



हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड

(भारत सरकार उपक्रम) रजिस्टर्ड ऑफिस : 17, जमशेदजी टाटा रोड, मुंबई - 400 020.

HINDUSTAN PETROLEUM CORPORATION LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE) REGISTERED OFFICE : 17, JAMSHEDJI TATA ROAD, MUMBAI - 400 020.

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July 29, 2009

Statement of Director - Human Resource of Hindustan Petroleum Corporation Ltd. pledging continued support to Global Compact Programme of United Nations.

The Hindustan Petroleum Corporation Limited is committed to Continue rendering support to the Global Compact Programme of the United Nations and will endeavor to abide by the ten Principles of the programme, some of which are a part of our Vision and Mission Statements. Therefore, the company continues to pledge support to the programme through its policies, processes, products and services.

V. Vizia Saradhi
Director -HR



Commitment to Global Compact : Communication on
Progress at Hindustan Petroleum Corporation Ltd.

Hindustan Petroleum Corporation Limited is committed to the principles of Global Compact. This is evident from the various policies pursued by the Corporation. In fact, our VISION Statement encompasses Principle 7, 8 & 9 of the Global Compact.

Hindustan Petroleum Corporation Limited's

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.

Global Compact Principles addressed in our **MISSION** statement :

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.

- To foster a culture of participation and innovation for employee growth as an employee caring Organisation



- To cultivate high standards of business ethics and Total Quality Management
- To protect customer interest as a customer caring organisation
- To take all steps for enriching quality of life of the community and protect the environment to preserve ecological balance.

The Corporation initiated the following actions in support of our commitment to the Principles of Global Compact :

1. Support and respect the protection of internationally proclaimed human rights :

- The Organisation continued subscribing to internationally proclaimed human rights.
- Despite dealing with hazardous processes/products, the company has endeavored to protect human lives by deploying state-of-the-art-technology.
- Regular maintenance of equipment is taken up for safety & security of the employees and the inhabitants living in surrounding areas. During the year, the organisation imparted extensive training to employees and also contract employees on 'Safety management' and 'Hazardous Processes management'.

2. Ensure that the organisation is not complicit in human rights abuses

Hindustan Petroleum Corporation Limited conforms to human rights principles and has ensured that no violation has occurred during the year.

- The organisation has an approved policy for handling grievances of employees, shareholders and customers. Issues raised by other stakeholders such as Contractors, Dealers, Vendors and surrounding villagers and public are also attended promptly.
- Our Conduct, Discipline & Appeal Rules applicable to Management employees and Standing Orders applicable to Non-Management employees are designed in such a manner that they take care of Human rights compliance across the Corporation.



3. Upholding the freedom of association and effective recognition of the right to collective Bargaining

Freedom of association is available to all 11,191 employees. The Corporation has established policies and practices through which the employees exercise the freedom of collective bargaining on issues of common interest. The issues are resolved through bilateral discussions with the Unions representing the employees by way of signing the Long Term Settlements for salaries, wages and perks, and settlements for career progression for unionized employees.

During 2008/09 Management had 15 meetings with the Representatives of the unions representing the employees across the Organization. 4 spot settlements regarding issues on Career Development, Long Term Settlement and other working conditions have been signed with the respective unions.

Corporation strongly believes and recognise the right of the employees to know about their organisation, keeping this in mind senior management, from time to time share the details of the prevailing business environment, Organisation performance, growth strategies and future business plans with the employees through various meetings with the Office Bearers of the Unions and also through various communications in the form of circulars, etc.

In fact the Corporation has co-created a vision for the Corporation, where the Representatives of the employees were also involved.

4. Organisation supports the elimination of all forms of forced and compulsory labour

Corporation does not support forced or compulsory labour in any form and adheres to all labour laws in this respect.

During the year no instance of forced or compulsory labour has come to light.

The Corporation has systems & procedure in place, for ensuring the payment of minimum wages and other benefits provided under various Laws to the Contract Labour.



5. The Organisation supports effective abolition of child labour

As per the Corporation's Recruitment Policy, no person below the age of 18 years is engaged as direct employee or even as a Contract Labour.

We adhere to Government laws in this regard i.e., "Child Labour (Prohibition and Regulation) Act, 1986.

Corporation does not buy products/services from Industries deploying child labour.

6. Organisation promotes elimination of discrimination in respect of employment

Hindustan Petroleum Corporation Ltd. is an equal opportunity employer.

Corporation policies are aimed at ensuring equal opportunities to all Indian citizens in its employment and avoid discrimination on any ground. Corporation gives equal opportunities of employment to all citizens of India.

Being a central Govt. PSU, it follows the Presidential Directives/Govt. Instructions with regard to reservation for Scheduled Castes/Scheduled Tribes/Other Backward Classes and Physically handicapped, scrupulously.

7. The organisation adopts a precautionary approach to Environmental Challenges

- HPCL is committed to environment protection and constantly endeavor to ensure that its increasing scale of operations does not lead to environment degradation. In line with its "Environment Policy", HPCL is committed to conduct all its operations in such a manner so as to be compatible with the environment protection.
- HPCL Refineries have systems and procedures in place for attaining compliance with international standard and other statutory stipulations pertaining to environment protection. Drastic reduction in SO₂ emissions have been achieved in Refinery in the past.
- Dependence on road transport for evacuation of products has been reduced drastically resulting in considerable reduction in auto emissions to atmosphere. Over 75% of products are being evacuated through pipelines from its petroleum refineries.
- Both our Refineries at Mumbai & Visakh have implemented the Environment Management system and have been certified by M/s. SGS India Pvt. Ltd. for ISO 14001:2006 certification.



- HPCL has always been striving for environment protection and has established necessary hardware infrastructure as well as organizational structure for achieving the following objectives:
 1. Commitment to environmental protection and preservation.
 2. Identification, monitoring and control of pollution parameters.
 3. Compliance of the stipulated statutory pollution norms.
 4. Adaptation of eco friendly state of the art technologies.
- HPCL has implemented various environmental and energy conservation projects to control and minimize the detrimental effects of pollutants on the environment.
- HPCL complies with prescribed Minimal National Standards (MINAS) and other environmental standards.
- HPCL ensures safety during transportation/storage/use of products as precautionary and preventive measures.
- HPCL undertakes regular energy and environment audits by the private and Govt. Agencies.

Various Govt. as well as non-Govt. organisations has recognized HPCL's efforts towards Environment Protection and awarded prestigious awards instituted by them which are listed below:

- "Greentech Gold Award" for the year "Golden Peacock Award" for the year 2008 for excellence in Environmental Management Systems, for the third consecutive year, under the category of Refinery Sector instituted by IOD & WEF, New Delhi.
- Prize for Energy conservation in Petroleum Sector for the year 2007 to our Visakh Refinery.
- The Reader's Digest "Trusted Brand -Asia" Platinum Award 2008 in Petrol Station Category.
- Conferred with '**Leading HR Practice Award**' by the Singapore HR Institute (SHRI) for innovative HR Practices.
- HPCL bagged the '**SAIL HR Excellence Award**' under the 'Large Scale Organisation' category for contributions in the field of People Management
- **Best HR Practices in 'People Management'** for HPCL's comprehensive HR practices. Awarded by Amity International Business School.
- Winner' of the prestigious **NIPM** (National Institute of Personnel Management) **National Award for Best HR Practices.**



- **Golden Peacock Environment Management Award 2009** awarded the **Golden Peacock Occupational Health & Safety Award 2009**. Besides, a 'Special Commendation' for the Golden Peacock Occupational Health & Safety 2009 .
- HPCL has been awarded with 7 **Greentech Safety Award 2009**. These awards are in recognition of the high standards of safety & measures being taken to safeguard the units & prevent accidents.
- HPCL's has been awarded 15 '**Greentech Environment Excellence Award**' for the year 2008.
- **Mukhya Mantri Puraskar & Haryana State Safety & Welfare Award 2008**' among Small Scale Miscellaneous Factories for the longest Accident Free Period.
- HPCL awarded **Best Maintained Garden** in Pune by Pune Municipal Corporation. Also won 2 prizes for eco-friendly initiatives of vermiculture & rain water harvesting.
- HPCL awarded for **Best Maintained Rose Garden** in the entire district of Hassan and First Prize for Overall Development & Maintenance of gardens, lawns, greenery among all government offices in the district.
- HPCL awarded **Best Maintained Garden** for 2008-09 from the National Society of the Friends of Trees.

8. The organisation initiates promotion of greater environmental responsibility

The following initiatives highlight HPCL's greater environmental responsibility:

- Deployment of advanced technology in all its Refineries and other installations like changeover of hazardous process solvent to eco-friendly solvents, implementation of various process up-gradation schemes, heat recovery retrofitting.
- Adherence to stringent norms for liquid effluents, air emissions and hazardous waste management as stipulated by statutory agencies.
- Transportation through extensive, environment friendly network of pipelines.
- Minimizing environmental impacts arising out of use of our products/services by adopting state of the art technologies in our storage areas as well as during transfer. Transfer of products is through pipelines.



- HPCL has embarked upon the generation of Power through Wind Turbines and is in the process of implementation of 100 MW project.
- Health check-up, immunization, family planning camps, pre & post natal check-up, cancer detection, blood donation, eye-care camps, etc.
- As a Responsible Corporate Citizen, Corporation allocates 0.75% of the net profit of previous year or 15 crores, whichever is higher, every year. This amount is spent on various welfare & environment prospective activities for benefit of socially and economically weaker sections of Society.

- **During 2008/09 Corporation has taken up the following initiatives under SC/ST Component Plan to discharge its responsibility towards the Society :**
 - 1. Primary Education :** Provided Uniforms, notebooks, library books, school furniture's, stationary items, study materials, computers, lab equipments, etc.
 - 2. Scholarships :** Granted scholarships to SC/ST/OBC college/university students from various colleges/university for Graduation & Post Graduation studies.
 - 3. Drinking Water Facilities :** Provided borewells, tubewells, pumps, water storage tanks in the tribal villages across the country.
 - 4. Health Care :** Conducted medical/health camps, eye camps, distributed spectacles, provided free medicines, ambulance/medical vans, various hospital equipments/machines such as Auto Refractometer, Ultrasound machine, Ultrasound Scanner, QBC Malaria Testing equipment, Oculus, LCD Projector etc. Constructed blood bank building with Acs, dispensary building. Also, provided daily usage items for hospital patients..
 - 5. Income Generating Schemes/Vocational Training :** Provided computers for 'O' level computer training for women. Provided raw material to artisans to make handicraft items/soft-toys/artificial flowers, sewing machines, over locking machines, designer machines for tailoring training for upliftment of rural women. Provided training in internet technology skills for SC/ST/OBC students thru CISCO Network Academy. Constructed buildings for vocational training centers to impart vocational training for school drop out children/students.
 - 6. Rehabilitation of Persons with Disabilities :** Provided study material, artificial limbs, calipers, speech trainer, group hearing aid, Braille computers for blinds, tricycles/cycle rickshaw with PCO, Kiosks, PCO booth, etc.



Corporate Social Responsibility

In order to reach to those segments of the Society, who may not fall under the SC/ST Category but need support for their survival and development, Corporation has undertaken the following projects under the Corporation's CSR Policy during 2008/09 :

Swablamban

Corporation has imparted vocational training in various trades to 550 youths through Confederation of Indian Industry (CII) On completion of training, these youths have been issued Certificates on the basis of which they have obtained employment .

Navjyot

Corporation is providing regular health check-up and health care services to 3100 slum children from the resettlement colonies in Bawana Dist. in the state of Haryana, through Navjyothi Delhi Police Foundation, an NGO. This has not only helped in improving the health of slum children, but also awareness of the cleanliness and personal hygiene has been created in the children and their parents residing in this hutment area.

Unnati

Imparted basic Computer Training to 3000 students studying in 8th/9th & 10th standards in 9 schools at Visakhapatnam through NIIT with the facility MS Office, LAN, Internet etc. Moreover, these students come from the poor families and their parents cannot afford to buy computer or send their children for private computer training.

Nanhi Kali

Realizing the importance of the education for the girl children, Corporation has sponsored 1800 girl students from the various Govt. Schools in the Mehboobnagar Dist. and Paderu Dist. in Andhra Pradesh.



Under this sponsorship, Corporation has provided books, Notebooks, Uniforms including Footwear and applicable fees till they complete their education upto SSC/Graduation. Apart from giving help to girls, their health check-up is carried out after certain intervals. These girl students and their parents are also being counseled that the students attend the school regularly and they do not leave school in between, since majority of the girl students are belonging to Scheduled Caste / Scheduled Tribe category and come from very poor families.

Muskan

Corporation has also entered into an MOU with the Prayas Juvenile Aid Centre, Delhi, an NGO of repute, for transforming the lives of 100 street/orphan children. These children are housed in their shelter home at Tughlakabad and Jahangirpuri at Delhi and provide them food, education, clothes, health care, vocational training, etc.

Global Warming

Educating school children from the city of Mumbai, Goa & Delhi on causes of Global Warming, its effects in future and how to prevent the situation. The idea is to create awareness among the society towards Global Warming and take preventive steps to avoid its consequences and spreading of the diseases.

9. Organisation should encourage development and diffusion of environment friendly Technologies

Following initiatives highlights HPCL's efforts in encouraging development and diffusion of environment friendly technologies:

- Adoption of upgraded Fluidized Catalytic Cracking Technology consisting of Flue Gas de-sulphurization.
- Adoption of Diesel Hydro De-sulphurization at our petroleum refineries to produce ultra low sulphur bearing fuels known as Euro-II/III/IV High Speed Diesel.
- Adoption of latest state of the art technologies to produce ultra low sulphur bearing Euro-II/III/IV gasoline from our petroleum refineries.
- Focusing on Research & Development activities for upgrading our products & technologies.



- Adoption of latest state of the art technologies like membrane technologies for our Effluent Treatment plants to ensure compliance of liquid effluent norms at our petroleum refineries as well as to ensure the recycling of the treated effluent to process.
 - Sponsoring and financing private and government research enterprises for development of eco-friendly technologies. Entered into agreement with TERI for financing Bioreactor for development of microorganism for oily sludge treatment at our petroleum refineries.
- 10. The organisation should work against corruption in all its forms, including extortion and bribery**
- As per the provisions of Conduct, Discipline and Appeal rules for Management employees and certified Standing Orders for Non-management employees giving or acceptance of bribes is misconduct.
 - An employee violating the code of conduct and ethics is subjected to investigation and appropriate action is initiated against him based on result of investigation.
 - Checks and measures are in-built in the organizational system that helps in preventing corruption.
 - Numerous training programs and workshops are held for disseminating knowledge about organizational system, as also for checking corruption.

10.
