Business Responsibility Report

Businesses have become a critical component of the social system; they are accountable not merely for profit to their shareholders but also to the larger society which is also its stakeholder. HPCL believes that business responsibility is a process through which companies take responsibility for their operations and embolden positive impacts in the ecosystem in which they operate while creating business value to their customers.

Thus, embracing responsible business practices is as important as delivering financial and operational growth. This becomes even more pertinent to us being a Public Sector Enterprise and a listed entity wherein public funds are involved. HPCL is committed to make exhaustive and continuous disclosures as Business Responsibility Report.

Securities and Exchange Board of India (SEBI) notified Listing obligations and disclosure requirements (amendment) regulation 2015 in Gazette of India dated 22nd December, 2015. Vide this notification, it is mandatory to release the BRR for the top 500 listed entities based on market capitalization of Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) as on March 31, of every financial year. HPCL stands 70th and 69th in ranking of market capitalization as on 31st March, 2019 at BSE and NSE respectively and is delighted to present its 3rd Business Responsibility Report as a part of Annual report 2018-19.

This report is developed in-line with the framework suggested by SEBI which is based on 'National Voluntary Guidelines (NVG) on Social, Environment and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs, Govt. of India.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L23201MH1952GOI008858
2. **Name of the Company:** Hindustan Petroleum Corporation Limited
3. **Registered Address:** Petroleum House, 17, Jamshedji Tata Road, Mumbai - 400020
4. **Website:** http://www.hindustanpetroleum.com
5. **E-mail id:** corphqo@hpcl.in
6. **Financial Year Reported:** 2018 -19
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

As per National Industrial Classification 2008, Ministry of Statistics & Programme Implementation, the Company is engaged in activities described below:

Group	Class	Sub-class	Description
192	1920	19201	Production of liquid and gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum or bituminous minerals
		19203	Bottling of LPG/CNG
		19209	Manufacture of other petroleum n.e.c. (includes manufacture of petroleum jelly, micro-crystalline petroleum wax, slack wax, ozokerite, lignite wax, petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals)
352	3520	35202	Distribution and sale of gaseous fuels through mains
466	4661	46610	Wholesale of solid, liquid and gaseous fuels and related products
473	4730	47300	Retail sale of automotive fuel in specialized stores [includes the activity of petrol filling stations]
477	4773	47736	Retail sale of household fuel oil, bottled gas, coal and fuel wood
493	4930	49300	Transport via pipeline (Crude, LPG and Petroleum products)
721	7210	72100	Research and experimental development on natural sciences and engineering
351	3510	35105	Electric power generation using solar energy
		35106	Electric power generation using other non-conventional sources
61	610	6102	On shore extraction of crude petroleum

8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**

   a. High Speed Diesel (HSD)

   b. Motor Spirit (MS)

   c. Liquefied Petroleum Gas (LPG)

9. **Total number of locations where business activity is undertaken by the Company:**

   a. Number of International Locations: 1) HPCL Middle East FZCO (Free Zone Company), a fully owned subsidiary of HPCL with office located at UAE. 2) Prize Petroleum Company Limited (PPCL), a subsidiary of HPCL holds participating interests in E&P blocks in Australia through its subsidiary Prize Petroleum International Private Limited (PPIPL).

   b. Number of National Locations:

Sr. No.	Description	Units	Value
1	Refineries	Nos	2
2	LPG Import Locations	Nos	2
3	Terminals & TOPs	Nos	42
4	Inland Relay Depots	Nos	41
5	LPG Bottling Plants	Nos	49
6	Lube Blending Plants	Nos	6
7	Aviation Fuel Stations	Nos	43
8	Pipelines (Main Lines - POL)	Nos	6
9	Pipelines (Branch Lines - POL)	Nos	3
10	Pipelines (Main Line - LPG)	Nos	1
11	Specialty Product Pipeline (Lube Oil/ATF)	Nos	2
12	Exclusive Lube Depots (COLD/ COD)	Nos	27
13	Retail Outlets	Nos	15440
14	LPG Distributorships	Nos	5866
15	SKO/ LDO Dealerships	Nos	1638
16	Auto LPG Dispensing Stations (ALDS)	Nos	213
17	CNG Outlets	Nos	305
18	Clearing and Forwarding Agents (CFA)	Nos	109
19	Lube Distributors	Nos	274

   c. **Markets served by the Company – local/state/ national/international:**

   HPCL serves local, state, national as well as international markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid Up Capital (INR)** ₹ 1,523.82 Crore
2. **Total Turnover (INR)** ₹ 2,95,712.56 Crore
3. **Total Profit after Taxes (INR)** ₹ 6,028.66 Crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)** ₹ 159.81 Crore i.e. (2.01%) of average net profit of the company for last three FY (2015- 2018)

5. **List of activities in which the expenditure in 4 above has been incurred.**

   The CSR activities of the Corporation are carried out in the focus areas outlined in the CSR Policy of the Corporation as below:

   a) Child Care
   b) Education
   c) Health Care
   d) Skill Development
   e) Sports
   f) Environment and Community Development

SECTION C: OTHER DETAILS

1. **Does the company have any Subsidiary Company/ Companies?**

   HPCL has the following subsidiary companies as on 31.03.2019:

   a) Prize Petroleum Co. Ltd.
   b) HPCL Biofuels Ltd.
   c) HPCL Rajasthan Refinery Ltd.
   d) HPCL Middle East FZCO

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

   The subsidiary companies are driven by their own policies.

3. **Do any other entity/entities (e.g. Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30 – 60% and More than 60%)**

HPCL engages periodically with more than 60% of its suppliers, distributors, dealers, transporters etc. for raising awareness on sustainability issues. HPCL's Dealers/ Distributors and Transporters participate in various activities of the company such as training to retail outlet staff, Sanrakshan Kshamata Mahotsav (SAKSHAM), Van Mahotsav, training to transport crew, health camps for transporters, safety trainings and fitness camps for tank trucks, driver simulation trainings, safety clinics and campaigns etc. to name a few.

SECTION D – BUSINESS RESPONSIBILITY (BR) INFORMATION

1. **Details of Director/Directors responsible for Business Responsibility (BR)**

a) Details of the Director/Director responsible for implementation of the BR policy/policies

The Corporation has a "CSR & Sustainability Development Committee" for periodic review, discussion and guidance on various CSR, sustainability development initiatives and measures and implementation of BR policies. The composition of CSR & Sustainability Development Committee as on March 31, 2019 is as follows:

DIN Number	Name	Position in the Committee	Designation
01640784	G. V. Krishna	Chairman	Independent Director
00671720	Ram Niwas Jain	Member	Independent Director
07767209	Dr T. N. Singh	Member	Independent Director
07915597	Amar Sinha	Member	Independent Director
05323634	Pushp Kumar Joshi	Member	Whole Time Director
07234397	S. Jeyakrishnan	Member	Whole Time Director
07632981	Vinod S. Shenoy	Member	Whole Time Director

b) **Details of the BR head**

Particulars	Details
DIN Number (if applicable)	Not Applicable
Name	K Ananda Rao
Designation	CGM-Corporate HSE
Telephone number	022-25544253
e-mail id	anandaraok@hpcl.in

2. **Principle wise (as per NVGs) BR policy/Policies (Reply in Y/N)**

a) **Details of compliance (Reply in Y/N)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
		P1: Code of Conduct; Whistle Blower Policy P2: HSE Policy; Sustainable Development Policy P3: Signatory to United Nations Global Compact (UNGC); Whistle Blower Policy; Internal Human Resource Policies P4: CSR Policy; Sustainable Development Policy P5: Signatory to UNGC; CDA Rules; Internal Human Resource Policies P6: HSE Policy; Sustainable Development Policy; Climate Change Policy Statement P7: Sustainable Development Policy P8: CSR Policy P9: Citizen Charter; Quality Policy; Sustainable Development Policy								
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies have been formulated in accordance with the relevant statutory laws, guidelines issued by Government of India, Regulatory bodies and industry best practices.								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/ owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Policies are approved by Board / Competent Authorities as per Limits of Authority.								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Code of Conduct: https://www.hindustanpetroleum.com/codeofconduct **Whistle Blower Policy:** https://www.hindustanpetroleum.com/documents/pdf/Whistle_Blower_policy.pdf **HSE Policy:** https://www.hindustanpetroleum.com/CSRPolicys **Sustainable development Policy:** https://www.hindustanpetroleum.com/CSRPolicys **UNGC:** https://www.hindustanpetroleum.com/CSRGCCommitment **CSR Policy:** http://www.hindustanpetroleum.com/documents/pdf/csr/CSR-POLICY.pdf **Climate Change Policy Statement:** http://www.hindustanpetroleum.com/documents/pdf/HPCL_Climate_Change_policy.pdf **Citizen's Charter:** http://www.hindustanpetroleum.com/citizens-clients-charter **Quality Policy:** http://www.hindustanpetroleum.com/lubricantsquality									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Sufficient awareness has been created amongst all stake holders thru Website.								
8	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		HPCL has an internal multi-disciplinary steering committee which evaluates the working of the policies.								

b) **If answer against any principle, is 'No', please explain why: (Tick up to 2 options):**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles	N.A.								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done in the next 6 months									
5	It is planned to be done in the next year									
6	Any other reason (please specify)									

3. **Governance related to BR**

a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The Corporation has constituted a "CSR & Sustainability Development Committee" for periodic review, discussion and guidance on various CSR initiatives and Sustainability Development Initiatives and measures. Annual Review is conducted by the committee.

b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

HPCL is publishing the BRR as part of the Annual Report since 2016-17.

HPCL also publishes Sustainability Report annually in line with Global Reporting Initiative (GRI) standards.

HPCL Sustainability Reports can be accessed through the following link: http://www.hindustanpetroleum.com/CSRPolicys

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

Yes, the policy relating to ethics, bribery and corruption cover only the company i.e. HPCL. The Joint venture companies have their own policies. The suppliers/ contractors are governed as per the terms & conditions of the contract.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the year 2018-19, a total number of 6650 public grievances were attended. These included: 116 Grievances carried forward from previous year and all were resolved during 2018-19. 6534 grievances received during 2018-19. Out of these, the number of grievances redressed during 2018-19 were 6427 Nos. Thus, the balance 107 grievances were under investigation as on 31st March, 2019. The average disposal time of grievances was 13 days as against 30 days as per directive of Department of Administrative Reforms and Public Grievances (DARPG)/ Prime Minister's Office (PMO).

Company has also received 26 complaints from shareholders in 2018-19 and all of them were successfully resolved as on 31st March 2019.

During the year 2018-19, total of 203 complaints were received by Vigilance Department, out of which 187 complaints were resolved. 14 nos. complaints carried forward from 2017-18 were also resolved during 2018-19.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

a) Bharat Stage IV (BS IV) and Bharat Stage VI (BS VI) MS and HSD

b) Biofuels (Ethanol and Biodiesel)

c) LPG (PMUY)

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

i. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

HPCL has been working towards production of cleaner fuels in terms of Sulphur content and has taken tremendous efforts towards production and distribution of BS IV fuels and is further gearing up its value chain for upgrading to BS VI fuels. Lower the Sulphur content, cleaner is the fuel. With BS IV norms, the Sulphur content has been reduced from 350 ppm to 50 ppm in HSD & from 150 ppm to 50 ppm in MS. For BS VI Fuels, the Sulphur content is substantially lower at 10 ppm which would lead to further reduction in emissions.

Energy savings of 13116 SRFT and 17594 SRFT was achieved in Mumbai and Visakh Refineries respectively during 2018-19 by implementing energy conservation measures.

The specific energy consumption at refineries is as follows:

Refinery	Specific Energy consumption MMBTU/ Barrel/ NRGF(MBN) 2018-19	Specific Energy consumption MMBTU/Barrel/ NRGF (MBN) 2017-18
Mumbai	82.82	84.38
Visakh	77.29	77.33

In the year 2018-19, HPCL has procured approx. 5,57,300 KL of Ethanol and 26,800 KL of Biodiesel for blending in MS and HSD respectively. The sales volume of Ethanol Blended MS was 53,76,174 KL and Biodiesel Blended Diesel Sale was 5,56,616 KL.

Pradhan Mantri Ujjwala Yojana (PMUY): Objective of the scheme is to provide clean cooking fuel solution to poor households especially in rural areas. Use of fossil fuels and conventional fuel like cow dung, kerosene, biomass, etc. has serious implications on the health of rural womenfolk and children. Use of LPG as a cooking fuel helps in effectively addressing health hazards associated with the use of conventional sources of cooking fuels.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

HPCL has term contracts with National Oil Companies (NOCs) and Multi-National Companies (MNCs) for its Crude oil sourcing. HPCL also has Contracts for additional crude quantities on Optional basis to take care of additional crude oil requirement.

Further, efforts are made on continuous basis to enhance the crude basket.

HPCL has entered into Contract of Affreightment with Indian ship owner having capability to execute the contract for meeting its crude transportation requirements ensuring support to Indian shipping tonnage and complete security for its crude transportation requirements.

HPCL has entered into a long term product off take agreement with M/s HPCL- Mittal Energy Limited (HMEL), its joint venture company, for purchase of petroleum products produced by the refinery.

Pipeline is a cost effective, energy efficient, safe and environment friendly mode of transportation of petroleum products. HPCL has pipelines for transportation of petroleum products for their availability to consumers and public through its facilities.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, the Company is engaged with various local and small vendors for procurement activities.

Various vendors' meets were conducted with focus on Micro and Small Enterprises (MSEs) and SC/ST MSEs. Ensured compliance of Public Procurement Policy and extended the benefits like exemption of Earnest Money Deposit (EMD), allowed to supply a portion quoting within +15% on matching L1 rates and up to 25% of requirement etc., Developmental orders, regular orders were released to Entrepreneurs developed under Entrepreneurship Development Project (EDP) to improve their capacity and capability. HPCL has also been fully abiding by the policy related to boost the Local Content under Make in India.

HPCL has achieved 32.87% of procurement of goods & services (other than Crude Oil, Petroleum Products, Logistics (Marine, Railway & Pipeline)) from Micro and Small Enterprises (MSEs) in 2018-19 against a target of 25%.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Yes, HPCL has mechanism to recycle products and waste. Percentage of product recycling is <5%. Mainly off-spec products (slop) generated during crude oil refining as well as during product handling is reprocessed in secondary units. Wastes generated

like oil sludge and effluent water streams are recycled after processing. Oil is recovered from oily sludge and reprocessed. Effluent water is treated and recycled back as Boiler feed water.

Some other examples of waste recycling and processing are:

a) Flare Gas Recovery systems in refineries for minimizing flared gases and utilizing them internally towards fuel gas requirement.

b) Sewage treatment plants and phyto remediation units for recycling liquid sewage waste at select locations.

c) Conversion of wet waste to manure using organic waste converters at select locations.

Principle 3: Businesses should promote the well-being of all employees

1. **Please indicate the Total number of employees.** 10239 permanent employees as on 31st March, 2019.

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

   Contract labour is engaged through contractors for non-core activities at HPCL Locations. The number of contract labour engaged in different locations/units of HPCL under various contractors is 31298 during FY 2018-19.

3. **Please indicate the Number of permanent women employees**

   969 as on 31st March, 2019.

4. **Please indicate the Number of permanent employees with disabilities**

   171 as on 31st March, 2019.

5. **Do you have an employee association that is recognized by management?**

   Yes, The Company has 13 recognized unions for representing non-management employees. The Company also has Employee Welfare Associations representing SC/ST Employees and OBC Employees.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   More than 94% of employees (non-management) are members of recognized unions and associations.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
a.	Child labour/ forced labour/ involuntary labour	Nil	Nil
b.	Sexual harassment	2	Nil
c.	Discriminatory Employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   HPCL employees are covered in various training programs including safety and skill up-gradation under behavioral and technical training programs. Mandatory training programs are also a part of KPI of the officers.

   Contract employees are provided basic safety trainings, use of personal protective equipment and trade specific safety trainings before engagement in the working locations.

   Man-days of training given to various employees in 2018-19 are as follows:

   - Training Mandays : 40,478 (Includes permanent Management and Non-Management)
   - Permanent Women Employees : 4,101
   - Employees with Disabilities : 25

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. **Has the company mapped its internal and external stakeholders?**

   Yes, HPCL has mapped both its internal and external stakeholders and continuously engages with them in order to have synergetic relationship. The identified stakeholders in no order of preference are Shareholders, Customers, Statutory/Regulatory Bodies, Government, Employees, Dealers, Distributors, Financial Institutions, Transporters, Suppliers, Contractors, Contract Workmen etc.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes. HPCL as a responsible citizen has been caring for the society and believes in creating shared values. Various projects/ programs/activities are undertaken for the holistic development of the disadvantaged, vulnerable and marginalized stakeholders. The CSR Policy of the Corporation has provision that the CSR projects/activities/programs shall be undertaken in Backward Region Grant Fund (BRGF) districts and for the welfare of SC, ST communities and other weaker sections.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   HPCL CSR has undertaken special initiatives for empowerment and socio-economic welfare of host communities and society at large. These included provision of basic amenities including health and education infrastructure in remote rural areas; scholarships to meritorious students from SC, ST, OBC and PWD communities. The focused efforts of the corporation towards social development through creation of community infrastructure and social interventions has led to empowerment and socio-economic welfare of the host communities and society at large. HPCL diligently follows the Presidential directives and guidelines issued by Government of India with respect to reservation in services for SC/ST/OBC/PWD (Persons with Disabilities) /EWS (Economically Weaker Sections) of Society.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/ JointVentures/Suppliers/Contractors/NGOs/ Others?**

   Policies addressing human rights cover only HPCL. The Joint ventures have their independent policies.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   The stakeholder complaints are being monitored through Centralized Public Grievance Redress and Monitoring System (CPGRAMS). During the year 2018-19, a total number of 6650 public grievances were attended. 116 Grievances carried forward from previous year were resolved during 2018-19. 6534 grievances received during 2018-19. Out of these, the number of grievances redressed during 2018-19 were 6427 Nos. Thus, the balance 107 grievances were under investigation as on 31st March, 2019. The average disposal time of grievances was 13 days as against 30 days as per directive of DARPG/PMO.

   Company has also received 26 complaints from shareholders in 2018-19 and all of them were successfully resolved as on 31st March 2019.

   During the year 2018-19, total of 203 complaints were received by Vigilance Department, out of which 187 complaints were resolved. 14 nos. complaints carried forward from 2017-18 were also resolved during 2018-19.

Principle 6: Businesses should respect, protect and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

   HPCL has its own "Environment Policy". The joint ventures have their independent policies.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, HPCL is aware of its responsibility as responsible Corporate Citizen towards caring for the environment and striving to reduce its carbon footprint. HPCL does this by incorporating the 'green' perspective in its key organizational processes, while pursuing its own growth aspirations towards Customer delight.

   The strategies/initiatives being adopted by HPCL to address global environmental issues such as climate change, global warming etc. have been enlisted in its annual sustainability reports which are based on GRI Standards and assured by third party.

   HPCL sustainability reports can accessed through the following link:

   http://www.hindustanpetroleum.com/CSRPolicys

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, HPCL has a well-defined process for managing its risks on an ongoing basis. HPCL is a member of

a comprehensive study on 'Climate Change Risks and Preparedness for Oil and Gas Sector in India'. The outcomes of the study have provided direction for incorporating adaptation and mitigation measures to counter probable impacts of climate change on its infrastructure, operations as well as upcoming projects. HPCL's Mumbai and Visakh Refineries received ISO-14001:2015 Environment Management System certification with validity for three years. As a part of ISO 14001 certification both the refineries are maintaining IER (Initial Environment Review).

4. **Does the company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   The Company does not have any projects registered under CDM in the reporting financial year.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.**

   Yes, HPCL is committed to conducting business with a strong focus on preserving the environment, sustainable development, safe work place and enrichment of the quality of life of employees, customers and the community. Established systems and procedures are timely revisited across operations for continual improvement to achieve the higher standards of safety, occupational health and environment protection.

   Some of the green initiatives are:

   a) Bureau of Energy Efficiency (BEE) has extended PAT (Perform, Achieve and Trade) cycle II program to petroleum sector which is being coordinated by CHT for Indian refineries. Both HPCL refineries along with other PSU's are actively participating into this process and verification process is in progress.

   b) Various energy conservation measures are implemented at refineries.

   c) Blending of Biofuels with Fossil Fuels - In the year 2018-19, HPCL has procured approx. 5,57,300 KL of Ethanol and 26,800 KL of Biodiesel for blending in MS and HSD respectively. The sales volume of Ethanol Blended MS was 53,76,174 KL and Biodiesel Blended Diesel Sale was 5,56,616 KL.

   d) During 2018-19, HPCL released Letter of Intents (LOI) for setting up 11 Compressed Bio Gas Plants in 4 states (Gujarat, Maharashtra, Punjab and West Bengal) with an envisaged total production capacity of 20.58 TMT per annum to increase usage of biofuels in the energy and transportation sectors of the country.

   e) Replacing conventional lighting with LED lights across locations towards Energy conservation.

   f) Leveraging renewable energy sources to reduce the carbon footprint across the value chain and continuously expanding the wind and solar power generation capacities. During 2018-19, HPCL has installed about 11.3 MWp Capacity of Solar PV power plants across the country at different installations in the value chain. This has brought the cumulative Renewable Energy installation capacity to about 100.90 MW Wind power and about 22.6 MWp Solar Power as on 31.03.2019. The wind power plants generated about 19 Crore Kwh in the year 2018-19 while the solar plants resulted in huge savings in terms of electricity purchase cost for various depots, LPG plants, Pipeline Locations and Retail outlets.

      Additionally, the wind farms have generated about 1.20 Lacs of Non Solar Renewable Energy Certificates which will be used to meet the Renewable Purchase obligations of Mumbai and Visakh Refinery.

   g) VRS stage I and II completed for all outlets in Delhi.

   h) Installed rain water harvesting systems at various locations.

      HPCL's various 'Green' initiatives have been elaborated in Annual Sustainability Reports which can be accessed through the following link:

      http://www.hindustanpetroleum.com/CSRPolicys

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, the emission/Waste generated during the course of operations are within the permissible limits given by CPCB/SPCB norms.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   1) **Case: Before NGT Charudatt Koli & Anr Vs.Sealord Containers & Others**

   The petitioners alleged that Industries in Mahul, Mumbai are polluting and creating health hazard to the nearby residents. NGT Pune on 18.12.2015 directed MPCB to prepare action plan to control pollution and conduct health assessment study; etc. HPCL has complied with the directions of MPCB, issued pursuant to NGT Orders. In Execution Application filed by petitioners, NGT directed payment of interim compensation to restore environment. On challenge the Supreme Court has stayed the order of NGT and directed CPCB to consider the explanation of HPCL before it arrives at its conclusion. HPCL has filed its representation with detailed action plan before CPCB. The matter is pending.

   2) **Details of case regarding Vapour Recovery Systems:**

   CPCB issued circular dated 12.2.2016 directing OMCs to install Vapour Recovery System (VRS) at all retail outlets with capacity of 300 KL/M or more, in cities with million plus population. Petition filed before NGT for directions to MOP&NG and OMCs to install VRS at all fuel stations, distribution centers, terminals, railway loadings/unloading facilities and airports in NCR region. NGT disposed the matter by order dated 28.9.2018 directing OMCs to ensure installation of VRS giving timelines. OMCs filed Civil Appeal before Hon'ble Supreme Court of India and the Supreme Court vide its Order dated 14.02.2019 extended the timelines for installation of VRS upto 31.03.2020 for Outlets Saleing > 300 KL/M and upto 30.09.2020 for Outlets Saleing < 300 KL/M.

Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Yes, HPCL is member of various trade, chamber and associations, few of them are listed below;

   a) Associated Chambers of Commerce and Industry of India (ASSOCHAM)

   b) Confederation of Indian Industry (CII)

   c) Federation of Indian Chambers of Commerce & Industry (FICCI)

   d) Standing Conference of Public Enterprises (SCOPE)

   e) The Energy and Resources Institute (TERI)

   f) Federation of Indian Petroleum Industry (FIPI)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   HPCL participates in consultative committee meetings for setting up policy framework as and when asked by Government or regulatory departments. In-addition, HPCL also contributes by providing its opinion to Ministry of Petroleum & Natural Gas and other bodies such as Oil India Safety Directorate (OISD), Petroleum and Natural Gas Regulatory Board (PNGRB), Center for High Technology (CHT) etc. towards advancement of public good and nation building.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the company have specified programs/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   HPCL has a CSR policy with identified focus areas as mentioned below:

   a) Child Care

   b) Education

   c) Health Care

   d) Skill Development

   e) Sports

   f) Environment & Community Development

   All the CSR activities are aimed at promoting inclusivity and leading to equitable development.

2. **Are the programs/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

   The CSR Programs/projects/activities are implemented either directly by HPCL or through NGO's and Government agencies etc.

3. **Have you done any impact assessment of your initiative?**

Yes, major CSR projects undertaken by HPCL undergo third party impact assessment at the end of financial year.

4. **What is your company's direct contribution to community development? Projects – Amount in INR and the details of the projects undertaken.**

HPCL is involved in various CSR activities and the list of expenditure is as below:

Sr. No	CSR Project or activity Identified	Sector in which the project is covered	Cumulative expenditure up to the reporting period (Rs. in Crore)
1	Community Development and Environment	Empowerment of Socially and Economically Backward groups	6.41
		Ensuring Environment Sustainability and Conservation of Natural Resources	
		Promoting Gender Equality and Empowering Women	
		Rural Development Projects	
2	Interventions in Healthcare	Promoting health care including preventive health care	12.75
3	Promotion of Sports	Promotion of Nationally Recognised and Paralympic Sports	0.78
4	Scholarships for economically backward SC/ ST/OBC/PWD Students in Local Areas of Operation Locations	Promoting Education	6.21
5	School Infrastructure and Amenities	Promoting Education	23.72
6	Skill Development for enhancing employability	Imparting Employment Enhancing Vocation Skills	20.23
7	Swachh Bharat Abhiyan	Ensuring Environment Sustainability and Conservation of Natural Resources	56.82
		Promoting Education	
		Promoting health care including preventive health care and Sanitation	
		Rural Development Projects	
8	Pradhan Mantri Ujjwala Yojana	Promoting Health Care Ensuring Environmental Sustainability	31.77

Sr. No	CSR Project or activity Identified	Sector in which the project is covered	Cumulative expenditure up to the reporting period (Rs. in Crore)
9	Contribution to Armed Forces Flag Day Fund	Measures for benefit of armed force veterans, war widows and their dependents	0.75
10	Administrative Overheads	Administrative Overheads	0.37
	Total		**159.81**

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The active participation of the community plays an important role in formulation and implementation of various CSR projects/ activities. CSR activities/ projects are designed and carried out by field level locations with the active participation of communities. Prior to implementation, need assessment is carried out which helps to understand the needs of the community. There is an internal monitoring mechanism which monitors the activity on quarterly basis.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

   In this reporting period, the Company has received total 3,15,696 complaints, out of which 3,15,064 (99.8%) have been resolved and remaining 632 (0.2%) cases shall be addressed within timelines.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

   The company follows National and International laws to display product information on its product labels where feasible.

   HPCL's products are in line with BIS specifications, internationally accepted standards and customer specific standards.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   The Company has not received any complaints on unfair trade practices and Irresponsible advertising. The following cases/appeals on alleged Anti-competitive behavior are pending:

Complaints	No. of cases filed in the last five years	No. of cases pending as on end of FY 2018-19
Unfair Trade Practice	0	0
Irresponsible Advertising	0	0
Anti-competitive behavior	7	6

Details of cases regarding Anti-competitive behaviour are as follows:

1. RIL, Essar & Shell filed a complaint before PNGRB against PSU OMCs and upstream companies alleging collusion, cartelization and predatory pricing for MS and HSD. The matter is pending.

2. Reliance Industries Ltd. filed a complaint before the Competition Commission of India alleging cartelization and misuse of dominant position in the ATF tender issued by Air India. Jurisdiction of CCI was challenged by OMCs and when CCI held that it has jurisdiction, the OMCs filed a WP in Delhi High Court which stayed CCI proceedings. WP is pending.

3. CCI initiated an enquiry on its own against OMCs regarding possible cartelization in fixing petrol price. Preliminary objection was taken by OMCs that CCI does not have jurisdiction as PNGRB is the sectoral regulator and has requisite powers. However, CCI ordered investigation by DG. This was challenged before Delhi High Court by a WP and on 22.11.2013 Court stayed proceedings and tagged the matter with the earlier WP filed in RIL matter. Next date is 27.09.2019.

4. North East India Petroleum Dealers Association filed Case no. 95/2013 alleging unfair terms in

Dealership Agreements for a) Not allowing to use petroleum products of other OMCs and b) Reserving Dealer land just for Saleing of Company products, etc. CCI dismissed matter on 11.02.2014 refusing to investigate and Assn. filed Appeal. COMPAT set aside CCI Order and asked DG to investigate. The matter is pending.

5. India Glycols Ltd & Eastern India Chemicals Ltd. filed Cases 21 & 29 of 2013 against Sugar Manufacturers Association, alleging that they have quoted similar/ identical prices for ethanol in tender of OMCs and also alleged that OMCs are in cartel. CCI decided case in favour of OMCs on 18.9.18 holding that there is no cartelization by OMCs. Against this, these 2 companies who are interested in procuring ethanol have filed appeals before NCLAT.

6. Competition Appeal no. 48/2018 – India Glycol v. ISMA & Ors. – This has been filed by India Glycols against orders dated 11.05.2018 passed by CCI in Case no. 94 of 2014, wherein CCI dismissed the allegation of India Glycol that the Sugar Manufacturers are pressurizing OMCs to procure ethanol at artificially high prices. The appeal is pending.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

Customer satisfaction being at the heart of its business strategy, HPCL is responsive to their needs and expectations. HPCL pursues sustainable growth by improving its products according to social expectations and consumer preferences. It is this symbiotic relationship that encourages innovation and improvement, be it incorporating intelligent systems or investing in future technologies.

LPG:

LPG SBU has developed HP GAS Domestic customer feedback application which can be used by customers to provide feedback upon receipt of their refill delivery. An SMS with a link for providing feedback in the application is sent to the customer upon receipt of delivery. Apart from feedback, facility to obtain suggestion is also built-in.

A Survey was conducted through external third Party for PMUY (Sample Size: 54,553) and NON-PMUY (Sample Size: 1,05,724) consumers to provide inputs and feedback for an effective strategy by understanding the ground realities and perceptions of LPG consumers through a structured questionnaire. The survey was done on industry basis with Pan India coverage of all the districts in the country. The questionnaire was divided into several sections which covered various aspects of the household as well as the respondent.

Retail:

For the first time in industry, an AI driven Machine Learning Application was utilized to capture and analyse customer feedback across select outlets on pan India basis via the "Talk to Us" initiative. The customer feedback was collected through E-mails, IVR, QR and SMS. A total of 71966 responses were collected at 400 retail outlets during the pilot campaign.

ABBREVIATIONS:

ALDS	Auto LPG Dispensing Station
ASSOCHAM	Associated Chambers of Commerce and Industry of India
ATF	Aviation Turbine Fuel
BEE	Bureau of Energy Efficiency
BIS	Bureau of Indian Standards
BR	Business Responsibility
BRGF	Backward Region Grant Fund
BRR	Business Responsibility Report
BS IV	Bharat Stage IV
BSE	Bombay Stock Exchange
BSVI	Bharat Stage VI
CBG	Compressed Bio-Gas
CCI	Competition Commission of India
CDA	Conduct, Discipline and Appeal
CDM	Clean Development Mechanism
CFA	Clearing and Forwarding Agent
CHT	Center for High Technology
CII	Confederation of Indian Industry
CNG	Compressed Natural Gas
COD	Contractor Operated Depot
COLD	Contractor Operated Lube Depot
CPCB	Central Pollution Control Board
CPGRAMS	Centralized Public Grievance Redress and Monitoring System
CSR	Corporate Social Responsibility
DARPG	Department of Administrative Reforms and Public Grievances
EDP	Entrepreneurship Development Project
EMD	Earnest Money Deposit
FICCI	Federation of Indian Chambers of Commerce & Industry
FIPI	Federation of Indian Petroleum Industry
FZCO	Free Zone Company
GRI	Global Reporting Initiative
HMEL	HPCL- Mittal Energy Limited
HSD	High Speed Diesel
IER	Initial Environment Review
ISO	International Organization for Standardization

KPI	Key Performance Indicator
LDO	Light Diesel Oil
LED	Light Emitting Diode
LOI	Letter of Intent
LPG	Liquefied Petroleum Gas
MBN	MMBTU/Barrel/NRGF
MMTPA	Million Metric Ton per Annum
MNC	Multi National Company
MPCB	Maharashtra Pollution Control Board
MS	Motor Spirit
MSE	Micro and Small Enterprises
MW	Mega Watt
MWp	Mega Watt Peak
n.e.c	Not Elsewhere Classified
NGO	Non-Governmental Organisation
NGT	National Green Tribunal
NOC	National Oil Company
NSE	National Stock Exchange
NVG	National Voluntary Guidelines
OISD	Oil Industry Safety Directorate
OMC	Oil Marketing Company
PAT	Perform, Achieve and Trade
PMO	Prime Minister's Office
PMUY	Pradhan Mantri Ujjwala Yojana
PNGRB	Petroleum and Natural Gas Regulatory Board
POL	Petroleum, Oil and Lubricants
PPA	Power Purchase Agreement
PSE	Public Sector Enterprise
PV	Photo Voltaic
PWD	Persons with Disabilities
SCOPE	Standing Conference of Public Enterprises
SEBI	Securities and Exchange Board of India
SKO	Superior Kerosene Oil
SPCB	State Pollution Control Board
SRFT	Standard Refinery Fuel Tonnage
TERI	The Energy and Resources Institute
TOP	Tap Off Point
UNGC	United Nations Global Compact
VRS	Vapour Recovery System