

Chennai Petroleum Corporation Limited

UN Global Compact 2014-15

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 2014-15

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 order to ensure the same the following activities were done in CPCL during the year 2014-15:

i) Communication meeting:

With an objective to update the employees about the current business environment and challenges, two Department level communications meetings with employees were conducted, wherein our Managing Director and Functional Directors were also present. Employees were encouraged to give suggestions on how to respond to the 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. An amount of ₹116.58 lakhs was spent during the year 2014-15 on various CSR&SD Project / initiatives focusing on Health, Education, Infrastructure, Sanitation and Renewal Energy for the benefit of cross section of stake holders around the Refineries at Manali and CBR, Nagapattinam. Some of these services are detailed below:

- CPCL had set up three Community Health Centres around Manali Refinery (Manali, Periyasekkadu, Thirunillai) and one Community Health Centre at Muttam near Cauvery Basin Refinery (CBR), Nagapattinam.
- Assistance extended for implementation of Government sponsored National Pulse Polio Programme.
- Eye camp was conducted for the Contract workmen.
- CPCL distributed 1066 Merit Scholarships to students studying in 27 educational institutions of Government / Panchayat / Municipality Educational Institutions, CPCL and other Polytechnic Colleges/ ITI located around Manali & Nagapattinam Refineries.
- CPCL constructed a Community Hall for the benefit of people living in Vadakudi Village near Cauvery Basin Refinery.

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:

The purpose of Occupational Health Services (OHS) at CPCL is to protect and promote the health of all employees. In addition to the regular activities, the OHS Centre at Manali carried out the following activities.

- Organisation of lecture for the employees on the topic "Pain and Posture"
- Radiation awareness program for employees of Manali and CBR.
- Three programs on yoga and meditation for the employees of Manali and CBR.
- Monthly cardiology clinic by Cardiology specialist and diabetic clinic by diabetologist.

iv. Other Activities Carried Out:

• 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 21.05.2014.

• 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 20.08.14.

2. Make sure that businesses are not complicit in human rights 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 2014. 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 practices zero tolerance towards sexual harassment of women. It is pertinent to note that we had no instances of sexual harassment in past ten years. A complaints Committee to inquire into the complaints made about the instances of sexual harassment as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, is present in CPCL.

3. Business should uphold the freedom of association and the effective recognition of the 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 2014-15, 11 structured meetings were held with the collectives.

Two communication meetings with Office Bearers of Union and Officers Association were held. Further, as a measure to have cordial industrial climate MD / Directors / HR Official had seven meetings with the Office Bearers of Union and Officers Association on various occasions.

As a result, the Memorandum of Settlement under section 18 (1) and 2 (p) of the Industrial Disputes Act 1947 on work related Allowance/facilities, Cafeteria approach and on Career Progression Policy for workmen was signed between Management and recognized union.

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. Business should support a precautionary approach to environmental challenges.

The details of precautionary approach to environmental challenges adopted by CPCL are 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 2014-15 apart from disposal of 71 MT to authorized recyclers, 57 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.
- Continuous operation of VOC adsorption system in ETP -2
- Green House Gas (GHG) Emission survey completed for 2014-15

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 12500 MT of fuel oil equivalent
- Fluidized Catalytic Cracker (FCCU) Oxygen enrichment: Oxygen rich stream from N_2/O_2 plant was utilized in FCCU resulting in stopping of one auxiliary air compressor.
- Utilization of Hydrogen from Diesel Hydro Treater (DHDT) unit in wax Hydrofinishing unit.
- Utilization of Hydrogen- rich, off-gas from Catalytic Reforming unit in Hydrocracker & DHDT.
- Refinery Steam trap Management.
- Operation of Hydrocracker fractionator at low pressure.

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 Sewage Reclamation Plant -1(SRP-1) biological section for improvement in feed quality to enhance the useful life of Ultra Filtration membranes
1.2	Based on bench scale studies on Coagulation /adsorption investment proposal framed up for improving Refinery effluent treated water quality
1.3	Bench scale studies for treatment of spent caustic and sour water through Catalytic wet air oxidation using Activated carbon catalyst completed. Pilot plant proposal initiated.
2	Air Environment
2.1	VOC Emission Control LDAR program completed for 2014 -15
3.0	Land Environment
3.1	Solid Waste Management :Provision of Sheds for chemical sludge pit and spent catalyst storage – investment proposal under approval
3.2	Provision of Additional Rain water Harvesting for 12 buildings

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

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.

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 2014. During the interaction, IEMs shared their experiences and obtained feedback from the stakeholders.

Further to the above the threshold limit for the Contracts covered under the Integrity Pact has been decreased from the present level of Rs 5 crores to Rs 2 Crores., to increase the number of contracts under the pact.
