



Commitment to Global Compact: Communication on progress at Oil India Limited



ऑयल इंडिया लिमिटेड

(भारत सरकार का उपक्रम) पंजीकृत कार्यालय : दुलियाजान, असम

Oil India Limited

(A Government of India Enterprise) Registered Office : Duliagan, Assam

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Pledging continued support to Global Compact Programme of United Nations

Oil India Limited (OIL) is committed to continue rendering support to the Global Compact Programme of the United Nations and will endeavour to abide by the ten principles of the programme. These principles are also a part of our Vision Statements. The Company continues to pledge support to the programme through its operations, policies and services.

(M.R. Pasrija)

Chairman & Managing Director



To be a vibrant, responsive, knowledge based, competitive E & P Company with global presence, and a selective presence across the oil and gas value chain in India, maximizing shareholders' value, respecting stakeholders' aspirations and caring for the environment.

Oil India Limited is committed to the principles of Global compact. The policies followed by the company supports and respect the principles of Global Compact. These also form a part of our vision statement.

- *Inculcate high standards of business ethics*
- *Involve participation and support innovation for employee growth and satisfaction*
- *Care for the community, ecology and environment.*

During the year 2005-06, Oil India Limited carried out its policies confirming our support of our commitment.

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

Oil India Limited has always subscribed to the protection of internationally proclaimed Human Rights. It ensures that its employees and communities living in and around its operational areas are not adversely affected by its operations and that there is no danger to life or the environment in any way. It deploys technology which is safe, efficient and employee friendly. Its work and maintenance programmes ensure safety and security of its employees and people living in and around its operational areas. The company organizes safety training courses and health check-ups round the year to ensure a fit and healthy staff.

Officials from State & Central Pollution Control Board, MOEF (Ministry of Environment & Forest), DGMS (Director General Mines Safety) authorities, OISD (Oil Industry Safety Directorate) External Safety Audit team members (under MOP&NG) inspect our installations from time to time.

Institution / Govt. Agency	Nos. of Audits/Inspections per year
State Pollution Control Board	Approx. 10 to 12 inspections
MOEF	2 – 3 inspections
DGMS	10 to 12 inspections
OISD	6 Audits.

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

The organization ensures that there are no human rights abuses. In Oil India Limited there is a set policy for handling grievances of employees, the stakeholders and the community at large. These grievances are attended immediately.

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

Freedom of association is available to all its 8614 employees. The company recognizes their right to collective bargaining, and has held several meetings with the Unions and Associations to solve issues pertaining to work related issues, facilities and benefits. Transparency in work, sharing of work performances, strategies and business plans was also actively pursued. Regular interaction with the association and the Unions are held to maintain a cordial and harmonious relationship.

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

Oil India Limited believes in voluntary labour and right to work. As per directives of the Government of India, the company ensures payment of minimum wages to labour. The company also abides by the strict statutory guidelines laid down by the Mines Safety Directorate, The Industrial Act and other statutory regulations of the Govt. of India.

5. The organization supports effective abolition of child labour

The company has a policy whereby minimum age for employment is prescribed and child labour is strictly denied. As per the Mines Act the minimum age for employment is 18 years, which the company strictly follows.

6. Organization promotes elimination of discrimination in respect of employment



The company is an equal opportunity employer. There is no discrimination for employment or career progression on the basis of caste, gender, colour or religion. The Company employs 324 women employees. A committee from the Ministry of Petroleum & Natural Gas visited the Company's field head quarters during the year to hold meetings on gender based budgeting. As per government guidelines employment to scheduled castes/scheduled tribes and physically challenged persons is strictly followed.



7. The organization adopts a precautionary approach to Environmental Challenges

Preservation of the ecology and environment has always figured critically in the company's policies. The Company's operations are mostly centered in areas with varied bio-diversity. The Company is committed to conserve, preserve and protect the clean and green environment in its areas of operation. OIL undertakes various environmental projects to assess the effect of OIL's operation on the flora, fauna and wide bio-diversity.

Following are the existing environmental standards/rules acts enforceable under mandatory regulations and strictly followed by the organization:

- (i) Tolerance Limits prescribed by State Pollution Control Board, Assam and Central Pollution Control Board for effluent discharge.
- (ii) Environmental Protection Act, 1986 & Rules.
- (iii) Water Act & Rules.
- (iv) Air Act & Rules.
- (v) The Batteries (Management & Handling) Rules, 2001.
- (vi) The Municipal Solid Waste (Management & Handling) Rules, 2000.
- (vii) The Bio-Medical Waste (Management & Handling) Rules, 1998.
- (viii) Noise Pollution (Regulation or control) Rules.
- (ix) Public Liability Insurance Act & Rules, 1991.
- (x) The Ozone Depleting substances (Regulation & control) Rules, 2000.

8. The organization initiates promotion of greater environmental responsibility

The Organization has deployed advance technology in all its operations and adheres to stringent norms for protection of the environment. Risk Analysis is carried out of its critical installations from time to time. An environmental project on "*Effect of gas flaring on rice in oilfields of Assam*" is in progress and in its third year of study. OIL also carried out a pilot project on Bi-remediation of oily sludge. Oil India Limited carried out Environmental study of oil fields through OAEI, Canada.

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

Oil India Limited encourages the development of diffusion of environment friendly technologies.

OIL has adopted following few measures to conserve preserve and protect the clean and green environment in and around our field areas:

DRILLING INSTALLATIONS

- (i) Effluent pits are scientifically designed with compartmentalization for effective mopping of floating oil and helps in avoiding contamination of all the pits.
- (ii) The water management and preservation of water sources is carried out by following Recycle system.

- (iii) Central effluent pit/Emergency pit has been identified for pumping effluent from the drill site to cope up with the situation of heavy rain & prolonged monsoon.

PRODUCTION INSTALLATIONS

- (i) Formation water is disposed off in the disposal well drilled for the purpose or re-injected into the formation for reservoir pressure maintenance.
- (ii) Monitoring wells are drilled for close monitoring of water sample to check any contamination.
- (iii) Water oil clarification plants are installed wherever necessary to reduce the oil content less than 10 PPM.
- (iv) Oil Soluble Demulsifiers are used with proper flocculants to maximize the oil separation for safe disposal.
- (v) Flare pits are properly designed with multiburner facilities with arrangement of abundant supply of air for proper combustion.
- (vi) Proper enclosure around the flare pit helps in combating the effect of heat & light on the crops/environment.
- (vii) Efforts are taken to reduce the gas flaring further by effective utilization and getting up low pressure boosters/compressors.

NOISE POLLUTION

- (i) Regular noise survey carried out in high noise prone areas.
- (ii) Noise attenuators/barriers provided at the source.
- (iii) Ear plug/Ear muff are used by the employees while working in high noise prone area.

SOLID WASTE DISPOSAL

The solid waste and bio-medical waste are disposed as per Municipal Solid Waste Rules & Bio-medical Waste Rules.

Apart from the above measures, OIL undertakes various environmental project to assess the effect of OIL's operation on the flora, fauna and wide bio-diversity.

Oil India Limited has obtained Integrated ISO certification (ISO-9001, ISO-14001, OHSAS-18001), in its various installations.

Following installations have obtained ISO certification:

- In-country Pipelines
- Power Plant at Duliajan
- LPG Plant at Duliajan
- Tengakhat (Oil Collecting Station) OCS
- Medical Deptt

Jobs are in hand for certification of other installations in a phased manner.

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

Oil India Limited has adopted a Conduct Discipline & Appeal Rules and any unethical behaviour is construed as misconduct. An employee violating these codes is subjected to investigation and appropriate action. Vigilance cell of the Company looks into any such misdoings for investigations.

OIL as a good Corporate Citizen

In OIL, social obligation is viewed not as a dreary routine or a forced charity, but as a genuine expression of goodwill and gratitude towards the society. This concern for the overall development of the communities is a reflection of the company's legacy of exemplary social welfare initiatives. These initiatives have led to tangible developments in the remotest of the Company's well-spread operational areas. The company bagged the prestigious TERI Corporate Social Responsibility award for its programme in 2005.

To further its Corporate Social Responsibility, Oil India Limited initiated a project which would usher in new opportunities to the people residing around its areas of operation.

As a special case study, we provide highlights of our "Project Rupantar" under OIL's Corporate Social Responsibility Programme

Project Rupantar (Transformation)

OIL's New CSR initiative: Promoting agro-based industries through the creation of Self Help Groups (SHGs) under Swarnajayanti Gram Swarozgar Yojana (SGSY) in the Company's operational areas with the support of the State Institute of Rural development (SIRD), Assam.

A summary:

In order to tackle the problem of growing unemployment, the Company has taken an initiative to invest in projects, which can help the unemployed youths to find alternate employment. Being one of the only industries in this part of the country, which is catering to the socio-economic development of the residents of its operational areas, more and more unemployed youth looks at OIL as the only possible source of direct/indirect recruitment.

In order to enable these large numbers of unemployed youth and strengthen the rural economy, OIL has undertaken a new initiative to develop agro-based industries like bamboo cultivation, floriculture, fishery, sericulture, organic farming etc. In this context OIL has signed a MoU on 8th September'2003 with the State Institute of Rural Development, Assam (apex centre for research and training in rural development) which has successfully implemented similar projects in various areas within lower Assam. The geo-climatic profile of Assam is conducive to a number of agro-based industries, mainly bamboo cultivation, floriculture, poultry farming, piggery, mushroom cultivation etc. The agro-based industries will not only help in ensuring their economic independence but at the same time result in wealth creation and indirect employment.

Project Objective:

Successful agro-based industries would result in direct and indirect employment for many more persons. In this way, OIL shall be able to enhance its goodwill and image as a 'people's company' and help in wealth creation and capacity building then mere wealth distribution. In a span of 3-4 years, OIL can help to transform the Upper Assam area to a successful agro-based industry belt. It could become one of the flagship social welfare projects of OIL. This would enhance OIL's image and also help in creating an external environment which is conducive for the Company's operational activities.

The proposed scheme is based on the '*end – to – end approach*' taking into account the entire gamut of agricultural development, with backward and forward linkages, in a holistic manner. The objective of the scheme is to improve the production and productivity of agricultural crops by harnessing the potential of the region. Through this scheme, an agriculture based farming system is to be developed, thereby providing viable and ample opportunities for employment, besides improving productivity of land.

The scheme strives to address the issues related to demonstration of new technology, organic farming, efficient water management, etc. in order to adopt compact/cluster based approach. It covers post harvest management, processing and value addition, including that of medicinal and aromatic plants. The NE Region is known to use minimum fertilizers and pesticides. This weakness is proposed to be converted into strength through appropriate technology-based development and adoption of organic management of agriculture development activities.

Impact Expected

The new avenues for sustainable self employment will reduce the dependence of the local populace on OIL for direct employment; which, in turn, would ensure that jobless, poor rural masses do not ventilate their frustration on OIL leading to frequent calls for strikes and blockades as a mean to pressurize the Company to yield to the endless demands for employment. The agro-based projects would also help in creating an environment of mutual trust and understanding between OIL and the local populace.

The agro-based industries will not only help in ensuring economic independence to the SHGs but at the same time result in wealth creation and self-employment.

The ABC approach

Advocacy

The advocacy programme targets key decision-makers in government, multilateral and bilateral agencies and non-government organizations. By convening meeting between decision-makers, CEOs and other leading figures, OIL can advocate the case for their contribution to development on the social, economic and environmental front.

Building Partnerships

OIL would act as an intermediary in introducing key partners in cross sector organizations from Business, State and Civil Society and thus bring together the complementary skills and experience in these sectors. In its role as a facilitator, OIL will endeavour to rope in different groups to pool in their expertise to participate in a process that they could not have achieved on their own.

Capacity Building

OIL would play an important role in building capacity of individuals and organizations by using partnership approaches. Its events would provide a platform to cross sector organizations to evolve

partnerships and address the issues of sustainable development. The idea of cross sector partnerships was not only to impart knowledge and develop skills of the organizations involved, but would also bring about an attitudinal change in the organization.



Project Rupantar Highlights:

1. So far **1720 SHGs** have been formed out of 12 economic activities namely Farm Mechanization; Diary Farming; Pig Breeding; Duck Rearing ;Goat Rearing; Mushroom Cultivation; Diversification of Handloom Products; Food Processing; Computer Training Centres ; Farmer's Service Centres; Agro Processing and Marketing; Broom Making.
2. Till date, OIL has spent **Rs 15.0 Million** in the Project, which is worth **Rs 92.5 Million** out of which, Banks have contributed **Rs 38.5 Million**, while SIRD, Assam has generated funds amounting to **Rs 39.0 Million**. Therefore, for every Rupee invested by OIL, the total project value is enhanced six times.
3. A marketing outlet named **AASTHA** has been opened at Duliajan. Plans are on to open a bigger outlet soon. Efforts are also on to open up small marketing outlets in Dibrugarh and Tinsukia towns.
4. Over 250 power tillers have been provided to SHGs through credit linkage from State Bank of India.
5. A Hatchery unit has been installed at Duliajan.
6. A Growth Centre with Modern Handlooms has been installed for Training and Production of Diversified Handloom Products in Assam Silk.

7. Few batches of weavers from various interior areas have successfully completed a two-month training programme. The trained weavers have formed SHGs and shall now avail loans for starting their receptive specialized silk training cum production weaving centres.
8. 40 mushroom units (SHGs) have been provided spawns under action research project of SIRD.
9. Apart from the ongoing project with SIRD, efforts are on for implementing Bamboo Cultivation project in the Company's operational area. Discussions have been held with Rain Forest Research Institute (RFRI), Deovan, Jorhat (Assam) on various issues connected to the proposed project. Technology, Information, Forecasting and Assessment Council (TIFAC), is lending financial/technical support for the implementation of the demonstration project.
10. TIFAC has conducted a training workshop on Bamboo Shoot processing at Duliajan.
11. OIL is contributing Rs 30.00 million in the project worth Rs. 150 million (next three years). The project aims to generate employment avenues for 1000 Self Help Groups and 10000 families under the Special Swarna Jayanti Gram Swarajgar Yojna.

Social Audit of OIL's Social Welfare Programme

The Company carried out a comprehensive audit of its CSR initiatives through M/s Enterprise Group, N Delhi to assess the impact of its community development projects. The Community Audit which was one of the first of its kind to be conducted in OIL provided significant insights to OIL management. Following are some of the key findings of the Audit:

The scenario today –

Where there's OIL, there's a way!