

BONGAIGAON REFINERY & PETROCHEMICALS LIMITED
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UNITED NATIONS' GLOBAL COMPACT PROGRAMME

COMMUNICATION ON PROGRESS (COP)

Statement of Managing Director of Bongaigaon Refinery & Petrochemicals Limited on continued support to UNITED NATIONS' GLOBAL COMPACT PROGRAMME

Bongaigaon Refinery & Petrochemicals Limited (BRPL), a group company of Indian Oil Corporation Limited (IndianOil) is committed to the United Nations' Global Impact Programme.

BRPL is continuously making efforts for advancement of the ten principles of Global Compact through its policies, processes and actions. Many of the principles of the Global Compact are reflected in the Vision & Mission Statement of the Company as well as in the Company's Code of Conduct.

As recognition to the efforts, the company has received some prestigious awards in the field Safety, Environment, Energy Conservation, etc. during 2007, Viz:

- ☞ National Safety Award for 2006 for achieving "Lowest Average Frequency Rates of Accident;
- ☞ National Safety Award for 2006 for achieving "Accident Free Year for highest number of man-hours"
- ☞ "Prashansa Patra" award from the National Safety Council of India (NSCI) for safety performance during the year 2006
- ☞ "Oil & Gas Conservation Award-2007: First prize" for achieving the lowest "Steam Leaks" amongst all the refineries in the country.
- ☞ "Greentech Environment Excellence Gold Award- 2007" in Petroleum Refinery Sector for outstanding achievement in Environment Management.

BRPL achieved continuous Loss Time Accident (LTA) free period of 2,228 days, which is equivalent to 24.538 million man-hours as on 31-03-08

BRPL's performance on each principle of Global Compact is also available on Company's website www.brplindia.com uplinked to UNGC website.

(A K Sarmah)
Managing Director

BRPL as a participant of UN Global Compact is committed to the ten principles of Global Compact in the areas of human rights, labour standard, environment and anti-corruption. Company's Vision and Mission statements support many of the principles of Global Compact. The Vision and Mission Statements can be seen in our website www.brplindia.com. Actions taken by BRPL in support of its commitment are highlighted below:

Human Rights: Principle - 1

Business should support & respect the protection of internationally proclaimed human rights

BRPL respects internationally proclaimed human rights, the Constitution of India and have framed its policies upholding the dignity of its employees.

The company's policies have been meticulously laid down in the personnel manual and all employees have access to it. The company's personnel policies have been framed taking into consideration the respect of human rights of employees, the Constitution of India, labour laws, Factories Act etc.

Every citizen of India has an equal right to seek employment in the Company irrespective of his religion, race, caste, sex, etc.

BRPL is committed to providing equal opportunities including those for with disability and our policy has provision for recruitment of those with disabilities as per Government of India guidelines.

BRPL has a Women Cell and Scheduled Tribes / Scheduled Caste (ST/SC) cell incorporated as per Government of India guidelines to monitor and protect the interest of the women employees and scheduled tribes/ caste employees respectively.

BRPL gives utmost importance to concerns of employees, customers, surrounding community and investors and work towards resolution of their concerns.

Human Rights: Principle - 2

Businesses should make sure they are not complicit in human right abuse:

BRPL supports fundamental human rights and condemns human right abuses in all forms & manner.

There has been no instance of the company having abused human rights in any manner.

BRPL expects its Contractors, suppliers and business partners to work imbibing human right principles and applicable regulations. BRPL incorporates these principles as part of the conditions of contract in its contracts and monitors compliance by contractors with emphasis on minimum wages, working hours and contribution for the contractor's staff to social security schemes like provident fund & ESIC schemes.

Labour Standards: Principle - 3

Businesses should uphold the freedom of Association and effective recognition of the right to collective bargaining:

BRPL respects the right of its employees to form unions & associations.

The following mission statement reflects this commitment:

'To form trust, teamwork and openness among all employees and value their ideas'

The views of unions & association are taken on all relevant issues. Representatives from the union & Association are members of various shop floor committees besides being members of Provident fund trust & Gratuity fund trust.

Periodical meetings are held regularly with representatives of the union & Association to apprise them of on-going corporate activities and to address their concerns.

Every employee of BRPL has the right of self-determination and he can freely determine his social & cultural development. Employees are free to form and join any associations, trade unions of his or her choice.

Labour Standards: Principle - 4

The business should uphold the elimination of all forms of forced and compulsory labour.

BRPL does not employ forced and compulsory labour

BRPL ensures that all contractors under its operational control follow human right ethics and regulations like Contract Labour act, Factories Act, Minimum wages act, etc.

Compliance by the contractor is monitored by witnessing & certifying salary payments of contract staffs by BRPL representative. The contract payments are also subject to compliance of social security schemes like ESIC and provident fund for the contractor's staff.

Labour Standards: Principle - 5

Businesses should uphold the effective abolition of child labor:

The minimum age for recruitment in BRPL is 18 years and no person below this age can be employed ensuring that child labor is not employed in BRPL.

BRPL ensures during the contractor's staff verification process that contractor under its operational control employ no person below the age of 18.

Labour Standards: Principle - 6

Business should uphold the elimination of discrimination in respect of employment and occupation

BRPL follows the principle of equal opportunity in employment regardless of gender, race, religion, etc. The recruitment of staff is through local employment exchanges and the recruitment of officers is held at all India level.

BRPL follows Government of India guidelines for recruitment of weaker sections of the society like the scheduled caste (SC) / scheduled tribes (ST) / Other Backward Classes (OBC) and physically challenged people.

BRPL has a transparent recruitment policy and recruitment is based on defined set of skills, qualification and experience.

There is a uniform set of rules mentioned in 'The Personal Policy' of BRPL, which applies equally to all employees.

Environment: Principle - 7

Business should support a precautionary approach to environmental changes

BRPL is committed to sustainable and inclusive development, as stated in our mission statement as ***'To preserve ecological balance and thereby ensure sustainable development through strong environment principles'***.

We carry out Environment Impact Assessment (EIA) covering impact of new project to the bio-diversity and the surrounding social environment before a project is started or a new project is set up in the existing facilities. The impact mitigation measures identified are executed in the project and controls identified are made part of the operation control measures & procedures.

Before starting a new project, Rapid Risk Assessment (RRA) covering the effect of the project in case of occurrence of failure incidents, its effect on the bio-diversity and the surroundings is carried out. The impact mitigation measures identified are executed in the project and controls identified are made part of the operation control measures and disaster mitigation plans.

BRPL received two environmental clearances from the Ministry of Environment & Forest for two of its major projects in record time.

BRPL is committed to the prevention of incidents like fires and accidents, which are a risk to people, the environment and our facilities. Our HSE standards and disaster mitigation plans are reviewed periodically to systematically reduce HSE risks.

We are committed to the compliance of law, standards and procedures.

The emergency response plans and disaster management plans are tested regularly so that damage can be minimized in the event of an incident. We investigate serious incidents and near misses so that we can learn from them and help prevent similar incidents in the future.

BRPL has introduced an award scheme in 2007 to encourage near miss incident reporting and all reports are investigated to develop preventive measures.

Our commitment to safety performance is reflected by our continuing record of the longest 'Lost Time Accident free period' in the industry. We take pride in this record and are committed to continue with it with a higher sense of operational vigilance and better HSE practices.

For our safety performance BRPL was awarded the following National Safety Award – 2006.

- Winner for achieving lowest average frequency rate
- Runner up for achieving lost time accident free year.



BRPL was awarded with the “Prashansa Patra” award by the National Safety Council of India (NSCI) for its safety performance during the year 2006. The award was presented by Shri Oscar Fernandes, Hon’ble Minister of State for Labour & Employment, Government of India on 8th January, 2008 in Mumbai.

We require contractors within our operational control to manage HSE in line with our HSE standards. BRPL provides mandatory training on HSE aspects to the workers of contractors within our operational control. Refreshers training on HSE aspects are

conducted regularly for employees, contract staff and transporters. We are also quick to intervene in any unsafe or non-compliant situations by the contractors under our control.

The health of employees is regularly monitored for occupational diseases. BRPL also provides free medical facilities & treatment to the employees and their families.

BRPL's HSE management systems and all facilities are regularly audited by international certifying agency.

Our plants and units are regularly audited under the Oil sector specific standards like OISD.

All our units and activities are also audited and certified by external agencies for compliance to International standards like ISO 9000: 2000, ISO: 14001 and OHSAS 18000.

BRPL is conscious of the emissions from its own operations and is committed to improve refinery efficiency through operational changes & improvements. Our commitment towards this is reflected by a sustained reduction in Fuel & Loss from refining operations.

BRPL received the "Oil & Gas Conservation Award-2007 : First prize" for achieving the lowest "Steam Leaks" amongst all the refineries in the country.

The award was presented to BRPL by Shri Murli Deora, Hon'ble Minister of Petroleum & Natural Gas during the 'Refinery Technology Meet' held on 20th. September, 2007 at Thiruvanthapuram



The use of reusing treated effluent is gradually increasing and the present level of reuse is 95% resulting in reduction of fresh water consumption for operational activities.

We continue to manage our emissions well below the prescribed national limits. During execution of new projects we are implementing environmental friendly technologies to meet stricter emission standards.

Environment: Principle - 8

Business should undertake initiatives to promote greater environment responsibility:

BRPL encourages local suppliers and contractors, as it believes that it is the most sustainable way to encourage development in the neighborhood. We encourage the local and outside contractors we work with to hire and develop local staff.

BRPL is committed towards the development of the surrounding area near its facilities and is involved in a host of community development programmes

BRPL believes that to achieve sustainable development all inclusive growth and eradication of poverty is essential. About 0.75% of our operating profits are earmarked towards our corporate social responsibilities. The programs that we extend support are in the area of education, community health, drinking water & sanitation, generation of self employment opportunities, afforestation and environment protection. Some of the social support programmes and schemes that we are actively involved are:

- BRPL has instituted Scholarship Scheme for deserving and meritorious SC/ST pursuing studies in Engineering, Medical, Nursing and Post Graduate courses in Agriculture and Business Administration. The Company has also introduced Post Matric Scholarship scheme for Higher Secondary Schools in Rural Areas
- The Company is implementing Adult Education Programme to improve the literacy rate amongst the SC/ST communities in the adjoining villages.
- The Company is extending financial assistance for installation of pucca ring wells and tube wells for clean drinking water in schools & public places of the nearby villages
- The Company has set up a Rural Health Centre in its vicinity which provides free primary medical services, medicines and immunization to the nearby population.
- The Company provides financial assistance for organizing medical health check up camps/health awareness programmes, free eye camps in the surrounding areas.
- The Company provides financial assistance for tree plantation programme and protection of banks of the nearby river from soil erosion. The Company has provided financial assistance to the educated unemployed ST youth for rubber, mulberry, banana and patchouli plantation.

- The people residing in the surrounding villages of BRPL Complex belong mostly to tribal communities and are dependent on agriculture. The Company has repaired the gully control projects for irrigation purposes covering large area of cultivable land benefiting farmers of the neighboring villages. Minor dams / over flow gates have also been constructed for maintaining the water level for irrigation purpose. The company is also distributing shallow tube pump sets and sprayer and weeder machines to the local farmers for irrigation /agriculture purpose.
- The Company imparts training to local women weavers of the adjoining villages for improving their skills/familiarization for the use of Polyester Yarn at BRPL's Weaving Demonstration Centre for self-employment under the Handloom Skill Up-Gradation Scheme.
- The Company has provided financial assistance to the Tribal Women Handloom Cooperative Societies for construction of weaving centres in the nearby villages. These societies in turn provide self-employment and income generation avenues to the economically weaker sections of SC/ST women of the region.
- The Company has extended financial assistance to SC/ST villages for development of infrastructure facilities like - approach roads, culverts, bridges, drinking water facilities, drainage systems, sanitation, schools, community halls, clubs & libraries, etc.
- The Company is extending financial assistance for construction of community halls in the neighbouring areas. The Company has given financial assistance for construction of a mini Auditorium at Kajalgaon for promoting the cultural activities. Apart from the above, financial assistance has also been provided for construction of Indoor Stadium at Bongaigaon and Kokrajhar.
- The Company organizes coaching camps in football for boys and volleyball for girl students of the neighbouring schools and also sponsors the sports tournaments. Sports items are distributed to schools and village sports clubs from time to time.
- The Company organizes Entrepreneurship Development Training Programmes from time to time to the skills of local SC/ST unemployed youth for self employment and establishing rural industries. The Company had also imparting training on tailoring, knitting, embroidery to unemployed SC/ST youth and distributed knitting, embroidery and sewing machines to them for self employment and income generation.
- BRPL donated a tractor and trailer to Bongaigaon Municipality for keeping the town clean.
- 110 Nos. of improved Chullas were distributed to the villagers for conservation of fuel/fire wood.
- Sodium Vapor Lights were provided to Bongaigaon Municipality for proper lighting in the streets of Bongaigon Town.
- Financial assistance was provided for construction of 3 nos. of passengers waiting sheds in the nearby locality.
- The company provided financial assistance for development of the Dhaligaon market wherein local tribal women are selling vegetables for their livelihood.

- Financial assistance was provided to the Bongaigaon Municipality for Construction of Shed in Chilarai Fish Market at Bongaigaon town.
- BRPL provided financial assistance for development of Ecological Park at Bongaigaon.

Environment: Principle - 9

Business should encourage the development and diffusion of environment friendly technologies.

BRPL is one of the pioneering companies in India in implementation of clean fuels. ***We were the first refinery in the country to produce lead free petrol (Motor Spirit).***

Our performances have been benchmarked by Shell Global Solutions and we are ranked in either the 1st or 2nd tercile in most of the KPI's.

We closed a Kerosene Treating unit in June, 2003, which used Sulphur-dioxide as a solvent in the process, thereby eliminating an environmental risk and health hazard.

As part of the clean fuel technologies BRPL is implementing a Diesel Hydro treatment (DHDT) project with a capital investment of Rs. 1,430 Crores for meeting Euro-III/ IV specifications for diesel fuel. A Motor Spirit Quality upgradation project for meeting the clean fuel specifications is under finalization.

An INDMAX unit is also being set up to convert the low value residues into high value LPG & Motor Spirit.

BRPL is implementing a flare gas recovery system as part of its continuing endeavor to reduce emission and improve its fuel and loss

Anti-corruption: Principle - 10

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

BRPL believes that corruption is a major hindrance to sustainable development & growth and is corrosive to the society.

BRPL conducts training programmes and seminars on vigilance awareness on a regular basis

BRPL is committed to carry out our business in an ethical manner. Our commitment is reflected in our mission statement as ***'To imbibe ethics in work and businesses'***.

Our employees have to conduct themselves as per a Conduct, Discipline and Appeal rule. The Board members also conduct their responsibilities as per a Code of Conduct, copy of which is available on our website.

To prevent corruption, BRPL encourages reporting of incidences and information on procedure for reporting of corrupt practices is displayed prominently at the entrance to its facilities.

BRPL as a responsible citizen is committed to continue its efforts to adopt & imbibe the principles of Global Compact.