



Commitment to Global Compact : Communication on Progress at Indian Oil Corporation Limited

Indian Oil Corporation Ltd. is committed to the ten principles of Global Compact promulgated by United Nations. This is evident from the various policies pursued by the company. Our Vision statement itself addresses Principle 7, 8 & 9 of Global Compact.

Indian Oil Corporation's

V I S I O N

**A major, diversified,
transnational, integrated
energy company, with national
leadership and a strong
environment conscience, playing a
national role in oil security &
public distribution**

Global Compact Principles addressed in our M I S S I O N statement:

- To foster a culture of participation and innovation for employee growth and contribution.
- To cultivate high standards of business ethics and Total Quality Management for a strong corporate identity and brand equity.
- To help enrich quality of life of the community and preserve ecological balance and heritage through a strong environment conscience.

During the year 2005-06, the organization initiated the following actions in support of our commitment :

1. Support and respect the protection of internationally proclaimed human rights –

- The Organisation continued subscribing to internationally proclaimed human rights.

- Despite dealing with hazardous processes/ products, the company has endeavoured to protect human lives by deploying state-of-the-art technology.
- Regular maintenance of equipment is taken up for safety & security of the employees and the inhabitants living in the surrounding areas. The organization actively carries out Mock Drills at various sites in order to familiarize employees with the steps they should take in the event of fire. Exhaustive Disaster Control Plans have been developed at each major location, which has the approval of the concerned District Authorities.

Besides, the organisation also conducts various training programmes pertaining to Safety, Health and Environment such as Lay Off Protection Analysis, Hazardous Waste Management and Environment Protection, First Aid etc.

- The organisation also conducted numerous Medical and Health camps during the year. An expenditure of about Rs.2961.69 lakh is spent on Medical, Health and Environment.

2. Ensure that the organization is not complicit in human rights abuses

IndianOil conforms to human rights principles and has ensured that no violation has occurred during the year.

- The organization has an approved policy for handling grievances of employees and customers. Issues raised by other stakeholders such as Contractors, Dealers, Vendors and surrounding villagers and public are also attended promptly.
- It also shares information on different issues under the 'Right to Information Act' with various interested parties and stake holders.
- The company continued to impart training on Gender Sensitivity to employees to create a conducive working environment.

3. Upholding the freedom of association and effective recognition of the right to collective bargaining

Freedom of association is available to all 30048 employees. The organization has established policies and practices through which the collectives exercise the freedom of collective bargaining on issues of common interest and sign Long Term Settlements for salaries, wages and perks. A copy of the Conduct, Discipline and Appeal Rules, 1980 was circulated to all concerned employees.

- During the year the organization had initiated nine meetings with the Officers Association representatives and numerous meetings with representatives of 21 recognized unions.
- The company also signed a Memorandum of Understanding pertaining to Modification of Leave Rules and Modification of Rehabilitation Option under the Superannuation Benefit Fund Scheme with the recognised unions during this period.
- The organization also proactively shared details of performance, growth strategies and business plans with the collectives by way of 4 Communication Meetings, which were web cast live to major IndianOil Offices spread over the country.
- The Chairman also communicates with all the employees through a monthly bulletin called 'Straight Talk'. Using this soft medium, the Chairman also solicits use of employees since he accesses all his e-mails and replies to each personally.
- Similarly, Directors of each Division write to employees of the Division through columns of Divisional Journals and interact with them freely during Open Forums held during their many visits to various locations of the company.

4. Organisation supports the elimination of all forms of forced and compulsory labour

The Company believes in voluntary labour and during the year no instance of forced/ compulsory or bonded labour has come to light.

- There are in-built provisions in the company policy for ensuring payment of minimum wages, Provident Fund and coverage of contract labour under Employees State Insurance Scheme, Workmen's Compensation Act etc.. The organization has made it compulsory for the contractors to cover their respective contract labour under accident insurance. The payment to various contractors is made subject to their fulfilling the aforementioned conditions besides other statutory obligations.
- From time to time the organization also conducts surprise checks and audits to monitor timely and correct payment to contract labour.

5. The organization supports effective abolition of child labour

- The organization has prescribed the minimum age limit of 18 years for employment/contract labour.
- It does not buy products / services from industries deploying child labour.

6. Organisation promotes elimination of discrimination in respect of employment

IndianOil is an equal opportunity employer.

- There is no discrimination for employment /growth on the basis of caste, colour, gender, religion or region
- One of the largest employers of Women in the public sector - 7.71% women employees as on 31.3.2006
- Govt. instructions on Scheduled Caste, Scheduled Tribe, Other Backward Classes & Physically Challenged Persons followed scrupulously
- Organisation provides equal opportunity for training and development to different strata of employees. It has been steadily deputing them for trainings outside the organization and has won maximum number of laurels for Women Developments. Last year it earned the National Petroleum Management Programme's Best Enterprise Award for Women Development.



Hon'ble Minister for Petroleum & Natural Gas presenting the award to Shri Sarthak Behuria, Chairman, IndianOil & Mrs. Manjusha Bhatnagar, Chief Manager(IS)

- The company is proud to mention that it encouraged two of its executives to compete for top positions in the forum of professional women at national level called the Forum of Women in Public Sector (WIPS), which functions under aegis of Standing Conference on Public Enterprises

(SCOPE) comprising of members from 89 PSUs. Resultantly, Ms. Manjusha Bhatnagar, Chief Manager (Information System) was unanimously elected as General Secretary of WIPS and Ms. Rachel Mathews, Chief Manager (Internal Audit) as President of Southern Chapter of WIPS.

7. The organization adopts a precautionary approach to Environmental Challenges

- Despite dealing with hazardous material /processes /products, the organization has been using technology that minimizes environmental impact, promoting quality products that reduce pollution as well as promoting research for environment protection.
- IndianOil's R&D identified by MOP&NG as Nodal Agency to take up Hydrogen research programme



Research vehicles at R&D Center running on Hydrogen-CNG blended fuel

- All our refineries, entire pipelines network & large no. of the Retail Outlets have Environment Management Systems accredited to ISO-14001
- Fully comply with the prescribed Minimal National Standards (MINAS) and other environmental standards.
- Development of green belts and ecological parks - an integral part of our functioning.
- Ensures safety during transportation/storage/use of products.
- The organisation is subjected to energy/environment audits by the Govt. agencies.

- Ensured good health of employees with regular health check up and neighbouring communities
- Workshops held for housewives educating them about 'Safe use of LPG'. Took up distribution of condoms for truck drivers through our Retail Outlets as also reading material on 'Aids prevention'

8. The organization initiates promotion of greater environmental responsibility

- Organisation has deployed advanced state of the art technology in all its Refinery Units and Marketing & Pipeline Installations.
- 100% Compliance to stringent norms for effluents & emissions. Consistent and concerted efforts to achieve quality of treated effluent and atmospheric emissions better than stipulated in the norms.



Ecological Park at Barauni Refinery

- Transportation of petroleum crude and products through extensive, environment friendly network of pipelines network of more than 9025 KM the largest in India.
- Deployment of Zero Effluent Discharge Technology at Panipat Refinery since commissioning in 1998.
- Minimizing environmental impacts arising out of our operations and use of our products/services by constantly upgrading our technology.

- Special efforts to protect Taj Trapezium - extensive plantations taken up by the organization. The company also launched green fuels for use in Taj Trapezium & also introduced piped gas supply in the city including donation of 500 improvised Cycle Rickshaws.
- A modern 50-bed hospital for treating respiratory diseases was set up near Mathura Refinery as a goodwill gesture to the community. An annual expenditure of about Rs.200 Lakhs is met by the corporation towards the running of hospital services.
- All Refinery hospitals render regular extensive health care for the employees and their family members.
- Health check-up, immunization, family planning camps, pre & post natal check up, cancer detection, blood donation, eye-care camps, etc are organised.
- 200 hundred bedded AOD Hospital at Digboi, Assam serves as the District Hospital.
- Assam Oil School of Nursing set up by Assam Oil Division provides 'Diploma in Nursing' and "Midwifery".
- As a measure of discharging Corporation's social responsibility towards society, an annual expenditure upto 0.75% of the net profit of previous year is earmarked towards donations/contributions and community development activities. The Community Development Programme adopts a multi-disciplinary approach incorporating health, family welfare, education, environment protection, drinking water and sanitation, empowerment of women and other marginalised groups. About 25% of Community Development budget is spent towards welfare of Scheduled Caste and Schedule Tribe.

The IndianOil Foundation

- ❖ Annual contribution of Rs.10.00 crore is allocated to IndianOil Foundation, a non-profit Trust (**IOF**) to protect, preserve and promote the National Heritage such as Qutub Minar (Delhi), Khajuraho (MP), Konarak Sun Temple (Orissa), Hampi (Karnataka), Kanheri Buddhist Caves (Maharashtra) etc. in collaboration with Archeological Survey of India (ASI) and National Culture Fund (NCF) of the Government of India and also to promote awareness, knowledge and involvement in our National Heritage and Culture in association with Government – as well as non-Government Organisations of repute.

- ❖ The company has drawn up extensive plans to develop Konark Sun Temple in Orissa to develop this heritage site at international standards by developing the approach roads, cafeteria, toilets, landscaping, setting up of a library, tourist facilities, shopping area etc.
- ❖ The company also sponsored and set up the '**Swatantra Jyoti**' Flame at Cellular Jail situated at Port Blair in Andaman & Nicobar island, in memory of those martyrs, who laid their lives in the jail while fighting for the freedom of the nation.

Eternal Flames (Swatantra Jyoti)



IndianOil Scholarship Scheme for economically weaker sections

- 450 meritorious students from economically weaker section of the society, pursuing 10+/ITI and professional courses in Engineering, Medicine and Business Administration/Management disciplines were awarded Scholarships during the year 2005-06. 50% scholarships are reserved for SC/ST/OBC students and 25% of the Scholarship in each category/sub category is earmarked for girl students and 10% for Physically Handicapped students.



**Hon'ble Minister for Petroleum & Natural Gas, Secretary, MOP&NG,
Chairman & Director (HR), IOCL with some of the scholars**

IndianOil Sports Scholarship Scheme

IndianOil has also introduced a Sports Scholarship Scheme for promising young sports persons representing State in team games and on National ranking in others. Every year 55 scholarships for 7 popular games (Cricket, Table Tennis, Badminton, Tennis, Chess, Hockey & Golf) will be awarded to upcoming junior players in the age groups of 15 to 18 years and will be paid scholarship of Rs.5000/- p.m. for 3 years in addition to kit items.



**Hon'ble Minister for Petroleum & Natural Gas, Secretary, MOP&NG,
Chairman & Director (HR), IOCL with one of the sports scholar**

IndianOil Relief for Earth Quack Victims of J&K

- During the year 2005-06, the organization contributed Rs.100 lakhs to Prime Minister's National Relief Fund for providing succor to the people affected by the earth quack in Jammu & Kashmir area. The employees also contributed by donating one-day salary each and the organization maintained the products' supply such as LPG, Kerosene, Diesel, Petrol and ATF in the region.

9. Organisation should encourage development and diffusion of environment friendly technologies

Some of the advanced technologies used by the IndianOil are:

- Leveraged Fluidized Catalytic Cracking Technology for minimizing residue.
- Catalytic Reformers Units (CRU) at Mathura, Panipat, Barauni & Digboi Refineries for supplying lead free Motor Spirit. CRU is in use at Gujarat and Haldia Refineries since inception.
- Hydro Cracker Units commissioned at Gujarat, Panipat and Mathura.
- Diesel Hydro Desulphurisation at Gujarat, Mathura, Panipat and Haldia Refineries for production of extra low and ultra low sulphur Diesel.
- Diesel Hydrotreater Units at Barauni, Digboi, Mathura & Panipat Refineries for improvement of Diesel quality.
- Hydrotreater Unit in Guwahati refinery for Improvement of Kerosene & Diesel quality.
- Auto LPG Dispensing Stations (ALDS) set up throughout the country for supply of LPG as auto fuel.
- Environment friendly products developed and launched:
 - Low Sulphur HSD
 - Ultra Low Sulphur HSD
 - Un-leaded Motor Spirit/Petrol
 - Low Benzene MS
 - LPG as auto fuel
- Premium grade MS and Diesel launched for efficiency improvement with the following trade names:
 - IOC Premium in MS
 - Diesel Super in HSD

- International Class R&D Centre at Faridabad upgrading products & technologies
- IndianOil's R&D identified by MOP&NG as Nodal Agency to take up Hydrogen research programme.
- R&D centre has made extensive efforts for development of Bio Diesel trans esterification technology and ethanol gasoline blends.
- IndianOil R&D Centre developed the INDMAX Technology, for the first time in the world for conversion of low value heavy residues into high value LPG. Launched for worldwide use, the technology achieved its commercial success with the setting up of INDMAX Unit at Guwahati Refinery of 1 Lakh Tonnes per annum capacity.
- Awarded the prestigious **National technology Award, 2004** for successful commercialization of this technology.

The company has developed indigenously Oilivorous bacteria that decompose oily & acidic sludges, thereby minimizing adverse effect on environment.

10. The organization should work against corruption in all its forms, including extortion and bribery

- The organization has adopted Conduct, Discipline and Appeal rules that bar acceptance bribes and describe it as a misconduct. Printed Booklets of these rules were circulated to the concerned employees.
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- Checks and measures are in-built in the organizational system that help in preventing corruption
- Numerous training programmes and workshops are held for disseminating knowledge about organisational systems, as also for checking corruption
- An employee violating the code of conduct and ethics is subjected to investigation and appropriate action is initiated against him based on result of investigation.