

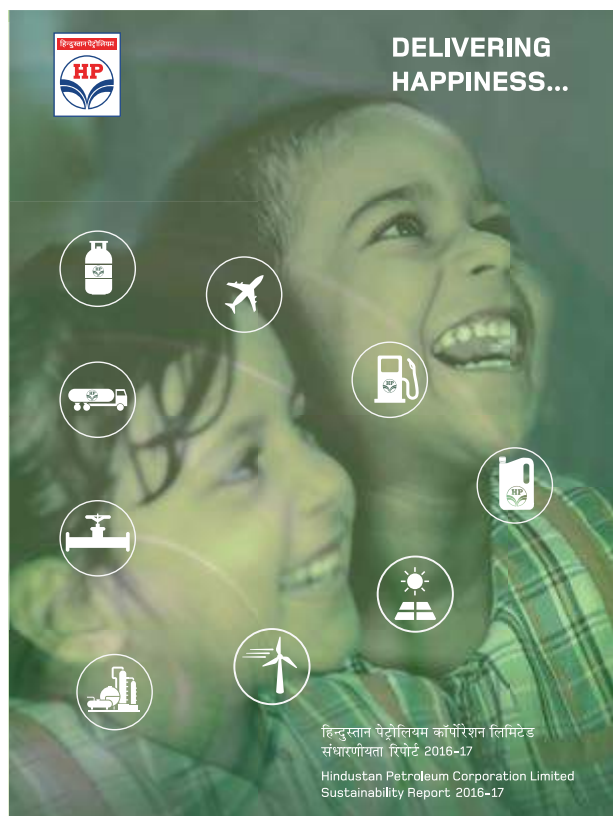


DELIVERING HAPPINESS...



हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड
संधारणीयता रिपोर्ट 2016-17

Hindustan Petroleum Corporation Limited
Sustainability Report 2016-17



On the Cover

HPCL has embarked upon to discover new horizons of growth and sustainability. The Corporation's goal for expanding horizons to build a secure, sustainable and inclusive future for all its stakeholders has been depicted on the cover. The ripples not only represent a multiplying, high-quality growth milieu at HPCL, but also help to show how the different business verticals are almost like planets in the HPCL universe, coming together to help the Corporation achieve its objectives. Further, the imagery signifies the organisation's commitment towards conducting its operations in a manner that supports, enriches and nurtures the environment and the inclusive development of its communities. The green colour signifies our unwavering focus towards environmental sustainability.



The future belongs to those who believe in their dreams and then the whole universe conspires to make those dreams come true.

We, at HPCL, take pride in being an integral part of the endeavours of billions to realise their dreams. We touch lives everyday, in every way. We provide warmth to the kitchen which transforms a house into a 'Home'. We bring smiles on the wheels which make memorable travelogues. We fuel the wings which make dreams fly. We power the economy which propels the wheels of prosperity. We ensure a safe, healthy and sustainable future for you and your loved ones.

Led by innovation and steered by a sense of responsibility, we promise a 'Future Full of Energy' and a 'Life full of cheer'.

At HPCL, We Deliver Happiness.

Registered Office and Corporate Headquarters

Hindustan Petroleum Corporation Limited
Petroleum House, 17, Jamshedji Tata Road,
Mumbai - 400 020, Maharashtra, India

Marketing Headquarters

Hindustan Petroleum Corporation Limited
Hindustan Bhawan, 8, Shoorji Vallabhdas Marg,
Mumbai - 400 001, Maharashtra, India

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From C&MD's Desk



For the first time ever, the profit after tax for the year crossed the ₹6,000 crore mark on a standalone basis and ₹8,000 crore on a consolidated basis.

Dear Stakeholders,

I am delighted to present our Corporation's Sixth Annual Sustainability Report for the year 2016-17, which is a stride forward in our efforts towards corporate responsibility. I would like to take this opportunity to share our landmark achievements and sustainability highlights.

The international community, through the United Nations, has set in motion a historic plan – 17 Sustainable Development Goals (SDGs) – that aims to build a more prosperous, more equal and more secure world by the year 2030. The Government of India is strongly committed to the 2030 Agenda, including the SDGs. Being a responsible corporation, we are committed towards Sustainable development and environmental stewardship. Our initiatives in development of society supports the 17 Sustainable Development Goals. Each of our projects impact multiple SDGs and align the achievements

with the SDGs as they are. We look at the sustainability challenges in different pathways, seeking to learn, mould and adapt to the need of the hour and plan for the future. The dynamics in the oil and gas sector are changing rapidly and require our business portfolio to reflect the current transition towards substitution of hydrocarbon based energy systems with low carbon energy systems and renewable energy systems on the global energy map.

The year was marked with our best all-round performance wherein we achieved remarkable profitability, market sales and return to shareholders. For the first time ever, the profit after tax for the year crossed the ₹6,000 crore mark on a standalone basis and ₹8,000 crore on a consolidated basis. We exceeded previous year's all-time high profit after tax by 67% to reach ₹6,209 crore resulting in a significant increase in the earning per share to ₹61.12.

We strive towards becoming industry leaders in meeting our social and environmental commitments, health and safety norms, including employee welfare and relations.

Reporting Journey

We have come a long way from the time we first reported on our initiative pertaining to the triple bottom line. In the past six years, we have consistently improved our performance in a progressive manner. This year, we have taken another quantum jump to get to the next level of non-financial reporting and have transitioned to GRI G4 guidelines 'In Accordance' – Comprehensive option. The comprehensive criteria requires disclosure on additional indicators under governance and identified material issues. This reporting scheme mandates us to provide a better coverage of issues we have addressed maintaining our standards as a responsible corporation. As signatories to UN Global Compact, our report is aligned with the United Nations Global Compact Principles (UNGC) on Environment, Human Rights, Labour & Anti-Corruption. Additionally, we have complied with Securities and Exchange Board of India (SEBI) notified listing obligations and disclosure requirements (amendment) regulation, 2015, in Gazette of India, dated 22nd December, 2015 and have published a Business Responsibility Report this year as a part of our Annual Report.

In the global oil and gas industry, the previous year was challenging due to economic, political and social factors. This year, crude oil prices were low, but they recovered from the 12-year low witnessed in the previous year to US \$54-55 per barrel during January-February 2017 and witnessed a decline thereafter. Lower crude oil prices had a positive impact on the inflation and the economic growth of the nation.

Sustainability Approach

The ever-growing demand for energy has brought the oil and gas industry to the centre stage of the Indian economy, influencing major business decisions across other sectors and, therefore, providing a promising environment for investments. In order to continue our growth and stay ahead of the performance curve in the changing business landscape, we have co-created a five-year strategic plan till the year 2020-21, christened T20. The T20 strategy aims to maximise customer value and thereby achieve exponential growth and accelerated profit through implementation of strategic initiatives.

Our sustainability agenda and materiality are in line with these T20 Goals. We champion the symbiotic relationship between its stakeholders and businesses. This interdependence has encouraged us to consciously engage in public dialogue and proactive initiatives with the communities that we operate in, thus advance towards a holistic development. We undergo an extensive process for identifying material issues relevant to our stakeholders and our business. Our focused approach towards environmental excellence and sustainable development has culminated in all round recognition including conferring of SCOPE Meritorious award through the hands of Hon'ble President of India.

The T20 strategy aims to maximise customer value and thereby achieve exponential growth and accelerated profit through implementation of strategic initiatives.

Economic Performance

Our market cap more than doubled and was recorded at ₹53,380 crore. Our sustained financial progress enables us to cater to the needs and concerns of environmental and social performance. This fiscal was

17.8 MMT

Refinery Throughput

marked with several policy reforms and initiatives by the Government, such as demonetisation, digitisation of transactions and payments and roll out of the Goods and Services Tax (GST). We support these initiatives, which aim to strengthen the economy with a robust framework for future advancements and are intended for long-term benefits. We are determined to exert ourselves in overcoming possible challenges of energy transition, industry disruption, supply and demand volatility, price fluctuations, health and safety risks and environmental impacts. Through all of this we are steadfastly progressing towards a sustainable global future.

Refinery highlights: During this fiscal our refineries have surpassed their combined crude processing record by achieving a combined refining throughput of 17.8 MMT and a capacity utilisation of 113% against the previous throughput of 17.2 MMT in 2015-16. Moreover, both Mumbai and Visakh refineries registered MOU 'Excellent' rating for the ninth year in succession. Our refineries recorded best-ever MS, HSD and LOBS production. We continued further optimisation of the crude basket by adding three new types of crude oil that will enable larger savings in the future.

We have undertaken investments for enhancing refining capacity, and both our refineries have received environmental clearances for the expansion. The Visakh Refinery Modernisation Project (VRMP) is slated for production enhancement plan from 8.33 MMTPA to 15 MMTPA, and the Mumbai Refinery expansion Project (MREP) from 7.5 MMTPA to 9.5 MMTPA. These projects will feature state-of-the-art technologies and residue upgradation facilities and will make our refineries capable

of producing BS VI-compliant motor fuels by 2020.

We have signed MoU with the Government of Rajasthan with our share at 74% for the 9 MMTPA Refinery-cum-Petrochemical complex with an investment of ₹43,129 crore. Moreover, we have an MoU with the Government of Andhra Pradesh for a 1.3 MMTPA Petrochemical Complex at Kakinada in JV with GAIL. We are also participating (25%) in 60 MMTPA Integrated Refinery-cum-Petrochemical complex at West Coast in Maharashtra.

35.2 MMT

Marketing Throughput

Marketing highlights: The marketing volumes this year were recorded at 35.2 MMT. Domestic sales grew by 2.5% over the last year to reach a market share of about 21% among the public-sector oil companies.

We achieved distinguishing results in myriad products. LPG sales volumes increased by 11.1%, Aviation Turbine Fuel by 13.4% and Lubes by 9.5%, among others. We achieved highest-ever sales volume in all three segments of LPG Sales-Domestic (4,890 TMT), ND Packed (574 TMT) and ND Bulk (169 TMT). This is the second year when our stellar business performance crossed the 1 million sales mark in the I&C segment (FO, HSD and Bitumen).

Among others, we also launched poWer 99 in February 2017, which is a one-of-its-kind product to be sold in India.

Our supply chain has an efficient pan-India network and infrastructure to handle the demands of all products while maintaining quality, quantity, timelines and safety. The distribution network handled over 47 MMT of petroleum products during the year.

Hon'ble Prime Minister of India dedicated newly commissioned Rewari-Kanpur Pipeline & Kanpur Terminal to the Nation.

Pipeline capacity expansion remains a major focus area for our Corporation and projects, envisaged to be completed within the next three years, are underway with a capital expenditure of ₹ 2,601 crore. This year the 356 km-long Mangalore-Hassan-Mysore-Yedyur LPG Pipeline with a capacity of 1.94 MMTPA was commissioned. Another moment of pride was the dedication of the newly commissioned Rewari-Kanpur Pipeline & Kanpur Terminal to the Nation by the Hon'ble Prime Minister of India.

In our endeavour to ensure customer satisfaction we have taken up numerous customer-centric initiatives which have been elaborated in the report.

Our Corporation has set up a Green Research and Development Centre (HPGRDC) at Bengaluru with the objective to develop innovative and path breaking technologies and products in the energy sector. The Phase-I of HPGRDC has laboratories which are built with state-of-the-art research facilities and equipment. HPGRDC has been recognised by the Department of Scientific and Industrial Research (DSIR), and is carrying out research in various areas like development of new products, development of new technologies, upgradation of existing technologies, etc. The Centre was dedicated to the Nation by the Hon'ble Minister of State (I/C), Petroleum & Natural Gas.

Workforce

Our proficient workforce is the backbone of our corporation's outstanding performance, and we value their tireless efforts. Needless to say, their safety is of prime importance to us and a

matter of no-compromise as we work towards 'zero incident'. We have invested in state-of-the-art technology, and our equipment undergo diligent maintenance. We empower our employees to enhance their skill set and knowledge by having strategic tie-ups with various renowned institutions. All employees and contract staff are imparted comprehensive training on health and safety.

The Mumbai Refinery has achieved best-ever safety record since its inception with 18.34 million safe man-hours.

Mumbai Refinery has achieved best-ever safety record since its inception with 18.34 million safe man-hours.

Our belief that, 'Opportunities don't happen, one creates them', has helped us conceptualise training and development programmes such as Project Akshay and Project ACE. Project Akshaypath-II, the in-house leadership-development initiative, was concluded in March 2017 and involved deployment of scientifically-designed processes with Mentoring and Executive Coaching as key elements. We applaud the employees' relentless efforts through rewards such as 'Outstanding Achievement Award', HP Gaurav. We value HPites and believe that their perception of how our corporation can improve, plays a crucial role in our endeavour to surpass our previous achievements year after year. Further, our employees have been provided with various forums such as Reflexion and HR-Direct where they can voice their concerns or give feedback to the top management.

Environment Performance

The maxim, 'Our environment reminds us what it means to be human, what we are connected to rather than what we are separate

from', inspires our business activities to become a responsible energy major. Going forward, we work relentlessly towards improving our environmental commitment.

Capital investment of ₹38.7 crore on energy conservation measures in refineries.

The Bureau of Energy Efficiency (BEE) extended PAT (Perform, Achieve and Trade) Cycle II programme to the petroleum sector, and both our refineries have been actively participating in the process. This year, we have also made a capital investment to the tune of ₹38.7 crore on energy conservation measures.

Mumbai Refinery enhanced purchase of power through Open Access this year and commenced 40 MW withdrawal of power from the grid through Open Access mode from August 2016.

We are cognisant of our air emissions and monitor the air quality diligently, thus aligning ourselves with the National Ambient Air Quality Standard. Our Corporation has always been a pioneer in implementing initiatives for reduction of emission. Our Mumbai and Visakh refineries have installed Tail Gas Treating Units (TGTU) in the Sulphur Recovery Trains for Sulphur recovery to the extent of 99.9%.

We actively participated in the implementation of BS IV fuel across the supply chain and ensured compliance with the Government of India timelines w.e.f. 1st April 2017.

Implemented BS IV fuel across the supply chain in line with Government of India time lines.

101 MW

Total Wind Power Capacity

Our Corporation has successfully commissioned 50.5 MW wind project in Jaisalmer, Rajasthan, adding up to a total wind power capacity of 101 MW. We achieved wind energy generation of 96.2 million kWh from Wind Farm projects set up in Maharashtra and Rajasthan, and 21,648 Renewable Energy Certificates (REC) were accrued during 2016-17. Additionally, we have Solar PV installations at refineries, operating locations, retail outlets across India with a total capacity of more than 1,500 kWp.

This year, our Corporation implemented Pradhan Mantri Ujjwala Yojana (PMUY), making provisions for 53 lakh new LPG connections, facilitating a clean fuel for cooking. PAHAL (Direct Benefit Transfer scheme of LPG subsidy) registered 4.4 crore of active HP gas customers. More than 30 lakh HP gas customers gave up their LPG subsidy under the 'GiveltUp' scheme.

We are consciously trying to leverage our pipeline network to reap multiple benefits in product distribution including cost efficiency, carbon footprint reduction and enhanced safety. The highest-ever pipeline throughput of 17.91 million metric tonnes was achieved during the year, which helped in optimising the logistics cost and reducing the carbon footprint in product movement.

As part of the Green Visakha Programme, Visakh Refinery planted nearly 2 lakh saplings in and around locations of Visakhapatnam.

Mumbai Refinery was conferred with the 'National Energy Conservation Award - 2016 by MoP&NG, Government of India, and the Golden Peacock Award for Sustainability - 2016 by Institute of Directors (IOD).

Social Performance

We, are steadfast in our efforts to create shared values and are cognisant of the interdependency of business and its stakeholders, including community and environment. The Corporate Social Responsibility (CSR) policy has laid down the philosophy and defined the scope, structure and guidelines for identification, implementation and monitoring of CSR projects and activities. At the heart of our CSR are initiatives related to child care, education, healthcare, skill development, sports and environment. This reporting period we have reached out to over 36,000 people through these programmes and have spent ₹108.11 crore on CSR activities.

Corporate citizenship is the pillar upon which our Corporation endeavours to make an impact in the oil and gas industry. It is an intrinsic part of our business strategy as we take diligent steps to protect our natural resources while fueling India's economy. We strive towards creating a positive impact on the local communities and this sustainability report demonstrates our triple bottom line approach. Wherever our facilities and operations exist we stand steadfastly true to our vision, mission and values. The People, Planet and Profit nexus drives performance of our Corporation. We take stock of our actions, its impacts and gaps that might remain. We promote holistic growth, shared benefits and a zeal to excel. We look forward to another year of distinguishing strides in an all-inclusive milieu.

Yours Sincerely,



M.K. Surana
Chairman and Managing Director

About the Report

Delivering Happiness...

With great satisfaction and a deep sense of gratitude towards all our stakeholders who have helped us pave our way to an all-embracing and sustainable future, we present our Sixth Annual Sustainability Report, 2016-17.

Our Corporation has transformed the nature of oil and gas business in India from fueling the economy to powering everyday lives. We have explored newer strategic businesses and ventured into latest technologies that enable the shaping of an inclusive, safe and healthy future for all. It is our consistent endeavour to innovate our range of offerings to cater to the ever-changing demand scenario. This strengthens our relationship with customers and gives us an opportunity to explore new markets and scale up our business.

We aim to strike a balance as we progress through our aspirations to enrich the lives of the underprivileged and marginalised. The spirit of 'HP FIRST' at our Corporation emboldens the confidence and competency of HPites. Led by innovation and steered by a sense of responsibility, we promise a 'Future Full of Energy' and a 'Life full of cheer'. At HPCL, We Deliver Happiness.

This report focuses on our broad efforts and initiatives that we have implemented in our quest for reaching the pinnacle with respect to People, Planet and Profit. It also includes plans and goals that we have envisioned to strengthen our commitment to customers, shareholders, employees and other stakeholders.

The report is in line with Global Reporting Initiative (GRI) – G4 guidelines along with its Oil and Gas Sector Supplement. As a step towards continuous improvement, we have moved from the 'In Accordance' Core option to the Comprehensive option. As the comprehensive criteria requires additional GRI indicators on General standards disclosure and specific standard disclosure, we have disclosed additional information under governance, risk management and against identified material issues in respective sections.

The data presented in the report is based on actual computations and estimations. Wherever estimates are made, the assumptions and methodologies have been specified. We have aligned our report with the United Nations Global Compact Principle (UNGC) on Environment, Human Rights, Labour and Anti-Corruption. This year, we have also published a 'Business Responsibility Report' which is a part of our Annual Report.

This report is assured by an independent external third party, M/s. Bureau Veritas (India) Pvt. Ltd., as per Assurance Standard AA1000AS (2008) Type 1 Moderate Level.

Report Boundary

Our report boundary continues to be the same as last year and includes all fully-owned operations of the Company. These include refineries at Mumbai and Visakhapatnam and the operations of Strategic Business Units (SBUs) under marketing: Retail, LPG, Direct Sales, Aviation, Natural Gas and Renewables, Pipelines and Operations, Distribution & Engineering.

This report does not include joint ventures, subsidiaries and international operations.

All our sustainability reports are available at <http://www.hindustanpetroleum.com/CSRPolicies>

We welcome suggestions and feedback from stakeholders on corporatehse@mail.hpcl.co.in

General Standard Disclosures (GSD)

Below is the tabular representation mentioning the additional GRI indicators disclosed in this report with respect to 2015-16:

GSD Reported in accordance 'Core' in 2015-16

GSD Reported in accordance 'Comprehensive' in 2016-17

G4 - 1, G4 - 3 to 34, G4 - 56

G4 - 1 to 58

Additional GSD reported in 2016-17: G4 - 2, G4 - 35 to 55, G4 - 57 and 58

Specific Standard Disclosures

Parameters		GRI Aspects	Indicators reported in accordance 'Core' in 2015-16	Indicators reported in accordance 'Comprehensive' in 2016-17	Additional Indicators reported in 2016-17
Energy Efficiency		Energy	G4 EN 3,5,6	G4 EN 3 to 7	G4 EN 4,7
Carbon Footprint/GHG Emissions		Emissions	G4 EN15 to 19 and 21	G4 EN 15 to 21	G4 EN 20
Health and Safety		Occupational Health and Safety	G4 LA 5, 6, 8	G4 LA 5 to 8	G4 LA 7
Training and Development (skill upgradation)		Training and Education	G4 LA 9 to 11	G4 LA 9 to 11	X
Efficient Water Management		Water	G4 EN 8 and 10	G4 EN 8 to 10	G4 EN 9
Customer Satisfaction		Product Service and Labelling	G4 PR 3 to 5	G4 PR 3 to 5	X
Communication and Relation with Stakeholders		Stakeholder Engagement – General Standard Disclosure	G4 24 to 27	G4 24 to 27	X
Governance (ethics and transparency)		Ethics and Integrity – General Standard Disclosure	G4 56	G4 56 to 58	X
Supply Chain Management		Procurement Practices	Not a material issue	EC 9	X
Operational Excellence		Non-GRI	Not a material issue	NA	X
Reliable Operations		Non-GRI	Not a material issue	NA	X
Economic Performance		Economic Performance	G4 EC 1, 3, 4	G4 EC 1 to 4	X
Business Growth and Profitability		Economic Performance	G4 EC 1	G4 EC 1 and 2	X
Asset Utilisation		Non-GRI	Not a material issue	NA	X
Focus on Renewable Energy		Oil and Gas Sector Disclosure	OG 2 and 3	OG 2 and 3	X

Common Material Issues in 2015-16 and 2016-17

New Material Issues identified in 2016-17



A view of Mumbai Refinery



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Vision, Mission and Values



Petroleum House - Corporate Headquarters

Making Tomorrow Better

Our values lie at the heart of the organisation and mark the genesis of our vision and mission that steer Corporation's business and operations. We believe that performance is multi-faceted and needs to be assessed quantitatively and qualitatively, incorporating all the stakeholders and aspects impacted with reference to the current business dynamics.

Vision

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

Mission

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

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

Values

HP 'FIRST'

- F** Free, Frank and Fair
- I** Integrity
- R** Respect for Individuals
- S** Sustainable Performance
- T** Team Spirit

Our Approach

We pledge to promote long-term economic value through our financial performance, our unrelenting efforts for benefiting society and for not impacting any ecological balance. We constantly benchmark ourselves with global industrial best practices as we

strive to reach higher. We respond to our societal milieu as we solicit their opinions through our stakeholder engagement. We are cognisant of the global commitment to Sustainable Development Goals and plan to imbibe each goal in our activities.

Our strategy is based on the following approach:



Setting goals



**Planning steps/
actions to achieve
the goals**



**Mobilising
resources to
execute actions**



**Monitoring
and measuring
performance**



**Reviewing plans and
processes to deliver
desired outcomes**



A view of Visakh Refinery

To continue the growth momentum and stay ahead of the performance curve in the changing business landscape, we have formulated a five-year strategic plan up to 2020-21, christened T20.

The T20 strategy is aimed at maximising customer value, and, thereby, achieving exponential growth and accelerated profit through the implementation of strategic initiatives, identified across nine broad areas and having integrity and safety at the heart of all actions. The strategy has been formulated with clearly defined physical and financial goals, an

investment plan and a strategic direction to focus on strengthening the core businesses of Refining and Marketing, strengthen presence in the Natural Gas business, diversification into Petrochemicals and strategic participation in Renewables and upstream business.

To translate the strategy into action and realise the target aspirations, a detailed implementation plan has been developed and execution has been developed for achieving the business goals with responsibility. Corporate responsibility has been made an integral part of the core strategy, and a number

of sustainable development initiatives have been identified and incorporated in the implementation plan for ensuring a responsible growth in the future with excellence in social and environmental responsibility.

We pledge to promote long-term economic value through our financial performance, our unrelenting efforts for benefiting society and for not impacting any ecological balance.

Policies

Our Corporation is deeply concerned about global issues such as climate change, sustainability, corporate social responsibility and health, safety and environment. We thus have very comprehensive policies to address each of these concerns at an organisational level.

Sustainability Policy

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

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

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

Corporate Social Responsibility (CSR) Policy

Objectives of CSR policy are:

- HPCL will lay its focus on CSR activities specially on local communities in and around areas of Company's operations viz. Refineries, Terminals, Depots, LPG Plants, Pipelines, Aviation Stations, Lube Blending Plants, Project locations and other offices etc. HPCL is committed to allocate at least 60% of the CSR Budget for these local communities.
- HPCL will implement CSR activities to empower weaker, less privileged and marginalised sections of the society to create Social Capital.

Health, Safety and Environment Policy

To have safe, healthy and pollution free environment in and around all our refineries, plants, facilities and other premises at all times; instill awareness in these areas, including relevant laws, in all employees, their families and the communities in which we carry out our activities. Process Safety Management (PSM) is well integrated in the corporation's Safety and Environment policies. Well established provisions are made for preventing/minimising the consequences of loss of primary containment (catastrophic releases of toxic, flammable, or explosive chemicals) involving all the stakeholders. Sound operating systems, practices and procedures are maintained on a sustained manner complying to highest standards of preparedness to tackle emergencies equipped with multilayered protection barriers. Awareness and refresher training programme, compliance audits are taken up as part of management review and continual improvement.

Health Policy

To provide a structured programme to look after and promote the health of vital 'Human Resource', essential for productivity and effectiveness of the corporation.

Objectives of this policy are:

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

Safety Policy

As an integral part of its business, HPCL believes that no work or service or activity is so important or urgent that safety be overlooked or compromised. Safety of the employees and public, protection of their as well as Corporation's assets shall be paramount. Corporation considers that safety is one of the important tools to enhance productivity and to reduce national losses. The Corporation will constantly endeavour to achieve and maintain high standards of safety in its operations.

Objectives of this policy are:

- Design, create and maintain facilities, provide training, establish procedures/safety rules in all the fields and ensure that these are rigidly followed by the employees, the contractors and the visitors inside the premises.
- Carry out operations in a safe manner protecting people and property.
- Comply with the relevant statutory rules and devise appropriate standards in other cases wherever required.
- Maintain highest standards of vigilance and preparedness to respond to emergencies, supplemented with mutual aid of neighbouring facilities and Government agencies.
- Create awareness in employees, dealers, contractors, customers and public on Safe Storage, Transportation, and Handling of products & materials associated with our activities.
- Ensure awareness among employees, contractors and others of their responsibility and accountability for safety on and off their work premises.
- Programme reviews and evaluation to measure progress of compliance with the policy.

Environment Policy

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

Objectives of this policy are:

- Adopt environment sound operating systems, practices and procedures.
- Strive to progressively bring about an improvement in the environmental performance of our facilities by adopting eco-friendly techniques/processes for optimal use of energy and to reduce hazardous emission and wastes.
- Establish procedures and devise suitable method for disposal of toxic, other hazardous waste and scrap.
- Create environment awareness amongst its employees and develop programmes for environment protection.
- Comply with the relevant statutory rules & regulations and devise appropriate standards in other cases wherever required.
- Maintain highest standards of vigilance and preparedness to respond to emergencies supplemented with mutual aid of neighbouring facilities and Government agencies.
- Endeavour to associate with and support R&D on environment by Government agencies and reputed research institutes.
- Programme reviews and evaluation to measure progress of compliance with the policy.

Organisation Profile

Sustainable Energy for a Strong India

Hindustan Petroleum Corporation Limited (HPCL) is one of the largest public-sector enterprises under the administrative control of Government of India with a Navratna Status. HPCL is a Fortune Global 500 Company with a ranking of 384 and Platts Top 250 Global Energy Company with a ranking of 48 with Annual Gross sales of ₹2,13,489 crore during 2016-17. HPCL is engaged in the business of refining & marketing of petroleum products in India and has a strong presence with market share of about 19% in petroleum product sales in the country.

Since the formation in 1974, HPCL has been catering to the growing energy needs of nation, guided by its vision of excellence in social and environmental responsibility. HPCL has pioneered a number of customer centric initiatives and innovative services in downstream

oil marketing in India and has undertaken a multitude of projects for technological upgradation at refineries. HPCL is fueling the growth across various demand sectors such as Agriculture, Automotive, Aviation, Defence, Fertilisers, Manufacturing, Power, Railways, Shipping, Steel, Telecom, Petrochemicals etc. since last four decades by supplying a wide range of Energy and Non-Energy solutions. HPCL is also expanding footprints to international markets by supplying lubricants and other petroleum products in Nepal, Bhutan, Myanmar, Malaysia, Sri Lanka and Thailand. Over the years, HPCL has widened its business portfolio and deepened the customer reach in line with the growing energy demand of the nation. During 2016-17, HPCL recorded the best ever combined refinery crude throughput of 17.8 million metric tonnes along with highest ever market sales of 35.2 million metric tonnes. Corporation

continues to be largest lube marketer of India for the fourth consecutive year.

To create innovative and path-breaking technologies and products in the energy sector, HPCL has set up a state-of-the-art Green R&D Centre at Bengaluru which has been developing new technologies and upgrading the existing ones leading to significant cost advantages and efficiency improvement for the corporation. HPCL is also participating in several R&D projects with prestigious institutes like TERI, IISc and IITs.

₹2,13,489 crore
Turnover in 2016-17

We retained our position of being market leaders in Lube marketing.

HPCL Organisation Profile



There are no changes in the organisation's size, structure, ownership or supply chain in the reporting period.

Infrastructure Development

We have undertaken investments for enhancing refining capacity and build marketing infrastructure. Environmental clearance for Visakh Refinery Modernisation Project (VRMP) for enhancing the refinery capacity to 15 MMTPA and Mumbai Refinery expansion Project (MREP) for enhancing the refinery capacity to 9.5 MMTPA have been received. Project activities for both the projects are on track.

On the Marketing front, expansion of Mundra Delhi (MDPL), Visakh Vijayawada Secunderabad (VVSPL), Ramanandi Bahadurgarh (RBPL) Pipelines, Extension line from Palanpur to Vadodara with associated terminal facilities, new POL Depots, LPG Plants and Lube Blending plants have been planned. This year, 624 new retail outlets were commissioned, taking the total to 14,412 that cater to products such as diesel, petrol, Turbojet, Auto LPG, CNG and lubricants. We commissioned

252 new LPG distributorships. We also commissioned a 356 km long Mangalore Hassan Mysore Yedyur LPG Pipeline and our Hon'ble Prime Minister dedicated the RKPL Pipeline & Kanpur Terminal to the Nation in December 2016. Major revamp of facilities was carried out at Jabalpur, Loni, Akola, Nalagarh, Manmad, Visakh black oil and Bahadurgarh locations. In addition, temporary product storage facilities were commissioned at Leh Depot. To keep pace and cater to the increase in LPG demand, we commissioned a new LPG plant in Bhopal which has a bottling capacity of 60 TMTA during the year 2016-17. In addition, capacity augmentation projects of 60 TMTA each at the Ajmer, Patna and Loni LPG plants were also completed. Aviation Service facilities was augmented by setting up fixed facility at Pune, Vijayawada, Dehradun and Jaipur. The supply infrastructure was augmented to reach product up to

Bengaluru Airport. Our Corporation is taking steps to create and grow our presence in the new business of Petrochemicals. We have signed a Revised Memorandum of Understanding (RMOU) with the Government of Rajasthan for setting up of an Integrated Petroleum cum Petrochemical Refinery in Rajasthan. The planned Capex outlay during the period 2017-21 is about ₹61,000 crore.

624

New Retail Outlets

252

New LPG Distributorships
Commissioned

To keep pace and cater to the increase in LPG demand, we commissioned a new LPG plant in Bhopal which has a bottling capacity of 60 TMTA during the year 2016-17.



New LPG Plant at Bhopal



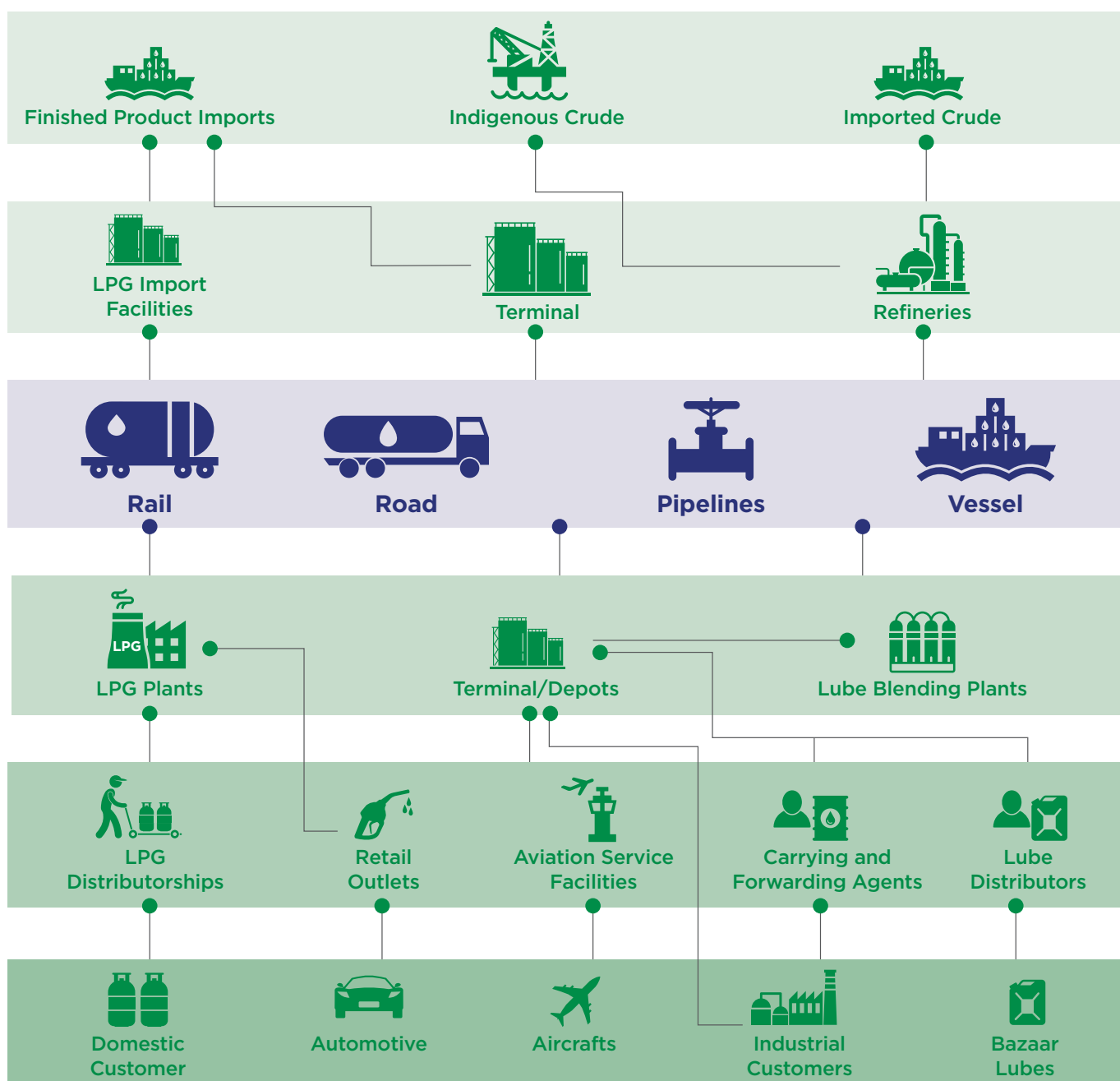
Sustainable Supply Chain

While value chains are the backbone of any business, they are known to become increasingly complex, demanding management of suppliers (primary, secondary and sometimes tertiary), product quality and processes. Ensuring sustainability at all levels throughout the value chain is of central importance to us. To manage these intricate details in the supply chain, we have

an integrated procurement system, which helps us ensure cost effectiveness, prompt delivery, reliability, responsible sourcing of raw material and inventory management. Suppliers, distributors, dealers and transporters have been identified as important stakeholders and are involved in stakeholder workshops in order to make them aware of the important sustainability issues.

Ensuring sustainability at all levels throughout the value chain is of central importance to us.

Supply Chain Flow Chart



Note: ● indicates starting point

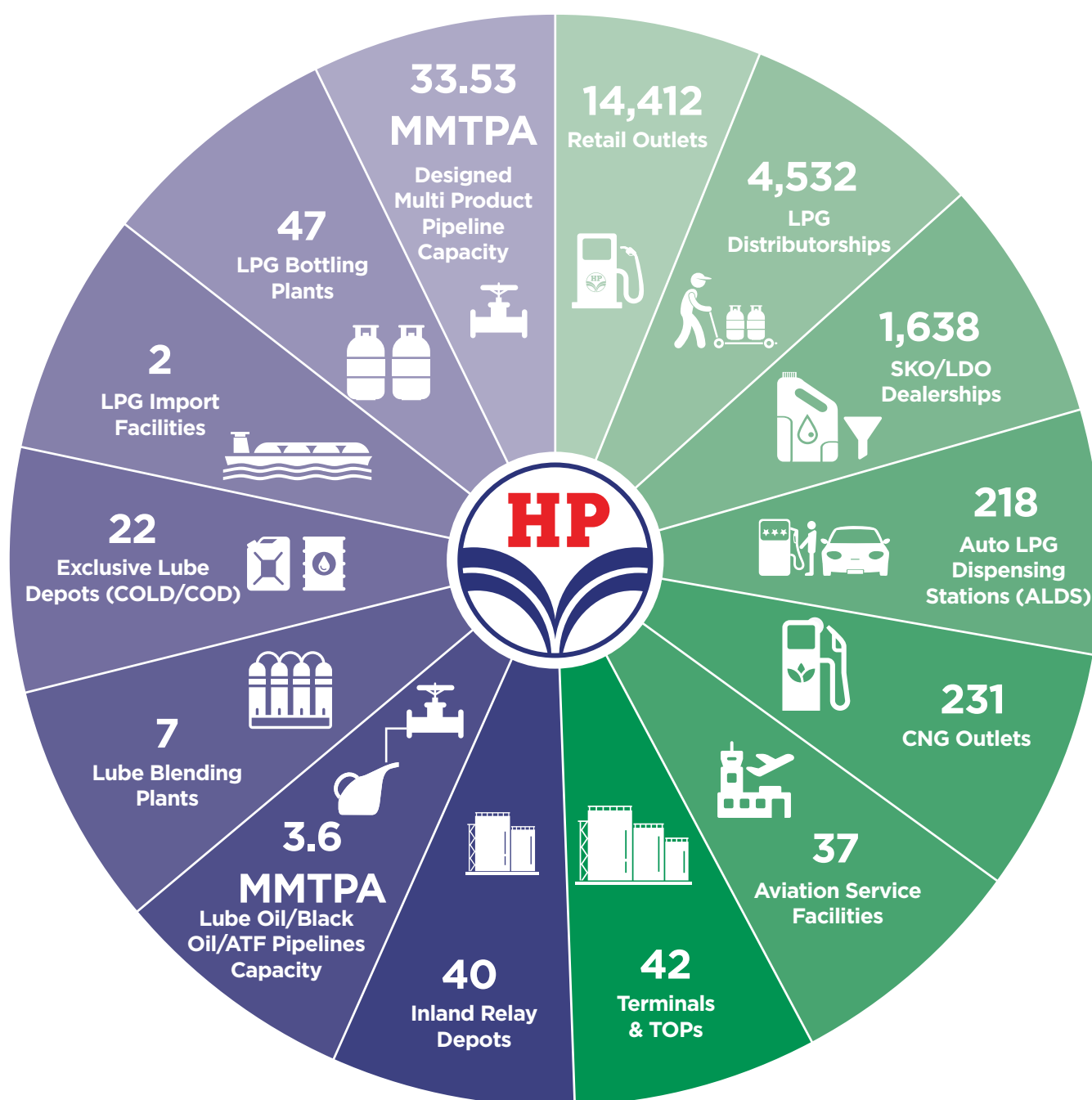
Refinery

Our refineries at Mumbai and Visakhapatnam help us meet the ever-increasing demand for petroleum and other value-added products. The range of such products include MS, Kerosene, HSD, LPG, Naphtha, ATF, FO, bitumen and numerous grades of lubricants, specialties and greases. We have identified the business potential in alternative fuels like unleaded petrol and low sulphur diesel. Our refineries with state-of-the-art technology are aligned with international standards. We emulate our vision to become industrial leaders through our efficient operations and excellent product quality. Our lube refinery at Mumbai is the largest lube refinery in the country which makes us the leader in the segment.

With our sustainability focus towards the protection of the environment, we have been a front-runner at implementing initiatives for reduction of emissions. Continuing efforts toward a safe and secure work environment, we ensure that both our refineries have robust systems and processes in place.

Marketing

We offer numerous products and cater to a huge customer base from the domestic, automotive, commercial and industrial segments. Our business verticals include Aviation, Retail, LPG, Direct Sales, Pipelines, Natural Gas and Renewables, Operations and Distribution. We are now in the process of further strengthening our network and infrastructure and are planning our facilities to suffice for the energy needs.





Retail Outlet at Visakh



Retail

Retail SBU is the face of our Corporation as retail sales constitute approximately 67% of the total market sales of the Corporation. Through a widespread network of retail outlets, we take care of not only the customer's fuel needs, but also of the complete vehicle. We have Club HP and Club HP Star as outlets offering differentiated services. In addition, products for cashless transactions, like Co-branded cards, Fleet cards and other loyalty cards have been developed for the convenience of customers.

This year, 624 new retail outlets were commissioned, taking the total to 14,412 that cater to products such as diesel, petrol, turbojet, auto LPG, CNG and lubricants. We have recently launched 'poWer 99' - high octane petrol - the only company in India to offer this product. Our total retail sales volume was 22.78 MMT with a growth of 0.2% over 2015-16.

22.78 MMT

2016-17 Retail Sales Volume



Carousel at Yediyur LPG Plant



LPG

LPG is an ideal fuel in terms of quality, cost, efficiency and environment, and, therefore, has a high business potential. It is supplied under the HP Gas brand. The brand, HP Gas, is preferred over most others and has received awards like Super Brand and 100 Most Valuable Brands. We ensure highest safety standards throughout the value chain. Apart from domestic LPG, HP Gas also markets LPG cylinders for commercial and industrial purposes and bulk LPG by tanker for industries.

HP Gas served more than 61 million customers through 4,532 LPG distributors with sales of 5.63 MMT during the year. This fiscal, the gain in market share was recorded to be 0.06% with current market share of 26.80%.

The brand, HP Gas, is preferred over most others and has received awards like Super Brand and 100 Most Valuable Brands.



Silvassa Lube Blending Plant



Direct Sales

The Direct Sales business segment caters to Defence, Railways, State Transport and other Government departments, Shipping companies, Road Construction and all industrial consumers. We have Direct Sales Regional Offices (DSROs) and Depots, Terminals & Marine Bunkering cells for marketing these products. This segment is also responsible for exports of bulk fuels and finished petroleum products. It is sub-divided into Lubes and Industrial

& Consumers (I&C) business lines wherein the former caters to the requirement of lubricants and greases for power plants, chemical and fertiliser industry, railway and transport, etc. On the other hand, I&C markets bulk fuels, bitumen and specialties to various industries. As we maintain our standing as the largest lube marketer in India in this reporting period, the total lubricant sales volume was 607 TMT while the total I&C sales was 5 MMT with a growth of 2.6%. We also crossed the 1 million metric tonnes sales mark in fuel oil, diesel and bitumen.



Aviation Service Facility



Aviation

Our Corporation's Aviation Business Unit have been providing Aviation Turbine Fuel (ATF) across the country for decades. The product ATF is fully compliant with Indian and International Regulations for Jet fuel. In the reporting period, we have added aviation majors like Lufthansa, Aerologic, Brussels Airlines, DHL Group and Aeroflot to our existing customer portfolio. Our 37 Aviation Service Facilities, which undergo continual upgradation to meet norms through feedback and inputs from our robust Quality Control, our Global Tech Partner - Shell Aviation, International Publications, IATA Guidance Material, Customers and other stakeholders. Our market share has increased by 0.34% from the previous fiscal. Keeping pace with technology, in-house innovative improvements were made to existing refueller to develop smart refueller, which incorporates several features and benefits the field staff to remotely monitor and control vital parameters of refueller.



Visakh Black Oil Terminal



Operations, Distribution & Engineering

The Operations, Distribution & Engineering vertical extends support to the Marketing SBU through a countrywide network of terminal and depots for product movement. We have 42 Terminals and 40 Inland Relay Depots thru which OD&E has achieved thrupt of 47.0 MMT. Our Marketing terminal follows the highest safety standards for all operations. We have also implemented an array of technologies and rolled out a number of initiatives to increase operational efficiency and to meet increasing customer demand. We have also sustained focus on the implementation of bio-fuels at our locations.



Vijayawada Pumping Station



Pipelines

Backed by our vast network of pipelines we are able to move a

huge quantum of products in a cost-effective, energy-efficient, safe and environment-friendly manner. We currently have an infrastructure of 3,370 km of pipelines with a mainline capacity of 23.21 MMTPA and a branch capacity of 10.32 MMTPA. We also recorded the highest-ever mainline throughput of 17.91 MMT.

17.91 MMT

Mainline Throughput



Solar PV Plant at Ennore Terminal



Natural Gas and Renewables

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

We have made significant investments in wind and solar power. We have recently commissioned a wind power project of 50.4 MW, taking the total installed capacity to 100.9 MW. Our wind installations have generated 9.6 crore kWh of electricity in 2016-17. The wind energy projects are installed in

We have recently commissioned a wind power project of 50.4 MW, taking the total installed capacity to 100.9 MW.

Rajasthan and Maharashtra. The 258 kWp solar plant at Ennore Terminal is registered for the Renewable Energy certificate.

We are operating a CNG network at Ahmedabad with one mother station branching out into 21 daughter stations. This fiscal, the sale of CNG through CNG stations in Ahmedabad was 11.73 TMT resulting in a growth of 7.4% over 2015-16.

Corporate Governance

Aiming high towards Excellence

HPCL believes in good corporate governance practices, ethics, fairness, professionalism and accountability to enhance stakeholder's value and interest on sustainable basis and to build an environment of trust and confidence of its stakeholders. At HPCL, corporate governance is to follow a systematic processes,

policies, rules, regulations and laws by which companies are directed, controlled and administered by the management in meeting the stakeholder's aspirations and societal expectations.

HPCL lays special emphasis on conducting its affairs within the framework of policies, internal

and external regulations, in a transparent manner. Being a Government Company its activities are subject to review by several external authorities like the Comptroller & Auditor General of India (CAG), the Central Vigilance Commission (CVC), and Parliamentary Committees etc.

Keeping in view the above philosophy, the Corporate Governance at HPCL is based on the following main key principles and practices:-



Board of Directors

The Board of Directors are committed to ensure effective formulation of policies, strategies and goals pertaining to economic, environment and social aspects while keeping Corporation's vision, mission and values at the core.

During the Financial Year 2016-17, there were no material transactions with Directors or their relatives having potential conflict with the interest of the Company at large. Being a Government Company, all the Directors of HPCL are appointed by the Government of India through Administrative Ministry i.e. Ministry of Petroleum and Natural Gas. The Functional Directors who are appointed on the Boards of unlisted Subsidiary/JV Companies do not hold any shares in these companies in their individual capacity and give advices in the professional

capacity. In HPCL, President of India is the largest shareholder holding 51.11% of the Paid Up Share Capital. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, HPCL has framed policies on Material Subsidiaries and Policy of Material Related Party Transactions and these policies are hosted on the website of the Corporation. All the related/ material party transactions were approved in line with the provisions contained in the Act/Policies.

All the Directors of the Company have rich educational background and experience in varied field. The Corporation gains from their expertise when important matters are placed before the Board for consideration and approval. The Directors participate in important Seminars/conferences both in India

and abroad for keeping abreast with the latest developments in the Hydrocarbon Sector.

Newly elected Directors are familiarised with different functions/ workings of the Corporation through detailed presentation made to them from time to time. They are also sponsored for various programme conducted by Department of Public Enterprises, SCOPE etc. regarding their areas of concerns.

Being a Government company and in accordance with the provision contained in article 121 of the articles of association of the Company, all directors on board of HPCL are appointed by the Government of India through administrative Ministry i.e. Ministry of Petroleum and Natural Gas.

The Board of Directors as of 31st March 2017 are:

Whole Time Directors

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

Shri S. Jeyakrishnan
Director - Marketing
(DIN: 07234397)

Shri Pushp Kumar Joshi
Director - Human Resources
(DIN: 05323634)

Shri J. Ramaswamy
Director - Finance
(DIN: 06627920)

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



Government Directors (Ex-Officio Part-Time)



Ms. Urvashi Sadhwani

Senior Advisor, Ministry of
Petroleum & Natural Gas
(DIN: 03487195)



Shri Sandeep Poundrik

Joint Secretary (Refineries),
Ministry of Petroleum &
Natural Gas
(DIN: 01865958)

Independent Directors



Shri Ram Niwas Jain

Director
(DIN: 00671720)



Smt. Asifa Khan

Director
(DIN: 07730681)



Shri G.V. Krishna

Director
(DIN: 01640784)



Dr. Trilok Nath Singh

Director
(DIN: 07767209)

Our Board of Directors presently comprises of five whole time directors, two part time ex-officio government directors and four independent directors. The tenure of whole time directors is for a period of five years or up to the date of their superannuation or until further orders whichever is earlier. The tenure of government directors is till the period they continue in the ministry or until further orders whichever is earlier. The tenure of independent is for a period of three years or until further orders whichever is earlier. The performance evaluation of all the directors is done by the Ministry or Department of the Central Government which is administratively in charge of the Company.

Apart from Board which is an apex body, various sub-committees of the Board are constituted keeping in view the requirement as

prescribed under the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Department of Public Enterprises guidelines on Corporate Governance and our internal requirements. These Committees are Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, CSR & Sustainability Development Committee and Investment Committee. Please refer Annual Report of HPCL for 2016-17 which contains details of these Board Sub-Committees.

Decision Making

At HPCL, Senior Management Comprises of Members of the Board, Officers occupying the positions of Executive Directors/ Chief General Managers/General Managers. Each Officer heading the SBU functions is responsible

for their areas of operation. The decisions pertaining to each SBU is taken as per the provisions contained in the Limits of Authority Manual. Decisions related to important issues requiring approval of Committee of Functional Directors (CFD)/ Board are put up for the consideration of CFD/Board.

In order to further streamline the process and effectively delegate responsibilities and authority the Corporation is guided by the Limits of Authority Manual (LAM), Purchase Manual, Chart of Accounts, etc. These guidelines aid the decentralised decision making process throughout the organisation spread out throughout the country at various levels of the organisation.

Nomination and Selection Processes and Remuneration

Our Board has constituted the Nomination and Remuneration Committee, the Board Sub-Committee to look into various aspects including Remuneration as well as Compensation and Benefits for the employees. The terms of reference of Nomination and Remuneration Committee is as prescribed under Section 178

of the Companies Act, 2013. The remuneration payable to whole time directors is approved by the Government and advices received through the Administrative Ministry, viz., Ministry of Petroleum & Natural Gas. The non-official part-time Directors are paid sitting fees for Board Meetings and Sub-Committee Meetings of the Board

attended by them. We do not have a policy of paying commission on profits to any of the Directors of the Company. The remuneration payable to officers below Board level is also approved by the Government of India. (Please refer to the Company's Annual Report 2016-17 for details on remuneration).

CSR and Sustainable Development Committee

We have a keen interest to have a positive footprint in terms of Corporate Social Responsibility and Sustainability at large and our Board of Directors has constituted a sub-committee on CSR and Sustainable Development. This Committee spearheads the CSR and sustainability initiatives. An Independent Director heads the committee.

The composition of the CSR and Sustainable Development Committee as on 31st March 2017 is as follows:

Name of Director	Designation	Type of Director
Shri Ram Niwas Jain	Chairman	Independent Director
Shri G.V. Krishna	Member	Independent Director
Shri Pushp Kumar Joshi	Member	Whole Time Director
Shri S. Jeyakrishnan	Member	Whole Time Director
Shri Vinod S. Shenoy	Member	Whole Time Director



Mumbai Marathon with Children with Special Needs



Internal Systems and Controls

Our culture of ethics, integrity and transparency is paramount and in order to safeguard these core values we have established policies and mechanisms such as Code of Conduct, Vigilance and Integrity Pact etc. These policies form the foundation of our Internal Systems and Controls. Strategic decision making at our Corporation is supported by our commitment to ethical business practices and our zeal to align our activities to international standards.



Code of Conduct

The Code of Conduct is originated from the provisions contained under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct is applicable for all Members of the Board of Directors and Senior Management of the Listed Entities. It also includes duties of Independent Directors.

Apart from Code of Conduct, Corporation has adopted and amended from time to time, Rules called 'Hindustan Petroleum – Management Employees' Conduct, Discipline and Appeal Rules, 1976' and this rule is applicable to all the Management Employees of the Corporation.

Vigilance

We understand that accountability for our activities and business practices is consequential and have a vigilance mechanism that supports good corporate governance. Our concept of 'Vigilance for Corporate Growth' focuses on 'preventive and proactive vigilance'. The Vigilance Department contributes positively by engaging all stakeholders and employees through regular interactions, meetings with functional authorities and stakeholders, promoting transparency, fairness, equity and leveraging technology in all areas of functioning of the Corporation. It endeavours to

work against corruption in all forms including demand and acceptance of illegal gratification and abuse of official position for obtaining pecuniary advantage for self or any other person. It maintains strict vigilance against bribery and corruption cases through regular and surprise inspections, surveillance of procurement and contract files and scrutiny of employee property returns.

We have adopted a Whistle Blower Policy which fosters a culture where it is safe for employees – officers and workmen to raise concerns about instances if any, where such rules, regulations and policy are not being followed in furtherance of business. Genuine whistle blowers are accorded protection from any kind of unfair treatment or victimisation. However, any abuse of this protection warrants a disciplinary action. Details of the Whistle Blower Policy can be found on our website.

(http://www.hindustanpetroleum.com/documents/pdf/Whistle_Blower_policy.pdf)

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

Additionally, our legal department personnel located in offices spread throughout the country can be contacted via all usual means (e-mail, call, face-to-face, etc.). Our employees can contact the legal department for any questions or concerns relating to ethics or compliance. No special channels have been set up for anonymous contacts.

We encourage a responsible and ethical work environment and expect strict adherence to the rules and regulations in the Corporation.



Vigilance Excellence Award for Outstanding Contribution to Investigations

Transparency and Accountability

Integrity Pact

The Corporation has introduced 'Integrity Pact' (IP) to enhance ethics/transparency in the process of awarding contracts. An MoU has been signed with 'Transparency International' on 13th July 2007. This was made applicable in the Corporation effective 1st September 2007 for contracts above ₹ 1 crore. The Integrity Pact has now become a part of tender documents to be signed by the Company and by the vendor(s)/bidder(s).

Right to Information Act

We respect the Right of the people to have access to information in accordance to the Right to Information Act 2005. We have a robust mechanism to comply with the requirements of the RTI Act. Citizens can request for information from the Corporation through the Government of India 'RTI online portal' or by sending in applications to a widespread network of operating locations and offices. These requests are handled by Public Information Officers and Appellate Authorities. The details of the locations can be accessed through the information manual given on our Corporation's website: www.hindustanpetroleum.com.

Public Grievances Redressal Mechanism

We have always believed in creating value and giving best-in-class products and services to our customers. We have a Citizen/Client Charter that specifies the standards of service delivery that our Corporation commits and the avenues for complaint resolution and other related information. The main objective of Citizen/Client Charter is to improve the quality of public services. This describes

We have a robust mechanism to comply with the requirements of the RTI Act.

how to reach Company's officials, what to expect in term of services and how to seek a remedy in case of a problem. This charter is applicable to all our business units and products. Details of offices are given in the charter to reach out in case of any complaints or to give a feedback.

We have established a Public Grievance Redressal system wherein designated officers of the Corporation will be available on specified time at all major locations to hear and facilitate Redressal of Grievances of the Public, if any. The public can contact the Public Grievance Redressal Officers at the Regional offices. The details to locate and contact or correspond with the Grievance Redressal Officer are mentioned on our corporate website.

Additionally, we are in line with the Centralised Public Grievances Redress & Monitoring System (CPGRAMS). CPGRAMS is a web based portal of the Department of Administrative Reforms & Public Grievance (DARPG). It has been designed and implemented in all the Ministries/Departments of Government of India. Grievances raised by public are forwarded to

We have a Citizen/Client Charter that specifies the standards of service delivery that our Corporation commits and the avenues for complaint resolution and other related information.

nodal officer at our Corporation. The received grievances are addressed by concerned department or SBU in a time bound manner. In the reporting period, we have received 3,489 public grievances of which 3,359 complaints have been resolved as on 31st March 2017 i.e. 96.27% while others are

96.27%

Complaints Resolved as on 31st March 2017

being attended. The system can be accessed through: <http://pgportal.gov.in>.

We have developed a 'Grievance Redressal Cell (GRC)' to deal with grievances from the parties who participated or intend to participate in the procurement tenders. There are various committees as per different SBUs. The grievance redressal process has two levels to address the issues. The complainant has the right to appeal at level 2 in case resolution given in level 1 is not agreeable. There are specified timelines for addressing the complaints at all the levels.

We have established a Public Grievance Redressal system wherein designated officers of the Corporation will be available on specified time at all major locations to hear and facilitate Redressal of Grievances of the Public, if any.

Further, we have highly effective Complaint Management Systems (CMS) for registering any complaints from our customers. We also have toll free helpline numbers for registering complaints from customers and are committed to resolve all the complaints within a stipulated time.

Risk Management



An effective risk management system facilitates good corporate governance and also helps the management in achieving performance and profitability targets. With the current dynamic business environment, it becomes all the more important to have a risk management framework in place.

Our Corporation has adopted a well-defined process for managing its risks on an ongoing basis and for conducting the business in a risk conscious manner in-line with our objectives and regulatory requirements.

The steps to comprehensive risk management framework is as below



Our Corporation has adopted a well-defined process for managing its risks on an ongoing basis and for conducting the business in a risk conscious manner in-line with our objectives and regulatory requirements.

In identifying and managing the prevalent risks, we are also able to identify opportunities which helps us in the long-term.

There is a well-defined organisational structure for risk management which mentions the various roles such as Risk Champion, Risk Owner, Risk Coordinator, SBU Council, Working Committee and Risk Management Steering Committee (RMSC) etc. and responsibilities of each of the role holders. These self-regulatory processes and procedures are contained in the Risk Management Charter and Policy.

Risks are identified in a number of ways namely structured workshops, brainstorming sessions,

Identified risks are segregated under critical, cautionary and acceptable risks depending on its level.

review of documents etc. The level of risk is evaluated on the basis of likelihood of occurrence and magnitude of impact. Identified risks are segregated under critical, cautionary and acceptable risks depending on its level.

There are broad classes of risk such as Operations, Strategic, Information Technology, Marketing, Brand and Environment to name a few. The key risks identified are project implementation process, disaster management preparedness, market effectiveness, fluctuating crude oil prices and competitive markets. Based on the nature of the risk, specific treatment plans are devised.

The status of risk assessment and minimisation procedures for risk groups is periodically reviewed by the RMSC. The Board Members are informed about the risks and mitigation procedures. The corporation has engaged the services of an independent expert for assistance.

Awards and Recognitions

Sustainability and Safety Excellence



SCOPE Meritorious Award

- HPCL received the **SCOPE Meritorious Award 2014-15** under the “Environmental Excellence and Sustainable Development” and ‘Best Women Empowered Company’ categories.
- Conferred with **Platts Global Energy Award 2016** for Corporate Social Responsibility by S&P Global Platts.
- **National Energy Conservation Award** (Second Prize) to HPCL Mumbai Refinery by Ministry of Power, Government of India.
- HPCL awarded with **OISD Safety Award for Best Near Miss Incident Reporting** - POL Marketing Organisation.
- **Greentech HR Gold Award** to HPCL Visakh Refinery by Greentech Foundation for excellence in employee engagement.
- **SVAGRIHA Star ratings to RKPL** for control room buildings at Kanpur (4 Star Rating) and Mathura & Bharatpur (3 Star Rating) from GRIHA Council and TERI.
- Visakh LPG Terminal awarded **Greenco Platinum Rating** by the Confederation of Indian Industry - Godrej Green Business Centre.



Oil Industry Safety Award

- **Meritorious Performance in Industrial Safety** Award to Loni Terminal by National Safety Council, Maharashtra Chapter.
- **Golden Peacock Occupational Health & Safety Award 2016**, under Oil Production Category to MPSPL.
- MDPL Group of Pipelines (MDPL, RBPL, RBhPL, ASPL) conferred with the prestigious **OISD Award for the Best Overall Performance in Safety for the Year 2014-15** in the Cross-Country Pipelines product category.
- HPCL won the ‘**Certificate of Merit – Challengers Category**’ under Sustainability 4.0 Awards 2017 MENASA Edition instituted by Frost & Sullivan and The Energy and Resources Institute (TERI).
- Madurai LPG Plant awarded **Greentech Environment Award** in Gold Category.
- **Golden Peacock Award** for Sustainability to Mumbai Refinery for the year 2016.
- Madurai LPG Plant awarded **Greentech Environment Award** in Gold Category.



National Energy Conservation Award



Sustainability 4.0 Award

Business Excellence



Official Language Award



PetroFed Award



Asia Pacific Procurement Leaders Award



PetroFed Award



Express Intelligent PSU Award



FICCI Award

- HPCL received the PetroFed Oil & Gas Industry Awards for **Oil & Gas Marketing - Company of Year 2015**.
- HPCL has bagged **37 Awards in the Official Language Implementation**, including the Petroleum and Natural Gas official language shield for the past three consecutive years.
- Visakh Refinery bestowed with **Oil & Gas Conservation Fortnight Award for the year 2015**, in the category, 'Best Performance in steam leaks over previous year' from MoP&NG.
- **HPCL received Best Innovation in R&D 2014-15** for HP-HiGAS Technology for Process Intensification of Distillation/Absorption Process from MoP&NG.
- **Innovator of the year - Team 2015** by PetroFed Oil & Gas Industry Awards for innovation in indigenous development and utilisation of catalyst and catalytic visbreaking process.
- HPCL awarded with **Forecourt Retailer of the Year Award for the ninth time at Star Retailer Awards 2016**.
- Received **Trusted Brand Award from Readers Digest for the 11th consecutive year**.
- HPCL received **Retailer of the Year (Forecourt Retailing) Award** by Chief Marketing Officer Council (CMO) Asia.
- **India's Most Trusted Brand Award 2016** to HP Lubricants for HP Neo Synth 5W 30 in India's Most Trusted Automotive Synthetic Engine Oil Category.
- **Golden Peacock Innovative Product Service Award 2016** to HP Lubricants for the second consecutive year.
- HP Aviation was awarded **Best Fuel Supplier in Asia region** by United Aviation Services.
- CMO Asia - **Oil & Gas Excellence Awards** to the Rewari Kanpur Pipeline Project in the category of Best Project and Facilities & Construction.
- **Asia Pacific Procurement Leaders Award 2016** to the Central Procurement Organisation (CPO), HPCL at Annual Asia Pacific Procurement Forum, Singapore.
- OD&E SBU has bagged the prestigious **FICCI Award for 'Process Innovator of the year'** in petroleum and petrochemical category.
- HPCL received the **Express Intelligent PSU Award 2016** in Analytics/Big Data category.
- HPCL has been declared as the **Silver Award Winner at the 2016 Stevie Awards for Great Employers** under the 'HR Achievement Category' for Project SHRESTHA (Techno-Behavioural Managerial Development programme for LPG Plant Managers) and Project GYANJYOTI (Workmen IT literacy program). Under the category 'Achievement in Workplace Safety & Compliance' category, we were declared Silver Award winner for the initiatives towards building safety culture: Project SANKALP of OD&E SBU and Project SACHET of LPG SBU.

Stakeholder Meeting at Visakh Refinery



Stakeholder Meeting at GMO-South Central Zone



Stakeholder Meeting at GMO-North Zone



Stakeholder Meeting at GMO-East Zone

Engaging with our Stakeholders

Strategy 33

Materiality Assessment 40

Engaging with our Stakeholders



Stakeholder Meeting at Mumbai Refinery

Stakeholders are the individuals or groups or organisations that are impacted by or may influence the business significantly and are the ones whom the business is accountable to. Stakeholder engagement gives an insight into the material issues to a business. It is of vital importance to us that we engage in a dialogue with them regularly to foster a collaborative environment, understand mutual interests and address concerns for better decision-making.

Sustainability department and other line management representing different SBUs engage with stakeholders regularly through a structured engagement mechanism. We find this exercise to be a good method for identifying opportunities for value creation. It opens avenues for productive dialogue between stakeholders and us for understanding perspectives, communicating challenges, and in the process, builds trust for stronger partnerships. We garner

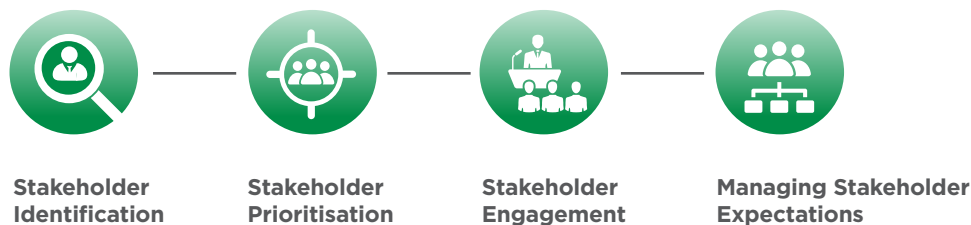
responses from the identified stakeholder groups through various channels, including workshops and one-on-one discussions. We analyse concerns that have a potential high impact and which helps us work towards our sustainability priorities. Our approach invigorates a learning environment whereby we provide information on sustainability and latest developments, while we stay abreast with the current scenario in the industry.



Stakeholder Meeting with CSR Beneficiaries

Strategy

We identify key internal and external stakeholders who are directly or indirectly affected by our business activities. We assess the kind of impact that these stakeholders might have, as well as the extent to which our business decisions affect them and prioritise them accordingly.



Stakeholder Identification

Our corporation has a pan-India presence and a variety of stakeholders are associated with us. Given the scale of our business operations, a number of stakeholder groups pose significant influence to our business. The internal and external stakeholder groups having considerable influence on our business are:

Internal and External Stakeholder Groups



Internal Stakeholders

- Employees
 - Management
 - Non-Management



External Stakeholders

- Customers
- Dealers and Distributors
- Suppliers/Contractors
- Transporters
- Forecourt staff at retail outlet
- LPG delivery person/staff
- Contract Workmen
- Competitors
- Investors
- Local Community
- Regulatory Departments
- Shareholders

This year we took a stride ahead in making the stakeholder engagement process more precise by arriving at a statistical sample size that attempts to give a near-exact picture of material issues through an accurate representation of all the stakeholders. The

demographic spread of the stakeholders across India was also taken into consideration while arriving at the sample sizes. The regions of country which had the presence of more number of our stakeholders had proportionately larger representations and vice

versa. The target sample size for the survey considering all categories was 2,000. We have achieved 100% of the required sample size during our survey with a total of 2,016 respondents.

	Employees	Dealers/ Distributors	Suppliers/ Transporters	Delivery Men/ Community	Total
Achieved Sample Size	1,101	337	293	285	2,016
Target Confidence Level	95%	90%	90%	NA**	—
Achieved Confidence Level*	99.96%	93.56%	91.28%	NA**	—

* Confidence level is the expected accuracy of the responses basis the statistical calculations of the subject survey.

** The total population of Delivery men and Community members being variable, the corresponding confidence level for this category has not been stated; however their opinions and perspectives are included in the survey.

Stakeholder Prioritisation

Every stakeholder group has a unique association with our corporation. Also the type of transactions that our corporation has with every stakeholder group varies. Every stakeholder has a

different perspective on the issues concerning the corporation's sustainability and the level of appreciation of a particular issue varies between stakeholder groups. These aspects need to be

factored into the survey design and analysis methodology by assigning appropriate weightages for each stakeholder group against each material issue.

Stakeholder Engagement

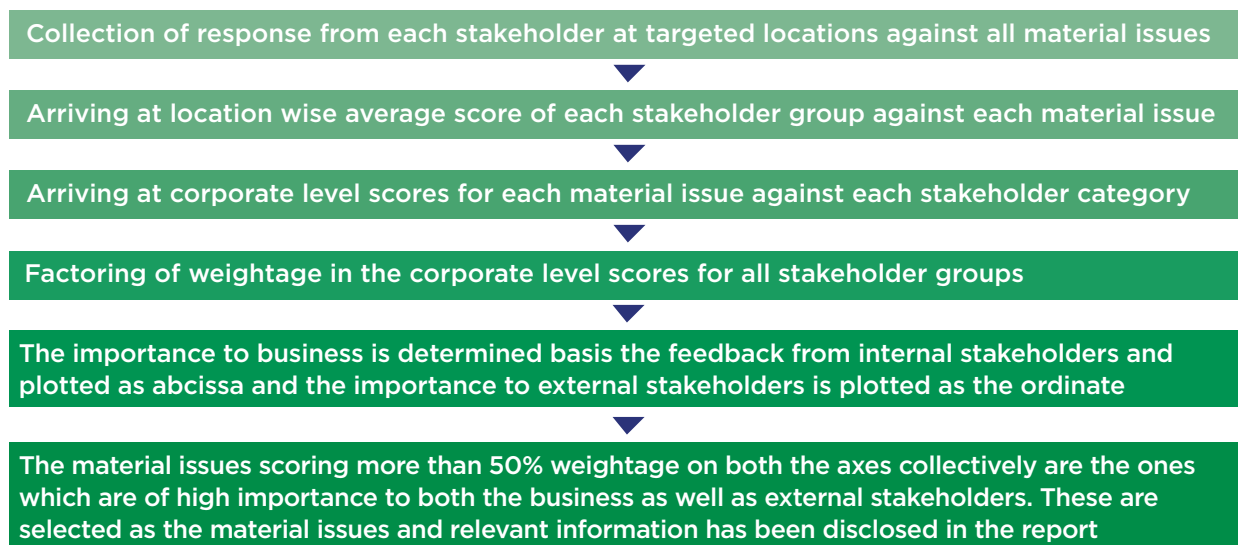
The stakeholder engagement followed the systematic plan for stakeholder identification and prioritisation. Advance intimations were sent to targeted Zonal/Regional offices/Locations of all SBUs for inviting different categories of stakeholders for achieving the desired sample size as per the survey design. As our stakeholders belonged to diverse categories and geographical backgrounds, customised presentations and questionnaires were designed

for each stakeholder category, keeping in mind individual concerns and expectations. During the engagement session, all stakeholders were briefed about sustainability and how our Corporation is working towards it. After sensitising stakeholders towards these issues, feedback was taken through customised questionnaire.

This fiscal, stakeholder engagements were carried out at 36 locations spread across the country, covering

the corporate headquarters, CSR beneficiaries, R&D centre, zonal offices, regional offices, refineries, marketing locations and management development institute. We interacted with 2,016 stakeholders and solicited their perceptions and feedback. We also sensitised them on sustainability and on our Corporation's initiatives towards sustainable development. The information thus obtained from these engagement sessions was collated and analysed.

Methodology of Stakeholder Response Analysis:



This comprehensive exercise brought our attention to certain key issues, which are discussed in the next section.

Managing Stakeholder Expectation

Understanding the attitudes and beliefs of our stakeholders, responding to their needs and ensuring their buy-in to the business decisions are the key

objectives and activities for us. Based on the responses received through the engagement, the findings are being described below:

Engagement Framework with various stakeholders is presented below:

Concern Areas	Frequency and Modes of Engagement	Our Actions
Management and Non-Management Employees		
Career Progression, opportunities for higher education	<ul style="list-style-type: none"> ● Annual performance reviews and appraisal ● Education growth plan 	<p>We ensure regular performance review of all our employees (half yearly reviews) and appropriate feedback is being given through online performance review and appraisal systems. In case the employee is not satisfied with the review, he/she can raise the grievance in MERC (Management Employee Relations Committee) for their concerns.</p> <p>We also have an education growth plan for our employees for supporting their higher education.</p>
Need-based Trainings	<ul style="list-style-type: none"> ● Regular in-house technical and behavioural trainings ● Nomination to external trainings, conferences and seminars 	<p>We have been continuously making provisions for and emphasising on technical and behavioural trainings for all our employees. These initiatives and programmes have helped them to grow in the organisation.</p> <p>Certified Petroleum Manager Programme, MBA (Oil & Gas), e-learning platform, nomination of employees to conferences, seminars of international repute etc., are few of the initiatives taken towards competency development.</p>
Rewards and Recognition	<ul style="list-style-type: none"> ● Annual/Bi-annual recognitions schemes 	<p>We have a provision of Performance Related Pay (PRP) for management employees and productivity incentive scheme for non-management employees to motivate them to higher levels of performance.</p> <p>We have various recognition schemes for our employees such as HP Icon, Outstanding Achievers Awards and HP Gaurav Award etc.</p>
Focus on Health and Safety	<ul style="list-style-type: none"> ● Quarterly safety committee meetings 	<p>Regular safety trainings, health check-ups and awareness sessions are organised to ensure the best health and safety practices.</p> <p>Under the Periodical Medical Examination scheme, all employees undergo a thorough medical check-up. The periodicity being determined by the age profile and nature of work.</p> <p>Project Sankalp, Shapath, Shrestha and Sachet are few of our safety training programmes.</p> <p>We are taking steps for ensuring compliance to the MB Lal committee recommendations at our locations. Further, we emphasise on behavioural-based safety-training programmes.</p>
Work-life Balance	<ul style="list-style-type: none"> ● Regular interactions ● Employee-connect forums 	<p>We have taken concerted efforts to maintain a motivating work environment with activities such as picnics, quiz competitions, festival celebrations and women's day celebrations, among others. We have recently launched Paramarsh, which provides counselling and support to employees and their family members.</p>

Concern Areas	Frequency and Modes of Engagement	Our Actions
Grievance Redressal	<ul style="list-style-type: none"> ● Regular interactions ● e-platforms 	We have a robust mechanism to handle and resolve grievances. Online grievance redressal mechanisms, such as ICS E-Care, HR Direct, etc., for better management of the concerns are available for our employees.
LPG Distributors		
Product Quality and Product Delivery	<ul style="list-style-type: none"> ● Regular distributor meets ● Regular visits and inspections 	<p>We strictly monitor quality parameters during various stages in the entire value chain.</p> <p>We are developing innovative solutions and leveraging technology such as a Vehicle Tracking System, OLA, online inventory monitoring, online LPG connection, etc., for ensuring timely product delivery.</p> <p>Periodic inspections are carried out by operating personnel.</p>
Safety	<ul style="list-style-type: none"> ● Training programmes on safety ● Regular inspections and safety audits 	<p>The distributors are regularly trained on the safe handling of the products.</p> <p>Regular safety audits and inspections are conducted at retail outlets and LPG.</p>
Business Challenges and Competitors	<ul style="list-style-type: none"> ● One-to-one meetings ● Need-based trainings 	<p>We have a continued focus on behavioural and business skill-related training of distributors through capacity building programmes.</p> <p>Our online DCMS portal ensures transparency in business transaction. It has the capability of monitoring indents, supplies and account receivables, which lead to real-time tracking of transactions.</p> <p>We offer premium, branded and niche products for unique positioning in the market. We also provide customised offerings based on customer requirements.</p>
Business downsize due to penetration of piped natural gas	<ul style="list-style-type: none"> ● Need-based meetings 	We have studied the penetration of Natural gas in the urban markets. The level and pace of penetration are localised only to few metro cities. As of now, cylinders remain the feasible source of clean fuel to majority of the consumers.
Competition from Peers	<ul style="list-style-type: none"> ● One-to-one meeting 	Case to Case feasible solutions are discussed and implemented.
Credit to Customers	<ul style="list-style-type: none"> ● Regular Dealer meets 	Working with the banks in getting adequate financial support in extending working capital management.
Retail Dealers		
Improvement in Vendor Services	<ul style="list-style-type: none"> ● Regular meetings with vendors and dealers 	<p>We have developed a portal to lodge, review and resolve the complaints in specified time period. Punitive action taken against erring vendors.</p> <p>A robust monitoring mechanism is in place for compliance.</p>
Upgradation of outlet and dispensing units	<ul style="list-style-type: none"> ● One-to-one discussions ● Regular Dealer meets 	We have procured dispensing units in large numbers, with latest configuration during the year and the same have been provided to dealers.
Suppliers and Contractors		
Increased Transparency	<ul style="list-style-type: none"> ● Regular supplier meets at operating level 	To ensure transparency and trust in the bidding process, we have an online tendering process.
Time Delay in Tendering Process	<ul style="list-style-type: none"> ● One-to-one meetings ● Panel meetings ● Pre-bid meetings 	We hold panel meetings with select representatives.

Concern Areas	Frequency and Modes of Engagement	Our Actions
Payment Process Awareness regarding new bill tracking system	<ul style="list-style-type: none"> ● Online platforms ● Need-based communications ● Vendor trainings 	<p>We have an integrated disbursement module through which bills can be submitted and tracked up to disbursement by the vendors.</p> <p>We are continuously automating and improving existing processes to reduce cycle time and enhance transparency.</p> <p>We have conducted a series of workshops in various working locations for familiarisation with the new system</p>
Complaints Redressal Mechanism	<ul style="list-style-type: none"> ● Online platforms ● One-to-one meets 	<p>We also have a robust grievance mechanism for suppliers and contractors. Grievances can be reported to unit heads at operating locations on specified day and time every week.</p>
Health and Safety	<ul style="list-style-type: none"> ● Training programmes on safety ● Regular health check-ups ● Regular meetings 	<p>The suppliers and contractors are regularly engaged in training programme and fire drills organised by the working locations.</p> <p>Regular health check-ups are organised with the support of renowned hospitals.</p> <p>To emphasise on safe-driving practices, safety parameters, trainings and awareness campaigns are conducted for our transporters and their crews on a regular basis.</p> <p>We conduct regular health check-up programmes for the transporters' crew. We also conduct sessions on spirituality and health for them.</p>
On-time Payments	<ul style="list-style-type: none"> ● Email communications ● One-to-one meetings ● Online platforms 	<p>An online system has been made available for payments and loan status where transporters can log in and check the payment status, taxes and the amount of TDS that has been deducted.</p>
Higher Running and Maintenance Costs	<ul style="list-style-type: none"> ● Trainings ● Tank truck health check-up 	<p>We organise regular training programme on defensive driving habits and fuel conservation techniques.</p> <p>Our operating locations coordinate with leading OEMs for organising camps for the tank truck fleet.</p> <p>Top performing drivers are awarded and recognised.</p>
Improved RTKM Transportation Rates Attrition in manpower due to low profit margin	<ul style="list-style-type: none"> ● Regular meets and discussions ● One-to-one meeting 	<p>We have adopted improved "Online Logistics Assistant - OLA" matching the local requirements.</p>
Training Need	<ul style="list-style-type: none"> ● Regular interactions ● Training sessions on safety 	<p>We have dedicated SOPs for delivery men, both in LPG and Retail, on safe use and handling of products.</p> <p>Regular training sessions are organised for the delivery men.</p>
Delivery Men		
Customer Retention	<ul style="list-style-type: none"> ● Regular training sessions 	<p>For the retail staff, a training module, Sada Aap Ke Liye, focuses on upgrading their skills and knowledge and helps them understand the importance of customer satisfaction.</p> <p>Programmes, like, Ji Haan Samarth and Samvad, aim to enhance the knowledge and attitude of delivery staff for creating differentiated customer experiences.</p>
Contract Workers		
Health and Safety	<ul style="list-style-type: none"> ● Annual health check-ups ● Regular wellness sessions ● Regular trainings 	<p>We ensure health check-up of contractual employees and hold regular sessions on healthy living.</p> <p>We promote good health and safety practices to enhance the well-being and productivity of our workforce.</p>

Concern Areas	Frequency and Modes of Engagement	Our Actions
Training Need	<ul style="list-style-type: none"> ● Regular training 	We conduct regular trainings on operational safety and emergency preparedness.
Regular Payment	<ul style="list-style-type: none"> ● Regular interaction ● Need-based communication 	<p>We ensure minimum wages are being paid to contractor's employees.</p> <p>We have awareness programmes on Provident Fund and ESI-related matters, which has helped the contractors to better understand their wages in a more detailed manner.</p> <p>We have ensured that all contract workmen are covered under the Pradhan Mantri Jan Dhan Yojana (PMJDY) and Pradhan Mantri Bima Suraksha Yojana (PMBSY).</p>
Regulatory Departments		
Compliance	<ul style="list-style-type: none"> ● Regular interactions with Government departments and statutory bodies 	<p>We strictly ensure timely compliance to all applicable statutory regulations and local laws.</p> <p>We also ensure we have regular interactions with various Government departments and statutory bodies on compliance-related matters.</p>
Community Development	<ul style="list-style-type: none"> ● Regular interaction with the community through our CSR initiatives 	We invest in the implementation of CSR initiatives in the key areas of child care, education, healthcare, environment, community development, sports, skill development, etc.
Disaster Management	<ul style="list-style-type: none"> ● Training on safety issues; mock drill for emergency preparedness ● Mutual-aid meetings ● Meetings with local authorities 	We inform and involve members from nearby communities and neighbouring industries in onsite and offsite mock drills to enhance their level of preparedness and imbibe a sense of confidence.
Community		
More support and regular meetings in healthcare	<ul style="list-style-type: none"> ● Regular meetings with communities 	We are in constant touch with the identified communities to improve the facilities provided.
Meeting deadlines of projects	<ul style="list-style-type: none"> ● Meetings with NGOs and implementing agencies 	We constantly engage with NGOs and implementing agencies explaining the process and perspectives of each project. Regular follow-up is maintained for timely completion of identified projects.
Shareholders		
Financial Performance	<ul style="list-style-type: none"> ● Annual Report ● Periodic press releases ● Annual General Meeting ● Analyst meet 	We update our shareholders and investors on the current business environment and the Corporation strategy to meet new challenges and our way forward.
Good Corporate Ethics and Compliance	<ul style="list-style-type: none"> ● Regular meetings ● Online platform 	<p>We have a Stakeholders Relationship Committee which looks at the grievances of our shareholders, debenture holders and other securities holders.</p> <p>In order to better understand the concerns of our shareholders, we provide an online feedback form, which is made available to all our shareholders.</p>

Concern Areas	Frequency and Modes of Engagement	Our Actions
Customers		
Product Quality and Service Standards	<ul style="list-style-type: none"> ● Periodic customer satisfaction surveys and customer meets 	<p>We have systems and processes in place for adherence to applicable specification and standards to ensure highest-quality products from the refining stage to distribution.</p> <p>We are continuously innovating and offering products, which have a reduced impact on the environment.</p> <p>Annual customer satisfaction surveys are being conducted for garnering customers' feedback.</p>
Resolving Complaints	<ul style="list-style-type: none"> ● One-to-one meetings ● Need-based communication ● Online complaint management system 	<p>Customer connect is established through multi-language online applications.</p> <p>We have effective complaint management systems in place to address the grievances of our customers on a timely basis.</p> <p>We are also aligned with the Centralised Public Grievances Redress & Monitoring System (CPGRAMS).</p>
Awareness on Safety and Environment Aspects	<ul style="list-style-type: none"> ● Periodic campaigns on safety and resource conservation 	<p>Awareness sessions on safety are conducted to enhance customer awareness on the safe usage of our products. Safety clinics are organised for LPG consumers for awareness on safe handling of LPG.</p> <p>Programmes for conservation of oil are conducted at various locations and retail outlets for spreading awareness amongst the masses.</p>



Stakeholder Meeting at GMO-North Central Zone

Materiality Assessment

Material aspects are issues that have significant economic, environmental and social impacts on a business or are relevant for and influence the decisions of its stakeholders substantially. The aspects material to Corporation are identified

through stakeholder engagements, which are based on a structured approach as per the GRI guidelines. A broad list of material issues was made through the study of the sector guidelines by the GRI and reviewing our peers' Sustainability

Reports. Our Management assessed these issues based on their specific relevance to the Corporation. The final list was then ranked by the identified stakeholder groups.

Identification

Assessment

Prioritisation

Top Material Issues

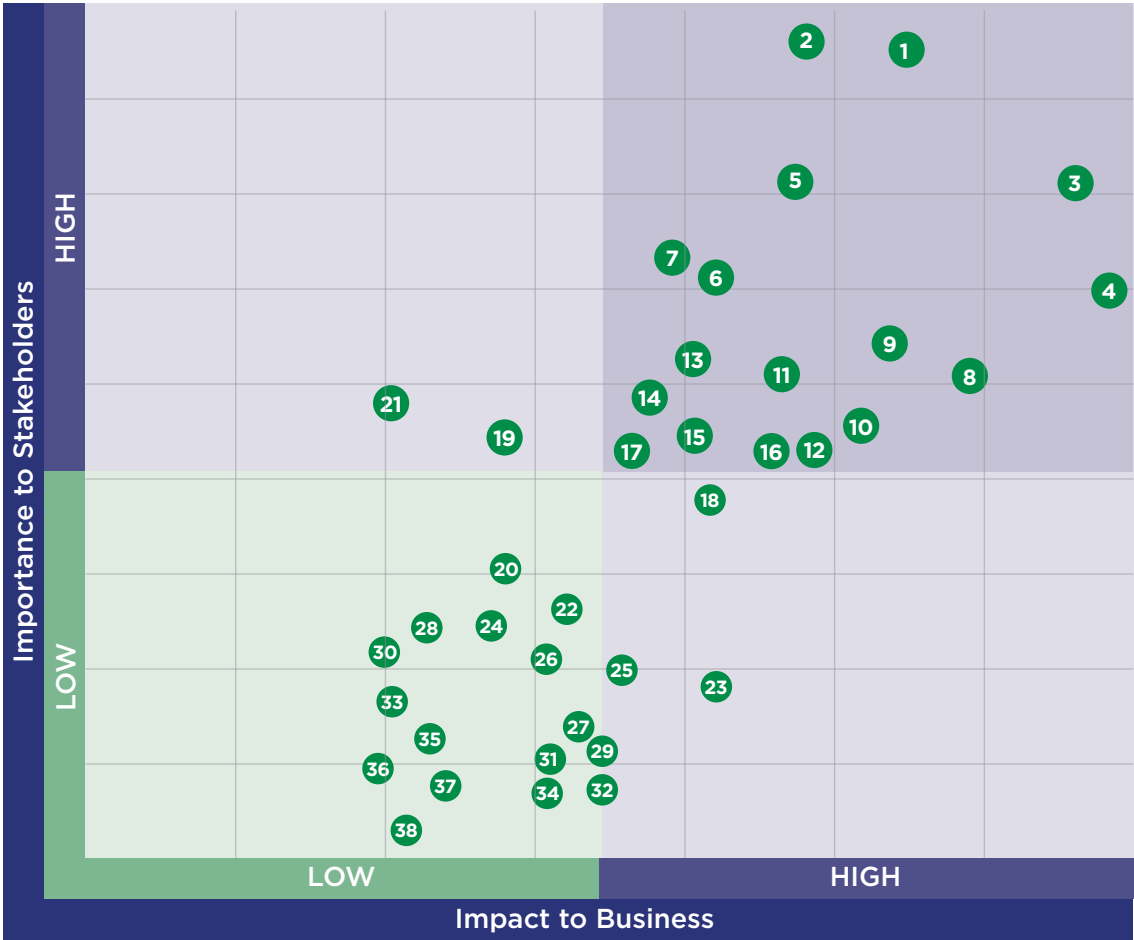
Material topics pertaining to the oil and gas sector, peer analysis, trend analysis and internal risk assessment

Material topics assessed and shortlisted based on their significance on our operations and impact on key stakeholders

Shortlisted materials evaluated and prioritised by stakeholders to arrive at the top material issues

Materiality Matrix

Based on the perceived importance of a particular issue by various internal and external stakeholders the materiality matrix is depicted below:



1	Communication & Relation with Stakeholders	4	Business Growth & Profitability	7	Transparency & Ethics	10	Asset Utilisation
2	Health & Safety	5	Reliable Operations	8	Efficient Water Management	11	Operational Excellence
3	Focus on Renewable Energy	6	Grievance Mechanism	9	Training & development (Skill Upgradation)	12	Supply Chain Management

13	Customer Satisfaction	20	Creating an energised workforce	27	Emissions to air (SOx,NOx, VOC etc.)	34	Waste Management (Tailing Waste, other hazardous waste)
14	Economic Performance	21	Emergency Preparedness	28	Security of data and information systems	35	Inclusive Development
15	Awareness regarding Grievance Redressal Mechanism	22	Labour-Management Relations	29	Process Safety	36	Community Development
16	Carbon Footprint/GHG Emissions	23	Community Impact Assessment	30	Fires & Explosion	37	Employment Practices
17	Energy Efficiency	24	Leakages	31	Talent Attraction and Retention	38	Public Policy & Advocacy
18	Local Employment/Sourcing	25	Strategies to address risk & opportunities from Climate Change	32	Regulatory Issues & Compliance		
19	Availability of skilled manpower	26	Raw Material Security (Availability)	33	Security & Asset Protection		

- The Importance to business is determined basis the feedback from internal stakeholders and plotted as abscissa and the importance to external stakeholders is plotted as the ordinate.
- The material issues scoring more than 50% weightage on both the axes collectively are the ones which are of high importance to both the business as well as external stakeholders. These are selected as the material issues and information pertaining to each material issue has been disclosed in the respective section of the report. Material issues of similar nature are clubbed under one head.

GRI Category	Material Issue	GRI Aspects	Boundary	Key Performance Indicators as per GRI
Economic	Asset Utilisation	Non-GRI	Inside	NA
	Business Growth and Profitability	Economic Performance	Inside	G4 EC 1 and 2
	Economic Performance	Economic Performance	Inside	G4 EC 1-4
	Operational Excellence	Non-GRI	Inside	NA
	Reliable Operations	Non-GRI	Inside	NA
	Supply Chain Management	Procurement Practices	Outside	G4 EC 9
Environmental	Carbon Footprint/GHG Emissions	Emissions	Inside and Outside	G4 EN 15-21
	Efficient Water Management	Water	Inside	G4 EN 8-10
	Energy Efficiency	Energy	Inside	G4 EN 3-7
	Focus on Renewable Energy	Oil and Gas Sector Disclosure	Inside	OG 2 and 3
Social	Communication and Relation with Stakeholders	Stakeholder Engagement – General Standard Disclosure	Inside and Outside	G4 24- 27
	Customer Satisfaction	Product Service and Labelling	Outside	G4 PR 3- 5
	Governance (ethics and transparency)	Ethics and Integrity – General Standard Disclosure	Inside	G4 56-58
	Health and Safety	Occupational Health and Safety	Inside	LA 5-8
	Training and Development (skill upgradation)	Training and Education	Inside	G4 LA 9-11



Lube Blending Plant at Silvassa

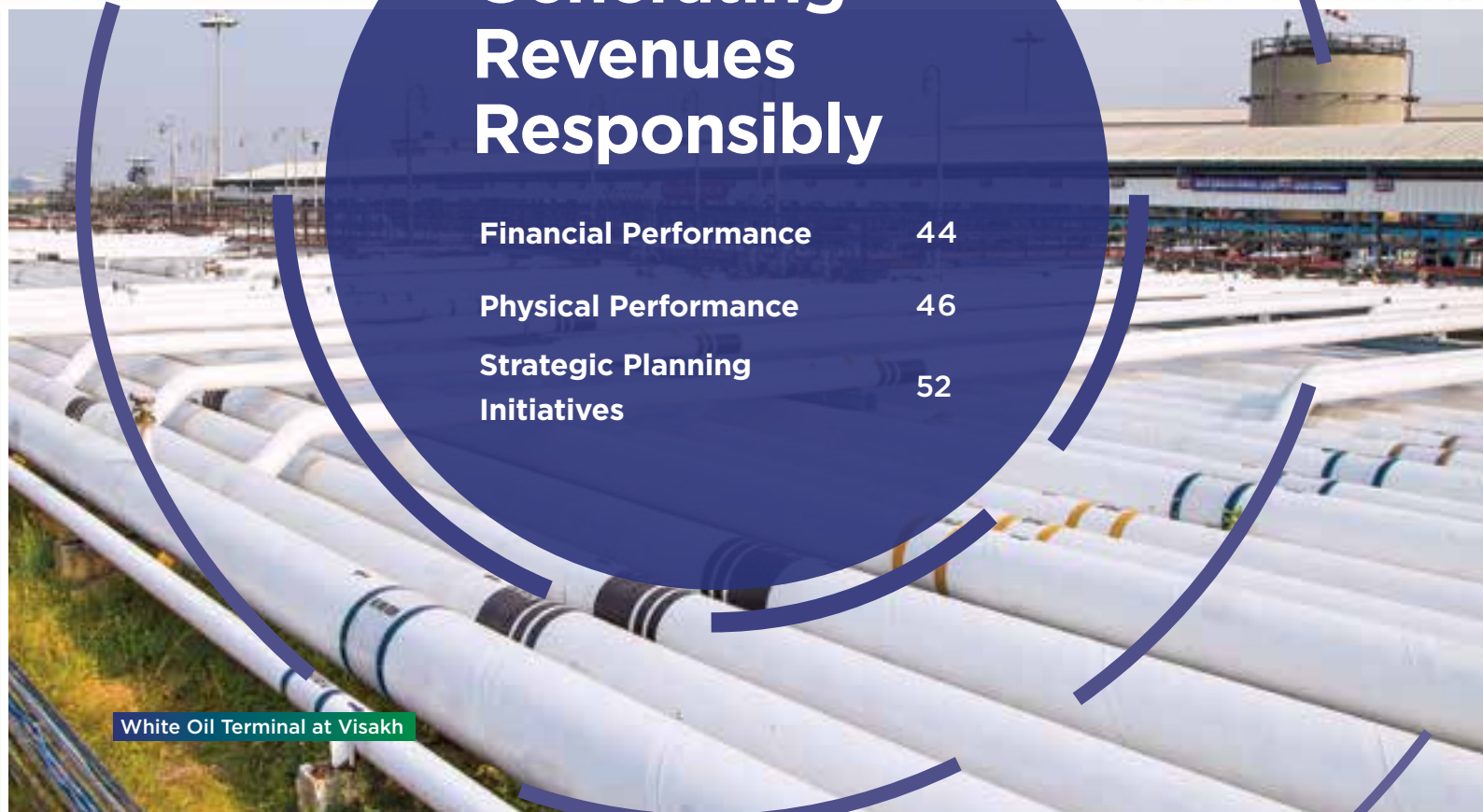


Millenium Plus Retail Outlet at Visakh



Generating Revenues Responsibly

Financial Performance	44
Physical Performance	46
Strategic Planning Initiatives	52



White Oil Terminal at Visakh



SUMO Cylinder Installation at Industrial Customer's Premises

Generating Revenues Responsibly



Being an oil major with pan-India presence, our products form the building blocks of the Indian economy. We boost our performance through technology advancement, innovation and operational excellence while adopting a customer-centric approach. We understand that sustainability is inseparable from creating economic value while maintaining a balance within the triple bottom line that can bring shared value, prosperity and happiness for all stakeholders.

Financial Performance

Delivering Economic Returns

We have progressed by leaps and bounds during 2016-17, achieving 67% growth with a net profit of ₹6,209 crore. The Earning per Share went up from ₹36.68 to ₹61.12 per share, the gross sales were of ₹2,13,489 crore while the market capitalisation in 2016-17 doubled from the previous fiscal period (2015-16). We have contributed ₹65,674.37 crore to the Government in the form of taxes and duties. In order to reach out to the communities, our annual spending on social initiatives

amounted to ₹108.11 crore. We have robust systems and processes in place to monitor our financial performance and assess the growth and profitability of our Corporation. Our debt and equity ratio for the current year has been 0.51:1. During the current financial year 2016-17, subsidy on PDS kerosene and domestic subsidised LPG from Central and State government amounting to ₹20.01 crore (2015-16: ₹11.77 crore) has been accounted.

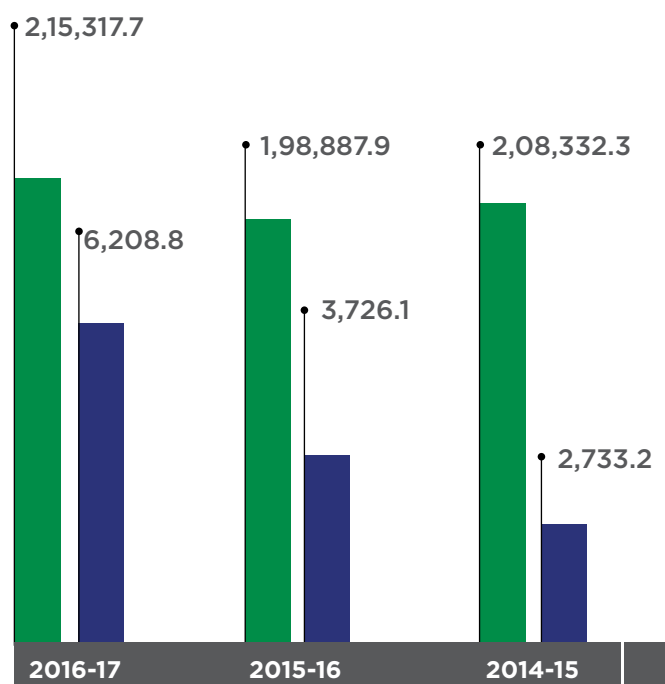
₹6,209 crore
Net Profit

₹61.12
Earnings Per Share

₹108.11 crore
Spending on Social Initiatives

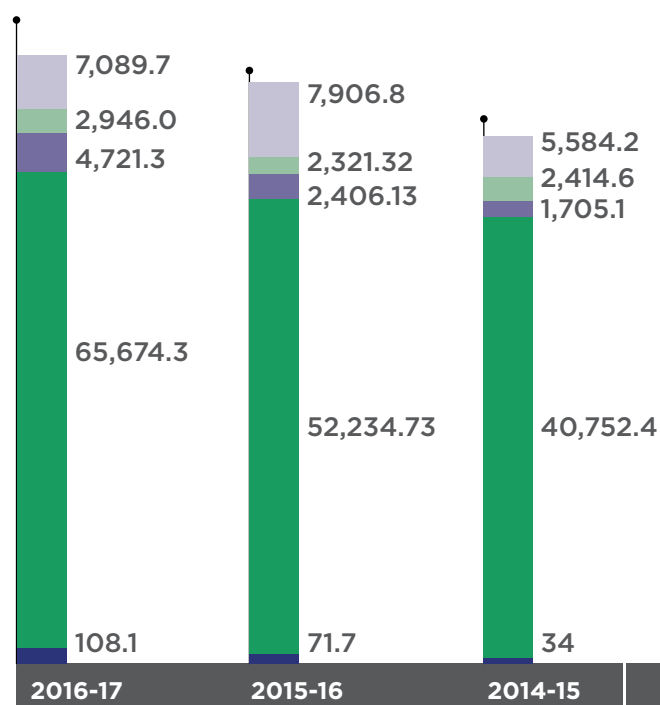
Economic Performance

Economic Value Generated (in ₹ crore)



■ Total Revenue ■ Profit After Tax

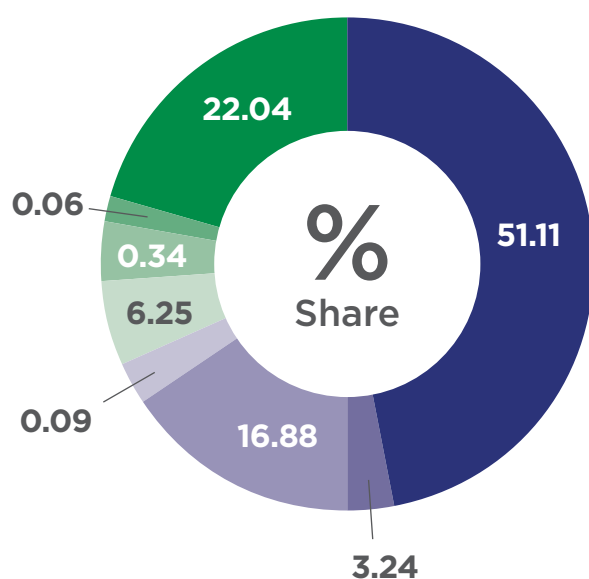
Economic Value Distributed (in ₹ crore)



■ Operating Costs ■ Employee Benefits Expense
 ■ Payment to Providers of Capital
 ■ Contribution to Exchequer ■ Community Investment

Shareholding Pattern

As on 31st March 2017, the shareholding pattern was as follows:



■ The President of India ■ Financial Institutions ■ FII/OCBs ■ Banks
 ■ Mutual Funds ■ NRIs ■ Employees (Physical) ■ Others

Physical Performance

Refinery Performance



The reporting period 2016-17, has been another year of momentous achievements where our refineries at Mumbai and Visakh maximised crude processing with an unparalleled combined refining throughput of 17.81 MMT and capacity utilisation of 113%. Our

other remarkable achievements include a combined distillate yield of 75.8% along with the highest ever production of High Speed Diesel (6.96 MMT), Lube Oil Base Stock (431 TMT) and Motor Spirit (3.29 MMT). The terrific performance of the refineries boosted our

Combined Gross Refining Margin, which was recorded at \$6.20 per barrel during 2016-17.

113%

Capacity Utilisation in 2016-17

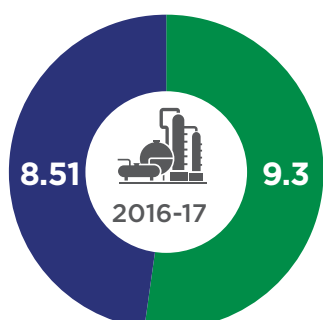
Through this performance, we have been able to succeed in reaching our target for the lowest-ever specific energy consumption.

Operating Performance of Refineries for 2016-17

Refinery	Crude Throughput in MMT	Installed Capacity in MMT	Capacity Utilisation (%)	Distillate Yield (%)	Specific Energy Consumption (MBN)	Fuel and Loss (%)
Mumbai	8.51	7.5	113	77.7	87.9	7.2
Visakh	9.3	8.3	112	74	78.9	7.3

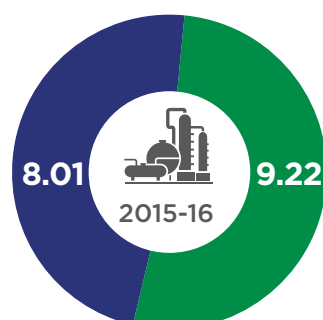
Crude Throughput by Refineries in MMT

■ Mumbai ■ Visakh



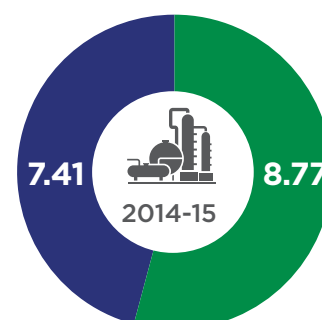
17.81 MMT

Total Crude Throughput



17.23 MMT

Total Crude Throughput



16.18 MMT

Total Crude Throughput

Highlights

We have gone from strength to strength and have developed infrastructure to meet our future needs. Some of our key initiatives and achievements from this fiscal are:

- Both the refineries at Mumbai and Visakh registered MoU 'Excellent' rating this year.
- Mumbai Refinery has achieved best-ever safety record, since inception, with 18.34 million man-hours as of 31st March 2017.
- Higher crude processing has resulted in record LPG, MS, HSD, LOBS and Bitumen production with 840 TMT, 3286 TMT, 6,962 TMT, 431 TMT and 1,216 TMT, respectively.
- We have switched to complete BS IV regulation from January 2017, much in advance of timelines given by MoP&NG, without any interruption in supply.
- Upgradation and augmentation of existing facilities under the Visakh Refinery Modernisation Project (VRMP) and Mumbai Refinery Expansion Project (MREP), to increase the capacity to 15 MMTPA and 9.5 MMTPA, respectively. These projects include bottoms upgradation while meeting the BS VI Auto Fuel Specifications for MS & HSD in compliance with the Government of India guidelines.
- We obtained a Four Star Trading House status for a period of five years, after a gap of two, thus allowing mix-bonding and waiving of bank guarantee by customs, imports and exports on self-declaration basis, preferential treatment and priority in handling consignments.
- Savings of over ₹12 crore per annum are achieved through refinancing.
- The Corporation has signed a Revised Memorandum of Understanding (RMOU) with the Government of Rajasthan for an Integrated Petroleum cum Petrochemical.
- Mumbai Refinery enhanced purchase of power through Open Access (OA) in 2016-17. They commenced 40 MW withdrawal of power from grid through OA mode from August 2016.
- We have a basket of varied crude oils from different geographies for its spot/term crude procurement, thus ensuring security of sourcing. To optimise and enlarge the crude basket for refineries, three new types of crude oil were processed in 2016-17.
- Our refineries are fully in compliance on safety standards as per M B Lal Committee recommendations.

Marketing Performance

During 2016-17, we aced highest-ever sales volume of 35.2 million metric tonnes, including exports. Our domestic sales grew by 2.5% over historical to reach a market share of about 21% amongst the public sector oil companies.



22.78 MMT

Retail Sales



5.63 MMT

LPG Sales



5 MMT

I&C Sales



0.61 MMT

Lube Sales



0.69 MMT

Aviation Sales



Launch of Brand Appu

Retail

- Achieved volumes of 8,435 TKL MS and 18,904 TKL HSD in 2016-17.
- Total retail sales volume grew by 0.2% over 2015-16 compared to PSU industry de-growth of 0.6%.
- Launched 'poWer 99' in February 2017, we being the only company in India to offer this product. Registered total poWer sales of 260 TKL in 2016-17.
- Achieved the **best-ever Retail SBU Capex** of ₹1,010 crore.
- **624 new retail outlets** commissioned during the year.
- **Automation achieved at 1,611 outlets** which is the highest in any one year since inception, taking the **total number of automated outlets to 4,342**.
- **12,550 outlets are terminalised as of March 2017** with any one facility (EDC or wallet) with the coverage of 88%.
- **50 retail outlets were upgraded to Club HP Star** during the year taking the tally to **256 Club HP Outlets**.
- **Solarisation was done at 445 retail outlets** during the year and cumulatively covered 1,247 outlets against 1,200 committed to MoP&NG under 12th plan.

LPG

- Achieved highest-ever sales volume, registering double-digit growth of 11.1%.
- Achieved **record bottling of 5.465 MMT** against 4.915 MMT (2015-16).
- Continued market leadership in non-domestic bulk LPG segment.
- Under Niche Market products, achieved **1.4 TMT sales of HP Gas SUMO (450 kg)** for the first year. Bagged the contract from South Central Railway for supply of HP Gas Razor, metal cutting gas. Launched Brand APPU for 5 kg FTL marketing.
- **HP Gas enrolled 8.7 million new consumers** inclusive of 5.3 million new LPG connections issued under the PMUY programme.
- **Commissioned 252 new distributorships and 6 non-domestic distributorships.**
- **Commissioned LPG Plant at Bhopal (60 TMTPA)** and augmented capacities at Ajmer, Patna and Loni bottling plants.
- We have launched the Centralised Distributor and Consumer Management (CDCM) system at all LPG distributorships, which enables LPG distributors to have better control on the transactions and also ensures data security and integrity.

Direct Sales (I&C and Lubes)

- Our Corporation has recorded **total lubricant sales volume of 607 TMT**, an increase by 9.5%, making it the largest lube marketer in India for the fourth consecutive year.
- **1 MMT consistently for three I&C products:** FO, HSD and Bitumen. FO crossed 1.5 MMT.
- **Improved market share in HSD, Bitumen, LDO and Hexane.**
- **Became a market leader in Bunker Sales** among PSUs with highest-ever Bunker Sales of 340 TMT.
- We also commissioned the scattered tankage of over **4,400 KL in Leh in record time.**

Aviation

- The aviation turbine fuel sales went up by 13.4%.
- **Market-share gain of 0.35%** was recorded in aviation fuel sales.
- Supply to all major scheduled domestic airlines of the country.
- **Achieved 100% business of new scheduled airline of Air Carnival, Zoom Air and Quikjet Cargo.**
- **Aviation service facilities were augmented** by setting fixed facilities at Pune, Vijayawada, Dehradun and Jaipur.
- **Launched the innovative idea of smart refueller.**

Operations, Distribution and Engineering

- **Achieved throughput of 47.0 MMT** during the year 2016-17
- **Productivity enhanced by achieving cycle time of 46 mins** against historical of 53 mins
- Foundation stone laid for India's **first 2G bio-refinery**
- **Energy Efficient Lighting System installed at 20 locations** resulting in savings of approximately ₹3.4 crore per annum.
- **Solar plants of total capacity 226 kWp** commissioned at 9 locations
- Average bay **filling rate increased to 845 litre per minute** against a historical of 715 litre per minute

Pipelines

- **Achieved highest-ever throughput of 17.91 MMT** against 17.61 MMT in 2015-16

- **Our Corporation commissioned its first LPG cross-country pipeline**, Mangalore Hassan Mysore Yedyur LPG pipeline of 356 km length with capacity of 1.94 MMTPA, taking the total length of pipelines to 3,370 km.
- Planned-capacity enhancement of **Mundra Delhi Pipeline (MDPL)**, **Visakh-Vijayawada-Secunderabad pipeline (VVSPL)** and **Raman Mandi Bahadurgarh Pipeline (RBPL)**
- Newly commissioned **Rewari Kanpur Pipeline** and **Kanpur Terminal** were dedicated to the Nation by the Hon'ble Prime Minister of India

Natural Gas & Renewables

- **Achieved CNG sales of 11.73 TMT** during the fiscal with a growth of

7.4% over sales of 2015-16 for the Ahmedabad CNG Network.

- Gas Transportation **Agreement executed with GAIL** for supply to RLNG to fertiliser plants.
- Commenced RLNG supply to one new industrial customer (NPL) and one new City Gas Distribution Company (MNGL) with **total RLNG sales reaching 6.5 TMT**.
- **Commissioned 50.4 MW Wind Project under Renewable Energy Certificate Mechanism** at Rajasthan, taking the total installed wind energy capacity to 100.9 MW. **The project generated 9.6 crore kWh during 2016-17.**
- **Total 21,648 Renewable Energy Certificates (RECs)** were generated from newly commissioned 50.4 MW wind farm.

Cashless Transaction

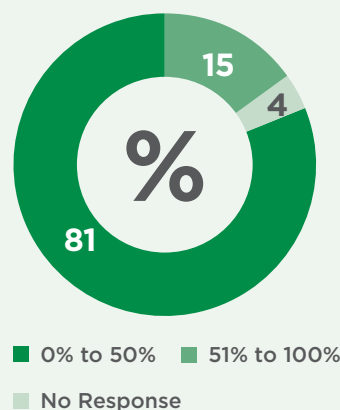
We strongly support the Government of India in promoting cashless transactions. The milestones achieved in this regard are as follows:

- **₹7,522 crore worth of business was converted to digital mode** through transactions from credit card, debit card and e-wallets.
- We also have an initiative called, **Loyalty Cards**, and it facilitated business through **cashless transactions worth ₹11,408 crore**.
- **1,118 T-1 customers and 4,359 T-2 customers** were enrolled in our Loyalty Cards initiative this year.
- Another facility called **FASTag was launched in December 2016**, in collaboration with ICICI Bank, for our dealers.
- **Currently about 96% of retail outlets are digitally-enabled for cashless transactions.**

- All contract workers deployed across the Corporation are paid their wages through National Electronic Fund Transfer (NEFT).
- **We affixed RFID tags on 10,100 POL tank trucks**; it was among the pioneering OMCs to complete cashless transaction at NHAI toll gates.
- **Bank POS machines were installed at 11,002 retail outlets**
- **Digital payment methods like wallet and POS were enabled for 3,200 LPG distributors** for receiving payments from customers.
- In order to enhance the understanding of digitisation, training methods like on-the-spot training for supervisors was conducted. Additionally, flipcharts and classroom modules were also conducted.

Percentage of Cashless Transaction at Retail outlets

During the stakeholder engagement sessions held as a part of Sustainability Reporting exercise, 81% of the sample of our retail dealers have reported cashless transaction with retail customers upto 50% while 15% of the sample have reported cashless transaction of more than 50%.



Asset Utilisation and Reliable Operations

The Oil Industry is quite asset intensive, making capacity utilisation one of the most critical aspects. We focus on promoting better asset management, proper utilisation and reliability of our operations. This is essentially because better asset utilisation rates plummet costs and enhances efficiency.

Our zeal for becoming a world-class energy company has been the driving force behind the innovation and incorporation of technologically-advanced facilities and equipment at our refineries and SBUs. We own and operate two of India's major refineries, with a pan-India infrastructure of pipelines and an extensive network of terminals, depots, LPG bottling plants, Lube filling plants and aviation service facilities, which contribute to India's growth year-on-year. Our efforts also extend to exploring alternative fuels, natural gas and renewables, all of which strengthen the unconventional energy landscape of the economy. We are determined to further enhance the capacity of the present infrastructure and have several projects underway to cater to the energy needs of our growing nation.

Regular maintenance with appropriate checks and controls have ensured better performance of our facilities. We are taking concerted efforts to make our facilities more advanced and efficient. The R&D centre explores innovative solutions for our operations. We also ensure reliability by benchmarking our refineries and SBU locations against international and national standards in order to maximise our efficiency and avoid outages.

Refineries

Sustained reliability of assets is a significant aspect of the superlative refining performance. During the year 2016-17, Mumbai Refinery successfully completed the planned turnaround cycles of Fluid Catalytic Cracking Unit I (FCCU I), Solvent Extraction Unit III (SEU III), Lube Oil Upgradation Plant (LOUP) and Hydrogen Generation Unit (HGU). Visakh Refinery successfully completed turnarounds of Crude Distillation Unit III (CDU III) and Fluid Catalytic Cracking Unit I (FCCU I) within the stipulated timelines and with utmost adherence to safety at the same time without causing any disruption to product availability in the market.

Maximising the asset utilisation has always been the priority of our refineries. Our Corporation has taken the advantage of regular turnarounds and installed new FCC feed nozzles, at both refineries, which were specially developed and designed by the R&D team indigenously. Keeping abreast of the latest technology has yielded in benefits on the operational and energy front and assured product quality for the refineries. In this direction, Mumbai Refinery has revamped the existing SEU III furnace with novel split-pass flow technology and Visakh Refinery has adopted structured MODGRID packing for the FCC-2 reactor stripper. Visakh Refinery also added a second reactor at FCC NHT and debutanizer at DHT facilities which has enabled the refinery for complete compliance to production of BS IV specification MS and HSD.

Our technologically-advanced facilities at Mumbai and Visakhapatnam have shown exemplary performance this year with a combined refining throughput of 17.81 MMT, surpassing previous year's throughput of 17.23 MMT with a capacity utilisation of

113%. This feat was achieved by sustained equipment reliability, timely shutdown adherence and commendable operational discipline.

In pursuit of continual improvement in refinery operations, both our refineries have been participating in the performance-benchmarking study by M/s. Solomon Associates. The study is now being conducted for the calendar year 2016. The phase of data submission has already been completed by both the refineries. Bureau of Energy Efficiency (BEE) has extended the PAT (Perform, Achieve and Trade) Cycle II programme to the petroleum sector, which is being coordinated by CHT for Indian refineries. Our refineries are actively participating in the PAT Cycle II. As a part of this process, a gap identification audit was carried out by the Petroleum Conservation Research Association (PCRA). Our refineries have participated in this audit and the operating data acquisition phase has been completed.

Both our refineries are certified with ISO 14001.



Visakh Refinery

Marketing

Our marketing locations are certified under international standards for quality management systems, environment management systems, occupational health and safety compliance, specifications for security management systems for the supply chain as well as safety and sustainability management.

A total of 87 locations are ISO 9001 certified, 78 locations are ISO 14001 certified, 76 locations are OHSAS certified, 34 locations are ISO 50001 certified and 61 marketing locations are certified with ISRS rating.

Retail

In the petro-retailing market, it is imperative to consider the proximity of the retail outlet to the point of consumption for driving sales. Focusing on this, we have continued the approach of strategic network expansion. Information technology-related initiatives include SMS-triggered retail automation systems and a Network Planning tool for evaluating the potential of new locations for network expansion. To enhance the brand image, various activities are adopted for increasing the visibility in the market places.

LPG

We leverage technology and innovation extensively to drive growth, increase operational efficiency, ensure safety and reduce operating cost in LPG. In order to increase productivity in LPG plants, we have installed vision-reader units at 12 of them during the year. This helps eliminate manual intervention by facilitating auto reading of cylinder tare weight and due date for testing of the LPG cylinders. Additionally, 12 online valve-changing machines were installed in 10 LPG plants to eliminate conventional methods of cylinder evacuation before changing the valves, thereby

increasing the operational safety and reducing manpower cost. Biometric access facility has been installed at three LPG locations on pilot basis in 2016-17.

Direct Sales - Lubes

The Lubes SBU implemented well-planned strategies and optimised the product mix by balancing between tonnage growth and brand-premium growth. We are present in all Lube product segments, from the high-volume entry-level segments to the super-premium segment like synthetic lubricants. The aggressive business strategy adopted for both segments, viz. Consumer Lubes and Retail Lubes, steps for improving operational efficiency and optimising the inventory of lubricants helped the Lubes SBU to record excellent performance during 2016-17.

Direct Sales - I&C

As part of the strategy to maximise sales, we have looked beyond traditional domestic product sources, for tapping the seasonal market demand. During the year, we have made the first-ever imports of Bitumen and Fuel Oil to meet market demand and we focused on infrastructure development and capability-building in this new business opportunity. The growth in the I&C business line was the result of a well-calibrated strategy to focus on products of bitumen, fuel oil, diesel and specialties like Hexane and MTO, against a backdrop of increasing demand for these products.

Aviation

In the aviation business segment, strategic initiatives undertaken during the year, like new business agreements, renewals with new and existing airlines, leveraging relationship with commercial partners, etc., have all contributed to the business growth and enhanced profitability.

Operations, Distribution & Engineering (OD&E)

OD&E forms the backbone of the marketing of petroleum products with a robust supply chain management system. Innovative solutions like higher-flow rates, technology upgradation, improved logistic planning and reduced truck turnaround time helps us stay ahead of competition. Further, detailed planning was carried out for meeting the future-market demand along with time-bound infrastructure development.

Pipelines

We have laid special emphasis on acquiring high levels of competency in managing the pipeline network effectively to optimise cost and maximise revenue, along with the planning and development of new cross country pipeline network. Pipelines continue to yield attractive returns through lower logistic costs apart from increasing safety in product movements and decreasing carbon footprints. With a continued focus on asset utilisation, in 2016-17, the Corporation recorded the highest-ever mainline throughput of 17.91 MMT.

In line with the philosophy of enhancing the asset utilisation, various initiatives were rolled out as an integral part of business. Each of these initiatives has resulted in tremendous improvements in productivity, reliability and asset utilisation.

Natural Gas

We are actively participating in the natural gas business unit and are pursuing improved participation in the upcoming City Gas Distribution opportunities.

Strategic Planning Initiatives

Strategy Management and Implementation Office (SMIO)

The Strategy Management & Implementation Office is facilitating the strategic planning and execution process at HPCL to ensure implementation of strategic initiatives and realisation of strategic objectives for corporation. T20 strategy has been developed with clearly defined year wise physical and financial targets, investment required and action plan for implementation covering both 'Business-as-usual' and 'New initiatives' up to the year 2020-21. T20 strategy is being institutionalised through SMIO with clear ownership of implementation and a well-defined progress review mechanism at Business Unit and Corporate level. To help implementation, the strategic objectives of the corporation have been linked to execution by defining the KPIs aligned to T20 objectives and the balanced score card is being leveraged for achieving the targets. SMIO is focused on implementation of T20 Strategy and enable HPCL realise its growth and profit objectives.

T20 strategy has been developed with clearly defined year wise physical and financial targets.

Central Procurement Organisation

Central Procurement Organisation (CPO), which was set up with an objective to manage the procurement practices of our Corporation, has progressed rapidly on all fronts, deriving value through category-based procurement, efficiency, transparency and uniform policy compliance. CPO has expanded its operation by taking over the procurement function of the SBUs, Zones and the Corporate office in its fold.

- CPO handled procurement worth ₹5,500 crore and recorded a

saving of ₹256 crore over the benchmarked price. The vendor participation registered an impressive growth of 13-45% with 19-57% reduction in PR to PO lead time across most of the categories.

₹5,500 crore

Worth of procurement handled by the CPO

- Uniform item codification has been implemented to drive value through standardisation and consolidation in procurement. Through an extensive training programme, CPO has conducted 15 workshops covering 250 users across all marketing teams and refineries to drive the mandatory use of item codes in procurement.
- Vendor Registration Portal was enhanced to facilitate existing vendors to update their profiles. A new drive KYV (Know Your Vendor) was launched to rationalise the vendor base.
- The scientific cost estimation methodologies have been institutionalised by the introduction of templates for items, services and development cost for high-spend categories to facilitate quality procurement at a competitive rate.
- CPO is driving various centralised governmental flagship initiatives such as Make in India, MSME-SC/ST Vendor Development and Startup India. MSME Public Procurement Policy compliance was extensively driven. Various vendor meets were conducted with a focus on these flagship programmes.
- CPO also enhanced the capability of all its officials on sourcing strategies and business analytics through extensive trainings programmes.

Integrated Margin Management

Integrated Margin Management (IMM) was initiated as a single entity

to plan logistics and monitor entire value chain of the Corporation. It also looks over controls of margins throughout the supply chain and departments at every level from sourcing, refining, supplies, operations, distribution and inventory management. Keeping the current and future trends in mind, rigorous planning processes are being conducted. These processes help us in surpassing our past best performances. To monitor these performances, elaborate backcasting processes were developed. Further activities such as realistic crude procurement planning through crude cost and feasibility optimisation, identifying of opportunity crudes and necessary analysis for processing were also performed by the IMM. Therefore, it functions as the nerve centre of the Corporation with the objective of maximising the Net Corporate Realisation across the crude-to-customer value chain. The model facilitates methods to maximise margins between procured crude price and realised product price while managing the imbalances and striving to deliver superior value across the chain. This year, our Visakh refinery successfully processed opportunity crudes from across the world like Basrah Heavy (Persian Gulf), Kissanje (West Africa) and Urals (Russia). IMM has been able to improve the optimisation practices, data analytics and market intelligence that keep us abreast with the developments across the industry. Various initiatives of IMM like additional pipeline capacities (Rewari Kanpur pipeline), introduction of enterprising efforts like unique plugging material (HPCK), drag reducing agents and inventory management helped the Corporation for seamlessly switching over to BS IV fuels on pan-India basis.

IMM has enabled the Corporation to achieve a throughput increase by 10.6% (1.7 MMT) in 2016-17 as compared to 2014-15. This

increase was achieved only through detailed planning and without any augmentation of infrastructure. Similarly, pipelines throughput was increased by 19.5% (2.9MMT) in 2016-17 as compared to 2014-15 due to improved logistic planning. Through in-house optimisation package for coastal movement, reduction in coastal movement was achieved which resulted in savings of around ₹8.2 crore per month.

In 2016-17, we were successful in hedging a part of the refinery margins by concluding derivative deals in the international OTC (over-the-counter) market. We also resumed the activities of Oil Price Risk Management through the IMM group. The Oil Risk Management Committee, which comprises the senior management, keeps a focused view on all the risk management policies, principles, risk management activities on regular basis. Systematic reviews of hedging positions and credit exposure of counter parties are also been made by this committee.

Going ahead, IMM will explore distribution planning for LPG for which a detailed SOP and hand-holding procedures have already been put in place.

Safety being the top most priority, all these activities are performed while considering safety and reliability at the core.

Co-opting Opportunities for the Local Community

We endeavour to collaborate with the local communities for building positive and long-term relationships. Our initiatives for sourcing locally help to reduce costs, accelerate speed of delivery and foster skill development in the local communities for a better livelihood.

The Corporation is engaged with several local and small vendors for the procurement of materials and services. We also conduct various vendor meets for capacity building. We have developed a local vendor base and we send procurement inquiries under the policy of Open Competition from

technically-accepted bidders on a competitive basis. We encourage local suppliers depending upon the economics and quality of products and services meeting our specifications. Further, on a case-to-case basis, relaxation in the past track record is also being extended to improve the capacity and capability of small vendors. The details of procurement of goods and services through Micro, Small and Medium Enterprises (MSME) in the reporting year is tabulated below:

Procurement of goods and services from Micro, Small & Medium Enterprises (MSME) in 2016-17

20%

Target

33.72%

Achieved

₹2,519 crore

Value of Procurement



Encouraging Supplies from Local Community



Well maintained Greenery at Lucknow IRD



Protecting our Planet

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Protecting our Planet



Management Approach

Global warming and Climate change are the single largest threats to places, species and people. It is our onus to safeguard the planet and pass it on to next generation. We constantly strive to be a model of excellence in all our endeavours be it in business excellence or environmental stewardship. Our environmental performance is the mainstay of our sustainability context. It enables us to address climate related risks and forge prudent and practical solutions for boosting operational efficiency and being ready for a low carbon future.

The approach towards an effective environmental performance is guided by our various policies.

We have established environment management system at the refineries and marketing locations. Both of our refineries and 78 locations are certified with ISO 14001 Environment

Management System. 34 locations have taken up ISO-50001 Energy Management Study (EnMS) implementation.

Our facilities undergo environmental and energy audits periodically and the recommendations for performance improvement are implemented. We have carried out Environment Impact Assessment for our new projects and locations undergoing expansion. This year environmental clearances have already been received for projects like Madurai LPG Plant, Haldia LPG Plant etc. Our major expansion projects VRMP and MREP also received environmental clearances.

We organise trainings for building skills and better understanding on environment management, air quality monitoring, flare management etc. For our internal stakeholders, we regularly publish easy to read, condensed information in the form

of technical bulletins and newsletters which focus on concepts, legislation, upcoming trends and techniques, important events, best practices etc.

We seek to understand risks posed by climate change to its business and is a member of a comprehensive study on 'Climate Change Risks and Preparedness for Oil and Gas Sector in India'. This study would enable us to decrypt the impact of climate change on the infrastructure of our facilities and operations and methods that we can adopt to mitigate the consequences. Implications of the various policies implemented at local and global level will be analysed to help avoid policy risks. We plan to design a strategy for decision making that will incorporate these climate related risks.

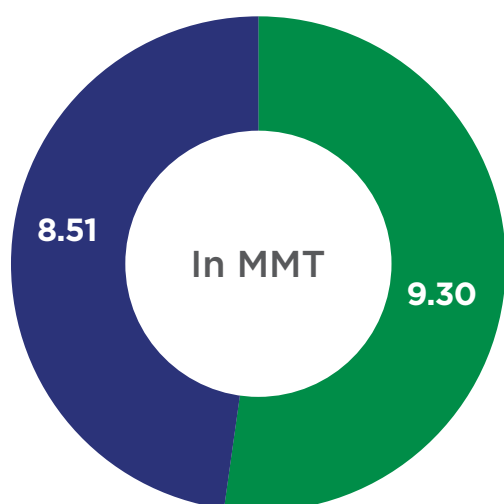
Project 'DigiAv.' - Concept of Paperless SBU implemented in Aviation SBU.

Resource Efficiency

We are cognisant of our high dependence on the natural resources for running our business. We seize opportunities and strategies to become increasingly resource efficient through innovation, recovery and recycling methods, deriving maximum value from the raw materials we utilise at the refineries and other facilities thus decreasing our environmental impact. We were awarded the 'Oil & Gas Conservation Fortnight Award 2015' for 'Best performance in steam leaks over previous year' from the Ministry of Petroleum & Natural Gas in 2016-17.

Material Consumption at Refineries in 2016-17

Crude Oil Processed



■ Mumbai Refinery ■ Visakh Refinery

Materials	Units	Total
Additives, Chemicals and Catalyst	MT	26,483
Caustic	MT	5,619
Liquid Nitrogen	MT	2,172
Lube Oil and Grease	MT	525
Orange Dye	MT	32.1
Dry Chemical Powder	MT	12
Cotton Waste	MT	5
Ethyl Mercaptan	MT	1
Foam	KL	72
Corrosion Inhibitors	KL	66
Blue Dye	KL	10
Others	KL	7
Filters	Nos.	961
Wooden Pallets	Nos.	850

Materials	Units	Total
Rubber Hoses	Nos.	259
Batteries	Nos.	169

Associated Materials Consumed in 2016-17

Material	Quantity (kg)
R-22 (Refrigerant)	2,013

Material Consumption at Marketing locations in 2016-17

Materials	Units	Total
Bottling Cylinders	MT	54,69,230
Brass Valves	MT	62,808
Additives and Chemicals	MT	16,422
HFHSD	MT	4,894
Soap Solution	MT	405
Pressure Regulators	MT	4,091
MTO	MT	406
O-rings	MT	262
Dry Chemical Powder	MT	73
Lube Oil and Grease	MT	48
Cotton Waste	MT	20
Caustic	MT	14
Ethyl Mercaptan	MT	11
Base Oils	KL	4,83,449
Ethanol	KL	3,13,000
Biodiesel	KL	9,500
Paint & Primer	KL	575
Corrosion Inhibitors	KL	193
Foam	KL	148
Blue Dye	KL	31
Containers and Cartons	('000 Nos.)	21,023
Plastic Seals and Caps	MT	2,903
Batteries	Nos.	1,844
Filters	Nos.	1,593
Rubber Hoses	Nos.	1,278
Wooden Pallets	Nos.	1,074

Recycled Materials at Refineries in 2016-17

Materials	Units	Total
Slop	MT	94,274
Catalyst	MT	305
Plastic Containers	Nos.	18,000
Metal Containers	Nos.	8,640

Recycled Materials at Marketing Locations in 2016-17

Materials	Units	Total
Bottling Cylinders	MT	52,46,450
Brass Valves	MT	61,296
Plastic Caps	MT	2,443
O-rings	MT	244

Resource Efficiency Initiatives

- Reduction in steam consumption due to structured packing in FCCU-1 reactor stripper. Steam consumption is also reduced due to integration of Merox & CFC ARU.
- FIWaste heat recovery from FCCU-2 CO boiler.
- Flare gas recovery and usage in furnaces.
- Visakh LPG terminal had taken initiative for reducing Paint consumption for DPT Cylinders. By reducing the size of paint nozzles, we could achieve reduction of paint consumption by 4.6%.
- Modification of Optimised Logistic Assistance (OLA) for curtailment of RTKM for Tata

Nagar market ex-Bokaro through West Bengal territory resulting in a saving of approximately ₹1 crore on an annual basis.

- At Ennore terminal tanker discharge simultaneously through 2 separate pipelines helped to increase the flow rate resulting in savings of approximately ₹3.4 crore per annum.

Saksham-2017

Oil and Gas conservation campaign is observed for a period of one month at all our locations covering all employees as well as other stakeholders. During this period

workshops, painting competitions etc. are conducted at both our refineries and all marketing locations for competency building. We also organised a mega driver training

programme at Visakhapatnam presided over by Minister of State (I/C) Petroleum and Natural Gas during the Oil and Gas Conservation Campaign - Saksham 2017.



Mega Driver Training Workshop at Visakhapatnam



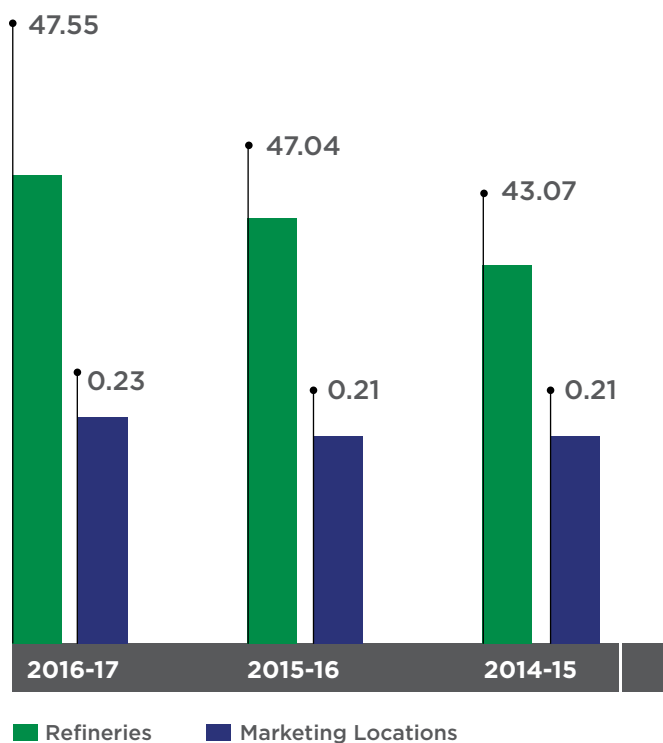
A Glimpse of the Driver Training Workshop

Targeting Energy Efficiency and Conservation

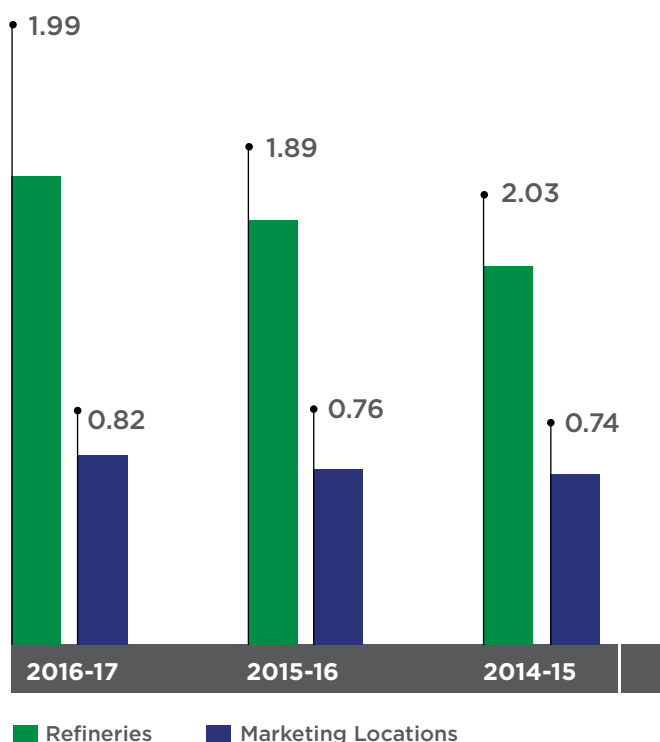
In the present century even as we are transitioning towards alternative fuels and renewable energy sources, the oil and gas sector continues to dominate the energy mix supporting the growing energy demand. Given, that refinery operations are energy intensive processes, the responsibility of this industry lies in minimising the energy required and consumed for production and processing of fossil fuels. We take this responsibility seriously and diligently monitor and assess our energy requirement and consumption patterns. We make sincere efforts for conservation of energy and increasing the energy efficiency at all our marketing locations and refineries. An international conference on 'Energy Innovations: Today and Tomorrow' was conducted by us this year. Mumbai Refinery won the 'Energy Conservation Award – 2016' from MoP&NG, Government of India and 'Golden Peacock Award for Sustainability – 2016' from Institute of Directors.

Energy Consumption within the Organisation

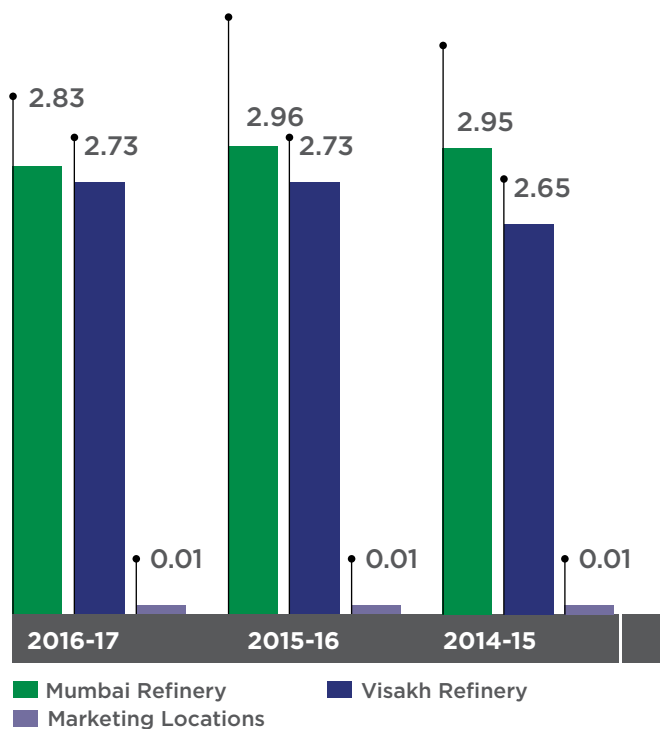
Direct Energy Consumption (in million GJ)



Indirect Energy Consumption (in million GJ)



Energy Intensity (in GJ/MT)



* For refineries, per MT of crude processed. For marketing, per MT of product throughput.

** Mumbai Refinery data includes fuels and lube refinery data.

Energy intensity calculations are worked out on the basis of Direct and Indirect energy consumption.

Energy Consumption outside the Organisation

The energy requirement towards commute of employees of Refineries and Marketing SBUs is estimated at 0.017 million GJ and towards product movement of Marketing SBUs is estimated at 10.074 million GJ*.

* Energy consumption excludes product movement via rail

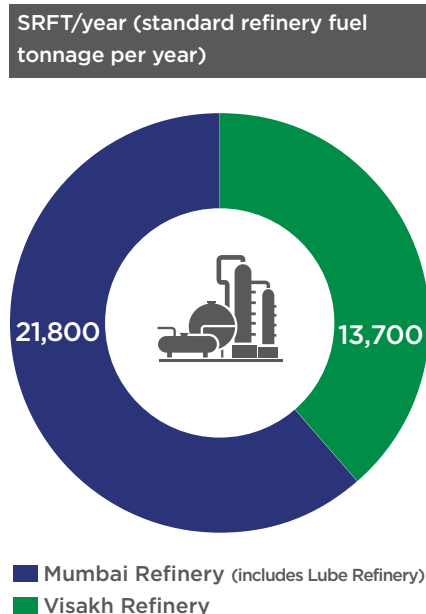
Conserving Energy

Energy conservation and energy efficiency eliminate wasting resources and result in direct monetary benefits as energy consumption forms a considerable portion of the operating cost. Efficient use of energy plummets costs across the value chain and benefits users by making the product more affordable. We conserve energy by means of developing and implementing recent technology, eliminating energy losses and doing away with dispensable activities. We analyse and determine areas for significant energy savings and implement both long-term and short-term strategies for energy conservation. This year we have implemented a broad range of interventions for energy conservation including use of alternative energy sources, energy efficient equipment & processes and clean technology at both marketing and refinery facilities.

Initiatives at Refineries

The Mumbai and Visakh refineries have implemented various initiatives to improve energy efficiency through modern revolutionary technologies and futuristic methods. We made a capital investment of ₹29.2 crore at Mumbai Refinery and ₹9.5 crore at Visakh Refinery on energy conservation equipment during financial year 2016-17. Our efforts have resulted in the Corporation recording lowest ever energy consumption with respect to MBN and Energy Intensity Index (EII). The energy conservation measures undertaken by both the refineries during the year 2016-17 have resulted in a savings of 35,500

SRFT/year (standard refinery fuel tonnage per year).



Interventions at Mumbai Refinery

- Revamp of SEU III to improve design efficiency in SEU III furnace using split flow technology, resulted in reduction of fuel consumption.
- Online chemical cleaning of FR-VPS/FRE-VPS/LR VPS/SEU-II/PDA furnaces was carried out.
- Survey of excess air in furnaces and air leak survey of air header was carried out periodically and identified air leaks were rectified. Steam optimisation was carried out in LR VPS furnace.
- Feed CCR of NFCCU was increased which has resulted in increase in steam generation from waste heat thereby reducing load on conventional boilers reaping the benefit of lower overall fuel consumption.
- Refinery has also taken up ISO-50001 Energy Management Study (EnMS) implementation. Energy policy was framed for the refinery with appointment of a management representative (MR) and an Assistant MR along with formation of steering and core committee for implementation of EnMS. Energy Performance Indicators (EnPIs) for Mumbai Refinery were identified as well.

- As a part of PAT cycle, mandatory Energy Audit is being carried out by M/s. PCRA. Data was collected for various utilities and process unit motors for the Mandatory Energy Audit. In addition, energy improvement study is in progress to identify areas for further reduction.
- Mumbai refinery enhanced power purchase through Open Access (OA) during 2016-17. The OA of 40 MW was commenced for withdrawal of power from grid since August 2016.

Interventions at Visakh Refinery

- As a part of PAT cycle, mandatory Energy Audit is being carried out by M/s. PCRA. Data was collected for various utilities and process unit motors for the Mandatory Energy Audit. In addition, energy improvement study is in progress to identify areas for further reduction.
- New Flare Gas Recovery compressors were commissioned for recovery of flare gas from HC flare header and reuse as refinery fuel gas. This measure has resulted in better utilisation of flare gases thereby reducing emissions.
- Online chemical cleaning of CDU furnaces was carried out periodically resulting in reduced stack temperatures and fuel savings.
- Periodic cleaning of fouled preheat exchangers in CDUs was carried out for sustaining preheat temperature.
- The lowest ever Specific Fuel Consumption of 0.336 MT/MWh in CPP was achieved upon maximisation of GTG loads as per the characteristics of individual GTGs.
- Steam generator (5 MT/hr) for CDU-III slop cut rundown stream was installed & commissioned.
- Reduction in stripping steam consumption achieved after the provision of state-of-the-art structured packing (MODGRID) in FCCU-I reactor stripper in the place of baffles.

- Periodic steam leak survey was carried out and the identified leaks were arrested. A comprehensive steam trap management system is in place in the refinery.

Interventions at Marketing Locations

- Online energy management system was installed at Visakh New White Oil Terminal as a Pilot, for efficient monitoring of energy consumption and to reduce specific energy consumption. Roll out planned at other OD&E locations in 2017-18.
- Energy Audits were conducted at 17 OD&E locations during the year thus completing energy audits at 36 OD & E locations.
- An excess contract demand of 2,436 KVA at 5 OD&E locations was surrendered resulting in annual savings of ₹40 lakh.
- New initiative of Power Purchase through online exchange was commenced at Visakh and Mangalore Terminals.

- Installation of Variable Frequency Drives for motors.
- Maintaining power factor close to unity by using capacitor banks.
- Sensitisation of workforce to prevent idle running of equipment.

Installation of LEDs

Installing LEDs is one of the easiest ways of boosting energy efficiency in lighting and illumination. We have undertaken several initiatives across our locations to switch to LEDs.

- Energy Efficient Lighting system (100% conversion from conventional lighting to LED lighting) were installed at 20 OD&E locations resulting in savings of approximately ₹3.4 crore.
- HPSV lamps replaced with LEP/ LED lights at Visakh, Madurai and Jatni LPG Plants with capacity of 16.8 kW each, Savings upto 60% achieved.

- LED lightful initiative was implemented to tap the solar energy and improve energy efficiency while maintaining the same lux levels at Trichy, Calicut, Visakh, Nalia and Dum Dum ASFs.

Installation of Solar Light Pipes and Sky Shelves at Marketing Locations

Solar light pipes have been installed at Visakh LPG Terminal, Silvsassa Lube Blending Plant and Hazarwadi LPG Bottling plant to maximise daylight use. Sky shelves have been installed in the admin building of Visakh LPG Terminal to reduce the heat losses, thereby resulting in energy savings due to lighting and air conditioning units.



LED Lighting at Hassan Terminal



Solar Light Pipe at Visakh LPG Terminal Control Room

Reducing our Emissions

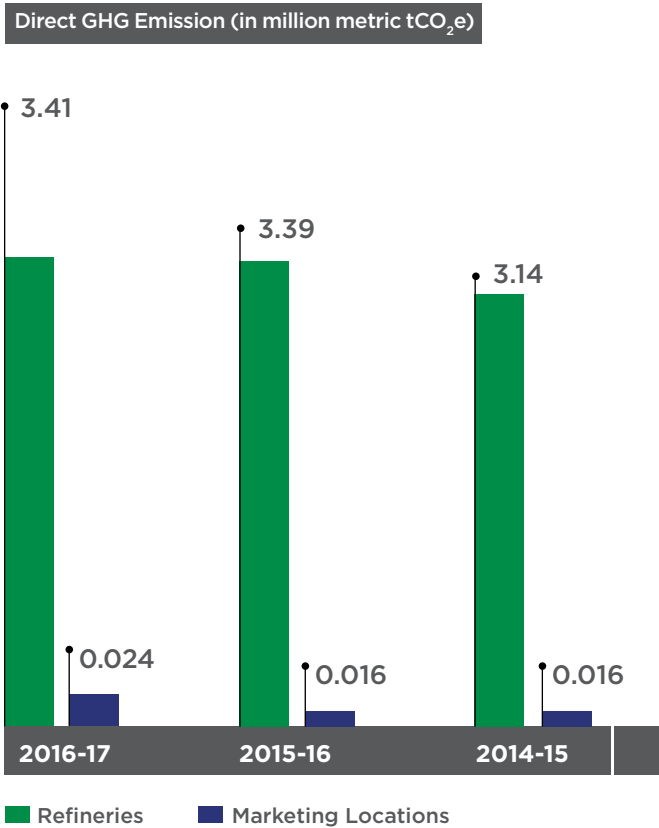
Climate change is an outcome of increased Green House Gas emissions causing rise in global temperature. It is vital for every corporate to measure, monitor and mitigate their carbon emissions. As one of India's leading oil company, we are aware of our carbon

footprint and are driven consciously towards curbing negative impacts and supporting climate action.

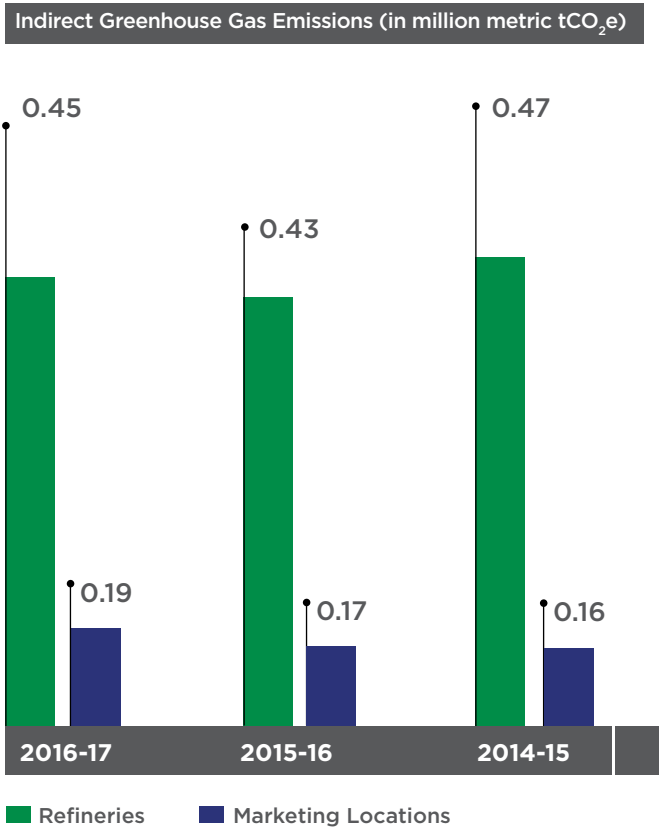
The standards, methodologies and assumptions used for the purpose of our calculations were obtained from IPCC Guidelines for National

Greenhouse Gas Inventories - 2006, the IPCC AR4 Fourth Assessment Report; Central Electricity Authority (CEA) - CO₂ Baseline Database for the Indian Power Sector, version 11th April 2016 and India GHG programme 2015 Version 1 (for Emission factor for Rail Transport).

Scope 1 Emissions (GHG emissions due to burning of fuels for generating energy within the premises)

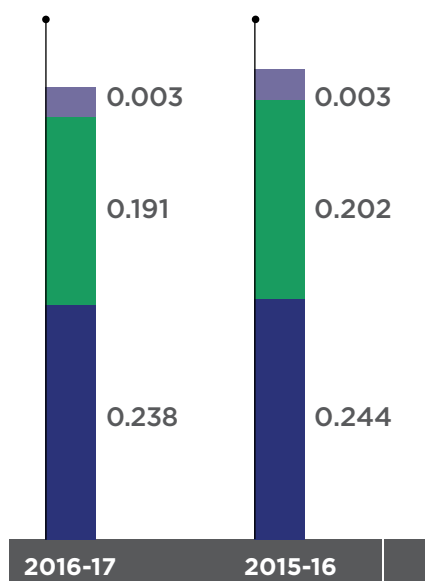


Scope 2 Emissions (GHG emissions from the generation of purchased electricity)



Sources: Emission factors - IPCC; Calorific value - Internal values
No specific base year has been considered for reporting the data



Emission Intensity (in tCO₂e/MT)

■ Mumbai Refinery**
 ■ Visakh Refinery
 ■ Marketing Locations

* For refineries, per MT of crude processed. For marketing, per MT of product throughput.

** MR data includes fuels and lube refinery data.

Emission intensity calculations are worked out on the basis of Scope 1 and Scope 2 emissions.

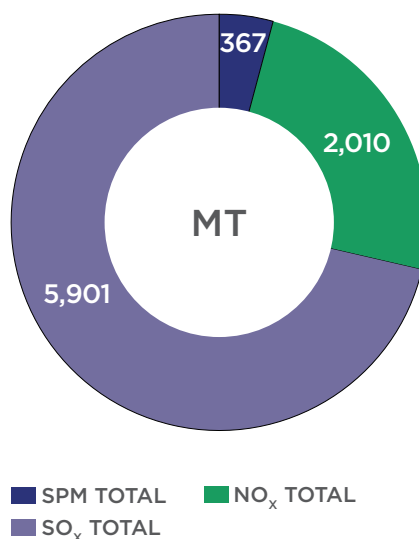
Scope 3 Emissions

In 2015-16, we had reported Scope 3 emissions (other indirect GHG emissions) which included emissions from product transportation by different mode such rail, road and ships. This year, we have undergone more comprehensive accounting by including emissions due to employee commute. The scope 3 emissions for movement of products by rail, road and ship was 0.802 MMTCO₂e* and for employee commute was 0.001 MMTCO₂e in 2016-17.

* Assumption: Emission factor for Rail Transport: 0.00996 kg CO₂/Ton - km): India GHG programme 2015 Version 1.

Over 75% of the petroleum products from the refineries are being evacuated through pipelines.

Air Emissions in 2016-17



Initiatives for Emission Reduction at Refineries

- Over 75% of the petroleum products from the refineries are being evacuated through pipelines. Dependence on road transport for evacuation of products has been reduced drastically, resulting in considerable reduction in auto emissions to atmosphere.
- We have successfully switched over to complete BS-IV regulation from January 2017 without any interruption in supply.
- Flue Gas Scrubbing unit and Purge Treatment unit control Sulphur Dioxide and Suspended Particulate Matter wherein more than 90% of these pollutants are reduced before letting the flue gas into the atmosphere.
- Fuel gas is treated in fuel gas desulphurisation unit to bring down the sulphur content before being fired in furnaces and boilers for reduction in SO_x emissions.
- Tail Gas treating units are installed in sulphur recovery units for recovery of elemental sulphur in continuous operation.
- Low NO_x burners are installed for NO_x emissions reduction.
- Ultrasonic Mass flow meters are installed for continuous monitoring of flare.
- Natural gas is being used as fuel in fired equipment thereby substituting part of the liquid fuel

as an emission control measure for sustainable operations.

- Flare Gas recovery system is installed and is in operation thereby reducing air emissions.

Interventions for Control and Monitoring of Air Emissions:

Both refineries have upgraded their continuous ambient air monitoring stations and have added analysers for monitoring of parameters such as Ozone, Benzene, Ammonia and H₂S to the new SO_x and NO_x analyser. Data from these stations is uploaded in real time on Central Pollution Control Board (CPCB) website, New Delhi as well as on respective SPCB website and is available in the public domain. All quality parameters of the ambient air were conforming to the National Ambient Air Quality Standards (NAAQS) during the year. In addition to the online monitoring, manual monitoring of ambient air as per NAAQS is also being carried out by external MoEF&CC approved laboratory. A Leak Detection and Repair (LDAR) programme is in place for monitoring and controlling the hydrocarbon emission level.

Initiatives at our Marketing Locations

- Conversion from BS III to BS IV fuels – the entire process of migrating from BS III to BS IV on all India at all POL locations and retail outlets successfully completed within the timelines.
- Commissioned Euro IV TW loading facilities at Vijayawada and loaded 28 rakes to Ramagundam resulting in savings of ₹8.12 crore in freight.
- In order to reduce our emissions, we are continuously striving to adopt clean mode of transport. We are increasing our product movement through pipelines which is considered as one of the cleanest mode of transport. We have increased our total Pipeline infrastructure of 3,015 km in 2015-16 to 3,370 km in 2016-17 and increased our pipeline throughput by 1.7%.
- Biofuels are known to satisfy energy needs in an environmentally

benign and cost-effective manner. In our endeavour to develop clean fuels we are using a technique of blending biological fuels such as ethanol and biodiesel. this technique achieved 3.51% ethanol blending in petrol. Foundation stone for India's first 2G Bio Refinery to be set up at Bathinda, Punjab was laid on 25th December

2016. We also procured 3,13,000 KL of Ethanol and 9,500 KL of Biodiesel for blending in MS and HSD respectively. The sales volume of ethanol Blended MS was 30,43,500 KL and Biodiesel Blended Diesel Sale was 2,16,469 KL. We have been working towards production of cleaner fuels in terms of decreasing the

sulphur content as well and thus taken tremendous efforts towards production of BS IV fuels.

- HPCL is the only OMC which has provided all its retail outlets in Delhi City with Stage 2 vapour recovery system.

Developing Green Belts

- Visakh Refinery planted nearly 2 lakh saplings in and around Visakhapatnam as part of Green Visakha Program.
- Agro climatic greenbelts have been developed at 13 OD&E locations by planting 6,422 trees which will lead to higher carbon

sequestration in the years to come.

- At our pipeline operating locations, 3,552 trees were planted during the year.
- With a theme of 'Each One Plant One', Chennai New Terminal under the guidance of Corporate

HSE-Sustainability department carried out mass plantation of 4,000 saplings in March 2017 in an organised manner. At present, our locations are having a total green belt area of 1,052 acres.



Mass Tree Plantation at Chennai New Terminal in March 2017



Well Maintained Plantation at Chennai New Terminal - October 2017

Harnessing Renewable Energy

Climate change is indeed a global concern, however it brings with itself an era of exploring and delivering cleaner technologies that preserve our environment without compromising the ability to meet our own needs. We realise the potential in renewable energy and the tremendous opportunities it offers, in terms of solving future energy crisis and limiting present carbon emission levels. Being an energy intensive sector, we try to harness energy from non-conventional sources and contribute to the zero carbon goal. Our landmark initiatives include commissioning of wind and solar projects that not only supply electricity to our plants but also contribute to the state grids. We are assessing current and future electricity demands at our terminals and refineries and are deliberating upon the development of captive renewable energy projects. During the reporting period, we have invested more than ₹350 crore in renewable energy projects.

Wind Projects

We are increasingly stressing on generation of electricity through wind power and have undertaken two major projects in Rajasthan and Maharashtra. We recently commissioned 50.4 MW wind power project in Jaisalmer, Rajasthan in December 2016, taking our capacity to 101 MW. The electricity generated is partly used in our locations while rest is supplied to State Electricity Boards. During 2016-17, total electricity generation through wind farms was 962 lakh kWh. In addition, total 21,648 nos. of Renewable Energy Certificates (REC) were generated from newly commissioned 50.4 MW wind farm during 2016-17. These RECs which were valued at approximately ₹3 crore will be redeemed by Mumbai refinery to meet renewable obligation under non-solar category.

Solar Projects

Solar power is becoming mainstream at a fast pace given the encouragement from the government and our national targets. We have fostered solar initiatives across SBUs. Our total installed capacity of solar power is more than 1,500 kWp.

Solarisation was done at 445 retail outlets during the year and cumulatively covered 1,247 outlets against 1,200 committed to MoP&NG under 12th plan. Solar plant with a capacity of 258 kWp was registered for Renewable Energy Certificates. Certificates valued at ₹7.77 lakh were received and balance certificates valued at ₹5.95 lakh are under process. These certificates will be redeemed for Mumbai Refinery to meet their renewable obligation under solar category.

- Solar projects with a total capacity of 295 kWp were installed and commissioned at 4 LPG Plants - Ajmer, Visakh, Anantpur and Aurangabad.
- Solar plants with a total capacity of 226 kWp were installed and commissioned at 9 OD&E locations.
- Solar plants with a total capacity of 158.5 kWp installed at VVSPL Visakh stations.

Projects under consideration in the coming year

- 750 kW Capacity Solar PV Captive plant at Bahadurgarh terminal.
- 350 kW Capacity Solar PV Captive Plant at Salawas Depot, Jodhpur.

Feasibility study for developing solar plant at 4 captive locations is also under progress.



Solar PV Plant at VVSPL-Visakh Dispatch Station

Conserving and Managing Water

Water forms an integral part of our industry and in light of the growing concerns over limited fresh water resources, we strive to adopt sustainable water management techniques. In refining operations, water is mainly used in boilers, cooling circuits and other refining processes. These processes are water intensive and we make concerted efforts to optimise this

consumption. Moreover, with the growing emphasis on biofuels there is an increased significance of the energy water relationship. We measure and monitor the quantity of water consumed and identify operations where water conservation techniques can be implemented. We reuse recycled water wherever possible to limit our water footprint. We consciously upgrade to water

efficient technologies across our operations in both refineries and marketing locations. Water stress is of significance to the local communities and through sensitisation programme we aim to create an awareness among them so that the local impact can be tackled collaboratively. We ensure that our activities do not significantly affect water sources due to withdrawal.

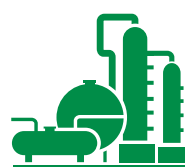
Water Withdrawal by Source at Refineries in 2016-17

Source of Water	Units	Total
Sea Water	('000 KL)	1,02,088
Municipal	('000 KL)	9,886
Rain Water harvested and collected for reuse	('000 KL)	82
Total	('000 KL)	1,12,057

Water Withdrawal by Source at Marketing Locations in 2016-17

Source of Water	Units	Total
Groundwater through borewell	('000 KL)	810
Municipal	('000 KL)	379
Tanker	('000 KL)	210
Fresh Water from other organisation	('000 KL)	73
River/Canal Water	('000 KL)	45
Reservoir/Lakes	('000 KL)	9
Rain Water harvested and collected for reuse	('000 KL)	4
Total	('000 KL)	1,530

Specific Water Consumption in 2016-17



6.29 KL/MT

Refineries



0.021 KL/MT

Marketing

* Per MT of crude processed for Refineries, per MT of product throughput for Marketing.



Rain Water Recharging Pit at Rajahmundry LPG Plant

Water Recycled/Reused at Refineries in 2016-17 (in '000 KL):

Treated Water from ETP used within premises	1,977
Reuse of water in processes	49,848*
Ro Reject Water	315
Total Refinery Recycled/Reused	52,140

* This quantity includes bearing cooling water circulation.

Water Recycled/Reused at Marketing Locations in 2016-17 (in '000 KL):

Total Water Recycled/Reused	507
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Our Initiatives Refineries

We have rain water harvesting facilities in operation at both the refineries and in 110 marketing locations.

Effluents in water are minimised or treated to decrease the impact on the local water quality. The nature of our operations involves handling large quantities of water carrying process waste which might contain oil, grease and other hydrocarbons. Management for water stewardship entails responsible withdrawal and judicious use of water resources, reuse, recycle and appropriate disposal of waste water. We are working towards Zero Liquid Discharge at our operating sites. We have a state-of-the-art New Integrated Effluent Treatment Plant operated in Mumbai Refinery. The

technology used conforms to existing MINAS (revised environment standards). The purified treated water is recycled for refinery consumption and has reduced the intake of fresh water from the municipal corporation.

MR recycled 7,24,576 m³ of water as compared to 5,77,511 m³ of water during the previous year. In order to ensure that the effluent finally discharged meets the norms, an Effluent Quality Monitoring System (EQMS) is installed which monitors parameters such as pH, Oil & Gas and flow. EQMS data connectivity is established till CPCB/MPCB.

Marketing Locations

- Stringent metering and monitoring of water consumption and maintaining water balance at locations.
- Installation of water efficient fixtures at locations.
- Recycling of tank truck calibration water.
- Recycling of sewage water through phyto remediation units. Presently we are having a capacity of 60 KLD of sewage water treatment through these units.
- Re-using water from hydro testing of product tanks.
- Recirculation of water in the cylinder washing/hydrotesting units.
- Rejected water from Reverse Osmosis (RO) plant for flushing of toilets and treated water from ETP used for gardening purpose.
- Efficient irrigation systems with timers, spray nozzles and sprinklers etc. are installed.

Towards Water Positivity

We are making every effort in helping our locations to become water positive. This involves strict monitoring of water consumption, reduction in wastages, ensuring maximum reuse and recycling of water and enhancing ground water recharge.

Our Rajahmundry LPG Plant has been recently certified as 'Water Positive by 17,100 KL' for the calendar year 2016.

Ground water aquifers are recharged during monsoons by roof top and surface water harvesting. We have rain water harvesting at both the refineries and 110 marketing locations. We are also monitoring ground water quality at our Mumbai refinery as per IS 10500: 1991 regularly.

We are making efforts for sensitising our stakeholders towards water conservation and

need of rain water harvesting. We have conducted quizzes, drawing competitions etc. in our operating locations and schools in order to create awareness.

These interventions have motivated our LPG distributors to voluntarily construct rain water percolation pits in their godown premises. 108 LPG distributors of Visakhapatnam recharged more than 30,000 KL.

Our Rajahmundry LPG Plant has been recently certified as 'Water Positive by 17,100 KL' for the calendar year 2016.

Managing Waste

The global shift towards circular economy requires businesses to take charge of and manage the waste that is generated by their activities. We take stock of the waste generated by us and invest in upgrading our operations to minimise our waste generation.

We have categorised the waste generated at all our facilities and abide by applicable regulations. We comply with the statutory norms and regulations stated by MoEF&CC, CPCB and SPCB. The waste that is generated in our facilities is either treated within the

premise or disposed through CPCB approved common hazardous waste treatment, storage and disposal facility (CHWTSDF). We believe in closing the loops when it comes to managing our waste and therefore emphasise on recycling.

Hazardous Waste Generation in 2016-17: Refineries

Type	Units	Total
Oily Sludge (including ETP oily sludge)	MT	12,839
Spent Catalyst	MT	2,782
Insulation Wool Waste	MT	498
Spent Charcoal (including coke)	MT	131
E-waste	MT	11
Oily Soaked Cotton Waste (including gloves)	MT	0.02
Tyres and other rubber scrap (including Hoses and O rings)	MT	0.01
Chemical Containers	Nos.	4,780
Scrap Batteries	Nos.	329

Marketing Locations

Type	Units	Total
Oily Sludge (including ETP oily sludge)	MT	614
Paint Sludge	MT	94
Insulation Wool Waste	MT	17
Oily Soaked Cotton Waste (including gloves)	MT	9
E-waste	MT	3
Chemical Containers	Nos.	4,793
Scrap Batteries	Nos.	2,020
Filter Elements	Nos.	1,200
Tyres and other rubber scrap (including Hoses and O rings)	MT	7
Used Oil	KL	56

Non-Hazardous Waste Generation in 2016-17:- Refineries

Type	Units	Total
Metal Scrap	MT	9,832
Paper Scrap	MT	250
Wooden Scrap	MT	0.12
Plastic Waste	MT	0.07
Plastic Containers	Nos.	7183
Metal Containers	Nos.	3,741
Scrap Equipment	Nos.	7
Others	MT	637

Marketing Locations

Type	Units	Total
Metal Scrap	MT	3,130
Wooden Scrap	MT	175
Plastic Waste	MT	29
Paper Scrap	MT	3
Metal Containers	Nos.	25,081
Plastic Containers	Nos.	21,096
Scrap Equipment	Nos.	873
Food Waste	MT	30

Waste Management Initiatives

Slop gets generated during crude oil refining process as well as during product handling process. This slop generated at the process plants and in marketing locations is reprocessed/re-blended for converting it into a valuable product on regular basis.

We have Effluent Treatment facilities set up at various refineries and marketing locations to treat the effluents and further re-use the treated water/effluent at our locations. We have also upgraded our Effluent Treatment Plants (ETP) at both the refineries.

We have also installed organic waste converters at select locations for speedy conversion of waste to manure which is further used within the locations.

At Our Refineries

- Visakh Refinery completed installation of on-line effluent analysers in ETPs and their connectivity has been established to CPCB for ETP-IV analysers during the year. Overall compliance to the MINAS (environment standards) has enhanced.
- Mumbai Refinery has state-of-the-art New Integrated Effluent Treatment Plant consisting of primary, secondary and tertiary treatment sections which has been in operation consistently since 2010 with a design capacity of 300 m³/hr. The technology conforms to existing MINAS (environment standards) and can also cater to further stringent standards in the future.
- MR recycled 6,64,149 KL of treated water in the year 2016-17 and the cumulative water recycling since the inception (till 31st March 2017) of the 'Effluent Treatment Plant' is 35,32,518 KL.

- Effluent Quality Monitoring System (EQMS) consisting of following parameters pH, O&G and Flow are installed at the final discharge. The EQMS data connectivity is established till CPCB/MPCB.
- Visakh Refinery achieved highest ever processing of oily sludge (14,275.7 m³).
- All spent catalysts and discarded chemicals at Visakh Refinery were

disposed off to the authorised Central Pollution Control Board (CPCB) recyclers and disposed around 787 MT of various hazardous waste materials.

- Mumbai Refinery achieved crude sludge processing of about 4400 m³.
- Mumbai Refinery disposed approximately 2,216 MT of spent catalyst at 'Common Hazardous

Wastes Treatment Storage Disposal Facility' (CHWTSDF), operated by Mumbai Waste Management Limited (MWML) for secured landfill and incineration. Further, a consignment of 27.5 MT of spent metal catalyst and oily sludge was sold to a recycler through MSTC e-auction.

Oil Zapper Technology

This technology was developed by The Energy and Resources Institute (TERI). It is based on a biological treatment method called bio-remediation where in microbes are used to remove hazardous contaminants including oily sludge from contaminated water. At our refineries the oil is mechanically recovered from the oily sludge which leaves behind low oily sludge or oily sediments.

The microorganisms degrade oil to convert low oily sludge to fertile soil.

The bio-surfactant formulation developed has proved to be cost effective and has enhanced oil recovery from petroleum sludge in our refineries. In the year 2016-17, Mumbai Refinery bio-remediated a batch of 2,000 m³.

At Marketing Locations

- Our locations ensure proper segregation of waste.
- The waste generated at locations is disposed off by selling it to SPCB authorised CHWTSDF to ensure proper processing.
- Our locations employ vermicomposting method and organic waste converters for converting biodegradable waste to manure. The manure generated is used in in-house gardens.
- Our locations have ETPs and STPs in place for treatment of effluent and sewage water.

Sustainability Initiatives taken by Suppliers/ Contractors/ Vendors

During the stakeholder engagement sessions held as a part of Sustainability Reporting exercise, our external stakeholders have shared few of the Sustainability initiatives undertaken by them at HPCL or at their premises:



Energy Efficiency



Energy Audits



Fuel Efficiency



Use of Solar Equipment at Home



Rainwater Harvesting



Sewage Treatment Plant



Tree Plantation



Water Conservation

Greenco Implementation



CII Greenco Platinum Rating to Visakh LPG Terminal

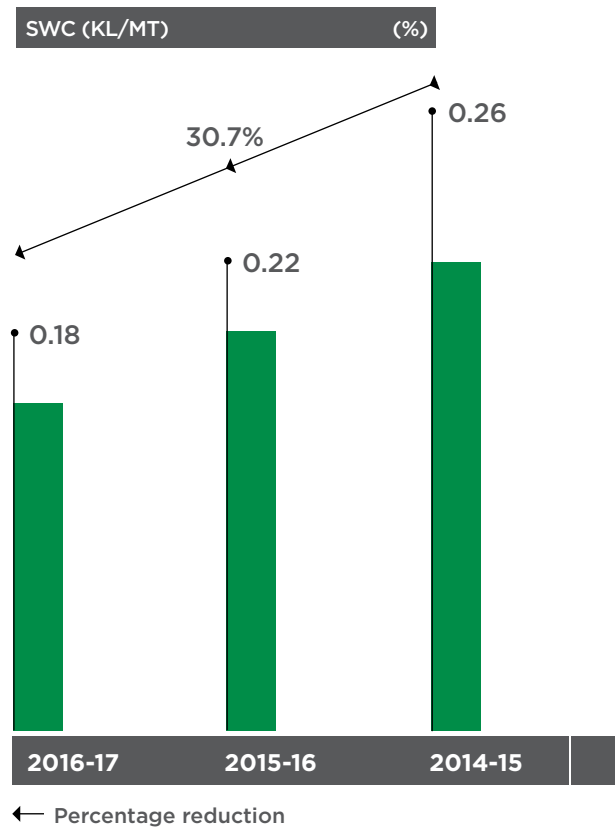
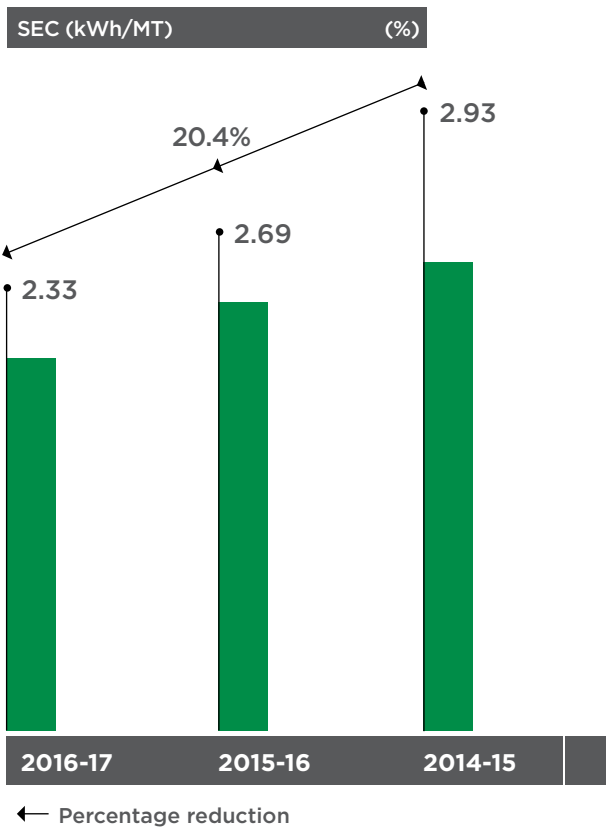
The 'Greenco' rating system by the CII-Godrej Green Business Centre, gauges the environmental performance of companies who are committed to greening their operations. The multifaceted rating system, takes into account various parameters such as energy efficiency, water conservation, renewable energy, GHG emission reduction, material conservation and recycling, waste management and green supply chain. The mechanism assesses and helps companies to perform beyond compliance and become globally competitive.

The prominence of this system is further cemented by the fact that it featured in India's INDC pledge submitted to the UNFCCC.

We have the distinction of having five units among the GreencFo rated units:



Unit	Greenco Rating
Visakh LPG Terminal	Platinum
Visakh Vijayawada Secunderabad Pipeline (VVSPL), Visakh	Platinum
New White Oil Terminal, Visakh	Gold
Silvassa Lube Blending Terminal	Silver
Cherlapally LPG Bottling Plant, Hyderabad	Silver



Recently our Visakh LPG terminal has been declared as 'GreenCo Platinum' rated unit. Some of the initiatives taken at our LPG Plant in Visakh that have helped us achieve platinum rating are as below:

Energy Saving Initiatives

- LED fixtures for high masts, resulting in energy reduction of 77%.
- LED for FLP fixtures in loading bay which has reduced power consumption from 300W to 60W per fixture.
- Retrofit of FTL/CFL across all buildings to LED.
- Compressor optimisation by modifications and arresting leakages resulting in 4% reduction in energy consumption.

Renewable Energy Initiatives

- Installation of two solar PV units of total capacity 130 kWp which generate average of 14,800 kWh on a monthly basis.

- Installation of five solar light pipes in the control room which have resulted in annual savings of 6,768 kWh.

Water Saving Initiatives

- Installation of five phyto-remediation pits (15 KLD), the first LPG plant in India to use recycled water in the process.
- Setting up of two rainwater harvesting pits; each pit with a capacity of 13 KL.
- Usage of sprinklers and drip-irrigation techniques for efficient irrigation.

Resource Utilisation

- LPG recovery prior to intelligent pigging of 12" dispatch line has resulted into LPG savings of 450 kg in each pigging operation.
- Reuse of salvaged caps which has translated to 81% reduction in consumption of fresh caps over 3 years.

- Utilised the scrap material from the aftermath of Cyclone Hudhud to construct benches, table, trolleys, shed-material, chains and pipes for internal use.
- Empty oil barrels were converted to waste collection bins for internal use.

Waste Management

- Installed organic waste converter having a capacity of 75 Kg/batch where garden and food waste is converted to manure.
- 15 KLD of treated water from phyto-remediation units is reused in plant processes like pneumatic testing and irrigation purposes.

Our many initiatives serve as a yardstick for our other locations to follow and we have achieved reduction of 20.4% in specific energy consumption as well as reduction of 30.7% in specific water consumption over the last three years.

Green Building Initiative

With a commitment for Holistic Environment Conservation, Sustainable Development, and Safety and Healthy lifestyle of the esteemed workforce using our office buildings, we are implementing concept of 'Green Buildings' in all new projects and select existing buildings. Both our headquarters offices – Corporate and Marketing headquarters, have been taken up for conversion to 'Green Buildings'.

The initiative to convert our Corporate headquarters office building 'Petroleum House' into Green building is underway. Due to decades old architecture with heritage value, green initiatives are being implemented in a phased manner.

Hindustan Bhavan (HB), the Marketing Headquarter of our Corporation is one of the Heritage buildings in the country. Being a heritage building, it was challenging to convert the existing building into Green building without any structural changes. However, with our consistent efforts, we have been able to implement numerous green

initiatives and are in the process of getting the building certified as a 'Green Building'.

Some of the green initiative implemented at Hindustan bhavan are:

Electricity Conservation

We are committed to optimise the consumption of electricity as we believe that 'Energy saved is Energy Generated'. In this endeavour we have taken initiatives which have brought about a reduction of 6 % in electricity usage in the 2016-17 as compared to that of 2014-15. The initiatives undertaken at HB include:

- Replacement of magnetic ballast with electric ballast retrofitting of existing lights with LED Lights.
- Replacement of inefficient 3 phase package unit with Single phase package unit. Installation of 5 star Energy Equipment.
- Intelligent lighting system and tagging or zoning of electrical switches.
- Installation of VFD for centralised Air Conditioning Unit. Arrangements are also being made to take corrective steps for the air return flow mechanism.

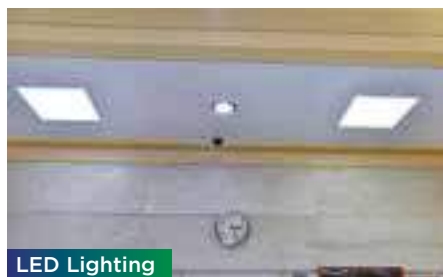
Water Conservation

Water being a common and an extremely essential resource, requires to be used rationally and ethically. At HB, we conserve this invaluable resource through installation of waterless urinals, sensor faucets, installation of sewage treatment plant (35 KLD STP). We also contribute in recharging ground water through our rain water harvesting system. It has helped in eliminating the need for 24 KL of tanker water per day and the ring well yields 10,000 litres per hour. During heavy rains, total water collected from terrace into RWH collection tank is approximately 4,000 litres per hour. The water is certified as potable by Government Certified Laboratories.

Waste Management

We have a policy in place for minimising waste disposal and recycling waste generated. An organic waste converter was installed during financial year 2016-17 which helped in converting 95% of all waste generated from kitchen and canteens to organic manure. 100% of all organic waste





LED Lighting



Air Quality Monitoring System



Organic Waste Converter



Sewage Treatment Plant



Emergency Escape Chute

is converted to manure and 20-25 kg of organic manure is generated on a daily basis. We use 4-5 kg for gardening and the rest is given either to employees free of cost or sold off. Saving is in terms of cost incurred in waste dumping and financial gain through selling of manure produce.

Air Quality

Proper ventilation and circulation of fresh air within a building is a necessity for occupants. Indoor air quality also pertains to levels of RSPM, CO₂, CO, O₂, NO_x, SO₂, humidity and temperature. At HB these parameters were assessed and found to be in compliance with ASHRAE standard. We have a 6,000 CFM Double Skin Air Handling unit, Electrical Control Panel with 7 HP VFD built in electrical panel for AHU, ducting system and CO₂ Monitoring and Control Devices. Air quality is monitored regularly by a data logger portable measurement device with analysis software.

Health and Safety

Health and Safety of our employees is non-negotiable. Our efforts to

ensure a healthy and safe working environment include:

- Aqua balanced Chlorine Dioxide- The residual chlorine which remains in water after disinfection can pose a serious threat to purifying equipment, dosing pumps and humans. Aqua Balanced Chlorine Dioxide (ABCD) is a unique formulation with Chlorine Dioxide trapped in an aqueous form which is safe to handle and easy to use.
- Radiation management system - Radiations are detected with the use of scientific instruments, their causes & origins are analysed and solutions implemented.
- Regular health check-up camps of canteen, housekeeping staff and contract staff are organised. The workmen are also made aware of hygienic practices to be followed and executed.
- Regular servicing of the water filters and testing for the portable water is being conducted on regular basis.
- HB is the second building in Mumbai Region having the

Escape Chute installed on its terrace. It is a sliding type escape in case of emergencies.

- Additionally HB has smoke/heat Detection system, manual call points, DCP & CO₂ Fire Extinguishers, Fire Water Line, FM-200 gas fire suppression system.
- Emergency Mock Fire Drills are conducted once in six months.

Replacement of Toxic Asbestos Sheet with Zinc Alume Sheets

We have shifted from Asbestos sheets to Zinc alume sheets which are not only non-toxic but they also have high heat resistance leading to lesser cost of HVAC and zero leakages. The new high heat resistant sheets come with a comprehensive warranty of 10 years and can be disposed off easily.





Addressing the Human Capital

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Addressing the Human Capital



Management Approach

Our Corporation values its brilliant and proficient workforce and their zeal to consistently steer its economic growth, while bolstering its environmental and social performance. We encourage this performance through innumerable initiatives, such as building and enhancing skills, acknowledging exemplary performance, providing opportunities for career growth and development within the Corporation.

We focus on the needs of our employees and provide adequate

employee benefits, while supporting a healthy work-life balance, to enhance productivity and employee retention. We regularly conduct employee engagement programmes to foster a sense of team spirit and have mechanisms in place for addressing their grievances. Given the nature of our business, the health, safety and the well-being of our employees are of high priority to us and we take the onus of ensuring the same. A comprehensive Human Resources Policy enables us to achieve these goals.

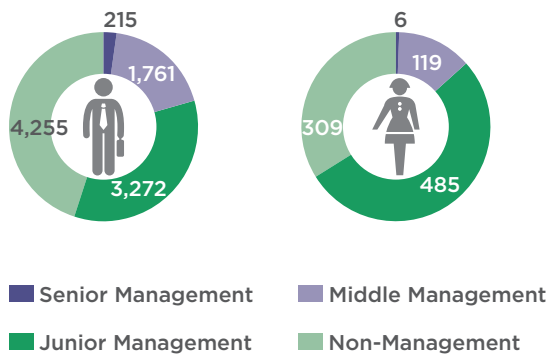
Diverse Workforce

We believe in providing a work environment that fosters a culture of diversity and equality for people of different ethnic backgrounds and gender. We encourage our employees to challenge their limits and grow in the organisation by understanding, taking up and fulfilling various roles and responsibilities. We are proud to be an employer of choice for this huge employee base with 10,422 employees.

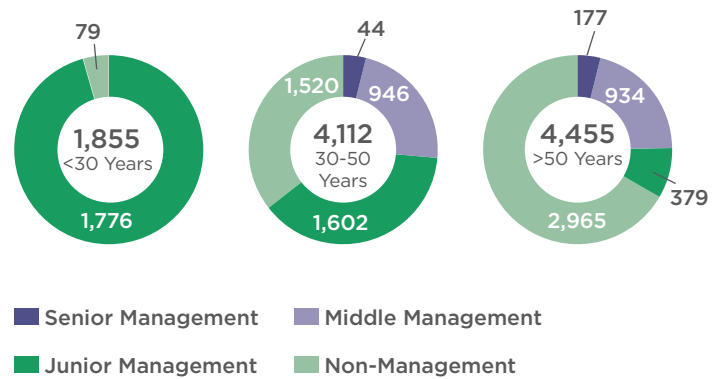
Employee Strength

By Region	Employee Category				Total
	Senior Management	Middle Management	Junior Management	Non-Management	
Corporate HQO	75	287	411	201	974
Marketing HQO	51	162	190	118	521
MR	19	206	477	818	1,520
VR	18	169	426	543	1,156
North Zone	16	172	359	355	902
South Zone	7	134	202	295	638
West Zone	10	240	503	945	1,698
East Zone	6	136	271	401	814
North West Zone	6	105	298	209	618
North Central Zone	3	73	218	130	424
South Central Zone	10	196	402	549	1,157

Employee Category (By Gender)

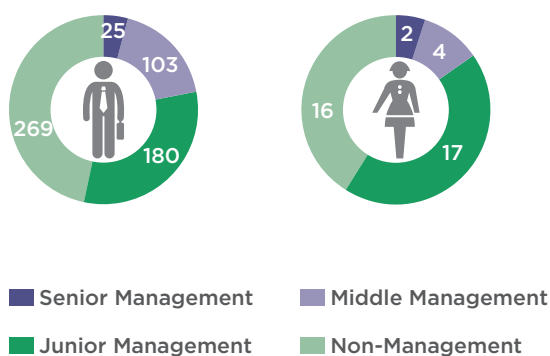


Employee Category (By Age)

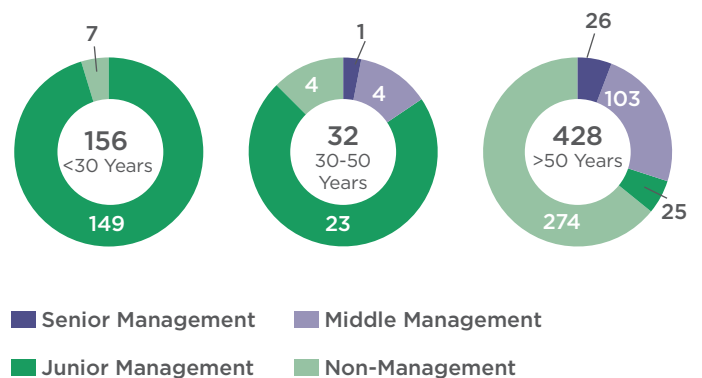


Employee Turnover					
By Region	Senior Management	Middle Management	Junior Management	Non-Management	Total
Corporate HQO	17	16	61	14	108
Marketing HQO	6	5	10	7	28
MR	3	22	12	40	77
VR	1	16	21	22	60
North Zone	0	3	15	22	40
South Zone	0	11	15	20	46
West Zone	0	19	22	74	115
East Zone	0	5	14	43	62
North West Zone	0	1	11	10	22
North Central Zone	0	0	5	5	10
South Central Zone	0	9	11	28	48

Employee Turnover (By Gender)



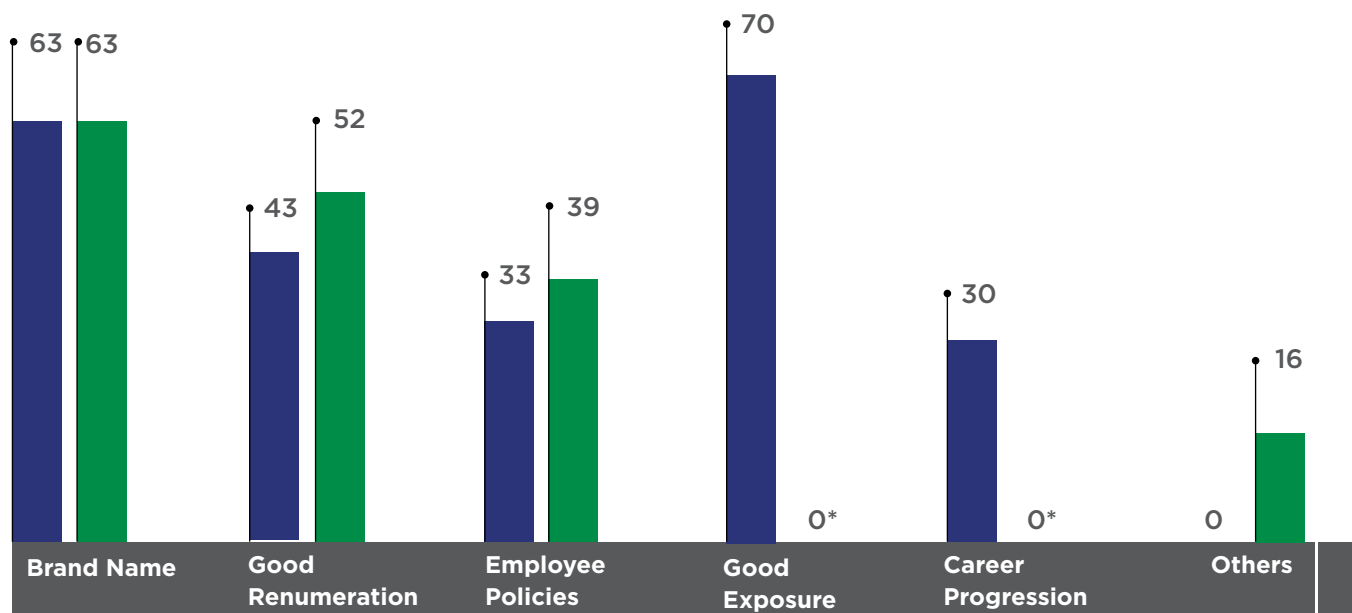
Employee Turnover (By Age)



Note: The figures for turnover includes numbers of death and superannuation during service.

Our employees being the driving force behind the corporation's success, it is of utmost importance that sustainability for our corporation be understood through their perspective. The stakeholder engagement exercises conducted throughout the country as a part of sustainability reporting which involved more than 1,100 employees gave insights on the following parameters:

Top reasons to work with HPCL (%) - Management Employees

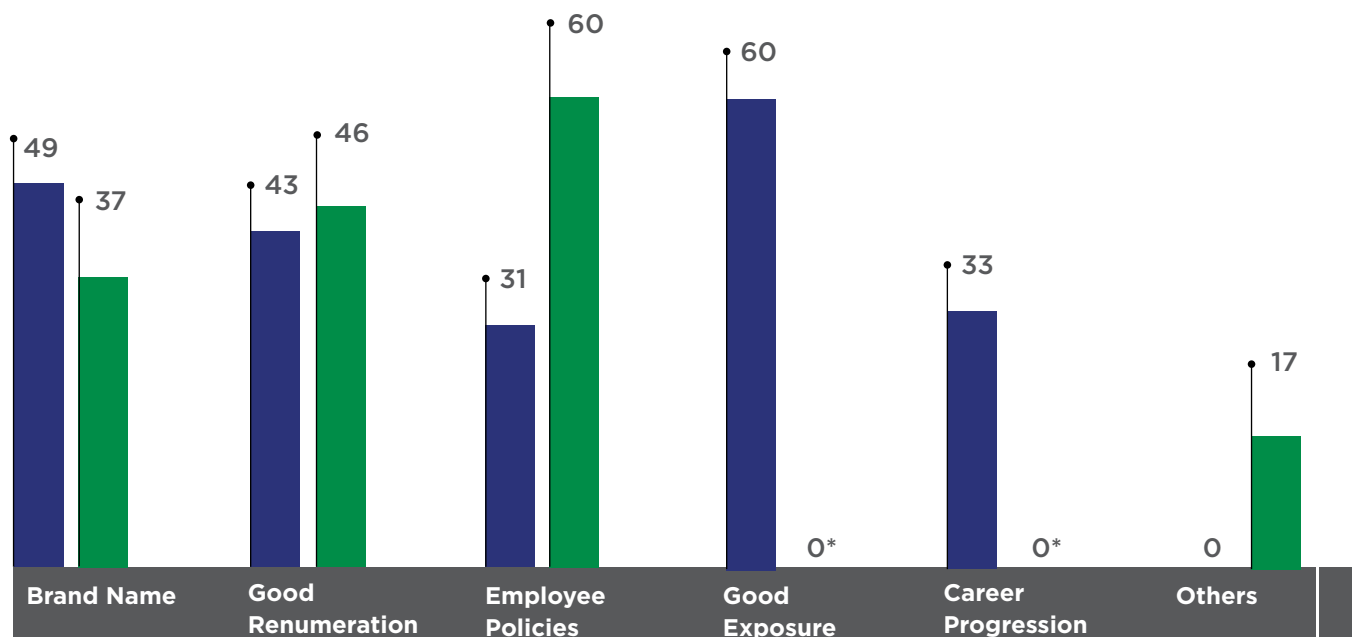


■ Management Employees 2016-17

■ Management Employees 2015-16

0*%: There is a change in the stakeholder engagement questionnaire structure. The options of good exposure, career progression were added in 2016-17, thus it is showing 0% for the year 2015-16. Nil response was received in 'Others' category in 2016-17. Employees were given option to select more than one reason to work with HPCL.

Top reasons to work with HPCL (%) - Non-Management Employees

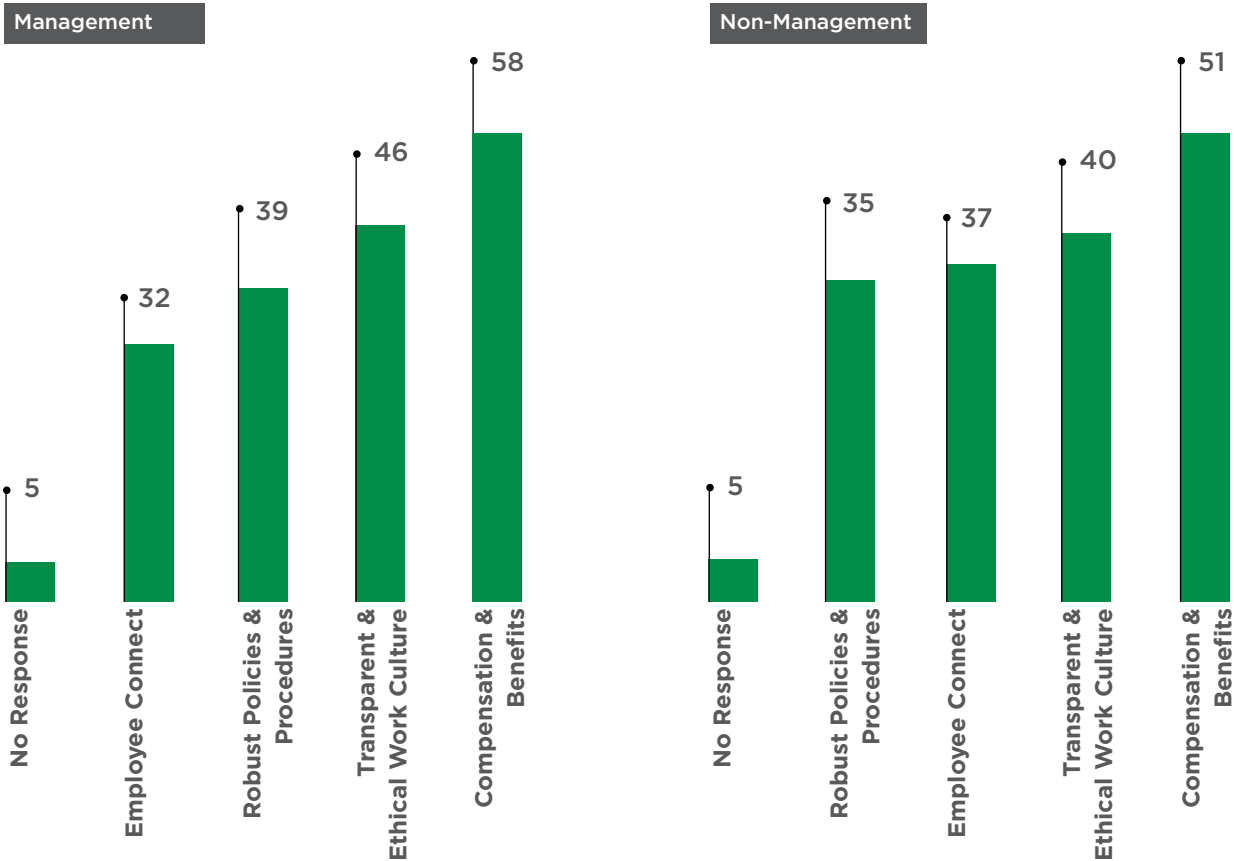


■ Non-Management Employees 2016-17

■ Non-Management Employees 2015-16

0*%: There is a change in the stakeholder engagement questionnaire structure. The options of good exposure, career progression were added in 2016-17, thus it is showing 0% for the year 2015-16. Nil response was received in 'Others' category in 2016-17. Employees were given option to select more than one reason to work with HPCL.

Strengths of HPCL with respect to Workforce Management (%)



Compensation and Benefits came out as a top strength with respect to workforce management. Also, 'Employee Connect' and 'Transparency & Ethical Work Culture' are other strengths rated significant by employees. These findings are consistent with the previous year (2015-16) where employees appreciated 'Ethical work practices' and 'Caring for employees and their families' as one of the top strengths.



Stimulating a Learning Environment

Management Approach

In this age of changing market requirements, we need our people to keep pace with the developments and enhance their skills and knowledge base. Given the nature of our business, our workers need to be aware of the various health and safety measures that they must take. We also believe in building on our leadership's competency and enhancing their technical know-how and specific training modules developed. Our efforts in building a resilient and responsive workforce has been appreciated and acknowledged at various national and international forums through recognitions and awards.

We have categorised our trainings as:

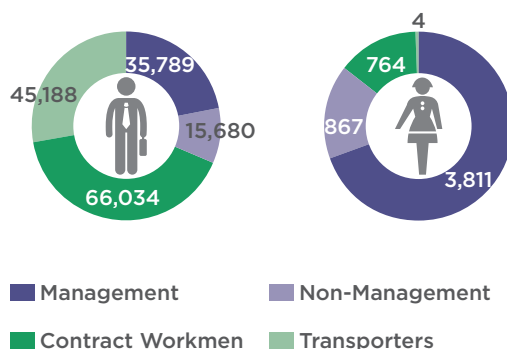
- Behavioural training – pertaining to an employee's personal development.
- Functional training – pertaining to the technical aspects specific to business verticals building leadership.

In order to hone leadership skills, we identify individuals who have demonstrated promising performance and involve them in our leadership development programmes like Akshaypath, which started in 2011.

Akshaypath

Akshaypath Programme was launched in 2011 and has been operational since then. It is an in-house leadership development programme meant for Senior Managers, Chief Managers and DGMs as well. The programme is conducted by an experienced external trainer with a rich experience in leadership development. The project is structured around the concept of Emotional Intelligence to be able to develop in-house leaders through coaching and mentoring with emphasis on self-awareness, decisiveness and change management.

Average Training (man-days)



Skill Development Initiatives

The capability-building department focuses on improving competencies, strengthening the leadership pipeline, cultural interventions to enhance collaboration and leveraging technology for learning and development. These objectives were met through various initiatives, such as MOUs with renowned academic institutes for various specialised programmes:

- NITIE Mumbai for Certification Programme in Project Management.
- IIM Indore for Certificate Programme in Management.
- IIM Calcutta for General Management Programme for Regional Managers.

Our leadership development initiatives include interactions with renowned thought leaders from business schools of repute, such as ESADE-Spain, Texas A&M University, CEIBS (China Europe International Business School), etc.

Advanced Management Programme for Senior Management

Our Advanced Management programme (AMP) is driven to develop a strategic understanding of the issues involved in managing a globally-competitive organisation. This programme is conducted in collaboration with institutions of repute, such as IIM Calcutta (SCOPE), ASCI-Hyderabad,

MDI-Gurgaon and IIPA-New Delhi, and we have been nominating our senior executives for the same.

MBA (Oil & Gas)

MBA (Oil & Gas) is a year-long programme that covers several important business disciplines, such as economics, human resources, marketing and business policy, and is aimed at developing young engineers to prepare them to become future leaders. It is conducted for CPM (Certified Petroleum Manager) degree holders in association with our knowledge partner UPES (University of Petroleum and Energy Studies), Dehradun. The programme helps in equipping the officers with the requisite knowledge to enhance their effectiveness in driving business value through sustained value creation and adopting a contemporary approach. This year, 102 officers enrolled for the second batch of MBA (Oil and Gas).

Certified Petroleum Managers Programme

Certified Petroleum Managers Programme is the flagship programme of the marketing division, which aims at capability building of young talented officers. Apart from providing the right mix of technical, managerial and behavioural competencies, the programme encompasses the functional and technical knowledge of the entire hydrocarbon value chain. It is conducted in

collaboration with the Institute of Petroleum & Energy Studies, Dehradun.

Shrestha

Shrestha is a Management Development programme for the LPG Plant Managers aimed at developing techno-behavioural skills. It enables the LPG Plant Managers to create a culture of safety and operational excellence in the plant. 46 LPG Plant Managers have participated in the programme during the year.

Daksh



Daksh is a techno-behavioural training programme designed for location-in-charges of the OD&E SBU. This programme is aimed at providing focused developmental inputs to the depot and terminal managers in a phased manner, enabling them to make a positive and sustainable impact on their location's performance. The training programme revolves around four themes, namely stakeholder management, self-discovery, building effective teams and workplace effectiveness.

Manthan



Manthan is a training programme for HR officers with four contact programmes focused on individual developmental needs, with specific inputs on self-awareness and development, business knowledge and HR knowledge. Three such contact programme were scheduled in the financial year 2016-17.

eVidya



An online learning platform, eVidya was launched in February 2017. This platform has been specially designed for officers in the Salary Grade A/B/C of NWZ LPG SBU. The topics covered in the programme are MS Excel, Safety @ workplace, electrical & maintenance safety and purchase-related activities.

The module is available to the participants through the Android mobile app, eVidya. Participants can also download and install it directly on their mobile phones. The objective of this initiative is to provide end-to-end online resources for training. The topics covered in the module have been specifically chosen by the employees themselves.

Sustainability Training

We have designed a comprehensive training module on sustainability along with institutes of national repute. The trainings were conducted by subject matter experts at our management development institute for our management employees. This programme played an instrumental role towards changing the mind-set and adding sustainability dimension in their routine operations. There has been immense response for this programme from the participants.

Gyan Jyoti



Aimed at enhancing the computer literacy levels among the Non-Management employees, Gyan Jyoti is a comprehensive training programme carried out in three phases:

- Phase 1: Basic computer skills and hands-on training on typing, mouse operation and HP portal applications.

- Phase 2: Training on usage of various internet applications, HP Portal apps on smartphones, as well as, usage of Zimbra e-mail IDs.
- Phase 3: Based on the proficiency of the participants, different trainings are being imparted to employees.

During the last year, 2,010 participants completed Phase 2 of this programme and we are currently in the third phase.

Samvardhan



Samvardhan, launched in September 2016, is a customised competency development programme for upscaling the current skill set of employees in the clerical roles. It is a three-day programme, aimed at developing professional and personal behavioural competencies of participating employees at marketing locations. The basic objective of the programme is to inculcate identified behavioural competencies in clerical employees. As of March 2017, 784 employees participated in the programme.

Path of Light



We have a dedicated training programme, Path of Light, for retiring non-executive employees. It covers topics pertaining to post-retirement benefits and superannuation. This programme educates the employees on ways to safeguard their financial, physical and mental well-being in their retired life.

Prerna

Our Corporation deploys approximately 20,000 contract workmen for carrying out non-core jobs in various locations. With an aim to aid them in their personal well-being and social upliftment,

Note: New initiatives launched in 2016-17

different trainings are imparted. One such training initiative, that was rolled out in January 2017, is Prerna.

39 programmes covering 1,231 contract workmen have been conducted across different zones.

Visakh Refinery and Mumbai Refinery covered 1,484 and 2,438 contract workmen, respectively, during the year under this programme.

Driven towards a goal of 'zero incident', we strive to maintain the highest safety standards.

Ensuring Health and Safety

Management Approach

Ensuring a healthy and safe work environment is never compromised at our Corporation. Driven towards a goal of 'zero incident', we strive to maintain the highest safety standards. The safety culture is driven, on priority, by the top management and executed at every level through the Health and Safety Committee. The safety mechanisms are monitored through audits and there are checks in place to identify the gaps in the safe operations at our facilities. Our workforce is made aware of the health and safety policies, along with the relevant measures to be taken in case of an emergency through regular trainings that are conducted in every SBU. PPEs are also made available to our workforce and we conduct medical examinations periodically.

In order to have a periodic maintenance of all equipment and infrastructure, a separate department known as Maintenance and Inspection has been instituted for every SBU. A senior management level position has been identified at headquarters and zonal levels for carrying out the yearly inspection, of all locations, according to a specified format. This exercise provides a thorough understanding on asset integrity, improved maintenance schedule and investment plan required to ensure safe, trouble free and efficient operations. We aim to inculcate the industry's best practices to achieve better safety performance every year.

Due to the various new safety initiatives taken and implemented by Mumbai Refinery on a sustained basis with the support and coordination of all its employees, Mumbai Refinery completed 20 million man-hours of safe operation on 1st October 2017. This is the highest-ever safety record of Mumbai Refinery, especially considering the turnarounds that it faced. Earlier, the all-time best safety record was of 12.58 million man-hours in the year 1991.

Health, Safety and Environment Department

Being an important sustainability aspect that is monitored by our leadership, we have HSE departments in place right from the Headquarters office, including SBU and corporate level, refineries, zonal offices and all locations across India. The primary role of HSE departments is to monitor and assess the safety mechanisms through audits, generate awareness among the workforce and the concerned stakeholders, and engage with government officials with respect to environment and safety concerns.



Free Medical Check-up for Contract Workmen

Safety Committees

In order to encourage proactive participation and involve the workforce in matters pertaining to HSE, Safety Committees are active at every location, with equal representation of management and non-management employees. These committees ensure adherence to the Corporation's HSE policies and compliance to regulations, thereby maintaining a healthy and safe work environment. The Committees have an effective mechanism to



Mock Fire Drill in progress at Mangalore LPG Import Facility

take feedback from the workforce and address near-miss incidents, thus identifying the gaps and safety risks. It also helps identify the training needs of the employees. Further, the Committees work towards establishing world-class safety systems. We have a well-documented way of capturing near-miss incidents and recognising individuals who provide these inputs.

We have implemented various management systems across our locations and refineries.

Safety Trainings

Sachet



Sachet is a behaviour-based safety initiative aimed at reinforcing the kind of behaviour that drives safety at the workplace. It aims to create a culture in which safe

behaviours are encouraged and perpetuated with zero tolerance towards unsafe acts and conditions.

Embarking on the success of the Sachet initiative at our LPG locations, the HR and Marketing teams collaborated with the OD&E SBU to extend the safety culture to its respective locations. In view of the same, Sachet was launched in July 2016 simultaneously across all OD&E locations.

Our Safety Performance

Permanent Employees

Type	Refineries		Marketing		Total	
	Male	Female	Male	Female	Male	Female
Injuries	11	0	0	0	11	0
Occupational disease cases	0	0	0	0	0	0
Man-days lost	0	0	0	0	0	0
Fatalities	0	0	0	0	0	0

Contractual Workforce

Type	Refineries		Marketing		Total	
	Male	Female	Male	Female	Male	Female
Injuries	27	0	1	0	28	0
Occupational disease cases	0	0	0	0	0	0
Man-days lost	4.9	0	0	0	4.9	0
Fatalities	0	0	0	0	0	0

Shapath



Shapath is a joint initiative by LPG SBU and HR and Marketing teams, aimed at creating a safety culture by enhancing the technical and behavioural competencies of the LPG workmen. The second phase of this was launched in June 2016. In this phase, officers were identified as facilitators and were given first-hand knowledge on the methodology of the technical assessment and interview skills. The Technical Assessment (TCT) and Behavioural Assessment (BCT) of the LPG workmen and clerical staff were completed for all plants by July 2016. 845 workmen and clerical staff attended this programme.

Sankalp



Sankalp is a joint initiative launched in 2011, by HR (Marketing) and the OD&E SBU, to enhance the safety quotient of the Non-Management employees working in the depots and terminals across India.

- Technical and Behavioural assessments were completed in BEI. The Safety quotient has increased to 72.33% (in 2016) as against 64.58% (in 2014) and 54.2% (in 2011).
- 67 out of 84 locations have shown a positive change in safety quotient.

HSE Highlights

- 317 personnel from LPG locations and 765 personnel from OD&E locations have undergone live fire training.
- Corporate HSE department developed and organised a module on 'HSE training program' for field and safety officers of all SBUs supported by internal and external faculty.

- Corporate HSE department developed criteria for indexation of mounded storage vessels (MSV) facilities which was published in the souvenir at Petro safe 2016.
- Workshops on safe on-road driving and fuel-efficient driving were conducted through PCRA, covering 588 LPG truck drivers in different batches across the country.
- The Anantpur LPG Plant introduced a robotic arm for increasing safety in the operations of the Online Valve Changing Machine.
- Online Behaviour Based Safety (BBS) Index was rolled at various LPG plants for capturing the status of BBS implementation at the field level.
- The OD&E SBU achieved All India HSE Index of 95.1 (average) against the target of 94.0.
- The Pipeline Intrusion Detection System (PIDS) was installed between SV-8 to the Kanpur Station section of RKPL during January 2017.
- The Pipeline SBU has conducted 1,013 village meets, 1,328 police meets and 6 OSCC meets across all pipelines.
- The Retail SBU launched its first-ever retail-training module called, Total Retail Safety, jointly with HSE (M) for field officers, and carried out extensive trainings at all zones throughout the country.
- The Retail SBU launched a Near Miss Reporting System as a part of the SMIO initiative in the HP Portal.
- Surveillance Safety Audits were conducted for 64 marketing locations and 188 retail outlets. 624 officers from various SBUs participated in 29 training programmes on total retail safety and OISD-154, as well as trainings on LPG Customer Safety, Statutory Legislations and Electrical Safety.
- LPG SBU conducted two training programmes on risk assessment and emergency preparedness, covering 36 participants.
- The HSE systems and procedures were reviewed at Mumbai



Terrorist Attack Mock Drill at Nasik LPG Plant



Safety Check-up Camp for Bulk Trucks

and Visakh Refineries, where suggestions on improvements were discussed.

- A bilingual safety boowwet for safety awareness of employees, contract workers and other stakeholders was compiled.
- A gap assessment was conducted at both the refineries for the revision of OISD standards and mitigation measures were reviewed. A compliance action plan was sent to OISD.
- Various capacity-building workshops and trainings were conducted during the year for better refinery safety, such as:
 - Industrial Radiography Safety by Atomic Energy Regulatory Board (Mumbai Refinery).
 - Introduction to hazardous atmosphere and principle of protection of electrical equipment (Visakh Refinery).
 - Gas explosion and modelling using computational fluid dynamics and use of CFD in safety studies on FLAX software.
 - Hazard and Operability Study (HAZOP).
 - National Safety Council Seminar on Safety.
 - Human factor and system design.

During the stakeholder engagement sessions held as a part of Sustainability Reporting exercise,

our external stakeholders have shared few of the safety initiatives undertaken by them in their sphere of influence.

LPG Distributors

- Safety orientation for new consumers.
- Audio recordings with safety tips for promotion.
- Door to door safety campaigns.
- Promotion of safety through Banners and boards.
- Organising safety clinics in localities.
- Conducting training sessions for students.

Retail Dealers

- Training for delivery staff.
- Adequate signage for safety.
- Customer and Employee awareness on health and safety.
- Following rules and regulations as per SOP.
- Improved housekeeping.
- Pledge boards and notice boards.
- Regular Fire drills for safety and awareness.

Transporters

- Restriction on driving vehicles during midnight hours.
- Strictly following safety guidelines.
- Monitoring of speed limits and route deviation.
- More Training for crew.
- Increase awareness of the drivers on traffic rules and speed limits.
- Availability of PPEs.

Suppliers/ Contractors/ Vendors

- Stringent use of PPEs.
- Safety trainings.
- Improvement in housekeeping.

Healthy Work Environment

We care for our workforce and their invaluable health. We aim to enhance the productivity of our people and hence we have proactively undertaken a myriad of initiatives and programmes. We have a comprehensive health insurance policy for all our employees and their dependents. We also have a wellness portal in place that contains latest health-related articles, news and other interesting health-related facts. All employees undergo compulsory periodical medical examination depending on age and work profile. These results are digitised and made available to each employee through the wellness portal.

We conduct health, education, awareness sessions and diagnostic camps for employees and contract workmen also at different locations. Medical check-ups are carried out for contract workmen and truck crew to ensure their wellbeing. In these check-ups, the workmen are made aware of their current health status and are advised suitable measures to maintain normal health and avoid illness.

- A health check-up camp covering 102 contract workers was organised at Rajahmundry LPG Plant in July 2016.
- A talk on Stress Management and Meditation was organised by Team HR from Mangalore in July 2016. The talk was given by Brahma Kumaris to the employees of Mangalore-based locations.
- An eye check-up camp was organised in July 2016 at GMO-WZ with an expert team of physicians.
- Aarogyam Hrudaysampada, a health awareness lecture on rampantly increasing heart-related diseases was organised for employees at Khapri LPG Plant, Nagpur, in February 2017. A total of 25 participants benefited from the programme.

Paramarsh



Consult in Confidence, launched in March 2017, is a uniquely-

personalised assistance platform where employees, their spouses and children can share and seek consultation on any personal or professional matter, from expert counsellors. It is a 24x7 service, which runs through various contact modes such as Telephonic conversation, Mobile App, Live chat through portal and Email etc and is available in ten languages. The information shared by employees or their dependents is kept completely confidential.

Through this platform, the employees and their dependents can avail counselling in confidence for issues that can lead to stress and anxiety, such as:

- Work-life balance, lack of support systems, etc.
- Work-related support, such as career guidance, conflict management, etc.
- Communication issues, etc.
- Relationship issues at home/work.
- Health concerns.
- Any other personal/professional-related matter.

Health Initiatives



Periodic Medical Examination for Employees



Health Talks and Lectures



Health Camps and Medical Check-ups for Contract Workmen and Tank-truck Crew



Sessions on Ergonomics, Psychology and Stress Management



Basic Life-Support Trainings for Handling Emergencies



Yoga and Meditation Camps

Fostering Growth

We are cognisant of the fact that an organisation's growth is a close reflection of the aspirations of its employees and it is vital that these efforts are assessed. Gauging performance allows individuals to understand where they stand in their career graph and how they will be able to contribute efficiently. We have a Performance Management System with a systematic framework that recognises proactive initiatives, shortcomings, strengths and weaknesses. It not only serves the purpose of rewarding individuals appropriately, but also enables identification of training needs, exposure and guidance to overcome pitfalls. Our appraisal

system involves several processes, including relative assessment of performance that eliminates biases. All employees undergo this appraisal process and career development review periodically. The HR is focused on creating a high-performance work culture through a structured process of goal setting and performance reviews, while rewarding employees for their efforts through objective performance assessment. As a part of the process, goals and targets for the year are defined in terms of Key Performance Indicators and corresponding milestones are identified in the Balanced Score Card format. The standardisation of Key Performance Indicators

is emphasised upon to enhance the robustness of performance management, by aligning all employees towards the common organisational objectives. More than 80% officers are covered under the standardised KPI templates. The following environment and social parameters are available under these standardised KPI templates, depending on the role and responsibility of the individual:

- Stakeholder Management.
- Corporate Social Responsibility.
- Energy Efficiency.
- Environment Stewardship.
- Health & Safety.
- Support towards sustainability efforts.

Rewarding Achievements

Our Corporation has several reward and recognition schemes, encouraging all employees for improved performance. Various reward and recognition schemes are institutionalised based on the grades of employees and are mentioned below.

HP ICON Awards (For Leadership Positions)



HP ICON Awards for officers in Middle management roles (leadership

positions) was introduced in order to encourage, recognise and reward team-based behaviours. This wbi-annual award acknowledges:

- Officers who are excellent team leaders.
- Officers who inspire their teams to perform better.
- Officers who put in efforts for subordinate development.
- Officers who demonstrate values of effective team management.
- Officers who serve as role models.

16 employees were felicitated during the award ceremony.



HP Outstanding Achievers Award (For Junior Management)

This award has been instituted for the officers from junior management to recognise their outstanding contributions. During the year 2016-17, 57 employees were felicitated with the HP Outstanding Achievers Award.

HP Gaurav Awards (For Non-Management)



This annual award recognises Non-Management employees who have demonstrated exemplary commitment in the pursuance of the Corporation's business interests and have performed exceedingly well on various key parameters. During the year 85 employees were felicitated.

16 Employees

HP ICON Awards
(For Middle Management Roles)

57 Employees

HP Outstanding Achievers Award (For Junior Management)

85 Employees

HP Gaurav Awards
(For Non-Management)

Attracting Talent

As one of the Fortune 500 organisation, HPCL has a strong brand presence and brand resonance among the top engineering/non-engineering talent available across the country. We are continuously building strong connections and brand image among the potential talent pool through various engagement initiatives, our presence in Print/Social/Broadcast media and having one of the best HR practices in the country. Being one of the fastest growing companies in the oil & gas sector plus the tag of being a Navratna organisation has enabled us to reach a vantage point and project brand HPCL as an Employer of Choice.

We recruit the best available talent across the country through an objective, structured and reliable assessment process that enables us to get on board talented individuals with a zeal to excel. We ensure diversity in our hiring process by selecting candidates belonging to unprivileged background including other backward classes, scheduled castes/tribes etc. as well as by visiting various campuses across

length and breadth of the country. We encourage opportunities for persons with disabilities across various domains, including HR, Legal, Information System, etc. including special recruitment drives for hiring candidates from the PWD category.

We ensure to create a learning and supportive work environment that promote a healthy, motivating and collaborative work life balance for an individual. We protect the interests of our employees through fair and transparent policies that promote their growth, safety and wellbeing. We continuously strive to leverage technology in all our hiring processes leading to more than 90% of process being online thereby promoting Digital India campaign and having a positive impact on the carbon offsetting as well.

Programmes for New Joinees

We conduct an onboarding programme, called Samavesh, for the smooth induction of new joinees. It integrates our new hires seamlessly into our Corporation's

work and culture. The structured programme provides the new officers with an overview of the Oil and Gas industry, different Strategic Business Units and the organisation's culture. In September 2016, the Samavesh process has been revamped and divided into three phases to build a relationship between:

- 1) Corporate: Employee and organisation
- 2) Zone: Employee and the respective zonal team
- 3) Location: Employee and the respective reporting officer and his/her team

Samavesh was scheduled in September 2016 for 146 new recruits who joined the Corporation. During this edition, a day-long programme called PARADIGM was also organised at the zonal level for the new officers before they went on to join their initial posting locations. During the programme, the new joinees were introduced to different policies and procedures, given the opportunity to voice their concerns and also interact with the Zonal Heads.



Samavesh - Programme for New Recruits

Engaging with our Workforce

Employee engagement is pivotal for employee retention. We understand the role employee engagement programmes play in making the workforce more involved in their work and enthusiastic about the part they play in the Corporation's success. We have initiated several such programmes for greater employee satisfaction.

Yuvantage



It is a unique Youth engagement initiative for Officers below the age of 35 years, uniting HPites across all nooks and corners of the country. It is aimed at holistic development of

the youth by enhancing their managerial, behavioural and technical competencies.

It is a wave of change brought out 'By the Youth, For the Youth and Of the Youth'. Various events categorised into Euphoria, Spark, Blitz and Carnival are organised at location, zonal and corporate level. The themes of these events have techno-business, cultural, social and fun elements.

Yuvantage is a biggest ever platform in the history of HPCL and the Oil & Gas PSUs, which enables youth coming together in large numbers, 1,200+ officers have been part of Yuvantage Journey since its inception in 2013. Yuvantage is not only being appreciated by the youth but it is also receiving its share of appreciation from middle and senior management. MoP&NG has directed HPCL to organise Yuvantage at Industry level involving both public and private players.



Corporate Ran-neeti

Yuvantage, in partnership with Capability Building Department, HQO, launched the fourth edition of the business simulation game, Corporate Ran-neeti, in 2016. It is meant to provide the participants with a unique opportunity to be the master of their very own business venture.

Reboot@35+

Reboot@35+ was launched by our Chairman & Managing Director, for officers in the age group of 35-50 years. It aims to operationalise the vision of engaging ourselves, our immediate families and fostering and building common interest networks across the Corporation. It aims at transforming one's approach towards life to be able to appreciate its multifaceted nature.



HP ON AIR



HP on AIR aims to enhance employee engagement and internal communication at HPCL with 'Infotainment' using the powerful medium of Radio. It is a 1 hour daily show hosted on internet during the lunch time. The objective of HP ON Air is to inform, educate, engage and keep all the employees connected. With leaders' views, employees' voice on air, news about HPCL, latest updates on what is happening around us and of-course great music are some the elements of this program. The HP radio has played a key role in aligning employees with the organisational objective by strengthening their Connect with the HP family and enhancing employee engagement.

HR Direct

HR Direct, provides employees with an opportunity to directly communicate with the Director-HR on any issue concerning their aspirations, current practices, people processes or feed-forward for areas related to the Corporation's vision, strategy, systems, future direction and collective aspirations. The Director-HR interacts with employees through this online forum and address their concerns.

Workmen participation in management

Project Utkarsh



Project Utkarsh, is a longitudinal and integrated initiative, conceptualised by the HR team and jointly designed and

deployed along with the LPG Strategic Business Unit. The initiative aims at bringing about significant productivity improvements by fostering collaboration, building ownership and imparting knowledge and skills to enable the employees, especially the LPG SBU workmen, to achieve excellence in a consistent manner.

Project Utkrisht



Project Utkrisht is a collaborative initiative of HR (Marketing) and the OD&E SBU, aimed at bringing significant

improvements in productivity. The project has resulted in the bay filling time being reduced from 49 to 46 minutes during the year i.e. a reduction of 6%.



Launch of HP ON AIR



Project Utkrisht

Providing Employee Benefits

We have invested ourselves diligently to promote a conducive work environment with a good work-life balance for all HPites. We extend our support through a number of schemes and programmes, such as performance-related profit-sharing scheme, superannuation benefits, leave encashment, gratuity, during-service and post-retirement medical benefits, benefits for family members of the employees posthumously, housing loan, vehicle loan, furniture loan, LFA, transfer benefits, employees' children education loan, computer loan and monthly vehicle allowance.

Maternity Leave

We strongly support the women in our workforce and foster a gender-sensitive workplace. Maternity leave is one among the many benefits that are provided at our Corporation. It is a paid leave of 180 days to support our female employees for prenatal and postnatal care. This leave is admissible in case of a miscarriage for a period of six weeks.

We strongly support the women in our workforce and foster a gender-sensitive workplace.

Adoption Leave

We understand the importance of child care during adoption and provide leave, for a period of 60 days, to female employees who have legally adopted. This provision is admissible for a woman employee who has less than two surviving children and wish to adopt a child aged up to five years.

Surrogacy Leave

In support of our female employees for taking care of their child obtained through a surrogacy

We understand the importance of child care during adoption and provide leave, for a period of 60 days, to female employees who have legally adopted.

process, a leave of 60 days is provided. This provision is for female employees who do not have any children and have obtained a child through surrogacy.

Child Care Leave

A leave period of 730 calendar days can be availed by our female employees for child care. This leave is to facilitate care of children aged up to five years and can be availed twice during the entire service. However, it is restricted to only the first two children.

Paternity Leave

In 2016-17, a paternity leave of 15 calendar days has been introduced for male employees. Paternity leave is granted to a married male regular employee, having less than two surviving children, during the confinement of his wife for childbirth. Paternity leave is also admissible to a married male regular employee having less than 2 surviving children on valid adoption of a child below the age of one year.

Automated Online Time Certification Package

An Online Time Certification Package has been designed for the payment of shift allowance, acting allowance and overtime compensation to employees. This package has been implemented in our refineries, LPG plants and OD&E locations. It ensures accurate payment of allowance applicable to the employees, based on their attendance data, without any manual intervention.

730 Days

No. of leaves which can be availed by female employees for child care.

Superannuation Benefits to Employees

Our Corporation has formed four separate trusts to administer superannuation benefits to its employees – Provident Fund Trust, Post Retirement Medical Benefit Trust, Superannuation Benefit Trust and Group Gratuity Assurance Trust. As required by governing regulations, all the Trusts are recognised under Income Tax Act & PF Trust is also notified as an Exempted Trust by EPFO under Ministry of Labour & Employment under Government of India. Our Provident Fund Trust continues to give higher returns than the EPFO mandated returns to the employees of the Corporation. The SBFS Trust takes care of Post retirement pension requirements of the employees through tie-up with LIC of India. Our PRMB trust covers the post-retirement medical needs of retired employees and their dependent family members.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

Pradhan Mantri Jan Dhan Yojana is a National Mission for Financial Inclusion to ensure access to financial services for every citizen of the country. It was launched by the Government of India in August 2014. The scheme provides the facility of accident insurance cover up to ₹1 lakh without any charge for the account holder, loan benefits of up to ₹5,000 and many more. The scheme was launched to cover contract workmen in order to take care of their financial needs. All locations were advised to ensure coverage of the contract workmen under PMJDY. Under this scheme, 99.4% coverage of contractual workmen was ensured by April 2016.

Under this scheme, 99.4% coverage of contractual workmen was ensured by April 2016.

Pradhan Mantri Suraksha Bima Yojana (PMSBY)

Pradhan Mantri Suraksha Bima Yojana is a scheme to cover all the existing contractual workmen in order to take care of their financial needs, as well as the needs of their family in case of accidental death or disability at the workplace or otherwise. Given this, all locations were advised to ensure coverage of the contractual workmen under the PMSBY scheme for the year 2015-16, followed by the renewal for 2016-17. As of September 2016, 100% of the contractual workmen were covered.

LPG Incentive Scheme

The LPG incentive scheme was released for all the months in the year 2016-17 for all Non-Management employees across LPG Plants. The incentive was released in the subsequent months' payroll, in coordination with the Zonal HR coordinators, as well as the location in charges. The LPG incentive has been released with 100% accuracy and coverage.

The LPG incentive scheme was released for all the months in the year 2016-17 for all Non-Management employees across LPG Plants.

Supporting Human Rights

We are resolute when it comes to strict adherence to respecting human rights and abiding by all the relevant laws. We believe that respecting the dignity of an employee is critical to the very foundation of an organisation.

We embrace diversity and inclusion, while bolstering a culture of empowerment for our employees. We have stringent mechanisms in place against cases of any kind of discrimination on the basis of religion, origin, gender, status, etc. Policies at our Corporation uphold strict adherence to ethical business

We adhere to the ten principles of the UN Global Compact and uphold internationally-proclaimed human rights.

conduct and we undertake trainings for generating an awareness amongst our employees on the same. We believe in conducting all our business activities with ethics and transparency. Our Corporation is a workplace that provides a platform for equal opportunity to all and we strive towards ensuring that all our employees grow and prosper in the organisation, thus enhancing their standard of living. We adhere to the ten principles of the UN Global Compact and uphold internationally-proclaimed human rights. We have a robust grievance mechanism in place to address and resolve any cases of violation of human rights that might arise. There was no incident of discrimination on the grounds of race, colour, gender, religion, political opinion, nationality, extraction or social origin in the reporting period.

Freedom of Association and Collective Bargaining

We believe that productive industrial relations are primary for the growth of our Corporation and its non-management employees. Freedom of association and collective bargaining, along with the right to freedom of expression, are supported our Corporation. Non-Management employees across all our locations and operations are allowed to form Unions. 97% of our Non-Management employees are currently a part of these Unions and this enables them to bring up their concerns, if any, before the Corporation. These issues are resolved through discussions with the management to arrive at sustainable solutions.

We emphasise on arriving at bilateral agreements with the Union while implementing any change management initiative involving the non-management employees.

A total of 28 Memorandum of Settlements were reached during the last year under the provisions of the Industrial Disputes Act, 1947, covering implementation of automation, closure of location, redeployment/rationalisation of manpower, productivity improvement, etc. We have formal agreements with Trade Unions to cover issues related to labour laws, health and safety of our employees, training and education and grievance redressal.

We emphasise on arriving at bilateral agreements with the Union while implementing any change management initiative involving the non-management employees.

HP Connect

HP Connect was conducted in coordination with the Employee Relations Department, HQO and NWZ. The participants were given training on various topics, such as Corporate Strategy, Integrated Margin Management, Compensation Management beyond LTS & CDP, etc.

Management Employee Relations Committee (MERC)

The process for grievance handling through the Management Employee Relations Committee has been in place for ensuring effective and expeditious handling of grievances. It was implemented with enhanced features in 2016-17. The revised policy included detailed guidelines for timely grievance redressal through a decentralised mechanism for process implementation and online workflow application. The salient features of the same are as follows:

- E-enabled platform through the HP Portal for submission of grievances.
- De-centralised two-tier structure of grievance redressal with the MERCs and appellate authority as per the salary grade of the

The process for grievance handling through the Management Employee Relations Committee has been in place for ensuring effective and expeditious handling of grievances.

aggrieved officer and the nature of grievance.

- Cross-functional constitution of MERCs to ensure objective grievance handling.
- MERC looks into all representations carefully through a process of systematic review and conducts discussions with the concerned person, as required.
- The aggrieved officer, if not satisfied by the decision of MERC, may appeal within 10 days of the same.

The revised policy has been introduced with the provision of recommending the review of performance ratings by countersigning authority in case of grievances pertaining to performance rating, for further review and revision of performance rating, if deemed fit. The final decision of the countersigning authority is communicated to the aggrieved officer.

Under this provision, all aggrieved officers are given personal hearing and grievances are redressed,

including revision in rating based on MERC recommendation. In case of dissatisfaction with the final decision, an option for appeal has been provided to the aggrieved officers. All appeals to the appellate authority are also reviewed in detail and redressed, including revision of rating.

MERC looks into all representations carefully through a process of systematic review and conducts discussions with the concerned person, as required.

HR Central: ICS E-Care

This is an online platform for a single point of contact, for all HR- and Payroll-related concerns. Through this portal, an employee can seek resolution for several issues such as compensation and benefits, business travel, leaves, children education loan, children scholarship, payroll, etc. It has an in-built mechanism to ensure resolution within the defined timelines; in case of non-resolution, a three-tier escalation mechanism is defined. The employee feedback on the portal seeks review based on five parameters, namely, responsiveness, courtesy extended, understanding the problem, timelines and resolution

ICS E-Care has an in-built mechanism to ensure resolution within the defined timelines; in case of non-resolution, a three-tier escalation mechanism is defined.

of the problem. 93% of the employees expressed delight for the resolution of their concerns through ICS E-Care. For those who do not have ready access to computers or the internet, the proxy-access facility is available. On an average, 990 service requests are registered every month and the resolution time is 4.63 days.

Shri Raja Kulkarni Samman

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

POSH workshop

Employee relations department organised a one day workshop to all the Internal Complaints Committee members on all India basis, on 17th January 2017 to create awareness on their roles and responsibilities.

Entrepreneurship Development Project for SC/ST Women



Promotion of Sports

Helping People affected by Floods

Serving the Communities

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Project Agastya: Fueling scientific temper

Project Dhanwantari: Reaching medical aid to remote areas

Serving the Communities



Introduction

Our collective efforts are essential for creating a positive impact on the quality of life of those who are marginalised and less privileged. We believe in the inclusive development of the communities in which we operate. Rather than creating new parallel systems, we have adopted the strategy of ‘bridging the gaps’ by identifying and narrowing those gaps in the existing system. We thus endeavour to ensure the maximum impact on the disadvantaged populace from our well-planned initiatives.

Management Approach

We believe in the creation of shared values and interdependency between business and its stakeholders, including community and environment. Over the years we have built a mutual trust and strong relationship with the communities around our operations area. Not only do we regularly connect with residents of these local communities, we treat them fairly and with respect. We recognise that every community is different and has needs that are unique. The focus of our community development initiatives is to create long-term economic and social

value for them. Whenever feasible, we hire locally and use businesses and services from the areas around our operations. We also work with community partners and NGOs to find ways to create programme and provide support around our areas of operation. Our employees and their families also participate in these events through volunteer activities, thus fostering the spirit of social inclusivity.

We engage with communities regularly to understand their concerns and needs. As part of our activities we also ensure

appropriate methods for consultation as we recognise that challenges or disagreements with our communities may arise over the course of our projects and our business activities. We have processes in place to address grievances with the aim to maintain a good relationship with them. Long-term agreements with NGOs and execution partners provide us the expertise and assistance much needed in executing various projects.

The Corporation has a board-approved CSR policy. The objectives of the CSR policy are:

- HPCL will focus its CSR activities on local communities around which the Company lives and operates like Refineries, Terminals, Depots, LPG Plants, Pipelines, Aviation Stations, Lube Blending Plants, Project locations and other offices, etc. HPCL is committed to allocate at least 60% of the CSR Budget for these local communities.

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

The Corporation's CSR focus areas are inspired from national developmental policies and international commitments of the nation for advancement of children, women and weaker sections. Our CSR focus areas are based on inspiration from legislations on Child Rights, Child Development

and Education, National Health Policy and National Health Missions, Healthcare in India – Vision 2020, National Skill Development Mission and policies on community/rural development.

All projects/ programs/ activities will be in the areas of:



Child Care



Education



Healthcare



Skill Development



Sports



Environment and Community Development

Child Care and Education



Distribution of Study Material to School Children by Mumbai Refinery

A major focus of our CSR activities is to address child care and education in local communities, remote areas and backward areas. Education is the key to uplift socially backward or underprivileged

classes. We understand the vital role a corporation can play as a driving force in transforming lives through education. We are running several projects that focus on multiple facets, such as woman empowerment, education

for the specially-abled, enhancing the quality of education, training and skill-set development among youth as well as making provision for wholesome meals at schools.



HP Scholarships

To energise the academic talent among meritorious students from SC, ST, OBC and PWD Communities scholarships were distributed to 10,932 school and college students.

10,932

School and College Students received Scholarships

Project ADAPT

Access to education must not be denied to anyone. Project ADAPT focuses on providing education to differently-abled children to provide them equal opportunities and growth. The project enables them to become independent through various special training programmes and therapy methods. It also sensitises the stakeholders at large to accept them as equal members of society. We touched the lives of 315 differently-abled children this reporting period through this programme.

315

Differently-abled Children Helped

Project Akshayapatra

The UN SDGs state that in 2016 approximately 155 million children under 5 years of age were suffering from stunted growth (too short for their age, a result of chronic malnutrition). It is significant to note that 'to be well-read the child must be well-fed'. We are committed to reach out to children across India in our zeal to prevent malnourishment



Project ADAPT: Providing Support to Children with Special Needs

and to encourage young minds. Project Akshayapatra supplements the efforts of Government Mid-Day Meal Scheme resulting in reduction in malnutrition, improved school attendance and cognitive abilities. It aims to make wholesome meals available for children so that they get an opportunity to stay in school and learn better. It focuses on tackling the challenges posed by malnutrition in economically weaker sections of the society, thus enabling them to uplift themselves in an equal and just society. This year the project successfully made provisions for 12,585 children across India.

12,585

Children provided with Mid-Day Meals across India

Nanhi Kali

Through the Nanhi Kali initiative we aim to provide quality education to the girl child especially in rural and socially backward regions. There is increasing emphasis on women taking part in decision making in different walks of life. Education lies at the foundation of woman empowerment, which enables better decision-making skills and reduces inequalities. We strongly believe that educating girl child means educating family. The Corporation, through its support network, constantly engages with families and villagers to remove social barriers that has kept them from getting any education. This programme not only helps in

providing education and reducing dropout rate, but also in the overall development of the beneficiary families and their empowerment. During the fiscal year, we have reached out to 12,000 girls under this programme.

12,000

No. of Girl Child Educated

Project Agastya

Furthering our efforts in providing quality education we have also initiated Project Agastya that aims to ignite the curious minds of school children by fuelling scientific temper at a young age. Under this project, mobile science laboratories provide the infrastructure and learning opportunities to underprivileged school children. This year the programme reached 23 schools and 9,548 students.

9,548

Students reached under Project Agastya

Project Unnati

As the world transitions increasingly towards a digital era where governments, businesses and society can interact on a platform and relate to each other, digital literacy has become not only a necessity, but a way of life. Project Unnati aims to support the Digital India initiative by spreading computer literacy among school children from underprivileged communities in semi urban and

rural areas. In collaboration with NIIT, we train children from underprivileged and marginal families in basic computer education. The students are provided with a 40-hour session and reading material. They have to

appear for two evaluations on the completion of the programme and are awarded certificates. Training of teachers is also conducted for sustaining the project for the long-term. In 2016-17 we trained 6,000 students under this project.

6,000

Students trained with Computer Education

Healthcare



Eye Check-up Camp for School Children



People across the country are susceptible to diverse issues and challenges in healthcare. We have initiated the following programmes for the marginalised and disadvantaged communities in terms of extending accessibility to good and affordable healthcare:

Project Dhanwantari

Lack of quality infrastructure in rural areas, access to basic medicines and healthcare facilities and low-quality services hint towards a dire need for improvement in these areas. The project aims to provide medical help in villages in some of the remotest regions of the country and urban slums through mobile medical units that can reach the doorsteps of the community. We have 17 Mobile Medical Vans under Project

17

Mobile Medical Vans under Project Dhanwantari

Dhanwantari that provide free basic healthcare facilities in the 'last mile connect'. This year the project reached out to approximately 350 villages and urban slums.

350

Villages and Urban Slums reached under Project Dhanwantari

Dil without Bill

Medical cost has been observed to be one of the most common reasons for rural bankruptcy. Add to that the plight of those living in extreme poverty and dearth of resources. With this in mind, we initiated project Dil without Bill, which aims to provide free heart surgery for patients hailing from economically

1,100

Heart Patients provided support under Dil without Bill Programme

weaker sections of the society. During 2016-17 the Corporation made provisions for 1,100 heart patients under this programme.

Project Suraksha

We are concerned about the long-distance truck drivers who form the most vulnerable group in our supply chain as they are most exposed to risks of STIs such as HIV/AIDS, etc. Project Suraksha is an initiative that reaches out to them by offering free medical consultation, counselling and other outreach services through 'Khushi Clinics' at our retail outlets on highways. We have seven such clinics on highways.

Skill Development



Providing Hands on Training to Youth by Professionals

India has a big youth population, which is expected to be the future economic driver for the country's overall development. It is essential that this population is equipped with relevant skill set to contribute towards nation-building. To provide the essential thrust to the capability of the youth from the weaker sections of the society and to enable them to become self-reliant, we have initiated various projects under skill development programmes:

Project Swavalamban

Our efforts towards enabling children and youth to grow up and earn a decent livelihood encompass those who might have a different skill set than the traditional academic learning capabilities. We are driven to provide these young men and women with an opportunity to be able to contribute to the growing workforce.

Project Swavalamban trains school dropouts for employment in various sectors like Automobile repairing, Hospitality, Welding, Driving, Construction, Tailoring, Beautician course etc., and thus enhancing their employability. The project also covers difficult geographical areas, which includes Naxalite areas and conflict areas of Jammu & Kashmir. It aims to boost their capabilities in market-driven skills

allowing them an opportunity to become economically independent through these vocational training programmes. In this fiscal period Project Swavalamban trained 4,500 youths.

4,500

Youth Trained in Different Skill Sets



Skill Development Institute

We have aligned ourselves with the Government of India's National Skill Development Mission by setting up Skill Development Institute (SDI) at Visakhapatnam. We are the lead partner for SDI-Visakhapatnam. The Institute manages its affairs from its own resources and with assistance from our Corporation in certain areas of day-to-day administration.

The Skill Development Institute, Visakhapatnam, was dedicated to the Nation on 20th October 2016, by the Hon'ble Chief Minister of Andhra Pradesh, Shri N. Chandrababu Naidu, in the presence of the then Hon'ble Union Minister for Housing & Urban Poverty Alleviation and

Information & Broadcasting, Shri M. Venkaiah Naidu (currently the Hon'ble Vice President of India), Hon'ble Union Minister for Civil Aviation, Shri P. Ashok Gajapati Raju and Hon'ble Union Minister for Petroleum & Natural Gas, Shri Dharmendra Pradhan (currently heading Petroleum Ministry and Ministry of Skill Development & Entrepreneurship).

Highlights of the Skill Development Institute

Within the short span of time, starting from the day of its inception, the institute has taken remarkable forward strides in terms of achievements. These achievements are:

Training

We offer courses on Plumbing, Welding, Computer Network Application, Electrician work, Fitting work, Instrumentation, Pipe Fitting, Warehouse Picking/Packing, Heating Venting and Air Conditioning. In the reporting year, 338 participants were benefited by this program. SDI, Visakhapatnam, also conducted five training programme for 90 LPG Mechanics as per OISD 154 Standards and 50 Forecourt Salesmen of retail outlets on a pilot basis as a precursor for conducting similar programme under HSSC-approved courses.

Curricula

The course structure is as per Qualification Packs/National Occupation Standards norms approved by respective Sector Skill Councils through National Skill Development Corporation. The course duration is for three months with batch size of 30 students in each trade.

Collaborating with Stakeholders

We took this opportunity to involve and bring in synergy among all stakeholders and enlist their support, viz., Central Government (Petroleum & Natural Gas, Skill Development & Entrepreneurship), National Skill Development Corporation, Sector Skill Councils, State Government of Andhra Pradesh, District Collector Office, Andhra Pradesh State Skill Development Corporation, Greater Visakhapatnam Municipal Corporation, Income Tax Office, Rajahmundry Central Prison, various training partners from the private sector through APSSDC, and others.

Campus and Facilities

The Institute currently operates on interim basis from a campus offered by Greater Visakhapatnam Municipal Corporation.

Our Corporation have renovated facilities like hostels, classrooms, laboratories, canteen, recreation and other amenities in the campus.

Pradhan Mantri Kaushal Vikas Yojana (PMKVY)

The SDI-Visakhapatnam has obtained 4-Star rating accreditation as PMKVY Centre and has been allocated targets for four short-term courses, viz. Electrician, Fitter, Inventory Clerk and Plumber.

Being a part of the Government of India's Skill Development Mission, the SDI-Visakhapatnam is reaping various benefits, including better placement opportunities for its students and attracting prospective employers. It is among the top-ranking institutes of this kind and is paving the way for attracting students even for paid courses, which will help in long-term self-sustenance for SDI.

Under the PMKVY scheme, the Institute has been allotted a special project of rendering its training to Prisoners of Rajahmundry Central Prison inside the jail premises. Four hundred prisoners will be trained in Welding and Plumbing trades over the next two years.

SDI-Visakhapatnam has won several accolades for its contribution in the domain of skill development.

Entrepreneurship Development Project (EDP) for SC/ST Youth

HPCL's culture thus encourages and enables its employees to participate in various CSR project which translate in nation building activities. Employees of HPCL who make up All India Hindustan Petroleum SC/ST Employees' Welfare Association (HPSEWA) launched Entrepreneurship Development Project (EDP) for SC/ST Youth which aims to define 'development of marginalised community' beyond the scope of economic parameter. The programme introduces, mentors, handholds and provides business platform to first time entrepreneurs, a concept which was new in the field of CSR or any other entrepreneur courses. During March 2017, 35 entrepreneurs graduated and 35 enterprises were registered under MSME for industrial and non-industrial goods and services.



Training Youth in different skill sets at Skill Development Institute, Visakhapatnam

Environment and Community Development

The environment is yet another important aspect of our Corporate Social Responsibility initiatives. Our efforts are driven towards making a difference through direct impact measures as well as generating awareness in the society on our onward journey towards sustainable living. These programmes are focused on provision of clean drinking water, development of infrastructure, sanitation, etc., for the underprivileged and marginalised groups in the society.

Pradhan Mantri Ujjwala Yojana (PMUY)

It is a welfare programme of the Government of India to provide LPG connection to BPL families. Under this scheme, our Corporation has

been participating in a substantial manner and has contributed by providing LPG connection to the underprivileged section of the society. Our Corporation released 5.3 million new LPG connections under the PMUY programme.

Swachh Bharat Abhiyan

The Government of India has steered a national level campaign to promote cleaner and hygienic environs. The campaign entails cleaning roads, promoting sanitation, constructing toilets and building other basic infrastructure. We are proud to take part in this mission and contribute to this massive task. Employees across the Corporation's business locations have participated in various

activities promoting objectives of the Swachh Bharat Abhiyan through ShramDaan and awareness campaigns.

Our Corporation constructed 112 school toilets out of which 72 were for girl students. We also constructed 37 community toilets at public places with large footfalls. These projects are implemented across the length and breadth of the country, including Andhra Pradesh, Assam, Bihar, Chandigarh, Chhattisgarh, Delhi, Gujarat and Haryana. The Corporation has also undertaken special initiatives for providing prefabricated disabled-friendly toilets for college hostels.

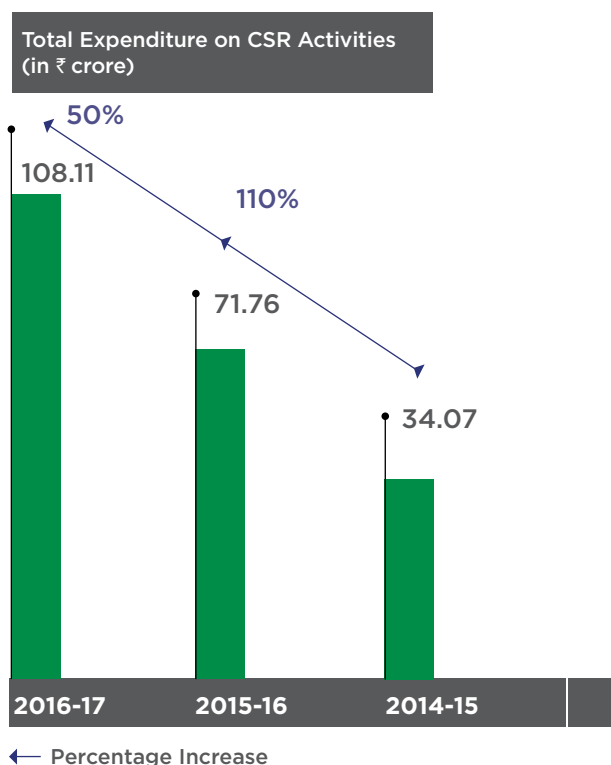


Pradhan Mantri Ujjwala Yojana

Our Corporation released 5.3 million new LPG connections under the PMUY programme.

Expenditure in CSR Projects

The Government of India (GoI) has mandated a CSR spend, which is 2% of the profits earned during the preceding three years on certain identified activities through the Companies Act 2013. We have been undertaking various programme to bring about prosperity in the communities where we operate. We incurred an expenditure of ₹108.11 crore in 2016-17 on various CSR initiatives and this is well exceeding the 2% mandate. It reflects our sincere commitment towards building stronger communities.



Details of expenditures incurred in 2016-17 on various CSR projects are mentioned on Page 45-50 of Annual Report 2016-17.

Name of the Project	No. of Beneficiaries	
	2016-17	2015-16
Adapt	315	300
Agastya	23 schools covering 9,548 students	-
Akshaya Patra	12,585	12,000
Nanhi Kali	12,000	11,000
Unnati	6,000	5,000
Dil without Bill	1,100	800
Dhanwantari	17 MMVs catering to approximately 350 villages/urban slums	17 MMVs
Suraksha	7 clinics on highways	7
Swavalamban	4,500	3,737

Feedback from NGOs and CSR Beneficiaries

During the stakeholder engagement sessions held as a part of Sustainability Reporting exercise, the representative sample of NGOs and CSR beneficiaries have praised few of our CSR initiatives as mentioned below:



Referring to tertiary care centres for specialty and super specialty cases



Healthcare units which provide healthcare at doorstep for poor



Education to underprivileged girl children



Material and Social Support



Mobile Medical Vans





Product Responsibility

Research and Development 106

Delighting Customers 108

Product Responsibility

Product innovation and research and development are an integral part of sustainability and business performance at our Corporation. We interweave them in our vision and mission. Be it incorporating intelligent systems or investing in advanced technology, we have been consistently striving for innovation and improvement. The focus of our technological advancement is primarily to address risks pertaining to climate change, to improve resource efficiency, creation of environment-friendly products and to tackle air emissions.

Safety, throughout the lifecycle of our products, is an essential element in our business practices.

The lifecycle approach and the sustainability of our products across the value chain is considered by systems that spot, evaluate and control risks. The product design stage incorporates safety measures, where customer health and safety are a priority. Systematic processes are in place and we communicate information pertaining to customer safety through booklets and guidelines on product-handling procedure and risks, including, Material Safety Data Sheets (MSDS). MSDS are distributed to all personnel involved in product handling and usage. Qualified auditors assess all our operations related to manufacturing, storage and marketing periodically for

health, safety and environment-related risks. Thereafter, the appropriate remedial steps, as recommended, are implemented.

Our stakeholders are increasingly interested in responsible products, which have been a major driver for research in cleaner fuels. Customer satisfaction is at the heart of our business strategy and we work symbiotically with them on product stewardship. Further, we have a robust framework to monitor and track incidents pertaining to product stewardship and assess our performance periodically. We also ensure compliance and adhere to all relevant legal regulations.

Research and Development (R&D)

Our conviction for providing resource-efficient and disruptive solutions have inspired us to set up a HP Green Research and Development Centre (HPGRDC) at Bengaluru. The centre aims to develop innovative and path-breaking technologies and products in the Energy sector. Phase I of HPGRDC has seven world-class

laboratories in the areas of FCC, Hydro-processing, Catalysis, Bio-processes, Crude Evaluation and Fuels Research, Analytical and Nano Technology. We have a team of 80 scientists on board with us at HPGRDC. These scientists are recognised by the Department of Scientific and Industrial Research (DSIR) for their expertise and

experience in their respective fields. The R&D centre became functional in 2016-17, with research being conducted on the development of new products and advanced technologies, upgradation of existing ones, etc. It was dedicated to the nation by the Hon'ble Minister of State (Independent Charge), MoP&NG, on 14th October 2016.



Inauguration of HP Green Research and Development Centre



HP HiGAS Technology

We have made notable achievements in 2016-17 in product innovation and process upgradation.

HP-HiGAS Technology

HPGRDC developed a new generation HP-HiGAS technology for gas absorption and separation application. The technology is based on 'Process Intensification' whereby it intensifies mass transfer through rotating packed bed having high centrifugal force. The first-of-its-kind commercial unit was commissioned at our Visakh Refinery for the process of H_2S removal from fuel gas.

Hydrogen PSA Technology

Pressure Swing Adsorption (PSA) is extensively used for the purification of Hydrogen from a mixture of gases. The technology is offered by very few foreign licensors worldwide. We have commercialised the H_2 PSA technology, and the first unit with 36,000 Nm^3/hr capacity was commissioned at our Visakh Refinery producing 99.5% H_2 from the CCR off-gas feed.

SprayMax FCC Feed Nozzle

R&D-designed SprayMax Feed nozzles were successfully installed and are operational at the FCC Units of Mumbai and Visakh Refinery.



Hydrogen PSA Technology

This SprayMax nozzle performance is better than existing licensor-supplied nozzles in terms of dry-gas yield and conversion.

Cat-Visbreaking Technology

R&D has developed the Cat-Visbreaking process for increasing the distillate yield in the Visbreaker unit, while maintaining the stability of fuel oil. The usage of the VisCat Catalyst helps in increasing conversion in the Visbreaking unit and reduces the fuel oil production. This was successfully demonstrated at the Visakh Refinery Visbreaker unit with conversion improvement of 3-4 weight %.

HP FurnOKare

Furnace tube scaling is a commonly encountered problem in refineries, which over a period of time results in thick deposits. This reduces the heat transfer efficiency of the tubes and the skin temperature increases to the maximum design temperature. To address this, the R&D team developed an in-house chemical formulation for online cleaning of furnace tubes for removal of scales without shutting down the unit. The product was successfully implemented at 16 furnaces in our refineries.

HP CoSol

We have developed a highly-selective HP CoSol process for lube oil yield improvement in Solvent Extraction units. This was implemented at Mumbai Refinery. The commercial plant trials resulted in 2-3 weight % raffinate-yield improvements for 500 N distillate and de-asphalted oil operation, respectively.

poWer 99

A high-performance gasoline fuel composition, with 99 Octane rating using a suitable additive, was developed. poWer 99 is the product, with the highest-octane rating in the country, targeting high-end vehicles. The product has been launched in Bengaluru and New Delhi markets.

We encourage the development and use of green products. In the reporting period our major achievements in this domain are as follows:

HP-BioActiva

In a petroleum refinery, process-waste water is treated in effluent treatment plants (ETP) by a combination of physical, chemical and biological methods. HPGRDC developed a unique bio-additive, HP-BioActiva, for use during the biological method. HP-BioActiva

has significant tolerance to phenol, chlorides, sulphides, ammonia, etc. It can also achieve substantial decrease of phenolics, BOD and COD within a very short time interval. The product was used in Mumbai and Visakh refineries during 2016-17.

HP-Bioremedia

At HPGRDC, a new microbial formulation consisting of newly-isolated bacterial and fungal strains were evaluated for crude and sludge hydrocarbon degradation. The trials indicated that the newly-isolated microbial strains were

remarkably robust and efficient in degrading the petroleum crude to about 75% within 50-60 days. Planning for large-scale production of microorganisms and field-level trials is in progress. The developed product is expected to reduce the time of bioremediation significantly.

Biofuel and 2G Bioethanol

Bioethanol is a renewable, earth-friendly biofuel that reduces greenhouse gas and other harmful pollutant emissions. Most ethanol is currently being made from corn and molasses. However, the new

technologies allow biofuel to be produced from other sources as well, like, agro-residues and lingo-cellulosic biomass. Such ethanol is called 2G Ethanol.

At our HPGRDC, research efforts are being made to develop an efficient biomass process for the development of 2G Ethanol with less chemical and water requirements. Further, studies on in-house enzyme development are also being carried out as the enzyme is a critical factor in deciding the viability of technology.

Delighting Customers



We are a customer-centric Corporation, where we value the trust our customers show in us and diligently work towards winning their loyalty and ensuring their satisfaction with our products, services and the HPCL brand at large. It is at the centre of our performance parameters and, hence, is blended in our promise to deliver products of high quality at the right quantity, and those that reflect contemporary needs. For achieving the objective of delighting customer through timely delivery, process improvement, innovative products and services continue to be the key focus areas.

This fiscal, we have executed several customer-centric initiatives in every SBU. The strategic expansion of our network saw the commissioning of 624 new retail outlets during 2016-17, which include 209 retail outlets positioned to cater to customers in rural areas. This year HP GAS served more than 61 million customers through a network of 4,532 LPG distributors. A significant addition to the customer base was made through the Pradhan Mantri Ujjwala Yojana (PMUY), by which we tried to make accessible the benefits of user-friendly fuel to people at the bottom of the pyramid.

624

**New Retail Outlets
Commissioned**

61 million

**Customers Served
by HP GAS**

Digitising Transactions

Our Corporation has taken various initiatives towards digitising transactions. 99.8% of the payment receipts from institutional customers, dealers and other business associates are through electronic-payment routes. The Retail and LPG network also strived to motivate customers to adopt digital payments through debit cards with zero bank charges, mobile wallet payments, online payments, etc. We established electronic data capture (EDC) services and mobile wallets at more than 12,500 retail outlets, thereby enabling digital transactions at more than 88% of the total retail fuel stations during 2016-17. At present, about 96% of retail outlets are digitally enabled for cashless transactions.

Through our retail outlets and LPG distributor networks, we played a crucial role during demonetisation by being one of the points authorised by the Government to accept high-denomination notes.

Loyalty Card Programme

Our Corporation has the Drive Track Plus loyalty card programme for fleet customers and motorists. The Drive Track Plus Card is accepted at over 12,000 retail outlets and is used by more than 1,30,000 customers. We also have the HP Refuel loyalty card programme, a prepaid card for retail customers (driving two, three and four wheeler vehicles). Due to the enhancement in user-friendly features, acceptance of these cards has increased, resulting in larger sales volumes, from 8% to 16%, through loyalty cards.

For Fleet Customers

The Drive Track Plus Programme aims to provide 'More Control, More Security, More Value and More Convenience' to its customers. It offers a host of unparalleled features and benefits, such as: The transport and logistic companies are concerned about



Central Cash-Management System



Chip-based User Cards



Dynamic-parameterised Rewarding



Mobile Website and SMS Alerts



PIN-based Secured Transactions



Interactive Secure Web Portal



Attractive Redemption Option

their fuelling cost as it benefits approximately 40-50% of their operating cost. The programme the fleet operators (customers) by providing them with a safe and secure platform to manage their fuel expenses, while giving full control, convenience and attractive rewards along with insurance benefits. We cater to the corporate customers also through this platform. We also introduced the DT Plus Digital in 2016-17, which is a cashless option.

For Retail Customers

In the retail segment, we offer the HP Refuel Card, which is an efficient and convenient cash-management system with rewards and insurance benefits. Another attractive reward scheme is the PAYBACK card programme, which is a multi-coalition loyalty programme. We

also offer co-branded credit cards with ICICI Bank and Amex and a co-branded debit card with ICICI Bank.

Cash @ POS during Demonetisation

We supported the cash requirements of the retail outlet customers during demonetisation. This facility was provided at 749 retail outlets through ICICI Bank, Axis Bank and SBI. Cash worth ₹41 crore was disbursed to the customers.

Awards received by DT Plus

- Best Digital Customer Experience Initiative
- Best Engagement and Loyalty Scheme of the Year
- Emerging Brand Awards

Other Initiatives

We have launched Club HP on the platform of Outstanding Customer & Vehicle Care. It offers a bouquet of value-added products and differentiated services to customers. There are more than 2,000 Club HP retail outlets across India and these provide differentiated services under the Club HP Brand. This year, 50 outlets were converted into Club HP Star and 719 outlets were converted into Club HP.

About 330 toilet blocks with separate facilities for male and female customers were constructed at the retail outlets, on the state and national highways, for the increased convenience of customers.

HP GAS, the LPG brand of our Corporation, is one of the most preferred brands among LPG consumers and has been bestowed with awards, based on market research and customer surveys, such as, Super Brand and 100 Most Valuable Brands.

Ensuring Quality for our Customers

We meticulously gauge every stage of the process of production and delivery to maintain a desired level of quality in our products and services. Our Corporation has a strong marketing network of retail outlet dealers, LPG distributors and Lube distributors for marketing primarily MS, HSD, LPG and Lubes. Our dealers and distributors are the brand ambassadors of our Corporation and we ensure that various parameters of quality are met at these outlets and distributorships. Our Corporation ensures quality assurance for product standards as per BIS specifications throughout the value chain.

We believe that our zeal for consistently improving quality at every level in the process gives us a competitive edge in the market. We believe quality is not merely meeting standards, but is to be taken in the spirit of continual

improvement. We have various quality assurance initiatives under our Good Fuel Promise campaign. ‘Check and Fill’ campaigns are regularly conducted to invite customers to check the quality and quantity before filling their vehicles. Additionally, surveillance audit of Club HP retail outlets is conducted on a regular basis through an international certification agency of repute. In the reporting period, a total of approximately 45,000 inspections were carried out.

In order to spread awareness and ensure implementation of various quality parameters, regular inspections and audits across our outlets and LPG distributorships are being carried out. These inspections and audits are comprehensive assessments covering the entire gamut of operations across the aspects of quality, quantity and safety. During the inspection or audit, our officers ensure interaction with the dealers, their office staff

field salesmen and delivery boys, and motivate them to provide the customers a delightful experience.

Our Corporation has also created an online e-inspection portal to track compliance with respect to parameters wherever there is a scope for improvement in the activities being carried out at the outlets and distributorships. These parameters are meant to help us exceed customer expectations, and thereby, leading to delighted customers:

- Quality of Products Dispensed
- Quantity of Products Dispensed
- Safety
- Functioning of the Automation System
- Branding and Visual Identity
- Random Product Sampling

The Quality Assurance team has a robust mechanism in place to address customer grievances and feedback. We are an industry leader in terms of a number of



inspections carried out and in the implementation of process improvements.

Knowledge management is the most important aspect for an organisation to grow and fulfill its objectives. Keeping this in mind, the Quality Assurance department has indigenously launched the following manuals:

a) Handbook on DU tampering

b) Handbook on DU sealing

The Quality Assurance Officers also participate in business council meets and share field experiences and exchange knowledge, at similar platforms, round the year. With best practices in place, QA is a proactive management practice that is used to assure a stated level of quality as reiterated in Corporation's objectives and forms an integral part of risk mitigation strategy.

Quality Control

Quality is a crucial parameter, which differentiates an organisation from its competitors. Our organisation lives the values of quality management that is clearly defined in its Vision statement.

We are unconditionally committed to providing quality products to our customers at any point of time. And, this commitment is achieved by assuring the product quality right from the refineries to the customer's end. Both Mumbai and Visakh refineries have NABL (National Accreditation Board for Testing and Calibration Laboratories) accredited world-class laboratories with state-of-the-art equipment and trained manpower. The calibration laboratory ensures the accuracy of calibration for various kinds of equipment being used in these laboratories and various bulk plants in our Corporation, which in turn ensure achieving highest accuracy.

The Marketing Quality Control department of the organisation plays a crucial role in assuring the product quality for various business units, viz. Operation & Distribution, Retail, Direct Sales (Lubes), Aviation and Pipelines. At present, Quality Control is catering to the needs of its customers through its network of 45 laboratories across the country, 11 of which are NABL accredited. All other laboratories have been covered under Standard Operating Procedure (SOP), which has been developed in line with the ISO17025 requirements. The product quality is monitored at different stages of the product cycle in distribution and marketing, viz. Receipt, Storage and Dispatch of the products at terminals, depots and outlets.

Industry Quality Control Manual (IQCM) is the guideline for the oil industry to maintain and monitor the quality of the products at different stages. However, to assure the quality of the product, our QC department has implemented more stringent norms for the depots and terminals that are over and above the IQCM requirement.

We have set up a Condition Monitoring Laboratory for our industrial customers. We have also set up laboratories for ensuring the quality of the packaging material used in lube oil production.

Quality Control issues automatically-generated test reports, along with the commercial invoice, in order to address the concerns over the availability of the test report at the time of bulk product supply to industrial customers.

Adhering to the quote by W. Edwards Deming, 'Quality is everybody's responsibility', customised training modules have been developed for different target groups, viz. operations, TT crews,

4,342

Automated Outlets

dealers, transporters, new trainees, etc. Various training programmes are organised by the task force at the ground level to spread awareness on quality. The trainings are made more effective by adding audio-visual effects and practical sessions.

The Quality Control Department of New White Oil Terminal, Visakhapatnam is a pioneer in India in producing reference materials for gasoline and diesel fuels in matrix matching streams. The facility is accredited as Reference Material Producer (RMP) under ISO Guide 34:2009 by NABL. This RMP initiative is a step towards the Make in India initiative with the potential of saving foreign currency expenditure by import substitution.

As an improvement measure in delivering quality and quantity products, state-of-the-art automation was implemented at 1,611 outlets, which is the highest in any one year since our inception. The total number of automated outlets has increased to 4,342.

All our products are in line with BIS specifications, internationally-accepted standards and customer-specific standards. We ensure that all our products are appropriately labelled and are in compliance with product-labelling regulatory codes (national and international). During the reporting year, there was no incidence of non-compliance pertaining to product labelling and information regulations. We do not sell or market any product that is banned or disputed. In the reporting year, there were also no fines for any non-compliance of laws and regulations concerning the use of products and services.

Vehicle Tracking System (VTS)

- We have implemented VTS in all vehicles transporting petrol and diesel for monitoring the speed limit and route deviations. Effective communication is maintained with erring transporters and punitive action is taken against continuing offenders.
- Speed deviations per trip has been reduced from the level of 5.6 deviations/trip to 2.8 deviations/trip, nurturing safety culture and demonstrating the growing safety awareness among TT drivers.
- A mobile application for online tracking of TTs by transporters, dealers, sales officers, regional managers and depot officers has been launched.
- An SMS query-based application launched for tracking the TTs by transporters/dealers.

Customer Satisfaction

Customer satisfaction is a reflection of the success of an organisation. Our core values clearly demonstrate our commitment towards enhanced customer satisfaction as we continuously strive to improve our service by understanding their expectations and providing them with best-in-class products and services.

Our customer-centric initiatives include:

Plain Paper SV/TV Facility

Introduced plain paper SV/TV printing facility for the first time in the industry by phasing out legacy pre-printed stationary covering

100% distributors. This initiative is expected to save ₹2 crore annually as procurement cost, eliminate the hassles of supply chain management of ₹1 crore stationery and stock monitoring, and eliminate impact on the release of new connections.

PCRA SAKSHAM

The Petroleum Conservation Research Association (PCRA) launched an initiative, Sanrakshan Kshamta Mahotsav (SAKSHAM), with an objective of better health and environment and for securing availability of Oil & Gas. Various location of our Corporation had massively participated in the initiative and sensitised stakeholders on the conservation of Oil & Gas.

Web-Based Cash Memo

Introduced a web-based printing facility for A4 refill cash memos, streamlining the legacy mode of dot-matrix printing, making the cash memo as a smart tool for sharing information with HP GAS customers as a part of value-added service. Through this initiative, HP GAS proved to be the pioneer in the industry yet again.

Proactive Marketing of Domestic Cylinder

The LPG SBU initiated the Proactive Marketing of Domestic Cylinder, a technical innovation and completely system-driven marketing process by tracking the consumers' refill pattern, identifying low-consuming customers and enrolling double bottle connections by instituting an SMS-based intimation process in the business with an objective

towards improving sale and providing a hassle-free experience, thereby improving customer service. The initiative is a first-of-its-kind in the industry.

e-KYC

Introduced Aadhaar-enabled e-KYC in the LPG registration process for the first time in the industry.

Digi Locker

Moved around 4.3 crore SVs of LPG consumers who had submitted Aadhaar to us on the Digi Locker platform. Our's was the first company to launch the Digi Locker for storing SVs. All the SVs with us have been loaded into the Digi Locker of the Government of India.

Vernacular language SMS in HP ANY TIME

First vernacular language SMS service for our valued HP GAS customers, covering all the states, has been launched in the Hindi and Telugu languages. This is being done for the first time in the industry. The SMS service will cover the following being sent for the HP ANY TIME refill booking system:

- Booking SMS
- Cash memo SMS
- Delivery SMS
- Cancellation SMS

Safety through 'O'-rings

Field trial on high-quality 'O'-rings started at the Madurai plant after technically clearing the 'O'-rings. These 'O'-rings are expected to enhance the safety at consumers' premises.



Pradhan Mantri Ujjwala Yojana Programme



Training on Oil and Gas Conservation to TT Crew



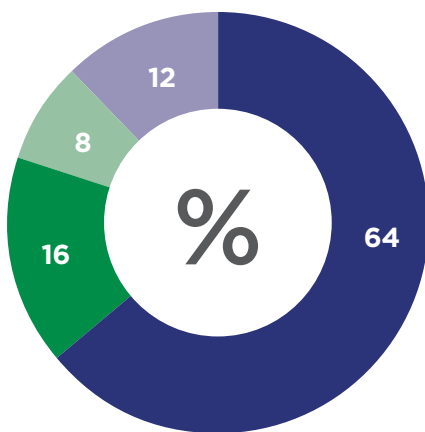
Ji Haan Samarth - Training for LPG Delivery Staff



Sadaa Aap Ke Liye - Training for Retail Forecourt Staff

Safety Clinics organised by LPG Distributors during 2016-17

Interaction with representative sample of LPG Distributors during stakeholder engagement sessions, gave us the following insights:



Number of Safety Clinics Organised

■ 0 to 10 ■ 11 to 20
■ More than 20 ■ No Response

The graph signifies that 88% of surveyed LPG distributors organise safety clinics for their consumers regularly.

Ji Haan Samarth

It has been designed to traverse the course of a day in the life of a LPG Deliverymen and aims to equip them with the requisite skills, knowledge and attitude to perform job and to succeed in their various roles. The ultimate objective is to give HP GAS customers a unique and differentiated customer experience. 32,115 LPG Deliverymen have been trained by our HR Officers through 1,005 Ji Haan Samarth training programs.

Samvad

It aims to sensitise the customer service cell staff of LPG Distributors on various types of customers and equip them with skills to handle grievances in an effective manner. 14,599 Customer Service Staff were trained by our HR Officers through 474 Samvad programs.

Sadaa Aap Ke Liye (SAKL)

It is aimed at imparting knowledge on Standard Operating Practices and engaging 'Retail FSMs (Forecourt Sales Men)' as key SOP Implementers at the Retail Outlets so that they not only satisfy the customer's stated needs but also

delight the customers with fulfilling their latent needs. 60,000+ FSMs have been trained since inception in 2008 till financial year 2016-17.

My HPCL Mobile Retail App

We have a mobile application for technology-savvy customers, which is available for all Android as well as iOS platforms.

Vehicle Identification System

A new IT-enabled initiative, Vehicle Identification System, using RFID technology and leveraging retail automation at retail outlets, offers a complete fuel-management solution to fleet owners.



SmartLife Poles

Roads That Honk

In the last few years, the internet has revolutionised the way the industry approaches problem-solving and has redefined businesses. The most recent technological wave of the

internet of things and smart cities has enabled tapping extraordinary opportunities with novel solutions.

HP Lubricants has taken one such stride in the area of intelligent roads by implementing the world's first anti-collision vehicle system on NH1, which connects the Kashmir Valley to Leh. This national highway has been acknowledged to be one of the most precarious highways by National Geographic. With its numerous sharp turns and hairpin bends, the highway would earlier record at least two to three accidents each day. There was, therefore, a compelling need for a system to intimate drivers of approaching vehicles to evade the possibility of collision and accident.

HP Lubricants came up with the concept of SmartLife poles that have been placed on sharp turns. The poles work on advance network devices comprising wireless technology, radar systems and anti-collision warning systems, powered by solar PV modules. The system detects the speed

of an incoming vehicle by the transmission of electromagnetic waves of a frequency of 24 GHz. These waves are reflected by the moving vehicle and there is a frequency shift due to the Doppler effect. The SmartLife poles detect the speed and communicate with each other and immediately caution the vehicle approaching from the other side by honking. The system, specifically designed for reducing the risk of accidents in hilly regions, has appreciably made highways safer for commuting.

The police department has reported a significant drop in the number of accidents on the 110km Jammu-Srinagar highway after the installation of the anti-collision system.

A campaign, Roads That Honk, was initiated based on the disruption on social media on the increasing number of accidents. It was actively shared on various platforms and was widely acclaimed with several positive testimonials that asserted the effectiveness of this campaign.

Innovative Measures taken by our Supply Chain Partners

During the stakeholder engagement sessions held as a part of Sustainability Reporting exercise, our supply chain partners have shared few of the innovative measures undertaken by them within their sphere of influence:

Retail Dealers

- Customer education on quality, quantity and value added services.
- Rewards and motivation to drivers.
- Online/Cashless payment facility.
- Excellent forecourt management.
- Emission tests and vehicle insurance.
- Free battery ws.

LPG Distributors

- Advertisements of products.
- Display of banner on all delivery vehicles.
- Timely SMS alerts to customers.
- Showroom standardisation, rural campaigns and demo tents.

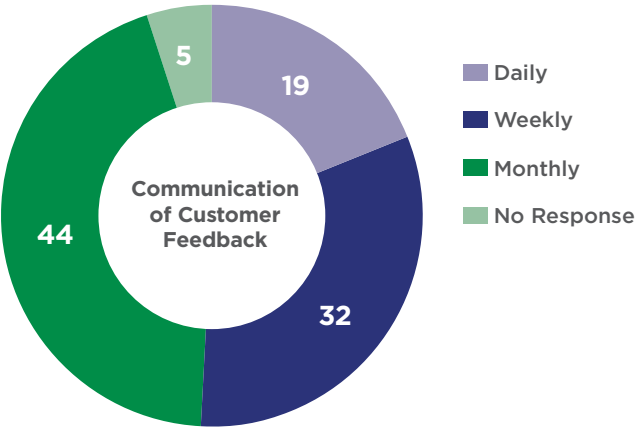
Transporters

- Quarterly meeting for discussion on problems.
- Efficient driving for less fuel consumption.
- Community initiatives.

Communicating Customer Feedback to HPCL

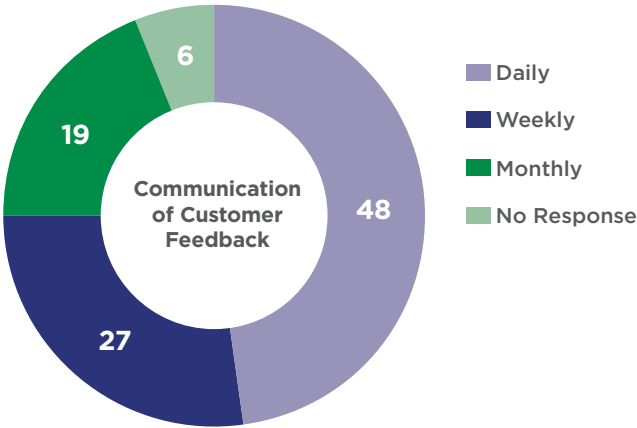
Customer feedback is very important for improvement of services. Our dealers and distributors actively take feedback from customers and actively communicate it to us. Below is the response received in the stakeholder engagement survey:

Retail Dealers



The graph signifies that 95% retail dealers communicate end customer’s feedback to the Corporation effectively so as to continuously improve the services. Balance 5% have provided Nil feedback. These feedback helps us in improving overall customer satisfaction.

LPG Distributors



The graph signifies that 94% LPG distributors communicate end customer’s feedback to the Corporation effectively so as to continuously improve the services. Balance 6% have provided Nil feedback.

Customer Satisfaction Surveys

We are persistent in our effort to provide products and services that meet or exceed our customers’ expectations and which satisfy them by pre-empting their requirements. In order to monitor our progress in meeting customer needs, we regularly conduct customer satisfaction surveys, across the country, for our retail outlets and domestic LPG customers. The surveys are conducted through independent external agencies. The objective

of these surveys is not only to understand the expectations of our key stakeholders, but also to devise strategies to address their concerns. The customer satisfaction survey was carried out during the period of January 2016 to March 2017 and 57,705 respondents were covered on an all-India level. The score of our survey was 66, as per all India Customer Satisfaction Index (CSI), which is rated as healthy performance as per the CSI Benchmarking of Majestic MRSS India Ltd.

Customer Grievances

We cater to millions of customers and try our best to keep them satisfied. However, with the huge customer base that we deal with, there end up being some instances of customer complaints. We remain cognisant of the source of such dissatisfaction, resolve the issues within the stipulated time and try to minimise these incidents. In this reporting period, we received a total 2,54,489 complaints and out of them only 0.49% (1,259) of cases are pending as on 31st March 2017.



Business Development Cell under Corporate Strategy and Planning has been formed. The Business Development Cell is focused towards leveraging and capitalising on the various opportunities available for achieving accelerated and diversified business growth in areas like investments in development/ acquisition of assets, development of renewables and alternate energy sources, promoting the Start-up ecosystem for nurturing Start-ups and Entrepreneurs in the Oil & Gas sector, collaboration with other business entities on fuel and non-fuel businesses, identification of challenges from disruptive technologies like Electric Vehicles etc.

HPCL Start-up India Scheme

'Start-up India' is a flagship initiative of Government of India intended to build a strong eco-system for nurturing innovation and Start-ups in the country that will drive sustainable economic growth and generate large scale employment opportunities. CPSEs under the Ministry of Petroleum & Natural Gas (MoP&NG) have undertaken initiatives for facilitating creation of an innovation eco-system and promote Start-ups in the field of Energy and Oil & Gas. As part of the Scheme, HPCL Board approved a fund of ₹25 crore as contribution towards HPCL Start-up India fund. The objective of HPCL Start-up India Scheme is to support and fund projects from New/Early Stage Start-ups for establishment or validation of Proof of Concept (POC) or having established Proof of Concept, in the areas of primary energy and hydrocarbon sector that aim to pursue innovations leading to commercialisation/ business development. Projects pertaining to various focus/ innovation areas specifically in the areas of petroleum refining, marketing and alternate energy would be supported under HPCL Start-up India Scheme. HPCL has also included generic segments like Manufacturing of Nano Materials Catalysts, IOT, Innovative energy

storage solutions, Model for Waste to Energy, etc. in its focus/ innovation areas. The funding level is maximum up to ₹1 crore per project. Additional funding would be considered only for exceptional cases. The funding provided will be over a period in instalments against agreed milestones and finalised terms.

HPCL would be coming out with open innovation challenge advertisements in 2017-18 calling applications from Start-ups and Innovators for seeking support under HPCL Start-up India Scheme. Approx. 10 Start-ups are expected to be finalised for incubation/ acceleration/ pilot implementation process.

Formation of Business Development Cell under Corporate Strategy and Planning Department

HPCL has formulated a T20 Strategy, road map up to the year 2020-21, focusing on achieving objectives of accelerated profit, exponential growth and customer value maximisation. One of the key enablers for meeting the above objectives is foray into New Businesses and New Geographies/ Boundaries. To steer the above as well as for identification of future business needs of the corporation,

Setting up of Indian Institute of Petroleum & Energy at Visakhapatnam

To meet quantitative and qualitative gap in the supply of skilled manpower for the petroleum sector and to promote research activities, the Indian Institute of Petroleum & Energy (IIPE) has been established at Visakhapatnam under the Andhra Pradesh Reorganisation Act, 2014. IIPE is proposed as a research focused institution offering undergraduate/postgraduate, research and industry specific programs. Courses are proposed to be offered in various areas pertaining to Oil & Gas sector as well as upcoming research areas like Shale Gas, Coal Bed Methane and Renewable Energy.

The IIPE Society has been registered under AP Society Registration Act, 2001 in 2016 for establishment of the institute. The governance of affairs of the Institute is presently being managed by the Board of IIPE Society. HPCL is the lead promoting Oil company engaged in providing assistance and support to IIPE for various activities. The Institute will be established as an Institute of National Importance post enactment of the IIPE Act.

Affiliations

1	All India Association of Industries
2	Administrative Staff College of India
3	All India Management Association
4	Associated Chambers of Commerce and Industry of India
5	Association of Business Communicators of India
6	Bombay Chamber of Commerce & Industry
7	Bombay Management Association
8	Centre for Public Sector Studies
9	Confederation of Indian Industry
10	Council for Fair Business Practices
11	Employers' Federation of India
12	Federation of Indian Chambers of Commerce & Industry
13	Global Compact Network India
14	Indian Merchants Chambers
15	Indo American Society
16	Indo German Chamber of Commerce
17	International Market Assessment India Pvt. Ltd. – CEO
18	International Market Assessment India Pvt. Ltd. – CIO
19	Maharashtra Chamber of Commerce, Industry & Agriculture
20	Maharashtra Economic Development Council
21	National HRD Network
22	National Institute of Personnel Management
23	Petroleum Federation of India
24	Standing Conference of Public Enterprises
25	The Energy and Resources Institute
26	Vigilance Study Circle, Mumbai

Linking Sustainable Development Goals to our Business Practices

Goals	Sustainable Development Goals	Page No.
	End poverty in all its forms everywhere	45 81 91-92 96-97 100-101
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	96-98
	Ensure healthy lives and promote well-being for all at all ages	62-64 68-69 82-86 99
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	80-81 97-98 100-101
	Achieve gender equality and empower all women and girls	77, 80, 91, 92, 98
	Ensure availability and sustainable management of water and sanitation for all	66-67 71-73 102
	Ensure access to affordable, reliable, sustainable and modern energy for all	15 46-51 65 71-72
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	45, 53, 76, 80 86-93 100-101

Goals	Sustainable Development Goals	Page No.
	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	15, 53 72-73 102, 106-108 114, 116
	Reduce inequality within and among countries	91-92 98-99 100-101
	Make cities and human settlements inclusive, safe, resilient and sustainable	72-73 102
	Ensure sustainable consumption and production patterns	47 50-51 57-69 71-73
	Take urgent action to combat climate change and its impacts	56-73 106-108
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	64 69
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	12 25-26 92-93
	Strengthen the means of implementation and revitalise the global partnership for sustainable development	117

Note: Sustainable Development Goals applicable to our business

GRI G4 Content Index

	Description of the Indicator	Page No.	Reason for Omission	External Assurance
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G4 2	Description of key impacts, risks, and opportunities	27, 56		Assured
Organisational Profile				
G4 3	Name of the organisation	Cover Page		Assured
G4 4	Primary brands, products and services	18-20		Assured
G4 5	Location of organisation's headquarters	Inside Cover Page		Assured
G4 6	Number of countries where organisation operates	14		Assured
G4 7	Nature of ownership and legal form	14, 45		Assured
G4 8	Markets served	14		Assured
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G4 10	Employee profile	76-77		Assured
G4 11	Percentage of employees covered by collective bargaining agreements	92		Assured
G4 12	Organisation's supply chain	16		Assured
G4 13	Significant changes during the year	14-15		Assured
G4 14	Precautionary approach or principle	27		Assured
G4 15	Externally developed charters, principles or other initiatives to which the organisation subscribes	118-119, 126		Assured
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Identified Material Aspects and Boundaries				
G4 17	Entities included in the organisation's financial statements	6		Assured
G4 18	Defining report content and aspect boundaries	6		Assured
G4 19	Material aspects	41		Assured
G4 20	Aspect boundary within organisation	41		Assured
G4 21	Aspect boundary outside organisation	41		Assured
G4 22	Effect of any restatement of information provided in previous report	There have been no restatements of information provided in the previous reports		Assured
G4 23	Significant changes from previous reporting period in Scope, Aspect and Boundaries	6		Assured
Stakeholder Engagement				
G4 24	Stakeholder groups engaged by organisation	33		Assured
G4 25	Basis for identification and selection of stakeholders	33		Assured

	Description of the Indicator	Page No.	Reason for Omission	External Assurance
G4 26	Organisation's approach to stakeholder engagement	35-39		Assured
G4 27	Key topics and concerns raised through stakeholder engagement	35-39		Assured
Report Profile				
G4 28	Reporting period	6		Assured
G4 29	Date of most recent report	6		Assured
G4 30	Reporting cycle	6		Assured
G4 31	Contact point for questions regarding report or its content	6		Assured
G4 32	In accordance option the organisation has chosen and GRI index	6		Assured
G4 33	External assurance	6, 126-128		Assured
Governance				
G4 34	Governance structure of the organisation	22-24		Assured
G4 35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	23		Assured
G4 36	Report whether the organisation has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	23		Assured
G4 37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body	23, 38		Assured
G4 38	Report the composition of the highest governance body and its committees	22-24		Assured
G4 39	Report whether the Chair of the highest governance body is also an executive officer	22-23		Assured
G4 40	Nomination and selection process of highest governance body and committees	24		Assured
G4 41	Process for the highest governance body to ensure conflicts of interest are avoided and managed	22		Assured
G4 42	Highest governance body's and senior executive's roles in the development, approval and updating of the organisations' purpose, value or mission statements etc.	22		Assured
G4 43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	22		Assured
G4 44	Evaluation of the highest governance body's performance	23		Assured

GRI G4 Content Index (Contd.)

	Description of the Indicator	Page No.	Reason for Omission	External Assurance
G4 45	Role of highest governance body in the identification and management of economic, environmental and social impacts, risks and opportunities	27		Assured
G4 46	Role of highest governance body in reviewing the effectiveness of risk management processes	27		Assured
G4 47	Frequency of highest governance body's review of economic, environmental and social impacts, risks and opportunities	27		Assured
G4 48	Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material aspects are covered	24		Assured
G4 49	Process for communicating critical concerns to the highest governance body	26-27		Assured
G4 50	Nature, number and mechanisms to resolve critical concerns	26		Assured
G4 51	Remuneration policies	24		Assured
G4 52	Process for determining remuneration	24		Assured
G4 53	Method for seeking stakeholder's views regarding remuneration	24		Assured
G4 54	Ratio of annual total compensation for the organisation's highest paid individual to median annual total compensation for all employees	24		Assured
G4 55	Ratio of percentage increase in annual total compensation for the organisation's highest paid individual to median percentage increase in annual total compensation for all employees	24		Assured
Ethics and Integrity				
G4 56	Organisation's values, principles, standards, and norms of behaviour such as codes of conduct and codes of ethics	10, 25		Assured
G4 57	Report the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity, such as helplines or advice lines.	25-26		Assured
G4 58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistle-blowing mechanisms or hotlines.	25-26		Assured
Specific Standard Disclosures				
Category: Economic				
Material Aspect: Economic Performance				
G4 - EC 1	Direct economic value generated and distributed	44		Assured
G4 - EC 2	Financial implications and risks and opportunities due to climate change	56		Assured

	Description of the Indicator	Page No.	Reason for Omission	External Assurance
G4 - EC 3	Coverage of Organisation's defined benefit plan obligations	45, 91-92		Assured
G4 - EC 4	Financial assistance received from the Government	44		Assured
Material Aspect: Procurement Practices				
G4 - EC 9	Proportion of spending on local suppliers at significant locations of operation	53		Assured
Category: Environmental				
Material Aspect: Materials				
G4 - EN 1	Materials used by weight or volume	57		Assured
G4 - EN 2	Percentage of materials used that are recycled input materials	58		Assured
Material Aspect: Energy				
G4 - EN 3	Energy consumption in the organisation	59		Assured
G4 - EN 4	Energy consumption outside of the organisation	60		Assured
G4 - EN 5	Energy intensity	59		Assured
G4 - EN 6	Reduction of energy consumption	59		Assured
G4 - EN 7	Reductions in energy requirements of products and services	60		Assured
OG2	Total amount invested in renewable energy	65		Assured
OG3	Total amount of renewable energy generated by source	65		Assured
Material Aspect: Water				
G4 - EN 8	Total water withdrawal by source	66		Assured
G4 - EN 9	Water sources significantly affected by withdrawal of water	66		Assured
G4 - EN 10	Percentage and total volume of water recycled and reused	67		Assured
Material Aspect: Emissions				
G4 - EN 15	Direct GHG emissions (Scope 1)	62		Assured
G4 - EN 16	Indirect GHG emissions (Scope 2)	62		Assured
G4 - EN 17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	63		Assured
G4 - EN 18	Greenhouse gas (GHG) emissions intensity	63		Assured
G4 - EN 19	Reduction of greenhouse gas (GHG) emissions	62-64		Assured
G4 - EN 20	Emissions of ozone-depleting substances (ODS)	57		Assured
G4 - EN 21	NOX, SOX, and other significant air emissions	63		Assured
Material Aspect: Effluents and Waste				
G4 - EN 23	Total weight of waste by type and disposal method	68		Assured

GRI G4 Content Index (Contd.)

	Description of the Indicator	Page No.	Reason for Omission	External Assurance
Category: Social				
Sub-Category: Labour Practices and Decent Work				
Material Aspect: Occupational Health and Safety				
G4 - LA 5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	83		Assured
G4 - LA 6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	83		Assured
G4 - LA 7	Workers with high incidence or high risk of diseases related to their occupation	82-86		Assured
G4 - LA 8	Health and safety topics covered in formal agreements with trade unions	92		Assured
Material Aspect: Training and Education				
G4 - LA 9	Average hours of training per year per employee by gender and by employee category	80		Assured
G4 - LA 10	programme for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	81		Assured
G4 - LA 11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	86		Assured
Sub-Category: Product Responsibility				
Material Aspect: Product and Service Labelling				
G4 - PR 3	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	106		Assured
G4 - PR 4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	111		Assured
G4 - PR 5	Results of surveys measuring customer satisfaction	115		Assured

UNGC Index

UNGC Principle	Category	Description	Reference	Page No
Principle 1	Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	Supporting Human Rights	92
Principle 2	Human Rights	Businesses should make sure that they are not complicit in human rights abuses	Supporting Human Rights	92
Principle 3	Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Supporting Human Rights	92
Principle 4	Labour	Businesses should uphold the elimination of all forms of forced and compulsory labour	Supporting Human Rights	92
Principle 5	Labour	Businesses should uphold the effective abolition of child labour	Supporting Human Rights	92
Principle 6	Labour	Businesses should uphold the elimination of discrimination in respect of employment and occupation	Supporting Human Rights	92
Principle 7	Environment	Businesses should support a precautionary approach to environmental challenges	Risk Management	27
Principle 8	Environment	Businesses should undertake initiatives to promote greater environmental responsibility	Protecting our Planet	56-73
Principle 9	Environment	Businesses should encourage the development and diffusion of environmentally friendly technologies	Protecting our Planet and Product Responsibility	56-73, 106-108
Principle 10	Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	Corporate Governance	21-27

Independent Assurance Statement



Introduction and objectives of work

BUREAU VERITAS has been engaged by **Hindustan Petroleum Corporation Ltd. (HPCL)** to conduct an independent assurance of its **Sustainability Report** for the year **2016-17**. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the **Sustainability Report 2016-17** are the sole responsibility of the management of HPCL. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

Scope of work

The assurance process was conducted in line with the requirements of the Assurance Standard **AA1000AS (2008) Type 1** assurance. The scope of work included

- Data and information included in Sustainability Report 2016-17 for the **reporting period 1st April 2016 to 31st March 2017**;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Assurance Standard (2008)¹
 - Inclusivity
 - Materiality
 - Responsiveness
- Evaluation of the Report against the principles of Accuracy, Accessibility, Balance, Clarity, Comparability, Reliability, Timelines and Stakeholder Inclusiveness, as defined in the GRI Sustainability Reporting Guidelines G4 “In accordance-Comprehensive”;

The level of assurance has been applied as **“Moderate”** for all sections of the report.

Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

1. Visited selected locations of HPCL and interviewed relevant personnel of HPCL
 - Corporate Head Office
 - Goa Aviation Service Facility
 - Mazgaon Lube Plant
 - Mumbai Pune Solapur Pipeline, Trombay
 - Mumbai Refinery
 - Nasik LPG Plant
 - Sion Retail outlet
 - Vashi Terminal

We interviewed Plant Operations & Maintenance, Health, Safety & Environment managers, lube and bottling plant personnel and also the Sustainability team of HPCL

2. HPCL had submitted performance data on reported GRI indicators. The data pertaining to each location visited was audited by Bureau Veritas.
3. The data was audited on a sampling basis. Data on various GRI sustainability indicators was verified for the locations that were visited. Later, it was confirmed that the same verified data went into preparation of the final data within the sustainability report.
4. Bureau Veritas reviewed stakeholder engagement activities that had been undertaken by HPCL prior to the preparation of the Sustainability Report. The Stakeholder Engagement process was reviewed. Various records of the stakeholder engagement activities were reviewed to confirm how aspects material to HPCL’s stakeholders had been determined.

¹ Published by Accountability: The Institute of Social and Ethical Accountability <http://www.accountability.org.uk>

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The work was planned and carried out to provide a **"Moderate"** level of assurance and we believe it provides an appropriate basis for our conclusions.

Our findings

On the basis of our methodology and the activities described above, it is our opinion that:

- Nothing has come to our attention to indicate that the reviewed statements within the scope of our verification are inaccurate and the information included therein is not fairly stated;
- It is our opinion that HPCL has established appropriate systems for the collection, aggregation and analysis of quantitative data such as Environmental, Health & Safety, Human Resource, Labour as well as Product and Investor related data.

Alignment with the principles of AA1000AS (2008)

Inclusivity

HPCL has processes in place for engaging with a range of key stakeholders including socially responsible investors, Government officials, local community representatives and has undertaken a number of stakeholder engagement activities for Sustainability report 2016-17 covering a range of topics such as Customer satisfaction, Employee welfare, Supply Chain, Community Welfare and Environment.

Materiality

The Report addresses the range of environmental, social and economic issues of concern that HPCL and its stakeholders have identified as being of highest material importance. The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns. The material issues were identified by a process of stakeholder engagement and interaction and the entire process was conducted in the presence of KPMG who were engaged by HPCL for that purpose.

Responsiveness

HPCL is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making. The Company has taken various initiatives towards delivering environmentally friendly services along with occupational health and safety, appropriate measures for emergency handling, control and risk management in its operations.

Evaluation against Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines

Bureau Veritas undertook an evaluation of **HPCL Sustainability Report 2016-17** against the G4 Sustainability Reporting Guidelines. This included cross checking the GRI index table against all the reference documents to provide an opinion on the self-declared GRI reporting option.

Based on our work, it is our opinion that the **Sustainability Report 2016-17** has been prepared in accordance with the GRI Reporting Framework including appropriate consideration of the Reporting Principles and necessary indicators to meet the requirements of **GRI G4** Reporting Option **"In accordance - Comprehensive"**.

Best practice and observations

- The process of stakeholder engagement and consultation for the determination of material aspects was comprehensively executed with different stakeholders across supply chain.
- The Mumbai Refinery has achieved best-ever safety record since its inception with 18.34 million Safe Man-Hours.
- HPCL has set "Green Research and Development Centre"(HPGRDC) at Bengaluru with the objective to develop innovative and path breaking technologies and products in the energy sector.

Independent Assurance Statement (Contd.)

HPCL has successfully commissioned 50.5 MW wind project in Jaisalmer, Rajasthan, adding up to a total wind power capacity of 101 MW and achieved wind energy generation of **96.2** million kWh from Wind Farm projects set up in Maharashtra and Rajasthan, and 21,648 Renewable Energy Certificates (REC) were accrued during 2016-17. The organisation has Solar PV installations at refineries, operating locations, retail outlets across India with a total capacity of more than 1,500 kWp

- A large number of energy conservation initiatives were taken at the refineries and marketing during the reporting year.
- The GHG emissions in Direct and Indirect categories have been systematically computed and presented in the report. The report could also communicate if there are any targets set for GHG reduction or for green energy capacity installations as well as time frames to achieve the same. Also, a breakdown of the GHG-wise direct emissions would be more helpful to understand. However, many actions were taken in 2016-17 at the two refineries and at marketing locations to reduce the quantity of emissions.
- Career development programmes and leadership programmes were run to enhance employee career skills and capabilities.

Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period stated hereinabove;
- Positional statements (expressions of opinion, belief, aim or future intention) by HPCL and statements of future commitment;
- Our assurance does not extend to the activities and operations of HPCL outside of the scope and geographical boundaries as well as the operations undertaken by any subsidiaries or joint ventures of the Company.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with almost 180 years history in providing independent assurance services, and an annual turnover in 2015 in excess of €4.60 billion.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with HPCL, its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes and has over 5 years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.



Gibson Lemos
Lead Assuror



Sanjay Patankar
Technical Reviewer

Date: 29-Dec-2017



Abbreviations

ALDS	Auto LPG Dispensing Stations
AMP	Advance Management Programme
APSSDC	Andhra Pradesh State Skill Development Corporation
ATF	Aviation Turbine Fuel
BEE	Bureau of Energy Efficiency
BIS	Bureau of Indian Standards
BPL	Below Poverty Line
BS	Bharat Stage
C&MD	Chairman & Managing Director
CCR	Continuous Catalytic Regeneration
CDA	Conduct, Discipline & Appeal
CDU	Crude oil Distillation Unit
CFD	Committee of Functional Directors
CHT	Centre for High Technology
CHWTSDF	Common Hazardous Waste Treatment Storage and Disposal facility
CII	Confederation of Indian Industry
CMS	Complaint Management System
CNG	Compressed Natural Gas
CPCB	Central Pollution Control Board
CPO	Central Procurement Organisation
CSR	Corporate Social Responsibility
DARPG	Department of Administrative Reforms & Public Grievance
DHT	Diesel Hydro Treater
DPE	Department of Public Enterprises
DSRO	Direct Sales Regional Office
DT	Drive Track
EII	Energy Intensity Index
EnMS	Energy Management Study
EnPI	Energy Performance Indicators
EQMS	Effluent Quality Monitoring System
ESI	Employees' State Insurance
ETP	Effluent Treatment Plant
FCC	Fluid Catalytic Cracking
FCCU	Fluid Catalytic Cracking Unit
FRE	Fuel Refinery Expansion

FSMs	Forecourt Sales Men
GHG	Green House Gas
GJ	Giga Joule
Goi	Government of India
GRI	Global Reporting Initiative
HAZOP	Hazard and Operability Study
HFHSD	High Flash High Speed Diesel
HGU	Hydrogen Generation Unit
HPGRDC	HP Green Research and Development Centre
HSD	High Speed Diesel
HSE	Health, Safety and Environment
I&C	Industrial and Commercial
IATA	International Air Transport Association
IETP	Integrated Effluent Treatment Plant
IIM	Indian Institute of Management
IMM	Integrated Margin Management
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organisation for Standardisation
ISRS	International Sustainability Rating System
KL	Kilo Litre
kWp	Kilo Watt Peak
LDS	Leak Detection System
LED	Light Emitting Diode
LEP	Light Emitting Plasma
LFA	Leave Fare Assistance
LNG	Liquefied Natural Gas
LOBS	Lube Oil Base Stock
LOUP	Lube Oil Upgradation Plant
LPG	Liquefied Petroleum Gas
LR	Lube Refinery
MDI	Management Development Institute
MDPL	Mundra Delhi Pipeline
MMT	Million Metric Tonne
MMTPA	Million Metric Tonne Per Annum

Abbreviations (Contd.)

MoEFCC	Ministry of Environment, Forests & Climate Change
MoP&NG	Ministry of Petroleum & Natural Gas
MoU	Memorandum of Understanding
MPSPL	Mumbai Pune Solapur Pipeline
MREP	Mumbai Refinery Expansion Project
MSDS	Material Safety Data Sheet
MSME	Micro, Small and Medium Enterprises
MT	Metric Tonne
MTO	Mineral Turpentine Oil
MW	Mega Watt
MWML	Mumbai Waste Management Limited
NAAQS	National Ambient Air Quality Standards
NCR	Net Corporate Realisation
NFCCU	New FCCU
NGO	Non-Governmental Organisation
NHT	Naptha Hydro Treater
NSE	National Stock Exchange
NWZ	North West Zone
O&D	OD&E : Operations, Distribution & Engineering
OA	Open Access
OHSAS	Occupational, Health and Safety Assessment Series
OISD	Oil Industry Safety Directorate
PAT	Profit After Tax
PAT	Perform Achieve Trade
PCRA	Petroleum Conservation Research Association
PDA	Propane De-Asphalting
PDS	Public Distribution System
PIDS	Pipeline Intrusion Detection System
PMJDY	Pradhan Mantri Jan Dhan Yojana
PMSBY	Pradhan Mantri Suraksha Bima Yojana
POL	Petroleum, Oil and Lubricants
PPE	Personal Protective Equipment
PSA	Pressure Swing Adsorption

PSU	Public Sector Undertaking
PV	Photo Voltaic
RBhPL	Ramanmandi Bathinda Pipeline
RBPL	Ramanmandi Bahadurgarh Pipeline
REC	Renewable Energy Certificates
RKPL	Rewari Kanpur Pipeline Project
RLNG	Regasified Liquefied Natural Gas
RO	Reverse Osmosis
RTI	Right to Information
RTKM	Round Trip Kilo Meter
RWH	Rain Water Harvesting
SAKL	Sadaa Aap Ke Liye
SBU	Strategic Business Unit
SCOPE	Standing Conference of Public Enterprises
SEU	Solvent Extraction Unit
SKO	Superior Kerosene Oil
SME	Small & Medium Enterprises
SMIO	Strategy Management and Implementation Office
SOPs	Standard Operating Procedures
SRFT	Standard Refinery Fuel Tonnage
STP	Sewage Treatment Plant
SV	Sectionalising Valve
tCO ₂ e	Tonnes of Carbon dioxide equivalent
TGTU	Tail Gas Treating Unit
TMT	Thousand Metric Tonne
TMTPA	Thousand Metric Tonne Per Annum
UNGC	United Nations Global Compact
VFD	Variable Frequency Drive
VPS	Vacuum Pipe Still
VRMP	Visakh Refinery Modernisation Project
VTs	Vehicle Tracking System
VVSPL	Visakh Vijayawada Secunderabad Pipeline
VWOT	Visakh White Oil Terminal



Sustainability Report 2016-17

Feedback Form

Your feedback is important for continuously improving our Sustainability performance and reporting. Please take a few minutes to answer the following questions:

- How would you rate the overall report quality?
☐ Excellent ☐ Good ☐ Average ☐ Poor
- Which aspect/(s) did you like the most in the report?
☐ Coverage of topics ☐ Design & Layout ☐ Data Representation ☐ Readability
- Which section/(s) did you like the most in the report?
☐ About Us ☐ Engaging with our Stakeholders ☐ Generating Revenues Responsibly
☐ Protecting our Planet ☐ Addressing the Human Capital ☐ Serving the Communities
☐ Product Responsibility
- What additional information would you like to see in our future reports?

- Any other comments/suggestions?

Kindly provide us your contact information for further correspondence:

Which of the following best describes your occupation/industry?

- ☐ Academia ☐ Corporation ☐ Customer ☐ Financial Analyst
☐ Government ☐ Media ☐ NGO ☐ Shareholder
☐ Others, please specify _____

Name: _____ Company: _____

Address: _____

Phone: _____ Email: _____

Mail your responses to:

Sustainability Department – Corporate HSE

Hindustan Petroleum Corporation Ltd.

Mumbai Refinery, Lube Admin Building

B D Patil Marg, Chembur, Mumbai – 400 074

Email ID: corporatehse@mail.hpcl.co.in

Online Feedback can be given at:

<https://hindustanpetroleum.com/feedbacklist>



सत्यमेव जयते

GOVERNMENT OF INDIA

CABINET SECRETARIAT DIRECTORATE OF PUBLIC GRIEVANCES

Unresolved Grievances Bothering You ?

You may seek help of Directorate of Public Grievances [DPG] in resolution of Grievances relating to Ministries / Departments and Organizations under its Purview. In last few years, nearly ninety percent of the grievances taken up by the Directorate have been resolved favourably.

Please read carefully the conditions listed below before lodging your grievance :

- You should have exhausted the Departmental remedies for individual grievances
- Your grievance should not relate to service matter [other than payment of terminal benefits like gratuity, GPF etc.], a case disposed off at the level of Minister of the concerned Department, commercial contract, a subjudice case, a case where quasi-judicial procedures and appellate mechanisms are prescribed for decision making, RTI matter, Religious matter.
- Suggestion of any sort will not be treated as grievance.

List of Ministries /Departments/Organizations under DPG's purview

[a]	Ministry of Railways	[i]	Public Sector Banks
[b]	Department of Posts	[j]	Public Sector Insurance Companies
[c]	Department of Telecommunications including BSNL and MTNL	[k]	National Saving Scheme of Ministry of Finance
[d]	Ministry of Urban Development including Delhi Development Authority, Land & Development Office, SPWD and Directorate of Estates	[l]	ESI Hospitals and Dispensaries directly controlled by Employees State Insurance Corporation under Ministry of Labour and Employment
[e]	Ministry of Petroleum and Natural Gas including its Public Sector Undertakings	[m]	Employees' Provident Fund Organization
[f]	Ministry of Civil Aviation including Airports Authority of India and Air India	[n]	Regional Passport Authorities under Ministry of External Affairs
[g]	Ministry of Shipping, Road Transport and Highways	[o]	Central Government Health Scheme under Ministry of Health and Family Welfare
[h]	Ministry of Tourism	[p]	Central Board of Secondary Education, Kendriya Vidyalay Sangathan, National Institute of Open Schooling, Navodaya Vidyalaya Samiti, Central Universities, Deemed Universities [Central] and Scholarship Schemes
		[q]	Ministry of Youth Affairs

Note : You can lodge your Grievance online on our website

<http://dpg.gov.in>.

You may also send your grievance to us by post or fax with complete information and relevant documents

Contact us at :

The Secretary
Directorate of Public Grievances
2nd Floor, Sardar Patel Bhawan, Sansad Bhawan, New Delhi 100001
Tel : 011-23743130, 011-23741228, 011-23363733
Fax : 011-23345637, e-mail : secypg@nic.in
Website : <http://dpg.gov.in>



सत्यमेव जयते

भारत सरकार

मंत्रिमंडल सचिवालय लोक शिकायत निदेशालय

क्या आप अनसूलझी शिकायतों से परेशान हैं ?

आप लोक शिकायत निदेशालय के कार्य क्षेत्र के अंतर्गत मंत्रालयों/विभागों और संगठनों से संबंधित शिकायतों के समाधान के लिए लोक शिकायत निदेशालय की सहायता ले सकते हैं। पिछले कुछ सालों में, इस निदेशालय द्वारा उठाई गई लगभग नब्बे प्रतिशत शिकायतों का संतोषजनक समाधान किया गया है।

अपनी शिकायत दर्ज कराने से पहले कृपया नीचे दी गई शर्तों को ध्यानपूर्वक पढ़ें:-

- आपने अपनी शिकायतों को सम्बंधित विभाग के समक्ष समाधान हेतु प्रस्तुत कर लिया हो।
- आपकी शिकायत सेवा मामले (ग्रेच्युटी, जीपीएफ इत्यादि जैसे सेवांत हितलाभों के भुगतान के अलावा) संबंधित विभाग के मंत्री के स्तर पर निपटाए गए मामले, वाणिज्यिक अनुबंध, न्यायाधीन मामले. ऐसे मामले जहां निर्णय लेने के लिए अर्द्धन्यायिक पद्धति और अपीलिय प्रक्रियाएं निर्धारित की गई हैं. आरटीआई मामले, धार्मिक मामले से संबंधित न हो।
- किसी भी प्रकार के सुझाव को शिकायत रूप में नहीं माना जाएगा।

लोक शिकायत निदेशालय के कार्यक्षेत्र के अंतर्गत आने वाले मंत्रालयों/ विभागों/संगठनों की सूची

(क)	रेल मंत्रालय	(ज)	सार्वजनिक क्षेत्र के बैंक
(ख)	डाक विभाग	(झ)	सार्वजनिक क्षेत्रों की बीमा कंपनियां
(ग)	बीएसएनएल और एमटीएनएल सहित दूरसंचार विभाग	(त्र)	वित्त मंत्रालय की राष्ट्रीय बचत स्कीम
(घ)	दिल्ली विकास प्राधिकरण, भूमि और विकास कार्यालय, सीपीडब्ल्यूडी और सम्पदा निदेशालय सहित शहरी विकास मंत्रालय	(ट)	श्रम और रोजगार मंत्रालय के अंतर्गत कर्मचारी राज्य बीमा निगम नियंत्रित ईएसआई अस्पताल और औषधालय
		(ठ)	कर्मचारी भविष्य निधि संगठन
(ड)	पेट्रोलियम और प्राकृतिक गैस मंत्रालय, इसके सार्वजनिक क्षेत्र के उपक्रम सहित	(ड)	विदेश मंत्रालय के अंतर्गत क्षेत्रीय पासपोर्ट प्राधिकरण
(च)	भारतीय विमानपत्तन प्राधिकरण और एअर इंडिया सहित नागर विमानन मंत्रालय	(ढ)	स्वास्थ्य और परिवार कल्याण मंत्रालय के अंतर्गत केंद्रीय सरकार स्वास्थ्य योजना
(छ)	केंद्रीय माध्यमिक शिक्षा बोर्ड, केंद्रीय विद्यालय संगठन, राष्ट्रीय मुक्त विद्यालयीय संस्थान, नवोदय विद्यालय समिति, केंद्रीय विश्वविद्यालय समविश्व-विद्यालय(केंद्रीय) और मानव संसाधन विकास मंत्रालय की छात्रवृत्ति स्कीमें।	(ण)	पर्यटन मंत्रालय
		(त)	युवक कार्यक्रम मंत्रालय
		(थ)	पोत परिवहन, सड़क परिवहन और राजमार्ग मंत्रालय

नोट: आप हमारी वेबसाइट
[http:// dpg.gov.in](http://dpg.gov.in) पर
अपनी शिकायत दर्ज कर सकते हैं।
आप अपनी शिकायत, संपूर्ण सूचना
और संगत दस्तावेजों के साथ
हमें डाक/फैक्स
या ईमेल द्वारा भेज सकते हैं।

हमसे यहां संपर्क करें:-
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17.8 MMT

Highest Ever Crude Oil Processing

35.2 MMT

Highest Ever Marketing Throughput

₹6,209 crore

Highest Ever PAT

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Contribution to Exchequer



Environment

35,500 SRFT

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2 lakh saplings

Planted in and around Visakh

962 lakh kWh

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BS IV Fuel

Implemented across supply chain in line
with Government of India timelines

17.91 MMT

Highest ever pipeline throughput
Helped in optimising logistics cost and
reducing carbon footprint



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Best-ever safety record at Mumbai Refinery

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