



## SUSTAINABILITY REPORT 2013-14



हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड  
संधारणीय रिपोर्ट 2013-14

Hindustan Petroleum Corporation Limited

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#### Registered Office and Corporate Headquarters

Hindustan Petroleum Corporation Limited, Petroleum House, 17, Jamshedji Tata Road  
Mumbai 400020, Maharashtra, India



## About this report

It is our proud privilege to present the Hindustan Petroleum Corporation Limited (HPCL) Corporate Sustainability Report for the year 2013-14. This is the third annual sustainability report developed by the corporation based on the Global Reporting Initiative (GRI – version 3.1) Guidelines. The report also contains disclosures in-line with the Oil & Gas Sector Supplement (OGSS).

The report covers the Financial Year (FY) 2013-14.

## Report Boundary

Our report boundary continues to be the same as last year, and includes all fully owned operations of the company. These include Refineries at Mumbai and Vishakhapatnam and the Marketing operations of the following Strategic Business Units (SBUs):



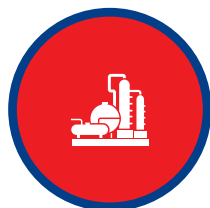
Aviation



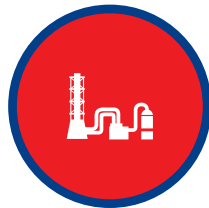
Direct Sales



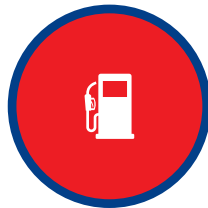
LPG (HP Gas)



Operation and Distribution



Pipelines



Retail (Petrol Pumps)

This report's boundary does not cover joint ventures, subsidiaries and International operations. In order to execute its long term business plans, the organization has entered into several joint ventures and also forayed into international operations (please refer to the company's Annual Report available on the company's website for details of such operations).

## Reporting process & application level

The organization has engagements with all its stakeholders on an ongoing basis and strives to address all their reasonable interests. Details of such engagements have been presented in the section on stakeholder engagement. We have also made an attempt to present our strategy and performance with respect to topics of stakeholder interest in this report.

The company has robust internal management systems governing all facets of operations (including Health, Safety and Environment (HSE), labour and other topics covered in this report). Data points used in the report are collected from these internal systems at the corporate level. Additional data points needed are also collected and compiled from our plants across SBUs. Any assumptions/ standards that have been used in this report have been explained along with the data points.

This report contains disclosures to meet the requirements of GRI application level 'A'. Furthermore, the report content has been assured by M/s EVI Limited, qualifying the report for application level 'A+'.

This report presents details of our sustainability performance that may interest all our stakeholders – customers, investors, employees, business partners and the public at large. We would appreciate any feedback on this sustainability report or our sustainability practices in general.



**Stakeholders may share such feedback through e-mail to the ID: [corporatehse@hpcl.co.in](mailto:corporatehse@hpcl.co.in)**

## MESSAGE FROM C&MD



**Nishi Vasudeva**  
Chairman & Managing Director



**The Corporation is continually working to be a model of excellence in meeting the commitment to our society and has undertaken projects focusing on child-care, education, healthcare, skill development and community development in partnership with specialized NGOs/Implementation partners.**





## We are mindful of our environmental footprint and are constantly on the lookout for opportunities to minimize the same.

### Dear Stakeholder,

It gives me immense joy to present HPCL's third annual Sustainability Report covering the FY 2013-14. Through this communication, an earnest attempt has been made to present the Corporation's performance along the 'triple bottom-lines' – social, environmental and economic.

Year 2013-14 marked the completion of 40 years of the Corporation's coming into existence. We have come a long way from our humble beginning, doing our bit in the process of nation building by producing quality fuels that drive the engine of growth. Throughout this remarkable journey, our business has grown in a socially inclusive and environmentally responsible manner.

For the second year in a row, the Indian economy witnessed a growth rate of less than 5%. The problem of slow growth rate has been compounded by a depreciating rupee, making the business environment even more challenging.

However, all our business units worked in tandem to deliver superior financial performance. The Corporation's Profit After Tax (PAT) grew over 90% year-on-year to INR 1,733.77 Crores. Our long-term business strategy is focused on investing in new infrastructure in our core business areas of refining and marketing, expanding in new areas such as Natural Gas and moving up the value chain, as energy needs of the country increase.

The Corporation is also gearing up its capabilities in the area of Renewable Energy and Alternate Fuels. To develop sustainable technologies in the area of

Alternate Energy, we are carrying out research in this field viz., Solar Energy by concentrating on CSP technologies and on Ethanol/Butanol production from Ligno Cellulosic Bio Mass in Bio Fuels. The same is being explored thru In-House Projects and as an Industrial partner in Indo US Clean Energy Research Development program, jointly sponsored by Indian and US Governments.

To tap the vast wind energy potential in the country we have committed investment for the development of 100 MW wind farm capacity. The first phase of this wind farm has already been commissioned (50.5 MW) and generated over 560 lakh units of electricity in 2013-14.

We are also developing a Green R&D Centre in Bangalore with an estimated investment of INR 312 crores. This centre would carry out R&D activities in the space of Refinery technologies, nano-technology applications and bio-fuels.

To insulate ourselves against external volatilities and uncertainty, we continue to focus on process improvements. We are implementing two major projects – Central procurement and Integrated Margin Management for increasing competitiveness and delivering superior value to our customers and stakeholders. Our marketing SBUs undertook several projects for enhancement of operational efficiency and productivity. Project Uttam and Utkrisht initiated by our Direct Sales and O&D SBUs respectively aim at productivity, safety, quality and cost improvements through the application of concepts like Total Productivity Management (TPM), Six Sigma etc. Under the ambit of these programs, suitable trainings have been offered

### Major Projects

WE ARE IMPLEMENTING TWO MAJOR PROJECTS – CENTRAL PROCUREMENT AND INTEGRATED MARGIN MANAGEMENT FOR INCREASING COMPETITIVENESS AND DELIVERING SUPERIOR VALUE



Swachh Bharat

### Safety

SAFETY IS ALWAYS OUR TOP PRIORITY

to management/non-management employees. Similarly, Project Utkarsh has facilitated a 17% improvement in the hourly production rates of our LPG plants. 32 of our 44 PLG plants are now operating at productivity levels in excess of 100%. We have also constituted an Apex Innovation council comprising all Business Heads to design strategies for leveraging innovation.

Safety is always our top priority. With unrelenting focus, we implement best-in-class safety systems and also impart

regular training to our personnel. While on the one side we are happy to report 'zero lost time accidents' at our POL and LPG installations, I am struck by a sense of profound grief to report a major accident at our Visakh Refinery, which resulted in fatalities. We are committed to ensure that such events do not happen again. OSHA-PSM implementation is taken up with full steam to enhance safety. The Corporation had earlier launched project 'Sankalp' for safety and behavioral competency development of the O&D division. Through this project,

## Project Sankalp

OSHA-PSM  
IMPLEMENTATION IS TAKEN  
UP WITH FULL STEAM TO  
ENHANCE SAFETY. THE  
CORPORATION HAD  
EARLIER LAUNCHED  
PROJECT 'SANKALP' FOR  
SAFETY AND BEHAVIORAL  
COMPETENCY  
DEVELOPMENT

we are offering training in 8 vernacular languages. Similar programs have been rolled-out across other marketing SBUs as well.

We are mindful of our environmental footprint and are constantly on the lookout for opportunities to minimize the same. All our major facilities are ISO-14001 certified. State-of-the-art pollution abatement systems have been incorporated at our refineries. Electrical energy audits have been conducted at 13 of our locations to identify energy conservation opportunities. We have reached out to internal and external stakeholders through multiple training programs focused on business sustainability.

The Corporation is continually working to be a model of excellence in meeting the commitment to our society and has undertaken projects focusing on child-care, education, healthcare, skill development and community development in partnership with specialized NGOs/Implementation partners. Over INR 23 crores have been incurred in such projects in the financial year 2013-14.

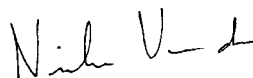
People are the main stay of our organization and are core to achieving excellence in performance. The organization continuously engages with employees at all levels and we are proud of our motivated and hard-working workforce. We focus on building capacity, empowerment, alignment of employees to the organization's common vision and creating an effective pipeline of leaders for the future.

Our well-meaning efforts have been recognized by the Government of India, in 2012-13 we obtained an annual MoU score of 1.034, the highest among all PSUs under the Ministry of Petroleum and Natural Gas.

We have many more miles to go and many more milestones to accomplish by working collectively with our stakeholders. Together, we are building a world-class energy Corporation that is known for quality products, innovative services, happier customers and is recognized as a Corporation committed to society, environment and employee well-being.

I take this opportunity to thank each of our stakeholders who have directly or indirectly contributed to our success.

We look forward to your continued support in all our future endeavours.



**NISHI VASUDEVA**  
Chairman & Managing Director



**People are the main stay of our organization  
and are core to achieving excellence in  
performance.**



## ORGANISATION PROFILE



State-of-the-art refineries





HPCL is one of India's largest Public Sector Undertakings (PSUs), engaged in the business of refining Crude Oil and marketing various petroleum products like Petrol, Diesel, LPG, Kerosene etc. The company's products are sold throughout India. Some products (naphtha, bitumen, furnace oil and some special products including hexane and lubes) are also sold in Southeast Asian markets. HPCL has been accorded the 'Navratna' status by the Government of India; the company is also a part of the prestigious Fortune 500 (ranked 284) and Forbes 2,000 (ranked 1,211) business listings. Over the years, the company has moved from strength to strength, creating value for all its stakeholders.

The company has a subscribed and paid up capital of INR 339.01 crores. The Government of India holds 51.11% of the company's shares, while the rest is held by financial institutions, the public and other investors.<sup>1</sup>

The company's operations include two refineries and an extensive marketing network. The registered office and corporate headquarters is located in Mumbai. Please refer to the company's Annual Report for details of joint ventures and subsidiaries. For over a quarter of a century now, HPCL has been consistently breaking new grounds in production and marketing.



## 2.1. Refineries

HPCL operates two state-of-the-art refineries, strategically located along the west and east coasts of the country, at Mumbai and Vishakhapatnam respectively. The refining capacity has steadily increased from 5.5 MMTPA (Million Metric Tons Per Annum) in 1984-85 to 14.8 MMTPA currently. The present capacities of Mumbai Refinery (MR) and Visakh Refinery (VR) are 6.5 MMTPA and 8.3 MMTPA respectively. The technological sophistication facilitates the production of a variety of high quality fuels and specialty products.

The company also serves the energy needs of the country through investments in joint ventures. The company holds equity stake of 16.95 per cent in Mangalore Refinery & Petrochemicals Limited (MRPL), which has a capacity of 15 MMTPA. We have also set up the Guru Gobind Singh Refinery (9MMTPA) for HPCL-Mittal Energy Limited (HMEL) at Bathinda, Punjab, as a JV with Mittal Energy Investments Pte. Ltd. HPCL currently has 48.94% equity participation in HMEL.



<sup>1</sup>Please see the following web-link for complete shareholding pattern:  
<http://hindustanpetroleum.com/irshareholderprofile>



2.2. Marketing Network




Over the years, HPCL has been investing in creating a world-class marketing infrastructure, which has helped the company in acquiring a dominant market position. Our marketing network consists of 13 Zonal offices in major cities, 100 regional offices and a Supply & Distribution infrastructure comprising Terminals, Depots, LPG Bottling Plants and dealerships, Lube filling plants, Aviation Service Facilities (ASF) and massive cross-country pipeline networks. Following is a list of such marketing locations.

Marketing Network

Marketing unit (SBU)	Number of locations
Terminals/Tap Off Points	35
Depots(POL & Lubes)	90
LPG Bottling Plants	46
Lube Blending Plants	7
Aviation Fuel Stations	35
Retail Outlets	12,869
SKO/ LDO Dealers	1,638
LPG Distributors	3,506
LPG Customers (in lakhs)	437
Major Product Pipelines	4



2.3. Major Products

Light distillates	Middle distillates	Heavy ends
		
<ul style="list-style-type: none"><li>■ Liquefied Petroleum Gas</li><li>■ Motor Spirit</li><li>■ Naphtha</li><li>■ Hexane</li><li>■ Propylene</li></ul>	<ul style="list-style-type: none"><li>■ High Speed Diesel</li><li>■ Superior Kerosene Oil</li><li>■ Light Diesel Oil</li><li>■ Aviation Turbine Fuel</li><li>■ Mineral Turpentine Oil</li><li>■ JBO</li></ul>	<ul style="list-style-type: none"><li>■ Bitumen</li><li>■ Furnace Oil</li><li>■ Low Sulphur Heavy Stock</li></ul>



World-class marketing infrastructure



## 2.4. Our Strategy

HPCL is focused on scaling of strategic initiatives for accelerated growth and completing projects for realizing full earnings and growth potential. With this objective HPCL will continue to focus on strengthening the core businesses of Refining and Marketing, diversifying into new energy business lines and delivering superior financial performance in the short term. The short-term strategy and objectives (leading upto 2016-17) have been enumerated under 'Target Shikhar'. HPCL has also developed 'Udaan 2030', a scenario-planning based long term perspective detailing directional targets up to 2030. In-line with 'Target Shikhar' and 'Udaan 2030', our short and long-term objectives include the following:

### Short term Objectives

- Self sufficiency of product which will entail expansion of refining capacity in line with marketing demand as per 'Target Shikhar'.
- To improve the marketing and refining operational efficiency by focussing on energy conservation and other innovative measures.
- Renewed focus on customer delight. Ensure sound financials for supporting business growth.
- Develop capabilities of employees to meet the stated objectives. HR will work as a strategic partner in sourcing and developing talent in meeting the above objectives. Technology will be leveraged in a big way.
- HPCL is focused on inclusive growth and takes its CSR with utmost seriousness.
- Make inroads into new business lines viz. LNG, E&P, Renewables.

### Long term Objectives

- To be one of the most trusted energy companies in the country
- To achieve sustainable growth which will entail triple bottom line growth and all-round growth of stakeholders
- To be a well established player in refinery and marketing and also in areas of petrochemicals, E&P, Gas, and Renewables.

To monitor timely achievement of the above objectives, we have set up a Strategy Management and Implementation office (SMIO) whose primary mandate is to track and guide our SBUs. We have also set up a cross functional Integrated Margin Management (IMM) team in July 2013 to integrate sourcing, refining, storage, distribution and marketing operations for maximizing margin across the value chain.



## HPCL VISION & MISSION



Future Full of Energy



### Our 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.



### Our 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.

## ACHIEVEMENTS FOR 2013-14



### 4.1. Our Performance in 2013-14

The company continued to record robust physical sales growth during the Financial Year 2013-14 by implementing effective marketing strategies under challenging business conditions. Our refineries processed 15.51 MMT of crude, achieving 105% capacity utilization. In 2013-14, the company registered total product sale of 30.96 MMT (including exports) viz-a-viz 30.32 MMT during the preceding year. Domestic sales recorded a growth of about 4% to reach an all-time high of

30.27 MMT. It is a matter of pride that the domestic growth rate witnessed by the corporation is the highest among all PSU-Oil Marketing Companies in the country. On the back of this performance, the corporation further improved its market share by 0.71% to 20.90% in 2013-14. We also achieved other significant milestones including that of becoming India's largest lube marketer (total lube sales of 484 Thousand Metric Tons) and achieving bitumen sales of 1 million tonnes for the second consecutive year.

DOMESTIC SALES RECORDED A GROWTH OF ABOUT 4% TO REACH AN ALL-TIME HIGH OF 30.27 MMT. IT IS A MATTER OF PRIDE THAT THE DOMESTIC GROWTH RATE WITNESSED BY THE CORPORATION IS THE HIGHEST AMONG ALL PSU OIL MARKETING COMPANIES IN THE COUNTRY.

**INDIA'S LARGEST LUBE BASE OIL REFINERY**  
**INDIA'S FINEST HIGH-PERFORMANCE LUBRICANTS**

**HP**

- AUTOMOTIVE OILS
- GEAR OILS
- GREASES
- COOLANTS
- BRAKE FLUIDS
- INDUSTRIAL OILS
- SPECIALTIES



India's Largest Lube Marketer



↑ 7.7%

OUR GROSS SALES INCREASED BY 7.7% TO REACH INR 2,32,188 CRORE WHILE PROFIT AFTER TAX (PAT) ALMOST DOUBLED TO INR 1,734 CRORE FROM INR 905 CRORE IN 2012-13. THIS REPRESENTS THE HIGHEST NET PROFIT WITNESSED BY THE CORPORATION IN THE LAST DECADE.

Our gross sales increased by 7.7% to reach INR 2,32,188 crore while Profit After Tax (PAT) almost doubled to INR 1,734 crore from INR 905 crore in 2012-13. This represents the highest net profit witnessed by the corporation in the last decade.

## Financial Highlights

	Figures in INR crores <sup>2</sup>		
	FY 2013-14	FY 2012-13	FY 2011-12
Gross sales (A)	232,188	215,666	188,131.0
Operating Cost (B)	220,294	204,937	175,918
Profit After Tax (PAT) (C)	1,733.77	904.7	911.4
Total monetary outflows for employees (D)	2,030	2,526	1,583
All financial payments made to the providers of the organization's capital (E)	1,861	1,701	2,512
Contribution to Exchequer (F)	36,423	32,174	31,301
Voluntary contributions and investment of funds in the broader community (includes donations) (G)	23.74	21.7	26.5

<sup>2</sup>Minor changes in the historical figures for 2012-13 and 2011-12 have been updated.

## Financial Assistance from Government of India

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



## 4.2. MoU targets on sustainability

HPCL's annual performance is rated based on the MoU (Memorandum of Understanding) signed by the company with the Ministry of Petroleum & Natural Gas annually. A significant weightage is assigned to the areas of environmental

and social performance in the MoU. Department of Public Enterprises (DPE) evaluates the performance against achievement of the MoU targets. HPCL has consistently been awarded an "excellent" rating since the inception of this rating system. HPCL received a score of 1.034 in the year 2012-13; this is the highest score among PSUs under the Ministry of Petroleum and Natural Gas. The company has received this distinction for the second consecutive year.

Following table indicates the sustainability targets for FY 2013-14 and the company's achievements against it.

## 4 ACHIEVEMENTS FOR 2013-14

### Sustainability Targets and Achievements

Sustainability Targets for 2013-14	HPCL's performance
The degree of involvement of the employees and the top Management in internalizing the CSR and Sustainability agenda within the organization	More than 700 employees and stakeholders were trained on sustainability and CSR related aspects.
To conduct carbon foot printing assessment exercise for 2 marketing locations.	We have completed the carbon foot-printing assessment of two marketing locations by 28th February 2014. This study reveals significant emission reductions across operations
By adoption of good corporate communication strategy, we intend to further improve the engagement with our key stakeholders.	We have conducted 10 stakeholder interactions during FY 2013-14. Feedback received from the stakeholders has been shared with respective SBU heads for review and actions.
To continue monitoring our performance on the triple bottom line and prepare Sustainability Report for FY 2012-13.	Our Sustainability team is actively monitoring the company's performance on sustainability indicators; Sustainability Report for FY 2012-13 was released on 6th September, 2013.
Conduct an engineering study to install Tail Gas Treating technology in VR's Sulphur Reduction Unit.	Completed on 30th December 2013
Solar power installation at MR	A 75 KW solar photovoltaic power installation has been installed at MR's Lab Building.
To increase treated water output from reuse/recycle operations at refineries.	Treated water output from reuse/recycle operations at refineries has been increased to 1169,000 m <sup>3</sup>
Energy audit for POL locations	To increase energy performance of the marketing locations, the company has initiated energy audits across locations in phases. This year, 13 POLs were audited and the initiatives identified in the audits, are being implemented.

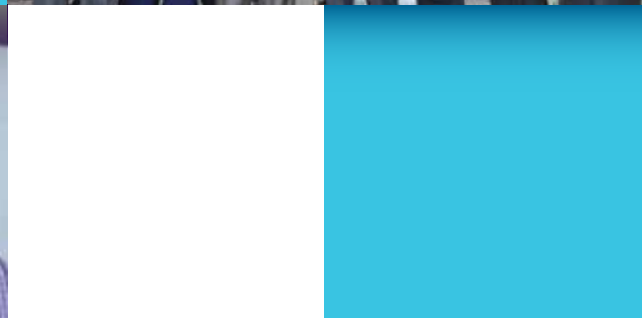
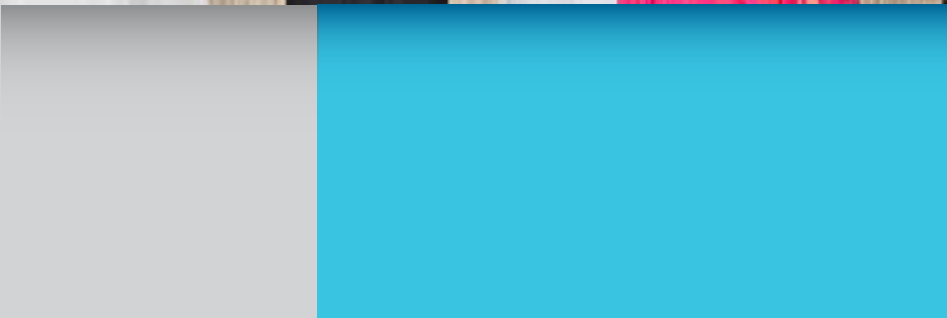


### 4.3. Awards & Accreditations

- PSU Award 2013 by 'Governance Now' for Overall Growth & Competitiveness under Navratna Category – received from the Hon'ble Minister for Heavy Industries & Public Enterprises
- Reader's Digest - Trusted Brand Gold award in Petrol Station category - for 8th consecutive year
- Greentech Gold Award for Outstanding Achievement in 'Best HR Strategy' by Greentech Foundation
- Gold Stevie Winner in Human Resources Category at the 10th annual IBA awards at Barcelona, Spain
- "Golden Peacock Innovative Product/Service Award" for the year 2014 for Project Utkrisht – A joint productivity improvement initiative of Operations & Distributions Department and HR
- Best Overall Safety Performance Award by Oil Industry Safety Directorate (OISD) under POL Marketing Organizations category for the 4th consecutive year.
- "Golden Peacock award for Corporate Governance" for the year 2013 for excellent practices in Corporate Governance



## Awards & Accreditations





#### 4 ACHIEVEMENTS FOR 2013-14



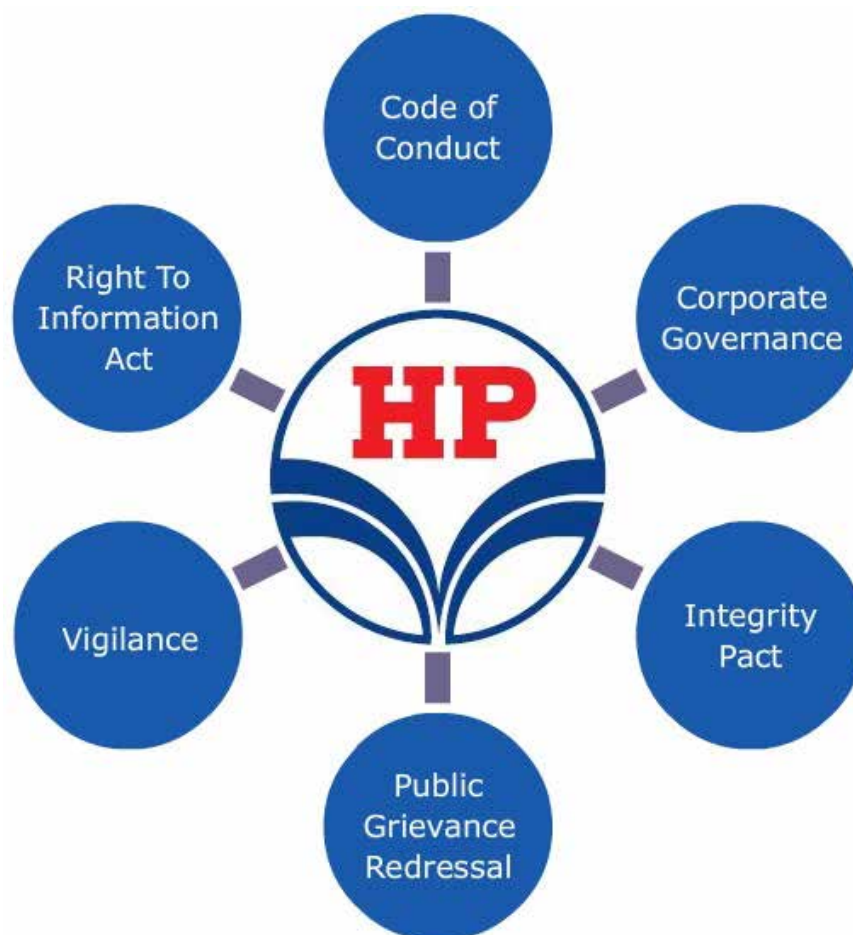
Awards & Accreditations



- "Golden Peacock Special Commendation Award" for HPCL's contribution towards CSR
- "ASME Global Pipeline Award for Innovation" for implementation of OFC based Intrusion Detection System for MSPL.
- Safety award from OISD for the 4th consecutive year for Mundra Delhi Pipeline.
- "National Award for Excellence in Cost management – 2013" second runner up in the category of "Public manufacturing: Organizations (Large)"
- "CIO 100 Efficient Enterprise Special Award" for implementation of Accounts payable Automation systems
- "Indira Gandhi Rajbhasha Puraskar" for the 6th consecutive year for best official language implementation among PSEs in India and for outstanding achievements of the corporation in the realm of Official Language implementation in 'B region'
- FICCI CSR Award for 2012-13 in PSU Category for exemplary work in Corporate Social Responsibility.
- "Civic Award by Bombay Chambers of Commerce and Industry" in Category of Sustainable Environmental initiative.
- Maharashtra Safety award for 7th consecutive year for MPSPL Trombay, and 6th consecutive year for both MPSPL Khopoli and MPSPL Talegaon.
- "Effectiveness in Boiler & Furnace Operations" 2nd prize for Mumbai Refinery from MOP&NG and Centre for High Technology
- "National Institute of Personnel Management (NIPM) National award" Runner up for 'Best HR Practices - 2013'
- "JCBM QCIDM Award" for acknowledging our association on metrics 'Quality, Cost, Innovation, Delivery & Management'.
- 14th National Award for Excellence in Energy Management 2013 for "Energy Efficient Unit" by The Confederation of Indian Industry (CII) for Mumbai Refinery
- OHSAS 18001:2007 certification to occupational health service activities
- Golden Peacock Award for Project SANKALP
- British Council International Safety Award 2013 for Mundra Delhi Pipeline.
- "Greentech Environment Awards" Golden & Silver Categories for Mundra-Delhi Pipeline and Visakh-Vijaywada-Secunderabad pipeline respectively.
- "FICCI Sustainability Award" 2013 for excellence in Safety Health and Environment (SHE) in petrochemicals received by Mundra Delhi Pipeline.
- "Greentech CSR awards" in Silver category for Mundra –Delhi Pipeline and Visakh-Vijaywada-Secundrabad pipeline.

CIVIC AWARD BY  
BOMBAY CHAMBERS  
OF COMMERCE AND  
INDUSTRY" IN CATEGORY  
OF SUSTAINABLE  
ENVIRONMENTAL INITIATIVE

## DOING THE RIGHT THINGS, THE RIGHT WAY -CORPORATE GOVERNANCE



HPCL believes in good corporate governance practices, ethics, fairness, professionalism and accountability to build trust and confidence of its stakeholders. The emphasis is on conducting our affairs within a defined set of frameworks, policies, internal and external regulations in a transparent manner. We have well-developed internal controls, systems and processes for risk management.

Being a Government of India Enterprise, our operations and day-to-day 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 for the communities where we operate. We engage proactively with our stakeholders and pursue collaborative partnerships with communities, governments and non-governmental organizations (NGOs). The Board of Directors is the highest governance body exercising the powers subject to the provisions of the Companies Act, 2013.

OUR GOAL IS TO CREATE MUTUAL BENEFITS, BOTH FOR OUR COMPANY AND FOR THE COMMUNITIES WHERE WE OPERATE. WE ENGAGE PROACTIVELY WITH OUR STAKEHOLDERS AND PURSUE COLLABORATIVE PARTNERSHIPS WITH COMMUNITIES, GOVERNMENTS AND NON-GOVERNMENTAL ORGANIZATIONS (NGOS).





As a significant player in the Oil & Gas sector of India and as a Government of India PSU with Navratna status, 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 of 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.

The Company and the Board is headed by the Chairman & Managing Director (C&MD) 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.

A part of the variable performance-linked compensation for senior executives is linked to the achievement of social, economic and environmental targets prescribed in the corporation's annual MoU with the Ministry of Petroleum and Natural Gas.

HPCL HAS INCULCATED AND PROMOTED 'HP FIRST' AS A CULTURAL MOTTO IN ALL ITS PROFESSIONAL ENDEAVORS AND ENGAGEMENTS.

## Composition of Board

Particulars	Nos.	Male/Female
Functional Directors, including Chairman	4	3/1
Non-Executive Govt. Directors (Ex-officio)	2	2
Non-Executive Independent Directors (Non-official)	5	5
<b>Total</b>	<b>11</b>	<b>10/1</b>

The board has also constituted a number of committees for effectively discharging its duties – these include the Committee of Functional Directors (CFD), the Audit Committee, the Investment Committee, the Remuneration Committee, the Investor Grievance Committee and the CSR and Sustainability Development Committee. Please refer to the company's annual reports for details of the composition of these committees and their respective functions.

## CSR and Sustainable Development Committee

The company has constituted a CSR and Sustainable Development Committee under the Board. This committee periodically reviews the organization's performance and provides guidance on various CSR and sustainable development initiatives. This Committee is headed by

Shri. G. K. Pillai and presently comprises four Non-Executive Independent Directors and three Whole Time Directors, namely Director HR, Director Refineries and Director Marketing, and four permanent invitees as Members. The members are as listed below:

- ❶ Shri G.K. Pillai
- ❷ Shri A.C. Mahajan
- ❸ Dr. G. Raghuram
- ❹ Dr. Gitesh K. Shah

## HP First

HPCL has inculcated and promoted 'HP FIRST' as a cultural motto in all its professional endeavors and engagements. HP FIRST, at one level addresses the intrapersonal conflicts. At another level 'HP FIRST' addresses the interpersonal issues involving differences between two individuals or two departments or for that matter two different thought processes or philosophies.

## 5 DOING THE RIGHT THINGS, THE RIGHT WAY -CORPORATE GOVERNANCE

'HP FIRST' is also an acronym where 'F' stands for Free, Frank and Fair – a dimension of our existing culture which needs to be sustained, 'I' stands for Integrity, 'R' for Respect for Individual, 'S' for Sustainable Performance and 'T' for Team Spirit.

### Integrity Pact

HPCL's Integrity Pact, which came into effect from 1st September 2007, guides the company in its business relationships with numerous domestic and international contractors and vendors of goods and services and is applicable for contracts above INR one Crore. The Integrity Pact and the appointment of Independent External Monitors (IEMs) have been conceptualized to usher in greater

transparency in the purchase process. The process is also beneficial for resolving disputes through the IEM.

### Avoidance of corruption

The corporation has well defined procedures for ensuring utmost transparency in day-to-day operations and in our transactions with other parties like providers of goods and services. All SBUs are analyzed for risk related to corruption through regular inspections and surprise checks. During inspections, Vigilance officials also interact with dealers / distributors and their employees and make them aware of the Corporation's policies and need for providing better service to customers to ensure transparent working at their end.

### Integrity Pact

GUIDES THE COMPANY IN ITS BUSINESS RELATIONSHIPS WITH NUMEROUS DOMESTIC AND INTERNATIONAL CONTRACTORS AND VENDORS OF GOODS AND SERVICES AND IS APPLICABLE FOR CONTRACTS ABOVE INR ONE CRORE.



Irregularities detected, if any, are brought to the notice of the concerned authorities and action as deemed fit is taken.

As a part of preventive vigilance, officials from Vigilance department interact regularly with various stakeholders, conduct various employee meets, observe vigilance awareness week programs, and conduct training programs during officer and trainee inductions and during domestic enquiry programs. The objective is to make employees aware about risks related to corruption, the Complaint Management System and the Whistle Blower Policy and maintaining transparent and ethical practices.

Additionally, Vigilance officers and other officials from the organization are also nominated to attend external training programs on anti-corruption processes; such participants are also encouraged to share their learning with their colleagues. In 2013-14, 2,152 employees were trained on the organization's anti-corruption policies and practices.

In addition, a detailed analysis of the specific business unit is undertaken and system improvements are recommended towards ensuring preventive vigilance. All business units were analyzed for corruption risks in FY 2013-14; and no substantiated cases of corruption were reported.



Stakeholder Sessions –  
Creating Shared Value





## STAKEHOLDER ENGAGEMENT AND MATERIALITY



Stakeholder Sessions –  
Creating Shared Value

### Yuvantage

INITIATIVES LIKE YUVANTAGE AND OTHER  
EMPLOYEE-FOCUSED PROGRAMS HAVE  
LED TO BETTER ENGAGEMENT OF THE  
WORKFORCE



#### 6.1. Engagement with stakeholders

HPCL has been proactive in engaging with all stakeholders, identifying their concerns if any and addressing them promptly in order to create shared value. Stakeholder engagement is an ongoing process at HPCL and is taken up through various forums. HPCL has identified its stakeholders as individuals/ entities that are impacted by our operations or those who assist the organization in its routine function and execution of long-



term strategies. These stakeholders, the medium of engagement, their concerns and the organization's response has been tabulated below.

Stakeholder	Type of Engagement	HPCL Response	Impact
<b>Management Employees</b>	Regular interaction	Periodic meetings with management employees. Interaction also exists between HODs and team members	Initiatives like Yuvantage and other employee-focused programs have led to better engagement of the workforce. This has also created an environment of improved coordination and resolution of any issues.
	Awareness on Environment, Health & Safety issues	Regular awareness through medical check-ups, provision of Personal Protective Equipment (PPE), communications through newsletters and intranet portal	Improved safety Awareness and performance and goodwill amongst employees
	Trainings	Regular updation of skill sets of employees through trainings	Technical and managerial training programs have contributed to improving the skill sets of employees. Through initiatives like Project Akshay – HPCL is also grooming talent which will lead the corporation in the future.
<b>Non-management Employees</b>	Regular interaction	Periodic meetings with non-management employees	IR council and other such initiatives have resulted in improved labour-management relationship and all employees are contributing to the common goals of the organization.
	Health awareness	Consultations on safety and other topics in the organization's sustainability agenda Medical and health check-up camps	Focus on worker safety and well-being has contributed to better morale of the workforce.
	Meetings on business, operational and EHS related issues	Regular meetings to increase transparency of transactions, EHS Trainings	Our interaction with dealers and suppliers has contributed to enhancing their satisfaction in doing business with the corporation. Furthermore, the corporation has also taken a host of initiatives for the benefit of dealers and suppliers (e.g., automation of systems), which have enhanced transparency, HSE performance and efficiency in operations.
<b>Dealers, Suppliers</b>	Pre bid meetings	Pre bid meetings to facilitate clear understanding and/or grievance redressal	The engagement with dealers and suppliers has also contributed to improved customer satisfaction levels due to better processes, services and products, improved safety during storage and transportation etc.
	Feedback sought and Training programs conducted on handling of products and on EHS	Training programs on EHS and Sustainability issues, frequent dealer interactions via phone, email and personal meetings	

## 6 STAKEHOLDER ENGAGEMENT AND MATERIALITY

Stakeholder	Type of Engagement	HPCL Response	Impact
Contract Workers	Regular Interactions	Formal grievance mechanism at locations and our website which can be used for registering grievances.	Improved relations with contract workers and enhanced morale of workers.
	Training Programs	Organization of training programs on safety and operational aspects	Increased safety and decline in accident rate and in 'near miss' cases
	Medical check-ups and medical room facilities at all our plants	Organization of health check-ups and distribution of spectacles. All contract labours are covered under Employees' State Insurance (ESI) policy	Improved awareness about various illnesses and enhanced morale of workers
Transporters	Email communication	Frequent email communications updating the knowledge base of transporters and making them aware of business requirements	Increased coordination and productivity of transporters
	Regular Interactions	Telephonic conversations, personal meetings and a formal grievance mechanism	Improved relations with transporters
Customers	Formal feedback	Customers are now being empowered to rate their respective LPG distributor on a five point scale. We are providing a link on HP GAS Consumer World web portal. The rating can be given on the following parameters at any point of time. <ul style="list-style-type: none"> <li>■ Timely Delivery</li> <li>■ Correct Price</li> <li>■ Correct Weight</li> <li>■ Courteous behavior</li> <li>■ Overall HP GAS Experience</li> </ul>	Quality products and services have resulted in enhanced customer loyalty and satisfaction.
	Launch of commercials	Launched commercials in single screen movie theaters in towns across the country on Safety and safe usage of LPG.	Improved safety and awareness among customers
Local Community	Regular Interactions	Awareness on Health & Safety aspects	Improvement in Goodwill
		Need based projects identified by CSR Department	Building stronger relationships which make communities a part of the HPCL Family

**Customer satisfaction survey:** Every year HPCL conducts a pan-India survey to evaluate Customer satisfaction levels across LPG and Retail outlets. The survey is carried out by independent market research agencies with domain expertise. The experiences of our customers are evaluated through one-to-one interviews. The latest survey carried out for LPG Customers covered 96,000 respondents and the all India Customer Satisfaction Index stood at 76.4. A customer survey for retail customers is currently in progress and is proposed to cover 60,000 respondents.



## 6.2. Determination of material sustainability issues

As can be seen above, the Corporation engages with a multitude of stakeholders through suitable means. Based on the assessment of topics that are of interest to our stakeholders and also in view of our business strategy, 'material sustainability

issues' have been identified. Each of these issues have the potential to impact the long-term success of the corporation. Hence, HPCL has taken due care to actively manage these issues. Our material sustainability issues and corresponding mitigation/management action have been summarized in the table below.

S. No	Material Issue	HPCL Response
1.	<b>Availability of raw material</b>	We are effectively mitigating geo-political risks associated with our crude sources by diversification of our procurement base and also entering into long-term contracts.
2.	<b>Occupational Health &amp; Safety</b>	Safety is never compromised in our operations; all our critical jobs undergo Job Safety Analysis to ensure safety of personnel and property. The Corporation proactively engages with and trains the workforce (including contract workers, transporters etc.) on job safety requirements. Emergency medical services and Occupational Health Centres are available at plant locations. These centres also offer preventive and curative health services to our employees and their families.
3.	<b>Disaster Management and Preparedness</b>	<p>Disasters may be seen as the consequences of inappropriately managed risk. Such risks may be a combination of both hazards and vulnerability.</p> <p>Disasters may include fire, explosions, oil spills or toxic hydrocarbon gas releases. Natural disasters like earthquakes, hurricanes, floods and lightning, among others also pose a major threat to our operations.</p> <p>Keeping the above situations in mind, HPCL's Disaster Preparedness Plan has evolved on a continuous basis to confront any emergency situation in a systematic way.</p> <p>For deliberate man-made acts like riots, sabotage, war etc. we also have in place an effective 'Civil Defence Plan'</p>
4.	<b>Water management</b>	HPCL is committed to ensure environmentally sustainable and responsible operations to achieve the highest standards of environmental excellence. We have taken various measures to reduce the stress on the available water resources by conserving and optimizing usage, increasing water recycling and reuse capacity through Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) installations at our marketing locations. State-of-the-Art Integrated Effluent Treatment Plants (IETP) have also been installed at both our refineries that help reduce fresh water requirement. Many of our marketing locations are actively involved in undertaking rain water harvesting projects.
5.	<b>Awareness on sustainability</b>	Being an Oil & Gas company with operations across the country, it is necessary for us to address risks and opportunities arising from various aspects of sustainability. Hence awareness on sustainability for our employees and other stakeholders is a key element. Over 700 employees and stakeholders have been trained in the year 2013-14 on sustainability issues. A host of sustainability projects have also been undertaken in the reporting period (please refer the section on MoU targets).
6.	<b>Community Development</b>	The past decade has seen the significance of 'social license to operate' increase manifold. HPCL has been contributing to development of local communities through strategic projects. Please refer to the section on corporate social responsibility for further details.

## PERFORMANCE HIGHLIGHTS

HPCL is committed to environmental protection being a responsible corporate citizen, and constantly endeavours to ensure that its increasing scale of operations does not lead to environmental degradation. HPCL is committed to conduct all its operations in a manner so as to have a minimal impact on the environment.

Following are a list of major initiatives that have been identified and implemented (or being planned for implementation) by the corporation.

- Energy audits
- Carbon foot print assessment
- Power generation through wind energy
- Rain Water harvesting at POL locations
- Green belt development (at Coimbatore & Visakhapatnam) for effective carbon sequestration
- Developing a green R&D Centre in Bengaluru (which will focus on developing competitive, energy-efficient and ecofriendly technologies).

In terms of compliance, our emissions/ effluent discharges are limited to the levels prescribed by Central/State Pollution Boards. The Corporation also has an Environmental Policy in place for proactive management of environmental issues.

### Environment Policy

The Corporation is committed to undertake operations in such a manner as compatible with the environmental and economic development of the community. Its aim is to create an awareness and respect for the environment, stressing on every employee's involvement in environmental improvement by ensuring healthy operating practices, philosophy and training.

#### Objectives of the policy are to:

- 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
- Conduct program reviews and evaluation to measure progress of compliance with the Policy





## 7.1. Environmental performance

### 7.1.1. Material use

Our total crude throughput in 2013-14 has reduced marginally in comparison to the preceding two years. The refineries (Mumbai and Visakh) have processed a total of 15.51 MMT of crude, which is 105% of the installed capacity.

Crude Oil Processed ('000 Tonnes)	2013-14	2012-13	2011-12	2010-11
Mumbai Refinery	7.74	7.75	7.51	6.55
Visakhapatnam Refinery	7.77	8.03	8.68	8.20
<b>Total</b>	<b>15.51</b>	<b>15.78</b>	<b>16.19</b>	<b>14.75</b>

### Material Consumption: Refineries

Following is a list of materials that are consumed in our refineries and marketing locations.

Associated Material consumption for refineries	2013-14	2012-13	2011-12
Chemicals, Catalysts, Additives (Tonnes)	18206	11602	17091
RLNG used in reformer (Tonnes)	763	6493.69	13796
R-22 (Kg)	5551	7808	5917

Material in Marketing	Material Type	2013-14
Base oils (KL)	Raw Material	1,45,274
Additives (MT)	Associated	15,189.42
Metal containers (Nos.)	Associated	2,74,913
Plastic containers (Nos.)	Associated	66,89,612
HF-HSD (MT)	Associated	1,872.67
MTO (MT)	Associated	356.46
Lube Oil (KL)	Associated	25,171.72
Grease (MT)	Associated	853.13
Bottling Cylinders (MT)	Raw Material	50,73,369
Rubber Hoses (MT)	Associated	0.128
Plastic Seals (Nos.)	Associated	6,07, 56, 913
Sealing Wire (MT)	Associated	0.08425
Cotton Waste (MT)	Associated	0.35
Corrosion Inhibitor (MT)	Associated	201.08
Ethanol (KL)	Associated	18,029.34
Blue Dye (KL)	Associated	17,703.05
Dry Chemical Powder (Kg)	Associated	6,97,790
Foam (Kg)	Associated	62,45,643
Brass valve	Associated	18,02,101
Plastic caps (MT)	Associated	33,95,260
Pressure regulators (MT)	Associated	10,44,663
Paint and Primer (KL)	Associated	35.84
Soap solution (MT)	Associated	700
O-Rings (MT)	Associated	26,73,397
Caustic (MT)	Associated	0.71
Ethyl Mercaptan (MT)	Associated	170
Coolant (MT)	Associated	0.358

Material recycled; refineries	2013-14	2012-13	2011-12
Slop (Tonnes)	70,555	1,15,381	1,19,633
Recycled Equilibrium Catalyst (Tonnes)	132	327	502

## 7 PERFORMANCE HIGHLIGHTS



DHDT Project for meeting  
EURO IV Standards

### 7.1.2. Energy and GHG emission

Energy efficiency in operations is one of the key focus areas of our plant locations. Our refineries are committed to conservation of energy and minimization of losses. In this endeavour, the refineries participated in benchmarking studies organized by CHT in collaboration with M/s Solomon Associates, USA. The outcome of this study brought into light, the refineries' performance in comparison to other refineries worldwide bearing similar configurations. The potential areas for improvement were identified and several measures were developed to implement the same under long term

and short term strategies. Implementation of some of these measures have made it possible to restrict fuel loss for Mumbai and Visakh refineries by 6.9% and 7.6% respectively in the reporting period cumulatively resulting in savings of 25,535 SRFT/year (standard refinery fuel tonnage per year). In monetary terms, this translates to savings of approximately 106 crores/ year. The primary energy sources at Refinery and marketing locations include Diesel, Heavy Fuel Oil, Petroleum Gas and Coke. Electricity is the prominent indirect energy source across locations. Direct and indirect energy consumptions at our operations are as below:

OUR REFINERIES  
ARE COMMITTED  
TO CONSERVATION  
OF ENERGY AND  
MINIMIZATION OF LOSSES.  
IN THIS ENDEAVOUR, THE  
REFINERIES PARTICIPATED  
IN BENCHMARKING STUDIES  
ORGANIZED BY CHT IN  
COLLABORATION WITH  
M/S SOLOMON  
ASSOCIATES, USA.

### Direct and Indirect Energy Consumption

Energy Consumption	2013-14	2012-13	2011-12	2010-11
Direct energy consumption - Marketing (Million GJ)	0.2230	0.319	0.307	0.295
Direct energy consumption - Refineries (Million GJ)	43.189	38.781	38.364	34.755
Indirect energy consumption - Marketing (Million GJ)	0.5754	0.776	0.737	0.661
Indirect energy consumption - Refineries (Million GJ)	1.67	1.231	1.236	0.656
Renewable Energy (GJ): Solar	134	405.043	55.738	63.421

### SOx and NOx emissions

Location Year	SOx (MT)				NOx (MT)			
	2013-14	2012-13	2011-12	2010-11	2013-14	2012-13	2011-12	2010-11
Mumbai	2,553.90	3,459.72	3,132	3,406	1,797.61	1,797.48	1,454.75	1,072.5
Visakh	3,418.87	2,101	3,687	2,861	1,525.18	1,145	1,609	1,281

## Ethanol

ETHANOL BLENDING IN MOTOR SPIRIT (MS) IS MANDATED BY GOVERNMENT OF INDIA POLICY. ACCORDINGLY, HPCL HAS FACILITIES FOR ETHANOL BLENDING AT SELECT LOCATIONS. IN 2013-14, THE CORPORATION PROCURED 98,844 KL OF ETHANOL.

HPCL is aware of the implications of the human induced climate change on the environment and communities. Rising stakeholder concerns have resulted in governments across the world laying regulations that limit Greenhouse gas (GHG) emissions - directly or indirectly (e.g., energy efficiency, renewable energy use etc). Keeping with this trend, our annual MoUs have mandated undertaking carbon foot printing and energy audit studies across locations (please refer to the section on MoU targets on Sustainability). The corporation has also been actively pursuing opportunities for investing in alternate and renewable fuels that could contribute to reduced GHG emissions.

### Renewable Energy

HPCL is currently installing a 100 MW Wind Farm project to tap the vast wind potential in the country. This project is being implemented in two phases. Under the first phase, a total capacity of 50.5 MW has been commissioned and is operational. The remaining 50 MW would be commissioned in the second phase. The wind power generation during the year from the first phase was about 560 Lakh KWh. There was no new investment made in renewable energy by HPCL in the year 2013-14.

To effectively utilize the potential of abundance solar energy, HPCL is planning to set up solar power plants at possible locations. A 75 KW solar photovoltaic power plant at MR's Lab Building has been commissioned. Solar Lighting systems at 20 Cathodic Protection (CP)/ sectionalizing valve (SV) Stations of VVSPL and at Motor Operated Valve (MOV)-4 as well as at Talegaon of Mumbai Solapur Pipeline (MPSPL) have also been commissioned. Solar lights are also in use at our various Aviation Service Facilities (ASFs).

Ethanol blending in Motor Spirit (MS) is mandated by Government of India policy. Accordingly, HPCL has facilities for ethanol blending at select locations. Ethanol being a bio-fuel, contributes to improving the energy security of the nation by reducing dependency on imported crude while also helping the farmer community. In 2013-14, the Corporation procured 98,844 KL of ethanol.

Our R&D team has also entered into international collaborations for research work in Alternate energies. We feel proud to participate as an Industrial member in the consortia of Indian and US Academic & Industrial Research organizations involved in Indo-US Joint Energy Research Development projects in the area of Solar Energy and Bio Fuels.

### Energy Conservation

According to the Intergovernmental Panel on Climate Change (IPCC), warming of the climate system is unambiguous and is mainly due to an increase in greenhouse gas (GHG) emissions from human activities. The IPCC believes that warming of the climate leads to extreme weather events becoming more frequent and unpredictable. Its latest report makes it clear that limiting climate change will require substantial and sustained reductions of GHG emissions. Considering this and the Government of India's National Action Plan on Climate Change, we focus on energy conservation at our refinery and marketing locations. Awareness on energy conservation is created through regular trainings and our operating locations are encouraged to identify opportunities for implementation. The following table provides an estimate of energy saved at our refineries.

### Energy Conservation

Refinery	Unit	2013-14	2012-13
Mumbai Refinery	GJ	4,51,344	11,71,693
Vishakhapatnam Refinery	GJ	5,05,175	6,16,884.4
<b>Total</b>		<b>9,56,518</b>	<b>17, 88,577</b>

## 7 PERFORMANCE HIGHLIGHTS



Mumbai Refinery

In terms of specific energy consumption, MR and VR recorded the best ever Specific Energy Consumption (MBTU/BBL/NRGF) of 75.4 and 83.9 respectively against MOU Excellent target of 87.0. Some of the major energy conservation initiatives that have been undertaken by our refineries are as listed below:

### Mumbai Refinery:

- Energy Management study in crude distillation units, NSU & Prime G resulting in significant fuel savings
- Installation of additional Convection rows in FR furnace, resulting in improved furnace efficiencies and fuel savings
- Optimization of steam consumption in DHDS/ISOM and FR units and modification of SG 10 super heater resulting in lower steam consumptions
- Replacement of Evaporator module for HRSG V
- Replacement of catalyst in DUU has resulted in lower fuel gas requirements
- Periodic safety valves' surveys carried out with ultrasonic leak detector throughout the year resulting in potential hydrocarbon loss reduction
- Steam leak survey periodically carried out resulting in 961 Nos Steam traps replaced from all over the Refinery

### Visakh Refinery

- Installation of Magnetic Resonators on GTG-3 and GTG-6 has resulted in lower specific fuel consumption.
- Achieved zero steam leak in Process Block (CDU-I, CDU-II, CDU-III, VBU, FCCU-I & FCCU-II) and P&U Block. Total steam leak has been reduced to 1500 kg/hr.
- Implemented Air fuel ratio control system in CDU-III Atmospheric Furnace
- Antifoulant injection was carried out at SR side of crude/SR preheat exchangers, thus enabling reduced fouling of exchangers and hence resulting in energy savings
- PFD PCV at CDU-II is replaced with higher capacity control valve and vaporization increased, thereby reducing heater load
- FCCU-I condensate recovery system for recovery of condensate from steam tracing trap outlets & flash steam recovery using thermo-compressor was commissioned in April 2013
- Operating severity increased in both FCCUs. Catalyst circulation rate maximized. Correspondingly, heater load minimized in FCCU-I from 6.5 to 3 MMKcal/hr and in FCCU-II from 5 to 2.5 MMKcal/hr



- Identified fouled preheat exchangers in CDUs basis software and cleaning was carried out for sustaining preheat temperature
- Online chemical cleaning of CDUs & DHDS furnaces was carried out, which resulted in reduced stack temperatures and increased heater efficiencies. This has resulted in potential savings in fuel consumption.
- Achieved lowest ever SFC of 0.345 MT/MWH with respect to GTG operation, which is lower than previous year SFC of 0.352 MT/MWH by 2%.
- Oil and Gas Conservation Fortnight was observed both at Mumbai and Visakh refineries from 15th January to 31st January 2014 to create awareness among the public for conservation of petroleum products.

#### Marketing locations:

The table below summarizes the extent of energy conservation across our marketing locations.

#### Energy Conservation across Locations

SBU	Unit	2013-14	2012-13	2011-12
Total	GJ	35889.58	37363.07	27639

#### Greenhouse Gas Emissions

The table below summarizes our GHG emissions resulting from direct fuel consumption (scope 1) and electricity consumption (scope 2)

#### Refineries Scope - 1 Emissions (tCO<sub>2</sub>e)

	2013-14	2012-13	2011-12
Mumbai Refinery	1,293,500	1,642,136	1,582,060
Visakhapatnam Refinery	1,554,768	1,578,891	1,634,885

#### Refineries Scope - 2 Emissions (tCO<sub>2</sub>e)

	2013-14	2012-13	2011-12
Mumbai Refinery	407,037.05	943,431.84	940,371
Visakhapatnam Refinery	8,986	17,269	24,671

#### Marketing Locations Scope - 1 Emissions (tCO<sub>2</sub>e)

	2013-14	2012-13	2011-12
Total	15,519	19,962	21,200

#### Marketing Locations Scope - 2 Emissions (tCO<sub>2</sub>e)

	2013-14	2012-13	2011-12
Total	1,25,309	1,68,132	1,59,839

The total quantity of hydrocarbons flared from our refineries in 2013-14 is about 35,491 tonnes.

#### 7.1.3. Managing waste

Waste generated in our operations is either treated within the premise or disposed through a CPCB approved waste Treatment, Storage and Disposal Facility (TSDF). As per our E-waste policy, e-wastes generated at the facilities are taken back to the manufacturers. Other wastes are either sold to waste dealers or disposed through PCB approved waste disposal methodologies.

#### Hazardous Waste Management at refineries

**Visakh Refinery:** All spent catalysts and discarded chemicals were disposed of to the authorized Central Pollution Control Board (CPCB) recyclers. Oily sludge processing plant by M/s Plant Tech Mid Continent (I) Pvt. Ltd was commissioned in February 2014 and approximately 575 m<sup>3</sup> of sludge was processed. We placed an order on M/s TERI for carrying out bio-remediation of oily sludge at the Refinery.

**Mumbai Refinery:** The indigenously developed 'Oil-zapper' technology of The Energy Research 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 CO<sub>2</sub> and water. This is an ongoing process at Mumbai Refinery for low oily silt/ oily sediments after mechanical recovery of oil.

The Refinery has disposed 429 MT of spent catalysts and discarded chemicals to the registered 'Common hazardous Wastes Treatment Storage Disposal Facility' (CHWTSDF) operated by Mumbai Waste Management Limited.

## 7 PERFORMANCE HIGHLIGHTS

### Total amount of waste disposed: Refineries

Hazardous	
Oily Sludge (MT)	40
Spent Charcoal (MT)	81.7
Spent Catalyst (MT)	478.15
Chemical Containers (Numbers)	5676
Insulation wool waste (MT)	271.54
Scrap Batteries (Nos)	309
E waste	414

Non-Hazardous waste	
Scrap metal (MT)	2,926.46
Non-ferrous Scrap (MT)	35.06
Elect/Inst Cables	231.68
Plastic/wooden scrap	59.03
Scrap vehicles	3
Scrap Equipment (Lots)	5

### Total amount of waste disposed: Marketing

Non- Hazardous waste	2013-14	2012-13
Metal Scarp (MT)	4,347.30	2,529
Non- Metal Scrap (MT)	640.05	23
Miscellaneous scrap (MT)	337.40	2,256
Filter Element (Nos.)	969	712
Tires (MT)	0.38	20.8
Scrap metal containers (Nos.)	21,285	18,625
Scrap Plastic containers (Nos.)	24,242.006	41,320
Hazardous Waste		
Sludge (KL)	21.39	235
Batteries (Nos.)	341.3	448
Spent Oil (KL)	29.104	2.69
Oil Soaked Cotton (Kg)		368

### Bio-fuels

	2013-14	2012 - 13
Volume of Bio-fuels Purchased (KL)	98,344	53,962

#### 7.1.4. Water use

Conservation of water is one of the key focus areas across our refineries and marketing locations. Our refineries have installed State-of-the-art effluent treatment plants that have facilitated recycling and reuse of wastewater, thereby reducing the extent of fresh water required. Several marketing locations have undertaken rainwater-harvesting projects that have

contributed to the betterment of local water tables. Our Refineries are our main water consuming SBUs. We have a dedicated oily water collection systems at refineries; We also have state-of-the-art ETP. Refineries being coastal, Effluents meeting the required effluent standards are discharged into the sea. Further, all our marketing locations use insignificant value of water and they discharge meeting the norms. Based on this, it is concluded that there is no significant impact on any of the water bodies.

Following are the details of our refinery water use – categorized by source.

### Refineries water use

	2013-14	2012-13	2011-12
Total water withdrawal (Million KL)*	74.29	79.28	76.92
Wastewater generated (Million KL)	2.43	2.59	1.91
Sea cooling water discharged (Million KL)	67.4	92.2	89.11
Water recycled / reused (Million KL)	22.08	19.01	17.7
Percentage of water recycled/reused	30%	24%	23%

Visakh Refinery's maximum water requirement is met by Seawater usage and at Mumbai Refinery, water is being supplied by the local government (Municipal water supply). The quantity and quality of waste water discharge at all our operations are in-line with the local regulatory requirements and is also being reviewed at regular intervals. Our State-of-the-art IETP conforms to the norms.

Water withdrawal at marketing locations:

### Water Withdrawal (Marketing Locations)

	2013-14	2012-13	2011-12
Groundwater	662.857	7,99,453	5,91,721
Reservoirs/Lakes	4789.78	3926.14	5790.92
Municipal	2,69,194	2,70,778	2,72,706
River/Sea/Canal	60,462	90,006	1,97,109
Tanker	1,04,296	1,43,302	1,51,938
Others	38,596	66,533	40,291

### Development of pond at Haldia terminal

The year 2013 was declared as the 'International Year of Water Cooperation', stressing on the need to conserve water. In this spirit, several marketing locations of the company undertook innovative projects to conserve water. Haldia Terminal with 59,000 KL capacity is an important and strategic supply location for the company and serves the needs of West Bengal and neighbouring states. To meet the additional water requirements, the terminal has constructed a pond with 9000cum capacity. The excavated soil from the pond has been used to build a road around the compound wall. Since the area close to the compound wall was shallow earlier, this has resulted in substantial monetary saving by avoiding purchase and transport of loose soil from outside for the road construction job. Subsequently, the pond was further developed and beautified by tree plantation along the edges, building a mini-bridge to the island and constructing a brick pathway to the bridge.



Water Conservation at MR



### 7.2. Health and safety at work

Safety is well and truly integrated in all aspects of our operations across our SBUs. HPCL has a host of personnel competent in the field of Occupational Health & Safety and with the necessary training and background to drive the organization's safety performance. Our plants have well defined Operating and Maintenance Manual, SOPs and systems for checking and testing of equipment and facilities. Furthermore, facilities are upgraded from time to time with state-of-the-art technologies. Similarly, the skills of operating and maintenance of such facilities are upgraded continuously through on-the-job training and hand-holding and class room training to employees and contract workmen handling such facilities. Safety highlights from Refineries and Marketing SBUs are presented below.

#### Refinery:

This year, Visakh Refinery encountered a major safety accident of VRCFP & DHT Salt Water Cooling Tower. Construction of the additional 5th cell for DHT project was completed and activities were in progress for commissioning when the incident happened. The incident caused 28 fatalities and burnt the wooden cooling tower. Suitable medical assistance was provided to all victims of the accident. During these difficult times, we were ably supported by the District Administrators and representatives of the Government of India and the state government. Backed by the hard work and perseverance of our employees and the sustained support received from all our stakeholders, normalcy was restored at the earliest possible time.

WE ARE FOCUSING ON IMPROVING SAFETY ASPECTS ACROSS REFINERY OPERATIONS. WE HAVE ALSO COMMISSIONED A STUDY ON 'QUANTITATIVE RISK ASSESSMENT' IN VR FOR IDENTIFYING AND ADDRESSING POTENTIAL PROCESS RISKS. PROCESS SAFETY MANAGEMENT (PSM) STANDARD HAS BEEN ADOPTED AND IS UNDER IMPLEMENTATION



Mock Fire Drill





We are focusing on improving safety aspects across Refinery operations. We have also commissioned a study on 'Quantitative Risk Assessment' in VR for identifying and addressing potential process risks. Process Safety Management (OSHA - PSM) standard has been adopted and is under implementation.

#### **Safety performance at Marketing SBUs**

**LPG:** The safety systems provided at plants are designed to handle any emergency situations in a quick and effective manner. Safety and Security Management System at LPG Plants consists of both hardware and software elements contributing to the overall safety of operations in LPG Plants. Safety and security system in plants are always maintained in 'auto' mode. Plants and loading locations are imparting trainings to transport crewmembers on safe driving and emergency handling on road. In the last two years, trainings have been imparted to 4626 transport crews on safety aspects.

Our sales personnel and distributors conduct safety clinics to educate customers and LPG users on safe practices. Here, the targeted group is usually comprising school-going children in higher classes and women who mainly handle LPG at their homes. Customers are explained about properties of LPG, do's and don'ts, tips on energy conservation, through different modes, i.e. question and answers, demos, video clips, etc.

During 2013-14, a total of 7422 safety clinics were conducted covering approximately 3.87 lakh customers.

#### **MLIF transport hub**

Mangalore LPG Import Facility (MLIF) is certified with International Safety Rating System-8 and Integrated Management Systems (ISO 14001, ISO 9001 & OHSAS 18000). At MLIF, Bulk LPG is imported from Gulf countries or through coastal trans-shipment from refineries in India. Keeping the well being of our transporters in mind,

HPCL has created a Transport Hub at MLIF – this is a first of its kind initiative in the Oil & Gas industry.

The hub has 56 beds, medical room, toilets and bathrooms, canteen, eatery, a gym, ATM and other conveniences.

#### **Retail**

In line with our three pronged strategy towards safety, this year also, our Retail SBU focused on improvements in Hardware, Software Process and Human Elements. On the hardware front, focus is on layout of facilities and equipment. This includes,

- Implementation of Standard Electrical Panels at all Company owned / leased Retail outlets and almost all dealer owned outlets;
- Standard Rubber Hoses with electrical continuity as well as both end couplings provided at all outlets for safe Tank Truck decantation.
- Dedicated Earthing at all Retail Outlets for Tank Truck decantation

On the software front, the Retail SBU has recently implemented Retail Outlet Safety Management System (ROSMS) for safety audit, monitoring and compliance. Implementing the Standard Operating Procedures (SOP) is also one of the key focus areas. Currently, 5158 sites have been SOP enabled, of which 2370 sites have been declared as SOP compliant. On the human front, around 2219 Forecourt Sales Men (FSMs) were trained on safety awareness through 149 sessions of SadaAapKeliye / GurukulProgram and through an external agency training 'SOP CHAMPS' covering 120 Retail Outlets and about 850 FSMs.

#### **O&D**

Our incessant stress on Safety in operations across marketing locations has helped us to achieve 'Zero' Lost Time Accidents (LTA) performance, which

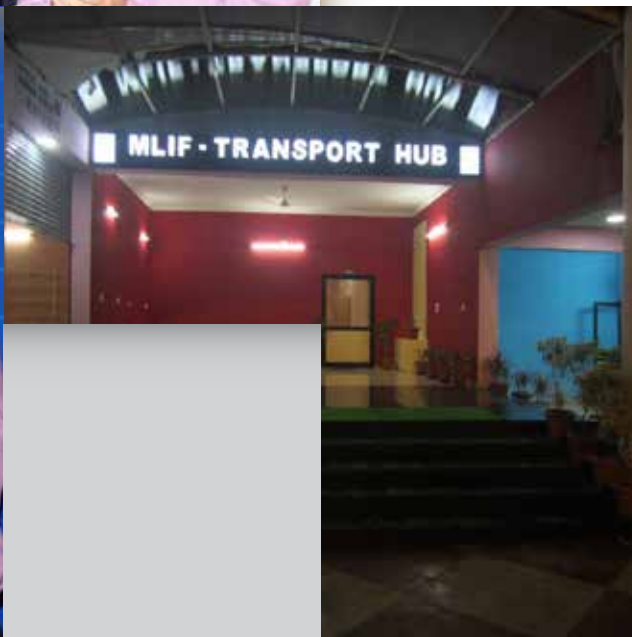
### **MLIF transport hub**

KEEPING THE WELL BEING OF OUR TRANSPORTERS IN MIND, HPCL HAS CREATED A TRANSPORT HUB AT MLIF – THIS IS A FIRST OF ITS KIND INITIATIVE IN THE OIL & GAS INDUSTRY. THE HUB HAS 56 BEDS, MEDICAL ROOM, TOILETS AND BATHROOMS, CANTEEN, EATERY, A GYM, ATM AND OTHER CONVENIENCES.

## 7 PERFORMANCE HIGHLIGHTS



LPG SBU



resulted in the company being awarded with 'Best Overall Safety Performance Award' by Oil Industry Safety Directorate (OISD), for the 4th consecutive year.

In line with the recommendations of the M.B Lal committee, we have installed automatic Rim seal fire detection and extinguishing systems at 11 locations. Other initiatives taken for enhancing operational environmental and safety performances include:

- Rolling out of IT enabled Work permit System.
- Online Management of Change processes.
- Launched a periodical Safety emailer 'SAFE'
- 'Online HSE Index' developed in coordination with IS and is being rolled out.
- First in the Industry to deploy 'Emergency Trolley Kit' at POL locations.
- Kolkata Terminal achieved ISRS Level-7 certification, First POL Location in India.
- Live fire simulation training covering 2125 employees and contract workers
- Implementation of wireless remote position monitoring system for Open/ Close status of Dyke Valves in Oil Tank farms at 64 marketing terminals and Depots.

#### Project Sankalp:

An initiative directed towards development of safety related technical and behavioural competency framework for non-management employees in O&D locations. During 2013-14, the second phase of Project Sankalp was implemented for designing and implementation of the focussed Interventions for Enhancing the Safety Quotient. The training module was also translated into 8 vernacular languages. All the non-management employees of O&D locations have been imparted with the training for improvement of the Safety Quotient.

#### Pipelines:

HPCL has achieved remarkable successes with the pipeline operation with a record combined thruput of 15.694 MMT during the financial year 2013-14. The primary focus at the pipeline is to have safe and reliable operations. To achieve this, we focus on introducing the latest technologies in the world. The most prolific innovation that was implemented in the year 2013-14 was Optical Fibre Communication (OFC) Based Pipeline Intrusion Detection System for Mumbai-Pune-Solapur pipeline. HPCL received international recognition for implementation of this project, as ASME Pipeline Division, USA, honoured it with American Society of Mechanical Engineers (ASME) Global Pipeline Innovation Award 2013. Apart from this we have also focused on implementing management systems related to environment, health and safety. Currently, all the pipelines are accredited with ISO 9001, 14001, 50001 and OHSAS 18001.

### Pipelines

THE PRIMARY FOCUS AT THE PIPELINE IS TO HAVE SAFE AND RELIABLE OPERATIONS. TO ACHIEVE THIS, WE FOCUS ON INTRODUCING THE LATEST TECHNOLOGIES IN THE WORLD. THE MOST PROLIFIC INNOVATION THAT WAS IMPLEMENTED IN THE YEAR 2013-14 WAS OPTICAL FIBRE COMMUNICATION (OFC) BASED PIPELINE INTRUSION DETECTION SYSTEM FOR MUMBAI-PUNE-SOLAPUR PIPELINE



### 7.3. Community initiatives

HPCL draws from its vision and mission statements, its zest for contributing to the overall development of communities where it serves. The Company believes in creating shared values where corporate and community are interdependent for a better and sustainable future. The CSR team has taken sustained efforts towards the goals of social development. Based on needs assessment studies conducted by the company, the development of the peripheral, less privileged communities

has been identified as the focus area for social initiatives of the company. Beneficiaries for our CSR projects are mainly from deprived sections of society including SC/ST and differently abled children among others. We have a special focus on girl children. Most of our CSR activities are near to our operating locations. Also our intervention models have the potential to sustain outcomes and create a long-term impact - not only on the beneficiary - but also act on the root cause of social problems.

### Community Initiatives

THE DEVELOPMENT OF THE PERIPHERAL, LESS PRIVILEGED COMMUNITIES HAS BEEN IDENTIFIED AS THE FOCUS AREA FOR SOCIAL INITIATIVES OF THE COMPANY. BENEFICIARIES FOR OUR CSR PROJECTS ARE MAINLY FROM DEPRIVED SECTIONS OF SOCIETY INCLUDING SC/ST AND DIFFERENTLY ABLED CHILDREN AMONG OTHERS

#### What we do – our 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 out to the common people, especially the underprivileged
- Our strategy: Developing capacity in the community
- Our endeavour – Enhancing human excellence and improving quality of life

#### How do we implement our CSR activities







HPCL: The Responsible Corporate Citizen



## 7 PERFORMANCE HIGHLIGHTS

### Focus areas

In its effort the corporation was able to touch lives of people across the country through interventions in the sectors of Childcare, Education, Health Care, Skill Development and Community Development.



### Child Care

In the year 2013-14, as part of Major Projects, in the field of Child Care, HPCL has taken two new projects. Our **ADAPT** program supports education and therapy needs of the children with disabilities and makes an attempt to bring them into the main stream schools and give them equal opportunities for education and growth with the larger aim of inclusive development. We have spent about INR 80 lakhs in ADAPT initiative during this year.

Our **Childline**, wherein constant efforts are being taken to rescue, rehabilitate and repatriate children in risk situations. The Childline Van also acts as a tool for outreach programs. It works in three major cities of Delhi, Kolkata and Mumbai. We have contributed about INR 11 lakhs during the year and the initiative has touched lives of more than 74,602 children through awareness drives and rescue programs.



### Community Development

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 operation locations across the country and around INR 1096 lakhs have been spent in such activities. The initiatives under this program 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 assessments of the needs of beneficiaries.







## Health Care

In Health Care we have innovated in a very strategic manner. Our **Project Suraksha** aims at Prevention of HIV+ and creating awareness amongst the truckers who are always on the Highways, and are considered to be high risk population. HIV+ clinics are opened free of cost for truck drivers to diagnosis STI and treatment is made available through the network of Khushi clinics. An effort is made to avoid the life threat to the large population of truckers and we have spent around INR 38.35 lakhs for this novel initiative.

The **Rural Health Program** is implemented with specific purpose of providing free rural health care services by operating Mobile Medical Units (Vans), through 'Reach – In' approach in the underprivileged areas of the rural community and HPCL has contributed around INR 81 lakhs during the year. The Mobile Medical vans are fully equipped in accordance with the prescribed Medical standards, to attend to the needs of the patients. RHP has catered to remotest villages of this country by providing basic health facilities and a new life to people.

**Project Dil Without Bill** is striving to Save Lives by providing free of cost Heart Surgeries to the less privileged and economically marginalized sections of society. This year, we have sponsored about INR 100 lakhs for the 200 patients who have undergone this life saving surgery.



## 7 PERFORMANCE HIGHLIGHTS



### Education and Skill Development

Considering the magnitude of problems in the field of Education, HPCL has intervened through nationwide projects to ensure greater reach with specific targets.

**Mid-Day Meal Program** provides unlimited nutritional and hygienic mid-meal to government school going children to prevent drop out, to increase the attendance and to tackle the malnutrition among school going children. Around INR 33.75 lakhs have been spent covering more than 5000 students across 23 schools.

**Project Nanhi Kali** provides quality education to girls (mostly first generation learners) from economically disadvantaged families through academic support that empowers them to make a success of their schooling experience, besides providing material support including uniforms, etc., to go to school with dignity and social support by sensitizing the community on gender equity. This year we have provided INR 239.73 lakhs worth academic materials for the schools located in tribal and under developed areas.

Providing time bound computer training programs and personal computers to students in semi-urban and rural schools is the aim of **Project Unnati**. Through our partner institutions, we have trained about 4100 students in 23 schools in computer basics, including MS Office with an investment of about INR 91.95 lakhs. Train the Trainer model where teachers in schools are also trained has been the most important aspect of the project and has ensured the sustainability of the project.

**Project Swavalamban** aims for vocational training to unemployed youth including school dropouts in about 25 Centers. We have contributed around INR 228.86 lakhs during the year. The skills imparted are Basic Electrical, Refrigeration, AC, Fabrication, Plumbing, Basic IT, Computer, Retail and Beauty Culture & Skin care.







ALL OUR EMPLOYEES AT THE TIME OF INDUCTION RECEIVE TRAINING ON THE COMPANY'S POLICIES AND PROCEDURES, WHICH INCLUDE REFERENCES TO HUMAN RIGHTS

#### 7.4. Human rights

Being a good corporate citizen is an ambition enthusiastically embraced at all levels within the company. HPCL is a signatory to the ten principles of the UNGC Global Compact and strives to uphold internationally proclaimed human rights.

The company has in place an approved policy for handling grievances of employees, shareholders and customers. Issues raised by other stakeholders such as contractors, dealers, vendors and local communities and public are also promptly attended to.

All our employees at the time of induction receive training on the 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 recruited from Central Industrial Security Force (CISF) and are well trained in

human rights aspects. There was no incident of discrimination on grounds of race, color, sex, religion, political opinion, nationality, extraction, or social origin reported during FY 2013-14.

Our Conduct, Discipline & Appeal Rules applicable to Management employees and Standing Orders applicable to Non-Management employees are designed in such a manner that they take care of Human rights compliance across the Corporation.

#### Freedom of association and right to collective bargaining

The company supports employees in exercising the freedom of collective bargaining on issues of common interest. Non-management employees have the freedom of joining Unions who are responsible for bringing the attention of the company to specific issues that impact employees. Such unions are available at all major locations of operation. In case any issues are



HPCL employees volunteering for Children at ADAPT participating in Mumbai Marathon

## 7 PERFORMANCE HIGHLIGHTS

identified, these are then resolved through discussions between the management and the unions to arrive at long-term solutions. Some of the issues that have been discussed at such forums in the past include long term settlements for salaries, wages, perks and career progression of our employees. In 2013-14, 51.3% of our employees were covered by such collective bargaining agreements.

### **Avoidance of child labour compulsory/forced labour**

The Corporation is committed to take measures to eliminate all forms of discrimination and create a healthy working environment, which enables employees to work without fear or prejudice, gender bias and sexual harassment. 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 four 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. Both Functionaries, as well as the HR department carry out periodic audits to enforce this. None of our operations have been assessed for a risk of child labour.

There have not been any incidents of violation of human rights, including child labour compulsory/forced labour, in the current reporting period.

### **Human rights practices in procurements**

Being a Public Sector Organisation having operations across the country, the Organisation procures Materials and Supplies from 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 and services at lowest prices

All our contractual agreements/ tenders/ dealership agreements abide by the Factories Act, Labour laws and other applicable legislations. 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 Corporation has 29 security personnel on its payroll; all these personnel have been provided adequate training on human rights aspects in our operations. At all our locations, security services are provided by DGR sponsored agencies or/ and in Maharashtra - by 'Maharashtra Private Security Guard Board'. Agencies offering security services are governed by the Private Security Agencies (Regulation) Act, 2005.

THE CORPORATION IS COMMITTED TO TAKE MEASURES TO ELIMINATE ALL FORMS OF DISCRIMINATION AND CREATE A HEALTHY WORKING ENVIRONMENT, WHICH ENABLES EMPLOYEES TO WORK WITHOUT FEAR OR PREJUDICE, GENDER BIAS AND SEXUAL HARASSMENT.



## 7.5. Managing our impact

We aim to manage environmental impact of our products and operations throughout the lifecycle. Our entire product portfolio conform to the highest applicable standards and regulations such as BIS, EURO, ASTM, IS and DEFSTAN. Also our marketing communications related to our products and services adhere to ASCI voluntary standards on marketing and communication.

We focus on R&D to continuously improve our product and packaging standards. HPCL has partnered with some of the prestigious institutions to carry out research and development in various areas that also include developing advanced packaging products and bio desulphurization and remediation of petroleum oil. In line with Auto fuel policy of Government of India, both our refineries have executed Green/ clean fuels and emission control projects that enable us to produce gasoline meeting Bharat Stage (BS) IV and Euro-IV standards. As the stage increase, the fuels are expected to give better performance during their use in the vehicles leading to lesser fuel consumption and reduced pollution. Major improvements as per the

Auto fuel policy from BS I to BS II, III & IV, covered octane number, sulphur and benzene as well as limited aromatics and olefins in BS IV. To meet these specifications for diesel, HPCL refineries have set up Diesel Hydrotreater Units (DHT) with associated facilities at both Mumbai and Visakh Refineries. The total cost of these projects is INR 4904 Crores. Mumbai Refinery has commissioned the facility during 2013-14. Visakh Refinery has accomplished mechanical completion of the unit, and pre-commissioning/ commissioning activities are in progress.

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 that are near biodiversity hot spots; we are in the process of identifying such sites. HPCL is in the process of working out its Biodiversity action plan for the future.

Few of the locations are using Ozone depleting agents such as R22 refrigerants.

## Green Fuels

IN LINE WITH AUTO FUEL POLICY OF GOVERNMENT OF INDIA, BOTH OUR REFINERIES HAVE EXECUTED GREEN/ CLEAN FUELS AND EMISSION CONTROL PROJECTS THAT ENABLE US TO PRODUCE GASOLINE MEETING BHARAT STAGE (BS) IV AND EURO-IV STANDARDS.



Quality Control: Fuel Testing

## 7 PERFORMANCE HIGHLIGHTS

HPCL has 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%.

During the year 2013-14, three of our operating locations (Shimla, Vishakh-old terminal & Simliguda) were closed. Additionally, two more locations (Bilaspur & Kaligam) are in the process of being de-commissioned. Site closure is mainly attributable to safety requirements or market realignment to newer locations. We adhere to standard industry practices and applicable regulations at the time of site closure; land belonging to other entities (e.g., port/ railway land) is returned to the appropriate authority, while land owned by the Corporation is provided to other SBUs depending on business needs. In 2013-14, during the closure of the said sites, no government notices/ grievances from local communities were reported.

We are also gearing up towards getting ourselves certified to CII GreenCo rating system. To this end, four of our plants have been identified to be in the first phase and have initiated programs to meet the rating requirements such as energy efficiency, water and waste management, product stewardship and life cycle assessment and also enrolled for external assessment by the rating agency. In our drive towards technical competence and customer satisfaction in aviation operations, we have partnered with Chevron Global Aviation to provide comprehensive training on Quality Control, Operations, Safety and Maintenance and global best practices and standards.

During the year there were no complaints received regarding loss of customer data or privacy. Also, there were no significant fines levied for non-compliance with laws and regulations concerning the provision and use of products and services. Considering the broad spectrum

of our operations, we have multi-pronged approach towards engaging with customers to understand product satisfaction and concerns.

### **"CIO 100" Award**

HPCL has been awarded the "CIO 100" Award for the 8th consecutive year in recognition for using information technology in smart and innovative ways to deliver business value, either by creating competitive advantage, optimizing business processes, enabling growth or improving relationships with customers.

### **Improving customer experience:**

To improve customer experience and safety during LPG deliveries, HPCL has initiated project 'JiHaan Samarth'. More than 5000 LPG delivery men were trained on behavioral and technical aspects in 9 different regional languages. The emphasis of the program was on the improvement in behavioral aspects, imparting knowledge on LPG products, safety, procedures to be followed, inspection tool kits, situational requirements to ensure excellent customer experience.

### **LPG connection portability:**

For the first time in Indian history, the company has introduced LPG portability option aimed at increased customer delight and friendly rivalry between distributors. This is a technology based facility to customers to choose the distributor of their choice serving their locality. Intercompany portability initially commenced in 24 cities in 14 states and is now expanded to 488 more districts in 32 states.

HPCL has put in place strong control systems to ensure that the integrity of its products is maintained. The Company has instituted adequate security measures

TO IMPROVE CUSTOMER EXPERIENCE AND SAFETY DURING LPG DELIVERIES, HPCL HAS INITIATED PROJECT 'JIHAAN SAMARTH'. MORE THAN 5000 LPG DELIVERY MEN WERE TRAINED ON BEHAVIORAL AND TECHNICAL ASPECTS IN 9 DIFFERENT REGIONAL LANGUAGES.



to prevent pilferage of its products. Some such measures include increasing the monitoring of pipelines and storage, use of company-owned trucks for transportation and exercising adequate control on other means of transportation. In addition, it regularly holds capacity-building and awareness programs for customers. HPCL is also leveraging several Information Technology solutions to improve the monitoring and control of quality and quantity of its products.

### Project Utkarsh

Project Utkarsh engages all the employees working on the floor level in LPG plants for improvement in the processes by using techniques viz. Quality Circle / Six Sigma / TPM etc. During this year:

- Project Utkarsh has been implemented at all the 44 LPG Plants across the corporation.
- 32 plants received productivity incentive of more than 100%
- Number of low performing plants has decreased from 13 to 3
- The hourly production rate has increased by 17% i.e. from 1315 cylinder per hour to 1538 cylinder per hour owing to the systematic improvements implemented under the banner of Project Utkarsh.

Similarly we have initiated Project Utkrisht and Project Uttam for O&D and Direct Sales locations. These projects aim to improve safety, productivity, quality, environment performance at locations through execution of Management concepts like Quality Circle / TPM/ Six Sigma / 5S etc.

### Research & Development

At HPCL, we believe that Research and Development is the key to success. Some highlights from the year 2013-14 include:

- Development of Innovative Catalyst formulation and Process for improving yields in Vis-breaker Unit
- Development of Mixed Solvent system for improving Raffinate yield in Lube Refinery
- Novel Catalyst development for Light Naphtha Aromatization, crude oil characterization and optimum catalyst selection for secondary processes for both HPCL and JV Refineries.

Significant progress has been made in microbial strain development for producing ethanol and butanol from lignocellulose biomass and development of Bio-additives to treat specific pollutants in refinery effluents.

Our R&D center has filed for 12 Indian and 5 Patent Cooperation Treaty (PCT) Patents.

### Green R&D Centre at Bengaluru

HPCL is setting up a world class R&D Centre at Bengaluru, which is being executed in a phased manner with Phase-I investment of INR 312 crore. The R&D Centre will be conforming to eco-friendly design norms and will consist of Research Labs for Crude Evaluation & Fuels Research, Hydro processing, Catalytic Cracking, Catalysis, Process Modeling & Simulation, Bio Processes, Standard Testing, Analytical Lab and Centre for Excellence in Nano-Technology under Phase-I.

## Project Utkarsh

PROJECT UTKARSH ENGAGES ALL THE EMPLOYEES WORKING ON THE FLOOR LEVEL IN LPG PLANTS FOR IMPROVEMENT IN THE PROCESSES BY USING TECHNIQUES VIZ. QUALITY CIRCLE / SIX SIGMA / TPM ETC

## 7 PERFORMANCE HIGHLIGHTS

Off-Site Laboratory facility at the Devangonhi Depot of HPCL has been further enhanced with construction of Pilot Plant facility and commissioning of major equipment like TBP, Pot Still, ACER MAT, Hydro processing unit and Steam Deactivation unit. This facility has been recognized by Department of Scientific & Industrial Research, Government of India and has been helpful in fast-tracking in-house research activities. With the expanded facility the Off Site Laboratory has been equipped to provide support to Refineries in the area of Crude oil Evaluation and Catalysts Evaluation/

Performance improvement studies for complex refinery processes. The facility also has the capability for synthesis/ characterization of catalysts/additives in lab scale for various complex refinery processes and also in Bio processes like development of strains for bio-fuels productions, development of bio-additives to treat specific pollutants in refinery effluents and Bio remediation. HPCL R&D has also undertaken collaborative R&D projects with various premier institutes like IISc, IITs and other Research facilities.

OFF-SITE LABORATORY FACILITY AT THE DEVANGONHI DEPOT OF HPCL HAS BEEN RECOGNIZED BY DEPARTMENT OF SCIENTIFIC & INDUSTRIAL RESEARCH, GOVERNMENT OF INDIA AND HAS BEEN HELPFUL IN FAST-TRACKING IN-HOUSE RESEARCH ACTIVITIES.



### 7.6. Managing talent

#### Employment

Employees are HPCL's most valuable assets and the company continues to believe that human resources will be a critical factor for its growth ambitions and to also fulfill its vision. The management considers people as the core resources to achieve the strategy – 'Target Shikhar'.

In-line with this strategy, the organization focuses on acquiring and retaining quality talent and keeping the workforce engaged with an array of employee friendly policies. HPCL is an equal opportunity employer and strictly follows a non-discrimination policy in line with government regulations. In letter and spirit, we promote the adherence to the Presidential Directives as well as constitutional instructions that require us to implement policies accommodating SCs/STs, other backward classes or physically handicapped individuals. There is no discrepancy in the pay scales of male and female candidates at the time of employment. The ratio

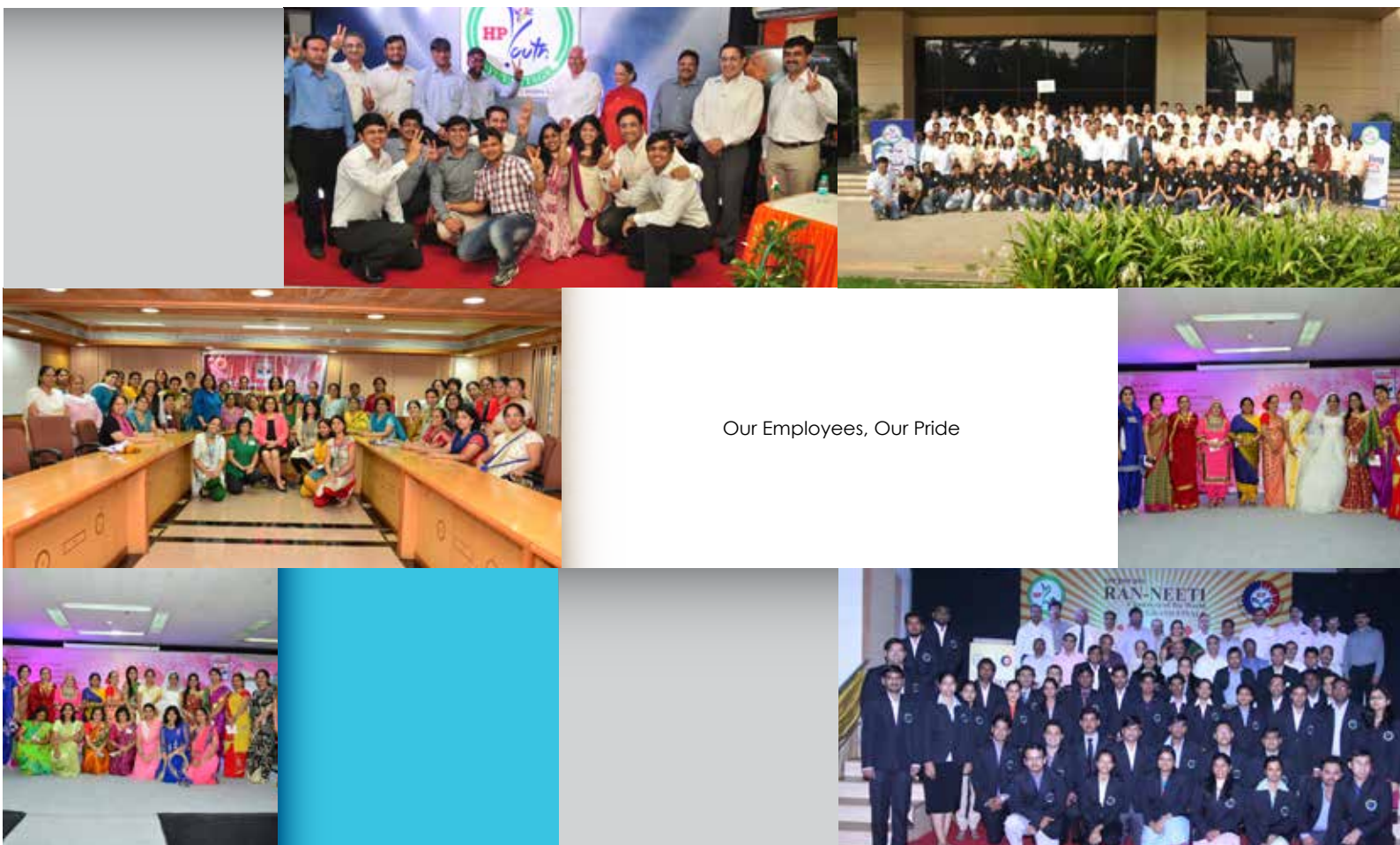
of standard entry-level wage at HPCL is much higher than the local minimum wages prevailing at all the significant locations of operations. For FY 2013-2014, no incidents of discrimination were reported. Apart from salary, benefits offered to full-time employees include coverage under life insurance and medical insurance schemes, disability coverage, maternity (and other) leave and retirement provisions according to the law of the land and industry standards. The organization's obligations towards structured benefit plans are met through the general reserves. This year HPCL has contributed INR 2,030.30 Crores towards employee wages and benefits. This includes leave encashment- INR 577.36 Crores, Gratuity- INR 463.64 Crores, Pension – INR 66.73 Crores, Post-Retirement Medical Benefit- INR 416.84 Crores, Long Services Awards – INR 66.95 Crores, Ex-Gratia INR 37.57 Crores, Death benefits under super annuation benefits fund scheme- INR 21.69 Crores and Resettlement benefits- INR 2.24 Crores.

HPCL IS AN EQUAL OPPORTUNITY EMPLOYER AND STRICTLY FOLLOWS A NON-DISCRIMINATION POLICY IN LINE WITH GOVERNMENT REGULATIONS.

Several training programs are available for the employees who are eligible for retirement. Topics such as financial planning, health and wellbeing are covered in these trainings. A unique program called 'Path of Light' is conducted to make the superannuating on-management employee and his /her spouse aware of post-retirement life style changes and associated requirements in health and wealth management.

### Parental Leave

In the current reporting period, Twenty Five (25) Female employees 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.



Our Employees, Our Pride

## 7 PERFORMANCE HIGHLIGHTS

### Workforce across age group

Employee category	As on 31.03.2014					As on 31.03.2013		As on 31.03.2012	
	<30 years	30-50 years	>50 years	Male	Female	Male	Female	Male	Female
Senior Management	0	1	67	65	3	63	3	65	3
Middle Management	0	523	545	1,027	41	888	28	803	27
Junior Management	1,367	1,932	854	3,727	426	3766	421	3818	411
Non-management	124	2,321	3,136	5,191	390	5456	396	5694	400
On deputation	0	3	4	6	1	5	1	5	0
<b>Total</b>	<b>1,491</b>	<b>4,780</b>	<b>4,606</b>	<b>10,016</b>	<b>861</b>	<b>10,178</b>	<b>849</b>	<b>10,385</b>	<b>841</b>
Contract	18011	22913	20025						
<b>Grand Total</b>			<b>10,877</b>			<b>11,027</b>		<b>11,226</b>	

### Total Number of Third party contractors (Marketing)

	Total number of third party contractors		Total number of third party contract workmen as on 31st March		Total number of third party contract man-hours worked as on 31st March	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
<b>Total</b>	<b>768</b>	<b>594</b>	<b>1,118,941</b>	<b>110,135</b>	<b>20,818,579</b>	<b>16,588,512</b>

### Our employee turnover number-employee turnover by gender and group (including retiring, resigning, terminated employees and those who have passed away during the year)

	2013-2014	2012-2013	2011-2012
Female	28	28	16
Male	545	473	236
<b>Total</b>	<b>573</b>	<b>501</b>	<b>252</b>
<30 years	121	117	58
30-50 years	47	64	57
>50 years	405	320	137

### Turnover of new hires

	Number of new hires leaving the organization			
	< 30 years	30-50 years	>50 years	Total
Male	23	0	0	23
Female	0	0	0	0





### PRAGATI PaTh – The Road to Success

For the timely award of promotions and increments and to maintain transparency in the process, we have developed an online platform named 'PRAGATI PaTh' – The Road to Success. An Employee Promotion Committee (EPC) has been formed under the banner of PragatiPaTh and this committee has granted 448 promotions/stagnation increments across Corporate and Marketing locations by end-January, 2014.

### Industrial relations

The Management of the company and our recognized unions have an excellent relationship and contribute to taking the organization forward. The healthy IR climate in the company is a matter of pride to us.

### The IR Council

HPCL has been taking due cognizance of the evolving cultural dynamics that need to be addressed by novel methods to create an environment of trust and camaraderie. In order to foster continuous dialogue and communication with workmen, the company formed the IR council in May 2013.

Apart from HR functionaries, the Council also consists of senior representatives from various SBUs in Marketing, Mumbai Refinery, Visakh Refinery and Unions operating as a part of Marketing Division, MR and VR. Subject matter experts are also invited to attend meetings of the Council to share their views/expertise. The IR Council serves as a think tank on HR/IR policy and provides guidance on enhancing employee engagement and achieving long-term performance goals.

The council also serves as a central hub for deliberations and cross-pollination of ideas at the Apex level.

HPCL Trust for promoting Industrial Harmony:

The company has also created a trust for promoting industrial harmony. The objectives of the trust are:

- To promote industrial harmony in HPCL and its subsidiaries
- To develop union leadership amongst the workmen of HPCL
- To recognize and honor Union leaders representing workmen of HPCL
- To promote research in the area of Industrial Relations

The trust has instituted an annual award by name 'Shri Raja Kulkarni Samman' for recognizing union leaders promoting industrial harmony. The company recognized two leaders with the award during the year 2013-14.

### Union leadership development program

To develop second line Union Leadership, the company organized a Union Leadership Development Training Program through the Centre for Organization Development, Hyderabad. 60 union leaders were trained in 2013-14 and the program. Appreciative feedback has been received from the participants.

## IR Council

IN ORDER TO FOSTER CONTINUOUS DIALOGUE AND COMMUNICATION WITH WORKMEN, THE COMPANY FORMED THE IR COUNCIL IN MAY 2013.

## 7 PERFORMANCE HIGHLIGHTS



Samavesh – Our Orientation Program for New Joinees

### 7.6.1. Employee diversity

As an organization that has pan-India presence, it is essential for us to maintain a culture that promotes diversity and inclusiveness. We recruit employees from all parts of the country to ensure demographic diversity. Apart from ensuring social diversity in-terms of class and caste, HPCL follows presidential directives in recruiting and hiring employees including the reservation policies and maintaining the gender ratio as per the guidelines.

Currently female employees constitute 8% of total workforce. Constant efforts undertaken to increase women in our workforce have produced substantial results, with women accounting for 22% of new recruits in the last 5 years. This transition speaks of the inherent culture at HPCL, which does not leave scope for gender discrimination.

HPCL encourages its' women employees to participate in various forums espousing the cause of women employees.

CONSTANT EFFORTS UNDERTAKEN TO INCREASE WOMEN IN OUR WORKFORCE HAS PRODUCED SUBSTANTIAL RESULTS, WITH WOMEN ACCOUNTING FOR 22% OF NEW RECRUITS IN THE LAST 5 YEARS.

During the last 2 years, the company has nominated 56 female employees for the 'Women in Public Sector (WIPS)' program conducted under the aegis of SCOPE (Standing Conference of Public Enterprises).

HPCL has also taken up several initiatives for the development of women and the girl child. Gender mainstreaming and development has been a priority in all our CSR activities.

#### Employee engagement:

With the aim of recognising outstanding performance of our non-executive employees, this year we have initiated 'HP Gaurav' award. A total of 79 Non-Management employees were bestowed with this prestigious award during the year.

Considering that 35% of our officers are below the age of 35, HPCL initiated a program called 'Yuvantage' aimed at blending the energy of youth with the experience of maturity. Yuvantage team has initiated many youth-centric initiatives to motivate and build interpersonal skills. Youth Bash-2014 provided a platform for our employees across business functions and locations to showcase their talents. The enthusiasm and zeal showcased by the participants in programs such as – Talking Point, Balloon House, HP Got Talent, Mad Ad and Gully Cricket provided testimony to the success of the program in meeting its objective. We also initiated the Corporate Ran-Neeti program, aimed at sharpening business skills of our future leaders. This program also received positive feedback from participants.

#### Promoting sports

We believe sports foster amity, camaraderie and team spirit and contribute to all-round development of the personality. Accordingly, we have taken many initiatives to promote sports

as a part of a healthy lifestyle for our employees and their families.

#### All-India Annual Sports Meet

This is an event where employees right from the senior most level up to the workers share a common platform and participate in various track and field events. More than 2,500 employees and their family members participate in various events under the ambit of this event.

During the Meet, a number of events are conducted catering to all age groups – right from children aged 3 years, up to retired officers aged 80 years, employees and their spouses.

Furthermore, as a part of our CSR program, we take promising boys and girls on Contract / Scholarship basis and nurture them to grow to international standards by providing them financial assistance. Through this initiative, our objective is to transform raw talent into medal-winning prospects who can bring laurels to the nation. The approved strength of these players with us, as of today, is 15 each in Contract and Scholarship. A total payment of INR 47 lakh was made to these players during the year 2013-14.

Besides, we also offer stipend and various cash awards to the children of our employees:

- Special Cash Awards are offered to our employees' children whose National Ranking is within the Top-10 in the games for which Petroleum Sports Promotion Board (PSPB) tournaments are organised. Children who are among the Top-5 in the national ranking are given a special award of INR 8,000 per month and those whose national ranking is between 6th and 10th, receive an award of INR 5,000 per month. During 2013-14, we disbursed INR 2.52 lakh to three of our employees' children.

### Promoting Sports

WE BELIEVE SPORTS FOSTER AMITY, CAMARADERIE AND TEAM SPIRIT AND CONTRIBUTE TO ALL-ROUND DEVELOPMENT OF THE PERSONALITY. ACCORDINGLY, WE HAVE TAKEN MANY INITIATIVES TO PROMOTE SPORTS AS A PART OF A HEALTHY LIFESTYLE FOR OUR EMPLOYEES AND THEIR FAMILIES

## 7 PERFORMANCE HIGHLIGHTS



Sports events at Youth Bash

- Every year, stipend is granted to our employees' children (up to 21 years of age) who participate in the state /national tournaments. A monthly stipend of INR 1,000 is granted to the children who reach the Semi-finals of state /national tournaments and INR 750 to all other children who participate in these tournaments. The stipend is given for a period of one year and is continued in the next year subject to their participation in the above tournaments. INR 3 lakh was disbursed to 30 children during 2013-14 as a part of this initiative.
- Cash Awards of INR 25,000 per year to physically challenged employees and INR 15,000 per year to physically challenged children of employees who participate in the National Paralympic games are given. These awards are continued if they participate in the National Paralympic

games in the next year. During 2013-14, an amount of INR 15,000 was disbursed.

- Similarly, Cash Award of INR 25,000/- per game/sport per year is offered to our employees for participating in State / National / International tournaments. Similarly employees' dependents receive Cash Awards of INR 15,000/- for state level participation, INR 20,000/- for participation in national and INR 25,000/- for participation in international tournaments. During the year 2013-14, a total amount of INR 5.25 lakh was disbursed to 22 employees and their dependents.
- Also, the employees' children who participate in international tournaments, get a Cash Award of INR 25,000 per game/sport per year.

EVERY YEAR, STIPEND IS GRANTED TO OUR EMPLOYEES' CHILDREN (UP TO 21 YEARS OF AGE) WHO PARTICIPATE IN THE STATE / NATIONAL TOURNAMENTS.



### Corporate housing facilities

The Corporation provides housing facilities for our employees. A host of conveniences are made available in our housing colonies to create a congenial atmosphere for employees and their families.

Following are some initiatives that were taken up at the HP Nagar East housing colony (Chembur, Mumbai), which houses families of about 500 staff members.

- **Gardening and landscaping:** HPCL has carried out biodiversity survey related to flora and arranged to place identification tag with its botanical nomenclature for the educational benefit of children residing inside. 'The National Society of the Friends of the Trees' and the BrihanMumbai MahanagarPalika (BMC) recognized our efforts in the year 2013-14 with a number of awards.
- The HPNE office conducted medical check-up for contract workmen working in the colony
- HPCL has taken green initiative to send e-circular in place of conventional hard copy circular through door-to-door delivery
- **Marathon for Oil and Gas conservation awareness:** HPNE club committee organized a Marathon'2014 and Walkathon 2014 in February 2014; the program was a great success drawing participation from all age groups.
- Resident opinion survey –More than 300 suggestions came from the residents from areas of concern like security issue, M&R issue, Common areas, Sports etc. All findings were discussed in detail and useful suggestions were implemented

THE CORPORATION PROVIDES HOUSING FACILITIES FOR OUR EMPLOYEES. A HOST OF CONVENIENCES ARE MADE AVAILABLE IN OUR HOUSING COLONIES TO CREATE A CONGENIAL ATMOSPHERE FOR EMPLOYEES AND THEIR FAMILIES.

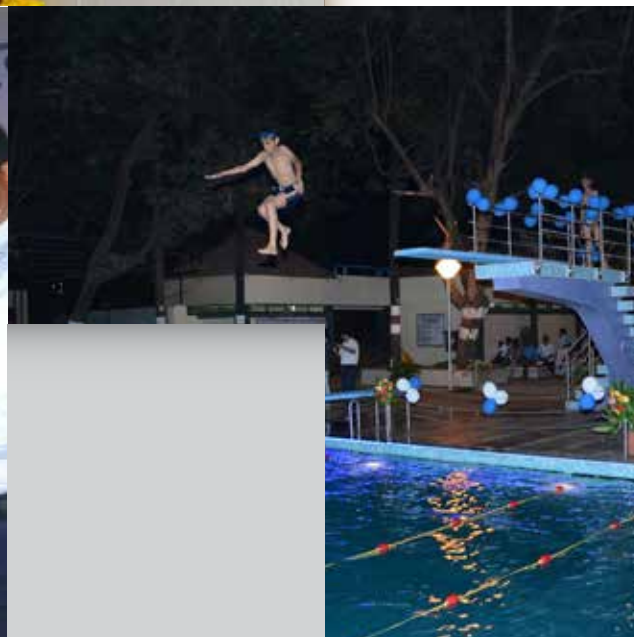


Gym facilities at Housing Colony

## 7 PERFORMANCE HIGHLIGHTS



Housing Colony at Mumbai



- Renovation of gym, Table Tennis hall and swimming pool.
- **KOI fish pond:** A fish pond aqua-scaped with Japanese art elements of slate and river rocks, housing natural elements of a biotic environment duly complemented with a modern contemporary waterfall has been inaugurated in November, 2013. The pond is an artificial ecosystem of irregular shaped structure resembling 'amoeba' and holds about 30000 litres of water.

#### 7.6.2. Trainings and feedback

During the year 237 programs (Functional-89, Behavioral-127, Review Meet/Workshops/Conferences-21) were conducted successfully, which were attended by 5646 employees. This year, the organization achieved 13627 man-days (33.73 Manhours per management employee) of training across locations and levels.

#### Project Akshay

HPCL is credited with deployment of contemporary and well-customized HR initiatives closely aligned to Business Objectives. In a series of such initiatives, HPCL has launched a leadership development initiative called Project – 'Akshay' to build a strong leadership pipeline, which would mobilize the rank and file of the employees towards a common corporate aspiration and vision.

Project 'Akshay' is a leadership development initiative, where multiple methodologies like executive coaching, 360 Degree Feedback based on Emotional and Social Competency Inventory, Classroom sessions by the experts, experiential learning through mentoring opportunities and group projects etc. are all entwined together and deployed in a well designed, coordinated and aligned manner.

The program has 101 executives of the Corporation as Mentors who in-turn are mentoring around 300 mentees. The program has regular feedback loops, defined milestones and measurement mechanisms to gauge the progress towards leadership competencies.

The projects are identified for all the selected participants in groups of 4 in each group. This is intended to provide a simulation for working with peers towards a common objective. At a different level, each of the participants was assigned with 3 mentees each, who in groups are undertaking different projects under their mentorship. This was intended to provide a real life simulation to help the participants experiment their leadership skills in guiding and inspiring their team towards achieving time-determined outcomes.

### Project 'Akshay'

TO BUILD A STRONG LEADERSHIP PIPELINE, WHICH WOULD MOBILIZE THE RANK AND FILE OF THE EMPLOYEES TOWARDS A COMMON CORPORATE ASPIRATION AND VISION.



## 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 2013-14. 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 Corporate Sustainability Report 2013-14. 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 –August-December 2014. 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 and Terminal at Loni, Retail outlet at Bandra 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 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014.
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.



## CONCLUSION

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

In our opinion, HPCL's Corporate Sustainability Report for 2013-14 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 AA1000AS (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 determined material aspects pertinent to its business and stakeholder expectations. 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:

- Materiality determination should be done following a structured approach. This should be an on-going process for every reporting period
- Materiality assessment should include prioritization of materiality issues and the methodology followed in prioritizing them
- As HPCL matures in its sustainability journey, more focus and assessment are required for the key GRI aspects namely biodiversity and human rights
- In its future efforts, HPCL needs to report comprehensively for all those core indicators which are reported partially for the period 2013-14

For Emergent Ventures India Private Ltd.



Ashutosh Pandey  
Chief Executive Officer  
Emergent Ventures India Private Ltd.  
Gurgaon, 08th of January, 2015



**AA1000**  
Licensed Assurance Provider  
000-96

# GRI INDEX

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure (Section title; page number)	Reasons for omission
<b>Standard Disclosures Part I: Profile Disclosures</b>				
<b>1 Strategy and Analysis</b>				
1.1	Statement from the most senior decision maker of the organisation.	Full	Message from C&MD; 2-5	
1.2	Description of key impacts, risks and opportunities	Full	Determination of material sustainability issues; 25	
<b>2 Organisational Profile</b>				
2.1	Name of the organisation	Full	Organisation profile; 6,7	
2.2	Primary brands, products and/or services.	Full	Organisation profile; 6,7,8	
2.3	Operational structure of the organisation.	Full	Organisation profile; 6,7  Please refer the Annual Report (pages 62-66) for details of Subsidiaries and Joint Ventures	
2.4	Location of organisation's headquarters.	Full	Organisation profile; 6,7	
2.5	Number of countries where the organisation operates and names of countries with either major operation.	Full	Organisation profile; 6,7	
2.6	Name and ownership and legal form.	Full	Organisation profile; 6,7	
2.7	Market served.	Full	Organisation profile; 6,7	
2.8	Scale of reporting organisation	Full	Organisation profile; 6,7  Managing talent; 48  Our Performance in 2013-14; 1212  Also please refer the company's annual report for other details including assets, product throughput etc.	
2.9	Significant changes during the reporting period regarding size, structure or ownership.	Full	There were no significant changes w.r.t size, structure and ownership of the organization in 2013-14. Please refer section – Managing our Impact (page – 46) for details of sites decommissioned	
2.10	Awards and Accolades	Full	Awards & Accreditations; 14-17	
<b>3 Report Parameters</b>				
3.1	Reporting period	Full	About the report; 1	
3.2	Date of most recent previous report.	Full	MoU targets on sustainability; 14	
3.3	Reporting cycle	Full	About the report; 1	
3.4	Feedback on the report content	Full	About the report; 1	
3.5	Process for defining report content	Full	About the report; 1  Engagement with Stakeholder; 22	
3.6	Boundary of report	Full	About the report; 1	
3.7	State any specific limitations on the scope or boundary of the report.	Full	There are no specific limitations on the scope or boundary of this report.	

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure (Section title; page number)	Reasons for omission
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.	Full	About the report; 1	
3.9	Data measurement techniques and the basis of calculations including assumptions and techniques underlying estimations applied to the computation of Indicators.	Full	About the report; 1	
3.10	Explanation of the effect of any re-statements of information provided in the earlier reports.	Full	Minor errors observed in last year financial performance and GHG emission tables have been corrected. Footnotes are included in respective sections to clarify the corrections.	
3.11	Significant changes from previous reporting periods in the scope, boundary or measurements methods applied in the report.	Full	There are no changes w.r.t scope, boundary and measurement methods.	
3.12	Table identifying the location of the Standard Disclosures in the report.	Full	This table.	
3.13	Policy and current practice with regard to seeking external assurance for the report	Full	About the report; 1	
<b>4 Governance, Commitments and engagement</b>				
4.1	Governance structure of the organization	Full	Doing the right things, the right way - Corporate governance; 18-21	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	Full	Doing the right things, the right way - Corporate governance; 18-21	
4.3	Independent board members	Full	Doing the right things, the right way - Corporate governance; 18-21	
4.4	Mechanisms for shareholders and employees to provide recommendations	Full	Shareholders of the company provide their inputs through the Annual General Meeting (AGM) and other meetings. HPCL also has a dedicated investor grievance redressal cell to address shareholder concerns.	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance	Full	Doing the right things, the right way - Corporate governance; 18-21	
4.6	Processes in place to avoid conflicts of interest	Full	Doing the right things, the right way - Corporate governance; 18-21	
4.8	Mission, values, codes of conduct and principles	Full	HPCL Vision & Mission; 11	
4.9	Procedures for board overseeing management of economic, environmental and social performance	Full	Doing the right things, the right way - Corporate governance; 18-21 (CSR Committee of the Board)	

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure (Section title; page number)	Reasons for omission
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Full	Doing the right things, the right way - Corporate governance; 18-21	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Full	Environmental performance; 27	
4.12	Endorsement of charters, principles or other initiatives	Full	Doing the right things, the right way - Corporate governance; 18-21	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy in relevant organizations		Please refer page 76 of the company's 2012-13 sustainability report	
4.14	List of stakeholder groups engaged by the organization	Full	Engagement with Stakeholder; 22	
4.15	Basis for identification and selection of stakeholders with whom to engage	Full	Engagement with Stakeholder; 22	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Full	Engagement with Stakeholder; 22	
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	Full	Engagement with Stakeholder; 22	
<b>Standard Disclosures Part II: Disclosure on Management Approach (DMAs)</b>				
Aspects	DISCLOSURE ON MANAGEMENT APPROACH EC	Full	Our Performance in 2013-14; Page 12	
	Economic Performance	Full	Our Performance in 2013-14; Page 12	
	Market presence including local content	Full	Organisation profile; 8,9	
	Indirect economic impacts	Full	Our Performance in 2013-14; Community initiative; 38	
	Reserves	Full	Not applicable	HPCL is engaged only in Petroleum refining & marketing business and has no presence in exploration and production.
Aspects	DISCLOSURE ON MANAGEMENT APPROACH EN	Full	Performance highlights; 26	
	Materials	Full	Material use; 27	
	Water	Full	Water use; 32	
	Ecosystem services including biodiversity	Full	Managing our impact; 45	
	Emissions, effluents and waste	Full	Energy and GHG emission; 28	
	Products and services	Full	Managing our impact; 45	



Profile Disclosure	Disclosure	Level of reporting	Location of disclosure (Section title; page number)	Reasons for omission
Aspects	Compliance	Full	Doing the right things, the right way -Corporate governance; 18	
	Transport	Full	Managing our impact; 45	
	Overall	Full	Performance highlights; 26-57	
	DISCLOSURE ON MANAGEMENT APPROACH LA	Full	Managing talent; 48	
	Employment	Full	Managing talent; 48	
	Labor/ Management relations	Full	Managing talent; 48	
	Occupational Health and Safety	Full	Health and safety at work; 34	
	Training and education	Full	Trainings and feedback; 57	
	Diversity and equal opportunity	Full	Employee diversity; 52	
Aspects	Equal remuneration for women and men	Full	Employee diversity; 52	
	DISCLOSURE ON MANAGEMENT APPROACH HR	Full	Human rights; 43-44	
	Investment and procedure practices	Full	Human rights; 43-44	
	Non-discrimination	Full	Human rights; 43-44	
	Freedom of association and collective bargaining	Full	Human rights; 43-44	
	Child labor	Full	Human rights; 43-44	
	Prevention of forced and compulsory labor	Full	Human rights; 43-44	
	Security Practices	Full	Human rights; 43-44	
	Indigenous rights	Full	Human rights; 43-44	
Aspects	Assessment	Full	Human rights; 43-44	
	Remediation	Full	Human rights; 43-44	
	DISCLOSURE ON MANAGEMENT APPROACH SO	Full	Doing the right things, the right way -Corporate governance; 18-21	
	Local communities	Full	Doing the right things, the right way -Corporate governance; 18-21	
	Corruption	Full	Doing the right things, the right way -Corporate governance; 18-21	
	Public policy	Full	Doing the right things, the right way -Corporate governance; 18-21	
	Anti-competitive behavior	Full	Doing the right things, the right way -Corporate governance; 17- 20	
	Compliance	Full	Doing the right things, the right way -Corporate governance; 18-21	
	Emergency preparedness	Full	Determination of material sustainability issues; 25	
	Involuntary resettlement	Full	Not applicable.	Our operations do not warrant any displacement of people and hence resettlement does not apply to us.
	Asset integrity and process safety	Full	Doing the right things, the right way -Corporate governance; 18-21	

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure (Section title; page number)	Reasons for omission
Aspects	DISCLOSURE ON MANAGEMENT APPROACH PR	Full	Managing our impact; 45	
	Customer health and safety	Full	Managing our impact; 45	
	Product and service labelling	Full	Managing our impact; 45	
	Marketing communications	Full	Managing our impact; 45	
	Customer privacy	Full	Avoidance of corruption; 20	
	Compliance	Full	Managing our impact; 45	
	Fossil fuel substitutes	Full		Not applicable.

### Standard Disclosures Part III: Performance Indicators

#### Economic

##### Economic performance

EC1	Economic value generation	Full	Achievements for 2013-14; 12-13	
EC2	Business implications of climate change	Partial	Energy and GHG emission; 31	
EC3	Employee benefits	Full	Managing talent; 48	
EC4	Financial incentives from government	Full	MoU targets on sustainability; 13	

##### Market presence

EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage	Full	Managing talent; 48	
EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operations	Full	Human rights; 43	
EC7	Procedures for local hiring	Full	Managing talent; 48	

##### Indirect economic impacts

EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial engagement	Full	Community initiatives; 38-41	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Full	Community initiatives; 38-41	
OG1	Volume and type of estimated proved reserves and production			Out of HPCL's boundary

#### Environmental

##### Materials

EN1	Material used by weight and volume.	Full	Material use; 27	
EN2	Percentage of materials used that are recycled input materials	Partial	Material use; 27	

##### Energy

EN3	Direct energy consumption by primary energy source	Full	Energy and GHG emission; 28-31	
EN4	Indirect energy consumption by primary source	Full	Energy and GHG emission; 28-31	
OG2	Total amount invested in renewable energy	Full	Energy and GHG emission; 28-31	

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure (Section title; page number)	Reasons for omission
OG3	Total amount of renewable energy generated by source	Full	Energy and GHG emission; 28-31	
EN5	Energy saved due to conservation and efficiency improvements.	Full	Energy and GHG emission; 28-31	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Partial	Managing our impact; 45	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partial	Energy and GHG emission; 28-31	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
<b>Water</b>				
EN8	Total water withdrawal by source	Full	Water use; 32	
EN9	Water sources significantly affected by withdrawal of water	Full	Water use; 32	HPCL is ISO 9001 and ISO 14001 certified. We have implemented Standard Operating Procedures (SOPs) to monitor our environment impacts. Based on this, it is concluded that there is no significant impact of on any of the water bodies.
EN10	Percentage and total volume of water recycled and reused.	Full	Water use; 32-33	
<b>Biodiversity</b>				
EN11	Location and size of land owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Full	Managing our impact; 45	
EN12	Description of significant impacts of activities, products and services on biodiversity.	Full	Managing our impact; 45	
EN13	Habitats protected or restored.	Full	Managing our impact; 45	
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	Full	Managing our impact; 45	

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure (Section title; page number)	Reasons for omission
OG4	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored.	Partial	Managing our impact; 45	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations by level of extinctions risk.	Not reported		HPCL conducts Environment Impact assessments at all its locations.
<b>Emissions, effluents and waste</b>				
EN16	Total direct and indirect greenhouse gas emissions by weight.	Full	Energy and GHG emission; 28-31	
EN17	Other relevant indirect greenhouse gas emissions by weight.	Full	Not reported	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.	Full	Partial	
EN19	Emissions of ozone-depleting substances by weight	Full	Energy and GHG emission; 28-31	
EN20	NO <sub>x</sub> , SO <sub>x</sub> and other significant air emissions by type and weight	Full	Energy and GHG emission; 28-31	
EN21	Total water discharge by quality and destination	Full	Water use; 32	
EN22	Total weight of waste type and disposal method.	Full	Managing waste; 31,32	
OG5	Volume of formation or produced water	Full	Not Applicable	Out of boundary of HPCL
EN23	Total number and volume of significant spills	Full		No significant spills.
OG6	Volume of flared and vented hydrocarbon	Full	Energy and GHG emission; 28-31	
OG7	Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal	Full		HPCL is currently not involved in the activities, which involve 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		



Profile Disclosure	Disclosure	Level of reporting	Location of disclosure (Section title; page number)	Reasons for omission
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges and run-off	Full	Managing our impact; 45	
<b>Products and services</b>				
EN26	Health and safety consideration during product life cycle	Full	Managing our impact; 45	
EN27	Percentage of products sold and their packaging materials that are reclaimed by the category.	Full	Managing our impact; 45	
OG8	Benzene, lead and sulphur content in fuels		Managing our impact; 45	
<b>Compliance</b>				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Full		There were no cases of non-compliances registered in the reporting period.
<b>Transport</b>				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's and transporting members of the workforce	Not		We in the process of developing a monitoring mechanism for this data. As we mature in our reporting process we would incorporate this information in future reports
<b>Overall</b>				
EN30	Total environmental protection expenditures and investments by type.	Full	Managing our Impact; 45	
<b>Labour Practices and Decent Work</b>				
<b>Employment</b>				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	Full	Managing talent; 50	
LA2	Total number and rate of new employee hires and employee turnover by age, group, gender and region	Full	Managing talent; 50	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees by major operations.	Full	Managing talent; 50	
LA15	Return to work and retention rates after parental leave, by gender	Full	Managing talent; 50	

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure (Section title; page number)	Reasons for omission
<b>Labour/management relations</b>				
LA4	Percentage of employees covered by collective bargaining agreements.	Full	Human rights; 44	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective arrangements.	Full		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
<b>Occupational health and safety</b>				
LA6	Percentage of total workforce represented in formal joint management worker health and safety committees.	Full		All our employees are represented in formal joint management and worker safety committee
LA7	Rates of injury, occupational diseases, lost days and absenteeism and number of work related fatalities by region and by gender.	Partial		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.
LA8	Education, training, counselling, prevention and risk control programs.	Full	Health and safety at work; 34	
LA9	Health and safety topics covered in formal agreements with trade unions.	Full		Our agreements with employee unions cover safety and health procedures and practices including routine health check-ups and safety inspections. Training is also provided on health and well being and lifestyle issues.
<b>Training and education</b>				
LA10	Average hours of training.	Partial	Trainings and feedback; 57	
LA11	Programs for skills management and lifelong learning.	Full	Managing talent; 48-51	
LA12	Percentage of employees receiving regular performance and career development reviews by gender	Full	100% of our employees receive a formal performance appraisal which is a part of our internal HR policy	

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure (Section title; page number)	Reasons for omission
<b>Diversity and equal opportunity</b>				
LA13	Composition of governance bodies and breakdown of employees per employee category	Full	Please refer HPCL Annual report 2013-14. (Sub-committees of the board – page 145-153)	
<b>Equal remuneration for women and men</b>				
LA 14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Full	We are a gender neutral company and do not discriminate on the compensation based on the gender	
<b>Human Rights</b>				
<b>Investment and procurement practices</b>				
HR1	Percentage and total number of significant investment agreements and contracts with Human clauses	Full	Human rights; 43	
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human right screening.	Full	Human rights; 43	
HR3	Total hours of employee training or policies and procedures concerning aspects of human rights.	Partial	Human rights; 43	
<b>Non-discrimination</b>				
HR4	Total number of incidents of discriminations and corrective action taken.	Full	Human rights; 43	
<b>Freedom of association and collective bargaining</b>				
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at risk.	Full	Human rights; 43	
<b>Child Labor</b>				
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour.	Full	Human rights; 43	
<b>Prevention of forced and compulsory labor</b>				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour.	Full	Human rights; 43	
<b>Security practices</b>				
HR8	Percentage of security personnel trained in organisation' policies o procedures concerning aspects of human rights.		Human rights; 43	
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.		Human rights; 43	There were no incidences of violation of the rights of indigenous people in the current year

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure (Section title; page number)	Reasons for omission
<b>Assessment</b>				
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Not		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 engagements strategies are in place	Full	Human rights; 43	
<b>Remediation</b>				
HR11	"Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms."	Full	Human rights; 43	
<b>Society</b>				
<b>Local communities</b>				
SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs	Full		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
SO9	Operations with significant potential or actual impacts on local communities.	Full		None of our current operations have any negative impact on the local communities
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Full		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.	Full		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 process of being decommissioned	Full	Managing our impact; 45	



Profile Disclosure	Disclosure	Level of reporting	Location of disclosure (Section title; page number)	Reasons for omission
<b>Corruption</b>				
SO2	Percentage and total number of business units analyzed for risks related to corruption	Full	Doing the right things, the right way -Corporate governance; 18	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Full	Doing the right things, the right way -Corporate governance; 18	
SO4	Action taken in response to incidents of corruption	Full	Doing the right things, the right way -Corporate governance; 18	
<b>Public policy</b>				
SO5	Public policy positions and participation in public policy development and lobbying.	Full	Doing the right things, the right way -Corporate Governance; 18	
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions in the country	Full		No donation is provided by HPCL to any political party/politician and related institution
<b>Anti-competitive behavior</b>				
SO7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes.	Full	Nil	
<b>Compliance</b>				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Full	Page 47	No fines were paid for noncompliance with laws and regulation in the reporting period
<b>Involuntary resettlement</b>				
OG12	Operations where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process	Full		HPCL was not involved in resettlements of households due to its operations in the reporting period
<b>Asset Integrity and Process Safety</b>				
OG13	Number of process safety events, by business activity.	Full	Health and safety at work; 34	
<b>Product Responsibility</b>				
<b>Customer health and safety</b>				
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.	Full	Managing our impact; 45	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their lifecycle		Nil	

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure (Section title; page number)	Reasons for omission
<b>Product and service labelling</b>				
PR3	Type of product and service information required by procedures and percentage of significant products and services.	Full	Managing our impact; 45	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling by types and outcomes.	Full	Nil	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Partial	The organization conducts customer satisfaction surveys., Page 24	
<b>Marketing communications</b>				
PR6	Programs for adherence to laws, standards, and voluntary codes to marketing communications including advertising, promotion and sponsorship.	Full	Managing our impact; 45	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising promotion, and sponsorship by types of outcomes	Full	Nil	
<b>Customer privacy</b>				
PR8	Total number of substantial complaints regarding breaches of customer privacy and losses of customer data.	Full	Page 46	No complaints are received regarding loss of customer data or privacy
<b>Compliance</b>				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Full	Page 46	No fines were received in the reporting period for non-compliance related to use of products and services
<b>Biofuels</b>				
OG14	Volume of biofuels produced and purchased meeting sustainability criteria.	Full	Energy and GHG emission; 29	

## UNGC INDEX

UNGC Principle	Category	Description	Reference
Principle 1	Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuses.	Section 7.4 - Human Rights
Principle 2			
Principle 3	Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Section 7.4- Freedom of association and right to collective bargaining
Principle 4		the elimination of all forms of forced and compulsory labour	Section 7.4- Avoidance of child labour compulsory / forced labour
Principle 5		the effective abolition of child labour; and	
Principle 6		the elimination of discrimination in respect of employment and occupation	Section 7.6 - Managing Talent
Principle 7	Environment	Businesses should support a precautionary approach to environmental challenges	Section 7.1 - Environmental Performance
Principle 8		undertake initiatives to promote greater environmental responsibility	
Principle 9		encourage the development and diffusion of environmentally friendly technologies.	
Principle 10	Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	Section 5- Doing the right things, the right way

## GLOSSARY

ASF	Aviation Service Facilities
ASME	American Society of Mechanical Engineers
BIS	Bureau of Indian Standards
BMC	Brihan Mumbai Mahanagar Palika
C&MD	Chairman & Managing Director
CAG	Comptroller & Auditor General
CAG	Comptroller and Auditor General
CFD	Committee of Functional Directors
CHWTSDF	Common hazardous Wastes Treatment Storage Disposal Facility
CII	Confederation of Indian Industry
CP	Cathodic Protection
CPCB	Central Pollution Control Board
CPSE	Central Public Sector Enterprises
CREDA	Chhattisgarh State Renewable Energy Development Agency
CSR	Corporate Social Responsibility
CVC	Central Vigilance Commission
DPE	Department of Public Enterprises
EPC	Employee Promotion Committee
ESI	Employee State Insurance
ETP	Effluent Treatment Plant
FCCU	Fluid Catalytic Cracking Unit
FSM	Four Court Sales Men
FY	Financial Year
GRI	Global Reporting Initiative
HOD	Head of Department
HSE	Health, Safety and Environment
IEM	Independent External Monitors
IMM	Integrated Margin Management
IR	Industrial Relations
JBO	Jute Processing Oil
LPG	Liquefied Petroleum Gas
LTA	Lost Time Accidents
MLIF	Mangalore LPG Import Facility
MMT	Million Metric Tonnes
MMTPA	Million Metric Tons Per Annum



MoPNG	Ministry of Natural and Petroleum Gas
MoU	Memorandum of Understanding
MOV	Motor Operated Valve
MR	Mumbai Refinery
MS	Motor Spirit
MSPL	Mumbai Solapur Pipeline
MW	Megawatt
NGO	Non Governmental Organisation
O&D	Operation and Distribution
OFC	Optical Fibre Communication
OGSS	Oil & Gas Sector Supplement
OISD	Oil Industry Safety Directorate
PAT	Profit After Tax
PCT	Patent Cooperation Treaty
POL	Petroleum and Oil Location
PPE	Personal Protective Equipment
PSM	Process Safety Management
PSM	Process Safety Management
PSPB	Petroleum Sports Promotion Board
PSU	Public Sector Undertaking
R&D	Research and Development
R&D	Research and Development
ROSMS	Retail Outlet Safety Management System
SBU	Strategic Business Unit
SCOPE	Standing Conference of Public Enterprises
SKO	Superior Kerosene
SMIO	Strategy Management and Implementation office
STP	Sewage Treatment Plant
SV	Sectionalizing Valve
TERI	The Energy Research Institute
TPM	Total Productivity Management
TSDF	Treatment, Storage and Disposal Facility
VR	VisakhRefinery
WIPS	Women in Public Sector

## NOTES

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