



Sustainable Development Report 2015-16

Embedding A Sustainable Culture



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1 | SCOPE OF THE REPORT

'Embedding A Sustainable Culture', is our 10th Sustainable Development Report which focuses on our corporate responsibility and sustainable growth. The report covers our performance on the triple bottom line – People, Planet and Profit – for the duration of financial year 2015-16.

Sustainability in the global and local context forms a responsibility at the individual, organization and the society level. We as a responsible enterprise utilise our Sustainable Development Report to express our commitment towards embedding a sustainable culture.

The report has been developed on the globally accepted sustainability reporting guidelines – GRI G4 in accordance 'Core'. This is report also aligned with the GRI G4 Oil and Gas Sector Supplement, the International Petroleum Industry Environmental Conservation Association (API/IPIECA/OGP) and the American Petroleum Institute's Oil and Gas Industry Guidance on Voluntary Sustainability Reporting (2010).

The scope of the report is the economic, environmental and social performance parameters across our seven Strategic Business Units (SBUs) in India, over which we have the direct control. These SBUs include Aviation, Industrial & Commercial, LPG, Lubes, Refineries, Gas and Retail. Our significant areas of operations are Mumbai and Kochi Refineries. Our retail outlets, subsidiaries and JVs are excluded from the scope of reporting. During the reporting period, there have been no significant changes regarding the organization's size, structure, ownership structure or supply chain or in the scope of the report.

We have continued our association with Next-Gen PMS Pvt. Ltd. for providing advisory services to build this report and assist us in driving the sustainability agenda. NextGen has also institutionalized a software tool, p3 (acro-

nym for People, Planet, Profit), within the company for the collection of data on sustainability parameters from 180 of our locations in the country.

We have adopted e-tendering process for appointing all external contracts. For the assurance related services for this report we have appointed KPMG India through the e-tendering process. The assurance is conducted as per ISAE 3000 and AA1000 (2008) Assurance Standard (Type 2) at moderate level. We seek assurance for our Sustainable Development Report every year and the assurance process is facilitated by the Corporate HSSE Team and Next-Gen PMS Pvt. Ltd.

We publish our sustainability report annually and all our previous reports are available at <https://bharatpetroleum.com/Sustainability/Sustainability-Reports.aspx>. The last Sustainable Development Report – 'Fuelling Sustainability' was released in September 2015.

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Celebrating 40 Years of Sustainable Development

BPCL Ruby Foundation Day celebrations on 24 January 2016 saw a prestigious representation of Government and State Dignitaries, Bureaucrats, Social Leaders and Catalysts, Channel Partners, Distinguished invitees, Press and Media. These distinguished guests witnessed

history of Bharat Petroleum. The event was taken live on social media, and C&MD Mr. S Varadarajan acknowledged the amazing patronage and love from customers, who are in fact the prime reason for the existence of BPCL.





2 | C&MD STATEMENT



Dear Stakeholders,

We fully acknowledge our responsibility to contribute towards the sustainable development of society and the nation. I am happy to present our tenth sustainability report, objectively documenting our company's economic, environmental and social performance for **'Embedding A Sustainable Culture'**.

This year is of immense importance for Bharat Petroleum Corporation Limited (BPCL) as we have marked our 40th year of functioning in this sector. We owe this journey to our strong pool of intelligentsia driving our businesses and entities, a strong marketing network of dealers and distributors, associated channel partners, and a strong customer base driving us to achieve more.

The global economy has been through some tumultuous times in the previous year. A weak

aggregate demand, falling commodity prices and increasing financial market volatility in major economies have led to a weakening world performance. The demand and supply situation has been challenged, characterized by sluggish demand growth amid abundant supply. Despite these harsh conditions, BPCL has been able to attain a market sales volume of 36.53 MMT in the year 2015-16 against 34.45 MMT in the previous year recording a growth rate of 6%. Our refineries registered a combined throughput of 24.12 MMT during the year 2015-16 in comparison to 23.36 MMT achieved in 2014-15 and were able to log a capacity utilisation of 112.2% as against 108.6% in the previous year.

Sustainability is a part of our value system and we constantly endeavour to maximize the positive impacts of our activities, ensuring that it reaches all our stakeholders. This year, we have been recognised among the Top Ten "Best

Companies for CSR” in the recent survey by the Economic Times. Such recognition motivates us to do more for society. Over the years, we have made significant progress in our core thrust areas of Education, Water Conservation, Skill Development, Health and Safety, Hygiene and Community Development. As a part of our CSR initiatives we have strived to improve the livelihood opportunities and achieve sustainable changes in the communities neighbouring our businesses across the country as well as in rural, urban and tribal areas. The ‘Special Safety Drive’ enrolled under Bharat Arogya Yojana, a welfare scheme specially launched by BPCL with an agenda to create a pool of skilled drivers, has trained 710 Bulk LPG Tanker drivers. We plan to extend this training to 2,000 Drivers in 2016-17. In our constant endeavour to build a sustainable partnership with society, we have scaled up existing projects, taken up newer initiatives and exited from those that have been taken over by the stakeholders involved.

We have undertaken various initiatives to utilise alternate sources of energy. 2015-16 witnessed the formalization of the renewable energy policy. During the year, we have commissioned 6.3 MW wind power at Hanumanthappa Karnataka, 4 MW solar power at Bina Dispatch Terminal and 1.05 MW solar power at Central Research and Development Center, Noida. These are BPCL’s initial steps toward alternating to renewable energy sources and we strive to continue generation with greater capacities, as a means to replicate traditional sources of fuel.

At BPCL, good governance is of prime importance. We believe that with best practices, adequate controls, marked accountability and complete transparency, decisions can be taken efficiently and consistently, leading to Corpo-

rate Excellence. As an organization driving on innovations, our Research and Development centres are focussed on developing products and services which can increase the efficiency of the refining processes. Our R&D efforts attempt to nurture breakthrough developments as the company and the economy advances through.

Customers are of immense importance for our business and in this regard we have undertaken numerous customer centric initiatives, enabled through technology. This year, we released ‘Sahaj’ an online portal for new LPG connections. The initiative aims to digitally empower the LPG Customers and marks a significant procedural convenience to the vast LPG customer community. These technological innovations are in alignment with our vision of being **‘Most admired Global Energy Company’**.

We have an important responsibility towards the environment. We recognize the challenges faced by our business, be it in terms of depleting crude resources, climate change, or our impact on communities. We are aware that providing energy is a great contribution to economic growth and appreciate that related challenges need to be addressed in a responsible manner. This year, we continued with our efforts in the area of resource conservation through Project Boond and Swachh Bharat Abhiyan, to help and sensitize stakeholders, thus enhancing our environmental and social impact.

As we move ahead, many growth opportunities will emerge and we will strive to overcome the challenges. The way forward is to collaborate and perform with focussed attention. Because, we believe that the best is yet to happen!



S. Varadarajan
Chairman and Managing Director



3 | ABOUT US

3a Our Profile

Bharat Petroleum Corporation Limited (BPCL) is an Indian Public Sector Oil and Gas Company. BPCL produces a diverse range of products, from petrochemicals and solvents to aircraft fuel and specialty lubricants and markets them through its wide network of Petrol Stations, Kerosene Agencies, LPG Distributors, Lube Shoppes, besides supplying fuel directly to hundreds of industries, and several international and domestic airlines.



Our Corporate Values:

- Trust is the bedrock of our existence
- Customer Centricity is intrinsic to our achievements
- Development of people is the only way to success
- Ethics govern all our actions
- Innovation is our daily inspiration
- Collaboration is the essence of individual action
- Involvement is the way we pursue our organization goals



Our Vision:

- We are the most admired global energy company leveraging talent and technology
- We are the first choice of customers, always
- We exploit profitable growth opportunities outside energy
- We are the role model for Health Safety, Security and Environment
- We are a great organization to work for
- We are a learning organization
- We are a model corporate entity with social responsibility



Our Mission:

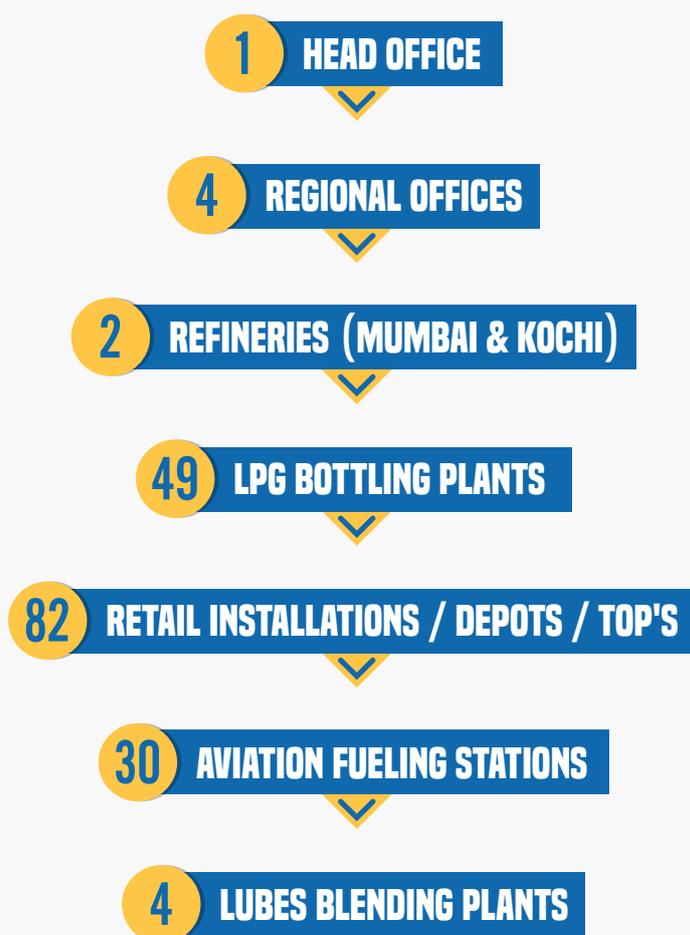
- Participate prominently in nation-building by meeting its growing energy needs, and to support this endeavor, pursue the creation of economic surplus by efficiently deploying all available resources and aiming towards global competitiveness in the energy sector
- Strengthen and expand areas of core competencies throughout the country, total quality management in all spheres of business and maintain the status of a leading national company
- Create awareness among people on the imperatives of energy conservation and efficient consumption of petroleum resources, by disseminating information through appropriate media
- Availing ourselves of new opportunities for expansion /diversification arising from the liberalization of the economy to achieve a global presence
- Promote ecology, environmental up gradation and national heritage
- Information on Training, other mechanisms, suggestion schemes

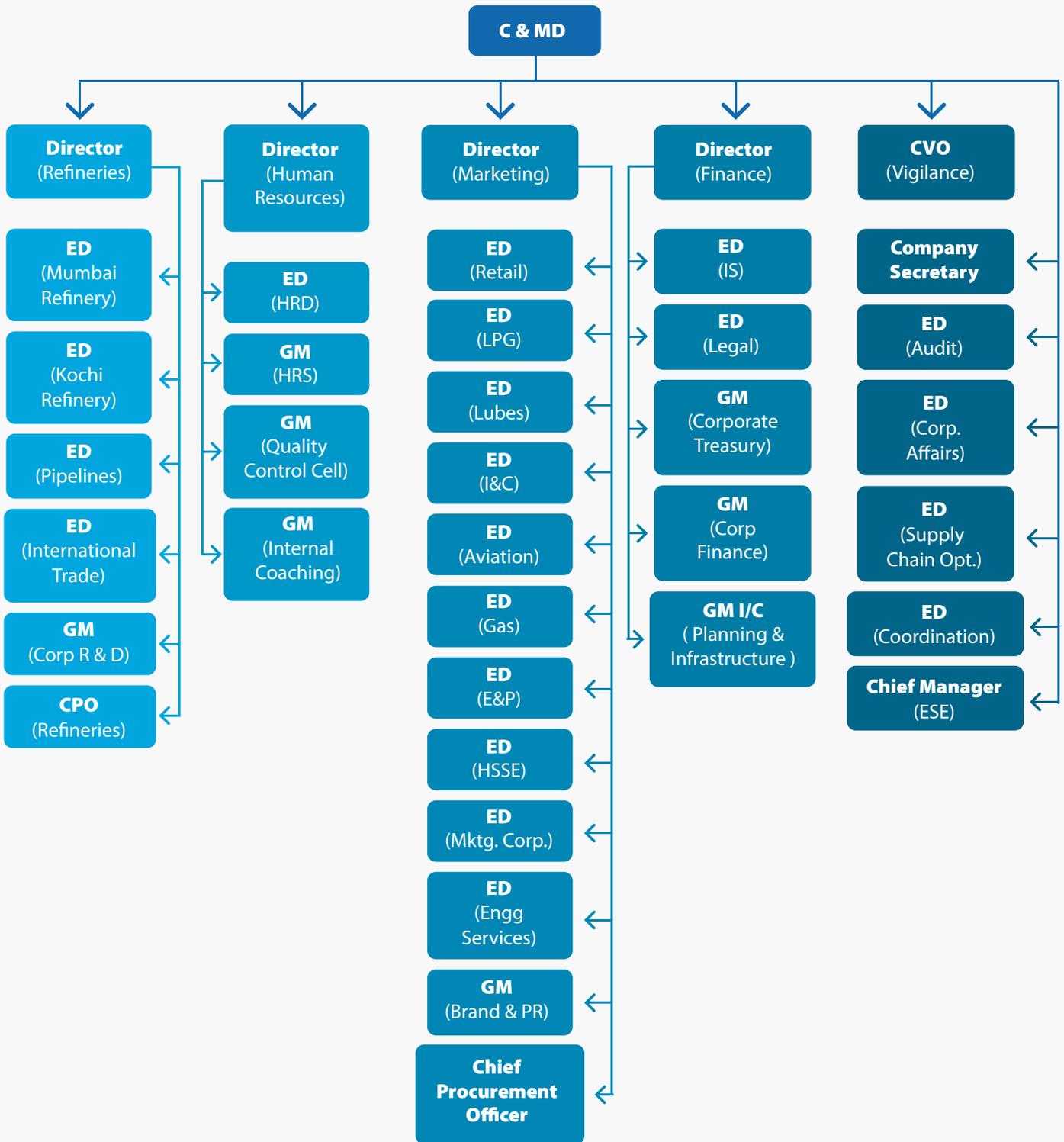


- We care for people
- We enroll people through open conversations
- We remain result focused with accountability for governance
- We proactively embrace change
- Our every action delivers value to the customer
- We collaborate to achieve organizational goals

In the past year, there have been no significant changes regarding the organization's size and ownership structure. However, the company has initiated several steps to actively engage with its supply chain stakeholders and have reported on the same through this report.

BPCL is headquartered in Mumbai, Maharashtra, India with operations across India. Below is a brief overview of our operations:





Our business comprises of seven business units, six of which are customer facing and one being an asset based business unit.

Customer Facing

Aviation

In the reporting period, the sales volume of 1,282.57 TMT that was achieved corresponded to a market share of approximately 22.78% in the civil segment. In the domestic segment, there was growth of approximately 6%. In the defence segment, BPCL's growth was approximately 7%.

Industrial and Commercial

The Industrial & Commercial (I&C) SBU, crossed the 4 million tonne mark during its journey in 2015-16. The SBU recorded sales of 4,033.21 TMT and registered an unparalleled growth of 13.58% to become the Industry growth leader.

Gas

The Gas SBU has dealt with approximately 1,088 TMT of Gas during the year. The Gas business unit supplied approximately 268 TMT of Gas to Mumbai Refinery and 102 TMT of Gas to Kochi Refinery for meeting their internal requirements. The balance quantity of approximately 718 TMT of Gas was supplied to various customers in the Fertilizer, Power, Steel, CGD and other sectors.

Lubes

The Lubes business has registered a healthy growth of 3.82% during 2015-16 over the previous year with 17.8% growth in Industrial, 16% in Bazaar, 0.4% in Retail and 18.64% in export. Overall the value added sales have grown by 13.9%.

LPG

The LPG SBU registered sales of 4,874 TMT, recording overall growth of 8%. Reaching out to customers by making clean cooking fuel available to the households in every part of the country continued to remain a strategic thrust of the LPG SBU. During 2015-16, the LPG SBU enrolled 50.9 lakhs new customers, surpassing its previous year enrolment of 48.9 lakhs, taking the domestic customer base to 506 lakhs by the end of the year.

Retail

The total market sales registered by the Retail SBU stood at 25.38 MMT with an overall growth of 5.1% in the year 2015-16. The Retail SBU registered a sales volume of MS at 5.99 MMT in 2015-16, which is 12.37% higher over the previous year 5.34 MMT. In 2015-16, HSD sales volume of 17.9 MMT increased by 3.42%, in comparison to 17.4 MMT over the previous year.

Asset Based:

Refineries

Mumbai Refinery:

Mumbai Refinery has registered a crude throughput of 13.41 MMT of feedstock (crude oil and other feedstocks) as against the 12.96 MMT level in 2014-15. This is the highest throughput ever achieved in Mumbai Refinery, representing a capacity utilization of 111.7%, as compared to 108% in the previous year. Mumbai Refinery has also achieved 84.3% of distillate yield as against 81.8% in the previous year, which again is the highest ever achieved.

Kochi Refinery:

Kochi Refinery has posted a crude throughput of 10.71 MMT in 2015-16, as compared to 10.40 MMT in 2014-15. This is the highest ever throughput and is the fourth year in succession that the throughput of the Refinery has crossed the 10 MMT mark. The capacity utilization of the Refinery during the year was 112.7% as against 109.5% in the previous year.

Products Sold Directly

- Fuel Oils
- Toluene
- Benzene
- Naphtha
- Solvents
- Aviation Turbine Fuel
- Bitumen

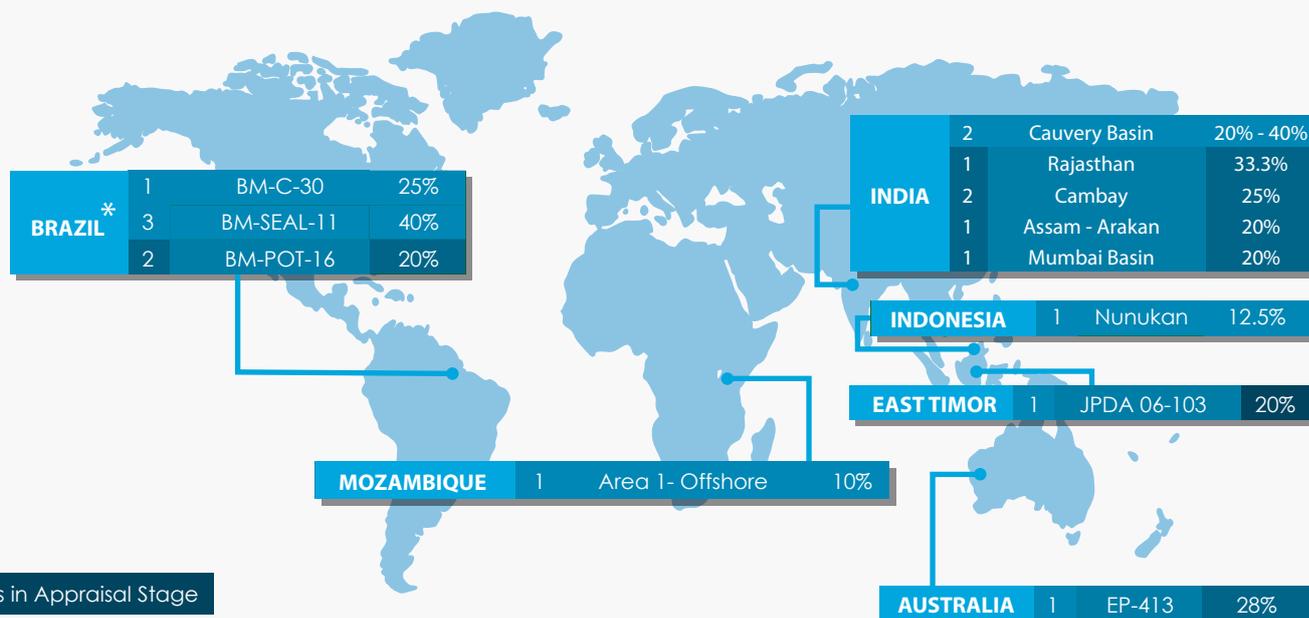
Products Sold through Retail Dealers & Distributors

- Motor Spirit (MS)
- High Speed Diesel (HSD)
- Superior Kerosene Oil (SKO)
- Mineral Turpentine Oil (MTO)
- Liquefied Petroleum Gas (LPG)
- Lubricants



17 BLOCKS IN 6 COUNTRIES

22 Discoveries



Blocks in Appraisal Stage

Country	No. of blocks	Name of block	BPRL's PI%
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* Held through a 50-50 JV with Videocon Ind.

The above map is a representation of the number of countries and locations in which BPCL operates including the number of discoveries in the reporting year which has increased from 18 to 22. BPCL is yet to venture into

direct operations at international locations (only subsidiary companies have overseas operations). The sustainability data in this report is limited to the company's India operations.



3b Governance and Ethics

We have always been committed to highest level of corporate governance and have derived values from a system that integrates ethics, corporate integrity and best in class compliance practices. Transparency, fairness, disclosure and accountability have been central to our working, our management and the Board of Directors. We have various committees¹ to ensure corporate oversight and governance. At the apex level we have the Audit Committee and Risk Governance Committee. The internal audit set up conducts unit level audits to ensure compliance to lay down norms and suggest improvements.

We have also adopted the “Code of Conduct, Procedure and Disclosures for Prevention of Insider Trading in the Securities of BPCL” and “Code of Corporate Disclosure Practices”. All these procedures, processes and systems create an environment that protects and serves the interest of all stakeholders. Code of conduct requires that our employees and contractors are honest and responsive with the interactions they have with government agencies or regulators. We work with governments, non-governmental organizations and international agencies on increasing transparency of revenue flows from our sector to the host governments.

The Board of Directors at BPCL is the highest governance body exercising the powers subject to the provisions of the Companies Act, 2013. BPCL is a Public Sector Undertaking under the administrative control of Ministry of Petroleum and Natural Gas (MoP&NG). The appointment of Directors is done by the Government² of India in line with the Guidelines of the Department of Public Enterprise. We sign a MoU with the MoP&NG annually which define our annual targets and our performance is assessed based on these targets. In our internal review mechanism, we undertake Quarterly

Performance Review which covers industry performance, peer review and competition analysis, overall risk assessment. Also, the Sustainable Development Committee and the Audit Committee oversees, approves, provides budgetary allocation and monitors the Sustainability Development projects and policy. The committee comprises of an Independent Director and Directors of Marketing and Refineries.

We have a dedicated HSSE (Health, Safety, Security, and Environment) Officer for every location, who is responsible for ensuring the success of sustainability initiatives. The Corporate HSSE Department leads from the front to drive sustainability across our locations. The HSSE department collates and communicates all material aspects to the Sustainable Development Committee during the SDR presentation to the Board. The Board constitutes of various committees to ensure smooth decision making of the organization. This year, there were 12 Board meetings conducted.

We believe that communication at all levels brings about transparency within the organization. This thought is the guiding principle for communicating concerns and initiating remedial action in the organization. We have a robust mechanism for the Board to communicate with the various stakeholders. First concerns are addressed at the BU level, which are further taken up by the Committee of Functional Directors. After the Concern Committee of the Board reviews are done, the discussion is initiated with the Board of Directors. Due to confidentiality, the total number of concerns raised during FY 2015-16 cannot be disclosed. We have taken up implementation of our governance policies in a very proactive way. Our vigilance department interacts with various departments and employees regularly. We also have a web based “Vigilance Complaint Han-

¹ The details regarding the Board composition and the various Committees of the Board and their responsibilities are available in the Annual Report 2015-16, <https://bharatpetroleum.com/pdf/OurFinancial/BPCL-Annual-Report-15-16.pdf>

² Further details on the selection procedure, qualification, remuneration determination process and training of the Directors is available in Annual Report 2015-16, <https://bharatpetroleum.com/pdf/OurFinancial/BPCL-Annual-Report-15-16.pdf>

dling System” where employees can highlight vigilance related concerns. Our intra link also provides all the necessary information to employees for ethical conduct. The e-magazine “Soch” is aimed at enhancing the understanding related to various policies of the organization and to improve participation. We also have a very structured approach towards anti-corruption practices. In the reporting period 1020 number of businesses were analysed for the risk related to corruption which is 6% of the total Business Units. Also, 29% management and 12% non-management staff were trained on anti-corruption related topics. In the reporting year no complaints were received related to corruption or unethical conduct through these platforms.

We are committed to adhere to the laws of the country and take preventive actions in this regard. We abide by the rules of the Competition Commission of India and have also signed the Transparency International’s Integrity Pact Programme (IPP), which is a voluntary code. We ensure that we uphold the requirements in letter and spirit by not indulging in any anti-competitive behaviour. However, there are some cases which are at various forums in this regard –

- RIL /Essar/Shell had filed a petition before the Petroleum & Natural Gas Regulatory Board (PNGRB) against PSU OMCs and upstream companies alleging collusion, cartelization and predatory pricing for MS and HSD.
- A complaint was filed by RIL before the Competition Commission of India alleging cartelization and misuse of its dominant position.
- India Glycols Ltd Vs India Sugar Mills Associates and Ors. alleging that ISMA, on behalf of

member companies (including BPCL) have lobbied with Govt. of India for increasing the price of Ethanol from various suppliers.

- CCI vide its own cognizance started enquiry against OMCs by observing that OMCs are behaving like a cartel by fixing petrol price. Preliminary objection taken by Respondent OMCs that CCI does not have jurisdiction and PNGRB has jurisdiction to hear this issue.
- Appeal filed against order dated 11.2.2014 passed by CCI in suo-motu. Federation is alleging unfair terms in Dealership Agreements for a) Not allowing to use petroleum products of other OMCs and b) Reserving Dealer land just for selling oil and impose condition to give land to OMC when dealership is terminated.

BPCL is a member of several public advocacy and industrial trade associations. Some of the major ones are listed below:

- Confederation of Indian Industry (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Bombay Chamber of Commerce & Industry
- ASSOCHAM
- Indian Merchant Chambers
- United Nations Global Compact
- World Energy Council-Indian Member Committee
- World LP Gas Association
- Petroleum Federation of India
- Petrotech Society
- Bio Diesel Association of India
- National Safety Council
- World Economic Forum
- The Advertising Standards Council of India
- National Accreditation Board for Testing and Calibration Laboratories

3c Key Impacts, Risks & Opportunities

We understand that a large responsibility rests on our shoulders given the scale of our operations. As a Navratna Public Sector Enterprise operating in the oil and gas sector, we are aware of the fact that our business can create damage to the environment and society, if neglected. In line with this, we have put in place strategies, policies and initiatives to protect the environment and the society without a profit motive. We have also increased our focus on cleaner and greener fuels.

We have a range of stakeholders who have varied impacts and have a range of expectations from us. We believe that engaging our stakeholder in a regular and timely manner builds confidence. We ensure that we respond to the needs of all our stakeholders and address their concerns. Through our products and services, we aim to add value to our stakeholders while minimising the impact on the environment.

As a responsible corporate citizen we acknowledge our impact on the environment. Our major priorities are inducing energy efficiency in our operations, managing emissions and reduction in waste. Water being a critical resource and given our dependence on it, we have made it a mission to reduce water consumption in our operations, with many our facilities turning zero discharge locations. We are also exploring alternate and cleaner technologies including renewable energy on our own and through collaboration in our Joint Ventures. We are also investing majorly in R&D efforts to improve our product offerings with innovative solutions which will reduce impact on the environment.

One of our most important stakeholders are our employees, as their contribution has taken us to the heights of growth. Creating a safe, healthy and secure work environment is our priority, for which we have numerous systems and processes. With a growing younger workforce, we have developed a culture where the employees are regularly groomed on the vision and objectives of the company. This works as a feedback loop, which fuels the organization towards sustainability. We have also taken up various initiatives to make the work place stress free and evolved various employee engagement initiatives.

Another difficulty faced by BPCL is the non-differentiability of petroleum companies in the minds of consumers. Therefore, creating a loyal customer base against competing companies is a difficult objective to achieve. BPCL has undertaken a number of initiatives in the recent past to get closer to the customer and better understand their requirements. An additional challenge in this endeavour is a result of the franchisee model which BPCL adopts for its product delivery. Third party dealers and distributors act as the face of BPCL to the final consumer, and hence our economic success lies prominently on these distributors. We have invested a great deal on the training of our dealers to create a customer friendly sales force for our products.

Climate Change is a factor which is increasingly posing a number of risks for BPCL. We have classified risk associated with climate change in 4 different categories:



Any physical asset, under the influence of natural calamities as a result of climate change would be under impending danger at BPCL. As water is an important resource for the functioning of our organization, any calamity affecting the source of water could pose a threat to our operations. Given the risk caused by a natural calamity, our employees become vulnerable to health and safety risks.

Apart from the risks that arise due to climate change, there are also multitude of opportuni-

ties it carries with it. Advancement in technology and continuous innovation to combat and withstand the effects of climate change is an outcome of a prospect of climate change. The Conference of Parties (COP'21) held in 2015 is a crucial milestone in building the global policy framework for the transition into a low carbon economy. This is an immense opportunity, to reduce our emissions. In the further sections of the report, we try to showcase our efforts toward sustainability in the various focus areas.

3d Awards & Accolades

Apart from 2015-16 marking the 40th year of our operations, we have also been recognised for our outstanding global, financial and industry performance.

We have bagged the following awards in the past year:



Mr. S Varadarajan,
C&MD, BPCL
receives the Business Today
BEST CEO AWARD



BPCL bags
"HR Excellence Award"
in India Today
PSU Awards 2015



BPCL Director (Finance)
Mr. P. Balasubramanian
wins Business World
BEST CFO Award



Mr. S Varadarajan,
C&MD, BPCL received
SCOPE EXCELLENCE AWARD



BPCL
Kochi Refinery Wins
KSPCB Excellence Award



C&MD, BPCL
Shri. S Varadarajan, receives
NHRDN "People CEO Award"
2015-16



BPCL Director (Finance)
among Most Influential
CFOs of India



Dhanam selects ED BPCL
(Kochi Refinery)
as Business Professional
of the Year 2015



BPCL receives Garners Glory
at ICE Awards 2016



BPCL Bags
Lions CSR Precious Award



PetroBonus & SmartFleet
shine at the
AIMIA Loyalty Awards 2016



BPCL receives ICC's
Corporate Governance
and Sustainability Award-2016

3e Our Sustainability Priorities

Stakeholder Engagement –

Stakeholder engagement is a very important business element for BPCL. Our success is attributed to the constructive dialogue with our stakeholders. We believe that relationships with our stakeholder should be mutually beneficial, creating value for all. The stakeholder groups with whom we engage is diverse given the nature of our business and the vast value chain.

The identification process of our relevant stakeholders involves taking feedback from our Business Units and Corporate Office. We have structured and robust stakeholder engagement methods evolved over a period of time. We invest our efforts to we win our stakeholder’s confidence by addressing their concerns in timely and accurately. Through various sections of this report we have tried to address the stakeholder concerns on various issues. The details of engagement technique and the key concerns of each of our stakeholder group is discussed below –



Stakeholder	Engagement level			Frequency and mode of engagement			Key Concerns/ Priorities	BPCL Response
	Corporate	SBU / Regional	Facility	Annual	Periodic	Needs Based		
Customers	✓	✓	✓	Customer meeting	Online communication, customer satisfaction surveys	-	<ul style="list-style-type: none"> •Competitive pricing •Grievance redressal •Quality and quantity of product •Quality of service 	<ul style="list-style-type: none"> •Process innovations • Adoption of green technologies •Quality products and services
Communities and NGO's	✓	✓	✓	-	Project reviews	Interaction with community focus groups	<ul style="list-style-type: none"> •Local employment •Training and inclusive growth •Long term engagement with NGO's 	<ul style="list-style-type: none"> •CSR programs implemented to foster community development •Skills training to improve livelihood opportunities

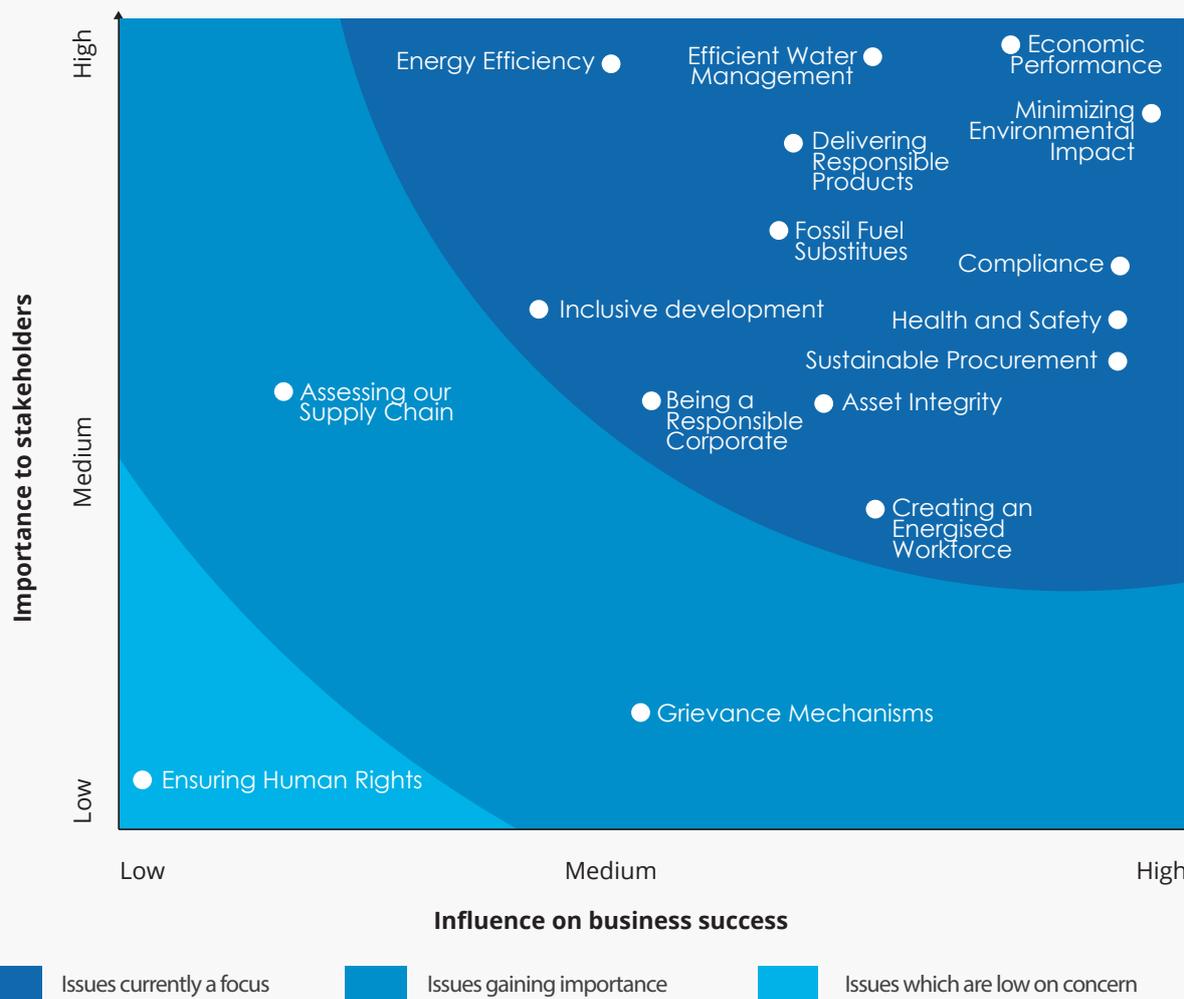
Dealers and Distributors	✓	✓	✓	-	Meetings and training sessions	One on one meetings	<ul style="list-style-type: none"> •Product quality and continuous supply •Facility maintenance •Safety during product handling •Technological improvements 	<ul style="list-style-type: none"> • Timely supply of products • Maintenance of facilities
Employees	✓	✓	✓	Performance appraisal, satisfaction survey	Training, Wellness programs, online communication	-	<ul style="list-style-type: none"> •Career progression •Occupational safety •Wellness and benefits 	<ul style="list-style-type: none"> •Safe and healthy work environment •Encourage a culture of continuous learning •Prompt grievance redressal
Government and Regulators	✓	✓	✓	Memorandum of understanding	-	Meetings for new policy developments and ministry directives	<ul style="list-style-type: none"> • Target vs. achievement as per the Memorandum of understanding 	<ul style="list-style-type: none"> •Create systems and processes to implement board approved policies
Shareholders and Investors	✓	✓	✓	General meetings	Quarterly reports, quarterly investor meets, press releases	-	<ul style="list-style-type: none"> •Compliance •Governance •Ethical operations •Economic performance 	<ul style="list-style-type: none"> •Growth and profitability •Sustainable development practices
Suppliers and Contractors	-	✓	✓	Vendor meets	Inspection visit to facility, emails and phone calls	-	<ul style="list-style-type: none"> •Training and capacity building •Transparency in bidding process •Occupational health and safety •Timely payment of dues 	<ul style="list-style-type: none"> •E-tendering •Supply Chain advisory

Materiality Assessment

Adhering to the GRI G4 guidelines, we follow the below methodology to identify our key material issues.



There has not been any significant change in the materiality matrix as per last year.



The report content and boundary was defined after multiple internal discussions. The data and information presented in the report is collected on a regular basis from all the locations. We have considered all our strategic business units in India which includes, Refineries (Mumbai & Kochi), Aviation, Retail, LPG, Gas, Industrial, Commercial and lubricants as the boundary for each material aspect. Our joint ventures and subsidiaries are excluded from the boundary of material aspects.

Issues currently a focus of BPCL and its stakeholders	
Material Issues	GRI G4 Aspects
Economic Performance	Category: Economic Economic Performance
Energy efficiency	Category: Environment Energy
Inclusive development	Category: Economic Indirect Economic Impact Category: Social - Sub-Category: Society Local Communities Indigenous Rights Involuntary Resettlement
Creating an energized Workforce	Category: Social - Sub-Category: Labour Practices & Decent Work Employment Labour Management Training and Education Labour Practices Grievance Mechanisms Category: Social - Sub-Category: Human Rights Freedom of Association and Collective Bargaining

Health and Safety	Category: Social - Sub-Category: Labour Practices & Decent Work Occupational Health and Safety
Being a responsible Corporate	Category: Social - Sub-Category: Society Anti-Corruption Anti-Competitive Behaviour Public Policy
Compliance	Category: Environment Compliance Category: Social - Sub-Category: Society Compliance Category: Social - Sub-Category: Product Responsibility Compliance
Efficient Water Management	Category: Environment Water
Minimizing environmental impact	Category: Environment Emissions Effluents and Waste Overall Materials
Developing Responsible Products	Category: Social - Sub-Category: Product Responsibility Product and Service Labelling Customer Health and Safety Marketing Communications
Asset Integrity and Process Safety	Category: Social - Sub-Category: Society Asset Integrity and Process Safety
Sustainable Procurement	Category: Economic Procurement

Issues gaining importance

Material Issues	GRI G4 Aspects
Assessing our supply chain	Category: Environment Supplier Environmental Assessment Transport Category: Social - Sub-Category: Labour Practices & Decent Work Supplier Assessment for Labour Practices Category: Social - Sub-Category: Society Supplier Assessment for Impacts on society Category: Social - Sub-Category: Human Rights Supplier Human Rights Assessment
Grievance Mechanisms	Category: Environment Environmental Grievance Mechanisms Category: Social - Sub-Category: Human Rights Human Rights Grievance Mechanisms Category: Social - Sub-Category: Society Grievance Mechanisms for Impacts on Society

Issues which are low on concern

Material Issues	GRI G4 Aspects
Ensuring Human Rights	Category: Social - Sub-Category: Human Rights Non-Discrimination Diversity and Equal Opportunity Equal Remuneration for Men and Women Child Labour Forced or Compulsory Labour



4 PROSPERITY & GROWTH (ECONOMIC)

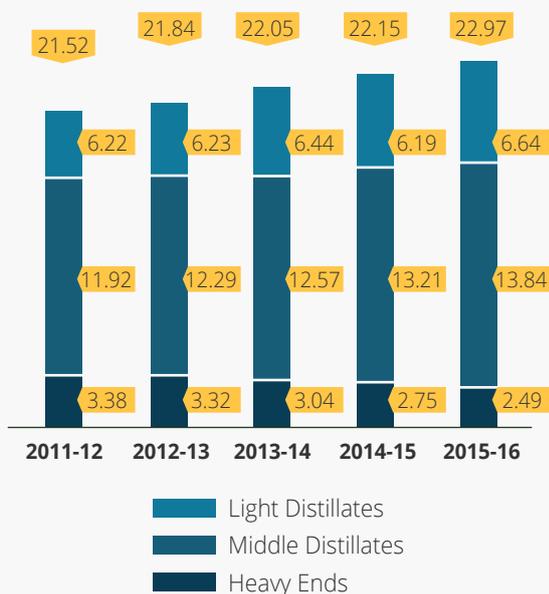
Economic growth is showcased by market strength and the assets and liabilities of a company. A regular check of the financial markets is required to ensure financial stability.

BPCL has grown significantly over the years and we strive to enhance our market share by delivering quality and reliable energy to our consumers and create value for our stakeholders. Our performance for this year is showcased below.³

Market Sales Volume (Million Metric Tonnes)



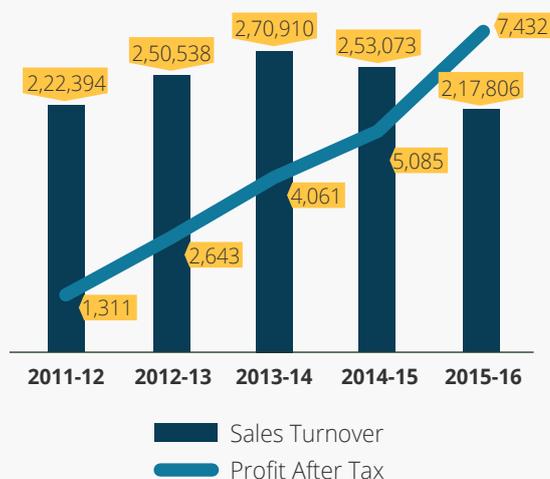
Production (Million Metric Tonnes)



Refinery Throughput (Million Metric Tonnes)



Gross Sales Turnover / Profit After Tax (₹ Crores)



Direct Economic Value Generated and Distributed

Rs in Crores	FY 2013-14 (Standalone)	FY 2014-15 (Standalone)	FY 2015-16 (Standalone)
Direct Economic Value Generated	274,159.54	249,857.45	218,363.6
Revenues	274,159.54	249,857.45	218,363.6
Economic Value Distributed	269,267.01	243,830.77	211,189.33
Operating costs	249,464.79	221,122.92	172,889.4
Employee wages and benefits	2,940.12	2,139.26	2,934.33
Payments to providers of capital	2,588.32	2,210.04	2,821.50
Payments to government	14,238.61	18,282.54	32,448.51
Community Investments (including CSR Expenditure)	35.17	76.01	95.59
Economic value retained	4,892.53	6,026.68	7,174.27

Financial assistance received from government	INR
Subsidies	15,98,49,00,000
Royalty holidays	0.00
Financial assistance from Export Credit Agencies (ECAs)	0.00



5 | CARING FOR THE ENVIRONMENT

As a responsible company, we are conscious of the fact that our business could have a considerable impact on the environment. Developing an environment management system to minimize our impact on the environment is of prime importance for us. With regard to this, we are constantly innovating our processes and operational efficiency to reduce our dependency on resources which would result in minimal emissions and waste.

As mentioned in our materiality matrix, we are focused on the following aspects

Reduction in Energy Consumption

Reduction in GHG Emissions

Water Resource Management

Waste and Effluent Management

5a Energy Efficiency

As, we are part of Oil and Gas sector, our operations are energy-intensive. The optimal use of energy and its efficient usage are necessary, as there is involvement of natural resources and operation costs. At present, BPCL is in process of exploring and investing in various renewable energy sources to fulfil the energy demands.

Energy conservation efforts received continuous focus and is one of the key focus areas of BPCL Refinery, both in terms of improvement in operations/maintenance as well as development of new projects. Continuous monitoring of energy consumption and hydrocarbon loss is undertaken using sophisticated instruments, periodical audit, global bench marking and data acquisition system. Elaborate and systematic, based on real time and periodical, energy accounting and Management Information Systems are important features of Refinery operations.

BPCL refineries have been committed to conserve energy and improve efficiency at all levels, through sustained efforts. BPCL Refineries have taken part in bench marking study

organized by M/s Centre for High Technology for the purpose of identification of opportunities for improvement and to implement ideas and schemes to close the gaps. Relentless approach of Mumbai Refinery towards energy conservation on a sustained basis has resulted in significant saving of energy and natural resources and protect environment. Besides excellence in refining process, BPCL refineries are keenly focusing in the areas of energy conservation and environment management.

As a part of Oil & Gas Conservation Fortnight 2016, M/s. Centre for High Technology had organized a detailed "Furnace Efficiency & Insulation effectiveness Survey" in the Refineries along with industry experts. In addition, various awareness programs on the Oil Conservation theme were conducted, both inside & outside the refineries.

BPCL refineries have been always in the forefront to protect environment and constantly scout for energy saving opportunities.

MUMBAI REFINERY

The following energy conservation and loss control measures were adopted by Mumbai Refinery during the year 2015-16 which have resulted in significant fuel savings:

- New state of art energy efficient CDU/VDU as replacement of old crude and vacuum units commissioned in November 2015. This has resulted in saving of 122 MT of Fuel per day.
- Perlite insulation is provided for improvement in steam headers insulation effectiveness causing lower heat losses from steam headers and in turn reduction in fuel consumption.
- MOU signed with RCF for setting up joint STP at RCF with capacity of 22.5 MLD of municipal sewage that would produce 15 MLD of treated water. Construction activities for STP facilities, pumping station and piping from pumping station to STP and Refinery are in progress by M/s RCF.
- Diesel Hydro Heater (DHT) project for the production of BS 4 HSD and Isomerization unit for the production of BS 4 MS are under execution. Projects are expected to be commissioned in line with the requirement of Auto Fuel Vision & Policy 2025. These projects will reduce emissions from vehicles.
- BPCL Mumbai Refinery has a very robust and effective Energy Management System (EnMS) accredited with ISO50001:2011 certification and is one of the first refineries to achieve this landmark certification in India.
- Mumbai refinery achieved "Specific Energy Consumption" of 74.84 (provisional, as new methodology of computation in being introduced by M/s CHT) MBTU/BBL/NRGF during the year 2015-16 as against 77.30 achieved during 2014-15. This improvement is mainly attributable to commissioning of energy efficient CDU4, higher capacity utilization of secondary process units and various energy conserving efforts undertaken.

KOCHI REFINERY

The following energy conservation and loss control measures were adopted during the year 2015-16, resulting in significant fuel savings:

- Changing MAB drive turbine from MP to HP Steam condensing type, estimated fuel savings of 5370 tons per year – expected to be completed by Apr 2017.
- Conversion of one WGC drive into motor driven with VFD to save steam and improve efficiency resulting in equivalent fuel saving of 2610 tons per year - expected to be completed by Apr 2017.
- ARU solvent TAN control utilizing ion exchange technology for removal of acid species from Sulfolane in the system resulting in equivalent fuel saving of 2115 tons per year -completed.
- Converting CO Boiler into a waste heat recovery boiler resulting in better recovery of heat and increase in efficiency resulting in equivalent fuel saving of 948 tons per year –completed.
- Stopping of one of the two cooling water pumps in UCT5 as STG is not running resulting in power saving of 220 kW and equivalent fuel saving of 265 tons per year -completed
- Impeller trimming of 7 pumps and stoppage of 1 pump in FCCU resulting in power saving of 193 kW and equivalent fuel saving of 232 tons per year -completed
- Natural day light usage in Warehouse area: four numbers of day lighting systems were implemented resulting in saving of 2920 kWhr in a year and equivalent fuel saving of 27.6 tons per year –completed.
- Works are in progress for fixing another 56 numbers of day lighting system in workshop and central warehouse area to make it a totally sun lit area. This will result in yearly power saving of 25 MWhr - material reached at site; will be installed after monsoon.

The company has taken various steps to utilise alternate sources of energy:

Solar Power: BPCL has installed a 4 MW capacity Solar Power Plant at Bina, MP and 1.05 MW capacity solar power plant at Corporate R&D Centre at Noida in line with its Renewable Energy policy. The 4 MW Solar Power plant is supplying power to Bina Despatch terminal and Bina Kota Pipeline Pumping Station. Further, smaller KW scale Solar Plants with total capacity of 1,500 KW have been installed in 353 Retail Outlets.

Wind Energy: BPCL has commissioned 6.3 MW capacity Windmills at Hanumanthappa in Devangere District in Karnataka. Under the wind energy project, BPCL has installed 3 Wind Turbine Generators (WTGs) with a capacity of 2.1 MW each. The machines are of the latest technology with a hub height of 120 meters which is the highest in India at present. Developing more grid connected wind power plants is also being explored.



Flare Gas Recovery System at DHDS

Hydrogen Unit Installed And Commissioned at Mumbai Refinery

With commissioning of the flare recovery system, BPCL-Mumbai refinery will be recovering flare gas and routing it to Refinery fuel gas system. The flare gas recovery system enables recovery of flare gas by compressing it in a liquid ring compressor and then condensing the compressed gases. The uncondensed gases will be sent to Refinery fuel gas system and condensed hydrocarbons will be diverted to the hydrocarbon pool. With this commissioning, Mumbai Refinery is the first amongst BPCL group of Refineries to provide a Flare gas recovery system.



Capital Investment on energy conservation equipment's:

Mumbai Refinery

Sr. No	Details of Energy Conservation Equipment's and Division	Capital Investments Rs. Crores	Expected Savings (Rs Crores/year)
1	Commissioning of CDU4 (heat integrated unit) & shut down of CDU1 & 2 (old units)	1,419	72.7
2	Superior insulation in FR70 & FR12 (steam header)	0.55	0.9
3	Provision of LED Light	0.57	0.23
4	APC Implementation in Gasoline splitter & MTBE	0.8	0.49
5	Provision of C3 - C4 exchanger in CCU unit	0.5	2.97

Kochi Refinery

Sr. No	Details of Energy Conservation Equipment's and Division	Capital Investments Rs. Crores	Expected Savings (Rs Crores/year)
1	Reduction of minimum governing speed of DDC2 Compressor resulting in reduction in HP steam consumption by 1.5 T/HR during lower loads.	Nil	17.89
2	ARU solvent TAN control utilizing ion exchange technology for removal of acid species from Sulfolane in the system resulting in steam saving of 3.5 T/HR.	0.49	401.23
3	Converting CO Boiler into a waste heat recovery boiler resulting in better recovery of heat and increase in efficiency resulting in fuel saving of 0.1 T/HR and power saving of 100 KW.	17.0	157
4	Stopping of one cooling water pump in UCT5 (STG) as STG is not running resulting in power saving of 220 KW.	Nil	116.04
5	Impeller trimming of 7 pumps and stoppage of 1 pump in FCCU resulting in power saving of 193 KW.	Nil	101.8
6	Change-over to LED: 404 numbers of conventional light fittings of total power 12,483W were replaced with 509 numbers of Energy efficient light fittings of power 5223 W thus reducing the power requirement by 7.26 KW.	6.10	1.4
7	Natural day light usage in Warehouse area: four numbers of day lighting systems were implemented resulting in saving of 2,920 KWHR in a year.	Nil	0.19

The details of the utilization of renewable energy resources and the details of energy utilization is given in the table below. This year,

we have invested 0.63% capital expenditure and acquisitions in renewable energy.

Particulars	Units	Mumbai Refinery	Kochi Refinery	Retail	Lpg	Lubes	Aviation	
Solar energy	Kwh	52,775.00	14,490.00	6,627.29	1,09,005.20	65,646.00	1,323.80	
Wind energy	Kwh	0.00	0.00	1,61,108.65	3,573.80	69,869.00	0.00	
Biomass	Kg	0.00	81,901.00	1,220.00	567.00	0.00	0.00	
Renewable energy utilized	Gj	189.99	1387.15	623.74	414.53	487.85	4.77	
Total Renewable Energy utilized-overall BPCL	Gj	3108.02						



Solar Energy Powers CRDC

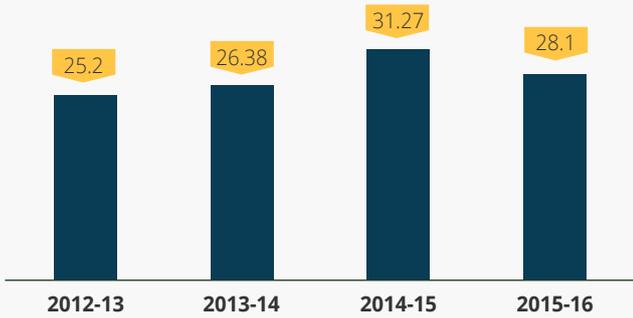
Corporate Research and Development Centre (CRDC) put on load state-of-the-art 1.05 MWp ground mounted grid interactive Solar Power Plant in October '15 to meet its entire energy needs. The plant was inaugurated by the C&MD on 9.12.2015 in the presence of other Directors.

The Solar Power Plant consists of 1MWp fixed tilt and 0.05 MWp dual axis system comprising 3440 solar panels laid across 5.59 acres of land. The estimated annual power generation would be in excess of 16,00,000 kWh, which roughly averages 4500 units per day to be consumed for all its operational requirements which is expected to make it absolutely power neutral. This plant is a trendsetter for BPCL in terms of technology selection, structure and space optimization and power maximization. The plant is fully automated and equipped with a SCADA system which monitors the electricity generated by the plant and electricity consumed.

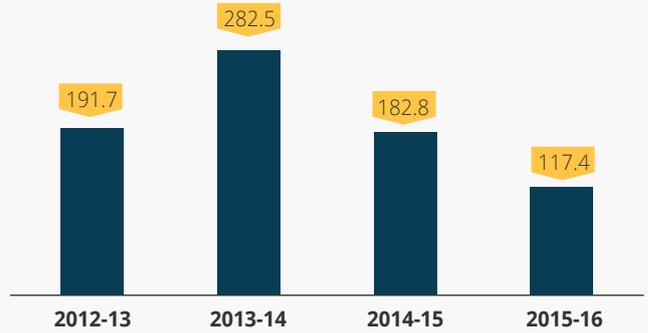
This is the first ever Megawatt scale installation in BPCL which is grid interactive and without any battery storage and power banking mechanism. BPCL has inked an agreement with the DISCOM NPCL under the net metering scheme which allows the excess power net of consumption to be exported to the grid and allows importing electricity from the grid during shortfall. BPCL will help the grid by shaving off its requirement during peak hours and drawing power during nonpeak hours.



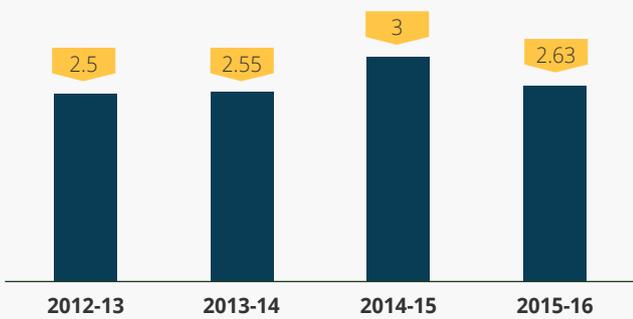
Direct Energy (Million GJ) - Kochi Refinery



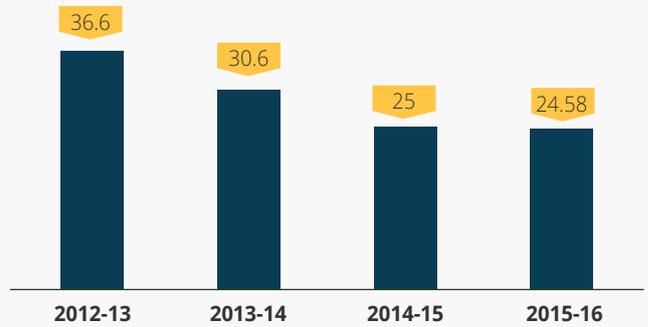
Indirect Energy (Million GJ) - Kochi Refinery



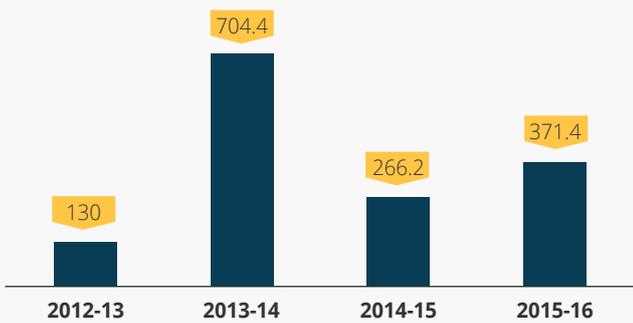
Energy Intensity (GJ/Tonne Of Throughput) - Kochi Refinery



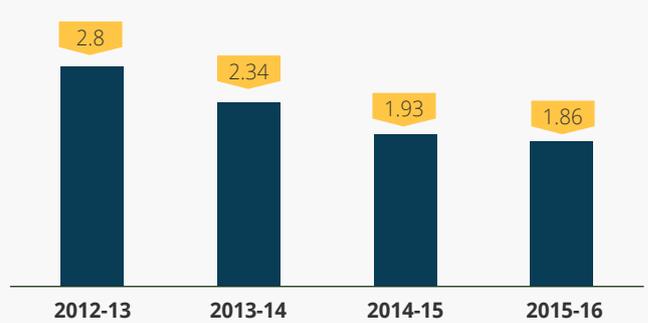
Direct Energy (Million GJ) - Mumbai Refinery



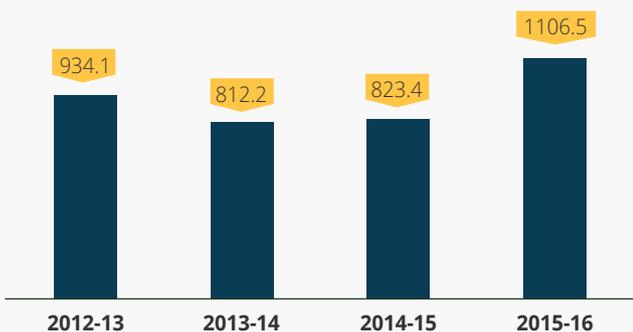
Indirect Energy (Million GJ) - Mumbai Refinery



Energy Intensity (GJ/Tonne of Throughput) - Mumbai Refinery



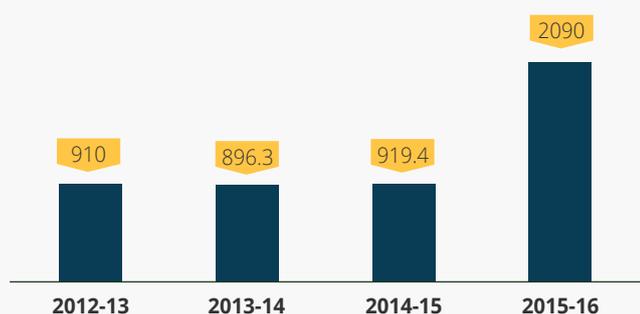
Direct Energy (000' GJ) - Other BU's



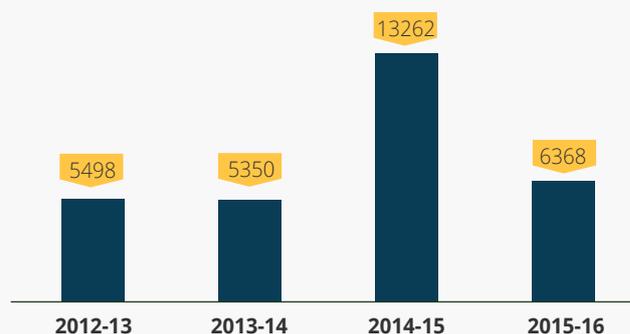
Indirect Energy (000' GJ) - Other BU's



Energy Savings at Refineries (000'GJ)



Energy Savings at Other BU's (000'GJ)



5b Water

Water, is an essential resource for our industry. As a part of our pledge towards sustainable development, we strive to optimize the water usage at our various locations throughout India, by adapting Rain Water Harvesting system and reusing/recycling of water wherever possible.

The major water sources along with the details of water consumption for refineries and other BU's for over three consecutive business years

is given in the table below. The total water consumed by BPCL is 5,76,39,327.9 KL in the reporting period. The water requirement of our refineries, due to their proximity to the sea, is almost entirely met by salt water. We, at BPCL are making endless efforts to minimize the water demand and ensure that the water sources are not affected by the withdrawal of water. No water bodies have been significantly affected by withdrawal of water by units at our areas of operations.

Quantity of Water consumption from various sources (Volume in KL)	Refineries	Other BU's
Ground water (bore/open wells)	0.00	10,21,434.26
Municipal water supply	45,18,468.00	5,64,371.44
Surface water (River/Lakes/Sea)	110,37,810.00	40,745.50
Tanker water	0.00	56,94,467.62
Rain water	96,551.27	51,530.08
Sea water intake	346,13,800.00	150.00
Total water withdrawn	502,66,629.27	73,72,698.90

Wastewater generated and recycled (Volume in KL)	Refineries	Other BU's
Wastewater generated	36529.4	717.75
Water recycled/reused	3317.17	397.48

5c Biodiversity

Biodiversity is a significant aspect, as it plays a major role in maintaining ecological balance and ensures Sustainable Environment. As the industrial revolution has already posed threat to Biodiversity to a great extent, it is our duty to protect and check for the possibility in restoring the protected areas and areas of high biodiversity value.

We, at BPCL have taken initiative to create awareness regarding importance of Biodiversity and identify the protected areas and areas of high biodiversity value in the vicinity of all our industrial units in India. We conduct Environmental Impact Assessments for all our projects to identify the impacts of operations on local

community and the environment. We have taken steps to engage with locations and to spread awareness regarding biodiversity. In a stepping stone on that front we had circulated a sensitisation note in the previous reporting cycle. We will take more steps in the coming years to disclose more.. We are planning to set regular reviews on effectiveness of impact minimization and to reduce the dependency on natural resources and to ensure proper treatment of the wastes generated and scientific disposal.

The details of our role in protecting the biodiversity will be reported in 2017-18.



SECURITY WATCH TOWERS GO GREEN AT BPCL – KOCHI REFINERY

Five security watch towers in BPCL Kochi Refinery is powered fully from the “Sun” making it a net energy zero green building. The electrical energy generated by the Solar Photo Voltaic System is directly used in running the electrical loads such as Lights and Fans and the balance is stored in battery banks. These security watch towers are constructed at strategic locations near the boundary walls, away from the main plant area. This also helped to save kilometers of underground cabling costs as the watch towers are located at an average distance of 1.2 km from the nearest electrical load center.





SOLAR DAYLIGHTING IN BPCL KOCHI REFINERY WAREHOUSE

Solar day lighting system (Norikol) is installed in Kochi Refinery warehouse area. The system contains a combination of high performance polycarbonate prismatic lens and a light diffuser. The transparent dome exposed to the sun collects sunlight from all directions and the diffuser installed inside distributes the incoming light throughout the area. Thus the system delivers high luminance with minimal light loss. Major features of this system are:

1. Zero energy consumption
2. High light transmission of about 72 %,
3. Uniform lighting distribution across the space,
4. Metal Kerb for leak proof arrangement,
5. Long maintenance free day lighting solution,
6. Very little heat buildup,
7. No unpleasant glare on work surfaces and
8. No hot spots inside. Studies the world over has proved that natural daylight is beneficial to our health, well-being, productivity and overall sense of satisfaction as compared to artificial lighting.



POWER PURCHASE AGREEMENT

Pipelines spend nearly 60% of their total expenditure on energy bills. The challenge, therefore, is to secure adequate energy supplies at the least possible cost. To reduce operating cost, the pipeline team took nimble steps to implement power purchase under open access through power exchange and thus became the first in BPCL to implement power purchase under open access. This project is being implemented as a pilot project at Malarna Intermediate Pumping station of MMBPL in Rajasthan. 15 to 20 % reduction in energy bill is estimated.



5d Emission Management

As we are an energy-intensive industry, we are taking steps towards enhancing energy efficient technologies in our operations, which would help us cut down the Green House Gas emissions thereby mitigate climate change and global warming.

We have set periodic targets at all our locations to reduce the environmental impacts caused by our operations and check for the reductions in GHG emissions. GHG emissions from our operations include Carbon dioxide, Nitrous Oxide, Methane and other gases. We have pro-

gressed in upgradation of our processes and techniques to minimize the emissions and also have set up systems to measure the quantum of our emissions.

We are also progressing towards zero ozone depleting substance (ODS) emissions from both Mumbai and Kochi refineries .

The details of the direct and indirect GHG emissions over the years along with the GHG emissions intensity for both Mumbai and Kochi refineries is represented below,

	2015-16	2014-15	2013-14	2012-13
GHG Emissions from the Refineries (000' tonnes of CO₂e)				
Direct GHG Emissions from the Refineries (000' tonnes of CO ₂ e) (Scope 1)	3847.89	3619.33	4013.8	4180.6
Indirect GHG Emissions from the refineries (000' tonnes of CO ₂ e) (Scope 2)	111.36	102.28	102.1	70
GHG Emission (Scope 1,2) Intensity (per throughput)	164.18	159.35	176.26	183.13

	2015-16	2014-15	2013-14	2012-13
GHG Emissions from other SBU (000' tonnes of CO₂e)				
Direct GHG Emissions from other Business Units (000' tonnes of CO ₂ e) (Scope 1)	52.90	51.75	67.3	63.9
Indirect GHG Emissions from other Business Units (000' tonnes of CO ₂ e) (Scope 2)	63.86	66.74	54.7	56.3

Emissions of Ozone Depleting Substances (ODS) (MTCO₂e)	2015-16	2014-15
Mumbai Refinery	3790.14	2539.43
Kochi Refinery	170194.3	9924.23

Other Air Emissions at Refineries (In Tonnes)	2015-16	2014-15
Oxides of Nitrogen (NO _x):	2,426.61	2371.84
Oxides of Sulphur (SO _x):	13,057.96	11303.83
SPM	981.91	978.19

5e Effluents

Apart from our efforts to minimize the fresh water consumption, we are regularly monitoring the discharge of effluents from all the operations involved in the industry. Effluent Treatment Plants [ETPs] are functioning satisfactorily and the effluent quality is in conformance

with the regulatory standards. The treated water is utilized for secondary purposes at the industrial premises and we are also focusing on its usage in significant operations of the industry provided it meets the water quality requirements.

Total water discharge by quality (Concentration in mg/L)	Mumbai refinery	Kochi refinery
pH	7.23	7.10
Oil & grease	1.40	1.42
Total Suspended Solids	13.80	13.74
Total Dissolved Solids	0.00	0.00
Biochemical Oxygen Demand	10.28	13.68
Chemical Oxygen Demand	67.18	70.94
Chlorides	0.00	0.00
Sulphates	0.00	0.00
Phenol	0.00	0.00
Sulphides	0.10	0.10

We at BPCL ensure compliance with national laws and regulations with regard to maintaining environmental standards. In the last reporting year, we have had no fines, non-monetary

sanctions or cases brought through dispute resolution mechanisms. However, we have experienced '222' litres of oil spill across all locations this reporting year.

Expenditure Incurred for Environmental Management (in Million ₹)	Refineries	Other Business Units
Treatment and disposal of waste	180.52	4.39
Depreciation and maintenance cost of equipment's used in pollution control	262.17	2.38
External services for environmental management	15.76	5.09
External certification of management systems	0.12	3.38
Extra expenditures for installing cleaner technologies	9049.36	2.12
Other environmental costs	20.47	4.32



Contribution towards green earth by BPCL through encon club

BPCL Kochi Refinery Encon Club network is today the single largest network with student participation in the energy and environment conservation drive. Pioneered by Kochi Refinery, way back in 2002, with the ambitious aim of associating with the younger generation in protecting and preserving the environment, the network today has over seventy member clubs in schools, colleges and professional institutions across the State of Kerala.



KR Adopts New Technology

The new in-situ regeneration of sulfolane solvent in the Aromatic Recovery Unit (ARU) was inaugurated on 16.6.2015. The ARU uses sulfolane as solvent from extraction of aromatics from feed naphtha. Due to various possible reasons like oxygen ingress, higher reboiling temperature, chlorides in the feed will lead to solvent degradation, which will result in higher Total Acidic Number (TAN), Total Suspended Solids (TSS) and low pH values. Hence, there were severe corrosion issues in columns and erosion issues in pump leading to frequent shutdown of units. Kochi Refinery adapted a new ion exchange technology for in-situ regeneration of sulfolane solvent, which has reduced TAN and TSS to Nil from the ion exchange skid outlet. BPCL-KR is the first public sector refinery to implement this with a savings of around Rs.28 crores and eliminated the SS pipeline replacement in the solvent circuit worth Rs. 98 crores. The initial investment required for this technology including manpower and erection cost is only Rs. 64 lakhs.



5f Waste Management

As BPCL is Oil and Gas company, the nature of the solid wastes generated is due to our refineries. This year the total Hazardous waste generated is 11104.21 tonnes and the Non-hazardous waste generated is 20982.75 tonnes . The details of which are mentioned in the annexures.

The scope for reuse and recycling of the Hazardous waste depends majorly upon its composition. Hazardous wastes such as batteries are handed over to the suppliers through buy-back arrangements, used filters

and used oil rags/cotton are handed over PCB authorized vendors/recyclers for further treatment and disposal in secured landfills in compliance with the regulatory norms .

The non-hazardous wastes such as paper etc. are sold to authorized agencies for recycling. Our Kochi Refinery has achieved 100% recycled A4 size paper with desired GSM and it is awarded 'Green Certificate' and we are looking forward to implement the same in our other locations. The residual sludge from the refineries after the oil recovery is subjected to bioremediation.



6 | PARTNERING WITH STAKEHOLDERS

6a Our Internal Stakeholders

6.a.i. People (Employees)

We at BPCL, believe that the organization's success is driven by its people. Over the years, we have always acknowledged our diverse and strong work force to be our constant source of strength in the rapidly changing business world. Human Resources are a vital part of our industry and we firmly believe that effective human resource can guide an organization's direction towards success.

BPCL helps employees acknowledge their inner potential and motivate them by providing thorough induction training, on job training and other training until pre-retirement. Our Employees are the key facilitators of our plans and visions, hence, BPCL has taken several steps to make our organization a great work place. We facilitate continuous learning and encourage lateral and vertical enhancement of skills for the overall development of our employees.

We offer employment opportunities to the various communities near all our business locations, as a step towards our community development initiative. Although we do not yet have a system in place to track the exact number of community members hired at various positions. Our HR department has strong recruitment and retention strategies.

'Sustainability' is Core of our Business. Our approach towards sustainability, core values, company policies, human rights standards and code of conduct is developed in all our employees during their thorough induction training programme. This helps them develop a feeling of responsibility, loyalty, leadership and ownership towards their job. Leadership workshops and training are conducted by talent management team to inculcate the sense of leadership in our employees in order to prepare them face

the challenges of the rapidly growing business world.

A performance review is conducted for all management and non-management employees on annual basis. We ensure that employees are engaged in the right type of work, where their skills are utilized at the fullest and also ensure individual performance goals are in line with our business goals.

A 360-degree evaluation based on the leadership competencies and performance is carried out by the Talent Review Panel, wherein the line-managers present the profile of their subordinates and design learning, develop frameworks and plan for their job profile, promotions and transfers. 'Let's talk' sessions are conducted in order to facilitate the discussions of our employees on their individual goals and aspirations as well as their vision in BPCL. 'Ideas platform' is conducted very year, which provides a platform to all our employees to send in their ideas to build an efficient and sustainable work place. The ideas are judged rigorously and the winners are awarded. 'Suggestion schemes' are conducted periodically in order to ensure that the sustainability issues are discussed and the feedback is obtained from the entry level in the organization.

We organize several initiatives to identify the competency gaps and bridging such gaps by learning and development programs such as strategy workshops, functional programs, management skills and on the job training. In order to enhance personal, managerial and functional expertise of our employees, they are exposed to various programs and seminars organized by premier institutes. 'Integrity Clubs' are established for children in

the age group of 11-16 years. It emphasizes team spirit, compassion, integrity and duties towards society by involving these children in various indoor and outdoor activities. These activities are framed according to the age group of children. Parents and teachers play important role in formulating these activities. Children are encouraged to express their opinions and through outdoor activities are involved in spreading the message of compassion, responsiveness and integrity in the society.

Mumbai Refinery organised training and development initiatives at the individual, functional and organizational levels were conducted. This year, a total of 4814.16 man days of training have been provided to all sections of employees to upgrade their skills. Employees were also privy to seminars, organised by premier institutions in India and Abroad.

Employee Grievance Redressal

As our people are one of our most valued stakeholders, their happiness and feedbacks are of utmost importance to our organization. BPCL, believes in the non-violation of human rights and is compliant with the international human rights standards. With the core value of 'Connecting with Employees' for 'Employee Wellness' and 'Proactive grievance handling', Employee Satisfaction Enhancement Department organized 90 varied interventions across regions, locations and refineries. All grievances were redressed well in time. We conducted more than 63 meetings and visited about 39 locations to proactively interact with employees and increase awareness.

Employee Engagement cell is dedicated solely towards identifying and resolving the all the

employee grievances. But it is found that employees voice their grievances through various informal channels. They are also free to email the Chairman, ED(HR) or any other senior manager to address their issues.

Employee Satisfaction Enhancement (ESE) cell focuses on employee wellness, employee engagement and prompt grievance redressal. ESE vision is 'to be an active facilitator towards a healthy, productive, vibrant and energized workforce by working towards 360-degree wellness living up to core purpose of energizing lives to make 'BPCL – A great Place to Work'. It conducts health camps, talks on lifestyle modification to inculcate healthy lifestyle amongst employees, at our various locations.

A Sexual harassment panel is formed to deal with any sexual harassment grievances raised.

Roshni, a 360-degree physical wellness counselling service for Health Risk assessment, wellness coaching, health articles are conducted to ensure employee wellbeing. Stress management was introduced by conducting a special edutainment program 'Bollywood and stress management'. During the reporting year, total of 4,21,619 customer complaints have been received and all have been resolved during the year.

The permanent employees in BPCL are classified into management, non-management and clerical and the details of the recruitment is available for the significant areas of operation being Mumbai and Kochi refinery and the regional distribution of employees is as below.

		Total	Male	Female
No. of permanent employees recruited in 2015-2016	Management employees	378	347	31
	Non-management employees	197	197	0
	Clerical employees	3	3	0

Regional distribution of employees- Permanent	Non-management Male	Non-management Female	Clerical - Male	Clerical - Female	Management-Male	Management-Female
North Region	697	3	205	62	926	76
South region	384	7	187	76	788	88
East region	371	4	176	26	475	25
West region	1,030	1	326	292	1,368	236
Mumbai refinery	1,483	11	65	88	956	67
Kochi refinery	1,243	0	109	47	696	29

Breakup of permanent employees	Total	Male	Female
Management employees	5,730	5,209	521
Non-management employees	5,234	5,208	26
Clerical employees	1,659	1,068	591
Total permanent employees	12,623	11,485	1,138

Location of contract employees	Total	Male	Female
Mumbai refinery	67,910	64,514	3,395
Kochi refinery	13,181	12,783	398

Permanent employees resigned from the organization		Total	Male	Female	
		Management employees	321	293	28
		Non—management employees	12	11	1
		Clerical employees	0	0	0

Regional distribution of New Permanent employees by employee category	Non-management Male	Non-management Female	Clerical - Male	Clerical - Female	Management-Male	Management-Female
North Region	0	0	1	0	53	6
South region	0	0	0	0	60	12
East region	0	0	0	0	39	1
West region	0	0	1	0	90	11
Mumbai refinery	29	0	1	0	55	1
Kochi refinery	168	0	0	0	50	0

Age distribution of Permanent Employees	Total	Clerical	Non-Management	Management
< 30 years	2,005	12	435	1,558
30 - 50 years	5,175	560	2,081	2,534
>50 years	5,443	1,087	2,718	1,638

Return to work and retention rates after parental leave	Total
Employees are availed maternity leave	29
Employees that returned to work after maternity leave and are with BPCL at the close of 31/03/2016	27

	Type of training by significant Locations and gender (in hours)	MR		KR	
		Male	Female	Male	Female
Management employees	Functional Training/Internal training	29,384.00	1,176.00	41,436	784
	Development programmes Training/External training	13,176.00	920.00	5,720	448

Non-management employees	Type of training by locations & gender (in hours)	Refineries		Retail		LPG		Lubes		Aviation	
		M	F	M	F	M	F	M	F	M	F
	Internal Training	39,248.00	304.00	16,946.50	532.00	17,167.83	297.50	202.15	0.00	755.00	0.00
	External Training	1,444.00	136.00	3,094.50	152.00	3,292.00	192.00	600.00	0.00	366.00	0.00

		Male	Female
Management	Internal training (in hours)	41,436.00	784.00
	External training (in hours)	5,720.00	448.00

		Male	Female
Non-Management	Internal training (in hours)	82452	3516
	External training (in hours)	7620	136

Labour Management Relations

For BPCL, 'Our People' includes both permanent and contract employees. As a principal employer, it is our responsibility to ensure protection of rights and invest equal efforts in skill development of the contract staff, which would build a strong mutually beneficial relationship that lasts longer. The contract staff are treated well by providing all benefits due to them.

At, BPCL, the contract staff has to enter an 'Integrity pact' with BPCL, and abide by all the legal commitments relating to ethics and governance. It includes aspects on child labour, forced labour and fair wages. We have also set up IT system for contract management – to track the entry and exit timings. It serves as a security mechanism to know the particulars of the contractors and enables transparency and accountability.

Equity for All

BPCL, advocates the values of Diversity, Equal opportunity and Equal Remuneration for men and women, which is within the architecture of the organization. As a responsible employer, we encourage female employees to lead and represent organization at various international platforms. Regular workshops, training sessions on women rights and other relevant topics are conducted. We do not engage in any form of discrimination.

Human Rights

As an equal opportunity employer, we do not discriminate our employees based on gender, caste, colour, religion or region. We have fair employment and hiring policies with equal rights and we believe in investing our maximum capacity in safeguarding rights and main-

taining a conducive working atmosphere at all our locations. The Human Rights policy outlining our commitment towards both full time and part-time employees, description of redressal mechanisms for the grievances in relation to the Human Rights violations to be resolved is implemented this reporting year. We regularly sensitise our employees on these issues and currently we are developing systems to track Human Rights training separately.

The Human Rights screenings are carried out on regular basis. However, there were no grievances on human rights violation in the past two consecutive reporting years. No incidents involving indigenous people and discrimination practices and no disputes involving local communities were reported in the last reporting year. Our Commitment in operating with respect to human rights is reflected in company policies and procedures. We are committed to adherence to Human Rights Policy in all our operations.

The policy on human rights extends to all our suppliers, vendors and contractors.

Remuneration and Allowance

As majorly the contract labour is unskilled, we have the ratio of Entry level wages to minimum

wages equal to 1.49, by considering minimum wages for construction of roads/buildings schedule for the unskilled labour in line with the applicable Central or State rates whichever is higher. Additionally, in our Marketing locations w.e.f. 01.01.2016, contract labour (excluding labour engaged by service provider with whom we have contract on principal to principal basis) are also being paid an additional amount per month over and above the Central Minimum Wage rate, depending upon the skill/ type of Area classification/ nature of contract. There is no discrimination of between wages based on gender and the entry level wage is the same for women. In Kochi Refinery, contract labour is paid wages and allowances as per a settlement which is higher than the applicable minimum wages rate and ranges from Rs. 505 to Rs. 606 per day. In addition to this, our payment policies prescribe paying 25% above the statutory requirements to our contract labours.

The percentage increase in the total annual compensation of the organization's highest paid individual is 6.39% and the median percentage increase in the total annual compensation for all the employees except for the highest paid individual is 1.11%.

Particular	FY 2014-15	FY 2015-16
The total annual compensation for the highest paid individual of the organization	Rs.27,15,318	Rs.28,88,787
The median total annual compensation for all the employees (except for the highest paid individual) of the organization	Rs.11,96,085	Rs.12,09,412

BPCL, ensures compliance against all regulatory requirements including Industrial Dispute Act of 1947, which stipulates a minimum notice period of 21 days prior to the implementation of significant changes in operations.

Our various contractors are under the purview of Contract Labour (Regulation & Abolition) Act,1970, which stipulates coverage of contract labour under various Social Security schemes. Our labour is covered under the Employee

State Insurance (ESI) Act,1948 to ensure payment of wages on time, health, insurance coverage and other soft aspects. The contractors are also contributing for the Provident Fund. We also provide capacity building for a variety of skills and facilitate multi-skills training in order to ensure flexibility of the workforce.

There are 22 registered unions representing 95.24% of our employees (non-management) under BPCL and we enter in 10 year formal

contracts with these trade unions. These contracts cover all the aspects of health and safety. The unions address issues such as worker's right to refuse working in unsafe environment, mechanisms to raise safety concern and methods to implement constant inspections at various locations.

It is a matter of pride for BPCL that no operations restrict our employee's rights' to association or collective bargaining .

Employee benefits

BPCL has put in place a number of policies and schemes for ensuring the employee wellbeing and provision of healthy and ethical workplace. Several Formal and informal channels are provided communication and grievance redressal mechanisms to our employees. The list of the employee benefits is given below, while the significant areas of operation are limited to Mumbai and Kochi Refinery.

List of Employee benefits

1. Provident Fund contribution
2. Gratuity
3. Insurance scheme
4. EPS 1995
5. Compensation on Death
6. Super Annuation Benefit Fund Scheme
7. Maternity Leave
8. Leave without pay for 3 years once in entire service
9. 2 years' child care leave without pay. One time in entire service
10. Performance linked Incentive (PLI)
11. Performance Incentive Scheme (PIS)
12. Medical Policy
13. Whistle Blower Policy
14. Legal Aid Policy
15. Post Retirement Policy
16. Housing Loan
17. Vehicle Loan
18. New Pension Scheme
19. Education Assist Scheme
20. Burmah Shell Pension Scheme

The employees or the spouse of erstwhile Burmah Shell are eligible for pension based on the option selected by them. The pension is paid by the Burmah Shell Pension Trust, which is suitably funded by BPCL and the actuarial valuation is done every year. The number of the Burmah Shell Pensioners are decreasing every year. There was a superannuation fund and the employees could have opted to become members of the scheme. This was a defined benefit scheme which came to an end on 31st December,2006 and the benefits for the existing members was frozen on the same day.

The structure of the current retirement plan is based on defined contribution and BPCL contributes 12.5% of wages as pension contribution to the BPCL Employees Contributory Superannuation Fund. There is no contribution from the employees and the pension benefits are available to all management, non-management staff who superannuate from service and the annuity is brought out from the amount standing to the credit of the individual member.



BPCL Hockey Team Retains Bombay Gold Cup Title

BPCL retained the 50th All India Bombay Gold Cup Hockey tournament held at Mumbai when they beat CAG in the finals with a convincing margin of 6-1 goals.

The star-studded BPCL outfit, comprising of current World Cup Hockey League Bronze Medalists, S.V. Sunil, Amir Khan, Birendra Lakra and Manpreet Singh, made their intentions clear from the outset, setting up a fast pace and penetrating the CAG defence with regular runs on both flanks. The first goal came in the 3rd minute through S.V. Sunil, Manpreet did a solo run to sound the board giving BPCL a 2-0 lead. Jarnail Singh converted a good pass to score the third goal of a reverse flick. In the second half, BPCL scored through Amir Khan, Somanna Pradhan (Guest player) & Ravi Pal. However, CAG got a consolation goal through Abhishek Singh.

Earlier, the BPCL team had defeated the Indian Oil Hockey team by a 4-2 margin in the semi-finals. Indian Oil also consisted of current Indian players including star drag flicker V. Raghunath. However, the Indian star failed to convert any goal of the 4 penalty corners they received. While Mr. S.V. Sunil was awarded the Player of the tournament, Mr. Birendra Lakra was awarded the Best Defender and Mr. Mohd Amir Khan was awarded the Best Forward. We wish the team great success in future tournaments!!!



6.a.ii. Our shareholders and Investors

Our Investors

The Indian Economy continues to perform above expectations amidst rising global uncertainty and economic slowdown. Indian economy is chiefly driven by enhanced consumer spending, India's growth stands to benefit by the decline in crude oil prices, easing of credit conditions, a strong government, fiscally prudent budgetary plans, focus on improving infrastructure and robust economic fundamentals.

Indian Petroleum Sector

Efficient and reliable energy supplies play a crucial role in the development of an economy such as India. The indigenously available energy resources may not be sufficient in the long run to match the increasing demand of petroleum products in the country. Hence, BPCL being an energy intensive industry is making progress towards development of renewable and un-conventional energy sources.

As a regulatory reform, the Foreign Direct Investment (FDI) in the sector is being encouraged and FDI for petroleum refining by CPSEs has been permitted at 49% foreign equity under the automatic route as against the earlier approval through Foreign Investment Promotion Board.

The Hydrocarbon Exploration Licensing Policy (HELP) has been institutionalized for Award of Hydrocarbon Acreages with New Contractual System and Fiscal Model with a view to simplify the business of exploration and production of hydrocarbons in India. It provides for a uniform licensing system to cover all hydrocarbons such as oil, gas, coal bed methane and the like under a single licensing framework along-with an open acreage policy.

In addition, to accelerate the development of the North Eastern parts of India, MOP&NG has taken proactive measures to ensure enhanced investments of Rs 1.3 lakh crore by 2030 in the hydrocarbon sector. This has been captured in the Hydrocarbon Vision 2030 for North East

India released by the Minister of Petroleum and Natural Gas in Guwahati in February 2016. These investments are likely to cover exploration and production, crude oil, product and natural gas pipelines and significant increase in marketing network to improve the access and availability of petroleum products in these areas.

The Pradhan Mantri Ujjwala Yojana (PMUY) Scheme was announced in February 2016 for providing free LPG connections by Oil Marketing Companies to the women belonging to the below poverty line (BPL) households. Under the scheme Rs 8000 crores has been earmarked for providing 5 crore LPG connections over a period of three years to BPL households.

The Indian Oil & Gas Sector has been through some volatile times in the recent years. However, it is now at a stage where the much needed government interventions and reforms have begun to bear fruit. The laser sharp focus of the MOP&NG to develop the nation and change the socio-economic dynamics of India is positively evident. The future of the Oil & Gas Sector in India seems bright with enhanced opportunities for growth and timely co-operation from State/Central authorities.

Back home in India, the future of the oil and gas sector seems more promising. With the second largest road network across the world at 4.7 million km that transports more than 60 per cent of all goods in the country and 85 per cent of India's total passenger traffic the road transportation has gradually increased over the years with the improvement in connectivity between cities, towns and villages in the country. The combination of augmented road infrastructure, increased personal travel and increased transportation of goods implies increased consumption of transportation fuels.

In an effort to ensure that the regulatory framework supports the oil and gas business, rather than being a hindrance to growth, the

government has taken significant measures such as relaxing the foreign investment norms, revisiting the gas pricing policies, formulating consumer oriented best practices, penetrating the rural markets and hinterlands for LPG marketing, exploiting technology for disbursing subsidies, to name a few.

India is also emerging as the refining hub primarily due to lower capital costs as compared to other countries. The refining capacity of the country is a little more than 4% of the world capacity, with a refinery throughput share of more than 5%. With plans of the mega refinery to be set up in Maharashtra, India is poised to enhance its refining capacity by more than 40% over the next few years.

As a result of the declining crude oil prices and the subsequent redundancy of subsidies, the Oil PSUs have witnessed a drastic reduction in their borrowings leading to healthier financial statements. Due to this, the ability to borrow additionally for new investments has increased substantially. This is a positive development for

BPCL, especially since the company has plans to invest more than Rs 1,00,000 crores in the next five years.

While lower crude prices have indicated enhanced profitability for the downstream Oil companies in India, it also poses the concern of viability of investments in the upstream sector. Revisiting the investment decisions and validating the earlier choices has been a critical evaluation. Though the current prices continue to support BPCL's investments in the upstream sector, any further extreme decline in prices may prove to be detrimental.

In conclusion, risks and challenges notwithstanding, BPCL has equipped itself with the wherewithal to ensure that it creates value at each stage and for each stakeholder, be it for the shareholders, the customers, the vendors, the business network, the employees and the society at large. It has outperformed itself and emerged as a truly comprehensive player in almost all facets of business.

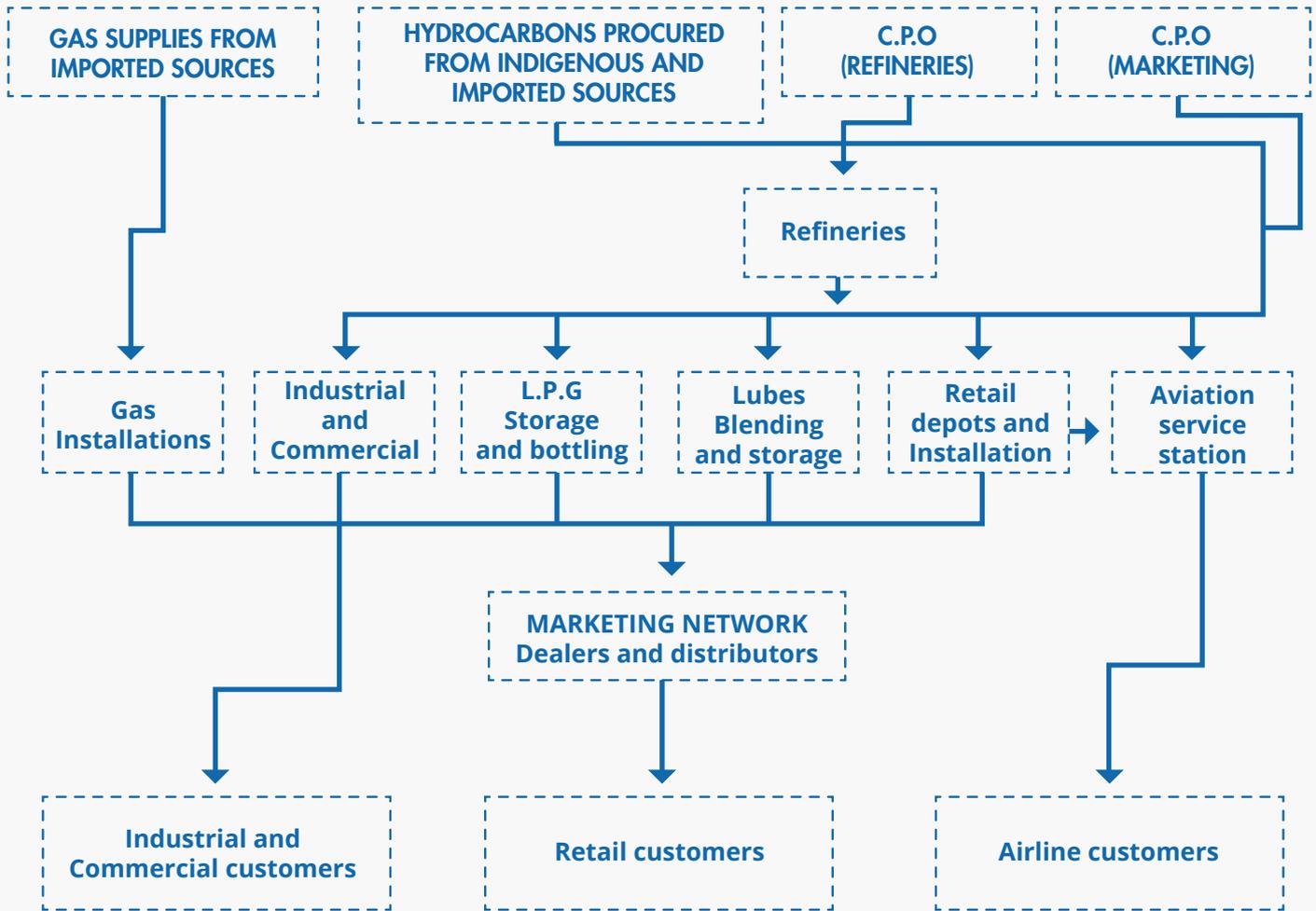
6b Our External Stakeholders

6.b.i. Suppliers

Our supply chain plays an integral role in our business. We wish to establish mutually beneficial relationships with them to promote a long term engagement with them. The relationship management for the supply chain is handled by our IT team. This comprises of different engagements throughout the year. Some of them are:

- Annual 'Premier Vendor' workshops for our material and equipment suppliers
- Periodic meetings with small vendor groups
- Meetings to ensure smooth functioning of the process and to eliminate bottle necks
- Make formal and informal channels to address grievances of our suppliers
- Relationship building with National Oil Companies of different countries & Oil Traders

Operational Overview



Monitoring and Evaluation

BPCL wishes to have a tendering process which is transparent as well as deliver a high quality output. We believe that our tendering process utilizes technology effectively. Our Bid Qualification Criterion creates a high filter to enable us to procure only the highest quality products. The procured materials need to be certified by a recognized seal or by a third party agency. If these conditions are not met, then BPCL will not be able to procure products from those suppliers. Our central procurement office engages in strategic procurement for various business units and our refineries. Our annual roadmaps are in conjunction with CPO and international trade department.

While the majority of material consumption takes place at the re-refineries, our Marketing business units are also increasingly consuming a significant amount of material. In order to

render support to our local suppliers, we only import 5% of our material and equipment while balance is from local suppliers. BPCL is fully complying with the Public procurement policy for MSEs and “purchase preference clause” for MSEs has been incorporated in the “General purchase conditions” of all the tenders in compliance with the Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012. BPCL has achieved 23.06% procurement through MSEs for the year 2015-16 as against the target of 20%. The total procurement value for BPCL where MSEs could have participated is 5,434.08 crores and the actual value procured from MSEs is 1,253.30 crores. Here we refer to local as India. Our CPO department is constantly looking for new and innovative ways to reduce consumption as well as procure more efficient and environment friendly material.

Supplier Assessment:

Through the course of our work, we engage with a large number of suppliers. These suppliers encompass contract staff supplying agencies and suppliers of products, materials and equipment. Our robust e-tendering system on boards all our vendors and suppliers. All our vendors are important to our business. BPCL has been a strong advocator against unethical working conditions and practices in the business. We ensure that we follow Government of India and International standards. Our vendors sign an integrity pact as part of their on-boarding process. This contains the terms and conditions of working with BPCL. We include aspects related to environment protection, child labour, timely payment of dues and good working conditions. Our current screening mechanism is based on the legal requirements related to environmental, social and Human Rights related aspects. The screening is done based

on self-declaration from the suppliers on our contractual terms which cover all these aspects. We are developing a comprehensive roadmap towards achieving a sustainable supply chain and would involve our supplier on various other aspects in the coming years. That being said, all our business units and supervisors at all our locations are well aware about the working conditions and ethics that are acceptable to the company. There is a constant quality check at the locations on the same. In the case of human rights, child labour, forced labour and working conditions for the employees, there are a number of informal channels where the grievances may be raised and resolved in a timely manner. Over the years our employees have freely used these channels and have had their grievances if any resolved.

BPCL Sustainable Supply Chain Roadmap		
Sr. No	Phase	Action
1	Creating Meaningful expectations	Understanding BPCL's sustainability agenda
		Drafting process for bringing suppliers on-board with the sustainability agenda
		Mapping key areas relevant to BPCL's suppliers and supply chain
		Initial communication with the suppliers on broad areas of sustainability
2	To select suppliers and making them agree to targets	Categorizing suppliers as per their association with BPCL
		Drawing a representative sample from the suppliers for initial expectation mapping
		Seeking feedback from a sample set of suppliers on identified sustainability parameters
		Setting framework to assess supplier feedback and incorporate in policy / tender development
		Developing the supplier sustainability policy based on BPCL's prioritization and supplier feedback
		Drafting the amendments to tender to incorporate sustainability parameters in progressive manner
3	Measure Supply Chain Performance	Setting up comprehensive mechanism to track supplier performance on sustainability parameters
		Initial baseline of all suppliers to assess sustainability performance and highlight best practices

		Segmenting suppliers based on sustainability performance
		Defining roadmap for improving supplier performance on sustainability parameters
4	Learn, Evaluate and Improve	Establish continuous improvement framework for suppliers
		Evaluate supplier performance regularly to identify leaders
		Develop hand-holding and performance improvement assistance mechanism for suppliers
		Institute award and recognition for suppliers performing better on sustainability parameters

Road Safety

Majority of our product transport happens through roads. We are exposed to a significant amount of risks right from unloading, transportation, reloading and processing of the oil in the refineries. We have earned sufficient praise for our tanker operations which ensures quick turnaround while maintaining high safety standards. Safety in transportation is of utmost importance to us and we have incorporated a number of steps to ensure this. In our attempts to support our transporters we have put in place a number of training programmes and safety standards. We have started avoiding any transportation at night. We have also

installed VTS systems in the trucks to support the drivers while in transit. Additionally, we are constantly working towards expansion of pipeline network to minimize the transportation by road. Our HSSE department analyses every single road accident to understand the root causes behind them. This helps inform our training processes. Our training broadly comprises of, driving techniques, parking techniques, fuel conservation, defensive driving, knowledge of traffic rules and handling of hazardous materials.

6.b.ii. Dealers and Distributors

Dealers and distributors play a vital role in keeping the lines between BPCL and the customer operating smoothly. They are more than just BPCL's channel to customers. They play an important role in providing customers with a wide range of services before and after the sale.

To ensure customer satisfaction and thereby loyalty, we have a robust selection and eligibility procedure for dealers, developed in collaboration with other oil marketing companies. The 'Marketing Discipline Guideline' provided to all dealers and distributors entails procedures on discipline in the operation of retail networks and helps companies ensure a standard for customer satisfaction. In addition to this, we

have laid out a 'Reconstitution Guideline' providing rules for Retail outlet/ Dealership recreation. We have also developed an eligibility criterion for appointment of new LPG distributors. The LPG BU is particularly focused on ensuring that the genuine consumers receive the LPG and use it for right purpose. We take several measures to ensure that we supply LPG to fulfil only genuine demand and have taken several measures to ensure the same through raids and penalties levied on distributors not abiding by the marketing discipline guidelines. Apart from the usual dealership, we have in place policies and guidelines for 'Company Owned Company Operated' service providers.

At BPCL, we ensure all our dealers undergo training programmes such as the Visionary Leadership Programme in order to bring about a functional and behavioural change in the way they engage with customers and ensure quality,

courteousness and timely services. Engineering excellence, manufacturing efficiency, and quality are rapidly becoming the need of the hour. And our dealers and distributors ensure just that.



Vehicle Tracking System (VTS) for locating the products on-route:

Vehicle Tracking System is union of Global Positioning System (GPS) and GSM- SMS to pin point accurate position of vehicles and conveying this information to central computer system. BPCL has installed these devices in more than 6000 oil tankers. Complete movement of vehicles can be seen on overlay route maps. This system is integrated with our ERP system which supplies basic information i.e. origin & destination for the vehicle.

VTS application selects the approved route for the movement and tracks the position of vehicle during the movement. Speed limit violations, route diversion etc. are some of the other reporting provided by the system.

VTS is an effective tool for analysing the product delivery process. It helps the organization to track vehicles & consignments on real time. VTS system is expected to enhance, safety, Quality Control, logistics efficiency for all stakeholders.

6.b.iii. Customers

We, at BPCL firmly believe that the customer is one of the most important stakeholders to our business. They are at the centre of our approach to create products that can prove to be useful and also create a shared value among us. We want to understand the aspirations of our customers when it comes to buying trends, with respect to competitive products and service offerings. These business intelligence insights will help us focus on clear customer strategies and inform our research and development process.

We have also introduced our own centralized Customer Care System (CCS), an all India toll free number called 'Smart Line'. This platform is being used for suggestion capture; lodging queries and provides a grievance redressal mechanism. This will also act as a 24x7 emer-

gency hotline number. From marketing and customer stakeholder perspective, we undertook numerous unique initiatives during the last fiscal. BPCL has always had special focus on its stakeholders and addressing their expectations, be it shareholder or customer. We understand that stakeholder expectations are constantly changing and hence we ourselves are continuously improving to meet the expectations. SmartFleet, PetroCard, In&Out stores, Ghar initiative etc. were all undertaken to address this constantly evolving customer need and serve them more efficiently.

Further, we undertook in Customer Understanding for Business Excellence (CUBE) surveys to better understand our customers and deliver as per their expectations. All these initiatives have allowed us to maintain a strong

positive image amongst our numerous stakeholders, enabling us to move closer to our vision of being the leading oil & gas retailer in India in all aspects. Customer research in addition with advertising enables us to:

- Identify what users fit a particular product or service

- Understand customer satisfaction with respect to a particular product or service
- Conduct needs assessment for a particular customer demographic. This year, however we did not conduct any customer satisfaction surveys.



PAHAL in Guinness Book of World Records

The "PAHAL" scheme has been acknowledged by the Guinness Book of World Records for being the largest cash transfer program (households) with 12.57 crore households receiving cash transfer as of 30 June, 2015.

Government of India had launched the 'PAHAL' Scheme in 54 districts of the country on 15 November, 2015 and in remaining districts of the country on 1 January, 2015.

LPG consumers who join the PAHAL scheme get the LPG cylinders at market price and receive LPG subsidy (as per their entitlement) directly into their bank accounts. Close to 14.62 crore LPG consumers have joined the PAHAL scheme and are receiving the subsidy directly into their Bank Accounts, the statement said.

Till April 2015, on industry level there were 18.19 crore registered LPG Consumers and 14.85 crore active consumers implying a gap of 3.34 crore consumers which are duplicate / fake / inactive accounts blocked under PAHAL Scheme and related initiatives.

If the quota of 12 cylinders per consumer and for the year 2014-15 is taken into account,



Hon'ble MoS (I/C), MoP&NG presents PAHAL's Guinness World Record certificate to Hon'ble Prime Minister.

estimated savings in LPG subsidy due to the blocking of 3.34 crore accounts work out to Rs. 14,672 crore, during that year, the statement said. The statement also said that out of a total of 16.27 crore active consumers, 14.62 crore consumers are availing subsidy - resulting in further subsidy saving for 1.65 crore consumers.

The response of the customers would be obtained in line with the questionnaire provided. Evaluation will be done on the point scale by the customers selected at random based on the questionnaire. Average marks collected

(weighted) on all customer contacts made will be computed and the level of customer satisfaction rating worked out. Unfortunately, this information cannot be disclosed due to confidentiality reasons.



A National Movement with a Difference

#GiveItUp is a national movement urging those who can afford to buy LPG at market price to give up their subsidy which helps light the flame in a poor man's kitchen so that they can move from smoky to clean fuel kitchens. We at BPCL support the cause of bringing good health. #Giveitup enables us to contribute to gift good health particularly to the women and children who are exposed to high indoor pollution caused by polluting fuels.



The rural markets grew at almost 5% higher, while urban markets recorded growth at around 7%.

With the objective of improving market penetration. BPCL commissioned 630 new retail outlets. During the year our focus continued to put in place superior customer service standards at the retail outlets while BPCL's throughput per outlet per month being 20% higher than the industry average. The Pure for Sure (PFS) & Pure for Sure Platinum (PFSP) programs were taken to another level by network assurance through the promise of purity, service and enablement through technology. The PFS network and the 'PFS Platinum' reached a considerable growth in the number of retail outlets, offering unique and unparalleled customer experience. The Pure for Sure certified retail outlets contributed to 25.83MMT contributing to 5.1% increase of the total sales as compared to 2014-15. Gaining long term loyalty of our

customers remained a strong strategic focus for the business. The loyalty initiatives of Petro-Bonus and SmartFleet enhanced the value to individual customers and Fleet Owners.

To provide a superior customer experience, BPCL has developed a retail automation platform. We want to use this to promote transparency through secured and automated fuelling and payment services. We sincerely hope this will provide a superior experience to our customers. The number of automated ROs in the network is 8376. In order to have hassle free transactions, 1293 retail outlets have been made NANO Compliant- No automation, no operation, meaning complete automation. We also achieved compliance for Automation for Sure (AFS) at retail outlets. Reinforcing our trust through technology amongst customers, we generated e-bills through SMSs sent to registered customers.



Launch of '1906' 24x7 LPG Emergency Helpline

Hon'ble Minister of State (I/C) Petroleum & Natural Gas, Mr. Dharmendra Pradhan in a programme held in New Delhi, launched '1906' - round-the-clock LPG Emergency Helpline for enhanced customer safety and convenience.

The number - '1906' is a call-centre based service, available pan-India to all LPG customers of the three public sector Oil Marketing Companies (OMCs).

The helpline offers services in nine vernacular languages - Marathi; Gujarati; Bengali; Oriya; Assamese; Tamil; Telugu; Kannada; and Malayalam - apart from Hindi and English, to ensure that the callers are comfortable in registering their grievances. The Call Centre is also equipped with a setup for outbound calls for contacting mechanics/distributors and oil company officials. Though customers can access the ESC only through voice calls, the call centre is equipped with a web-based application for logging and viewing complaints. The portal houses exhaustive data on the contact details of all LPG distributors, emergency service mechanics, and field officers, across the OMCs.

The LPG area in-charges of the three OMCs have been provided access to the portal to constantly monitor call logs, and update contact details of the mechanic and field officers on a regular basis. Honorable Minister also urged oil marketing companies to make the helpline number 1906 toll-free. Honorable Minister also mentioned that a host of other such initiatives for customer convenience would be offered and that the year 2016 would be celebrated as the 'Year of the LPG consumer.'



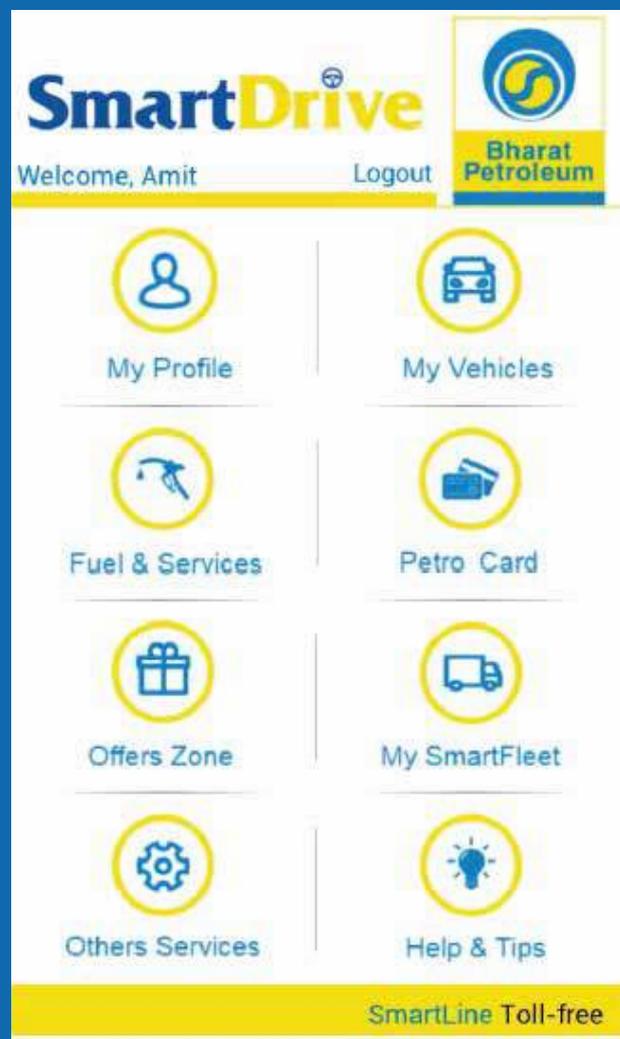


SmartDrive Launched

In an era of digital technology marked by continuous innovation and out-of-the-box thinking, BPCL has transcended boundaries to rate as the first choice of customers. Catering to the changing needs of the tech savvy, smart and intelligent customers, we have launched a customer friendly mobile app - SmartDrive -designed & developed by the IT & BI team of Retail SBU. SmartDrive was launched by our C&MD, Mr. S. Varadarajan on 3rd August, 2015 during the LIA Awards Ceremony at Bangalore. This app is now available on Android & iOS platforms and will soon be launched on the Windows platform. This can be downloaded from Google Play Store and Apple App Store depending on the customer's smartphones. Customers can search for outlets nearest to them, by services they want, on their route.

Further, SmartDrive is customized to capture the customer details along with their vehicle details and give regular reminders for their PUC, insurance and servicing of the vehicle. Customer complaints and suggestions have also been enabled in SmartDrive. Customers can rate particular retail outlets as well as give retail outlet wise feedback on services, along with the photo of the outlet.

Projecting BPCL as one brand, SmartDrive has brought the Bharatgas profile, MAK Lubri-



cants data, Petro Card profile and SmartFleet profile under its roof, to cater to each and every type of customer and their wholesome energy needs.

6.b.iv Concern for Communities

Community welfare is an integral part of our industry and over the years, BPCL has made significant progress in keeping up the standards and values of the society. Corporate Social Responsibility (CSR) has become our standard business practice and we have committed ourselves to add value to the society and not just economy, in the present challenging business world.

As we are a part of giant industrial sector, we believe that community engagement acts as an important tool to acknowledge the impact caused by our business operations on the communities surrounding our locations and also the marginalized and deprived, living in rural/tribal areas. We have CSR department solely dedicated towards assessment of

impacts on the communities surrounding all our business locations. The impact assessments aid in identifying the grievances of the community. In this reporting year, 4 grievances were identified and have been resolved .

Our CSR initiatives primarily focus on the areas of education, water conservation, health and

hygiene, skill development and capacity building. Our company does not make any contributions towards any political parties either financially or through in kind contributions.

The funds for CSR spent in the last reporting year pertaining to our initiatives are as follows,

Focus areas	Amount (INR)
Natural Resource Conservation- Water	2,85,71,054
Healthcare and sanitation	38,78,97,019
Promoting education	11,26,75,751
Rural Development Projects	42,44,43,418
Capacity Building	3,79,414

Over the years, BPCL has set MoUs with Ministry of Petroleum and Natural Gas, Government of India (GoI), to impart quality education to children, provision of Rain Water Harvesting system in villages and skill development in youth/women. It is matter of great pride that we have always achieved 100% completion of our MoU targets. We have imparted education to 6.5 Lakh children since 2010.

Education

BPCL firmly believes that “Education” helps make a difference and add value to the lives of the people in the rural areas. Education is a necessary for the wellbeing of the individual and overall development of our Country. As a part of this initiative BPCL is supporting the low income/government schools to cater the educational needs of the underprivileged.

We are working with NGOs and have taken up several programs for imparting quality education to the children and they are as below,

Science Education Programme, consisting of Science centre hub, mobile science lab, lab in a box activities for children of Government schools in collaboration with NGO ‘Agastya International Foundation near Solur, Bengaluru (Karnataka). **‘Young Instructor Leader’** program is initiated in order to develop leadership skills in children ‘Students- teach-student’ model under Government schools near

Mumbai refinery, experimental science is taught to children through a mobile science lab. We have reached out to 8,500 children by far.

‘Akshar’ (Read India), is a district-wide education campaign which focuses on the comprehensive and application based abilities in primary and upper primary students was supported by BPCL. This program was included in schools of Dausa and Jaipur and has impacted children. 1,160 schools, 7,970 students from Standard I-II, 20,865 students from Standard III-V, 15,844 students from Standard VI-VIII have been covered.

We are also focusing on providing not only education to the rural/tribal students but also taking steps to improve the quality of education. The provision of education is continued in Mayurbhanj and Sundergarh districts of Odisha and children have access to schools. Around 2,550 primary students from tribal villages from 31 schools in 7 Gram Panchyats from Kuarmunda block of Sundargarh district were given access to quality education through remedial classes. Similarly, we worked with 14 Government rural schools in Coimbatore District. In this project, 372 academically low performing students from Standard VI-IX were given remedial classes to enhance their learning levels in Tamil, Mathematics and English.

'Saksham', our in-house project, lead emphasis on the professional development of teachers by proper training and designing a curriculum for the quality of education. During the year, this project reached out to 122 teachers from primary and upper primary classes from 50 schools.

In order to provide access to books, we have identified and supporting about 25 libraries with Teachers section in Mumbai and Delhi, which has benefitted about 50 Schools and 7040 students. Library books are classified as per the difficulty level so that students can choose a book as per their reading ability.

we supported the vocational skill training of 80 disabled and underprivileged youth from economically backward families in Desktop Publishing. We also supported the skill building of the 32 Bharat Petroleum Corporation Limited workforce in caring for the elderly. This project addresses two critical needs, adequately improving the quality of life of the elderly and providing employment opportunities for the unemployed youth. In our innovative program named "Sanket", we have completed one year of vocational training for persons with autism. The training is given through computers and iPad for 30 adolescent autistic students

'Computer Assisted Learning' [CAL] enables technology interface to improve the learning levels of the primary and secondary grade children studying in low income private schools. We are continuing our project in different places of the Nation, majorly in Mumbai, Solapur, Jaipur, Uran and Lucknow. This reporting year, we have benefitted 169 Schools and 37,326 students.

Capability Exploration and Enabling Programme (CEEP) initiated by Nanma Movement NGO is supported by our Kochi Refinery to explore the inner capabilities of the underprivileged children in Government schools.

100 'One Teacher Schools' run by Adarsh NGO have been supported by Kochi Refinery. These schools have a home based rehabilitation

center for the poor tribal children afflicted by autism, cerebral palsy.

Healthcare

We at BPCL, as a responsible Corporate, believe that healthcare as one of thrust areas for our contribution to the society. We have initiated many healthcare projects, wherein we create awareness and provide accessible healthcare services. We are supporting the capacity building of the Government personnel to encourage proper care and service accessible to the deprived areas. We have set up healthcare camps at HD Kote, Mysuru District (Karnataka) in order to improve nutritional intake of pregnant women, safe delivery of babies under supervised medical attention and child healthcare of tribal. This healthcare initiative is spread in 60,000 villagers and benefitted 57 tribal hamlets till day. Over 60,000 villagers and specifically 9,183 tribals from 57 Tribal hamlets are benefitted from this project, where there has been a steady increase in institutional deliveries. We were successful in ensuring 89% institutional deliveries and 99% birth dose immunizations

Bharat Arogya Yojana, a scheme on health and personal accident insurance for the Driveway Salesmen (DSM) of retail outlets, delivery boys of LPG distributors and the crew of transporters of petroleum products extends health insurance cover to beneficiary and his family consisting of spouse and two children for hospital expenses. This is highly beneficial for the employees, as most of them are from lower socio-economic strata.

We regularly organize health check-up camps, blood donation camps and eye camps to provide free accessible services to the communities. The development of healthcare infrastructure and provision of monetary aids has benefitted various communities around our operations. HIV/AIDS awareness campaigns are conducted and we ensure that the message is spread out to our varied stakeholders on World Aids Day.

Skill development

BPCL believes in the intrinsic potential of the youth and women and also believes that skill development is the only tool which will help them raise their standard of living. In this way, BPCL has always supported in empowering women, unemployed youth and people with disabilities.

Women empowerment

The local skills of women are harnessed and are chiselled to meet the market demands by training them. For example, the traditional techniques of Chikankari and Zardosi work are beautifully delivered by these trained working women, which enables them earn their monthly income without being financially dependent on others. BPCL helps these women by providing backward and forward market linkages to work independently after the completion of the training program.

Youth empowerment

The youth are facing huge employment challenges. BPCL helps the unemployed youth to develop skills, enabling them gain employment opportunities. Training sessions on auto mechanics, farm machinery repair, vermicomposting etc. are provided.

In Kochi Refinery, training pertaining to BPO's, IT sectors is also given along with joint efforts of M/s. ITCOT Consultancy and Services Limited, skill development classes have been provided to benefit unemployed youth.

Water Conservation

For over a decade, BPCL has been contributing towards water conservation through our flagship Water Management project 'Boond'. This project has helped in transforming villages in arid regions of Andhra Pradesh, Tamil Nadu, Karnataka, Maharashtra, Uttar Pradesh and Rajasthan to become water positive. This project includes desilting of ponds, roof top harvesting, cordoning of natural springs to conserve water.

It helps in catering various daily water requirements of 7,000 families and also has helped in creating sustainable employment opportuni-

ties by improved agricultural practices by application of innovative methods and techniques of irrigation, newer crops etc.

This project not only aims in fulfilling the water requirements of the local communities and improvement of agricultural practices but also benefits the environment for a long term by enhancing the ground water recharge thereby increasing the ground water table, provision of drinking water to the fauna and flood moderation. It also plays a major role in the socio-economic development by decreasing migration, enhancement in income and other important social developments.

We are supporting project 'Boond' for the 4th consecutive year in Mokhada Taluka in Maharashtra. Our small initiative 'Group Farming and Collective Marketing Model' is in practice wherein the farmers were educated about 'Vegetable farming' as the traditional farmers cultivated only food-grains and not vegetables.

At Koch village, farmers were facilitated to install drip irrigation pipes which run entirely on gravity, so that there is no burden of diesel usage. This helped in small benefits such as reduced cost of production, labour and conservation of water. The farmers understand the concept of 'Cost benefit' in agricultural practices.

In response to the Hon'ble Prime Minister's call to the Nation to give priority under CSR for construction of toilets as part of the 'Swachh Vidyalaya Campaign' under the 'Swachh Bharat Abhiyan', BPCL had undertaken construction/repairs of dysfunctional toilets totalling to 1,910 toilet blocks in Government schools in the states of West Bengal, Andhra Pradesh, Telangana, Bihar, Odisha, Madhya Pradesh and Chhattisgarh, spread across 26 districts.

Capacity Building and Volunteering

Capacity building sessions are organized with the school management committees, so there is empowerment Right to Education and also help committees develop more interest and ownership in facilitating the learning process. This has enabled concept of 'Sancharikas'

(teacher/facilitator) who are trained for computer skills as well as soft skills in order to impart good education, but also has helped create employment opportunities for the communities.

‘Bharat Connect’ initiative is aimed at creating awareness about the importance ‘water conservation’ and ‘Education’ for the sustainable development. Several activities are conducted, to inculcate the spirit of volunteering and leadership to become responsible citizens of the Country.

‘Once upon a Time’ initiative aims at conducting volunteer visits to low income schools and engage with the children about the values such as honesty, team spirit, confidence etc. which are the values that BPCL upholds.

A value is selected every month by the volunteers to visit schools and teach students the values by storytelling and several interactive sessions.



BPCL in Economic Times Top 10 Companies for CSR

Based on a study conducted in 2014 of the ET-500 companies by Futurescape and IIM – Udaipur, BPCL has been ranked 8th in the ‘Best Companies for CSR’ list.

The study was based on the scrutiny of CSR reports such as the Global Reporting Initiative (GRI), Business Responsibility Reports (BRR) as well as information available online and in annual reports. It ranked companies on the basis of four criteria: governance (20%), disclosures (10%), stakeholders (35%) and sustainability (35%). The sample consisted of 165 private companies and 49 public sector companies. It is pertinent to note that BPCL did not apply for this study but was chosen from the ET-500 list.



7

OUR SAFETY CULTURE

Due to the nature of our activities, long-term sustainability of our business needs to account for the operational safety and the health of our employees. BPCL understands that our employees would perform at their highest potential when they maintain a healthy lifestyle and we strive to provide necessary channels for their benefit through regular medical camps, awareness sessions and access to premium health care. All our employees have access to health advisors through the medical support services. Employees who are set to travel overseas are also advised and counseled regarding any health risks by providing appropriate training and the relevant vaccinations. We wish to identify and mitigate major hazard risks across our operations. We believe that

our trained employees and safe operations are integral part part of our culture. Approximately 11 percent of our employees are members of joint health and safety committees. This helps to link our management and non-management employees to ensure that our internal safety goals are being met.

BPCL's 'Train the trainer for workplace health and hygiene' continues to help us promote workplace health and hygiene at our operating locations. Our 'Trainers' are the participants of the program who help us share good health and hygiene practices to all stakeholders. This helps us ensure employees work-life balance at the individual and also the operating location level.



Sewree Wins Safety Innovation Award

BPCL Sewree Installation was conferred with the 'Safety Innovation Award' for the initiatives undertaken for introducing concepts of awareness and culture in operations in the fields of Occupational Safety, Health & Environment at "The International Safety Convention & Exhibition, 2015. This award is an initiative of The Institution of Engineers since 2005 to encourage industries across the nation to contribute towards emerging technologies and engineering practices for safe and secure habitat creation.





KR Achieves Safety Milestone

Kochi Refinery has achieved 43.6 Million accident free man-hours on 31st March 2016.

'Safety, Fire protection & Security' is an important area of concern for the company's strategically located units. We continued our efforts to sensitize role holders on the importance of security preparedness plan, crisis management plan, adoption of standard operating practices and adhering to preventing maintenance facilities. Our work permits system, statutory and licenses tracking system, pipeline pressure testing and tank cleaning are tracked online. Due to a dynamic workforce involving a large number of contractors, safety management has always been a challenge. Training and development of these contractors are therefore of extreme relevance to our business. We ensure that our contractual employees are thorough with our procedures before being put on the job. We have detailed guidelines in place for our contract management and third party services, transport and safety management.

All BPCL employees attend a mandatory training and are expected to be wearing safety equipment at all times. The training program broadly covers the following aspects, HSSE Policy of the organization, potential hazards in the plant, consequences on Exposure, Safety features for the Personnel i.e. PPEs, Do's & Don'ts, unsafe acts / unsafe conditions and other causes for accidents, incident identification and reporting, safe operating practices, maintenance, repairs, work permits, housekeeping practices, emergency preparedness, firefighting apparatus and general guidelines. In the case of any injuries, BPCL covers medical expenses.

Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities

Financial assistance received from government	Company Employees	Contractors
Injuries	16.00	5.00
Cases of occupational diseases	10.00	27.00
Man days lost	584.00	1,191.00
Missed (absentee) days	23,588.07	7,664.00
Fatalities (Male)	0.00	0.00
Fatalities (Female)	0.00	0.00

Emergency Preparedness

All accidents are documented and analyzed to ensure that a recurrence of them is averted. Neighboring communities are often involved during safety briefings. BPCL conducts mock emergency drills as often as once a month especially in our refineries according to the guidelines laid out. This is shared with all our workers so that they may be alert and equipped to handle such an emergency.

BPCL also strictly adheres to the Petroleum & Natural Gas Regulatory Board's regulation to create and monitor its Emergency Response & Disaster Management Plan (ERDMP) for each of its locations. A key annual target of the HSSE Department is to review ERDMP of select locations, DCMPs of certain locations & Fire Drill reports, identify gaps in preparedness, and guide BUs for corrections as necessary. Additionally, HSSE also monitors BUs for undertaking

live fire-fighting training (for officers and workmen).

Mock drills were conducted at all locations and recommendations for improvement were documented and implemented. To ensure that there was no recurrence of any minor or major incident, detailed root cause analysis was done and reported. The learnings from the analysis were shared with locations for safer operations and adoption of best practices. The security apparatus was also analysed at all locations and refineries with an appropriate check on the deployment of competent personnel and systems.

Typical diseases and injuries at the Refineries

- **Injuries:** Usually mechanical injuries, burns which are not critical
- **Diseases:** Occupational diseases have not been detected within the factory. Even carcinogenic Benzene exposure has not caused any cases of cancer among employees and workers. However, urine tests are conducted every fortnight on handlers of benzene at loading stations to ensure that there are no adverse health impacts. This is a result of significant process automation within BPCL which avoids direct exposure to toxic chemicals and substances and several other preventive procedures and mechanisms. The more common diseases among employees are lifestyle disease which corresponds to the age of the employees (the average age of employees being between 45-48 years).



8 | ADVANTAGE THROUGH TECHNOLOGY

BPCL is well known for making excellent products and also the strength of our research and development (R&D) centre. Our centre delivers products that are responsible towards the environment keeping in mind the health and safety aspects of our handlers and customers. As customers are one of our prime stakeholders, we believe in providing them with quality products at all times to serve them better. At the same time, we ensure that we do not compromise on our sustainability goals. Our centres and products undergo a constant vigilance and quality check.

BPCL has a strong focus on developing products that reduce resource consumption wherever possible and also replace it with more environmental friendly material. Our advanced R&D centre helps us in bringing about any process improvements. Process improvement and the development of products that are resource effective are major thrust areas of the R&D centre of the company. BPCL has a rolling plan for the upgradation of Bharat Stage II auto fuel to Stage III & Stage IV which shall have the positive upshots of lesser fuel consumption and pollution reduction. This year, we have produced 26,07,64,100 litres of biofuels.

The expenditure incurred on Research and Development during 2015-16:

Expenditures	2015-16 (in ₹ Crore)
Capital Expenditure	16.64
Revenue / Recurring Expenditure	34.91
Total	51.55



Mumbai Refinery's New Crude Distillation Unit Commissioned

The new state-of-the-art Crude Distillation Unit (CDU 4) of Mumbai Refinery was dedicated to the nation on 28th December 2015 at a glittering ceremony by Shri Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra and Shri Dharmendra Pradhan, Hon'ble Minister of State (I/C) for Petroleum and Natural Gas.

The new Crude & Vacuum Distillation unit of capacity 6 MMTPA has been installed at a cost of Rs. 1419 Crores as a replacement of the old Crude and Vacuum units. The commissioning of this CDU 4 would ensure a cleaner environment and efficient use of energy with lower emissions and reduction in energy consumption. The Sulphur Dioxide emission from the Refinery would be less than 10.5 mt/d – the lowest in the country amongst all the Refineries. Tightly heat integrated with furnaces of higher efficiency, the reduction in energy consumption in terms of

Liquid Fuel Equivalent [LFE] is expected to be about 30% which results into estimated savings of Rs. 128 Crores per annum on fuel consumption.

Shri Dharmendra Pradhan, lauded the BPCL team on its role in reducing emissions, reduction in energy consumption and completing the CDU 4 project without cost & time overruns. He also acknowledged the contribution of our Director (Refineries), Shri BK Datta in pioneering BPCL Refineries. Shri Devendra Fadnavis praised the BPCL team on successful completion and commissioning of CDU 4.

This was a grand mega event graced by officials from Govt. of Maharashtra, statutory authorities, C&MD & Directors of HPCL, IOC, EIL, Directors of ONGC, and BPCL stakeholders. It was a magnificent & memorable moment in the history of Mumbai Refinery with impeccable arrangements impressing all those who were witness to this grand event.



The core research areas of the R&D centres are broadly divided into four categories, namely:

- (a) Development of energy efficient technologies for fuels and chemicals production
- (b) Technical support to Refining processes,
- (c) New product and additive development and
- (d) Alternative fuels and energy

BPCL follows a customer centric approach while designing products and services. We try to ensure that our products are relevant to our customer's requirements. Our product labels provide information required as per National and International specifications on the product. We also display relevant information for safe handling of the product. We conduct regular customer surveys to get their feedback and understand their needs. Compliance and communications are vital for us and we adhere to

relevant standards wherever applicable.

Our R&D plans for the future include:

1. Development of cost effective product and process for diesel additives.
2. Development of additive for delayed coker unit.
3. Development of catalyst for slurry residue hydro processing.
4. Production of high-quality white oil for cosmetic and specialty chemicals.
5. Lignocellulosic biomass to value added product.
6. CO₂ capture and valorization from refinery off gas emanating from Pressure Swing Adsorption.
7. Development of niche products such as Drag Reducing Agent, Acrylic acid, propylene oxide.

8. Certification of water detecting capsules in ATF service for marketing.
9. Development of bio-ATF from biomass/waste/CO₂ to improve environmental footprint development.
10. Development of energy efficient domestic LPG burner.

Quality Control

On the quality control side, the Refinery Quality Assurance laboratory is equipped with state-of-the art facilities and striving to achieve highest quality standards by meeting the requirements/standards of reputed external certifying agencies and accreditation bodies like National Accreditation Board for Testing and Calibration (NABL), ISO/IEC 17025, Directorate General of Civil Aviation (DGCA), Directorate General of Aeronautical Quality Assurance (DGAQA), Centre for Military Airworthiness Certification (CEMILAC) etc. The Refinery laboratory continued to perform well in the international laboratory proficiency testing scheme run by Shell Global with 97.5% rating. Mumbai refinery has a robust Integrated Management System for Quality (ISO 9001:2008),

Environment (ISO 14001:2004) and Occupational Health & Safety (OHSAS 18001:2007)

Sulphur Reduction

With the improvement in the specifications of MS and HSD where Sulphur content has been reduced, the Refineries have started producing Sulphur as a by-product. This Sulphur has a purity of about 99.9 %. Sulphur is sold in molten and solid form from our Mumbai and Kochi Refineries respectively. Most of our customers use Sulphur for manufacturing Sulphuric Acid or in the manufacture of Fertilizers.

High Speed Diesel (HSD) contains contaminants like organic Sulphur, nitrogen and metal compounds which contribute to increased levels of air pollution, equipment corrosion etc. The Diesel Hydrodesulphurization (DHDS) Unit converts this Sulphur in the presence of Hydrogen (H₂) to H₂S so that Sulphur level in HSD is reduced to less than 100 ppm. The unit utilizes a fixed bed catalyst process to upgrade the quality of petroleum distillate fractions by decomposing the contaminants with a negligible effect on the boiling range of the feed.



Launch of MAK 4T Scootech NXT and MAK Petrol Zenith

MAK launched two new premium grades at the recent All India Lubes Meet at Hyderabad on 19th & 20th June 2015. The launch of MAK 4T Scootech NXT (for gearless scooters) and MAK Petrol Zenith (for crossovers and passenger cars) was done in an innovative way.

MAK 4T Scootech NXT, another premium offering from the NXT stable, is a semi-synthetic product designed to offer ultimate protection and performance reliability required for latest generation gearless scooters of various engine capacities and meets API SL & JASO



MB requirements, with a viscometry of 10W-30. It has a special cap with spout, which enables easy pouring.

MAK Petrol Zenith is a premium semi-synthetic petrol engine oil, proven for 4% savings in fuel economy, and 4X better wear protection as compared to API SN industry standards. This grade meets API SN, SAE 5W-30 specifications.

Every quest is on to make MAK the customer's first choice of lubricant. With continuous product unveilings that address every customer's and vehicle's need, MAK continues to introduce new and innovative products to create value to the customer in the highly competitive lubricants market, to build relationships and ensure loyalty to the brand.



Transitioning from Liquid to Gas:

We are also laying a mindful emphasis on expanding the scale of our gaseous petroleum products (LPG and Gas) operations. LPG and Gas are, by nature, cleaner, healthier and more environmentally friendly hydrocarbons. Because gas is sealed and not directly handled, it is also a much safer fuel. BPCL wishes to increase LPG coverage to 75% of the population. The expansion and focus on LPG growth within the company is not driven by revenue considerations as much as to promote the consumption of clean and healthy fuels within the country.

Our Product Responsibility:

In the last reporting year, we did not have any number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling or concerning the health and safety impacts of products and services during their life cycle.

BPCL pays close attention to grievance redressal across all categories and all stakeholders. All customer complaints and grievances are addressed and redressed by a separate department within each BU. We also have a toll-free customer service number which respond to all customer grievances. A total of 4,21,619 customer complaints were received and all have been resolved during the reporting year.

Nodal officers for grievance redressal have been designated from the Corporate Office to the State and Territory Offices in States, Union Territories and their details are available in the Citizen's Charter. The Centralized Public Grievance Redressal and Monitoring System of the Govt. Of India helps BPCL in speedy redressal of public grievances. BPCL does not sell and market any products that are banned or disputed.



9 | ANNEXURES

Annexure 1: Material Usage breakup

Refineries		
Type of Material	Unit of Measurement	Quantity
Lube Oil	kg	4,01,660.00
Hydrochloric Acid	kg	20,23,944.00
FCCU Catalyst	kg	6,36,280.00
Caustic Lye (Sodium Hydroxide)	kg	16,87,353.10
Hydrogen Peroxide	kg	6,62,100.00
Bitumen Drum	kg	52,73,206.00
Indigeneous Crude	kg	60552,55,915.00
Imported Crude	kg	180275,49,676.00
Methanol	kg	117,06,000.00
ISD (Intermediate Stock Difference)	kg	-244,57,061.00
R-LNG (Regassified Liquified Natural Gas)	kg	2403,14,630.00
Reformate	kg	0.00
Reprocessed/Confiscated	kg	2,69,939.96
Rock Salt	kg	5,60,240.00
Fresh Catalyst,CCU	kg	8,79,415.00
Di Ethanol Amine	kg	1,02,770.00
Amine,Neutralising	kg	84,733.00
Anti Foulant	kg	1,00,177.00
Lubricity Additive	kg	3,65,780.00
Oil Recovered From Sludge	kg	151,55,636.60
Reprocessed Slop	kg	1,77,580.00

Retail		
Type of Material	Unit of Measurement	Quantity
Additives - Speed	kg	83,695.69
Additives - Hi speed	kg	2,566.68
Additives - Speed 97	kg	41,441.92
Blue Dye	kg	35,718.91
Grease	kg	2,800.40
ORK KETAL Corrosion Inhibitor (Ethanol Additive)	kg	6,89,674.99
Ethanol	kg	1699,32,896.62
Oil/Lubricant	kg	10,58,498.65

Lubes		
Type of Material	Unit of Measurement	Quantity
Additives - Speed	kg	0.00
Additives - Hi speed	kg	0.00
Additives - Speed 97	kg	0.00
Base Oil	kg	1248,84,226.02
Additives (Bulk)	kg	114,84,381.36
Additives (Barrels)	kg	70,07,601.52
Dye	kg	2,815.66
SKO (For Cleaning)	kg	5,081.50
Lubricants	kg	350.16
Cotton	kg	5,956.86
Additive For Printers	kg	410.00
Metal Containers(BRLS/CASKS)	kg	62,33,042.50
HDPE / VALREREX CONTAINERS/Plastic PAILS	kg	21,14,735.15
CARTONS/CORRUGATED BOXES	kg	16,38,438.34
Plastic Containers	kg	9,44,845.42
Pouches	kg	2,52,825.36
HFHSD	kg	35,32,930.14
LDO	kg	3,44,286.03

LPG		
Type of Material	Unit of Measurement	Quantity
Additives - Speed	kg	4,800.00
Additives - Hi speed	kg	18,853.00
Additives - Speed 97	kg	30,800.00
Lube Oil	kg	0.00
Grease	kg	4,136.70
Brown Soap	kg	4,35,305.00
BMCG Additives	kg	47,722.72
Teflon	kg	1,94,297.00
Safety Caps	kg	173,45,355.00
New Cylinders Inducted-BPC 190	kg	2,73,005.00
New Cylinders Inducted BPC 142	kg	68,03,386.00
Safety Caps Salvaged	kg	217,55,619.00
DPR	kg	54,36,024.00
New Cylinders Inducted-BPC 475	kg	13,144.50

Aviation		
Type of Material	Unit of Measurement	Quantity
Additives - Speed	Kg	0.00
Additives - Hi speed	Kg	0.00
Additives - Speed 97	Kg	0.00
Lube Oil	Kg	0.00

Annexure 2: GHG Calculation Quantification Methodology

The methodology of calculation of GHG emissions from BPCL operating locations are aligned with the following standard definitions:

1. Stationary Combustion: Emission factors provided in the IPCC Guideline for National Greenhouse Gas Inventories of 2006 were used to calculate GHG emissions from stationary combustion sources. Activity data (quantity of fuel consumed) is multiplied with the respective default energy factor or actual measured Net Calorific Value (NCVs) and emission factor to quantify the direct emission from stationary combustion sources.

2. Purchased Electricity: The quantification of energy indirect GHG emission (Scope 2) is based on activity data (Purchased Electricity in kWh) multiplied by emission factors specified in the 'CO2 Baseline Database for the Indian Power Sector User Guide', (version 9.0, January 2014) issued by Central Electricity Authority, Government of India.

3. Transportation: Only transportation considered for calculation of emissions is in-plant vehicular movement of the vehicles. Emission factors provided in the IPCC Guideline for National Greenhouse Gas Inventories of 2006 were used to calculate GHG emissions from combustion sources. Activity data (quantity of fuel consumed) is multiplied with the respective default energy factor or actual measured Net Calorific Value (NCVs) and emission factor to quantify the emissions.

Annexure 3: Hazardous and Non-Hazardous Waste Breakup

Refineries			
Hazardous Waste	Total weight (tonnes)	Non-Hazardous Waste	Total weight (tonnes)
Spent Catalyst (Recycled and Reused) (Hazardous) TSDF:	358.18	Ferrous Scrap	5548.15
		Tyres	0.08
Spent Catalyst (Recycled and Reused) (Hazardous): sold to recycling authority	0	Non Ferrous Scrap	374.18
		Drums/Tins	37.38
Oily Sludge(Hazardous):	5130.67	Wood Scrap	216.72
Waste Bituminous Oil(Hazardous):	0	Kitchen Waste	156.15
Waste Transformer Oil(Hazardous):	30	Total	6332.66
Spent Resin(Hazardous):	19.36		
FCC Catalyst Fines(Hazardous):	0		
Lubes Additives(Hazardous):	0		
Spent Molecular Sieves(Hazardous):	0		
ETP Chemical Sludge(Hazardous):	37		
Alumina Balls(Hazardous):	0		
Spent Clay(Hazardous):	0		
Batteries/Electronic Waste(Hazardous):	73.4		
Sulphur Guard N HGU(Hazardous):	0		
Reformer Catalyst R 67 N HGU(Hazardous):	0		
Spent Charcoal(Hazardous):	0		
Spent Coke(Hazardous):	0		
Total	5648.61		

Retail	
Hazardous Waste	Total weight (tonnes)
Batteries(Hazardous)	10.06
Oil Contaminated Rags/Cotton(Hazardous)	1.24
Sludge(Hazardous)	1157.33
Used Additive Barrels (Hazardous):	5.79
Used Oil(Hazardous)	8.08
Used Hand Glove (Hazardous)	0.57
Scrap Cable (Hazardous)	12.28
Additive Containers (Hazardous)	2.71
Total	1198.07

Retail	
Non Hazardous Waste	Total weight (tonnes)
Ferrous Scrap (Non-Hazardous)	12713.88
Tyres (Non-Hazardous)	0.58
Non Ferrous Scrap (Non-Hazardous)	25.23
Drums/Tins(Non-Hazardous)	13.22
Wood Scrap(Non-Hazardous)	2.86
Paper(Non-Hazardous)	5.00
Cotton(Non-Hazardous)	1.60
Paper Gasket(Non-Hazardous)	15.00
Saw Dust(Non-Hazardous)	0.40
Kitchen Waste (Non-Hazardous)	173.98
Seal Wire(Non-Hazardous)	3.03
Plastic Seals(Non-Hazardous)	102.54
Total	13057.33

Lubes	
Hazardous Waste	Total weight (tonnes)
Batteries	0
Used Cotton Waste	7.37
Cotton Waste	0
Owes Sludge	19.56
Slop (Reused)	71.42
Slop Generated	104.70
Empty Barrels	7.23
Empty Containers	0
Saw Dust	3.24
HDPE Scrap Containers	5.30
HDPE Scrap Barrels	0
Total Hazardous Waste	218.81

Lubes	
Non-Hazardous Waste	Total weight (tonnes)
Ferrous Scrap (Non-Hazardous)	0
Tyres (Non-Hazardous)	0
Non Ferrous Scrap (Non-Hazardous)	7.07
Drums/Tins(Non-Hazardous)	0
Wood Scrap(Non-Hazardous)	0
Kitchen Waste (Non-Hazardous)	0.54
Plastic Scrap(Non-Hazardous)	0.44
Wooden Scrap(Non-Hazardous)	35.21
MS Scrap(Non-Hazardous)	205.01
Total	248.29

LPG	
Hazardous Waste	Total weight (tonnes)
Batteries(Hazardous)	211.29
Paint Residue/Sludge (Hazardous)	6.20
Scrap Rubber O Ring(Hazardous)	467.10
White /Black / Scrap Plastic (Hazardous)	507.39
Scrap Empty Soap Drums(Hazardous)	21.33
Scrap Electric Cables(Hazardous)	9.41
Damaged Delran Caps(Hazardous)	439.72
Scrap Paint Drums 20 Lit.(Hazardous)	29.22
Used Cotton Waste (Hazardous)	8.18
Oil & Grease Barrels(Hazardous)	86.32
Used / Scrapped Crushed LPG Cylinders(Hazardous)	1424.49
Primer Sludge(Hazardous)	3.25
SC Valve Scrap(Hazardous)	473.88
Defective DPR(Hazardous)	347.09
Used Additive Barrel- BCG(Hazardous)	2.07
Total	4036.92

LPG	
Non-Hazardous Waste	Total weight (tonnes)
Ferrous Scrap (Non-Hazardous)	903.05
Tyres (Non-Hazardous)	7.35
Non Ferrous Scrap (Non-Hazardous)	350.43
Drums/Tins(Non-Hazardous)	21.15
Wood Scrap(Non-Hazardous)	7.15
Used Oil (Non-Hazardous)	10.23
Wooden Scrap (Non-Hazardous)	6.78
Metal Scrap. (Non-Hazardous)	22.82
Kitchen Waste (Non-Hazardous)	11.09
Total	1340.06

Aviation	
Hazardous Waste	Total weight (tonnes)
Batteries(Hazardous)	1.58
Oil Contaminated Rags/Cotton(Hazardous)	0.23
Total	1.81

Aviation	
Non-Hazardous Waste	Total weight (tonnes)
Ferrous Scrap (Non-Hazardous)	0.22
Tyres (Non-Hazardous)	0.21
Non Ferrous Scrap (Non-Hazardous)	0.07
Drums/Tins(Non-Hazardous)	0.04
Wood Scrap(Non-Hazardous)	0.11
Paper(Non-Hazardous)	0.92
Solid Waste (Disposed Through Municipal Lorry) (Non-Hazardous)	1.77
Kitchen Waste (Non-Hazardous)	1.12
Total	4.46

Annexure 4: Employee Representation in Committee's

Mumbai Refinery	
Workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	
Management	6
Non-Management	6

Kochi Refinery	Management Employees	Non-Management Employees
Management Health Safety Security Environmnet Committee (MHSSEC) Committee	29	0
Joint Health Safety Security Environmnet Committee (JHSSEC)	12	12
Joint Safety Committee	6	6

Retail	Management	Non-Management
Plant Safety Committee	394	411
Works Committee	211	218
Canteen Committee	182	185
Welfare Committee	162	173
Safety Committee	378	433
Welfare Committee	2	5
Health Check-up Committee	192	198

Lubes	Management	Non-Management
Safety Committee	23	29
Station Fire Order Team Committee	44	92
Hindi Implementation Committee	5	3
Works Committee	7	7
Canteen Committee	8	15
Welfare Committee	2	5
Club Committee	2	5
Quality Circle Committee	11	12

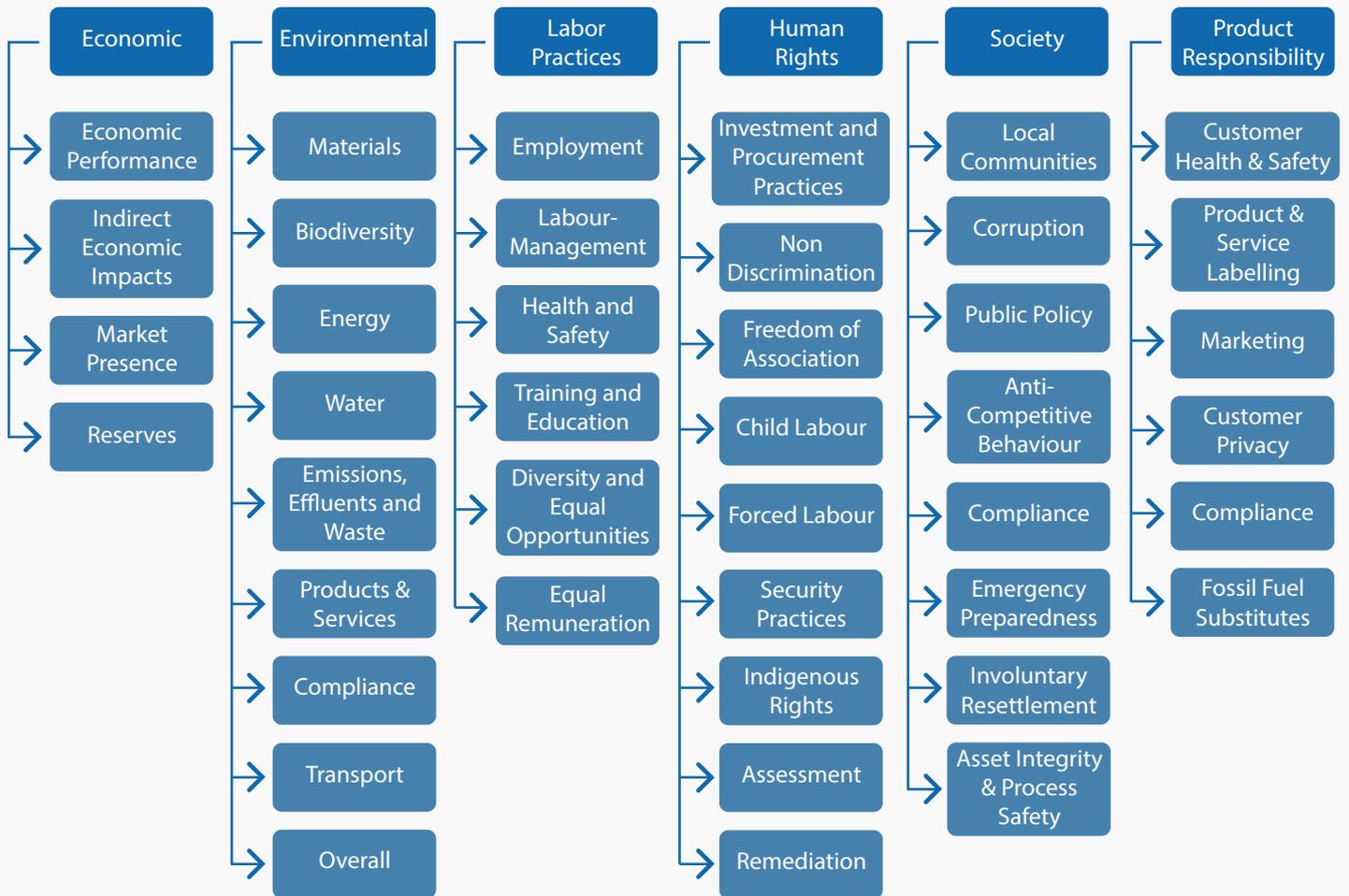
LPG	Management	Non-Management
Canteen Committee	129	185
Welfare Committee	115	162
Club Committee	125	182
Safety Committee	229	242
Quality Circle Committee	134	189

Aviation	Management	Non-Management
Safety Committee	84	113
Station Business Council Committee	87	61
Station Fire Order Team Committee	85	98
Safety Talk Committee	83	104
Hindi Implementation Committee	63	46
Works Committee	69	64

Annexure 6: Stakeholder Engagement & Materiality

Below is a comprehensive list of all GRI G4 aspects including those mentioned in the oil and gas sector supplement have been considered in the materiality identification process. All indicators related to these aspects as per

the GRI G4 guidelines have been taken into account during the process. The outcomes of this exercise have been further described in the 'Stakeholder Engagement and Materiality' chapter.



List of Stakeholders considered		
Employees	Shareholders	Academia
Customers	Government and Regulators	Competitors
Dealers and Distributors	Suppliers	Research Centers
NGO's	Local Communities	Ex-Employees
Civil Society	Media	



GRI G4 - CONTENT INDEX (IN ACCORDANCE - 'CORE')

GENERAL STANDARD DISCLOSURES		
Standard Disclosure	Standard Disclosure Title	Page Numbers
STRATEGY AND ANALYSIS		
G4-1	Statement from the most senior decision-maker of the organization.	3-4
G4-2	Description of key impacts, risks, and opportunities.	13-14
ORGANIZATIONAL PROFILE		
G4-3	Name of the organization.	1
G4-4	Primary brands, products, and/or services.	9
G4-5	Location of organization's headquarters.	10
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	1, 10
G4-7	Nature of ownership and legal form.	7
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	10
G4-9	Scale of the reporting organization.	6, 10, 20, 35
G4-10	Total workforce by employment type, employment contract, and region, broken down by gender.	35, 36, 37
G4-11	Percentage of employees covered by collective bargaining agreements.	39
G4-12	Description of Organization's supply chain.	42-50
G4-13	Significant changes during the reporting period regarding size, structure, or ownership.	1
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	16-17
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	13-14
G4-16	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	12
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	All entities included in the organization's consolidated financial statements or equivalent documents.	21
G4-18	Process for defining report content.	18
G4-19	Identify all the material aspects in the process for defining report content	19
G4-20	Report the Aspect Boundary within the organization	16
G4-21	Report the Aspect Boundary outside the organization	16
G4-22	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers acquisitions, change of base years/periods, nature of business, measurement methods).	No re-statement of information

G4-23	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	18
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STAKEHOLDER ENGAGEMENT

G4-24	List of stakeholder groups engaged by the organization.	16-17
G4-25	Basis for identification and selection of stakeholders with whom to engage.	17
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	16-17
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	16-17

REPORT PROFILE

G4-28	Reporting period (e.g., fiscal/calendar year) for information provided.	1
G4-29	Date of most recent previous report (if any).	1
G4-30	Reporting cycle (annual, biennial, etc.)	1
G4-31	Contact point for questions regarding the report or its contents.	1
G4-32	Table identifying the location of the Standard Disclosures in the report.	GRI G4 - Content Index
G4-33	Policy and current practice with regard to seeking external assurance for the report.	1

GOVERNANCE

G4-34	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	11
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	11
G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics	11
G4-37	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	16-17
G4-38	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	AR Pg. 99-114, 145
G4-39	Indicate whether the Chair of the highest governance body is also an executive officer.	AR Pg. 97
G4-40	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	11
G4-41	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	AR Pg. 99 (Annexure D)
G4-42	The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	11
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	AR Pg. 43
G4-44	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	AR Pg. 41
G4-45	Procedures of the highest governance body for overseeing the	11

	organization's management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards.	
G4-46	Role of the highest governance body in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	11, AR Pg. 123
G4-47	The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	11
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	11
G4-49	The process for communicating critical concerns to the highest governance body.	11
G4-50	The nature and total number of critical concerns communicated to the highest governance body and the mechanism(s) used to address them.	11
G4-51	Report the remuneration policies for the highest governance body and senior executives covering fixed and variable pay, sign-on bonuses, termination pay, retirement benefits and also how performance criteria of these policies relate to the executives' social and environmental objectives.	AR Pg. 106, 109
G4-52	Report the process for determining remuneration, if any remuneration consultants are employed.	AR Pg. 106
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	Not Applicable
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees.	48
G4-55	Report the ratio of the increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees.	38

ETHICS AND INTEGRITY

G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and code of ethics	11
G4-57	Report the mechanisms for seeking advice on ethical and lawful behavior and matters related to organizational integrity	12
G4-58	Report the mechanisms for seeking advice on unethical and unlawful behavior and matters related to organizational integrity	12, AR Pg. 43

Standard Disclosure	Standard Disclosure Title	Page Number
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ASPECT: ECONOMIC PERFORMANCE

G4-DMA	Generic Disclosures on Management Approach	20
G4-EC1	Direct economic value generated and distributed	21-22
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	13
G4-EC3	Coverage of the organization's defined benefit plan obligations	39
G4-EC4	Financial assistance received from government	22

ASPECT: MARKET PRESENCE

G4-DMA	Generic Disclosures on Management Approach	50
G4-EC5	Development and impact of infrastructure investments and services supported	38
G4-EC6	Significant indirect economic impacts, including the extent of impacts	34

INDIRECT ECONOMIC IMPACTS

G4-DMA	Generic Disclosures on Management Approach	50
G4-EC7	Development and impact of infrastructure investments and services supported	25, 26, 52
G4-EC8	Significant indirect economic impacts, including the extent of impacts	52

ASPECT: PROCUREMENT PRACTICES

G4-DMA	Generic Disclosures on Management Approach	44
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	43

ASPECT: MATERIALS

G4-DMA	Generic Disclosures on Management Approach	22
G4-EN1	Materials used by weight or volume	Annexures
G4-EN2	Percentage of materials used that are recycled input materials	Not Applicable. Our production process doesn't include any recycled input materials

ASPECT: ENERGY

G4-DMA	Generic Disclosures on Management Approach	22
G4-EN3	Energy consumption within the organization	27-28, Annexures
G4-EN4	Energy consumption outside of the organization	At this point in time, we do not have systems in place to calculate and report on scope 3 data. We will aim to report on the same in the coming years.
G4-EN5	Energy intensity	26-27
G4-EN6	Reduction of energy consumption	22-27
G4-EN7	Reductions in energy requirements of products and services	25

ASPECT: WATER

G4-DMA	Generic Disclosures on Management Approach	28
G4-EN8	Total water withdrawal by source	28
G4-EN9	Water sources significantly affected by withdrawal of water	28
G4-EN10	Percentage and total volume of water recycled and reused	28

ASPECT: BIODIVERSITY

G4-DMA	Generic Disclosures on Management Approach	29
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	29
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	29
G4-EN13	Habitats protected or restored	29
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	29

ASPECT: EMISSIONS		
G4-DMA	Generic Disclosures on Management Approach	31
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	31
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	31
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	BPCL does not calculate scope 3 as of now.
G4-EN18	Greenhouse gas (GHG) emissions intensity	30
G4-EN19	Reduction of greenhouse gas (GHG) emissions	31
G4-EN20	Emissions of ozone-depleting substances (ODS)	31
G4-EN21	NOX, SOX, and other significant air emissions	31
ASPECT: EFFLUENTS AND WASTE		
G4-DMA	Generic Disclosures on Management Approach	32
G4-EN22	Total water discharge by quality and destination	32
G4-EN23	Total weight of waste by type and disposal method	33, Annexures
G4-EN24	Total number and volume of significant spills	32
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	Not Applicable
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	28
ASPECT: PRODUCTS AND SERVICES		
G4-DMA	Generic Disclosures on Management Approach	58
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	58
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	NA
ASPECT: COMPLIANCE		
G4-DMA	Generic Disclosures on Management Approach	29
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	29
ASPECT: TRANSPORT		
G4-DMA	Generic Disclosures on Management Approach	45
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	45
ASPECT: OVERALL		
G4-DMA	Generic Disclosures on Management Approach	22
G4-EN31	Total environmental protection expenditures and investments by type	32
ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT		
G4-DMA	Generic Disclosures on Management Approach	42
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	42
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	42

ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS

G4-DMA	Generic Disclosures on Management Approach	42
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	42, 44

ASPECT: EMPLOYMENT

G4-DMA	Generic Disclosures on Management Approach	34
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	36-39
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	40
G4-LA3	Return to work and retention rates after parental leave, by gender	40

ASPECT: LABOR/MANAGEMENT RELATIONS

G4-DMA	Generic Disclosures on Management Approach	37
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	37

ASPECT: OCCUPATIONAL HEALTH AND SAFETY

G4-DMA	Generic Disclosures on Management Approach	55
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	55
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	55
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	56
G4-LA8	Health and safety topics covered in formal agreements with trade unions	56

ASPECT: TRAINING AND EDUCATION

G4-DMA	Generic Disclosures on Management Approach	37
G4-LA9	Average hours of training per year per employee by gender, and by employee category	38, 40
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	37
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	38

ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

G4-DMA	Generic Disclosures on Management Approach	37
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	34, 35

ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN

G4-DMA	Generic Disclosures on Management Approach	34
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	37

ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES

G4-DMA	Generic Disclosures on Management Approach	45
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	45
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	45

ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS

G4-DMA	Generic Disclosures on Management Approach	35
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	35

ASPECT: INVESTMENT

G4-DMA	Generic Disclosures on Management Approach	44
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	44
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	38

ASPECT: NON-DISCRIMINATION

G4-DMA	Generic Disclosures on Management Approach	37
G4-HR3	Total number of incidents of discrimination and corrective actions taken	38

ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

G4-DMA	Generic Disclosures on Management Approach	38
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	38

ASPECT: CHILD LABOR

G4-DMA	Generic Disclosures on Management Approach	40
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	40

ASPECT: FORCED OR COMPULSORY LABOR

G4-DMA	Generic Disclosures on Management Approach	42
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	42

ASPECT: SECURITY PRACTICES

G4-DMA	Generic Disclosures on Management Approach	48
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	Not Applicable

ASPECT: INDIGENOUS RIGHTS

G4-DMA	Generic Disclosures on Management Approach	38
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	39

ASPECT: ASSESSMENT		
G4-DMA	Generic Disclosures on Management Approach	38
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	38
ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT		
G4-DMA	Generic Disclosures on Management Approach	37
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	37
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	44
ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS		
G4-DMA	Generic Disclosures on Management Approach	37
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	37
ASPECT: LOCAL COMMUNITIES		
G4-DMA	Generic Disclosures on Management Approach	50
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	50
G4-SO2	Operations with significant actual and potential negative impacts on local communities	50-54
ASPECT: ANTI-CORRUPTION		
G4-DMA	Generic Disclosures on Management Approach	11
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	12
G4-SO4	Communication and training on anti-corruption policies and procedures	12
G4-SO5	Confirmed incidents of corruption and actions taken	12
ASPECT: PUBLIC POLICY		
G4-DMA	Generic Disclosures on Management Approach	21
G4-SO6	Total value of political contributions by country and recipient/beneficiary	Our company does not make any contributions towards any political parties either financially or through in kind contributions.
ASPECT: ANTI-COMPETITIVE BEHAVIOR		
G4-DMA	Generic Disclosures on Management Approach	12
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	12
ASPECT: COMPLIANCE		
G4-DMA	Generic Disclosures on Management Approach	32
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	32

ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY

G4-DMA	Generic Disclosures on Management Approach	42
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	42
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	42-46

ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY

G4-DMA	Generic Disclosures on Management Approach	60
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	61

ASPECT: CUSTOMER HEALTH AND SAFETY

G4-DMA	Generic Disclosures on Management Approach	58
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	58
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	61

ASPECT: PRODUCT AND SERVICE LABELING

G4-DMA	Generic Disclosures on Management Approach	58
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	61
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	61
G4-PR5	Results of surveys measuring customer satisfaction	61

ASPECT: MARKETING COMMUNICATIONS

G4-DMA	Generic Disclosures on Management Approach	61
G4-PR6	Sale of banned or disputed products	61
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	61

ASPECT: CUSTOMER PRIVACY

G4-DMA	Generic Disclosures on Management Approach	56
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	61

ASPECT: COMPLIANCE

G4-DMA	Generic Disclosures on Management Approach	60
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	61

Oil and Gas Sector Supplement Indicators

OG1	Volume and Type of estimated proved reserves and production	BPCL does not own any reserves in the country
OG2	Total Amount invested in renewable energy	25
OG3	Total Amount of renewable energy generated by source	24, 25
OG4	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored	29
OG5	Volume and disposal of formation or produced water	Not Applicable
OG6	Volume of flared and vented hydrocarbon	Not Reported
OG7	Amount of drilling waste and strategies for treatment and disposal	Not Applicable
OG8	Benzene, Lead and Sulfur content in fuels	58
OG9	Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place	50
OG10	Number and description of significant disputes with local communities and indigenous people	38
OG11	Number of sites that have been decommissioned and that sites that are in the process of being decommissioned	Not Applicable
OG12	Operations where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process	Not Applicable
OG13	Number of process safety events, by business activity	No significant safety event in the reporting period
OG14	Volume of biofuels produced and purchased meeting sustainability criteria	58



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Independent Assurance Statement to Bharat Petroleum Corporation Limited (BPCL) on their Sustainability Report for Financial Year (FY) 2015-16

To the Management of Bharat Petroleum Corporation Limited, Bharat Bhawan, Currimbhoy Road, Ballard Estate, Mumbai 400001.

Introduction

KPMG in India ('KPMG') have been engaged by Bharat Petroleum Corporation Limited ('BPCL' or 'The Company') to provide limited assurance on its Sustainability Report (the Report) for the Financial Year (FY) 2015-16. The Report was prepared by BPCL according to the Global Reporting Initiative's (GRI) G4 guidelines 'in-accordance' – Core option including the Oil & Gas sector disclosures for sustainability reporting.

The Company's management is responsible for the content of the report, identification of key issues, engagement with stakeholders and its presentation. KPMG's responsibility is to provide limited assurance on the report content as described in the scope of assurance.

Assurance Standards and Guidelines Used

We conducted the assurance in accordance with

- Limited Assurance requirements of International Federation of Accountants' (IFAC) International Standard on Assurance Engagements (ISAE) 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and
 - Under this standard, we have reviewed the information presented in the report against the principle of relevance, completeness, reliability, neutrality and understandability
- Type 2, Moderate level assurance requirements of AA1000 Assurance Standard 2008 by AccountAbility.
 - Under this standard, we have reviewed the information presented in the report against the principle of relevance, completeness, reliability, neutrality and understandability

Scope of the Limited Assurance Engagement

The scope of assurance included data and information on material aspects pertaining to BPCL's India operations for the period 01 April 2015 to 31 March 2016 based on Global Reporting Initiative's (GRI) G4 Guidelines as listed below.

The General and Specific Standard Disclosures that were subjected to assurance are as follows:

General Standard Disclosures:

- Strategy & Analysis (G4-1,G4-2)
- Organization Profile (G4-3 to G4-13, G4-15, G4-16)
- Identified Material Aspects and Boundaries (G4-17 to G4-23)



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- Stakeholder Engagement (G4-24 to G4-27)
- Report Profile (G4-28 to G4-33)
- Governance (G4-34 to G4-36, G4-38 to G4-42, G4-49 to G4-52, G4-54, G4-55)
- Ethics and Integrity (G4-56)

Specific Standard Disclosures:

- Economic
 - Market Presence (G4-EC5, G4-EC6), Indirect Economic Impact (G4-EC7, G4-EC8), Procurement Practice (G4-EC9)
- Environmental
 - Materials (G4-EN1, G4-EN2), Energy (G4-EN3, G4-EN5, G4-EN6), Water (G4-EN8, G4-EN9), Emissions (G4-EN15, G4-EN16, G4-EN18, G4-EN20), Effluents and Waste (G4-EN24), Overall (G4-EN31)
- Labor Practices and Decent Work,
 - Employment (G4-LA1 to G4-LA3), Labour Management Relations (G4-LA4), Occupational Health and Safety (G4-LA5, G4-LA8), Training & Education (G4-LA9, G4-LA11), Diversity And Equal Opportunity (G4-LA12), Equal Remuneration For Women And Men (G4-LA13), Labor Practices Grievance Mechanisms (G4-LA16),
- Human rights
 - Non-discrimination (G4-HR3), Freedom Of Association And Collective Bargaining (G4-HR4), Indigenous Rights (G4-HR8)
- Society
 - Local Communities (G4-SO1), Anti-Corruption (G4-SO3, G4-SO5), Public Policy (G4-SO6), Anti- Competitive Behavior (G4-SO7), Compliance (G4-SO8)
- Product Responsibility
 - Customer Health And Safety (G4-PR2), Product And Service Labeling (G4-PR3, G4-PR4), Marketing Communications (G4-PR6, G4-PR7), Customer Privacy (G4-PR8), Compliance (G4- PR9)
- Oil and Gas Sector Disclosures
 - Involuntary Resettlement (G4-OG12), Asset Integrity and Process Safety (G4-OG13), Fossil Fuel Substitutes (G4-OG14)

Limitations in Conducting the Assurance

Our assurance process was subject to the following limitations:

- Verification of claims was limited to data and information presented in the Report for the period 01 April 2015 to 31 March 2016. Data and information in the Report outside this reporting period was not subject to verification.
- Any statement/ remarks/ comments indicating intention, opinion, belief and/ or aspiration by BPCL were excluded from the scope of assurance.
- Determine which, if any, recommendations should be implemented.
- The Assurance Statement does not include verification of financial performance indicators/information that was sourced from BPCL's FY 2015-16 Annual Report.



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Work Undertaken

Our procedures include assessment of the risks of material misstatements of selected performance indicators and disclosures and underlying internal controls relevant to the information published in the Report. Our procedures were designed to gather sufficient and appropriate evidence to determine that the selected performance information is not materially misstated.

We have undertaken –

- Review of Company's approach to identify material issues and stakeholders engagement framework.
- Assessment of the systems used for data collection and reporting of the General Standard Disclosures and Specific Standard Disclosures of material aspects as listed in the assurance scope above.
- As part of the verification process, we have conducted site visits to the following facilities of BPCL.
 1. Refineries (Kochi, Mumbai)
 2. LPG bottling plants (Bangalore, Uran, Patna)
 3. Lubes (Wadibunder, Budge-Budge)
 4. Retail (Rewari, Sewree, Budge-Budge, Devangonhi,)
 5. Aviation (Patna, Kochi)
 6. Corporate Office (Mumbai)
- Interviews with BPCL personnel's at unit level responsible for data collection, collation and reporting
- Interaction with the senior management at the corporate office
- Testing of the sample data and the supporting evidences through a risk based approach
- Comparing the information presented in the Report to corresponding information in the relevant underlying sources to determine whether all information mentioned in the report is supported by underlying data.
- Review of the Report to ensure that there is no material misrepresentation of disclosures as per scope of assurance and our findings.

Our Conclusions

Based on our review of the Report, nothing has come to our attention that causes us to believe that the information in the Report, in all material aspects, is not fairly represented in line with our findings given below:

As per AA1000AS 2008 principles:

- Principle of Inclusivity: BPCL within its reporting boundary has engaged with its stakeholders (both internal and external) - employees, shareholders, customers, government, dealers, distributors, suppliers, vendors, communities and NGO through different channels. The key concerns by stakeholders and BPCL's response to these concerns have been fairly represented in the report.



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- Principle of Materiality: The methodology of materiality determination uses the perspective of senior management from various functions of the Company. Inputs from the stakeholder engagement process have also been considered. BPCL may take up initiatives to assess the performance of all its locations on the material issues reported and may consider reviewing the mechanism for arriving on material issues periodically. Further, the Company shall perform a structured study to identify the material issues in the supply chain and may consider extending its engagement beyond immediate suppliers on sustainability issues.
- Principle of Responsiveness: BPCL has identified its various stakeholder groups and the engagement mechanism for each of them along with their specific concerns. The Company responds to concerns raised by stakeholder groups through structured engagement channels at multiple levels and has provided information on some specific actions through disclosure of performance. BPCL may focus on developing robust systems for improving data consistency, reliability and accuracy to enhance the quality of reporting to its stakeholders. The Report does not specifically bring out mid and long term targets with respect to the identified material issues.

Our Observations

Following is an excerpt from the observations reported to the management of BPCL. These do not, however, affect our conclusions regarding the Report stated above.

- Although no systematic or material errors have been detected in the disclosed data, some of the data inaccuracies identified during the verification process were attributable to transcription, interpretation and aggregation errors and the errors have been corrected.
- The report may bring out mid and long term targets with respect to the identified material issues. During the reporting period, Company has taken targets to start reporting on the supply chain disclosures and biodiversity related disclosures from 2017-18 onwards.
- The Company may consider extending the boundary of its sustainability report in the near future to include entities (e.g. subsidiaries) covered in the consolidated financial statement.
- There is a need to strengthen management (monitoring, reporting and disposal) of hazardous waste and wastewater with respect to compliance across some of the BPCL's locations visited during the assurance.
- The Company has an online tool to capture and monitor the data on sustainability performance. The tool can be further strengthened by instituting an internal auditing process to improve the data reliability and accuracy.
- The Company has a Sustainability committee in place that decides on the Sustainability initiatives and the roadmap for the Company. The Committee has defined targets to achieve its Sustainability goals. In coming years, BPCL may disclose its Sustainability performance against the targets in the Report.
- BPCL has structured Corporate Social Responsibility (CSR) programmes in place. The Company may carry out impact evaluation studies of its CSR programmes and can include disclosures related to same in the future Reports.



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Independence Requirements

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of assurance standards ISAE 3000 (revised) and AA1000 Assurance Standard 2008. Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies ISQC 1 and the practitioner complies with the applicable independence and other ethical requirements of the IESBA code.

Responsibilities

BPCL is responsible for developing the Report contents. BPCL is also responsible for identification of material sustainability issues, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported. This statement is made solely to the Management of BPCL in accordance with the terms of our engagement and as per scope of assurance.

Our work has been undertaken so that we might state to BPCL those matters for which we have been engaged to state in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than BPCL for our work, for this report, or for the conclusions expressed in this independent assurance statement. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

Santhosh Jayaram
Director
KPMG, India
Date: 19 September 2016





GLOSSARY

AFS	Aviation Fuelling Station	IPIECA	International Petroleum Industry Environmental Conservation Association
API	American Petroleum Institute		
ASSOCHAM	Associate Chambers of Commerce and Industry	IREP	Integrated Refinery Expansion Project
		JV	Joint Venture
ATF	Aviation Turbine Fuel	KL	Kilo Litre
BMCG	Bharat Metal Cutting Gas	KR	Kochi Refinery
BPCL	Bharat Petroleum Corporation Limited	LED	Light Emitting Diode
BPLC	Bharat Petroleum Learning Centre	LPG	Liquefied Petroleum Gas
BPRL	Bharat Petro Resources Ltd	MMBTU	Million British Thermal Unit
BPRL	Bharat Renewable Energy Limited	MMPA	Million Metric Tonnes per Annum
BRR	Business Responsibility Report	MoP&NG	Ministry of Petroleum and Natural Gas
CAL	Computer Assisted Learning	MOU	Memorandum of Understanding
CDU	Crude Distillation Unit	MR	Mumbai Refinery
CFC	Chlorofluorocarbon	MS	MS Motor Spirit
CII	Confederation of Indian Industry	MSE	Micro and Small Enterprises
C&MD	Chairman and Managing Director	MTO	Mineral Turpentine Oil
CSR	Corporate Social Responsibility	NGO	Non-Governmental Organisation
CUBE	Customer Understanding for Business Excellence	NRL	Numaligarh Refinery Limited
		NSC	National Safety Council
DPE	Department of Public Enterprises	NVG	National Voluntary Guidelines
E&P	Exploration & Planning	ODS	Ozone Depleting Substance
ED	Executive Director	PPM	Parts Per Million
ERP	Enterprise Resource Planning	PRISM	Performance Related Incentive Scheme for Management Staff
ESE	Employee Satisfaction Enhancement		
ETP	Effluent Treatment Plant	PSU	Public Sector Undertaking
FICCI	Federation of Indian Chambers of Commerce and Industry	QPR	Quarterly Performance Reviews
		R&D	Research and Development
FO	Fuel Oil	RBI	Risk based Investigations
GHG	Green House Gas	RLNG	Regasified Liquefied Natural Gas
GJ	GigaJoule	SBU	Strategic Business Unit
GRI	Global Reporting Initiative	SDR	Sustainable Development Report
HSD	High Speed Diesel	SEBI	Securities and Exchange Board of India
HSE	Health, Safety and Environment	SME	Small and Medium Enterprises
HSSE	Health, Safety, Security and Environment	UV	Ultra Violet
IOCL	Indian Oil Corporation Limited		



ACKNOWLEDGEMENT

We hope you have had an interesting read!

The report has been compiled by the Corporate HSSE team of BPCL. We take this opportunity to thank the internal and external stakeholders for their valuable time and support through the preparation of this report.

We always strive to improve our disclosures regarding our social and environmental performance and impact on all our stakeholder groups. We would be happy to accept feedback on our report.

- Corporate HSSE Team, BPCL



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