

Chennai Petroleum Corporation Limited

UN Global Compact 2012-13

During the year 1999, UN Secretary-General launched the 'Global Compact' calling upon corporate leaders to align their business practices according to the principles of the Compact. The Global Compact has 10 principles, which encompass the areas of Human Rights, Labour, Environment and Anti-corruption. These 10 principles have been derived from various UN Declarations and conventions, viz. the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment & Development and the United Nations Convention against Corruption.

Communication on Progress (CoP) for 2012-13

The 10 principles of Global Compact are mentioned below:

- 1. Business should support and respect the protection of internationally proclaimed human rights.**
- 2. Make sure that businesses are not complicit in human rights abuses.**
- 3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.**
- 4. Elimination of all forms of forced and compulsory labour.**
- 5. Effective abolition of child labour.**
- 6. Elimination of discrimination in respect of employment and occupation.**
- 7. Business should support a precautionary approach to environmental challenges.**
- 8. Undertake initiatives to promote greater environmental responsibility.**
- 9. Encourage the development and diffusion of environmentally friendly technologies.**
- 10. Businesses should work against all forms of corruption, including extortion and bribery.**

1. Business should Support and Respect the Protection of Internationally Proclaimed Human Rights

CPCL conforms to human rights principles and ensures that no violation occurs in its vicinity. CPCL is an equal opportunity employer and believes in fostering an environment of equality at the workplace and ensures recognition of the equal and inalienable rights. In this direction, CPCL has carried out the following activities :-

i) Employee Engagement Survey:

In order to promote good Organisational Climate, CPCL conducted the Employee Engagement survey during the year 2012-13. The most significant aspect of the present survey of CPCL is that it is a repeat study of the one carried out four years ago in 2008-09. The survey was conducted through online for all officers and workmen (in grade III and above). The level of employee engagement, in general, was found to be high order among the Officers and Workmen. The areas of improvements, further needed, have been identified through this Study and actions are being initiated to achieve higher standards of employee engagement.

ii) Communication meeting:

The top executives of CPCL regularly interact with the employees. This is reinforced by holding structured meetings between Managing Director and Functional Directors with Officers at all levels. During the year 2012-13, five such communication meetings were conducted.

iii) Corporate Social Responsibility:

CPCL always renders exemplary service in addressing the human rights issues through various services to the local community. An amount of ₹199.43 lakhs was spent on various CSR activities for the benefit of community around Refineries at Manali and CBR, Nagapattinam. Some of the services rendered to the community are listed below:

- In order to ensure Cataract free zone of Manali area, quality Eye Care programmes were in association with renowned Eye Care Institution, Sankara Nethralaya, Chennai. Around 1200 people were screened and about 80 Cataract Surgeries were carried out.
- Eye Care Camps was also conducted for the benefit of people living in and around Sooranur village in Nagapattinam. About 200 people were benefited.

- Conducted 4 General Medical Camps in association with various hospitals and around 1000 people were benefitted.
- Community Health Centre was continued to be run by CPCL in Muttam village, near Nagapattinam. About 15,000 village people were benefitted under this scheme.
- Donated various items like Braille Watches, Walking Sticks & Spectacles to Blind people. Tricycle, Wheel Chairs, Mobile Tea Stalls, Hearing Aids, Artificial Limbs etc. were distributed to differently abled people for their livelihood.
- Constructed toilets in various schools at Kavarapettai, Thiruvellavoyal and at Nagapattinam.
- Constructed 25 Individual Household Latrine (IHHL) for the villagers at Nagapattinam.
- Provided drinking water facilities at various schools that are located around Manali and Nagapattinam. This facility was extended to TN Blind association at Tondiarpet and to Annal Ambedkar Anbalaya Trust at Choolai. 1500 students (apprx.) were benefitted from these schemes.
- Provided drinking water facility to 9 village schools near CBR.

iv) Health promotion activities:

Various health promoting activities were carried out by the Occupational Health Center (OHS) of CPCL. Few are listed below:

- As part of World Heart Day celebration, an Echo Cardiogram Screening was done for the benefit of employees and around 540 employees were screened.
- Osteoporosis (BMD) Screening program was conducted in association with Bone and Joint hospital, Chennai benefiting 740 employees.
- 11 programs were organized in order to promote wellness and create awareness of illness for the employees and their dependents.
- Yoga and Meditation program was organized for the employees to manage their stress level.

- Calorie Assessment of the food served in the CPCL canteen for the employees was carried out in coordination with a Nutrition specialist from Sundaram Medical Foundation.
- Services of Specialists in Cardiology, Diabetology and Industrial counseling were provided to employees and employee family members to strengthen physical as well as mental health.
- A voluntary blood donation camp was arranged at OHS in coordination with Blood bank of Govt. General Hospital, Chennai wherein nearly 80 persons (employees, contractors and trainees) donated blood for the good of the society.

v. Other Activities Carried Out:

i. Observance of Anti-Terrorism day:

"Anti-Terrorism Day" is observed on 21st May every year with the objective of weaning away people, particularly the youth, from terrorism and cult of violence by highlighting the suffering of the common people and to show how violence is prejudicial to the national interest. The employees working in different locations within the Refinery premises were administered the Anti-Terrorism Pledge on 21.05.2012.

ii. Observance of Goodwill Day (Sadbhavana Diwas)

Goodwill Day (Sadbhavana Diwas) is observed on 20th August every year. The purpose of observing Goodwill Day is to eschew violence and to promote Goodwill among the people of all religion, language and region. The employees working in different locations within the Refinery premises were administered the Goodwill Day Pledge collectively on 17.08.12.

2. Make sure that Businesses are not complicit in Human Right Abuses

Activities undertaken to accomplish the above objectives are :

(i) Observance of National Integration Week (Quami Ekta Week):

CPCL makes best possible efforts to maintain communal harmony inside the company through Inculcation of strong internal value system with greater understanding of human nature. CPCL observed National Integration week from 19th to 25th November 2012. Number of activities were carried out for fostering patriotism and national integration irrespective of their religion, language and region.

(ii) Prohibition of Sexual Harassment of Women

In CPCL, necessary provisions have been made in Standing Orders for Workmen and Conduct, Discipline and Appeal rules for Officers to deal with the sexual harassment of women employees in workplace. In accordance with the above provision, a complaints committee has been constituted to deal with the complaints of the women employees. There has not been any complaint during the year.

3. Freedom of Association and the Right of Collective Bargaining

Right to associate is respected in CPCL and all the employees, except Senior Management Personnel, are covered by collective bargaining agreement. Collectives in CPCL are encouraged to bargain on issues of common interest and sign long term settlements for salaries & allowances, promotion policy for Workmen etc., Moreover, CPCL ensures participative work culture by including employee representatives (collectives) in Committees like PF Trust, Area Safety, Canteen Management, etc. and Cross Functional Teams (CFTs). Due to the positive relationship with the collectives, and the constructive dialogue with the Unions, Long Term Settlement under sections 18 (1) and 12 (3) of the Industrial Disputes Act 1947 on the revision of pay and allowances for workmen was signed between the Management and the Unions. Leaders of the Company engage with employees/collectives through Structured Meetings. During the year 2012-13, 16 structured meetings were held with the collectives.

4. Elimination of all forms of Forced and Compulsory Labour

CPCL believes in voluntary labour and during the reporting year no instance of forced, compulsory or bonded labour came to light. There is a dedicated Contract Labour Management Cell to ensure compliance with the provisions of various Contract Labour Legislations. In CPCL, utmost care is being given for the coverage of the contractor's workmen under Provident Fund, Employees State Insurance and payment of minimum wages.

5. Abolition of Child Labour

CPCL strictly adheres and firmly support abolition of child labour. The Company through its Contract Labour Management Cell, ensures that no child labourers are engaged in the Company. The General Conditions of Contract (GCC) of the Company also have a clause that the contractor shall not engage minors. Further, CPCL prescribes minimum age limit for regular employment / contract labour as 18 years.

6. Elimination of Discrimination in respect of employment and occupation.

In CPCL, no discrimination is shown in pay remuneration, providing social security benefits, occupational safety and health to the employees based on gender, community, caste, religion, region or race.

CPCL, has put in place policies for the following :

- Recruitment, training and advancement of employees at all levels.
- Promotion of employees which is linked into desired performance in the area of employment.
- Recruitment and promotion of employees are carried out as per the principles stipulated under the Presidential Directives.
- Pay and Allowance for workmen are settled through collective bargaining.
- Seniority list of Officers is displayed in the Company Intranet in order to provide a transparent mechanism within the Organisation.

7. Businesses should support a precautionary approach to Environmental challenges.

The following precautionary approach to environmental challenges is adopted.

a. Liquid effluents

Reprocessing and reuse of Refinery effluent and city sewage is adopted in CPCL. The liquid effluent generated in the refinery and City sewage purchased from Chennai Metro Water Supply & Sewage Board (CMWSSB) is recycled with the use of the following clean technologies :

- Oil (free & emulsified) removal by American Petroleum Institute (API), Tilted Plate Interceptor (TPI) separators, Dissolved Air Floatation (DAF) unit.
- Bio-Chemical Oxygen Demand (BOD) removal by Activated sludge process and attached film process.
- Removal of bacteria by Chlorination.
- Removal of suspended solids by Multi media Filter.
- Removal of Colloidal particles by use of ultra filtration Technology.
- Removal of Dissolved solids by use of Reverse Osmosis Technology.

b. Solid waste management

Oily sludge

The following clean technologies are adopted in CPCL for solid waste management :

- In-situ chemical treatment in crude oil storage tanks to reduce sludge volume from crude oil tanks.
- Use of Hydrogen peroxide in Effluent Treatment Plant (ETP) to reduce chemical sludge generation from ETPs.

Other solid wastes

Common Treatment, Storage and Disposal Facility (TSDF) has been created by Industrial Waste Management Association (IWMA) with the approval of Tamilnadu Pollution Control Board (TNPCB) at Gummidipoondi. CPCL has taken membership and obtained approval from TNPCB for disposal in TSDF. During the year 2012-13 apart from disposal of 129 MT to authorized recyclers, 289 MT of solid waste have been disposed in Tamilnadu Waste Management Limited (TNWML) site Gummidipoondi.

c. Air Pollution

The following steps have been taken by CPCL by way of adoption of clean technologies to combat air pollution :

- Use of low sulfur Fuel for reduction of Sulfur-di-Oxide (SO₂) emission
- Use of Low-Nox burners and De-Nox facilities to reduce Nox emission (Oxides of Nitrogen).
- Provision of double seal in floating roof tanks to reduce VOC (Volatile Organic Compound) emission.
- Continuous Stack emission monitoring in heaters and boilers.
- 7 numbers of Ambient Air quality monitoring stations.
- Commissioning of Mobile Continuous Air Monitoring station.
- Use of GPS/GIS for air quality monitoring.
- Fugitive emission inventory and repair for reduction.
- Green House Gas (GHG) Emission survey.

8. Undertake initiatives to promote greater environmental responsibility

The following initiatives have been undertaken to promote greater environmental responsibility :

- ◆ Linking of Continuous Air Monitoring station with TNPCB for data transfer.
- ◆ Additional Continuous stack monitoring facility in Propane Deasphalting heater.
- ◆ Implementation of the following energy conservation measures to reduce CO₂ emission:
 - a) Eight schemes were taken up in 2012 – 13 which resulted in energy saving to the extent of 9300 MT of fuel corresponding to Rs 27 Cr.
 1. Pre-heat improvement in Crude units.
 2. Shut down of old Hydrogen reformer unit.
 3. Shut down of Kerosene Hydro Treater and treating ATF in Merox unit.
 4. Overhauling and improvements (based on NTPC recommendations) carried out in Boiler.
 5. Rectification of steam trap systems.
 6. Rectification of steam leaks.
 7. Reduction in power export.
 8. Modification in internal stream routing.

9. **Encourage the development and diffusion of environmentally friendly technologies**

The following actions have been taken for development of environmentally friendly technologies:

S.No.	Action Point
1	Water Environment
1.1	Maximize Recycle
1.2	Provision of facilities for disposing RO reject water in sea
1.3	Consistency in Effluent quality as per New Minimum National Standards (MINAS). New Tilted Plate Interceptor (TPI), Dissolved Air Floatation (DAF), Diffusion Aeration Tank and Pressure Sand Filters & Activated Carbon Filters have been commissioned in ETP-2.
1.4	Desalination Plant CPCL operates the 5.8 Million Gallons per Day (MGD) (26.367 Million Litres per Day (MLD) Reverse Osmosis (RO) based Desalination Plant at Kattupalli Village, Ponneri Taluk, Tiruvallur District. During the year 2012-13, this plant has produced significant quantity of water to meet the water requirement of CPCL without much dependence on City's Metro Water supply.
2	Air Environment
2.1	Linking AAQM/CSM (Continuous Stack Monitoring) with TNPCB (one AAQM/CSM station already linked thro' internet)
2.2	Conversion of open surge ponds to closed tanks in ETP
2.3	Plans are already afoot for use on Natural gas in place of Low sulfur fuel oil.
2.4	VOC Emission Control <ul style="list-style-type: none"> • Fugitive Emission survey had been carried out for Ref-1,2 & 3, Off-site area and ETPs. • Provision of Dome Roof tanks for Naphtha tanks with Nitrogen Blanketing.
3.0	Solid Waste Management
4.0	Bio-diesel R&D studies have been carried out on co-processing of vegetable oil in Diesel Hydro-treating unit. The process is proposed to be commercialized in collaboration with IOC R&D.
5.0	Solar Energy: Provided solar powered street lights of 1 KW; planned to put up 10 KW in 2013-14

10. **Businesses should work against corruption in all forms, including extortion and bribery**

Implementation of Integrity Pact (IP)

With an objective to ensure complete transparency in contracts and procurements, Chennai Petroleum Corporation Limited (CPCL) has implemented Integrity Pact. The integrity pact binds the Company and its suppliers / contractors to ethical conducts in contracts and implementation of projects.

Mr.M.Raman, I.A.S.,(Retd) former Secretary to Govt of India and Mr. Justice K.Govindarajan, Retd., Judge of the Hon'ble High Court of Madras are the Independent External Monitors (IEMs), approved by Central Vigilance Commission, for the implementation of the Integrity Pact in CPCL. IEMs, in the presence of Directors and Senior Executives, reviewed IP contracts during the periodical review meetings.

As a familiarization and confidence building measure, for a wider and realistic compliance of the principles of IP and to increase the awareness an interactive session was organised with vendors, contractors and service providers during the observance of Vigilance Awareness Week in Nov. 2012. During the interaction, IEMs shared their experiences and got feedback from them. Directors and Senior Executives were also present during the interaction.

Preventive Vigilance

CPCL actively focuses on preventive vigilance efforts, which comprise of systems improvement studies, leveraging of information technology, monitoring and updation of Works / Tender Procedure Manuals and imparting training to employees on vigilance matters. As part of leveraging technology initiatives, CPCL displays all tender documents on its website for encouraging greater participation of vendors/contractors. As a part of leveraging of technology and better transparency, E-tendering has been started. More than 99% bills are paid through e-payment system to enable direct payment to their bank accounts and to avoid delays. Updation of website is being done to make it more informative, interactive and improve vigilance administration in the company. Online vigilance clearance system for employees, who need such clearances on many activities like obtaining Passport, undertaking visits abroad etc., is also in place.
