



DRIVING SUSTAINABILITY **through people**



हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड
संघारणीय रिपोर्ट 2012-13

Hindustan Petroleum Corporation Limited
Sustainability Report 2012-13

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Registered Office and Corporate Headquarters

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Petroleum House
17, Jamshedji Tata Road
Mumbai 400020
Maharashtra, India





Driving Sustainability through people

At the heart of any successful organization are its Human Resources. Our People are our biggest competitive advantage and we at HPCL believe that they are the stepping stones to the organizational success we aim to achieve.

HPCL proudly presents its Sustainability Report for FY 2012-13 "Driving Sustainability through people".

Being a sustainable enterprise does not merely mean having sustainability as an add-on. For us at HPCL, there has been a progressive shift in the way our people function, operate and think and that's how Sustainability has become an integral part of our day-to-day operations. Our people are instrumental in creating a culture of Sustainability in our organization.

While we continue to report on our triple bottom line performance, our people continue to do all that is required to be a more sustainable organization. Dialogue is the basic unit of work in an organization and it's our people to people interactions that facilitate growth of our business. Trainings, recreational

activities, scholarships and skill development, among others are some of the ways through which we are driving Sustainability. It is our people who ensure that with each passing year we make significant improvements in our approach towards sustainable development. With them, we take big leaps as well as small bounds in order to transform ourselves into a sustainable enterprise.

We aspire to achieve this transformation in harmony with our surroundings. Reducing our environmental footprint is an important aspect of our growth strategy and thus in this report we have decided to interlock our competitive advantage with our passion to be the most sustainable enterprise.



From the **CMD's Desk**



"Sustainability is based on a simple principle: everything that we need for our survival and well-being depends, either directly or indirectly, on our natural environment and hence, we at HPCL, truly believe that it is important for us to work in line with our environment and society to further enhance and enrich them."

Dear stakeholder,

It gives me great pleasure to present to you the 2nd Sustainability Report of Hindustan Petroleum Corporation Limited for FY 2012-13. This report presents our continued efforts towards building a successful business while upholding our commitment to the Environment and Social Sustainability.

The slowdown in Indian economy continued in 2012-13 with GDP growth at 5 per cent, the lowest rate in last decade. All the three sectors viz. agriculture, industry and services recorded a lower growth rate compared to previous year. International oil prices averaged above USD 100 per barrel during 2012-13. The higher oil prices coupled with only a partial pass through to consumer prices resulted in higher than budgeted subsidy outgo. Monetary tightening to contain inflation, slowdown in investment and a weak global economy has contributed to moderation in growth. The year also witnessed the highest ever

production of tight oil (shale) in the US which reduced its dependency on West African crude therefore pressurizing Brent and diverting oil flows to Asia.

The rupee per US dollar fluctuated significantly, depreciating from ₹ 51 per dollar at the end of March 2012 to touch a low of ₹ 57 per dollar in June 2012 and fluctuating between ₹ 53 and ₹ 55 per dollar during October 2012 to March 2013. The depreciating rupee continues to be a growing concern.

A more sustainable future will require cleaner and more efficient use of energy. With more people moving into cities, world population rising and living standards improving, all forms of energy will be needed to meet the ever-rising demand. Although renewable energy such as wind and solar will continue to grow, fossil fuels are expected to be catering to around two-thirds of energy demand in

2050. Hence to cope up with the growing market demand, HPCL has implemented Target Shikhar – a growth strategy for its refining and marketing operations.

'Target Shikhar' entails growth in volumes by aggressively pursuing opportunities in the gas business, acquiring upstream assets in the domestic and international markets, building asset optimization capacity and ensuring readiness of growing in alternative energies business.

The future focus of the Company is not only on growth of refining and marketing capacity, but also on development of exploration and production of crude oil and renewable energy projects. As a natural consequence of this continuous yet diversified growth focus, HPCL has set a target of achieving 42 Million Metric Tonnes Per Annum (MMTPA) refining as well as marketing capacity by FY 2016-17.



Best MoU
score amongst all
PSUs under MoP&NG

These plans are consonant with India's 12th Five Year Plan which will take into account the likely development and changes in the Hydrocarbon sector and changes in the distribution and marketing of the same. Impact of these changes on the profitability of our existing business necessitates thinking beyond the current major business of Refining and Marketing, viz Exploration and production, natural gas, alternate energy etc.

During the year many historical milestones have been achieved in the downstream of Refining & Marketing and the emerging business of Natural Gas. During the year, HPCL has qualified for 'Excellent' rating in terms of the

MoU signed with the Government of India for FY 2011-12, with an MoU score of 1.037 which is the best score amongst all the PSUs under Ministry of Petroleum & Natural Gas.

At HPCL, we have also taken several initiatives towards production of Bio-fuels. We have incorporated joint ventures aiming towards the production of ethanol from sugarcane/molasses and Bio-diesel from Jatropha.

As concerns about rising fossil fuel prices, energy security, and climate change increase, renewable energy can play a key role in producing local, clean, and inexhaustible energy to meet the nation's growing demand. During FY 2012-13, wind power generation of 774 Lakhs KWH was achieved from the first phase of 50.5 MW wind farm project set up in Maharashtra and Rajasthan.



Generating Clean Energy

Wind power generation

of 774 Lakhs KWH was achieved


The Company has launched a new Cultural motto 'HP First' (FIRST stands for: F: Free, Frank and fair, I: Integrity, R: Respect for Individual, S: Sustainable Performance, T: Team Spirit.) HP- First is a renewed identity for HPCL. It is the Organization's philosophy which is not merely inculcated in the working activities but it would soon become the way of life at HPCL. Through this, the organizational interest and its long term sustainability and profitability objectives would receive pre-eminence over personal aspirations and conflicts for everyone across the corporation. Keeping the corporation's interest first at all times entails working with utmost integrity and espousing our cultural motto in all our endeavours.

At HPCL, we have a clear vision which focuses on enhancing employee competencies and engagement; to become the most preferred employer, operate professionally with highest standards of trust, transparency, integrity and resilience, to deliver

administrative expertise in a timely, fair and consistent manner.

Our employees are our biggest assets. Therefore at HPCL we have several in-house capacity building models which help us build the existing talent. One such initiative is the Project 'Akshay' a Leadership Program focused on developing behavioural competencies.

At HPCL, we never cease in our efforts to keep all our employees safe wherever they are working. We strive to develop a good safety culture amongst our workforce to achieve our target of zero accidents. We have mandated regular health check-ups for all our employees. We are now working towards a more focused counselling program which would be based on the results of the data analysis of various health parameters. We continue to focus on our Corporate Social Responsibility (CSR) projects on Education, Health Care, Child care, Livelihood and Community Development which are our CSR themes to make a difference to the underprivileged.

Two decorative circles are positioned at the top of the page. The first is a large blue circle, and the second is a smaller green circle.

At HPCL, we have a clear vision which focuses on enhancing employee competencies and engagement; to become the most preferred employer, operate professionally with highest standards of trust, transparency, integrity and resilience.

The outlook is even more challenging with stringent requirements of environmental regulations, sustainable development, increasing responsibility for good corporate governance and responsibility to nurture the hopes and fulfil the aspirations of our employees by building a financially secure corporate entity.

The first and last rule of Sustainability is to align oneself with the natural forces, which is why as we venture into new areas, and grow our existing businesses, we will continue to live by the ethos and principles of responsible business practices for fostering a sustainable future and we thank all our stakeholders for supporting us in this endeavour.

A handwritten signature in black ink, belonging to S. Roy Choudhury, is located below the text.

S. Roy Choudhury
Chairman & Managing Director

DRIVING SUSTAINABILITY through people





About Us

HPCL is a Government of India Enterprise and a Fortune Global 500 and Forbes 2000 company. It holds the Navratna status, and had gross sales of ₹ 215,675 Crores for FY 2012-13. It has 20.19 per cent marketing share in India among Public Sector Oil Marketing Companies (OMCs) and a strong market infrastructure.

Our Crude Throughput and Market Sales (including exports) are 15.78 Million Metric Tonnes (MMT) and 30.32 MMT respectively in the same period.

HPCL operates 2 major refineries, one in Mumbai and the other at Vishakhapatnam producing a wide variety of petroleum fuels & specialties.

The Mumbai refinery has a capacity of 6.5 Million Metric Tonnes Per Annum (MMTPA) while the Visakh refinery has a capacity of 8.3 MMTPA. HPCL also holds an equity stake of 16.96 per cent in Mangalore Refinery & Petrochemicals Limited (MRPL) which has a capacity of 15 MMTPA. In addition, we have set up The Guru Gobind Singh Refinery of HPCL- Mittal Energy Limited (HMEL) at Bathinda, Punjab, as a Joint venture with Mittal Energy Investments Pt. Ltd. with capacity of 9 MMTPA.



HPCL owns and operates one of the largest Lube Refineries in India producing Lube Base Oils (LBO) of international standards, with an approximate capacity of 350 Thousand Metric Tonnes per annum. This Lube Refinery accounts for over 1/3rd of the India's total LBO production. Presently HPCL produces more than 300 grades of Lubes, Specialties and Greases.

Human Resources at Visakh Refinery



We have a vast marketing network which consists of 13 Zonal offices in major cities and 101 Regional offices. This is facilitated by a Supply & Distribution infrastructure comprising of Terminals, Inland Relay Depots & Retail Outlets, Aviation Fuel Stations, Pipeline networks, LPG Bottling Plants, Lube and LPG Distributorship. The total number of employees is 11,027 as on March 31, 2013.

Our Company continues to invest in innovative technologies to enhance the effectiveness of employees and bring qualitative changes in service. Business Process Re-Engineering exercises, creation of Strategic Business Units (SBU), Enterprises Resource Planning (ERP) implementation, Organizational Transformation, Balanced Score Card, Competency Mapping, benchmarking of refineries and

terminals for product specifications, ISO certification of Refineries and Supply Chain Management are some of the initiatives that broke new grounds. This has helped in improving operational and financial efficiencies. The refining capacity has seen a growth from 5.5 MMTPA in FY 1984-85 to 14.8 MMTPA presently. Our turnover has grown from ₹ 2687 Crores in FY 1984-85 to an impressive ₹ 215,675 Crores in FY 2012-13.



Marketing Infrastructure

Infrastructure is the key for sustained market growth and has remained major action area for the Corporation.



Aviation Service Facility

Our Marketing infrastructure as of March 31, 2013

101	Regional Offices	12,173	Retail Outlets
34	Terminals	1638	SKO/ LDO Dealers
90	Depots(POL & Lubes)	3,194	LPG Distributors
45	LPG Bottling Plants	3.99	LPG Customers (in Crores)
7	Lube Blending Plants	4	Major Product Pipelines
35	Aviation Fuel Stations		



Retail Automation: Good Quality, Right Quantity

12,000

Crossed 12,000 retail outlets landmark

1,948

e-fuel stations

Markets Served

HPCL's primary customers can be classified into four main categories – domestic (household), automotive, commercial and industrial. We also export a few of our products to South-East Asian countries. Some of these products are naphtha, furnace oil, bitumen, including some special products such as hexane and lubes.

Major Product Details

LIGHT DISTILLATES

- Liquefied Petroleum Gas
- Naphtha
- Motor Spirit
- Hexane
- Propylene

MIDDLE DISTILLATES

- Mineral Turpentine Oil
- Aviation Turbine Fuel
- Superior Kerosene Oil
- High Speed Diesel
- Jute Batching Oil
- Light Diesel Oil

Lubes & Greases

HEAVY ENDS

- Furnace Oil
- Low Sulphur Heavy Stock
- Bitumen
- Others

Scope of the Report

Our first sustainability report on the triple bottom line performance was released last year (FY 2011-12) and since then we have gradually made progress in the quality of our report in terms of increasing the scope by including the company-operated retail operations in the current year and also aligning it with the oil and gas sector supplement specifications. We defined a clear roadmap for our sustainability targets. This year we also engaged with our stakeholders in a structured manner to get a closer look at their concerns and expectations from us.



GRI A+
application level
check criteria



Report Boundary

The scope of the report includes our fully-owned operations; Refineries at Mumbai and Vishakhapatnam and the Marketing operations of Aviation, LPG bottling, Direct Sales, Retail, Operation and Distribution and pipelines. Company operated Retail operations are newly added in scope of this year.

Joint ventures, subsidiaries and International operations do not form a part of this report. The Report discloses HPCL's performance during FY 2012-13 on environmental, social and economic parameters.

Reporting Process

The Report disclosures are developed according to the GRI G3.1 Guidelines including the Oil & Gas Sector Supplement and conforms to the GRI A+ application level check criteria. In addition to seeking data-based inputs of the GRI indicators, it also contains relevant sustainability challenges identified and prioritized after a detailed interaction with the senior management and employees. The sustainability issues important to both HPCL and its stakeholders were chosen to be the top issues for the corporation. The sustainability strategy is devised in and around these challenges.

We engaged KPMG to provide advisory services for developing this report and Emergent Ventures India Pvt. Ltd. to provide independent external assurance on the report.

Data Measurement Techniques

Data for the Report was collected by forwarding data collection templates to all SBU locations.

Quantities for each of the indicators were collected on a month-wise basis. While actual numbers have been presented for most of the performance indicators, there are, however, some indicators for which estimated numbers have been collected. The methodology of data collection has not changed from the previous year. As we mature in the reporting process, certain data provided for previous year may not be comparable with the previously published data.

Our Vision and Our 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.



Code of Conduct:

In compliance with the terms of Clause 49 of the Listing Agreement with Stock Exchanges, “Code of Conduct for Board Members and Senior Management Personnel of Hindustan Petroleum Corporation Limited” has been devised and made effective January 1, 2006. The purpose of this Code is to enhance further ethical and transparent process in managing the affairs of the Company. This Code has been made applicable to:

- All Whole-Time Directors
- All Non-Whole Time Directors including independent Directors under the provisions of law
- Senior Management Personnel.

This code would be read in conjunction with the Conduct, Discipline & Appeal (CDA) 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, 2013.

The internally developed mission & vision statements and code of conduct are applicable across the organization in different regions and departments.

Corporate Governance

Good corporate governance is all about our commitment to run businesses in a legal, ethical and transparent manner.

HPCL emphasizes on conducting its affairs within the framework, policies, internal and external regulations and in a transparent manner. Being a Government of India Enterprise, the activities are subject to review by several external agencies like the Comptroller & Auditor General of India (CAG), the Central Vigilance Commission (CVC), Parliamentary Committees, and Statutory Auditors among others.

Our Code of Business Conduct and Ethics represents our commitment to uphold ethical

business practices wherever we operate. Our goal is to create mutual benefits, both for our company and our communities. We engage proactively with our stakeholders and pursue collaborative partnerships with communities, governments and non-governmental organizations (NGOs). This approach helps ensure we maintain our social license to operate.

The Board of Directors is the highest governance body exercising the powers subject to the provisions of the Companies Act, 1956.



The Company and the Board is headed by the Chairman & Managing Director (CMD) appointed by the Government of India as per its policy for Central Public Sector Enterprises (CPSEs).

HPCL's Board of Directors are responsible for the stewardship of the Company and for the oversight of the management of its business affairs, while our senior executives are responsible for the management and day-to-day operations of the Company.

Composition of Board

	Nos.	Male	Female
Functional Directors, including Chairman	5	4	1
Non-Executive Govt. Directors (Ex-Officio)	2	2	-
Non-Executive Independent Directors (Non-official)	6	6	-
Total	13	12	1

Organizational and Functional Structure Board of Directors

<p>SHRI S. ROY CHOUDHURY Chairman & Managing Director</p> <ul style="list-style-type: none"> Internal Audit Company Secretary Information Systems Legal Corporate HSE & Sustainability Development Delhi Coordination Office (DCO) Corporate Strategy & Planning 	<p>SMT. NISHI VASUDEVA Director - Marketing</p> <ul style="list-style-type: none"> LPG Strategic Business Unit (SBU) Direct Sales SBU Aviation SBU Operations & Distributions Project & Pipelines Retail SBU
<p>SHRI B. MUKHERJEE # Director - Finance</p> <ul style="list-style-type: none"> Taxation Corporate Finance Joint Ventures* Refinery and Marketing Finance Systems and Procedures & Risk management Treasury 	<p>SHRI PUSHP JOSHI Director - Human Resource</p> <ul style="list-style-type: none"> Human Resource Development Industrial Relations Compensation Management Security Quality Assurance Corporate Social Responsibility Administration*
<p>SHRI K. MURALI ## Director - Refinery</p> <ul style="list-style-type: none"> Mumbai Refinery Visakh Refinery Central Engineering Research & Development International Trade & Shipping* Exploration & Production* 	

Shri K.V. Rao has taken over as Director - Finance with effect from 1st June 2013

Shri B.K Namdeo has taken over as Director - Refinery with effect from 1st July 2013

* Indicates outside the boundary of Sustainability Report 2012-13



Board Level Sub-Committee on Corporate Social Responsibility (CSR) & Sustainability Development (SD)

As per Department of Public Enterprises (DPE) guidelines, the corporation has merged the CSR Committee and SD Committee and has renamed the same as “CSR & Sustainability Development Committee” effective May 28, 2013 for periodic review, discussion and guidance on various CSR and Sustainability Development Initiatives and measures. This Committee comprises of four Non-Executive Independent Directors, one Non-Executive Part Time (Ex-Officio) Director as Members and Three Whole Time Directors (as permanent invitees). Sh. G.K. Pillai is the Chairman of the committee. The Committee presently comprises of:

1	Sh. G.K. Pillai - Non-Executive Independent Director
2	Sh. L.N. Gupta - Non-Executive Part Time (Ex-Officio) Independent Director
3	Sh. A.C. Mahajan - Non-Executive Independent Director
4	Dr. G. Raghuram - Non-Executive Independent Director
5	Dr. Gitesh K. Shah - Non-Executive Independent Director

Three Whole Time Directors namely Director-Marketing, Director-HR and Director-Refineries are included as “Permanent invitees”.

The members of the SD Committee as of March 31 were:

- Dr. G. Raghuram
- Sh. L.N. Gupta
- Sh. A.C. Mahajan
- Dr. Gitesh K. Shah
- Sh. K. Murali
- Sh. Pushp Joshi

The meetings of the CSR Committee & Sustainability Development Committee were held on August 8, 2012 and September 28, 2012 respectively during FY 2012-13.

Responsibilities of Board Sub-Committee

Committees	Oversight Responsibility	Chairman*
Audit	Audit Reviews	Sh. Anil Razdan
HR Policies / Remuneration	Remuneration and compensation benefits	Sh. S.K. Roongta
Investment	Review of major investment into projects by the Company	Sh. Anil Razdan
Investor Grievance	Reviewing the status of investors' grievances	Sh. A.C. Mahajan
CSR and SD	Guidance and review on various CSR &SD initiatives	Sh. G. K. Pillai

For detailed information on this section, please refer to the Annual report FY 2012-13.



Public Grievance Redressal

The Corporation has set up a Public Grievance Redressal system wherein designated officers of the Corporation are available every Friday of the week from 4.00 PM to 5.00 PM at all major locations to hear & facilitate Redressal of Grievances of the Public. Also the Public Grievance Redressal Officers for Retail and LPG can be contacted for issues regarding their respective jurisdiction. Complaints can also be registered online on: <http://www.hindustanpetroleum.com/En/ui/PublicGrievanceRedressal.aspx>

HPCL Shares Department is accredited ISO 9001:2008 certification. Activities related to Share Transfers are carried out by R&T Agents M/s. Link Intime India Pvt. Ltd., and looks into the issues relating to shareholders like; Share transfers, demat, remat, duplicate, transmission and other important matters which are approved by the Share Transfer Committee.

The Corporation regularly interacts with the shareholders through e-mails, letters during Annual General Meeting (AGM), wherein the activities of the Corporation, its performance and its future plans are shared with the Shareholders.

The Company has been taking appropriate steps to ensure that Shareholder queries are given top priority and all references / representations are resolved at the earliest.

No complaints were received regarding loss of customer data or breaching customer privacy in FY 2012-13

Risk Management

HPCL has put in place a defined Risk management framework. This system is implemented as an integral part of our business processes across the entire HPCL's operations and includes recording, monitoring, and controlling internal enterprise business risks and addressing them through informed and objective strategies. The Company has engaged the services of independent experts to facilitate the detailed exercise and ensuring the effectiveness by adopting best practices in Risk management.

As part of effective implementation of the Risk management framework, Risk Management Steering Committee (RMSC) continues to provide direction and guidance. The Company has in place, mechanism to inform Board members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risks by means of a properly defined framework.

The risks related to climate change are reviewed every year and they remain the same as last year.



Integrity Pact

HPCL has upheld the important virtues like transparency, integrity and accountability. These virtues are integrated into the system as a prerequisite for achieving its vision of becoming an integrated energy major. HPCL's business relationships with its numerous domestic and international contractors and vendors are steered constantly towards a well-thought-of direction, with high transparency and ethical standards acting as guiding light in the transaction process.

HPCL also supports The United Nations Global Compact's (UNGC) ten principles amongst which the prominent one is "*Businesses should work against corruption in all its forms, including extortion and bribery*".

HPCL has been among the first Public Sector Undertakings to sign an MoU with Transparency International India (TII) in July 2007 for the implementation of the Integrity Pact in procurement processes and contracts.

Exercise of Authority

HPCL has well documented Limits of Authority Manual, Purchase Manual, Chart of Accounts, etc., facilitating the decentralized decision making process throughout the organization spread out throughout the country at various levels of the organization.



Limits of Authority Manual (LAM)

The LAM lays down the authorities that can be exercised at various levels for different activities of the Corporation. The manual is divided into segments representing different functions and provides for a decision making process through various committees, represented by inter-functional groups including finance. This ensures a transparent, well-considered and streamlined decision making process adhering to the laid down systems and procedures and thereby leaving no room for arbitrariness.

Conflict of Interest

The Corporation is complying with the various mandatory and non-mandatory Corporate Governance requirements envisaged under Clause 49 of the Listing Agreement with the Stock Exchanges and the DPE guidelines on Corporate Governance.

In the reporting year there were no material transactions with the directors or their relatives having a potential conflict with interest of the company at large. The organization's well defined Limits of Authority for each management role that seeks to eliminate the self interest of individuals that may cause conflict of interest.



A Corruption free Environment

At HPCL, we have analyzed all our SBUs and Corporate departments for risk related to corruption through a process of regular inspection and surprise checks. Irregularities detected, if any, are brought to the notice of concerned authorities and action as deemed fit is taken. Monthly MIS on the above activities is generated and sent to Central Vigilance Commission (CVC). During complaint investigation, thorough analysis of risk related to corruption is carried out. In addition detailed analysis of specific business unit is undertaken and system improvements are recommended towards ensuring preventive vigilance.

HPCL has a structured mechanism to ensure corruption free environment with emphasis given on Preventive Vigilance. Besides Redressal of complaints through a rigorous investigation process, HPCL has taken up various initiatives to promote ethical behaviour within the organization through preventive vigilance. During 2012-13, 27 per cent of our employees underwent such training programs.

SOME OF THE INITIATIVES ARE LISTED BELOW:

- **Meeting with employees and vendors** to make them aware of ethical practices of corporation for conducting business in a transparent manner.

- **School Programs:** This is a unique initiative of HPCL to promote ethics in public life and bring awareness among the young children by conducting programs on "Understanding Corruption". We take help of fabled small Akbar-Birbal stories with deep-rooted meaning of ethics, honesty and integrity. So far we have conducted these programs in 70 schools all over the India benefiting 8,000 children.
- **Vigilance Publication 'Jaagran':** In house publication with informative case studies.
- **System Review Studies:** Professionally relevant topics are reviewed annually and recommendations are given to strengthen system and procedures.
- **E-initiatives:** On-line complaint handling system, On-line vigilance clearance, Disciplinary management system to provide speedy clearance, Implementation of ERP and e-procurement.
- **Inspections:** 3,500 inspections were carried out last year.

27%
of our employees
underwent
anti-corruption
training programs.

STEPS TO INCREASE TRANSPARENCY:

1. All notices inviting tenders are hosted on the corporate website.
2. Citizen Charter hosted on corporate website.
3. Selection guidelines for Retail and LPG dealers posted online.

This year the company had two cases of corruption and disciplinary actions were taken as per internal Conduct, Discipline & Appeal (CDA) rules.

Public Policy Advocacy & Anti-Competitive Behavior

As a significant player in the Oil & Gas sector of India and as a Government of India PSU Navratna Company, we frequently communicate with the concerned ministries. Our primary oversight agency is the Ministry of Petroleum and Natural Gas. We consult with the government before we implement and execute major and strategic plans such as setting up new refineries or fixing fuel prices of sensitive petroleum products. We also take part in the consultative committees that frame policies.

We are under purview of Competition Commission of India (CCI) and are committed to use fair practices and ethical means to conduct our business operations. For FY 2012-13, three cases are pending with the Competition Commission of India and other forums.

Remuneration of the Directors

The Corporation signs a Memorandum of Understanding (MoU) with the Ministry of Petroleum & Natural Gas (MoP&NG) at the beginning of each financial year. The MoU specifies targets for various parameters which include physical, financial, social and environmental parameters. The performance of the corporation is evaluated by task force appointed by DPE, in comparison with the targets laid out in the MoU which determine the employees' overall variable performance-linked compensation.

Vigilance Awareness Week



Sustainable Development Policy of HPCL

We at HPCL are committed to achieve the economic, ecological and social responsibility objectives of sustainable development consistently through our varied operations and activities.



We will strive to contribute towards sustained overall economic growth by continually improving the efficiency and productivity of our operations. We will execute our business activities in a way that does not impact ecological balance. We will develop and conduct programs for the community, suitably designed towards building their individual capabilities.

We will:

- Promote sustainable development concepts amongst our employees, customers, stakeholders and others.
- Integrate the sustainable development objectives and considerations in all our business plans.
- Deploy efficient and clean technologies towards realizing minimal impact on the environment.
- Develop and implement good practices for optimal usage of natural resources.
- Continuously monitor and control our activities to minimize carbon footprint.
- Endeavour to provide a clean, healthy and safe working environment for our employees, neighbours, customers, consumers and stakeholders.
- Sustain appropriate development programs for our employees, customers and neighbouring communities.
- Incorporate customized management systems to monitor and control progress of Sustainability development objectives.
- Remain committed to disseminate information on our sustainability performance.

Awards and **Recognitions**

Ranked 260 during FY 2012-13 in the prestigious list of Fortune Global 500 Companies.

Ranked 1217 during FY 2012-13 in the prestigious list of Forbes 2000 Companies.

Conferred with Best CIO of India Award by the Stars of the Industry Group & Asian Confederation of Businesses.

Superbrand Trophy for 2012-14 to LPG SBU for being amongst India's strongest consumer brands.

Conferred with Loyalty award under the category "Best use of technology in a Loyalty Program" for **'Drive Track Plus program'**.

IFCA STAR 2011

HPCL has been conferred with two IFCA (Indian Flexible Packaging & Folding Carton Manufacturers' Association) STAR 2011 Awards, in recognition of excellence in packaging for introducing new technology / printing in Lube Oil Sector. 1) In-Mould Labelling (IML) Technology for Lube Oil HDPE containers. 2) Heat Transfer Labelling (HTL) Technology for Lube Oil buckets.

PETROFED - PROJECT MANAGEMENT COMPANY OF THE YEAR AWARD

HPCL has bagged the PETROFED Project Management – Company of the year award (in ₹ 500-2000 Crores Category) for Guru Gobind Singh Refinery Products Evacuation Project (GGSRPEP) at New Delhi for its performance in completing the project successfully during 2010-11, at less than approved cost, managing project schedule and quality while meeting norms of Occupational Health & Safety.

PETROFED - "INNOVATOR OF THE YEAR - INDIVIDUAL"

HPCL is conferred with award for Innovator of the year special commendation for the innovative development and implementation of Supervisory Control & Data Acquisitions [SCADA] System for real monitoring of plant equipment.

INDIA STAR PACKAGING AWARD

Awarded for TamperGard Seal; industry first for oil drums tamper evident seals.



Indira Gandhi Rajbhasha Award for 5th consecutive year

GOLDEN PEACOCK AWARD

Mangalore LPG Import Facility acknowledged with Golden peacock award for occupational health and safety.

ISRS LEVEL 8

VVSPL - First pipeline in the world to achieve 8th Level in ISRS 8th edition of DNV.



Sustainability Strategy and **Management**

As one of the principles of sustainability management and reporting, materiality helps pinpoint issues that are important to the company, to manage critical aspects, to set goals and action plans, and to prioritize the subjects that are of interest to the stakeholders.



Green Fuel Project: Mumbai Refinery

Sustainability of a business depends on identifying and being in line with the stakeholders' expectations and hence it is essential for us to conduct materiality analysis which helps us prioritize these myriad expectations of our stakeholders and focus our report on them.

Our process

Last year we considered our Internal stakeholder, employees for their feedback on sustainability aspects critical to them, however this year, in addition to our employees, we have also incorporated the feedback we received from the interaction with our selected key external stakeholders in order to understand their concerns and expectations from us. We identified the key stakeholders based on their influence on our business and the level of control the company has on these stakeholders. This helped us determine the level of responsibility our firm has to individual stakeholder groups. The higher the ranking the more material are the stakeholder's interests and concerns. Based on the different geographies/locations of our operations and the nature of business, we made a comprehensive list of stakeholders and based on the above mentioned criteria, the

key stakeholders were identified; contractors, suppliers, dealers and distributors, transporters and the local community.

A comprehensive list of material issues were identified based on main topics and future challenges for the sector reported by peers and competitors; relevant laws, regulations, international agreements or voluntary agreements with strategic significance to the organization and its stakeholders; likely sustainability impacts, risks, or opportunities identified by experts.

Internal factors including key organizational values, policies, strategies, management systems, goals and targets; interests and expectations of stakeholders were all considered for identifying those key issues for HPCL. Of

these, the two primary factors are: Stakeholder concern and the potential impact of the issue on the organization. We adopted a questionnaire feedback mechanism to understand concerns and expectations of various stakeholders. Customized questionnaires were prepared for various stakeholder groups and feedback on the same was solicited through response on questionnaire sent to representative stakeholders from each group. The impact of each issue on the organization was based on the interactions and discussions with the senior management at HPCL.

Materiality **Analysis**





89.8 mbpd

Global oil demand in 2012

Availability of raw material

International Energy Agency (IEA) estimates that global oil demand has increased from 88.9 mbpd (Million Barrels per Day) in 2011 to 89.8 mbpd in 2012. The growth was mainly from Asia Pacific with demand in Europe declining. Poor macroeconomic outlook, high oil prices and improvements in energy efficiency have limited demand.

On HPCL's supply side we had disruptions in oil production in South Sudan, Yemen, Syria, and the North Sea. Also the uncertain political situation in Libya & Syria, attacks on oil facilities in Nigeria increased the downside risk on supply. Iran being one of the major term contract suppliers, the sanctions on Iran and its after effects impacted the security of crude supply to HPCL. We effectively managed the situation by increased term upliftment from other suppliers and spot purchases.

For securing our raw material supplies, we are exploring the possibilities of sourcing from new markets in South East Asia and Western Africa. We are also in the

process of evaluating the feasibility of using crude from reserves in Central Asia.

Also Crude has been averaging above USD 110/bbl for the past three years, as compared to the USD 75/bbl levels seen in the earlier period. This has resulted in higher fuel costs for refineries solely on account of higher feed costs. Also with the rupee value depreciating against the dollar our raw material cost is increasing while product crack spreads not keeping pace with crude has resulted in a scenario of reduced margins for refineries. We are focusing on energy efficiency measures across our refineries and expanding our investments in renewable energy and alternate fuels. During FY 2012-13, wind power generation of 774 Lakhs KWH was achieved from the first phase of 50.5 MW wind farm project set up in Maharashtra and Rajasthan.



Fire Safety Drill



Routine Health Check-ups



Spiritual Well-being

Occupational Health and Safety

As an integral part of our business, HPCL believes that no work or service or activity is so important or urgent that safety be overlooked or compromised. HPCL endeavours to promote the health of vital 'Human Resource', essential for productivity and effectiveness of the corporation and conduct its operation in such a manner as compatible with environment and economic development of the community.

Besides emergency medical services, our Occupational Health Centres also offer preventive and curative health services to our employees. Our medical emergency facilities are also extended to contractor's employees. Regular and periodic medical check-ups are done for all the employees, especially for those who are engaged in adverse working conditions. Awareness programs on maintaining healthy lifestyles, heart-care, yoga, meditation, work-life balance are conducted on a regular basis not only for the employees but also for their family members.

HPCL is also committed to provide a safe workplace to its employees

and contractors and safety to the communities where it operates. All critical jobs undergo Job Safety Analysis to ensure safety of personnel and property. HPCL believes that continuous learning and upgrading of systems and processes are indispensable as we move ahead with our vision of achieving best-in-industry status with respect to safety systems and culture. HPCL recognizes that personnel competency is a key area to ensure safe and efficient operations. Safety talks, trainings and case studies form a part of the daily activities of all the personnel directly or indirectly engaged in the refining process. We conducted more than 700 safety training programs for our contractor workmen.

All HPCL's major locations across the country and our two refineries are ISO 14001, International Safety Rating System (ISRS) & OHSAS 18001 certified and maintain highest standards of Occupational Health and Safety, and environment protection and comply with all applicable law and requirements.



Truck Drivers' Training

Disaster Management and Emergency Preparedness

India's 10th Five-Year Plan document for the first time had a detailed chapter on Disaster Management while the 12th Finance Commission was also mandated to review the financial arrangements for Disaster Management. In modern times disasters are seen as the consequence of inappropriately managed risk. These risks are the product of a combination of both hazards and vulnerability. At HPCL Disaster Management has assumed significant role due to modern complex nature of refinery operations. Emergencies like fire, explosions, oil spills or toxic hydrocarbon gas release, if not controlled, may create a catastrophe in our refineries and marketing locations. Natural disasters like earthquakes, hurricane, flood, lightning, among others also possess a major threat to our operations.

Keeping all the above situations in mind, HPCL's Disaster Preparedness Plan is evolved on a continuous basis to confront any emergency situation in a systematic way. The groundwork for such effective control measure along with advance planning is laid down in our Disaster Management Plan. For deliberate acts of man like riots, sabotage, war etc. we have 'The Civil Defence Plan' which will be operational if such situations arise.



Disaster Management Plan

700+

Safety training programs conducted for contract workforce



Rainwater Catchment: Mumbai Refinery

Water Management

As per United Nations Report, India has about 16 per cent of the world's population and only 4 per cent of its water resources. With the present population of over 1,000 million, the per capita water availability is around 1.170 cu m/person/year. Severe water shortages have led to a growing number of conflicts between users in the agricultural and industrial sectors, as also the domestic sector. HPCL is committed to ensure environmentally sustainable and responsible operations to achieve highest standards of environmental excellence. At HPCL, we have taken various measures to reduce the stress on the available water resources by conserving and optimizing the usage, increasing water recycling and reuse capacity through Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) installations at our marketing locations. Water management is one of our key focus areas and by installation of State of the Art Integrated Effluent Treatment Plant (IETP) at Mumbai refinery, we have reduced our intake of fresh water from the municipal corporation by purifying and recycling 610,501 KL

treated water for refinery consumption, thus contributing significantly to natural resource conservation. Also, in Visakh Refinery 714,000 KL of water was treated through desalination RO Plant.

Also during FY 2012-13, we have completed rainwater harvesting at 23 locations including the Visakh Refinery while our Mumbai Refinery constructed necessary infrastructure and harvested about 74,000 KL of rainwater for the year 2012-13. Further augmentation of rainwater management facility is in progress. Also ground water aquifers are monitored for quality (IS 10500: 1991) regularly with a network of borewells spread across entire geographical area of the refinery. Roof top rainwater harvesting space of more than 31,000 KL and recharging the ground water aquifer is envisaged in FY 2013-14.

At our Information Systems Center (ISC) at Hyderabad which hosts all our servers, we have installed waterless fire systems and leak detection system.

Awareness on Sustainability

India has about 2.4 per cent of the world's land, while supporting 16 per cent of the its population. The compounding result is a severely unsustainable use of natural resources for several generations. Currently, India is experiencing rapid and widespread environmental degradation.

Being an Oil & Gas company with operations across the country, we have to address risks and opportunities arising from various aspects of sustainability. During FY 2012-13, HPCL completed sustainable development projects such as Electrical Energy audits at 10 locations, Rainwater harvesting at 22 POL locations and at the Visakh Refinery, improved treated water output at Mumbai Refinery, 774 Lakhs KWH power through wind mills and carbon footprint assessment at 25 POL locations. In addition, 465 stakeholders across 15 locations and both the refineries were made aware on Sustainability issues by conducting capacity building workshops. We also have an in-house portal on Sustainability and we celebrate Environment day every year to create awareness among our employees.

Stakeholders' workshops

conducted throughout the year

We are also in the process of launching a Sustainability newsletter for our employees, in addition to our sustainability report.

Also HPCL's Sustainable Development (SD) Policy was prepared and approved by the Board of Directors and a Board level SD committee was formulated which periodically monitors the progress of our various SD initiatives. In all we spent ₹ 6.17 Crores on various Sustainable Development projects.

Community development

Community development is the process of helping communities strengthen themselves and develop their full potential. These actions would help people to respond to problems and needs which they share. HPCL has always worked towards being a

model of excellence in meeting our commitment to society with which we engage and interact, and beyond.

HPCL continues to set the standard high for stakeholder participation and we are working to foster community development, focus on environmental responsibility and enhance local educational resources. Our key focus areas are: Child-Care, Education, Health Care, Skill Development and Awareness on Sustainability. We have continuous interventions in these areas that will make a meaningful and long-term impact on communities.

As a part of community awareness, continuous "Electronic Display Board" is operational at Mumbai Refinery main gate, displaying ambient air quality parameters.

Stakeholder Engagement

Stakeholder engagement is a critical component of the sustainability agenda of an organization. This year, HPCL engaged with various stakeholders through a structured questionnaire customized for individual stakeholder groups. This was done to help our senior management identify, review and prioritize the key stakeholders and focus on the issues and concerns that are material to each one of them. The table below illustrates the outcome and analysis of the stakeholder engagement process thus conducted.

Stakeholder engagement feedback from various stakeholders:

Stakeholder	Type of Engagement	HPCL Response	Impact
Management Employees	Regular interaction	Periodic meetings with management employees. Interaction also exists between Department Head and team members	Improved coordination and employees issues are resolved
	Awareness on Environment, Health & Safety (EHS) issues	Regular awareness through medical checkups, providing Personal Protection Equipment (PPE), sending newsletters and information through intranet portal	Improved safety awareness & goodwill amongst employees
	Trainings	Continuous development of employees to keep them abreast with new technologies and conducting awareness training and sharing knowledge through newsletters and informal communications from department heads	Improved skill set and better coordination
Non management Employees	Regular interaction	Periodic meetings with non-management employees	Improved coordination and resolution on employees' issues
	Health awareness	Medical and health check-up camps	Improved health and enhanced morale
Dealers and Suppliers	Meetings on business, operational and EHS related issues	Regular meetings to increase transparency of transactions, EHS Trainings	Increased satisfaction levels, more transparency and improved safety awareness
	Pre bid meetings	Pre-bid meetings to clarify any doubts or grievances	Improved level of satisfaction in dealers and suppliers
	Feedback sought and training programs for handling of products and on EHS	Training programs on EHS and Sustainability issues, frequent dealer meets and interaction via phone, email and in person	Improved customer satisfaction levels due to better handling of products, improved safety during storage and transportation
Contract Workers	Regular Interactions	Formal grievance mechanism on our website accessible to any aggrieved parties.	Improved relations with contract workers and enhanced morale of workers.
	Training Programs	Organized more than 700 training programs on safety and operational aspects	Increased safety and decline in accident rate and 'near miss' cases
	Medical check-ups and medical room facilities at all our plants	Organized health check-ups. All contract labour covered under Employee State Insurance (ESI) policy	Improved awareness about various health issues and enhanced morale of workers



Stakeholder Engagement

Stakeholder	Type of Engagement	HPCL Response	Impact
Transporters	Email communication	Frequent email communications updating the knowledge base of transporters and making them aware of requirements	Increased coordination and productivity of transporters
	Regular Interactions	Telephonic conversations and personal meetings whenever the need arises. We also have a formal grievance mechanism on our website accessible to any aggrieved parties.	Improved relations
Customers	Formal feedback	Customers are now being facilitated with rating their respective distributor on a five point scale by providing a link on 'HP GAS Consumer World' web portal on the following parameters at any point of time: <ul style="list-style-type: none"> Timely delivery Correct price Correct weight Courteous behaviour Overall experience 	Empowering of customer Higher customer satisfaction levels Improvement in our service levels
	Launch of commercials	Launched commercials in single screen movie theaters in towns across the country on safe usage of LPG. Covered 580 towns with a viewership of 1.06 Crores	Improved safety and awareness among customers
Local Community	Regular Interactions	Awareness on Health and Safety aspects	Improvement in goodwill
		Need based projects identified by CSR department	Building stronger relationship which makes communities a part of the HPCL family

Economic Performance

Hindustan Petroleum Corporation Limited registered gross sales of ₹ 2,15,675 Crores for FY 2012-13 as against ₹ 1,88,131 Crores in the previous year representing an increase of over 14.6 per cent. The sales of petroleum products in the domestic market were also at an all time high of 29.07 million tonnes during FY 2012-13, registering an increase of 4.6 per cent over the previous year, as against the industry growth rate of 3.6 per cent.



Club HP Retail Outlet



29.07 MT
all time high sales in
domestic market

**MoU
signed**
for setting up
9 MMTPA Refinery-
cum-Petrochemical
complex in Rajasthan

The Profit before Tax (PBT) for FY 2012-13 was also higher by 21 per cent at ₹ 1,475 Crores as compared to ₹ 1,219 Crores in the previous year. However, the Profit after Tax (PAT) for FY 2012-13 was ₹ 905 Crores as compared to ₹ 911 Crores in the previous year, mainly due to higher provision for tax.

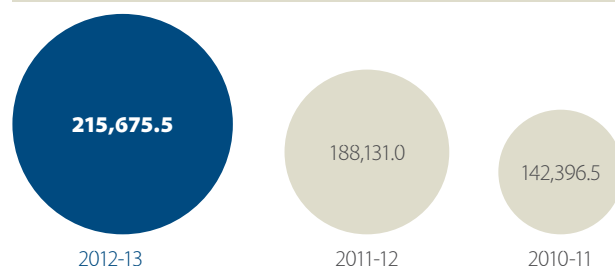
In March 2013, a MoU was signed between HPCL and Government of Rajasthan for setting up a state-of-the-art 9 MMTPA Refinery-cum-Petrochemical complex in Rajasthan. The proposed refinery will have an estimated capital investment of ₹ 37,230 Crores. The project is expected to take about 4 years for completion post getting approval from the Government of India.

Financial Performance - HPCL (₹ Crores)

	FY 2012-13	FY 2011-12	FY 2010-11
Economic Value Generated			
Gross sales	215,675.5	188,131.0	142,396.5
Economic Value Distributed			
Operating Cost	204,339.7	176,826.7	135,035.9
Profit After Tax (PAT)	904.7	911.4	1,539.0
Total monetary outflows for employees	2,525.5	1,583.1	1,981.8
All financial payments made to the providers of the Organization's capital	287.8	287.8	474.1
Contribution to Exchequer	32,173.0	31,300.5	28,864.2
Voluntary contributions and investment of funds in the broader community (includes donations)	21.7	26.5	19.7

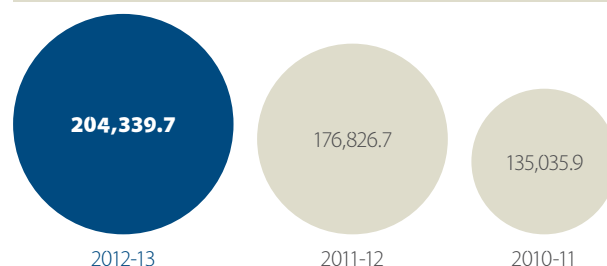
Gross Sales (₹ Crores)

14.6%
Over FY 11-12



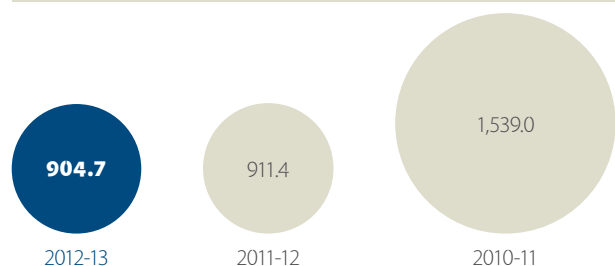
Operating Costs (₹ Crores)

15.5%
Over FY 11-12



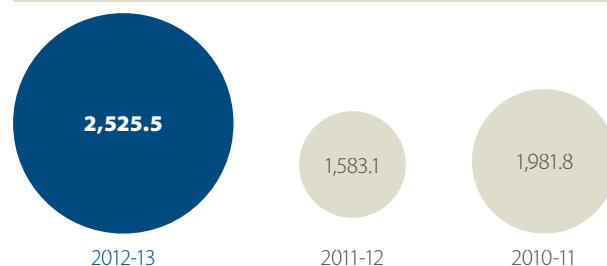
PAT (₹ Crores)

0.7%
Over FY 11-12



Employee Wages and Benefits (₹ Crores)

59.5%
Over FY 11-12

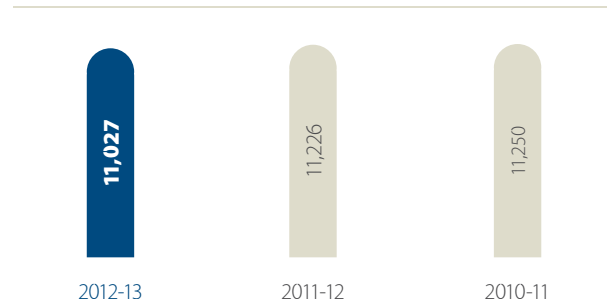


In line with the gross sales, the Company's operating costs increased in current year. Another reason for this trend was the rising cost of input material and higher labour costs. Company incurred higher outgo towards employee wages and benefits to retain the talent pool and on account of implementation of the long term settlement signed with the union.

Crude Throughput (%)



Number of Employees (Numbers)



Financial Assistance from Government of India

HPCL has not received any financial assistance from the Government of India during the reporting period.

HPCL's shareholders' profile as on March 31, 2013

CATEGORY	No. of Shares	% of total issued shares
The President of India	173,076,750	51.11
Financial institutions	41,227,783	12.17
FIs / OCBs	33,007,049	9.75
Banks	1,054,667	0.31
Mutual funds	39,194,301	11.57
NRIs	1,126,106	0.34
Employees – physical	267,195	0.08
Public	49,673,399	14.67
Total	338,627,250	100.00

HPCL's list of major shareholders as on March 31, 2013

CATEGORY	No. of Shares	% of total issued shares
The President of India	173,076,750	51.11
Life insurance Corp. of India + IIC category	33,332,314	9.84
HDFC Standard Life Insurance Company Ltd.	7,347,312	2.17
HDFC Trustee Company Limited - HDFC top	4,591,031	1.36
ICICI Prudential Life Insurance Company	3,938,049	1.16
HDFC Trustee Company Ltd. - HDFC Equity	3,779,411	1.12
Government Pension Fund Global	3,685,058	1.09
Reliance Capital Trustee Company Limited	3,600,000	1.06
Birla Sun Life Insurance Company Ltd.	3,481,620	1.03

LOCAL SUPPLIERS

Being a Public Sector Undertaking having operations across the country, the Organization procures materials, and supplies to the various locations wherever required as well as from the Open Market under the policy of "Open Competition" from technically accepted bidders on a competitive basis. HPCL does not have any preference for any locally based suppliers and follows the basic principle of technically acceptable goods & services while adhering to principles of quality and cost efficiency.

14.6%
increase in
Gross Sales

59.5%
increase in
Employee Wages
and Benefits

Environment **Performance**

The world is consuming more energy than ever before and we need to secure enough supplies to fuel the growth of the nation. The issues of energy access and efficiency need to be addressed. Also harnessing energy supplies and enabling energy security remains a key concern.

At HPCL, we see environmental sustainability with two key aspects: first is managing our resources to optimize overall consumption and improve our operational efficiencies to reduce emissions, and second is optimizing our water consumption, reducing waste and minimizing impacts on bio-diversity.

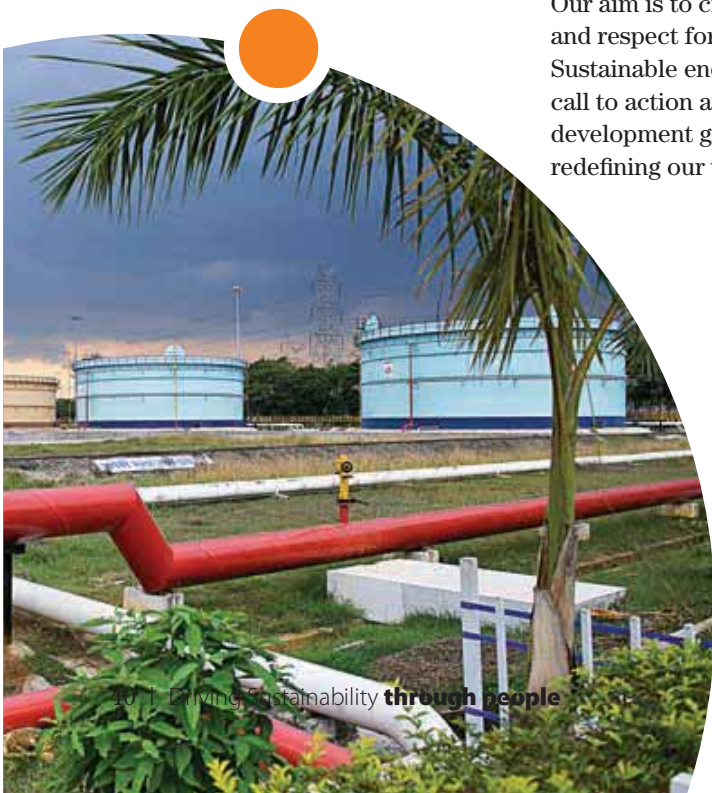
We are doing our bit to create a safe, secure, sustainable and equitable future. We are working towards securing the nation's fuel supplies and improving our operational efficiency. We have aligned our business approach with a strong focus on preserving the environment and are constantly engendering ways to align our energy and sustainability goals. Our aim is to create awareness and respect for the environment. Sustainable energy for all is our call to action and to make the development goals possible, we are redefining our vision, objectives

and business processes to move towards energy security.

The Corporation is committed to conduct its operations in a manner compatible with the environment and with economic development of the community. HPCL is working towards managing the environmental impacts of our operations and projects where we are involved. HPCL has also implemented rainwater harvesting to conserve water and enhance ground water levels at more than 30 POL locations in FY 2012-13. Marketing locations have Effluent Treatment Plants (ETPs). The Company has used treated water output from reuse/recycle operations at its Mumbai Refinery and has reverse osmosis plant working at Visakh refinery for sea water treatment. The Company has also undergone electrical energy audits and has completed carbon footprint assessment for more than 50 POL locations upto March 31, 2013.

50+

POL locations where
Carbon Footprint
Assessment completed





Solar Energy at Management Development Institute - Nigdi

THE ENVIRONMENT MANAGEMENT SYSTEM OF BOTH THE REFINERIES, HAVE BEEN RE-CERTIFIED UNDER ISO 14001 REVISED STANDARDS.

We have also invested in renewable energy and solar systems for lighting and water heating which will be provided at all the Sectionalizing Valve stations of the Rewari-Kanpur (RKPL) Pipeline project. Solar lights are also in use at our various Aviation Service Facilities (ASFs). We have also invested in Renewable Energy generation through Wind Power Plants (Phase I & II at Rajasthan). The total amount of investments made on the renewable energy projects during FY 2012-13 are ₹ 469 Lakhs.

HPCL's Environmental Policy	
The Corporation is committed to conduct its operations in a manner compatible with the environment and economic development of the community. Its aim is to create awareness and respect for the environment. It stresses on each employee's involvement in environmental improvement by ensuring healthy operating practices, philosophies and training.	
Objectives of the Environmental Policy are:	
<ul style="list-style-type: none"> Adopt environmentally-sound operating systems, practices and procedures Strive to progressively bring about an improvement in the environmental performance of our facilities by adopting eco-friendly techniques/processes for optimal use of energy and to reduce hazardous emissions and wastes Establish procedures and devise suitable methods for disposal of toxic, other hazardous waste and scrap Create environmental awareness amongst employees and develop programs for environmental protection Comply with relevant statutory rules and regulations and devise appropriate standards on other cases, wherever required Maintain highest standards of vigilance and preparedness to respond to emergencies supplemented with mutual aid of neighbouring facilities and Government agencies Endeavour to associate with and support R&D on the environment by Government agencies and reputed institutes Program reviews and evaluation to measure progress of compliance with the Policy 	

Snapshot of our **Performance**

HPCL strives to inculcate the responsibility of environmental preservation and management in not only our employees but among other stakeholder groups such as contractors, suppliers, and customers. We have a framework for addressing environmental issues across our operations with clear goals and targets. We ensure adherence to our standards on environment through regular audits and training to achieve environmental excellence.

Targets (For FY 2012-13)

	Performance over the Targets
Safety trainings for contractor agencies	More than 700 sessions conducted
Board sub-committee formation on SD and release of SD policy	SD committee was formed during the reporting period and the SD policy was released
SD expenditure as per PAT	Budget approved is exceeding DPE norms
Treated water output from reuse /recycle at Mumbai refinery	6,10,501 m ³ of water recycled as of March 31, 2013.
Rainwater harvesting – Admin building at Visakh Refinery	Project completed
Renewable Energy Generation through Wind Power Plants	774 Lakhs KWH
Rainwater harvesting – 22 POL locations	Target achieved (22 locations completed)
Energy Audit – 10 POL Locations	Target achieved (10 locations completed)
Carbon Footprint Assesment – 25 POL Locations	Target achieved (25 locations completed)
SD training	465 Stakeholders trained through capacity building workshops/stakeholder engagement meetings.
Projects evaluated	All the projects i.e. Visakh refinery, rainwater harvesting, electrical audit, carbon footprint assessment and wind power generation have been externally evaluated except Mumbai refinery project which has been evaluated internally

Sustainability Targets for FY 2013-14

- To enhance involvement of the employees and the top management in internalizing the CSR and Sustainability agenda within the organization.
- To conduct carbon Footprinting assessment exercise for 2 of the marketing locations.
- By adoption of good corporate communication strategy, we intend to further improve the engagement with our key stakeholders.
- To continue monitoring our performance on the triple bottom line and prepare Sustainability Report for FY 2012-13.
- Girl child project in notified backward district and reach out to 1,100 beneficiaries.
- Solar power installation at Mumbai refinery.
- To increase treated water output from reuse/recycle operations at refineries.



TT Gantry

- Engineering study for Trail Gas Treating Technology (TGT) in Sulphur Recovery Unit (SRU) at Visakh refinery.
- Renewable energy generation through wind power plants (phase 1 and 2 at Rajasthan).
- To conduct Energy audit for 10 POL locations.

REFINERIES' PERFORMANCE

HPCL refineries have processed a combined crude throughput of 15.78 MMT achieving a capacity utilization of 107 per cent. Refineries have achieved best ever production in LPG, MS and Bitumen, which has crossed 1 million mark (1,042 TMT).

HPCL Refineries thrive to utilize the scheduled turnaround activity of processing units into effective measures for augmentation/yield improvement. Accordingly, Visakh has tapped the opportunity during Crude Distillation Unit (CDU)-III turnaround and carried out augmentation jobs resulting in throughput enhancement. The refinery has also undertaken modification jobs in Gas Concentration Unit (GCU) of Fluid Catalytic Cracking Unit (FCC) and Vis-breaker Blowing Unit (VBU)

In order to reduce SPM and Sulphur emissions, refineries have taken initiatives to install FGD (Flue Gas Desulphurization) facility. Accordingly, FGD facility at Mumbai has been commissioned and FGD facilities at Visakh Refinery are near completion and will be commissioned during the 2nd quarter of FY 2013-14. This will also enable the refineries to have flexibility in processing HS crude.

To meet Euro-IV specifications for diesel, HPCL is setting up Diesel Hydrotreater Units (DHT) with associated facilities at both refineries. HPCL has accomplished mechanical completion of DHT units at both refineries. Commissioning and stabilization of the units are scheduled progressively from 2nd quarter of FY 2013-14. The total cost of these projects is ₹ 4904 Crores.

soaker drum which resulted in yield improvement.

Mumbai refinery

Mumbai achieved crude throughput of 7.75 MMT as against installed capacity of 6.50 MMT with capacity utilization of 119 per cent. It also attained Specific Energy Consumption (MBTU/BBL/ NRGF) of 82.6.

Visakh Refinery

Visakh achieved crude throughput of 8.03 MMT as against installed capacity of 8.30. The Refinery recorded best ever production Viz. LPG, Bitumen during FY 2012-13.

The refinery has taken a proactive role in the area of energy conservation and has achieved best ever Specific Energy Consumption (MBTU/BBL/ NRGF) of 84.0.

Energy Conservation

India had a peak power shortage of 12,295 MW in the country during December 2012 as per report by the Central Electricity Authority (CEA). Also, in the nine-month period (April-December 2012), the peak power deficit in the country stood at 9 per

cent or 12,159 MW, the data stated. In view of the above statements, energy conservation has assumed prime importance. We, at HPCL, endeavour to optimize the use of energy and prevent its misuse. Our efforts to minimize the use of resources have started reaping benefits. Some of the initiatives taken by us include:

- Replacement of magnetic ballast with electric ballast.
- Replacement of inefficient three phase package unit with single phase package unit.
- Replacement of old corrugated and toxic asbestos sheet with high heat resistant sheets.
- Installation of 5 star Energy Equipment.
- Installation of intelligent waterless urinal.
- Capacity improvement for battery banks.
- Energy saving treatment for ACs.
- Installation of CFLs and Solar lights.
- Replacement of Mercury vapour lamp with induction lamp.
- Leak survey, detection and repair as per Pollution Control Board standards.

Energy Conservation in Refineries

HPCL refineries are committed towards conservation of energy and minimization of fuel loss. In order to address energy utilization gaps, short term measures were implemented which yielded in better energy efficiencies. Implementation of some of these measures has made it possible to restrict fuel loss for Mumbai and Visakh refineries to 7.5 per cent and 7.6 per cent respectively in FY 2012-13.

Lubes: Enhancing vehicle performance



The energy conservation measures undertaken by refineries during FY 2012-13 have resulted in savings of 42,157 SRFT/year (standard refinery fuel tonnage per year). This translates to savings of ₹ 169 Crores/year approximately.

The major energy conservation measures undertaken during FY 2012-13 are as follows:

Mumbai

1. Commissioned Propane gas recovery system to recover hydrocarbon losses
2. Installation of Condensate Preheater (CPH) coils has resulted in fuel savings.
3. Improved the furnace efficiencies.
4. Periodic safety valves surveys resulted in potential hydrocarbon loss reduction.

Visakh

1. CDU-III Vacuum Furnace efficiency improvement.
2. Optimization of Gas Turbine Generators (GTGs) and shutting down of Frame-III GTGs resulted in reduced specific fuel consumption.
3. Replaced Di Ethyl Amine (DEA) solvent with Methyl Di Ethyl Amine (MDEA) solvent; thereby reducing steam consumption.
4. Antifoulant injection at Sulphur Recovery (SR) side of crude/SR preheat exchangers.
5. Online chemical cleaning of CDUs & DHDS furnaces.

COMMISSIONING, UP-GRADATION & OTHER INITIATIVES

Mumbai

1. Installation of a State of the art technology Catalyst Cooler facility in New Fluid Catalytic Cracking Unit (NFCCU), has resulted in ability to process heavier feed thereby upgrading bottoms.
2. Optimization activities viz. Heat recovery in Continuous Cracking Regeneration (CCR) feed section, Hydrogen generation unit throughput and steam consumption in various operating units resulting in reduction of the fuel cost.
3. Implementation of scheme to route Hydrogen rich purge gases (94%) from LOUP to NMP III Hydro finer resulted in reduced operating costs.

Visakh

1. CDU-3 capacity augmentation feed rate increased by 50-60 m³/hr post revamp and vacuum furnace efficiency improvement by 1 per cent.
2. Revamping of Fluid Catalytic Cracking Unit (FCCU) I Gas Conversion Unit (GCU) resulting in yield improvement.
3. Commissioning of automatic air to fuel ratio control scheme in CDU-III atmos furnace, resulting in significant fuel consumption savings.
4. Integrated Refinery Business Improvement Programme (IRBIP) has resulted in an improved product yield and reduced operating expenditures.

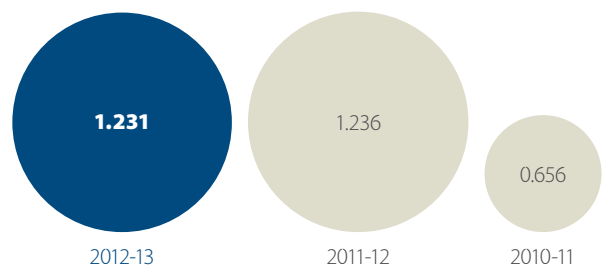
Trail Gas treating technology (TGT) at Visakh Refinery

TGT technology reduces the Sulphur emissions significantly. It is proposed to implement TGT in Sulphur Recovery Unit (SRU) trains. This will increase the sulphur recovery efficiency from present 99.3-99.4% to 99.9% and hence Sulphur emissions from the trains will be reduced by 1.5-2.0 Tonnes Per Day (TPD) to 0.2-0.3 TPD.

Energy Consumption: Refineries

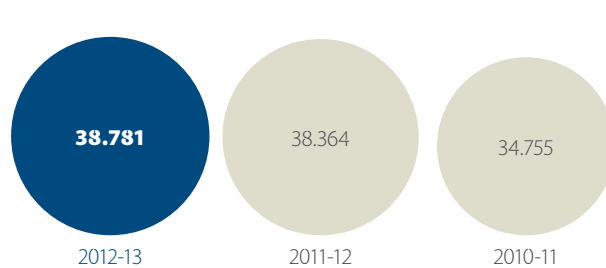
Purchased (Indirect) Energy
Consumption (Million GJ)

0.40%
Over FY 11-12



Direct Energy Consumption
(Million GJ)

1.08%
Over FY 11-12



The energy consumption level at refineries remained almost the same as of previous year in spite of increase in complexity factor. This was achieved with energy conservation/efficiency measures undertaken during the year.

Energy Conservation at Marketing Locations

SBU	Unit	2012-13	2011-12	2010-11
Aviation	GJ	34.5	27.94	15.16
LPG	GJ	4,235.13	2,899.64	1,924.03
Pipelines	GJ	17,071.02	6,449.84	14,808.8
Direct Sales	GJ	-	-	-
O&D	GJ	15,718.07	18,261.27	2,360.45
Retail*	GJ	304.35		
Total		37,363.07	27,638.69	19,108.44

* Included in report boundary this year only.

Marketing Locations
saved 6,522.36 tCO_{2e}
emissions

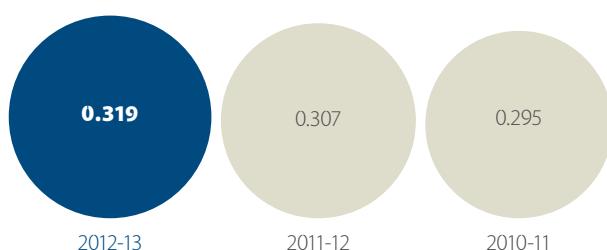
Energy Conservation at Refineries

Refinery	Unit	2012-13
Mumbai	GJ	1,171,693
Visakh	GJ	616,884.4
Total		1,788,577.4

Energy Consumption: Marketing

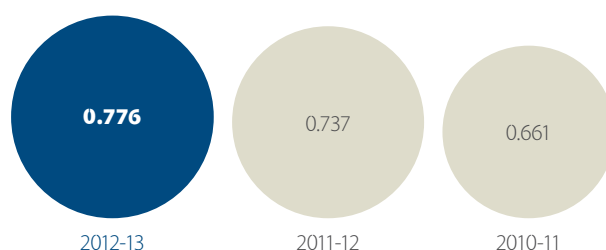
Direct Energy
(Million GJ)

3.9%
Over FY 11-12



Indirect Energy
(Million GJ)

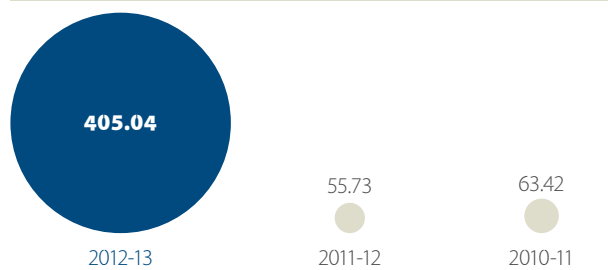
5.29%
Over FY 11-12



Energy Consumption: Marketing (Contd.)

Solar Energy Generated
(GJ)

626.7%
Over FY 11-12



Air Emissions

Gas	SO _x (MT)			NO _x (MT)		
	2012-13	2011-12	2010-11	2012-13	2011-12	2010-11
Mumbai Refinery	3,459.72	3,132	3,406	1,797.48	1,454.75	1,072.5
Visakh Refinery	2,101	3,687	2,861	1,145	1,609	1,281
Total (Refineries)	5,560.72	6,919	6,267	2,942.48	3,063.75	2,353.5
Total (Marketing)	4.53	4.31	4.16			

Performance Indicators

	2012-13	2011-12	2010-11
Crude Oil Processed ('000 Tonnes)			
Mumbai Refinery	7,752	7,506	6,550
Visakh Refinery	8,028	8,682	8,199
Associated Material Consumption for Refineries			
Chemicals, Catalysts, Additives (Tonnes)	11,602	17,091	11,748
Re-gasified Liquefied Natural Gas (RLNG) used in reformer (Tonnes)	6,493.69	13,796	3,900
R-22 (Kg)	7,808	5,917	5,856
Material recycled			
Slop (Tonnes)	115,380.87	119,632.54	143,135.50
Recycled Equilibrium Catalyst (Tonnes)	326.50	501.6	309
Energy Consumption			
Direct energy consumption - Marketing (Million GJ)	0.319	0.307	0.295
Direct energy consumption - Refineries (Million GJ)	38.781	38.364	34.755
Indirect energy consumption - Marketing (Million GJ)	0.776	0.737	0.661
Indirect energy consumption - Refineries (Million GJ)	1.231	1.236	0.656
Renewable Energy (GJ): Solar	405.043	55.738	63.421
Refineries Scope - 1 Emissions (tCO₂e)			
Mumbai	1,642,136	1,582,060	1,336,449
Visakh	1,578,891	1,634,885	1,536,630

	2012-13	2011-12	2010-11
Refineries Scope - 2 Emissions (tCO₂e)			
Mumbai	943,431.84	940,371.12	477,309.45
Visakh	17,269.20	24,671.08	34,594.56
	960,701.04	965,042.20	511,904.01
Marketing Locations Scope - 1 Emissions (tCO₂e)			
LPG	11,432.34	10,726.74	10,054.58
Retail	672.34	-	-
Aviation	3,151.33	3,482.60	3,883.98
Pipelines	478.40	377.12	387.63
O&D	5,633.69	7,691.12	7,239.11
Direct Sales	2,418.02	2,406.25	2,151.97
Marketing Locations Scope - 2 Emissions (tCO₂e)			
LPG	40,668.24	26,678.62	24,599.89
Retail	4,055.31	-	-
Aviation	838.52	799.89	820.26
Pipelines	90,435.13	101,614.311	93,841.58
O&D	29,825.45	28,247.53	22,380.26
Direct Sales	2,311.74	2,499.28	2,233.32
Water Withdrawal			
Water Withdrawal – Refineries			
Total water withdrawal (Million KL)	79.28	76.92	79.47
Wastewater generated (Million KL)	2.59	1.91	2.59
Sea cooling water discharged (Million KL)	92.2	89.11	87.59
Water recycled / reused (Million KL)	19.01	17.70	16.64
Water Consumption – Marketing			
Groundwater (KL)	799,434.51	591,722.7	549,535.7
Reservoir / Lake (KL)	3,926.14	54,613.76	53,176
Municipal (KL)	27,0772.7	272,706.3	223,035.2
River / Sea / Canal (KL)	90,006	197,109	182,550
Tanker (KL)	143,303.3	151,676.1	111,654.5
Others (KL)	66,533.77	40,072.8	50,542.42





VVSPL Pipeline

Refineries	Method of disposal	2012-13
Hazardous waste		
Spent Alumina balls (MT)	Common Hazardous Wastes Treatment Storage & Disposal Facility	24.02
Oily Sludge (MT)	Treated within the premises or disposed off to authorized agencies	126
Non-oily insulation (MT)	Common Hazardous Wastes Treatment Storage & Disposal Facility	198.09
Spent Charcoal (MT)	Common Hazardous Wastes Treatment Storage & Disposal Facility	43.37
Spent Clay (MT)	Common Hazardous Wastes Treatment Storage & Disposal Facility	20
Spent Catalyst (MT)	Common Hazardous Wastes Treatment Storage & Disposal Facility	391.58
Chemical Containers (Numbers)	E-Auctions	5759
E waste	Manufacturer Buy-Back	46 PC, 10 printers
Non-Hazardous waste		
Scrap metal (MT)	Sale to scrap dealers	3,593.63
Non-ferrous Scrap (MT)	Sale to scrap dealers	25.11

Marketing

2012-13		
Non- Hazardous waste		
Metal Scarp (MT)	2,529	Waste disposal at marketing locations; We have a policy for E-waste where e-waste generated is bought back by the manufacturer. Scrap metal, the primary waste generated at our marketing locations, is disposed of by selling it to the authorized scrap dealers and to certified waste disposal companies to ensure proper handling. Disposal of wastes is carried out as per PCB guidelines. Oily wastes are bio-remediated or sold for reprocessing to agencies approved by the State Pollution Control Boards. Spent catalysts are responsibly disposed to authorized agencies.
Non-Metal Scrap (MT)	23	
Miscellaneous scrap (MT)	2,256	
Filter Element (Nos.)	712	
Plastic Scrap (MT)	33	
Rubber Hoses (MT)	28	
Tires (MT)	21	
Scrap metal containers (Nos.)	18,625	
Scrap Plastic containers (Nos.)	41,320	
Labels (MT)	0.58	
Hazardous Waste		
Sludge (KL)	235	
Batteries (Nos.)	448	
Spent Oil (KL)	3	
Oil Soaked Cotton (Kg)	368	
	2012 - 13	
OG6 (Volume of Flared Hydrocarbons)	29,607	
OG14** (Ethanol)	51,563	

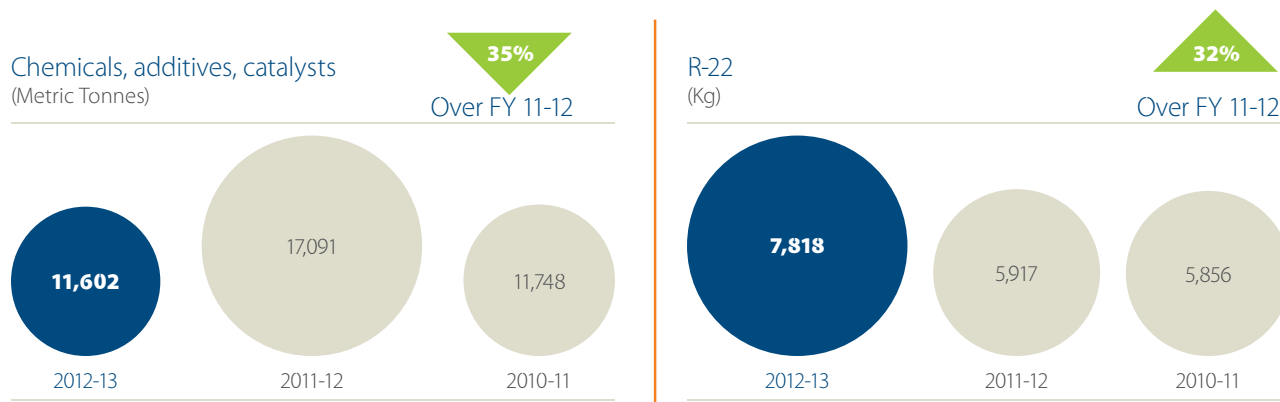
*The figures for waste disposed and Water extracted from Lakes, Rivers and ground water are based on estimations.

** Ethanol blending in Motor Spirit (MS) has been mandated by Government of India policy. Accordingly, HPCL has facilities for blending at select location. Ethanol being a bio-fuel, improves the energy security by reducing dependency on crude imports and helps the farmer community.

HPCL has already formed a JV company for developing bio-diesel through Jatropha cultivation at Raipur and a 100% subsidiary company – HP Bio-fuels Limited for manufacturing ethanol in Bihar.

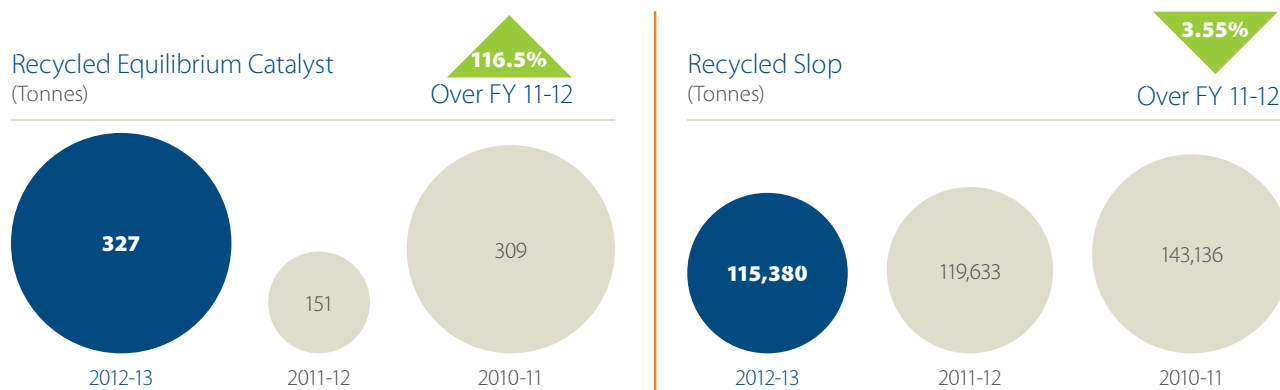
Material used: Refineries

Overall consumption of chemicals, additives, catalysts saw a decrease of about 35 per cent.



Recycled Material - Refineries

Quantity of slop recycled decreased by 3.5% while equilibrium catalyst more than doubled vis-a-vis 2011-12.



Material Consumption by marketing locations

	Total	Type of Material
	2012-13	
Base Oils (KL)	210,229	Raw Material
Additives (MT)	14,901	Associated
Metal containers (Nos.)	318,715	Associated
Plastic containers (Nos.)	9,837,796	Associated
HF-HSD (MT)	2,253	Associated
MTO (MT)	368	Associated
Lube Oil (KL)	4,176.18	Associated
Grease (MT)	57.41	Associated
Bottling Cylinders (MT)	3,679,916	Raw Material
Rubber Hoses (MT)	0.2	Associated
Plastic Seals (Nos.)	50,863,308	Associated
Sealing Wire (MT)	0.022	Associated
Cotton Waste (MT)	0.27	Associated
Corrosion Inhibitor (MT)	751	Associated
Ethanol (KL)	48,561.44	Associated
Blue Dye (KL)	365	Associated
Dry Chemical Powder (Kg)	44,982	Associated
Foam (Kg)	99,265	Associated

GHG Emissions: Refineries

Scope 1 Emissions (Tonnes)



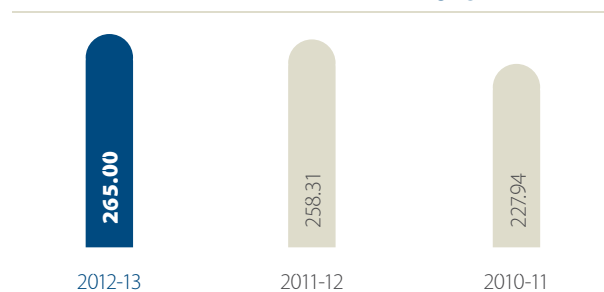
Scope 2 Emissions (Tonnes)



GHG Emissions (Tonnes)



Carbon Intensity ('000 MT)



GHG Emissions: Marketing

GHG Emissions
(Tonnes)



There has been a 6 per cent increase in total GHG emissions for marketing locations.

Our refineries cumulatively recycled about 1/4th of their total water consumption.

Actions taken to reduce the levels of Sulphur and Benzene in fuels

1. LPG is treated in amine treating unit for removal of H₂S, followed by merox / Chloro-Fluoro Carbons (CFC) for Mercaptan removal.
2. Straight run Naphtha is treated in Naphtha Hydro Treater (NHT) for Sulphur removal, followed by CCR for Research Octane Number (RON) improvement / Isomerization (ISOM) for Benzene saturation & RON improvement.

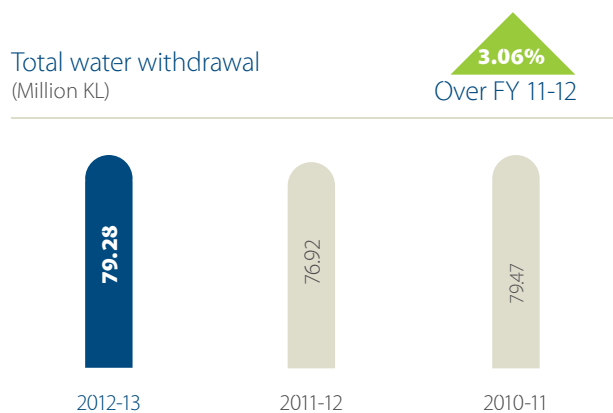
3. FCC Naphtha is treated in HDS for Sulphur removal.
4. ATF is treated in ATF Merox for Mercaptan removal.
5. Diesel is treated in DHDS unit for Sulphur removal.

Benzene is present only in light distillates which are much below the level as specified by BIS standards. Our fuels do not contain lead.

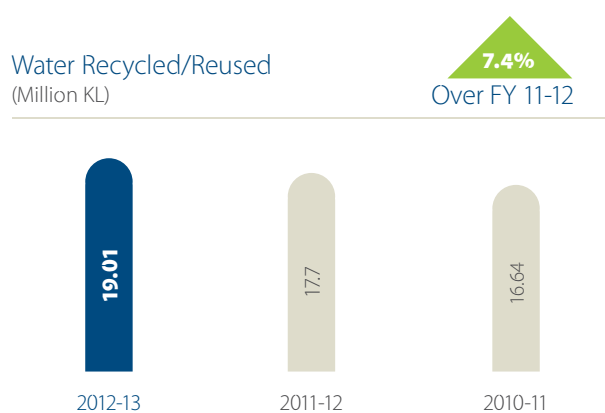
Water Management at Refineries

Mumbai has harvested about 74,000 KL of rainwater in FY 2012-13. Further augmentation of rainwater management facility is in progress as a part of the natural water resource conservation and sustainable development project including reduction in refinery's carbon foot print. We are also going for quantification of our rainwater harvesting set up across all locations. Ground water aquifers are monitored for quality (IS 10500: 1991) regularly.

Total water withdrawal
(Million KL)



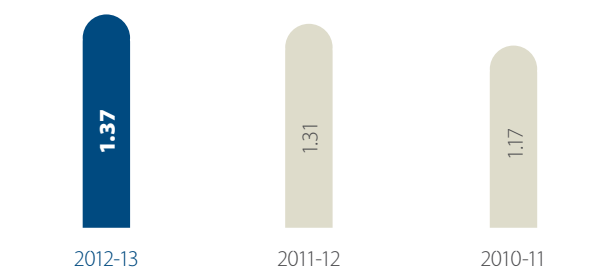
Water Recycled/Reused
(Million KL)



Marketing

Total Water Withdrawal
(Million KL)

4.5%
Over FY 11-12



WASTE & EFFLUENT DISPOSAL

Effluent treatment plant:

We have Effluent treatment plants to treat the oily water in line with the guidelines of environmental protection rules. ETPs are used to treat the oily water and the treated water is used for horticulture.

SOLID WASTE MANAGEMENT AT REFINERIES

The waste generated is either treated within the premise or handed over to nearby TSDF- Treatment, Storage, Disposal facility certified by Pollution Control Board. We are taking efforts to undertake several initiatives to ensure that the hazardous waste is treated properly. Some of these steps are:

- In-situ methods for treating crude tank bottom sludge for extracting crude oil.

- Accumulating oily sludge in pits for recovery of crude oil.
- Bio-remediation of oily sludge.

HAZARDOUS WASTE MANAGEMENT AT REFINERIES

The indigenously developed 'Oil-zapper' technology of The Energy and Resources Institute (TERI) has been deployed to treat oil sludge generated in the refinery. Oil zapper is essentially a cocktail of five different bacterial strains that feed on hydrocarbon compounds and convert them into harmless CO₂ and water. This is an ongoing process at the Mumbai refinery for low oily silt/oily sediments after mechanical recovery of oil.

Refineries have disposed 391.58 MT of spent catalysts and discarded chemicals to the registered "Common hazardous Wastes Treatment Storage Disposal Facility" (CHWTSDF) operated by Vendors certified by CPCB.

All other non-hazardous solid waste is disposed off as per pollution board guidelines on waste disposal.

Integrated Effluent Treatment plant at Mumbai refinery

State of the Art New Integrated Effluent Treatment plant consisting of primary, secondary and tertiary treatment sections has been in operation consistently since 2010, with a design capacity of 300 m³/hr. The technology conforms to existing MINAS (Environment Standards) and can also cater to further stringent standards in the future. The purified treated water is being recycled for refinery consumption and has reduced intake of fresh water from the municipal corporation.

Additionally the refinery has contributed significantly to Natural Resource conservation by recycling of effluent water. Water conserved during FY 2012-13 was 610,501 KL which amounts for 1/5th of total water consumption. Communicative water recycled since the inception of the effluent Treatment plant is 1,202,838 KL, thereby saving equivalent amount of Natural Water resource for the community.




BIODIVERSITY

The Organization does not own, lease, manage or have operations adjacent to any protected area of high Biodiversity value. The Organization does not have any significant activities, products and services that may have an impact on Bio-diversity.

However given the large number of operations, there could be some sites which are near biodiversity hot spots; we are in process of identifying such sites.

Moreover HPCL conducts Environment impact Assessments for all its projects to identify the impacts of its operations on local community and environment. No significant effect has been reported by discharge of water from our operations in any of the water bodies.

GREEN BELT

HPCL is meeting all the statutory requirements for tree cover in its operating locations, at the same time HPCL has planned a strategy to increase its green belt area over the years. By this, we aim to contribute to biodiversity while preparing ourselves better for future carbon regulations.

WORLD ENVIRONMENT DAY CELEBRATIONS

HPCL has always been at the forefront of promoting environmental awareness and hence on June 5th, World Environment day was celebrated. There were saplings distribution and other activities creating awareness among employees of HPCL.

Our belief in sustainability is visible in changes in the way we conduct our daily operations. Most of our internal processes are being made available in electronic form, hence reducing paper consumption significantly. HPCL has also initiated e-tendering and purchasing which not only reduce paper consumption but also reduces travel by vendors and suppliers to our office. Moreover, video conferencing is the preferred mode of communication among officers in different locations which has brought down employee travel significantly. Communications from top management are broad-casted through video-conferencing to all the offices.

Green Visakha Program:

As a part of our sustainability initiative, 84965 samplings were planted in the designated location of Visakhapatnam.

Product Responsibility

HPCL defines product responsibility as the combination of the greatest possible customer benefit with the highest safety standards while setting new standards for environmental and climate compatibility.

R&D is the key to unlock future challenges

Today petroleum companies are facing major challenges such as spiraling crude oil prices, increasing complexity in refinery configurations, meeting stringent fuel norms and increasing environmental regulatory compliance costs which have direct influence on the refining margins.

As part of the long term strategy to meet these challenges, we at HPCL have decided to set up a World Class R&D Centre at Bengaluru. The main ambition

of our R&D Centre is to provide support to the Refineries and Marketing divisions for operational improvement, absorb new technologies, develop innovative and path-breaking technologies and on the long run, license technologies and become a knowledge hub.

In-house research projects related to process & technology development have been taken up by our Research & Development (R&D) department. Major ones are:

- Advanced technical services to refineries in conversion processes for improving the performance.
- Novel catalyst development for DHDS with improved activity.
- Novel additive for FCC catalyst for maximizing propylene yield.
- Setting up of adsorption demonstration units for purification & separation.
- Refinery raffinate yield improvement through co-solvent approach.
- Development of bioprocesses for bio-fuels production.

In addition to the in-house research, we have taken up various collaborative projects with selected academic universities / institutions such as IITs, IISc and other national accredited universities. The current areas of collaborations are nano-lubricants, bio-fuels, efficient catalysts for H₂, novel H₂ storage materials, catalyst systems for CO₂ conversion and refinery process modeling.

Our R&D has also entered into international collaborations for research work in Alternate energies. In this direction, HPCL feels proud to be selected as the only oil Industry Partner amongst oil PSUs in the Indo-US Joint Clean Energy Research & Development Center (JCERDC) Program in Solar Energy and Bio-fuels.

HPCL has recently filed six national and international patents in the areas of green process for hydrogen production, CO₂ conversion to fuels, improved conversions from vis-breaking process and novel materials for H₂ storage.

Health and safety impact of our products/services

The products manufactured by HPCL go through several stages of testing before they are released into the market and we ensure that all our products/services meet BIS (Bureau of Indian Standards) specifications. The consumers at our retail outlets are offered to check the quality & quantity of the product dispensed at anytime. As a standard operating procedure the first customer who visits our outlet at the start of our operations is requested to validate the product quality. LPG cylinders, Retail outlet delivery systems and Fuel/Lube specifications, all undergo testing to make sure they don't have any negative impacts on the health and safety of consumers. For our LPG cylinders, we conduct a pre-delivery check (PDC) on quality, quantity and safety parameters. For all other bulk products the customers receive a test report which ensures that the products meet the required specifications and standards.



R&D: Unlocking future challenges

We have conducted 6,563 safety clinics to enhance the safety awareness of our LPG customers.

For our packaged products and LPG cylinders, customers are provided with all the relevant information so as to ensure that they are aware of how to handle our products safely. The brochure made available to customer also educates them about efficient usage of LPG cylinders; our value added services and products at our retail outlets helps in increasing the mileage of vehicles. Our ever improving lube engine oils act as catalysts which improve the performance of vehicle's engine. All the information is provided on specification sheets, service labels, and customer education brochures. Marketing communications are made in accordance with the laws, standards and codes and there have been no violations of these standards or codes in the past. The corporation does not sell any banned products in any of its markets. There is no fine imposed for non-compliance with laws and regulations in the current reporting period.

- Various innovations & initiatives to improve productivity & enhance safety:
 - High speed downstream facility for cylinder filling, increased capacity utilization of existing facilities by 20 per cent.
 - Auto correction of weight in Carousal filling scale - increasing accuracy in net weight of cylinders filled resulted in delivering correct quantity & right quality cylinders.
- For educating customers on product safety, a total of 6,563 safety clinics conducted covering 3.07 Lakhs customers.

The program essentially focuses on safety at customer premises and conservation techniques.

- Suraksha Sanchetana Abhiyan (SSA) was conducted across the country covering 400 towns across 14 states with a total footfall of nearly 3 Lakhs.
- To increase the awareness among kids and ultimately reach out to LPG customers, the program "Art of Awareness" was conducted in 176 schools spanning 9 cities and 1.0 Lakh participants.
- Launched commercials in single screen movie theaters in towns across the country on Safety and safe usage of LPG. Covered 580 towns with a viewership of 1.06 Crores.
- HP ANY TIME introduced in additional 11 cities covering 22 states & Union Territory (UT). A total of ₹ 2.84 Crores customers are covered constituting 76 per cent of total customer holding. 80 per cent refill bookings are made through IVRS in covered cities.
- In line with Purchase Policy, Industries registered with NSIC are exempted from submission of EMD/ Security Deposit, thereby encouraging Small & Medium Scale Industries.

Customer Satisfaction

For the purpose of customer satisfaction/feedback mechanisms; web, email, contact numbers of sales officers are displayed; complaint and suggestion boxes are provided. Customers have multiple options at the dealership or regional offices, the corporate portal etc. to put forth complaints, suggestions, service feedback etc. Customers are also arbitrarily invited to witness the quality and quantity checks at the retail outlets.

Consumers are now being facilitated with rating his distributor on a five point scale by providing a link on the HP GAS Consumer World web portal. Consumers are now allowed to rate their distributors on the following parameters at any point of time:

- Timely Delivery
- Correct Price
- Correct Weight
- Courteous Behaviour
- Overall HP GAS Experience

The External customer satisfaction survey was conducted in the last financial year and the next survey is due in FY 2013-14.

Grievance mechanism for transporters

Grievance Redressal Mechanism is available on the Corporation's website <http://www.hindustanpetroleum.com> which can be utilized by any aggrieved Parties, including Transporters.

Product Stewardship

HPCL's products are produced following BIS specifications and are marketed only after strict quality controls and hence no adverse impact is expected by the use of these products. All activities of the Organization with respect to manufacturing, storage and marketing are assessed for environment related risks by qualified auditors periodically and suitable remedial steps, as recommended are implemented.

Few locations that are using products such as Ozone depleting agents, viz. R22 refrigerants, have already initiated steps to phase them out within a few years. Also the Metal Containers for LPG that is being marketed is reused / re-cycled 100%.

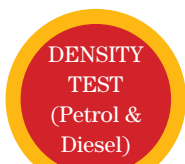


CHECK & FILL

WE INVITE OUR CUSTOMERS TO CHECK OUR FUEL THROUGH THE FOLLOWING TESTS



Put two drops of petrol from dispense pump on filter paper(which is available with the dealer). If petrol is adulterated, it will leave a stain on the filter paper in five minutes, because petrol evaporate faster.



Check the density and match it with reference density available in the records maintained by the dealer- Permissible variation from reference density: $\pm 1.3.0 \text{ Kg/m}^3$ at 15°C . Apparatus are available with the dealer.



You may verify the accuracy of dispensing pump with 5 Litres calibrated measure available with the dealer.

If you are not satisfied with the test results calls us at our Toll Free Number 1800-2333-555/155233 or write to us through our company website www.hindustanpetroleum.com

ISO 50001:2011 Certification for our Pipeline Network

Mundra Delhi Pipeline (MDPL) and Ramanmandi Bahadurgarh Pipeline (RBPL) and Ramanmandi Bhatinda Pipeline (RBhPL) have obtained ISO 50001:2011 Certification for Energy Management System (EnMS). It's a matter of great pride that MDPL-RBPL-RBhPL is the first pipeline network in the entire industry to be accredited by a third party with ISO 50001:2011.

Our customer Focus

QUICK LINKS



Transparency Portal



Surrender Your Connection



Rate Your Distributor



Lodge a Complaint

TRANSPARENCY PORTAL:

"HP GAS Transparency Portal" provides information on the number of HP Gas consumers with each Distributor, the number of Domestic LPG cylinders availed by each HP Gas consumer and the amount of Subsidy borne towards his/her consumption of LPG.



Direct transfer of LPG Subsidy to Bank Accounts

Government of India intends to launch Direct Subsidy Transfer of Cash to the Bank Account Number of LPG consumers in 51 districts from 15 February 2013. The Consumers who get supply from distributors situated in these districts also will be covered in the scheme.

[Download Sheet for Submission to Distributor \(English\)](#)

[Download Sheet for Submission to Aadhaar to Bank \(English\)](#)

[Aadhaar seeding channel](#)

From this set date, LPG cylinders to Domestic Consumers will be supplied at Non subsidized price and the subsidy amount will be deposited to the Aadhaar linked bank account of the consumer. In case you do not have Aadhaar Number please enroll to get Aadhaar immediately. Also, please visit your bank with Aadhar letter and get your bank account linked to Aadhaar. If you do not have a bank account, open an account linked to Aadhaar without any delay.

In order to avoid last minute rush on announcement of the scheme, Consumers with Aadhaar Numbers are requested to provide the Legible Photocopy of the Aadhaar letter / Card to your Distributor at the show room along with Consumer Number, Name, Distributor Name, mobile number etc. written alongside on the Aadhaar Registration sheet), Along with copy of DGCC (commonly called Blue / Red Book) or recent cash memo or Subscription voucher (SV). Similarly provide Aadhaar letter to your bank for linking your Aadhaar number to your account to which the Subsidy should be transferred by the Government.

Please note that Aadhaar letter will be considered as Proof of your Identity and address. In case you are not residing in the address mentioned in the Aadhaar letter, you need to provide alternate proof of address along with Aadhaar letter.



BEFORE SUBMISSION PLEASE CHECK IF YOU HAVE GIVEN :

- Photo Copy of Aadhaar Card
- Photo Copy of First page of DGCC / Blue / Red Book or recent delivery receipt or SV document
- Address Proof (Required only in case of your present LPG delivery address is different from address in Aadhaar Card)
- Information as asked in points 1 to 6 in "Aadhaar Registration Sheet"

e-fuel stations: Retail Automation System at HPCL Retail Outlets:

HPCL has implemented a retail automation system at about 1700 retail outlets. This is achieved by capturing, collating and analyzing all the transactions electronically. The system helps to seamlessly manage the forecourt, sales room (at the outlet) and HPCL Regional office (operation & business) transactions pertaining to Retail Outlets.

The main objective of Retail Automation is Customer Relationship Management. Manual intervention is eliminated, and speed of transaction & operations is increased, resulting in a Quick Fill Experience. This strengthens the 'Club HP' brand image which is based on Quality & Quantity (Q&Q), Customer care and Vehicle care. These automated outlets have been branded as "e-fuel stations".

Benefits:

The system benefits all the stakeholders. It provides transparency and control of all facets of Retail Outlet operations and the database generated reinforces control and analysis of the outlet performance.

Human Rights

At HPCL, we truly believe that the human resources are the most valuable assets of our Corporation. Both, men and women are treated with equal respect and dignity and it is strictly ensured that all aspects related to human rights are upheld by the Organization.

The importance of Human Dignity

At HPCL, we truly believe that the human resources are the most valuable assets of our Corporation. Both, men and women are treated with equal respect and dignity and it is strictly ensured that all aspects related to human rights are upheld by the Organization. This commitment is reinforced by the fact that we are a signatory to the UN Global Compact. All our contractual agreements/ tenders/ dealership agreements abide with the Factories Act and Labour Act. It ensures that we address all the issues of human rights including gender equality, child labour, forced labour and requirement of minimum wages. As per our policy, contractors are required to give an undertaking that they abide by human rights and regulations before bidding. The organizations screens the documentation accordingly and only those who conform to the requirement are retained. The ratio of standard entry level wage is much higher compared to local minimum wage at all the significant locations of operations.

All our employees at the time of induction receive training on Company's policies and procedures which include references to human rights. All security guards directly employed by us have undergone training on Human Rights. Security personnel at refineries are from Central Industrial Security Force (CISF) who are well trained in human rights aspects.

There was no incident of violations involving rights of indigenous people in FY 2012-13.

Supporting and respecting the protection on internationally proclaimed Human rights

Our organization takes extra care and precaution to ensure that none of the internationally proclaimed human rights get violated during the course of our business operations. We believe in investing in the latest technologies such that our employees and contractors can work in an environment where the safety conditions have been improved. Regular training programs are conducted to reinforce safe work practices.

Preventing the abuse of Human Rights

Our organization has continued to prevent the abuse of human rights by having policies in place which enable us to be aware of and more importantly, handle all the grievances that employees, shareholders, customers, dealers, vendors and the local communities may have. The Conduct, Discipline and Appeal Rules for management purposes as well as the standing orders for non management employees are designed to allow human rights compliance across the Organization.

Freedom of association and effective recognition of the right to collective bargaining

At our company, employees are allowed to exercise the freedom of collective bargaining on issues of common interest. Non-management employees are represented by the Union who are responsible for bringing the attention of the company to the issues raised. These problems are then resolved through bi-lateral discussions and long term settlements for salaries, wages, perks and career progression of our employees. During 2012-13, 53 per cent of our employees are covered by such collective bargaining agreements. None of our current operations have a risk in terms of right to exercise freedom of association or collective bargaining.



Crew at Retail Outlet



Elimination of Forced Labour

Adhering to all the labour laws of the country, our Organization does not support forced or compulsory labour in any way. Appropriate systems and protocols (for e.g. wages are only paid in the presence of location in charge) have been put in place to ensure that all contract workers are paid minimum wages and are given all the benefits associated with various laws.

Additionally, the 'Public Grievance Redressal Mechanism' requires senior management members to be present in their offices between 4:00-5:00 PM on all working Fridays so that they can address all public complaints. None of our operations have been assessed for a risk of forced labour.

For FY 2012-2013, no complaints were received regarding forced or compulsory labour.

Supporting effective abolition of child labour

The term "child labour" is often defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical and mental development. Therefore, policies abolishing child labour are strongly enforced by HPCL. Adhering to the constitutional law on Child Labour (Prohibition and Regulation) Act of 1986, HPCL hires permanent employees and contract workers only above 18 years of age.

Certificates of all those working at our plant locations are checked and all security personnel are trained to stop anybody under the age of 18 from entering inside the plant for any employment-related purposes. Periodic audits are carried out by both functionaries and HR to enforce this. None of our operations have been assessed for a risk of child labour

Eliminating discrimination at the time of employment

HPCL does not believe in gender discrimination when offering employment and therefore has policies in place that eliminate discrimination. We follow the Presidential Directives as well as constitutional instructions that require us to implement policies accommodating SC/ST, other backward classes or physically handicapped individuals.

Employee grievance Redressal mechanism

The employees can interact directly with the Director HR and share their concerns through our in-house portal; 'HR DIRECT'. At HPCL, we also have an IR council consisting of senior officials and have also representation from Unions with a view to create synergy and enhance employee engagement level for ensuring achievement of corporate objectives.

100 per cent of employee grievances were settled during FY 2012 -13.

For FY 2012-13, 2 cases of sexual harassment were received; the required disciplinary action was taken by HPCL.

Training Contract workers at Mahul LPG Plant



100%

Employee grievances settled during FY 2012-13

LABOUR PRACTICES AND DECENT WORK/ TALENT MANAGEMENT

Health policy and its objectives

HPCL has a well structured health policy in place to ensure the well being of our human capital. This in turn will enable our corporation to be far more efficient and work productively.

Objectives of this policy are to:

- Assess potential health risks arising from operations likely to affect its employees and contractors or the public. Institute measures and controls and eliminate such risks and monitor the health of employees.
- Establish and maintain the highest possible degree of physical and mental well-being of the employees.
- Provide timely and adequate medical facilities for treatment of employees, in case of medical emergencies.
- Comply with relevant statutory rules and regulations and devise appropriate standards in other cases, wherever required.
- Establish pre-employment medical fitness and subsequent periodic medical check-ups to determine employees' ability to carry out their functions without any risk to themselves and to others.
- Bring about awareness amongst employees and communities about the harmful effects of substance abuse through counseling and periodic programs.
- Ensure availability and the use of personal protective equipment, while handling toxic and other hazardous chemicals.
- Program reviews and evaluation to measure progress of compliance with the policy.

Workforce at HPCL

Our employee strength – employee headcount numbers for the last three years

Employee category	As on 31.03.2013					As on 31.03.2011		As on 31.03.2012	
	<30 years	30-50 years	>50 years	Male	Female	Male	Female	Male	Female
Senior Management	0	3	63	63	3	56	3	65	3
Middle Management	0	412	504	888	28	756	25	803	27
Junior Management	1,403	1,894	890	3,766	421	3,708	386	3,818	411
On deputation	0	3	3	5	1	5	1	5	0
Non-management	192	2,509	3,151	5,456	396	5,905	405	5,694	400
Total	1,595	4,821	4,611	10,178	849	10,430	820	10,385	841
GRAND TOTAL	11,027					11,250		11,226	

Employee category	As on 31.03.2013	As on 31.03.2012	As on 31.03.2011
Contract employees	22,913	20,025	17,910

Our employee turnover number- employee turnover by gender and age group

	2012-2013	2011-2012	2010-2011
Female	28	16	15
Male	473	236	238
Total	501	252	253
<30 years	117	58	58
30-50 years	64	57	51
>50 years	320	137	144

Turnover of New Hires

	Number of New hires leaving the Organization
Female	1
Male	11
<30 years	12
30-50 years	0
>50 years	0

Parental Leave

In the current reporting period, 20 females availed the maternity leave and have resumed their duties back. Besides this, the organization does have a policy for leave for surrogacy and adoption of children. Women employees who availed the maternity leave last year are still in employment with us.

Employee benefit Plans

We at HPCL, have various employee benefit plans in place to ensure our employees' comfort. The range of benefits offered start with a very comprehensive medical insurance plan covering various expenses. We have in place an educational refund plan that allows our employees to pursue courses of their interest. Additionally, our study leave policy enables employees to pursue higher education related to their profession.

We believe that compensation is not the only responsibility that we have towards our employees. It extends to benefits such as loans, allowances and other insurance schemes over and above schemes such as the Provident Fund and Gratuity. Employee benefits reported based on actuarial valuations understatement of significant accounting policies and notes forming part of accounts of corporation's balance sheet as leave encashment – ₹ 529.09 Crores, gratuity – ₹ 489.55 Crores, esso / Caltex pension – ₹ 55.50 Crores, long service awards – ₹ 69.74 Crores, post retirement medical benefits – ₹ 369.81 Crores, ex-gratia benefits – ₹ 21.57 Crores, death benefits under

super annuation benefits fund scheme - ₹ 25.72 Crores, resettlement benefits - ₹ 2.45 Crores.

This year we contributed ₹ 25,255.6 Crores towards employee wages and benefits. We ensure that all our employees are fairly compensated for their work contributions. HPCL does not have part time employees.

All employees of the same grade are paid similar salaries, irrespective of their gender, race and caste.

We have several training programs for the employees who are eligible for retirement on topics such as financial planning, health and well being.

A program called 'Path of Light' is conducted to make the superannuating non-management employee and his /her spouse aware of post-retirement life style changes and associated requirements in health and wealth management.

Sports Activities for Employees

HPCL has always played a vital role in promotion of sports in the Corporation. At HPCL, we believe that the spirit of sportsmanship among the employees of an organization is essential as it fosters team work, which in turn results in better productivity.

In an endeavour to give an opportunity to more employees to participate in sports tournaments, we organize Cricket & Indoor Games tournaments and Annual Sports meet on an All-India basis providing an opportunity for the employees of different locations to come closer, resulting in better co-ordination.

All-India Annual Sports Meet

More than 2,500 employees and their family members participate in various events of the All-India Annual Sports Meet.

We are a responsible corporate citizen and are fully committed to the very cause of CSR. Under CSR, we take young promising boys and girls on **Contract / Scholarship basis**, preferably from the economically weaker strata, and nurture them to grow to the international standards by providing them financial assistance. Through this policy, our objective is to transform raw talent into medal winning prospects who can bring laurels to the nation. Cash awards and stipends were given to these Contract/Scholarship players during 2012-13.

Besides this, we also offer a stipend and various cash awards to our employees' children.

Every year **stipend** is granted to our employees' children (up to 21 years of age) who participate in the state / national tournaments.

Awards are given to the **physically challenged** employees and their children who participate in the National Paralympics games.

Keeping our Employees Healthy

Whilst we promote the highest level of safety measures that can be taken by our Organization such that our employees are not physically harmed, in addition, we also take all the precautionary measures to ensure that employees at our workplace have regular check-ups and are treated for any health-related conditions. Periodical medical check-ups are a must for every employee in the corporation. Further in our locations, M.B.Lal Committee recommendations are in advanced stage of implementation. Major fire facility up-gradation underway at Marketing locations and Refineries with HVLRS, Rim seal fire protection etc. with an outlay of more than ₹ 1000

Crores Programs such as 'Har Din Har Pal - Swasth Aur Suraksha' for O&D workmen and 'Path of Light' for retired workmen are aimed towards educating them about health related problems and steps that can be taken to live in a healthy manner. We also have the in

house HP Wellness portal which gives updates to employees on important health- related information.

Steps are taken to ensure that contract workers benefit from the existing schemes too. 'Ji Haan Samarth' has

been initiated for the LPG workmen and the 'Samvad/SAKL' Program for the LPG distributing staff. It is also insisted that all transport workers be covered by health insurance.

Safety incidents: Refineries

Workforce	Safety incidents	2012-2013	2011-2012	2010-2011
Permanent employees	Reportable accidents	6	1	1
	Fatalities	0	0	1
	Occupational Diseases	0	0	0
Contractor workers	Reportable accidents	0	3	3
	Fatalities	0	1	0
	Occupational Diseases	0	0	0

Refineries:

- Total man-hours worked by employees stood at 12.44 million man-hours while contract workers put in a total of 29.28 million man-hours.
- Injury Rate = 0.93

Keeping in line with the stakeholder expectation of sustainable business model, HPCL has continued its focus on Health, Safety and Environmental aspects of its operations. Reducing the impact of operations on all stakeholders by way of ensuring safe operations, reducing environmental impact and implementing health initiatives has been accorded highest priority. HPCL has been striving to achieve excellence in all areas of HSE by adopting new technology, up-gradation of infrastructure, improvements in systems and procedures & strengthening HSE culture.

Continuous efforts are being taken to strengthen the HSE culture across the Organization. Regular reviews, audits are conducted to ensure strict adherence to Safety Management systems. Most of the locations including both refineries are certified with ISO 9001, ISO 14001, ISRS and OHSAS 18001.

Health check up of employees, health check-up of POL/ LPG tank truck/ packed LPG truck crew, eye check camps, health awareness programs, campaign on de-addiction for tank truck crew have been conducted at locations. Furthermore, our canteens are also surveyed for hygiene periodically and necessary actions are taken.

Safety at Retail outlets has seen a significant improvement as a result of infrastructural improvements, implementation of SOP and continuous training. Continuous up-gradation of facilities, ensuring statutory compliance, improvements in systems and procedures, continual training, building a strong HSE culture, review of HSE performance at all marketing locations has been our priority throughout the year.

Some of the initiatives taken during the year are:

HSE Website: New improved/user friendly HSE website upgraded with requisite information.

Project safety: Safety Inspection of project sites have commenced at marketing locations.

HSE Capacity building:

- Customized training program 'Safety; Integral Part of Operation' for officers.
- Training on HSE legislations.

Safety promotional activities:

We celebrated 'Safety week', 'Road safety week', 'Fire safety week', and 'World Environment Day' at locations across the country. Activities

like display of banners & posters, conducting training programs, conducting quiz and other contests were undertaken to promote the cause.

Safety incidents in marketing locations

Workforce	Safety incidents	2012-2013	2011-2012	2010-2011
Permanent employees	Reportable accidents	2	4	2
	Fatalities	1	0	0
	Occupational Diseases	0	0	0
Contractor workers	Reportable accidents	35	1	4
	Fatalities	8	6	5
	Occupational Diseases	0	0	0

Process safety events

TIER 1

	Refineries	Marketing
Fatal	0	0
LTA	6	0
Fire > 25000	0	0

TIER 2

	MR	Marketing
1 st Aid Cases	51	2
NLTA	52	0
Fire > 2500	1	
Spillages/leaks	0	1 (13 KL Aviation Turbine Fuel)

Health awareness and prevention for our workforce

Program recipients	Education / Training	Counselling	Prevention/Risk Control	Treatment
Workforce members	Yes	Yes	Yes	Yes
Workforce member families	Yes	Yes (at locations)	Yes (Periodic Medical Exam Offered)	Yes
Others	Yes	-	-	-

Trainings Offered

Training and development is vital part of the human resource development. It has also become more important in organizations so as to prepare employees for new technologies and developments. Training is also necessary for the individual development and progress of the employee, which motivates him to work for the company.

The Organization has established a documented procedure for training and awareness to ensure that personnel are aware of the relevance and importance of their activities and how they contribute towards the achievement of the objectives, such a procedure determined the identified training needs of the personnel, action taken to satisfy the training needs and evaluation of effectiveness of the training conducted and records to be maintained.

In order to achieve our vision - 'Excellence in harnessing the full potential of all employees for becoming a World Class Energy Company' as well as enhancing the performance and

knowledge of our employees, HPCL focuses on providing various training and development programs.

The objectives of our training programs are:

- Improve the performance of employees in their respective assignments.
- Enhance employee competencies to take up higher responsibilities.
- Strengthen the leadership pipeline.
- Bring about a cultural change from Command and Control to a team-based structure.
- Leverage technology in the area of human resource development.
- Facilitate learning in the organization and build a 'Learning Organization'.

There are separate training modules for employees that are part of the management and non-management team. The following levels of training are provided to the management employees:

- Entry level: Samavesh (Induction/ Orientation Training) facilitates the new employee to build a sense of belongingness within the organization.
- Supervisory Level: Employees are equipped with function-specific inputs and job related technical skills.
- Managerial Level: Employees are exposed to the principles of management which helps blend theory with practice and a focus on leadership development.

Non-management staff has access to the following training programs:

- Training with a focus on safety at locations; skills relating to job requirement (technical, computer operations, team spirit etc.).

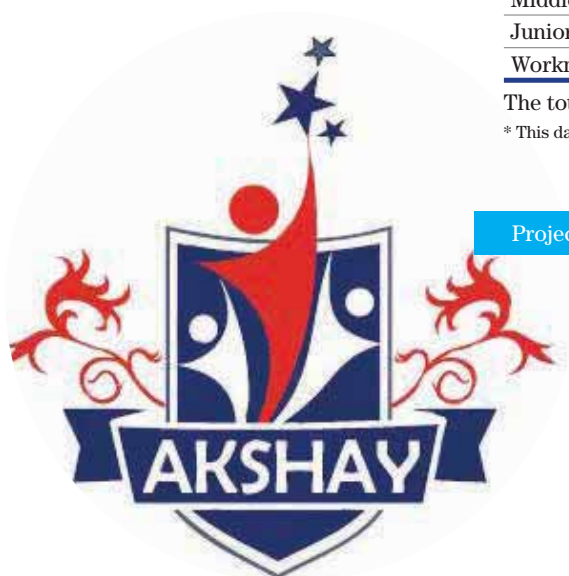
Average training hours for our workforce for 2012-13

Category	Average Man-hours per employee	
	Male	Female
Senior management	55.87	40.0
Middle Management	45.31	57.14
Junior management	28.06	26.25
Workmen	26.72	18.55

The total man-hours per employee for contractual labour was 12.46*

* This data is calculated for total contractual labour as the gender bifurcation for the same is not available

Project 'Akshay'; Leadership Development Program



Talent Management

- Leading people is not just about creating a 'feel good' atmosphere all around, it is about infusing the right attitudes and behaviours required or winning fair and square at market place.
- Communication of vision and the clarity on values enables people to live by them. It is through these values that leaders influence organizational culture.
- The foremost responsibility for leadership towards people is to create a shared vision and values, inculcating a high performance culture, which undoubtedly rests on the foundation of trust, transparency and teamwork.
- It is the job of the leaders to inspire people to realize their potential and reach beyond their limits. Leaders inspire people in many ways, through leading by example, clarifying the vision and role of individuals, assigning challenging tasks and by rewarding positive behaviours. Leaders have the ability of making people feel appreciated and important.

Competency development

- Competency frameworks are updated and validated in line with the organizational imperatives and different competencies are scientifically mapped to different positions and job families.
- Continuous and consistent process of communication to the employees on competency frameworks is carried out.

- The development centres and the tools used therein are customized and have high validity and reliability.
- There is greater integration of competencies into different HR processes like recruitment, training, career progression, performance management etc.
- In-house tools for assessing the competency levels of employees are developed on a continuous basis.
- Return on investment on developmental efforts is measured and continually monitored as the key performances indicators.
- Developmental efforts are customized to the requirements of different strata of employees in a planned manner through structured and on-going trainings.
- Subject matter experts are skillfully identified, nurtured and developed for every competency.
- Knowledge Management initiatives and processes are driven in a planned manner.

All our employees receive performance feed back at the end of the financial year. We have policies in place which require us to give continuous feedback to our employees about their performance over the year and also understand their concerns and expectations.

Focus on safety trainings and skill development

Social Responsibility

HPCL has always worked towards being a model of excellence in meeting our commitment to the society with which we engage in and interact with, and beyond. HPCL has been consciously striving towards this commitment.

HPCL has a deep understanding of the impact it can make on society and is committed to social investment to support communities and the broader society in which we operate. All the Corporate Social Responsibility (CSR) projects identified undergo a pre and post impact assessment. During the year we have spent an amount of ₹ 21.76 Crores on CSR.

In the last few years, aligning ourselves with the world trend, HPCL too has been moving away from a philanthropic charity mode of engagement to a more pro-active and participative engagement with our beneficiaries. Intervention models which have the potential to sustain its outcomes and create a long-term impact on not only the beneficiary, but also on the root social factors, are given utmost support and

encouragement. Our experiences have also convinced us that initiatives that identify the gaps in the existing system and intervention strategies that address these gaps and thereby strengthen the existing systems are more rational than creating an entirely new parallel system.

Initiatives of our corporation are broadly classified under focus areas: Child-Care, Education, Health Care, Skill Development and Community Development. Interventions in these areas make a meaningful and long-term impact on the community.

Nanhi Kali - Empowering Girl Child

The impact assessment study found the same level of commitment translating into practice at the implementation level.

Post Impact Assessments of our CSR projects

Impact assessment study was conducted by NCSRH (National Corporate Social Responsibility) and TISS (Tata Institute of Social Sciences) for the 5 flagship CSR projects namely Muskan, Nanhi Kali, Suraksha, Swavalamban and Unnati which are distributed in 15 Locations across 7 states of India.

We at HPCL are committed to create a positive impact on the society and contribute to the socio-economic development including measures for improving the quality of the life of under privileged classes of the society. We have proceeded in a corporate manner, planning investments in social causes methodically, executing the various tips with utmost care and securing distinctive development for the poor and the downtrodden masses.

The impact assessment study found the same level of commitment translating into practice at the implementation level and reaching out to the beneficiaries across India.

Our CSR Projects

CHILD CARE

HPCL believes that the society should never ignore the needs and rights of its children and hence has been engaged in interventions for children in difficult circumstances, children with special needs and those groups of children of the society which need a little more attention and support.

Children with Special needs (ADAPT)

Disability is probably one of the least understood and accepted conditions in the society that believes that everything not normal is abnormal. Guiding ourselves to see the ability beyond the disability and ensure equal opportunities. Dignity to people with disability unfortunately requires effort, awareness and mobilization beyond just addressing their medical needs. It is in the spirit of this endeavour that HPCL through this programme supported the Inclusive Education, therapeutic needs and vocational training for such children.

Child line

1098 – The very popular helpline number for children which has become synonymous with the rescue of children in distress in India. By supporting rescue vans in three major metropolitan cities in the country – Delhi, Kolkata and Mumbai, we have been able to enhance and ensure the impact of the project in rescuing groups of children in risky situations like trafficking, child labour, dangerous circumstances, etc.

Muskan

Muskan has been providing rehabilitation of destitute and neglected street children and underprivileged children. The two centres supported by HPCL aims at addressing the fundamental needs of care, protection,

clothing, food, education, health etc, along with vocational training and counseling services for these children.

Health Care

Health, which is one of the important focus areas of the 12th Five Year Plan, and now being discussed as a matter of right, is still unfortunately inaccessible to many sections of the society due to several reasons like un-affordability, unavailability, lack of awareness etc. Through some of our initiatives we have tried to address these issues through diverse intervention strategies, targeting the most needy and vulnerable groups of the community.

Dil without Bill

Sai Heart Hospital is one of the very few medical institutions in the country which can boast of heart surgeries being performed every single day. What makes this achievement stand apart even still is the fact that these are conducted free of cost for all patients with a monthly family income of less than ₹ 10,000, giving preference to children. Awareness and follow-up camps conducted at various cities and towns, during the year is also an initiative to reach out to the neediest patients.

Suraksha

Long Distance Truckers (LDT) are amongst the high risk category for AIDS as identified by the National Aids Control Organization and this very target group is one of the most vulnerable stakeholders in the supply chain of HPCL. Therefore our interventions through the Khushi Clinics set up at various retail outlets on the highway has been a rational engagement for us. The Khushi Clinics apart from providing basic medical facilities also provide AIDS awareness, STI treatment, social marketing of condoms, counseling, etc. to ensure the health and well-being of the truckers.

Sushrut Hospital

Sushrut hospital a Multi-specialty hospital and charity institute at Chembur, Mumbai is being supported by HPCL for the past many years.

Rural health

To address the critical situation of health requirements and to provide basic medical facilities to people in need at remote rural areas and far flung villages, HPCL is partnering with ground-level NGOs which run Mobile Medical Vans in states of Odisha, Bihar and Rajasthan. These vans provide basic medical attention to rural populace in 75 villages. Through this partnership HPCL has ensured medical facilities at the doorsteps of villagers providing basic treatments for common ailments, health awareness and making necessary referrals for major ailments.

EDUCATION

HPCL's initiatives in the field of education have been manifold with a large impact on various sections of society. The approach of HPCL has been to address the root causes that impends the process of education for all. HPCL in the field of education primarily focuses on girls' education and education for the under privileged section. These projects in the field of education cater from the basic need of students viz. Academic kits, mid-day meals and hygiene kits to the higher need of academic and social support. A holistic and long term strategy is in place to address the education needs of various parts of the society. The uniqueness of these projects is the fact that through partners they cover the children from marginalized sections of Urban, Semi-urban and Rural populace.

Mid-Day Meal Programme

Hunger and Malnutrition has been considered as one of the prime factor hampering the education process in this country. It is realization of this fact that we have rolled out the Mid-Day Meal Programme. HPCL is bridging the gap by providing hygienic and nutritious food to students from rural areas of Visakhapatnam and Guwahati through specialized agencies. This programme has addressed a vital requirement of young children from rural areas belonging to the economically marginalized sections. The intervention through this programme has resulted in higher enrollments and negligible drop-outs from schools.

Nanhi Kali

Encouraging girl child education and building gender equality among communities is one of the challenges of our society. Our intervention to this growing issue includes providing material support to the first generation girl child learners from communities that are educationally and economically backward. The major component of the project is to provide academic and social support to the girl child to ensure that she continues her education and to meet challenges of the modern era of educational setup. Through this planned intervention we have been able to reduce the dropouts of girls, prevent child marriages and promote higher education for girls.

Unnati

In today's scenario where e-literacy has become as important as literacy itself, HPCL too, has partnered with specialized agencies to provide computer awareness and basic education to first generation computer learners of Class VI to Class IX in semi-urban and rural areas. Beyond just providing classroom-teaching, the project also ensures 'Training the Trainer' model wherein the school teachers are also trained. Further, ten computers each are also



installed at each of these schools where training is imparted, so as to ensure continued practice for the students. This programme has widened the horizons of education as well as future employability for these underprivileged children.

SKILL DEVELOPMENT

Skill Development is yet another area which has been given much focus and attention in the 12th Five Year plan. The current demographic status of our country shows that almost 64 per cent of the population is in the working age group. Ensuring the employability and employment opportunities for this population is of prime importance not only for the growth of the nation but also to contain breeding grounds for anti-social ailments and activities. HPCL through various partners has also been exploring diverse options to build the capacity and employability of these youth, especially the underprivileged.

Swavalamban

Different locations have different and diverse labour demands and needs depending on opportunities like infrastructure and industries available in these locations. It is in line with these demand based needs that a diverse set of training skills like electrical, welding, hospitality, driving, tailoring, beautician course, etc are identified and imparted to the underprivileged youth in these areas through our Swavalamban programme. The module also provides other capacity building and soft skills required for these youth to sustain their employment and earn a livelihood for themselves and their family.

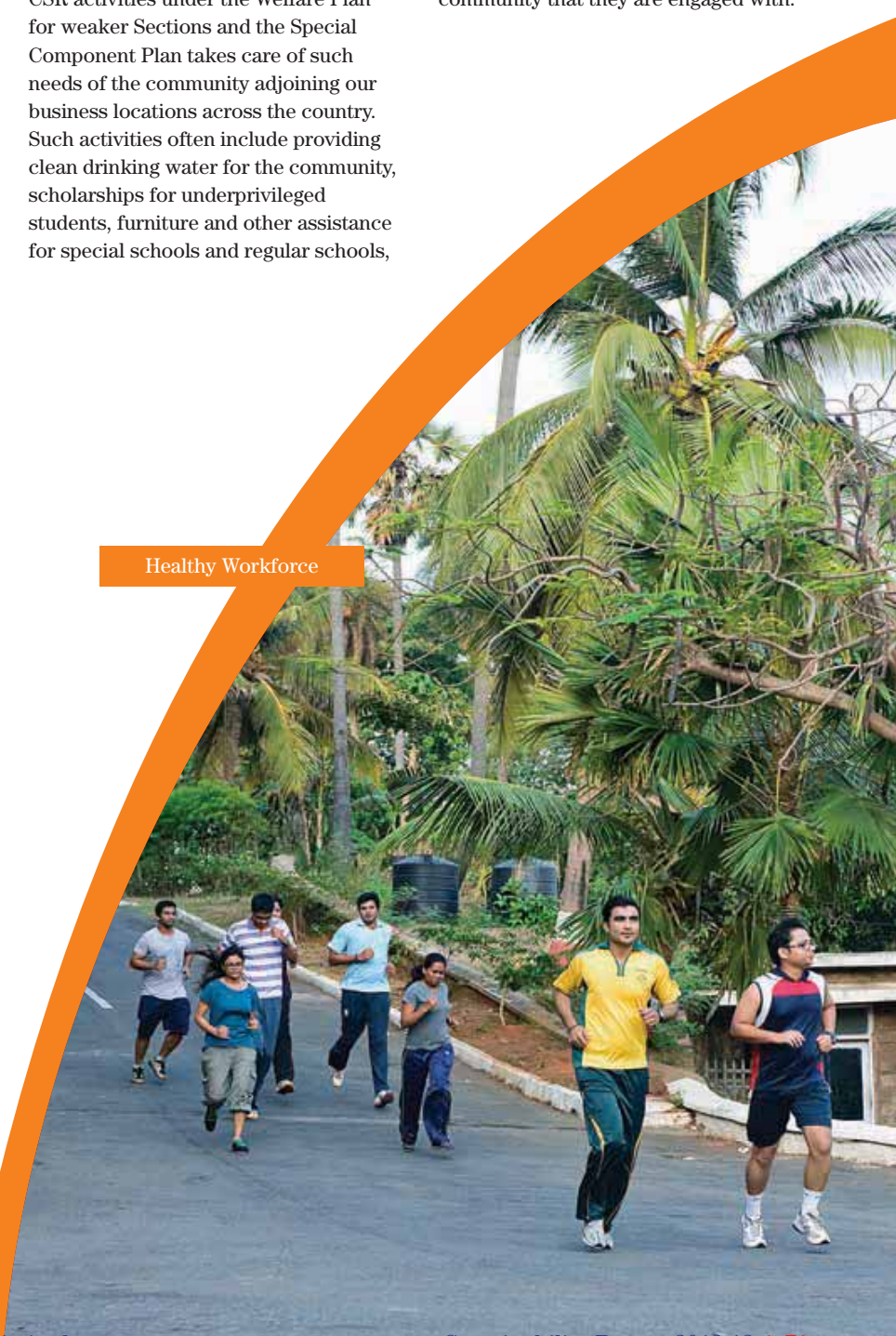
STeP(Smile Twin e-learning Programme)

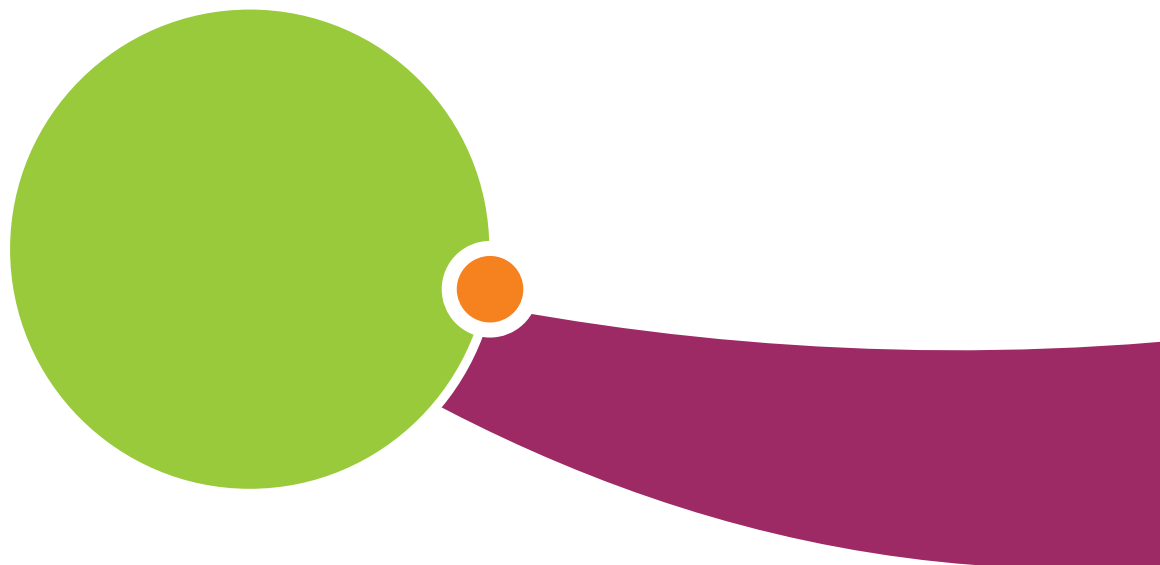
This programme aims at providing job-oriented skills to the underprivileged youth. Training in IT, Functional English, Personality Development-elements which have become important factors for employability are provided, along with career-counselling, placement support and follow-up.

Even as most of our initiatives and projects follow the model of targeted intervention, we have at the same time realized the importance and inevitability of providing material support, also in certain cases to ensure and enhance the quality of services and facilities already in place. Hence a good portion of our CSR activities under the Welfare Plan for weaker Sections and the Special Component Plan takes care of such needs of the community adjoining our business locations across the country. Such activities often include providing clean drinking water for the community, scholarships for underprivileged students, furniture and other assistance for special schools and regular schools,

etc. based on an assessment of the needs of the beneficiaries. The most encouraging facet of these activities is that these initiatives are taken on by personnel on the field who are engaged in the mainstream business of the corporation, and yet are dedicated and socially sensitive to the needs of the community that they are engaged with.

Healthy Workforce





Apart from the CSR activities done on the field along with specialized agencies, the corporation also took on initiatives to engage and sensitize employees this year:

- Standard Chartered Mumbai Marathon – This year HPCL associated with Mumbai's biggest sporting event with many employees of the corporation participating in the event.
 - Toy Distribution among Less-Privileged Children – A toy collection drive by employees in Mumbai was conducted and the same was distributed to about 450 less privileged children.
- Our CSR initiatives and activities were also recognized by the following awards that we won during the year 2012-13:
- CSR Excellence Award honoured by ASSOCHAM and received from Dr. APJ Abdul Kalam
 - PSE Excellence Award honoured by ICC&DPE
 - CRY Child Rights Champion Award
 - 3 Awards: a) Best Overall CSR Performance, b) Support for Quality Education and c) Community Development from Subir Raha Centre for Corporate Governance

- 3 Awards: a) Most Caring Company, b) Best CSR Practices and C) Improvement in Education from World CSR Congress & Blue Dart Global CSR Excellence
- 2 Awards: a) HR Practices in CSR and b) Outstanding Contribution to the Cause of Education honoured by Asia Pacific HRM Congress

CSR PURPOSE STATEMENT:

- Serving the community is the purpose of our business
- Our Effort – Ensuring sustainable business processes- financially, environmentally and socially.
- Our aim – Using core competence, expertise and technology of our business, to reach the common people, especially the under-privileged.
- Our strategy – Developing capacity in the community.
- Our endeavour – Enhancing human excellence and improving quality of life

OPERATIONALIZING CSR

The implementation process for all these projects are:

- Need assessment/Base Line Study is taken up before the start of the project
- MOUs are signed with the Implementation Partners, including deliverables
- The annual plan is drawn up with the milestones
- Monitoring is conducted through quarterly reports and field visits
- Periodic reviews are done at the director's level



Children's Day Celebrations

FEEDBACK

Your feedback is important to us and will help improve our approach to sustainability and our reporting. We would be grateful if you can take some of your time and fill this feedback form and send it to us on Email: corporatehse@hpcl.co.in

PERSONAL DETAILS:

Your name:
Type of Stakeholder:
Email Address:
Contact No:

ABOUT THE REPORT

1. How do you rate our report: Poor/ Average/ Good/ Excellent?

If the answer to the above question is Poor or Average, please provide the reasons for the ratings and your expectations

2. Were you able to find the information you needed: Yes/ No
3. Are there any specific topics you would like us to focus on in the report?

Affiliations and Memberships

Name of Organizations

1. Administrative Staff College of India
2. All India Association of Industries
3. All India Management Association
4. ASSOCHAM
5. Ballard Estate Welfare Association
6. Bombay Chamber of Commerce and Industry
7. Bombay First
8. Centre for Public Sector Studies
9. Confederation of Indian Industry
10. Council for Fairs Business Practices
11. Federation of Indian Chambers of Commerce and Industry
12. Global Compact Network India
13. Indian Chemical Council
14. Indian Merchants' Chamber
15. Indo American Society
16. Indo German Chamber of Commerce
17. International Market Assess. India Pvt. Ltd. - CEO
18. International Market Assess. India Pvt. Ltd. - CIO
19. Maharashtra Chamber of Commerce, Industry & Agriculture
20. Maharashtra Economic Development Council
21. National Institute of Personnel Management
22. Petroleum Federation of India
23. The Energy and Resources Institute
24. Vigilance Study Circle, Mumbai

UNGC Index



UNGC Principle	Category	Description	Reference
Principle 1	Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	Importance of Human Dignity: Page 60
Principle 2	Human Rights	Businesses should make sure that they are not complicit in human rights abuses.	Page 60
Principle 3	Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Freedom of association and effective recognition of the right to collective Bargaining: Page 60
Principle 4	Labour	Businesses should uphold the elimination of all forms of forced and compulsory labour;	Page 61
Principle 5	Labour	Businesses should uphold the effective abolition of child labour	Page 61
Principle 6	Labour	Businesses should uphold the elimination of discrimination in respect of employment and occupation	Page 61
Principle 7	Environment	Businesses should support a precautionary approach to environmental challenges	CMD statement: Page 2 - 5 Sustainable Development policy of HPCL: Page 22-23 Sustainability strategy and Management: Page 26-27
Principle 8	Environment	Businesses should undertake initiatives to promote greater environmental responsibility	HPCL Environment policy: Page 41 Energy Conservation initiatives: Page 44-45
Principle 9	Environment	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Product Responsibility at HPCL; Product Innovation and stewardship: Page 56
Principle 10	Environment	Businesses should work against corruption in all its forms, including extortion and bribery.	Corporate Governance: Page 16; Corruption Free Environment: Page 20-21

Abbreviations

AC	Air Conditioner
AGM	Annual General Meeting
ASSOCHAM	Associated Chambers of Commerce and Industry of India
BIS	Bureau of Indian Standards
CAG	Comptroller and Auditor General
CCI	Competition Commission of India
CCR	Continuous Catalytic Regeneration
CDA	Conduct, Discipline & Appeal
CDU	Crude Distillation Unit
CEA	Central Electricity Authority
CFL	Compact Fluorescent Lamp
CHWTSDF	Common Hazardous Wastes Treatment Storage Disposal Facility
CIO	Chief Information Officer
CISF	Central Industrial Security Force
CMD	Chairman and Managing Director
CPSE	Central Public Sector Enterprise
CS&P	Corporate Strategy & Planning
CS&P	Corporate Strategy & Planning
CSR	Corporate Social Responsibility
CVC	Central vigilance commission
DCP	Dry Chemical Powder
DEA	Diethanolamine
ERP	Enterprise Resource Planning
ESIC	Employee State Insurance Corporation
ETP	Effluent Treatment Plant
FGD	Flue Gas Desulphurization
FY	Financial Year
GCU	Gas Concentration Unit
GDP	Gross Domestic Product
GGSRPEP	Guru Gobind Singh Refinery Products Evacuation Project
GHG	Green House Gas
GJ	Giga Joule
GRI	Global Reporting Initiatives
HMEL	Hindustan Mittal Energy Limited
HPCL	Hindustan Petroleum Corporation Limited
HR	Human Resources
HSD	High Speed Diesel
HSE	Health, Safety and Environment
IEA	International Energy Agency
IETP	Integrated Effluent Treatment Plant
IRBIP	Integrated Refinery Business Improvement Programme
ISC	Information Systems Center
ISO	International Organization for Standardization
ISRS	International Safety Rating System
JBO	Jute Processing Oil
KL	Kilo Liters
KWH	Kilowatt Hours

LAM	Limits of Authority Manual
LDO	Light Diesel Oil
LPG	Liquefied Petroleum Gas
MBPD	Million Barrels Per Day
MDEA	Methyldiethanolamine
MEA	Monothanolamine
MIS	Management Information System
MMT	Million Metric Tonnes
MMTPA	Million Metric Tonnes Per Annum
MOP&NG	Ministry of Petroleum & Natural Gas
MoU	Memorandum of Understanding
MS	Motor Spirit
MW	Mega Watt
NFCCU	New Fluid Catalytic Cracking Unit
NGO	Non Governmental Organization
NO x	Oxides of Nitrogen
NSIC	National Small
O&D	Operation and Distribution
O&D	Operation and Distribution
OHSAS	Occupational Health and Safety Assessment Series
PAT	Profit After Tax
PBT	Profit Before Tax
PDC	Pre Delivery Check
POL	Petroleum and Oil Location
PSU	Public Sector Unit
R&D	Research & Development
RKPL	Rewari Kanpur Pipeline
RMSC	Risk Management Steering Committee
SBU	Strategic Business Unit
SD	Sustainable Development
SKO	Superior Kerosene
SO x	Oxides of Sulfur
SOP	Standard Operating Procedure
SPM	Suspended Particulate Matter
STP	Sewage Treatment Plant
TGT	Trail Gas Treating
TII	Transparency International India
UN	United Nations
UNGC	United Nations Global Compact

INDEPENDENT ASSURANCE STATEMENT



Hindustan Petroleum Corporation Ltd. has commissioned Emergent Ventures India Private Ltd. (EVI) to undertake an independent assurance of its Corporate Sustainability Report for the year 2012-13. The assurance process has been conducted in accordance with AA1000AS (2008). The assurance principles of Inclusivity, Materiality and Responsiveness, as outlined in AA1000AS (2008) and GRI G3.1 guidelines & GRI Oil & Gas Sector Supplement (OGSS) guidelines have been used as criteria against which to evaluate the Report.

The intended users of this assurance statement are the readers of HPCL's Sustainable Development Report 2012-13. The management of HPCL is responsible for engagement with stakeholders, identification of material issues and the collection and presentation of the information contained in the report. In performing the assurance activities, EVI's responsibility is to the management of HPCL only and in accordance with the terms of reference agreed with the company. We do not therefore accept or assume any responsibility to a third party for decisions, whether investment or otherwise, based on this assurance statement.

SCOPE OF ASSURANCE

EVI has been engaged to provide Type 1 Moderate level of assurance as set out in AA1000AS (2008). The scope of the assurance includes the following:

1. Evaluate the adherence to the AA1000AS (2008) principles of inclusivity, materiality and responsiveness and the principles of Global Reporting Initiative G3.1 guidelines & GRI Oil & Gas Sector Supplement (OGSS) guidelines.

OUR APPROACH

The assurance process was planned and carried out in July - August 2013. Our conclusions are based on the review of processes & practices for identification and collation of relevant information, report content and performance data, which included a review of the stakeholder engagement and materiality determination process followed by HPCL. Relevant documentation, our observations with respect to process and systems in place and interaction with respective departments engaging with different stakeholders have formed the basis of our assurance on the principles of Inclusivity, Materiality and Responsiveness required for assurance under AA1000AS (2008).

We undertook the following key steps:

1. **Site Visits:** The EVI team visited a representative set of HPCL's facilities comprising Corporate Office, Mumbai Refinery, Aviation Facility at Santa Cruz, LPG plant at Mahul, O&D Terminal at Loni, Retail outlet at Vile Parle, and Direct Sales facility at Mazgaon.
2. **Interviews:** In addition to interviewing data owners at the sites we visited, we also interviewed the sustainability team at head-quarters to understand the process of stakeholder engagement and materiality determination at HPCL.

LIMITATIONS AND EXCLUSIONS

1. Scope of assurance is limited to the boundary defined in the report and the period of 1st April 2012 to 31st March 2013.
2. Assurance relied on the documentation maintained by the company or provided to the company by another third party.
3. The scope of assurance does not cover the statements in the report that describe companies approach, strategy, aim, expectation, aspiration or beliefs or intentions.



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CONCLUSION

Based on our review we have come to the following conclusions:

In our opinion, HPCL's second sustainability report gives an appropriate representation of the sustainable development initiatives undertaken by the company. HPCL has built processes that allow them to identify the material aspects of the company, collect performance data for majority of its facilities and report the information in adherence to the principles of GRI G3.1 guidelines and GRI Oil & Gas Sector Supplement (OGSS)

Our observation on the adherence of the three principles under AA1000APS (2008) is as follows:

Inclusivity: We have not come across any material evidence that would lead us to conclude that HPCL has not applied the principle of inclusivity in engaging with its stakeholders. Different departments engage regularly with their relevant stakeholders through multiple engagement channels.

Materiality: HPCL has followed a structured process of materiality determination. Based on our scope of work and the activities undertaken for the purpose like interactions and observations, we have not come across any material aspect of sustainability performance that has been excluded from the report.

Responsiveness: Based on our observation, interviews and documentation we believe that HPCL has applied the principle of responsiveness with respect to its stakeholders. We have not come across any material evidence that would lead us to believe that responsiveness principle is not being applied in dealing with the stakeholders.

GRI G3.1 Guidelines & GRI Oil & Gas Sector Supplement

Based on the information in the report and the independent assurance sought from us we have found that the company meets the requirement of A+ level of reporting as specified by GRI G3.1 Guidelines & GRI Oil & Gas Sector Supplement.

Observations and Recommendations

Without affecting our overall conclusions on the sustainability report, we would like to bring to notice the following observations and recommendations for the report:

- As HPCL matures in its sustainability journey more focus on capacity building of stakeholders at site level on sustainability issues is recommended.
- HPCL needs to further develop their assessment and understanding of key GRI aspects such as biodiversity and human rights.

For Emergent Ventures India Private Ltd.



Ashutosh Pandey
Chief Executive Officer
Emergent Ventures India Private Ltd.
Gurgaon, 03rd of September, 2013



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000-96

GRI Index

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	Reason for omission
1. Strategy and Analysis				
1.1	Statement from the most senior decision-maker of the organization.	Fully	Page 2 - 5	
1.2	Description of key impacts, risks, and opportunities.	Fully	Page 20, 28 - 33, 66	
2. Organizational Profile				
2.1	Name of the organization.	Fully	Page 2	
2.2	Primary brands, products, and/or services.	Fully	Page 8 - 11	
2.3	Operational structure of the organization.	Fully	Page 8 - 11	
2.4	Location of organization's headquarters.	Fully	Cover Page	
2.5	Number of countries where the organization operates, and names of countries with either major operations.	Fully	Page 8 - 11	
2.6	Nature of ownership and legal form.	Fully	Page 8 - 11	
2.7	Markets served.	Fully	Page 8 - 11	
2.8	Scale of the reporting organization.	Fully	Page 8 - 11	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	There were no significant changes in the size, structure or ownership of HPCL in the reporting period	
2.10	Awards received in the reporting period.	Fully	Page 24 - 25	
3. Report Parameters				
3.1	Reporting period.	Fully	Page 1	
3.2	Date of most recent previous report.	Fully	Page 12	
3.3	Reporting cycle.	Fully	Annual reporting	
3.4	Feedback on the report content	Fully	Page 72 - 73	
3.5	Process for defining report content.	Fully	Page 12 - 13	
3.6	Boundary of the report.	Fully	Page 8 - 11	
3.7	State any specific limitations on the scope or boundary of the report.	Fully	Page 12 - 13	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	Page 8 - 11	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators.	Fully	"Page13 Foot notes are added at relevant sections of the report."	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports.	Fully	Typographical error was rectified for the electricity consumption value of refineries, which resulted in under reporting of the scope 2 emissions and Indirect Energy consumption	

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	Reason for omission
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	Page 12 - 13	
3.12	Location of the Standard Disclosures	Fully	GRI Index	
3.13	Assurance Statement	Fully	Page 78 - 79	

4. Governance, Commitments, and Engagement

4.1	Governance structure of the organization.	Fully	Page 16 - 19	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Page 16	
4.3	For organizations that have a unitary board structure, state the number and gender of members.	Fully	"Page 18 Annual Report FY 12-13: Page 141- 144"	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Page 20: Public grievance redressal and for Employee grievance redressal please refer to Page 61	
4.5	Linkage between compensation for members of the highest governance body and the organization's performance.	Fully	Page 18 - 19	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	"Page 21 Annual report FY 12-13: Page 154"	
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body.	Fully	Annual Report FY 12-13: Page 142 - 144	
4.8	Vision, Mission and Code of Conduct	Fully	Page 14 - 15	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	Fully	Page 19: CSR and SD committee	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Page 22	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	The Risk management group at HPCL is continually evaluating and identifying the potential risks for the organization and building strategies for controlling the same, Page 20	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Page 22	
4.13	Memberships in associations	Fully	Page 22, 74	
4.14	List of stakeholder groups engaged by the organization.	Fully	Page 34 - 35	
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Page 27	

GRI Index

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	Reason for omission
4.16	Stakeholders' Engagement	Fully	Page 34 - 35	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	Page 26 - 33 and 34 - 35	

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

G3.1 OGSS DMAs	Disclosure	Level of reporting	Location of disclosure	Reason for omission
DMA EC	DISCLOSURE ON MANAGEMENT APPROACH EC			
Aspects	Economic Performance	Fully	Page 36 - 37	
	Market presence, including local content	Fully	Page 10 - 11	
	Indirect economic impacts	Fully	Page 69 - 71	
	Reserves	Not		Not applicable
DMA EN	DISCLOSURE ON MANAGEMENT APPROACH EN			
Aspects	Materials	Fully	Page 41, 47, 51	
	Energy	Fully	Page 46 - 47	
	Water	Fully	Page 32, 48, 53 - 55	
	Ecosystem services including biodiversity	Fully	Page 55	
	Emissions, effluents and waste	Fully	Page 47 - 50, 52 - 54	
	Products and services	Fully	Page 58	
	Compliance	Fully	Page 15, 41, 56	
	Transport	Not		Not available
	Overall	Fully	Page 40 - 55	
DMA LA	DISCLOSURE ON MANAGEMENT APPROACH LA			
Aspects	Employment	Fully	Page 62 - 63	
	Labour/management relations	Fully	Page 60 - 61	
	Occupational Health and Safety	Fully	Page 30, 62, 64 - 65	
	Training and education	Fully	Page 66	
	Diversity and equal opportunity	Fully	Page 61, 62	
	Equal remuneration for women and men	Fully	Page 61, 62	
DMA HR	DISCLOSURE ON MANAGEMENT APPROACH HR			
Aspects	Investment and procurement practices	Fully	Page 60	
	Non-discrimination	Fully	Page 61	
	Freedom of association and collective bargaining	Fully	Page 60	
	Child labour	Fully	Page 61	
	Prevention of forced and compulsory labour	Fully	Page 61	
	Security Practices	Fully	Page 60	
	Indigenous rights	Fully	Page 28, 33, 60	
	Assessment	Fully	Page 60	
	Remediation	Fully	Page 60	
DMA SO	DISCLOSURE ON MANAGEMENT APPROACH SO			
Aspects	Local communities	Fully	Page 72	
	Corruption	Fully	Page 20 - 21	
	Public policy	Fully	Page 22	
	Anti-competitive behavior	Fully	Page 22	

G3.1 OGSS DMAs	Disclosure	Level of reporting	Location of disclosure	Reason for omission
	Compliance	Fully	Page 57	
	Emergency preparedness	Fully	Page 31	
	Involuntary resettlement	Fully	Our operations do not warrant any displacement of people and hence resettlement does not apply to us.	
	Asset integrity and process safety	Fully	Page 65	
DMA PR	DISCLOSURE ON MANAGEMENT APPROACH PR			
Aspects	Customer health and safety	Fully	Page 56	
	Product and service labeling	Fully	Page 57	
	Marketing communications	Fully	Page 57	
	Customer privacy	Fully	Page 20	
	Compliance	Fully	Page 57	
	Fossil fuel substitutes	Not		Not applicable

STANDARD DISCLOSURES PART III: Performance Indicators

Indicator	Disclosure	Level of reporting	Location of disclosure	Reason for omission
ECONOMIC				
Economic performance				
EC1	Direct economic value generated and distributed.	Fully	Page 37	
EC2	Financial implications and other risks and opportunities.	Fully	Page 20	
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Page 63	
EC4	Significant financial assistance received from government.	Fully	Page 39	
Market presence				
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Fully	Page 60	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	Page 39	
EC7	Procedures for local hiring.	Fully	Page 39	
Indirect economic impacts				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Page 69 - 71	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	Page 69 - 71	
OG1	Volume and type of estimated proved reserves and production.	Not	Not applicable	Out of boundary of HPCL

Indicator	Disclosure	Level of reporting	Location of disclosure	Reason for omission
ENVIRONMENTAL				
Materials				
EN1	Materials used by weight or volume.	Fully	Page 51- 52	
EN2	Percentage of materials used that are recycled input materials.	Fully	Page 51	
Energy				
EN3	Direct energy consumption by primary energy source.	Fully	Page 46	
EN4	Indirect energy consumption by primary source.	Fully	Page 46	
OG2	Total amount invested in renewable energy.	Fully	Page 41	
OG3	Total amount of renewable energy generated by source.	Fully	Page 41, 47	
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Page 46	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services.	Fully	Page 56 - 57	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partially	Initiated and reported on Page 57	We are in the process of developing monitoring mechanisms to capture this data. As we mature in our reporting process we would incorporate this information in our future reports.
Water				
EN8	Total water withdrawal by source.	Fully	Page 48, 54	
EN9	Water sources significantly affected by withdrawal of water.	Fully	HPCL is ISO 9001 and ISO14001 certified. We have SOPs developed to monitor any significant impact of our operations on the Environment. The water bodies were not affected by any of our current operations.	
EN10	Percentage and total volume of water recycled and reused.	Fully	Page 48	
Biodiversity				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	Page 55	
EN12	Description of significant impacts of activities, products, and services on biodiversity.	Fully	Page 55	
EN13	Habitats protected or restored.	Fully	Page 55	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	Page 55	

Indicator	Disclosure	Level of reporting	Location of disclosure	Reason for omission
OG4	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored.	Fully	Page 55	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not	Not available	HPCL conducts Environment Impact assessments at all its locations.
Emissions, effluents and waste				
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Page 47 - 48, 52 - 53	
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not	Not Available	HPCL is in the process of developing monitoring mechanism for capturing Scope 3 emissions. As we mature in our reporting process this information would be monitored and reported.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Page 46 - 47	
EN19	Emissions of ozone-depleting substances by weight.	Fully	Page 47	
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	Page 47	
EN21	Total water discharge by quality and destination.	Fully	Page 48	
EN22	Total weight of waste by type and disposal method.	Fully	Page 49 - 50	
OG5	Volume of formation or produced water.	Not	Not Applicable	Out of boundary of HPCL
EN23	Total number and volume of significant spills.	Fully	Page 65	
OG6	Volume of flared and vented hydrocarbon.	Fully	Page 50	
OG7	Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal.	Not	Not Applicable	HPCL is currently not involved in the activities which involves drilling waste and hence this indicator is not applicable to us.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not reported	Not applicable	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Fully	Page 55	

Indicator	Disclosure	Level of reporting	Location of disclosure	Reason for omission
Products and services				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Page 56 - 57	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	Page 57	
OG8	Benzene, Lead and Sulfur content in fuels.	Fully	Page 53	
Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	There were no cases of non-compliance were registered in the current year	
Transport				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Not	Not available	We are in the process of developing monitoring mechanisms to capture this data. As we mature in our reporting process we would incorporate this information in our future reports.
Overall				
EN30	Total environmental protection expenditures and investments by type.	Fully	Page 44	
SOCIAL: LABOUR PRACTICES AND DECENT WORK				
Employment				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	Page 62	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	Page 62 - 63	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	Page 63	
LA15	Return to work and retention rates after parental leave, by gender.	Fully	Page 63	
Labour/management relations				
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Page 60	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	A 3 week notice period is given to our employees in case of any significant changes in operations and the same is specified in our collective bargaining agreements	

Indicator	Disclosure	Level of reporting	Location of disclosure	Reason for omission
Occupational health and safety				
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees	Fully	All our employees are represented in formal joint management and worker safety committee.	The data for Lost days, Absenteeism, is not available for calculating rates. For Marketing locations the data for man-hours worked is not available. As we mature in our reporting process this would be reported
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Partially	Page 64 - 65	
LA8	Education, training, counseling, prevention, and risk-control programs.	Fully	Page 65	
LA9	Health and safety topics covered in formal agreements with trade unions.		Our agreements with employee unions cover safety and health procedures and practices. Sustainability Report 11-12, page 45	
Training and education				
LA10	Average hours of training.	Fully	Page 66	
LA11	Programs for skills management and lifelong learning.	Fully	Page 63	
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	100% of our employees receive a formal performance appraisal which is a part of our internal HR policy	
Diversity and equal opportunity				
LA13	Composition of governance bodies and breakdown of employees per employee category.	Fully	Annual report Page 141 - 144	
Equal remuneration for women and men				
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	We are a gender neutral company and do not discriminate on the compensation based on the gender	

Indicator	Disclosure	Level of reporting	Location of disclosure	Reason for omission
SOCIAL: HUMAN RIGHTS				
Investment and procurement practices				
HR1	Percentage and total number of significant investment agreements and contracts with Human Right clauses	Fully	Page 60	
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening.	Fully	Page 60	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights.	Partially	Page 60	
Non-discrimination				
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	Page 61	
Freedom of association and collective bargaining				
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at risk	Fully	Page 60	
Child labour				
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour.	Fully	Page 61	
Prevention of forced and compulsory labour				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour.	Fully	Page 61	
Security practices				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights.	Fully	Page 60	
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	There were no incidences of violation of the rights of indigenous people in the current year	

Indicator	Disclosure	Level of reporting	Location of disclosure	Reason for omission
Assessment				
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Not	Not available	We ensure compliance to Factories Act and labour laws at all our operations through periodic reviews. It ensures that we address all the issues of human rights including gender equality, child labour, forced labour and requirement of minimum wages.
OG9	Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place.	Fully	Our CSR projects are focused on Indigenous people: Page 70 - 72	
Remediation				
HR11	"Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms."	Fully	Page 61	
SOCIAL: SOCIETY				
Local communities				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	Not available	Post and Pre Impact assessments are carried out at all our ongoing operations to ensure that we do not harm the local communities due to our operations None of our current operations have any negative impact on the local communities
SO9	Operations with significant potential or actual negative impacts on local communities.	Fully	Page 69	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	Page 69: None of our current operations have any negative impact on the local communities	
OG10	Number and description of significant disputes with local communities and indigenous peoples.	Fully	HPCL did not have disputes with local communities and indigenous people in the reporting period.	
OG11	Number of sites that have been decommissioned and sites that are in the process of being decommissioned.	Fully	None of our sites are decommissioned or were in that process of being decommissioned during the reporting period.	

GRI Index

Indicator	Disclosure	Level of reporting	Location of disclosure	Reason for omission
Corruption				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Page 21	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Page 21	
SO4	Actions taken in response to incidents of corruption.	Fully	Page 21	
Public policy				
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Page 22	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	Page 39	
Anti-competitive behavior				
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	Page 22	
Compliance				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	No fines have been paid for non-compliance in the reporting period	
Involuntary resettlement				
OG12	Operations where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process.	Fully	HPCL was not involved in resettlements of households due to its operations in the reporting period	
Asset Integrity and Process Safety				
OG13	Number of process safety events, by business activity.	Fully	Page 65	
SOCIAL: PRODUCT RESPONSIBILITY				
Customer health and safety				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	Page 56 - 57	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	No incidence of non-compliance were reported in the current year; Page 56	
Product and service labeling				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	Page 57	

Indicator	Disclosure	Level of reporting	Location of disclosure	Reason for omission
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	Page 57	The organization conducts customer satisfaction surveys, however the results of the same are not reported
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Partially	Page 57	
Marketing communications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Page 57	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	Page 57	
Customer privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	No complaints are received regarding loss of customer data or privacy; Page 20	
Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	No fines were received in the reporting period for non- compliance related to use of products and services	
Biofuels				
OG14	Volume of biofuels produced and purchased meeting sustainability criteria.	Fully	Page 50	

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal blue lines across its entire width. The lines are thin and consistent in color, set against a plain white background. There are no margins, text, or other markings present on the page.

APPLICATION Level Criteria

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4 , 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
	Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labour, society, product responsibility.		Respond on each core and Sector Supplement indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

The HPCL Sustainability Report FY 2012-13, 'Driving Sustainability through people' is a GRI-G3.1+OGSS Compliant Application Level A+ Report

This report is also available on our website: www.hindustanpetroleum.com

Feedback on this report may be sent to corporatehse@hpcl.co.in

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Hindustan Petroleum Corporation Limited

DRIVING SUSTAINABILITY

through people

Sustainability Report 2012-13