

Chennai Petroleum Corporation Limited

UN Global Compact 2013-14

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 2013-14

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 upholds human rights both in the workplace and also within its sphere of influence. In order to ensure the same the following activities were carried out in CPCL during the year 2013-14:

i) Communication meeting:

With an objective to update the employees about the current business environment and challenges, the Managing Director and the Directors of the Company organized two communication meetings with Officers and four Department level communications meetings with employees were conducted. Employees were encouraged to give suggestion on how to respond to these challenges.

ii) Corporate Social Responsibility:

CPCL firmly believes that Corporate Social Responsibility is one of its important functions to support sustainable development of the society and make significant contribution to Nation building. CPCL spent Rs.101.38 lakhs during the year 2013-14 towards various Corporate Social Responsibility and Sustainable Development activities for the benefit of community around the Refineries at Manali and Cauvery Basin, Nagapattinam. Some of these services are detailed below:

- Three community health centers near Manali and one Community Centre in Nagapattinam were supported by CPCL for providing primary and preventive health care to poor people.
- Eight General Medical Camps and one Eye Care Camp in association with various hospitals were conducted, benefitting 1800 people.
- Cataract Surgeries were performed for ten poor people, which helped them to regain their vision.
- Through "Mobile Science Lab Education Programme (MSLEP)", CPCL helped many rural students to understand the science subject in much easier way. In 2013-14, this mobile van visited 90 schools located near Cauvery Basin Refinery and 20,758 Students and 565 Teachers were benefitted.
- As part of Skill Development Programme under Corporate Social Responsibility Activity, CPCL sponsored 100 unemployed youth from Below Poverty Line (BPL) families in Nagapattinam area for job oriented

skill training on "Computer Accounting and Fundamentals". On completion of the training programme, 82 Students obtained placement offers.

- CPCL sponsored eight weeks "Home Management Course", for 20 Visually challenged Students, that helped them to lead an independent life at home and also in other places.
- Under the Education scheme, CPCL has taken up various effective initiatives like Sponsorship of Free Tuition Programme and providing School Bags, Books, Uniforms etc. to poor students. In addition, CPCL distributed Merit Scholarships to 1198 meritorious students at nearby 23 Educational Institutions covering Government / Panchayat / Municipality Schools (II Std. to XII Std.), ITI and Polytechnic Colleges.
- Under the Environment Protection Scheme, CPCL installed and commissioned 10 KW ON GRID Solar Photo Voltaic System at CPCL Polytechnic College, Manali, Chennai.
- CPCL provided a toilet facility at Government High School, Kattur to improve sanitation.

iii) Health promotion activities:

Some of the health promoting activities that were carried out by the Occupational Health Center (OHS) during the year are given below :

- Lecture session for the employees on the topic "Pain and Posture".
- Program on "Stress Management".
- Program on "The art of practicing Yoga and Meditation".
- A study on the effect of exposure to organic solvents in the refinery work environment.
- Screening for Osteoporosis and general well being for employees and their dependents.

IV. Other Activities Carried Out:

i. Observance of Anti-Terrorism day:

"Anti-Terrorism Day" is being 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 highlight how it is prejudicial to the national interest. The employees

working in different locations within the Refinery premises had administered the Anti-Terrorism Pledge on 21.05.2013.

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 had administered the Goodwill Day Pledge collectively on 20.08.13.

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

CPCL gives utmost importance to the Communal Harmony among employees. The following activities are carried out for creating a harmonious atmosphere in the Company:

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

CPCL strives to maintain communal harmony inside the company through inculcation of strong internal value system with greater understanding of human nature. Towards this, CPCL observed National Integration week - from 19th to 25th November 2013. Number of activities were carried out for fostering patriotism and national integration despite their religion, language and region.

(ii) Prohibition of Sexual Harassment of Women

CPCL firmly believes that women employees play a pivotal role in the Organisational growth. Women empowerment through conduct of training programmes in Technical / Development / Functional areas was accorded top priority. International Women's Day 2014 was celebrated on 7th of March 2014 with the theme "Inspiring change". Further, 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 the complaints of the women employees. There was no complaint with regard to sexual harassment during the year.

3. Freedom of Association and Right to Collective Bargaining

CPCL respects and guarantees freedom of association. Collectives in CPCL are encouraged to bargain on issues of common interest. Leaders of the Company interact with employees/collectives through Structured Meetings. During the year 2013-14, 10 structured meetings were held with the collectives. Further, in order to help the Office Bearers and Committee

members of the collectives to understand about the present Economic condition of the Company, and to obtain their suggestions for the organizational growth, a two days Program on Refinery Economics was conducted for them. 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).

4. Elimination of all forms of Forced and Compulsory Labour

During the year, no instance of forced, compulsory or bonded labour was reported. There is a separate Contract Labour Management Cell to comply 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. Effective abolition of Child Labour

CPCL complies with the laws related to child labour in manufacturing industries and ensures that no child labour is engaged by the contractors in all areas of refinery operations and administration. The Contract Labour Management Cell through continuous scrutiny ensures that all stipulations are adhered to by the contractors. The General Contract Conditions (GCC) of the company comprises the clause on prohibition of child labour usage which prevents the contractors to use minors in their works. In addition, CPCL also stipulated the minimum age limit for direct employment and contractor labour as 18 years.

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

CPCL ensures that there is no discrimination on the basis of caste, colour, gender, religion or region while offering employment, providing growth opportunities and development. The company strictly adheres to the principle of equal wage for equal work. CPCL also provides equal opportunity to women employees in Career growth and in assigning responsibilities.

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

The details of precautionary approach to environmental challenges adopted by CPCL is as under :

a. Liquid effluents

The liquid effluent from the refinery and City sewage purchased from Chennai Metro Water Supply & Sewage Board (CMWSSB) is recycled with 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

CPCL utilizes the following clean technologies 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) was 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 2013-14 apart from disposal of 20 MT to authorized recyclers, 325 MT of solid waste has been disposed in Tamilnadu Waste Management Limited (TNWML) site Gummidipoondi.

c. Air pollution

The following steps have been taken by CPCL 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 emissions. (Oxides of Nitrogen)
- Provision of double seal in floating roof tanks to reduce Volatile Organic Compound (VOC) emissions.
- Continuous Stack emission monitoring in Heaters and Boilers
- Operation of seven numbers of Ambient Air quality monitoring stations and one Mobile Continuous Air Monitoring station.
- Use of GPS/GIS for air quality monitoring has been completed
- Green House Gas (GHG) Emission survey completed for 2013-14

8. Undertake initiatives to promote greater environmental responsibility

The following initiatives were undertaken to promote greater environmental responsibility :

- ◆ Linking of Continuous Air Monitoring station with TNPCB for data transfer.
- ◆ Implementation of Energy conservation measures , which resulted in energy saving to the extent of 9840 MT of fuel oil equivalent :
 - Diesel Hydro Treater (DHDT) off-gas Hydrogen Recovery.
 - Operation of low pressure DHDT.
 - Efficiency improvement in Cogen Boiler-3 by implementing recommendation of NTPC.
 - Refinery III Steam trap Management.
 - OHCU Hydrocom step-less capacity control of make-up gas compressor.

9. Encourage the development and diffusion of environmentally friendly technologies

The following action plan has been drawn for development of environmentally friendly technologies:

S.No.	Action Point
1	Water Environment
1.1	Revamp of SRP-1 biological section for improvement in feed quality to enhance the useful life of UF membranes
1.2	Coagulation /adsorption bench scale studies for Refinery effluent to improve treated water quality
1.3	Catalytic wet air oxidation using Activated carbon catalyst bench scale studies for spent caustic and sour water
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 2013-14, this plant produced significant quantity of water to meet the water requirement of CPCL.
2	Air Environment
2.1	Linking CSM (Continuous Stack Monitoring) with TNPCB (one CSM station already linked thro' internet)
2.2	VOC Emission Control <ul style="list-style-type: none"> • VOC adsorption system commissioned in ETP-2 • LDAR program completed for 2013 -14
3.0	Land Environment
3.1	Solid Waste Management Provision of Sheds for chemical sludge pit and spent catalyst storage
3.2	Provision of Rain water Harvesting for 12 buildings
4.0	Solar Energy: Provided 10KW solar power generation system in 2013-14.

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

Implementation of Integrity Pact

To ensure complete transparency in contracts and procurements, CPCL has implemented Integrity Pact, which binds the Company and its Suppliers / Contractors to ethical conduct in contracts and implementation of projects.

Mr.M.Raman, I.A.S.,(Retd) former Secretary to Govt of India and Dr. N. Sundaradevan, I.A.S. (Retd.),Ex-Additional Chief Secretary, Govt of Tamilnadu, are the Independent External Monitors (IEMs), approved by the Central Vigilance Commission, for the implementation of the Integrity Pact in CPCL. IEMs review IP contracts during the periodical meetings.

An interactive session was organised with vendors, contractors and service providers, who signed IP with CPCL, during the observance of Vigilance Awareness Week in Nov 2013. During the interaction, IEMs shared their experiences and obtained feedback from the stakeholders.

Preventive Vigilance

As part of preventive vigilance efforts, CPCL focuses on systems improvement, leveraging of information technology and imparting periodical vigilance awareness training to employees. As part of leveraging technology initiatives, CPCL displays all tender documents on its website for encouraging greater participation of vendors/contractors and to offer equal opportunity to all bidders. As a part of leveraging of technology and to improve transparency in procurement and contracts, E-tendering has been put in place. More than 99% bills are paid through e-payment system to enable direct payment to bank accounts of vendors/contractors to avoid delays in payment. Online vigilance clearance system has been introduced for employees. CPCL website is being updated regularly to make it more informative, interactive and improve vigilance administration in the company.
