model is followed in which, teachers in schools are trained to provide computer course training to students. The impact of this project is measured by assessing students based on improvement in their confidence and knowledge of computer use and application. During 2017-18, 8,000 students from across the country were benefitted through this project.

HP Scholarship

All children deserve quality education as it is fundamental to their overall development. Through our scholarship programme, we support deserving students belonging to the SC, ST, Other Backward Classes (OBC) and Person with Disability (PwD) communities to pursue their education from school to professional-level courses. To encourage the students for continued improvements in their academic studies, scholarships are granted to meritorious students, enabling them to continue their studies with zeal. During 2017-18, more than 12,000 needy and meritorious students were benefitted through this scholarship programme.

Other projects supported under Childcare & Education focus area include:

◆ **Kashmir Super 30:** This project was set up in collaboration with the Indian Army to enthuse a new ray of hope for the less privileged students of Jammu & Kashmir and prepare them to compete at the national level to secure admission into medical colleges

◆ **Providing schools with materials and amenities:** Various educational materials such as text books, desks and chairs, computers, school uniforms, etc. were distributed to several schools across the country. Such initiatives are managed at the local level by our CSR teams based on their need assessment



Healthcare

Healthy individuals contribute to a healthier society and therefore, healthcare programs need to be included in social concerns. With this focus, we are proactively working towards addressing the issues around health, hygiene and sanitation by ensuring individuals get preventive and curative access to quality healthcare services.

Our featured projects towards healthcare include:

Project Dhanwantari

The project provides access to healthcare services to the less privileged communities in remote rural areas and urban slums. Basic free healthcare services are provided through 18 Mobile Medical Vans (MMVs). These vans are mobile dispensaries, fully equipped in accordance with the prescribed medical standards, manned by a qualified doctor, pharmacist and a social worker. The movement of the mobile vans is tracked through a tracking system. Moreover, in order to address the needs of female patients, separate vans with the required medical support are provided.

Project Suraksha

Truck drivers and their crew are considered to be under great risk of contracting HIV/AIDS and Sexually Transmitted Infections (STIs). This project aims at creating awareness among the truck drivers on HIV/AIDS and STIs and encouraging behavioural changes to protect their health. 'Khushi' Clinics are operated free of cost for the truck drivers for diagnosis and treatment of STIs through seven clinics in Andhra Pradesh, Karnataka, Maharashtra, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal. The project has led to an increased awareness of sexual health practices, change in mindset towards seeking help and advice and practice of safe sexual behaviour among the truck drivers.

Project Dil without Bill

In partnership with a recognised hospital, we provide free of cost heart surgeries to the less privileged and economically marginalised sections of the society. These free surgeries are performed for all patients with a monthly family income of less than ₹ 15,000 and children in need of help are prioritised. During 2017-18, 400 patients received support in conducting their surgeries through this project. Regular awareness and follow-up camps are conducted in target communities.

Other project supported under Healthcare focus area include:

E-Wash Program

This year, in collaboration with our partners, we have worked towards improving the sanitation and hygiene facilities at 300 government schools

across four states. This project envisages developing, strengthening and rejuvenating Water, Sanitation and Hygiene (WaSH) facilities; health checkups; deworming of all students and undertaking social and behavioural change campaigns to impact students, teachers, parents and school management committees towards cleanliness.

Hindustan Petroleum Nagar East (HPNE), Mumbai, was selected for 'Special Recognition Award' for its excellent contribution towards open-defecation-free locality in Bharatnagar, Mumbai.

Medical Equipment for Cancer detection:

We have provided advanced medical equipment for faster and reliable cancer detection for less privileged individuals at Tata Memorial Hospital.



Skill Development

We are proud to fulfil India's 'Skill India' vision through our projects by training and empowering youths across the country. India has a large youth population and the country's economic development is dependent on their ability to contribute productively. It is essential that they are equipped with the relevant skills that enable them to become self-reliant and productive members of the society.

Our featured projects in the area of skill development include:

Project Swavalamban

Skill training was provided to unemployed youth from less privileged socio-economic background to enhance their employability. Through a forward-backward integration model, collaboration with the industry was established to ensure placements for those looking for a job. Through project Swavalamban, 3,000 youths were trained in our training centres located in different areas across the country.

Project Udyogartham (Employment Chariot)

This project is aimed at reducing information asymmetries in the job market. Udyogartham is a first of its kind state-of-the-art employment vehicle equipped with the latest technology (e.g. computers, page screen TV and e-kiosks) necessary to build a database of information on jobseekers & prospective employers. This would help connect the unemployed youth of Andhra Pradesh to job opportunities at their door step. Many job seekers from low-income and socially backward families who do not have access to online applications can avail the services of Udyogartham through vans stationed at bus stands, railway stations, colleges, etc. This enables them to register for free and access the latest jobs available locally and regionally. The job seekers can download a mobile Android app

called APPLI with the help of a local hotspot enabled through data Wi-Fi routers in the vans. The biggest value addition of Udyogartham is its ability to aggregate local vacancies in real time and match them to potential candidates in the area.

Entrepreneurial Development Project (EDP)

A socio-economic initiative of HPCL, EDP for the SC/ST youth, was conceptualised, designed and implemented. The project seeks to redress the under representation of individuals from less-privileged SC/ST communities in business and also promotes the objectives of the various Government initiatives like Make in India, Start-Up India and Stand-Up India.

EDP is a one-month residential project that consists of selecting the right candidates using tests and interviews. The Project focuses on bringing attitudinal change in candidates and provides them with the right knowledge and entrepreneurship skills for setting up and running a business. In addition, handholding and mentoring is also an integral part of the programme.

Contributions to Skill Development Institutes (SDIs)

In line with the 'Skill India' initiative of the Government of India, contribution was made towards five Skill Development Institutes (SDIs) at

Raebareli, Guwahati, Visakhapatnam, Kochi and Bhubaneswar.

During the year, SDI, Visakhapatnam successfully imparted trainings to unemployed youth; received accolades & appreciation from various quarters; organised memorable events & programs. Notable among these include the following:

- ◆ 1898 unemployed youth, including 262 prisoners of Rajahmundry & Visakha Central prison trained in 15 vocational courses
- ◆ Facilitated placement offers for 84% of trainees
- ◆ Launched Short Term Courses under Pradhan Mantri Kaushal Vikas Yojana (PMKVY) on World Skills Day
- ◆ Played a lead role in development of Qualification Packs for downstream trades in Hydrocarbon Sector Skill Council (HSSC)
- ◆ Organised the first ever program for Training of Trainers (TOT) under Hydrocarbon Sector Skill Council (HSSC) job roles (Retail & LPG)
- ◆ SDI, Visakhapatnam was recognised by Bharat World Record for its efforts in involving more than 22,000 participants in a mega painting competition event at Visakhapatnam

Indian Institute of Petroleum & Energy (IPE)

IPE is being established as a nationally recognised institute in petroleum and chemical engineering. We have made significant contribution to the Corpus fund for establishment of IPE.

Promoting Sports

We have supported various sporting activities that pave way for a healthy nation. We contribute towards the promotion of nationally recognised and Paralympic sports in the country.

Environment & Community Development

Our efforts are driven towards making a difference through direct impact measures, as well as by generating awareness in the society on environmental conservation and sustainable living. Our social interventions are focused on the development of sustainable infrastructure, environmental mitigation and protection, and sanitation and hygiene projects that are specially designed for the underprivileged and marginalised groups in the society.



➔ 'Best Iconic Place' Award to Golden Temple : A Swachh Iconic Place adopted by HPCL

Swachh Bharat Abhiyan

With a focus on creation of sanitation infrastructure and awareness generation among masses, HPCL undertook innovative projects in collaboration with various stakeholders. A few such initiatives are construction of about 361 school toilets out of which 224 were constructed for girl children, construction of 194 community toilets by building various blocks in multiple states, renovation and upgradation of 127 community toilets at 18 prominent locations in Mumbai, waste management initiatives in Visakhapatnam. HPCL also initiated renovation/ upgradation of school toilets and WASH Program in 300 school in four states and partnered with District Administration Jalgaon for construction of 188 toilets in schools.

HPCL has adopted Golden Temple under the 'Swachh Iconic Places', an initiative focused on select heritage, spiritual and cultural places in the country. Golden Temple was awarded 'Best Iconic Place' award under Swachh Bharat Mission launched by the Government of India.

Employee Volunteerism under Swachh Bharat Abhiyan

Employees and other stakeholders enthusiastically participated in more than 2,000 activities under Swachh Bharat initiatives including two 'Swachhta Pakhwada' and 'Swachhta Hi Sewa' to make Swachhata a Jan Andolan. As a part of program, the employees undertake various 'Shram Daan' initiatives that leads a sense of responsiveness and ownership in efforts towards contributing in the whole campaign.

Pradhan Mantri Ujjwala Yojana (PMUY)

We have supported another Government initiative, 'Pradhan Mantri Ujjwala Yojana' that is aimed at safeguarding the health of women and children by providing them with clean cooking fuel. This creates a positive environmental impact as it eliminates the need for cutting trees for fire wood, which has been traditionally used as a cooking fuel.

Green School

Children are the future of any nation. Educating and empowering them about adopting environment-friendly practices is the first step towards a sustainable economy. On the same line, we have demonstrated a number of environment-friendly initiatives in the Zila Parishad high school of Narava village in Visakhapatnam District. With a planned budget of ₹ 13 Lakh and a strategic approach, we have successfully carried out various sustainability activities in the school premises. These activities include:

- ◆ Installation of Solar roof top of 3 KWp
- ◆ Installation of energy efficient fans in the classrooms and staff rooms
- ◆ Construction of rainwater harvesting system
- ◆ Establishing waste management and disposals system
- ◆ Development of green belt
- ◆ Creating a drinking water network and installing 250 LPH drinking water RO plant
- ◆ Infrastructural renovations like revamping kitchen, dining facilities and school toilets
- ◆ Providing with 40 dual desk benches

Our efforts were duly recognised during the inspection by CII and school was accorded 'Green School' under Gold category. This is the first school in Visakhapatnam district to be accredited by IGBC and we are looking forward to execute more such initiatives

Other Projects Supported

We also support various other projects under Section VII of the Companies Act, 2013, such as the ones below:

- ◆ Supported an innovative project being jointly carried out by Oil Marketing Companies (OMCs) aimed to improve facilities at Tulip Garden, Srinagar
- ◆ Made contributions to the Armed Forces Flag Day Fund, which is utilised for providing financial assistance to the needy ex-servicemen, war widows and their dependents

Expenditure in CSR Projects

In alignment with the Government of India's mandate of earmarking 2% of profits earned during the preceding three years towards CSR, we invested an amount of ₹ 156.86 Crore in 2017-18 and there is no non-compliance with respect to Social and Economic aspects.

We support various projects under our CSR umbrella and the list of expenditures across our focus areas is reported below:

Sr. No.	CSR Project or Activity Identified	Sector in which the Project Is Covered	Amount in ₹ Crore
1	Community development and environment	Empowerment of the socially and economically backward groups	7.10
2	Interventions in health, including the provision of medical equipment and reach-in approach through health camps and medical vans	Promoting preventive healthcare	15.24
3	Measures for the benefit of armed forces veterans, war widows and their dependents	Armed forces	0.75
4	Pradhan Mantri Ujjwala Yojana [LPG Connections to Below Poverty Line (BPL) families]	Environmental sustainability	25.27
5	Promotion of sports	Promoting nationally recognised and Paralympic sports	1.06
6	Scholarships for the economically backward SC/ST/OBC/PwD students in local areas of operation	Promoting education	7.48
7	School infrastructure and amenities	Promoting education	19.02
8	Skill development for the marginalised	Imparting employment-enhancing vocation skills	13.37
9	Corpus contribution for the IIPE	Promoting education	30.00
10	Swachh Bharat Abhiyan	Swachh Bharat Abhiyan	37.57
		Total	156.86

Monitoring & Evaluation

Timely execution and completion of the CSR projects is essential to meet their stated objectives and for utilisation of the budgetary allocations to ensure that the overall stated CSR goals are met.

All our social impact projects are systematically reviewed and

monitored to measure their impact and assimilate feedback. Monitoring and evaluation play a vital role in tracking the implementation and outcomes of a project in a systematic manner. Periodic reviews and impact assessments are important to measure the success of the projects that are supported by us. Therefore, third-party assessment by agencies are carried out throughout the year to evaluate and set corrective actions

in time to ensure that the projects meets the stated objectives.

An internal two-tier monitoring mechanism has been set up under which the CSR Committee and the CSR Council monitor the CSR activities on a quarterly basis. The CSR Committee reviews the projects, provides insights and gives regular feedback to the Board on the status of our CSR activities.



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touching





Product Stewardship

- 121** Promoting Research & Development (R&D)
- 122** Green Product Development
- 124** Quality Assurance
- 125** Customer-centric Synergies



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HP

Product Stewardship

Our commitment towards continuous improvement and business excellence pivots on improving product performance, encouraging innovation, promising quality, securing safety and enhancing customer value.

We focus on developing and providing premium-quality products with high performance efficiency – products that are safe, have minimal environmental impacts and improve the lives of our customers. Customer satisfaction is at the heart of our business strategy and we are responsive to their needs and expectations. We pursue sustainable growth by improving our products according to social expectations and consumer preferences. It is this symbiotic relationship that encourages innovation and improvement, be it incorporating intelligent systems or investing in future technologies.

Throughout the lifecycle of our products, safety is of utmost importance. While our facilities are designed to ensure safe operations, we have implemented safety management systems and protocols to preempt and prevent potential safety incidents. The workforce is provided rigorous safety training

and appropriate safety protection equipment. We also communicate information pertaining to the safe use of all our products to ensure that our customers are well-informed and aware. Product safety information is also disseminated through booklets and guidelines on product-handling procedures and risks, including Material Safety Data Sheets (MSDS). Qualified auditors assess all our operations related to manufacturing, storage and marketing periodically for health, safety and environment-related risks.

Our product labels provide information required as per the national and international specifications. Relevant information on safe handling of the products is appropriately disseminated. There was no non-compliance on irresponsible advertising as per applicable regulatory codes. We do not sell any product that is banned or disputed. All lubricants packages/labels has to comply

with Legal Metrology (Package Commodities) Rules, 2011. As per the rules, lube packages label should contain declaration of Quantity, MRP, Manufacturing Date (MFD), Manufacturer Name & Address, Customer Contact Details, Generic Name of product etc. All these details should be put in minimum 40% of total package area. We are in adherence of all necessary compliances in 2017-18. In the reporting period, we have not identified any non-compliance with respect to applicable legal requirements of product labelling regulatory codes. The Company has six cases pending with respect to anti-competitive behavior as on March 31, 2018.

We strive to execute our product stewardship responsibilities through innovative Research & Development (R&D), process re-design and product safety and by extending responsibility across our value chain.

Customer satisfaction is at the heart of our business strategy and we are responsive to their needs and expectations.



Promoting Research & Development (R&D)

Our R&D department has been a catalyst in driving responsible business. It primarily focuses on the innovation, introduction and improvement of products and processes. The R&D team has consistently developed innovative products and improved the existing ones by redesigning processes and enhancing quality.

In 2016-17, we invested ₹ 395 Crore in setting up the HP Green Research and Development Centre (HPGRDC) at Bengaluru. HPGRDC has seven world-class laboratories in the areas of Fluidised Catalytic Cracking (FCC), Hydro-processing, Catalysis, Bioprocesses, Crude Evaluation and Fuels Research, and Analytical and Nano Technology. HPGRDC has been recognised by the Department of Scientific and Industrial Research (DSIR) and is carrying out extensive research in various areas such as development of new products and technologies, upgradation of existing technologies, etc.

During 2017-18, HPGRDC filed 14 patents, taking the total number of patents filed to 78 as of March 2018. Four US patents were granted to HPGRDC during the year.

HPGRDC successfully developed, demonstrated and implemented the following processes & products:

◆ HP TRAE

HP Treated Residue Aromatic Extract (TRAE) is a process scheme developed by HPGRDC for blending lube extracts to produce low Polycyclic Aromatic Hydrocarbons (PAH) Rubber Process Oils (RPO). This scheme, together with the HPCoSol process, resulted in raffinate yield improvement of about 1.5-2.0%, reducing PAH in TRAE to less

than 3%. Field trials and process demonstration during the year were conducted in the Mumbai refinery's Solvent Extraction Unit.

◆ HP DLA

Development of the novel Diesel Lubricity Additive (DLA) significantly showed improved lubricity properties of ultra-low sulphur and the same was demonstrated at both the Mumbai and Visakh refineries. HP DLA showed better performance at lower dosages for meeting the BS-IV/ BS-VI specifications, compared to commercial additives.

◆ HP CORMIT

An indigenously developed corrosion inhibitor, HP CORMIT was implemented in the Mangalore-Hassan-Mysore-Solur LPG pipeline. HP CORMIT exhibited a reduction in the corrosion rate to 0.5 Mills per year (mpy), reaching the benchmark of <1 mpy.

◆ HP IPCA

A cost-effective additive, HP-IPCA was developed to blend with LPG for metal-cutting gas applications and for reducing the dependability on imported additive. The combined performance of HP-RAZOR, a metal-cutting gas product by HPCL, along with HP-IPCA was demonstrated at a steel plant. The combination displayed better results with respect to cost and cutting time compared to commercial products.

◆ HP DWA

The HP De Waxing Aid (DWA) application, an in-house developed additive and an import substitute for dewaxing aid applications, was evaluated in lube plants at lab scale. The application showed better performance compared to other available commercial additives. HP DWA has been scaled up for commercial trials at the Mumbai refinery.

◆ Hydrogen PSA technology

In view of the rising demand for hydrogen in refineries, a need for an indigenous Pressure Swing Adsorption (PSA) technology was felt. Therefore, the HPCL R&D team developed the Hydrogen PSA technology suiting the feed quality requirements. During the year, adsorbents of H₂ PSA at the Visakh refinery were replaced to produce H₂ with purity of above 99.5%.

◆ SprayMax FCC feed nozzle

During the year, an indigenously developed FCC feed nozzle was installed at the Mumbai refinery and a conversion increase of about 1 wt% was achieved.

◆ **HP FurnOKare**

Our R&D experts developed a cost-effective chemical formulation and process for online cleaning of the furnace tubes called HPFurnOkare. It exhibited better performance compared to commercial additives (arch temperature reduced by 80-100 °C). The reduction in the arch temperature was found to sustain for at least three months, leading to increased unit throughput.

◆ **HP-ENOCT**

HPCL's R&D team developed a catalyst and process called HP-ENOCT (Enhanced Octane) to produce a high octane blending component in the gasoline pool. Scaling up of the process is in progress.

◆ **HP-DAK**

Our R&D team has developed a process called HP-DAK (Dearomatised Kerosene) to produce speciality solvents that can be used in paints and coatings, drilling fluids and metal working fluids. Scaling up of the process is in progress.

◆ **HP2FCC Catalyst**

HPCL's R&D experts developed an FCC catalyst for high propylene and low bottoms yield. Scale up of the catalyst is in progress for trial in one of the Indian refineries.

Workshop on Battery Technologies & Electric Mobility

Due to the drive for cleaner fuels & environment, there is a worldwide shift towards reducing dependence on fossil fuels. The transportation sector may shift from fossil fuels to other alternative sources of energy and as part of the action plan, the Government of India has already announced a national mission for establishing e-mobility in the country. At present, the use of e-mobility and battery technologies is limited due to the high acquisition cost of batteries and the lack of availability of/reliability on related infrastructure.

Considering these as potential growth opportunities, HPCL, being an energy company, is planning to explore the possibility of investing in the areas of e-mobility and battery technologies. Since we are new to battery technologies & e-mobility, our HPGRDC plans to carry out research in these areas. In this context, a workshop on 'Battery Technologies & E-mobility' was held at HPGRDC in March 2018. The workshop highlighted the current and upcoming battery technologies. E-mobility is a step towards sustainable development of energy sources for the generations to come.

Green Product Development

Aligned to our T20 strategy, we have focused on developing products with 'green' credentials that are also safer to produce and use. Our stakeholders are increasingly interested in responsible products, which have been a major driver for R&D of cleaner fuels and lubricants. Some of our 'green' products include:

◆ **Biofuels and 2G bioethanol**

Bioethanol is a renewable, earth-friendly biofuel that reduces GHG and other harmful pollutant emissions. Most ethanol is currently being made from corn and molasses. However, the new technologies allow biofuel to be produced from other sources as well, such as agro-residues and lingo-cellulosic biomass. Such ethanol is called 2G Ethanol. At our HPGRDC, research efforts are being made to develop an efficient biomass process for the development of 2G Ethanol with less chemical and water requirements. Further, studies on in-house enzyme development are also being carried out as enzyme is a critical factor in deciding the viability of technology.

◆ **HP-BioActiva**

In a petroleum refinery, processed waste water is treated in Effluent Treatment Plants (ETPs) by a combination of physical, chemical and biological methods. The HPGRDC developed a unique bio-additive, HP-BioActiva, for use during the biological method. HP-BioActiva has significant tolerance to phenol, chlorides, sulphides, ammonia, etc. It can also achieve substantial decrease in phenolics, Biochemical Oxygen Demand (BOD) and Chemical Oxygen Demand (COD) within



a very short time interval. The product has been used in the Mumbai and Visakh refineries since 2016-17.

◆ **HP-Bioremedia**

At the HPGRDC, a new microbial formulation consisting of newly isolated bacterial and fungal strains was evaluated for crude and sludge hydrocarbon degradation. The trials indicated that the newly isolated microbial strains were remarkably robust and efficient in degrading the petroleum crude to about 75% within 50-60 days. Planning for large-scale production of micro-organisms and field-level trials is in progress. The developed product is expected to reduce the time of bioremediation significantly.

HPCL fuels and lubricants pioneer a category of long drain engine oils, hydraulic fluids, greases and other lubricants that help to deliver maximum protection of equipment, extended lifecycle performance and increases efficiency. Our lubricant range for farm tractors and off-highways equipment meets biodegradability and non-toxicity in applications where leakage or spillage due to usage of conventional oils could result in damage to human life and environment.

Automotive Sector

Current market demands across the automobile sector necessitate high-performance long-drain energy-efficient engine oils, as they enhance the durability of machines, improve fuel economy, promote energy efficiency and reduce GHG emissions.

Synthetic engine oils, motorcycle oils and gear oils help in achieving extended drain intervals due to longer thermal and oxidative stability. This leads to lower oil consumption and therefore reduces disposal waste oil, which is hazardous to the environment. Additional environmental benefits are yielded through increased

use of recycled or renewable raw materials and additives and various energy-efficiency measures in manufacturing.

Various synthetic lubricants have been developed to deliver improved fuel economy and longer drain intervals including in the following:

- ◆ 0W-30 API SN/ILSAC GF-5 engine oils for passenger cars and ACEA C2 for light commercial vehicles for vehicle manufacturers
- ◆ Synthetic motorcycle oils 10W-50 & 15W-50 (API SN/JASO MA2) and new gear oil for vehicle manufacturers
- ◆ 5W-30 ACEA A5/B5 engine oil in line with TML's PCMO specification
- ◆ Fuel efficient and long drain TGO-New (STOU) meeting new specs of TAFE developed
- ◆ Friction Modified engine oil HP No.1 15W40 API C14 to Bajaj Auto Ltd.
- ◆ New-generation low TBN engine oil for railway locomotives
- ◆ Two new lubricating greases, Long Life Wheel Bearing Grease and Chassis Super Long Life Grease, for state transport
- ◆ Various greases for steel plants
- ◆ Compressor oil, namely Hycom VDL T 100 for Indian Railways
- ◆ Approval of Turbine Oil 46, Gear Oil EP 320, Hydraulic Oil 68, Gear Oil EP 220 and Gear Oil EP 460 by BHEL
- ◆ Engine oils for CNG engines for various State Transport Undertaking (STUs) to reduce NOx and particulate matter

Oils for Industrial Applications

We have developed high-quality, high-performance lubricating oils, greases and specialty products for various industrial applications catering to a wide spectrum of specific industry needs. Some of these are:

- ◆ **Mining sector:** Hydraulic oils that are fire resistant and biodegradable. They not only prevent fire in case of leakages, but due to their inherent biodegradability, they prevent land and water pollution if spills occur
- ◆ **Power sector:** High-quality, high-performance turbine oils that improve the life of steam and gas turbines. These oils are highly reliable and can ensure continuous power generation with minimal losses
- ◆ **Metal processing and other applications:** Cutting oils, drawing oils and quenching oils that are cost-effective, last longer, promote energy efficiency and minimise environmental impacts
- ◆ **Compressor oils:** High-quality, high-performance compressor oils for household applications in refrigeration and for power generation in railway application. Our compressor oils have a long life; they are biodegradable and environmentally safe.
- ◆ **Lubricating greases:** High-performance long-life greases lasting for more than 1,00,000 km in the automotive sector and with a lifespan of three to four years in industrial applications. They help increase the life of machines, enabling higher production and reduced replacement rates

Quality Assurance

We believe that quality is not just a matter of meeting standards, but rather a journey of constant and consistent improvement. By establishing robust Quality Assurance (QA) systems, HPCL has set high customer service benchmarks, providing high-quality products and innovative services to delight customers.

At HPCL, QA is a proactive management practice that assures a defined level of quality and is responsible for designing, developing and enforcing quality management systems. In line with MoP&NG's directive, we have a dedicated and independent quality assurance cell with officers posted across all zones. The QA cell acts as an important nodal agency in ensuring quantity of products from all supply sources, storage points, distributors and retail outlets.

QA at HPCL focuses on the following parameters:

- ◆ Quality of products dispensed
- ◆ Quantity of products dispensed

- ◆ Safety
- ◆ Functioning of the automation system
- ◆ Branding and visual identity
- ◆ Random product sampling

Retail outlet dealers and LPG distributors are the brand ambassadors of HPCL, as they are the primary interface for customers. HPCL has a strong marketing network across which consistent efforts are made to uphold quality standards and ensure customer satisfaction. Regular inspections and audits are carried out across our marketing network to spread awareness and ensure the implementation of defined quality parameters. These inspections and audits cover the entire gamut of operations and are designed to provide assurance against quality, quantity and safety. An online e-inspection portal has also been created to track compliance with respect to parameters and to identify areas of improvement.

We have two manuals that serve as references for improving quality: Handbook on tampering and Handbook on Dispensing Unit (DU) sealing. QA officers also participate in business council meets to share

field experiences and exchange knowledge at platforms throughout the year.

Surprise inspections are periodically conducted at retail outlets, kerosene (PDS) distributorships, LPG distributors, depots/terminals and LPG plants in compliance with the revised Marketing Discipline Guidelines & HQO directives. This fiscal, the QA cell carried out inspections of 3,326 retail outlets, 97 kerosene distributorships, 505 LPG distributors and nine LPG plants during 2017-18.

Quality Control

Our marketing QC department plays a crucial role in assuring product quality for various business units such as Operation, Distribution & Engineering Retail, Direct Sales (Lubes), Aviation and Pipelines. Product quality is monitored at different stages of the product lifecycle i.e., receipt, storage and dispatch of the products at terminals, depots and outlets. Industry Quality Control Manual (IQCM) is the guideline for the oil industry to assess product quality at different stages. HPCL's QC has implemented stringent norms for depot & terminals that are over and above the IQCM requirement.

QC at HPCL caters to the needs of the customers through its network of 45 laboratories across India. These labs are designed according to the requirement of the Oil Industry Safety Directorate (OISD). Refineries at Mumbai & Visakhapatnam have National Accreditation Board for Calibration & Testing Laboratories (NABL) accredited laboratories with state-of-the-art equipment and trained technicians.

Our laboratories perform various tests on different products, providing prompt service and accurate results. We have invested in the latest technologies and instruments. The accuracy of test results are administered by implementing



ISO 17025 Quality Management System. 13 major laboratories have been accredited by NABL, an autonomous body under the aegis of the Department of Science & Technology, Government of India. We are committed to expanding NABL accreditation across all our labs in a phased manner. All other labs are covered under Standard Operating Procedures (SOPs), developed in line with ISO 17025 requirements. The ISO 17025 system not only ensures that the labs maintain Quality Management Systems, but it also endorses the technical competence of the lab personnel. Eight of our labs are approved by Director General of Civil Aviation (DGCA) and Directorate General of Aeronautical Quality Assurance (DGAQA). The performance of the labs are also adjudged by various internal and external audits by these agencies.

A condition monitoring lab has been set up for our industrial customers. In order to address the need of test report availability at the time of bulk product supply to industrial customers, QC has begun issuing automatically generated test reports along with the commercial invoice itself. This is an innovative step that reduces timelines and instantly provides customers with the information that they need.

To assure the accuracy of the measuring and monitoring equipment, a calibration laboratory has been commissioned at Delhi, a unique initiative amongst OMCs. We have also set up laboratories for ensuring the quality of packaging material used in lube oil production.

Our QC department is a pioneer in India for establishing Reference Material Producer (RMP) for gasoline and diesel fuels in matrix matching streams at Visakhapatnam. The reference materials are produced as per ISO 17034: 2016. The facility is accredited as Reference Material Producer under ISO Guide ISO 17034:2016 by NABL. Recently, the HPCL RMP has been accredited for

the production of density, kinematic viscosity, flash point and other nine Certified Reference Material (CRMs). This ensures proper calibration of testing equipment across HPCL.

We actively participate in the Inter Laboratory Correlation Programme (ILCP), a common platform for all the industry labs to analyse and compare their test results. Root Cause Analysis (RCA) is undertaken if any deviation is observed in results. To provide transparency, labs are open for customers to conduct joint testing and witness the testing process.

Customised training modules on quality assurance have been developed for different target groups such as operations, TT crews, dealers, transporters, new trainees, etc. The trainings are made more effective by adding audio-visual content, practical sessions and case studies.

QA continues to remain a focal point for all our businesses, ensuring continuous monitoring of the quality of input materials and finished products so that our customers are provided with only the best.

Customer-centric Synergies

Our overall business strategy pivots around customer centricity and is embedded in our promise to deliver products of high quality at the right quantity aimed at meeting contemporary needs. All the products at HPCL are designed keeping in mind the requirements of the customers. We engage with customers and other stakeholders to expand initiatives with the aim of being their supplier of choice. We work towards earning their trust by providing solutions that integrate deep industry insights, leading technologies and best-in-class delivery processes.

We achieved the highest ever number of 3,558 retail outlets automated during the year, taking the total to 7,900 automated outlets.



This fiscal, we have executed several customer-centric initiatives in every SBU. The strategic expansion of our network saw the commissioning of 669 new retail outlets. As of March 31, 2018, we have 15,062 retail outlets spread across the country. Besides network expansion, improving the volumes within the existing network has been a key focus area for the Retail SBU. About 1,000 outlets were modernised during the year with an investment outlay of over ₹ 350 Crore. We achieved the highest ever number of 3,558 retail outlets automated during the year, taking the total to 7,900 automated outlets.

This year, HP GAS served more than 69 Million customers through a network of 4,849 LPG distributors. A significant addition to the customer base was made through the Pradhan Mantri Ujjwala Yojana (PMUY), by which we tried to make accessible the benefits of user-friendly clean fuel to the markets at the bottom of the pyramid. During 2017-18, more than 4.2 Million new LPG connections were provided by HPCL under PMUY, taking the total number of PMUY beneficiaries enrolled with HPCL to 9.6 Million as of March 2018. HPCL also sensitised over 85,000 people about safe and sustainable use of LPG by conducting 886 Pradhan Mantri LPG Panchayats across the country during 2017-18. In addition, about 67,000 safety clinics were organised during the year to educate over 1.9 Million customers about the safe usage of LPG.

Customer Care and Experience

We are persistent in our effort to provide products and services that meet or exceed our customers' expectations. In order to enhance the delivery of our products and services, we focus on improving the overall customer experience. Our customer-relationship staff are provided adequate training to equip them with the necessary skills in customer service and care.

The following initiatives are aimed at enhancing customer care and experience:

◆ Creating a Future-ready Field Force

A new programme was developed and conducted for targeted development of comprehensive business and soft skills to create customer-savvy officers. The programme aims at developing people skills and sensitising participants in dealing with customer needs and empathising with their concerns and complaints.

◆ Samvad

This initiative aims at sensitising the customer service cell staff of LPG distributors on various types of customers and equipping them with the necessary skills to handle grievances in an effective manner. The programme also instructs customers about safe handling and use of products.

◆ Ji Haan Samarth

This programme has been designed to traverse the course of a day in the life of LPG deliverymen and aims to equip them with the requisite skills, knowledge and attitude to perform their job and to succeed

in their various roles. The ultimate objective of this programme is to give HP GAS customers a unique and differentiated customer experience.

This fiscal, we developed a new module for Samarth 2.0 and Samvaad 2.0. We conducted 211 Samarth 2.0 programmes covering 8,095 LPG delivery boys and 63 Samvad 2.0 programmes covering 2,342 distributors offices/ Customer Service Cell (CSC) staff.

◆ Sadaa Aap Ke Liye (SAKL)

This initiative is aimed at imparting knowledge on SOPs and engaging Retail Forecourt Sales Men (FSM) as key SOP implementers at the retail outlets so that they not only satisfy the customer's stated needs, but also delight the customers by fulfilling their latent needs. We adopt the 'train the trainer' strategy for executing this programme in which we train HR officers across different zones through our workshop. These trained HR trainers further conduct SAKL-SOP programmes for various retail outlets as identified by the Retail SBU. The themes covered include customer orientation, hygiene, facilities at the outlets, SOPs, safety and knowledge on products and loyalty cards. This year, we initiated the SAKL programme in July 2017 with a target of training 10,600 FSM during the year. 36 HR officers participated as faculty trainers

in the programme. The training module, along with the new videos on safety and demonetisation, have been shared with them. So far, we have conducted 305 programmes reaching 10,858 FSMs.

Customer Safety

The essential element of our business practice is the safety of our customers. Our systems, processes and products are designed to meet the highest safety standards. We have stringent Health, Safety & Environment (HSE) management systems to strengthen governance and compliance with our safety standards and protocols. In the reporting period, no incident of non-compliance with regulations and voluntary codes concerning health & safety impacts of products has been reported.

In order to protect our customers and ensure their safety, we have implemented the following initiatives:

- ◆ Developed a web-based app in-house for online reporting of safety clinics
- ◆ Imparted training to 152 field officers & 180 dealers/ FSM under eight retail safety training programmes

- ◆ Focused on Government initiatives and capability building
 - ◆ Conducted 9,675 safety clinics covering 4,02,151 PMUY customers
 - ◆ Designed and developed a 'Safety Flipbook' to impart safety training to PMUY beneficiaries in remote areas
 - ◆ Completed electrical safety audits at 3,382 retail outlets
 - ◆ The first PSU OMC to start sale of LPG in new-generation composite cylinders under the brand name 'आजAS. These cylinders are light weight, aesthetically and ergonomically designed and have improved safety features
 - ◆ Began field trial on horizontal injection moulded high-quality 'O' rings at our Madurai plant. After technical assurance, the 'O' rings will be introduced and are expected to enhance safety at consumers' premises
 - ◆ Introduced new pin leak and O-ring leak detectors for on-site detection of leakage by the delivery men/ mechanics. About 6,000 leak detectors were procured by HP Gas distributors during 2017-18
- enabled for cashless transactions. Digital transactions contributed a landmark 25.2% of total retail sales in March 2018.
- To support digitisation, we have implemented the following initiatives:
- ◆ **My HPCL Mobile Retail App**
We have a mobile application for technology-savvy customers, which is available for all Android as well as iOS platforms.
 - ◆ **Vehicle Identification System**
A new IT-enabled initiative, Vehicle Identification System, using RFID technology and leveraging retail automation at retail outlets, offers a complete fuel-management solution to fleet owners.
 - ◆ **e-KYC**
For the benefit of our customers, e-KYC, the first in the industry, was introduced for new LPG connections under PMUY. We are the only OMC to have implemented Aadhaar-enabled e-KYC in the LPG registration process. Presently, more than 1.6 Lakh connections were released through e-KYC registrations.
 - ◆ **EZY GAS Mobile App**
EZY GAS, the smart delivery system application pioneered by HPCL, which was introduced last year, now has many new features. The system integrates various services, including offline and online modes of digital payment, facilities of booking refills and customer service queries and complaints, etc. During the year, EZY GAS was rolled out across India. We are the first OMC to enable BHIM app payment and Aadhaar Enabled Payment System (AEPS) for our LPG customers. Over 4,500 distributors are enabled for accepting payment through digital mode. More than 1 Lakh online deliveries are being carried out on the EZY GAS mobile app platform daily.

Going Digital

To introduce efficiency, transparency and traceability, we have digitised several operations, including the KYC process, payment systems and various customer services. Several steps have been taken to contribute towards the Government's Digital India mission. All our payment receipts from institutional customers, dealers and other business associates are through electronic payment channels. Representatives at our Retail and LPG network encourage customers to adopt digital payments through modes such as debit cards with zero bank charges, mobile wallet and online payments. Currently, most of our retail outlets are digitally

◆ HP GAS Saathi App for Distributors

For the convenience of LPG distributors, a mobile application 'HP GAS Saathi' was rolled out during the year 2017-18 to provide information and monitor real-time performance of our distributorship operations.

◆ HP Talk

During the year, specific focus was accorded to leveraging mobility as a means to deliver application capabilities to users on the move and create value for all stakeholders. The 'Sales Sahayak', a mobile application for field Sales Officers & Regional Managers across SBUs for all online information requirement, has been embedded with a voice activation feature called 'HP Talk'. Mobile applications have been made available to various stakeholders, including direct customers, bunker customers, retail outlet dealers and transport contractors, to provide information on real-time basis.

◆ DigiLocker

DigiLocker is the national digital locker system launched by the Government of India. We were the first to launch the DigiLocker for storing Subscription Vouchers (SVs). We have stored over 5.9 Crore SVs of LPG consumers, including their Aadhaar details, on the DigiLocker platform.

More than 1 Lakh online deliveries are being carried out on the EZY GAS mobile app platform daily.



◆ **Mandatory Inspection App**

A mobile application for scheduling and managing mandatory inspections was launched for all distributors across India. Through this app, over 2.39 Lakh inspections have been carried out.

◆ **Compliance of GST / e-Way Bill in CDCMS**

E-Way bill requirements came into force from February 2018 for interstate movement of goods. Provision of the e-Way bill required modification in the delivery challan generated from the Centralised Distributor and Consumer Management System (CDCMS). Allied Retail Business (ARB) invoicing application in the CDCMS was introduced to bring transparency in billing to consumers.

◆ **E-reverse Auction System**

This system was conceptualised, developed (in-house) & implemented at 36 locations for POL transportation tenders. It has reduced the processing time to four months from the traditional approach of an 8-10 month tendering cycle.

◆ **Going paperless**

At HPCL Labs, we have commenced the elimination of paper by moving towards complete digitisation. Our lab records are now in the digital form and test reports are issued through email.

Loyalty Programmes

HPCL actively pursues initiatives to improve customer service and promote customer loyalty. Some of our initiatives are:

◆ **Retail Customer Loyalty Scheme**

The HP Refuel loyalty card programme is a prepaid card for retail customers (driving two-, three and four-wheeler vehicles). It is an efficient and convenient

cash-management system with rewards and insurance benefits. Another attractive reward scheme is the PAYBACK card programme, which is a multi-coalition loyalty programme. We also offer co-branded credit cards with ICICI Bank and Amex and a co-branded debit card with ICICI Bank.

◆ **Drive Track Plus Programme**

The programme aims to provide 'More Control, More Security, More Value and More Convenience' to its customers. It offers a host of unparalleled features and benefits. The transport and logistic companies are concerned about their fueling cost as it benefits approximately 40-50% of their operating cost. The programme also benefits the fleet operators (customers) by providing them with a safe and secure platform to manage their fuel expenses, while giving full control, convenience and attractive rewards along with insurance benefits. Moreover, we also cater to the corporate customers through this platform. We have also introduced DT+ Digital, which is a cashless option. The Drive Track Plus Card is accepted at over 12,000 retail outlets and is used by more than 1,30,000 customers.

HP Refuel and DT+ moved to the digital platform, thereby making the programme card-less. We are the only oil company to have a completely digital programme.

Key achievements in 2017-18:

- ◆ 100% outlets provided the Drive Track plus terminals, a unique feat in the industry
- ◆ 97.7% outlets installed bank EDC terminals for credit/debit card transactions
- ◆ Loyalty programmes crossed the landmark of 5 Million vehicles (DT+: 2.3 Million and Refuel: 2.8 Million)

- ◆ 'HP Fastlane', an automation-integrated RFID-based fueling, deployed at 17 outlets in Mumbai

- ◆ Signed agreement with Sundaram Finance Limited for providing credit facility to DT+ customers

- ◆ Signed agreement with Airtel Payments Bank to ease cash loading into loyalty cards

Other Initiatives

- ◆ **Kiosks in rural areas:** LPG consumers in rural areas were facing issues in refill booking through IVRS due to inconsistency in telephone connections, poor literacy levels and inaccessibility to showrooms. To address this issue, we designed and installed two kiosks at Cherla and Pinapaka villages in the Bhadadri Kothagudem district of Telengana. Customers can book LPG refills at the kiosks by swiping their EZY GAS cards or by feeding their consumer identification numbers and the registered telephone numbers

- ◆ **Re-branding showrooms:** A new brand strategy for distributors' showrooms was developed, which is modern in outlook and vibrant in design. The strategy was implemented across the country and 60 showrooms have been renovated and reinvented. A branding strategy standardisation manual was released by the Chairman and Managing Director and Director - Marketing at the All India Dealer Panel Meet, 2018

Pradhan Mantri Ujjwala Yojana (PMUY)

We continue to add to our ever-expanding customer base by extending our support to the PMUY, aimed at making accessible the benefits of user-friendly fuel to bottom-of-the-pyramid markets. This fiscal, PMUY applications were enhanced in record time for reporting the details of safety clinics, customer contacts and LPG Panchayats.

Some of the highlights of the programme are mentioned below:

- ◆ HPCL released 42.25 Lakh PMUY connections (target: 37.5 Lakh) during 2017-18, taking the cumulative to 96.1 Lakh connections
- ◆ The Hon'ble Minister of P&NG launched first 'Pradhan Mantri LPG Panchayat' in Gujarat on September 22, 2017
- ◆ The 'Safety Flipbook', to conduct safety clinic at remote places, was launched by the Hon'ble Minister of Petroleum at Lucknow on September 23, 2017. HPCL has designed and developed this unique book to impart safety training to PMUY beneficiaries in remote areas
- ◆ A model LPG Panchayat was conducted at Rashtrapati Bhawan on February 13, 2018 with 104 PMUY beneficiaries pan-India (total participants around 400)
- ◆ HPCL organised more than 880 LPG Panchayats within a short span of only five months
- ◆ A web-based app was developed in-house for online reporting of safety clinic, customer contact and LPG Panchayats

- ◆ 44 Sabka Saath Sabka Vikas Sammelan (SSSVS) programmes were conducted successfully pan-India by LPG & Retail SBUs jointly

- ◆ The 'PM LPG Panchayat Facilitator Manual' was designed & developed by HPCL in coordination with OMCs. This initiative was well appreciated by the MoP&NG

Customer Feedback and Grievances

Customer satisfaction surveys are conducted across India to monitor our progress in meeting customer needs. The objective of these surveys is not only to understand the expectations of our key stakeholders, but also to devise strategies to address their concerns. These surveys are conducted through independent external agencies:

LPG

HPCL field officers and senior officers have conducted a consumer survey to address the concerns regarding awareness, customer service & safety of the first-time LPG users hailing from lower socio-economic strata at the premises of the PMUY LPG consumers. The sample size consisted of more than 10,000 customers spread across a vast geography of 342 districts in 18 states.

Lubricants

We undertook a lubes brand positioning survey in three cities, Mumbai, Pune and Ahmedabad, covering around 200 channel partners and consumers. HP Lubes are perceived to have extremely good quality with affordable pricing; customers consider the HP brand to be 'value for money'.

We serve crores of customers across India. When customers face issues in handling our products, we cater to their needs and resolve their complaints within the stipulated time. We strive to ensure that the customers are satisfied with our grievance redressal mechanism. Furthermore, the QA team attends to customer complaints or grievances that are assigned a high priority to ensure quick and effective closure.

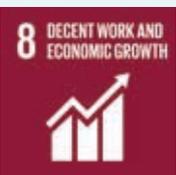
→ Ji Haan Samarth program for LPG Delivery men



Affiliations

Sr. No.	Association
1.	All India Association of Industries
2.	All India Management Association
3.	Associated Chambers of Commerce and Industry of India (ASSOCHAM)
4.	Bombay Chamber of Commerce & Industries
5.	Bombay First
6.	Bombay Management Association
7.	Confederation of Indian Industry (CII)
8.	Council for Fair Business Practices
9.	Federation of Indian Chambers of Commerce & Industry (FICCI)
10.	Global Compact Network India
11.	IMC Chambers of Commerce & Industry (Erstwhile Indian Merchants Chambers)
12.	Indo American Society
13.	Indo German Chamber of Commerce
14.	International Market Assess. India Pvt. Ltd.
15.	Maharashtra Chamber of Comm., Ind. & Agriculture.
16.	Maharashtra Economic Development Council
17.	Federation of Indian Petroleum Industry (Erstwhile Petroleum Federation of India)
18.	Standing Conference of Public Enterprises (SCOPE)
19.	The Energy and Resources Institute (TERI)
Sr. No.	Association with other Institutional Memberships
1.	Administrative Staff College of India
2.	Centre for Public Sector Studies
3.	National Institute of Personnel Management
4.	Vigilance Study Circle, Mumbai

Linking Sustainable Development Goals to our Business Practices

Goal	Sustainable Development Goal	Page No.
	End poverty in all its forms everywhere	70 108-116
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	110
	Ensure healthy lives and promote well-being for all at all ages	78-81 102-105 108-116
	Ensure inclusive and equitable quality education and promote life-long learning opportunities for all	96-98 110-111 113
	Achieve gender equality and empower all women and girls	41 94-96 99 110-111
	Ensure availability and sustainable management of water and sanitation for all	23 88-89 114-115
	Ensure access to affordable, reliable, sustainable and modern energy for all	23 87 114-115 122-123
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	70 94-105

Linking Sustainable Development Goals to our Business Practices (Contd).

Goal	Sustainable Development Goal	Page No.
	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	23 28 71-72
	Reduce inequality within and among countries	108-116
	Make cities and human settlements inclusive, safe, resilient and sustainable	23 108-116
	Ensure sustainable consumption and production patterns	23 78-91 120-129
	Take urgent action to combat climate change and its impacts*	78-91 114-115 122-123
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	78-91
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	4 58-66 100-101
	Strengthen the means of implementation and revitalise the global partnership for sustainable development	130

*Note: Sustainable Development Goals applicable to our business

GRI Content Index

GRI Standard	Ref No.	Status	Disclosure	Page number(s) and/or URL(s)	Status of Assurance	Omission		
						Part Omitted	Reason	Explanation
GRI 101: Foundation 2016								
General Disclosures								
GRI 102: General Disclosures 2016	Organisational profile							
	102-1	Mandatory	Name of the organisation	Cover Page	Assured			
	102-2	Mandatory	Activities, brands, products, and services	26-39	Assured			
	102-3	Mandatory	Location of headquarters	Inside Cover Page	Assured			
	102-4	Mandatory	Location of operations	27-33	Assured			
	102-5	Mandatory	Ownership and legal form	26-71	Assured			
	102-6	Mandatory	Markets served	32-36	Assured			
	102-7	Mandatory	Scale of the organisation	37-39	Assured			
	102-8	Mandatory	Information on employees and other workers	94-95	Assured			
	102-9	Mandatory	Supply chain	29	Assured			
	102-10	Mandatory	Significant changes to the organisation and its supply chain	13, 29, 71,	Assured			
	102-11	Mandatory	Precautionary Principle or approach	62	Assured			
	102-12	Mandatory	External initiatives	22, 130	Assured			
	102-13	Mandatory	Membership of associations	130	Assured			
	Strategy							
	102-14	Mandatory	Statement from senior decision-maker	6-9	Assured			
	102-15	Mandatory	Key impacts, risks, and opportunities	62	Assured			
	Ethics and integrity							
	102-16	Mandatory	Values, principles, standards, and norms of behavior	4, 60	Assured			
	102-17	Mandatory	Mechanisms for advice and concerns about ethics	65	Assured			
	Governance							
	102-18	Mandatory	Governance structure	59-61	Assured			
	102-19	Mandatory	Delegating authority	63	Assured			
	102-20	Mandatory	Executive-level responsibility for economic, environmental, and social topics	20-21, 61	Assured			
	102-21	Mandatory	Consulting stakeholders on economic, environmental, and social topics	44-52	Assured			
102-22	Mandatory	Composition of the highest governance body and its committees	60-61	Assured				
102-23	Mandatory	Chair of the highest governance body	60	Assured				
102-24	Mandatory	Nominating and selecting the highest governance body	60	Assured				
102-25	Mandatory	Conflicts of interest	63	Assured				

GRI Content Index (Contd).

GRI Standard	Ref No.	Status	Disclosure	Page number(s) and/or URL(s)	Status of Assurance	Omission		
						Part Omitted	Reason	Explanation
	102-26	Mandatory	Role of highest governance body in setting purpose, values, and strategy	60	Assured			
	102-27	Mandatory	Collective knowledge of highest governance body	60	Assured			
	102-28	Mandatory	Evaluating the highest governance body's performance	60	Assured			
	102-29	Mandatory	Identifying and managing economic, environmental, and social impacts	53-55, 62	Assured			
	102-30	Mandatory	Effectiveness of risk management processes	62	Assured			
	102-31	Mandatory	Review of economic, environmental, and social topics	53-55	Assured			
	102-32	Mandatory	Highest governance body's role in sustainability reporting	20-21	Assured			
	102-33	Mandatory	Communicating critical concerns	20-22	Assured			
	102-34	Mandatory	Nature and total number of critical concerns		Assured		Confidentiality Constraints	Confidential being a business information
	102-35	Mandatory	Remuneration policies	61, 99	Assured			
	102-36	Mandatory	Process for determining remuneration	61	Assured			
	102-37	Mandatory	Stakeholders involvement in remuneration	61	Assured			
	102-38	Mandatory	Annual total compensation ratio	61	Assured			
	102-39	Mandatory	Percentage increase in annual total compensation ratio	61	Assured			
Stakeholder engagement								
	102-40	Mandatory	List of stakeholder groups	45	Assured			
	102-41	Mandatory	Collective bargaining agreements	101	Assured			
	102-42	Mandatory	Identifying and selecting stakeholders	45-46	Assured			
	102-43	Mandatory	Approach to stakeholder engagement	45-47	Assured			
	102-44	Mandatory	Key topics and concerns raised	48-52	Assured			
Reporting practice								
	102-45	Mandatory	Entities included in the consolidated financial statements	13-17	Assured			
	102-46	Mandatory	Defining report content and topic Boundaries	13, 54-55	Assured			
	102-47	Mandatory	List of material topics	54-55	Assured			

GRI Content Index (Contd).

GRI Standard	Ref No.	Status	Disclosure	Page number(s) and/or URL(s)	Status of Assurance	Omission		
						Part Omitted	Reason	Explanation
	102-48	Mandatory	Restatements of information	NA	Assured			
	102-49	Mandatory	Changes in reporting	13	Assured			
	102-50	Mandatory	Reporting period	13	Assured			
	102-51	Mandatory	Date of most recent report	13	Assured			
	102-52	Mandatory	Reporting cycle	13	Assured			
	102-53	Mandatory	Contact point for questions regarding the report	13	Assured			
	102-54	Mandatory	Claims of reporting in accordance with the GRI Standards	13	Assured			
	102-55	Mandatory	GRI content index	133-138	Assured			
102-56	Mandatory	External assurance	13, 140-142	Assured				

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Status of Assurance	Omission		
				Part Omitted	Reason	Explanation
Material Topics						
GRI 200 Economic Standard Series						
Anti-corruption						
GRI 103: Management Approach 2016	103-1	Material	Explanation of the material topic and its Boundary	55	Assured	
	103-2	Material	The management approach and its components	58-59	Assured	
	103-3	Material	Evaluation of the management approach	58-59, 65	Assured	
GRI 205: Anti-corruption 2016	205-1	Material	Operations assessed for risks related to corruption	58, 62, 64,	Assured	
	205-2	Material	Communication and training about anti-corruption policies and procedures	65-66	Assured	
	205-3	Material	Confirmed incidents of corruption and actions taken	64	Assured	
Anti-competitive Behavior						
GRI 103: Management Approach 2016	103-1	Material	Explanation of the material topic and its Boundary	55	Assured	
	103-2	Material	The management approach and its components	58-59	Assured	
	103-3	Material	Evaluation of the management approach	58-59	Assured	
GRI 206: Anti-competitive Behavior 2016	206-1	Material	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	120	Assured	

GRI Content Index (Contd).

GRI Standard	Disclosure			Page number(s) and/or URL(s)	Status of Assurance	Omission		
						Part Omitted	Reason	Explanation
GRI 300 Environmental Standards Series								
Energy								
GRI 103: Management Approach 2016	103-1	Material	Explanation of the material topic and its Boundary	55	Assured			
	103-2	Material	The management approach and its components	82	Assured			
	103-3	Material	Evaluation of the management approach	82	Assured			
GRI 302: Energy 2016	302-1	Material	Energy consumption within the organisation	82	Assured			
	302-2	Material	Energy consumption outside of the organisation	83	Assured	Not applicable as boundary identified is Internal		
	302-3	Material	Energy intensity	82	Assured			
	302-4	Material	Reduction of energy consumption	83	Assured			
	302-5	Material	Reductions in energy requirements of products and services	121-123	Assured	Information Not available due to varied nature and application of our products		
Water								
GRI 103: Management Approach 2016	103-1	Material	Explanation of the material topic and its Boundary	55	Assured			
	103-2	Material	The management approach and its components	88	Assured			
	103-3	Material	Evaluation of the management approach	88	Assured			
GRI 303: Water 2016	303-1	Material	Water withdrawal by source	88	Assured			
	303-2	Material	Water sources significantly affected by withdrawal of water	88	Assured			
	303-3	Material	Water recycled and reused	88-89	Assured			
Emissions								
GRI 103: Management Approach 2016	103-1	Material	Explanation of the material topic and its Boundary	55	Assured			
	103-2	Material	The management approach and its components	84	Assured			
	103-3	Material	Evaluation of the management approach	84	Assured			
GRI 305: Emissions 2016	305-1	Material	Direct (Scope 1) GHG emissions	84	Assured			
	305-2	Material	Energy indirect (Scope 2) GHG emissions	85	Assured			
	305-3	Material	Other indirect (Scope 3) GHG emissions	85	Assured			
	305-4	Material	GHG emissions intensity	85	Assured			
	305-5	Material	Reduction of GHG emissions	85-87	Assured			
	305-6	Material	Emissions of ozone-depleting substances (ODS)	79	Assured			
	305-7	Material	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	85	Assured			

GRI Content Index (Contd).

GRI Standard	Disclosure			Page number(s) and/or URL(s)	Status of Assurance	Omission		
						Part Omitted	Reason	Explanation
Effluents and Waste								
GRI 103: Management Approach 2016	103-1	Material	Explanation of the material topic and its Boundary	55	Assured			
	103-2	Material	The management approach and its components	88, 90	Assured			
	103-3	Material	Evaluation of the management approach	88, 90	Assured			
GRI 306: Effluents and Waste 2016	306-1	Material	Water discharge by quality and destination	88-89, 91	Assured			
	306-2	Material	Waste by type and disposal method	90-91	Assured			
	306-3	Material	Significant spills	90	Assured			
	306-4	Material	Transport of hazardous waste	90-91	Assured			
	306-5	Material	Water bodies affected by water discharges and/or runoff	90	Assured			
Environmental Compliance								
GRI 103: Management Approach 2016	103-1	Material	Explanation of the material topic and its Boundary	55	Assured			
	103-2	Material	The management approach and its components	78	Assured			
	103-3	Material	Evaluation of the management approach	78	Assured			
GRI 307: Environmental Compliance 2016	307-1	Material	Non-compliance with environmental laws and regulations	91	Assured			
GRI 400 Social Standards Series								
Occupational Health and Safety								
GRI 103: Management Approach 2016	103-1	Material	Explanation of the material topic and its Boundary	55	Assured			
	103-2	Material	The management approach and its components	102	Assured			
	103-3	Material	Evaluation of the management approach	102	Assured			
GRI 403: Occupational Health and Safety 2016	403-1	Material	Workers representation in formal joint management-worker health and safety committees	102	Assured			
	403-2	Material	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	103	Assured			
	403-3	Material	Workers with high incidence or high risk of diseases related to their occupation	103	Assured			
	403-4	Material	Health and safety topics covered in formal agreements with trade unions	101	Assured			

GRI Content Index (Contd).

GRI Standard	Disclosure		Page number(s) and/or URL(s)	Status of Assurance	Omission		
					Part Omitted	Reason	Explanation
Customer Health and Safety							
GRI 103: Management Approach 2016	103-1	Material	Explanation of the material topic and its Boundary	55	Assured		
	103-2	Material	The management approach and its components	120, 126	Assured		
	103-3	Material	Evaluation of the management approach	120, 126	Assured		
GRI 416: Customer Health and Safety 2016	416-1	Material	Assessment of the health and safety impacts of product and service categories	120, 126	Assured		
	416-2	Material	Incidents of non-compliance concerning the health and safety impacts of products and services	126	Assured		
Marketing and Labeling							
GRI 103: Management Approach 2016	103-1	Material	Explanation of the material topic and its Boundary	55	Assured		
	103-2	Material	The management approach and its components	120	Assured		
	103-3	Material	Evaluation of the management approach	120	Assured		
GRI 417: Marketing and Labeling 2016	417-1	Material	Requirements for product and service information and labeling	120	Assured		
	417-2	Material	Incidents of non-compliance concerning product and service information and labeling	120	Assured		
	417-3	Material	Incidents of non-compliance concerning marketing communications	120	Assured		
Socioeconomic Compliance							
GRI 103: Management Approach 2016	103-1	Material	Explanation of the material topic and its Boundary	55	Assured		
	103-2	Material	The management approach and its components	108-109	Assured		
	103-3	Material	Evaluation of the management approach	108-109	Assured		
GRI 419: Socioeconomic Compliance 2016	419-1	Material	Non-compliance with laws and regulations in the social and economic area	116	Assured		
Oil and Gas Sector Supplement (OGSS - GRI G4)							
GRI G4 OGSS - Oil and Gas Sector Supplement	OG 2	Material	Total amount invested in renewable energy	87	Assured		
	OG 3	Material	Total amount of renewable energy generated by source	87	Assured		
	OG 8	Material	Benzene, Lead and Sulfur content in fuels	30	Assured		
	OG 14	Material	Volume of Biofuels produced and purchased	86	Assured		

Alignment to UNGC Principles

UNGC Principle	Category	Description	Reference	Page No.
Principle 1	Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	Protecting Human Rights Upholding Human Rights	66, 100-101
Principle 2	Human Rights	Businesses should make sure that they are not complicit in human rights abuses	Protecting Human Rights Upholding Human Rights	66, 100-101
Principle 3	Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Freedom of Association and Collective Bargaining	101
Principle 4	Labour	Businesses should uphold the elimination of all forms of forced and compulsory labour	Protecting Human Rights Upholding Human Rights	66, 100-101
Principle 5	Labour	Businesses should uphold the effective abolition of child labour	Protecting Human Rights Upholding Human Rights	66, 100-101
Principle 6	Labour	Businesses should uphold the elimination of discrimination in respect of employment and occupation	Protecting Human Rights Attracting Talent Upholding Human Rights	66, 95-96, 100-101
Principle 7	Environment	Businesses should support a precautionary approach to environmental challenges	Embedding Sustainability Within Caring for Our Planet Risk Management	19-23, 62, 78-91
Principle 8	Environment	Businesses should undertake initiatives to promote greater environmental responsibility	Embedding Sustainability Within Caring for Our Planet	19-23, 78-91
Principle 9	Environment	Businesses should encourage the development and diffusion of environmentally friendly technologies	Caring for Our Planet Product Stewardship	78-91, 120-129
Principle 10	Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	Being Transparent and Accountable	58-66

Independent Assurance Statement



Introduction and objectives of work

BUREAU VERITAS has been engaged by **Hindustan Petroleum Corporation Ltd. (HPCL)** to conduct an independent assurance of its **Sustainability Report** for the year **2017-18**. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the **Sustainability Report 2017-18** are the sole responsibility of the management of HPCL. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

Scope of work

The assurance process was conducted in line with the requirements of the Assurance Standard **AA1000AS (2008)** **Type 2** assurance. The scope of work included:

- ◆ Data and information included in Sustainability Report 2017-18 for the reporting period 1st April 2017 to 31st March 2018;
- ◆ Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- ◆ Evaluation of the Report against the main principles of the AA1000 Assurance Standard (2008)¹
 - ◆ Inclusivity
 - ◆ Materiality
 - ◆ Responsiveness
 - ◆ Impact
- ◆ Evaluation of the Report against the principles of Accuracy, Accessibility, Balance, Clarity, Comparability, Reliability, Timeliness and Stakeholder Inclusiveness, as defined in the GRI Sustainability Reporting Standards² "In accordance-Comprehensive";

The level of assurance has been applied as "**Moderate**" for all sections of the report.

Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

1. Visited selected locations of HPCL and interviewed relevant management personnel of HPCL.
 - ◆ Corporate HSE Dept., Mumbai
 - ◆ Direct Sales, Chennai Lube Terminal
 - ◆ Retail Outlet, Madhavaram, Chennai
 - ◆ Pipelines, MDPL, Jaipur
 - ◆ Mumbai Refinery
 - ◆ OD & E, Secunderabad Terminal
 - ◆ LPG Plant, Hazarwadi, Sangli
 - ◆ Aviation Service Facility, Calicut

We interviewed Plant Operations & Maintenance, Health, Safety & Environment managers and also the Sustainability team of HPCL:

2. HPCL had submitted performance data on reported disclosures of GRI standard topics. The data management at the above locations visited was assessed by Bureau Veritas.

¹ Published by Accountability: The Institute of Social and Ethical Accountability <http://www.accountability.org.uk> (**AA 1000 AS 2008** is the latest version of the assurance standard)

² GRI Standards are published by the Global Reporting Initiative, P.O. Box 10039, 1001 EA, Amsterdam, The Netherlands and can be downloaded from the GRI website www.globalreporting.org.

Independent Assurance Statement (Contd).

3. The data management systems and procedures were assessed on a sampling basis. Data on various GRI standard disclosures was verified.
4. Bureau Veritas reviewed stakeholder engagement activities that had been undertaken by HPCL as a part of its stakeholder engagement process. Various records of the stakeholder engagement activities were reviewed to confirm how topics material to HPCL's stakeholders had been determined.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The work was planned and carried out to provide a "Moderate" level of assurance and we believe it provides an appropriate basis for our conclusions.

Our findings

On the basis of our methodology and the activities described above, it is our opinion that:

- ◆ Nothing has come to our attention to indicate that the reviewed statements within the scope of our verification are inaccurate and the information included therein is not fairly stated;
- ◆ It is our opinion that HPCL has established appropriate systems for the collection, aggregation and analysis of quantitative data such as Environmental, Health & Safety, Human Resource, Labour as well as Product and Investor related data.

Alignment with the principles of AA1000AS (2008)

Inclusivity

HPCL has processes in place for engaging with a range of key stakeholders including socially responsible investors, Government officials, local community representatives and has undertaken stakeholder engagement activities that have served as inputs for its Sustainability report 2017-18, covering a range of topics such as Customer satisfaction, Employee welfare, Supply Chain, Community Welfare and Environment.

Materiality

The Report addresses the range of environmental, social and economic issues of concern that HPCL and its stakeholders have identified as being of highest material importance. The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns. The material issues were identified by a process of stakeholder engagement and interaction and the entire process was conducted through on line materiality survey system.

Responsiveness

HPCL is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making. The company has taken various initiatives towards delivering environmentally friendly services along with occupational health and safety, appropriate measures for emergency handling, control and risk management in its operations.

Impact

There is no finding from our assessment that HPCL had not monitored, measured or has not been accountable for its actions related to its material topics and their effect on the broader ecosystem

Evaluation against Global Reporting Initiative (GRI) Sustainability Reporting Standards

Bureau Veritas undertook an evaluation of **HPCL Sustainability Report 2017-18** against the GRI Sustainability Reporting Standards 2016. This included cross checking the GRI index table against all the reference documents to provide an opinion on the self-declared GRI reporting option.

Based on our work, it is our opinion that the **Sustainability Report 2017-18** has been prepared in accordance with the GRI Standards including appropriate consideration of the Reporting Principles and necessary indicators to meet the requirements of **GRI Reporting Option "In accordance- Comprehensive"**.

Independent Assurance Statement (Contd).

Limitations and Exclusions

Excluded from the scope of our work is assurance of any information reported by HPCL relating to:

- ◆ Activities outside the defined assurance period stated hereinabove;
- ◆ Positional statements (expressions of opinion, belief, aim or future intention) by HPCL and statements of future commitment;
- ◆ Competitive claims in the report claiming “first in India”, “first time in India”, “first of its kind”, etc;
- ◆ Our assurance does not extend to the activities and operations of HPCL outside of the scope and geographical boundaries as well as the operations undertaken by any subsidiaries or joint ventures of the Company.
- ◆ Our assurance of the economic and financial performance data of HPCL is based only on the audited annual report³ of HPCL for the Financial Year 2017-18 and our conclusions rely solely upon that audited report

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with almost 180 years history in providing independent assurance services, and an annual turnover in excess of € 4.60 Billion.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with HPCL, its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes and has over 5 years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Bureau Veritas (India) Private Limited

72 Business Park, 9th Floor, MIDC Cross Road 'C', Opp. SEEPZ Gate #2, Andheri (East) Mumbai-400 093 India.



Sanjay Patankar

Lead Assuror

Manager, Sustainability & Climate Change



Rupam Baruah

Technical Reviewer

General Manager, Eastern Region, India

Date: 28-Aug-2018

Mumbai



³ The Annual Report of HPCL is available for public reference at the web link <http://www.hindustanpetroleum.com/financial> and can be downloaded from that link

Abbreviations

ALDS	Auto LPG Dispensing Stations	EMS	Environmental Management System
API	American Petroleum Institute	EQMS	Effluent Quality Monitoring System
APM	Application Performance Monitoring	ERMS	Enterprise Risk Management System
ATF	Aviation Turbine Fuel	ESI	Employees' State Insurance
BPL	Below Poverty Line	ETP	Effluent Treatment Plant
BRR	Business Responsibility Report	FCC	Fluid Catalytic Cracking
CAG	Comptroller and Auditor General of India	FCCU	Fluid Catalytic Cracking Unit
CBI	Central Bureau of Investigation	FICCI	The Federation of Indian Chambers of Commerce and Industry
C&MD	Chairman & Managing Director	FIPI	Federation of Indian Petroleum Industry
CDA	Conduct, Discipline & Appeal	FSMs	Forecourt Sales Men
CEA	Central Electricity Authority	GDP	Gross Domestic Product
CFA	Clearing and Forwarding Agents	GHG	Green House Gas
CFD	Committee of Functional Directors	GJ	Giga Joule
CGD	City Gas Distribution	GoI	Government of India
CHWTSDf	Common Hazardous Waste Treatment Storage and Disposal facility	GST	Goods and Services Tax
CII	Confederation of Indian Industry	GRI	Global Reporting Initiative
CMS	Complaint Management System	GW	Giga Watt
CNG	Compressed Natural Gas	HMEL	HPCL and Mittal Energy Limited
CoC	Code of Conduct	HPCL	Hindustan Petroleum Corporation Limited
COP 21	21 st Conference of Parties in Paris	HPGRDC	HP Green Research and Development Centre
CPCB	Central Pollution Control Board	HPNE	Hindustan Petroleum Nagar East
CPGRAMS	Centralised Public Grievances Redress & Monitoring System	HPSEWA	Hindustan Petroleum SC/ST Employees' Welfare Association
CPMP	Certified Petroleum Manager Programme	HRRL	HPCL Rajasthan Refinery Limited
CPO	Central Procurement Organisation	HSD	High Speed Diesel
CPSEs	Central Public Sector Enterprises	HSE	Health, Safety and Environment
CSR	Corporate Social Responsibility	I&C	Industrial and Consumer
CSR&SD	CSR and Sustainability Development	IATA	International Air Transport Association
CRM	Certified Reference material	ICC	Internal Complaints Committees
CTE	Chief Technical Examiner	IEM	Independent External Monitors
CVC	Central Vigilance Commission	IIM	Indian Institute of Management
CwsN	Children with Special Needs	IIFE	Indian Institute of Petroleum and Energy
DARPG	Department of Administrative Reforms & Public Grievance	ILCP	Inter Laboratory Correlation Programme
DCMS	Distributor Customer Management System	IMM	Integrated Margin Management
DGAQA	Directorate General of Aeronautical Quality Assurance	IMO	Initiative Management Office
DGCA	Director General of Civil Aviation	INDC	Intended Nationally Determined Contribution
DPE	Department of Public Enterprises	IPCC	Intergovernmental Panel on Climate Change
DSIR	Department of Scientific and Industrial Research	IRIM	International Research Institute for Manufacturing
EEPC	Engineering Export Promotion Council	IS	Information Systems
EAP	Employee Assistance Programme	ISC	Information Systems Center
EDP	Entrepreneurial Development Project	ISMS	Information Security Management System
EMD	Earnest Money Deposit	ISO	International Organisation for Standardisation
		kWp	Kilo Watt Peak
		LED	Light Emitting Diode

Abbreviations (Contd).

LFA	Leave Fare Assistance	RBPL	Ramanmandi Bahadurgarh Pipeline
LNG	Liquefied Natural Gas	RBPSM	Risk Based Process Safety Management
LPG	Liquefied Petroleum Gas	R&D	Research and Development
LWIS	Liberalized Wagon Investment Scheme	RCA	Root Cause Analysis
MCA	Ministry of Corporate Affairs	REC	Renewable Energy Certificates
MDPL	Mundra Delhi Pipeline	RGTIL	Reliance Gas Transportation Infrastructure Limited
MERC	Management Employee Relations Committee	RKPL	Rewari Kanpur Pipeline Project
MHPED	Medical Hospitalisation Policy of Excluded Dependents	RLNG	Regasified Liquefied Natural Gas
MMPA	Million Metric Tonne Per Annum	RMP	Reference Material Producer
MoEF	Ministry of Environment & Forests	RMSC	Risk Management Steering Committee
MoEFCC	Ministry of Environment, Forests & Climate Change	RO	Reverse Osmosis
MoP&NG	Ministry of Petroleum & Natural Gas	RRPCL	Ratnagiri Refinery and Petrochemicals Limited
MoR	Ministry of Railways	RTI	Right to Information
MoU	Memorandum of Understanding	SBU	Strategic Business Unit
MREP	Mumbai Refinery Expansion Project	SCOM	System Centre Operations Manager
MRPL	Mangalore Refinery & Petrochemicals Limited	SCOPE	Standing Conference of Public Enterprises
MMV	Mobile Medical Vans	SDGs	Sustainable Development Goals
NABL	National Accreditation Board for Calibration & Testing Laboratories	SDI	Skill Development Institute
NDCs	Nationally Determined Contributions	SEBI	Securities Exchange Board of India
NGO	Non-Governmental Organisation	SOPs	Standard Operating Procedures
NSICL	National Small Industries Corporation Limited	SSSVS	Sabka Saath Sabka Vikas Sammelan
OD&E	Operations, Distribution & Engineering	STP	Sewage Treatment Plant
OBC	Other Backward Classes	TERI	The Energy and Resources Institute
OEMs	Original Equipment Manufacturers	TGTU	Tail Gas Treating Unit
OISD	Oil Industry Safety Directorate	TII	Transparency International India
OLA	Online Logistics Assistant	TKL	Thousand Kilo Litre
OMCs	Oil Marketing Companies	TMF	Total Motor Fuels
ONGC	Oil and Natural Gas Corporation	TMPA	Thousand Metric Tonne Per Annum
OPRM	Oil Price Risk Management	TTT	Train-the-Trainer
OWC	Organic Waste Converter	UCSPL	Uran Chakan Shikrapur Pipeline
PAT	Perform Achieve Trade	UDHR	Universal Declaration of Human Rights
PF	Provident Fund	UNFCCC	United Nations Framework Convention on Climate Change
PMJDY	Pradhan Mantri Jan Dhan Yojana	UNGC	United Nations Global Compact
PMSBY	Pradhan Mantri Suraksha Bima Yojana	UPES	University of Petroleum & Energy Studies
PMUY	Pradhan Mantri Ujjwala Yojana	UVSS	Under Vehicle Scanning System
POL	Petroleum, Oil and Lubricants	VRMP	Visakh Refinery Modernisation Project
PPA	Power Purchase Agreement	VVSPL	Visakh Vijayawada Secunderabad Pipeline
PRP	Performance Related Pay	WaSH	Water, Sanitation and Hygiene
PRMB	Post Retirement Medical Benefit	WHRS	Waste Heat Recovery Scheme
PoSH	Prevention of Sexual Harassment	WRI	World Resources Institute
PSU	Public Sector Undertaking		
PwD	Person with Disability		
QA	Quality Assurance		



Sustainability Report 2017-18

Feedback Form

Your feedback is important for continuously improving our Sustainability performance and reporting. Please take a few minutes to answer the following questions:

- How would you rate the overall report quality?
 Excellent Good Average Poor
- Which aspect/(s) did you like the most in the report?
 Coverage of topics Design & Layout Data Representation Readability
- Which section/(s) did you like the most in the report?
 Our Sustainability approach What we are today Stakeholders engagement and materiality
 Accountable and Transparent Sustainable Economic growth Caring of our Planet.
 Empowering Employees Bringing Smile, Delivering Happiness Product Stewardship
- What additional information would you like to see in our future reports?

- Any other comments/suggestions?

Kindly provide us your contact information for further correspondence:

Which of the following best describes your occupation/industry?

- Academia Corporation Customer Financial Analyst
 Government Media NGO Shareholder
 Others, please specify

Name: _____ Company: _____

Address: _____

Phone: _____ Email: _____

Mail your responses to:

Sustainability Department – Corporate HSE
Hindustan Petroleum Corporation Ltd.
Mumbai Refinery, Lube Admin Building
B D Patil Marg, Chembur, Mumbai – 400 074
Email ID: corporatehse@mail.hpcl.co.in

Online Feedback can be given at:
<https://hindustanpetroleum.com/feedbacklist>





सत्यमेव जयते

GOVERNMENT OF INDIA

CABINET SECRETARIAT DIRECTORATE OF PUBLIC GRIEVANCES

Unresolved Grievances Bothering You ?

You may seek help of Directorate of Public Grievances [DPG] in resolution of Grievances relating to Ministries / Departments and Organizations under its Purview. In last few years, nearly ninety percent of the grievances taken up by the Directorate have been resolved favourably.

Please read carefully the conditions listed below before lodging your grievance :

- You should have exhausted the Departmental remedies for individual grievances
- Your grievance should not relate to service matter [other than payment of terminal benefits like gratuity, GPF etc.], a case disposed off at the level of Minister of the concerned Department, commercial contract, a subjudice case, a case where quasi-judicial procedures and appellate mechanisms are prescribed for decision making, RTI matter, Religious matter.
- Suggestion of any sort will not be treated as grievance.

List of Ministries /Departments/Organizations under DPG's purview

[a]	Ministry of Railways	[i]	Public Sector Banks
[b]	Department of Posts	[j]	Public Sector Insurance Companies
[c]	Department of Telecommunications including BSNL and MTNL	[k]	National Saving Scheme of Ministry of Finance
[d]	Ministry of Urban Development including Delhi Development Authority, Land & Development Office, SPWD and Directorate of Estates	[l]	ESI Hospitals and Dispensaries directly controlled by Employees State Insurance Corporation under Ministry of Labour and Employment
[e]	Ministry of Petroleum and Natural Gas including its Public Sector Undertakings	[m]	Employees' Provident Fund Organization
[f]	Ministry of Civil Aviation including Airports Authority of India and Air India	[n]	Regional Passport Authorities under Ministry of External Affairs
[g]	Ministry of Shipping, Road Transport and Highways	[o]	Central Government Health Scheme under Ministry of Health and Family Welfare
[h]	Ministry of Tourism	[p]	Central Board of Secondary Education, Kendriya Vidyalay Sangathan, National Institute of Open Schooling, Navodaya Vidyalaya Samiti, Central Universities, Deemed Universities [Central] and Scholarship Schemes
		[q]	Ministry of Youth Affairs

Note : You can lodge your Grievance online on our website
<http://dpg.gov.in>.
 You may also send your grievance to us by post or fax with complete information and relevant documents

Contact us at :
 The Secretary
 Directorate of Public Grievances
 2nd Floor, Sardar Patel Bhawan, Sansad Bhawan, New Delhi 100001
 Tel : 011-23743130, 011-23741228, 011-23363733
 Fax : 011-23345637, e-mail : secypg@nic.in
 Website : <http://dpg.gov.in>



सत्यमेव जयते
भारत सरकार

मंत्रिमंडल सचिवालय लोक शिकायत निदेशालय

क्या आप अनसूलझी शिकायतों से परेशान हैं ?

आप लोक शिकायत निदेशालय के कार्य क्षेत्र के अंतर्गत मंत्रालयों/विभागों और संगठनों से संबंधित शिकायतों के समाधान के लिए लोक शिकायत निदेशालय की सहायता ले सकते हैं। पिछले कुछ सालों में, इस निदेशालय द्वारा उठाई गई लगभग नब्बे प्रतिशत शिकायतों का संतोषजनक समाधान किया गया है।

अपनी शिकायत दर्ज कराने से पहले कृपया नीचे दी गई शर्तों को ध्यानपूर्वक पढ़ें:-

- आपने अपनी शिकायतों को सम्बंधित विभाग के समक्ष समाधान हेतु प्रस्तुत कर लिया हो।
- आपकी शिकायत सेवा मामले (रोच्युटी, जीपीएफ इत्यादि जैसे सेवांत हितलाभों के भुगतान के अलावा) संबंधित विभाग के मंत्री के स्तर पर निपटाए गए मामले, वाणिज्यिक अनुबंध, न्यायाधीन मामले, ऐसे मामले जहां निर्णय लेने के लिए अर्द्धन्यायिक पद्धति और अपीलिय प्रक्रियाएं निर्धारित की गई हैं, आरटीआई मामले, धार्मिक मामले से संबंधित न हो।
- किसी भी प्रकार के सुझाव को शिकायत रूप में नहीं माना जाएगा।

लोक शिकायत निदेशालय के कार्यक्षेत्र के अंतर्गत आने वाले मंत्रालयों/ विभागों/संगठनों की सूची

(क)	रेल मंत्रालय	(ज)	सार्वजनिक क्षेत्र के बैंक
(ख)	डाक विभाग	(झ)	सार्वजनिक क्षेत्रों की बीमा कंपनियां
(ग)	बीएसएनएल और एमटीएनएल सहित दूरसंचार विभाग	(ञ)	वित्त मंत्रालय की राष्ट्रीय बचत स्कीम
(घ)	दिल्ली विकास प्राधिकरण, भूमि और विकास कार्यालय, सीपीडब्ल्यूडी और सम्पदा निदेशालय सहित शहरी विकास मंत्रालय।	(ट)	श्रम और रोजगार मंत्रालय के अंतर्गत कर्मचारी राज्य बीमा निगम नियंत्रित ईएसआई अस्पताल और औषधालय।
		(ठ)	कर्मचारी भविष्य निधि संगठन
(ड)	पेट्रोलियम और प्राकृतिक गैस मंत्रालय, इसके सार्वजनिक क्षेत्र के उपक्रम सहित	(ड)	विदेश मंत्रालय के अंतर्गत क्षेत्रीय पासपोर्ट प्राधिकरण
(च)	भारतीय विमानपतन प्राधिकरण और एअर इंडिया सहित नागर विमानन मंत्रालय	(ढ)	स्वास्थ्य और परिवार कल्याण मंत्रालय के अंतर्गत केंद्रीय सरकार स्वास्थ्य योजना
(छ)	केंद्रीय माध्यमिक शिक्षा बोर्ड, केंद्रीय विद्यालय संगठन, राष्ट्रीय मुक्त विद्यालयीय संस्थान, नवोदय विद्यालय समिति, केंद्रीय विश्वविद्यालय समविश्व-विद्यालय(केंद्रीय) और मानव संसाधन विकास मंत्रालय की छात्रवृत्ति स्कीमें।	(ण)	पर्यटन मंत्रालय
		(त)	युवक कार्यक्रम मंत्रालय
		(थ)	पोत परिवहन, सड़क परिवहन और राजमार्ग मंत्रालय

नोट: आप हमारी वेबसाइट <http://dpg.gov.in> पर अपनी शिकायत दर्ज कर सकते हैं। आप अपनी शिकायत, संपूर्ण सूचना और संगत दस्तावेजों के साथ हमें डाक/फैक्स या ईमेल द्वारा भेज सकते हैं।

हमसे यहां संपर्क करें:-
सचिव
लोक शिकायत निदेशालय
दूसरा तल, सरदार पटेल भवन, संसद मार्ग, नई दिल्ली- 110001
दूरभाष : 011-23743139, 011-23741228, 011-23363733
फैक्स : 011-23345637
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Economic

18.3 MMT

Highest Ever Crude Oil Processing

36.9 MMT

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Highest Ever PAT

₹ 69,751 Crore

Contribution to Exchequer



Social

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18,608 SRFT

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17 Crore kWh

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20.4 MMT

Highest ever pipeline throughput
helped in optimising logistics cost and
reducing carbon footprint

2.11%

Blending of Ethanol (green fuel) achieved against
industry average of 2.08%





**Hindustan Petroleum Corporation Limited
(A Government of India Enterprise)**

Petroleum House, 17, Jamshedji Tata Road,
Mumbai - 400 020

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