IndianOil

Sustainability Highlights

2012-2013

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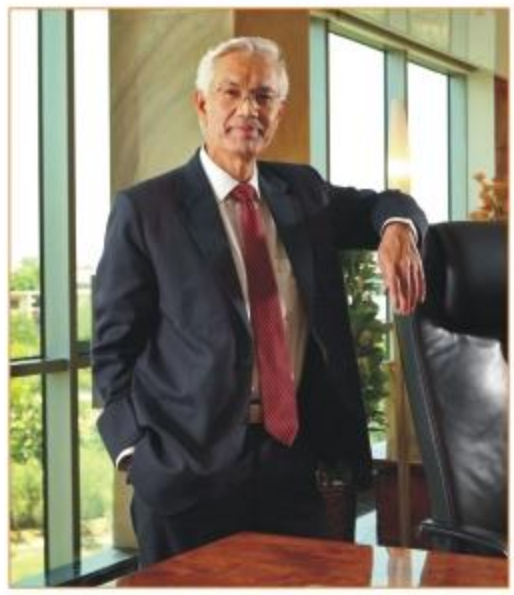
ABOUT US

With its presence in the entire geographical span of the nation and ever-expanding market, IndianOil is the flagship public sector enterprise of India. Its operations both in upstream and downstream i.e. exploration & production of crude & gas, refining, transportation of crude and finished products through cross-country pipelines, marketing of petroleum products and petrochemicals, truly make it as an integrated energy major. The vital energy needs of consumers together with efficient and environment-friendly products and services are provided through our 10 of India's 22 refineries and pipeline network of over 11,000 kms for the transportation of crude oil, product and gas.

ABOUT THE REPORT

Sustainability Highlights 12-13 is a printed abridged version of our Sustainability report 2012-13 – *Widening Horizons* which has been released in electronic form. It showcases our triple bottom line performance and defines a path forward aligned with our corporate sustainability stratagem. This is a humble beginning. Our aspirations for sustainable development are high and would require significant efforts. But, we are committed to take the leap towards achieving sustainability excellence. Our Sustainability Report 2012-13 - *Widening Horizons, which is GRI G3.1 OGSS Compliant having A+ rating is released in* e-version and can be accessed from our website : **http://www.iocl.com/Aboutus/sustainability.aspx**

A WORD FROM CHAIRMAN



Dear Stakeholders,

It is my pleasure to present to you IndianOil's ***Sustainability Highlights*** which is an abridged version of Sustainability Report 2012-13 "Widening Horizons".

Our sustainability report 2012-13 "Widening Horizons" delineates our resolve and proactive efforts in tapping the unprecedented opportunities that aid and assist sustainable development of our business. In the larger context, preserving and conserving the environment that is so critical for long term well being of mankind and enterprises has now become an integral part of our planning and decision making processes at all levels of organization.

For long term economic development at an accepted rate, environment conservation and harmonious coexistence with all habitants of our planet is now an accepted central theme. The scientific community is becoming increasingly convinced of the link between global warming and climate change although consensus is yet to emerge on route and speed for tackling the same.

There is however near unanimity on adopting innovative, local resource dependent, non fossil-fuel based and efficient energy systems, in the coming decades, which are expected to be radically different from conventional energy systems. This direction-change will also be necessitated by growing shortage of fossil fuels and need for reduction in carbon emissions and minimizing its adverse impact on people and planet. The overall resultant circumstances will push human ingenuity to innovate and find new technologies and processes towards sustainable fulfillment of our energy and energy based products' requirements. To summarize, we are on the verge of a historic transformation where unabated exploitation of non – renewable energy sources will be replaced by a completely new set of resources and technologies.

IndianOil is truly blessed to have been setting standards in hydrocarbon business for more than five decades now. We owe our success to our loyal customers, partners, shareholders and above all the workforce that drives IndianOil each day.

At IndianOil, embracing sustainability in every walk of our life is a conscious decision to demonstrate our firm commitment towards protection of environment since in the larger public perception, we get directly associated with some of the causes of modern civilization's woes. We have accordingly taken care to fine tune our business processes, system/ resource deployment, Health Safety and Environment and Quality Assurance practices as well as our communication strategy. As a prominent energy provider to the nation we are addressing the challenges of growth and at the same time creating standards of environmental governance that develop and emerge as green benchmarks for industry.

Above backdrop of future prospects has led to IndianOil's successful forays in Exploration and Production, Gas, Alternate Energy i.e. Wind, Solar and Nuclear, Biofuels and initiating a host of R&D projects aimed at securing both energy and environment in decades ahead. We have considerably increased investment in energy conservation (ENCON) projects and sustainable development initiatives to minimize our carbon, water and waste footprints as promulgated in our Sustainability Policy.

I take this opportunity to further assure that we will considerably step up our advocacy and actions to produce products and services that are more environment friendly and also build a logistics and delivery system that aims to be the best in industry.

In this journey of Sustainability, I seek your inputs and feedback at sustainability@indianoil.in for making IndianOil, India and our planet a better place for ourselves and our future generations.

(R S Butola)
Chairman

JAI HIND

IndianOil

IndianOil XTRA PREMIUM
Petrol With Super Cleansers
The best your vehicle can get

IndianOil XTRA MILE
SUPER DIESEL

IndianOil SERVO
WORLD-CLASS LUBRICANTS
100% PERFORMANCE. EVERYTIME.

IndianOil Indane
SAFE.RELIABLE.CONVENIENT

IndianOil XTRA care
Fuel Station
Fuels and More

IndianOil KISAN SEVA KENDRA

IndianOil Aviation
Our ground work takes you sky high

IndianOil autogas
EXPERIENCE THE ECO-DRIVE

IndianOil XTRA POWER
FLEET CARD
CONVENIENT, SECURE & REWARDING

IndianOil XTRA POWER
EASY FUEL

IndianOil XTRA REWARDS™
XTRAREWARD. XTRAVALUE.

IndianOil PROPEL
100% TRUST. 100% VALUE.
A range of world-class petrochemicals

OUR BRANDS

AWARDS AND ACCOLADES

IndianOil received the Gold Trophy of "SCOPE Meritorious Award for Corporate Governance" for the year 2012.

Dun & Bradstreet, the world's leading source of global business information has awarded IndianOil with the Corporate Award 2012 in the Oil-Refining and Marketing sector.

IndianOil became the highest ranked Indian company (88th) in the prestigious Fortune Global 500 listing. The Company also topped the Financial Express 500, Economic Times 500 and Fortune India 500 listings.

IndianOil has also featured in the top 100 of the Platts Global ratings (Rank 82), Business India Super 100 companies (Rank 8), BW Real 500 (2nd biggest company) and Forbes Global 2000 (Rank 4 among Indian companies).

IndianOil swept the PetroFed-2011 awards by emerging winner in following categories–Leading Oil & Gas Corporate of the Year, Oil & Gas–Marketing Company of the Year, Project management-Company of the Year and Women Executive of the Year in Oil & Gas sector.

IndianOil's household brands SERVO and Indane have been voted Consumer Superbrands for the year 2012. SERVO also retained its Master Brand status by winning it at the World Brand Congress.

IndianOil bagged the second prize in the Best Enterprise (Maharatna/Navratna) category by Women in Public Sector. IndianOil also won Best Women Employee awards in Officer and Non-Officer category.

IndianOil was awarded the prestigious "ICSI National Award-2012" for excellence in Corporate Governance instituted by Institute of Company Secretaries of India.

International Financing Review Asia (IFR Asia), one of the most coveted capital markets agencies in Asia, awarded the 'Indian Capital Market Deal of the Year 2012' to IndianOil's Singapore Dollars (SGD) denominated long term bonds and included the deal in its Roll of Honour for 2012.

IndianOil

SUSTAINABILITY TO US

IndianOil's Sustainability Strategy is evolved to support the communities, preserve the environment and enhance the business relationships to nurture a brighter future for the next generation. It helps us focus on long term sustainable business opportunities, managing risks, enhancing the corporate reputation and getting a competitive advantage.

In developing plans for the future, we, at IndianOil, are mindful of our influence on natural resources and their development. We understand our responsibility towards society, the role we have to play to address the menace of climate change and prevailing sustainability challenges.

Reinforcing our commitment towards Sustainability, we have developed Sustainability policy together with its Framework, Roles and Responsibilities for Sustainable Development, Plan and Organizational structure for monitoring Sustainability performance.

IndianOil's Sustainability Policy

"IndianOil shall continuously strive to be the leading energy provider of the country and in that pursuit follow sustainable practices and technological processes that are safe, efficient and environmentally benign to the society."

In pursuit of this Policy, IndianOil is committed:

- To conduct business in a sustainable manner while meeting stakeholders' aspirations for value creation and growth
- To enrich quality of life of communities around its locations
- To work towards lowering waste and carbon footprint by judicious and efficient use of resources
- To engage employees & business partners as change agents for sustainable practices
- To be a partner in nation's strategy for deployment of sustainability initiatives

Our Strategy

Bio, Renewable & Clean Energy Portfolio	Community Outreach
Reduce Ecological Footprint	Awareness Generation on SD
Energy Efficiency & Conservation	Value Creation and Growth

Our Focus Areas

Carbon Management	Water Management	Waste Management
• Accounting • Energy Efficiency & Conservation • Solar & Wind Power Generation • Carbon Neutral Events • CDM Project	• Accounting • Rain Water Harvesting • Effluent Quality Improvement • Water Efficient Process • Drinking Water for Community	• Accounting • Organic Waste Convertor • Biogas Generator • Bio-remediation • Responsible Disposal

Sustainability Organisation Grid

Sustainability planning and implementation in IndianOil is a combination of top-down and bottoms-up approach. The philosophy and policies are designed by the senior groups and proposals as well as plans are created by the field level groups. The flow of wisdom and feedback of activities' impacts is continuous which helps fine-tune the policies and processes.

Corporate Level

Board Committee on CSR & Sustainable Development

↓

Renewable Energy & Sustainable Development (RE&SD) department

↓

Nodal Officers at Division Levels

Marketing | Refineries | Pipelines | R&D

↓

Locations/ Installations

IndianOil

OUR SUSTAINABILITY INITIATIVES

Awareness Generation

Awareness generation on Sustainability is one of the key business enablers to seek participation from all stakeholders. More than 3000 employees and channel partners have been sensitized so far.

Energy Efficiency

We have put a high stake on our energy conservation (ENCON) measures. A total of 120 ENCON projects have yielded an estimated saving of 1,20,000 SRFT in 2012-13. This has brought an overall operational efficiency improvement in energy usages.

Promoting Green Energy

We recognize Renewable Energy as an important tool to tackle the growing energy requirements of the nation, and to minimize carbon footprint. Our installed capacity of 68MW solar and wind power plants shows our commitment to expand energy basket with renewable energy.

Carbon Neutral Events

Our major business events are made carbon neutral through tree plantation, thereby giving a new meaning and direction to tree plantation and reducing our carbon footprint. During the year 2012-13, we made 6 major events carbon neutral and saved 1447 tCO_2e.

Reducing Waste Footprint

We ensure that the wastes like catalyst and oily sludge are disposed off in a responsible manner. Recyclable wastes like construction debris, plastic, e-waste, metal etc. are supplied back to the designated vendors, to be put to gainful use. Organic wastes are converted into compost / Biogas at 13 locations. We have treated 45Mt of organic waste.

Reducing Water Footprint

Water efficient plumbing like low-flow water faucets, waterless urinals and sensory taps are being installed across our locations with a view to reduce our water footprint. Our effluent treatment plants in refineries provide nearly 80.5% of re-usable effluent water. Rain water harvesting facilities are provided at our 224 locations.

Retail Outlet Solarization

Replacement of DG sets in our 558 Retail Outlets with Solar Photovoltaic power system indicates our firm action plan towards greening the environs by reducing carbon emission from DG set operations at ROs.

Sustainability Reporting

We have been releasing sustainability report since last 7 years. Our last sustainability report has been assigned A+ rating as per GRI G3 guidelines.

IndianOil

STAKEHOLDER ENGAGEMENT

Stakeholder analysis helps in identifying and evaluating impact/influence process on the company's strategy/actions. We routinely engage with our stakeholders to come up with sustainable solutions to help spearhead and shape the discourse around sustainability.

Our Time is Yours. Your Problems are Ours.

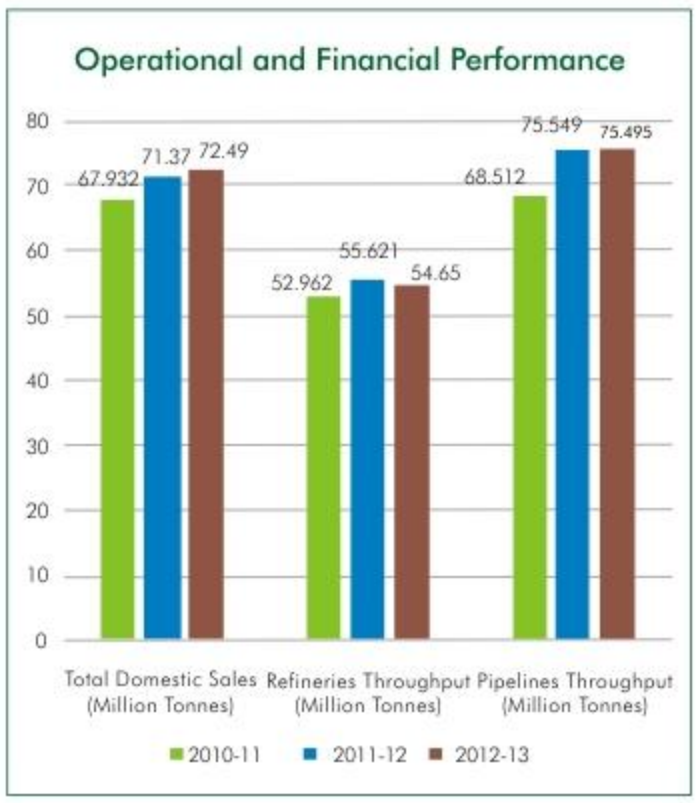
We understand the need to listen. It is this ability to listen that has enabled us to find newer and innovative solutions to our customers' problems. Today, senior officials encourage to meet customers and are available thrice a week on Tuesdays, Wednesdays & Thursdays between 3-4 pm at Head Office level & State Office level. Similarly, our officials at Divisional office, Area Offices and LPG bottling plants meet the customers to understand their needs and offer them customized solutions on every Monday, Wednesday and Friday.

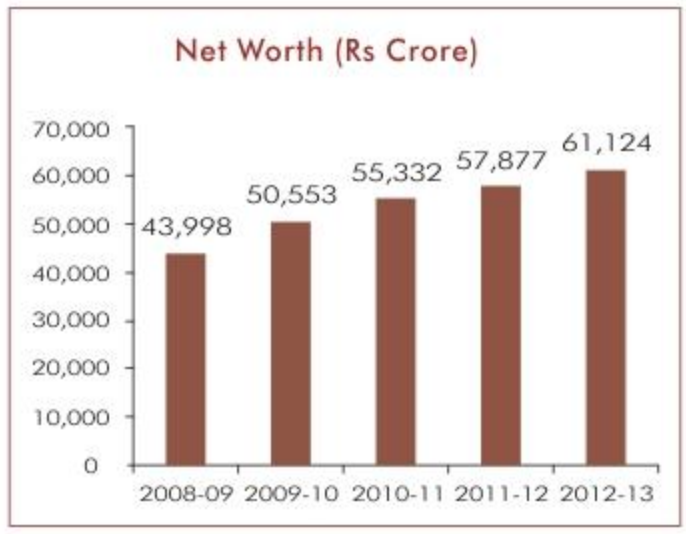
IndianOil

OPERATIONAL AND FINANCIAL PERFORMANCE

IndianOil is highest ranked Indian corporate in the prestigious Fortune 'Global 500' listing at 88th rank in year 2013.

With a strong workforce of 34,084 employees and an increased turnover by 10.9%, we have achieved an increase in total domestic sales by about 1.56%, over the previous period.





With a sole aim to reduce the GHG (Green House Gases) emissions and enhance the gross refinery margins, we are increasingly using LNG (Liquefied Natural Gas) as feed fuel in HGUs (Hydrogen Generation Unit) and Gas Turbines in our refineries.

We have put continuous efforts to improve the resource productivity through initiatives like installations of Effluent Treatment plants, Sewage Treatment plants, Organic Waste Converters and other sustainable practices like bio-remediation and responsible disposal of oily sludge and recycling of spent catalyst. The emissions/waste generated during the course of operations are always maintained within the permissible limits given by Pollution Control Board norms.

IndianOil voluntarily discloses its carbon emission levels through the Carbon Disclosure Project (CDP) forum.

Water consumption in 2012-13 (Refineries)	86.18
Water consumption in 2011-12 (Refineries)	88.60
Net reduction in water consumption (Refineries)	2.42

*figures in million cubic meters per year

2.42% reduction in net water usage at refineries

Our R&D centre, Faridabad is a world class research institute. It has developed a product 'bio-innoculant' for efficient removal of oil & grease, phenol & sulphides that are produced in Effluent Treatment Plants (ETP) and its successful application at refineries. This enhances the efficiency of ETP, as well.

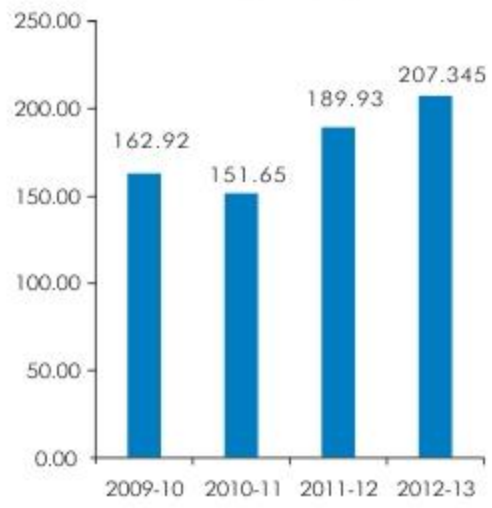
IndianOil

ENVIRONMENTAL PERFORMANCE

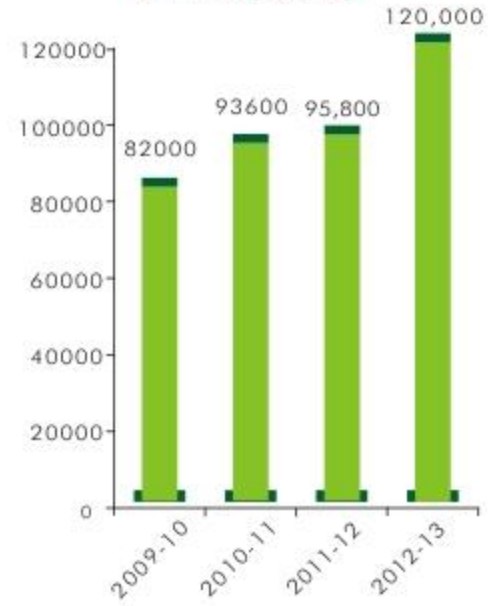
The ecological footprints of our entire operations are currently being assessed. GHG emission reduction activities in our entire business processes and other areas of activities are a part of our Green activities. Other actions such as rainwater harvesting, making carbon neutral events and awareness programmes are also a part of the comprehensive thinking and implementation of sustainable development plans. Alternative energy generations such as wind, solar, bio-fuels and forays into nuclear power demonstrate our commitments to achieve growth in a sustainable manner.

Specific Energy Consumption - MBN (MBTU/BBL/NRGF)*

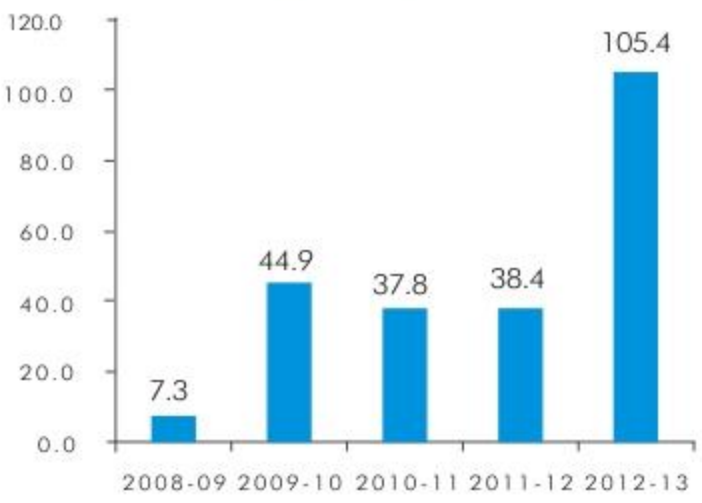
Indirect Energy Consumption(TJ)*



Estimated savings of Standard Refinery Fuel in Tonnes (SRFTs)*

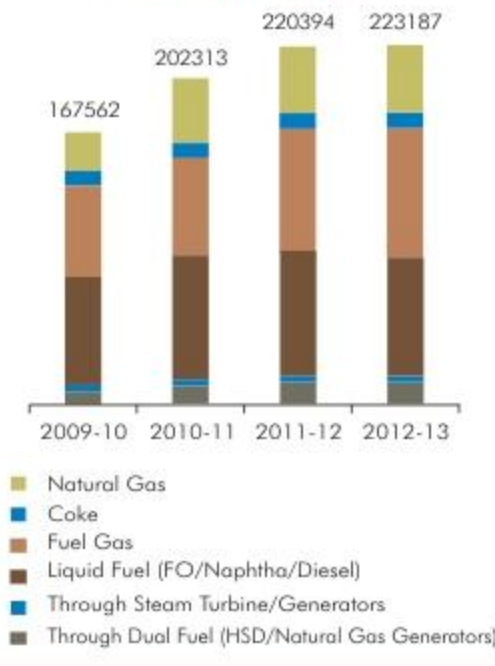


Total Generation of Renewable Energy (in GWh)



179% increase over 2011-12 in generation of renewable energy

Direct Energy Consumption (TJ)*



*Data pertains only to refineries

Social Responsibility

The CSR objectives are enshrined in our Vision/Mission statement: "...to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience...". At present, we have a policy of setting aside upto 2% of our Retained Profit of the previous year towards CSR activities. Health & Medical Care, Education and Clean Drinking Water are thrust areas of our CSR .

We have made rapid strides and achieved significant milestones in the entire spectrum of human resource development. Our work culture always encourages openness and trust combined with a commitment to enhance the triple-bottom-line performance.

MMU Team *Doctor examining patients* *Free medicine distribution*

Equal Opportunity

We encourage women employees to represent and lead organization in national and international platforms. Regular workshops, training programs and speeches by eminent women rights activists on gender sensitivity, prevention of sexual harassment at workplace etc. are organized in our offices and units.

Swarna Jayanti Samudaik Hospital, Mathura

NURTURING TALENT
ENCOURAGING EXCELLENCE

Announcing IndianOil Scholarships

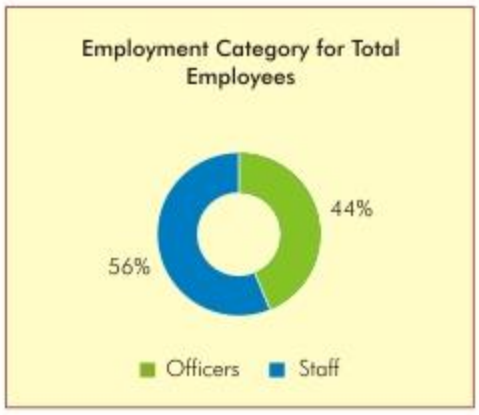
IndianOil Scholarships Energising Success

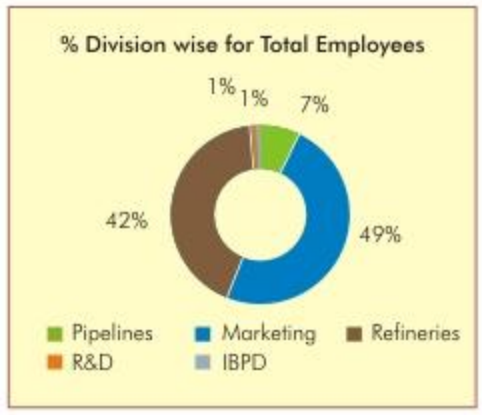
IndianOil Sports Scholarships

Human Capital

With increasing demand of competent manpower, our family has been growing big in size and number. As on 31st March, 2013, we have 34084 permanent employees. Part time/ contract labors are hired at local level and engaged in accordance with labor laws.

To meet the need of manpower in new and growing business environs, the recruitment is made at induction level from premier institutions, all over the country.





Safety & Occupational Health

Safety of the personnel at the work place is of utmost importance for us and our Integrated Safety Management System focuses on the elimination and minimization of risks for all stakeholders. All our refineries are accredited for Occupational Health and Safety assessment Series (OHSAS – 18001) and also rated under International Safety Rating Systems (ISRS).

Learning at Workplace

About 1140 training programmes were conducted for the employees during the year yielding 6.3 lakh training manhours. On an average, 18 training manhours/ employee achieved during 2012-13.

Mentoring Programme

A unique mentoring programme of one year duration is implemented for new recruits, to imbibe in them the professional excellence, leadership development and career exploration. The mentor/mentee relationship is designed to meet the personal and professional development needs of the mentee. Mentoring inherently involves personal growth.

Gender Mainstreaming

- 135 days maternity leave
- 2 years child care leave without pay, once in entire service.
- Leave without pay for 3 years once in entire service.

Performance Related Pay

- Performance Linked Incentive (PLI)
- Performance Incentive Scheme (PIS)

Social Security Benefits

- Contributory Provident Fund
- Gratuity
- Group Linked Insurance Scheme
- EPS 1995
- Compensation on death
- Super Annuation Benefit Fund Scheme

IndianOil

PRODUCT RESPONSIBILITY

For us, product responsibility means offering as much customer utility as possible while at the same time maintaining the highest safety standards and setting benchmarks when it comes to environmental and climate compatibility.

Product Transport

Our products are transported from the refineries to marketing terminals, depots, bottling plants through pipelines as well as by road and rail transport. More and more transportation is being done through pipelines instead of tank trucks to reduce the carbon footprint.

Product Information

Products are manufactured in line with BIS and relevant international specifications. Due consideration with respect to Safety, Health and end use requirement of the consumers are taken care of. Our all packed products including lubricants, petrochemicals, greases carry relevant safety instructions.

Marketing Communication

Periodic media campaigns provide a window to IndianOil's products and services portfolio range and are targeted at capturing both mindshare and market share in an increasingly competitive market.

OUR PERFORMANCE

Parameter	2011-12	2012-13
Economic Performance		
Turnover (Rs. in crore)	373926	414909
Profit After Tax (Rs. in crore)	3955	5005
Net Worth (Rs. in crore)	57877	61124
Earnings per Share (Rs.)	16.29	20.61
Total Domestic Sales (Million Tonnes)	71.37	72.49
Pipelines Throughput (Million Tonnes)	75.549	75.495
Refineries Throughput (Million Tonnes)	55.621	54.65
Expenditure on R&D (Rs Cr)	181.62	249.06
Social Performance		
Employee Strength (nos.)	34233	34084
Women on Board of Directors (%)	15.79	13.63
Female Employees (%)	7.83	7.75
CSR investment (Rs. in crore)	82.73	78.97
Environmental Performance		
Water Consumption (Million Cubic Meter)*	88.60	86.18
Rainwater Harvested (in '000 kls)	217	285
Quantity of Organic Waste treated (in Tonnes)	38	43
Distillate Yield (% wt)	77.8	78
Normalised Emissions (tCO2e per MT crude processed)**	0.256	0.262
Energy generated through Steam Turbine/ Generators (TJ)	3948.47	3819.43
Estimated savings of Standard Refinery Fuel in Tonnes	95800	120000

*Data pertains to only refineries & marketing locations
** Data pertains to only refineries

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GOLDEN PEACOCK AWARD
WINNER

GOLDEN PEACOCK AWARDS

Winner of Sustainability 2013

इंडियनऑयल

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