

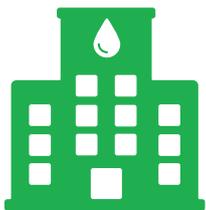


SUSTAINABLE DEVELOPMENT REPORT

FUELLING SUSTAINABILITY

2014-15

A legacy in the making



A Glorious Heritage (1860 – 1871)

In the 1860's the world saw vast industrial development with an increase in petroleum refineries. Though incorporated in Scotland in 1886 the Burma Oil Company - an important player in the South Asian market at the time - grew out of an enterprise with the Rangoon Oil Company formed in 1871 to refine crude oil produced from primitive hand dug wells in Upper Burma.



Breaking Ground (1886 – 1889)

The search for oil in India began in 1886, when Mr. Goodenough of McKillop Stewart Company drilled a well near Jaypore in upper Assam and struck oil. However, it wasn't until 1889 that the Assam Railway and Trading Company (ARTC) struck oil at Digboi, which started a chain reaction, marking the beginning of oil production in India.



The Birth of a Titan (1928)

While discoveries were made and industries expanded, John D. Rockefeller together with his business associates acquired control over numerous refineries and pipelines to later form the giant Standard Oil Trust. Observing this the largest rivals of Standard Oil - Royal Dutch, Shell, Rothschilds - came together to form a single organisation: Asiatic Petroleum to market petroleum products in South Asia.

In 1928, Asiatic Petroleum (India) joined hands with Burmah Oil Company - an active producer, refiner and distributor of petroleum products, particularly in Indian and Burmese markets and formed the Burmah-Shell Oil Storage and Distributing Company of India Limited.



A Pioneering Approach

A pioneer in more ways than one, Burmah Shell began its operations with the import and marketing of Kerosene. It was imported in bulk and transported in 4 gallon and 1 gallon tins through rail, road and country craft all over India.

The company took up the challenge of reaching out to people even in remote villages to ensure every home had its supply of kerosene. The development and promotion of efficient kerosene-burning appliances for lighting and cooking was an important part of its kerosene selling activity.



The Retail Revolution (1930)

With motor cars, came canned Petrol, followed by service stations. In the 1930s, retail sales points were built with driveways set back from the road; service stations began to appear and over time became accepted as a part of road development.

After the war Burmah Shell established efficient and up-to-date service and filling stations to give its customers the highest possible standard of service facilities.



From the ground to the sky (1932 - 1962)

On 15th October 1932, when civil aviation arrived in India, the company had the honour of fuelling J.R.D. Tata's historic solo flight in a single engine De Havillian Puss Moth from Karachi to Bombay (Juhu) via Ahmedabad. Thirty years later, i.e. in 1962, Burmah Shell again had the privilege to fuel JRD Tata's re-enactment of the original flight.

Burmah Shell also fuelled flying boats, which carried airmail at slightly higher rates than sea transport, at several locations.



A New Beginning in a New Nation

As a true pioneer would, the company introduced LPG as a cooking fuel to the Indian home in the mid-1950s. And all along, it went beyond selling petroleum, to educate the customer. Besides selling Bitumen, the company pioneered desert road construction, training road engineers. It provided free technical services to industrial customers - big and small - and over time it became a part of the company's culture.

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

Creating an Everlasting Relationship

| | | | |
|----------|---|-----------|---|
| 1 | OVERVIEW | 1 | About This Report 1 Message from C&MD 3 Key Impacts, Risks & Opportunities 5 Awards & Accolades 12 |
| 2 | SUSTAINABILITY AND OUR BUSINESS STRATEGY | 13 | Corporate Governance 15 Stakeholder Engagement & Materiality 19 |
| 3 | UNLOCKING GROWTH | 25 | |
| 4 | SUSTAINABLE SUPPLY CHAIN | 29 | |
| 5 | OUR ENVIRONMENTAL PERFORMANCE | 34 | |
| 6 | EMPOWERING PEOPLE | 47 | |
| 7 | OCCUPATIONAL HEALTH AND SAFETY | 53 | |
| 8 | STRENGTHENING COMMUNITIES | 57 | |
| 9 | DEVELOPING RESPONSIBLE PRODUCTS | 63 | |
| | ANNEXURES | 68 | |
| | GLOSSARY | 89 | |
| | GRI G4 - CONTENT INDEX | 75 | |
| | MESSAGE FROM HSSE TEAM | 90 | |





About This Report

The reporting period of this sustainability report is April 2014 to March 2015. Our last sustainability report, which was made in accordance with GRI G4 'Core' guidelines, was published in September 2014. The report also received the A+ status as per GRI 3.1 and was externally assured by KPMG.

The scope of this report includes our performance on economic, environmental and social indicators across our seven Strategic Business Units (SBUs) in India. These include Refineries (Mumbai and Kochi), Aviation, Retail, LPG, Gas, Industrial and Commercial, and Lubricants. Our significant areas of operations in this report are limited to our Mumbai and Kochi Refineries.

We, at BPCL, follow an annual cycle for publishing our sustainability reports. The report of 2014 -15 is our Eighth Annual Sustainability Report. This report has been in accordance with the 'Core Guidelines' of GRI G4. It is also aligned with GRI G4 Oil & Gas Sector supplement. The data in this report has been collated from various sources including Annual Report, CSR Report, BPCL website, Intralink archives, PetroFed Magazine, Investor presentation amongst others. In accordance with our company policy, we follow an e-tendering system before engaging with any external party. This e-tendering system is used for engaging with external assurance agencies as well. The independent assurance provider for assuring this report of 2014 -15 is KPMG India, referred to as KPMG in this report. Throughout the process of assurance, NextGen have worked closely with various departments and with the members of the HSSE team.

For any further clarifications on this report please do contact:

J S Bhatia
Senior Manager (Workplace Health & SDR),
Bharat Petroleum Corporation Limited
E-mail: bhatiajs@bharatpetroleum.in

Headquarters
Bharat Bhavan,
4 and 6 Currimbhoy Road,
Ballard Estate, Mumbai 400001

OVERVIEW

OUR CORPORATE VALUES:

- Trust is the bedrock of our existence
- Customer Centricity is intrinsic to our achievements
- Development of people is the only way to success
- Ethics govern all our actions
- Innovation is our daily inspiration
- Collaboration is the essence of individual action
- Involvement is the way we pursue our organization goals

OUR VISION:

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

OUR MISSION:

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



Message from C&MD

Dear Stakeholders,

Bharat Petroleum truly believes in the conscious act of balancing the interest of stakeholders as the key to grow responsibly and sustainably. Stakeholder's active support strengthens our entire value chain, improving sustainability at various levels. Keeping these values in mind, we continue on our journey of being a sustainable and responsible energy company with a focus on the priorities and goals we have set for protecting and preserving our triple bottom line – People, Planet, Profits, with an intended paradigm shift in our approach from **'economic growth' to 'economic development'**.

I take great pleasure to announce that Bharat Petroleum continues to be 3rd largest company by turnover and 2nd largest Oil marketing company in India. **BPCL is proud to have won the 'Public Sector Unit of the Year Award' while retaining our position in the Fortune Global 500 list amongst the only 8 Indian companies.**

This year the aggregate throughput at BPCL's Refineries at Mumbai and Kochi, along with its subsidiary

company Numaligarh Refinery Limited (NRL) and joint venture company Bharat Oman Refineries Limited (considering 50% throughput of the JV Company) is 29.27 Million Metric Tonnes (MMT) as compared to 28.69 MMT last year. Our diligence has resulted in the self-sufficiency in securing credible crude oil supply under fluctuating international crude oil prices on account of political and macro-economic reasons.

At BPCL, sustainability has been ingrained in our way of working and we have made significant progress over the years in our core thrust areas of stakeholder engagement, both internal and external. After achieving 'A+' level of reporting as per GRI (Global Reporting Initiative) norms for 6 consecutive years, BPCL was the first Oil and Gas Company in India to adopt the latest GRI G4 guidelines for the 'Sustainable Development Report 2013-14'. The reports were assured by independent third party assurance provider as per AA 1000 AS (2008) and ISAE 3000 -standards. BPCL's efforts on Health, Safety and Environment were acknowledged by CII (WR) by awarding MMPL (Mumbai – Manglia Pipeline section): - First prize in service

category and Mumbai Refinery - Appreciation award in manufacturing category. BPCL has also been conferred with the 'Environment Sustainability – Company of the Year Award' at the annual PetroFed Oil & Gas Award for 2014.

Enhancing energy and operational efficiency, improving processes and technologies is our priority; thereby leveraging us to minimize impact on the environment and positively influencing the interest of all stakeholders.

Creating a healthy, safe and secure workplace finds the uppermost priority in all our spheres of activities. We are constantly in pursuit of improving and exploring systems and practices towards achieving this goal. **Safety First, Safety Must, as I always say, has been the focus area amongst the employees.** In the process on further strengthening our safety systems and to imbibe strong safety culture, targeted training programs are conducted towards capacity building of the employees from Marketing and Refinery locations. Improvement in reporting and monitoring system through technology was achieved by transitioning to on-line systems for work permit, audit and incident reporting for better management and effective controls in operations and execution of jobs at the locations from safety perspective. Additionally, we have also enhanced focus on fire protection and emergency preparedness at location through practice of carrying out DCMP and Mock fire drill as per location / unit specific ERDMPs prepared and certified as per PNGRB guidelines.

Simultaneously, several initiatives focused around the society such as education programmes, clean water programmes and training or employment programmes are taken in hand. For each of our key sustainable development programs, we have defined targets and indicators. **Our key features this year were Project Boond, Swachh Bharat Abhiyaan and Daksh Manch. These projects have parallely helped to sensitize the employees toward environmental / societal issues.** Apart from this, we have fostered a culture that rewards continuous learning, collaboration and development across the organisation to meet the challenges posed by ever changing market realities. We encourage vertical and lateral enhancement of skills for our employees so that they are ready for the future.

In line with constantly changing business needs, **the Research and Development Centres of BPCL** are focusing on development of niche and innovative

products, processes and technologies, and providing advanced technical support for refinery processes, lubricant formulations and product / process development. Our R&D efforts continue to foster significant breakthrough as we march ahead.

BPCL has undertaken initiatives in tapping non-conventional energy sources like wind energy, solar energy and fuel cells. The improved economics for investment in solar and wind energy and encouraging Government policies for renewable energy has prompted us to have in place a Board approved Renewable Energy Policy for BPCL. **We have instituted a Renewable Energy Policy and investment plan of Rs 35 Crores for setting up grid connected Solar Power Projects of 5MW and for Rs 35 Crores for another 5MW Wind Power Project totaling Rs 70 Crores during the year 2014-15.**

As always, customers have remained one of our most important stakeholders. **Customer satisfaction, loyalty and retention are our prime objectives at BPCL.** In line with this, BPCL has launched "Smart-Line", a centralized Customer Care System (CCS) portal where customers can log complaints, suggestions and feedback. The CCS provides interactive platform to the customers through dedicated toll-free numbers as well as web-based access to connect with BPCL. In addition, an internet based Grievance Redressal Mechanism (Centralized Public Grievance Redressal & Monitoring System) of Govt. Of India helps BPCL in speedy redressal of public grievances.

We understand that by virtue of our business, we must align ourselves with Nature's forces and the rules of sustainability. In order to fully align ourselves towards sustainability and environmental cause, we have initiated steps to ensure that our vendors and suppliers remain compliant on related issues. **We proactively take challenges in our endeavor to constantly strengthen our sustainability practices and invest in better business practices.**

We look forward to many growing opportunities and are certain that with collaboration we will be able to continue **"Fuelling Sustainability"**.



S. Varadarajan
Chairman and Managing Director

Key Impacts, Risks & Opportunities

Bharat Petroleum Corporation Limited is a Navratna Public Sector Enterprise, and among India's largest companies, with a 16 crore consumer base, and a well-entrenched operating presence stretching across the country. We have always been mindful that the nature of our business can create damage to the environment and society if not taken care of properly. Keeping this in mind, we have put in place strategies, policies and initiatives to protect the environment and the society we work without keeping economic and market gains as our primary focus. We at BPCL would like to accept our responsibility in doing our share to create a sustainable business. There is an increased focus on usage of clean and green fuels and BPCL continues to explore all available opportunities to expand its presence in the business.

We have a number of stakeholders at BPCL that play different, yet important roles for us. Our employees are one of our most valued stakeholders and we believe that we should never fall short in providing for safe working conditions and other services to keep our employees happy. Similarly we are aware the societies in and around our locations play a crucial role in our success. Therefore we have a number of initiatives focused around the society such as education programmes, clean water programmes and training or employment programmes.

By virtue of being in the oil and gas sector, safety and safe working environments are factors that can never be compromised with our working premises and conditions. Right from the procurement of crude oil from both indigenous and imported sources, as well as equipment and raw materials from small and medium enterprises, to the transportation of our products, and finally distribution to the final consumer through dealers and distributors is of utmost importance to us. Our ultimate objective is to build close connections with our consumers, and ensure that they receive quality and affordable petroleum products.

We have work methods and processes in place to ensure optimal use of our natural resources and minimize wastage. Managing our emissions, effluents and waste are of extremely high priority to us. Our operations are intensive in the usage of water, and hence managing our water resources in a responsible and sustainable manner is critical to the sustainability of the organization.

Another risk to the company is the non-differentiation nature between the oil and gas companies. This makes it very difficult to create any customer and brand loyalty. Over the years we have tried to implement several initiatives to bring us closer to the customer; one of them being the introduction of Smart Line this

year, however this is a challenge which we will continue to face in the years to come. As selling prices of both petrol and diesel are now market driven, there will be an increased presence of private entities in the retail marketing sector. As long as the retail selling prices were controlled, the private players had maintained a marginal presence, as they were not entitled to subsidies. This constraint is no longer a limiting factor for them.

Subsidized LPG is available to consumers up to 12 cylinders a year. The 'Give it Up' appeal of the Government has struck a resounding chord amongst consumers with almost 15 lakh customers voluntarily opting to give up their subsidy. With more such volunteering, it is expected that the subsidy burden may reduce from its previous year level of Rs. 36,580 crores. As LPG consumption in the country in the domestic segment continues to grow at 7% per annum, imports of LPG are increasing. The oil companies are required to make adequate infrastructure arrangements to handle the increased import volumes. Imports of LPG are now on the rise. BPCL imports more than 40% of LPG volumes. With a substantial increase in new connections and double bottle connections the requirement of LPG is increasing.

Climate change is a factor that is of increasing threat to us. While we have not yet put in place the systems to measure the financial implications of climate change, we can classify these under the broad headings:

- Physical Risk
- Health Risk
- Regulatory Risk
- Reputational Risk

Our organization is dependent on water as a resource. Given this situation, should there be a drought, flood or famine it may have an adverse effect on our operations. Physical asset failure is also an impending threat to an organization like BPCL, whose plants and equipment may not be able to withstand the unexpected climate change patterns that may follow. Employees working in unsafe operations which are exposed to physical asset failure, also lie vulnerable to health and safety risks.

Climate change on the other hand can also provide opportunities for us by encouraging us to advance our technology and innovations to improve process, equipment and our final product. Listed below are few of the focus area for which BPCL has target set year on year. However, these do not limit the focus areas for the organization, further been elaborated in the materiality analysis section of this report.

| Sustainability Topic | Sustainability Business Plan in 2013-14 | Progress in 2013-14 | Sustainability Business Plan for 2014-15 | Progress in 2014-2015 |
|----------------------------|---|---|---|---|
| Energy and Climate Change | 1) To install Solar PV panels at various locations and pipeline SV stations | 1) Installed 20 PV Stations on MMBPL operated on solar energy | 1) To install solar PV panel at additional locations (R&D Centre at Noida - 1 MW plant, 1 AFS, MR-Admin. Bldg.) | 1) Installed Solar PV panel at following locations: R&D Centre at Noida - 1 MW plant, 1 AFS, MR-Admin. Bldg. |
| | 2) To achieve Refinery Crude throughput of 22.3 MMT | 2) Achieved Refinery Crude throughput of 23.35 MMT | 2) Achieve Refinery crude throughput of 22.52 MMT | 2) Achieved Refinery crude throughput of 23.36 MMT |
| Health and Safety | 1) To achieve 3525 man-days of HSE training to employees in Mumbai and Kochi Refineries, decided based on discussions with the task force appointed by DPE. | 1) Achieved 4445 man-days of HSE training to employees in Mumbai and Kochi Refineries | 1) To achieve 3725 man-days of HSE training to employees in Mumbai and Kochi Refineries, decided based on discussions with the task force appointed by DPE. | 1) A total of 3825 HSSE man days training was imparted to BPCL employees during the year 2014-15 |
| | 2) 85% implementation of safety audit recommendations (internal and external) at Mumbai and Kochi Refineries | 2) 93.15% implementation of safety audit recommendations (internal and external) at Mumbai and Kochi Refineries | 2) 90% implementation of safety audit recommendations (internal and external) at Mumbai and Kochi Refineries | 2) Implementation of safety audit recommendations was 93% as against MOU target of 90% during the year 2014-15 |
| | 3) Achieve accident frequency rate of 0.30 across Refineries and marketing locations | 3) Achieved accident frequency rate of 0 at MR and KR; 0.05 at Marketing Locations; and 0.03 at BPCL Corporate | 3) To achieve accident frequency rate of 0.27 across Refineries and marketing locations | 3) Achieved accident frequency rate of "0" across Refineries and marketing locations |
| New and Clean Technologies | 1) New CDU at Mumbai Refinery | 1) CDU I and II unit at MR replaced; Catalytic Cracking Reformate Unit (CCR Unit) commissioned | 1) Integrated Refinery Expansion Programme (IREP) at Kochi Refinery to increase refining capacity from 9.5MMTPA to 15MMTPA | 1) Integrated Refinery Expansion Programme (IREP) at Kochi Refinery to increase refining capacity to 15MMTPA. The project has achieved an overall physical progress of 77.6 % with cumulative expenditure of Rs.5,898.85 Crores as on 31 March 2015 and the financial commitments have crossed Rs.14,100 Crores |
| | 2) Carbon footprint of Kochi Refinery processes | 2) Completion of carbon footprint Kochi Refinery | 2) Incorporate recommendations from Carbon Footprinting exercise in Mumbai and Kochi Refinery | 2) Carbon Footprinting initiated of Piyala LPG, Bangalore LPG, Piyala POL and Devengonhi POL |

| | | | | |
|-----------------------|--|--|---|--|
| Community Development | 1) Transform 25 new villages from “water scarce” to “water positive | 1) 30 new villages transformed from “water scarce” to “water positive” | 1) Transform 35 new villages from “water scarce” to “water positive | 1) Our MOU targets for the year 2014-15 were of reaching out to 1,00,000 children for imparting quality education, 35 villages for Water Conservation through Rain Water Harvesting and 1500 beneficiaries for income generation through skill development programs. We achieved 100 % completion of the MOU targets |
| | 2) Replication and scaling of computer assisted learning (CAL) Digital Literacy and Life Skills Programme, Education Assistance Programme (EAP) and other projects for an outreach to 75000 children | 2) Outreach to 75000 children through the scaling up of computer assisted learning (CAL) and education assistance programme (EAP) | 2) Replication and scaling of computer assisted learning (CAL) Digital Literacy and Life Skills Programme, Education Assistance Programme (EAP) and other projects for an outreach to 1,00,000 children | |
| | 3) Reach out to 250 under-privileged youth in Eastern Region by providing vocational training | 3) 750 women and youth provided with vocational skills and training through the Economic Empowerment and Income Generation Programme | 3) Provide vocational skilling and income generation to reach out to 750 beneficiaries Empowerment and Income | |
| Water Management | 1) Rain water harvesting to be executed in 25 drought-affected villages facing water shortage | 1) Rain water harvesting successful in transforming 30 drought affected villages from water scarce to water positive | 1) Rain water harvesting to be executed in 35 drought-affected villages facing water shortage | 1) Rain water harvesting successful in transforming 40 drought affected villages from water scarce to water positive. Over 5500 families have been benefitted and over 7 crores liters of water storage capacity created |
| | | 2) Rainwater harvesting initiatives executed for an area of 1,74,363 sq. meters. (achieving 42% of the total RWH potential) | 2) Rain water harvesting a total Catchment Area of 3,34,100 sq. meters across multiple BPCL location | 2) Tapped 45% of the total potential RWG area in locations all over India. Rolling plan is being prepared to achieve 100% by 2017-18 |

Organization Profile

Bharat Petroleum Corporation Limited (BPCL) is an Indian State controlled Oil and Gas Company. BPCL produces a diverse range of products, from petrochemicals and solvents to aircraft fuel and specialty lubricants and markets them through its wide network of

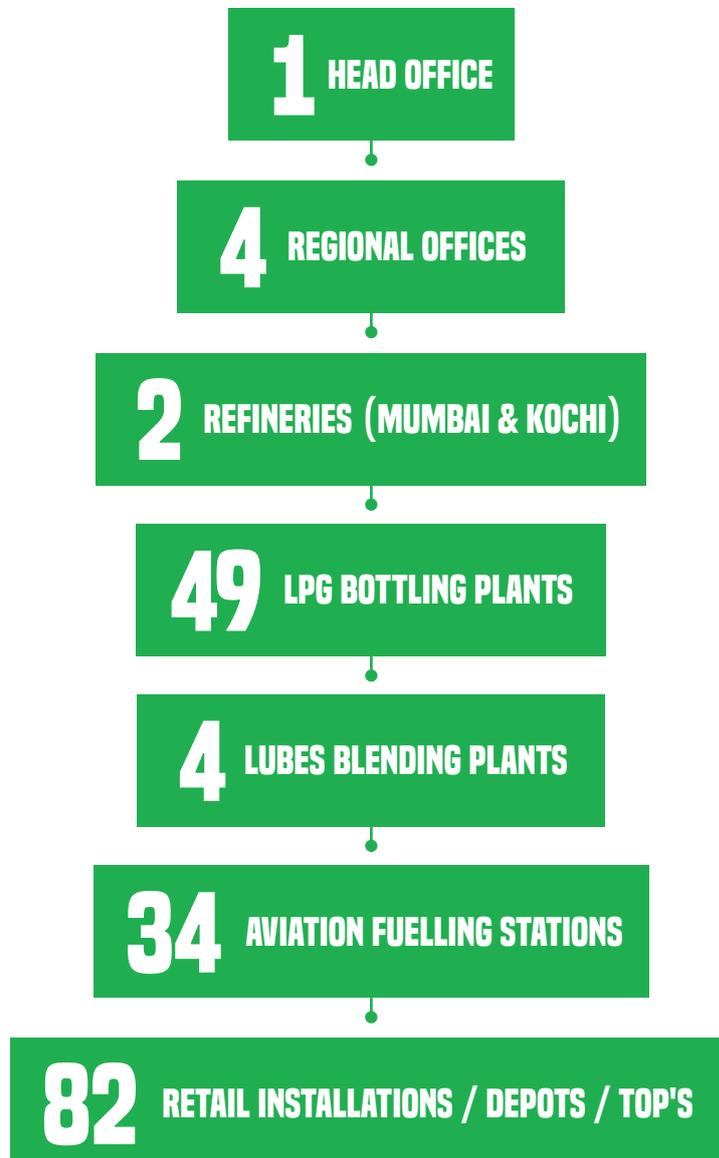
Petrol Stations, Kerosene Agencies, LPG Distributors, Lube Shoppes, besides supplying fuel directly to hundreds of industries, and several international and domestic airlines.

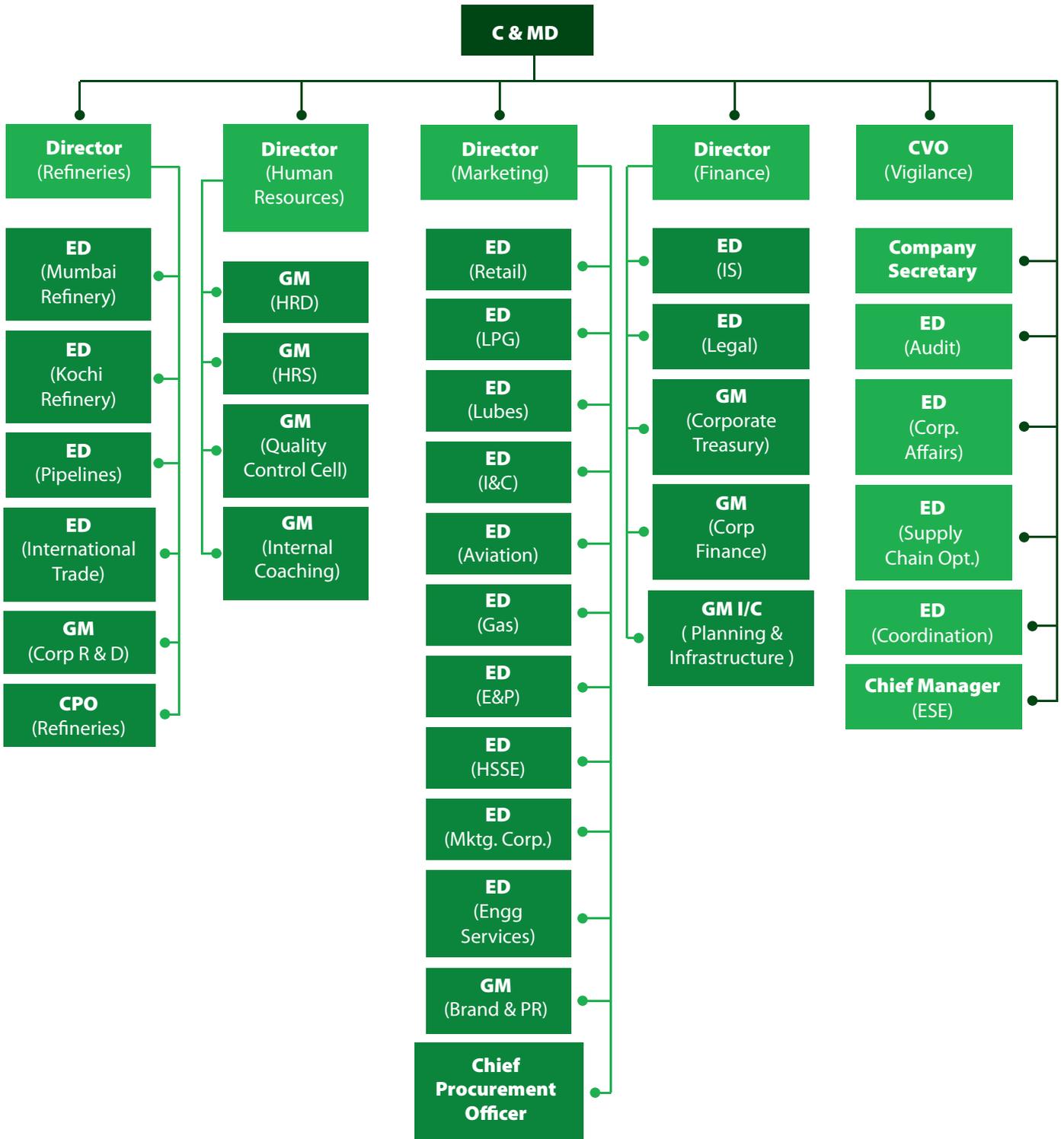
BPCL CULTURE

- We care for people
- We enroll people through open conversations
- We remain result focused with accountability For governance
- We proactively embrace change
- Our every action delivers value to the customer
- We collaborate to achieve organizational goals

In the past year, there have been no significant changes regarding the organization's size and ownership structure. However the company has initiated several steps to actively engage with its supply chain stakeholders and have reported on the same through this report. .

BPCL is headquartered in Mumbai, Maharashtra, India with operations across India. Below is a brief overview of our operations:





Our business comprises of seven business units, six of which are customer facing and one being an asset based business unit.

Customer Facing

Aviation

Acquisition of new customers remained an important focus area. The portfolio was expanded by the enrollment of Fly Dubai, Air Seychelles, Air Arabia, Hong Kong Airlines and Citilink Indonesia in the international segment and Indigo, Vistara and Air Pegasus in the domestic segment at some of the airports.

Industrial and Commercial

The BPCL product stable will soon have additions like Petcoke, Polymer Grade Propylene and other chemicals. The SBU as at present in the process of building suitable competencies for these business segments.

Gas

During the year 2014-15, we handled approx 1205 TMT of gas. While approx 314 TMT of gas was supplied to our Mumbai refinery, 76 TMT was supplied to our Kochi Refinery for their own energy requirements.

Lubes

Lubes business has registered healthy positive growth of 1.25% during 2014-15 over previous year with 18.6% growth in Industrial, 6 % in Bazaar and 39% in export. Overall the value added sales has grown by 10.2%.

LPG

Reaching out to customers and making clean cooking fuel available and accessible to people of India remained a strategic thrust of LPG SBU. During 2014-15, LPG SBU enrolled 48.9 lakhs new customers, surpassing its previous year enrolment of 39.6 lakhs, taking the domestic customer base to 458 lakhs by end of the year.

Retail

The Retail SBU continued to deliver superior performance and remained at No.1 in terms of growth during the year. The total market sales for the business reached 24.09 MMT which represented a growth of 2% over last year.

Asset Based

Refineries

Mumbai Refinery:

During the year, Mumbai Refinery achieved its highest ever production of MS, High Speed Diesel (HSD), and Lube Base oils complying with Euro IV quality norms.

Kochi Refinery:

Kochi Refinery recorded its best ever production of LPG, Propylene, E-III MS, E-III HSD and E IV HSD

Products Sold Directly

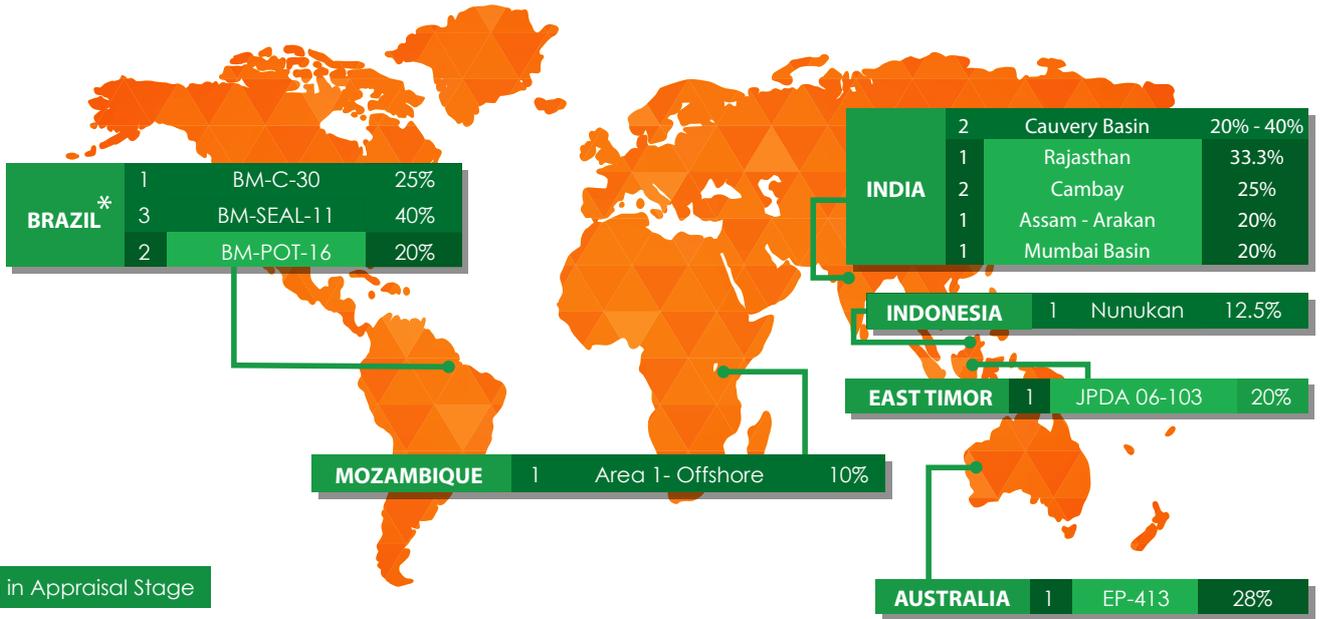
- Fuel Oils
- Toluene
- Benzene
- Naphtha
- Solvents
- Aviation Turbine Fuel
- Bitumen

Products Sold through Retail Dealers & Distributors

- Motor Spirit (MS)
- High Speed Diesel (HSD)
- Superior Kerosene Oil (SKO)
- Mineral Turpentine Oil (MTO)
- Liquefied Petroleum Gas (LPG)
- Lubricants

17 BLOCKS IN 6 COUNTRIES

22 Discoveries



Blocks in Appraisal Stage

| Country | No. of blocks | Name of block | BPRL's PI% |
|---------|---------------|---------------|------------|
|---------|---------------|---------------|------------|

* Held through a 50-50 JV with Videocon Ind.

The above map is a representation of the number of countries and locations in which BPCL operates including the number discoveries in the reporting year which has increased from 18 to 22. BPCL

is yet to venture into direct operations at international locations (only subsidiary companies have overseas operations). The sustainability data in this report is limited to our India operations.



Awards & Accolades

Nurturing Brand has been a key priority for BPCL, continuing our presence in the Fortune Global 500 list, we retained our position with a rank of 242 and are among the eight Indian companies to feature.

For our outstanding global, financial and industry performance, BPCL has been ranked among the top 20 Oil and Gas Refining and Marketing companies in the Platts Top 250 Global Energy Company Rankings for 2014.

BPCL ranks 4th in Oil & Gas Refining and Marketing in the Asia/Pacific Rim, 7th in Oil & Gas Refining and Marketing globally and 17th in overall performance in the Asia/Pacific Rim. On an overall global performance, Bharat Petroleum has been ranked 66th. During the year BPCL won the following awards:

- Public Sector Unit of the Year Award at the premier edition of the ICICI Lombard & CNBC-TV18 India Risk Management Awards
- 'Leading Oil & Gas Corporate of the Year' and the 'Oil & Gas Marketing Company of the Year' Awards, two of the topmost recognitions of the PetroFed Oil & Gas Industry Awards.
- PetroFed also conferred the Innovator of the Year 2013 Team



BPCL Chembur Staff Colony award "Four Star GRIHA Provisional Rating" by GRIHA Council

Award to BPCL Pipelines and a Special Commendation Award for 'Innovator of the Year - Team' to Corporate R&D Centre.

- Best Performing PSU among the Navratnas that have powered the nation's growth by the India Today Group. BPCL has been adjudged the winner for its consistent performance during the last three years.
- The Asian Centre for Corporate Governance & Sustainability honored BPCL with the 'Company with Best CSR & Sustainability Award 2014,' for its flagship CSR Program 'Project Boond'.
- Winner of the 2014 ICAI Award in Corporate Social Responsibility in the Rural Development Category by the Institute of Chartered Accountants of India.
- CSI Excellence in IT Award for the in-house developed 'Customer Care System' – an integrated platform for all customers of Bharat Petroleum to reach out to the company.
- "Corporate Governance & Sustainability Vision Award 2015" by Indian Chamber of Commerce (ICC)
- Indian Institution of Industrial Engineering (IIIE) conferred the Performance Excellence Award 2013 in the Platinum Category (Organization in the Energy Sector) on BPCL



Asian Centre for Corporate Governance & Sustainability honored BPCL with the recognition of "Company with Best CSR & Sustainability Award, 2014"



Public Sector Unit of the Year Award at the premier edition of the ICICI Lombard & CNBC-TV18 India Risk Management Awards



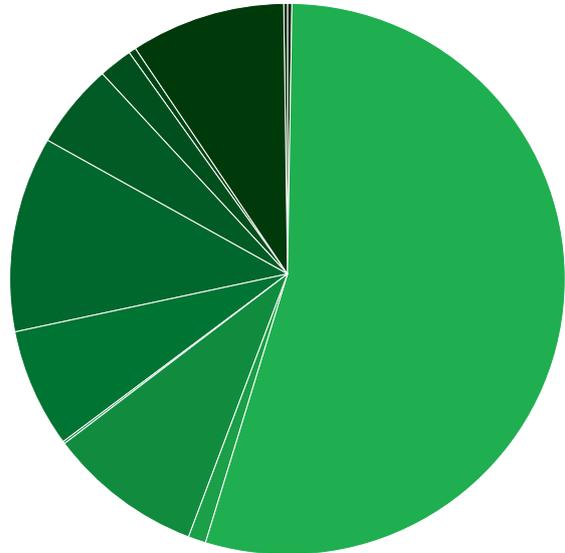
"Corporate Governance & Sustainability Vision Award 2015" by Indian Chamber of Commerce (ICC)



Ownership Structure

We are a fortune 500 Government company incorporated under the Companies Act, 1913, with a Navratna Status. The Paid up Capital of BPCL is Rs.723,084,248 of which Government of India (GOI) holds 54.93% and the balance 45.07% equity are held by Foreign Institutional Investors, Financial Institutions, Employees and other Investors.

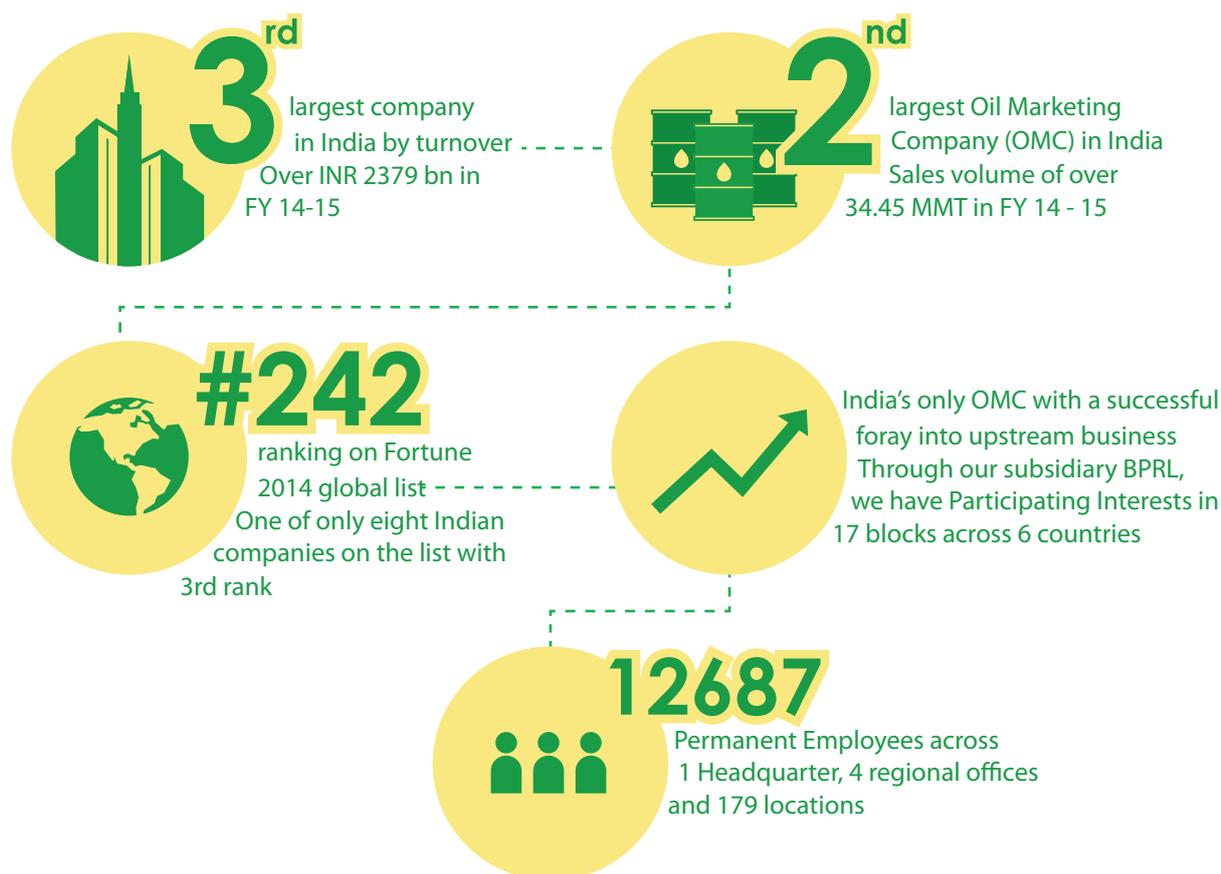
BPCL has received Rs. 7290.40 CR worth of subsidies from the Government of India as compensation towards sharing of under recoveries on the sale of sensitive petroleum products. There is no specific tax credit or tax relief received by BPCL with respect to Income tax, Excise, Customs & Service Tax during FY 2014- 15. All the benefits under income tax like weighted deduction u/s 35 of the Income Tax Act on amount spent on Scientific Research and Development, Investment allowance u/s 32AC of the IT Act and 80IB deduction on undertaking established in backward district etc. are general in nature which are available to all the other companies.



- Govt. of India (President of India)
- Govt. of Kerala (Governor of Kerala)
- Mutual Funds / UTI
- Financial Institutions / Banks
- Insurance Company
- Foreign Institutional Investors
- Corporate Bodies
- Individual - Holding nominal share capital upto Rs. 1 Lakh
- Individual - Holding nominal share capital excess of Rs. 1 Lakh
- BPCL Trust for investment in shares
- NRI
- Clearing Members

**SUSTAINABILITY
AND OUR
BUSINESS
STRATEGY**

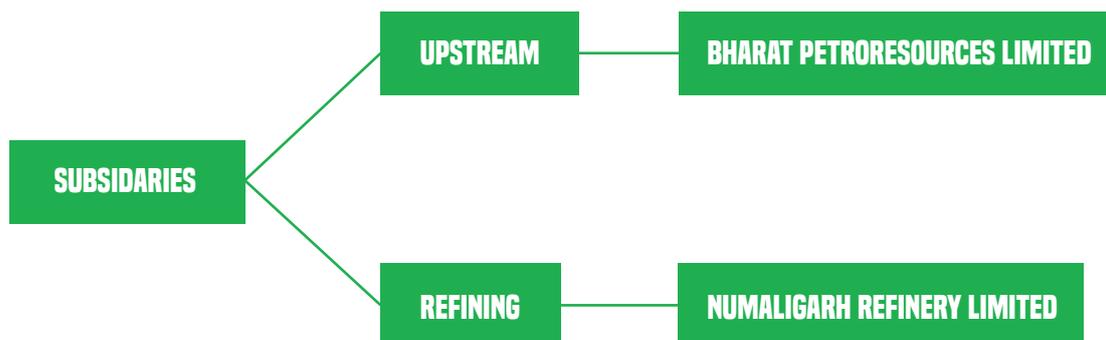
Key Highlights



| Financial assistance received from government | INR |
|--|-----------------|
| Subsidies | 72,90,40,00,000 |
| Investment grants, research and development grants, and other relevant types of grants | 4,02,34,420 |
| Royalty holidays | 0.00 |
| Financial assistance from Export Credit Agencies (ECAs) | 0.00 |
| Financial incentives | 32,60,59,000 |

BPCL has a number of joint venture entities as well as subsidiaries listed below:

| Joint Ventures | | | | | | |
|-----------------------------|---------------------------------|----------------------|----------------------|------------------------------|--|---|
| Refineries | City Gas Distribution | LNG | Pipelines | Alternate Fuels | Into-Plane Fueling | Trading Activities |
| Bharat Oman Refineries Ltd. | Indraprastha Gas Limited | Petronet LNG Limited | Petronet CCK Limited | Bharat Renewable Energy Ltd. | Bharat Stars Services Pvt. Limited | Matrix Bharat Marine Services Pvt Limited |
| | Central UP Gas Limited | | GSPL India Transco | | Delhi Aviation Fuel Facility (P) Limited | |
| | Maharashtra Natural Gas Limited | | GSPL India Gasnet | | Kannur International Airport Ltd. | |
| | Sabarmati Gas Limited | | | | Cochin International Airport Ltd. | |



Corporate Governance

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

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

Governance Structure

We at BPCL believe in practicing our business with complete transparency and accountability. In alignment with our vision and mission of being the global responsibility leader in energy sector, we ensure that we are fair to all our stakeholders. We believe that Corporate Government practices ensure ethical and efficient conduct of affairs of the company. Our primary focus is to create mutual benefits both for our company and our communities.

The Board of Directors at BPCL is the highest governance body exercising the powers subject to the provisions of the Companies Act, 2013. BPCL is a Government Company under the administrative control of Ministry of Petroleum and Natural Gas (MoP&NG). In Government Companies, the appointment of Directors (whole time directors, nominee directors and independent directors) are done by the Government of India in line with the Directorate of Public Enterprises (DPE) Guidelines applicable for Central Public Sector Enterprises (CPSEs). DPE Guidelines lay down the criteria of eligibility for selection of Directors. The nominated Directors appointment is put before the Board and Shareholders for approval under the provisions of Companies Act. The MoP&NG also determines the remuneration of Directors. The Board of Directors at BPCL are selected based on their competencies and qualifications after going through a complete review process by the Nomination and remuneration committee. BPCL nominates Directors for relevant training programmes/seminars conducted by reputed Institutions/SCOPE. Further, strategy workshops are held to deliberate strategic issues, policy decisions etc.

The Company and the Board is headed by the Chairman & Managing Director (C&MD) appointed by the Government of India as per its policy of appointment on CPSEs. BPCL had nine board members as on 31.3.2015, comprising five Whole Time Directors,

two independent directors and two Government Directors. Currently all our board members are male and fall in the age group of above 50 years.

The HSSE department collates and communicates all material aspects to the Sustainable Development Committee during the SDR presentation to the Board. The Board defines the Company's policy and oversees its implementation. The Board is also responsible for policy advocacy and plays the fiduciary responsibility to protect and represent investor's interest in the Company. The Board has constituted various committees to facilitate a smooth and efficient flow of decision making process. Board meetings occur frequently through the year with a maximum time of 90 days between the meetings. In the year 2014 – 15, 12 Board Meetings have taken place.

At the beginning of each financial year, we sign a Memorandum of Understanding (MOU) with the Ministry of Petroleum & Natural Gas. The MOU specifies targets for various parameters including physical, financial, social and environmental parameters. The performance of the Corporation is valued with reference to the targets set against each of these parameters and the composite score is determined. The composite score is one of the key variables in determining the MOU rating which determines the quantum of variable pay for the year in the form of Performance Related Incentive Scheme for Management Staff (PRISM). Beyond merely delivering on our MOU targets, sustainability has become the way to do business. At BPCL, we have a robust structure in place for the strategy, implementation and monitoring of our sustainability initiatives as available and approved in our Sustainability Policy approved by the Board in 2012, detailed in the annexure section of this report.

| No. | Name of Director | Designation | Category |
|-----|-------------------------|------------------------------|-------------------------------|
| 1 | Shri S. Varadarajan | Chairman & Managing Director | Executive |
| 2 | Shri K. K. Gupta | Director (Marketing) | Executive |
| 3 | Shri B. K. Datta | Director (Refineries) | Executive |
| 4 | Shri S. P. Gathoo | Director (HR) | Executive |
| 5 | Shri P. Balasubramanian | Director (Finance) | Executive |
| 6 | Dr. Neeraj Mittal | Director | Non-Executive (ex-officio) |
| 7 | Shri P. H. Kurian | Director | Non-Executive (ex-officio) |
| 8 | Prof J. R. Varma | Director | Non-Executive (ex-officio) |
| 9 | Shri B. Chakrabarti | Director | Non-Executive (ex-officio) |

Committees of the Board



The responsibilities of each of these boards vary based on the composition of the board and their main area of focus. In order to streamline the process and create synergy between the various committees, periodic meetings are conducted such that responsibilities and action items can be distributed. Committee meetings generally go beyond discussing the financial results with focus on performance of subsidiaries, detailed oversight of business, strategy and sustainability matters. This helps us to bring the board's attention to broad topics other than simply focusing on financial results. Additionally we conduct a Quarterly Performance Review (QPR) where industry performance, peer review and competition analysis, overall risk assessment are undertaken. The Sustainability Committee and the Audit Committee, both headed by independent, non-Executive Directors, review sustainable development policy and oversee financial reporting.

We at BPCL encourage various modes of communication within the organization. The Board of Directors interacts with the various stakeholders through a streamlined process, whereby issues are first raised at BU level, further taken up to the Committee of Functional Directors, post which it is taken up to the respective committee of the Board and finally to the Board of Directors. The number of concerns raised in the financial year 2014-15 cannot be disclosed in this report due to confidentiality reasons. The focus that is held at the top level on sustainability further trickles down

to the lower levels in our organization, thus encompassing the entire organization. In order to further deconstruct this process, we have allocated HSSE (Health, Safety, Security, and Environment) officers at each of our locations across the entire country ensuring that every location adheres to our guidelines and commitment on sustainability. The HSSE department spear heads the sustainability agenda at BPCL. The Executive Director of this department, reports to the Director of Marketing in the Board. With the introduction of this decentralization, decision making as well as accountability towards sustainability has drastically increased. With each Strategic Business Unit (SBU) contributing in some way towards sustainability our impact, outreach and scale has increased.

The ratio of the annual total compensation for the organizations C&MD for the financial year 2014-15 to the median annual total compensation for all employees is 2.27: 1. The ratio of percentage increase in annual total compensation, over previous year, for the organization's C & MD to Median percentage increase in annual total compensation, over previous year, for all employees is 5:1. For computing the compensation, we have considered only regular heads of compensation (one-time payments & perquisites are excluded). The major components are – Basic Pay, Stagnation Increments, Dearness Allowance, HRA, Cafeteria Allowances.

AUDIT COMMITTEE

Roles and responsibilities of the Committee include:

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

Chairman - Prof J R Varma (Part-time Independent Director)

Members

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

PROJECT EVALUATION COMMITTEE

Roles and responsibilities of the Committee include:

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

Chairman - Shri B Chakrabarti

Members

- Prof. J.R. Varma
- Shri P.H. Kurian
- Shri P. Balasubramanian

NOMINATION AND REMUNERATION COMMITTEE

Roles and responsibilities of the Committee include:

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

Chairman - Prof. J.R. Varma

Members

- Shri B. Chakrabarti (Part-time Independent Director)
- Dr. Neeraj Gupta (Part-time Government Nominee Director)
- Director (HR) and Director (Finance) are invitees to the Remuneration Committee Meetings

STAKEHOLDERS RELATIONSHIP COMMITTEE

Roles and responsibilities of the Committee include:

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

Chairman - Shri B Chakrabarti

Members

- Shri P. Balasubramanian
- Shri S.V. Kulkarni (Company Secretary) - Compliance Officer for BPCL
- During the year 6 complaints were received from investors through SEBI, BSE and NSE which were attended to and resolved on priority basis. One complaint remained unresolved as on 31st March 2015 in view of a court case

SUSTAINABLE DEVELOPMENT COMMITTEE

Roles and responsibilities of the Committee include:

- Oversee, approve, provide budgetary allocation and monitor the projects covered under Sustainable Development Projects
- Ensuring balanced approach to environmental responsibilities

Chairman - Shri B Chakrabarti

Members

- Shri K.K. Gupta
- Shri B.K. Datta

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Roles and responsibilities of the Committee include:

- Approving CSR activities recommended
- Ensuring that the budget is appropriately allocated and spent in the financial year
- Ensuring regular monitoring of CSR activities
- Approving and signing CSR report for the year

Chairman - Shri B Chakrabarti (Part-time Independent Director)

Members

- Shri P. Balasubramanian
- Shri S. P. Gathoo

RISK MANAGEMENT COMMITTEE

Roles and Responsibilities of the Committee include:

- Review and recommend the risk management plan comprising of risks assessed and their mitigation plans
- Identification of corporate level risks and mitigation plans for approval by the Board
- Review and recommend risk management report

Chairman - Shri B. Chakrabarti

Members:

- Shri J.R. Varma
- Shri P. Balasubramanian

IMBIBING SAFETY IN BPCL AT ALL LEVELS

We, at BPCL, give utmost importance to safety in all our operations. We ensure that incidents related to safety are monitored, recorded, analyzed and learning is shared. We have institutionalized safety with a 3 tier safety administration –

Tier# 1: Corporate HSSE Committee - Headed by Director (Marketing), meets quarterly and is represented by SBU senior management.

Tier#2: Regional Marketing HSSE Committees / Refinery Safety Management Committees – Led by Regional Heads / Refinery Heads, quarterly meetings are conducted and represented by respective Retail, LPG and SBU members.

Tier#3 – Plant level HSSE Committees – Led by Plant Head, meets on regular basis and is represented by designated HSSE role holders at the locations.

Safety governance has been adopted at the Refineries by implementing OHSAS 18001, whereas marketing locations have adopted BPCL's internal HSE processes / models. Over the years, technological advancements have improved safety governance at BPCL, with real time incident reporting, centralized control and monitoring. Assurance and audit of safety plans and process is conducted by external agencies as well as internal audits are conducted on a regular basis.

We also give prime importance to the safety performance and the same is tracked on monthly basis at the corporate level. The performance monitoring consists of tracking fire related incidents - at locations / during transport, fatalities at different locations. The reports are shared on a monthly basis discussing the safety performance.

These steps taken at BPCL help us build a safety culture which is imbibed in the DNA of our employees.

Ethics & Integrity

Ethical working standards are of utmost importance to us at BPCL. This belief trickles from the senior management throughout the organization, with no compromises being made at any point on our ethics and integrity in conducting business. We have defined a strict 'Code of Conduct', 'Procedure and Disclosure for Prevention of Insider Trading in the Securities of BPCL' and 'Code of Corporate Disclosure Practices' dictates the principles our organisation and its employees are expected to abide by with regards to creating an ethical environment which protects and serves the interests of all our stakeholders. BPCL has also initiated policy formulation on Insider trading and Anti – fraud practices awaiting Board approval. This will be in implementation from 2015-16. All of the BPCL policies extend to our suppliers and vendors who are expected to abide by them through the 'Integrity Pact', a legal commitment signed by all. Additionally we have in place a Whistleblower Policy; to be availed by our employee should they wish to any time. In the year 2014-15, no complaints were raised under this policy.

Over the years, we at BPCL have accepted the need to focus of governance practices in proactive way. One step towards this has been an attempt by the Vigilance department to identify the root cause for certain grievances and tackle them in order to reduce the incidence of grievances received by various stakeholders. The vigilance department interacts regularly with the business units across all regions as well as with plants, distributors and other functional departments so that they understand the procedures and importance with abiding by our policies and procedures. 910 BU's were analyzed for the risks related in corruption. In 2014 – 15, 33 management staff, 4 non-management staff were trained on topics related to vigilance during their induction programmes.

A web based "Vigilance Complaint Handling System" has been rolled out in the Organization. This has enabled the Vigilance Department to record and maintain all the complaints received. Complaints can be tracked in the system online, through timely email alerts and user friendly reports. There is a regular interaction with the employees of BPCL through BPCL's internal Web site "Intralink" as well as with the customers/others concerned through the Vigilance portal. Vigilance portal has the objective of creating awareness on good governance, sharing knowledge on ethical practices and proactive vigilance and connecting with all the employees. This website has useful links of Central Vigilance

Commission, Department of Personnel & Training Government of India etc. To enhance knowledge of staff & employees policies guidelines, articles & case studies are shared. To reach out to everyone and make a difference, in- house E-magazine "Soch" was launched. "Soch" is an important step towards participative vigilance in BPCL and would be published on quarterly basis.

In Alignment with the role of the Directors, should there be any conflict, the Directors refrain from participation to avoid bias decisions being taken to resolve the conflict. In the light of such situations, Directors presence is not counted for quorum. With respect to related party disclosures, periodical review is being done by an independent director and the agenda note is put before the Audit Committee for information. Besides, disclosures are made on an annual basis as per the Accounting Standard in the Annual Report. BPCL did not have any incidents where employees or business partners were confirmed to be engaged in anti-corruption activities therefore no need for any action to be taken.

BPCL has been committed to fair practices and is against any form anti-competitive behavior. We are a signatory to the Transparency International's Integrity Pact Programme (IPP), which is a voluntary code as well as adhere to the rules of Competition Commission, set up under Competition Act, 2002. As signatories to these acts and commissions we are forbidden to participate in any competitive behavior. However in some cases there have been some violations, the details for which have been provided below:

- RIL /Essar/Shell had filed a petition before the Petroleum & Natural Gas Regulatory Board (PNGRB) against PSU OMCs and upstream companies alleging collusion, cartelization and predatory pricing for MS and HSD.
- A complaint was filed by RIL before the Competition Commission of India alleging cartelization and misuse of its dominant position.

India Glycols Ltd Vs India Sugar Mills Associates & Ors. alleging that ISMA, on behalf of member companies (including BPCL) have lobbied with Govt. of India for increasing the price of Ethanol from various suppliers.

Stakeholder Engagement & Materiality

We at BPCL deeply value our stakeholders and have adopted a structure to build long-term partnerships and relationships with them. By virtue of our business we have a long value chain across number business units and products and geographical areas, our business is closely linked with a wide variety of internal and external stakeholders who directly or indirectly impact the business, or the business impacts as part of its operations.

Recognizing our key stakeholders is an integral part of our business for which we have endeavored to institutionalize these existing relationships through a formal process that includes:

- Identification of key stakeholders
- Consultation with the key stakeholders

- Identification and prioritization of concerns and needs
- Addressing the prioritized concerns and needs in a consistent and transparent manner

While selecting stakeholder representatives, we attempt to ensure that they genuinely represent the views of their constituents, and can be relied upon to faithfully communicate the results of the engagements with us. We are aware that the communities we work in are one of our most important stakeholders. In this regard we ensure that we encompass all aspects of the community including rights of indigenous people. This process is driven by engagement with our seven Business Units and the Corporate Departments in order to identify out relevant stakeholders.

INTERNAL STAKEHOLDERS

Employees
Shareholders

EXTERNAL STAKEHOLDERS

Customers
Government
Dealers & Distributors
Suppliers & Vendors
Communities
NGO'S

Interactions take place through different methods with each of the above stakeholders. These interactions focus on matters that are both relevant to the stakeholder as well as the organization. BPCL also participates in industry and trade associations to address emerging issues, design sector specific approaches to minimizing environmental and social concerns, and cooperate with governments, and other stakeholders on common concerns. With respect

to quantitative data represented in this report, we have defined the boundary to just the company and not to our external stakeholders. Going forward, we will focus our attention to material issues and their impacts across our entire value chain, irrespective of whether or not we have direct control over the issues.

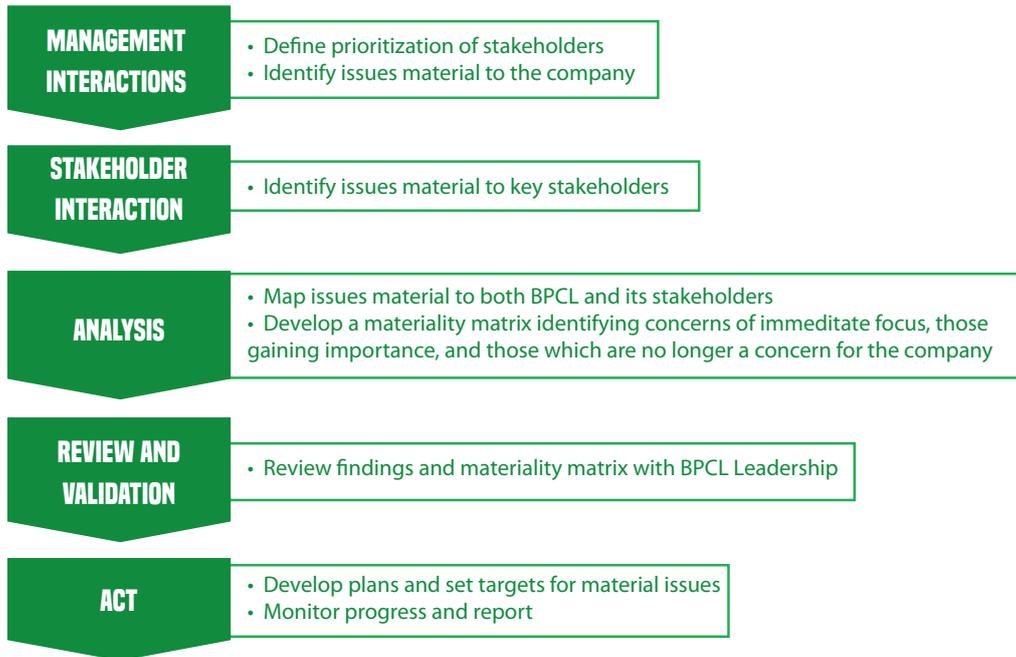
| Stakeholder | Details of engagement | Frequency and mode of engagement | Key Concerns/Priorities | BPCL Response |
|--------------------------|---|--|---|---|
| Customers | As part of our CUBE (Customer Understanding for Business Excellence) programme, we engage closely with customers through a variety of mediums and intermediaries, to allow us to get to know its customers better and ensuring that we meet their requirements with differentiated levels of service. We have set up Transparency Portal (Customer Interactive Portal) also collects grievances faced by industrial and household customers. | <ul style="list-style-type: none"> Annual Customer Meets Periodic Personal meetings/Online communication Periodic Customer satisfaction surveys (most recently conducted for household customers in 2014) Smart line | <ul style="list-style-type: none"> Quality and Quantity of the product Service provided by dealers/distributors Competitive Pricing Timely redressal of customer grievances | <ul style="list-style-type: none"> Robust quality assurance systems supported by process innovations, adoption of green technology for providing quality products and services. Investment in R&D to develop new products Continuous improvement in service quality based on feedback received from the customers through customer surveys |
| Communities and NGOs | We engage closely with the communities around our locations as well as certain neglected regions in the country through Gram Panchayats and well-established NGOs local to the target area. We understand the problems faced by the communities and design our CSR initiatives to target these concerns. We believe in a participatory approach to all community initiatives, so that the ownership of the programme lies within the community. | <ul style="list-style-type: none"> Need based interactions with NGOs/Gram Panchayats/Community focus groups Periodic project review meetings with NGOs | <ul style="list-style-type: none"> Employment of the locals Inclusive Growth Training support Increased long-term CSR engagements with NGOs | <ul style="list-style-type: none"> Forging a long and enduring partnership with local and rural communities through CSR programmes Investing in a number of skill training programmes to foster employment opportunities |
| Dealers and Distributors | Engaging closely with dealers and distributors is of utmost priority to us. They serve as the face of BPCL and the final touch-point to the customers. As part of BPCL First, our Customer centric programme, we undertake a thorough training of our | <ul style="list-style-type: none"> Periodic dealers meets and training sessions One-on-one meetings | <ul style="list-style-type: none"> Product quality and security Mitigation of Environment/Community Concerns Safety and Health during product | <ul style="list-style-type: none"> Timely supply of product to dealers and distributors Regular maintenance of facilities and equipment Investment in R&D for further improving product served |

| | | | | |
|----------------------------|--|--|---|---|
| | dealers and distributors to effect a functional and behavioural change within them across 100 urban centres by March 16. So far, we have reached out to 32 cities. We have also identified 20 highways to train highway retail unit staff. | | handling <ul style="list-style-type: none"> • Upkeep of facilities /equipment/ machinery at the outlet • Technological improvements | |
| Employees | Our well established Human Resources Department helps the Organisation manage relations with our employees and contractual labour across the country. In addition, we have set up an Employee Satisfaction Cell (ESE), a dedicated cell to address employee issues, ensure employee health and wellness, and that employees are satisfied with their work environment. | <ul style="list-style-type: none"> • Individual Performance Appraisal • Employee Satisfaction Survey • Periodic trainings and workshops & Wellness programmes • Periodic online communications | <ul style="list-style-type: none"> • Career Progression • Grievance Redressal • Occupational Health and Safety • Health, Wellness and other benefits | <ul style="list-style-type: none"> • Ensuring a safe and healthy working environment coupled with a target of zero accidents at workplace • Fostering a culture that rewards performance, continuous learning, collaboration and capacity development across the organisation to be future ready and effectively meet the challenges posed by ever changing market realities • Structured grievance handling process for addressing employee concerns and enabling grievances, if any, to be resolved in a just and equitable manner |
| Government & Regulators | We also closely interact with Ministry of Petroleum and Natural Gas, and other Government Bodies (eg. Ministry of New and Renewable Energy etc) | <ul style="list-style-type: none"> • Memorandum of Understanding: Targets and Communication • Need-based Meetings on Ministry directives and policy development | Performance against targets set in the annual MoU on aspects like refineries, community outreach, HR, sustainable development, environmental performance etc. | <ul style="list-style-type: none"> • Development of systems and procedures for implementation of Board approved policies on Life Cycle Sustainability, Responsible Sourcing, Environment, Health and Safety, Responsible Advocacy |
| Shareholders and Investors | Interactions with Shareholders are conducted during the Annual General Meeting | <ul style="list-style-type: none"> • Annual General Meetings • Annual/Quarterly Reports • Annual & Quarterly Investor Meets • Periodic Press releases | <ul style="list-style-type: none"> • Governance • Ethical operations and management • Economic Performance • Compliance | <ul style="list-style-type: none"> • Consistent growth and profitability; sustainable development initiatives integrated with business strategies |
| Suppliers & Contractors | Premier Vendor Workshops are held annually - Acts as a forum to allow an open discussion for suppliers to raise their grievances in the presence of Top Management of BPCL. Additionally, regular meetings are also held with smaller vendor groups dealing in similar type of items. | <ul style="list-style-type: none"> • Annual Vendor Meets • Periodic personal meetings • Inspection visit to Facility • Periodic communication via e-mails and phone calls | <ul style="list-style-type: none"> • Occupational health and safety • Training and capacity building • Transparency in bidding process • Timely payment of dues | <ul style="list-style-type: none"> • Advisory on Supply Chain and Sustainability • E – tendering process increasing transparency |

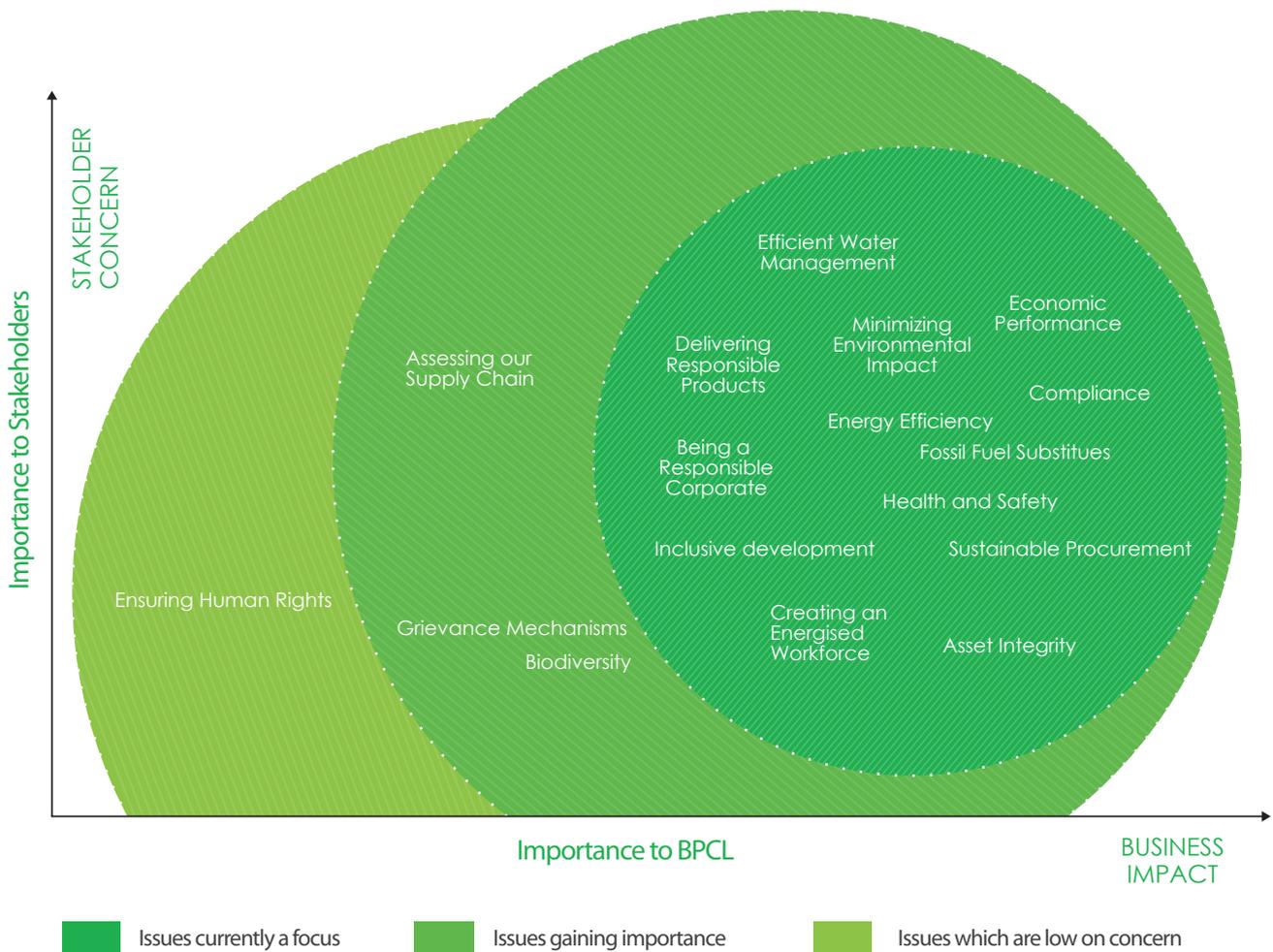
Each of the concerns raised by our stakeholders has been addressed by BPCL in the form of their responses as well as has been covered under various chapters of this report.

Materiality Analysis

At BPCL our materiality analysis is based on the following systematic approach:



Although there have been no drastic changes in the material aspects of this report. We have added biodiversity in our material issues and plan to start focusing on this in the coming years.



Issues currently a focus of BPCL and its stakeholders

| Material Issues | GRI G4 Aspects |
|------------------------------------|--|
| Economic Performance | Category: Economic Economic Performance |
| Energy efficiency | Category: Environment Energy Category: Social – Sub-Category: Product Responsibility Fossil Fuel Substitutes |
| Inclusive development | Category: Economic Indirect Economic Impact Category: Social - Sub-Category: Society Local Communities Indigenous Rights Involuntary Resettlement |
| Creating an energized Workforce | Category: Social - Sub-Category: Labour Practices & Decent Work Employment Labour Management Training and Education Labour Practices Grievance Mechanisms Category: Social - Sub-Category: Human Rights Freedom of Association and Collective Bargaining |
| Health and Safety | Category: Social - Sub-Category: Labour Practices & Decent Work Occupational Health and Safety |
| Being a responsible Corporate | Category: Social - Sub-Category: Society Anti-Corruption Anti-Competitive Behaviour Public Policy |
| Compliance | Category: Environment Compliance Category: Social - Sub-Category: Society Compliance Category: Social - Sub-Category: Product Responsibility Compliance |
| Efficient Water Management | Category: Environment Water |
| Minimizing environmental impact | Category: Environment Emissions Effluents and Waste Overall Materials |
| Developing Responsible Products | Category: Social - Sub-Category: Product Responsibility Product and Service Labelling Customer Health and Safety Marketing Communications |
| Asset Integrity and Process Safety | Category: Social - Sub-Category: Society Asset Integrity and Process Safety |
| Sustainable Procurement | Category: Economic Procurement |

| Issues gaining importance | |
|---------------------------------|---|
| Material Issues | GRI G4 Aspects |
| Assessing our supply chain | <p>Category: Environment Supplier Environmental Assessment Transport</p> <p>Category: Social - Sub-Category: Labour Practices & Decent Work Supplier Assessment for Labour Practices</p> <p>Category: Social - Sub-Category: Society Supplier Assessment for Impacts on society</p> <p>Category: Social - Sub-Category: Human Rights Supplier Human Rights Assessment</p> |
| Grievance Mechanisms | <p>Category: Environment Environmental Grievance Mechanisms</p> <p>Category: Social - Sub-Category: Human Rights Human Rights Grievance Mechanisms</p> <p>Category: Social - Sub-Category: Society Grievance Mechanisms for Impacts on Society</p> |
| Biodiversity | <p>Category: Environment Biodiversity</p> |
| Issues which are low on concern | |
| Material Issues | GRI G4 Aspects |
| Ensuring Human Rights | <p>Category: Social - Sub-Category: Human Rights Non-Discrimination Diversity and Equal Opportunity Equal Remuneration for Men and Women Child Labour Forced or Compulsory Labour</p> |

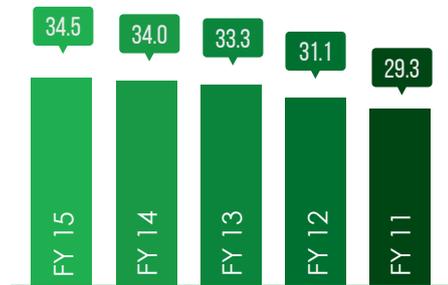
The boundary for each of the material aspects is limited to all our strategic business units in India which includes, Refineries (Mumbai & Kochi), aviation, retail, LPG, Gas, Industrial and

commercial and lubricants. Our joint ventures and subsidiaries are excluded from the boundary of material aspects.

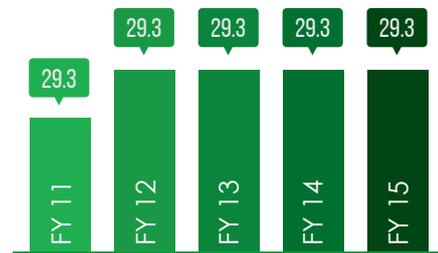


Economic Performance is the presentation of assets, liabilities and overall market strength. A regular stock of the general economic performance is necessary to make sure that the business remains on the right track financially.

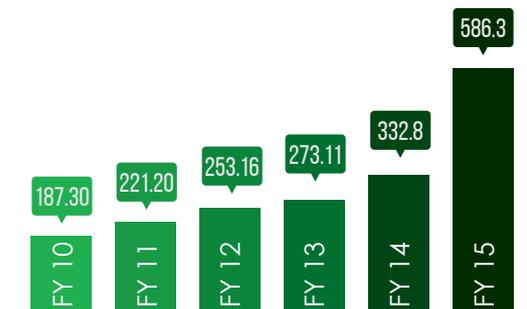
The Indian economy is poised to accelerate, even as the world economy is faced with subdued conditions and uncertainties. BPCL is committed to safeguarding the environment for today as well as future generations and working continuously towards this promise as per its sustainability model. BPCL takes pride in creating sustainable value for shareholders. We strive to enhance our market share by delivering quality and reliable energy to our consumers and create value to our stakeholders thereby coexisting. Our performance across most of our segments has registered an improvement.



MARKET SALES (in MMT)



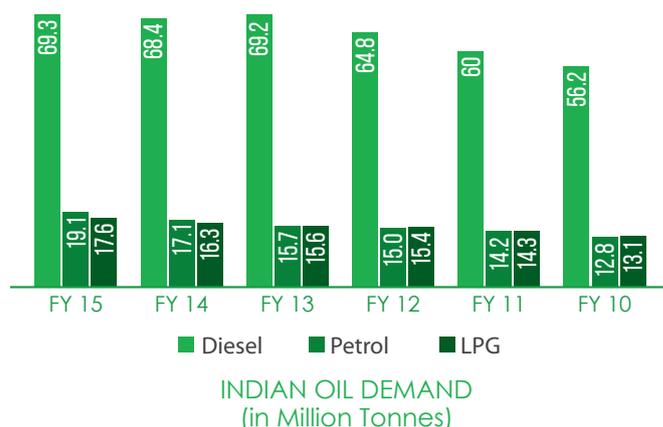
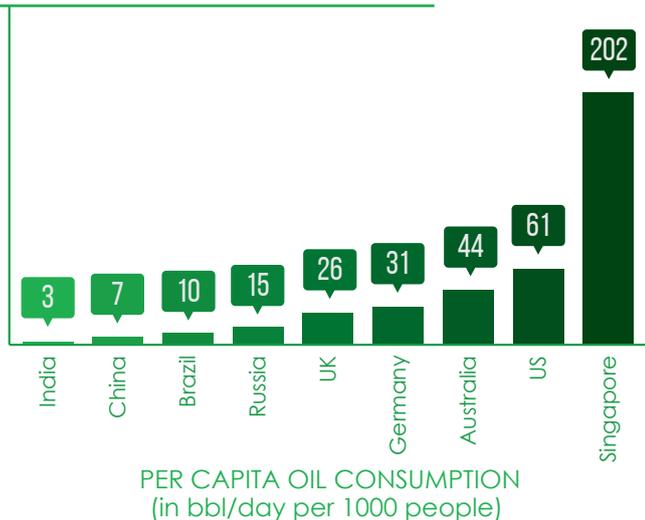
REFINING CAPACITY (in MMT)



MARKET CAPITALIZATION (in INR BILLION)

**UNLOCKING
GROWTH**

India- Oil and Gas Demand



Source - CIA world fact book, central statistics office, estimates 2012.

Significant Potential for Domestic O & G Companies given the Low per-capita Oil Consumption and Growing demand

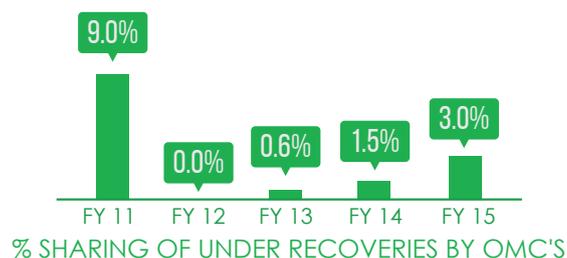
Indian Oil Industry

SHARING OF UNDER RECOVERIES

- Prices of retail sales of LPG and PDS Kerosene Oil are capped by the Government of India (GoI)
- Under-recoveries shared among GoI, the public sector OMC's and the public sector upstream companies (ONGC, OIL and GAIL)
- Under-recoveries determined and compensated provisionally by the GoI on quarterly basis
- Govt. has consistently compensated OMC's including BPCL for under recoveries and ensured reasonable profitability

POSITIVE POLICY ACTIONS

- Petrol Prices De-regulated completely
- Gasoil (Retail)- Deregulation announced effective 19th October 2014
- Gasoil- Bulk sales completely deregulated since January 2013
- Restricted supply/Targeted subsidies for cooking fuel products



Strategic position in the Indian economy with way to deregulation of fuel sector in the country

As one of India's largest companies, our Economic Performance and profitability is directly linked to the economic development of our large set of business associates, employees, shareholders, communities and in several ways the development of India as a whole. Our model of inclusive growth creates an enabling environment for the growth of all our stakeholders. We are constantly monitoring our growth strategies across our various business units to ensure that we continue on this accelerated path towards economic success.

Oil and Gas sector is highly sensitive to the adverse effects of climate change. Climate change is a factor which is increasingly

posing a number of risks for BPCL. We are yet to put in place a system to measure the financial implications of climate change. In this current scenario of increased public awareness about environmental issues, any non-conformance with environmental laws and regulations concerning climate change management will result in significant reputational damage and regulatory action.

Our purchases of LNG (Liquid Natural Gas), crude oil, gas and other raw materials are made under long term as well as short term purchase contract from domestic and overseas sources. Moreover, efforts are made towards optimization of crude basket and minimization of inventories.

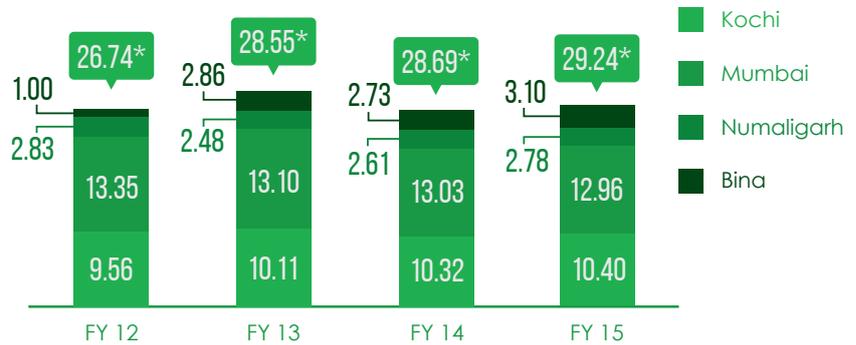
Refining coverage

Installed Capacity

Refining capacity



Refining Throughput



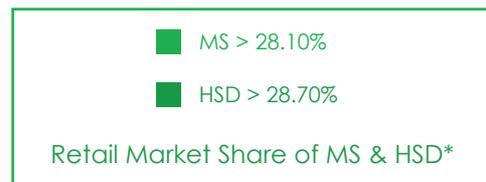
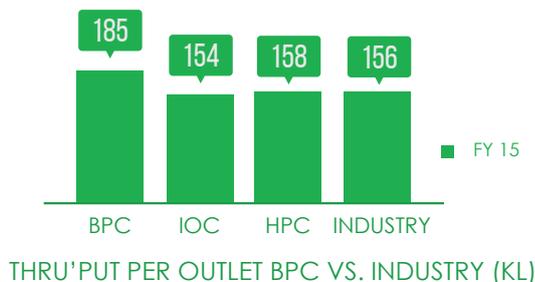
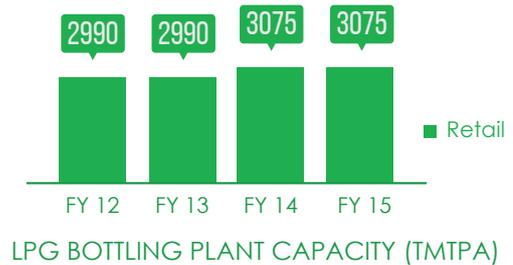
- Capacity Utilization consistently above global peers for KR and MR
- State of the art refinery at Bina- High Nelson Complexity Index of 9.1

Four Strategically located refineries across India

Refinery Utilization rates significantly above global peers

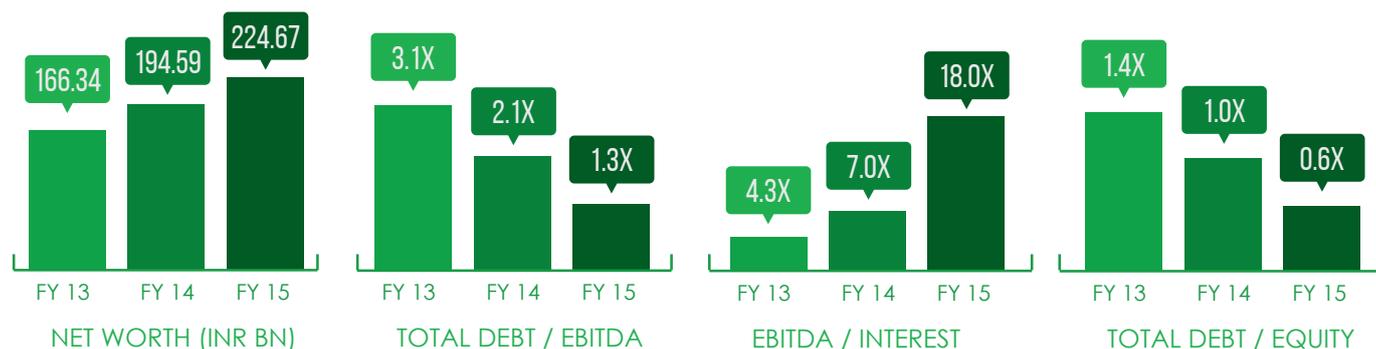
935- km cross country pipeline to source crude to BORL

Marketing operations and efficiencies



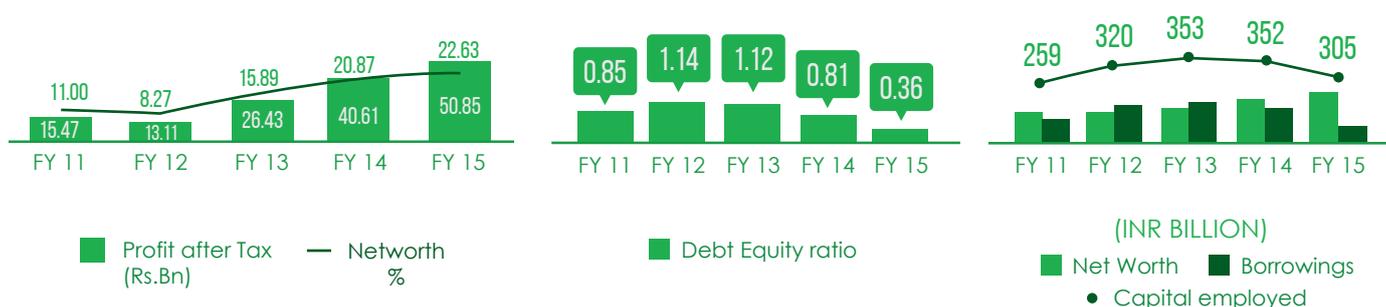
Leading Player with a Diversified product portfolio and a well-established Marketing and Distribution network

Improved Financial Performance



Stable Earnings and Sound Financial Leverage driving Credit Strength

Improved Financial Performance



Direct Economic Value Generated and Distributed

| Rs in Crores | FY 2012-13 (Consolidated) | FY 2013-14 (Standalone) | FY 2014-15 (Standalone) |
|--|------------------------------|----------------------------|----------------------------|
| Direct Economic Value Generated | 255,390.81 | 274,159.54 | 249,857.45 |
| Revenues | 255,390.81 | 274,159.54 | 249,857.45 |
| Economic Value Distributed | 252,492.06 | 269,267.01 | 243,830.77 |
| Operating costs | 232,370.98 | 249,464.79 | 221,122.92 |
| Employee wages and benefits | 2,988.96 | 2,940.12 | 2,139.26 |
| Payments to providers of capital | 3,341.89 | 2,588.32 | 2,210.04 |
| Payments to government | 13,755.25 | 14,238.61 | 18,282.54 |
| Community Investments (including CSR Expenditure) | 34.98 | 35.17 | 76.01 |
| Economic value retained | 2,898.75 | 4,892.53 | 6,026.68 |

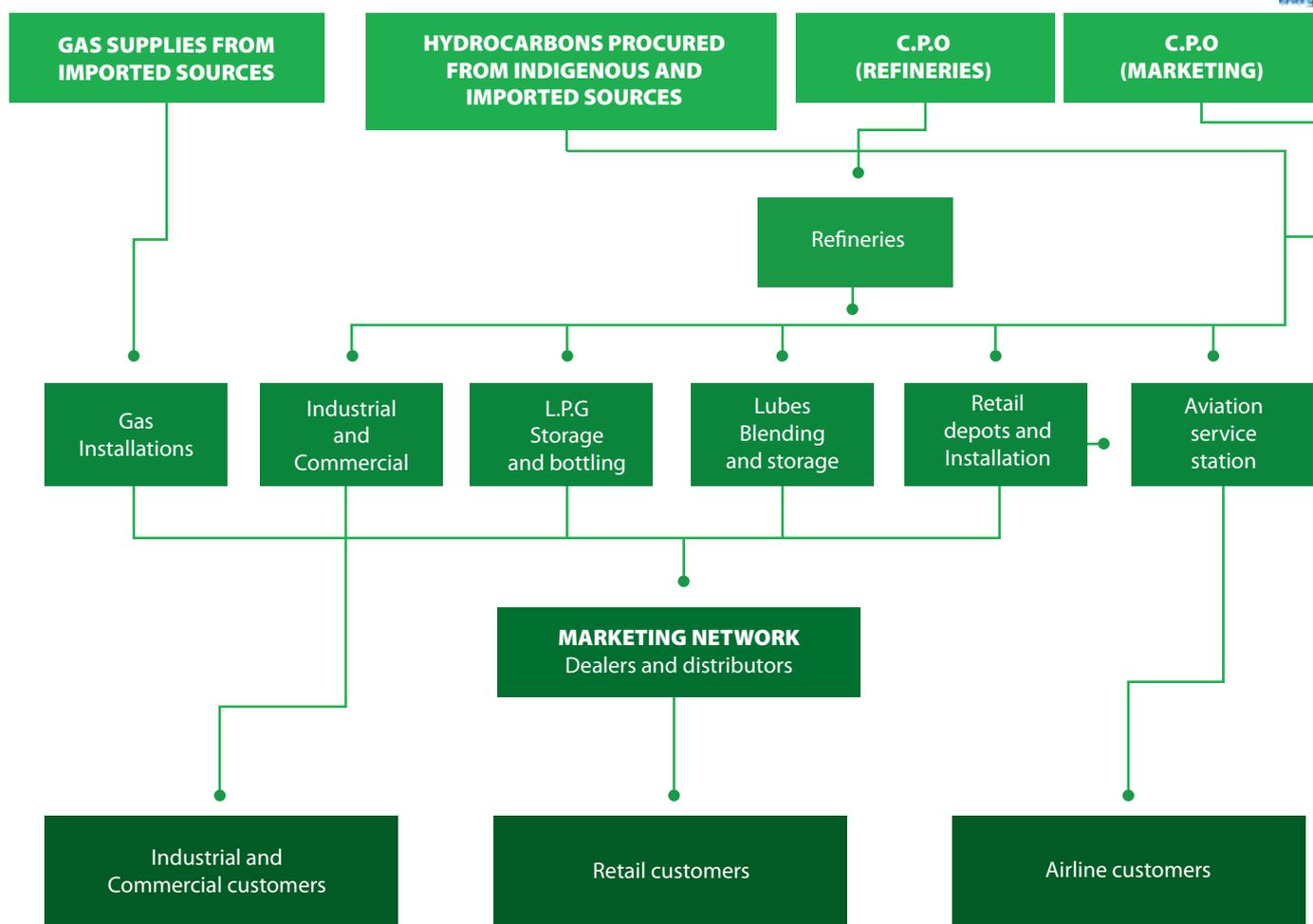
4

SUSTAINABLE SUPPLY CHAIN



We at BPCL, believe in establishing long term meaningful relationships with our suppliers. We acknowledge the integral role our supply chain plays to our business, thus investing in each individual transaction to support our capacity building. Our IT department leads the relationship management for our supply chain. This involves a series of different types of engagements throughout the year. Some of them are:

- Periodic meetings with small vendor groups
- Meetings to ensure smooth functioning of the supply chain process, eliminating any bottle necks
- Relationship building with National Oil Companies of different countries & Oil Traders
- Annual 'Premier Vendor' workshops for our material and equipment suppliers
- Create formal and informal channels to address grievances of our suppliers



Monitoring & Evaluation

BPCL has implemented a 100% tendering process ensuring complete transparency and equality in our tendering process. We have always embraced technology as a means to improve and optimize our business and are proud to state our tendering process as example of that.

In order to ensure that we procure high quality products we have put in place a Bid Qualification Criterion (BQC) in the tenders for suppliers. Our equipment and products that are procured have to be certified by a reputed Third Part Agency or are recognized by a pre quality seal, without which they cannot be procured at BPCL.

Apart from the dedicated department responsible for the sourcing the right crude at the right time, we also have a Central Procurement Office which engages in strategic procurement of material and equipment for the various BUs and Refineries. We at BPCL have laid out annual targets and a roadmap which has been set up by the International Trade and CPO Department.

While the majority of material consumption takes place at the

Supplier Assessment

Given the nature of our business, we engage with a large number of suppliers through the course of our work. These suppliers or vendors could be in the form of supplying materials and equipment, to supplying contract staff to work at BPCL's various business units. All the external vendors we work with are of extreme importance to the organization. As mentioned in the tendering process, all of the suppliers and vendors we work enter

refineries, our Marketing BUs are also increasingly consuming a significant amount of material. In order to render support to our local suppliers, we only import 5% of our material and equipment while balance is from local suppliers. Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012 came into effect from 1st April 2012, BPCL is fully complying with the Public procurement policy for MSEs and "purchase preference clause" for MSEs has been incorporated in the "General purchase conditions" of all the tenders. For the year 2014-15, the total procurement value where MSEs could have participated is Rs. 6551.37 crores and the actual procurement value from MSEs is Rs.1524.80 crores, i.e. an achievement of 23.27% for 2014-15, as against the target of 20%. Local suppliers are those that are located close to our significant areas of operation being Mumbai and Kochi Refinery.

Our CPO department is constantly looking for new and innovative ways to reduce consumption as well as procure more efficient and environment friendly material. They do this by trying to scale up the procurement of ethanol and other green products. This proves to be more effective and reduced the demand on crude oil.

into a contract with BPCL, through our robust and transparent e-tendering system. This e-tendering system allows for BPCL to carefully scrutinize each of the suppliers on various parameters before they begin work with BPCL.

BPCL has been a strong advocator against unethical working conditions and practices in the business. We ensure that we follow

all guidelines regarding working conditions and supplier assessments as put in place by the Government of India as well as in alignment with International Standards. All our vendors and suppliers are made to sign and integrity pact at the time of entering into business with us. This pact lays out the terms and conditions of working with BPCL which includes aspects related to protecting the environment, child labour or forced labour, timely payment and decent working conditions for the contract staff.

Although we are yet to put in place any other screening, assess-

ment and grievance redressal mechanism apart from our integrity pact, we at BPCL understand the importance of this and are working towards designing a system such that all our third party vendors may be screened on social, environmental, labour and human rights related topics, during the course of their work with BPCL. We aim to begin reporting on the same in the year 2017-2018. We are developing a comprehensive roadmap towards achieving a sustainable supply chain and would involve our supplier on various other aspects in the coming years.

BPCL Sustainable Supply Chain Roadmap

| Sr. No | Phase | Action |
|--------|--|---|
| 1 | Creating Meaningful expectations | Understanding BPCL's sustainability agenda |
| | | Drafting process for bringing suppliers on-board with the sustainability agenda |
| | | Mapping key areas relevant to BPCL's suppliers and supply chain |
| | | Initial communication with the suppliers on broad areas of sustainability |
| 2 | To select suppliers and making them agree to targets | Categorizing suppliers as per their association with BPCL |
| | | Drawing a representative sample from the suppliers for initial expectation mapping |
| | | Seeking feedback from a sample set of suppliers on identified sustainability parameters |
| | | Setting framework to assess supplier feedback and incorporate in policy / tender development |
| | | Developing the supplier sustainability policy based on BPCL's prioritization and supplier feedback |
| | | Drafting the amendments to tender to incorporate sustainability parameters in progressive manner |
| 3 | Measure Supply Chain Performance | Setting up comprehensive mechanism to track supplier performance on sustainability parameters |
| | | Initial baseline of all suppliers to assess sustainability performance and highlight best practices |
| | | Segmenting suppliers based on sustainability performance |
| | | Defining roadmap for improving supplier performance on sustainability parameters |
| 4 | Learn, Evaluate and Improve | Establish continuous improvement framework for suppliers |
| | | Evaluate supplier performance regularly to identify leaders |
| | | Develop hand-holding and performance improvement assistance mechanism for suppliers |
| | | Institute award and recognition for suppliers performing better on sustainability parameters |

Our first step in this endeavor has been to issue advisory notes to all suppliers on various environment and social aspects which details out our expectations and guidelines of working for all

suppliers. The details environment advisory note that has been circulated to our suppliers is as below:

BPCL SUPPLIER ADVISORY ON ENVIRONMENTAL CRITERIA

BPCL Supplier Advisory on Environmental Criteria

Dear Suppliers,

As you are aware that environment is one of the most precious gifts given to us by Mother Nature. We must be conscious of our actions and act responsibly to preserve and conserve the environment.

BPCL has always endeavored to be a responsible & conscious corporate citizen. We would also want to engage you - our suppliers - in the efforts to reduce our impact on the environment.

Below are the advisory guidelines on environmental criteria, which we want our suppliers to follow –

1. Emission / Pollution Control (Air, Water, Soil, Noise, etc.) –
 - a. The organization and its all operations should follow all laws related to emission / pollution norms.
 - b. The organization should get all necessary approvals & certifications for emission / pollution control from relevant authorities for plants, equipment, vehicles etc.
 - c. Monitoring mechanism should be put in place for all emissions / pollution emitted from organization owned assets ex. Equipment, vehicles etc.
 - d. Organization should conduct training and awareness programs for the staff on emission / pollution impacts & prevention.
2. Energy
 - a. Monitoring energy consumption by the organization from all sources should be done.
 - b. Organization should strive to reduce energy consumption by employing energy efficiency & conservation measures.
 - c. Use of alternate fuel sources & renewable energy should be promoted by the organization.
3. Water
 - a. Water consumption from all the sources should be monitored by the organization.
 - b. Reduction in water consumption should be aimed by treating waste water & alternative use of waste water.
 - c. Waste water should be treated to remove harmful elements before releasing it to the eco-system.
4. Reducing Resource Intensity
 - a. Optimization / reuse / recycle techniques should be used to reduce the use of resources.
 - b. Minimizing use of resources having major environmental impact should be done and substitutes should be found.
5. Waste Management
 - a. Waste segregation based on type of waste (solid, liquid, hazardous, etc.), generated by the organization should be done.
 - b. Opportunities for recycling & reuse of waste should be identified & promoted by the organization.
 - c. Hazardous waste should be handled by trained personnel & disposed to authorized agencies only.
 - d. Proper handling should be done for hazardous resources (chemicals etc.) having impact on humans & eco system.
6. Risk mitigation
 - a. Environmental Risk Assessment should be carried out for all the organization's operations.
 - b. The severity / extent of damage due to the environmental risk should be estimated.
 - c. Staff / personnel involved in operations related to environmental risks should be trained and regular awareness programs should be conducted.

The guidelines are indicative of the direction that the suppliers should take to be more environmentally supportive. Suppliers should join hands with BPCL in making a value chain that is environmentally aware and responsible.

That being said, all our business units and supervisors at all our locations are well aware about the working conditions and ethics that are acceptable to the company. There is a constant quality check at the locations on the same. In the case of human rights, child labour, forced labour and working conditions for the

employees, there are a number of informal channels where the grievances may be raised and resolved in a timely manner. Over the years our employees have freely used these channels and have had their grievances if any resolved.

Road Safety

A large percentage of our crude oil is transported to our Mumbai & Kochi Refinery which involves a great deal of risk and caution. Whilst engaging with these tankers, we at BPCL ensure that every effort is made to adhere to the International Maritime regulations as well as meet with all requirements of the various ports. Transportation of this volume exposes the company to different risks from the load port to disports and finally during processing in refineries. BPCL has earned an excellence in handling tanker and

port operations with the sole objective of ensuring quick turnaround of tankers while keeping up the highest standards of environment and safety.

We have systems in place which ensures optimization of crude oil procurement / inventory, thereby reducing our working capital requirement.

Safety in transportation is of utmost importance to us and we have incorporated a number of steps to ensure this. In our attempts to support our transporters we have put in place a number of training programmes and safety standards. We have started avoiding any transportation at night. We have also installed VTS systems in the trucks to support the drivers while in transit.

Additionally we are constantly working towards expansion of pipeline network to minimize the transportation by road. At present, approximately 80% of our Refineries products are transported through pipelines.

Each road accident is analysed by our HSSE department to understand the cause of accident. This analysis will help us to provide the right kind of training and safety measure for our

transporters in the future. Currently our transported receive a comprehensive 3 days training programme often in collaboration with the Petroleum Conservation Research Association) covering topics like:

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



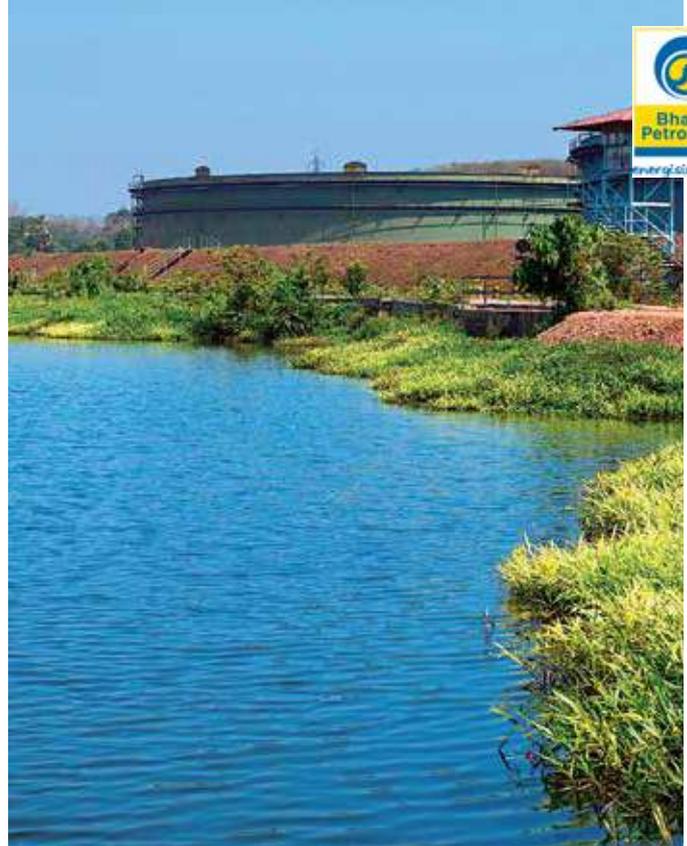
Sewree Installation Conducts “Wellness” program for PCVO Crew

Sewree Installation conducted a one-day “Wellness” program for PCVO tank lorry crew. Renowned expert in the field, Mr. Mukesh Amarnani who heads an organization called “Strategy for Success”, conducted the program. At the end of the program, the PCVO tank lorry crew gave voluntary commitment to lead good personal & professional life. In the words of one of the crew members - “Nobody has so far taken care of us the way Bharat Petroleum has done through this course. There is a feeling of being wanted and we would take care of personal hygiene and health”.



LPG PIPELINE TO URAN

BPCL’s first cross country LPG Pipeline from Mumbai refinery in Chembur to BPCL LPG bottling plant at Uran was commissioned in the month of October 2014. This 28.3 Kms long pipeline put up at a cost of Rs. 256 crores is shared by BPCL & HPCL refineries at Chembur. This pipeline has improved safety and environment by reducing filling of LPG wagons and tank Lorries from the refineries.



OUR ENVIRONMENTAL PERFORMANCE

Our Environmental Performance

We at BPCL are well aware that given the nature of our business we have large impact on the environment and its resources. Preserving our natural resources and ensuring we minimize our damage during the course of our business is of prime importance to us. We have put in place number of policies and systems to mitigate our negative impact on the environment at all our operating locations. Through our R&D department we are constantly looking for not just new and innovative products but also innovate methods of producing them such that our environmental impact is reduced.

As mentioned in our materiality matrix, our priorities are spread across

- Reducing energy consumption
- Reducing GHG emissions
- Water resource management
- Minimize waste and effluents

Additionally we are also exploring opportunities in renewable energy especially solar, wind and biogas. We have in place targets and benchmarks at all our locations, which are reviewed on a quarterly basis. We are able to integrate our environmental performance into the mainstream economic decision-making. In June 2014, BPCL further implemented its Renewable Energy Policy as approved by the Board to strengthen its investment in renewable energy projects.

In order to ensure that our employees are aware and in line with our environmental strategies, we circulate our Petro-Plus magazine to our entire employee base. This magazine features articles about the environment and supports in creating awareness among the employees. A comprehensive list of the materials used in this year has been provided in the Annexure section of this report

Being a part of the oil and gas sector, we require a large amount of energy in conducting our business. Therefore we recognize our role towards improving our energy efficiency, thereby reducing our greenhouse gas emission and mitigating climate change. There is an opportunity to explore and invest in energy efficient technologies which provide us the leadership position and a competitive edge in the market.

World Environment Day was celebrated by BPCL staff at Wadilube Installation, C-Lube and CHW Sewree on 5th June 2014. On this occasion the following activities were conducted:

1. Display Banners at strategic locations in Hindi and English
2. Tree plantation

As part of the celebrations, brief discussions/talks were held to impress upon the following points -

1. Reduction of Food Waste
2. Save fuel and reduce Carbon Emission
3. Effort to reduce Noise pollution
4. Conservation of water & energy.
5. Eliminating use of Plastic Bags

A number of trees were also planted presence of Officers and staff of Wadilube Installation, C-Lubes and CWH, ensuring green reminders of Environment Day Every Day!



REPLACEMENT OF CDU /VDU AT MUMBAI REFINERY

The project envisages installation of a state-of-art integrated Crude and Vacuum Distillation Unit (CDU / VDU) of 6 MMTPA capacity to improve mechanical integrity, enhance safety and environment. The approved cost of the project is Rs.1419 crores.

The overall physical progress of project is 95.07% with cumulative expenditure of ` 1115 as on 31st March 2015. Pre commissioning and commissioning activities along with installations of few delayed materials at site are in progress. The crude feed cut in and stabilization of the unit is expected by 30th June 2015.

INAUGURATION OF 40KWp SOLAR POWER PLANT AT MUMBAI REFINERY – A GREEN INITIATIVE



As an energy conservation measure and commitment for environment, BPCL-MR has installed and commissioned " 40 KWp grid connected solar power plant at BPCL Mahul Refinery on admin building south block .

The system was inaugurated by Shri SS Sunderajan ED-MR on 29th Sept 2014 in the presence of GM (Ops), GM (E&AS) and other senior officials . The objective of this project is to utilize the incident solar radiation on the terrace to generate electricity and feed the administration building lighting loads. The power output from the system is connected to admin building lighting board at transformer station 8. The system is commissioned with SIM based remote monitoring and diagnostic data in the server can be viewed and monitored.

Engineering, procurement, installation and commissioning was done by E&C Dept within a span of seven months. This is the highest rating grid connected solar power plant installed by BPCL.

MODERNISATION OF PROCESSING FACILITIES – KOCHI REFINERY

INTEGRATED REFINERY EXPANSION PROJECT (IREP) AT KOCHI

The project envisages capacity expansion of Kochi refinery by 6 Million Metric Tonnes per annum (MMTPA) taking it to 15.5 MMTPA and modernisation of processing facilities to produce auto-fuels conforming to Euro-IV/ V specifications. It also envisages refinery residue stream up-gradation to value added products.

The project involves a capital outlay of Rs.16504 Crores with an estimated completion in May 2016. The project has achieved an overall physical progress of 77.6 % with cumulative expenditure of Rs.5,898.85 Crores as on 31 March 2015 and the financial commitments have crossed Rs.14,100 Crores.

Work force of more than 14000 labourers has been engaged on a daily basis and works at site has been followed on 24X7 basis. Monthly meetings of unions, contractors, and PMC with Regional Labour Commissioner are result oriented and help to maintain a healthy labour climate. Government of Kerala continues to provide pro-active support to the project including financial incentives and reviews are being held even at Chief Minister level.

Mumbai Refinery

Energy conservation efforts received continuous focus, both in terms of improvement in operations/maintenance as well as development of new projects. Continuous monitoring of fuel consumption and hydrocarbon loss is undertaken using sophisticated instruments and data acquisition system. Elaborate and systematic energy accounting and Management Information Systems are important features of Refinery operations.

BPCL refineries have been committed to conserve energy at all levels, through sustained efforts. Mumbai Refinery has a very robust and effective Energy Management System (EnMS) accredited with ISO50001:2011 certification and is one of the first refineries to achieve this landmark certification in India. This helps immensely in saving the natural resources and protect environment.

Mumbai refinery achieved "Specific Energy Consumption" of 69.12 MBTU/BBL/NRGF during the year 2014-15. The increase in SEC is mainly due to continuous running of energy intensive NHT/CCR units, which were commissioned in March 2014, coupled with higher captive power generation (for ensuring reliability) to meet power demand of the refinery

As a part of Oil & Gas Conservation Fortnight 2015, M/s. Centre for High Technology (CHT) had organized a detailed "Steam leaks & Boiler Efficiency Survey" in the Refineries along with industry and external experts.

BPCL refineries remain in the forefront to protect environment and constantly on the lookout for energy saving opportunities. The following energy conservation and loss control measures were adopted by Mumbai Refinery during the year 2014-15 which have resulted in significant fuel savings:

- Maximization of crude throughput in the modern highly energy efficient Integrated Crude & Vacuum Unit.
- Anti-fouling chemical injection in all Crude & Vacuum Units
- "Chemical decontamination" technique has been adopted for the refinery turnarounds. This resulted in reduction of turnaround duration and also improved heat exchanger cleaning.
- During turnaround, the services of the combustion technology specialists were obtained, to acquire the best practices, leading to improved efficiency of the furnaces.
- Excellent Hydrogen Management was achieved by processing of the hydrogen rich Continuous Catalytic Reformer Unit (CCR) off

gas in DHDS, Hydrocracker - PSA and Hydrogen Unit to recover valuable hydrogen from the off gases.

- On-line chemical cleaning of furnaces to clean off fouling and deposits on the radiation tubes leading to better heat absorption in radiation section. In Reformer Feed Unit, high tube wall temperature of one of the furnace passes was kept under control with this technique leading to sustained unit throughput.
- Use of energy saving CFL lamps
- Continuous monitoring & control of all parameters of Furnaces & Boilers.
- Continuous monitoring of flare to control loss.
- Superior insulation (Perlite) was provided on steam headers to reduce surface heat loss, which resulted in saving of energy.
- A robust "Energy Portal" for on-line monitoring of refinery process Performance and energy consumption, including monitoring of "significant Energy uses" was deployed as part of "Business Process Monitoring and Intelligence" system.
- Sustenance of Crude side "anti-fouling" injection scheme in CDU 1 & CDU 2 unit, has resulted in higher crude preheat leading to fuel saving.
- Electrical Energy Audit was carried out with the help of M/s PCRA and various energy saving schemes are being evaluated for implementation.
- Replacement of existing fan blades in Air Fin Coolers (AFC) with energy efficient Epoxy FRP blades to maximize air flow and to save power consumption.
- Advance Process Control (APC) schemes were implemented for process improvements.
- Flare Gas Recovery System was commissioned during the year and has resulted in recovery of flare gas as well as reduction of emissions.
- Commissioning of Condensate recovery system in Utilities section.

In addition, Mumbai Refinery has taken up various energy conservation and loss control projects as given below which are under various stages of implementation and exploration:

- Replacement of old Crude and Vacuum units with the state of the art, energy efficient integrated unit with higher distillate yield.
- Application of superior insulation on steam headers.
- Implementation of "Zero steam leaks" program in the process units.
- Provision of Plate Type heat exchangers for Sour Water Stripper (SWS) and Amine Treating Unit (ATU) is being conceptualized to

- reduce steam consumption in re-boilers.
- Installation of Condensate recovery system in BBU plant
- Implementation of recommendations of Electrical Energy Audit, wherever possible.

- Exploring feasibility of undertaking low grade heat recovery schemes in process units.
- Revamp of existing Train 3 for energy and process improvements.



Kochi Refinery

The following energy conservation and loss control measures were adopted during the year 2014-15, resulting in significant fuel savings:

- Steam savings of 4.1 t/h by improving availability of 1500 steam traps in CDU-2 offsite area.
- Installed fan-less cooling tower in CPP 2 area resulting in power savings of 30 kW.
- Stopped one cooling water pump in PRU resulting power saving of 145 kW.
- Sectionalising the redundant steam header to CDU-2 for restricting steam up to GSU take off resulting in power saving of 105 kW.
- Commissioned of digital governor for UB11 feed water pump (operation at lower RPM) resulting in steam saving of 1 t/h
- Impeller trimming of MP205C pump by 8% resulting in a power saving of 36 kW.
- Various steam optimization measures in off sites resulting in steam saving of 5 t/h.
- DEA optimization in process units resulting in steam saving of 2 t/h.
- Operation of DDV14 stripper at lower pressure resulting in steam saving of 0.7 t/h.
- Through various energy conservation measures and close monitoring reduced PF& Loss from 6.63% in 2013-14 to 6.35% in 2014-15 resulting in a total fuel reduction of 23000 t even with slightly higher crude throughput compared to previous year.
- DHDS Recycle Gas Compressor minimum governing speed was reduced from 7640 RPM to 6640 RPM resulting in steam savings.
- Low Power rating feed pump for DHDS was used during low charge (less than 250 TPH) resulting in power savings.
- New imported clay was used in ARU for Bromine Index reduction in Benzene resulting in steam savings.
- Routing of Back wash residue to feed tanks in DHDS thus reducing slop generation
- Routing of Cold Flash Drum Off gas from VGO HDS to Hydrogen unit
- Implemented single column operation in Raffinate Purification Unit for making SBPS
- APC implementation in CDU 1, CDU 2, FCCU, NSU, VGO HDS.
- Anti-foulant injection in CDU I /II resulted in sustaining the preheat.
- Regular monitoring of steam leaks, insulation damages and the corrective actions.
- Continuous monitoring of flare loss and effective measures to minimise the same.
- Overall Hydrogen management and running of Hydrogen Generation Unit exclusively on need basis.
- Dedicated team for monitoring hydrocarbon loss.
- Implemented Energy Management System ISO 50001: 2011 and recommended for certification by M/s. Bureau Veritas Certification (I) Pvt. Ltd. Through the application of this International Standard, KR contributes to more efficient use of available energy sources, to enhanced competitiveness and to reducing greenhouse gas emissions and other related environmental impacts.

Major Environmental Protection measures implemented are

- Planted additional 4000 saplings in the Refinery area.
- Additional rainwater harvesting facilities from DHDS Unit Control Room roof top area.
- Engaged M/s Plan@Earth, a registered NGO, working for environmental protection, for disposal of waste paper varieties such as shredded paper, A4 sized paper, Carton Boxes, Old Magazines etc. and also clean plastic from our premises. This is sent straight for pulping to ITC Ltd under the WOW (Wealth Out of Waste) Project. Around 43 tons of waste paper was recycled through this mission saving around 700 trees.
- Road side beautification by planting saplings.
- Public awareness build up: Various message boards carrying environmental messages are displayed all around the refinery to invite the attention of the public towards environmental matters.
- Received Kerala State Pollution Control Board Award for Excellence position among Very Large Industries for substantial and sustained efforts in Pollution Control and for initiatives in environment protection in 2014. This is the eighth time in a row Kochi refinery is getting recognized by KSPCB for its pollution control efforts.



- The Refinery was also awarded the Corporate Excellence Award for Green Initiatives by the Kerala management Association for environment management efforts during 2014

Status of Projects reported on in the previous reporting year

- Action plan based on 'Solomon Associates' Bench marking study report-Variou energy conservation measures implemented and the EII could be reduced from 125 to 112.4
- Study for VFD installation in HT drives – Study completed, however due to high capital investment the proposal is deferred.
- Steam savings by improving availability of 1500 steam traps in CDU-2 offsite area- The availability of 1500 steam traps in CDU-2 offsite area improved thus saving about 4 tons/hr of steam
- Internal Energy Audit- Internal audit by a team of BEE Certified Auditors conducted in CDU II.
- Energy Management System ISO 50001: 2011 - BPCL KR has been certified for ISO 50001 by M/s Bureau Vertis Certification
- Additional rainwater harvesting facilities planned from DHDS unit Substation roof top area – Implemented, additional area of 1200m2 included.
- Planting of additional 4000 saplings in the Refinery area



| Wind Power Projects | | | |
|---------------------|---|-----------------------------|-------------------------------|
| No | Project | Annual Units generated. kWh | Reduction in CO2 Emission MT* |
| 1 | Kapatgudda Windmill Project, Karnataka (1.250 MW x 4 = 5 MW) | 9119000 | 7386.39 |
| 2 | Muppandal Windmill Project, TN, (250 KW x 2 = 500 KW) | 415362.8 | 336.444 |

| Solar PV Power Projects | | | |
|-------------------------|---|-----------------------------|-------------------------------|
| No | Project | Annual Units generated. kWh | Reduction in CO2 Emission MT* |
| 1 | MMBPL Solar project - 20 SV stations, 157.2 kW | 261643.68 | 211.931 |
| 2 | Various Locations (MR, KR, Retail, LPG, Lube, Aviation) - 154.67 kW | 477458.11 | 386.741 |
| Total | | 10273464.59 | 8321.506 |

* Emission factor 0.81MT CO2 per MWh (Weighted average of CO2 emission of Indian Grid)

| LPG Business Unit | | | | |
|---------------------------|--------------|-------------|----------------|----------------------|
| No | Region | Plants Nos. | CAPEX Rs Lakhs | Benefits/Yr Rs Lakhs |
| Energy Efficient Lighting | | | | |
| 1 | North Region | 2 | 14 | 6.31 |
| 2 | East Region | 1 | 5 | 2.45 |
| 3 | South Region | 1 | 7 | 1.18 |
| 4 | West Region | 5 | 24 | 1.94 |
| Total Saving in Rs | | | | 11.88 |

| Solar Lighting | | | | |
|---------------------------|--------------|-------------|----------------|----------------------|
| No | Region | Plants Nos. | CAPEX Rs Lakhs | Benefits/Yr Rs Lakhs |
| 1 | North Region | 1 | 6 | 0.45 |
| 2 | East Region | 2 | 13 | 0.63 |
| 3 | South Region | 1 | 12 | 0.43 |
| 4 | West Region | 2 | 12 | 0.66 |
| Total | | 6 | 43 | 2.17 |
| Total Saving in Rs | | | | 13.95 |

| Rain Water Harvesting | | | | |
|---------------------------|--------------|-------------|----------------|----------------------|
| No | Region | Plants Nos. | CAPEX Rs Lakhs | Benefits/Yr Rs Lakhs |
| 1 | East Region | 1 | 14 | 0.20 |
| 2 | South Region | 1 | 9 | 0.06 |
| 3 | West Region | 1 | 9 | 0.12 |
| 4 | Total | 3 | 32 | 0.38 |
| Total Capex in Rs. | | | | 125 |

| Retail Outlet Initiatives | | | | |
|---------------------------|------------------------------|------------------------------|--|--|
| No | Initiative | No. Covered as on 31.01.2015 | Catchment area Sq. Mtrs. (RWH) / Wattage KW (EEL/Solarization) | Savings Ltrs. of water or Units |
| 1 | Rain Water Harvesting (NROs) | 100 | 20000 Sq. Mt | 80 Lakh litre |
| 2 | EEL (COCO/OSTS) | 187 | 983.62 KW | 18.7 Lakh Units / Year (Rs 130 lakhs/year) |
| 3 | Solarization | 76 | 380 KWp | 1.4 Lakh Units / Year (Rs 9.8 lakhs/year) |

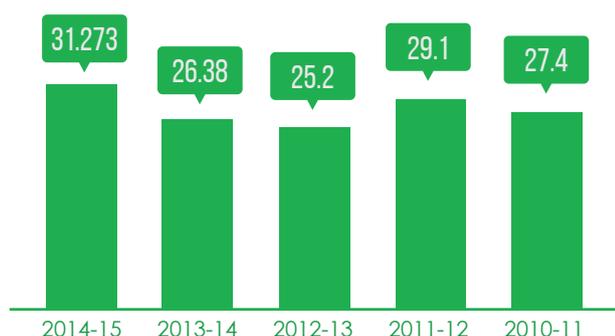
| No | Details | Investment in Rs. Crores | Expected Savings in Rs Crores /Yr |
|----|---------|--------------------------|-----------------------------------|
|----|---------|--------------------------|-----------------------------------|

Initiatives by MR

| | | | |
|---|---|---------|--------|
| 1 | Flare gas recovery system commissioned | 16.00 | 6.30 |
| 2 | Replacement of old Crude/Vacuum distillation units with new energy efficient heat integrated unit . Project Execution in progress | 1419.00 | 138.00 |

Initiatives by KR

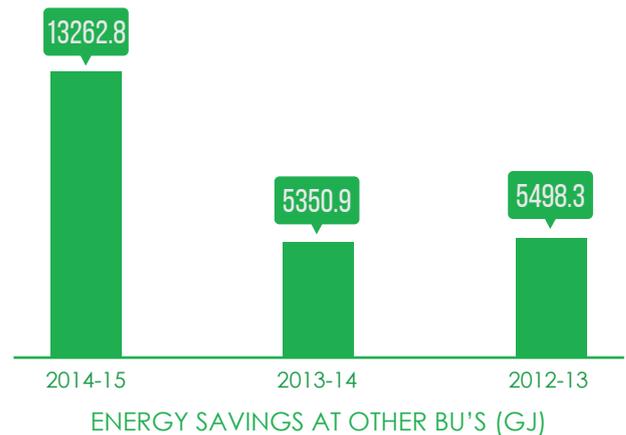
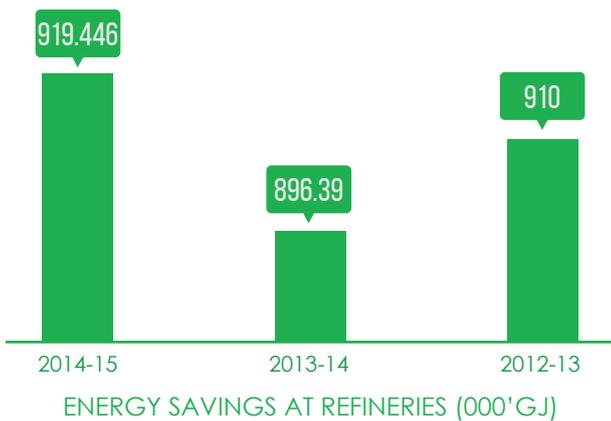
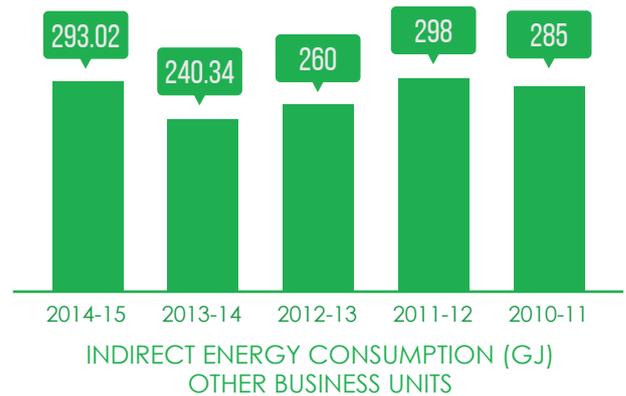
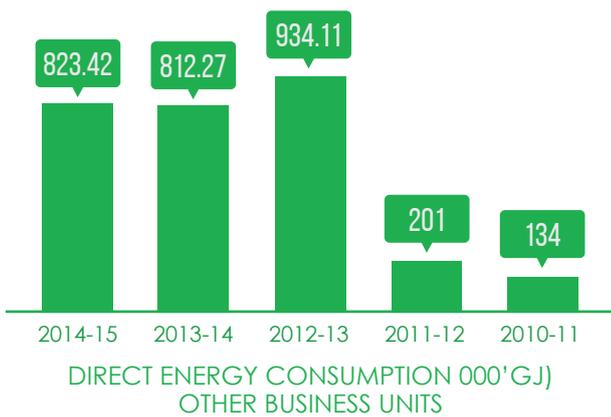
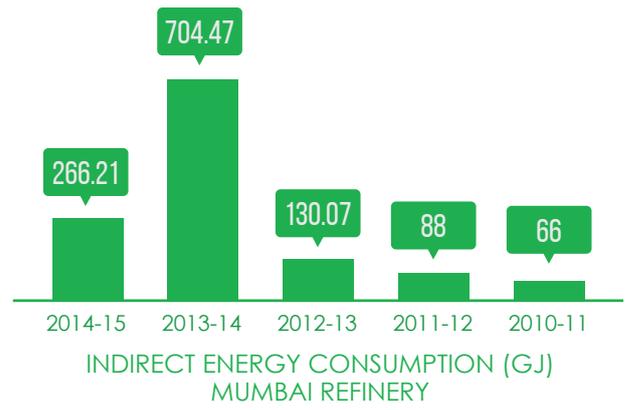
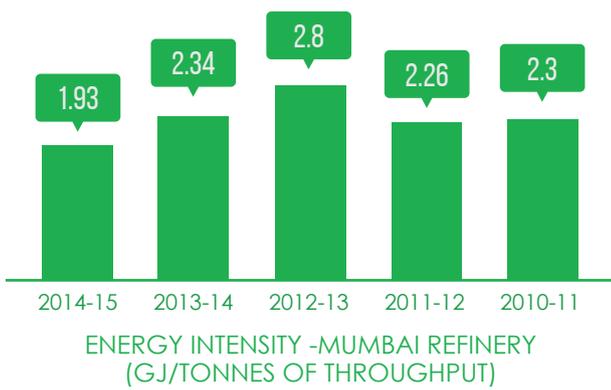
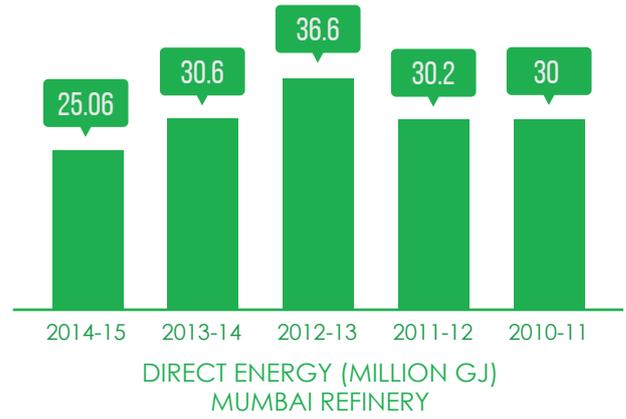
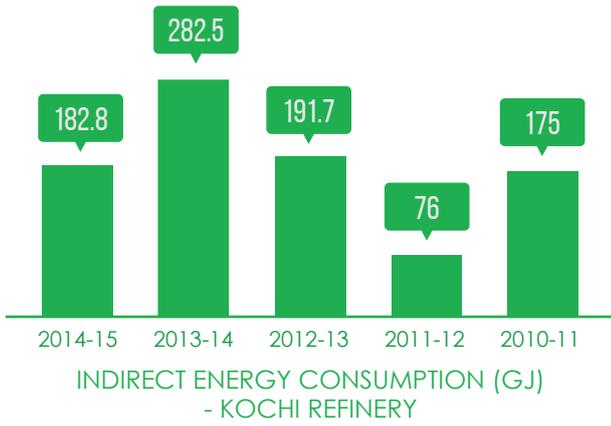
| | | | |
|--------------|--|----------------|-------|
| 1 | Enhancing Steam Trap availability in CDU-2 offsite area resulting in equivalent fuel savings of 2515 tons per year. | 1.49 | 8.9 |
| 2 | Installed HP to MP turbine driven pump, DDP-5C resulting in equivalent fuel savings of 920 tons per year. | 3.61 | 3.25 |
| 3 | Changing MAB drive turbine to HP>Condensing type. Expected equivalent fuel savings is 4900 tons per year | 2.00 | 17.25 |
| 4 | Installation of Jet type fanless cooling tower in GT-02 for 550m3/hr cooling water circulation resulting in equivalent fuel savings of 69 tons per year. | 0.60 | 0.24 |
| Total | | 1442.70 | |



DIRECT ENERGY (MILLION GJ)
- KOCHI REFINERY



ENERGY INTENSITY - KOCHI REFINERY
(GJ/TONNES OF THROUGHPUT)



| | | Mumbai Refinery | Kochi Refinery | Retail | LPG | Lubes | Aviation |
|---|-------|------------------------|-----------------------|---------------|------------|--------------|-----------------|
| Solar Energy | kwh | 33839 | 15,960.00 | 3,521.63 | 48,122.64 | 12,907.20 | 1134.06 |
| Wind Energy | kwh | 0 | 0.00 | 133,403.50 | 3,077.00 | 1,260.30 | 0 |
| Bio Mass | kgs | 0 | 35,675.00 | 2.00 | 158.00 | 0.00 | 0 |
| Renewable Energy Utilised | in GJ | 121.8204 | 638.9585 | 492.963068 | 186.8941 | 51.003 | 4.082616 |
| Total Renewable Energy Utilised- Overall BPCL | in GJ | 1495.721688 | | | | | |

ENERGY SAVING JET TYPE FANLESS COOLING TOWER AT GT-2 POWER PLANT OF KOCHI REFINERY



Mr. B.K. Datta, Director (Refineries) inaugurated the operation of the Jet type cooling water tower in GT2 area in Kochi Refinery on 22 January in the presence of Mr. Prasad K Panicker, ED(KR), Mr. P Kumaraswamy, GM(I/C) Project, Mr. M.N. Neelakanton, GM(AE), Mr. C.K. Soman, GM(O) and other executives.

The first of its kind in BPCL, Jet type fan less cooling tower saves considerable electrical energy as it does not have any fans. About 30KW power consumption is saved due to discontinuation of two numbers induced draft fans of the old cooling tower. Power savings is around Rs. 25 lakhs per annum. The entire project cost was Rs. 55 lakhs. The cooling tower supplied by M/s Armec Cooling Tower (P) Ltd. was installed in GT2 Power plant.

Main Highlights of Jet type cooling tower are:

- The fan less cooling tower has no fills and rotating equipment's. Hence virtually it is maintenance free
- Reliability issues due to fan failure, dislocation of distribution header branch pipes, disintegration of fills and it's carry over etc are eliminated
- Drift losses are reduced due to extended sump
- Fast installation

INAUGURATION OF BPCL'S FIRST GREEN OFFICE COMPLEX: WESTERN REGIONAL OFFICE AT KHARGHAR, NAVI MUMBAI

The new Western Regional Office at Kharghar, Navi Mumbai was inaugurated by our Chairman & Managing Director Shri S. Varadarajan in the august presence of Shri K.K. Gupta (Director Marketing), Shri B.K. Datta (Director Refineries) and Shri S.P. Gathoo (Director HR) on 2nd February 2015.

The Office Building has been designed as per GRIHA (Green Rating for Integrated Habitat Assessment) norms. The main features of the building include:

- Double Walled Glass Facade to maximize use of natural light and also to reduce heat retained inside the Building
- Building Management System to monitor all the systems (Fire Fighting, AC, STP, power supply, etc.).
- VRF based Air Conditioning System and LED lighting fixtures for electrical energy conservation.
- 2 nos. Capsule Elevators of 16 passenger capacity each and 1 Freight Elevator of 1500 Kgs. Capacity
- Sewage Treatment Plant and Rain Water Harvesting system for water conservation.
- High-end Security Systems like Access Control linked Flap Barriers, Boom Barriers, etc.
- Fully equipped Conference rooms on all office floors.
- Vertical Garden on front Compound Wall and Retractable Roof System for cafeteria on top floor



This is BPCL's first Green Office Complex. It is a Ground + 9 storey building which will bring all Western Regional Departments under one roof i.e. HRS (WR), Legal (WR), Finance SS (WR), Vigilance (WR), Lubes (WR), Retail (WR), QCC (WR), Aviation (WR), LPG (WR), E&P (WR) and Retail Thane Territory. The building has 3 floors for parking which incl. Ground floor and 2 podium floors. The Auditorium and the main Conference room along with the Cafeteria / Canteen facilities are housed in the 9th floor. The Office will also house the centralized Shared Service Center (SCC) to manage transactional activities to leverage the ECM (Enterprise Content Management) platform on two floors expected to be commissioned by April 2015.

Water Management

Water is a resource that we highly value at BPCL, and therefore we have initiated rain water harvesting projects at some of our locations. We are aware of our responsibility in preserving water given that our operations have extensive use of water as a resource. We are constantly seeking opportunities to reduce our burden on freshwater sources and ensure that no water source is

significantly affected by the withdrawal of water. The water requirement of our refineries, due to their proximity to the sea, is almost entirely met by salt water. Total waste water discharged during the reporting period in our refineries was 261224.99 KL and at other BU's was 257100.9 KL

RAIN WATER HARVESTING

Water being a scarce but essential resource, it is necessary to conserve the same. At Mumbai refinery, several projects have been implemented for rain water harvesting (RWH) for conservation of raw water during the Monsoon season. The total area under RWH has been increased by around 30000 m² in the year 2014 with major ground runoff from sports club was brought under rain water harvesting. Rain water falling on ground is being collected through a system of existing and newly constructed storm water channels running around the periphery of the ground. The challenge of high amount of soil and debris contamination was overcome by using precast modular step well (Furaat) filtration systems. The filtered Rain water is channelized by common header of 160 mm dia HDPE pipe to 250 cu.m. U/G RCC Tank. The cost of the project was 170 Lakhs



Collection from play ground (Catchment)

Channelisation

Filtration Furaat

Storage RCC tank

Distribution for usage

| Quantity of water consumption from various sources (Volume in KL) | Refineries | Other BU's |
|---|--------------------|-------------------|
| Ground water (bore/open wells) | 0 | 2233563.48 |
| Municipal water supply | 4703725 | 567139.58 |
| Surface water (River/lakes/Sea) | 9725092 | 52307.22 |
| Tanker water | 0 | 174071.54 |
| Rain water | 137933.22 | 84357.37 |
| AAI | 0 | 2283.4 |
| Total water withdrawn | 14566750.22 | 3113722.59 |

| Waste water generated and recycled (volume in 000'KL) | Refineries | Other BU's |
|---|------------|------------|
| Waste water generated | 28674.91 | 597348.44 |
| Water recycled/reused | 3154.78 | 521297.33 |

BPCL is in the process of identifying operations adjacent to any protected area of high Biodiversity value. Given the large number of our operations, there could be some sites, which are near biodiversity hot spots. Moreover we conduct Environment impact Assessments for all our projects to identify the impacts of opera-

tions on local community and environment. No significant effect has been reported by discharge of water from our operations in any of the water bodies. We aim to report further on biodiversity topics in 2017 – 18. Similar to our supply chain initiatives we have circulated an advisory note on biodiversity to all our locations.

NOTE ON BIODIVERSITY CIRCULATED TO ALL LOCATIONS

Through this note we would like to bring to your attention to 'Biodiversity' that is one of the required areas to be reported on. The segment of biodiversity requires us to report on all those aspects of our business, if we have, caused any harm to areas, which are legally protected for their high biodiversity value. If we as an organization are operating in any such areas, it is our responsibility to report on the matter as well as report on what we do to minimize our negative impact.

Areas that have been recognized by a large number of government and non- government organizations for their biodiversity features need to be taken into account whilst reporting under this segment. These include habitats that are a priority for conservation (often defined in National Biodiversity Strategies and Action Plans prepared under the UN 'Convention on Biological Diversity). Additionally companies are advised to report on any impact on 'Protected Areas', which are required to kept in their original form for the healthy functioning of the ecosystem.

Although the segment on Biodiversity might not be relevant to a large number of our business locations, we will ensure we invest

our efforts in reporting on all aspects of biodiversity where BPCL operations might have an impact. In alignment with our effort to not cause any harm to the environment we would like to bring your attention to some items to be kept in mind whilst performing your daily course of business as various locations.

- Identify any biodiversity sensitive area / protected area / endangered species in the vicinity of our operations
- Ensure that our operations have no negative impact on sensitive area / protected area / endangered species
- Keep in mind if our operations do have any negative impact on sensitive or protected areas, we ensure this impact is minimized to the best level possible
- Conduct regular reviews to check the effectiveness of the impact minimization / restoration plans
- Ensure that we reduce our dependency on natural resources i.e. water, wood etc. and implement as much as possible the philosophy of reducing, reusing & recycling
- Ensure that waste is not disposed in any outside premises without prior authorization

PLANTATION OF 1000TH TREE UNDER GREEN EARTH CAMPAIGN 2014 BY ESTATES DEPARTMENT, MUMBAI REFINERY



Tree Plantation by Shri B.K. Datta Director (Refineries)

Estates Dept. launched Green Earth Campaign 2014 at Chembur Staff Colony, Mumbai on 15th June 2014. Various locations in and around Mumbai were covered under Tree plantation drive. Tree saplings were planted at Washala, Karjat, Mokhada, APMC Vashi, Swami Vivekananda School Chembur, New Bombay Public School, Vashi and BPCL Staff Colony. E & E deptt of MR, Corporate CSR, MR Admin CSR, residents of BPCL Chembur Colony extended whole hearted support in achieving the target in a record 100 days.

Waste management is a material aspect for the company and our stakeholders. Given the nature of the products we produce, there is only limited scope for recycling material in our operation processes. However our business units are constantly looking for new ways to use recycle waste. Some of the materials that can be recycled are

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

| | 2014-15 | 2013-14 | 2012-13 |
|--|---------|---------|---------|
| GHG Emissions from the Refineries (000' tonnes of CO₂e) | | | |
| Direct GHG Emissions from the Refineries (000' tonnes of CO ₂ e)(Scope 1) | 3619.33 | 4013.8 | 4180.6 |
| Indirect GHG Emissions from the refineries (000' tonnes of CO ₂ e)(Scope 2) | 102.28 | 102.1 | 70 |
| GHG Emission (Scope 1,2) Intensity (per throughput*) | 159.35 | 176.26 | 183.13 |

*Organization specific metric is the weight of oil throughput at BPCL

| | 2014-15 | 2013-14 | 2012-13 |
|--|---------|---------|---------|
| GHG Emissions from other SBU (000' tonnes of CO₂e) | | | |
| Direct GHG Emissions from other Business Units(000' tonnes of CO ₂ e) (Scope 1) | 51.747 | 67.3 | |
| Indirect GHG Emissions from other Business Units(000' tonnes of CO ₂ e) (Scope 2) | 66.74 | 54.7 | 63.9 |

| Emissions of Ozone Depleting Substances (ODS) | Significant locations | |
|---|-----------------------|----------------|
| | Mumbai Refinery | Kochi Refinery |
| In metric tons CO ₂ e | 2539.43 | 9924.23 |

| Other Air Emissions at Refineries (in tonnes) | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|---|----------|-----------|---------|---------|---------|
| SO _x (in Tonnes) | 11303.83 | 12,515.19 | 13155 | 12224 | 10741 |
| NO _x (in Tonnes) | 2371.84 | 1,778.42 | 1427 | 1406 | 1576 |
| SPM (in tonnes) | 987.19 | 909.30 | 930 | 941 | 974 |

BPCL has installed 5 MW capacity windmills in the hilly range of Kappatguda in Chitradurga District, Karnataka and a 0.5 MW Wind farm in Tamil Nadu. The windmills are currently in operation and power produced is sold to State Electricity grid. These windmills are working satisfactorily. In addition to above BPCL has commissioned smaller KW scale solar plants for a total capacity of about 1500 KW for lighting, admin building electrical loads at Kochi & Mumbai Refinery, 205 RO's, along Mumbai Manmad pipeline, some LPG bottling and Lube blending plants. Under Renewable

Energy policy a 4 MW solar Plant at Bina Despatch Terminal and a 6 MW grid connected Wind power projects are being put up. For both the projects feasibility study was completed. We are currently evaluating to set up more Solar farms and Wind mills in various states depending on availability of land and other commercial considerations.

The refineries contribute to the significant amount of total waste generated from our operations, followed by lubes and LPG SBU's.

We ensure that all the waste generated is disposed only through our certified vendors authorized by the PCB. All the non-hazardous waste is sold to the designated contractors and the hazardous waste is disposed in the secured landfills using specified methods. The residual sludge after oil recovery is treated using bioremediation. As per Government guidelines, all old electronic IT Assets (Laptops, Desktops, Printers and other allied IT equipments) are

being disposed across BPCL under e-waste to the government approved vendors. All details with regard to the amount of waste generated is provided in the annexure section of this report. Despite our best efforts, in the past year, there was a cumulative oil spill of "250" litres in volume across all locations. In the past year our Mumbai and Kochi refinery have flare gas 3442MT and 4527.96MT respectively.

| Total water discharge by quality (concentration in mg/L) | Mumbai Refinery | Kochi Refinery |
|--|-----------------|----------------|
| Total Suspended Solids | 11.25 | 15.5 |
| Biological Oxygen Demand | 11.4 | 11.7 |
| Chemical Oxygen Demand | 57.9 | 48 |
| pH | 7.28 | 7.05 |
| Total dissolved solids | 0 | 0 |
| Oil & Grease | 2 | 1.8 |
| Chlorides | 0 | 0 |
| Sulphates | 0 | 0 |
| Phenol | 9 | 0.2 |
| Sulphides | 0.1 | 0.43 |

We at BPCL, ensure that we are compliant with all the national laws and regulations with regard to maintaining environmental standards. In the last reporting year we

have had no fines, non-monetary sanctions or cases brought through dispute resolution mechanisms.

| Expenditures Incurred for Environmental Management (in million INR) | Refineries | Other BU's |
|--|------------|------------|
| | 2014-15 | 2014-15 |
| Treatment and disposal of waste | 18.36 | 5.5 |
| Depreciation and maintenance cost of equipment's used in pollution control | 287.57 | 6.87 |
| External services for environmental management | 16.01 | 3.19 |
| Extra expenditures for installing cleaner technologies | 82023.68 | 2.94 |
| Other environmental costs | 55.65 | 11.53 |





EMPOWERING PEOPLE



Labour Practices & Decent Work

We at BPCL have persistently acknowledged our employees to be one of our biggest strengths. This commitment towards our employees has been expressed in our vision and mission statements. Our organization is proud of its diverse and strong work force, which has supported us in surging forward in our growth path. Our employees have been one of the long lasting factors in our ever-changing work dynamics. Our human resources department has strong recruitment and retention strategies. We also are mindful of the communities that we work in and offer employment opportunities to community workers. Although we do not yet have in place a system to track the exact number of community member hired at various positions, we will put in place a system to do so in the years to come.

At BPCL, we work closely with our employees to instill in them the company values and a sense of responsibility, loyalty and ownership in their work. Sustainability is at the core of our work at BPCL, and in order to continue to be a responsible sustainable energy company, our employees and suppliers, who are at the core of our business, must value the importance of sustainability. We ensure to engage with our employees throughout their journey at BPCL in order to keep them engaged, satisfied and motivated. We have in place a number of mechanisms by which we monitor the growth paths of our employees and introduce corrective measures wherever necessary. Our employees are offered various forums and opportunities to raise their grievances such that they may be resolved in a timely manner.

BPCL engages with its employees throughout their employment cycle and engagement with the company, right from the hiring and induction stage, moving into the training stage and finally through their time as an employee of the company. Training and

mentoring is provided to our employees to ensure they are well supported to perform their job to their best ability. These training begin with inductions and on the job trainings and go on until pre-retirement training programmes. Employee engagement through various methods is encouraged in order to motivate our employees. We have taken a number of steps to ensure BPCL is a great place to work. Having a motivated workforce helps us reduce absenteeism, low productivity which adversely affects our company's productivity. By reiterating our belief that our employees invigorate the organisation we aim to make BPCL an exceptional organization to work for.

BPCL has consistently fostered a culture that rewards continuous learning, collaboration and development across the organisation to meet the challenges posed by ever-changing market realities. Leadership development is considered integral to talent management, thus our training and leaderships programme serve as a platform to motivate our workforce. Another important dimension is to cater to front-line managerial capability, middle-management functional leadership and organizational stewardship capability of senior management. Our employment practices are focused on retaining our talented and performing employees. We encourage vertical and lateral enhancement of skills for our employees such that they are able to develop their skills. Given the nature of our business, safety of our employees is of utmost importance to us. We ensure that all our working environments are safe and abide by the benchmarked safety and health standards. All BPCL employees go through a thorough induction process where they are made aware of all the company policies and methods to address issues, including code of conduct, whistle blower policy and human rights standards.

All our employees both management and non-management are provided a performance review on an annual basis. The focus areas of our performance appraisal is to ensure that our employees are not just performing in alignment with our business goals, but also such that each employee is engaged in the right type of job in order to utilize his/her skills to the maximum. Employees are

Employee Grievance Redressal

Since our employees are one of our most valued stakeholders, their happiness and commitment to work is of high importance to us. We believe that if our employees are happy in the work place their productivity and thereby overall productivity will be increased. To support our employees we have a number of grievance redressal channels where employees are free to express their grievances. BPCL has a dedicated employee engagement cell focusing on resolving all employee grievances. We also have a sexual harassment panel that deals with any sexual harassment grievances raised. BPCL believes in non-violation of the Human Rights of our employees. We are compliant with international human rights standards and are working towards finalizing our own Human Rights policy, implementation strategy and grievance mechanism. However at present we do not have a formal mechanism to track human rights violations, we have not had any violations of human rights raised through our informal channels. Employee Satisfaction Enhancement (ESE) Cell continued its endeavors towards ESE vision 'to be an active facilitator towards a Healthy, Productive, Vibrant and Energized workforce by working

also given the opportunity to take up new responsibilities based on their interest and competency. 360 degree assessments based on leadership competencies was carried out, which was followed by Talent Review Panel wherein the respective line managers presented the profile of their subordinates which fostered a rich conversation on the strengths, developmental areas & aspirations of the subordinate. It is imperative for us to foster a cult of positive feedback and career conversations, performance conversations will therefore be an area of greater focus in the current year. Technology as an enabler in the "Talent Management" process, we leveraged "Success Factors" to anchor Learning Management & Development processes.

To further facilitate these discussions our C&MD launched an initiative called "Let's Talk" in 2013. The "Let's Talk" sessions are aimed to encourage our employees to discuss their individual aspirations and goals as well their vision for BPCL. Through these discussions we learnt that the primary concern of our employees revolved around equality and non-discrimination.

Mumbai Refinery organized several learning and development initiatives based on individual, functional and organizational needs viz. strategy workshops, functional programs, MDP programs, people management skills, and on the job training. A total of 9896 man days of training were organized catering to all sections of employees to upgrade their learning and skills during the year. Employees were also exposed to various programs, seminars organized by premier institutions in India & abroad to enhance their personal, managerial and functional expertise.

With new equipment's into the system Centre of Excellence, Retail carried out extensive functional training program wherein 36 training programs were conducted, providing 31118 man days of training to 707 staff. Training was also conducted at OEM's works for specialized trainings on ROSOV's, DBB's & Automation for maintenance engineers.

towards 360 degree wellness living up to core purpose of energizing lives to make "BPCL – A great Place to work". ESE followed a plan of enhancing employee satisfaction through employee wellness, employee connect, employee engagement and prompt grievance redressal. To support the existing counselling services Roshni, physical wellness services covering Health Risk assessment, wellness coaching, doc suggest, health articles etc., were introduced this year to make Roshni a 360 degrees employee wellness program. ESE Cell conducted Health camps, talks on 'lifestyle modification for healthy living' at various locations in an effort to inculcate healthy lifestyle among employees. Fortnightly bulletins on physical and emotional wellness were circulated by ESE for all employees. Another area of focus was stress management under which many programs were conducted. A special edutainment program 'Bollywood and stress management' was introduced.

Given below is a description of all the grievances raised in the reporting period:

| | | | 2014-15 |
|--|--------------|--------|---------------|
| No. of grievances already pending last day of the reporting period | PUBLIC | RETAIL | 21 |
| | | LPG | 10 |
| | | OTHERS | 0 |
| | STAFF | STAFF | 6 |
| | TOTAL | | 37 |
| No. of Grievances received during the reporting period | PUBLIC | RETAIL | 3360 |
| | | LPG | 232836 |
| | | OTHERS | 0 |
| | STAFF | STAFF | 16 |
| | TOTAL | | 236212 |
| No. of Grievances disposed during the reporting period | PUBLIC | RETAIL | 3360 |
| | | LPG | 232836 |
| | | OTHERS | 0 |
| | STAFF | STAFF | 13 |
| | TOTAL | | 236212 |

BPCL classifies its permanent employees as management, non-management and clerical. In the case of contract employees BPCL gathers this information only for its significant areas of operation being Mumbai and Kochi Refinery.

| | | Total | Male | Female |
|---|--------------------------|-------|------|--------|
| Permanent Employees recruited in 2014 - 2015 | Management employees | 276 | 251 | 25 |
| | Non-management employees | 129 | 129 | 0 |
| | Clerical employees | 8 | 8 | 0 |

| Regional Distribution of Employees - Permanent | Non Management- Male | Non Management- Female | Clerical- Male | Clerical- Female | Management- Male | Management- Female |
|--|----------------------------|------------------------------|-------------------|---------------------|---------------------|-----------------------|
| North Region | 725 | 3 | 214 | 63 | 928 | 72 |
| East Region | 419 | 4 | 196 | 28 | 446 | 28 |
| West Region | 1084 | 1 | 352 | 309 | 1312 | 231 |
| South Region | 431 | 8 | 196 | 81 | 790 | 75 |
| Mumbai Refinery | 1545 | 12 | 76 | 91 | 913 | 66 |
| Kochi Refinery | 1125 | 0 | 112 | 48 | 673 | 30 |

| Breakup of permanent employees | Total | Male | Female |
|----------------------------------|--------------|--------------|-------------|
| Management Employees | 5564 | 5062 | 502 |
| Non-management employees | 5357 | 5329 | 28 |
| Clerical Positions | 1766 | 1146 | 620 |
| Total Permanent Employees | 12687 | 11537 | 1150 |

| Location of Contract Employees | Total | Male | Female |
|--------------------------------|-------|------|--------|
| Mumbai Refinery | 5147 | 4890 | 257 |
| Kochi Refinery | 4794 | 4495 | 299 |

| | | Total | Male | Female |
|--|--------------------------|-------|------|--------|
| Permanent Employees resigned from the organization | Management employees | 341 | 309 | 32 |
| | Non-management employees | 11 | 11 | 0 |
| | Clerical employees | 86 | 86 | 0 |

| Regional Distribution of New Permanent Employees by employee Category | Management-Male | Management-Female | Non-Management-Male | Non-Management-Female | Clerical-Male | Clerical-Female |
|---|-----------------|-------------------|---------------------|-----------------------|---------------|-----------------|
| Mumbai Refinery | 44 | 0 | 40 | 0 | 2 | 0 |
| Kochi Refinery | 23 | 1 | 69 | 0 | 2 | 0 |
| North Region | 45 | 3 | 0 | 0 | 0 | 0 |
| East Region | 22 | 1 | 0 | 0 | 0 | 0 |
| West Region | 85 | 17 | 0 | 0 | 3 | 0 |
| South Region | 32 | 3 | 0 | 0 | 1 | 0 |

| Age Distribution of Permanent Employees | Total | Clerical | Non-Management | Management |
|---|-------|----------|----------------|------------|
| <30 Years | 1806 | 16 | 362 | 1428 |
| 30 - 50 Years | 5526 | 704 | 2245 | 2577 |
| >50 years | 5355 | 1046 | 2750 | 1559 |

| Return to work and retention rates after parental leave | Total |
|--|-------|
| Employees that availed maternity leave | 18 |
| Employees that returned to work after maternity leave and are with BPCL at the close of 31/03/2015 | 18 |

| | | MR | | KR | |
|----------------------|--|-------|--------|-------|--------|
| Management Employees | Type of Training By Significant Locations and Gender (in Hours) | Male | Female | Male | Female |
| | Functional Training / Internal Training | 27296 | 888 | 40724 | 1416 |
| | Development Programmes Training / External Training | 16440 | 1104 | 9424 | 512 |

| | Type of Training by locations and Gender (in Hours) | MR | | KR | | Retail | | LPG | | Lubes | | Aviation |
|--------------------------|--|-------|--------|-------|--------|---------|--------|---------|--------|-------------|---------------|----------|
| | | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male |
| Non-Management Employees | Functional Training | 24080 | 480 | 20080 | 692 | 12229.5 | 411.5 | 18319.5 | 438 | 129 | 0 | 1881 |
| | Development Programmes Training | 5088 | 520 | 4796 | 64 | 5448 | 401 | 4825.5 | 399 | 1018 | 0 | 558 |
| | | | | | | | | | | Male | Female | |
| Management | Internal Training (in Hours) | | | | | | | | | 110476 | 9932 | |
| | External Training (in Hours) | | | | | | | | | 24104 | 2296 | |
| | | | | | | | | | | Male | Female | |
| Non-Management | Internal Training (in Hours) | | | | | | | | | 58426 | 262 | |
| | External Training (in Hours) | | | | | | | | | 14716 | 0 | |

In the year 2014-15, we sponsored 38 Senior Executives for Advanced Management Programs, along with this we nominated 19 officers for high end leadership development and General Management Programs with Foreign Institutes. We nominated 80

officers for the "Emerging Leaders Program" with an objective to prepare our officers for leadership challenges. During the year we clocked 25926.5 man days of training.

Labour & Management Relations

We at BPCL work closely with our employees both permanent and contract to build and maintain long term, mutually beneficial relationships. We invest equal efforts in developing the skills and growth of our permanent employees and in protecting the rights of our contract staff. Being the principal employer to our contract staff it becomes our responsibility to ensure that they are treated well, receiving all benefits due to them. For this, we have installed an IT system, through which we are able to monitor all our

contractors with increased transparency and accountability. Additionally our contractors are also required to sign an 'Integrity Pact' which is mandatory at BPCL. This is legally binding and encompasses ethics and governance aspects important to BPCL including aspects on child labour, forced labour and fair wages. All contractors who enter into a relationship with BPCL are expected to comply by this pact.

Remuneration and Allowance

BPCL is compliant with the minimum wages prescribed in all the states it has presence. The ratio of entry level wages to minimum wages is 1.48, based on the minimum wages paid to unskilled contract laborers. We do not discriminate between any of our male and female employees, both permanent and contract. In many of our projects we pay more than the minimum wages in order to encourage and retain our workers. Our payment policy prescribes paying our contract employees 25% above the statutory requirement.

BPCL yields to all applicable regulatory requirements, including the Industrial Dispute Act of 1947, which stipulates a minimum notice period of 21 days prior to the implementation of significant changes in operations. Our contract employees are engaged by various contractors within the purview of Contract Labor (Regulation & Abolition) Act, 1970 and their service conditions are regulated as per the terms and conditions of engagement by their respective employer i.e. contractors. The terms and conditions of the contract stipulate coverage of contract labor under various Social Securities Schemes, such as PF, ESI etc. As a principal employer, the locations ensure strict adherence by the contractors to the provisions of EPF & MP Act, 1952/ ESI Act 1948 etc. and to other schemes. We also ensure that the wages are paid on a timely basis and in the presence of BPCL employees, the contractors are contributing to the Provident Fund for the labour and all other statutory requirements are complied with. Health, insurance

coverage, and other softer aspects of the labour are covered by the ESI Act. Toilets, water coolers across the refinery and other basic needs are met for the convenience of the refinery workforce. We also verify that the contractors provide the required facilities to its labour, like food and accommodation during the shut-down of the refinery.

Although we do not have any concept of recognized employee association we have 22 registered unions (Including Refineries) representing our (non-management) employees. BPCL enters into long-term (10 year) formal contracts with these trade unions. These contracts cover all relevant aspects of responsible labour practices including health and safety. 94.5% of our (non-management) employees are represented through these employee unions. These unions work closely on advising BPCL management on health and safety programmes. Some of the programmes in discussion include right for workers to refuse working in an unsafe environment, training programmes on safety, mechanisms to raise concerns on safety and methods to implement constant inspections at locations. We at BPCL do not restrict our employees' rights to associate with the collective bargaining groups and proud of the interaction they share.

To enable us to become the preferred employer in the sector, we have put in place a number of policies and schemes aimed at ensuring employee wellbeing.

Employee benefits – list of the benefits

- Provident Fund Contribution
- Gratuity
- Insurance scheme
- EPS 1995
- Compensation on Death
- Super Annulation Benefit Fund Scheme
- Maternity leave
- Leave without Pay for 3 Years one in Entire Service.
- 2 Years Child Care Leave without Pay, one time in Entire Service.
- Performance Linked Incentive (PLI)
- Performance Incentive Scheme (PIS)
- Medical policy
- Whistle Blower Policy
- Legal Aid Policy
- Post Retirement Policy
- Housing Loan
- Vehicle Loan
- New Pension Scheme
- Education Assist Scheme
- Burmah Shell pension scheme

Equity for All

BPCL strongly encourages women employees to lead and represent the organization at various international platforms. We conduct regular workshops, training programmes and sessions on women's rights and other relevant topics. Through these workshops we promote gender sensitivity, prevent sexual harassment and advocate equity for all. As an equal opportunity employer, we encourage diversity within our workforce and do not engage in any form of discrimination. In fact, the values of Diversity and Equal Opportunity & Equal remuneration for men and women are inherent within the architecture of the Organisation.

Human Rights

BPCL is an equal opportunity employer without any discrimination done towards our employees throughout their journey of working with BPCL. We have a fair employment and hiring policy with equal rights to all in growth, remuneration and development irrespective of caste, color, gender, religion or region. Our human capital is one of our most material assets and therefore we believe in investing our maximum capacity in safeguarding their rights and maintaining their satisfaction while working at our locations. We have in place a draft of our human rights policy which we hope to implement in the coming year. This policy outlines our commitment towards our employees both full time and contract staff and describes the mechanisms in place for grievances with relation to Human Rights violations to be resolved. In the interim, we have in place various other grievance redressal channels which can be availed by any of our employees. In the coming years we shall include training for specific working groups across our locations on the Human Rights policy such that all employees are aware of their rights and the appropriate grievance platforms available to them. In 2014 – 2015 no incidents on discrimination were reported by any of the employees.

The employees or spouse of erstwhile Burmah Shell were eligible for pension based on the option selected by them. This pension is being disbursed by the Burmah Shell Pension Trust. Actuarial valuation is done every year and BPCL funds the Trust suitably. The number of Burmah Shell pensioners is decreasing each year. There was a contributory Superannuation Fund. The employees could opt to become members of the Scheme. This was a defined benefit scheme which came to an end on 31st December 2006 and the benefit entitlement for the existing members were frozen on that date. The structure of the current retirement plan is based on defined contribution. BPCL contributes 12.5% of wages as pension contribution to the BPCL Employees Contributory Superannuation Fund. There is no contribution from employees. Pension benefits are available to all management and non-management staff who superannuate from service and annuity is bought out of the amount standing to the credit of the individual member



At part of our understanding with our suppliers, we prescribe that they safeguard the rights of their employees. BPCL remains to be the primary employer of the contract staff thus giving us the authority to ensure that contractors comply by our norms. In this manner, we ensure that our staff are paid in a timely manner, have decent working conditions and working timings and have all their basic medical and other requirements met such that they have a conducive and supportive working environment. No incidents involving rights of indigenous people and discriminatory practices were identified during the reporting period. No significant disputes involving local communities were reported during the reporting period. All BPCL locations are subject to Human Rights screenings at regular basis through informal channels. All BPCL locations are subject to Human Rights screenings at regular basis. In the last reporting year no human rights violations have been reported. Due to the lack of a comprehensive screening mechanism we are not in a position to report on the number of suppliers that were screened in this reporting period. However as we have stated earlier creating a system of screening our suppliers on various parameters is now on priority and we aim to report on the same in the coming years.



OCCUPATIONAL HEALTH AND SAFETY



BPCL is deeply conscious of the risk and potential safety risks in the oil and gas industry. This nature of work calls for comprehensive preventive measures in the business processes, protocols and work culture. Keeping this mind, we have invested our efforts in putting together thorough safety and security measures for our people and assets by adopting advanced technologies and stringent standard operating procedures at all locations. All our locations go through specific training sessions on safety, health and environment aspects. We have also put in place a monitoring system which helps us oversee the day to day operations, thus helping us to assess the training requirements. The use of technology to automate process has resulted in reducing the exposure of workers to harmful or toxic chemicals. Within every location, we have in place an HSSE (Health, Safety, Security, and Environment) Role holder to ensure that the highest standards are being maintained within the operating location with adherence to our HSE&S Policy. We have also set up Safety Committees at our operating locations where the proportion of management to workforce membership and participation is 50:50.

As per the M.B. Lal Committee recommendations on HSSE improvements, new fire and safety equipments have been provided at all supply locations. Online work permit system, online statutory and licensees tracking system, online tracking for pipeline pressure testing and tank cleaning are our continuous technologically enabled endeavours adopted at our operating locations.

We at BPCL follow the 'Safety First – Safety Must' philosophy at all our 180 locations in India. All of the BPCL employees mandatorily attend a two day orientation programme which covers all safety aspects. Supervisors are provided with additional training to attend to safety issues within the refineries. All our employees as expected to wear protective equipment at all times. In case of any injuries that occur at the work place, BPCL covers all the medical expenses.

High safety standards were maintained during the year at Mumbai Refinery leading to good all round safety performance. Mumbai refinery received excellent rating for achieving all MOU targets related to safety. Frequency rate of Loss Time Accident (LTA) was "Zero". A total of 3825 HSSE man days training was imparted to BPCL employees during the year 2014-15. Implementation of safety audit recommendations was 93% as against MOU target of 90% during the year 2014-15. There was no reportable fire incident during the year and Refinery completed 15 Million man hours without LTA on 30th March 2015 for the first time in the history of Mumbai Refinery since its inception. With an eye on contractor safety, Mumbai Refinery imparted (23896 man days) safety training to Contractor employees at project site. Mumbai Refinery received OISD award in individual category to two process technicians for noteworthy contribution for promoting safety by prevention of untoward incidents in refinery. Two more process technician of Mumbai Refinery received OHS award in gold category for their noteworthy contribution during all Indian conference & exhibition .

Oil Industry Safety Directorate surprise safety check, Internal Safety Audit (electrical & non-electrical), Priority inspection of the Refinery & Shore Tank farm by Dept of Factories and Boilers, Kerala state were conducted as part of Fire & Safety measures. Mock drill for the Refinery as per the ERDMP (accredited on 7 May 2013) was conducted on 26 Aug 2014. Mock drills for cross country pipelines and STF conducted in presence of M/s Disaster Management Institute, Bhopal and accreditation received on 14 May 2014 and 23 January 2015 respectively.

The refinery achieved all the MoU Safety targets set for 2013-14 which include implementation of safety audit recommendations, Fire & Safety training for employees, Number of reportable accidents per Million man-hours worked limited to nil.

Aviation BU accords highest priority to HSSE, safe and cost efficient operations while providing customer service. No major accident/incident/spills occurred at any of the locations. Nil LTA has been recorded in 2014-15. During the year, recognitions came our way when Sarvshreshtha National Safety Council Award was given to Gwalior AFS by Madhya Pradesh government and Certificate of Merit for Meritorious Performance in Industrial Safety to Mumbai AFS for the tenth time in a row.

SAFETY FIRST SAFETY MUST INITIATIVE LAUNCHED BY MUMBAI TERRITORY

Mumbai LPG Territory has conducted various programs during September 2014 under new initiative of "Safety First Safety Must". In one of the program, Mr. Sukhmal Jain, RLM – WR have addressed the gathering of 500 ladies on safety and also shared on new initiative taken by BPCL on customer services. The program was held on 18.9.14 at Remabai Colony, Ghatkopar for approx 500 Bachatgut Ladies and slum crowd of that area, during WR - SFSM month. On this occasion, Mumbai Territory has also come out with safety badge. Territory has also come out with safety stickers with Safety panchmantra. It also have been distributed to Bachatgut Ladies working for Mumbai Territory Distributors to spread the message of safety.



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

| | Company Employees | Contractors |
|--------------------------------|-------------------|-------------|
| Injuries | 68 | 9 |
| Cases of occupational diseases | 0 | 2 |
| Man days lost | 1092.5 | 6415 |
| Missed (absentee) days | 33910 | 14262 |
| Fatalities (Male) | 0 | 1 |
| Fatalities (Female) | 0 | 0 |

Emergency Preparedness

As a responsible company in the oil and gas sector we need to take a number of measures to ensure that our employees and workers are prepared for any emergency that may arise at the refinery or plant site. Mock emergency drills are conducted on a regular basis, and in the refineries as often as once a week. A set of guidelines have been prepared and shared with our workers so that they are alert and well-equipped to handle emergency situations. BPCL also operates in strict adherence to the Petroleum & Natural Gas Regulatory Board's regulation to create and monitor its Emergency Response & Disaster Management Plan (ERDMP) for each of its locations.

Typical diseases and injuries at the Refineries

- Injuries: Usually mechanical injuries, burns which are not critical.

- Diseases: No occupational diseases have been detected within the factory. Even Benzene exposure (which is carcinogenic) has not caused any cases of cancer among employees and workers. However urine tests are conducted every fortnight on handlers of benzene at loading stations to ensure that there are no adverse health impacts. This is a result of significant process automation within BPCL which avoids direct exposure to toxic chemicals and substances and several other preventive procedures and mechanisms. The more common diseases among employees are lifestyle disease which corresponds to the age of the employees (the average age of employees being between 45-48 years).





OCCUPATIONAL HEALTH AT THE MUMBAI REFINERIES

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

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

Preventive Health care

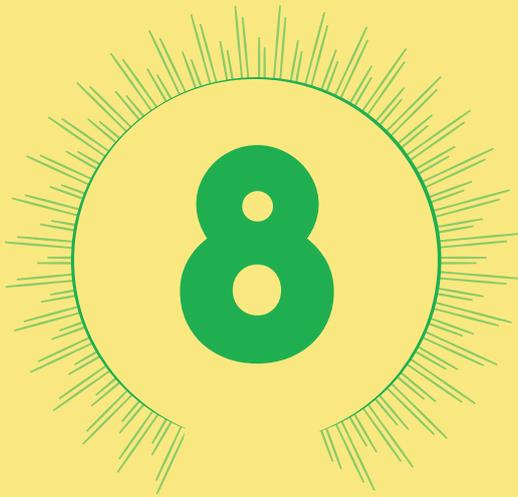
- Before joining BPCL, all employees are mandatorily required to take a health exam to understand the health status and issues. Health is also a major component of the 2 day 'Safety in Refinery' workshop for new employees to the Refinery. The Occupational Health Centres conducts the initial health checks for all BU's and offices in the Western Region. Employees within the refinery also undertake periodic health exams at the centre
- Contract workers are also required to undergo a thorough medical exam, and each worker is provided a certificate. A certain proportion of the workers (usually the ones who operate in high risk areas) are verified by the Occupational Health Centre. They are also required to undergo periodic health check-ups
- The Health Centre is also empanelled with several Hospitals in the region for any serious ailment or injury

Curative Health care

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

Emergency Health Care

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



Community activities and Corporate Social Responsibility has long since been ingrained in our DNA and we have made significant progress over the years in our core thrust areas of Education, Water Conservation, Skill development, Health & Hygiene and Community Development. Through our CSR initiatives we have strived to impact the communities in the neighborhood of our businesses across the country as well as in rural & tribal areas. In our constant endeavor to build a sustainable partnership with society, we have scaled up existing projects, taken up newer initiatives and exited from those that have been taken over by the stakeholders involved. The CSR activities at BPCL are driven by the CSR department including all impact assessment processes.

BPCL recognizes the strong synergy between business and society and has always had an aspiration to create “Real Value” for the marginalized through its CSR activities.

As a company we are aware that our business impact millions of people every day. We acknowledge our responsibility towards our stake holders which includes the communities near our business locations and also the deprived and marginalized, living in rural & tribal areas. All our locations are involved in community engagement activities to their best capacity with strong impact assessment mechanisms in place. In the last reporting period 3,46,715 grievances through the formal grievance redressal mechanism on impacts on society. Of the identified grievances 3,46,618 were resolved during the reporting period. Our company does not make any contributions towards any political parties either financially or through in kind contributions.

Our CSR vision is “to be a Model Corporate Entity with Social Responsibility committed to Energizing Lives through Sustainable Development”. We identified 5 core thrust areas to focus our CSR efforts i.e Education, Water Conservation, Skill Development, Health/ hygiene & community development. All the above mentioned verticals are also part of the Schedule VII under the New Companies Act 2013 and Corporate Social Responsibility Rules, 2014.

STRENGTHENING COMMUNITIES

The funds CSR spend in the last reporting year corresponding to some of the major focus areas are as follows:

| Focus Area | Amount (INR) |
|---|--------------|
| Conservation of Natural Resources – Water | 32,983,285 |
| Differently Abled | 1,356,000 |
| Promoting Education | 98,112,888 |
| Promotion of Sports | 460,000 |
| Promotion of Art | 1,010,000 |
| Eradicating Malnutrition | 4,830,440 |
| Facilities for senior citizens | 1,690,000 |
| Healthcare and Sanitation | 86,565,676 |
| Public Libraries | 50,000 |
| Rural Development | 91,214,486 |
| Vocational Skilling | 18,591,425 |

Our MOU targets for the year 2014-15 were of reaching out to 1,00,000 children for imparting quality education, 35 villages for Water Conservation through Rain Water Harvesting and 1500 beneficiaries for income generation through skill development programs. We achieved 100 % completion of the MOU targets. Overall, the BPCL CSR focus is spread across the following areas :

- Education
- Health Safety
- Greening
- Community Support

Education

“Quality Education” is considered the biggest equalizer in today’s society. It not only contributes to individual’s wellbeing but also to the overall development of the country. Thus by supporting quality education in low income/ government schools, BPCL is committed to give further impetus to this fundamental right . Our unique Science Education Programme for children of government schools in collaboration with NGO ‘Agastya International Foundation’ near Solur, Bangalore (Karnataka) has been extended to government schools near Mumbai Refinery, taking experiential science to children through a mobile science lab. The project in Bangalore consists of a Science centre hub, mobile science lab, lab-in-a-box activities and a “Young Instructor Leader” program. This program is focused at democratizing leadership development and unlocking human potential through the ‘students-teach students’ model. So far we have reached out to over 8330 children in the last one year.

Our District-wide Project Akshar (Read India) for impacting learning levels of children through learning camps, was supported by BPCL in 13 blocks for primary students and 6 blocks for upper primary students, where focus was on comprehension and application based abilities. Since the project showed good results in learning levels, based on a third party assessment done in 2013-14, the project was scaled up to include schools in Dausa and Jaipur as well thus impacting over 43000 primary and upper primary school children.

Along similar lines, our project for education of tribal students in Mayurbhanj and Sundergarh districts of Odisha has been continued and 4453 children now have access to school education. In the coming year we are now changing the focus of the project to improving the quality of education rather than solely complying with the provisions of the Right to Education Act.

We have also successfully completed the second batch of our in-house pilot project “Saksham” for professional development of primary teachers & principals from low income schools. This year the program was scaled up to include upper primary teachers as well and the curriculum was designed to be delivered within one year.



In 2013-14 we had taken up a new library project aimed at impacting literacy and reading skills for increasing creative thinking and supplementing learning on the whole. This year we continued to support to the identified 20 libraries in Mumbai and Delhi and added a further 5 libraries in Mumbai where over 3700 children are benefitted. In addition, these libraries have a special Teachers section and can be used by the community around the schools as well.



Project BalaJanaagraha was scaled up to include new schools in Kochi in addition to those in Bangalore. This project aimed at instilling good citizenry in children as the key to building good and vibrant nations. This unique civic education project targeted creating responsible and proactive citizens through conducting civic sessions in schools which gave 2862 children a know-how about their rights and duties. Mini civic fest, city level civic fest and National Civic fest were held in which the children participated in nationwide competitions. Citizenship surveys were conducted before and after the program to gauge the increase in level of awareness of the children.

Computer Assisted Learning Project (CAL) which is a flag ship project of ours and is for the children of primary & secondary grades studying in government schools/ low income private schools. It aims at improving learning levels of children and make them digitally enabled through technology interface. In the year 2014-15, the project was scaled up to 45 new centres in Jaipur

(Rajasthan), Mumbai & Solapur (Maharashtra). Earlier centres of Uran and Lucknow continue. Thus this year we reached out to 38000 new children.

Capacity building sessions were organised with the School Management Committees of the above schools, so that the committee members are empowered on the rules under Right to Education and also take more interest & ownership in the education process and learning levels of their children. The project also resulted in indirectly generating local level employment, by way of the Sancharikas (teacher facilitator) for imparting the computer education. Every school has one or two sancharikas (depending on the enrolment of the children in the school) adding to a total of around 100. They are trained in both technical as well as soft skills, thereby making them through professionals. Since Values are very integral to BPCL, we also trained them in values such as commitment, ownership etc. so that not only are they transformed but the entire school environment.

CSR - COMMENCEMENT OF CAL PROJECT IN SOLAPUR & PROJECT STAFF VISIT TO LPG PLANT



According to the Annual Status education report (ASER) 2013, in study of 26 states, only 20.1% schools had computers. Considering the importance of computer education for students of today & the scope for improvement, BPCL had started Computer Assisted Learning (CAL) project in 2009-10 with 11 ZP in schools. Since then we have reached more than 100 schools in Maharashtra & Uttar Pradesh. In our efforts to reach more students, in 2014-15, we have commenced the CAL project in partnership with Pratham Infotech Foundation (PIF) on 5th September 2014 in Solapur. The project has 19 centers catering to 44 ZP schools in Solapur.



On 16th September 2014, all CAL project staff, which included Team leader, Project coordinator and Sancharikas (Computer Teachers), was invited to BPCL Solapur LPG plant. Mr Vilas Pathrabe –Territory Manager (LPG) Solapur, welcomed all the participants & appreciated their efforts in this project. Mr Makarand Nandanwar, Territory Coordinator (LPG) Solapur spoke about their role in LPG Safety & sharing knowledge with others. Mr Firoj -Asst Mgr Sales (LPG) & Mr Namjoshi –Dy Manager Operation (LPG) conducted LPG safety clinic. All the CAL project staff had the opportunity to visit the LPG plant. The teachers were joyous about the experience and are excited to contribute to the success of this project.

CSR at KR

During the year, a number of major community programmes were initiated by Kochi Refinery in the neighbouring areas. We have enhanced various infrastructure facilities to the benefit of the community by renovating Anganwadis and maintaining roads in rural areas. We have renovated two Primary Health Centres for the poor in the neighboring Panchayats and construction medical camps was taken up in the vicinity. Language labs were set up in the neighboring schools for encouraging rural students to learn English and Hindi. In a move to lay emphasis on skill development, Kochi Refinery is providing vocational skilling for 1000

unemployed youth in Kochi through M/s ITCOT Consultancy and Services Ltd. Kochi Refinery has supported Capability Exploration and Enabling Programme (CEEP) initiated by NGO Nanma Movement to explore and enhance the inner capabilities of underprivileged children in Government schools. We are also providing support for 100 One Teacher schools for poor tribal children under Ekalvidyalaya Programme initiated by NGO Friends of Tribals Society. A Home Based Rehabilitation Programme for rehabilitation of children afflicted with cerebral palsy, autism etc. in eleven nearby Panchayats is being run by NGO Adarsh with our support.

Swachh Bharat

Rising to the call of our Honourable Prime Minister on 15th August 2014 that all schools should have separate toilets for girl students, BPCL has taken up the construction of 1864 toilets in Government schools across the 7 states of Andhra Pradesh, Bihar, Chattisgarh, Madhya Pradesh, Odisha, Telangana and West Bengal under the Swachh Bharat - Swachh Vidyalaya Campaign. In this year, we have completed the construction of 120 toilets and in the true spirit of the Swachh Bharat Campaign, over 800 employees across the

country took the Swachhtha pledge. At every business location there were cleanliness drives, walkathons, competitions and sessions on the importance of hygiene and proper waste disposal. BPCL CSR has also developed an interactive AV module in Hindi and English to help educate and creating awareness on Hygiene practices and waste segregation in schools and communities. Over 1 lakh school Children and over 4500 villagers have so far received inputs through this AV module.

SWACHH BHARAT ABHIYAN



The mission was to clean and whitewash the two parks which was an eyesore to the general public and inmates/ residents of the nearby buildings alike. With the goal set, the huge gathering was divided into separate teams and assigned different roles like sweeping, picking up non-biodegradable wastes, collecting the waste in huge bags, preparing the surface of the park compound wall by scraping and a distinct squad for white-washing the walls and painting the railings. The teams rallied behind each other and performed their tasks with perfect teamwork and co-ordination and a couple of hours of serious toil later, the results were astonishing. Almost two trolley loads of plastics and waste was

collected and thus emerged a sparkling clean park.

Additionally, to add to the beauty, 50 tree saplings were planted inside the park with a vow to maintain and monitor its growth. The residents of the area were so overwhelmed with joy that they expressed their solidarity in our noble mission with a promise to contribute their mite in such similar activities in future. One of the residents, who also revealed his identity as a long time customer of BPC, being a transporter, was so moved by our gesture that he and his family voluntarily served juice and soft drinks to all the Shramdaatas at work.

Skill Training

Our education system often turns out students who are not employable even after completing years of studies. With an objective to empower unemployed youth, women and persons with disabilities, near our businesses and also equip them with skills, we have several NGO partners in different parts of the country. Placement linked vocational training of 1000 youth was supported by BPCL near Kochi Refinery with a view to increase the skills of the local youth and the economic level of the surrounding community. Training was done in construction and fabrication related trades as well as hospitality, retail management, Computer accounting and Office automation for the youth, women & differently-abled. Over 70% of these youth have been placed and are being tracked to ensure job retention. The LABS project for Persons with Disabilities in Mumbai and Noida saw 200 youth who were trained and then placed with various companies. Along similar lines in Kolkata we trained 80 disabled & underprivileged

youth from economically backward families in Desktop publishing. Our BPCL volunteers also gave these youth sessions on personality development to help them get better placement. In various other projects Persons with hearing, visual and physical disability were given training in skills that would make them employable or enable them to start their own businesses like weaving, wax candle making, massage therapy etc.

Through training in Zardosi & Aari work about 130 women in Loni, U.P.; earn and save enough to send their children to school. On an average each woman adds around Rs. 3000 per month to the family income. The women are provided inputs on financial management through self help groups formed and forward and backward market linkages so that they can earn independently on completion of the project.

Project Boond

Our water project BOOND has covered 40 villages in this year from Tamil Nadu, Karnataka, Maharashtra and Rajasthan. BOOND now spans across India in Tamil Nadu, Andhra Pradesh, Rajasthan, Maharashtra, Karnataka and Uttar Pradesh. Through community based organizations like Village water committees, the community that is benefitted by the water-structures built or repaired plays an active role in building and maintaining the structure that contributes to their various daily needs. Over 5500 families have been benefitted and over 70,000 KL of water storage capacity created. Our project also supports sustainable employment through improved agricultural practices, newer crops, innovative methods of irrigation etc. Unseen benefits include recharge of ground water, drinking water for cattle, decrease in migration and a positive effect on the environment in addition to flood moderation.

In Mokhada Taluka, which is a completely impoverished & tribal predominated block in Maharashtra, BPCL has been supporting project 'Boond' for the third consecutive year. In 2014-15, we supported a small initiative of 'Group Farming and Collective Marketing model'. The farmers in Mokhada traditionally grew only food grains. 'Vegetable cultivation' was an alien term to them, to the extent that even the land records of the region did not reflect any practice of vegetable farming. At this point forward, our first natural step was to introduce, non-food grains, which are well

suited to the climate and topography of Mokhada. At Khoch village, through government schemes, pipes were installed to pump water from a nearby dam, till the farms. However to judiciously use water, for the first time in that region farmers were facilitated to install a drip irrigation system along with a sand filter & mulching. The drip irrigation pipes have been set-up in a manner that the flow of water is run entirely on gravity and there is no cost of diesel involved. Some of the direct benefit of this small experiment has been conservation of water, decrease labour, reduced cost of production, and prevention from crop disease, thereby increase in agricultural produce. The farmers of Koch now understand the 'cost benefit' aspect of agricultural practices. The trajectory of the farmers of Khoch has shown incredible growth. A farmer, who once practiced only subsistence farming, is now developing through understanding and knowledge of the market. They are gradually developing the skill sets required for keeping accounts and stock of the produce and are adapting to latest techniques of farming.

Project 'Boond' is completing its full cycle from transforming the villages to water positive and also playing an important role in socio- economic development by drudgery reduction, checking migration, enhancement in income and other important social indicators.

BONDING WITH BOOND –SHRAMDAAN (VOLUNTEERING) BY BPCL EMPLOYEES



One unique aspect of Project BOOND in Maharashtra, is that it has enjoyed the direct involvement of BPCL employees as volunteers through Shramdaan. Once such Shramdaan activity took place on 7th February 2015 in the village of Chaas in Thane district. This village is currently part of our ongoing project in partnership with NGO AROEHAN. Thirty three BPCL employees took off in a bus from CO on the evening of the 6th Feb. Every volunteer contributed their all and worked tirelessly under the able guidance of the villagers & NGO team. After a simple village lunch, a short visit to the nearby village of Khoch was organized in order to understand the agricultural practices being promoted by BPCL towards sustainable livelihood, as a part of project BOOND. The volunteers also took a pledge towards saving water and the environment.

Health Care

BPCL has around 15000 Retail outlets and LPG Distributorships, which employ Driveway salesmen (DSMs) and LPG Delivery men. Since they are largely from low socio-economic strata and cannot afford an unexpected medical expenditure which brings undue financial pressure on them and their family, we have launched a health insurance scheme through which 8713 DSMs and delivery boys in 24 states have been given coverage of Rs 1 Lakh for self and their families for one year. We will be scaling up this project in subsequent years to including transport crew as well.

With an objective to improve and encourage Institutional care and

safe delivery of babies under supervised medical attention we work in HD Kote taluka, Mysore District of Karnataka by supporting Reproductive and Child Healthcare of tribals. Over 60,000 villagers & specifically 8975 tribals from 56 Tribal colonies are benefitted from this project where there has been a steady increase in institutional deliveries, linkage to government healthcare schemes as well as getting enrolled for essential ID documents like Aadhar card, 100 % primary immunization. Awareness of Govt. Health Schemes including lectures on Community topics like nutrition, infant mortality etc. are being promoted through regular meetings with community members.



Bharat Petroleum in line with its values of being a caring organisation launched BHARAT AROGYA YOJANA, a health and personal accident insurance scheme for employees of its business partners – Delivery Salesmen (DSM) of Retail Outlets, Delivery Boys of LPG distributors and the crew of transporters transporting petroleum products on behalf of BPCL. The scheme launched in collaboration with New India Assurance will help secure a healthy living and provide an accident cover for employees of Business Partners of Bharat Petroleum. The BHARAT AROGYA YOJANA extends a health insurance cover to the beneficiary and his family consisting of spouse and two children for hospital expenses of upto Rs. 1 lakh per annum. The beneficiary will also get a personal accident cover for Rs. 2 lakhs in case of death due to accident. MDIndia Healthcare Services Pvt. Ltd. the third party administrators for this scheme have tie-ups with over 6000 hospitals in the country where the beneficiary would enjoy cashless hospitalization.





DEVELOPING RESPONSIBLE PRODUCTS

Developing quality products is an integral part of the way BPCL does business. We heavily invest in our research and development center such that we are able to constantly deliver new products which are both responsible towards the health and safety of the product handlers and customers, as well as responsible towards the environment (in terms of resource efficiency, energy efficiency, and emission, waste and water management). As customers are one of our prime stakeholders, we believe in providing them with quality products at all times to serve them better. Whilst doing so, we ensure that we do not compromise on our sustainability goals` at any time. Our R&D center as well as all our products that are provided to the customers undergoes constant vigilance and quality check.

The core research areas of the R&D centres are broadly divided into four categories, namely: (a) Development of energy efficient technologies for fuels and chemicals production (b) Technical support to Refining processes, (c) New product and additive development and (d) Alternative fuels and energy.

By nature of our business in the oil and gas sector, we at BPCL are mindful of the environmental and social impacts associated with bio fuels. We thus are taking steps towards investing in research and development of such alternative fuels and have strong buy in from the senior management of the company in this aspect.

During the financial year R&D centres continued to provide a competitive edge through development and commercialization of novel cost effective products and processes such as (i) New neutralizing amine (ii) Sorption enhanced steam reforming (iii) De-aromatized speciality solvents having less than 0.5 wt% aromatics content (iv) Cost effective FCC gasoline sulphur reduction additive, (v) Hydro treating catalyst for production of Euro-V diesel (vi) Catalyst for Lube oil base stock (vii) New grades of bitumen (viii) Natural gas storage technology (ix) Novel reactor schemes for Hydro-processing and FCC applications.

R&D Centre at Sewree contributed to the Lubes business by developing new product formulations such as OE specific Shock Absorber Fluid, Limited Slip Gear Oil, High Performance Compressor oil, Engine oil for 2 Stroke Stationary Natural Gas Engines, Defense Specific hydraulic Transmission Oil, etc. Total biofuels purchased during the year was 84615 KL.

Significant progress has been made by Corporate R&D Centre on major national and international collaborative projects, initiated earlier in the emerging areas of natural gas conversion to methanol and Di methyl ether, CO₂ utilization and conversion of coal to liquid fuels. The corporate R&D centre bagged prestigious Indo-UK collaborative project funding award from Global Innovation Technology Alliance (GITA) for real time optimization of crude distillation units for carrying out collaborative research with Process Systems Enterprise Ltd., UK. During this year BPCL R&D have filed 4 Indian patents and was granted 6 patents (2 Indian, 1 USA and 3 in other countries). BPCL continued its research collaborations with a number of leading research institutes entered into previous years and made substantial progress. Some of these include EIL, IIP, IITs, ICT, Delhi University, BITs Goa etc., while international partnerships with NTNU, Norway, CSIRO-Clayton, RMIT and University Melbourne. In its pursuit to excel in the area of innovation, BPCL R&D continues to work in tandem with academia and other knowledge partners for fulfilling the company's vision of being innovative and technology driven company.

Some of the examples of our products that we would like to highlight include:

- Advanced PCMO for Modern Cars OE Specific Shock Absorber Fluid
- Limited Slip Gear Oil for SUVs; High Performance Compressor Oil
- Engine Oil for 2 Stroke Stationary Natural Gas Engine
- Defence specific Hydraulic Transmission Fluid and Alternate formulations for existing products Alternate – these formulations would provide operational flexibility

BPCL has committed to India's 'Vision 2015' aiming to increase LPG coverage to 75% of the population. BPCL continues to increase its efforts in LPG production, with revenue generation being a secondary priority and sustainability being a primary priority for the company.

All our product labels provide information required as per National and International specifications on the product. We would like to state that all our products have been covered by and assessed for compliance with labeling procedures. We are also mindful of ensuring our packaging also provides necessary information to the customer especially with regard to the safe handling of the product substances and their disposal that might produce an environmental or social impact. Amongst all of our products, our lubes and LPG products require packing material. None of our products are reclaimed. In terms of packing 100% of the LPG cylinders are reclaimed. None of our packing material from any other BU is reclaimed.

In the last reporting year, we did not have any number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling or concerning the health and safety impacts of products and services during their life cycle.

BPCL pays close attention to grievance redressal across all categories and all stakeholders. All customer complaints and grievances are addressed and redressed by a separate department within each BU. We also have a toll-free customer service number

which respond to all customer grievances. A total of 236,196 customer complaints were received and all have been resolved during the reporting year.

BPCL is sensitive to the service levels offered across every customer interface in constant pursuit of excellence. Our various initiatives are driven by our commitment and desire to enhance customer experience. The Citizen's Charter published on our website provides details of range of services offered to our customers with an overview of the marketing activities of the Corporation, policy guidelines and processes on marketing of petroleum products; it covers mandate of the Corporation, the customer rights with respect to standards, quality, time-frame for service delivery and the grievance redressal mechanism etc. These service levels are revisited from time to time and updated in line with the changing business environment / customer's expectation.

BPCL has a well-established Grievance Redressal framework in place. The Nodal officers for grievance redressal have been designated right from the Corporate Office to the State and Territory Offices in States, Union Territories and their details are available in the Citizen's Charter. In order to proactively reach out to the customers, BPCL has launched "Smart-Line", a centralized Customer Care System (CCS) portal where customers can log complaints, suggestions and feedback. The CCS provides interactive platform to the customers thru' dedicated toll-free numbers as well as web-based access to connect with BPCL and has been designed to track every interaction with inbuilt escalation matrix. In addition, an internet based Grievance Redressal Mechanism (Centralized Public Grievance Redressal & Monitoring System) of Govt. Of India helps BPCL in speedy redressal of public grievances.

BPCL does not sell and market any products that are banned or disputed. We did not have any incidents of non-compliance concerning marketing and communication raised in the reporting period. Additionally BPCL did not have pay any fines for non-compliance with laws and regulations concerning the provision and use of products and services.

Sulphur Reduction - With the improvement in the specifications of MS and HSD where Sulphur content has been reduced, the Refineries have started producing Sulphur as a by-product. This Sulphur has a purity of about 99.9 %. Sulphur is sold in molten and solid form from our Mumbai and Kochi Refineries respectively. Most of our customers use Sulphur for manufacturing Sulphuric Acid or in the manufacture of Fertilisers.

High Speed Diesel (HSD) contains contaminants like organic sulphur, nitrogen and metal compounds which contribute to increased levels of air pollution, equipment corrosion etc. The Diesel Hydrodesulphurisation (DHDS) Unit converts this sulphur in the presence of Hydrogen (H₂) to H₂S so that sulphur level in HSD is reduced to less than 100 ppm. The unit utilizes a fixed bed catalyst process to upgrade the quality of petroleum distillate fractions by decomposing the contaminants with a negligible effect on the boiling range of the feed.

QUALITY CONTROL

On the quality control side, the Refinery Quality Assurance laboratory is equipped with state-of-the art facilities and striving to achieve highest quality standards by meeting the requirements/standards of reputed external certifying agencies and accreditation bodies like National Accreditation Board for Testing and Calibration (NABL), ISO/IEC 17025, Directorate General of Civil Aviation (DGCA), Directorate General of Aeronautical Quality Assurance (DGAQA), Centre for Military Airworthiness Certification (CEMILAC) etc. The Refinery laboratory continued to perform well in the international laboratory proficiency testing scheme run by Shell Global with 97.5% rating. Mumbai refinery has a robust Integrated Management System for Quality (ISO 9001:2008), Environment (ISO 14001:2004) and Occupational Health & Safety (OHSAS 18001:2007)



Customers

At Bharat Petroleum, customers and their convenience is the epicentre of all our business operations. That is why we always develop and deliver various products and services which make things simple for our valuable customers. With the same goal, we have now introduced Smart Line (An All India Toll free service) - a single window system to listen to all queries, suggestions and feedback related to any of our offerings. It will also function as a 24x7 Emergency Helpline to provide immediate assistance. This Toll-Free number is a direct connect between our customers and field teams of BPCL.

Probably the most vital piece of business intelligence is the understanding of customer needs and expectations, and knowledge of how customers perceive and compare competitive product and service offerings. These vital customer insights provide a much clearer focus for any subsequent customer strategy and product development decision. Bringing the voice of the customer into the organization is also a powerful motivational tool for organizational change. Customer Research / Survey include the process of identifying “who will use a given product of service”, “understanding the preferences of these users”, and

“determining the levels of satisfaction”. Customer research is conducted as part of the marketing process along with product evaluation, advertising and sales promotion, and helps us to

- Identify the needs of a group of the population, (target segment), so that a product or service may be created or adjusted to meet these needs.
 - Identify the users / customers / market for a product or service
 - Determine customer satisfaction with a product or service
- The market research is conducted using a well-structured format through an independent research agency in order to gather customer responses for evaluating customer satisfaction levels. Responses are evaluated on a scale of never to always. The response of the customers would be obtained in line with the questionnaire as mentioned above. Evaluation will be done on five point scale by the customers selected at random based on the questionnaire. The weighted average marks obtained on all customer contacts made will be computed and the level of customer satisfaction rating worked out. This information cannot be disclosed due to confidentiality reasons.

BPCL introduces
SmartLine
Toll-free **1800 22 4344**
Ek Call...Sab Solve

At Bharat Petroleum, customers and their convenience is the epicentre of all our business operations. That is why we always develop and deliver various products and services which make things simple for you.

With the same goal, we have now introduced **SmartLine** - a single window system to listen to all your queries, suggestions and feedback related to any of our offerings across four marketing SBUs i.e. Retail, LPG, Lubes and IBC and will shortly be made available to Aviation and GAS SBUs. This system will also be extended to other support function in future.

We are managing more than 3000 customer interactions per day through a 70 seat call center. It also functions as a 24x7 Emergency Helpline to provide immediate assistance in case of Gas leakage. This Toll-Free number is a direct connect between our customers and field teams.

BPCL SmartLine will act as a critical link for communication with customers to provide a differential experience vis-à-vis competitors. BPCL SmartLine needs to be communicated aggressively at all levels as yet another endeavor by Bharat Petroleum in emerging lives of our customers by redressing all their queries.

The BPCL SmartLine 1800-22-4344 is expected to set a new benchmark in customer service and support amongst the OMCs and the onus lies on all of us to live up to the tagline for BPCL SmartLine - "Ek Call Sab Solve".

Pramod Sharma
Pramod Sharma
ED (Project BPCL-First)

www.bharatpetroleum.in

The first quarter showed a sudden surge in fuel purchases and consumers showed preference for petrol cars and that was reflected in the high sales in MS. The rural markets grew at almost 20% higher, while urban markets recorded growth at around 10%. With the objective of improving market penetration, BPCL commissioned 695 new retail outlets during the year out of the 2022 outlets commissioned by the oil industry as a whole. Our focus continued to put in place superior customer service standards at the retail outlets and BPCL's throughput per outlet per month remained the best, being 20% higher than the industry average.

The Pure for Sure (PFS) & Pure for Sure Platinum (PFSP) programs were taken to another level by network assurance through the

promise of purity, service and enablement through technology. It was a significant year for BPCL's ace customer centric initiatives of 'PFS' and 'PFS Platinum'. The PFS network grew to 5700 retail outlets and the 'PFS Platinum' reached a considerable network of 600 retail outlets, offering unique and unparalleled customer experience. The Pure for Sure certified retail outlets contributed to almost 75% of the total sales.

Gaining long term loyalty of our customers remained a strong strategic focus for the business. The loyalty initiatives of PetroBonus and SmartFleet enhanced the value to individual customers and Fleet Owners. The programs recorded sales to the tune of 4428 TKL sales during the year and accounted for 15.5% contribution on total fuel sales.

Keeping pace with the increasing penetration of credit and debit cards in various consumer segments, the Retail Business firmed up strategic payment facilitating alliances with HDFC Bank for increased customer convenience and to drive their customer base to our retail outlets. An alliance was signed up with HDFC for Closed User Group (CUG) for enrolment of credit customers.

As a unique initiative life insurance for the highway drivers fuelling at our outlets was introduced during the year, under this program 30200 insurance policies have been issued. This not only served the social cause but also helped us to create strong relationship with driver community.

The In&Out network of 169 stores, is the largest convenience retailing proposition at fuel stations in the country. The In & Out network spans over 1.1. lakh sq ft area, achieving a turnover of Rs. 186 crores. The millionaire stores included 51 In & Out stores having a sales of over Rs 1 million per month and 28 stores had sales in excess of Rs. 2 million per month.

Another first from BPCL was an agreement signed off with M/s Amazon Transport Service Pvt. Ltd (ATSPL) for "Pick Up" store initiative. M/s ATSPL is the Indian logistics arm of Amazon, the world's largest online retailer. BPCL clocked a total package booking of 7700 packages from its 30 Retail outlets in the first 6 months.

The business has developed the retail automation platform, aimed at leveraging technology for bringing transparency through secured and automated fuelling and payments, thereby providing superior service to the customers. The number of automated ROs in the network rose to 5657, covering almost, 50 % of the network, delivering around 75% of the total volume sold through Retail

Outlets. We also achieved compliance for Automation for Sure (AFS) at 4962 retail outlets.

Reinforcing our trust through technology amongst customers, we generated e-bills through SMSs sent to registered customers, this year almost 90 lakh SMSs were sent to customers.

There are 112 Company Owned and Company Controlled (COCO) outlets, where the customer experiences a wide array of services like Q&Q of product, service standards of 'Pure for Sure Platinum', branded fuel, 'Speed,' free air, clean toilets, assured bills, cashless and secured transactions for credit and debit cards and additional reward points on fuel purchase for Loyalty Program members.

BPCL has garnered customer confidence through assurance of quality and quantity and payment integration with fueling delivered through automation. These efforts have helped in building customer trust, customer identification and acquisition, good governance, better asset utilization, inventory management, effective outlet management and overall creating a competitive advantage .

The Industrial & Commercial SBU has taken its partnership with the Indian Army to new height by commissioning HSD, SKO and ATF tankages at Dahung in the North East, on the China border. These facilities, the biggest in the North East, include inter-alia, product tankages and lorry loading facility.

Officer Commanding-in-Chief (GOC-in-C), Eastern Command, Lt. General M. M. S. Rai, Head of the Eastern Command, along with C&MD, BPCL on 12th April, 2014. I&C SBU has also commissioned two consumer pumps in Kargil Sector at an altitude of 11000 feet. These are first such facilities commissioned in one working season viz. June – November 2014.

These were dedicated to the nation during the year by General

LUBRICANTS

MAK remained focused in providing excellent customer service at RO thru various service initiatives. These included: MAK QUIK, MAK Dispensers, Product specific campaigns, One Day wonders / Mega one day wonders etc.

Above were implemented across potential markets to leverage forecourt sales as well as improving visibility of MAK brand at RO. The bazaar channel remained extremely competitive since the secondary customers like retailers; garages etc remained open to all Lubes Marketing companies. This channel assumes greater importance for BPCL since bulk of sales are happening in secondary channel viz MPCs, ASSs, Workshops etc.



MAK
LUBRICANTS



PROJECT CUBE INITIATIVE

Project CUBE, the customer centric business transformation program, was designed to improve BPCL's business performance by connecting deeply with customers. BPCL First, an important initiative of Project CUBE, was launched on 16 August 2012, with a vision of creating a differentiation in the minds of customers and making BPCL the preferred brand.

BPCL First is the initiative for realizing BPCL's core purpose of customer centricity and operates on the principle of collaboration. In a largely undifferentiated market, collaboration and enhanced services can give us the competitive advantage. Objective is to leveraging technology through automation, transparency portal and other initiatives to further consolidate our position as the preferred choice of customers. It is delivered through the growth in Tier II and Tier III cities is aided by 'the increasing disposable income of the people that has created immense opportunities for brands. Tier II and III cities account for 24 per cent of India's households and these people have a disposable income of 23 per cent which stands at Rs 1.7 lakh crore.

Since these cities are relatively untapped, they offer greater opportunities for growth in terms of differentiation with respect to products and services. BPCL strategically has chosen to focus BPCL First initiative in major tier II/III cities. While initiative has been rolled out in 64 cities till March 2015, we propose to expand it to 100 cities by March 2016.

The objective is to concentrate the efforts at all BPCL First cities on fostering cross-business collaboration and building a sustained culture of customer centricity. In view of the feedback from the customers, we focused on improving the basics, with BPCL First. The four main areas are; Enhanced Customer Service; Improved Visibility of BPCL; Effective Complaint Redressal System; Continuous Customer Interactions:

TEAM SILIGURI REACHES OUT TO CUSTOMERS AT GREEN VIEW HOUSING COLONY, SILIGURI



BPCL SILIGURI TEAM conducted a one day "Customer Mela" at one of the renowned residential townships (Green View) in Siliguri on 15th March 2015. This was a BPCL FIRST initiative to reach out to customers and build a long-lasting relationship with them. The program was designed in a fashion to suit all age groups of people.

The program on 15th March 15 started with the address of Sri Sanjay Ekka, TC (Retail) Siliguri who welcomed all residents on behalf of BPCL & briefed about the various offerings of the day. This was followed by screening of BPCL corporate movie. A "Mela" was organized in the community hall of the society with all arrangements of display of BRAND BPCL.

For Retail, there was a display of Q&Q setup, display of PFS Platinum Retail Outlets and remote online viewing of automation. The display of all types of (MAK) products under one kiosk with all kind of general information about MAK attracted customers. There were many queries with regard to pricing vis-à-vis IOC & other players which was ably answered by Lubes Sales Officer, Joydeep Mukherjee.

ANNEXURES

Annexure 1: Material Usage breakup

| Refineries | | |
|---|---------------------|-------------|
| Type of Material | Unit of Measurement | Quantity |
| Lube Oil | kg | 35672.4 |
| Hydrochloric Acid | kg | 1653350 |
| FCCU Catalyst | kg | 728401 |
| Caustic Lye (Sodium Hydroxide) | kg | 1504872 |
| Hydrogen Peroxide | kg | 653088 |
| Bitumen Drum | kg | 3800010 |
| Indigenous Crude | kg | 5489635684 |
| Imported Crude | kg | 17687069693 |
| Methanol | kg | 11096164 |
| ISD (Intermediate Stock Difference) | kg | 57164297 |
| R-LNG (Regassified Liquefied Natural Gas) | kg | 241936370 |
| Reformate | kg | 7856868 |
| Reprocessed/Confiscated | kg | 2576965 |
| Rock Salt | kg | 322239 |
| Fresh Catalyst,CCU | kg | 858727 |
| Di Ethanol Amine | kg | 133390 |
| Amine,Neutralising | kg | 96150 |
| Anti Foulant | kg | 95307 |
| Lubricity Additive | kg | 309600 |
| Oil Recovered From Sludge | kg | 5462724.5 |
| Reprocessed Slop | kg | 1196956 |

| Retail | | |
|--|---------------------|-------------|
| Type of Material | Unit of Measurement | Quantity |
| Additives - Speed | kg | 18808.46 |
| Additives - Hi speed | kg | 3109.7 |
| Additives - Speed 97 | kg | 83090 |
| Blue Dye | kg | 39275.08 |
| Grease | kg | 3602.64 |
| ORK KETAL Corrosion Inhibitor (Ethanol Additive) | kg | 25015.37 |
| Ethanol | kg | 91994131.93 |
| Oil/Lubricant | kg | 10193.73 |

Lubes

| Type of Material | Unit of Measurement | Quantity |
|--|---------------------|----------------|
| Additives - Speed | kg | 0.00 |
| Additives - Hi speed | kg | 0.00 |
| Additives - Speed 97 | kg | 0.00 |
| Base Oil | kg | 126,672,566.26 |
| Additives (Bulk) | kg | 8,591,343.15 |
| Additives (Barrels) | kg | 5,034,557.96 |
| Dye | kg | 2,468.20 |
| SKO (For Cleaning) | kg | 5,894.00 |
| Lubricants | kg | 0.00 |
| Cotton | kg | 1,836.00 |
| Additive For Printers | kg | 343.00 |
| Metal Containers(BRLS/CASKS) | kg | 5,892,244.32 |
| HDPE / VALREREX CONTAINERS/Plastic PAILS | kg | 3,260,842.23 |
| CARTONS/CORRUGATED BOXES | kg | 2,145,878.72 |
| Plastic Containers | kg | 3,373,400.75 |
| Pouches | kg | 282,972.33 |
| HFHSD | kg | 3,265,620.00 |
| LDO | kg | 110,614.00 |

LPG

| Type of Material | Unit of Measurement | Quantity |
|--------------------------------|---------------------|------------|
| Additives - Speed | kg | 12 |
| Additives - Hi speed | kg | 0 |
| Additives - Speed 97 | kg | 0 |
| Lube Oil | kg | 945924 |
| Grease | kg | 5237.19 |
| Brown Soap | kg | 639844.5 |
| O Ring | kg | 14976.88 |
| Delrin Cap | kg | 249379.23 |
| LOT Valve | kg | 18140 |
| PVC Seal | kg | 914.73 |
| SC Valve | kg | 500189.82 |
| Teflon | kg | 945.4 |
| Safety Caps | kg | 169147.18 |
| New Cylinders Inducted-BPC 190 | kg | 1134941.5 |
| New Cylinders Inducted BPC 142 | kg | 122538336 |
| Safety Caps Salvaged | kg | 167901.23 |
| DPR | kg | 2222571.35 |
| New Cylinders Inducted-BPC 475 | kg | 922680 |

Aviation

| Type of Material | Unit of Measurement | Quantity |
|------------------|---------------------|----------|
| Lube Oil | kg | 103200 |

Annexure 2: GHG Calculation Quantification Methodology

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

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

Annexure 3: Hazardous and Non-Hazardous Waste Breakup

| Refineries | | | |
|--|-----------------------|----------------------------------|-----------------------|
| Hazardous Waste | Total weight (tonnes) | Non-Hazardous Waste | Total weight (tonnes) |
| Spent Catalyst (Includes Tk 576 BRIM Catalyst) | 345.53 | Ferrous Scrap | 3613 |
| | | Tyres | 0 |
| Spent Catalyst (Recycled And Reused) | 630.35 | Non Ferrous Scrap | 123 |
| Oily Sludge | 33.9 | Drums/Tins | 78.67 |
| Waste Transformer Oil | 38.12 | Wood Scrap | 11.3 |
| ETP Chemical Sludge | 29 | Total Non-Hazardous Waste | 3825.967 |
| Batteries/Electronic Waste | 0 | | |
| Any other spent catalyst disposed by different method except TSDF and Recycling? | 33 | | |
| Total Hazardous Waste | 1109.907 | | |

| Retail | |
|------------------------------|-----------------------|
| Hazardous Waste | Total weight (tonnes) |
| Batteries | 19.8 |
| Oil Contaminated Rags/Cotton | 1.37 |
| Sludge | 526.74 |
| Used Additive Barrels | 3.60 |
| Used Oil | 8.16 |
| Used Hand Glove | 0.77 |
| Scrap Cable | 23.56 |
| Additive Containers | 2.82 |
| Total Hazardous Waste | 586.84429 |

| Non Hazardous Waste | Total weight (tonnes) |
|----------------------------------|------------------------------|
| Ferrous Scrap | 505.06 |
| Tires | 0.69 |
| Non Ferrous Scrap | 6.99 |
| Drums/Tins | 8.62 |
| Saw Dust | 3.59 |
| Kitchen Waste | 84.85 |
| Seal Wire | 3.14 |
| Plastic Seals | 249.28 |
| Wood Scrap | 6.27 |
| Paper | 6.84 |
| Cotton | 1.64 |
| Paper Gasket | 8.94 |
| Total Non-Hazardous Waste | 885.92442 |

| LPG | |
|---------------------------------------|------------------------------|
| Hazardous Waste | Total weight (tonnes) |
| Batteries | 4.74 |
| Paint Residue/Sludge | 2.61 |
| Scrap Rubber O Ring | 408.96 |
| White /Black / Scrap Plastic | 2.77 |
| Scrap Empty Soap Drums | 25.21 |
| Scrap Electric Cables | 0.69 |
| Damaged Delrin Caps | 484.25 |
| Scrap Paint Drums 20 Lit. | 27.86 |
| Used Cotton Waste | 5.01 |
| Oil & Grease Barrels | 7.17 |
| Used / Scrapped Crushed LPG Cylinders | 1710.94 |
| Primer Sludge | 2.60 |
| SC Valve Scrap | 440.55 |
| Defective DPR | 279.87 |
| Used Additive Barrel- BCG | 8.96 |
| Total Hazardous Waste | 3412.260387 |

| Non Hazardous Waste | Total weight (tonnes) |
|----------------------------------|------------------------------|
| Wood Scrap | 5.56 |
| Used Oil | 3.83 |
| Wooden Scrap | 4.32 |
| Metal Scrap | 78.63 |
| Ferrous Scrap | 75.61 |
| Kitchen Waste | 12.63 |
| Non Ferrous Scrap | 18.12 |
| Drums/Tins | 11.99 |
| Total Non-Hazardous Waste | 210.7177 |

| Lubes | |
|---|------------------------------|
| Hazardous Waste | Total weight (tonnes) |
| Used Cotton Waste | 6.87 |
| Ows Sludge | 2.45 |
| Slop (Reused) | 193.86 |
| Slop (Generated) | 152.94 |
| Empty Barrels | 70.71 |
| Empty Containers | 51.81 |
| Saw Dust | 1.97 |
| HDPE Scrap Containers | 9.33 |
| HDPE Scrap Barrels | 0.72 |
| Total Hazardous Waste | 490.69031 |
| Non-Hazardous Waste | Total weight (tonnes) |
| Drums/Tins | 0.21 |
| Kitchen Waste | 3.93 |
| Plastic Scrap | 7.79 |
| MS Scrap | 20.52 |
| Wooden Scrap | 21.91 |
| Wood Scrap | 38.6 |
| Non Ferrous Scrap | 31.6 |
| Tyres | 0.51 |
| Total Non-Hazardous Waste | 125.08342 |
| Aviation | |
| Hazardous Waste | Total weight (tonnes) |
| Batteries | 2.04 |
| Oil Contaminated Rags/Cotton | 0.22 |
| Total Hazardous Waste | 2.26125 |
| Non-Hazardous Waste | Total weight (tonnes) |
| Ferrous Scrap | 6.71 |
| Tyres | 0.36 |
| Non Ferrous Scrap | 0.95 |
| Drums/Tins | 0.01 |
| Wood Scrap | 0.03 |
| Paper | 0.92 |
| Solid Waste(Disposed Through Municipal Lorry) | 1.76 |
| Total Non-Hazardous Waste | 4.0519 |

Annexure 4: Employee Representation in Committee's

| Mumbai Refinery | | |
|--|--|---|
| Workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs | | |
| Management | | 5 |
| Non Management | | 6 |

| Kochi Refinery | Management Employees | Non-Management Employees |
|--|-----------------------------|---------------------------------|
| Management Health Safety Security Environmnet Committee (MHSSEC) Committee | 24 | 0 |
| Joint Health Safety Security Environmnet Committee (JHSSEC) | 12 | 12 |
| Joint Safety Committee | 6 | 6 |

| Lubes | Management Employees | Non-Management Employees |
|-----------------------------------|-----------------------------|---------------------------------|
| Safety Committee | 16 | 21 |
| Station Fire Order Team Committee | 46 | 186 |
| Hindi Implementation Committee | 32 | 2 |
| Works Committee | 13 | 15 |
| Canteen Committee | 10 | 15 |
| Welfare Committee | 8 | 10 |
| Club Committee | 1 | 2 |
| Quality Circle Committee | 14 | 15 |

| LPG | Management Employees | Non-Management Employees |
|--------------------------|-----------------------------|---------------------------------|
| Canteen Committee | 125 | 193 |
| Welfare Committee | 117 | 167 |
| Club Committee | 129 | 191 |
| Safety Committee | 266 | 214 |
| Quality Circle Committee | 124 | 151 |

| Aviation | Management Employees | Non-Management Employees |
|------------------------------------|-----------------------------|---------------------------------|
| Safety Committee | 177 | 220 |
| Station Business Council Committee | 160 | 173 |
| Station Fire Order Team Committee | 107 | 143 |
| Safety Talk Committee | 173 | 231 |
| Hindi Implementation Committee | 53 | 42 |
| Works Committee | 50 | 73 |

Annexure 5: Sustainable Development Policy

Together, we strive for Sustainable Developments in line with National Policy and comply with the related regulatory norms to conserve and sustain the natural, social and biodiversity assets of ecosystem as an integral element of our Business.

Guiding Principles

- Integrate sustainability parameters into Business Plans & processes so as to enhance the environment aspects in course of our operations as appropriate.
- Aspire to go beyond compliance & other regulatory requirements to achieve Sustainability as core of business goals /

objectives.

- Enrolling all stake holders to take Sustainable Development as shared responsibility.

Commitment:

- Achieve continual improvements in the areas of air, water and soil pollution.
- Adoption of cleaner technologies & modern operational practices including recycling, recovery, reuse & their disposal procedures and standards at Workplaces.
- Review and report sustainable developments every year and strive for continuous improvements and in the process enroll our target Business Partners for sustainability and help them to

develop and implement their own sustainability initiatives.

- Monitor impact of our Business activities on the neighborhood in terms of social and socio-economic aspects on sustainable basis.

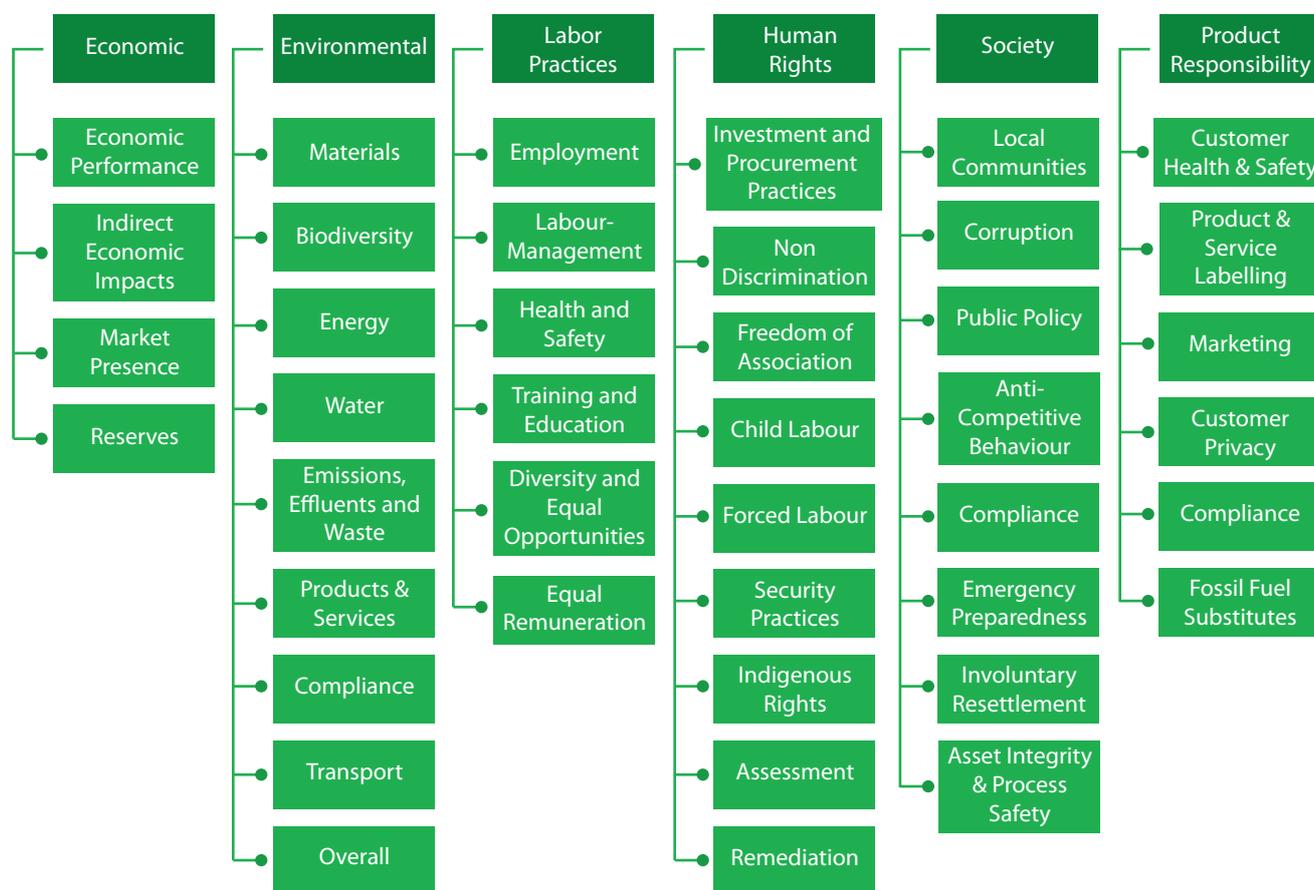
Provide means to achieve our Objectives & Targets:

- Assigning clear roles & responsibilities at all levels & periodically review & recognize contribution to the sustainability objectives.
- Allocating adequate resources.
- Periodically review the performance and take prompt action.
- Fostering a spirit of participation amongst all internal & external stake holders.
- Creating appropriate forums for deliberations.

Annexure 6: Stakeholder Engagement & Materiality

Below is a comprehensive list of all GRI G4 aspects including those mentioned in the oil and gas sector supplement have been considered in the materiality identification process. All indicators related to these aspects as per the GRI G4 guidelines have been

taken into account during the process. The outcomes of this exercise have been further described in the 'Stakeholder Engagement and Materiality' chapter.



| List of Stakeholders considered | | |
|---------------------------------|---------------------------|------------------|
| Employees | Shareholders | Academia |
| Customers | Government and Regulators | Competitors |
| Dealers and Distributors | Suppliers | Research Centers |
| NGO's | Local Communities | Ex-Employees |
| Civil Society | Media | |

GRI G4 – CONTENT INDEX

In Accordance "CORE"

Assured by KPMG

GENERAL STANDARD DISCLOSURES

| Standard Disclosure | Standard Disclosure Title | Page Numbers / Remarks | Assurance |
|---------------------|---------------------------|------------------------|-----------|
|---------------------|---------------------------|------------------------|-----------|

STRATEGY AND ANALYSIS

| | | | |
|------|--|---|---------|
| G4-1 | Statement from the most senior decision-maker of the organization. | 3 | Assured |
| G4-2 | Description of key impacts, risks, and opportunities. | 5 | Assured |

ORGANIZATIONAL PROFILE

| | | | |
|-------|---|-----------|---------|
| G4-3 | Name of the organization. | 1 | Assured |
| G4-4 | Primary brands, products, and/or services. | 10 | Assured |
| G4-5 | Location of organization's headquarters. | 1 | Assured |
| G4-6 | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report. | 11 | Assured |
| G4-7 | Nature of ownership and legal form. | 13 | Assured |
| G4-8 | Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries). | 11 | Assured |
| G4-9 | Scale of the reporting organization. | 8, 14, 25 | |
| G4-10 | Total workforce by employment type, employment contract, and region, broken down by gender. | 49,50 | |
| G4-11 | Percentage of employees covered by collective bargaining agreements. | 51 | Assured |
| G4-12 | Description of Organization's supply chain. | 30 | Assured |
| G4-13 | Significant changes during the reporting period regarding size, structure, or ownership. | 8 | Assured |
| G4-14 | Explanation of whether and how the precautionary approach or principle is addressed by the organization. | 5 | Assured |
| G4-15 | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. | 15 | Assured |
| G4-16 | Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic. | 15 | Assured |

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

| | | | |
|-------|---|--------------------------------|---------|
| G4-17 | All entities included in the organization's consolidated financial statements or equivalent documents. | 1 | Assured |
| G4-18 | Process for defining report content. | 20-23 | Assured |
| G4-19 | Identify all the material aspects in the process for defining report content | 20-23 | Assured |
| G4-20 | Report the Aspect Boundary within the organization | 20-23 | Assured |
| G4-21 | Report the Aspect Boundary outside the organization | 20-23 | Assured |
| G4-22 | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers acquisitions, change of base years/periods, nature of business, measurement methods). | No re-statement of information | Assured |

| | | | |
|-------|---|-------|---------|
| G4-23 | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. | 20-23 | Assured |
|-------|---|-------|---------|

STAKEHOLDER ENGAGEMENT

| | | | |
|-------|---|--------------------------------|---------|
| G4-17 | All entities included in the organization's consolidated financial statements or equivalent documents. | 1 | Assured |
| G4-18 | Process for defining report content. | 20-23 | Assured |
| G4-19 | Identify all the material aspects in the process for defining report content | 20-23 | Assured |
| G4-20 | Report the Aspect Boundary within the organization | 20-23 | Assured |
| G4-21 | Report the Aspect Boundary outside the organization | 20-23 | Assured |
| G4-22 | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers acquisitions, change of base years/periods, nature of business, measurement methods). | No re-statement of information | Assured |

REPORT PROFILE

| | | | |
|-------|---|----|---------|
| G4-28 | Reporting period (e.g., fiscal/calendar year) for information provided. | 1 | Assured |
| G4-29 | Date of most recent previous report (if any). | 1 | Assured |
| G4-30 | Reporting cycle (annual, biennial, etc.) | 1 | Assured |
| G4-31 | Contact point for questions regarding the report or its contents. | 1 | Assured |
| G4-32 | Table identifying the location of the Standard Disclosures in the report. | 69 | Assured |
| G4-33 | Policy and current practice with regard to seeking external assurance for the report. | 1 | Assured |

GOVERNANCE

| | | | |
|-------|--|-------|---------|
| G4-34 | Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. | 15-18 | Assured |
| G4-35 | Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees | 15-18 | Assured |
| G4-36 | Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics | 15-18 | Assured |
| G4-37 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. | 15-18 | |
| G4-38 | For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members. | 15-18 | Assured |
| G4-39 | Indicate whether the Chair of the highest governance body is also an executive officer. | 15-18 | Assured |
| G4-40 | Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity. | 15-18 | Assured |
| G4-41 | Processes in place for the highest governance body to ensure conflicts of interest are avoided. | 15-18 | Assured |
| G4-42 | The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts. | 15-18 | Assured |
| G4-43 | Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics. | 15-18 | Assured |
| G4-44 | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance. | 15-18 | Assured |
| G4-45 | Procedures of the highest governance body for overseeing the | 15-18 | Assured |

| | | | |
|-------|--|-------|---------|
| | organization's management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards. | | |
| G4-46 | Role of the highest governance body in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics. | 15-18 | Assured |
| G4-47 | The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities. | 15-18 | Assured |
| G4-48 | Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered. | 15-18 | Assured |
| G4-49 | The process for communicating critical concerns to the highest governance body. | 15-18 | Assured |
| G4-50 | The nature and total number of critical concerns communicated to the highest governance body and the mechanism(s) used to address them. | 15-18 | Assured |
| G4-51 | Report the remuneration policies for the highest governance body and senior executives covering fixed and variable pay, sign-on bonuses, termination pay, retirement benefits and also how performance criteria of these policies relate to the executives' social and environmental objectives. | 15-18 | Assured |
| G4-52 | Report the process for determining remuneration, if any remuneration consultants are employed. | 15-18 | Assured |
| G4-53 | Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable | 15-18 | Assured |
| G4-54 | Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees. | 15-18 | Assured |
| G4-55 | Report the ratio of the increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees. | 15-18 | Assured |

ETHICS AND INTEGRITY

| | | | |
|-------|---|------|---------|
| G4-56 | Organization's values, principles, standards and norms of behavior such as codes of conduct and code of ethics | 2,19 | Assured |
| G4-57 | Report the mechanisms for seeking advice on ethical and lawful behavior and matters related to organizational integrity | 19 | Assured |
| G4-58 | Report the mechanisms for seeking advice on unethical and unlawful behavior and matters related to organizational integrity | 19 | Assured |

SPECIFIC STANDARD DISCLOSURES

| Standard Disclosure | Standard Disclosure Title | Page Numbers / Remarks | Assurance |
|-------------------------------------|--|------------------------|-----------|
| CATEGORY: ECONOMIC | | | |
| ASPECT: ECONOMIC PERFORMANCE | | | |
| G4-DMA | Generic Disclosures on Management Approach | 25 | Assured |
| G4-EC1 | Direct economic value generated and distributed | 28 | Assured |
| G4-EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change | 5 | |
| G4-EC3 | Coverage of the organization's defined benefit plan obligations | 74 | Assured |
| G4-EC4 | Financial assistance received from government | 14 | Assured |

ASPECT: MARKET PRESENCE

| | | | |
|--------|---|----|---------|
| G4-DMA | Generic Disclosures on Management Approach | 57 | |
| G4-EC7 | Development and impact of infrastructure investments and services supported | 57 | Assured |
| G4-EC8 | Significant indirect economic impacts, including the extent of impacts | 57 | Assured |

ASPECT: PROCUREMENT PRACTICES

| | | | |
|--------|---|----|--|
| G4-DMA | Generic Disclosures on Management Approach | 30 | |
| G4-EC9 | Proportion of spending on local suppliers at significant locations of operation | 30 | |

CATEGORY: ENVIRONMENTAL

ASPECT: MATERIALS

| | | | |
|--------|--|---|---------|
| G4-DMA | Generic Disclosures on Management Approach | 34 | |
| G4-EN1 | Materials used by weight or volume | 68 | Assured |
| G4-EN2 | Percentage of materials used that are recycled input materials | Not Applicable. Our production process doesn't include any recycled input materials | Assured |

ASPECT: ENERGY

| | | | |
|--------|--|--|---------|
| G4-DMA | Generic Disclosures on Management Approach | 34, 35, 36 | Assured |
| G4-EN3 | Energy consumption within the organization | 40, 41 | Assured |
| G4-EN4 | Energy consumption outside of the organization | At this point in time, we do not have systems in place to calculate and report on scope 3 data. We will aim to report on the same in the coming years. | |
| G4-EN5 | Energy intensity | 40, 41 | Assured |
| G4-EN6 | Reduction of energy consumption | 39, 40 | |
| G4-EN7 | Reductions in energy requirements of products and services | 39, 40 | Assured |

ASPECT: WATER

| | | | |
|---------|---|--------|---------|
| G4-DMA | Generic Disclosures on Management Approach | 43, 44 | Assured |
| G4-EN8 | Total water withdrawal by source | 44 | Assured |
| G4-EN9 | Water sources significantly affected by withdrawal of water | 44 | Assured |
| G4-EN10 | Percentage and total volume of water recycled and reused | 44 | |

ASPECT: BIODIVERSITY

| | | | |
|---------|--|----|--|
| G4-DMA | Generic Disclosures on Management Approach | 44 | |
| G4-EN11 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 44 | |
| G4-EN12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas | 44 | |
| G4-EN13 | Habitats protected or restored | 44 | |
| G4-EN14 | Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk | 44 | |

ASPECT: EMISSIONS

| | | | |
|---------|--|---|---------|
| G4-DMA | Generic Disclosures on Management Approach | 34, 35 | |
| G4-EN15 | Direct greenhouse gas (GHG) emissions (Scope 1) | 45 | |
| G4-EN16 | Energy indirect greenhouse gas (GHG) emissions (Scope 2) | 45 | |
| G4-EN17 | Other indirect greenhouse gas (GHG) emissions (Scope 3) | BPCL does not calculate scope 3 emissions as of now. We aim to start reporting on this in 2017 - 18 | Assured |
| G4-EN18 | Greenhouse gas (GHG) emissions intensity | 45 | Assured |
| G4-EN19 | Reduction of greenhouse gas (GHG) emissions | 39 | |
| G4-EN20 | Emissions of ozone-depleting substances (ODS) | 45 | Assured |
| G4-EN21 | NOX, SOX, and other significant air emissions | 45 | |

ASPECT: EFFLUENTS AND WASTE

| | | | |
|---------|--|----------------|---------|
| G4-DMA | Generic Disclosures on Management Approach | 45 | Assured |
| G4-EN22 | Total water discharge by quality and destination | 46 | |
| G4-EN23 | Total weight of waste by type and disposal method | 76 | Assured |
| G4-EN24 | Total number and volume of significant spills | 46 | Assured |
| G4-EN25 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally | Not Applicable | Assured |
| G4-EN26 | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff | 44 | Assured |

ASPECT: PRODUCTS AND SERVICES

| | | | |
|---------|--|--------|--|
| G4-DMA | Generic Disclosures on Management Approach | 63, 64 | |
| G4-EN27 | Extent of impact mitigation of environmental impacts of products and services | 63,64 | |
| G4-EN28 | Percentage of products sold and their packaging materials that are reclaimed by category | 63,64 | |

ASPECT: COMPLIANCE

| | | | |
|---------|---|----|---------|
| G4-DMA | Generic Disclosures on Management Approach | 64 | Assured |
| G4-EN29 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations | 64 | Assured |

ASPECT: TRANSPORT

| | | | |
|---------|---|-------|--|
| G4-DMA | Generic Disclosures on Management Approach | 32,33 | |
| G4-EN30 | Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce | 32 | |

ASPECT: OVERALL

| | | | |
|---------|---|----|---------|
| G4-DMA | Generic Disclosures on Management Approach | 46 | Assured |
| G4-EN31 | Total environmental protection expenditures and investments by type | 46 | Assured |

ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT

| | | | |
|---------|---|--------|--|
| G4-DMA | Generic Disclosures on Management Approach | 30, 31 | |
| G4-EN32 | Percentage of new suppliers that were screened using environmental criteria | 30,31 | |
| G4-EN33 | Significant actual and potential negative environmental impacts in the supply chain and actions taken | 30,31 | |

ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS

| | | | |
|---------|---|-------|--|
| G4-DMA | Generic Disclosures on Management Approach | 30,31 | |
| G4-EN34 | Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms | 30,31 | |

CATEGORY: SOCIAL**SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK****ASPECT: EMPLOYMENT**

| | | | |
|--------|---|----------|---------|
| G4-DMA | Generic Disclosures on Management Approach | 47,48 | Assured |
| G4-LA1 | Total number and rates of new employee hires and employee turnover by age group, gender and region | 49,50,51 | |
| G4-LA2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation | 52 | Assured |
| G4-LA3 | Return to work and retention rates after parental leave, by gender | 50 | Assured |

ASPECT: LABOR/MANAGEMENT RELATIONS

| | | | |
|--------|--|----|---------|
| G4-DMA | Generic Disclosures on Management Approach | 51 | Assured |
| G4-LA4 | Minimum notice periods regarding operational changes, including whether these are specified in collective agreements | 51 | Assured |

ASPECT: OCCUPATIONAL HEALTH AND SAFETY

| | | | |
|--------|--|-------|---------|
| G4-DMA | Generic Disclosures on Management Approach | 53 | Assured |
| G4-LA5 | 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 | 77 | |
| G4-LA6 | 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 | 55 | Assured |
| G4-LA7 | Workers with high incidence or high risk of diseases related to their occupation | 55,56 | Assured |
| G4-LA8 | Health and safety topics covered in formal agreements with trade unions | 51 | |

ASPECT: TRAINING AND EDUCATION

| | | | |
|---------|---|-------|---------|
| G4-DMA | Generic Disclosures on Management Approach | 48 | Assured |
| G4-LA9 | Average hours of training per year per employee by gender, and by employee category | 50,51 | Assured |
| G4-LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings | 47,48 | Assured |
| G4-LA11 | Percentage of employees receiving regular performance and career development reviews, by gender and by employee category | 48 | Assured |

ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

| | | | |
|---------|--|----|--|
| G4-DMA | Generic Disclosures on Management Approach | 52 | |
| G4-LA12 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity | 50 | |

ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN

| | | | |
|---------|--|----|--|
| G4-DMA | Generic Disclosures on Management Approach | 51 | |
| G4-LA13 | Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation | 51 | |

ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES

| | | | |
|---------|---|-------|--|
| G4-DMA | Generic Disclosures on Management Approach | 30,31 | |
| G4-LA14 | Percentage of new suppliers that were screened using labor practices criteria | 30,31 | |
| G4-LA15 | Significant actual and potential negative impacts for labor practices in the supply chain and actions taken | 30,31 | |

ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS

| | | | |
|---------|---|----|---------|
| G4-DMA | Generic Disclosures on Management Approach | 49 | |
| G4-LA16 | Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms | 49 | Assured |

SUB-CATEGORY: HUMAN RIGHTS**ASPECT: INVESTMENT**

| | | | |
|--------|---|----|--|
| G4-DMA | Generic Disclosures on Management Approach | 52 | |
| G4-HR1 | Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | 52 | |
| G4-HR2 | Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained | 52 | |

ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN

| | | | |
|--------|---|----|--|
| G4-DMA | Generic Disclosures on Management Approach | 52 | |
| G4-HR1 | Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | 52 | |
| G4-HR2 | Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained | 52 | |

ASPECT: NON-DISCRIMINATION

| | | | |
|--------|--|----|--|
| G4-DMA | Generic Disclosures on Management Approach | 52 | |
| G4-HR3 | Total number of incidents of discrimination and corrective actions taken | 52 | |

ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

| | | | |
|--------|--|----|---------|
| G4-DMA | Generic Disclosures on Management Approach | 51 | Assured |
| G4-HR4 | Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights | 51 | Assured |

ASPECT: CHILD LABOR

| | | | |
|--------|---|----|--|
| G4-DMA | Generic Disclosures on Management Approach | 51 | |
| G4-HR5 | Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor | 51 | |

ASPECT: FORCED OR COMPULSORY LABOR

| | | | |
|--------|--|----|--|
| G4-DMA | Generic Disclosures on Management Approach | 51 | |
| G4-HR6 | Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor | 51 | |

| ASPECT: SECURITY PRACTICES | | | |
|--|--|----------------|---------|
| G4-DMA | Generic Disclosures on Management Approach | Not Applicable | |
| G4-HR7 | Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations | Not Applicable | |
| ASPECT: INDIGENOUS RIGHTS | | | |
| G4-DMA | Generic Disclosures on Management Approach | 15 | |
| G4-HR8 | Total number of incidents of violations involving rights of indigenous peoples and actions taken | 52 | Assured |
| ASPECT: ASSESSMENT | | | |
| G4-DMA | Generic Disclosures on Management Approach | 52 | |
| G4-HR9 | Total number and percentage of operations that have been subject to human rights reviews or impact assessments | 52 | |
| ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT | | | |
| G4-DMA | Generic Disclosures on Management Approach | 52 | |
| G4-HR10 | Percentage of new suppliers that were screened using human rights criteria | 52 | |
| G4-HR11 | Significant actual and potential negative human rights impacts in the supply chain and actions taken | 52 | |
| ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS | | | |
| G4-DMA | Generic Disclosures on Management Approach | 52 | |
| G4-HR12 | Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms | 52 | |
| SUB-CATEGORY: SOCIETY | | | |
| ASPECT: LOCAL COMMUNITIES | | | |
| G4-DMA | Generic Disclosures on Management Approach | 79 | Assured |
| G4-SO1 | Percentage of operations with implemented local community engagement, impact assessments, and development programs | 57 | Assured |
| G4-SO2 | Operations with significant actual and potential negative impacts on local communities | 57 | Assured |
| ASPECT: ANTI-CORRUPTION | | | |
| G4-DMA | Generic Disclosures on Management Approach | 24 | Assured |
| G4-SO3 | Total number and percentage of operations assessed for risks related to corruption and the significant risks identified | 24 | Assured |
| G4-SO4 | Communication and training on anti-corruption policies and procedures | 24 | Assured |
| G4-SO5 | Confirmed incidents of corruption and actions taken | 24 | Assured |
| ASPECT: PUBLIC POLICY | | | |
| G4-DMA | Generic Disclosures on Management Approach | 57 | |
| G4-SO6 | Total value of political contributions by country and recipient/beneficiary | 57 | Assured |
| ASPECT: ANTI-COMPETITIVE BEHAVIOR | | | |
| G4-DMA | Generic Disclosures on Management Approach | 24 | Assured |
| G4-SO7 | Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes | 24 | Assured |
| ASPECT: COMPLIANCE | | | |
| G4-DMA | Generic Disclosures on Management Approach | 24 | Assured |
| G4-SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations | 24 | Assured |

ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY

| | | | |
|---------|--|-------|--|
| G4-DMA | Generic Disclosures on Management Approach | 30,31 | |
| G4-SO9 | Percentage of new suppliers that were screened using criteria for impacts on society | 30,31 | |
| G4-SO10 | Significant actual and potential negative impacts on society in the supply chain and actions taken | 30,31 | |

ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY

| | | | |
|---------|--|----|--|
| G4-DMA | Generic Disclosures on Management Approach | 57 | |
| G4-SO11 | Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms | 57 | |

SUB-CATEGORY: PRODUCT RESPONSIBILITY**ASPECT: CUSTOMER HEALTH AND SAFETY**

| | | | |
|--------|---|-------|---------|
| G4-DMA | Generic Disclosures on Management Approach | 63,64 | |
| G4-PR1 | Percentage of significant product and service categories for which health and safety impacts are assessed for improvement | 63,64 | |
| G4-PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes | 63,64 | Assured |

ASPECT: PRODUCT AND SERVICE LABELING

| | | | |
|--------|---|-------|---------|
| G4-DMA | Generic Disclosures on Management Approach | 63,64 | Assured |
| G4-PR3 | Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements | 63,65 | Assured |
| G4-PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes | 63,66 | Assured |
| G4-PR5 | Results of surveys measuring customer satisfaction | 63,67 | Assured |

ASPECT: MARKETING COMMUNICATIONS

| | | | |
|--------|--|-------|---------|
| G4-DMA | Generic Disclosures on Management Approach | 63,64 | Assured |
| G4-PR6 | Sale of banned or disputed products | 63,65 | Assured |
| G4-PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes | 63,66 | Assured |

ASPECT: CUSTOMER PRIVACY

| | | | |
|--------|---|-------|--|
| G4-DMA | Generic Disclosures on Management Approach | 63,64 | |
| G4-PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data | 63,65 | |

ASPECT: COMPLIANCE

| | | | |
|--------|--|-------|---------|
| G4-DMA | Generic Disclosures on Management Approach | 63,64 | Assured |
| G4-PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services | 63,65 | Assured |

Oil and Gas Sector Supplement Indicators

| | | | |
|------|---|---|---------|
| OG1 | Volume and Type of estimated proved reserves and production | "BPCL does not own any reserves in the country" | |
| OG2 | Total Amount invested in renewable energy | 39 | |
| OG3 | Total Amount of renewable energy generated by source | 42 | |
| OG4 | Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored | 44 | |
| OG5 | Volume and disposal of formation or produced water | Out of boundary. Not Applicable | |
| OG6 | Volume of flared and vented hydrocarbon | 46 | |
| OG7 | Amount of drilling waste and strategies for treatment and disposal | Not Applicable to BPCL | |
| OG8 | Benzene, Lead and Sulfur content in fuels | 63,64 | |
| OG9 | Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place | 15 | |
| OG10 | Number and description of significant disputes with local communities and indigenous people | 52 | |
| OG11 | Number of sites that have been decommissioned and that sites that are in the process of being decommissioned | None of our sites are being decommissioned or were in the process of being decommissioned during the reporting period | |
| OG12 | Operations where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process | BPCL was not involved in any resettlement of households in the reporting period | Assured |
| OG13 | Number of process safety events, by business activity | 54 | Assured |
| OG14 | Volume of biofuels produced and purchased meeting sustainability criteria | 63 | Assured |



KPMG (Registered)
Lodha Excelus
1st Floor, Apollo Mills Compound
N. M. Joshi Marg
Mahalakshmi
Mumbai - 400 011
India

Telephone +91(22) 3989 6000
Fax +91(22) 3090 2511
Internet www.kpmg.com/in

Independent Assurance Statement on Bharat Petroleum Corporation Limited's 2014-15 Sustainable Development Report

KPMG was engaged by Bharat Petroleum Corporation Limited ('BPCL' or 'the Company') to provide assurance on its Sustainable Development Report ('the Report') for the financial year 2014-15.

What was included in the scope of our assurance engagement?

The scope of assurance includes sustainability data and information, based on Global Reporting Initiative (GRI) G4 Guidelines, presented by BPCL in the report for the period 01 April 2014 to 31 March 2015.

Which assurance standards and guidelines did we use?

We conducted the assurance in accordance with-

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

How we maintained our independence?

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

KPMG, an Indian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International") a Swiss entity.

What were the limitations in conducting the assurance?

Our assurance process was subject to the following limitations:

- The limited assurance is provided on the data and information related to BPCL's performance across environmental and social indicators for the period 01 April 2014 to 31 March 2015 as presented in the report.
- Data and information not covered in scope of work or outside this reporting period was not subject to any verification.
- Any statement indicating intention, opinion, belief and / or aspiration by BPCL was excluded from the scope of assurance.
- The assurance process does not include verification of financial performance indicators that were sourced from BPCL's 2014-15 annual report.

What did we do to arrive at conclusions and observations?

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

- Visit to the following sample locations of BPCL:
 - Refineries (Kochi, Mumbai)
 - LPG bottling plants (Bangalore, Nashik, Uran, Piyala)
 - Lubes (Wadibunder, Budge-Budge)
 - Retail (Bijwasan, Budge-Budge, Devangonhi, Piyala)
 - Aviation (Kolkatta)
 - Corporate Office (Mumbai)
- Interaction with BPCL's Senior management and Health, Safety, Security and Environment personnel at the Corporate Office and the sample locations selected for site visit.
- Review of the stakeholder consultation processes and the methodology used for determining the material issues.
- Evaluation of the existence and operation of the systems and methods used to collect, process and aggregate the performance data at sample locations selected for site visit.
- Testing the reliability of underlying data and information for the performance data within the scope of our assurance on a sample basis.

What are our conclusions?

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

- Principle of Inclusivity (AA1000AS: 2008): – BPCL has engaged with its employees, shareholders, customers, government, dealers, distributors, suppliers, vendors, communities and NGOs in order to assess and address their expectations and concerns. The stakeholder engagement may be further refined to get specific concerns from the stakeholders on Sustainability context explicitly.
- Principle of Materiality (AA1000AS: 2008): The methodology of materiality determination used for the report uses the perspective of senior management from various functions of the company with inputs from the stakeholder engagement process. It is recommended that BPCL further strengthens the processes of materiality assessment aligning stakeholder's concerns including that in supply chain.
- Principle of Responsiveness (AA1000AS: 2008): The Report does not specifically bring out mid and long term targets with respect to the identified material issues.
- Although no systematic or material errors have been detected in the disclosed data, some of the data inaccuracies identified during the verification process were attributable to transcription, interpretation and aggregation errors and the errors have been corrected. BPCL to focus on developing robust data protocols for improving data consistency, reliability and accuracy.

On the basis of our scope of review and methodology, nothing has come to our attention that causes us not to believe that the report meets the 'In accordance – Core' criteria of GRI G4 Guidelines.

What were the other key observations?

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

- During the reporting period, company has taken futuristic targets to start reporting on the supply chain disclosures and biodiversity related disclosures from 2017-18 onwards.
- The company may consider extending the boundaries of its sustainability report in the near future to include entities covered in the consolidated financial statement. For E.g. Subsidiaries
- There is a need to strengthen management of hazardous waste and water with respect to compliance level, across BPCL's locations.
- The company has an online tool to capture and monitor the data on sustainability performance, but typographical and interpretation errors remain a concern during the verification process. The company may institute internal auditing process to improve the data reliability.

How are the responsibilities assigned?

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

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



Santhosh Jayaram
Director
KPMG, India
Date: 04 September 2015



GLOSSARY

| | | | |
|----------|--|--------|---|
| AFS | Aviation Fuelling Station | IPIECA | International Petroleum Industry Environmental Conservation Association |
| API | American Petroleum Institute | | |
| ASSOCHAM | Associate Chambers of Commerce and Industry | IREP | Integrated Refinery Expansion Project |
| | | JV | Joint Venture |
| ATF | Aviation Turbine Fuel | KL | Kilo Litre |
| BMCG | Bharat Metal Cutting Gas | KR | Kochi Refinery |
| BPCL | Bharat Petroleum Corporation Limited | LED | Light Emitting Diode |
| BPLC | Bharat Petroleum Learning Centre | LPG | Liquefied Petroleum Gas |
| BPRL | Bharat Petro Resources Ltd | MMBTU | Million British Thermal Unit |
| BPRL | Bharat Renewable Energy Limited | MMTPA | Million Metric Tonnes per Annum |
| BRR | Business Responsibility Report | MoP&NG | Ministry of Petroleum and Natural Gas |
| CAL | Computer Assisted Learning | MOU | Memorandum of Understanding |
| CDU | Crude Distillation Unit | MR | Mumbai Refinery |
| CFC | Chlorofluorocarbon | MS | MS Motor Spirit |
| CII | Confederation of Indian Industry | MSE | Micro and Small Enterprises |
| C&MD | Chairman and Managing Director | MTO | Mineral Turpentine Oil |
| CSR | Corporate Social Responsibility | NGO | Non-Governmental Organisation |
| CUBE | Customer Understanding for Business Excellence | NRL | Numaligarh Refinery Limited |
| | | NSC | National Safety Council |
| DPE | Department of Public Enterprises | NVG | National Voluntary Guidelines |
| E&P | Exploration & Planning | ODS | Ozone Depleting Substance |
| ED | Executive Director | PPM | Parts Per Million |
| ERP | Enterprise Resource Planning | PRISM | Performance Related Incentive Scheme for Management Staff |
| ESE | Employee Satisfaction Enhancement | | |
| ETP | Effluent Treatment Plant | PSU | Public Sector Undertaking |
| FICCI | Federation of Indian Chambers of Commerce and Industry | QPR | Quarterly Performance Reviews |
| | | R&D | Research and Development |
| FO | Fuel Oil | RBI | Risk based Investigations |
| GHG | Green House Gas | RLNG | Regasified Liquefied Natural Gas |
| GJ | GigaJoule | SBU | Strategic Business Unit |
| GRI | Global Reporting Initiative | SDR | Sustainable Development Report |
| HSD | High Speed Diesel | SEBI | Securities and Exchange Board of India |
| HSE | Health, Safety and Environment | SME | Small and Medium Enterprises |
| HSSE | Health, Safety, Security and Environment | UV | Ultra Violet |
| IOCL | Indian Oil Corporation Limited | | |

ACKNOWLEDGEMENT: A MESSAGE FROM THE HSSE TEAM

We hope you have had an enlightening read!

As one of the largest Oil and Gas Companies in the country, we believe that we have strength and the responsibility to create positive differences in the lives of our customers, communities and the future we share. It's an important balancing act that drives us to provide affordable and reliable clean energy.

Our mission in embracing our work in sustainable fuelling is backed by our committed and strong work force of 12,000 plus individuals. The senior management of our company lead the way and engrain these efforts in our way of working at BPCL. The Corporate HSSE team at BPCL has put in their efforts in compiling this report and we would like to take this opportunity to thank all our internal and external stakeholders who have assisted us throughout this process. We would also like to thank Ms. Marianne Karmarkar for her contribution and support during the preparation of this report.

We always strive to improve our disclosures regarding our social and environmental performance and impact on all our stakeholder groups. Should you wish to provide any feedback on our reporting please do write in to us and we will take your feedback into consideration.



CHAIRMAN'S OFFICE

BHARAT BHAVAN,
4 AND 6 CURRIMBHOY ROAD,
BALLARD ESTATE,
MUMBAI 400001,
INDIA

TEL NO.:

+91-22-22713000,
+91-22-22714000

<http://www.bharatpetroleum.in>



Printed on Recycled Paper