

SUSTAINABLE DEVELOPMENT REPORT

ACCELERATING TOWARDS A SUSTAINABLE FUTURE

2013 -14





ABOUT THIS REPORT

Accelerating towards a Sustainable future: Our seventh annual Sustainable Development Report, outlines our focus towards our triple bottom line – People, Planet & Profits during the fiscal year 2013-14. This report has been prepared in accordance with the Global Reporting Initiative (GRI) G3.1 A+ application level, as well as with the 'Core Guidelines' of GRI G4. It is also aligned with the GRI G4 Oil and Gas Sector Supplement, the International Petroleum Industry Environmental Conservation Association (API/IPIECA/OGP) and the American Petroleum Institute's Oil and Gas Industry Guidance on Voluntary Sustainability Reporting (2010). We are proud to declare that this is the first GRI G4 report published by an Oil and Gas company in India.

The scope of this report includes our performance on economic, environmental and social indicators across our seven Strategic Business Units (SBUs) in India, over which we exercise direct control. These include Refineries (Mumbai and Kochi Refineries), Aviation, Retail, LPG, Gas, Industrial and Commercial, and Lubricants. Our retail outlets, Joint Ventures and Subsidiaries have been excluded from the boundary of this report.

This year, we have appointed NextGen PMS Pvt. Ltd. to review our existing sustainability initiatives and provide recommendations for developing a more robust sustainable development strategy for the future, as well as guide us in the preparation of this report. NextGen has also institutionalized a software tool, p3 (acronym for People, Planet, Profit), within the company for the collection of data on sustainability parameters from 180 of our locations in the country.

We have traditionally been seeking an external assurance of our Sustainable Development Report. For this year as well, we have sought the services of KPMG in India referred as "KPMG" hereafter, to assure the contents of this report against using ISAE 3000 and AA1000 (2008) Assurance Standard (Type 2) at moderate level.

Our sustainability report for the fiscal year 2012-13 had been prepared in accordance with the level A+ of the GRI G3.1 Guidelines and is available on our company's website, along with our annual Sustainable Development reports for the previous years. In the past year, there have been no significant changes regarding the organization's size, structure, ownership structure or supply chain or in the scope of the report.

For any further information on this report, please contact:

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A MESSAGE FROM OUR C&MD



Dear Stakeholders,

Having fully understood the strategic and critical role that we play in the development of our country, Bharat Petroleum believes that the mission of energizing over a billion lives can be achieved only when we grow responsibly and sustainably, while consciously balancing the interests of all our stakeholders. Thus, as we unfold the highlights of our performance in this report, we also focus on the priorities and goals we have set for protecting and preserving our triple bottom line – People, Planet, Profits.

The past year has no doubt been an exciting one for the company. Maintaining our position as India's 3rd largest company by turnover and the 2nd largest Oil Marketing Company in India with a domestic market share of 21.30% during the year, BPCL has been ranked 229 in the Fortune 2013 Global list, one of the only 8 Indian companies in its top 500 list.

This growth directly reflects our improving performance both upstream and downstream. The diligence we have shown has resulted in the self-sufficiency in securing credible crude oil supply even with international crude oil prices fluctuating under intense political and macro-economic conditions. The high points on our ascending curve are the 19 discoveries by BPCL in 6 countries, as on 31st March 2014,

through our wholly owned subsidiary, Bharat PetroResources Limited (BPRL). Another high contributing factor has been significant expansions in the downstream and marketing network, our key drivers of future growth. The Integrated Refinery Expansion Project (IREP) that's progressing in full throttle, will take the refining capacity at Kochi from 9.5 MMTPA to 15.5 MMTPA with modernized facilities for better quality fuels. Likewise Mumbai Refineries is heading for more productive and energy efficient processes with its new Crude Distillation Unit (CDU) I & II units and the recently commissioned Catalytic Cracking Reformate (CCR) Unit. Expansion plans are also underway to augmenting the marketing and gas pipeline networks across the country.

For a growing company like Bharat Petroleum, investing in infrastructure is very important and equally important is streamlining investments into a more sustainable value chain. For, at the end of the day all that stakeholders look for are returns. The priority is thus to reassure all our stakeholders that we are as invested in their future as they are dependent on us.

Technology and Talent have been the magical combination that's spelling out this transformational expedition where we are collectively creating a thriving and prosperous value chain. Today all aspects of our business, from refining and production process to distribution and customer engagement, are technology driven to a great extent. BPCL takes pride in the fact that we are the first Public Sector Oil Company to undertake an Enterprise-wide Resource Planning Solution – SAP. We have also been extremely successful in nurturing and training talent both within the organization and the business associates' networks. Going forward, we will continue to aspire to

be a pioneer in innovation, in process and product development and delivery.

Customer Satisfaction is the ultimate goal of the company; the constant concluding point of our value chain. In our sector, finding the preferred space in the mind of the customer is the toughest challenge - something that's also not easily achieved. The Customer Understanding for Business Excellence (CUBE) programme that was initiated in 2012 has been our definitive effort to getting closer to our customers and understanding their needs better. As a customer-oriented company, we have realized that there are pertinent questions to be re-asked every day in our continuous endeavors for customer satisfaction. How do we position ourselves and integrate the face of the company to the customer? How can we increase the quantum of offerings? Once we understand their needs, how can we best meet these needs? Answers to these will no doubt reveal that the sky is our limit. Validating our efforts in this direction is the overall sales growth rate 2.10% versus an industry (PSU-OMC) overall sales growth rate of 0.62% in FY 2013-14.

We are thoroughly aware that by virtue of the sector we belong to, we are perceived as a potential threat to the sustainability of resources, the environment and society, and this is what makes our role in the country more critical. For each of our key sustainable development issues, we have defined targets and indicators. Our priority is therefore to enhance energy and operational efficiency, improve processes and technologies; thereby allowing us to minimize our impact on the environment and subsequently different stakeholders. Creating a healthy, safe and secure workplace has always been at the top of our priority list and we are constantly improving and exploring systems and

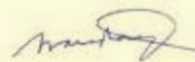
practices towards achieving this goal.

Bharat Petroleum has made commendable advances in the renewable energy spectrum as well. In the past year, we explored possibilities in solar and wind energy; generating 10MW of power from these sources in total. There surely is a long way to go, we acknowledge, and we are definitely accelerating our efforts in that direction. Over the next few years, we aim at carbon neutralization of our marketing efforts and a scale up beyond that, towards neutralizing our refining activities.

Engaging closely with the local communities especially around our operations units has also been taken up in a large way by the company. We are indeed extremely proud that our flagship CSR initiative, Project Boond, has received the Excellence Award for Social Responsibility at the recent World Petroleum Congress, Moscow. Project Boond has been responsible for transforming 90 water-scarce and drought prone villages to being water positive.

As we go forward, many growth opportunities are certain to emerge and it is up to each of us to accept the challenges, capitalize upon the opportunities and work together to creating a thriving eco-system.

The call is hence for collaboration and our pledge is to pause, ponder and perform with undivided devotion to our Dream Plan. Because, we believe that the best is yet to be!



S Varadarajan
Chairman and Managing Director

KEY IMPACTS, RISKS AND OPPORTUNITIES

Bharat Petroleum Corporation Limited is a Navratna Public Sector Enterprise, and among India's largest companies, with a 16 crore consumer base, and a well-entrenched operating presence stretching across the country. We, at BPCL, understand the responsibility towards India's resources, environment, and society that is associated with that level of scale. While our own economic performance and market presence is of utmost importance to us, we recognize the value in supporting the economic development and sustainability of all our associated parties within our value chain, as it will feed directly back into the sustainability of BPCL.

Creating a safe, healthy, and environment friendly product life-cycle is in our best interests as well, right from the procurement of crude oil from both indigenous and imported sources, as well as equipment and raw materials from small and medium enterprises, to the transportation of our products, and finally distribution to the final consumer through dealers and distributors. Our ultimate objective is to build close connections with our consumers, and ensuring that they receive quality and affordable petroleum products.

As a responsible corporate in the energy sector, being mindful of our environmental performance is a key priority in the sustainability journey of BPCL. The energy efficiency of our operations, managing our emissions, effluents and waste are of extremely high priority to us. Our operations are intensive in the usage of water, and hence managing our water resources in a responsible and sustainable manner is also critical to the sustainability of the organization. We have also made significant investments in the exploration and advancement of renewable sources of energy (primarily solar and wind) both individually and collaboratively through participation in Joint Venture Entities.

We recognize that our company's success can be wholly attributed to the commitment of our biggest asset, our people. Creating an environment for our employees (especially our growing proportion of young workforce) to develop in line with the vision and objectives of the company, feeds back into the sustainability and success of the corporation. For a company in the oil sector, like BPCL, creating an energized workforce is also heavily dependent on ensuring that the working environment is safe and healthy for our workforce. We have put in place a number of systems to ensure the same.

Finally, we recognize that a key aspect to our sustainability is ensuring the inclusive development of society, especially those communities around our operating locations. We believe that we can empower our communities through a variety of targeted programmes. Our community development initiatives primarily focus on the water resource management, education of children, skills development of youth and women.

The key listed sustainability issues identified above are dependent on a number of factors which may lie outside the control of BPCL's direct influence. These can be considered as risks that the organization faces in its sustainability journey. Risks may arise due to political uncertainties in the global market, as well as within India. The reliability of the supply of crude is dependent on a number of factors in the global market including the political stability of oil rich nations, which have in the year 2013-14 been a cause for

Being mindful of our environmental performance is a key priority in the sustainability journey of BPCL.

much worry to BPCL. Towards securing a reliable crude oil supply and hedging against price risks, we have set up a wholly owned subsidiary Bharat PetroResources Limited (BPRL) focused on explorations in the upstream sector. Government policies concerning the pricing of petroleum products, openness of the market, subsidies given to the public, all have a huge bearing on the stability of BPCL. Currently, it seems promising that India is on the path to creating an unregulated fuel sector resulting in greater

A key aspect to our sustainability is ensuring the inclusive development of society, especially those communities around our operating locations

opportunities for BPCL. Some welcome policy changes in the past year include the deregulation of petrol prices, increased consumer prices of gas oil, and deregulation of bulk sales of gas oil.

Another difficulty faced by BPCL is the non-differentiability of petroleum companies in the minds of consumers. Therefore creating a loyal customer against competing companies is a difficult objective to achieve. BPCL has undertaken a number of initiatives in the recent past to get closer to the customer and better understand their requirements. An additional challenge in this endeavor is a result of the franchisee model which BPCL adopts for its product delivery. Third party dealers and distributors act as the face of BPCL to the final consumer, and hence our economic success lies prominently on these distributors. We have invested a great deal on the training of our dealers to create a customer friendly sales force for our products.

Climate Change is a factor which is increasingly posing a number of risks for

BPCL. While we have not yet put in place the systems to measure the financial implications of climate change, we can classify these under the broad headings of Physical Risks, Health Risks, Reputational Risks, and Regulatory Risks. Climate Change brings extraordinary weather conditions like droughts, floods, famines, all of which put a strain on water resources. Water is a resource that BPCL is heavily dependent on and competition with other entities and communities for scarce water resources could affect the sustainability of the organization. Physical asset failure is also an impending threat to an organization like BPCL, whose plants and equipment may not be able to withstand the unexpected climate change patterns that may follow. Employees working in unsafe operations which are exposed to physical asset failure, also lie vulnerable to health and safety risks. In this current scenario of increased public awareness about environmental issues, any non-conformance with environmental laws and regulations concerning climate change management will result in significant reputational damage and regulatory action.

On the other hand, climate change also provides keen opportunities to the organization to spur on its technological innovations and improvements in process, equipment and the final product. In fact, BPCL has consistently embraced technology as a means towards sustainability and business excellence.

BPCL has consistently embraced technology as a means towards sustainability and business excellence

Key Focus Area	Sustainability Targets in 2013-14	Progress in 2013-14	Sustainability Targets for 2014-15
Energy and Climate Change	<ol style="list-style-type: none"> 1) Installations of Solar PV panels at various locations and pipeline SV stations 2) Achieve specific energy consumption of 71.1 and 81 MBTU/BBL/NRGF for our Mumbai and Kochi Refineries respectively 3) Achieved Refinery Crude throughput of 22.3 MMT 	<ol style="list-style-type: none"> 1) 20 PV Stations on MMBPL operated on solar energy 2) Achieve specific energy consumption of 66.45 and 76.63 MBTU/BBL/NRGF for our Mumbai and Kochi Refineries respectively 3) Achieved Refinery Crude throughput of 23.35 MMT 	<ol style="list-style-type: none"> 1) Solar PV panel installed at additional locations (R&D Centre at Noida - 1 MW plant, 1 AFS, MR-Admin. Bldg.) 2) Achieve specific energy consumption of 69.5 and 78.75 MBTU/BBL/NRGF for our Mumbai and Kochi Refineries respectively 3) Achieve Refinery crude throughput of 22.52 MMT
Health and Safety	<ol style="list-style-type: none"> 1) To achieve 3525 man-days of HSE training to employees in Mumbai and Kochi Refineries, decided based on discussions with the task force appointed by DPE. 2) 85% implementation of safety audit recommendations (internal and external) at Mumbai and Kochi Refineries 3) Achieve accident frequency rate of 0.30 across Refineries and marketing locations 	<ol style="list-style-type: none"> 1) Achieved 4445 man-days of HSE training to employees in Mumbai and Kochi Refineries 2) 93.15% implementation of safety audit recommendations (internal and external) at Mumbai and Kochi Refineries 3) Achieved accident frequency rate of 0 at MR and KR; 0.05 at Marketing Locations; and 0.03 at BPCL Corporate 	<ol style="list-style-type: none"> 1) To achieve 3725 mandays of HSE training to employees in Mumbai and Kochi Refineries, decided based on discussions with the task force appointed by DPE. 2) 90% implementation of safety audit recommendations (internal and external) at Mumbai and Kochi Refineries 3) Achieve accident frequency rate of 0.27 across Refineries and marketing locations
New and Clean Technologies	<ol style="list-style-type: none"> 1) New CDU at Mumbai Refinery 	<ol style="list-style-type: none"> 1) New CDU at Mumbai Refinery 	<ol style="list-style-type: none"> 1) Integrated Refinery Expansion Programme (IREP) at Kochi Refinery to increase refining capacity from 9.5MMTPA to 15MMTPA

Key Focus Area	Sustainability Targets in 2013-14	Progress in 2013-14	Sustainability Targets for 2014-15
	<ol style="list-style-type: none"> 2) Carbon footprint of Kochi Refinery processes 	<ol style="list-style-type: none"> 2) Carbon footprint of Kochi Refinery 	<ol style="list-style-type: none"> 2) Incorporate recommendations from Carbon Footprinting exercise in Mumbai and Kochi Refinery
Community Development	<ol style="list-style-type: none"> 1) Transform 25 new villages from "water scarce" to "water positive" 2) Replication and scaling of computer assisted learning (CAL) Digital Literacy and Life Skills Programme, Education Assistance Programme (EAP) and other projects for an outreach to 75000 children 3) Reach out to 250 under privileged youth in Eastern Region by providing vocational training and facilitate exhaustive training of 500 women in Lucknow through the Economic Empowerment and Income Generation Programme 	<ol style="list-style-type: none"> 1) 30 new villages transformed from "water scarce" to "water positive" 2) Outreach to 75000 children through the scaling up of computer assisted learning (CAL) and education assistance programme (EAP) 3) 750 women and youth provided with vocational skills and training through the Economic Empowerment and Income Generation Programme 	<ol style="list-style-type: none"> 1) Transform 35 new villages from "water scarce" to "water positive" 2) Replication and scaling of computer assisted learning (CAL) Digital Literacy and Life Skills Programme, Education Assistance Programme (EAP) and other projects for an outreach to 1,00,000 children 3) Provide vocational skilling and income generation to reach out to 750 beneficiaries through the Empowerment and Income
Water Management	<ol style="list-style-type: none"> 1) Rain water harvesting to be executed in 25 drought-affected villages facing water shortage. 	<ol style="list-style-type: none"> 1) Rain water harvesting successful in transforming 30 drought affected villages from water scarce to water positive 2) Rainwater harvesting initiatives executed for an area of 1,74,363 sq. meters. (achieving 42% of the total RWH potential) 	<ol style="list-style-type: none"> 1) Rain water harvesting to be executed in 35 drought-affected villages facing water shortage. 2) Rain water harvesting a total Catchment Area of 3,34,100 sq. meters across multiple BPCL location



Our Corporate Values

Trust is the bedrock of our existence.

Customer centricity is intrinsic to our achievements.

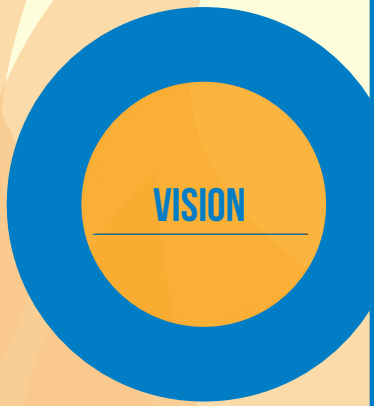
Development of people is the only way to success.

Ethics govern all our actions.

Innovation is our daily inspiration.

Collaboration is the essence of individual action.

Involvement is the way we pursue our organisation goals.



- We are the most admired global energy company leveraging talent and technology
- We are the first choice of customers, always
- We exploit profitable growth opportunities outside energy
- We are the role model for Health Safety, Security and Environment
- We are a great organisation to work for
- We are a learning organisationn
- We are a model corporate entity with social responsibility



- Participate prominently in nation-building by meeting its growing energy needs, and to support this endeavor, pursue the creation of economic surplus by efficiently deploying all available resources and aiming towards global competitiveness in the energy sector
- Strengthen and expand areas of core competencies throughout the country, total quality management in all spheres of business and maintain the status of a leading national company
- Create awareness among people on the imperatives of energy conservation and efficient consumption of petroleum resources, by disseminating information through appropriate media
- Availing ourselves of new opportunities for expansion / diversification arising from the liberalization of the economy to achieve a global presence
- Promote ecology, environmental upgradation and national heritage
- Information on Training, other mechanisms, suggestion schemes

The history of our company – Sustainability, a focus since 1928

Close to a century ago, in 1928, Asiatic Petroleum (a conglomerate of oil giants at the time - Royal Dutch, Shell, Rothschilds) joined hands with the Burmah Oil Company - an active producer, refiner and distributor of petroleum products in the Indian and Burmese markets. This alliance led to the formation of Burmah-Shell Oil Storage and Distributing Company of India Limited. The company began its operations with the sale of kerosene. It took up the challenge of reaching out to people even in the remote villages of India to ensure every home had its supply of kerosene. Gradually, the company went on to expand its product line to petrol and LPG, all the while differentiating itself from the competition by providing its customers the highest possible standard of service.

All throughout, the focus went beyond the selling of petroleum, to educating both the household and the industrial customer. The company pioneered desert road construction and training road engineers. It provided free technical services to industrial customers - big and small - and it became a part of the company's culture which is carried forward even today.

In 1951, an agreement was signed between the Burmah Shell Group of Companies and the Government of India to establish a modern refinery at Trombay. The 2.2 MMTPA (Million Metric Tonnes Per Annum) refinery on 454 acres of land at Mahul village was the largest refinery in India at the time. With this infrastructure, free India moved one step closer to self-reliance.

Burmah Shell was taken over by the Government of India to form Bharat Refineries Limited in 1976, which was later renamed Bharat Petroleum Corporation Limited on 1st August 1977. It was also the first refinery in India to process newly found indigenous crude (Bombay High).

Following nationalization in 1976, with its focus on developing itself as a dynamic and sustainable Organisation, always ahead of the times, Bharat Petroleum embarked upon a rapid growth path. Turnover, profitability and financial reserves grew by leaps and bounds. Massive expansion and modernisation provided a tremendous boost to the company's performance. Embracing technology has always been core to our strategy towards maximising efficiency and achieving greater customer satisfaction. Bharat Petroleum is the first Public Sector Oil Company to implement an Enterprise-wide Resource Planning (ERP) solution - SAP.

We have always recognized the value in protecting and promoting the interests of our customers, employees, supply chain, environment, communities, and other key stakeholders to ensure that the entire value develops sustainably, as it is directly linked with the sustainability of our own company. Ensuring the inclusive growth of our entire value chain and thereby contributing meaningfully to the development of our country has been our focus right from inception, and we proceed on this journey today in 2014, and as we continue to grow in the future.

Bharat Petroleum, in 2014

A snapshot of our performance in 2013-14

3rd LARGEST company in INDIA by turnover



2nd largest OIL MARKETING COMPANY in INDIA

Sales volume of over **34 MMT** in FY14

#229 ranking on FORTUNE 2013 global list

One of only **8** Indian companies featured



13222 Employees across 1 HEADQUARTER, 4 REGIONAL OFFICES and 179 LOCATIONS



INDIA'S ONLY OMC with a successful foray into upstream business. Through our subsidiary BPRIL, we have Participating Interests in 19 BLOCKS ACROSS 6 COUNTRIES

BPCL REFINING CAPACITY: **610 kbpd**

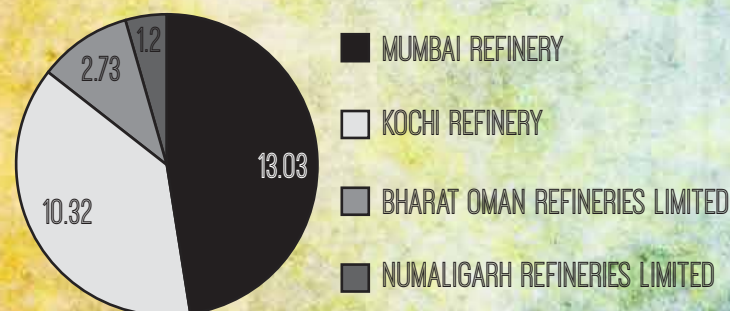
MUMBAI REFINERY: **240 kbpd**

KOCHI REFINERY: **190 kbpd**

BHARAT OMAN REFINERIES LIMITED: **120 kbpd**

NUMALIGARH REFINERIES LIMITED: **60 kbpd**

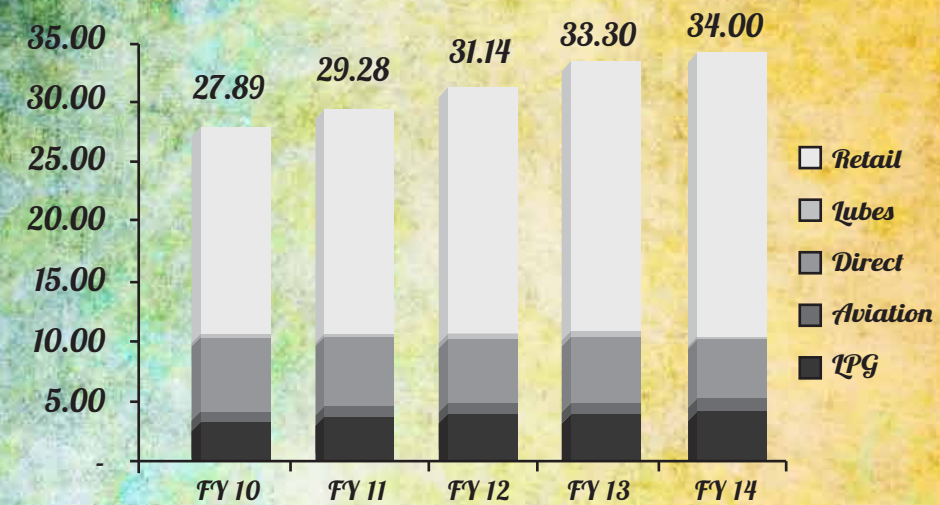
REFINERY THROUGHPUT IN 2013-14: **28.69MMT**



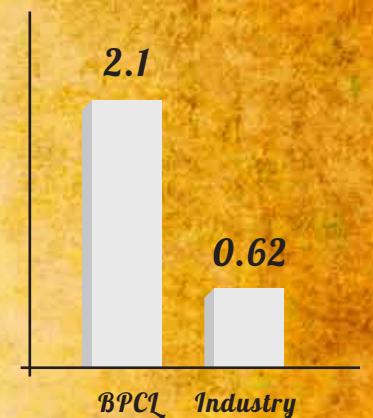
REFINERY UTILIZATION RATES ARE CONSISTENTLY HIGHER THAN GLOBAL PEERS

kbpd: Kilo Barrels per day
MMT: Million Metric Tons

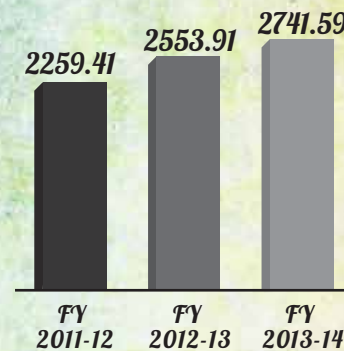
SBU MARKET SALES (MMT)



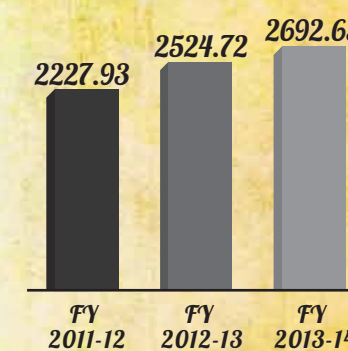
OVERALL SALES GROWTH (%)



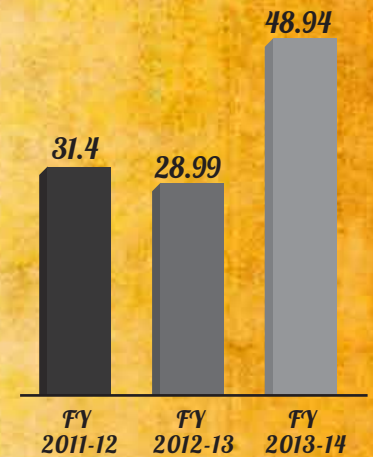
DIRECT ECONOMIC VALUE GENERATED (IN INR BILLION)



ECONOMIC VALUE DISTRIBUTED (IN INR BILLION)



ECONOMIC VALUE RETAINED (IN INR BILLION)



Direct Economic Value Generated and Distributed

(in INR billion)	FY 2011-12	FY 2012-13	FY 2013-14
Direct Economic Value Generated (in INR billion)	2259.41	2553.91	2741.59
Revenues	2259.41	2553.91	2741.59
Economic Value Distributed	2227.93	2524.72	2692.65
Operating costs	2048.68	2323.86	2494.99
Employee wages and benefits	24.66	29.89	29.40
Payments to providers of capital	26.85	33.42	25.88
Payments to government	127.74	137.55	142.38
Economic value retained	31.40	28.99	48.94

As one of India's largest companies, our Economic Performance and profitability is directly linked to the economic development of our large set of business associates, employees, shareholders, communities and in several ways the development of India as a whole. Echoing our C&MD's words, 'we must not be ashamed of our economic success' as our model of inclusive growth creates an enabling environment for the growth of all our stakeholders. We are constantly monitoring our growth trajectories across our various business units to ensure that we continue on this accelerated path towards economic success.

A central graphic titled "BPCL Culture" is surrounded by six circular icons, each with a unique color and a pattern of overlapping leaves. The icons are arranged in a ring around the central text. The colors of the icons are green, blue, purple, pink, yellow, and orange. The background of the entire page is a light orange color with a pattern of larger, overlapping leaf shapes.

BPCL Culture

We care for people

We enroll people through open conversations

We remain result focused with accountability for governance

We proactively embrace change

Our every action delivers value to the customer

We collaborate to achieve organisational goals

K K GUPTA – Director (Marketing)



We, at BPCL, recognize that we will only be able to achieve our goal of being a responsible and sustainable corporate, if we constantly engage with our stakeholders in the value chain and ensures that

each of their interests are upheld. We strive to build meaningful relationships with our stakeholders and take the conversation beyond just business, to parameters which contribute to the mutual sustainability of the organizations, like environmental and social considerations.

Three of the key sustainability issues we focus on include:

- **Energy and water management**, not only integrated as part of BPCL direct operations, but also ensuring that other members in the value chain (suppliers, dealers, distributors, employees) are conscious about their environment
- **Ensuring health and safety during operations** at all time, including taking requisite measures for the safe transportation of product, as well as the safety of our transporters
- **Customer Service**, especially in a sector like oil marketing where the competition is so stiff, customer experience and satisfaction is the biggest differentiator among companies. Therefore ensuring customer satisfaction will continue to be a primary focus of BPCL

We are working towards maximizing customer satisfaction through a number of ways. Due to the franchisee model that BPCL adopts, distributors act as the face of BPCL to final customer. The challenge is to ensure that they are always customer friendly, and provide quality, courteous and timely services. BPCL

First, our Customer centric programme, provides for the training of dealers and distributors to effect a functional and behavioural change within them. As part of this programme, we aim to target 100 urban centres across the country by March 2016. So far, we have covered 32 cities. We have also identified 20 highways where the aim is to train highway retail unit staff on delivering differentiated service to our more mobile customers. One Stop Truck Shops (OSTS) are also set up along highways to deliver quality and timely products and services to truck drivers. The training providing also hugely benefit the staff personally, as it contributes to their social upgradation, business acumen, sales and service skills.

To ensure the right quality and quantity of product is delivered to the customers, BPCL has automated 4000 retail outlets (approximately 50% of the total volume). By 2016, an additional 1500 pumps (75% of the volume) will be automated end-to-end. The automation of these processes enable remote monitoring of retail locations. Additionally, we have toll free number to receive and redress all customer queries and complaints in a timely manner. Our loyalty programmes for our retail and LPG customers also ensure that we build sustained relationships with customers.

We also recognize the potential in creating awareness among our 16 crore large consumer base about living and operating sustainability through our various touch points. If our employees are trained on the issue, they can disseminate this knowledge among contractors, vendors, distributors, and transporters, who can further enlighten their families and the customers they deal with on the same. In fact, this is a strong way to mould a long lasting relationship with customers, by taking the conversation beyond business.

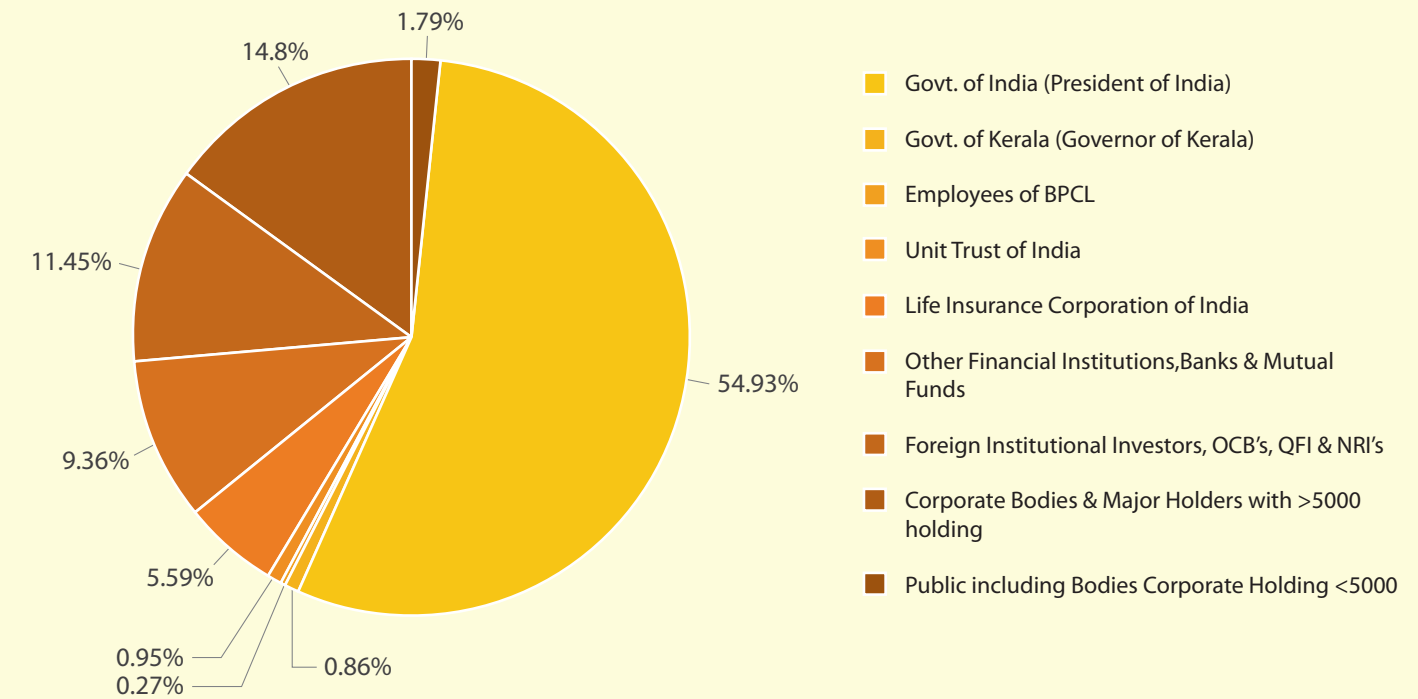
Ownership structure 1.2

We are a Fortune 500 Government company incorporated under the Companies Act, 1913, with a Navratna Status. The Paid up Capital of BPCL is Rs. 361.54 crores of which Government of India (GOI) holds 54.93% and the balance 45.07% equity are held by Foreign Institutional Investors, Financial Institutions, Employees and other Investors as displayed in the chart on the facing page.

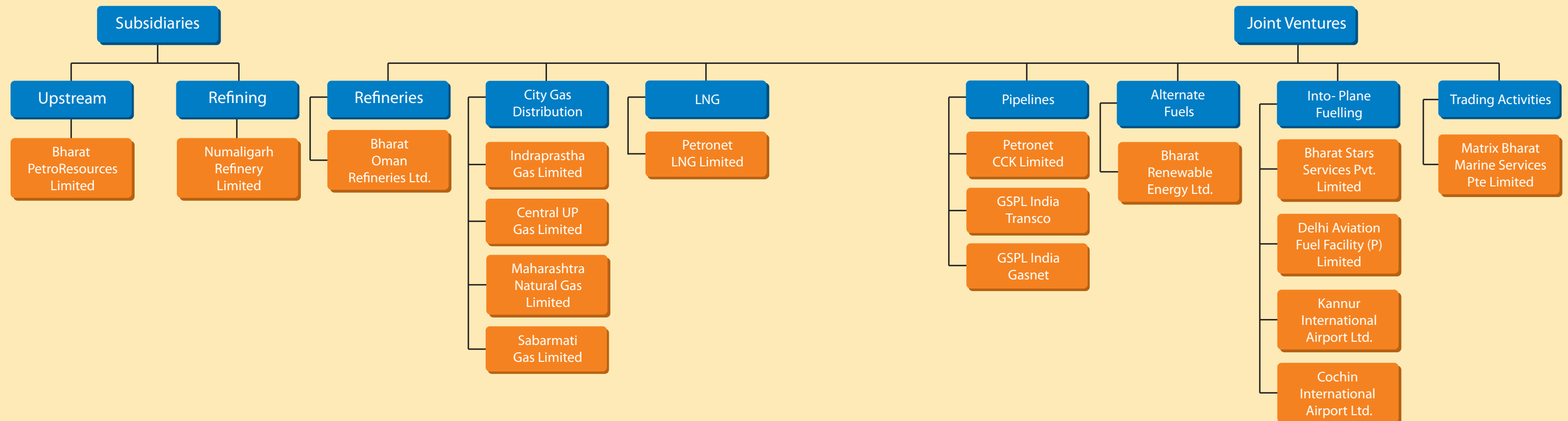
With regards to the financial assistance received from the Government, in the past year, BPCL has received 183,742.8 million INR worth of subsidies from the Government of India as a compensation towards sharing of under recoveries on the sale of sensitive petroleum products. There is no specific tax

credit or tax relief received by BPCL with respect to Income tax, Excise, Customs & Service Tax during FY 2013-14. All the benefits under income tax like weighted deduction u/s 35 of the Income Tax Act on amount spent on Scientific Research and Development, Investment allowance u/s 32AC of the IT Act and 80IB deduction on undertaking established in backward district etc. are general in nature which are available to all the companies.

PERCENTAGE SHARE IN OWNERSHIP



Our subsidiaries and Joint Venture entities are displayed below.

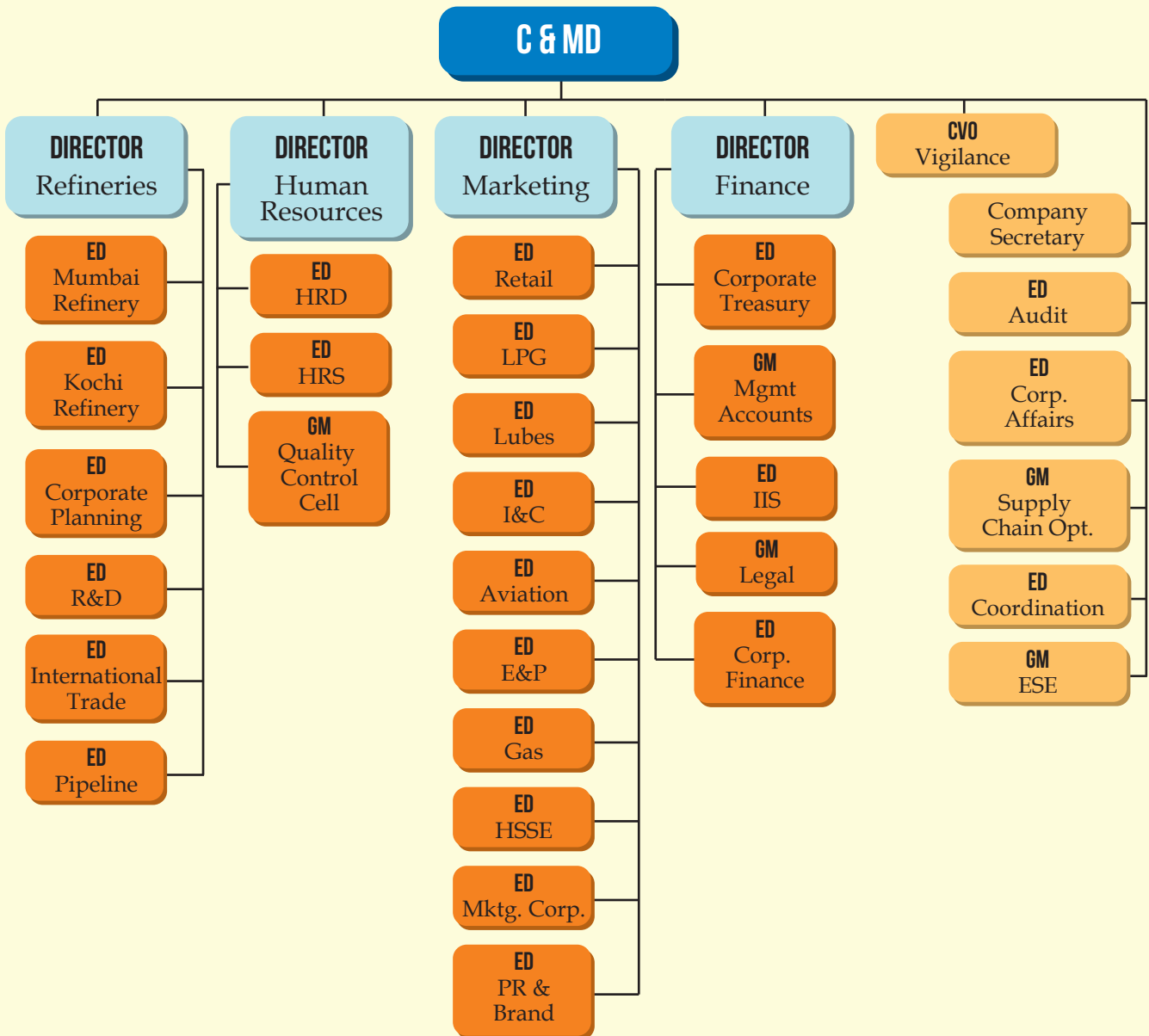
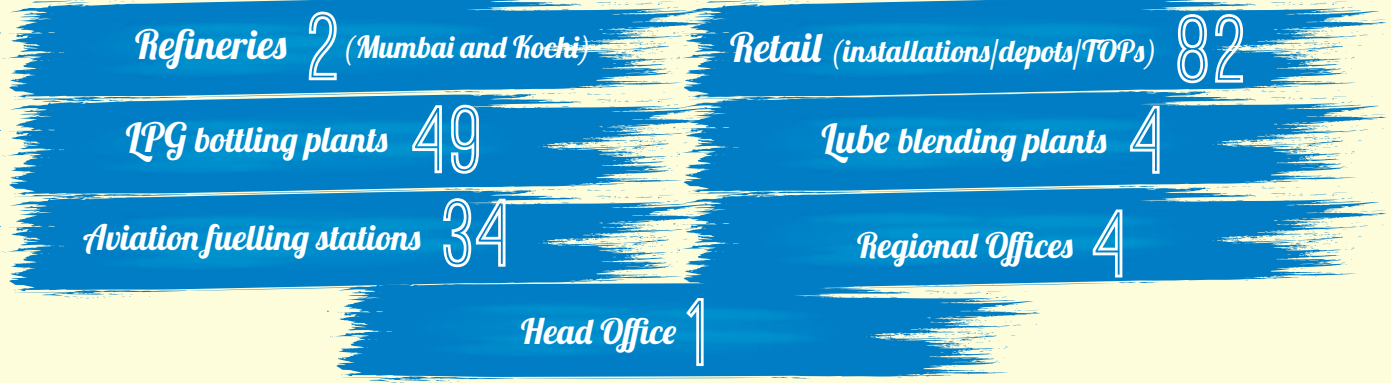


Our operations and products 1.3

BPCL is an integrated oil and gas company involved in refining crude oil and marketing petroleum products. Bharat Petroleum comprises 7 Strategic Business Units (SBUs),

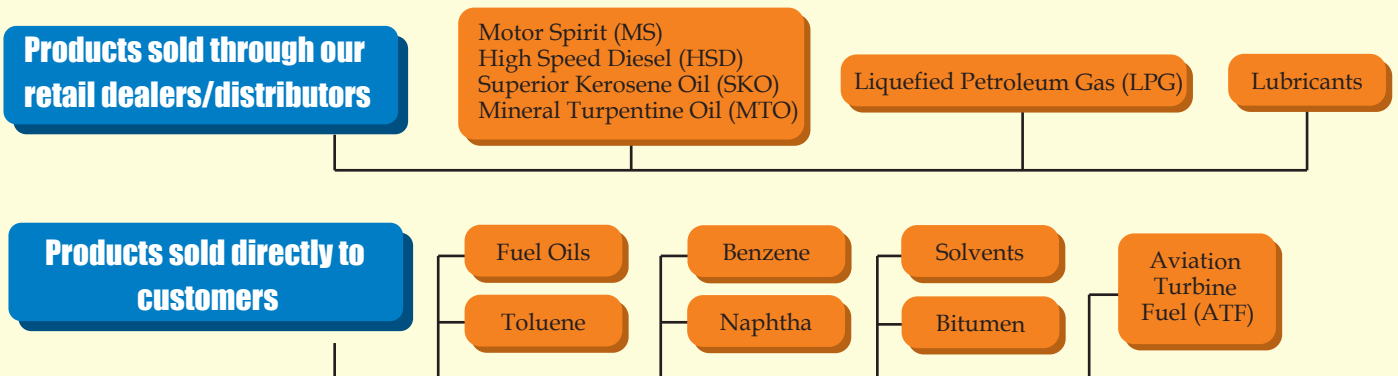
of which 6 are customer facing Business Units – Aviation, Industrial and Commercial, Gas, Lubes, LPG, Retail; and one asset based business unit – Refineries.

Below is a brief overview of our operational and organization structure



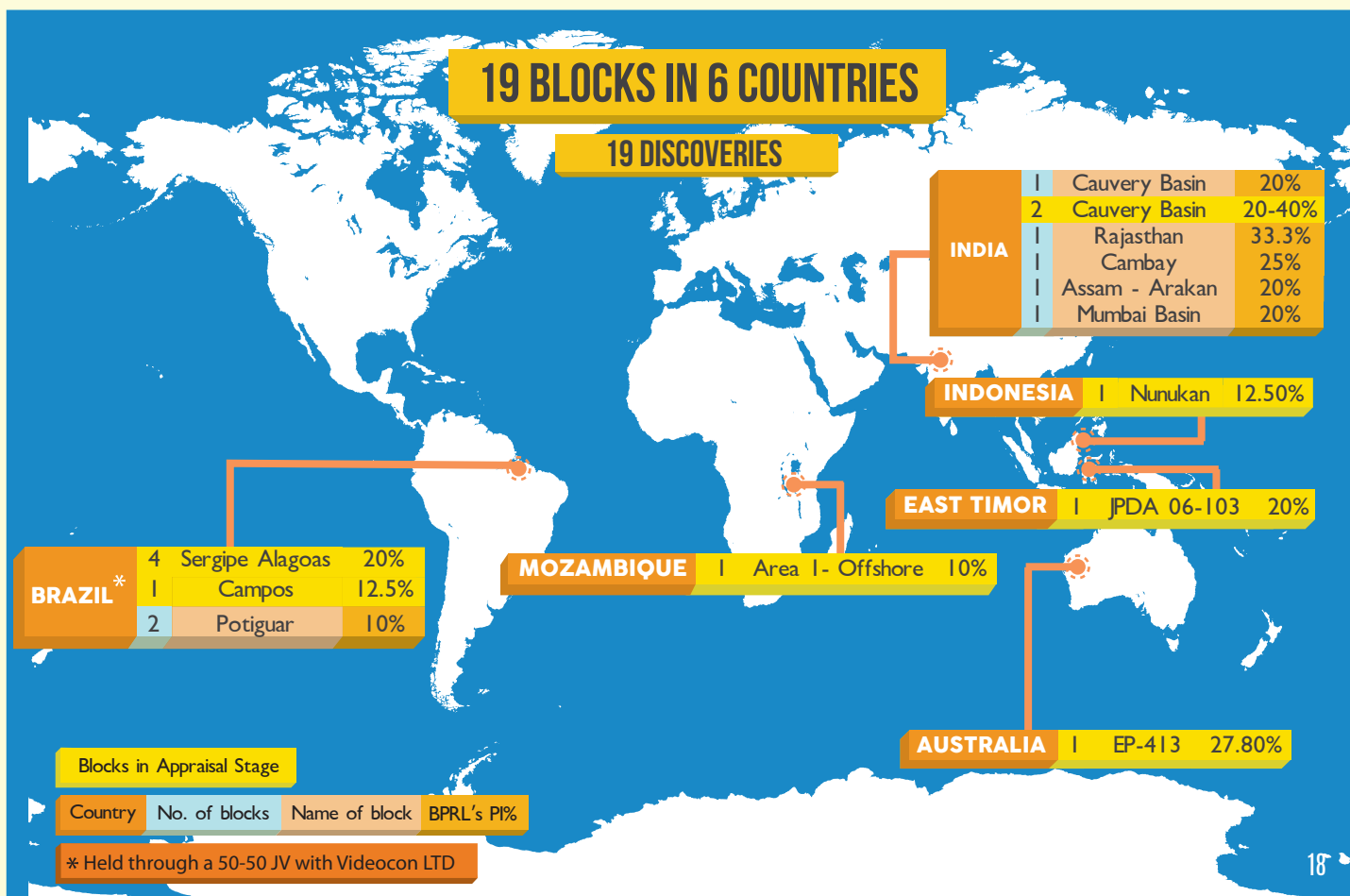
Our products are marketed through 2 channels – either directly to customers (house-

hold or industrial or aviation) or through retail dealers and distributors.



Additionally, we are also one of India’s only Oil Marketing Companies (OMC) that has successfully forayed into the upstream sector covering both oil and gas. In 2006, BPCL set up the Bharat PetroResources Limited (BPRL), a dedicated Exploration & Production company to develop our core competency in the upstream sector, thereby reaffirming our focus towards securing a reliable crude oil supply, hedging against price risks, and allowing us to become a vertically integrated oil company in a volatile market.

As on 31st March 2014, the company has participating interests in 19 exploration blocks in 6 countries; in consortium with other companies. Of the blocks, 8 blocks are in India, 7 in Brazil, and 1 each in Mozambique, Indonesia, Australia and East Timor. BPRL’s total acreage holding is around 24,685 sqkm of which about 88% is offshore acreage. BPRL has a total of 19 discoveries; 9 in Mozambique, 6 in Brazil and 2 in India, and 1 each in Indonesia and Australia.



Corporate governance

2.1

Our corporate philosophy on Corporate Governance has been to ensure fairness to all our key Stakeholders through transparency, full disclosures, empowerment of employees and collective decision making. This also ties into our vision and mission statements which aim at becoming a responsible leader in global energy.

The Board of Directors at BPCL is the highest governance body exercising the powers subject to the provisions of the Companies Act, 1956. BPCL is a Government Company under the administrative control of Ministry of Petroleum and Natural Gas (MoPNG). In Government Companies, the appointment of Directors (whole time directors, nominee directors and independent directors) are done by the Government of India in line with the Directorate of Public Enterprises (DPE) Guidelines applicable for Central Public Sector Enterprises (CPSEs). DPE Guidelines lay down the criteria of eligibility for selection of Directors. The nominated Directors appointment is put before the Board and

Shareholders for approval under the provisions of Companies Act. The remuneration of Directors is also determined by the MoPNG.

The Company and the Board is headed by the Chairman & Managing Director (C&MD) appointed by the Government of India as per its policy of appointment on CPSEs. BPCL had nine board members as on 31.3.2014, comprising five Whole Time Directors, two independent directors and two Government Directors. Currently all our board members are male and fall in the age group of above 50 years.

The Board provides direction to the entire organization's functioning. It has a strategic function in providing the vision, mission and goals of the organization. It is also responsible for establishing a policy-based governance system for the business. The board also has a fiduciary responsibility to represent and protect the member's/investor's interest in the company.

No.	Name of Director	Designation	Category
1.	Shri S Varadarajan	Chairman & Managing Director (w.e.f 1/10/2013) (Held additional charge of Director (Finance) till 31/3/2014)	Executive
2.	Shri K K Gupta	Director (Marketing)	Executive
3.	Shri B K Datta	Director (Refineries)	Executive
4.	Shri S P Gathoo	Director (HR)	Executive
5.	Shri P Balasubramanian	Director (Finance) (w.e.f 1/4/2014)	Executive
6.	Dr Neeraj Mittal	Director	Non-Executive (ex-officio)
7.	Shri P H Kurian	Director	Non-Executive (ex-officio)
8.	Prof J R Varma	Director	Non-Executive (Independent)
9.	Shri B Chakrabarti	Director	Non-Executive (Independent)

The Board schedules regular meetings throughout the year. In the financial year 2013-14, the Board met seven times. The gap between two meetings does not exceed

90 days. Special meetings are called if necessary. All Directors attend the meetings barring exceptional circumstances when the leave of absence is granted by the Board.

Committees of the Board

Committees of the Board members are constituted in line with the requirements of the organization. Various committees exist with difference roles like Audit Committee, CSR

Committee, Remuneration Committee etc under the provisions of DPE Guidelines / Companies Act.

Committee of Functional Directors (CFD)

The CFD exercises powers vested with the C&MD to take all decisions related to the day to day administration of the Company, reaffirming our thrust towards collective decision making. The CFD meets frequently (as and when required) and undertakes detailed deliberation and discussions on the matters placed before the Committee.

Roles and responsibilities of the Committee include:

- Day to day administration of the Company

Members:

Shri K K Gupta, Director (Marketing)
Shri B K Datta, Director (Refineries)
Shri S Varadarajan, Director (Finance)
Shri S P Gathoo, Director (Human Resources)

Audit Committee

Roles and responsibilities of the Committee include:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing, with the Management, the performance of the Statutory and Internal Auditors, and adequacy of the internal audit control systems.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a significant failure of internal control systems and report ing the matter to the Board.
- Carrying out any other function as mentioned in the DPE Guidelines and 'Terms of reference' of the Audit Committee

Chairman:

Prof J R Varma (Part-time Independent Director)

Members:

Shri B Chakrabarti (Part-time Independent Director)
Shri S Varadarajan (Director, Finance)

The Executive Director (Audit) is also actively involved in the meetings of the Audit Committee. Additionally, other Whole-time Directors also regularly attend the meetings of the Audit Committee.

Project Evaluation Committee

Roles and responsibilities of the Committee include:

- To evaluate, guide implementation, monitor, review and assess deliverables, provide recommendations and advice to the Board for projects costing over Rs 150 Crores including investments in Subsidiaries / Joint Ventures

Chairman:

Shri B Chakrabarti (Part-time Independent Director)

Members:

Prof J R Varma (Part-time Independent Director)

Shri S Varadarajan (Director, Finance)

Shri P H Kurian (Part time Government Nominee Director)

Remuneration Committee

Roles and responsibilities of the Committee include:

- To formulate and review policies related to remuneration / perquisites / incentives within the parameters of Guidelines issued by the Government of India.

Chairman:

Prof J R Varma (Part-time Independent Director)

Members:

Shri B Chakrabarti (Part-time Independent Director)

Dr Neeraj Gupta (Part-time Government Nominee Director)

Director (HR) and Director (Finance) are invitees to the Remuneration Committee Meetings

Investor Grievance Committee

Roles and responsibilities of the Committee include:

- Monitoring the Shareholders' / Investors' complaints and redressal of their grievances
- Reviewing the services rendered to the Shareholders / Investors including response to complaints / communications by the Investors Relation Department of the Company.

Chairman:

Shri B Chakrabarti (Part-time Independent Director)

Members:

Shri S Varadarajan (Director, Finance)

Compliance Officer for BPCL

Shri S V Kulkarni (Company Secretary)

During the year, three complaints were received from investors through SEBI, BSE and NSE which were attended to and resolved on priority basis.

All valid share transfer requests received during the year were duly processed and approved within the stipulated period. There was no share transfer request in physical form pending as on 31st March 2014.

Corporate Social Responsibility & Sustainability Committee

During the year 2013-14, the Sustainability Committee and Corporate Social Responsibility Oversight Committee were clubbed together and re-designated as "Corporate Social Responsibility & Sustainability Committee.

Roles and responsibilities of the Committee include:

- Key decision-maker on economic, environmental and social impacts of BPCL
- Review the SDR and ensures that all material aspects are covered
- Approval of CSR projects having value of more than Rs 50 lakhs
- Periodic review of all CSR projects
- Guidance and suggestions on CSR activities to the CSR role holders
- Bringing greater transparency and experience in the execution of CSR activities of the Company etc.

Chairman:

Shri B Chakrabarti (Part-time Independent Director)

Members:

Shri K K Gupta, Director (Marketing)

Shri B K Datta, Director (Refineries)

Shri S Varadarajan, Director (Finance)

Shri S P Gathoo, Director (Human Resources)

Number of review meetings held in 2013 – Two

At BPCL, there exists a focus towards business responsibility and sustainability. The Board of Directors, and the various Board committees meet periodically to discharge its delegated responsibility. At these meetings, the members review and approve financial results, performance of subsidiaries, undertake a detailed oversight of business, strategy and sustainability matters. This ensures that the Board's focus goes beyond financial performance and covers various operational and strategic issues including sustainability aspects, targets and budgets.

At the Quarterly Performance Reviews (QPR) industry performance, peer review and competition analysis, overall risk assessment are undertaken. The Sustainability Committee and the Audit Committee, both headed by independent, non-Executive Directors, review sustainable development policy and oversee financial reporting.

The Company's culture encourages various channels for open communications on

economic, environmental and social topics. The focus of sustainability at the top, is then cascaded downwards throughout the ranks of the organization. With the introduction of Strategic Business Units, BPCL management has moved towards decentralization of decision making process. There exist board approved delegation of authorities/manuals which describe the authorities for discharge of functions by employees based on Grades. Considerable autonomy has been given to the SBU heads with regard to commercial and financial decisions.

Additionally, the Corporate HSSE (Health, Safety, Security, Environment) Department, spearheads the sustainability agenda within the company. The Executive Director of the HSSE Department directly reports to Director (Marketing) in the Board. In each of our 180 locations across the country, we have appointed HSSE role holders who ensure that each location adhere to the strict guidelines of Health, Safety, Security and Environment protection.

Enterprise-wide Risk Management process is administered by Chief Risk Office. The Risk Management Committee comprising of senior executives continually identifies the various risks threatening the Company's continued sustainability. These are grouped as:

- Strategic
- Operational
- Financial and
- Compliance related risks

Along with Risk mitigation measures, the identified risks are placed before the Audit Committee/Board for review.

“Our focus is towards improving the processes within BPCL to help other BUs and Entities to better understand the usefulness of compliance.”

J Dinaker - ED (Audit)

We, also understand that our performance on sustainability parameters, and the impact of our operations extends to our stakeholders. We engage with them closely through a number of forums to understand their feedback and concerns (described in detail in Chapter 3. Stakeholder Engagement and Materiality Assessment). These stakeholder insights are collated by the HSSE department and communicated to the Sustainability Committee of the Board during the

presentation of the SDR to the Board to increase their consciousness towards economic, environmental, social issues and ensure that all material aspects are covered in the report.

At the beginning of each financial year, we sign a Memorandum of Understanding (MOU) with the Ministry of Petroleum & Natural Gas. The MOU specifies targets for various parameters including physical, financial, social and environmental parameters. The performance of the Corporation is valued with reference to the targets set against each of these parameters and the composite score is determined. The composite score is one of the key variables in determining the MOU rating which determines the quantum of variable pay for the year in the form of Performance Related Incentive Scheme for Management Staff (PRISM).

But beyond merely delivering on our MOU targets, sustainability has become the way to do business. At BPCL, we have a robust structure in place for the strategy, implementation and monitoring of our sustainability initiatives. While the Board level 'Corporate Social Responsibility & Sustainability Committee' spearheads this sustainability agenda, employees and workers at the ground level are also sensitized about the importance of being sustainable and delivering on their sustainability targets which are reviewed and revised on a quarterly basis.



Ethics and Integrity

2.2

Good governance and ethical functioning of our business is of utmost importance to us. Under the provisions of the Companies Act, periodical disclosures have to be made by the Directors with respect to Directorship held and shareholdings. To resolve any conflict of interest that might arise, Directors interested in the contract are expected not to participate in the discussion and their presence will not be counted for quorum. With respect to related party disclosures, periodical review is being done by an independent director and the agenda note is put before the Audit Committee for information. Besides, disclosures are made on an annual basis as per the Accounting Standard in the Annual Report.

Our strictly defined 'Code of Conduct', 'Procedure and Disclosures for Prevention of Insider Trading in the Securities of BPCL' and 'Code of Corporate Disclosure Practices' dictates the principles our Organisation and its employees are expected to abide by with regards to creating an ethical environment which protects and serves the interests of all our stakeholders. These policies also extend to our suppliers and contractors through the Integrity Pact, a legal commitment which all our vendors and contractors are expected to abide by. We also have in place a Whistleblower Policy. In the past year, we have not received any disclosures from employees under this policy.

Our attitude and approach towards ensuring good governance across the Organisation is also progressing from a reactive to a more proactive outlook. In the past, the Vigilance Department, who spearheads this function, worked towards tackling the grievances received by the various stakeholders. Now, the priority is towards taking preventive action, identifying the root cause of issues at several levels, across BU's and across all regions. Vigilance Officers interact periodically with the different BUs, plants, distributors and

functional departments to ensure that they understand the procedures and the importance of abiding by them.

We, at BPCL, believe that with best practices, adequate controls and transparency in place, decisions taken will be professionally efficient, effective and consistent leading to corporate excellence.

Our aim is to sensitize each and every employee about these concepts and rules during their induction programme as well as on a regular basis, so that their actions are in total unison with the corporation's co-created vision right from the outset. In the past year, 480 management staff, and 210 non-management staff were trained on these topics and awareness about vigilance during their induction programme. In addition, 1155 business units were analyzed for risks related to corruption.

This year, we have published our second Annual Business Responsibility Report (as part of our Annual Report), in line with the mandate by the Securities and Exchange Board of India (SEBI). This report highlights our policies and performance against the Ministry of Corporate Affairs' nine principles of the National Voluntary Guidelines (NVGs) on Social, Environmental, and Economic Responsibilities of Business. We are proud to declare that we have in place policies aligned with each of the nine principles relating to ethics, product responsibility, employee wellbeing, stakeholder engagement, human rights, environmental performance, public policy advocacy, inclusive growth and customer value.

We measure our progress this sustainability journey against our Annual BRR and Sustainable Development Reports and our Dream Plan Vision by 2017 and will continue to report on our performance in the coming years.

Responsible public policy advocacy

2.3

BPCL is a member of several industrial and trade associations. Some of the major ones are listed below:

- Confederation of Indian Industry (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Bombay Chamber of Commerce & Industry
- ASSOCHAM
- Indian Merchant Chambers
- United Nations Global Compact
- World Energy Council-Indian Member Committee
- World LP Gas Association
- Petroleum Federation of India
- PETROTEK Society
- Bio Diesel Association of India
- National Safety Council
- World Economic Forum
- The Advertising Standards Council of India
- National Accreditation Board for Testing and Calibration Laboratories

BPCL actively participates in the above associations and uses these as platforms to address issues that might impact our stakeholders. Rather than lobbying on any specific issues, we actively participate in the broader policy development process. Our Chairman and Managing Director is also a member of the 'Working Group for the formulation of 12th Five Year Plan (2012-17) for Petroleum & Natural Gas Sector. As a key member of oil industry specific bodies, we also actively contribute in formulating sector specific guidelines including, OISD, NSC etc.

We are also a signatory to the United Nations Global Compact (UNGC), an international initiative with UN agencies, labour and civil societies to support universal environmental and social principles.

We would also like to state that BPCL does not provide any financial or in-kind contribution to political parties, politicians and related institutions in India.

Anti-Competitive Behaviour

2.4

Our company is committed to fair practices and does not partake in any form of anti-competitive behaviour. We are under the purview of Competition Commission, set up under Competition Act, 2002. We are signatory to Transparency International's Integrity Pact Programme (IPP), which is a voluntary code. If a signatory to the pact influences or colludes with competitors or engages in unfair practices while bidding for and/or executing a contract, IPP would be violated.

However, there have been three cases filed against the company regarding anti-competitive behavior, which stand pending at the end of the reporting year. The details of the cases are as follows

- RIL /Essar/Shell had filed a complaint before the Petroleum & Natural Gas Regulatory Board (PNGRB) against PSU OMCs and upstream companies alleging collusion, cartelization and predatory pricing for MS and HSD.
- A complaint was filed by RIL before the Competition Commission of India alleging cartelization and misuse of its dominant position.
- India Glycols Ltd Vs India Sugar Mills Associates & Ors. alleging that ISMA, on behalf of member companies (including BPCL) have lobbied with Government of India for increasing the price of Ethanol from various suppliers

Compliance

2.5

As a listed company, our business units and entities are required to track and report on compliance with all applicable regulations, as per Clause 49 of Stock Exchange Board of India (SEBI). In the reporting period 2013-14, all our businesses units and entities are

compliant with applicable regulations with regard to environmental and societal laws, as well as regulations concerning the responsibility of BPCL's products towards consumers and the society at large.

Timely redressal of grievances

2.6

We have in place systems to track the grievances received and redressed from our customers, employees, and other key stakeholders. All customer complaints and grievances are addressed and redressed by a separate department within each BU. We also have a toll-free customer service number which respond to all customer grievances. We have both formal and informal means of

tackling employee issues which have been highlighted in greater detail in Chapter 6 of the report (Creating an Energized Workforce). Below is a snapshot of our grievances received from a variety of means during the year including directly by post, queries sent to the MoPNG, DPG, DARPG, the toll free numbers, the BPCL website and others.

			2013-14
Sum of grievances already pending on the last day of reporting period	PUBLIC	RETAIL	33
		LPG	1
		OTHERS	0
	SUB - TOTAL		34
STAFF	STAFF	3	
	TOTAL	37	
Sum of Grievances received during the reporting period	PUBLIC	RETAIL	2020
		LPG	211951
		OTHERS	1
	SUB - TOTAL		213972
STAFF	STAFF	16	
	TOTAL	213988	
Sum of Grievances disposed during reporting period	PUBLIC	RETAIL	2032
		LPG	211942
		OTHERS	1
	SUB - TOTAL		213975
STAFF	STAFF	13	
	TOTAL	213988	
Sum of Grievances pending at the end of the reporting period	PUBLIC	RETAIL	21
		LPG	10
		OTHERS	0
	SUB - TOTAL		31
STAFF	STAFF	6	
	TOTAL	37	

Awards and Accolades

2.7



“Excellence Awards for Social Responsibility” at the 21st World Petroleum Congress, Moscow, June 2014 (K K Gupta - Director Marketing is second from right)

Competing with finalists like Shell & Exxon Mobil, and from among 100 nominations worldwide, BPCL’s “Project Boond”, a rainwater harvesting project through which we have transformed 90 drought-prone villages into being water positive, was declared winner of the “Excellence Awards for Social Responsibility”

- Recognizing its achievements in implementing several green and environment neutral initiatives, Mumbai Refineries was awarded the Frost & Sullivan’s Green Manufacturing Excellence “Challengers Award” under the large business category.
- BPCL Kochi Refinery has won the prestigious Safety Award 2013 instituted by the Department of Factories & Boilers, Government of Kerala, in the category of Very Large Industries.



BPCL was awarded the 'Star PSU of the Year' trophy in the Business Standard Awards for Corporate Excellence in 2013, for innovation in its business of refining and marketing and also its foray into the upstream sector.'



The Department of Public Enterprises, (DPE) Government of India and Indian Chamber of Commerce have conferred the PSE Excellence Award 2013 to BPCL in the Maharatna and Navratna category for Operational Performance Excellence.



Performance Excellence Award 2013 in the Platinum Category (Organization in the Energy Sector) awarded by the Indian Institution of Industrial Engineering



Mr S Varadarajan, C&MD, BPCL receiving the Award from Petroleum Secretary, Mr Saurabh Chandra. Mr K K Gupta, Director (Marketing) is also seen.

- BPCL has been crowned the 'Leading Oil & Gas Corporate of the year' and the 'Oil & gas Marketing Company of the year' two of the top-most recognitions of PetroFed Oil & Gas Industry Awards for the year 2013.
- Kochi Refinery has won the runner-up award for Outstanding Safety Performance in the Very Large Industries Sector instituted by National Safety Council (Kerala Chapter).
- BPCL Kochi Refinery is proud to be the winner of the Rotary Binani Zinc CSR excellence award 2013, PSE Category for the fourth consecutive year.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholder Engagement

3.1

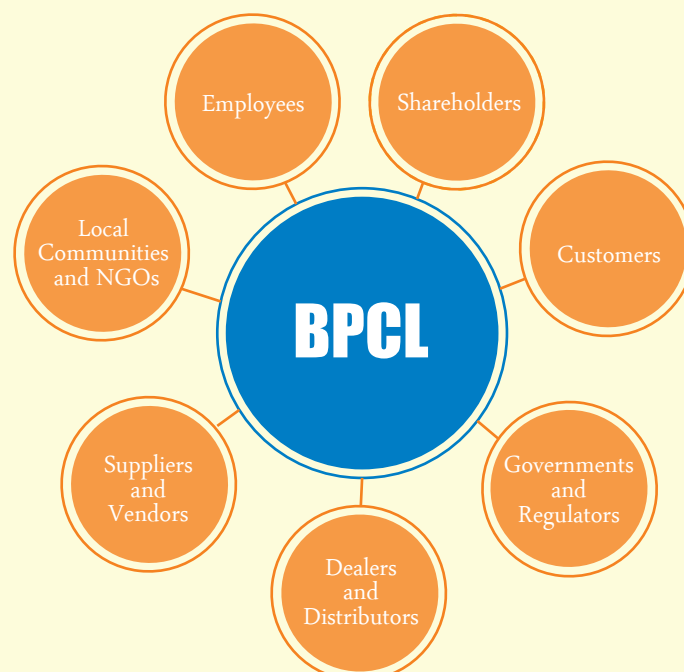
We have deep rooted operations across the country and have participating interests in 5 other countries as well. By virtue of our long value chain across a number business units and products and geographical areas, our business is closely linked with a wide variety of internal and external stakeholders who directly or indirectly impact the business, or the business impacts as part of its operations.

Based on in-depth interactions with each of the 7 Business Units, as well the Corporate Departments (Entities) within BPCL, we have identified our key internal stakeholders to be our employees and shareholders and our external stakeholders as our customers, government and regulators, dealers and distributors, suppliers, and vendors, the communities around our operations, and NGOs.

We regularly engage with these various categories of stakeholders on issues that mutually impact us and our key stakeholders. We also regularly participate in industry and trade associations to address emerging issues,

design sector specific approaches to minimizing environmental and social concerns, and cooperate with governments, and other stakeholders on common concerns.

We, at BPCL, are cognizant of the value of 'Stakeholder Inclusiveness' in the organisation's own sustainability and therefore constantly endeavor to engage closely with our stakeholders and encourage their participation in our vision for sustainability, while also supporting them to develop strategic sustainability goals for their own operations. However, with respect to the quantitative data presented in this report, we have defined the boundary to just the company. Going forward, we will focus our attention to material issues and their impacts across our entire value chain, irrespective of whether or not we have direct control over the issues. Our focus is towards ensuring that all our stakeholders' interests are balanced and no stakeholder's interests are met at the expense of another's.



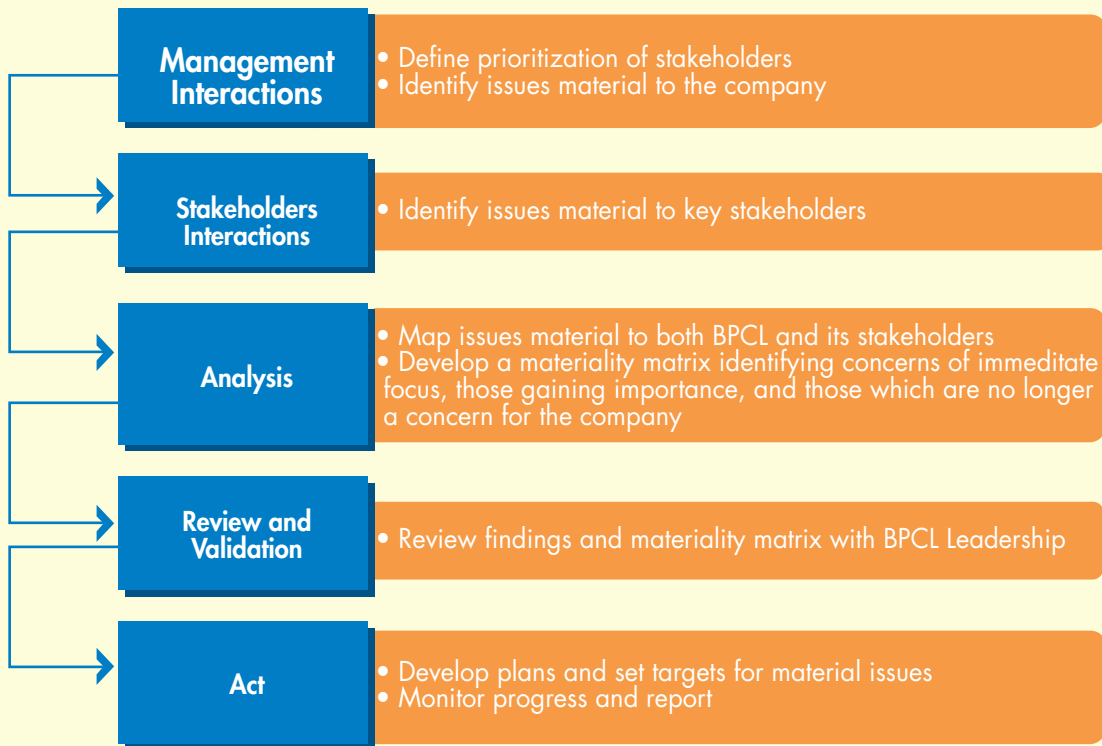
Stakeholder	Frequency and mode of engagement	Key Concerns/Priorities
<p>Customers</p> <p>As part of our CUBE (Customer Understanding for Business Excellence) programme, we engage closely with customers through a variety of mediums and intermediaries, to allow us to get to know its customers better and ensuring that we meet their requirements with differentiated levels of service. We have set up Transparency Portal (Customer Interactive Portal) also collects grievances faced by industrial and household customers.</p>	<ul style="list-style-type: none"> • Annual Customer Meets • Periodic Personal meetings/Online communication • Periodic Customer satisfaction surveys (most recently conducted for household customers in 2014) 	<ul style="list-style-type: none"> • Quality and Quantity of the product • Service provided by dealers/distributors • Competitive Pricing • Timely redressal of customer grievances
<p>Communities and NGOs</p> <p>We engage closely with the communities around our operations as well as certain neglected regions in the country through Gram Panchayats and well-established NGOs local to the target area. We understand the problems faced by the communities and design our CSR initiatives to target these concerns. We believe in a participatory approach to all community initiatives, so that the ownership of the programme lies within the community.</p>	<ul style="list-style-type: none"> • Need based interactions with NGOs/Gram Panchayats/Community focus groups • Periodic project review meetings with NGOs 	<ul style="list-style-type: none"> • Employment of the locals • Inclusive Growth • Training support • Increased long-term CSR engagements with NGOs
<p>Dealers and Distributors</p> <p>Engaging closely with dealers and distributors is of utmost priority to us. They serve as the face of BPCL and the final touch-point to the customers. As part of BPCL First, our Customer centric programme, we undertake a thorough training of our dealers and distributors to effect a functional and behavioural change within them across 100 urban centres by March 16. So far, we have reached out to 32 cities. We have also identified 20 highways to train highway retail unit staff.</p>	<ul style="list-style-type: none"> • Periodic dealers meets and training sessions • One-on-one meetings 	<ul style="list-style-type: none"> • Product quality and security • Continuous supply of quality crude • Mitigation of Environment/Community Concerns • Safety and Health during product handling • Upkeep of facilities /equipment/ machinery at the outlet • Technological improvements
<p>Employees</p> <p>Our well established Human Resources Department helps the Organisation manage relations with our employees and contractual labour across the country. In addition, we have set up an Employee Satisfaction Cell (ESE), a dedicated cell to address employee issues, ensure employee health and wellness, and that employees are satisfied with their work environment.</p>	<ul style="list-style-type: none"> • Individual Performance Appraisal • Employee Satisfaction Survey • Periodic trainings and workshops & Wellness programmes • Periodic online communications 	<ul style="list-style-type: none"> • Career Progression • Grievance Redressal • Occupational Health and Safety • Health, Wellness and other benefits
<p>Government & Regulators</p> <p>We also closely interact with Ministry of Petroleum and Natural Gas, and other Government Bodies (eg. Ministry of New and Renewable Energy etc)</p>	<ul style="list-style-type: none"> • Memorandum of Understanding: Targets and Communication • Need-based Meetings on Ministry directives and policy development 	<p>Performance against targets set in the annual MoU on aspects like refineries, community outreach, HR, sustainable development, environmental performance etc</p>

<p>Shareholders and Investors</p>	<p>Interactions with Shareholders are conducted during the Annual General Meeting.</p>	<ul style="list-style-type: none"> • Annual General Meetings • Annual/Quarterly Reports • Annual & Quarterly Investor Meets • Periodic Press releases 	<ul style="list-style-type: none"> • Governance • Ethical operations and management • Economic Performance • Compliance
<p>Suppliers & Contractors</p>	<p>Premier Vendor Workshops are held annually - Acts as a forum to allow an open discussion for suppliers to raise their grievances in the presence of Top Management of BPCL. Additionally, regular meetings are also held with smaller vendor groups dealing in similar type of items, to ensure item-wise issues/bottlenecks/ grievances are discussed and resolved.</p>	<ul style="list-style-type: none"> • Annual Vendor Meets • Periodic personal meetings • Inspection visit to Facility • Periodic communication via e-mails and phone calls 	<ul style="list-style-type: none"> • Occupational health and safety • Training and capacity building • Transparency in bidding process • Timely payment of dues

Identification of material aspects 3.2

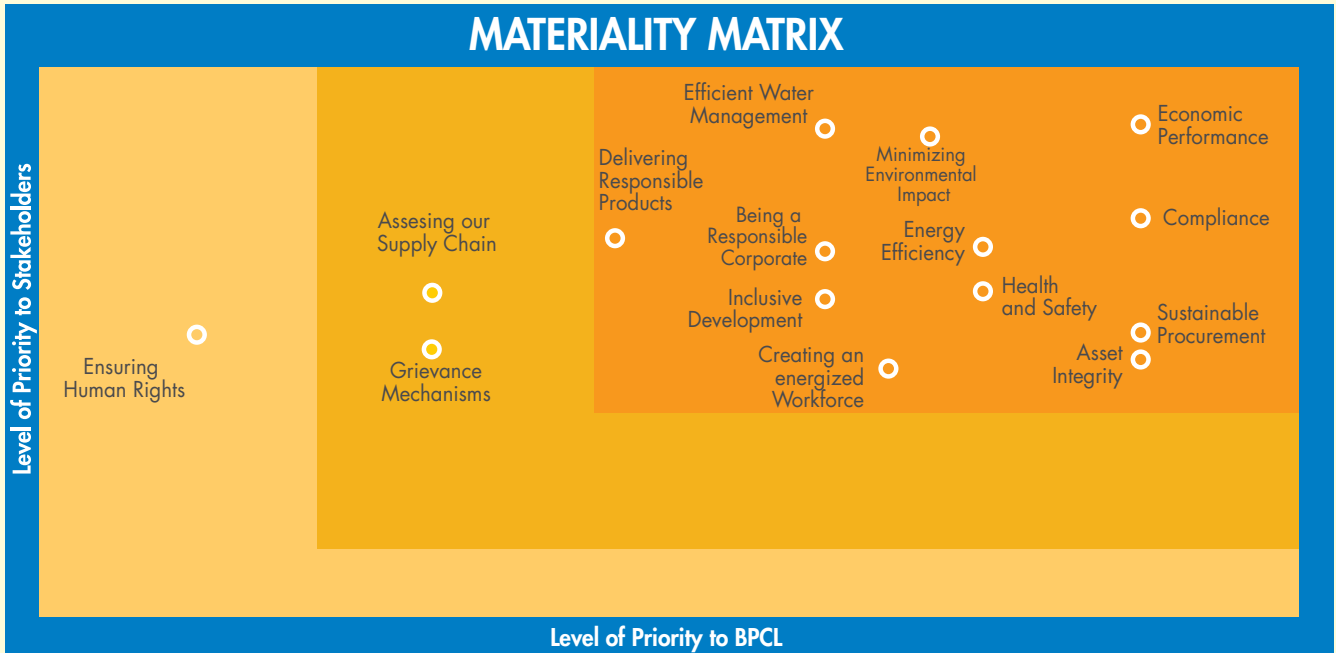
This year, to be aligned with guidelines of GRI G4 guidelines, we have revisited our approach to materiality as outlined in the

figure below. In the process, there are additions to the material issues as compared to the previous years.



From our interactions with the top management across several BU's and divisions at BPCL, as well as the Board of Directors, we have arrived at the issues that are of a priority focus from the perspective of BPCL. We have also reached out to a representative sample of the key stakeholders identified by the management, and conduct-

ed detailed surveys to understand their feedback and concerns regarding BPCL's performance on environmental and social issues. The issues which are critical to our key stakeholders have been mapped against BPCL's own perception of material issues to arrive at a materiality matrix as depicted below.



Each of the material issues have been mapped against GRI G4 aspects and segregated accordingly to the level of concern towards BPCL and its stakeholders.

Issues currently a focus of BPCL and its stakeholders	
Material Issues	GRI G4 Aspects
Economic Performance	Category: Economic Economic Performance
Energy efficiency	Category: Environment Energy Category: Social - Sub-Category: Product Responsibility Fossil Fuel Substitutes
Inclusive development	Category: Economic Indirect Economic Impact Category: Social - Sub-Category: Society Local Communities Indigenous Rights Involuntary Resettlement
Creating an energized Workforce	Category: Social - Sub-Category: Labour Practices & Decent Work Employment Labour Management Training and Education Labour Practices Grievance Mechanisms Category: Social - Sub-Category: Human Rights Freedom of Association and Collective Bargaining
Health and Safety	Category: Social - Sub-Category: Labour Practices & Decent Work Occupational Health and Safety Category: Social - Sub-Category: Society Emergency Preparedness

Being a responsible Corporate	Category: Social - Sub-Category: Society Anti-Corruption Anti-Competitive Behaviour Public Policy
Compliance	Category: Environment Compliance Category: Social - Sub-Category: Society Compliance Category: Social - Sub-Category: Product Responsibility Compliance
Efficient Water Management	Category: Environment Water
Developing Responsible Products	Category: Social - Sub-Category: Product Responsibility Product and Service Labelling Customer Health and Safety Marketing Communications
Asset Integrity	Category: Social - Sub-Category: Society Asset Integrity and Process Safety
Sustainable Procurement	Category: Economic Procurement

Issues gaining importance

Material Issues	GRI G4 Aspects
Assessing our supply chain	Category: Environment Supplier Environmental Assessment Transport Category: Social - Sub-Category: Labour Practices & Decent Work Supplier Assessment for Labour Practices Category: Social - Sub-Category: Society Supplier Assessment for Impacts on society Category: Social - Sub-Category: Human Rights Supplier Human Rights Assessment
Grievance Mechanisms	Category: Environment Environmental Grievance Mechanisms Category: Social - Sub-Category: Human Rights Human Rights Grievance Mechanisms Category: Social - Sub-Category: Society Grievance Mechanisms for Impacts on Society

Issues low on concern

Material Issues	GRI G4 Aspects
Ensuring Human Rights	Category: Social - Sub-Category: Human Rights Non-Discrimination Diversity and Equal Opportunity Equal Remuneration for Men and Women Child Labour Forced or Compulsory Labour

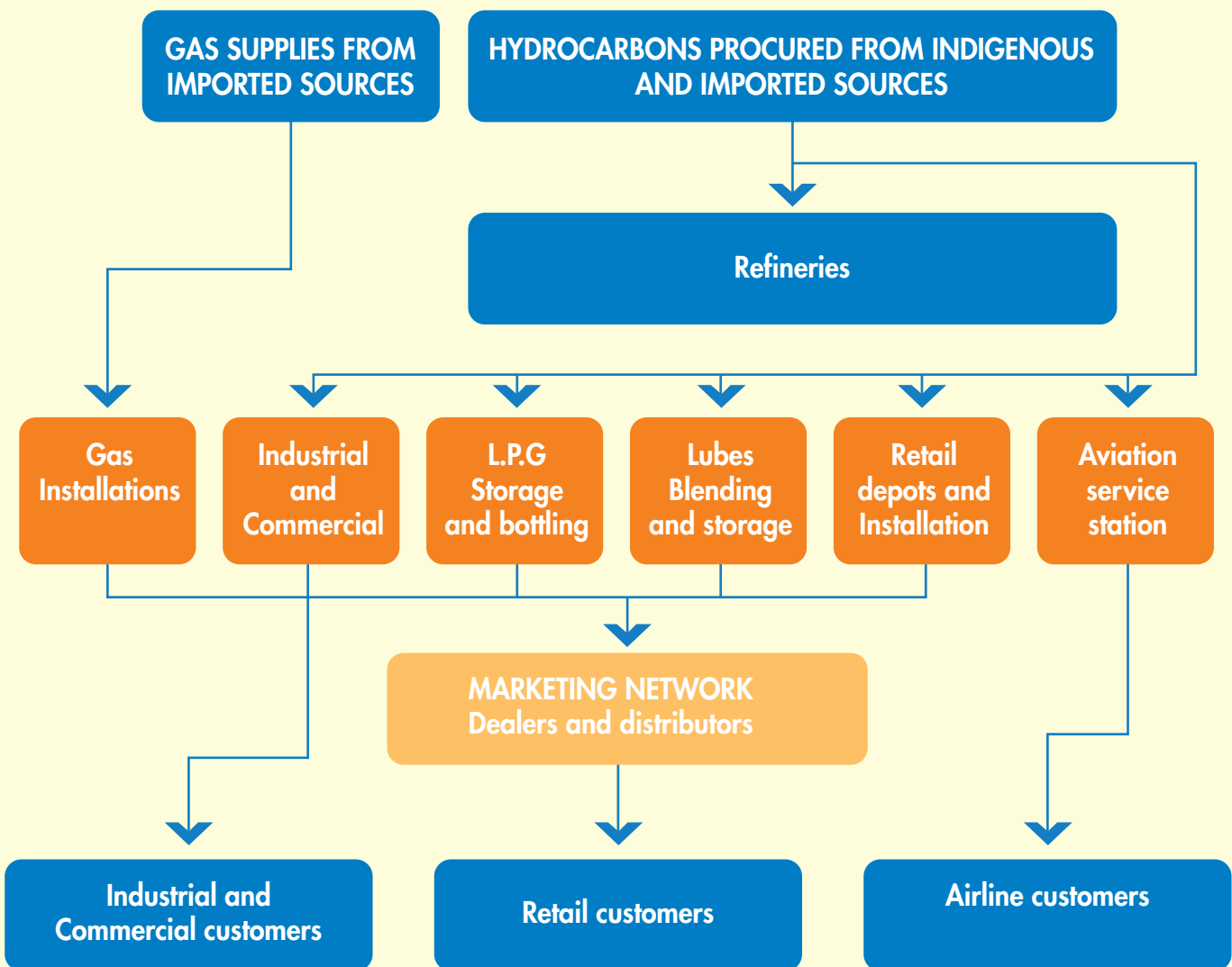


4 BUILDING A SUSTAINABLE VALUE CHAIN

Our operations are all directed towards the ultimate goal of delivering distinguished products and services to the Customer. The nature of the petroleum product is such that customers cannot easily build a strong connect with it or the company who deals in it. Therefore, in a sector where it is difficult to differentiate one brand's products from the other, customer service is what can be the differentiator. BPCL recognizes this and has undertaken several Customer Centric Programmes. Marketing is the core area of

our operations and catering to customer aspirations continues to be central to our existence.

By virtue of the nature of the products that we create, every household and industry in India could potentially be our customer. Therefore by providing customers innovative and affordable quality products, we can also greatly contribute to the development of the nation as a whole.



Sustainable Procurement Practices

4.1

Procurement of the right crude and the right material at the optimum time and from responsible sources is key to our entire business operations. In tune with Government of India objective to reduce India's dependency on petroleum products by 2030, BPCL has taken a number of steps to reduce the import of crude oil and petroleum products. Our International Trade (IT) Department is responsible for ensuring an uninterrupted supply of crude oil to our Refineries. It gives top priority to procurement of maximum crude oil from domestic sources in order to have a sustainable advantage in its operations. However, domestic supplies do not meet the full requirements of our Refineries, and therefore we have to source the crude from different countries.

We were able to maintain a nil import of diesel last year. However, for LPG, the demand far exceeds domestic supply. Therefore, we take steps to ensure a sustainable supply of LPG by entering into term contracts with its suppliers. On the export front, we have emerged as a major exporter of naphtha and fuel oil.

Apart from the dedicated department responsible for sourcing the right crude at the right time, we also have a Central Procurement Office which engages in strategic procurement (Rs. 3000 crores per year - 80% of the total goods procurement of the company) of material and equipment for the various BUs and Refineries.

Material Consumption at Refineries (tonnes)	2013-14	2012-13
Raw Materials	22,969,223	22,841,476
Associated Process Materials	5,685	7,870
Semi Manufactured goods and parts	208,962	215,832
Packaging Material	6,624	7,398
Total Direct Materials	23,190,494	23,072,577

The table alongside depicts the total direct material consumption of 23.19 million tonnes at the refineries in the past year which despite our best efforts is a marginal increase since the past year's consumption of 23.07 million tonnes. While the majority of material consumption takes place at the refineries, our Marketing BUs are also increasingly also consuming a significant amount of material (breakup provided in Annexure 1). We recognized the value in establishing a central procurement department within the company, to collate the procurement requirement for all marketing business units and check the excess demand of BUs to avoid the wastage which would occur if each BU engaged in separate procurement. Procuring goods at the right price has always been the endeavor of CPO (M). It has saved around Rs. 80 cr pa for BPCL as compared to the cost benchmarks. We are also constantly exploring ways of reusing and

recycling our materials and packaging. In the past year, our refineries recovered 701.9 tons of slop for re-processing. The LPG SBU minimizes the usage of new LPG cylinders by reusing used cylinders for several refilling cycles.

Of the total material and equipment procurement, only 5% is imported while the balance is from local suppliers.

Additionally, as per the Government of India's 'Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012', PSUs are mandatorily required to procure a minimum of 20% of total procurement of goods and services from Micro and Small Enterprises (MSEs) by 2015. We have exceeded the Government of India mandate and currently 24.08% of the total procurement is from MSEs.

The CPO is also focused on procuring more durable, energy efficient and environmentally friendly material. They will also scale up the procurement of ethanol and other green products for oil which will prove more cost effective, environmentally friendly, reduce the demand on crude oil, as well as provide farmers with additional income.

Supplier engagement: We are focused on developing a long-term relationship with our suppliers which transcends individual transactions and builds our capacity in a sustained manner. The IT department takes the initiative in developing and fostering business relationship with key suppliers, primarily with National Oil Companies of different countries, Oil Majors and Oil Traders. Annual 'Premier Vendor Workshops' for our suppliers of material and equipment are held annually, which serve as a forum to engage suppliers in an open discussion, and raise their grievances in the presence of the top management of BPCL. Additionally, we conduct periodic meetings with smaller vendor groups, to ensure item-wise bottlenecks are discussed and resolved.

Risk management in the procurement process: Almost 17 MMT of crude oil (75% of the refineries' requirement) is transported by tankers to BPCL Refineries in Mumbai and Kochi. While engaging these tankers, every effort is made to ensure that the ship confirms to international maritime regulations and also meets the port requirements. Transportation of this volume exposes the company to different risks from the load port to disports and finally during processing in refineries. At each step in this value chain, BPCL takes great deal of care to ensure that the risks and losses are contained or minimised to the bare minimum, and effective remedial action is taken to prevent recurrence of such incidents in future. BPCL has earned an excellence in handling tanker and port operations with the sole objective of ensuring quick turnaround of tankers while keeping up the highest standards of environment and safety.

“ A great deal of efforts is made to ensure “Just in Time” arrival of the vessels, by procuring crude at optimum times and optimum quantities, with the sole idea of maintaining the lowest inventory in order to reduce the burden of interest on working capital requirements. These efforts have paid a rich dividend in the form of gross reduction in demurrage claims. ”

R K Mehra - ED(International Trade,
Shipping & Risk Mgt)

Apart from the physical risks associated in handling of crude oil and its products, BPCL is also exposed to international price risk as the prices are highly volatile. In order to ensure sustainability of our operations, IT undertakes hedging of the refining margins in international derivatives market. It has earned a place of pride for its professional excellence amongst players in international derivatives market, while conforming to new evolving US and European regulations. In recognition of these efforts, BPCL has earned the Award as Derivative House of the Year-Corporate, Asia.

Transparency in the tendering process:

We have always embraced technology as a means to optimize our processes. We engage in 100% e-tendering, lending transparency to the procurement process.

To ensure that we only procure products of the right quality, BPCL has set up a bid qualification criterion (BQC) in the tenders for suppliers. For instance LPG equipment has to be certified by BIS and reputed Third party Inspection agencies have to certify equipment for retail outlets, AFS etc. For the procurement of LPG cylinders and Domestic Pressure Regulators, a price band (floor price and ceiling price) for procurement for tenders has been created by BPCL. The ceiling price ensures that collusive pricing does not succeed in pushing the price to unacceptable levels, thus protecting the basic commercial interests of the corporation. The floor price in the band ensures that vendors do not quote unviable prices which would eventually make their business unsustainable.

Monitoring and Evaluation: BPCL's Dream Plan is being implemented through the roadmap set by the International Trade and CPO Department, with established annual targets in each functional area aligned across different team members. The progress on the targets is reviewed quarterly by the apex

body. An indicator of our success is evidenced from the fact that the CPO has been able to increase procurement from Rs. 1100 crores in 2009 to Rs. 3000 crores in 2013 currently with the same workforce by ensuring that targets are being monitored and adhered to.

Employing technology for business excellence

4.2

At BPCL, we have always viewed technology as the key driver of business excellence. We are the first Public Sector Oil Company to implement Enterprise-wide Resource Planning (ERP) solutions - SAP. The implementation project known as ENTRANS (Enterprise-wide Transformation) has been awarded the 'SAP Star Implementation Award', with Bharat

Petroleum having the distinction of executing the largest and the most ambitious SAP project in India. The challenge of this exercise was to ensure that all the integrated elements work seamlessly across the length and breadth of the country, including the remote locations.

We, at BPCL, strive to go beyond just automation, and towards the optimization of processes.



Currently all non-SAP domains and 40% of SAP domains are virtualized. By March 2015, the goal is to virtualize all domains barring a few critical ones.

Additionally, we have set up one of the biggest 'Centres of Excellence' in Asia to provide online support to the end users and also work towards continuously improving business processes and handle product

upgrades and new generation products. We have also set up 3 virtual data centers, viz. Corporate Data Center (CDC) Sewree, Integrated Data Center (IDC) Greater NOIDA & Mumbai Refinery which facilitates access to real-time accurate information on key performance indicators at all Bharat Petroleum locations, migrating from physical

servers into the virtual domain with enhanced resources. The Virtual Infrastructure had been designed to meet future IT computing demands & contribute towards green IT. This enables the management to take strategic and business decisions, thus ensuring value-added services, better customer satisfaction and enhanced shareholder value.

Developing responsible products

4.3

BPCL has consistently been synonymous for product excellence and innovation. Our sophisticated R&D centre is constantly delivering new and innovative products which are both responsible towards the health and

safety of the product handlers and customers, as well as responsible towards the environment (in terms of resource efficiency, energy efficiency, and emission, waste and water management).



Prime examples of our initiatives towards developing responsible products include

- Aligned with the Government of India's Autofuel policy, BPCL has taken up rolling plan to **upgrade Autofuels** from Euro Stage II to III and IV standards of fuel. As the stage progresses, the fuels become more efficient during their use in the vehicles, resulting in a reduction in fuel consumption and in turn, minimized pollution. A particular emphasis has been

put on sourcing of crude with reduced sulphur content. Sulphur is a significant air pollutant & also has harmful effects on the system during its storage, transportation & use. Reduction of sulphur leads to reduced Sulphur-dioxide & trioxide emission during burning of autofuels in the vehicles leading to cleaner atmosphere.

- **Horticulture Mineral Oil (HMO)** – a product which is designed incorporating environmental considerations. It prevents the

usage of pesticides and therefore is a completely customer friendly product and is safe for consumption.

- **Bharat Metal Cutting Gas (BMCG)** can cut sheets of significant thickness, with precision, at a low cost, and is environmentally friendly.
- **The additive in Speed, High Speed motor** spirits allows the fuel to be completely burnt during consumption. If the fuel is not completely burnt, carbon deposits remain in the engine, and therefore reduces the fuel efficiency of the vehicle.
- Identifying opportunities to recycle packaging and other materials-Piloting **biodegradable packaging** for our lubricants. The LPG SBU minimizes the usage of new LPG cylinders by reusing used cylinders for several refilling cycles.
- More than **80% of refinery's production is evacuated through pipeline**, thereby reducing the number of trucks on the road, resulting in reduced vehicular

pollution and incidents of accidents.

- **Reducing the Benzene (carcinogenic substance) content from Hexane and MTO** much below the permissible limits which will greatly preserve the health of our customers.
- **Zero Defect Delivery of Cylinders is a priority:** The safety of our LPG customers is particularly critical because direct handling of the cylinder may create the possibility of an accident. We take out insurance to cover our every single customer in case of accidents.
- **Capacity building workshops and seminars** for our distributors to train our customers, as well as directly with customers are also periodically conducted by SBUs to create awareness about the safe handling and use of our products.
- **Reviewing Safety Audit** for enhanced safety performance at Retail Outlets & LPG Distributorships at BPCL First Locations is a key target for the coming year 2014-15.

Transitioning from Liquid to Gas:

We are also laying a mindful emphasis on expanding the scale of our gaseous petroleum products (LPG and Gas) operations. LPG and Gas are, by nature, cleaner, healthier and more environmentally friendly hydrocarbons. Because gas is sealed and not directly handled, it is also a much safer fuel. BPCL is also committing to the Government of India's 'Vision 2015' an intent to increase LPG

coverage to 75% of the population. Currently BPCL supplies 26% of the 65% LPG coverage in India and has the highest rural penetration among competitors.

The expansion and focus on LPG growth within the company is not driven by revenue considerations as much as to promote the consumption of clean and healthy fuels within the country.

“ Currently, BPCL has a 1.5 million ton gas capacity (and roughly 10% share in the Indian market). By 2020, the target is 6.5 million metric tons, BPCL will be a significant player in the Indian PNG market. ”

I Srinivas Rao - ED (Gas)

Product Labelling:

All our product labels provide information required as per National and International specifications on the product. We also display relevant information for safe handling of the product. We would like to state that all our products have been covered by and assessed for compliance with labelling

procedures. We are also mindful of ensuring our packaging also provides necessary information to the customer especially with regard to the safe handling of the product substances and their disposal that might produce an environmental or social impact.

Assuring Product Quality and Quantity

4.4



Our flagship initiative 'Pure for Sure' assures the customer that the quality and quantity of product delivered to the customer has been verified by BPCL. This initiative has contributed greatly to the Enhancement of the BPCL Brand. This has been spear-headed by our Quality Control Cell, which was

formed in 2005 as per the directive received from Ministry of Petroleum & Natural Gas, to oversee and monitor all activities and operations to curb Adulteration and Malpractices at Retail Outlets, Kerosene Agencies, Industrial Customers (Solvent) and LPG Distributorships and specify norms and Guidelines in this regard.

The Cell conducts surprise inspections and acts as a watchdog to ensure there are no Adulteration and Malpractices (issues in Quality/Quantity/Tampering of hardware or software in DUs/ MPDs) as to eliminate the possibility of tampering with the supply or delivery system that take place at any stage in the value chain from Depots / Installations / Bottling Plants to final consumer.

Key initiatives undertaken in the past year to avoid the incidence of malpractice throughout the value chain include:

- 100% automation of 4000 petrol pumps and service stations across the country
- To reduce pilferage during the transportation stage, we have undertaken a number of measures such as GPS mapping of trucks. We are also piloting a technology which prevents the truck from being opened at a location other than within the retail outlet.
- Reducing the timeout of nozzles at fuel pumps from 120/180 seconds to 30 seconds which reduces the incidence of malpractice. This recommendation by the QC Cell has now been implemented by 80% of the BPCL pumps across the country
- We have established an 'Online Safety Inspection Application (OISA) to enable field engineers to make an e-report of mandatory physical safety audits of Retail Outlet. Dealers are required to accept and submit the e-report online to complete the audit report cycle.
- Designed and is currently piloting a new sampling container (made of Fibre-Reinforced Plastic) which is tamper proof, environmentally friendly, cost effective and durable (has a life of about 10-15 years)
- Recommended a change in the design of new MPDs to arrest the scope of Malpractice through such Machines
- Conduct Workshops for SOs/EOs/ Technicians on Correct Sealing Procedures and Sharing of Malpractices detected from field

“ In FY 2013-14, 54 critical cases of malpractice were detected leading to the termination of some the Dealerships, thereby sending strong signals to the network/market place that BPCL does not compromise on Quantity and Quality. ”

P Anandasundaresan - GM (Quality Control Cell)

Going forward, we shall be intensifying our inspections to cover un-explored markets, and a larger percentage of ROs / LPG Population. Moreover, the focus is also to intensify training programmes for Dealers and

Distributors, particularly while they are being inducted to create awareness among them on Adulteration and Malpractices detected from field and sensitize them about these issues.

Engaging with Dealers and Distributors

4.5

Dealers are an extremely vital entity in our supply chain. Since the majority of our products are distributed and sold at retail outlets which are not owned by the company, we find that the success of our business is dependent significantly on the dealers. They serve as the face of BPCL to the final customer and therefore meaningful training and interactions with the distributor can take the company a long way towards ensuring customer satisfaction.

Together with the other Public Sector OMCs, we have defined a strict selection procedure and eligibility criteria for our dealers as well as 'Marketing Discipline Guidelines' to help the companies maintain discipline in the operation of retail networks and provide high customer service standards. Similarly, we have developed eligibility criteria for the appointment of new LPG distributors. The LPG BU is particularly focused on ensuring that the genuine consumers receive the LPG and use it for right purpose. We take several measures to ensure that we will supply LPG to fulfill only genuine demand and have taken several measures to ensure the same (raids conducted, penalties levied on distributors who do not abide by marketing discipline guidelines) We, at BPCL, are aware that attrition rates among retail outlet staff and LPG distributors are extremely high (roughly 30-40% every year) with a short service period of only 2-3

“ If the dealer is aware about the mode of best engaging in a dialogue with the customer, the entire experience of the customer can be transformed from 'fuelling to feeling', and the dealer (and therefore BPCL) can gain a loyal customer. ”

Pramod Sharma (ED-Retail)

years, attributed to the young age and ambitions of the workers. However, we continue to invest considerably into conducting sustained training programmes like the Visionary Leadership Programme for dealership workers and distributors of our products to bring about a functional and behavioral change in the way they engage with customers and ensure quality, courteous and timely services. While this training greatly translates into more customers and better business for us, it is also extremely beneficial to our young dealer workers who go ahead to undertake other sales role. If the dealer is aware about the mode of best engaging in a dialogue with the customer, the entire experience of the customer can be transformed from 'fuelling to feeling', and the dealer (and therefore BPCL) can gain a loyal customer.

Workshops and interactive sessions held with our dealers generally cover the following aspects

- Enhancing functional and operational knowledge on retail automation
- Good governance practices
- Financial and external norms and deliberations on understanding the current and emerging business environment
- Customer understanding
- Enhancing Service Standards
- Customer Acquisition
- Creating Value for the company

Customers: the focal point of the chain

4.6

CUSTOMER UNDERSTANDING FOR BUSINESS EXCELLENCE (CUBE)

CUBE is our customer oriented programme which maximizes customer value by enabling us to gain a 360 degree understanding of our customers and ensuring that they meet their requirements with differentiated levels of service.

Part of the CUBE exercise is the BPCL FIRST program which envisages providing 'top of the line' services consistently across all businesses thereby creating a positive perception in the minds of customers. The aim of the BPCL FIRST programme is that, while BPCL's internal organization structure is differentiated according to Business Units and products, customers should perceive an integrated BPCL for all their various petroleum product requirements. Our Distributors, who serve as the face of BPCL to our customers, must be trained and equipped to take forward this programme.

The program is built around 4 main pillars:

- Structured Customer Interaction
- Enhanced Visibility
- Accentuated Customer Service
- High Quality Complaint Redressal

Using Analytics to leverage customer data and thereby generating insights to customer preferences and behaviour is also part of the program.

As part of this program, BPCL is initially targeting customers in Tier 2 and 3 tier cities where major growth in demand is imminent. In the past year the program has been successfully implemented in 32 cities. By 2016 a total of 100 cities will be covered by the BPCL First program.

To assess the impact of our CUBE programme on the brand health of BPCL we conducted pre-and-poll campaign surveys across a representative sample of cities in 2012 and 2014 respectively. The entire surveying exercise was conducted by a leading MR agency and based on a rigorous sampling methodology of BPCL's B2C category customers (Retail, LPG, Lube), rolled out through personal interviews conducted in the respondents' personal home.

The objective of the surveys was to assess the response of customers in following areas and the measure the improvement across the campaign parameters, to finally arrive at the brand Equity Index for BPCL brands and competitors

- Visibility, Awareness
- Customer Satisfaction levels
- Complaint Redressal mechanism, Toll free Number

BPCL's performance on all 3 parameters have been consistently high across the campaign period. However, differentiation in the minds of customers against competing brands have not been significant. We will therefore be scaling up our initiatives to connect with our customers and be more vocal regarding our services and programmes. Encouragingly, awareness regarding modes of complaints and grievance redressal have steadily increased over the period.

Building loyalty among our customers -

We share rewarding relationships with our customers and building loyalty has been a center of focus with us.

- **Petrobonus**, the first loyalty-cum-rewards program of its kind in India, was brought out, keeping in mind the convenience of our customers. Equipped with Smart Card Technology, the Petro Card program combines convenience in payment along with an inbuilt rewards program that rewards the customer with Petromiles every time he fuels.
- **SmartFleet** is a similar programme launched for Fleet Owners. The SmartFleet Programme offers the fleet owner an unbeatable convenience, vehicle tracking, security and a host of privileges such as cashless transactions.
- **'Beyond LPG'** - where apart from the LPG cylinder, good quality products that are involved in the installation of LPG in households (but not necessarily BPCL products) are provided to households at a nominal rate.



ENERGY AUDITING FOR OUR I&C CUSTOMERS:

Beyond merely selling petroleum products, we are also looking to provide our industrial and commercial (I&C) customers with value added services, by helping them conserve fuel and energy.

- 'Walk through energy audits' – We periodically visit the plants of our customers and analyze how they handle, store, prepare and use the product. Based on our observations, we advise them on the best way to go about these processes to minimize fuel loss.
- All of these recommendations involve zero/negligible cost; there is no technology change recommended rather the suggestions are regarding practices to be adopted during the process which can minimize fuel wastage.
- Workshops are conducted with the customer to share findings from the analysis.
- Currently, these energy audits are provided need-based or based on the potential noticed when BPCL staff visit the customers' plant. In the coming year, we plan on expanding our capabilities and using more advanced instruments during the audit process to provide more pin-pointed suggestions to our customers

4th JAN CHETNA RATH



“Creating Awareness is the Key to Success” - this was the motto of the 4th JAN CHETNA RATH- which means a vehicle to raise the awareness of our customers which happened across 7 Districts of Bihar covering 32 markets under Patna LPG Territory and touched more than 3.0 Lakhs Bharatgas consumers in urban, semi urban and rural markets.

This is a unique initiative of its own kind and the Rath has been branded attractively to display consumer rights, safe usage and conservation tips of LPG. It also conveys Do's and Don'ts while using LPG, Brand promises, PDI messages, 'Suraksha ke 5 Mantra' on all the four side walls (Internal and external) of the Rath.



“ I believed it to be perfectly possible for an individual to adopt the way of life of the future...without having to wait for others to do so .



Mohandas K Gandhi

B K DATTA – Director (Refineries)



2013-14 has been an exciting one for our four Refineries at Mumbai, Kochi, Numaligarh and Bina, consistently registering an overall capacity utilisation of over 100%.

Ensuring that our refineries abide by the highest standard of health and safety is another critical focus. In the past year, the Mumbai refinery has achieved 10 million man hours without any accidents, while in early June 2014, Kochi Refinery has achieved 35 million accident-free man hours. We have set up a Safety Management System to train all employees and workers on safety within and outside the refineries. A health recording software package has been established to measure and monitor any health impact of operations. We have also developed and patented a unique scrubbing system which nullifies the effect of carcinogenic gases like bitumen, protecting the health of the handlers of the product. A separate Best Practice Guide for occupational health and safety has been developed to disseminate knowledge across our refineries.

The primary focus of sustainability initiatives from the perspective of the refineries include

- Energy efficiency and consumption during the refining process
- Reliability of the crude
- People management
- Development of technical competence

Currently, we are in an environment of ever increasing complexities within the sector and the economy. For this reason, we have set up a task force of passionate individuals who have identified 76 primary issues within the refineries, their leading indicators, relative priority and have set stringent annual targets for each. We have also adopted the Reliability Best Inspections (RBI) modules which optimize inspection management and ensure process and asset integrity, avoid wastage and losses throughout the process

A Best Practice Operating Group has been established to identify best practices throughout the value chain at refineries - at procurement, tendering stage, maintenance, inspection, operations; and share these best practices across our four refineries.

There is also a thrust towards optimizing energy consumption (steam and power usage) through a number of process improvements and other initiatives like reducing downtime, maximising advanced product control. The Refineries also annually undertake a thorough carbon footprinting exercise so that we can clearly monitor our progress in terms of energy efficiency.

As a responsible corporate in the oil and gas industry, we take a number of measures to ensure that our employees and staff are prepared for all emergencies. Emergency drills are conducted every week. We have prepared a set of guidelines for workers to be prepared against any emergency that occurs. Communities around the refineries have also been educated about the different risks and how to deal with the problems.

Adherence to all regulatory bodies is also critical to the smooth functioning of the refineries. We have institutionalized a software package within the refineries, to alert the management about any upcoming compliance requirements thereby streamlining reporting and accountability. Compliance is not considered as merely a tick mark; it is a meaningful exercise where the refineries work towards an improvement over previous periods

Going ahead, our key priority will be to ensure that all stakeholders feel engaged, and that targets set against priority indicators are met without fail.

We are cognizant of the fact our businesses could potentially have a considerable impact on the environment. To minimize this impact on the environment, we have set up robust environment management systems across our various plant locations as well as at the corporate and regional level. We are focusing our efforts on constantly innovating our process and operational efficiency to be less resource, energy and water intensive and result in minimal emission and waste.

As outlined in our Materiality Matrix, among our environmental initiatives, our priorities lie in reducing our energy consumption and GHG emissions, and water resource management, and minimizing and managing waste and effluents from our operating locations and offices. We are also exploring, in a big way, the field of renewable energy, especially solar, wind and biogas. Our efforts and performance on these parameters have been highlighted throughout this section.

Each location and BU is monitored on a number of performance indicators (economic and otherwise) on a quarterly and annual basis. Integrated into these performance indicators, is the performance on specific environmental aspects. Targets and benchmarks are reviewed quarterly to ensure that locations are able to manage their environmental impact as well. Our robust Health Safety Environment Policy also prescribes the approach to be adopted towards environmental protection. Thereby, we are able to integrate our environmental performance into the mainstream economic decision making.

We also take measures to ensure that our employees are sensitized about their role in mitigating environmental impact. Petroplus, our bi-monthly internal communication magazine reaching our 15,000 strong employee base, features articles about the environment to create awareness among employees about conservation practices within and outside the Organisation.

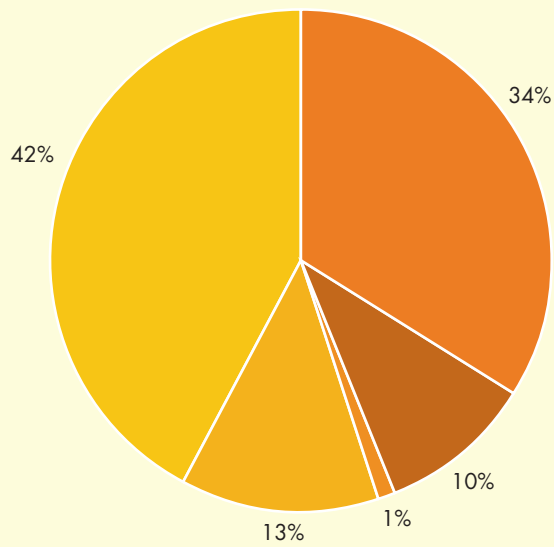
Expenditures Incurred for Environmental Management (in million INR)	Refineries		Other BUs	
	2013-14	2012-13	2013-14	2012-13
1. Treatment and disposal of waste	328.23	632.05	4.40	3.21
2. Depreciation and maintenance cost of equipment used in pollution control	96.55	345.38	14.29	1.84
3. External services for environmental management	7.89	4.94	3.56	7.22
4. External certification of management systems	0.34	0.31	1.97	0.66
5. Extra expenditures for installing cleaner technologies	125.36	21.11	2.90	0.49
6. Other environmental costs	410.02	391.3	6.31	11.27



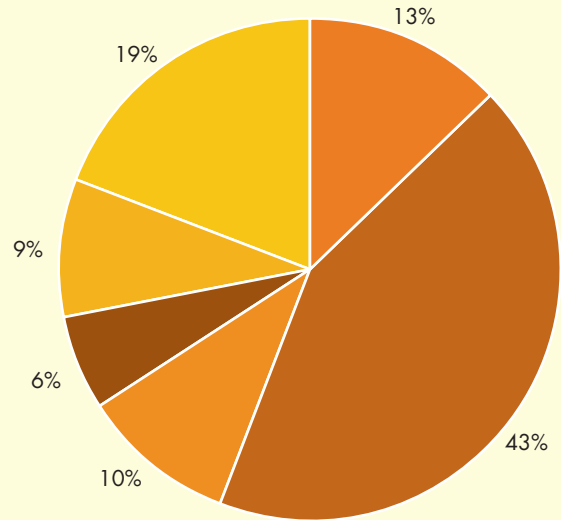
An inclusive World Environment Day Celebration was celebrated at Mumbai Refinery involving not only the employees, but also neighboring community from Mahul village, and residents of BPCL Chembur Staff colony.

EXPENDITURES INCURRED FOR ENVIRONMENTAL MANAGEMENT (% OF TOTAL ENVIRONMENT COSTS)

REFINERIES



OTHER BUSINESS UNITS



- Treatment and disposal of waste
- External services for environmental management
- Extra expenditures for installing cleaner technologies
- Depreciation and maintenance cost of equipments used in pollution control
- External certification of management systems
- Other environmental costs



Solar Photo Voltaic Power Plant at Kochi Refinery

Energy efficiency

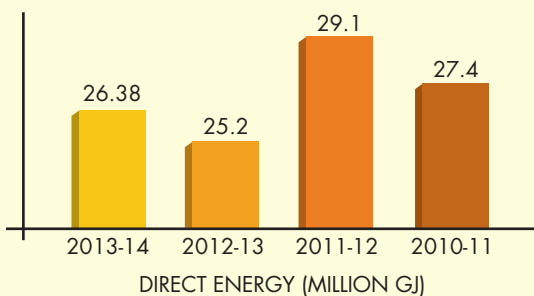
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We are part of an industry that requires a considerable amount of energy during its operations. Therefore we recognize our role towards improving our energy efficiency, thereby reducing our greenhouse gas emission and mitigating climate change. Climate change therefore is a threat to the business. But it also is a big opportunity for the company as it acts as an impetus for the company to explore and invest in energy

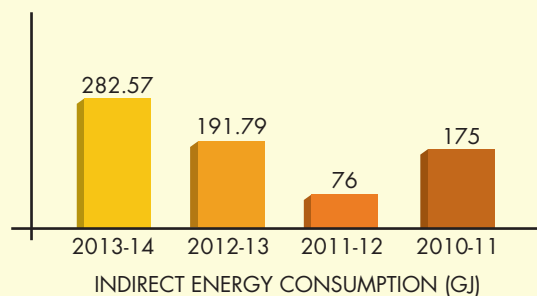
efficient technologies which provide us the leadership position and a competitive edge in the market.

We recognize that there is huge scope for us to conserve energy in our operations. This is significant area of interest for us and we are constantly on a path towards innovating new techniques which will help us in this endeavor.

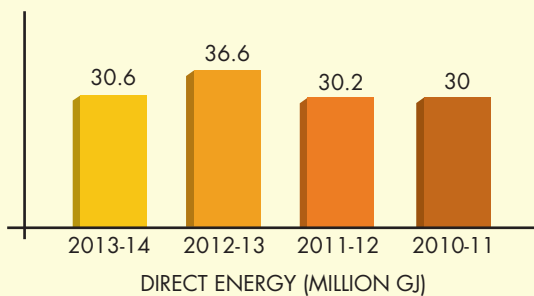
DIRECT ENERGY CONSUMPTION KOCHI REFINERY



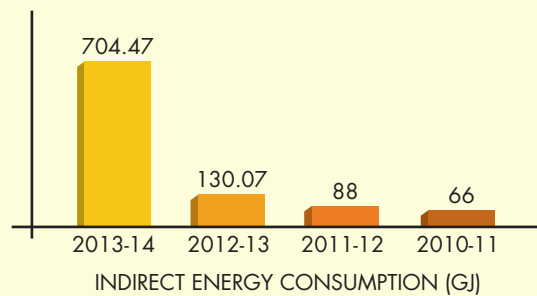
INDIRECT ENERGY CONSUMPTION KOCHI REFINERY



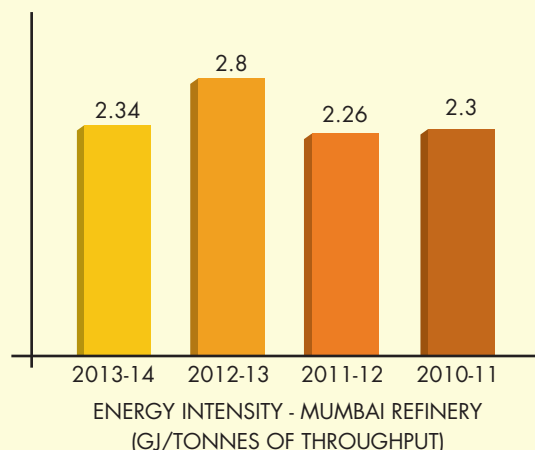
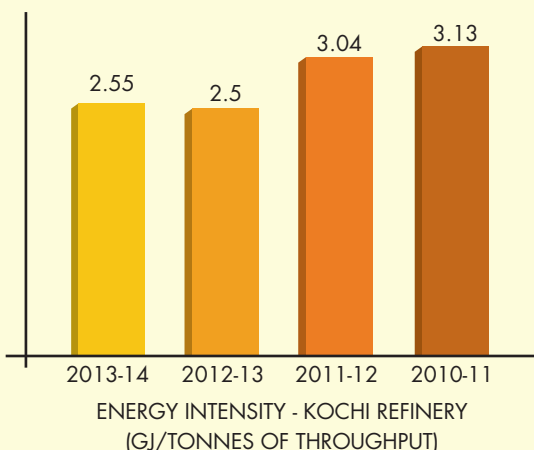
DIRECT ENERGY CONSUMPTION MUMBAI REFINERY



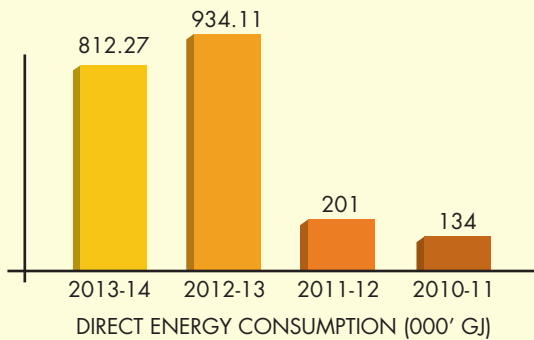
INDIRECT ENERGY CONSUMPTION MUMBAI REFINERY



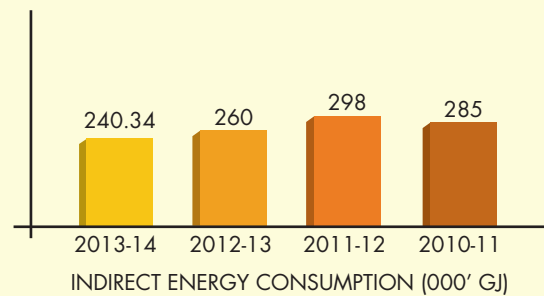
ENERGY INTENSITY REFINERIES



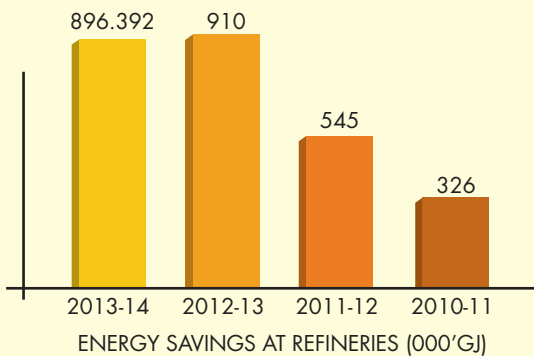
DIRECT ENERGY CONSUMPTION OTHER BUSINESS UNITS



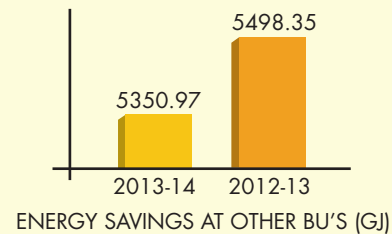
INDIRECT ENERGY CONSUMPTION OTHER BUSINESS UNITS



ENERGY SAVINGS REFINERIES



ENERGY SAVINGS OTHER BUSINESS UNITS



ENERGY CONSERVATION INITIATIVES UNDERTAKEN BY MUMBAI REFINERIES

Technological and Process Innovations

- Technologies introduced in the refineries include new type of Heat Exchanger, Pinch technologies
- Anti-fouling chemical injection in CDU1/CDU2 units have improved crude preheat resulting in fuel saving of 6-7 t/d and hence lower emission
- On line chemical cleaning of furnace tubes to enhance heat absorption and hence lower fuel consumption.
- Steam Leak & Trap Management Program was completed in CDU3/FCC/DHDS and a steam saving of 3.1 T/Hour is achieved.
- Hot oil circulation in Aromatic complex was stopped during the period when Benzene & Toluene production was not on. This resulted in saving of around 8 T/Day of fuel Oil Equivalent in ARU F 320 furnace for about 180 days in the year 2013-14.
- Flare gas recovery system is being constructed for recovery of 2-4 MT per day of flare gas, and reducing the requirement of fuel gas by equivalent amount.
- Successful trial application of Perlite insulation on steam header to improve insulation effectiveness and minimize surface heat loss

Monitoring and Audit Mechanisms

- Carried out energy audits such as Furnace efficiency and insulation effectiveness survey, Electrical Energy Audit
- Continuous monitoring operating parameters to improve efficiencies of furnaces and boilers

- Implemented a state of art online portal system to monitor key performance indicators of refinery operations including individual process units energy performance
- Established Energy Management System (EnMS) and our refinery has been accredited with ISO50001:2011 certification for the same.
- Ensuring energy efficiency at project stage itself i.e. LRVP (Liquid Ring Vacuum Pump) in ejectors, 100% condensate recovery, bi-metallic extruded fins for Air Fin Coolers etc in CDU4.

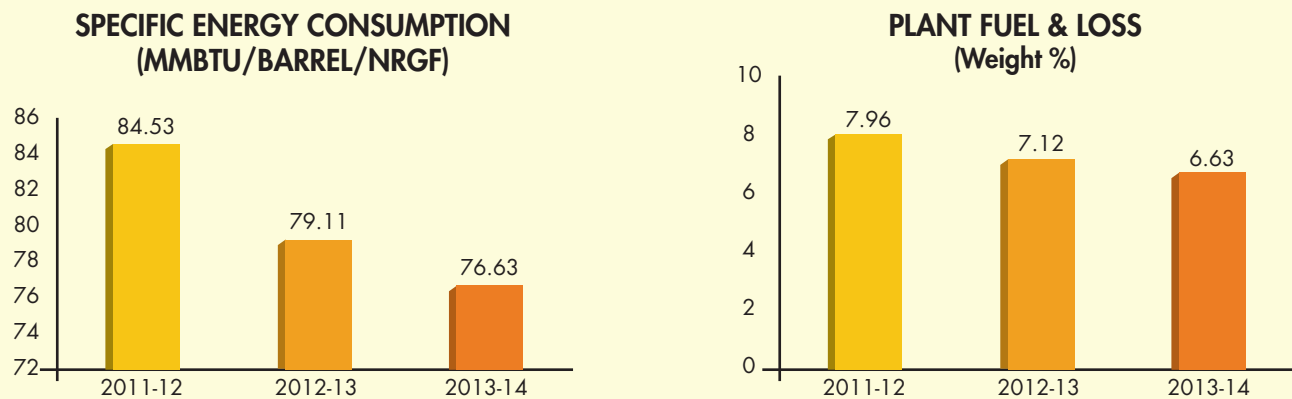
Awareness Initiatives

- Oil Conservation week in January: educate the staff on measures to conserve oil

“ The Specific Energy Consumption (SEC) which is a measure of energy performance of a refinery, has progressively improved over the years from 71 to current level of 66.45 MBTU/bbl/NRGF for Mumbai refinery due to better utilization of process units and energy conservation measures. ”

S S Sunderajan - ED (Mumbai Refineries)

REDUCTION IN PLANT FUEL & LOSS AND SPECIFIC ENERGY CONSUMPTION at KOCHI REFINERIES



Kochi Refinery has successfully reduced energy intensity of its operations over the last three years. The Plant Fuel & Loss for the Refinery was brought down to 6.63 wt% during 2013-14 from 7.96 wt% during 2011-12. The Specific Energy Consumption which measures the amount of fuel consumed per barrel of crude oil corrected to the Energy Factor, was reduced from 84.53 MBTU/Bbl/NRGF during 2011-12 to 76.63 MBTU/Bbl/NRGF during 2013-14. Fuel used for operations was reduced by about 50,000 Tonnes resulting in a monetary savings of around Rs. 200 Crores during 2013-14 compared to the previous year.

This achievement was made possible through various efforts at energy conservation including improved steam / power generation and utilization management, Amine system optimization, use of Variable Frequency Drives, Steam Trap management and conversion to Natural Gas for Power Generation. These efforts have enabled the refinery to reduce the overall CO₂ emission by about 15% from 2.28 million tonnes during 2012-13 to about 1.96 million tonnes in 2013-14.

Exploring new and renewable sources of energy is gathering huge momentum within the company. We are currently in the process of drafting our Policy for Renewable Energy. Currently, each Business Unit adopts their own programmes to explore renewable energy within their operations and distribution channels. This Policy will consolidate the renewable energy initiatives of each BU. Once the policy is in action, a working group can be created within BPCL thereby building internal capacity in renewable energy practices.

This Policy will go a long way in helping us become more environmentally friendly and reduce our carbon footprint. It will also allow us de-risk our existing businesses and be prepared for changes in the demand of fossil fuels with respect to renewable sources.

Individually and collaboratively with other companies and government bodies, we are making great strides towards pursuing non-conventional energy sources in both on-grid and off-grid power projects. To leverage our vast networks across the country, our efforts have primarily been invested in off-grid projects. Currently, the amount invested in renewable energy is 63.62 lakhs, which is approximately 0.008% of total capital expenditure and acquisitions.

	Lubes	LPG	Retail	Total
Investment in Solar Energy (in INR)	12,22,700	31,38,182.76	20,01,502	63,62,384.76

Together with IOCL, HPCL, Solar Energy Corporation of India (SECI), Indian Renewable Energy Development Agency (IREDA), we are creating a Special Purpose Vehicle (SPV) to set up off-grid wind and solar energy projects using advanced technologies. Being a part of this SPV will also boost our internal capacity about the knowledge of solar and other renewable resources and help us in our journey towards diversifying into renewable resources.

Bharat Renewable Energy Limited (BREL) was incorporated in 2008, as a Joint Venture between BPCL, Nandan Biometrics and Shapoorji Pallonji with a focus towards the production of biodiesel. Biofuel/jatropha saplings were planted on Panchayat waste land covering an area of 2099 acres in 31 districts in the state of UP in 2013-14. In addition, 472 acres Pongamia plantations were arranged during the period, thus making total plantation of 2571 acres were achieved during the year 2013-14. As per the standard finalized in consultation with Bio-Tech Park, Govt. of UP, Lucknow 1000 plants/acre for Jatropha and 600 plants/acre for Pongamia are planted. Annual projected yield 3 KG/plant for Jatropha after 3-5 years & 5 KG/plant for Pongamia after 5-7 years. BREL also takes care of the trading, R&D and management of all crops and plantation including Bio-fuels.

Currently our marketing operations consume 45MW of power. We are working towards generating an equivalent quantum of wind and solar energy to carbon neutralize our marketing efforts, which is a sizable proportion of BPCL's business. So far, we have generated 10MW of power (5MW from solar energy and 5 MW from wind energy) and over the next few years, we will achieve carbon neutralization of our marketing efforts (45MW) and scale up beyond that as well.



Solar and Wind Energy Targets (on-grid)

YEAR	SOLAR ENERGY		WIND ENERGY	
	Capacity installations (MW)	Investment (INR Crores)	Capacity installations (MW)	Investment (INR Crores)
FY15	5	35	5	35
FY16	10	70	5	35
FY17	10	70	10	70

Initiatives adopted across locations include

*Use of induction lighting across all locations,
Wind driven turbo ventilators,
Complete solarization of several of our plants and our Company-Owned-
Company-Operated retail outlets over the next 2 years*

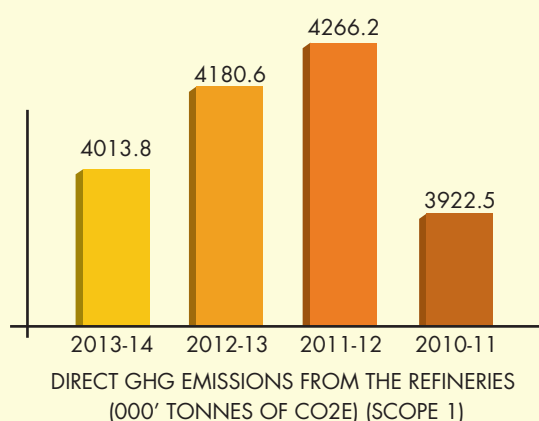
Emission Management

5.2

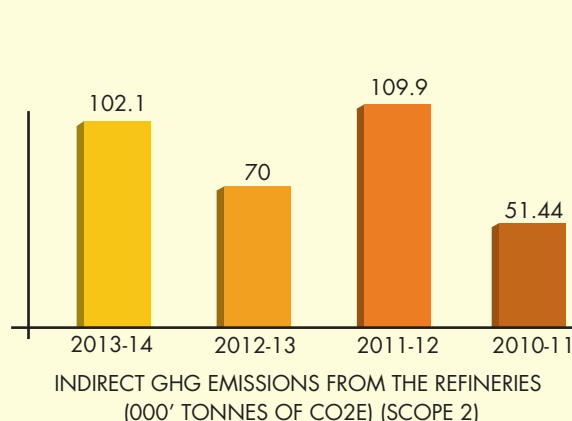
Our energy consumption at our refineries and other operating locations results in the emission of Greenhouse Gas (GHG) emissions (including Carbon dioxide, Nitrous Oxide, Methane) and other air pollutants. We have put in place systems to first measure the quantum of our emissions. Based on these results, we are continuously upgrading our

processes and techniques to minimize these emissions. Periodic targets are set for each of our locations to ensure that our operations are managing their environmental impacts. In the past year, our refineries were able to achieve a marked decrease of nearly 4% in direct GHG emissions.

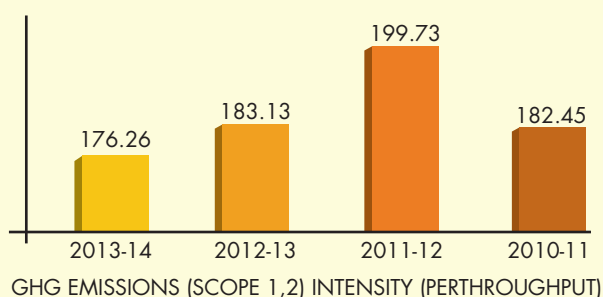
DIRECT GHG EMISSIONS REFINERIES



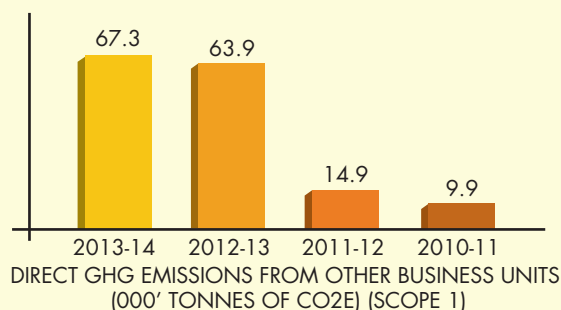
INDIRECT GHG EMISSIONS REFINERIES



GHG EMISSIONS INTENSITY (per throughput) REFINERIES



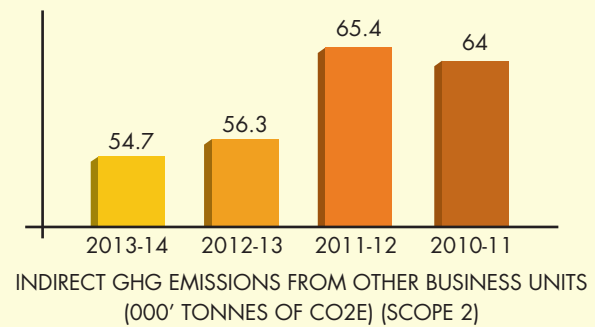
DIRECT GHG EMISSIONS OTHER BUSINESS UNITS



We have computed our greenhouse gas (GHG) inventory, including GHG emissions, biogenic carbon dioxide (CO₂) emissions and GHG removals, in accordance with ISO 14064:2006, which is the latest international standard specifying principles and requirements at the organisation level for quantification and reporting of GHG emissions and removals. Additional details regarding the computation methodology can be found in Annexure 2.

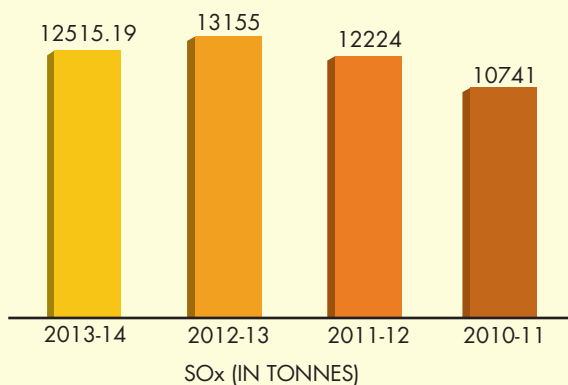
Sulphur dioxide emissions are the only significant emissions from the Mumbai Refinery and that has also been dramatically reduced from 13 MT/day of SO₂ emissions to 12 MT/day as a result of the Refinery Modernization Project. With the new plant CDU 4, SO₂ emissions will further reduce to 10.4 MT/day. Use of RLNG (cleaner fuel) in hydrogen units and gas turbines has also contributed to lower Sulphur dioxide emission.

INDIRECT GHG EMISSIONS OTHER BUSINESS UNITS

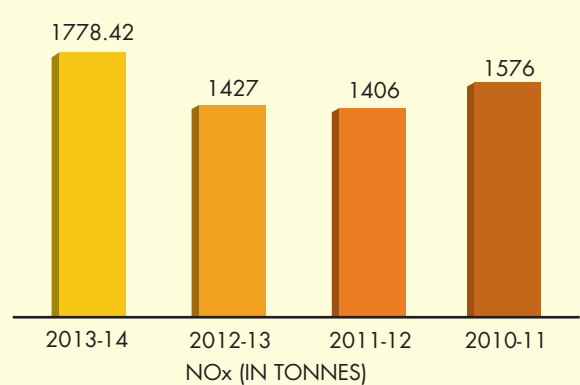


In the past year, our Mumbai and Kochi Refinery have flared 3442MT and 4527.96MT of flare gas respectively. We have significantly reduced our ozone depleting substance (ODS) emissions and are well on track of completely phasing out ODS from our operations. In 2013-14, our refineries consumed 2.13 tonnes of R22 gas nearly halving the emissions from the previous year.

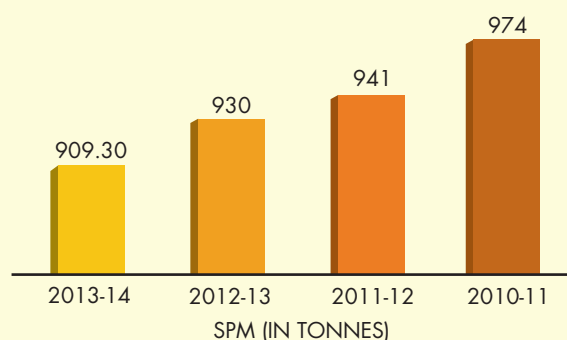
SO_x EMISSIONS REFINERIES



NO_x EMISSIONS REFINERIES



SPM REFINERIES



INSTALLATION AND COMMISSIONING OF NEW DE-MOUNTABLE FLARE SYSTEM AT BPCL – MUMBAI REFINERY

A flare system is used for safe disposal of flammable gases released into the flare header through pressure relief systems in process units and pipelines during process upsets and emergencies. The gases are burnt at the flare tip before they are safely discharged to the atmosphere to ensure safety of surrounding, personnel and equipment.

Mumbai refinery has commissioned a new de-mountable flare system at a cost of approximately Rs 54 crores, to safely dispose of flammable gases. This project execution has immensely contributed to sustainability in the following ways;

- The quantity of purge gas consumption, which is required to ensure positive pressure and to prevent air ingress at flare tip (safety measures), has come down (about 25%) leading to lower emissions from stack
- Since the flare system is de-mountable, any repair/overhauling work can be carried out at grade level leading to personal safety of people.
- Since the flammable gases are burnt at a height of 125 (flare stack height) meters, gases of combustion are disposed of at high altitude so that the health of people is safe guarded.
- The flare tip provided, is a high efficiency, low noise steam assisted one and it ensures smokeless burning of combustible gases thereby reducing emissions.
- The flare tip is designed to reduce noise of steam injection level
- The water (overflow) used in water seal pot, is recovered and routed to Sour Water Stripper plant and is recycled again to save water.

Water Resource Management

5.3

We, at BPCL, have taken up Rainwater harvesting and water management in a big way. We are aware of our responsibility to conserve our precious water resources, especially considering that oil and gas operations are water intensive.

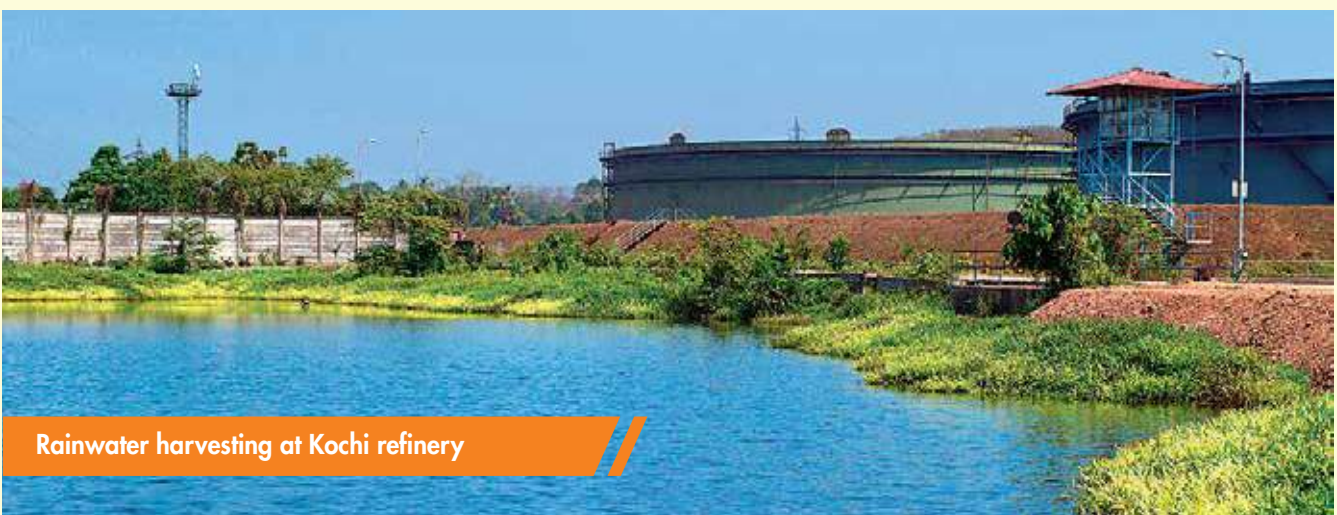
In the table alongside we have highlighted sources of water that is withdrawn across the organization. The type of water source used depends on the locations of our units. The major sources of water are surface water, ground water and municipal supplies and our water withdrawal is in complete adherence to the regulatory permits on resources allocated from specific water sources.

Despite our best efforts, the total water consumed by BPCL in the reporting period was 39.46 million KL compared to the

previous year's consumption of 38.61 million KL. We are constantly seeking opportunities to reduce our burden on freshwater sources and ensure that no water source is significantly affected by the withdrawal of water. The water requirement of our refineries, due to their proximity to the sea, is almost entirely met by salt water.

Each location has set water intensity and conservation targets and achievements which are reviewed periodically (usually quarterly). Our operations have also made significant investment in rain water harvesting in the last year, with the total catchment area extending to 1,74,363 sq. meters (achieving 42% of the total RWH potential of our operations). In the past year, we have reused 43,143 kl of water across our operating locations.

Quantity of water withdrawn from various sources (Volume in KL)	Refineries		Other BU's	
	2013-14	2012-13	2013-14	2012-13
Ground water (bore/open wells)	-	-	858,542	580,370
Municipal water supply	4,580,724	4,190,070	574,725	362,770
Surface water (River/lakes/Sea)	33,043,15	33,301,04	64,602	11,250
Tanker water	-	-	108,853	120,580
Rain water	113,356	28,540	115,401	16,060
Airport Authority of India	-	-	2,495.20	78
Total water withdrawn	37,737,233	37,519,650	1,724,624	1,091,030



AJMER LPG PLANT'S SUCCESS WITH RAIN WATER HARVESTING



As a part of sustainability development project to conserve rain water, Ajmer LPG plant has successfully completed Rain Water Harvesting System meeting the twin objective of raising the water table through recharging of the aquifer and also store the water to meet its partial requirement of water. The water table at Ajmer is low and plant purchases water from outside to meet its water requirement. In the well-designed system, the rain water is first directed to a settlement chamber with a layer of filters, horizontal PVC filters, further to recharging pit with another set of filter media and finally water is put in ground aquifer to raise the water table. Additionally, a 200 KL capacity water tank is constructed to store the rain water which would be utilized to supplement the water requirement of plant.



Effluents and Waste Management

5.4

Effluent and waste management has also emerged as an important aspect for the company and its stakeholders. Given the nature of our operations, there is quite limited scope for using recycled material as process inputs. However, our business units are constantly on the look-out for opportunities to recycle waste generated as a result of our operations.

Following are waste material that may be recycled by units:

- Batteries (hazardous waste - through buy-back arrangements with the suppliers)
- Used filters (hazardous)
- Oil rags/ cotton (hazardous)
- Paper (non-hazardous)
- Sludge (hazardous from refineries)

Waste generated (in tonnes) in 2013-14	Hazardous Waste	Non-Hazardous Waste
Refineries	7028.32	9646.22
Retail BU	433.64	666.88
Lubes BU	463.61	22.97
LPG BU	3630.47	589.08
Aviation BU	1.34	5.30
Total	11557.38	10930.45

In the previous year, BPCL has generated 11557.38 tonnes of hazardous waste and 10930.45 tonnes of non-hazardous waste. The detailed breakup of waste generated can be found in Annexure 3. Our refineries are the significant contributors to the total waste generated from our operations, with minor contributions from the Lubes and LPG SBUs. Disposal of our waste is done through

certified vendors who are authorized by the PCB. All the non-hazardous waste is sold to the designated contractors and the hazardous waste is disposed off in the secured landfills using specified methods. The residual sludge after oil recovery is treated using bioremediation. Despite our best efforts, in the past year, there was a cumulative oil spill of 54639 litres in volume across all locations.

WASTE MANAGEMENT EFFORTS BY KOCHI REFINERIES: WEALTH OUT OF WASTE

In order to derive value out of used paper in the most scientific and environment friendly manner and strengthen sustainability commitment to the society, Kochi Refinery has started recycling all types of waste paper such as shredded paper, A4 sized paper, News Paper, Carton Boxes, Old Magazines etc. through authorized agencies. The waste paper will be removed from KR premises for the worth of which, 100% recycled A4 size paper of the desired GSM value will be provided. KR received a Green Certificate, to the effect that the company has helped in savings 166 trees and 281958 litres of water within the first four months through this initiative.

HAZARDOUS WASTE MANAGEMENT

Kochi Refinery has entered into a long term contract with M/s Kerala Enviro Infrastructure Limited (KEIL) for safe disposal of hazardous waste generated within the refinery through their Treatment Storage and Disposal Facility (TSDF). KEIL is the only authorized TSDF in the state of Kerala. This agreement enables the hazardous waste generated in the refinery to be handled in the most environmental friendly manner thus ensuring sustainability of refinery operations.



“ Health, Safety, Security and Environment protection and management is now at the top of each BPCL employee’s mind. This can be attributed to the transition of HSSE department’s focus from treating HSSE as a cause for concern to sensitization of all stakeholders, from building competencies to changing attitudes, and from spreading awareness to creating the willingness to excel. We have also inculcated among our employees the awareness that they have a responsibility towards their own safety and security, as well as actions which could affect the safety of others and community at large. ”

P C Srivastava – ED (HSSE)

All the units that have significant waste water generation (refinery, LPG bottling units etc.) have installed Effluent Treatment Plants (ETP); most of the water treated in the ETP are used by units for gardening, toilet flushing or other

non-potable applications. All water released from the plants are passed through oil water separators which ensure the oil content in the water is less than 10 ppm.

“ The Lubes BU is in the process of shifting its operations from the Wadilube plant to a state-of-the-art plant in Sewri which will be ready for operations by 2016-17. This plant will be a Zero waste generating plant. Processes within the plant will also be greatly automated, avoiding the requirement of manual labour. From a current requirement of approximately 450 workmen, the new plant will only need to be handled by 80 to 90 employees and workers. ”

K P Chandy - ED (Lubes)



Effluent Treatment Plant at Mumbai Refinery

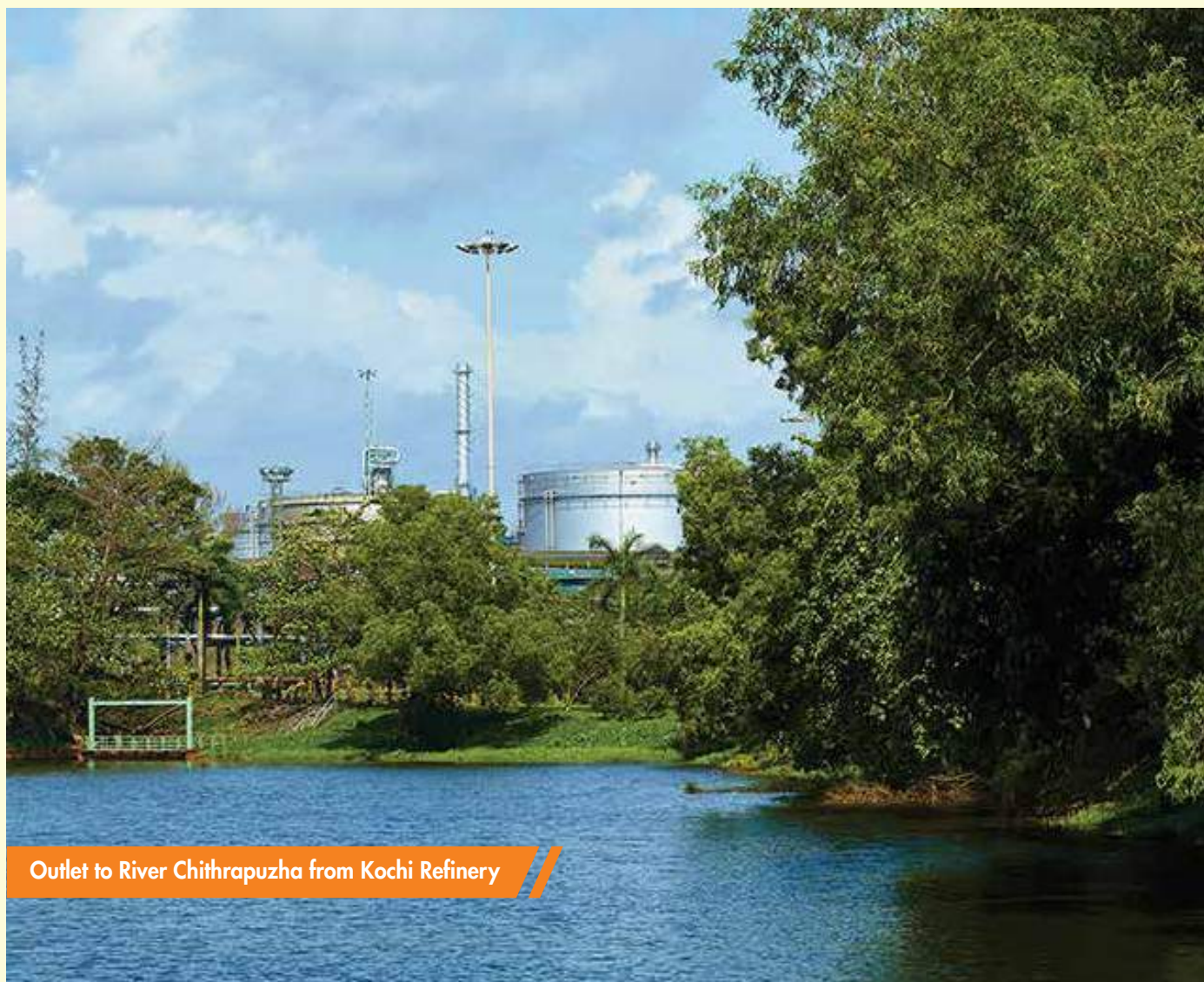
The major waste water generation is from the refineries. Wastewater from Kochi and Mumbai Refinery is discharged to River Chithrapuzha and the Arabian sea respectively. In FY 2013-14, 25.16 million KL of waste water was discharged; a reduction

from the previous year’s volume of 25.37 million KL. However, there is scope for BPCL to step up its water recycling capacity. We shall be focussing on improving the extent of recycling water and waste in the coming years.

Total Waste Water Discharge (000' KL/ year)	2013-14	2012-13
Refineries	24,717.21	25,240.41
Other BU's	447.22	131.81

Waste water generated, recycled, and discharged (volume in 000'KL)	
Waste water generated	26,473.32
Water recycled/reused	3,693.95
Waste water discharged	25,164.43

Waste water quality (by tonnes)	
Total Suspended Solids	25.19
Biological Oxygen Demand	10.84
Chemical Oxygen Demand	47.14
Oil & Grease	5.36
Phenol	0.06
Sulphide	0.45



Outlet to River Chithrapuzha from Kochi Refinery

P BALASUBRAMANIAN – Director (Finance)



India is a rapidly growing market and at least for the near future, will continue to be dependent on liquid fuels.

Therefore our role, as one of India's leading oil and gas companies, will be to satisfy the

demands of our customers, while ensuring that we minimize our footprint wherever possible. BPCL is gradually transitioning from a petroleum company to an energy company and constantly exploring areas which are sustainable from all aspects; that generate revenue in the long run, while at the same time is socially responsible and environment friendly. We are investing heavily into wind, biogas, solar and gas sectors. In fact, our Dream Plan targets the exploration of non-conventional sources of energy.

We can broadly divide our activities as refining and marketing of petroleum products. Presently, our marketing operations across the country consume 45MW of power. We aim to neutralize this with the production of renewable energy internally. So far, we have generated 10MW of power (of which 5 is from wind energy, and 5 is solar energy). Over the next few years, as and when the market conditions are suitable, and the land is available, we will look to generate 45 MW and scale up beyond as well towards partially neutralizing our refining activities. We are pursuing non-conventional sources both solely, and collaboratively through JVs with other companies and the Ministry of New and Renewable Energy for both on-grid and off-grid power projects. BPCL has so far been primarily investing in off-grid to leverage our vast networks across the country with a cumulative investment of 200 crores so far.

What is unique about BPCL is that we function as both a public sector undertaking as well as a profitable corporate, and therefore we analyze the impact of a new project through a number of lenses

- Returns to the shareholder
- Returns to other stakeholders
- Returns to society

We, at BPCL, are also concerned with the development of society and India as a whole. Our Kochi refinery has contributed significantly to the overall development of Kerala. Similarly, we have invested greatly in the North East, which may not be very economically viable for BPCL as the market is small and costs implications are high. But the North East is a region which requires the corporate to look beyond just economic considerations - the region requires investment to boost employment and growth. That is what sets apart BPCL from other corporates; at BPCL, we work towards providing an avenue for the lowest strata of a community to be skilled and employed.

At BPCL, we adopt a 3 pronged approach towards CSR and sustainable development:

- Undertaking community development initiatives around our areas of operation
- Replicating our successful CSR programs on a larger scale across the country
- Educating, awareness and skill building of our supply chain, especially transporters, contractors and dealers/ distributors accelerating our efforts on these fronts, as well as, our overarching focus towards sustaining customer service standards will be critical in guiding us ahead on our sustainability journey.

Empowering our employees

6.1

Over the years, Bharat Petroleum has constantly been evolving, staying ahead of an already rapidly changing environment. Among all these changes, the only factor which has remained constant and has been the deep-rooted source of our strength and innovation has been the 'Our People'. The converse of this is also true. As long as the business model of BPCL remains dynamic, we will be able to retain our talent. We have instilled in our employees the feeling of ownership and responsibility towards their job, so as to facilitate their understanding of the complexity of the sector, market and needs of the customers and respond to these with innovative offerings and programmes. We recognize that for our Organisation to be sustainable as a whole, sustainability should be embraced at the individual level as well. Therefore our values, vision and approach to sustainability is imbibed into an employee right from their induction training programme. Our employees view us as a company based on strong values, we translate it across the entire value chain of the company by involving our suppliers, contractors and vendors.

We are cognizant of the fact that the commitment of our employees is our biggest asset as they are the key facilitator of our plans and visions.

We have taken a number of steps to make our Organisation a great place to work, thereby encouraging our employees to put their best foot forward towards the success of the Organisation.

We endeavor to create an environment which fosters the development of people and their organisational capabilities with a view to provide them with a competitive edge and

also to realize their personal vision in tandem with the corporate vision. All our employees (both management and non-management) are provided with periodic performance review every year. The thrust areas of our employee management include:

- Performance Management which links business goals with individual performance goals
- Competency modeling to help identify the right person for the right job
- Undertaking a 360 degree evaluation of an employee, designing their learning and development framework, and planning for their transfers and promotions
- Identifying competency gaps and bridging such gaps through appropriate training and developmental programmes
- Multi-skilling to encourage employees to take up new initiatives

We recognize that our employees, by virtue of being directly involved in the operations and interact directly with our business associates and other key stakeholders, may have several ideas and suggestions which can contribute significantly to the efficiency and sustainability of the company. The strength of our Organisation especially lies with the growing young employee base, who come with fresh and bright ideas. 'Let's talk' is a conversation exercise initiated by the C&MD to understand the aspirations and vision of BPCL from the workforce (and particularly targeting the younger employees). It was extremely encouraging to learn that their primary concerns are about equality and non-discrimination within and outside the workplace, and making BPCL a safer and more responsible company to the environment and society.



A mentoring workshop, conducted by HRS Eastern Region, in March 2014 to build a bridge between the young management trainee who have joined the organization recently. 26 management trainees who joined the corporation in 2013 and 7 mentors from various SBUs and Entities participated in the 3 day workshop

The Ideas Platform conducted in the year was another extremely successful initiative which engaged employees across all BUs and locations in the company. Employees were encouraged to send in ideas they have devised and/or implemented to build the efficiency and sustainability of the Organisation. These ideas were put through a rigorous judging process and the winners were awarded generously.

Individual Business Units also regularly conduct programmes to gather employee

feedback on a variety of aspects. For instance, the Mumbai Refineries, conducts periodic 'Suggestion Schemes' (on topics like 'workplace efficiency improvement, steam saving and loss preservation, water and energy conservation during the refining process) to ensure that sustainability issues are discussed at every level in the Organisation. Employees and workers contribute their suggestions to these topics and their feedback is incorporated into improving the efficiency and sustainability of MR's operations.

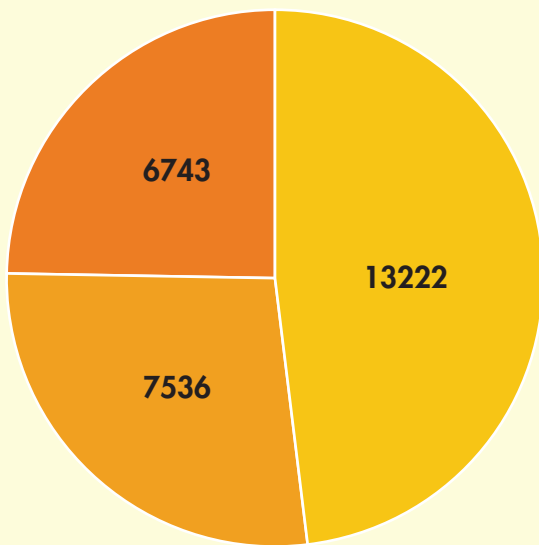
Snapshot of Employees at BPCL

	Total	Male	Female
Permanent employees	13222	12028	1194
Contract labour (refining)	7536	7086	450
Contract labour (marketing)	6743		
Disabled employees	217		

Breakup of permanent employees

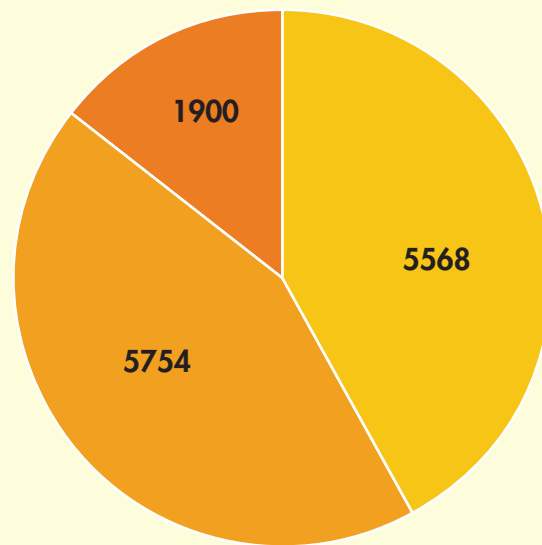
	Total	Male	Female
Management Employees	5568	5,061	507
Non-management employees	5754	5,724	30
Clerical Positions	1900	1,243	657

PERMANENT AND CONTRACT WORKFORCE



- Permanent Employees
- Contract Labour (Refining)
- Contract Labour (Other Bus)

BREAKUP OF PERMANENT EMPLOYEES



- Management Employees
- Non-Management Employees
- Clerical Positions

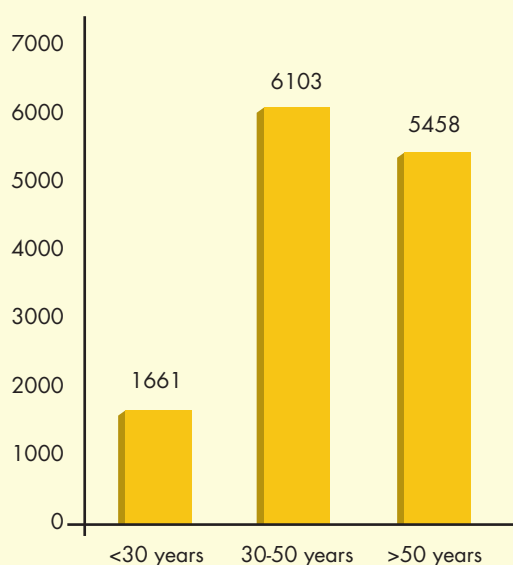
Employee Turnover

		Total	Male	Female
Employees recruited in 2013-14	Management employees	451	410	41
	Non-management employees	60	60	
	Clerical employees	2	2	
Employees resigned from the organization	Management employees	124	117	7
	Non-Management employees	21	21	
	Clerical Employees	1	1	
Employee turnover	Management employees	327	293	34
	Non-management employees	39	39	
	Clerical employees	1	1	

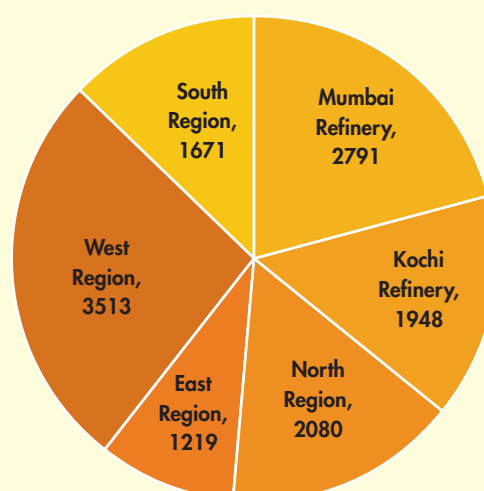
Regional Distribution of Employees	Total	Male	Female
Mumbai Refinery	2791	2612	179
Kochi Refinery	1948	1870	78
North Region	2080	1942	138
East Region	1219	1158	61
West Region	3513	2952	561
South Region	1671	1494	177

Return to work and retention rates after parental leave	Total	Male	Female
Employees that availed maternity leave	10	-	1
Employees that returned to work after maternity leave and are with BPCL at the close of 31/03/2014	17	-	1

AGE DISTRIBUTION OF EMPLOYEES



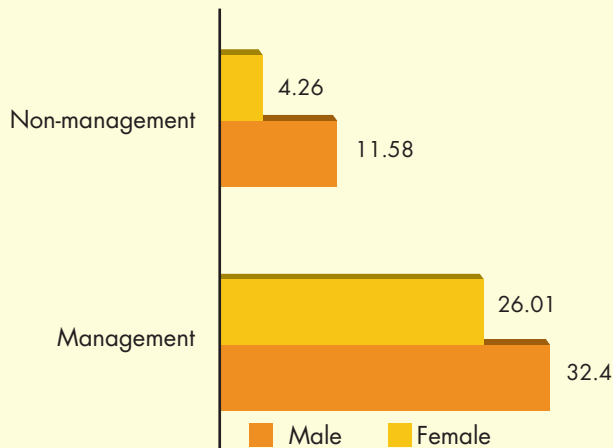
REGIONAL DISTRIBUTION OF EMPLOYEES



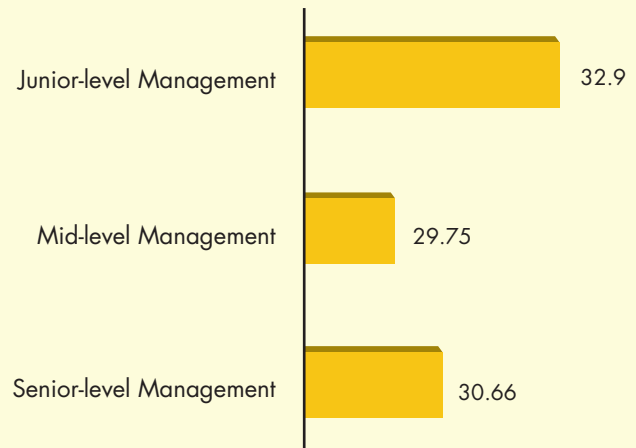
Training Received by Management and Non-Management Employees (hours)		Total	Male	Female
Total Man Hours spent on training (Internal and External)	Management Employees	170316	157390	12926
	Non-Management Employees	63432	66304	128
Average hours of training (total hours of training per employee)	Management Employees	29.21	32.4	26.01
	Non-Management Employees	11.02	11.58	4.26

Hours of training received for Management employees, by level	Total Hrs.	Total Strength	Average hrs
Senior-level Management	6102	199	30.66
Mid-level Management	50842	1709	29.75
Junior-level Management	113372	3446	32.90

AVERAGE HOURS SPENT ON TRAINING OF EMPLOYEES



AVERAGE HOURS SPENT ON TRAINING OF MANAGEMENT EMPLOYEES



It should be noted here that our senior management is not hired from the local community but as part of a central recruitment process.

Employee Grievance Redressal

Within BPCL, there exist several channels for employees to voice their grievances without any reservations. Often, it is found that informal means are most adopted by employees. Employees are free to email the Chairman, ED(HR) or any other senior manager to voice any of their issues. There are formal means of grievance redressal as well within BPCL. Line managers also bring up issues to senior management brought to them by their subordinates. In the reporting

year 2013-14, of the 16 staff grievances received (and 3 pending from 2012-13), 13 were resolved within the year, while the other 6 were handled in the early part of 2014-15. Employee Satisfaction Enhancement Cell is a dedicated cell to address employee issues and ensure employees are satisfied with their work environment. Sexual harassment grievances are addressed by a separate panel.

OUR FOCUS TOWARDS EMPLOYEE SATISFACTION

What differentiates BPCL from other PSUs is that **Employee Satisfaction Enhancement (ESE) is a function which is distinct from Human Resource Development.** The ESE Cell reports directly to the Chairman and quarterly based reports regarding employee satisfaction are shared with the Committee of Functional Directors (CFD).

What started as a Grievance Cell in 1998 by the then Chairman to tackle grievances faced employees and their families during a major corporate restructuring process has now grown beyond grievance redressal to ensuring the satisfaction of all employees. The cell undertakes periodic surveys to gauge the satisfaction of the employees and understand their requirements. The key pillars of the approach of this department include **employee connect, employee wellness and employee engagement.** In addition, the cell also actively reaches out to the families of employees.

Some of the initiatives undertaken include

- Awareness sessions for employees
- ROSHNI: Counselling sessions and seminars to deal with the stress at the workplace and personal issues
- Health Risk Assessment Camps, Lifestyle modification sessions
- Online wellness coaching and HRA

Labour Management

Beyond supporting the personal development of our permanent employees, we are also extremely mindful of the protection of rights of our contract labour. Contract labour (sourced through tendering process) is employed for several operational activities across our various locations. We have in place, an IT platform solution, where the contractor is required to fulfil all registrations, thereby lending transparency and accountability to the entire process.

Our focus on compliance, transparency, and good governance is extended to our contractors, who mandatorily have to sign the Integrity Pact with BPCL, a legal commitment relating to ethics and governance, which all our contractors and vendors have to abide by. In addition, our staff conduct surprise inspections to ensure all guidelines/compliances are met by our vendors and contractors. Labourers are paid their wages only in the presence of BPCL staff to ensure that the contractors pay their dues in a timely and transparent manner. We have also set up systems for contract management – to track the entry and exit times of the workers and thereby easily map wages to the hours spent working. (So far, the system has been established in Cochin, Mumbai refinery; it will soon be rolled out to marketing division). This also serves as a security mechanism to allow the management to monitor remotely the whereabouts of workers in a particular area of the location should any emergency or other event arise.

The ratio of Entry Level Wages to Minimum Wages is equal to 1.47, to arrive at this ratio we have considered minimum wages for Construction of Roads/Buildings schedule for unskilled Workers as largely contract labour deployed is of unskilled category. This value is applicable for both male and female contracted labour as there is no discrimination between wages based on gender. In several of our projects, contract labour are paid above the minimum wage. We are working on a policy to pay labourers 25%

above the statutory wage, a clause which will be included in all contracts and tenders.

Our role, as principal employer, is to ensure that our labour is covered by the Employee State Insurance (ESI) Act 1948, that the wages are paid on a timely basis and in the presence of BPCL employees, the contractors are contributing to the Provident Fund for the labour and all other statutory requirements are complied with. Health, insurance coverage, and other softer aspects of the labour are covered by the ESI Act. Toilets, water coolers across the refinery and other basic needs are met for the convenience of the refinery workforce. We also verify that the contractors provide the required facilities to its labour, like food and accommodation during the shut-down of the refinery.

We are also focused on ensuring the flexibility of workforce where we facilitate multi-skills training such that they can take on multiple roles. This proves to be beneficial for the operating location whose functioning is not easily destabilized, as well as for the individual who is provided capacity building for a variety of skills which can be useful even post retirement.

BPCL further ensures compliance against all applicable regulatory requirements, including the Industrial Dispute Act of 1947, which stipulates a minimum notice period of 21 days prior to the implementation of significant changes in operations. We do not have any concept of recognized employee association but we have 22 registered unions (Including Refineries) representing 95.24% of our (non-management) employees. BPCL enters into long-term (10 year) formal contracts with these trade unions. These contracts cover all relevant aspects of responsible labour practices including health and safety aspects. 60.8% of all BPCL employees are covered by Collective Bargaining Agreements. We are proud to state no operation restricts our employees' rights to association or collective bargaining.

Employee Benefits

To enable us to become the preferred employer in the sector, we have put in place a number of policies and schemes aimed at ensuring employee wellbeing. Various policies like leave policy, medical policy, post retirement policy, legal aid policy, whistle-blower policy etc. have been developed so as to provide an ethical and healthy workplace to our employees and also provide communication and grievance redressal

mechanisms to our employees. In addition to our employment policies, we also support various schemes like housing loan, vehicle loan, monthly ex-gratia scheme, new pension scheme, death-in-service scheme, education assistance scheme and group saving linked insurance scheme for our employees. Upto a limit, medical facilities of employees and their dependents (including retired employees) are also provided for.

Present Value of defined benefit obligation (INR crores)

Funded (including Gratuity & Post-Retirement Medical Benefit Scheme)	1,146.60
Unfunded (including Leave Encashment, Burmah Shell Pension, Death/Permanent Disablement, Resettlement Allowance, Ex-Gratia Scheme)	1,158.31
Sub-total	2,304.91
Fair value of plan assets	1,191.92
Deficit	1,114.79

The employees or spouse of erstwhile Burmah Shell were eligible for pension based on the option selected by them. This pension is being disbursed by the BPCL Pension Fund. Actuarial valuation is done every year and BPCL funds the Trust suitably. The number of Burmah Shell pensioners is decreasing each year. There was a contributory Superannuation Fund. The employees could opt to become members of the Scheme. This was a defined benefit scheme which came to an end on 31st December 2006 and the benefit entitlement for the existing members were frozen on that date.

The structure of the current retirement plan is based on defined contribution. BPCL contributes 12.5% of wages as pension contribution to

the BPCL Employees Contributory Superannuation Fund. There is no contribution from employees. Pension benefits are available to all management and non-management staff who superannuate from service and annuity is bought out of the amount standing to the credit of the individual member.

As an equal opportunity employer, we encourage diversity within our workforce and do not engage in any form of discrimination. In fact, the values of Diversity and Equal Opportunity & Equal remuneration for men and women are so inherent within the architecture of the Organisation, that they are not considered material aspects for the company.

International Women's Day celebration at Noida regional office



Women's day was celebrated with great enthusiasm on March 10, 2014 at Noida Regional Office.

Sessions held during this event included

- Women Role Models at Work/Creating a Conducive Work environment for Women.
- Creating a better and safe workplace for Women
- Important tips on Women Safety'
- Introduction to 'Internal Complaint Committee (ICC), Northern Region' under 'The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal)
- Health talk for Women

Cyclothon- A Cycle Rally by Mumbai Refinery



To mark World Heart Day, Refinery Medical Centre had organized a Cyclothon- Cycle rally for Chembur Colony residents on 29th September 2013. Mr S S Sunderajan GM-I/C (MR), in his address, appreciated the initiative and appealed to all to take care of their hearts and overall health by inculcating healthy life styles like regular exercise, healthy diet etc.

Occupational Health and Safety

6.2

Safety First – Safety Must, a phrase coined by our C&MD, is now being echoed across our 180 locations in the country. It reflects our emphasis towards ensuring workplace health and safety throughout the organisation. We recognize that the nature of the oil and gas sector is such that it may cause certain health and safety concerns and have therefore undertaken a number of measures to create a safe and healthy work environment. The use of technology to automate process has resulted in reducing the exposure of workers to harmful or toxic chemicals. Within every location, we have in place an HSSE (Health, Safety, Security, and Environment) Role holder to ensure that the highest standards are being maintained within the operating location with adherence to our HSE&S Policy. We have also set up Safety Committees at our operating locations where the proportion of management to workforce membership and participation is 50:50. Periodic training on safety procedures within the workplace of all our employees and workforce are conducted. Employees and

workers at our major locations including our refineries have mandatorily to attend a two day orientation session which cover aspects on Health, Safety, Security and Environment without which they are not provided their access cards. Supervisors are provided with additional training on ensuring safety within the refinery. Wearing protective equipment is a must at all times, especially within the refineries. The cost of treatment of all industrial injuries and other injuries which occur during the employee's commute to work is covered by the company.

In the past year, we have achieved accident frequency rate of 0 at MR and KR; 0.05 at Marketing Locations; and 0.03 at BPCL Corporate against the set MoU target of 0.3. Kochi Refinery has registered 35 million accident free man hours (~8 years) in early June 2014 and Mumbai Refinery has registered 10 million accident free man hours. The table below summarizes our safety performance in FY 2013-14.

Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities

	Company Employees	Contractors
Injuries	33	4
Cases of occupational diseases	0	2
Man days lost	46	106
Missed (absentee) days	62,569.80	7,005
Fatalities (Male)	0	5
Fatalities (Female)	3	2

“As a testament of our success in implementing safety as a key priority at the refinery, we are proud to declare that in early June 2014, Kochi Refinery has registered 35 million accident free man hours, working out to be an approximate of 8 accident free years.”

Prasad K Panicker - ED (Kochi Refinery)

At the Kochi Refinery, we have in place well-formulated, implemented and maintained safety management system, perfectly managing the interaction of men, machines and the work environment and thereby ensure the safety and health of the employees, having different elements including:

- Refinery Operating System (ROS)
- HAZOP and Risk Analysis
- Asset Integrity Management
- Operating Procedures and conformation of competency of Operating staff
- Work Permit System and Job safety Plan
- Periodic safety walk
- Planned Health and Hygiene Survey
- Periodic updation of Documents
- Surprise night visits
- Personal protective equipment (PPE)
- Safety Incentive Scheme for employees
- Reward scheme for near miss reporting
- Regular Training and Statutory training under Factories act
- Safety & Fire Training
- HSE training programme for Contractor's Employees
- Safety Committees
- Periodic Safety Awareness Talks
- Safety Audits
- Incident (Near miss, accidents) Reporting and investigation system & Action Taken Report
- Modernized Fire Stations equipped with Fire-fighting trucks.
- Gas Monitors
- Adequate quantity of extinguishing media
- Automatic fire detection and fire extinguishing system
- Automatic Rim seal fire protection system
- Emergency communication System
- Rescue equipment
- Mock drill
- ERDMP
- Mutual Aid Plan

Emergency Preparedness

As a responsible company in the oil and gas sector we need to take a number of measures to ensure that our employees and workers are prepared for any emergency that may arise at the refinery or plant site. Mock emergency drills are conducted on a regular basis, and in the refineries as often as once a week. A set of guidelines have been prepared and shared with our workers so that they are alert and well-equipped to handle emergency situations. BPCL also operates in strict

adherence to the Petroleum & Natural Gas Regulatory Board's regulation to create and monitor its Emergency Response & Disaster Management Plan (ERDMP) for each of its locations. A key annual target of the HSSE Department is to review ERDMP, DCMPs of certain locations & Fire Drill reports, identify gaps in preparedness, and guide BUs for corrections as necessary. Additionally, HSSE will also monitor BUs for undertaking live fire-fighting training (for officers and workmen).



Safety drills at our locations

Typical diseases and injuries at the Refineries

- **Injuries:** Usually mechanical injuries, burns which are not critical. The last fatal injury was in 2008
- **Diseases:** No occupational diseases have been detected within the factory. Even Benzene exposure (which is carcinogenic) has not caused any cases of cancer among employees and workers. However urine tests are conducted every fortnight on handlers of benzene at loading

stations to ensure that there are no adverse health impacts. This is a result of significant process automation within BPCL which avoids direct exposure to toxic chemicals and substances and several other preventive procedures and mechanisms. The more common diseases among employees are lifestyle disease which corresponds to the age of the employees (the average age of employees being between 45-48 years).

Health check-up camp at Piyala installation

In collaboration with the local hospital, M/s Asian Hospitals, Faridabad who deployed their expert team of doctors, we conducted a Mega Health Check up camp for our contract workmen. They imparted critical tips on proactive and preventive care to prevent diseases like Malaria/Dengue/Typhoid, BP, Random Blood Sugar, Eye Vision and Color Blindness tests were conducted for all participants. 270 PCVO crew, Contractors, Security Guards and E&P Contract Workmen benefited from this camp.



AN TECHNIQUE TO DECONTAMINATE AND MAKE OUR EQUIPMENT OIL FREE AND SAFE FOR HANDLING

Whenever major turnaround (periodical overhauling) of process units are carried out, it is imperative to make all vessels, pipelines, columns etc oil free to enable safety of personnel executing various jobs. Earlier, we adopted a conventional method (water washing and steam out) to make the process plants oil free and safe before handing over to maintenance personnel for carrying out overhauling and repair jobs of equipment.

We have recently adopted chemical decontamination technique to make all equipment totally oil free and safe before the entry of personnel to carry out various jobs. Decontamination technique is a new generation hydrocarbon decontamination process that is environmentally safe and fully bio-degradable. During this process, an aqueous solution of the chemical is circulated in a closed loop through the plant process vessels which cleans off oily substances in the vessels and the resultant solution is received in a ear-marked vessel

from where the oil is recovered back. This process has contributed towards sustainability in the following ways;

- Reduction of cleaning time and hence reduced exposure of workers (involved in manual cleaning process) eliminating health risks and fire hazards
- The steam out process after cleaning (for oily phase) is eliminated leading to steam saving and hence lower emissions from fired boilers
- Allows for the oil removed out of the unit to be recovered and reprocessed
- Cut down the cleaning days and hence reduces impact of shutdown on environment
- Results in better cleaning and hence better heat recovery leading to lower energy consumption
- Reduced waste generation and waste treatment.

OCCUPATIONAL HEALTH AT THE MUMBAI REFINERIES

Aligned with the Factories Act, BPCL has set up an Occupation Health Centre within the Refineries. This extremely well equipped health centre maintains health and wellness of employees and workers through:

- Preventive Health care
- Curative Health care
- Emergency Health care

Preventive Health care

- Before joining BPCL, all employees are mandatorily required to take a health exam to understand the health status and issues. Health is also a major component of the 2 day 'Safety in Refinery' workshop for new employees to the Refinery. The Occupational Health Centres conducts the initial health checks for all BU's and offices in the Western Region. Employees within the refinery also undertake periodic health exams at the centre.

		Frequency of health exams
Plant Worker	Workers in High Risk area	Once in 6 months
	Other areas in the Plant	Once a year
Admin staff within the refinery	Ages 25-30	Once in 5 years
	Ages 30-45	Once in 2 years
	Above 45 years	Once a year

- Contract workers are also required to undergo a thorough medical exam, and each worker is provided a certificate. A certain proportion of the workers (usually the ones who operate in high risk areas) are verified by the Occupational Health Centre. They are also required to undergo periodic health check-ups.
- The Health Centre is also empanelled with several Hospitals in the region for any serious ailment or injury

Curative Health care

- The Occupational Health centre operates 24*7. The OPD is always open to handle all injuries and act as a first aid centre.

Emergency Health Care

- In case of any emergencies, or severe injuries, there are also 2 ambulances available at the Refinery to take the patient to a Hospital nearby
- For any injury faced by the worker, OPD services are provided by the OH Centre. Hospitalization fees are covered by the contractors but BPCL ensures that the contractor pays the dues in a timely manner.

Employee Health Management System (EHMS)

- This software system maintains the health data log of each employee. Both a hard copy (files) and soft copy are available for all employees. Historic data and consultation history since 1997 of each patient has been fed into the system
- The system also helps maintain a medical inventory
- Tests reports and results are also uploaded onto the system, thereby if there is ever an emergency, the files can be easily be located and provided to the hospitals
- The system also allows for a macro view of the kind of ailments faced by employees in BPCL. For instance, it was noticed when the data was analyzed that the common ailments faced by employees were that of hypertension and diabetes and counselling sessions and workshops on those particular diseases were organized and the patients were informed accordingly
- Wellness Index: The system also calculates the wellness index on four parameters: Blood Pressure, Fasting Blood sugar, BMI, Cholesterol ratio.
- Automatic alerts have been created for the Periodic Health Exam. If the person doesn't come in for his scheduled health check-up within 7 days, the alert gets escalated to his line manager and upwards

Ensuring the health and safety of our Transporters

We have taken a number of measures to protect the health and safety of extremely vulnerable stakeholders, our transporters. It is an ongoing process of training our transportation crew on safety standards both within the plant and on the road. As far as possible, we avoid the transport of product at night when accidents are most likely to happen. In several trucks, two drivers are placed to reduce the chances of accidents. GPS monitors have been installed in trucks to ensure the product reaches its correct destination.

Our transporters have to periodically go through a three day training course which we conduct (often in collaboration with the Petroleum Conservation Research Association) covering topics like

- Efficient driving techniques with special emphasis on turnings, within city limits and crowded places
- Vehicle parking techniques, Accident prevention, Fuel conservation by better driving habits & better maintenance of vehicle
- Fuel saving methods and practical demonstrations
- Defensive and safe driving
- Refreshed knowledge on Traffic signals with help of posters for identification
- Handling and carrying of hazardous petroleum products & emergency response with demonstration.

We are trying to reduce the number of our trucks off the roads by expanding the use of pipelines to transport our products. Currently

more than 80% of refinery's production is evacuated through pipeline. The Mumbai-Uran LPG pipeline will also be commissioned shortly. These contribute to the safety of our workers as well leads to a reduction in vehicular/rail traffic and therefore vehicular pollution.

A key target of the HSSE department for the next reporting period FY 2014-15 will be to

capture and analyze transportation incident/accident frequency (number of incidence/MMT per km) data to identify the root causes of accidents. Based on this assessment, HSSE will provide recommendations to improve the system in road transportation of petroleum products to a world class level. This data will be incorporated in the reports in the next year onwards.

Health and Safety at our Retail outlets

Health & safety measures do not end with our direct operations. We undertake a number of measures to ensure that our retail outlets are also healthy and accident free. An example of a unique initiative undertaken to protect the health of our DSM worker is to set up a

vapour recovery system in high volume retail outlet (serving more than 300kl of petrol sold in a month). This has preserved greatly the health of the DSM workers, the customer, and the environment.

OWNING SAFETY CULTURE - ACCIDENT FREE WORKPLACE

At Akolner Depot, an HSSE training program "Owning Safety Culture – Accident Free Workplace" was conducted on 15th April 2013. The training program is principally based upon developing the awareness on various job hazards at POL locations and possible ways of mitigating them. The programme was aimed at employees and contract workmen.

In this unique training program, the concept of Job Hazard Analysis (JHA) and Safety Action Plan (SAP) was explained and made clear to the group. The participants (field staff working at all levels contract workmen performing mechanical / electrical / civil / housekeeping / gardening jobs & E&P contract workmen) were then divided into groups were asked to find various job hazards likely to occur / happen in those areas.

This was followed by individual presentations and group discussion by all the groups. All probable hazards were discussed and to mitigate them a SAP (Safety Action Plan) was developed for each strategic area. Application of mind, sharing of collective experience, pooling of combined wisdom – all of these have helped in improving the levels of safety awareness.

All the participants have actively participated in the program and pledged for ensuring "Akolner Depot – an Accident Free Depot".



S P GATHOO – Director (Human Resources)



Sustainability is intrinsic to BPCL's operations and management. Sustainability and responsibility is core to our business and has been incorporated into our Vision statement and Values. It is also an

integral part of the orientation program of new recruits, so that they are able to carry forward the company's outlook towards sustainability from the time they join the Organisation.

Within BPCL, the key focuses of our sustainability initiatives are in the following fields

- Water conservation (both inside our plants and outside in our community)
- Energy management
- Skills development of youth and employees
- Education

We are proud that the attrition rates of our employees are extremely low. People come to BPCL for a career, not for an assignment or for a short job. We recognize the correlation between a happy and motivated employee and the commitment they put forth towards the company's success. Therefore, we ensure that our employees are tasked with interesting, and challenging assignments as well as well-looked after with respect to housing, lifestyle, and medical (which is covered even post recruitment).

Talent management is of crucial importance to the Organisation. 'Ascend', our Talent Management Process, is a very comprehensive exercise where, every alternate year, each profile in the top management is analyzed by

the Board. The Board then deliberates on how an individual is to be supported, the learning opportunities to be offered, and further, a roadmap is designed for each promising individual. Last year, the Board dedicated 14 days to this process.

Beyond nurturing our management staff, we are also extremely concerned about the working conditions of our business associates. While contracted labour, and transporters are not directly BPCL employees, we undertake several measures to ensure that the contractors are providing timely payments and decent and healthy working and living conditions to the workers.

We, at BPCL, also recognize our responsibility towards our society and have undertaken several CSR initiatives directed towards developing and uplifting society. We are proud that the CSR initiatives in and around our major refineries in Kochi and Mumbai have contributed greatly to the development of these communities.

The CSR initiatives undertaken by BPCL have 3 aspects

- CSR aligned with business interest - Develop skills of local youth available in the neighborhood
- Initiatives in the community around operations
- Development of the nation by supporting the development marginalized communities

With a special emphasis on Education, Water, Health, Skills Development, Community Development, Employee Volunteering and Capacity Building, we are positive that we, at BPCL, can greatly continue to the equitable development of our nation.

While we strive to make BPCL a 'Great Place to Work', we equally commit ourselves to energize our society through our CSR initiatives.

CSR initiatives are undertaken by our company if it fulfills one of three purposes

- Aligned with interests of the business
- Undertaken in communities around our operations
- Contributes to development of marginalized communities across the country

The thrust areas of our CSR initiatives include Education, Health, Water, Skill Development, Community Development, Volunteering and Capacity Building. The intent is to build a powerful partnership with society for sustainable development. It is our constant endeavour to maximize the positive impacts of our activities and ensure that it reaches to all our stakeholders.

While our Board level CSR Committee drives and provides guidance on pursuing inclusive development of our local communities, we are extremely happy that our location level staff are also heavily involved in our community based initiatives.

We recognize that by virtue of the sector that we are in, any negligence on our part, especially within the refineries, could significantly impact the communities around us. Therefore we have undertaken a number of initiatives to understand the impact of our operations on our communities. Our plant level management regularly engage with our neighbouring communities to understand their grievances if at all. We are also happy to declare that have been no significant disputes with local communities or indigenous people in the past year. For several villages that fall alongside our gas pipelines,

we have installed solar lighting at periodic intervals which also provide green lighting to the neighbouring areas.

We also aim to enroll all our stakeholders like our dealers and distributors into our CSR programs. Our bi-monthly magazine is circulated among BPCL's 15000 strong dealer and distributor network. It highlights the CSR initiatives taken by BPCL and encourages the dealers to be a part of those initiatives and undertake their own programmes. For instance, BPCL has tied up with the LPG distributors, to provide gainful employment for women for the servicing of gas stoves.

We, along with other companies in the oil sector, has invested heavily (a cumulative of 1000 crores) into the Rajiv Gandhi Institute of Petroleum Technology which provides education and therefore employment to aspirants who wish to join the petroleum sector.

We had set an MOU target for the year 2013-14 with the Ministry of Petroleum and Natural Gas, Government of India of reaching out to

- 75,000 children for imparting quality education,
- 30 villages for Rain Water Harvesting and
- 750 youth/women for livelihood/ income generation training.

We have achieved 100% completion of the MOU targets. In 2013-14, our total Corporate Social Responsibility spend was INR 34.38 Crores.

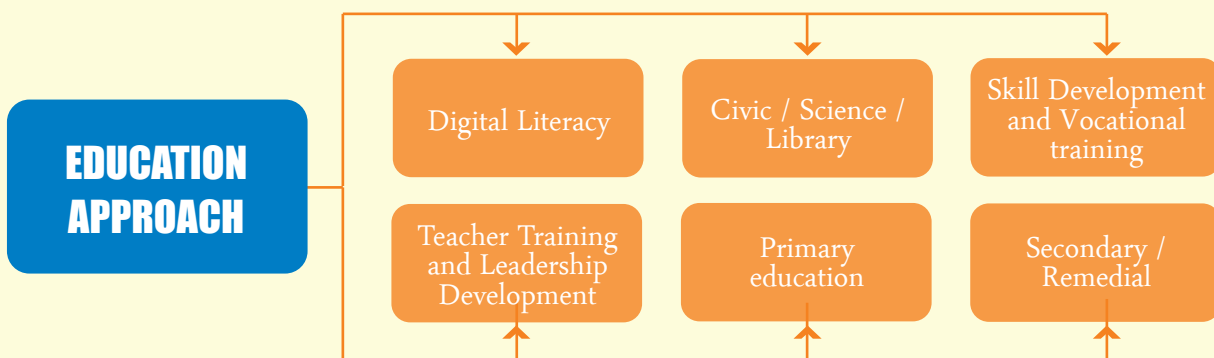
For a few of our projects (Project Boond and Read India) we have undertaken a thorough monitoring and evaluation to understand the impact of our projects on the community.

Education:

7.1

When we began this journey, our CSR practice in the field of education was focused on primary and secondary education. However, taking cognizance of the fact that basic education alone is not sufficient for nurturing the young minds of tomorrow, we have also introduced projects which lay emphasis on empowering the teachers through training, establishing libraries in schools and providing 'digital education', all of which are integral to the overall growth and personality development of any child. We have also supported projects aimed at reinstating school 'drop-outs' into the education system.

In the last year, we have reached over 1 lakh children through our projects. A few of our CSR initiatives in this space have been highlighted below



READ INDIA INITIATIVE:

Project Overview:

- Together with the NGO Pratham, we are working to enhance the learning level of students (focusing on comprehension and application based abilities) in primary and upper primary schools of Nandurbar, in Maharashtra and Sagar in Madhya Pradesh.
- The unique 'Study at 7 o'clock' initiative was introduced as part of Read India in which mothers were expected to take up their children's lessons at seven o'clock before dinner to encourage them to be more involved in monitoring their child's progress in school.

- A similar project has been introduced in Sundergahh & Mayurbhanj, which are backward districts of Odisha.

Project Impact and Scale:

- Around 23800 children from both primary and upper primary classes in Nandurbar and Sagar, and 4453 children in Sundergahh & Mayurbhanj benefitted in the previous year.
- An improvement in Reading and Mathematics levels of beneficiary students was observed between the baseline and endline tests.



COMPUTER ASSISTED LEARNING

Project Overview:

- Aimed at providing digital education to children, unemployed youth and others from the community are provided training in digital literacy
- Classes are conducted by women from the community who are trained to be teachers, commonly referred to as 'sancharikas' contributing to the empowerment of women in the region
- We are steadily working towards empowering the School Management Committees as well as local government bodies to take over the project ownership, thus achieving sustainability of the initiative

Project Impact and Scale:

- Expanded from 11 schools in 2010 to 120 schools in 2013 in Uran
- Around 90% of the schools in Uran block are now digitally enabled



DEMYSTIFYING SCIENCE

Project Overview

- The 'Science Learning Hub' and 'Mobile Science Van', which is equipped with all the required apparatus to conduct experiments, travels to the interiors of the districts, and gives children living in remote villages the opportunity to conduct these experiments to acquire practical knowledge
- A 'lab-in-a-box' has been set up in those schools who do not possess the infrastructure to set up their own laboratory. These consist of boxes having material for over 100 experiments covering physics, chemistry and biology concepts. We also

focus on nurturing 'Young Leaders' and training the teachers to perform these experiments.

Project Impact and Scale

- The Science fair witnessed an overwhelming participation of 9000 children and 150 teachers and facilitated an interaction amongst students and develop their critical and lateral thinking
- Through the 'lab-in-a-box' initiative, a total of about 20000 students have been benefitted and over 100 Young Instructor Leaders and 180 teachers have been trained



PROJECT BALAJANAAGRAHA

Project Overview:

- Aligned with our goal to ensure that India continues to thrive as the largest democracy in the world, we supported a project aimed at nurturing young Indians to be 'youth leaders' and 'agents of change' in their communities and their neighbourhood
- Over 22 classroom sessions are conducted throughout the year to educate the children and engage them in activities that would enhance their understanding of the basic concepts and issues related to local level governance
- Participating students were required to collect, collate and compile data and develop action steps that will help implement their suggestions

Project Impact and Scale:

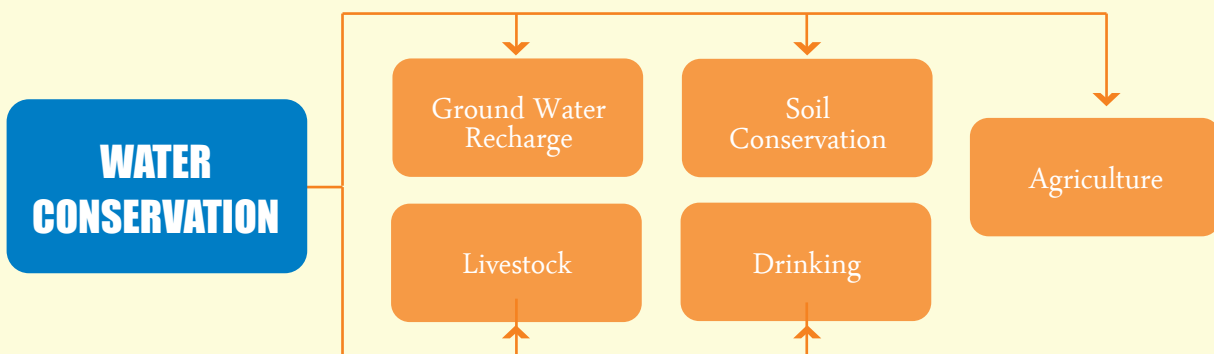
- Has seen participation of approximately 2500 Class VIII students in 25 low income/ government schools in Bangalore
- A survey conducted among the students at the conclusion of the project indicated that they grasped a clear understanding of the concepts, and were now more aware of the issues in their neighbourhood



Water:

7.2

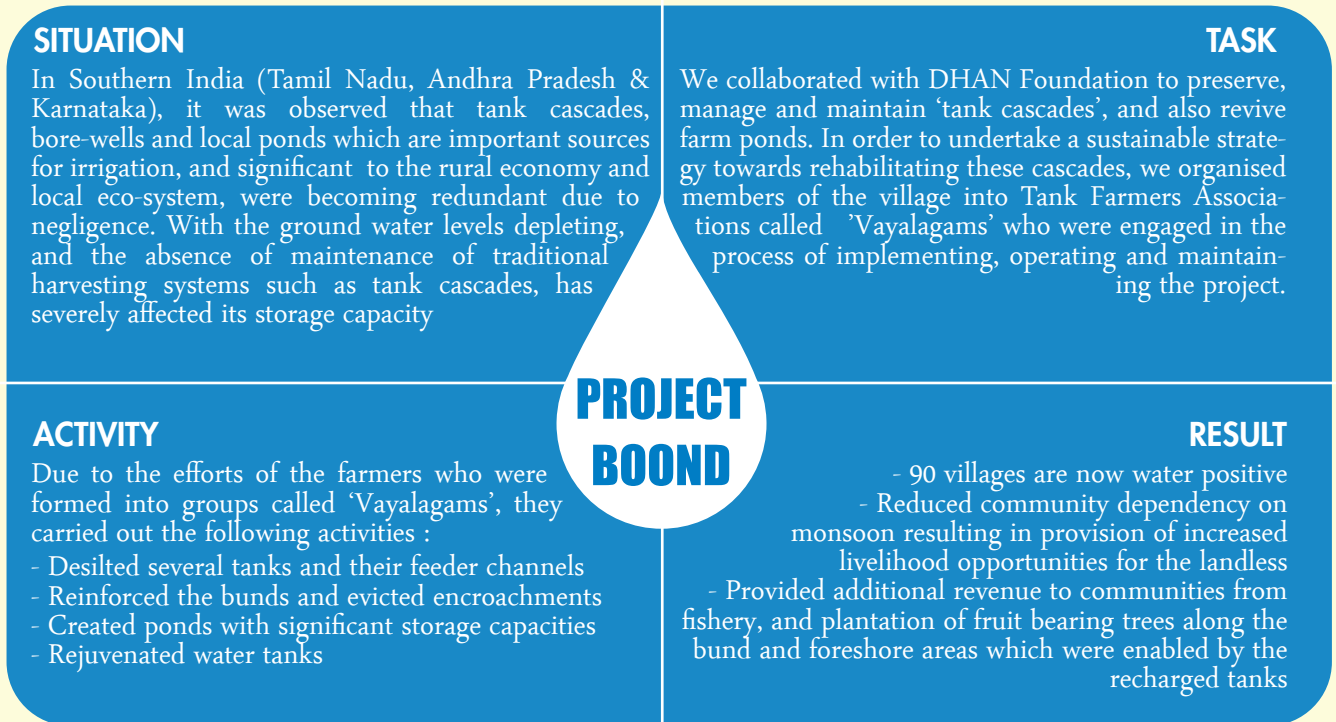
We have, over the years, committed ourselves to the cause of water scarcity and supported projects to arrest this problem. When we started, we focused on 'drinking water' – introducing projects that would facilitate conservation of water for drinking purposes. However, we have gradually evolved our strategy to include projects and practices which are aimed at increasing availability of water for agriculture, livestock and ground water recharge.



PROJECT BOOND

Our flagship water management project has resulted in transforming 90 villages in arid regions to become water positive. This project has gotten recognition the world over. In fact, it was declared the winner of the "Excellence Awards for Social Responsibility" at the 21st World Petroleum Congress organized in Moscow held in June 2014, competing with finalists like Shell & Exxon Mobil, and from among 100 nominations worldwide.





Our other notable community based water conservation initiatives include
WATER CONSERVATION PROJECT – Mokhada, Thane district, Maharashtra

Project Overview

- Built indigenous structures such as ponds, wells, gabions, and cordoned off spring to conserve water in the region
- Reduced community's dependency on water tankers by 50%
- Promoted other sustainable livelihood projects such as horticulture and agriculture
- Reduced migration of youth out of the district towards urban areas

Project Scale and Impact

- Collected over 37 crore litres of water in Mokhada

MAHILA KISSAN SASHAKTHIKARAN PARIYOJANA, Wardha and Yavatmal

Project Overview

- Together with the M.S. Swaminathan Research Organisation, we undertook an initiative towards empowering and training farmers (especially women) in the region
- We have set up soil testing labs in these regions as part of the project.

Project Scale and Impact

- Have impacted over 1773 farmers of which 1080 were women

Skills development:

7.3

Through our CSR projects focused on skill development, we aim to bring about economic development by creating self-sustainability in vulnerable populations such as women, unemployed youth and people with disabilities. Below is a snapshot of our skills-building activities

Empowering youth

- Training sessions conducted to equip youth with skills such as auto mechanics, farm machinery repair, vermicompost making and nursery development
- Vocational training on skills required in BPOs and IT sectors carried out at Mumbai, Delhi and Latur. We plan to expand the reach of this project to 2500 youths in Eastern region and Kochi refinery

Empowering women

- Sessions conducted to train women to do 'Chikankari' and 'Zardosi' work
- Programs carried out at 'Bakshi ka Talab' block in Lucknow and Loni village of Ghaziabad district in UP
- Trained women were provided with backward and forward market linkages, so that they can work independently once the project is phased-out
- Project covered over 1500 women who after training earn a monthly income of Rs 3000-4500

Empowering differently-abled people

- Organised training sessions and forward linkages for the blind in handloom weaving, acupressure and massage, which is recognised by Social Justice and Empowerment Department of Government of Maharashtra
- Conducted Computer education program for students of a blind school in Mumbai



Health

7.4

We have initiated many health projects which focus on preventive and curative measures. The objective of these projects is to make basic health care services accessible to the under privileged.

- **Mobile vision centres:** We have established a Mobile Vision Centre at BPCL's fully owned retail outlet at Padgha village of Thane District in Maharashtra which records a footfall of 12,500 truckers a day. Open three days a week, at this centre we conduct free eye check-up and give spectacles and other primary medication such as eye drops at a minimal cost.
- **Making Health care services accessible:** We are working towards supporting the capacity building of government personnel in regions like tribal blocks with little or no access to health care facilities. These initiatives have been undertaken with the objective to improve and encourage institutional care and service delivery in neglected areas, particularly towards identification of high risk cases and improve the nutritional intake of pregnant mothers. Reaching out to over 8939 tribals directly, this projects has been undertaken in the backward tribal blocks of HB Kote Block, Mysore district, Vikramgad Taluka, Thane district and Bastar, Chattisgarh. It should be noted that we do not have our operations in these areas, but as a responsible corporate, we prioritize the development of marginalized communities across the country.
- **Community Health Volunteers – 'Aarogya Mitra':** We have identified Community Health Volunteers (CHVs) to provide health services to the mother and child through Homeopathy. These CHV's who have been certified by Yashwantrao Chavan Maharashtra Open University, have built a meaningful relationship with the women ensuring that they have the required information, and access to necessary health services. Covering over 150 tribal hamlets belonging to 25 villages, they have reached out to over 1935 households; i.e. 25000 people.

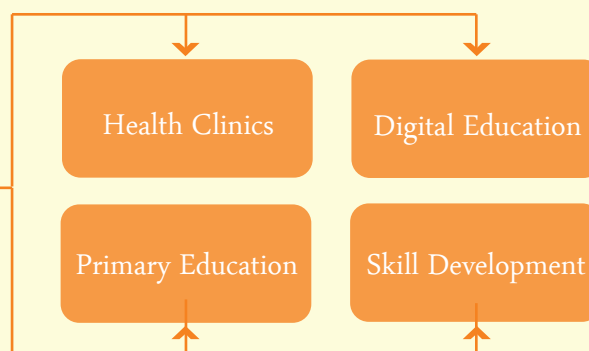
Community development:

7.5

Aligned with our objective to empower people and societies, 'community development' projects have been initiated in regions like Khurda, Mahul, Karjat and Washala

- Landholders were given orientation in the technical and monetary aspects of Agriculture and Horticulture activities that can be undertaken in small areas of land (roughly 25 to 30 acres)
- Training sessions have been conducted for tailoring, goatery, and duckery which has made men and women of these villages more confident and capable of seeking other economic opportunities
- Several small projects aimed at skills development for fishermen community have also been initiated
- We have also started 'Balwadis' and provide educational scholarship to deserving students

CREATING SELF-SUSTAINING SUSTAINABLE COMMUNITIES





ENERGIZING RAICHIWADI

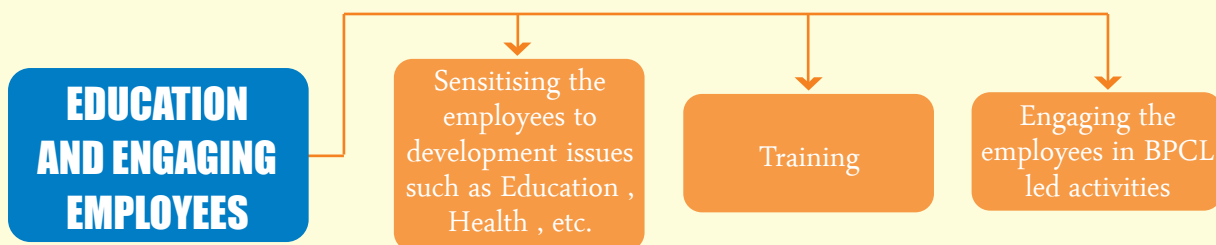
Raichiwadi is a small hamlet, located near our Washala pumping station, which has 36 small huts and 2 schools run by Zila Parishad. This hamlet has no electricity, and thus uses kerosene to illuminate their homes in the night. Recognizing this paucity, we installed a 4.8 kWp Dual Axis Tracking Solar Plant with 600 AH battery backup inside our pumping station to provide electricity free of cost to all the huts and to

schools through green (solar) power.

- Each hut has been provided with two specifically designed 8 watts LED light fittings with proper electrical protection
- 12 LED light fittings were provided to the Zila Parishad School and Anganwadi
- 10 four meters high street light poles with 18 watts LED light fittings were installed in the hamlet lanes for proper illumination during night time

Capacity building and volunteering: 7.6

Encouraging our employees to participate and volunteer in our CSR projects and make sustainable development a shared responsibility has always been a tradition at BPCL. These have been undertaken in the following ways



A few of our employee engagement initiatives include:

BHARAT CONNECT

- This project is aimed at exposing and sensitizing our management trainees to the complexities and realities of issues related to 'Education' and 'Water Conservation'
- Through several activities, we aimed to inculcate in them the spirit of volunteerism, and train them to be active and concerned citizens
- Bharat Connect was also designed to mould the management trainees into leaders who will lay equal emphasis on triple bottom line of sustainable business



'ONCE UPON A TIME' INITIATIVE

- In this initiative, employees volunteer to visit a low income school, and engage children by telling stories that reflect values such as honesty, confidence, team spirit and other values which are also the values that BPCL upholds
- Every month, a value is identified which the volunteers visiting the schools teach the students. During the sessions, employees used innovative story telling methods and conduct several interactive activities
- Currently, we are working with 50 volunteers and cover over 11 schools in western, central and harbour lines of Maharashtra



8

THE ROAD AHEAD

The conclusion of the materiality exercise has been the identification of aspects that have emerged as critical both immediately and in the near future. Going ahead, we will accelerate our efforts in energy conservation and efficiency, exploration of renewable sources of energy, water and other resource management, and minimizing our emissions, effluents and waste. Creating an empowered and satisfied workforce and maintaining healthy and safe working environment at all our locations will continue a top priority of BPCL. We will continue to scale up our CSR and community engagement programmes across the country. What has risen as a key issue to be dealt with in the future, is the optimization and monitoring of our supply chain and business associates to ensure that their operations are also responsible towards their environmental and social impacts. We recognize the pivotal role we play in the country's holistic development, and our extended value chain. By incorporating into our triple bottom line performance measurement, the performance of other key entities in the supply chain, we can accelerate towards a more sustainable future.

“You must be the change you wish to see in the world”
Mohandas K Gandhi



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Independent Assurance Statement on Bharat Petroleum Corporation Limited's 2013-14 Sustainable Development Report

KPMG was engaged by Bharat Petroleum Corporation Limited ('BPCL' or 'the Company') to provide assurance on its Sustainable Development Report ('the Report') for the financial year 2013-14.

WHAT WAS INCLUDED IN THE SCOPE OF OUR ASSURANCE ENGAGEMENT?

The scope of assurance includes sustainability data and information, based on Global Reporting Initiative (GRI) G4 Guidelines, presented by BPCL in the report for the period 01 April 2013 to 31 March 2014.

WHICH ASSURANCE STANDARDS AND GUIDELINES DID WE USE?

We conducted the assurance in accordance with-

- ISAE 3000: "Limited Assurance" requirements of ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information by International Federation of Accountants' (IFAC) International Standard for Assurance Engagements
- AA 1000 AS: "Type 2, Moderate Level" assurance requirements of AA1000 Assurance Standards 2008 Under this standard, we have reviewed the accuracy and quality of sustainability performance data / information disclosed by BPCL and evaluated BPCL's adherence to the following AA1000 Accountability Principles (2008):
 - Inclusivity: To assess if BPCL has included stakeholders in developing and achieving an accountable and strategic response to sustainability.
 - Materiality: To assess if BPCL has included in its report the material information required by its stakeholders to be able to make informed judgments, decisions and actions.
 - Responsiveness: To assess if BPCL has responded to stakeholder concerns, policies and relevant standards, and adequately communicated these in the Report.

HOW WE MAINTAINED OUR INDEPENDENCE?

We conducted our engagement in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client related to the scope of work, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional

behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

WHAT WERE THE LIMITATIONS IN CONDUCTING THE ASSURANCE?

Our assurance process was subject to the following limitations:

- The limited assurance is provided on the data and information related to BPCL's performance across environmental and social indicators for the period 01 April 2013 to 31 March 2014 as presented in the report (for specific set of disclosures please refer to GRI Content Index in the report)
- Data and information not covered in scope of work or outside this reporting period was not subject to any verification.
- Any statement indicating intention, opinion, belief and / or aspiration by BPCL was excluded from the scope of assurance.
- The assurance process does not include verification of financial performance indicators that were sourced from BPCL's 2013-14 annual report.

WHAT DID WE DO TO ARRIVE AT CONCLUSIONS AND OBSERVATIONS?

The assurance work was executed by KPMG's multi-disciplinary team comprising of environmental and social experts who have prior experience of working on similar assurance engagements. Our work was planned and executed to obtain all the evidence, information and explanations that were considered necessary in relation to the above scope. Our work included the following procedures involving a range of evidence-gathering activities as explained below:

- Visit to the following sample locations of BPCL:
 - Refineries (Kochi, Mumbai)
 - LPG bottling plants (Bangalore, Piyala, Ulberia)
 - Lubes (Wadibunder)
 - Retail (Bijwasan, Budge-Budge, Sewree, Devangonhi)
 - Aviation (Kochi)
 - Corporate Office (Mumbai)
- Interaction with BPCL's Senior management and Health, Safety, Security and Environment personnel at the Corporate Office and the sample locations selected for site visit
- Review of the stakeholder consultation processes and the methodology used for determining the material issues
- Assessment of report contents to ensure consistency with the requirements of the GRI G4 Guidelines on Sustainability Reporting and GRI Sector Supplement for Oil & Gas sector.
- Evaluation of the existence and operation of the systems and methods used to collect, process and aggregate the performance data at sample locations selected for site visit
- Testing the reliability of underlying data and information for the performance data within the scope of our assurance on a sample basis

WHAT ARE OUR CONCLUSIONS?

Based on our review, nothing has come to our attention to indicate that the information presented in the Report is not consistent with the findings of our work as described below:

- Principle of Inclusivity (AA1000AS: 2008): As a part of its stakeholder engagement process, the company engages with its identified stakeholders through different channels.
- Principle of Materiality (AA1000AS: 2008): The methodology of materiality determination used for the report uses the perspective of senior management from various functions of the company with inputs from the stakeholder engagement process.
- Principle of Responsiveness (AA1000AS: 2008): The Company has addressed the expectations expressed by the stakeholder within the reporting boundary
- Although no systematic or material errors have been detected. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been corrected. More focus to develop clearer data protocols would help improve data consistency, reliability and accuracy.
- The report meets the requirements of 'Application Level A+' of GRI G3.1 Guidelines on Sustainability Reporting.
- Further, as a forward looking initiative to improve Sustainability Reporting at BPCL, the Company has also incorporated the requirements of the newly framed guidelines of G4 Sustainability Reporting and the report meets the 'In accordance – Core' criteria of GRI G4 Guidelines.

WHAT WERE THE OTHER KEY OBSERVATIONS?

Without prejudice to all our aforementioned conclusions and in reference to the prevailing scope of assurance, following are some of our other key observations:

- During the reporting period, the Sustainability Committee and Corporate Social Responsibility Oversight Committee were clubbed together and re-designated as "Corporate Social Responsibility & Sustainability Committee, headed by an Independent Director
- The company has introduced an online tool to capture and monitor the data on sustainability performance. However, further scope of improvement was identified during the on-site assessments towards data capturing and collation exercise.
- The Company may consider extending the boundary of the Report to include the entities under its sphere of control and influence for e.g. Subsidiaries
- Going forward, the Company may consider reporting on its supply chain aspects including but not limited to reporting on environmental and social impacts

HOW ARE THE RESPONSIBILITIES ASSIGNED?

The Management of BPCL is responsible for development of the Report and its contents. BPCL is responsible for identification of stakeholders and material issues, define commitments with respect to sustainability performance, establish and maintain appropriate performance management and internal control systems from which reported information is derived.

Our responsibility is to express our conclusions in relation to the scope mentioned above. This assurance statement is made solely to BPCL in accordance with the terms of our engagement. Our work has been undertaken so that we might state to BPCL those matters we have been engaged to state in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than BPCL for our work, for this report, or for the conclusions we have reached. By reading this assurance statement, the stakeholders acknowledge and agree to the limitations and disclaimers mentioned above in this Assurance Statement.



Santhosh Jayaram
Technical Director
KPMG, India
Date: 13 September 2014



AA1000
Licensed Assurance Provider
000-25

G3.1 CONTENT INDEX

Application Level		A+		Assured by	KPMG
GRI Ref	Reference to relevant section in draft report	Responded	Page No.	Remarks	
STANDARD DISCLOSURES PART I: Profile Disclosures					
1. Strategy and Analysis					
1.1	A Message from our CMD	Fully	3,4		
1.2	Key Impacts , Risks and Opportunities	Fully	5,6		
2. Organizational Profile					
2.1	About this report	Fully	1		
2.2	Our operations and products	Fully	17,18		
2.3	Ownership Structure Our Operations and Products	Fully	15,16,17		
2.4	About this report	Fully	1		
2.5	Our operations and products	Fully	18		
2.6	Ownership Structure	Fully	15,16		
2.7	Our operations and products	Fully	17,18		
2.8	The History of the company - Sustainability , a focus since 1928	Fully	11		
2.9	About this report	Fully	1		
2.10	Awards and Accolades	Fully	27,28		
3. Report Parameters					
3.1	About this report	Fully	1		
3.2	About this report	Fully	1		
3.3	About this report	Fully	1		
3.4	About this report	Fully	1		
3.5	Stakeholder Engagement and Materiality Assesment	Fully	29,30,31		
3.6	About this report Stakeholder Engagement and Materiality Assesment	Fully	1,29		
3.7	Stakeholder Engagement and Materiality Assesment	Fully	29		
3.8	About this report	Fully	1		
3.9	About this report	Fully	1		
3.10	About this report	Fully	1		
3.11	About this report	Fully	1		
3.12	Annexures	Fully	88		
3.13	About this report	Fully	1		

4. Governance, Commitments, and Engagement

4.1	Being a responsible corporate - Corporate Governance	Fully	19	
4.2	Being a responsible corporate - Corporate Governance	Fully	19	
4.3	Being a responsible corporate - Corporate Governance	Fully	19	
4.4	Being a responsible corporate - Corporate Governance	Fully	21,22,23	
4.5	Being a responsible corporate - Corporate Governance	Fully	19	
4.6	Ethics and Integrity	Fully	24	
4.7	Being a responsible corporate- Corporate Governance	Fully	19	
4.8	Key Impacts , Risks and Opportunities Ethics and Integrity	Fully	8,13,24	
4.9	Being a responsible corporate - Corporate Governance	Fully	22,23	
4.10	Being a responsible corporate - Corporate Governance	Fully	22,23	
4.11	Being a responsible corporate - Corporate Governance	Fully	22	
4.12	Responsible public policy advocacy	Fully	25	
4.13	Responsible public policy advocacy	Fully	25	
4.14	Stakeholder Engagement and Materiality Assesment	Fully	29,30,31	
4.15	Stakeholder Engagement and Materiality Assesment	Fully	29	
4.16	Stakeholder Engagement and Materiality Assesment	Fully	30,31	
4.17	Stakeholder Engagement and Materiality Assesment	Fully	30,31	

STANDARD DISCLOSURES PART II : DISCLOSURES ON MANAGEMENT APPROACH (DMAS)

DMA EC	Our Organisation	Fully	12	
DMA EN	Being a responsible corporate Building a sustainable value chain Environment Protection	Fully	26,36,39, 40,47,49, 50,53,54, 55,57,58	
DMA LA	Creating an Energised Workforce	Fully	61,62, 66,69	
DMA HR	Creating an Energised Workforce	Fully	66	
DMA SO	Being a responsible corporate Community Engagement	Fully	24,25, 26,76	
DMA PR	Being a responsible corporate Building a sustainable value chain	Fully	26, 39, 40	

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

Economic

Economic Performance

EC 1	Our Organisation	Fully	12	
EC 2	Our Organisation	Fully	12,76	
	Community Engagement			
EC 3	Key Impacts , Risks and Opportunities	Fully	5,6	
EC 4	Creating an Energised Workforce	Fully	67	

Market Presence

EC 5	Creating an Energised Workforce	Fully	66	
EC 6	Building a sustainable value chain	Fully	36	
EC 7	Creating an Energised Workforce	Fully	65	

Indirect Economic Impacts

EC 8	Community Engagement	Fully	76	
EC 9	Community Engagement	Fully	76-84	
OG 1	Community Engagement	Fully	76	

Environmental

Materials

EN 1	Sustainable Procurement Practices	Fully	36	
EN 2	Sustainable Procurement Practices	Partially	36	Not reported for Marketing BU's

Energy

EN 3	Environment Protection	Fully	49,50	
OG 2	Environment Protection	Fully	52,53	
OG 3	Environment Protection	Fully	52,53	
EN 4	Environment Protection	Fully	49,50	
EN 5	Environment Protection	Fully	49,50,51	
EN 6	Environment Protection	Fully	39,40	
EN 7	Environment Protection	Fully	49,50,51	

Water

EN 8	Environment Protection	Fully	55,56	
EN 9	Environment Protection	Fully	55,56	
EN 10	Creating an Energised Workforce	Fully	59	

Biodiversity

EN 11	Environment Protection	Partially	55,56	We are cognizant of the potential for impact on biodiversity from our operations, and, are in the process of undertaking a comprehensive assessment of significant impacts on local biodiversity due to our varied operations. Based on this assessment , we also propose to formulate response strategies to manage and mitigate any adverse impact from our operations , and we will start reporting on these aspects describing our efforts till date and our future plans to manage impacts on biodiversity from next year , FY 2014-15
EN 12	Environment Protection	Partially	55,56	
EN 14	Environment Protection	Partially	59	
OG 4	Environment Protection	Partially		

Emissions , Effluents and Waste

EN 16	Environment Protection	Fully	53,54	
EN 17	Environment Protection	Fully	53,55	
EN 18	Environment Protection	Partially	53	Intitatives for all locations not included
EN 19	Environment Protection	Fully	54	
EN 20	Environment Protection	Partially	54	Reported for Refineries
EN 21	Environment Protection	Fully	58,59	
OG 5	Not Applicable	Not Reported		Not applicable
EN 22	Environment Protection	Fully	57	
EN 23	Environment Protection	Partially	57	Total Number of Spills not included
OG 6	Environment Protection	Fully	54	
OG 7	Not Applicable	Not Reported		Not applicable

Products and Services

EN 26	Developing Responsible Products	Fully	39,40	
OG 8	Developing Responsible Products	Partially	40	
EN 27	Developing Responsible Products	Partially	40	

Compliance

EN 28	Being a responsible corporate	Fully	26	
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Overall

EN 30	Environment Protection	Fully	47, 48	
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Labour Practices and Decent Work

Employment

LA 1	Creating an Energised Workforce	Fully	63,64	
LA 2	Creating an Energised Workforce Annexures	Fully	63, Annex- ure 4	
LA 3	Creating an Energised Workforce	Fully	66,67	
LA 15	Creating an Energised Workforce	Fully	64	

Labour Management Relations

LA 4	Creating an Energised Workforce	Fully	66	
LA 5	Creating an Energised Workforce	Fully	66	

Occupational Health and Safety

LA 6	Creating an Energised Workforce	Fully	69	
LA 7	Creating an Energised Workforce	Fully	69	
LA 8	Creating an Energised Workforce	Fully	69,70,71,72	
LA 9	Creating an Energised Workforce	Fully	66	

Training and Education

LA 10	Creating an Energised Workforce	Fully	64,65	
LA 11	Creating an Energised Workforce	Fully	61	
LA 12	Creating an Energised Workforce	Fully	61	

Diversity and Equal Opportunity

LA 13	Creating an Energised Workforce	Partially	61	
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Equal Remuneration for women and men

LA 14	Being a responsible corporate Creating an energised workforce	Fully	19, 61	
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Human Rights

Investment and Procurement Practices

HR 1	Creating an Energised Workforce	Partially	61	
HR 2	Creating an Energised Workforce	Partially	62, 63,64	
HR 3	Creating an Energised Workforce Community Engagement	Partially	61,80,81	

Non Discrimination

HR 4	Creating an Energised Workforce Being a responsible corporate	Partially	61, 19	
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NonFreedom of Association and Collective Bargaining Discrimination

HR 5	Being a responsible corporate	Partially	19	
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Child Labour

HR 6	Being a responsible corporate	Partially	19	
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Prevention of forced and compulsory Labour

HR 7	Being a responsible corporate	Partially	19	
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Assessment

OG 9	Community Engagement	Partially	76	
HR 10	Not Applicable	Not Reported		

Remediation

HR 11	Timely redressal of grievances	Partially	26	
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Society

Local Communities

SO1	Community Engagement	Fully	76	
SO9	Community Engagement	Fully	76	
SO10	Community Engagement	Fully	76	
OG 10	Community Engagement	Fully	76	
OG 11	Community Engagement	Fully	76	

Corruption

SO 2	Ethics and Integrity	Fully	24	
SO 3	Ethics and Integrity	Fully	24	
SO 4	Ethics and Integrity	Fully	24	

Public Policy

SO 5	Responsible Public Policy	Fully	25	
SO 6	Responsible Public Policy	Fully	25	

Anti Competitive Behaviour

SO 7	Anti Competitive Behaviour	Fully	25	
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Compliance				
SO 8	Responsible Public Policy Anti Competitive Behaviour Compliance	Fully	25,26	
Involuntary Resettlement				
OG 12	Community Engagement	Fully	76	
Product Responsibility				
Customer Health and Safety				
PR 1	Building a sustainable value chain	Fully	39,40,41,42	
PR 2	Being a responsible corporate	Fully	26	
Product and Service Labelling				
PR 3	Building a sustainable value chain	Fully	40	
PR 4	Building a sustainable value chain	Fully	40	
PR 5	Building a sustainable value chain	Fully	43	
Marketing Communication				
PR 6	Developing responsible products	Partially	39	
Compliance				
PR 9	Compliance	Fully	26	
Biofuel				
OG 14	Environment Protection	Fully	52, 53	

GRI G4 – CONTENT INDEX

In accordance 'CORE' Assured by KPMG

GENERAL STANDARD DISCLOSURES

General Standard Disclosure	Page No.	External Assurance
G4-1	3-4	√
G4-2	5-8	√

ORGANIZATIONAL PROFILE

G4-3	1	√
G4-4	17-18	√
G4-5	1	√
G4-6	17-18	√
G4-7	15-16	√
G4-8	17-18	√
G4-9	11-12	
G4-10	63-64	
G4-11	66	√
G4-12	35	√
G4-13	1	√
G4-14	5-6	
G4-15	25	√
G4-16	25	√

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	1	√
G4-18	29-31	√
G4-19	32-34	√
G4-20	29	√
G4-21	29	√
G4-22		√
G4-23	31	√

STAKEHOLDER ENGAGEMENT

G4-24	29-31	√
G4-25	29	√
G4-26	29-31	√
G4-27	29-31	√

REPORT PROFILE

G4-28	1	√
G4-29	1	√
G4-30	1	√
G4-31	1	√
G4-32	88	√
G4-33	1	√

GOVERNANCE

G4-34	19	√
G4-35	22	√
G4-36	22	√
G4-37	22-23	
G4-38	20-23	√

19	G4-39	√
19	G4-40	√
24	G4-41	√
22	G4-42	√
22	G4-43	√
22	G4-44	√
22-23	G4-45	
23	G4-46	√
22	G4-47	√
22	G4-48	√
22-23	G4-49	√
22	G4-50	√
19	G4-51	
19	G4-52	√
19	G4-53	√

ETHICS AND INTEGRITY

G4-56	9,13,24	√
G4-57	24	√
G4-58	24	√

SPECIFIC STANDARD DISCLOSURES

Material Aspect	DMA and Indicators	Page Number	Omission	External Assurance
CATEGORY: ECONOMIC				
Economic Performance	G4-DMA	12	-	
	G4-EC1	12,76	-	
	G4-EC2	5,6	-	
	G4-EC3	67	-	
	G4-EC4	15	-	
Market Presence	G4-DMA	12	-	
	G4-EC5	66	-	√
	G4-EC6	65	-	
Indirect Economic Impact	G4-DMA	76	-	
	G4-EC7	76	-	
	G4-EC8	76-84		
Procurement Practices	G4-DMA	36-38		
	G4-EC9	36		
CATEGORY: ENVIRONMENTAL				
Materials	G4-DMA	36		√
	G4-EN1	36		
	G4-EN2	36		
Energy	G4-DMA	47-48	-	√
	G4-EN3	49-51	-	√
	G4-EN5	49-51	-	
	G4-EN6	49-51	-	√
	G4-EN7	39-40	-	
	OG 2	52-53	-	
	OG 3	52-53	-	

Water	G4-DMA	55-56	-	√
	G4-EN8	56	-	√
	G4-EN9	56	-	√
	G4-EN10	56	-	√
Emissions	G4-DMA	53-54	-	
	G4-EN15	53-54	-	
	G4-EN16	53-54	-	
	G4-EN18	53-54	-	
	G4-EN19	53-54	-	
	G4-EN20	53-54	-	
	G4-EN21	53-54	-	
Effluents and Waste	G4-DMA	57-58	-	√
	G4-EN22	59	-	√
	G4-EN23	57	-	√
	G4-EN24	57	-	
	G4-EN25	57	-	
	G4-EN26	57-58	-	
	OG 6	54		
Products and Services	G4-DMA	39-40		
	G4-EN27	39-40		
	G4-EN28	39-40	-	
	OG 8	40		
Compliance	G4-DMA	26		√
	G4-EN29	26		√
Overall	G4-DMA	47-48	-	√
	G4-EN31	47-48	-	√

CATEGORY: SOCIAL

SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK

Employment	G4-DMA	61-62	-	√
	G4-LA1	63		
	G4-LA2	66-67	-	√
	G4-LA3	63-64		
Labour/ Management Relations	G4-DMA	66	-	√
	G4-LA4	66	-	√
Occupational Health and Safety	G4-DMA	69	-	√
	G4-LA5	69	-	√
	G4-LA6	69		√
	G4-LA7	69-71	-	√
	G4-LA8	66	-	√
Training and Education	G4-DMA	61-62	-	√
	G4-LA9	62-63	-	
	G4-LA10	61	-	√
	G4-LA11	61	-	√
Labour Practices Grievance Mechanisms	G4-DMA	65	-	
	G4-LA16	65	-	√

SUB-CATEGORY: HUMAN RIGHTS

Freedom of Association/ Collective Bargaining	G4-DMA	66	-	√
	G4-HR4	66	-	√

SUB-CATEGORY: SOCIETY

Local Communities	G4-DMA	76	-	√
	G4-SO1	76	-	
	G4-SO2	76	-	
	OG 10	76	-	
Emergency Preparedness	G4 DMA	70		
Involuntary Resettlement	G4 DMA	76		
	OG 12	76	-	
Asset Integrity and Process Safety	G4 DMA	41-42	-	
Anti-Corruption	G4 DMA	24	-	√
	SO-3	24	-	√
	SO-4	24	-	√
	SO-5	24	-	√
Public Policy	G4-DMA	25	-	
	G4-SO6	25	-	
Anti-Competitive Behaviour	G4-DMA	25	-	√
	G4-SO7	25	-	√
Compliance	G4-DMA	26	-	√
	G4-SO8	26	-	√

SUB-CATEGORY: PRODUCT RESPONSIBILITY

Customer Health and Safety	G4-DMA	39-41	-	
	G4-PR1	40	-	
	G4-PR2	26	-	
Product and Service Labelling	G4-DMA	40	-	√
	G4-PR3	40	-	
	G4-PR4	26	-	√
	G4-PR5	43	-	√
Compliance	G4-DMA	26	-	√
	G4-PR9	26	-	√
Fossil Fuel Substitutes	G4-DMA	52-53	-	
	OG14	52-53	-	

ANNEXURES

Annexure 1: Material Usage breakup

Refineries	
Material Consumption	Total weight (in tonnes)
Lube Oil	42055
Hydrochloric Acid	2225.23
FCCU Catalyst	818.72
Caustic Lye (Sodium Hydroxide)	1904.92
Hydrogen Peroxide	736.04
Bitumen Drum	6624.34
Indigenous Crude	6208319
Imported Crude	16760905
Methanol	12439
ISD (Intermediate Stock Difference)	-8335.29
R-LNG (Regassified Liquefied Natural Gas)	154920.9
Reformate	208194
Confiscated	767.99
Rock Salt	38.70
Fresh Catalyst,CCU	827.04
Di Ethanol Amine	142.73
Amine,Neutralising	144.13
Anti Foulant	89.62
Lubricity Additive	254.27
Oil Recovered From Sludge	9536.78
Reprocessed Slop	5701.99

Retail Installations	
Material Consumption	Total weight (in tonnes)
Additives - Speed	18.81
Additives - Hi speed	3.11
Additives - Speed 97	83.09
Blue Dye	39.27
Grease	3.60
ORK KETAL Corrosion Inhibitor (Ethanol Additive)	15.25
Ethanol	44374.07
Oil/Lubricant	12.86

LPG Bottling Plants	
Material Consumption	Total weight (in tonnes)
Additives - Speed	0.01
Lube Oil	1319.4
Grease	5.24
Brown Soap	639.84
O Ring	12.57
Delrin Cap	212.34

LOT Valve	116.56
PVC Seal	0.82
SC Valve	481.80
Teflon	0.83
Safety Caps	134.34
New Cylinders Inducted-BPC 190	3883.91
New Cylinders Inducted BPC 142	87957.31
Safety Caps Salvaged	150.47
DPR	1817.17
New Cylinders Inducted-BPC 475	1310.62

Aviation Fueling Stations

Material Consumption	Total weight (in tonnes)
Lube Oil	5796690.6

Lubes Blending Plants

Material Consumption	Total weight (in tonnes)
Base Oil	198503.4
Additives (Bulk)	7185.73
Additives (Barrels)	6127.29
Dye	2.34
SKO (For Cleaning)	4.82
Additive For Printers	0.26
Metal Containers(BRLS/CASKS)	5860.94
HDPE / VALREREX CONTAINERS/Plastic PAILS CARTONS/CORRUGATED BOXES	330792.9
Plastic Containers	29767.87
Pouches	487.28
HFHSD	130.29
LDO	3466.61
	233.42

Annexure 2: GHG Calculation Quantification Methodology

The methodology of calculation of GHG emissions from BPCL operating locations are aligned with the following standard definitions:

- Stationary Combustion:** Emission factors provided in the IPCC Guideline for National Greenhouse Gas Inventories of 2006 were used to calculate GHG emissions from stationary combustion sources. Activity data (quantity of fuel consumed) is multiplied with the respective default energy factor or actual measured Net Calorific Value (NCVs) and emission factor to quantify the direct emission from stationary combustion sources.
- Purchased Electricity:** The quantification of energy indirect GHG emission (Scope 2) is based on activity data (Purchased Electricity in kWh) multiplied by emission factors specified in the 'CO2 Baseline Database for the Indian Power Sector User Guide', (version 9.0, January 2014) issued by Central Electricity Authority, Government of India.
- Transportation:** Only transportation considered for calculation of emissions is in-plant vehicular movement of the vehicles. Emission factors provided in the IPCC Guideline for National Greenhouse Gas Inventories of 2006 were used to calculate GHG emissions from combustion sources. Activity data (quantity of fuel consumed) is multiplied with the respective default energy factor or actual measured Net Calorific Value (NCVs) and emission factor to quantify the emissions.

Annexure 3: Hazardous and Non-Hazardous Waste Breakup

Refinery	
Hazardous Waste	Total weight (in tonnes)
Spent Catalyst (Includes Tk 576 BRIM Catalyst)	73.08
Spent Catalyst (Recycled And Reused)	538.5
Oily Sludge	5185.42
Waste Transformer Oil	17.27
FCC Catalyst Fines	395.87
Spent Molecular Sieves	7.09
ETP Chemical Sludge	21
Alumina Balls	119.85
Spent Clay	17.33
Batteries/Electronic Waste	599.42
Sulfur Guard N HGU	5.11
Spent Charcoal	48.37
Total Hazardous Waste	7028.32108
Non-Hazardous Waste	Total weight (in tonnes)
Ferrous Scrap	6259.75
Tyres	10.65
Non Ferrous Scrap	3077.9
Drums/Tins	26.63
Wood Scrap	271.30
Total Non-Hazardous Waste	9646.22

Retail Installations	
Hazardous Waste	Total weight (in tonnes)
Batteries	10.62
Oil Contaminated Rags/Cotton	1.66
Sludge	390.12
Used Additive Barrels	17.43
Used Oil	7.76
Used Hand Glove	0.76
Scrap Cable	5.62
Additive Containers	10.27
Total Hazardous Waste	433.64
Non-Hazardous Waste	Total weight (in tonnes)
Ferrous Scrap	240.76
Tires	1.04
Non Ferrous Scrap	5.79
Drums/Tins	21.09
Saw Dust	1.85
Kitchen Waste	189.39
Seal Wire	21.82
Plastic Seals	149.08
Wood Scrap	17.01
Paper	5.28
Cotton	1.22
Paper Gasket	12.55
Total Non-Hazardous Waste	666.89

LPG Bottling Plants	
Hazardous Waste	Total weight (in tonnes)
Batteries	2.88
Paint Residue/Sludge	2.47
Scrap Rubber O Ring	640.70
White /Black / Scrap Plastic	57.39
Scrap Empty Soap Drums	47.78
Scrap Electric Cables	11.37
Damaged Delrin Caps	541.02
Scrap Paint Drums 20 Lit.	17.79
Used Cotton Waste	2.95
Oil & Grease Barrels	5.84
Used / Scrapped Crushed LPG Cylinders	1701.03
Primer Sludge	1.12
SC Valve Scrap	296.90
Defective DPR	194.38
Used Additive Barrel- BCG	106.85
Total Hazardous Waste	3630.48
Non-Hazardous Waste	Total weight (in tonnes)
Wood Scrap	16.20
Used Oil	4.32
Wooden Scrap	1.33
Metal Scrap	183.17
Ferrous Scrap	318.60
Tyres	0.21
Non Ferrous Scrap	47.51
Drums/Tins	17.74
Total Non-Hazardous Waste	589.08

Lubes Blending Plants	
Hazardous Waste	Total weight (in tonnes)
Used Cotton Waste	11.25
Ows Sludge	13.14
Slop (Reused)	179.78
Slop (Generated)	207.77
Empty Barrels	0.40
Empty Containers	0.28
Saw Dust	4.21
MS Scrap Barrels	39.81
HDPE Scrap Containers	6.90
HDPE Scrap Barrels	0.07
Total Hazardous Waste	463.61
Non-Hazardous Waste	Total weight (in tonnes)
Drums/Tins	1.06
Kitchen Waste	0.24
Plastic Scrap	21.67
Total Non-Hazardous Waste	22.97

Aviation Fuelling Stations	
Hazardous Waste	Total weight (in tonnes)
Batteries	1.26
Oil Contaminated Rags/Cotton	0.08
Total Hazardous Waste	1.34
Non-Hazardous Waste	Total weight (in tonnes)
Ferrous Scrap	2.35
Tyres	0.33
Non Ferrous Scrap	0.46
Drums/Tins	0.03
Wood Scrap	0.005
Paper	0.61
Solid Waste(Disposed Through Municipal Lorry)	1.51
Total Non-Hazardous Waste	5.31

Annexure 4: Regional distribution of new employees hired

		North region	East region	South region	West Region	Total
New management employees	Male	81	38	162	129	410
	Female	5	5	21	10	41
New Non- management employees	Male	-	-	45	15	60
	Female	-	-	-	-	-
New clerical employees	Male	-	-	1	1	2
	Female	-	-	-	-	-

GLOSSARY

AFS	Aviation Fuelling Station	HSSE	Health, Safety, Security and Environment
API	American Petroleum Institute	I&C	Industrial and Commercial
ASSOCHAM	Associate Chambers of Commerce and Industry	IIS	Integrated Information Systems
ATF	Aviation Turbine Fuel	IPIECA	International Petroleum Industry Environmental Conservation Association
BBL	Barrel	IREP	Integrated Refinery Expansion Project
BMCG	Bharat Metal Cutting Gas	ISMA	Indian Sugar Mills Association
BPCL	Bharat Petroleum Corporation Limited	JV	Joint Venture
BPLC	Bharat Petroleum Learning Centre	KBPD	Kilo barrels per day
BPRL	Bharat Petro Resources Ltd	KL	Kilo Litre
BQC	Bid Qualification Criteria	KR	Kochi Refinery
BREL	Bharat Renewable Energy Limited	LED	Light Emitting Diode
BRR	Business Responsibility Report	LPG	Liquefied Petroleum Gas
BU	Business Unit	LNG	Liquefied Natural Gas
CAL	Computer Assisted Learning	MMBTU	Million British Thermal Unit
CDU	Crude Distillation Unit	MMT	Million Metric Tons
CFC	Chlorofluorocarbon	MMTPA	Million Metric Tonnes per Annum
CII	Confederation of Indian Industry	MoPNG	Ministry of Petroleum and Natural Gas
CMD	Chairman and Managing Director	MOU	Memorandum of Understanding
COCO	Company Owned Company Operated	MPD	Multi Product Dispenser
CPSE	Central Public Sector Enterprise	MR	Mumbai Refinery
CSR	Corporate Social Responsibility	MS	Motor Spirit
CUBE	Customer Understanding for Business Excellence	MSE	Micro and Small Enterprises
DARPG	Department of Administrative Reforms and Public Grievances	MTO	Mineral Turpentine Oil
DPE	Department of Public Enterprises	NGO	Non-Governmental Organisation
DPG	Directorate of Public Grievances	NRL	Numaligarh Refinery Limited
DSM	Driveway Sales Men	NSC	National Safety Council
E&P	Exploration & Planning	NVG	National Voluntary Guidelines
ED	Executive Director	ODS	Ozone Depleting Substance
EO	Engineering Officer	OMC	Oil Marketing Company
ERDMP	Emergency Response Disaster Management Plan	OSTS	One Stop Truck Shop
ERP	Enterprise Resource Planning	PPM	Parts Per Million
ESE	Employee Satisfaction Enhancement	PRISM	Performance Related Incentive Scheme for Management Staff
ETP	Effluent Treatment Plant	PSU	Public Sector Undertaking
FICCI	Federation of Indian Chambers of Commerce and Industry	QC	Quality Control
FO	Fuel Oil	QPR	Quarterly Performance Reviews
GHG	Green House Gas	R&D	Research and Development
GJ	GigaJoule	RBI	Risk based Investigations
GRI	Global Reporting Initiative	RLNG	Regasified Liquefied Natural Gas
HRD	Human Resource Development	RWH	Rainwater Harvesting
HRS	Human Resource & Services	SBU	Strategic Business Unit
HSD	High Speed Diesel	SDR	Sustainable Development Report
HSE	Health, Safety and Environment	SEBI	Securities and Exchange Board of India
		SME	Small and Medium Enterprises
		SO	Site Officer
		SPV	Special Purpose Vehicle

A MESSAGE FROM THE CORPORATE HSSE TEAM

We hope you have had an enlightening read!

This report has been compiled by the Corporate HSSE team of BPCL. The team takes this opportunity to thank all our internal and external stakeholders who have assisted throughout the preparation of this report. We would also like to thank Ms. Marianne Karmarkar, Sr. Manager (Information Services) for all her support and insights. We always strive to improve our disclosures regarding our social and environmental performance and impact on all our stakeholder groups, and we would welcome discussions and feedback on this work.



“ To build and sustain brands people love and trust, one must focus—not only on today but also on tomorrow. It’s not easy...but balancing the short and long term is key to delivering sustainable, profitable growth—growth that is good for our shareholders but also good for our consumers, our employees, our business partners, the communities where we live and work, and the planet we inhabit ”

AWARDS



'Best Performing PSU' – India Today Group



One of eight Indian companies - Fortune Global 500



Listed in – 'Forbes Global 2000'



'SCOPE Meritorious Award' – Corporate Governance



**'Excellence Award for Social Responsibility'
– World Petroleum Council**



'India's Most Respected Companies' – Business World



**'Star PSU of the Year Trophy' – Business Standard
Award for Corporate Excellence**



**'PSE Excellence Award' – in Maharatna & Navratna
Category – Department of Public Enterprises**

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