



**Oil and Natural Gas Corporation Limited,**  
Regd. Office: Jeevan Bharti Bldg., Tower-II, 124 Indira Chowk, New Delhi-1  
Tel: 011-23301000, 23310156, 23721756 • Fax: 011-23316413  
• [www.ongcindia.com](http://www.ongcindia.com) • [facebook.com/ONGCLimited](https://www.facebook.com/ONGCLimited)



**ONGC Videsh Limited**  
6<sup>th</sup> Floor, 'Kailash' 26, Kasturba Gandhi Marg, New Delhi 110001, India  
Tel: 011-23730368, 41291100 • Fax: +011-23730369, 23721755  
• [www.ongcvidesh.com](http://www.ongcvidesh.com)



**Mangalore Refinery and Petrochemicals Limited**  
Kuthethoor P.O., Via Katipalla, Mangalore, India - 575 030  
Tel: (91-824) 2270400 • Fax: (91-824) 2271404  
• [www.mrpl.co.in](http://www.mrpl.co.in)

## ONGC Group Sustainability Report 2013-14

# ONGC Group Sustainability Report 2013-14

GRI G3.1 Application  
Level A<sup>+</sup> Report



## ON THE PATH TO A SUSTAINABLE TOMORROW







“When sustainability is viewed as being a matter of survival for your business, I believe you can create massive change.”

-Cameron Sinclair

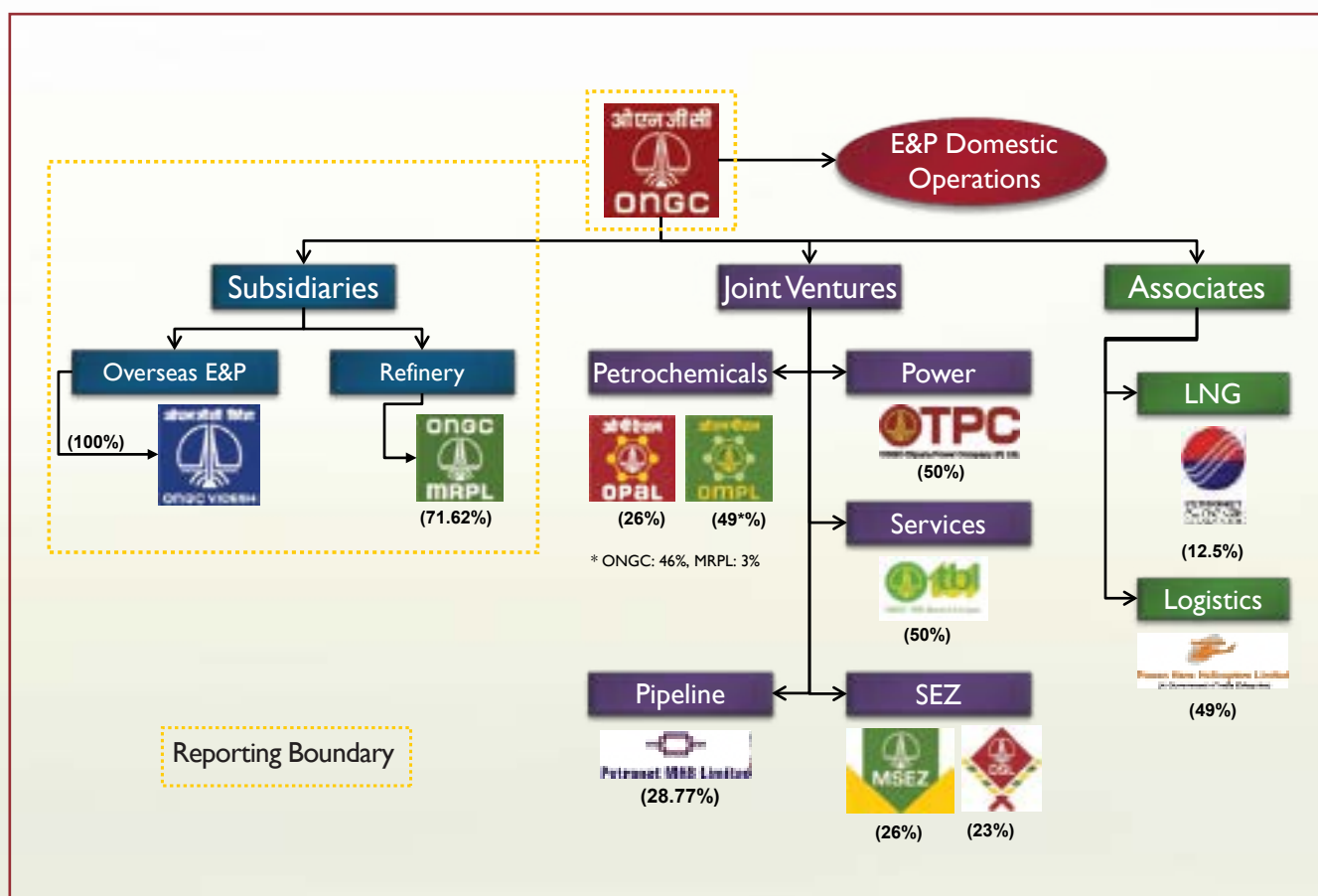


## About this Report

This report presents the annual sustainability performance of ONGC group companies: Oil and Natural Gas Corporation Limited (ONGC) and its subsidiaries, ONGC Videsh Limited (ONGC Videsh) and Mangalore Refinery and Petrochemicals Limited (MRPL) for the period 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014. The report has been developed in line with GRI G3.1 guidelines on Sustainability Reporting and Oil and Gas Sector Supplement (OGSS). It has been prepared as per application level A requirement.

ONGC has been reporting its sustainability performance annually for the past four years<sup>1</sup>.

Earlier reports were developed in line with GRI G3.0 Guidelines and the current report follows GRI G3.1 guidelines. ONGC Videsh prepared their first report last year following GRI G3.1 guidelines. Future ONGC Group reports pertaining to reporting period post 2015 will follow the GRI G4 guidelines. For this year, the boundary of reporting has also been expanded to include operations of ONGC Videsh and MRPL. The reporting boundary includes ONGC's domestic exploration and production operations (Assets and Basins) and Processing Plants including our office buildings, institutes, centres of delivery and residential colonies.



<sup>1</sup> ONGC's last sustainability report covered the period 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013 and was released in September 2013





For ONGC Videsh, the boundary covers (through subsidiaries) key material aspects across its corporate Office in New Delhi and its global operations across the following entities: Imperial Energy (Russia), San Cristobal Project (Venezuela), Carabobo project (Venezuela), Greater Nile Petroleum Operating Company (Sudan), Mansarovar Energy Colombia Ltd. (Colombia) and Block CPO-5 (Colombia). The entities are included in the boundary based on the maturity of sustainability data management systems. For MRPL, the reporting boundary consists of the refinery unit located at Mangalore, Karnataka. This report does not include sustainability performance of any other subsidiary or joint venture. The data presented in the report is sourced either centrally from our Enterprise Resource Planning System or directly from work centres across Assets, Basins and Plants. Assumption and exceptions are mentioned against data points in the respective sections of the report. ONGC will continue to report its sustainability performance annually at the group level.

This report has been assured in accordance with AA1000AS (Type 1, moderate level assurance) by an independent external auditor, DNV GL represented by DNV GL Business Assurance India Private Limited, and their assurance statement is provided in the "Assurance Statement" section. The GRI content index provided at the end of the report provides easy reference to all the GRI performance indicators and standard disclosures. The index also provides a mapping of the contents to the principles of the United Nations Global Compact (UNGC) and the 9 principles enshrined in the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by Ministry of Corporate Affairs.

This report is an endeavour to transparently communicate ONGC Group's sustainability performance and approach to all our stakeholders. We welcome your comments and feedback on this report as it will allow us to improve on our reporting practices and standards.

Please write to: Chief, Carbon Management and Sustainability Group, ONGC at [chief\\_cmsg@ongc.co.in](mailto:chief_cmsg@ongc.co.in)







## Table of Contents

Abbreviations.....	6
<b>1. Leadership Speak.....</b>	<b>10</b>
Message from the Chairman ONGC Group of Companies.....	10
Message from the Managing Director - ONGC Videsh Limited.....	14
Message from the Managing Director - MRPL.....	18
<b>2. About the ONGC Group.....</b>	<b>20</b>
Our operations.....	20
Organisational strategy.....	30
ONGC Group of Companies - Vision, Mission and Values.....	34
Key Performance Highlights.....	35
<b>3. Awards and recognition - 2013-14.....</b>	<b>36</b>
<b>4. Approach to Sustainability.....</b>	<b>38</b>
Engagement with Stakeholders.....	38
Material Sustainability Issues.....	46
External Sustainability Commitments.....	49
<b>5. Governance.....</b>	<b>52</b>
Organisational Governance.....	52
Committees under the Board.....	55
Sustainability Governance.....	55
Managing Risk.....	56
<b>6. Ethics and Integrity.....</b>	<b>60</b>
Policies and Practices.....	60
Monitoring and Enabling Systems.....	62
Right to Information.....	63
<b>7. Economic Performance.....</b>	<b>64</b>
Economic Leadership.....	64
Safeguarding India's Energy Security.....	66
Financial Performance.....	71
Contribution through Under-Recoveries.....	73
Risk and Opportunities due to Climate Change.....	73

Employee Benefits.....	76
Indirect Economic Impact on Community.....	77
<b>8. Technology and Innovation.....</b>	<b>78</b>
Technology and Process Innovations.....	78
<b>9. Environmental Performance.....</b>	<b>86</b>
Insight from Director (T&FS) - I/C CM&SG.....	86
Material Consumption.....	88
Energy Use and Conservation.....	88
Water Management.....	92
Managing Emissions.....	94
Preserving Biodiversity.....	95
Waste Management.....	95
Environmental Investments.....	99
<b>10. Human Capital.....</b>	<b>100</b>
Employee Strength.....	100
Employee Engagement.....	103
Collective Bargaining.....	104
Promoting Diversity.....	106
Employee Benefits.....	107
Training and Development.....	110
Labour Management Relations.....	113
<b>11. Health and Safety at Work.....</b>	<b>116</b>
<b>12. Community Initiatives.....</b>	<b>122</b>
<b>13. Protecting Human Rights.....</b>	<b>130</b>
Discrimination-free Workplace.....	130
Human Rights in Supply Chain and Investments.....	131
Avoidance of Child and Forced Labour.....	131
Independent Assurance Statement.....	132
GRI Application Level Check Statement.....	134
<b>14. Summary of Performance.....</b>	<b>135</b>
<b>15. Appendix 1: GRI Index.....</b>	<b>139</b>





## Abbreviations

ONGC	Oil and Natural Gas Corporation Limited
ONGC Videsh	ONGC Videsh Limited
MRPL	Mangalore Refinery and Petrochemicals Limited
ONGC Group	ONGC Group of companies - ONGC, ONGC Videsh Limited and MRPL
ALARP	As low as Reasonably Practicable
ASSOCHAM	Associated Chambers of Commerce and Industry of India
ATF	Aviation Turbine Fuel
BCM	Billion Standard Cubic Meter
BD and JV	Business Development and Joint venture
BRR	Business Responsibility Report
BP	British Petroleum
CBM	Coal Bed Methane
CCR	Catalytic Conversions
CDM	Clean Development Mechanism
CER	Certified Emission Reduction
CII	Confederation of Indian Industries
CHT	Centre for high technology
CIS	Commonwealth of Independent States
CM&SG	Carbon Management and Sustainability Group
CMD	Chairman & Managing Director
COD	Centre of Delivery
COSA	Crude Oil Sales Agreement
CPCB	Central Pollution Control Board
CPIO	Central Public Information Officer
CPSE	Central Public Sector Enterprise
CSR	Corporate Social Responsibility
DCU	Delayed Coker unit
DGH	Directorate General of Hydrocarbon
DNV	Det Norske Veritas
DPE	Department of Public Enterprise
DSL	Dahej SEZ Limited
EBITDA	Earnings Before Interests, Taxes, Depreciation and Amortisation
EC	Executive Committee
EIA	Environmental Impact Assessment
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance

ESM	Environmentally Sound Management
ETP	Effluent Treatment Plant
E&P	Exploration and Production
FDC	Fundacao Dom Cabral
FICCI	Federation of Indian Chambers of Commerce and Industry
FY	Financial Year
GAIL	Gas Authority of India Ltd.
GHG	Greenhouse Gas
GMDC	Gujarat Mineral Development Corporation
GMI	Global Methane Initiative
GRC	Governance, Risk Management and Compliance
GRI	Global Reporting Initiative
GSA	Gas Sales Agreement
HDPE	High Density Poly Ethylene
HGPC	Hazira Gas Processing Complex
HP/HT	High Pressure/High Temperature
HSD	High Speed Diesel
HSE	Health, Safety and Environment
HSEMS	HSE Management System
IEM	Independent External Monitor
IABC	Indo-Africa Business Council
IOC	Indian Oil Company
IOR/EOR	Improved Oil Recovery/ Enhanced Oil Recovery
IQR	Identification, Quantification, and Reduction
ISB	Indian school of Business
ISO	International Organisation for Standardisation
JV	Joint Venture
KMG	Kazmunaigaz
KTPA	Kilo Tonnes Per Annum
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
MBN	MBTU/Barrel/NRGF
MBTU	Million British Thermal Units
MCA	Ministry of Corporate affairs
MECL	Mansarovar Energy Columbia Ltd.



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



MMSCM	Million Metric Standard Cubic Meters
MMT	Million Metric Tonnes
MMTOE	Million Metric Tonnes of Oil and Oil Equivalent Gas
MMTPA	Million Metric Tonnes per Annum
MoEF	Ministry of Environment, Forests and Climate Change
MoPNG	Ministry of Petroleum and Natural Gas
MoU	Memorandum of Understanding
MSDS	Material Safety Data Sheets
MSEZ	Mangalore Special Economic Zone Limited
MW	Mega Watts
MWH	Mega Watt Hour
NELP	New Exploration Licensing Policy
NGO	Non-Governmental Organisation
NLC	Neyveli Lignite Corporation Limited
NOC	National Oil Company
NSDC	National Skill Development Corporation
O+OEG	Oil+Oil Equivalent of Gas
OEC	ONGC Energy Centre Trust
OGSS	Oil and Gas Sector Supplement
OHS	Occupational Health and Safety
OISD	Oil Industry Safety Directorate
OMC	Oil Marketing Companies
OMPL	ONGC Mangalore Petrochemicals Ltd
OPaL	ONGC Petro additions Ltd
OTBL	ONGC TERI Biotech Limited
OTPC	ONGC Tripura Power Company
PAT	Profit after tax
PBDIT	Profit Before Depreciation Interest and Taxes
PBT	Profit before tax
PetroFed	Petroleum Federation of India
PFCCU	Petrochemical Fluidized Catalytic Cracker Unit
PHL	Pawan Hans Limited
PLL	Petronet LNG Limited
PMHBL	Petronet MHB Limited

PP 2030	Perspective Plan 2030
PPE	Personal Protective Equipment
PPM	Parts per million
PSC	Production Sharing Contract
PSU	Public Sector Undertaking
PVN	Petro Vietnam
QHSE	Quality, Health, Safety and Environment
R&D	Research and Development
RCP	Regional Contingency Plan
RPIP	Refinery Performance Improvement Programme
RTI	Right to information
RRR	Reserve Replacement Ratio
SCOPE	Standing Committee of Public Enterprises
SDO	Sustainable Development Officer
SEBI	Securities and Exchange Board of India
SKO	Superior Kerosene Oil
SMAFSL	Shell MRPL Aviation Fuel Services Limited
SPCB	State Pollution Control Board
SPE	Society of Petroleum Engineers
SPG	Society of Petroleum Geologists
STP	Sewage Treatment Plant
TERI	The Energy and Resource Institute
TCF	Trillion cubic feet
TJ	Terra Joules
TNI	Trans Nationality Index
TPH	Total Petroleum Hydrocarbon
UNGC	United Nations Global Compact
UCG	Underground Coal Gasification
UNFCCC	United Nations Framework Convention on Climate Change
USEPA	US Environmental Protection Agency
VAP	Value added product
WF	Water footprint
WILR	Women in leadership roles
WIPS	Women in public sector





## 1. Leadership Speak

Message from the Chairman ONGC Group of Companies



Dear Stakeholders,

Transparency is the foundation on which trust is built. We at ONGC Group are committed to keeping intact the trust our stakeholders have placed on us since the time of our engagement. Moving forward with this baton of trust and transparency, I am pleased to present ONGC's 5<sup>th</sup> Sustainability Report. The Report is a testimony of our commitment to transparency. It marks a unique milestone as it expands the scope of reporting to our subsidiaries- ONGC Videsh Limited

and Mangalore Refinery and Petrochemicals Ltd. The report follows the Global Reporting Initiative GRI G3.1 guidelines on Sustainability Reporting and Oil and Gas Sector Supplement (OGSS). This report is meant to communicate ONGC Group's approach to sustainability and the underlying sustainability performance for the year 2013-14.

ONGC is the most valuable Indian public sector enterprise. We have positioned ourselves as the pioneers in our industry and we wish to translate our leadership position in the field of sustainability

as well. The nature of our industry lends a moral responsibility upon us to carry out our operations responsibly and integrate the principles of sustainability within our business framework. Being the founding member of the United Nations Global Compact (UNGC) initiative in India, the Ten Principles of UNGC on Human Rights, Labour, Environment and Anti-corruption have served as the foundational working philosophies for framing our internal policies and practices on sustainable growth. This report is also aligned to these principles.

ONGC has been ranked as the world's number three Exploration and Production Company (Platts 2014) in terms of our financial strength. We have always delivered on our promise to our valued shareholders even during global economic turbulence. In 2013-14, we posted our highest ever revenue of ₹ 842.01 billion. We also posted a higher Profit-After-Tax of ₹ 220.95 billion (up 5.6 per cent from FY-13). Our continued operational and financial strength have allowed us to become the highest dividend paying company in India with cumulative dividend distributions from last 6 years adding up to ₹ 459.86 billion (excluding dividend tax).

In 2013-14, we made 14 oil and gas discoveries which resulted in addition of 84.99 MMTOE of Ultimate Reserves, the highest in last 23 years. Our operations delivered a Reserve Replacement Ratio (RRR) of 1.87 making it the 9th consecutive year with a RRR that exceeded one. The group's total Oil and Oil Equivalent Gas production in FY-14 (including ONGC Videsh and ONGC's share in domestic Joint Ventures) was 59.2 MMTOE.

ONGC Group is proactively pushing improvements in the recovery factor through capital-intensive technology interventions to counter the natural decline of both domestic and international production fields. Our target is to increase the

average recovery factor to 40% by 2020. Over 70% of our production is coming from our fields which are 35 to 50 years of vintage and are going through their natural declining phase. ONGC has arrested the decline in these fields through significant initiatives in technology-enabled recovery processes.

Our global arm, ONGC Videsh has an excellent track record to secure overseas oil and gas equity. It has strengthened its position in key oil and gas fields located in difficult and diverse geographies around the world in the last decade. In FY14, ONGC Videsh acquired several prospective blocks in Mozambique and Bangladesh. ONGC Videsh now boasts of a balanced portfolio of 36 hydrocarbon assets worth over USD 15 billion in 17 countries.

Our domestic downstream company, MRPL was upgraded to Schedule-A Category-1 Mini-Ratna





# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Company by the Department of Public Enterprises (DPE), Government of India (GOI), thereby granting it enhanced administrative and financial autonomy. MRPL also recorded its highest-ever throughput of 14.6 MMT against an MoU target of 14.5 MMT in FY14.

We have continually endeavoured to achieve growth that strikes a balance between our economic, social and environmental footprints. We believe this approach has been instrumental in engendering a unique structural strength and ability of value creation with the result that ONGC has been rated as India's Most Admired Energy Company (Fortune's listing 2014). We have demonstrated year on year our commitment to continuously engage with our stakeholders and thrive by delivering long term value to them, as we strongly believe that all our stakeholders are invested in ONGC's growth just like we are invested in theirs.

Matching with its physical and financial performance, ONGC has also ramped up its footprint in emerging low-carbon avenues like renewables and unconventional gas. We were the first to establish Shale gas presence in our country and are fully committed to addressing the environmental impacts of fracking through technology enabled mitigation techniques in alliance with established reputed technology partners.

The tenets of sustainable development are embedded in our long term growth strategy - the Perspective Plan 2030. Our ONGC Tripura Power Company (OTPC) 726.6 MW gas-based power project will mitigate over 1.6 million tons of CO<sub>2</sub>e annually. We have also moved up on the Newsweek Green Ranking to 217 from 386 in 2012 amongst the Fortune 500 companies and 3rd amongst the Indian Companies. The company has also embarked upon a reduce-recycle-reuse journey to conserve its energy and water resources. The company is in the process of setting up of a desalination plant

of 20 MLD at Uran in the state of Maharashtra. We have already achieved a saving to the extent of ₹ 4,532 million on account of energy conservation measures and efficient energy usage across ONGC during 2013-14.

ONGC is a part of the Global Methane Initiative, driven globally by the USEPA which strives to reduce global fugitive methane emissions. Through our robust monitoring systems and implementation of suitable interventions, till date, we have avoided emissions of over 14 MMSCM of fugitive methane. We are also committed to improving our safety performance through focused job-based and behavioral safety training programs.

Our Corporate Social Responsibility (CSR) interventions are assisting in creating lasting social capital much needed for the overall nation building. In 2013-14, we invested over ₹ 3,400 million into the communities we serve through our CSR programme. We are committed to anchor and take forward the national inclusive development goals and multiply the impact we create for our stakeholders. Aligning with the 'Swachh Bharat Abhiyaan' initiated by Hon'ble Prime Minister of India, ONGC has launched a massive cleanliness drive across the country. We will construct toilets for more than 2500 schools across thirteen states of the country and have already adopted national landmarks like Jantar Mantar for their upkeep.

I hope we have succeeded in communicating our sustainability approach through this report and have upheld the values we stand for in our performance. We welcome your thoughts, opinions and suggestions on our report.

Dinesh K Sarraf  
Chairman & Managing Director,  
ONGC Group of Companies







### Message from the Managing Director, ONGC Videsh



Dear Stakeholders,

As a part of the ONGC family, we are honoured to present our sustainability performance along with our parent company in this combined sustainability report for ONGC Group. Our reporting journey started in FY'13 when we published our GRI checked 'B' application level sustainability report developed in line with GRI G3.1 guidelines including the oil and gas sector supplement. The trust and support of our stakeholders are imperative for

our sustained growth and this channel of communicating our sustainability commitments and performance is a step in this direction.

In our strategic endeavour to work progressively towards providing energy security oil to the country and be acknowledged as a world-class exploration and production company with a global footprint, we recognise and work towards addressing associated sustainability challenges. We have always seen sustainability as a business imperative as well as a pathway for improvement and over the years, we have successfully integrated the principles of sustainability into our global operations. The sector in which we operate necessitates the need to drive economic growth in a manner that entails responsible conduct towards the environment and society at large. We are cognizant of the impact our operations can potentially generate on the environment and local communities around our sites and we acknowledge our responsibility towards managing and mitigating them. We are also well aware of our role in safeguarding India's energy security whilst operating in foreign territories and often, a volatile business environment.

Home to about 0.4%<sup>2</sup> of the world's proven oil and gas reserves, India is projected to be world's third largest consumer of energy by 2030. ONGC Videsh is poised to play its role

<sup>2</sup>[http://indiaenergy.gov.in/vision\\_background.php](http://indiaenergy.gov.in/vision_background.php)

in meeting India's energy security needs. We have presence in key growth basins including Latin America, CIS countries, North and East Africa, Middle East and South East Asia and strive to carry our legacy of sustainability wherever we operate. Strong emphasis is laid on the growth and the well-being of local communities as well as employee welfare, especially health and safety. Our complex global operations expose us to unique risks and uncertainties. We employ a 'Zero-Based Risk Review' approach for our acquisitions across our business activity and value chain to manage these risks.

When it comes to areas like ethics and governance, we have always tried to do more than what is required. Our operations provide exposure to diverse cultures and people along with laws and regulations that vary from project to

project. Being inclusive and responsive, hence becomes a business imperative for us.

As set out in Perspective Plan 2030 we aspire to increase our oil and gas production from the existing level of 8.36 MMTOE to 60 MMTOE by FY'30. This necessitates working on our alliances and partnerships with National Oil Companies (NOCs), International Oil Companies (IOCs) and Asset Owners as required. Our global partners include Exxon, Shell, Chevron, TNK, BP, Rosneft, TOTAL, ENI, Repsol, SOCAR, Petrobras, PDVSA, PetroVietnam, CNPC, Sinopec, Ecopetrol, Petronas, KazMunaiGas etc. In 2013, in pursuit of expanding our global footprint, we signed MoUs with the Coordinating Ministry for Strategic Sectors (MICSE) of the Republic of Ecuador, Venezuelan state giant PDVSA and PetroVietnam (PVN). These MoUs will equip us with the ability to identify and





# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



evaluate opportunities in oil rich regions of Ecuador, Venezuela and Vietnam. The fact that we were adjudged India's most internationalised company based on the Trans nationality Index (TNI) in an exercise conducted jointly by Indian School of Business (ISB), Hyderabad and Fundacao Dom Cabral (FDC), Brazil is a testimony to our global approach.

We have adopted an aggressive acquisition strategy and have established a strong foothold in many oil producing provinces around the world. Our recent acquisitions include 16% PI in the Rovuma Area 1 offshore block, Mozambique. We also raised our PI in Block BC-10, Brazil from 15% to 27%. On the exploration front, we were awarded

the shallow water blocks SS-09 and SS-04 of Bangladesh, along with OIL India Limited under a Production Sharing Contract (PSC). Our most recent exploratory success includes hydrocarbon discovery in both the exploratory locations at Block CPO-5, Colombia.

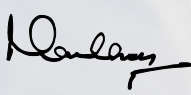
We have installed robust management systems across the organisation to ensure effective implementation of our business strategies. We have established integrated Quality, Health, Safety and Environment (QHSE) Management System based on ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007. Our operations are also prone to unique technical as well as geopolitical risks and challenges by virtue of what we do and where we work. Our comprehensive Enterprise Risk Management (ERM) framework developed in line with ISO

31000:2009 enables us to manage these risks to the extent possible.

We achieved a consolidated production of 8.357 MMTOE (O+OEG) in FY'14 representing a jump of 15.11% as compared to FY'13. Our net profit also rose by 13.14% to ₹ 44.45 billion in FY'14 as compared to FY'13. Sustaining this impressive performance and achieving our ambitious targets will require concerted efforts in acquiring assets under development and in production phases and high potential exploration acreages. This will involve substantial funds and ONGC Videsh will need to use the full strength of the balance sheet of ONGC Group to finance these acquisitions coupled with equity and project financing. This will also require diverse talents to be sourced from ONGC

Group companies, revamping of internal systems and processes, and review of our business development strategies. In our growth quest, sustainability and stakeholder engagement will continue to play a vital role in the geographies where we operate.

This sustainability report is a reiteration of our commitment to bring transparency to our sustainability practices and performance in pursuit of long term growth strategy along the sustainable development pathway.

  
Narendra K. Verma  
Managing Director,  
ONGC Videsh





### Message from the Managing Director - MRPL



Dear Stakeholders,

As an integral part of the ONGC group of companies, MRPL is proud to present our sustainability performance in the first ONGC group sustainability report. This year's reporting is also going to be the first step in MRPL's journey to formally measure and report on our sustainability related activities based on GRI guidelines. In future years we are committed to bringing more and more aspects of our business operations and outreach within the purview of this communication to our stakeholders. Although this

communication in its current form may be new, the principles of sustainability have always been deeply embedded in MRPL's Vision statement.

MRPL has been a trend-setter in the petroleum refining business in the country. It is a matter of great prestige that this year we became a Schedule 'A' Central Public Sector Enterprise (CPSE) company. With this new status, we are committed to driving forward for greater growth with a renewed vision and continued support of all our stakeholders.

We have come a long way since our humble inception in 1988. Not only has our refining capacity increased by over four-folds (from 3.69 MMTPA in 1988 to 15 MMTPA currently), the company also boasts of unmatched technological capabilities. The unique design of our refinery provides for a high degree of automation and allows high flexibility in processing a range of crudes. Furthermore, with the recent commissioning of our Phase III units (at a cost of about ₹ 150 billion), the company now has the capacity to manufacture additional value added products and maximize distillate yield, providing the company a competitive advantage. The fact that our total diesel pool is of superior Euro III/IV standards is yet another feather in our hat.

By its very nature, the petrochemical industry is susceptible to a range of macroeconomic risks including - geopolitical factors, increasing globalisation, intensifying competition and changing technologies. Furthermore, the refining

business is particularly vulnerable to the risk of disruption in crude supply and price volatility. The company has evaluated such risks and has incorporated strategic plans to mitigate them to the extent possible. Going forward, the company would continue to focus on value added projects, reduction in energy consumption, adoption of new technologies and yield improvement projects.

MRPL remains deeply committed to socially inclusive sustainable development and has been making significant investments aimed improving the living conditions of under-privileged communities in the vicinity of the plant. MRPL's CSR initiative 'Samrakshan' aims to promote in a holistic and sustainable manner, development of under-privileged communities,

afflicted by poverty, illiteracy, illness and physical disabilities. Further the company has also taken initiatives to protect, preserve and promote the social, cultural and environmental, heritage in and around the area of company's business.

As we continue in this remarkable reporting journey, we take a moment to express our gratitude to all our stakeholders for their continued support and patronage.

H. Kumar  
Managing Director, MRPL







## 2. About the ONGC Group



### Our Operations

Oil and Natural Gas Corporation Ltd (ONGC) is India's national oil company and is the most valuable Indian public enterprise. It is a globally integrated energy company operating across the entire energy value-chain with a team of around 34,000<sup>3</sup> employees including engineers, scientists and managers. ONGC produces over 1.24 million barrels of oil equivalent per day contributing over 64% of India's domestic production. Its core business is exploration and production of oil and gas, processing of crude oil and natural gas, oil field services, transportation of oil and natural gas, production of value added products like - LPG, Naphtha, Superior Kerosene Oil (SKO), ATF (Air Turbine Fuel), C2-C3. It also extends to areas such as refining, petrochemicals, power generation, unconventional and alternate sources of energy through its subsidiaries and joint ventures, which altogether constitutes the ONGC group of Companies.

<sup>3</sup> For ONGC and ONGC Videsh  
<sup>4</sup> As on 31st March 2014



ONGC is also engaged in the exploration, development and production of oil and gas internationally through its wholly owned subsidiary, ONGC Videsh Limited. The group is present in downstream business through its other subsidiary Mangalore Refinery and Petrochemicals Limited (MRPL). MRPL is a state of the art grassroots refinery located north of Mangalore city in Dakshin Kannada region. ONGC, a Maharatna public enterprise and ONGC Videsh and MRPL, Miniratnas and schedule 'A' CPSE public enterprises function under the administrative control of the Ministry of Petroleum and Natural Gas.

ONGC's domestic operations span across 11 Assets focusing on oil and gas production, 7 Basins engaged in exploration of hydrocarbon, 3 Processing Plants located at Uran, Hazira and Dahej involved in production of value added products and ONGC services located in Vadodara, Delhi, Dehradun, and Mumbai providing support to Assets, Basins and Plants in their E&P efforts.

ONGC Videsh is ONGC's flag bearer outside India and has invested in 33 projects in 16 countries<sup>4</sup> including

**Operational highlights**  
**2013-14**

**84.9**  
**MMTOE**  
ONGC - Ultimate reserves added in 2013-14

**637.34**  
**MMTOE**  
ONGC Videsh - 3P reserves

**59.2**  
**MMTOE**  
Total O+OEG production for ONGC Group 2013-14

**14.59**  
**MMT**  
Crude processed in 2013-14 - MRPL

**60.88**  
Energy index (MBTU/ BBL/ NRGF) of crude 2013-14 -MRPL

Figure 1: Operational highlights

Azerbaijan, Bangladesh, Brazil, Colombia, Iraq, Kazakhstan, Libya, Mozambique, Myanmar, Russia, South Sudan, Sudan, Syria, Venezuela and Vietnam. 13 of these 33 projects are producing assets, 4 are discovered/under development, 14 are exploratory and remaining 2 are pipeline projects. Over the years, ONGC Videsh has acquired significant expertise and capabilities in its core areas of operation which has allowed it to confidently steer through the extremely competitive international oil and gas markets. It has leveraged its highly skilled human resource base equipped with unmatched technical and management capabilities. It has

established facilities for evaluation, interpretation, economic modelling, design and execution of oil and gas projects. It has developed core expertise in due diligence, techno-commercial evaluations, bid negotiations and transaction documentations. All these are essential ingredients for establishing and maintaining a strong foothold in the global oil and gas space.

MRPL was setup in 1993 at Mangalore. The refinery is located at Katipalla which is north from centre of Mangalore city. MRPL was originally a joint sector company that became a PSU after acquisition of its majority shares by ONGC in 2002. MRPL has since then been declared (in 2007) as Miniratna, a mini jewel, by Government of India. This year, MRPL has been upgraded to become a Schedule 'A' Central Public Sector Enterprise (CPSE) company. The refinery has a versatile design with high flexibility to process crude of various API gravity and with high degree of automation. It is the only refinery in India to have two hydrocrackers producing premium diesel (high cetane) and to have two continuous catalyst regeneration (CCR) units producing unleaded petrol of high octane.

### Production Levels

The production levels from ONGC-operated domestic fields stood at 50.86 MMTOE in 2013-14 (including ONGC's share in Production Sharing Contracts-Joint Ventures, PSC-JVs). Oil and Gas production of ONGC Group, including PSC-JVs and from Overseas Assets for FY'14 was 59.21 MMTOE (against 58.71 MMTOE during FY'13). 14 oil and gas discoveries were made during the year resulting in an addition of 84.99 MMTOE of ultimate reserves accretion in domestic operated fields, the highest in the last 23 years. Our operational successes have also been mirrored in our stellar financial performance for the year 2013-14 with group's revenues reaching ₹ 1782.05 billion, its





highest level ever. Through continuing exploration in challenging terrains, ONGC accreted 255.56 MMTOE of In-place volume of hydrocarbon in the domestic basins (operated by ONGC). As on 31<sup>st</sup> March 2014, the in-place reserves of ONGC as a group stood at 2,004.15 MMTOE, up 14% from FY'13 figure of 1,759.43 MMTOE.

The production of Value Added Products stood at 3.017 MMT in FY'14 down from 3.152 MMT in FY'13.

ONGC Videsh currently produces about 1,69,000 barrels of O+OEG per day with total reserves of about 637.34 MMTOE (3P)<sup>5</sup> which is 47% jump

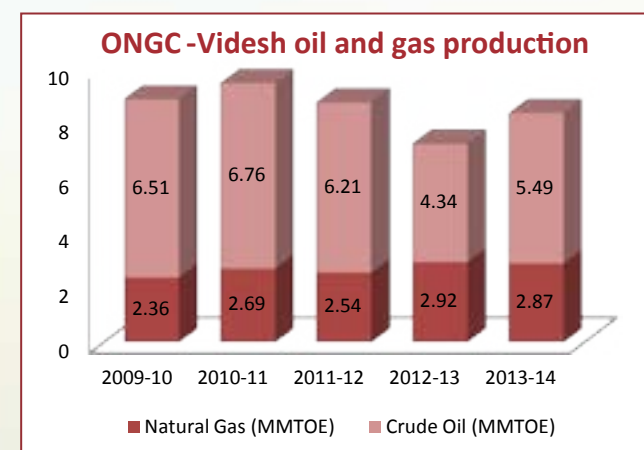
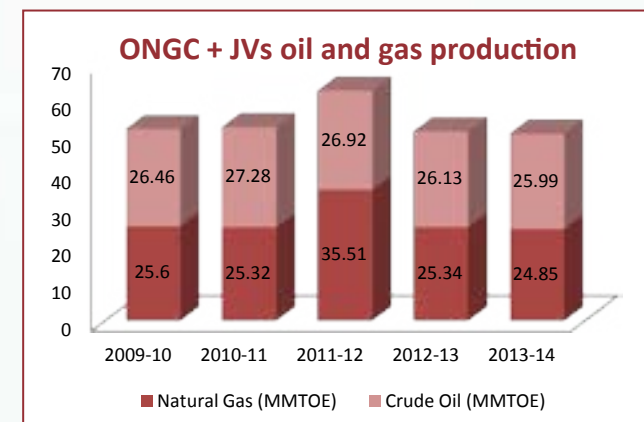


Figure 2: Production levels-I

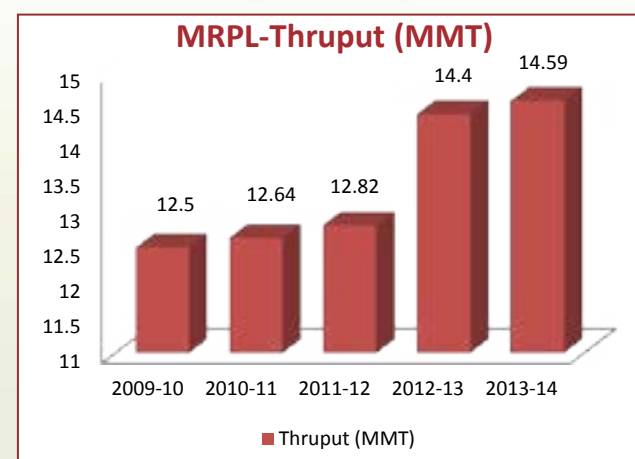
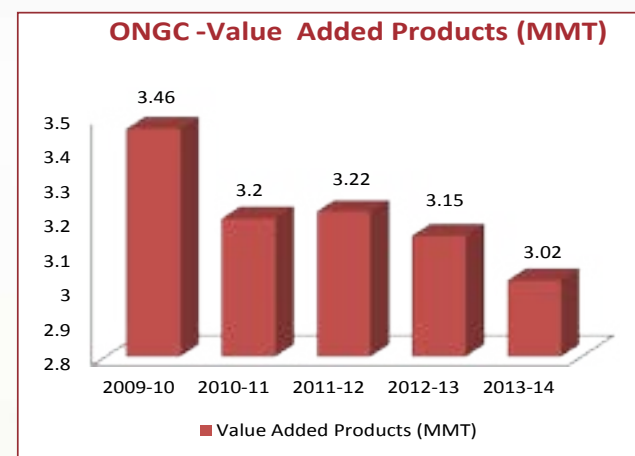
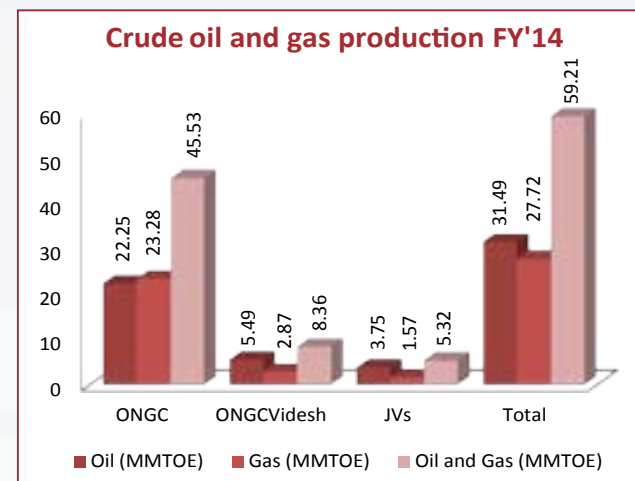


Figure 3: Production levels-II

over FY'13 figure of 432.92 MMTOE. It achieved a production of 8.36 MMTOE, up 15% from last year production.

MRPL processed the highest ever crude of 14.59 MMT in 2013-14. The fuel and loss net of commissioning usage (fuel consumption during stabilisation of units) was 7.15%, higher by 1% as compared to last year. The refinery also achieved the highest crude processed with Energy index (MBTU/BBL/NRGF) of 60.88 during the year 2013-14.

### Petrochemical and Refinery Business

ONGC operates in the petrochemical business through joint ventures such as ONGC Petro additions Ltd (OPaL) and ONGC Mangalore Petrochemicals Ltd (OMPL) as an anchor promoter. ONGC is also pursuing opportunities in areas such as Shale and Gas Hydrates, CBM (Coal Bed

Methane) UCG (Underground Coal Gasification). Our power generation business includes a 726 MW gas based power project in Tripura (through a JV, ONGC Tripura Power Company Ltd.) and wind power electricity generation through a 51 MW wind power project in Bhuj, Gujarat. Apart from the Group Company MRPL, ONGC's domestic customer base includes public sector Oil Marketing Companies (OMCs) - Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited, Hindustan Petroleum Corporation Limited. Produced natural gas is supplied through Gas Authority of India Limited with a small share being directly marketed.

MRPL undertakes direct marketing activities in Karnataka and in the adjoining states. With the availability of natural gas pipeline in North Karnataka and Goa, some major customers have shifted from liquid fuels to gas, leading to shrinkage of the liquid fuels market. However, MRPL has established a good market reach for sale of Petcoke



<sup>5</sup> As on 31<sup>st</sup> March 2014





Produced from the Delayed Coker Unit (DCU) commissioned in Phase-III project. MRPL continues to develop its direct marketing network for various value added products like Petcoke, Polypropylene (PP) etc. by various units commissioned in Phase-III Refinery project. MRPL embarked into bulk sales of HSD after the introduction of dual pricing for HSD which has considerably improved sales in the bulk consumer segment. Domestic sale of Mixed Xylene has increased considerably against previous year. MRPL is setting up a Polypropylene (PP) plant of 440 KTPA capacity for bulk supplies to downstream processing industry. In addition to this MRPL is also developing storage infrastructure for Polypropylene (PP) in Karnataka for managing its supply chain for marketing networks.

### Organisational and Operational Structure

The Government of India, with a shareholding of 68.94% is ONGC's single largest shareholder. Banks, financial institutions and insurance companies hold 9.58% of the shares followed by 6.66% holding by foreign institutional investors, 11.83% by Private Corporate bodies, 1.28% by mutual funds and UTI, 1.55% by indian public and 0.16% by NRIs/ clearing memebrs.

ONGC has two subsidiaries to meet its strategic objectives of global presence and vertical integration - ONGC Videsh and MRPL. ONGC also operates 9 joint-ventures each serving a strategic purpose of ensuring ONGC's presence in the entire hydrocarbon value chain. Group's structure have been presented below:

Company	ONGC's stake (%)
<b>Subsidiaries</b>	
ONGC Videsh Limited (ONGC Videsh)	100%
Mangalore Refinery and Petrochemicals Limited (MRPL)	71.62%
<b>Joint Ventures</b>	
ONGC Tripura Power Company Limited (OTPC)	50%
ONGC TERI Biotech Limited (OTBL)	50%
Pawan Hans Limited (PHL)	49%
ONGC Mangalore Petrochemicals Limited (OMPL)	49% (with MRPL)
Petronet MHB Limited (PMHBL)	28.77%
ONGC Petro-additions Limited (OPaL)	26%
Mangalore Special Economic Zone Limited (MSEZ)	26%
Dahej SEZ Limited (DSL)	23%
Petronet LNG Limited (PLL)	12.5%

Table 1: ONGC's subsidiaries and joint ventures

### Organisational Structure

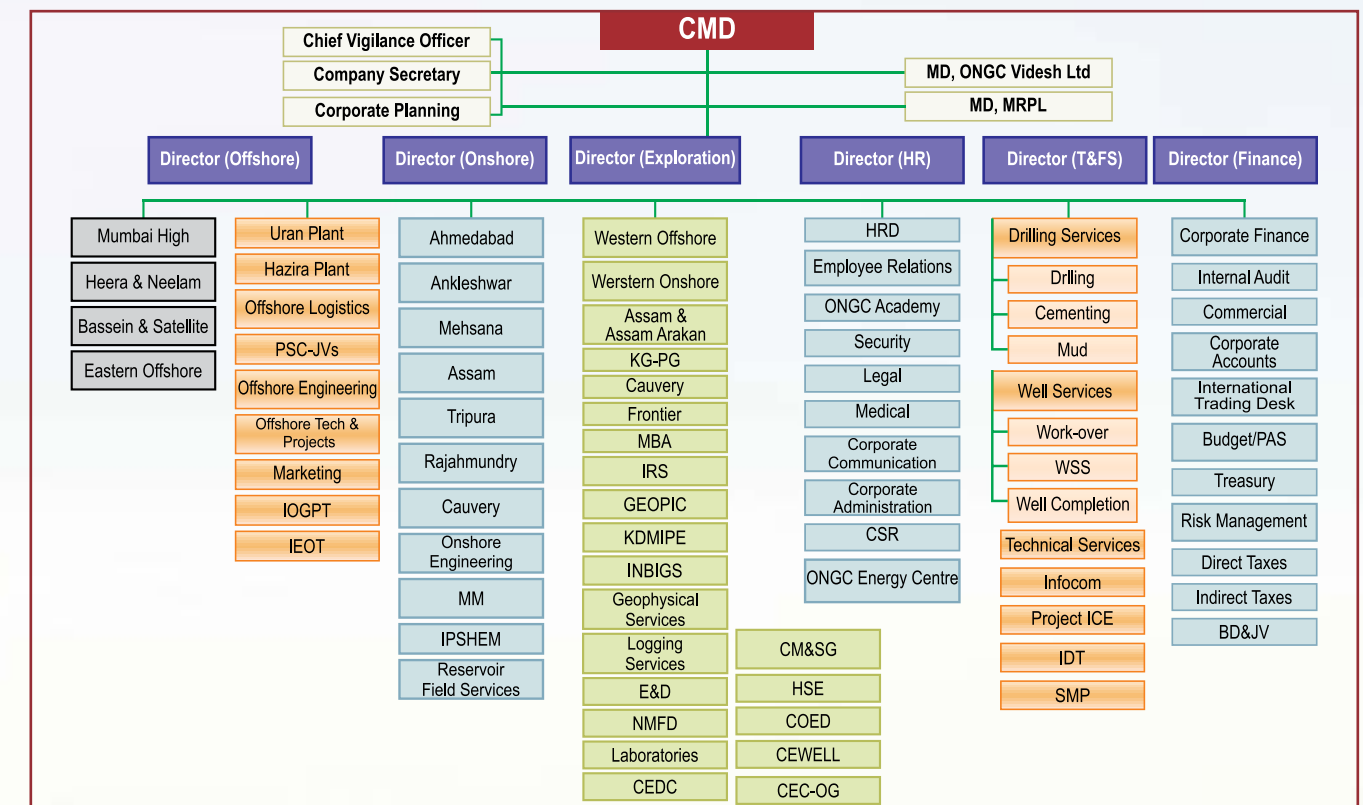


Figure 4: Organisational Structure of ONGC





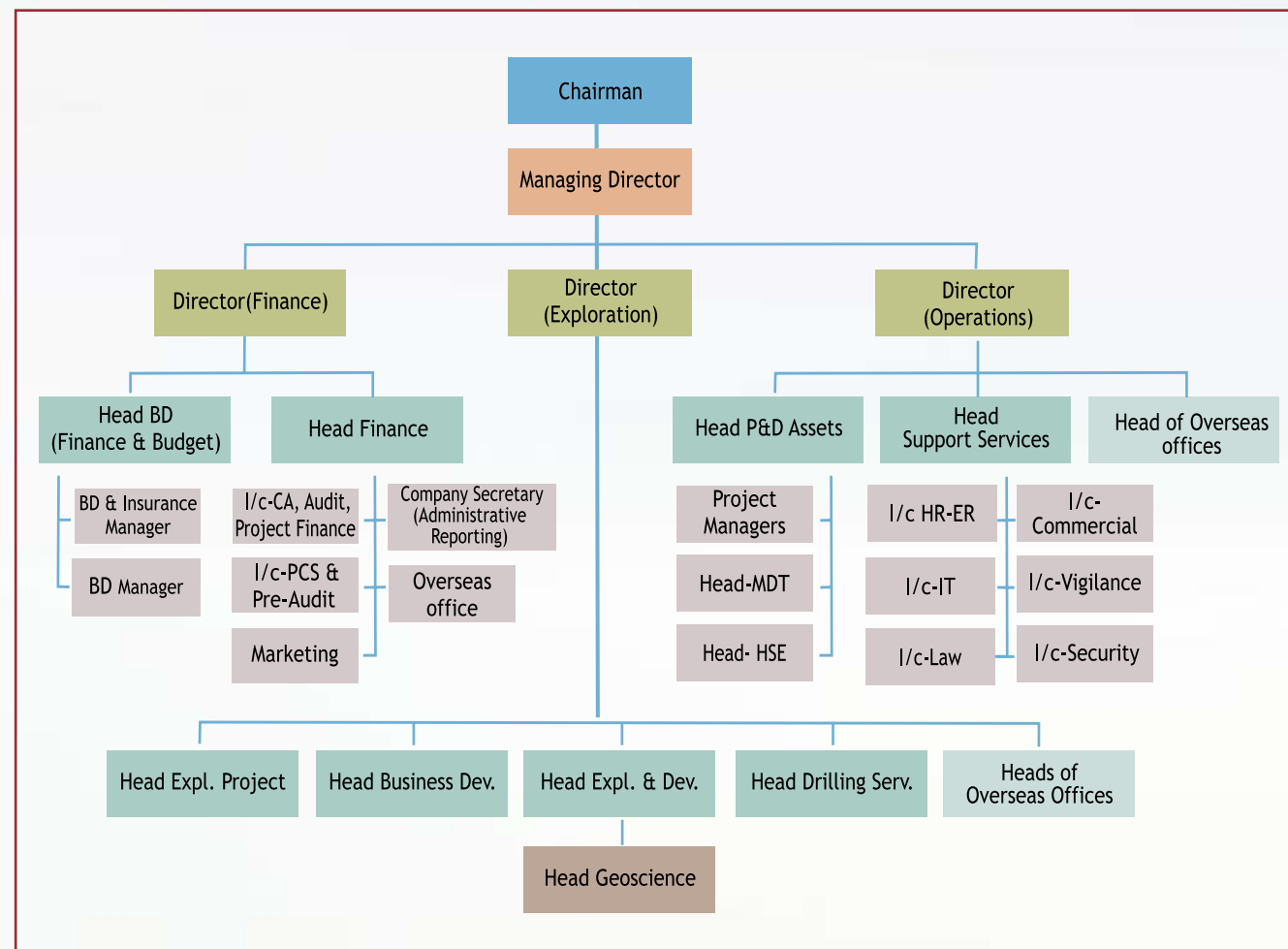


Figure 5: Organisational Structure of ONGC Videsh

ONGC has established 12 institutes with an overall objective of anchoring critical business processes, promoting indigenous innovation and focus d research in technologies complementary to its business. These institutes, located throughout India, function in areas related to exploration, drilling, reservoir management, production technology, ocean engineering, HSE management and alternative sources of energy. Four dedicated centres of delivery (COD) also exist to further drive the group's presence in emerging strategic areas -

coal bed methane (CBM), Shale gas, deep water and high pressure/high temperature reservoirs.

ONGC Videsh operates its 33 projects in 16 countries through the following asset ownership structures:

- Complete ownership (solely-operated) - Complete control and influence
- Joint ownership (operated) - Varying degree of operational influence and control

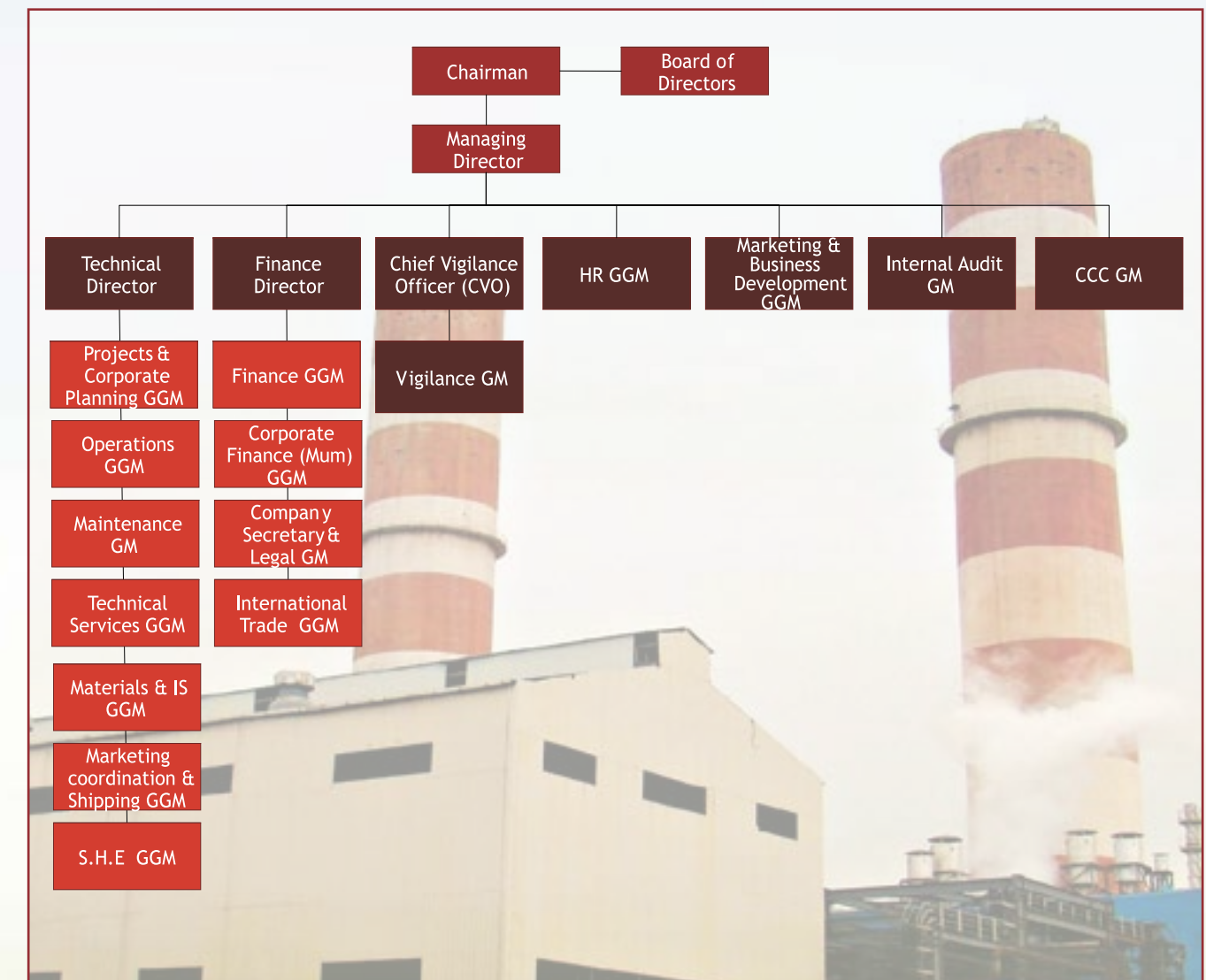


Figure 6: Organisational Structure of MRPL

- Joint ownership (jointly-operated) - Varying degree of operational influence and control
- Joint ownership (non-operated) - Limited control, limited influence depending on the quantum of participating interest

ONGC Videsh has utilised these asset structures to establish invaluable alliances with national

and international oil companies across the globe for expanding its global footprint. These include companies such as ExxonMobil, British Petroleum, Shell, ENI, Total, Repsol, Statoil, Chevron, Petrobras, Sodeco, Socar, Rosneft, Daewoo, Kazmunaigaz (KMG), PetroVietnam, CNPC, Sinopec, PDVSA, Petronas and Ecopetrol. Details of these projects as on 31.03.2014 are presented in the following figure and table:



**33 projects in 16 countries**

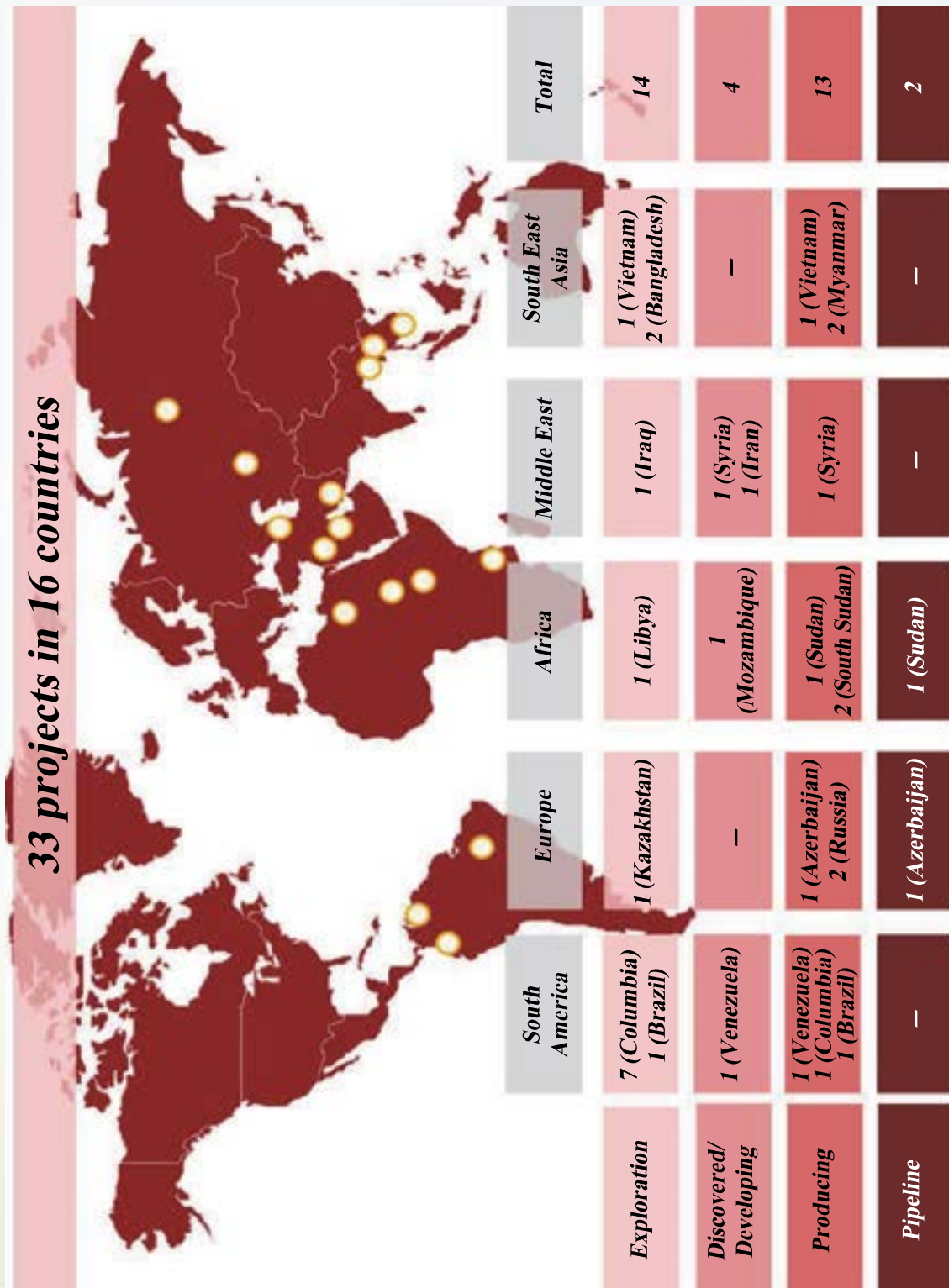


Figure 7: Global Assets of ONGC Videsh



Project	Country	PI	Other partner	Project	Country	PI	Other partner	Project	Country	PI	Other partner
Operated Projects				Jointly Operated Projects				Non Operated Projects			
Imperial Energy	Russia	100%		GNPOC Block 2a, 2b and 4	Sudan	25%	CNPC (40%), Petronas (30%), Sudapet (5%)	Block 06.1	Vietnam	45%	TNK (35%, Operator), PetroVietnam (20%)
CPO-5 block	Columbia	70%	Petrodorado (30%)	MECL	Columbia	50%	Sinopec (50%)	Sakhalin1	Russia	20%	ENL (30%, Operator), Sodeco (30%), SMNG (11.5%), RN Astra (8.5%)
RC 8	Columbia	40%	Ecopetrol (40%), Petrobras (20%)	San Cristobal	Venezuela	40%	PDVSA (60%)	BC10	Brazil	27%	Shell (73%, Operator)
RC 10	Columbia	50%	Ecopetrol (50%)	GPOC Block 1a, 1b and 4	South Sudan	25%	CNPC (40%), Petronas (30%), Nilepet (5%)	Block 24	Syria	60%	IPR (25%, Operator), TOM (15%)
GUA OFF 2	Columbia	100%		SPOC Block 5A	South Sudan	24.125%	Petronas (67.875%), Nilepet (8%)	Block A1	Myanmar	17%	Daewoo (51%, Operator), MOGE (15%), GAIL (8.5%), Kogas (8.5%)
Contract Area 43	Libya	100%		Carabobo project	Venezuela	11%	PDVSA (71%), IOCL (3.5%), OIL (3.5%), Repsol (11%)	Block A3	Myanmar	17%	Daewoo (51%, Operator), MOGE (15%), GAIL (8.5%), Kogas (8.5%)
Farsi block	Iran	40%	IOC (40%) OIL (20%)	Block LAA-69	Colombia	50%	Sinopec (50%)	BM SEAL-4	Brazil	25%	Petrobras (75%, Operator)
Block 8	Iraq	100%						Block SSJIN-7	Colombia	50%	Pacific (50%, Operator)
Block 128	Vietnam	100%						Block RC-9	Colombia	50%	Ecopetrol (50%, Operator)
Block - SS 04	Bangladesh	45%	BAPEX (10%), OIL (45%)					AFPC	Syria	38.75%	Fulin (50%), Mittals (11.25%)
Block - SS 09	Bangladesh	45%	BAPEX (10%), OIL (45%)					Satpayev	Kazakhstan	25%	Kazmunaygaz (75%)
Pipeline Projects								ACG	Azerbaijan	2.72%	BP (35.79%, Operator), SOCAR (11.65%), Chevron (11.27%), INPEX (10.96%), Statoil (8.56%), ExxonMobil (8.0%), TPAO (6.75%), Itochu (4.30%)
Project	Country		Interest	Other partner							
	Sudan pipeline		90%	OIL (10%)							
BTC pipeline	Azerbaijan	2.36%	BP (30.1%, Operator), SOCAR (25%), Chevron (8.9%), Statoil (8.71%), TPAO (6.53%), ENI (5%), Total (5%), Itochu (3.4%), Conoco Phillips (2.5%), INPEX, (2.5%)								





MRPL operates a joint venture with Shell B.V. Netherland known as Shell MRPL Aviation Fuel Services Limited (SMAFSL). SMAFSL supplies Aviation Turbine Fuel (ATF) to both domestic and international airlines at Indian airports.

### MRPL's Joint Venture

Partner: Shell B.V. Netherland

JV: Shell MRPL Aviation Fuel Services Limited (SMAFSL)

MRPL's interest: 50%

ONGC's performance - both financial and operational is determined on the basis of the Memorandum of Understanding (MoU) signed with the Ministry of Petroleum and Natural Gas (MoPNG). The MoU governs holistic organisational aspects like company's functioning, performance management, corporate governance, corporate social responsibility and sustainable development. This is in line with the guidelines of the Department of Public Enterprise (DPE), under the Ministry of Heavy Industries and Public Enterprises. Being subsidiaries of ONGC, a similar DPE approved MoU governing the above aspects is signed between ONGC and ONGC Videsh and MRPL.

### Organisational Strategy

Considering the group's long term aspirations and goals, a comprehensive strategy has been etched - Perspective Plan 2030 (PP 2030), that maps ONGC's strategy over the next two decades towards



sustaining its position as a globally integrated energy major and addressing India's energy security needs. The plan is a blueprint of its commitment towards building unique 'differentiating' core capabilities through investment in niche technologies, physical and intellectual capacity building, applied R&D and capital management capabilities to serve our vision and realising our future growth prospects. The elements of this plan focus on key operational requirements that are imperative for bringing "the desired perspective" to fruition. These include areas like reserve accretion, brown field management, overseas E&P operations, value chain integration and sound financial management to ensure sustained growth. The plan outlines priorities and challenges relevant to achieving this long term vision and provides a clear direction for group actions.

PP 2030 aspires for a two-fold increase in hydrocarbon production, three-fold revenue growth and EBITDA (real terms), four-fold increase in market capitalization (real terms), evolve five verticals from non-E&P business, and six times international growth with a planned capital expenditure of ₹ 11,000 billion.

The Plan further provides guidance regarding integrating sustainable development with our business operations. An accompanying Sustainable Development Perspective plan has also been proposed in line with the PP 2030. Its specifically focuses on the issues of energy security, resource accretion, impacts of climate change on asset security, climate change related regulations and resource availability. Considering the role that ONGC can play in addressing these three issues, the plan has laid down priority areas as well as short and long term actions to be undertaken for meeting the objectives of the plan. Key identified areas include:

- Carbon Management
- Water and Waste Management
- Sustainability Reporting and Disclosures
- Branding through Societal Value Addition

Specific enablers have also been identified to facilitate the implementation of action plans developed for the above four areas.

### Perspective Plan 2030

To double the ONGC Group's production over the plan period with 4-5 percent annual growth against the present growth rate of 2 percent.

In physical terms, Perspective Plan 2030 aims for:

- ONGC production of 130 MMTOE of oil and oil equivalent gas (O + OEG) per year and accretion of over 1,300 MMTOE of proven reserves.
- Grow ONGC Videsh six fold to 60 MMTOE of international O+OEG production per year by 2030.
- More than 20 MMTOE of O+OEG production per year in India coming from new unconventional sources such as shale gas, CBM, deepwater and HPHT (High Pressure and High Temperature) reservoirs.
- Over 6.5 GW power generation from nuclear, solar and wind and 9 MMTA of LNG.
- Scaling up refining capacity to over 20 MMTA and targeted investments to capture downstream integration in petrochemicals





Long term sustainability of the ONGC Group will be partly determined by its ability to seamlessly integrate its various group companies with each company serving a specific purpose towards achieving sustainable growth. Accordingly, PP 2030 emphasises downstream integration and aims to further strengthen ONGC Group's position as a global energy major. Reporting at the group level will emphasise more on the aspects of respective group companies while maintaining the essence of overall sustainability.

To gear up for its future growth needs, MRPL's Phase-III expansion cum upgradation project is almost complete. It has already successfully commissioned a 3.0 MMTPA Delayed Coker unit (DCU) in April, 2014 and is on the verge of commissioning a 2.2 MMTPA Petrochemical Fluidized Catalytic Cracker Unit (PFCCU)<sup>6</sup>. Furthermore MRPL will attain a value chain addition on commissioning of the downstream polypropylene unit with feedstock being polymer grade propylene from PFCC unit. In future, these units will prove to be the major margin drivers for MRPL and are expected to improve the margins per barrel of crude processed.

MRPL is planning to raise its crude processing capacity from 15 MMTPA to 18 MMTPA by March 2018 through a low cost expansion.



<sup>6</sup> Both units are outside reporting boundary for sustainability report 2013-14





## ONGC Group: Vision, Mission and Objectives

<b>Vision</b> To be the global leader integrated energy business through sustainable growth, knowledge excellence and exemplary governance practices	<b>Mission</b> World Class <ul style="list-style-type: none"> <li>Dedicated to excellence by leveraging competitive advantages in R&amp;D and technology with involved people</li> <li>Imbibe high standards of business ethics and organisational values</li> <li>Abiding commitment to safety, health and environment to enrich quality of community life</li> <li>Foster culture of trust, openness and mutual concern to make working a stimulating and challenging experience for our people</li> <li>Strive for customer delight through quality products and services</li> </ul>
<b>Vision</b> To be a world-class exploration and production company providing security oil to the country	<b>Mission</b> To contribute 60 MMTOE of equity oil and oil equivalent gas by 2030 <p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>To support India's energy security</li> <li>To build balanced portfolio of exploration, discovered and producing assets in focus countries</li> <li>To build a team that excels in performance through assimilation of best practices and technologies</li> <li>To be at par with the best international oil and gas companies</li> <li>Be the strongest Indian Player in the international E&amp;P</li> <li>Build collaborative relations with partners</li> </ul>

<b>Vision</b> To be a world-class exploration and production company providing security oil to the country	<b>Mission</b> To contribute 60 MMTOE of equity oil and oil equivalent gas by 2030 <p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>To support India's energy security</li> <li>To build balanced portfolio of exploration, discovered and producing assets in focus countries</li> <li>To build a team that excels in performance through assimilation of best practices and technologies</li> <li>To be at par with the best international oil and gas companies</li> <li>Be the strongest Indian Player in the international E&amp;P</li> <li>Build collaborative relations with partners</li> </ul>
---	--

<b>Vision</b> To be a world-class refining and petrochemicals company, with a strong emphasis on productivity, customersatisfaction, safety, health and environment management, corporate social responsibility and care for employees	<b>Mission</b> <ul style="list-style-type: none"> <li>Sustain Leadership in energy conservation, efficiency, productivity and innovation</li> <li>Capitalise on emerging opportunities in the domestic and international market</li> <li>Strive to meet customers' requirements to their satisfaction</li> <li>Maintain global standards in health, safety and environmental norms with a strong commitment towards community welfare</li> <li>Continuing focus on employee welfare and employee relations</li> <li>Imbibe highest standards of business ethics and values</li> </ul>
---	---

# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



ONGC	ONGC Videsh	MRPL
5.6% Increase in PAT over 2013 for ONGC	22 USD billion Cumulative overseas investment	14.59 MMT Crude processed in 2013-14
84.9 MMTOE Ultimate reserves added in 2013-14	637 MMTOE 3P reserves	60.88 Energy index (MBTU/ BBL/ NRGF) of crude 2013-14
7,725 Meters depth for setting world record in ultra-deep water drilling.	44.5 ₹ billion Profit after tax – highest in history	Zero Reportable injuries in 2013-14
Zero Man-days were lost on account of labor management issues.	5.486 MMT of oil production	Successful commissioning of Phase III in 2013-14
6.56% Permanent women employees	19,036 hours of Safety Training	Highest rating for energy efficiency among Indian PSUs refineries for 7 years
126,511 Hours of induction training to graduate trainees.	2.871 BCM of gas production	1% Employee Turnover.
4% Employee Turnover.	3,413 ₹ Million spent on CSR.	
1.87 Reserve Replacement Ratio with 3P Reserves for its domestic basins.		

Figure 8 : Key Performance Highlights





### 3. Awards and Recognitions - 2013-14



ONGC - 14 <sup>th</sup> most valued brand in India - Economic Times-Brand Equity	ONGC - Most Attractive employer in the Energy Sector in India Randstad Award 2013	ONGC - Ranked 176 <sup>th</sup> - 2014 Forbes Global 2000	ONGC - Fortune World's most Admired Companies (2014) - CNN Money and ranked 369 <sup>th</sup> - Fortune Global 500 (2013)	ONGC - 'Most Admired Organization in Oil & Gas Sector' - Institute of Public Enterprises
ONGC - 'Innovative Training Practices - 2012-13' to ONGC Academy by Indian Society for Training & Development	ONGC - Human Resource Management Excellence Award (Navratna and Maharatna category) - ICC PSE Excellence Awards 2013	ONGC - Ranked 217 <sup>th</sup> - Newsweek Green Ranking - 3 <sup>rd</sup> amongst Indian companies	ONGC - 4 awards (Asset Utilization and runners-up in Strategic Performance, Human Resource Utilization and Strategic Turnaround) - ONGC Videsh - 2 awards (Human Resource Utilization and Overall Growth and Competitiveness) - PSU Champions Awards 2013 - Governance Now magazine	ONGC - India's 'Best Sports Promoting Company' - FICCI
ONGC - 'Most internationalized Indian Company' - survey by the Indian School of Business (ISB) and Brazil's Fundacao Dom Cabral	Best Innovator Award for ONGC's corporate services by CIOI.com	ONGC - 'Best Enterprise Award' (Maharatna and Navratna category) - Women in Public Sector (WIPS) Award for excellence	ONGC - 'Commendation Certificate' (Institutional category) - SCOPE award for Excellence and Outstanding contribution to the Public Sector	
	ONGC Videsh - Best PSU award in oil and gas sector at the Dainik Bhaskar India Pride Awards	ONGC - 'Best Employer' and 'Voice of Employee' award - Aon Hewitt Best Employers - India 2013	ONGC - P L Roy CSR Award (2013)	
	ONGC ranked 3 <sup>rd</sup> in "Oil and Gas Exploration and Production" category - Platts Top 250 Global Energy Company Rankings	ONGC's Rajahmundry Asset - Best Overall Safety Performance of Oil and Gas Onshore Assets" and "Most Consistent Safety Performer Award" (2011-12) - Oil Industry Safety Directorate	MRPL - "Export Excellence Award, 2013" in Best Manufacturer / Exporter (large category) - Gold from the Federation of Karnataka Chamber of Commerce and Industry (FKCCI)	
	ONGC Videsh - Most internationalized Indian Company - survey by the Indian School of Business (ISB) and Brazil's Fundacao Dom Cabral	ONGC, ONGC Videsh - 'Best Employer Brand Organization in Asia Oil & Gas Sector' - National Energy Excellence Awards - Asia Oil & Gas Congress	ONGC Fire Services - 12 <sup>th</sup> Greentech Safety Award - Gold category under the Petroleum Exploration Sector	ONGC - Golden Peacock Award 2013 for Corporate Social Responsibility
		ONGC, ONGC Videsh - "Excellent" Rating for Corporate Governance - Department of Public Enterprises (DPE) for Central Public Sector Enterprises (CPSEs)	ONGC - 'Best CSR Practices in the Areas of Health' - Global CSR Excellence and Leadership Awards	ONGC - Oil & Gas Conservation Award for Best Overall Performance - OGCF-2013
			ONGC Videsh - Corporate Excellence Award (Oil, Gas & Natural Resources Sector) - Institute of Public Enterprises	ONGC, BG and Reliance JV Panna gas field - "Best Production Platform - Pvt/JV companies (2011-12) - Oil Industry Safety Directorate

Figure 9: Awards and Recognitions: 2013-14





## 4. Approach to Sustainability



### Stakeholder Engagement

Engaging with the stakeholders in order to understand, acknowledge and address their concerns is intrinsic to the idea of sustainable development and corporate sustainability. An effective stakeholder engagement framework acts as an enabler in embedding sustainability into the corporate DNA and adds meaning to the corporate sustainability approach. ONGC Group considers all individuals, groups and entities that are impacted by its operations and impact its operations as its stakeholder.

Following are the key stakeholders:

- Employees
- Customers
- Suppliers, contractors (including contractual labour)
- Joint venture, consortium, business partners
- Government, regulatory bodies
- Shareholders, investors
- Communities NGOs.



Figure 10 : Key Stakeholders

Throughout the year, the Group regularly deploys structured engagement methods to maintain and develop our connect with representatives of each stakeholder group. The objective is to build lasting and mutually beneficial relationships and address their concerns. Appropriate avenues are made available to our stakeholders to express their concerns and every effort is made to ensure that these concerns are transparently and fairly addressed.



Engagement modes, frequency and key areas of concern for each stakeholder group are presented in tables below:

EMPLOYEES
Engagement Mode (Frequency)
<ul style="list-style-type: none"> <li>• Workshops and capacity building sessions on relevant areas like QHSE, CSR and sustainability (ongoing)</li> <li>• Regular interaction through training sessions, seminars, newsletters, internal web portal (ongoing), mail</li> <li>• Regular employee satisfaction survey</li> <li>• Targeted and structured forums like:</li> </ul>

- » Executive meet (Vichar Vishleshan): An open session of key executives of assets, basins, plants, services, with CMD and functional directors to review performance and to formulate future plans. (annual)
- » Conclave (Mantrana): An open session of former and present members of Board to share the cumulative knowledge and experience. (annual)
- » Change agent's meet: An open session of junior and middle level managers to engage and prepare them for taking up challenges and for realization of PP 2030 aspirations. (annual)
- » Strategy meet: Board members and senior officials of MoPNG meets to discuss and deliberate the concerns and growth of the company (annual)

#### Areas of Concern

- Career progression and growth
- Health and safety at workplace
- Employee welfare measures

#### CUSTOMERS

#### Engagement Mode (Frequency)

- Continuous interaction with marketing team on pertinent issues like supply of crude oil and value added products, pricing, gas allocation and through sale agreements (Crude Oil Sales Agreement (COSA), Gas Sales Agreement (GSA)). (ongoing)

#### Areas of Concern

- Availability and supply of gas
- Payment terms - settlement, periodicity etc.





- Flaring issue in case of unplanned tripping of customer's plant
- Gas pool account surplus transfer

### SUPPLIERS, CONTRACTORS (INCLUDING CONTRACTUAL LABOUR)

#### Engagement Mode (Frequency)

- Pre-bid conference and supplier meets. (ongoing)
- Through contract agreement and direct interactions at work-centre level. (ongoing)
- Meetings at organisational and functional levels. (ongoing)
- Training / Awareness programmes for contract workers and schemes like Sahyog. (ongoing)

#### Areas of Concern

- Contractual issues
- Bid qualifying criteria, evaluation and issues related to e-procurement
- Technical issues like rig mobilisation period for foreign and Indian bidders, vintage of supply vessels etc.
- Workplace safety of contract

### JOINT VENTURE, CONSORTIUM, BUSINESS PARTNERS (DOMESTIC AND OVERSEAS)

#### Engagement Mode (Frequency)

- Meetings of Technical Committee,

Operating Committee, Management Committee and Boards. (ongoing)

- Engagement through contract agreements - Production sharing contract, Joint Operating Agreement etc. (ongoing)

- Joint Audits. (ongoing)

#### Areas of Concern

- Operational and business synergies
- Contractual issues

### GOVERNMENT, REGULATORY BODIES OF HOST COUNTRIES

#### Engagement Mode (Frequency)

- Structured engagement with domestic ministries (Ministry of Petroleum and Natural Gas, Ministry of Heavy Industries and Public Enterprises etc.) and relevant parliamentary committees (Standing Committee of Petroleum and Natural Gas, Committee on Science and Technology, Environment and Forest, Consultative Committee of Ministry of Heavy Industries and Public Enterprises etc.) (ongoing)
- For ONGC Videsh, structured engagement with relevant host country ministries, regulatory bodies and agencies in countries where it operates
- Quarterly performance review meetings (QPRM) with administrative ministry. (quarterly)
- Various MoUs. (ongoing)

- Investment clearance procedures (ongoing)
- Engagement through audits, inspections, and meetings with departments like Oil Industry Safety Directorate, Central and State Pollution Control Boards etc. (ongoing)
- Engagement with overseas governments through application for approvals, submission of reports, statements and work programmes and production sharing agreements. (ongoing)

#### Areas of Concern

- National issues like energy security
- Compliance with respective regulations

### SHAREHOLDERS, INVESTORS

#### Engagement Mode (Frequency)

- Investors and analyst meet. (Annual)
- Quarterly earnings conference call. (quarterly)
- Annual general meeting. (annual)
- Domestic and overseas conferences by financial institutions and investment bankers. (ongoing)
- Meetings of Officers of Investor Relation Cell with representatives of institutional investors and analysts. (ongoing)
- Quarterly/annual updates, annual reports, press releases and presentations to media, institutional investors, financial analysts on corporate website. (ongoing)
- ONGC Videsh's engagement with ONGC (its sole shareholder) through MoUs, Board meetings, joint executive committee meetings, ONGC reports etc. (ongoing)

#### Areas of Concern

- Economic value of the company
- Future growth prospects
- Transparency

### COMMUNITIES, NGOs

#### Engagement Mode (Frequency)

- Corporate Social Responsibility Meet. (annual)
- Stakeholder meetings across assets, basins and plants. (ongoing)
- Public Hearing
- Community engagement through need assessment surveys, group discussions, one-to-one meetings, campaigns and programmes etc.
- Direct engagement through CSR and HR departments

#### Areas of Concern

- Understanding community needs and specific socio-economic issues and developing effective programmes to address these needs
- Building effective partnerships with NGOs

Based on a mix of above stakeholder engagement methods, the ONGC Group endeavours to understand the needs and concerns of each stakeholder and utilise the insights thus gained to plan future engagements. A few highlights of our stakeholder engagement programme are presented below:





### PETROTECH 2014

ONGC organized the biennial international oil and gas conference in January, 2014. The event saw participation from the highest dignitaries and industry representatives from 60 countries to pursue global collaboration in hydrocarbon exploration. The theme of this four day event was 'Vision 2030: Emerging Global Energy Basket - Challenges and Opportunities'.



The Petrotech series of International Oil and Gas Conference and Exhibitions is a biennial platform for national and international oil and gas experts for sharing knowledge and experiences. The event aims to explore areas of growth in petroleum technology, exploration, drilling, production and processing, refining, pipeline, transportation, petrochemicals, natural gas, LNG, petroleum trade, economics, legal and human resource development, marketing, research and development, information technology, safety, health and environment management in the oil and gas sector.

PETROTECH-2014 organized under the aegis of the Ministry of Petroleum and Natural Gas, Government of India, by Oil and Natural Gas Corporation Limited and PETROTECH was a carbon neutral event.  
<http://www.petrotech.in/>

**“Petrotech 2014 has been an emphatic success and the best ever so far”**

Former Union Minister for Petroleum and Natural Gas

**“Petrotech has become a benchmark for technology exposition in this part of the world”**

Former Union Minister of Finance



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



### SUSTAINABILITY AND CSR STAKEHOLDERS MEET

Carbon Management and Sustainability Group (CM&SG) along with Corporate CSR Group of ONGC organised a half day stakeholder meet with employees in December 2013. The meet was organized to communicate ONGC's CSR and sustainable development initiatives to its employees and take their feedback and views on the same. The event also saw the release of ONGC's sustainability report for 2012-13.

### BUSINESS PARTNER MEET AT TOMSK, RUSSIA

Imperial Energy Group, the wholly owned subsidiary of ONGC Videsh Ltd. hosted an interactive session for its business partners in December 2013. The objective of the meet was to provide the potential vendors a better understanding of Imperial Energy's requirement and create opportunities for active engagement on issues of mutual interest.



### SOCIAL MEDIA PRESENCE

ONGC's facebook page created in 2012 was formally launched in August 2013 by ONGC's top management. The page had received an overwhelming response since its launch with visibly high engagement levels and number of likes upwards of 55,000 at its highest. The page provides a platform for continuously sharing posts on ONGC's growth story - operational and financial achievements and key events.







### Material Sustainability Issues

ONGC Group's sustainability report is an attempt to transparently disclose our sustainability performance and provide an insight to our

stakeholders into our organisational approach towards sustainability. We want to create a continuous feedback loop wherein we listen to

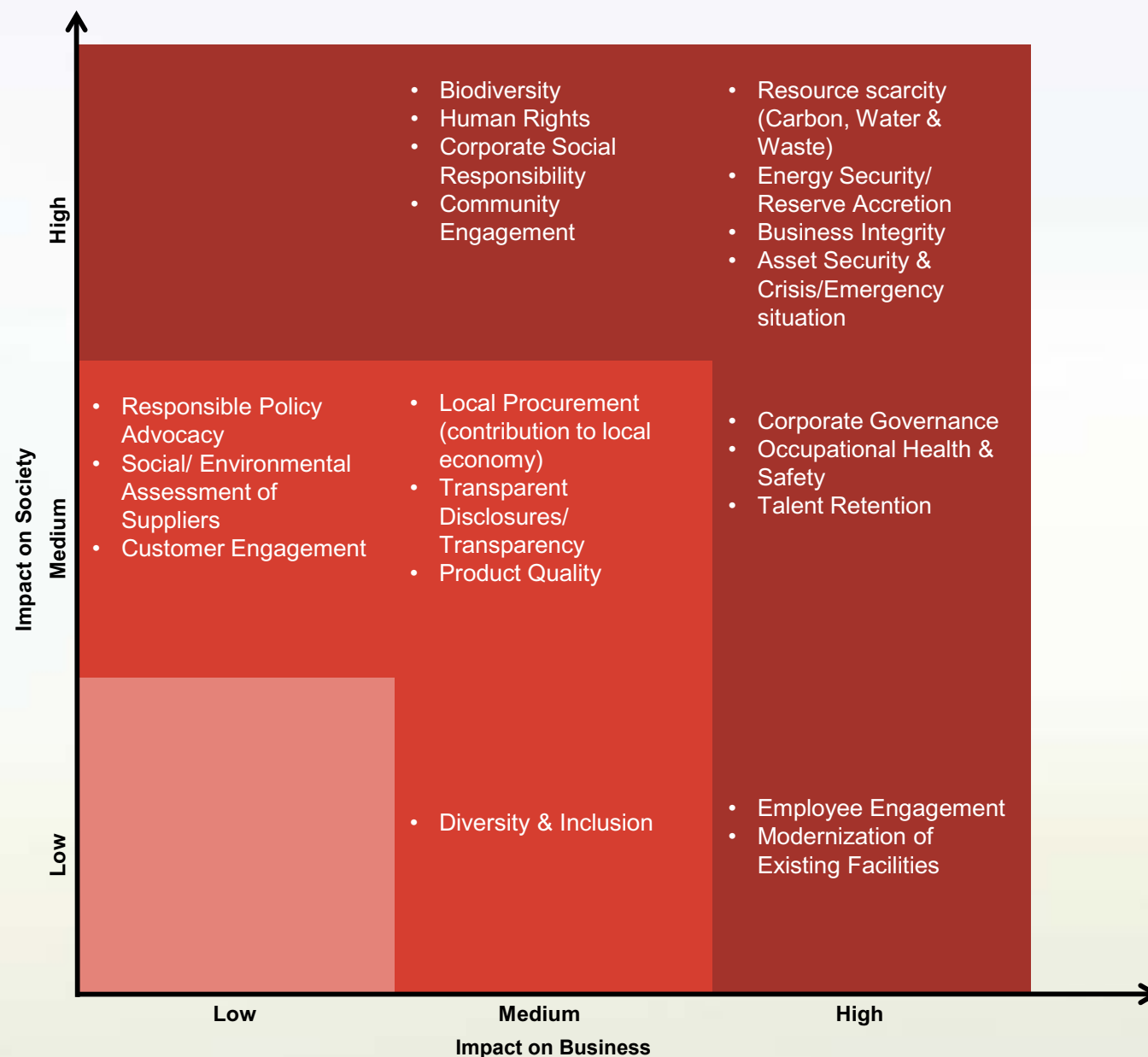


Figure 11: ONGC Group Materiality Matrix

our stakeholders, take actions and report back issues that matter the most to them. In line with this, we undertook an exercise to reevaluate our earlier materiality assessment and to assess whether any realignment is required to improve our sustainability disclosures and our sustainability efforts. We engaged an independent third party to work with our earlier assessment and assess whether a revision was required in the universe of sustainability issues applicable to us. This was done by taking into account both internal and external views along with assessments done by leading global oil and gas companies (our industry peers) and currently trending sustainability issues raised by international development sector players such as global agencies, NGOs, international organisations etc.

Taking cues from this analysis, internal discussions were conducted to revise the list of sustainability issues to be considered by internal and external stakeholders for materiality assessment. Two separate workshops - one for our internal stakeholders and the other for our external stakeholders were organised. The objective of the former was to assess the impact of identified sustainability issues on our business and of the latter was to assess the level of stakeholder concern with respect to each issue. The internal workshop saw participation from cross-functional representatives of ONGC Group's middle and top management and the external workshop was attended by some of our leading suppliers, business partners, NGOs, civil society organisations and regulators.

Inputs from both these workshops were combined to arrive at ONGC group's materiality map, shown here. The workshops also allowed the group to deepen its sustainability specific engagement with stakeholders and gauge their perspective on sustainability issues.

Issues placed at the top-right corner represent those that bear the highest impact on our business as well as on our stakeholders.

Issues that have a high impact on business and are of high concern to the stakeholders as well include:

- Resource scarcity (Carbon, Water and Waste):** The ONGC Group is committed towards responsible energy, emission, water and waste management. It recognises the impact of its operations on the environment and society at large and undertake suitable measures across its operations to mitigate them by investing in state-of-art technologies, effluent and solid waste management systems, environmental monitoring and bio-diversity conservation. Energy audits are carried out by an internal team of qualified and certified energy auditors and their recommendations and observations are implemented regularly. With regards to water, it aims to sustain operations with less dependence on fresh water resources. Accordingly, ONGC has undertaken a comprehensive water foot-printing study which is likely to be completed by 2015. Hazardous wastes are handled in line with the policies instituted for safe and responsible management of hazardous chemicals and materials and respective regulatory requirements.
- Energy Security, Reserve Accretion:** The ONGC Group plays a vital role in securing the energy needs of our country in a scenario where there is a sustained rise in the demand for petroleum products both in India as well as across the world. This coupled with the fact that our aging and mature assets are going through a stage of natural decline forms a critical material issue for the group





Perspective Plan 2030 is therefore naturally aligned towards addressing this issue. Reserve accretion, brown field management, overseas E&P operations, value chain integration and sound financial management lie at the core of this plan. The early fruits of its focused strategy are evident in the fact that oil and gas production of the Group (including PSC-JVs and from overseas Assets) for FY'14 was 59.21 MMTOE (against 58.71 MMTOE during FY'13). Also, ONGC made 14 oil and gas discoveries during the year, which resulted in an addition of 84.99 MMTOE of ultimate reserves accretion, highest in the last 23 years.

- **Business Integrity:** The scale of ONGC's complex global operations, its dealings with multiple stakeholders in multiple geographies and the pedigree of a leading public sector enterprise make practicing ethical business practices of the highest order an imperative for ONGC Group. Any situation that may compromise this stance poses significant reputational risk. It adopts the rules and guidelines set forth by Department of Public Enterprises, Ministry of Corporate Affairs and Securities and Exchange Board of India etc. These guidelines are further strengthened with best practices going beyond what is mandated by the law of the land. The group's vigilance department with network units spread across operations is responsible for embedding high standards of ethical business practices across all levels of the organisation.
- **Asset Security and Emergency situation:** Security of assets and its response to emergency situations continues to remain a critical operational issue for the group. Some of our global operations are housed in geo-politically unstable environment which exposes us to unique security related risks and challenges. The nature of its operations also entails safety

related risks across its assets posing a hazard to the personnel as well as the asset itself. Natural disasters like earthquakes and tsunamis can also significantly impact operations. Effective internal control systems and risk management practices have been established to allow for organisation-wide monitoring of businesses, functions and operations for such risks. We undertake third party audits regularly for offshore and onshore installations by reputed national and international agencies like Oil Industry Safety Directorate (OISD) to monitor and address safety related risks across assets.



Issues that were of high concern to stakeholders but bear a medium level impact on business are:

- » Biodiversity
- » Human Rights
- » Corporate Social Responsibility
- » Community Engagement

Issues with high impact on business but a medium level impact on society are:

- » Corporate Governance
- » Occupational Health and Safety
- » Talent Retention

Issues that entail a medium level impact on both business and society include:

- » Local Procurement (contribution to local economy)
- » Transparent Disclosures/ Transparency
- » Product Quality

Other issues on the map that have either a low impact on business or are low on stakeholder concern level are:

- » Responsible Policy Advocacy
- » Social or environmental assessment of suppliers
- » Customer Engagement
- » Diversity and Inclusion
- » Employee Engagement
- » Modernization of Existing Facilities

The ONGC Group considers all these issues important and has over the years taken measures to improve its performance in each area. This report is an endeavour to communicate the

group's approach as well as its performance on all the material issues that have been identified and covered herewith.

### External Sustainability Commitments

The ONGC Group supplements its approach with globally renowned sustainability frameworks in order to draw inspiration as well as improve upon its practices when it comes to sustainability.

- **United Nations Global Compact (UNGC)** - ONGC is a founder member of the UNGC India Network and is completely committed to aligning its business with the UNGC's ten universally accepted principles.
- **Ministry of New and Renewable Energy's Green pledge** - ONGC is signatory to the green pledge by Ministry of New and Renewable Energy for adoption of green building design in all new constructions and also to take measures for retrofitting existing facilities wherever possible.
- **MoU with US Environmental Protection Agency under Natural gas Star International Programme** - ONGC is part of a voluntary agreement with US Environmental Protection Agency (USEPA) under Natural gas Star International Programme for building extensive knowledge base and capacity for reducing methane releases to the atmosphere by implementing cost effective emission reducing technologies and practices.
- **Global Reporting Initiative's (GRI) sustainability reporting guidelines:** The group has been utilising the GRI framework not just to report its sustainability performance for the past several years but also for progressively incorporating sustainability





into core operations by referring to the requirements of the framework

- **Integrity Pact in association with Transparency International:** The integrity pact of group companies provides guidance and implementation guidelines for reducing the risk of corrupt practices across procurement processes.
- **Ministry of Corporate Affairs - Voluntary Guidelines on Corporate Governance:** The group has implemented the voluntary guidelines on Corporate Governance issued by the Ministry of Corporate Affairs within the competency domain of management.
- **Guidelines issued by the Department of Public Enterprises:** ONGC Group of companies being public sector enterprises follow the guidelines on corporate governance and corporate social responsibility and sustainability issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises.
- **Business Responsibility Reporting framework and the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business - ONGC and MRPL** publishes its Business Responsibility Report along with the Annual report in line with the

requirements laid down by SEBI. The report adheres to the National Voluntary Guidelines issued by the Ministry of Corporate Affairs.

- **Membership in industry bodies:** The group actively engages with its industry peers to share good practices, framing standards and engage in policy discourses etc. on issues relevant to the industry and stakeholders through its memberships in some of the key industry associations such as:
  - » Confederation of Indian Industries (CII)
  - » Federation of Indian Chambers of Commerce and Industry (FICCI)
  - » The Associated Chambers of Commerce and Industry of India (Assocham)
  - » Petrotech Society
  - » Society of Petroleum Engineers and Society of Petroleum Geologists (SPE and SPG)
  - » Standing Conference on Public Enterprises (SCOPE)
  - » Indo-Africa Business Council (IABC) for the Oil and Gas sector
  - » Petroleum Federation of India (PetroFed).



ONGC Green Building, Mumbai





## 5. Governance



### Organisational Governance

ONGC Group believes that strong governance is a prerequisite for business excellence and sustainable value creation for all our stakeholders. Our robust corporate governance framework and practices drive principles of transparency, accountability and fairness across our operations. ONGC Group looks beyond the law when it comes to corporate governance and have put in place requisite systems and positioned multi-layered checks and balances to instil transparency across operations and the decision making process.



Figure 12: ONGC Group's Governance Structure

ONGC Group of companies are governed by their respective Board of Directors and are managed at the top level by respective executive committees (ECs). The Board of Directors formulates strategies, policies and conducts periodic review of company performance. The group level executive committee provides strategic direction to the entire group, whenever required.

For ONGC, the Chairman and Managing Director (CMD) and six full-time directors namely Director (Onshore), Director (Offshore), Director (Exploration), Director (Technology and Field Services), Director (Finance) and Director (Human Resource), provide management support under the aegis and oversight of the Board.

### CORPORATE GOVERNANCE HONOURS FOR ONGC

'Institute of company secretaries of India (ICSI) national award for excellence in corporate governance for 2013 (fourth year in a row)

'Golden peacock global award' for corporate governance by world council for corporate governance, U.K. - 5th time in last 9 years

Best corporate governance award-2012' by the Indian chamber of commerce

The ONGC Board comprises of an adequate combination of executive (functional) and non-executive directors. The Board comprises of 15 members - 7 functional directors<sup>7</sup> (including the Chairman and Managing Director) and 8 non-executive directors (comprising 2 part-time official nominee Directors and 6 part-time non-official Directors) nominated by the Government of India. The Managing Director of ONGC Videsh is also a permanent invitee to the meetings of the Board. The Board benefits from his global experience and business strategies.

The Chairman and Managing Director of ONGC - the parent company - is also the Chairman of ONGC Videsh and MRPL. The ONGC Videsh Board consists of four full time Directors: the Managing Director, who is the Chief Executive Officer of the Company, Director (Finance), Director (Operations) and Director (Exploration). All full-time directors of ONGC are special invitees on the Board of ONGC Videsh. The MRPL Board consists of three full time Directors<sup>8</sup> : the Managing Director, Director (Finance) and Director (Refinery).

The detailed composition of both these Boards (current) is provided in the table:

EXECUTIVE DIRECTORS	PART-TIME OFFICIAL DIRECTORS/ GOVERNMENT NOMINEES	PART-TIME NON OFFICIAL INDEPENDENT DIRECTORS	PERMANENT INVITEE
<b>ONGC<sup>9</sup></b>			
Mr. D K Sarraf Chairman and Managing Director	Mr U P Singh Jt. Secretary (Exploration), MoPNG, Government Nominee Director	Prof. S K Barua	Mr N K Verma Managing Director, ONGC Videsh Ltd.
Mr. A K Banerjee Director (Finance)	Dr. Subhash C Khuntia AS&FA, MoPNG, Government Nominee Director	Mr. O P Bhatt	
Mr. Shashi Shanker Director (Technology and Field Services)		Mr. K Narsimha Murthy	
Mr. T K Sengupta Director (Offshore)			
Mr. Ashok K Varma Director (Onshore)			
Mr. D D Misra Director (HR)			
Director (Exploration)			

<sup>8</sup> MRPL has complied with the requirements of Equity Listing Agreements entered into with the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd. However, Board of Directors of MRPL comprises of Five Independent Directors against Six Non-Independent Directors as on 31 March 2014, consequent upon completion of tenure of one of the Independent Director on 10 March 2014.

<sup>9</sup> Mr. Sudhir Vasudeva (Chairman and Managing Director) also holding Additional Charge of Director (Onshore) up to 28 February 2014, Mr. P. K. Borthakur, Director (Offshore) up to 31 January 2014, Mr. Shaktikanta Das, Addl. Secretary, MoPNG, up to 29 December 2013, Mr. Aramane Giridhar (Jt. Secretary (E), MoPNG) upto 16 October 2014, Mr. P. Uma Shankar upto 19 September 2014, Mr. S. Ravi upto 19 September 2014, Mr. R K Singh upto 19 September 2014 and Mr. Deepak Nayyar upto 19 June 2014.

<sup>7</sup> Except for the period from 29 November, 2013 to 31 March, 2014, the composition of the Board of Directors of ONGC during the year 2013-14, did not comply with the provisions of Clause 49 of the Listing Agreement i.e., the Board of Directors did not comprise of the required number of Independent Directors as per the terms of the above mentioned Listing Agreement. This was due to the fact that in terms of Article 104 (I) of Articles of Association of the Company, the power to appoint directors on the Board of ONGC vests with the Government of India that has to take necessary action.





EXECUTIVE DIRECTORS	PART-TIME OFFICIAL DIRECTORS/ GOVERNMENT NOMINEES	PART-TIME NON OFFICIAL INDEPENDENT DIRECTORS	SPECIAL INVITEES
<b>ONGC VIDESH<sup>10</sup></b>			
Mr. Dinesh K Sarraf Chairman	Mr P K Singh	Mr. Shyam Saran	Mr. A K Banerjee Director (Finance), ONGC
Mr. Narendra K Verma Managing Director	Ms. Sharmila Chavaly Jt. Secretary , DEA, MoF	Prof. Sanjay G Dhande	Mr. Shashi Shanker Director (T&FS), ONGC
Mr. S P Garg Director (Finance)		Prof. Shyamal Roy	Mr. T K Sengupta Director (Offshore), ONGC
Mr. Anil Bhandari Director (Exploration)			Mr. Ashok K Varma Director (Onshore), ONGC
Mr. P K Rao Director (Operations)			Mr. D D Misra Director (HR), ONGC
<b>MRPL<sup>11</sup></b>			
Mr. Dinesh K Sarraf Chairman	Mr. P Kalyanasundaram Government Director		Mr. B K Namdeo Director (HPCL Nominee)
Mr. H Kumar Managing Director			Mr. A K Banerjee Director (Finance), ONGC
Mr. Vishnu Agrawal Director (Finance)			
Mr. V G Joshi Director (Refinery)			

Table 3 : ONGC Group - Board composition (as on 1<sup>st</sup> December 2014)

ONGC has implemented the voluntary guidelines issued by the Ministry of Corporate Affairs and the mandatory guidelines issued by Department of Public Enterprises (DPE) on Corporate Governance.

In continuation of our commitment towards maintaining the highest standards of ethics in our business conduct at all levels in the organisation, a code of conduct applicable to Board members and senior management has been adopted by the Boards of the group companies.

<sup>10</sup> Mr. Sudhir Vasudeva (Chairman) up to 28 February 2014, Mr. D K Sarraf (MD) upto 28 February 2014, Mr. S P Garg holding additional charge of MD w.e.f. 6 March 2014 till Mr. N.K. Verma took over on 27 August 2014, Mr. N.K. Verma (Director-Exploration) from 1st July 2013 to 31 December 2013 and 6 February 2014 to 6<sup>th</sup> March 2014, Mr. Shyamal Bhattacharya (Director-Ops.) upto 31 October 2014, Mr. Arun Ramanathan (Independent director) up to 19 June 2014.

<sup>11</sup> Mr. P. K. Singh up to 11 April 2013, Mr. K. Murali up to 1 July 2013, Mr. Sudhir Vasudeva (chairman) up to 28 February 2014, Mr. B. Ravindranath up to 6 January 2014, Dr. D. Chandrasekharam up to 11 March 2014, Mr. P P Upadhyaya Managing Director up to 31 July 2014

## Committees under the Board

The Board structure described earlier is supplemented by several committees<sup>12</sup> with specified mandates for providing oversight and supervision to company's overall affairs. In addition to these committees, the Boards may constitute functional committees with specific terms of reference as they may deem fit. These committees provide oversight and expertise in line with the terms of reference. The group companies have also defined guidelines for the meetings of the Board of Directors and Committees that aim to institutionalise the decision making process at these meetings.

## Sustainability Governance

Under the guidelines issued by Department of Public Enterprises for Central Public Sector Enterprises, the group companies have each formed a Corporate Social Responsibility (CSR) and Sustainability Committee. The committees provide oversight and strategic direction to the management and execution of CSR and Sustainability projects at respective companies. The group companies have also assigned adequate roles at management and executive levels to manage sustainability across the organisation.

At ONGC, the Carbon Management and Sustainability Group is responsible for steering sustainable development projects and operates at the corporate level with Sustainable Development Officers (SDOs) rendering implementation support at various locations. Regular interaction between SDOs and the corporate team allows for assessing need for any training/awareness session on specific sustainability issues which are then conducted on an ongoing basis. At ONGC Videsh, the HSE group overseas the sustainability reporting at the organisational level and liaises with local offices around the world.

<sup>12</sup> The composition of these committees is present in the respective annual reports:



Figure 13.1: Board Level Committees of ONGC



Figure 13.2: Board Level Committees of ONGC Videsh



Figure 13.3: Board Level Committees of MRPL





ONGC and ONGC Videsh have instituted dedicated policies to further institutionalise implementation of sustainability principles across operations. At ONGC, the sustainable development policy acts as an umbrella guiding document for the organisation. It is periodically reviewed in line with organisational goals and targets and stakeholder concerns. ONGC Videsh has implemented an Integrated QHSE and Risk Management Policy to address the sustainability issues specific to its operations. These policies are further supported by other specific policies like whistle blower policy, code of conduct, Code for insider trading, HR related policies at both ONGC and ONGC Videsh.

MRPL has a diligent HSE policy and other HSE Management system in place. These are communicated to employees and training is provided on a regular basis. Necessary tools are in place to monitor emissions in plants and refineries. Medical expertise and support is available at all locations. Regular reviews are carried out to ensure compliance with the HSE policy as well as HSEMS and adherence to regulatory requirements.

Board level committees also play a significant role in overseeing sustainability performance of the group. The health, safety and environment related issues are handled by the HSE Committee at ONGC, Project Appraisal, HSE and Risk Management Committee at ONGC Videsh and by Project Appraisal Committee and HSE Committee at MRPL. Oversight for human resource related issues is provided by Human Resource Management Committee at ONGC and MRPL and by the Human Resource Management and Remuneration Committee at ONGC Videsh. Ethical and transparency related issues come under the ambit of Audit and Ethics Committee and Shareholders/ Investors Grievance Committee at ONGC, MRPL and Audit Committee at ONGC Videsh.

### ONGC'S SUSTAINABLE DEVELOPMENT POLICY

- ONGC believes that Sustainable Development requires contribution from all societal players and significantly so from corporates. This policy is aimed at driving efficient and effective implementation of Sustainable Development activities, initiatives and projects across ONGC.
- We consider that sustainable management of water, materials and energy; addressing climate change through carbon management are our key broad responsibilities towards environmental sustainability.
- Our vision is to gradually work towards reducing our carbon and water footprint, innovative beyond compliance management of waste and prudent energy management and biodiversity conservation.
- Our approach for working on our Sustainable Development responsibilities will be through projects in the specified areas and will be driven by an adequately empowered organisational structure in ONGC with a system of management oversight, review and control.

### Managing Risk

ONGC Group proactively manages current and potential risks through its extensive risk management framework. This is in part driven by the nature of the oil and gas industry which is characterised by uncertainties that are unique to this industry - from geological to geopolitical. These include risks associated with acquisition, partnership, country security risk along with risks of spillage, rupture, blowout of wells, earthquake, tsunami, terrorist activities, sabotage and pilferage etc. These inherent risks make it imperative to

have an enterprise wide effective risk management framework. Both ONGC and ONGC Videsh have established a robust risk management framework and policy to meet the needs specific to their operations. Effective internal control systems have been established to allow for organisation-wide monitoring of businesses, functions and operations (including field operations). Systems and standardised operating principles and guidelines have been issued for all operations to ensure ground-level adoption of best practices. These are supplemented by monitoring systems to ensure performance measurement and management at the business unit level with suitable corrective actions being undertaken as required.

ONGC has developed and rolled out a comprehensive Enterprise-wide Risk Management (ERM) Policy throughout the organisation in all Assets, Basins,

Plants, Institutes and offices. The Audit, Ethics and Financial Management Committee periodically reviews the risk assessment and minimisation process at ONGC. Systems at ONGC also comply with the OISD (Oil Industry Safety Directorate) standards which improve our ability to tackle unforeseen contingencies. ONGC's offshore assets have been rated under 'acceptable risk' by international underwriters, enabling a lower-than-peer insurance premium for these assets. ONGC Group maintains comprehensive insurance for all its physical assets to the extent possible to cover for all foreseeable eventualities.

ONGC Videsh's operations are also laden with both technological as well as geopolitical challenges owing to its operations in countries regarded as politically risky and unstable. Security and medical risks for executives travelling or working







in security sensitive countries are mitigated by hiring the services of internationally reputed risk management companies. Emergency Response Plans are prepared well in advance and MOU/ contracts are signed with local service providers and expert agencies to tackle any emergency situation. The comprehensive ERM framework based on ISO 31000:2009 assists in tackling such tricky situations with care and caution to the extent possible by identifying the causes of risks and associated mitigating measures. After thorough audit of Enterprise Risk Management system by an independent third party, a 'Statement of Compliance' with ISO 31000:2009 was issued to ONGC Videsh.

MRPL operates in a business environment that is characterised by increasing globalisation, intensifying competition and more complex technologies, which have their own sets of risks and concerns impacting the business. Business risks include crude supply risk, price risk, foreign exchange risk, marine insurance cover risk and other unforeseen natural risk like shortage of water, depleted water reservoirs due to poor monsoon and natural calamities which could impact the operation of the refinery. Further, there is also the possibility of reputational risk relating to the potential commercial and reputational damage arising from a health, safety or environmental incident or conflicts with local communities, terrorism, or the geopolitical location of the refinery. It engages and works closely with local communities to maintain relationships and to ensure that related concerns are heard and acted upon in a timely manner. It has further formulated a well-defined policy framework including implementation procedure and monitoring mechanism for the risk management system. Risk managers evaluate the identified risks on regular basis and also identify new risks with the mitigation measures and reporting to the risk co-ordinator. The enterprise risk management overview document is placed before the Audit Committee and Board on quarterly basis.







## 6. Ethics and Integrity



### Policies and Practices

ONGC Group has an unflinching commitment to ethical business conduct and integrity. The group believes that policies and practices pertaining to ethics and integrity create an enabling environment to achieve core business goals year on year. Being a public sector enterprise, the group adopts the rules and guidelines set forth by bodies like the Department of Public Enterprises, Ministry of Corporate Affairs and Securities and Exchange Board of India. It supplements

these regulatory requirements with other best practices going beyond what is required by the law. It has put in place a well-structured vigilance department with network units spread across various regions, assets, basins and plants. The department works with the mandate to disseminate principles and practices related to ethics, integrity and transparency across all levels of the organisation. The department also identifies high risk functions that are more susceptible to unethical business conduct.

### Ethics and Commitment Statement from the Code of Conduct

- We commit to realize the corporate vision of making ONGC a World-Class Oil and Gas Company integrated in Energy business with dominant Indian leadership and Global presence.
- We treasure integrity and transparency as the core value in all our business dealings.
- With our Core Competence - Courage to Explore, Knowledge to Exceed and Technology to Excel, we shall work towards sustained growth of our Organisation.
- We are responsible for the assets and the business of the Company in fair, diligent and ethical manner.
- We must act within the bounds of the authority conferred upon us, and make and enact informed decisions and policies in the best interests of the Company.
- We shall act in compliance with applicable laws and regulations, in a manner that excludes considerations of personal advantage, and will not compromise our commitment to honesty and integrity in all aspects of our business.
- We are committed to the pursuit of excellence, in all our endeavours.

The ethical codes and statements adopted by the group companies provide a comprehensive charter for ethical and transparent business practices to all our employees including the top management and the Board. All new recruits are introduced to these codes during on-boarding and orientation sessions. There are established rules pertaining to conduct, discipline and appeal (CDA) rules which put forth expectations from employees relating to the

ethical sphere. A code of conduct has been devised for senior management and Board members as well to ensure responsible conduct across levels. The code of conduct for senior management and Board members contains guidance on avoidance of conflict of interest.

The group companies have a whistle blower policy to provide all employees an avenue to raise any ethical concern with the assurance that their complaint will be dealt with objectively.

### Tackling Corruption

Operations of ONGC and ONGC Videsh transcend field activities like drilling and exploration of oil and gas and office activities like bid preparation, estimation, design, award of services, purchase etc. The vigilance department analyses business units across functions to identify high risk areas with respect to corruption. The vigilance department has identified 26 sensitive departments and places of risk related to corruption from all the business centers (assets, basins, plants, institutes and services). Areas most susceptible to this risk include preparation and award of contracts and purchase of services.

Employees are also sensitized regularly regarding anti-corruption policies and procedures through different programmes tailored for this purpose. In FY14, 68 such training and sensitization programmes were organized.

All cases pertaining to unethical business practices are brought to the vigilance department for examination and investigation. For FY14, 524 complaints were received which resulted in 232 scrutiny exercises and 164 investigations.





### Adoption of Anti-Corruption Policy at Mansarovar Energy Columbia Ltd.

Mansarovar Energy Columbia Ltd (MECL), ONGC Videsh's joint venture with Sinopec in Columbia adopted a dedicated anti-corruption policy in 2014 applicable to all employees and third parties acting on behalf of MECL. The policy establishes general guidelines to allow for detection of likely acts of bribery and corruption and compliance with applicable laws and regulations as well.

ONGC and MRPL being listed entities have put in place a code on insider trading in line with the requirements of the Securities and Exchange Board of India. The objective of the Code is to prevent purchase and/ or sale of shares by an Insider on the basis of unpublished price sensitive information.

### Monitoring and Enabling Systems

Our ethical framework is also backed up by a transparent grievance redressal system for both internal and external stakeholders. The group companies have instituted suitable systems to provide their stakeholders with a fair and an objective platform to put forth their grievances.

Dedicated grievance management systems have been adopted by group companies to provide a platform to all employees for raising any concerns/ issues they may have. The existence of an objective grievance redressal mechanism is imperative for improving and maintaining employee satisfaction levels and contributes to their productivity and efficiency as well. It also provides the organisation an opportunity to understand critical employee concerns and respond accordingly. For the year 2013-14, there were no recorded incidents pertaining to child labour, forced labour, involuntary labour or sexual harassment across group companies.

ONGC and MRPL have put in place stakeholder relationship/ investor grievance committees

as well. This committee is specifically tasked with looking into redressing complaints from shareholders and investors pertaining to transfer/ transmission of shares, non-receipt of annual report, dividend payments, issue of duplicate share certificates and other miscellaneous complaints. The implementation of code of conduct for prevention of insider trading in ONGC securities and ensuring compliance with the code is also the responsibility of this committee. The committee also oversees and monitors the performance of the registrars and transfer agent and provides recommendations for improving the quality of investor services. During 2013-14, 2493 complaints/ queries/ correspondences were received by ONGC from shareholders/ investors and all of were replied/ attended to the satisfaction of the shareholders. MRPL received 78 complaints during the same period and 76 of these were resolved in FY14 and the remaining two were resolved subsequently.

Each of the group companies have adopted the Integrity Pact in association with Transparency International which is signed with bidders and allows them to raise any issue or concern related to the tenders floated and the ensuing tendering process. ONGC was the first Indian company to introduce an Integrity pact. The objectives of having an Integrity pact as expressed by Transparency International include greater transparency with regard to integrity between the buyer and seller, improved sense of ethics, reduction in frivolous lawsuits and representation/complaints from vendors, reduction in external interventions and reduced political/ diplomatic/ administrative interference. Effective implementation by the ONGC Group has ensured that all these objectives are met and as a result both the company and the bidder have benefitted from this mechanism. The implementation of the pact is monitored through appointment of an Independent External



Monitors (IEM). All representations from bidders/ contractors as well as opinions sought by the company against various tenders are referred to the IEM, which then mediates with the company and bidders' representatives and furnishes its opinion through a speaking order. During 2013-14, 21 complaints were received from the vendors and all representations were forwarded to IEMs, which promptly gave their opinions in all cases for further action.

### Right to Information

Information in itself can be a catalyst for change and a potent tool for empowerment. The Right to Information Act (RTI), 2005 lays down the rules for ensuring a practical regime of right to information for citizens allowing them to secure access to requisite information under the control of public authorities with the aim of promoting transparency and accountability in the working of every public authority. The ONGC Group supports the principles of the Right to Information Act,

2005 and completely complies with all of its requirements. Group companies have appointed respective Central Public Information Officers (CPIO) to redress the issues under the Act. Systems have been established to effectively respond to the requirements of the Right to Information Act, 2005 and ensure and maintain compliance with all references to it within the stipulated time.

For ONGC, 126 applications received in March 2013 were carried forward to FY14. 1743 applications were during the year resulting in a total of 2738 applications. 1316 requests were provided with a response during the year and 481 requests were deemed invalid and hence rejected. 3 requests were transferred to other public authorities.

For ONGC Videsh, 35 applications were received during FY14 and 6 requests were transferred to other public authorities.

For MRPL, 114 applications were received during the reporting period out of which 111 were disposed-off before 31st March 2014 and balance 3 applications were disposed-off subsequently.





## 7. Economic Performance



### Economic Leadership

India needs to sustain an economic growth of at least 9% over the next 25 years if it is to eradicate poverty and meet its larger human development goals<sup>13</sup>. The primary energy supply must increase at the rate of 5.8% annually for fuelling the growth. In order to provide a structured long-term response to country energy needs and keeping in view the various challenges and opportunities, the ONGC Group has formalized a Perspective Plan 2030. It lays down the organisation priorities which are imperative for the growth of the ONGC group and achieving its business objectives.

During FY 2013-14, ONGC was the largest producer of oil and gas in the country and was able to maintain its dominance by contributing 69% of oil and 62% of natural gas production of the country from its domestic operations. ONGC has been ranked at 176th in the 2014 Forbes Global 2000 list of world's biggest companies. As per the Platts 2013 rankings, ONGC is the 3rd largest listed E&P Company in the world and ranked 22nd Energy Company of the world based on Asset, revenue, profit and ROCE. ONGC was adjudged one of the Fortune's "World's most Admired Company" in 2014 as per CNN Money. There are only two companies from India in the list and ONGC is the only PSU which appears in the coveted list.

<sup>13</sup> <http://www.pib.nic.in/newsite/erelease.aspx?relid=46172>

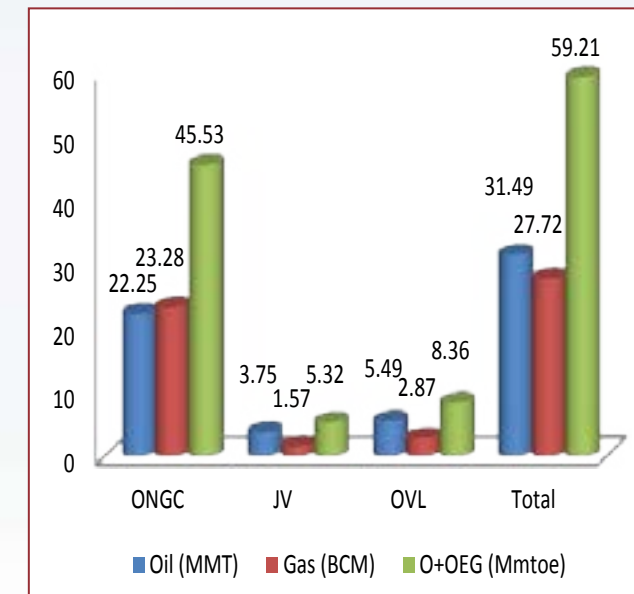


Figure 14 : Crude oil (including gas condensate) and Gas production FY'14

CNN Money has further ranked ONGC 369th in its Fortune Global 500 (2013) list by revenue. Adding to our global credentials is the fact that this year again ONGC has been awarded with 'Randstad Award 2013' being most attractive employer in the energy sector in India.

ONGC Videsh is focused on working towards India's oil and gas security through overseas participation in Exploration and Production activities. The emerging industry landscape augurs well for the company as it positions itself to be a key ONGC growth vehicle by aiming for 60 MMTOE production by 2030. ONGC Videsh has emerged as India's most internationalised company based on the Trans nationality Index (TNI) as per survey conducted jointly by Indian school of Business (ISB), Hyderabad and Fundacao Dom Cabral (FDC), Brazil.

In domestic accomplishments, it is a matter of great pride that MRPL is now Schedule 'A' Central Public Sector Enterprise (CPSE) and has been upgraded from its Schedule 'B' status. This now makes MRPL eligible for achieving the coveted "NAVARATNA" status. MRPL also won the prestigious "Export Excellence Award, 2013" in Best Manufacturer/ Exporter (large category) - Gold from the Federation of Karnataka Chamber of Commerce and Industry (FKCCI) in June 2013.







### Safeguarding India's Energy Security

ONGC Group has witnessed yet another year of sustained performance, success and growth not only in its core activities of exploration and production (E&P) of crude oil and natural gas but also in other areas where we have engaged ourselves significantly. ONGC registered an increase of 5.6% in its PAT in spite of various constraints like the highest ever share of under-recoveries to the oil marketing companies.

During FY 2013-14, oil and gas production of ONGC Group has been 59.21 MMTOE (against 58.71 MMTOE during FY 2012-13). There has been natural production decline in domestic mature fields, though this has been offset through IOR and EOR efforts. The overall upward volume for the ONGC Group came from our overseas asset at Azerbaijan, acquisition of additional 12% PI in Block BC-10, Brazil; higher production from Sudan; and resumption of production from South Sudan for a part of the year.

ONGC Videsh has thirteen (13) producing assets in ten countries - Venezuela (1), Brazil (1), Colombia

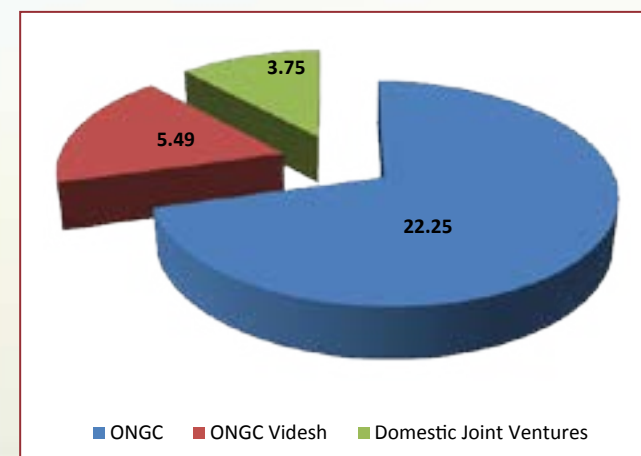


Figure 15 : Crude Oil Production (MMT)

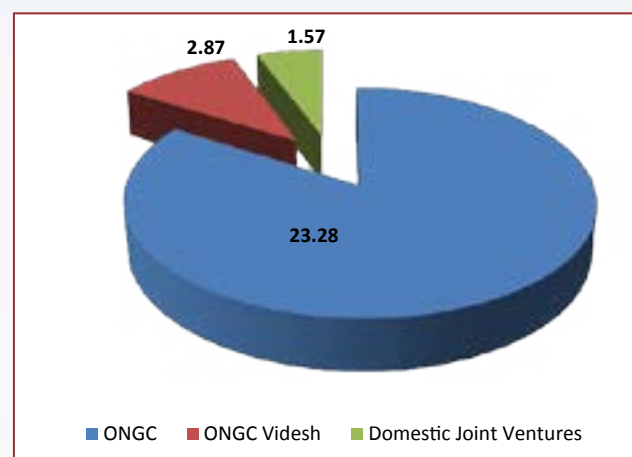


Figure 16 : Natural Gas Production (BCM)

(1), Sudan (1), South Sudan (2), Syria (1), Vietnam (1), Myanmar (2), Russia (2) and Azerbaijan (1). Total production from these overseas assets during FY 2013-14 has been 8.36 MMTOE of O+OEG (Crude oil: 5.49 MMT and Gas: 2.87 BCM).

MRPL processed its highest ever crude volume of 14.59 MMT during the year 2013-14 against 14.41 MMT during the previous year 2012-13. Its economic performance has outstripped its last year's performance in every area. MRPL has generated its highest ever turnover at ₹ 752.26 Billion during year 2013-14 against ₹ 688.34 Billion for the previous year 2012-13. MRPL further went ahead to have its highest ever export turnover at ₹ 353.92 billion during the year 2013-14 against ₹ 333.40 billion for the previous year 2012-13 which led to a profit after tax (PAT) at ₹ 6.01 Billion during the year 2013-14 against the loss of ₹ 7.57 Billion incurred for the previous year 2012-13. The refinery achieved the highest crude processed with Energy index (MBTU/BBL/NRGF) of 60.88 during the year 2013-14 against 61.01 during the year 2012-13.

In the global competitive market, MRPL has secured its place by exporting petroleum products to 21

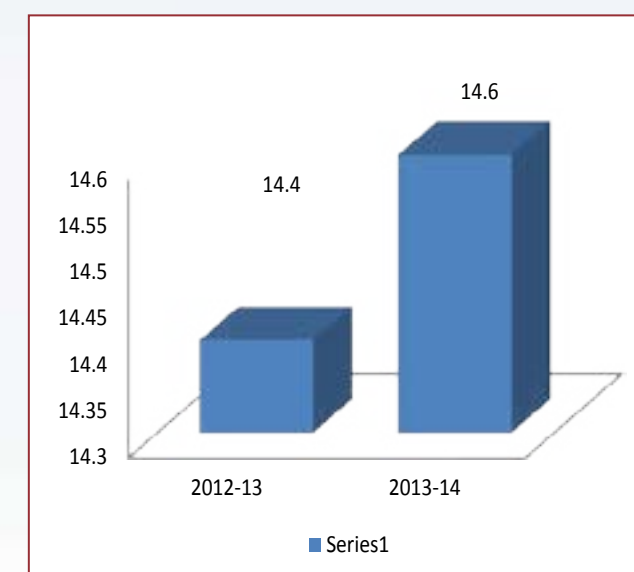


Figure 17 : MRPL Crude Volume (MMT)

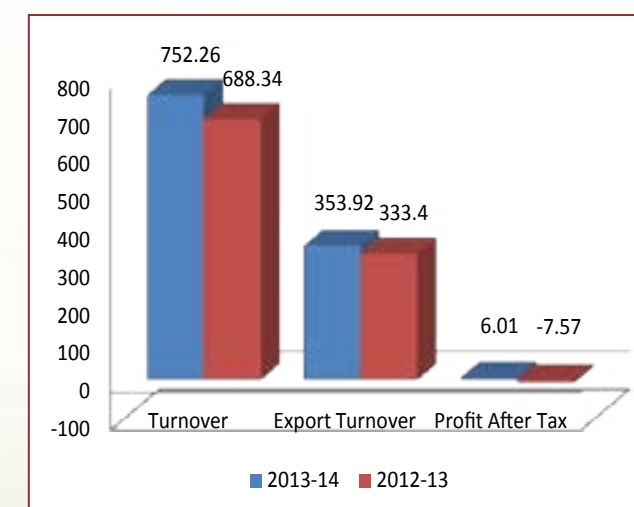


Figure 18 : MRPL Economic Performance (₹ Billion)

During FY2013-14, ONGC has made 14 oil and gas discoveries in the domestic fields. Out of 14, seven discoveries are in offshore and seven in onshore; six discoveries were made in the new prospects whereas eight were new pool discoveries. five discoveries were made in NELP blocks and nine in nomination blocks. Out of the discoveries made this year, two are oil bearing, nine are gas bearing and three are both. Out of seven on-land discoveries made during 2013-14, four discoveries (Gandhar-686, Sobhasan-300, Nandasani-111 and Geddnapalli-3) have already been put on production and efforts are on for bringing the other discoveries on production as early as possible.

Amongst notable discoveries, the new prospect discovery in NELP Block KGOSN041NANL #1

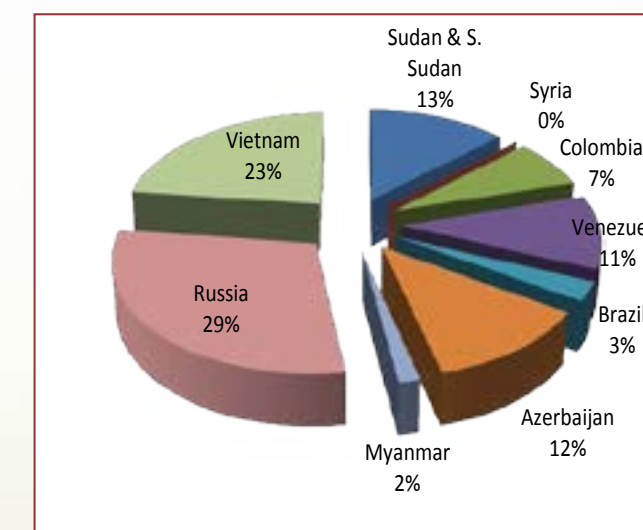


Figure 19 : ONGC Videsh Contribution (O+OEG)

countries viz. Bahamas, China, Egypt, Hongkong, Japan, Jordan, Kenya, Korea, Malaysia, Mauritius, Netherlands, Oman, Saudi Arabia, Singapore, Slovenia, South Africa, Taiwan, Turkey, UAE, UK and Yemen and continues to explore more opportunities for its growth.

(Shallow Water) is important because this will help in augmenting hydrocarbon volumes established through four earlier discoveries namely Chandrika South, Alankari, Saveri and NANL-2 in the block. This will add to ONGC's efforts towards attaining critical hydrocarbon volumes for viability of a





possible 'cluster based development' of these discoveries.

Adding to the long list of firsts for ONGC, Mandapeta South # 1 (MDS-AA) discovery, south of main Mandapeta field, has indicated for the first time possible production potential of tight reservoirs found in the area through hydro-fracturing. New pool discoveries GK-28 # 9 and GK-42 # 3 in GK-28 PML block in Kutch Shallow Water has a good potential to add a new basin to the list of producing basins in the country. Similarly, the new oil and gas pool discovery Gandhar # 686 in Gandhar Extension VI PML area has shown first occurrence of oil in sand GS-11 in the South Western part of Gandhar field. The discovery SB#300 (SBCG) in Kalol formation South East of main Sobhasan field is the first gas discovery in KS-IV Sub pay.

ONGC Videsh acquired 10% participating interest (PI) in the Rovuma Area 1 offshore Block (Area-1), Mozambique from Andarko Mozambique Area 1 Limitada (Andarko). ONGC Videsh along with Oil India Limited acquired the company 'Beas Rovuma Energy Mozambique Limited (BREML) from Videocon Mauritius Energy Limited holding 10% participating interest (PI) in the Rovuma Area 1 offshore block. ONGC Videsh holds 60% shares in BREML. ONGC Videsh, through its affiliates acquired an additional 12% PI in Block BC-10, a deep water offshore block in Campos Basin, Brazil taking its PI in the block to 27%. A consortium of ONGC Videsh and Oil India was awarded two block SS-09 and SS-04 during the "Bangladesh Offshore Bidding Round 2012" during December 2012. ONGC was also awarded two onshore blocks namely PSC-B2 and EP-3 in October 2013 by Ministry of Energy, Myanmar in its "Myanmar Onshore Blocks Second Bidding Round 2013".

ONGC has made voluntary disclosures in respect

of Oil and Gas Reserves, conforming to SPE classification 1994 and US Financial Accounting Standards Board (FASB-69).

ONGC has accreted 255.56 MMTOE of in-place volume of hydrocarbon in the domestic basins (operated by ONGC). As on March 31, 2014 the in-place reserves of ONGC as a group stands at 2,004.15 MMTOE which is 14% up from FY 2012-13 figure of 1,759.43 MMTOE. The ultimate reserves accretion by ONGC in domestic area during FY2013-14 has been 84.99 MMTOE which is the highest in last 23 years. Total reserve accretion in domestic basins including ONGC's share in PSC JVs stands at 89.76 MMTOE.

Likewise, for ONGC Videsh 2013-14 accretion stood at 212.59 MMTOE up from 14.16 MMTOE in 2012-13. The increase is primarily a result of our acquisition in Mozambique and increase in stakes in BC-10 (Brazil)

ONGC remained the largest producer of crude oil and natural gas in India. Notwithstanding a 7 per cent natural decline in matured basins across the globe, we maintained our production levels from domestic fields at 45.53 MMTOE. Calibrated capital and technology infusion for best-in-class reservoir management maintained production in 15 major fields, contributing 70 per cent of ONGC's crude production. This positions ONGC in the league of the world's best brownfield managers.

Over 70 per cent of the major producing Indian fields of ONGC, like their global counterparts, are into their natural decline phase. ONGC has arrested the decline in these fields through significant success in technology-enabled Improved Oil Recovery (IOR) and Enhanced Oil Recovery (EOR) projects. The current recovery factors in ONGC's matured fields are in the range 25-33%. ONGC is increasingly pursuing the agenda to





# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



improve recovery-factor through capital-intensive technology interventions, and aims to increase the average recovery factor to 40% by 2020.

With a Reserve Replacement Ratio (RRR) of 1.87 (with 3P Reserves) for its domestic basins, it was

the 9<sup>th</sup> consecutive year that ONGC has maintained an RRR of more than 1.

Following is the Oil and Gas Production figures which ONGC Group has been pursuing with great vigor and conviction:

Oil and gas production	FY10	FY11	FY12	FY13	FY14
Crude oil production (MMT)	32.95	34.04	33.13	30.47	31.49
ONGC	24.67	24.42	23.71	22.56	22.25
ONGC's share in JV	1.79	2.86	3.21	3.57	3.75
ONGC Videsh	6.49	6.76	6.21	4.34	5.49
Natural gas production (BCM)	27.98	28.01	28.05	28.25	27.72
ONGC	23.11	23.09	23.32	23.55	23.28
ONGC's share in JV	2.49	2.23	2.19	1.78	1.56
ONGC Videsh	2.38	2.69	2.54	2.92	2.87

Table 4 : ONGC Group: Oil and gas production



The details of proven reserves of ONGC Group are:

Proved reserves (MMTOE)	FY10	FY11	FY12	FY13	FY14
Estimated Net Proved O+OEG Reserves	962.9	961.27	963.86	968.81	961.91
ONGC	737.31	723.56	737.36	741	724.13
ONGC's share in JV	39.6	34.8	33.12	31.39	30.65
ONGC Videsh	185.99	202.91	193.38	196.42	207.13

Table 5: ONGC Group: Proven reserves



### Financial Performance

During FY14, the turnover of the ONGC Group at ₹ 1,782.05 billion was the highest-ever. The turnover of the ONGC stood at ₹ 842.03 billion, the highest-ever. ONGC recorded a net profit of ₹ 220.95 billion during the year under review, 5.6% higher than FY13. ONGC Videsh reported revenue from Operations of the Company at ₹ 217.77 billion an increase of 24.04%. ONGC Videsh recorded highest-ever Net Profit of ₹ 44.453 billion, 13.14% higher than FY13. MRPL recorded the highest-ever throughput of 14.59 MMT. MRPL has posted a net



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



profit of ₹ 6.012 billion, an increase of 179% from last fiscal's loss of ₹ 7.569 billion.

During FY14, ONGC Group did not receive any financial assistance from the government of India or of any other countries being covered in the boundary of this report.

Financials (₹ Billion)	2012-13	2013-14
<b>Economic value generated</b>		
Revenues	887.46	909.16
Net sales	833.09	842.03
Others	54.37	67.13
<b>Economic value distributed</b>		
Operating costs	336.60	332.46
Employees' wages and benefits	19.45	19.36
<b>Payments to providers of capital-interest and dividend</b>	94.57	95.09
<b>Payment to government</b>		
Excise	3.09	3.08
Income tax	96.19	103.37
Sales tax	3.83	3.12
Octroi, entry tax and others	116.72	123.67
Cess	99.97	99.74
Community investment	2.07	3.41
<b>Economic value retained</b>	<b>114.97</b>	<b>125.86</b>

Table 6: Financial Performance of ONGC

Financials (₹ Billion)	2013-14
<b>Economic value generated</b>	
Revenues	222.24
<b>Economic value distributed</b>	
Operating costs	41.41
Employee wages and benefits	3.68
Payments to providers of capital	4.19
<b>Payments to government</b>	<b>66.21</b>
Community Investments	0.22
<b>Economic value retained</b>	<b>106.54</b>

Table 7 : Financial Performance of ONGC VIDESH



Financials (₹ Billion)	2013-14
<b>Economic value generated</b>	
Revenues - Net sales	718.10
- Others	3.24
<b>Economic value distributed</b>	
<b>Operating costs<sup>14</sup></b>	<b>704.78</b>
Employee wages and benefits	2.15
Payments to providers of capital - Interest and Dividend	3.21
<b>Payments to government</b>	
Excise <sup>15</sup>	0.00
Income Tax	1.37
Octroi, Entry Tax and Others Taxes	2.50
Community investments	0.03
<b>Economic Value Retained</b>	<b>7.29</b>

Table 8 : Financial Performance of MRPL



## Contribution through Under-Recoveries

In accordance with the directive of Government of India on subsidy of petroleum products (High Speed Diesel, Superior Kerosene Oil and Liquefied Petroleum Gas), ONGC made the highest ever contribution of ₹ 563.84 Billion this year towards under-recoveries of OMCs which was an increase of 14% from the previous year.

The current ad-hoc mechanism of sharing under-recoveries continues to remain a major concern for ONGC and its continuation is likely to impact our future investment prospects. This concern is being raised on an ongoing basis by ONGC on various public forums and appropriate authorities within the Government of India. The cumulative under-recovery in the current mechanism stands at ₹ 2727.2 Billion.

## Risk and Opportunities due to Climate Change

Carbon is at the focal point of ONGC business and we are cognizant of the strong merits of pursuing a low carbon growth strategy. Our actions in this regard are guided by energy footprint of country's National Action Plan on Climate Change. ONGC is also well aware of the risks arising due to climate change and has a dedicated Carbon Management and Sustainability Group (CM&SG) at corporate office with a specific mandate to position ONGC as the leading organisation in sustainable development (SD) and to voluntarily take up carbon management as an activity to synergize all business activities with sustainable development particularly to address issues related to climate change risks and opportunities arising from carbon mitigation initiatives. The management has been active in engaging with national and international climate change forum to ensure that the

<sup>14</sup> Operating cost is excluding depreciation of ₹ 7,064.17 million

<sup>15</sup> Excise Duty of ₹ 33,409.50 million and Sales tax/VAT/CST of ₹ 3,902.50 million is collected and paid hence not shown separately





organisation always stays abreast with the global climate change negotiations and India's domestic scenarios. Fugitive methane emissions from oil and natural gas systems are primarily the result of normal operations and system disruptions. These emissions can be reduced in a cost effective manner by upgrading technologies or equipment, and by improving operations. The Global Methane Initiative (GMI) is an action-oriented initiative from USEPA to reduce global fugitive methane emissions to enhance economic growth, promote energy security, improve the environment, and reduce greenhouse gases emission. The Global Methane Initiative facilitates cooperative mitigation activities that result in bringing more gas to markets through the Identification, Quantification, and Reduction (IQR) path.

Building upon regulatory confidence continues to be a big area of concern. Despite the failed Copenhagen summit of 2009, climate change, green initiatives, sustainability, environmental issues continue to remain a big area of concern and a big risk as well in fetching good enough investment to explore and operate. In some cases, these issues are putting the survival of the industry at stake. The BP Deepwater Horizon oil spill in the Gulf of Mexico has rather turned out to be a great game changer leading to enforcing tighter safety and environmental guidelines, which then requires huge investments and hence a pinch on profit margins.

ONGC and ONGC Videsh understand and share community concerns about wasting energy resources and the potential impact of emissions from flaring. The availability of a flare or a vent is an essential safety element in oil and gas processing /production operations. This flaring also holds importance from an environment point of view as the emissions must meet the prescribed ground level ambient air quality standards. The Global Gas Flaring Reduction public-private

partnership (GGFR), a World Bank-led initiative, estimates that around 150 billion cubic meters of natural gas is flared or vented globally every year, equaling total world gas consumption for 20 days. The ONGC Videsh - GGFR partnership facilitates and supports the national efforts, in the country of operation, to use currently flared gas by promoting effective regulatory frameworks and tackling the constraints on gas utilization.



MRPL is considering the potential hydrocarbon value chain optimization avenues for sustainable development. The pivotal emphasis is on recovering value from low value hydrocarbons such as petcoke, refinery offgas and internal fuel oil.

After successful commissioning of MRPL's Delayed Coker Unit as a part of the Phase III expansion project, MRPL produces Pet Coke, a low value solid hydrocarbon, from the short residue stream. MRPL

is exploring sustainable options to utilize this pet coke for firing in utility boilers to produce steam for power generation along with capture of the associated pollutant - sulfur molecule. This will not only help in production of cheaper power, but also in reduction of SOx emission from the refinery complex. Also, this project will aim to release internal fuel oil which is currently being fired in the boilers, for up gradation into various lighter molecules like Polypropylene, diesel etc. via delayed coking route. In-house feasibility study of the project with support from potential technology suppliers is being carried out.

MRPL is also looking into option of recovering valuable ethylene from low value PFCC off gas and supplying into downstream petrochemical complexes. Also, the recovered ethylene can be used as a co-monomer along with propylene to produce hetero-polymers of polypropylene which have more market value than that of the homo-polymer. The in-house viability study along with the potential increase in profitability estimations are being carried out with inputs from downstream petrochemical complexes and ethylene recovery technology suppliers.

MRPL's Phase-3 Refinery Complex Captive power plant facilities and some of the process heaters are designed to burn Natural Gas as fuel. The infrastructure to bring natural gas to Mangalore is being assessed by various gas suppliers. Subject to economics, utilization of natural gas will not only reduce SOx emissions but also open up the avenue of converting the low value internal fuel oil into high value hydrocarbons. In similar lines, MRPL is also exploring the feasibility of installing a new gas turbine considering Natural Gas / other Refinery streams as fuel in the Phase-1 and Phase-2 Refinery Complex.





### Employee Benefits

ONGC Group is widely acknowledged as one of the best employers in India. The compensation and benefits ONGC offers to its employees are among the best in the industry, which is one of the prime reasons that attracts the best quality talent to ONGC group.

During the year ONGC Group maintained harmonious industrial relations. Man-days loss

due to internal industrial action was reported as 'NIL' for the year 2013-14. ONGC Videsh meets its human resource requirements through its parent company ONGC and follows all HR related policies accordingly.

The Post Retirement Benefit Schemes (PRBS) Trust manages the pension scheme of the employees. Some of the key benefits provided to ONGC Group work force are:

Employee Benefit Plan	Offered to permanent employees	Offered to contingent workers
Medical coverage, Education Assistance	Yes	Yes <sup>16</sup>
Assistance for marriage of girl child, livelihood assistance (through ONGC Sahyog Trust)	No	Yes <sup>17</sup>
Group Insurance Scheme	Yes	Yes
Comprehensive medical facilities to employees and their dependents	Yes	Yes
Contributory Provident Fund (CPF), Gratuity, Comprehensive Social Security Scheme (CSSS), Post Retirement Benefit Scheme (PRBS)	Yes	No
Maternity / paternity / child care leave	Yes	No
House Building Advance, Conveyance Advance, Education Advance/Loan	Yes	No
Furniture and Household Goods Purchase Scheme	Yes	No
Company Accommodation at work centers	Yes	No
Cellular Phone Monthly Bill Payment	Yes	No
Computer Advance	Yes	No

Table 9 : Work force benefit plans

<sup>16</sup> Through ONGC Sahyog Trust  
<sup>17</sup> No for MRPL

### Indirect Economic Impact on Community

ONGC has expanded its outreach into geographical areas of the country which are otherwise considered logistically remote and have seen little socio-economic development. With such advent of our operations, we have generated jobs, built infrastructure and led to growth of these regions and seen enormous positive social externalities.

The ONGC Group procurement practices are designed to promote procurement from technically competent vendors through competitive bidding and as such we give preference to the local suppliers. For overseas projects, local government

also stipulate local resources (like material, labor, services) to be utilized at the time of signing the production sharing contracts with ONGC Videsh. For ONGC Group, the term 'local' in an Indian context means the relevant State of India and in the international context the term means relevant foreign Country for which the procurement exercise is being undertaken. In the context of international procurement, the term 'local' implies the native country for which the procurement is targeted. Similar, description is applicable for 'local community' as well.

ONGC continues to provide numerous employment opportunities to local people as part of its non-executive recruitment drive.







## 8. Technology and Innovation

### Technology and Process Innovations

Since its inception, ONGC has been instrumental in transforming the country's limited upstream sector into a large viable playing field, with its activities spread throughout India and significantly in overseas territories. Over 56 years of its existence ONGC has grown to be one of the largest E&P companies in the world (in terms of reserves and production), along the way helping the country realize its energy dreams. ONGC as an integrated oil and gas company has developed in-house capability in all aspects of exploration and production business including - Acquisition, Processing and Interpretation (API) of Seismic data, drilling, work-over and well stimulation operations, engineering and construction, production, processing, refining, transportation and applied R&D among others. As on date, ONGC contribution to India's total production of crude oil and natural gas stands at 72% and 48% respectively.

Six out of seven producing basins in India have been discovered by ONGC. The company has established more than 7 Billion tonnes of in-place hydrocarbon reserves in the country.

Over 70% of ONGC's major producing fields in India are in their natural decline phase, a trend that is comparable with the company's peers globally. ONGC's mature fields have a vintage of 25-50 years. The company has arrested the decline in these fields through significant success in technology-enabled Improved Oil Recovery (IOR) and Enhanced Oil Recovery (EOR) projects. The current recovery factor in ONGC's mature fields are in the range 25-33 per cent, which is quite low (for similar fields, E&P companies in other countries report a recovery



factor of 45% or more). ONGC aims to increase the average recovery factor to 40% by 2020. Calibrated capital and technology infusion for best-in-class reservoir management has helped the company maintain production in 15 major fields since year 2000. This positions ONGC in the league of the world's best brownfield managers.

### Foray in Shale Gas Exploration

Buoyed by the revolution in the US shale industry, India too, joined a host of countries in its bid to tap this rich unconventional resource base. According to US Energy Information Administration, India is estimated to hold as much 96 trillion cubic feet (TCF) of recoverable shale gas reserves, equivalent to about 26 years of the country's gas demand. The Government of India declared the Shale Gas and Oil exploration policy in October 2013. Although potential production from these reserves is still some distance away, the policy, nonetheless, marks a strong start to India's quest for unconventional hydrocarbons. The government's policy initially permits ONGC and Oil India Ltd to explore shale resources from on-land blocks that were allotted on a nomination basis (before 1999).







### More on our Shale Gas foray

As per the Government's policy, ONGC and OIL will initiate shale gas and oil exploration activities in their nomination blocks in a phased manner. ONGC has identified 50 nomination blocks, of which 28 blocks are in Cambay basin, 10 in KG basin, 9 in Cauvery basin and 3 in Assam Shelf. ONGC drilled the first shale well under the Shale pilot project - Jambusar-55 in its Gujarat block (Ankleshwar). Overall, during FY'2013-14, 7 wells were drilled. ONGC now has the distinction of establishing the first flow of shale gas in the country (in Durgapur).

The company plans to take up shale gas activities aggressively in the identified basins and scoping of prospective shale gas blocks in different basins has been completed. At least 20 similar pilot wells are planned to be drilled in Cambay, KG, Cauvery and A&AA basins in 2014-15, the results of which are envisaged to help unlock a promising stock of unconventional shale gas and oil reserves.

We are committed to the pursuit of excellence, in all our endeavours.

ONGC is also exploring Coal Bed Methane (CBM) and Underground Coal Gasification (UCG) in a big way. The company has taken concrete steps to discover Coal Bed Methane (CBM) in the country and is currently operating in four CBM Blocks i.e., Jharia, Bokaro, North Karanpura and Raniganj. The company plans to undertake nearly 400 wells and 2000 hydro-fracturing jobs over the next four to five years by engaging with suitable partners to execute field operations. While ONGC has started selling incidentally produced CBM gas from existing wells at Parbatpur of Jharia Block, commercial CBM production is yet to start.

The company is undertaking a UCG Pilot Project in Vastan Mine block in Surat district, Gujarat. All

the ground work and inputs for pilot construction have been finalized for implementation. Further, in association with, Neyveli Lignite Corporation Limited (NLC) and Gujarat Mineral Development Corporation (GMDC), the company has jointly identified a number of sites for studying their suitability for UCG. The identified fields have been analyzed and have been found suitable for UCG.

### Exploring deep waters

ONGC's Deepwater drilling group has brought another distinction to the company. In 2013-14, we set a new world record for drilling the deepest ultra-deep water well by successfully reaching target depth of 7,725 meters. The well known as KGDWN- 2005/1-D-1, drilled by the Rig DDKG1 has set yet another world record for well at the deepest water depth (3,174m)

ONGC strives to adopt innovative technologies to foster continued operational excellence and sustainability leadership.



### ONGC Energy Centre Trust

ONGC is committed to contribute to the energy security of the nation. To this end, we have established the ONGC Energy Centre Trust (OEC) whose mandate is to undertake or assist in programs / projects of fundamental and applied research for improving and developing commercially viable energy mediums and sources beyond hydrocarbons.

OECT has been involved in several research projects on new and alternative sources of energy in collaboration with various national and international academic, research and industrial organisations. These projects are in advanced stages of implementation. Some such projects are mentioned below:

- Hydrogen Generation through Thermo-chemical Processes
- Exploration for Uranium
- Bioconversion of lignite to Methane
- Bioconversion of Oil to Methane
- Kinetic Hydro Power
- Geothermal Energy
- Solar Thermal Project

ONGC is working towards developing a joint venture for implementing large scale grid-connected solar, wind and other renewable energy (including hybrid) power projects. The venture includes other upstream oil upstream companies like OIL and GAIL along with Engineers India Limited (EIL), Indian Renewable Energy Development Agency (IREDA) and Solar Energy Corporation of India. EIL has been assigned responsibility of the feasibility study for the projects at various locations in India.







### Geothermal Power Project in Cambay Basin

Geothermal energy can be harnessed by extracting heat from earth by drilling water or steam wells. ONGC Energy Centre (OEC) has contemplated a pilot scale Geothermal project in Cambay Basin in Western India, with M/s. Talboom, Belgium( as technology partner).

The subsurface heat modelling has estimated a high geothermal gradient. The initial result of the modelling have been encouraging and has estimated that a geothermal power plant of 2.1MWe capacity can be set up in Phase-I. OEC has started preliminary work to evaluate feasibility of geothermal power generation using a single well with a view to utilize abandoned / non-flowing high temperature wells.

### Longest Horizontal Well by ONGC Videsh Project Location

In September 2013, the Sakhalin-1 Consortium announced new drilling achievements of the drilling program, now in its 10th year. In August 2003, drilling of the first extended reach well began from the onshore well site at Chayvo in northeast Sakhalin.

Extended reach well drilling continued and in 2013, the drilling team completed two wells, which set two consecutive world records for measured depth. With these accomplishments, currently 8 of the 10 world's longest wells belong to the Sakhalin-1 Consortium. The technology used for the wells enables drilling from an onshore-based well site to the oil and gas reservoirs located offshore. A well is usually started vertically and then steered gradually to a horizontal path to tap a subsoil formation containing hydrocarbons.



In April 2013, the Z-43 well broke the previous world record set at Sakhalin-1, reaching 12,450 meters (40,847 feet) of measured depth.

The record was then broken in June by the Z-42 well, with a measured depth of 12,700 meters (41,667 feet) and a horizontal reach of 11,739 meters (38,514 feet). This well was completed in only 73 days, and maintained a high degree of precision by placing the bottom-hole location within 4 meters of the planned target.

### Refining Operations

MRPL has been one of the most technologically advanced refining operations in the country. The company is looking into potential hydrocarbon value chain optimization avenues for creation of economic and environmental value. The pivotal emphasis is on recovering value from low value Hydrocarbons.

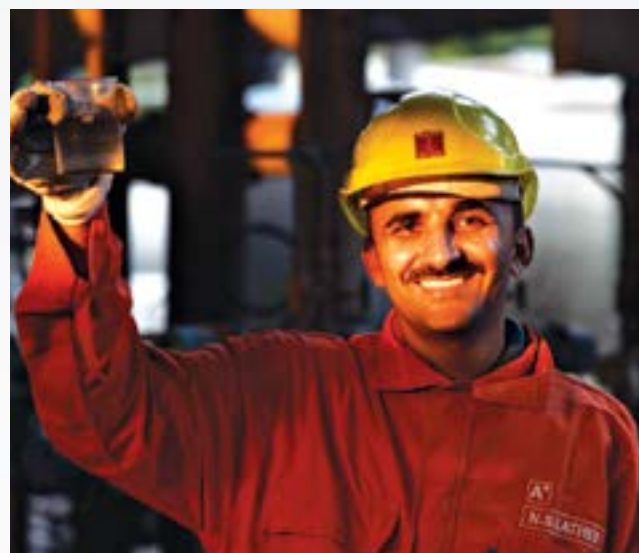
The commissioning of Phase - III project has significantly boosted the organisation's capacity.

#### Objectives of the Phase - III project:

- Expansion of Capacity to 15 MMTPA
- Up-gradation of residue to high value products
- Value addition with production of petrochemical feed stocks Viz. Propylene.
- To meet fuel demand confirming to BS III/IV grade

After successful commissioning of the Delayed Coker Unit as a part of the Phase III expansion project, MRPL produces Pet Coke, a low value solid hydrocarbon, from the short residue stream. MRPL is exploring suitable options to utilize this pet coke for firing in utility boilers to produce steam for power generation along with capture of the associated pollutant - the Sulphur molecule. This will not only help in production of cheaper power,





but also in reduction of SOx emission from the refinery complex. Also, this project aims to release internal fuel oil which is currently being fired in the boilers, for upgradation into various lighter molecules like Polypropylene, diesel through delayed coking route.

In-house feasibility study of the project with support from potential technology suppliers is being carried out.

The Phase-3 Refinery Complex Captive power plant facilities and some of the process heaters are designed to burn Natural Gas as fuel. Utilization of natural gas will not only reduce SOx emissions but also open up the avenue of converting the low value internal fuel oil into high value hydrocarbons. On similar lines, MRPL is also exploring the feasibility of installing a new gas turbine considering natural gas or other Refinery streams as fuel in the Phase-1 and Phase-2 Refinery Complex.

MRPL is contemplating the recovery of valuable ethylene from PFCC unit off gas and supplying it to downstream petrochemical units. Also, part of the recovered ethylene can be used as a co-monomer along with propylene to produce hetero-polymers

of polypropylene which has more value than that of homo-polymers. In-house feasibility study of the project with support from potential technology suppliers is being carried out.

MRPL has also introduced Refinery Performance Improvement Programme (RPIP) through M/s Shell Global Solutions International B.V. under the auspices of Centre for High Technology (CHT), Ministry of Petroleum and Natural Gas (MoPNG), Government of India.

The RPIP is aimed at identifying opportunities for improvement by adopting best operating practices in the areas having a bearing on profit margin including optimizing operation, energy and utilities consumption, minimizing hydrocarbon loss and improving maintenance and inspection practices.

The PFI's (Proposals for Implementation) developed after the evaluations are under various stages of implementation.



Year 2013-14	ONGC and ONGC Videsh Limited (₹ Millions)	MRPL (₹ Millions)
Capital	213.31	5.03
Recurring expenditure	5,296.06	3.83
Total	5,509.37	8.86

Table 10 : ONGC Group R&D Expenditure







## 9. Environmental Performance



### Insight from Mr. Shashi Shanker, Director (T&FS)-In-charge, CM & SG

We, in ONGC, firmly believe that sustainable development, as a business paradigm, can be evolved into a viable growth model for our Company. It is our endeavour to ingrain the concept of business sustainability into all facets of our operations, through constantly engaging

with the key stakeholders and carrying them out transparently with environmental responsibility and social commitment.

We follow all statutory guidelines with regard to operational safety, effluent and waste disposal and also industry best practices to keep the ambient SOx and NOx concentration in air within the prescribed limit. Further, we continuously strive for making improvements in our processes to keep the harmful ingredients in our VAP such as benzene and sulphur within the prescribed limit.

Most of our operations are QHSE certified. We have a robust process of internal audit and management review for QHSE management system and regularly review our QHSE policy to map our risks. In 2013-14, there has been 412 QHSE certification. It is our constant endeavour to educate our workforce to fully appreciate the environmental demands of our operations. To that extent, 10 ONGC Environmental professionals have been accorded QCI/NABET certification during this year. Our qualified workforce is capable to develop EIA reports in house. In 2013-14, we have undertaken 265 safety audits against the annual target of 220, registering a 20% improvement.

We have developed our corporate guidelines on incident reporting, investigation and monitoring of recommendations. This is done with the objective of implementing it uniformly across the organization in line with international best practices. The areas where we see opportunities for improvement are in reducing the cost of exploration and production, reducing the energy intensity of our facilities and the use of resources such as water and raw materials. The challenges arise mainly on account

of working in matured oil fields, deeper wells and producing from difficult fields. We will strive to reduce the energy, carbon and water footprints of our operations through review and performance monitoring mechanisms over the next 3-5 years. Our environmental data management has matured over the period and from next year we propose to capture these data online to bring in greater transparency.

A bouquet of environment friendly activities is always there in our agenda. We routinely engage with our external stakeholders, particularly the community impacted by our operations to come up with solutions to enrich the social capital and enhance positive outcomes of our activities. Definitely we will continue with the endeavour for all times to come and accord it high priority.







### Material Consumption

The following are significant materials consumed in ONGC's operations.

While the consumption of the other material remained almost constant, chemical consumption was reduced by more than 50% through efficient recycling of drilling fluids and an improved inventory management practice.

Material	2011-12	2012-13	2013-14
Cement (MT)	54,642	59,443	58,822
Tubular (m)	12,55,206	14,22,757	13,15,513
Chemicals (MT)	70,448	52,303	25,700
Lube oil (L)	36,76,626	29,31,534	27,15,325

Table 11 : Consumption of Material by ONGC

ONGC Videsh's projects included in the scope of this report are in various stages of development. Material consumption reported from some<sup>18</sup> of ONGC's Videsh's locations are presented below.

Material	Unit	Quantity
Cement	Tons	4,175
Tubular	Tons	2,608

Table 12 : Consumption of material by ONGC Videsh Limited Projects

MRPL has been taking a host of measures to increase the distillate yield, consequently reducing material consumption.

Following are some of the significant material<sup>19</sup> consumed by MRPL in 2013-14.

Material	Quantity
Crude (MT)	1,45,46,787
Chemicals (MT)	3,121.78
Liquid Nitrogen (Cu. M)	3,15,653
Additives (MT)	79.23

Table 13 : Consumption of material by MRPL

### Energy Use and Conservation

Energy audits at ONGC are carried out by an internal team of qualified and certified energy auditors. The Corporate Energy Cell at Dehradun monitors and co-ordinates timely compliance to any observations from energy audits. In 2013-14, ONGC has conducted 210 energy audits against a target of 195 and has achieved savings to the extent of ₹ 4,532 million through the energy conservation measures and efficient energy usage across the installations. Energy savings trend in the following graph indicate the level of focus on energy savings in ONGC. Corporate Energy Cell has initiated a number of projects and awareness programs which are leading to year on year increase in energy savings achieved.

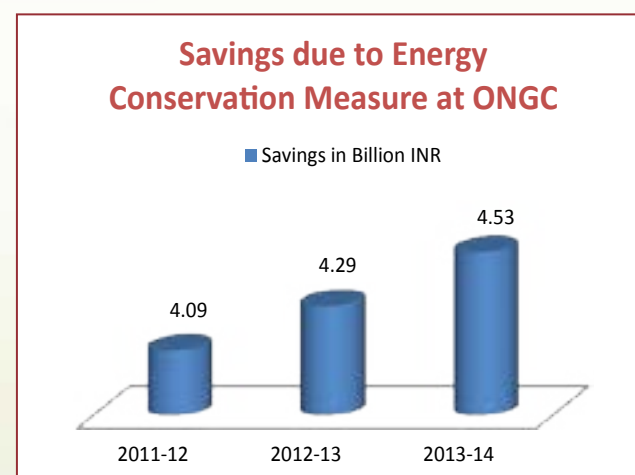


Figure 20 : Monetary savings from energy consumption at ONGC

### Direct and Indirect Energy Consumption at ONGC Plants<sup>20</sup> and Installations

	2011-12	2012-13	2013-14
<b>Natural Gas consumption (in TJ) at Uran and Hazira plants(Captive Power Plant)</b>			
Natural Gas	19,032	20,068	17,910.78
<b>Direct Energy Consumption at installations ( TJ )</b>			
Natural Gas	86,491	83,557	1,28,427.3
HSD	11,842	12,226	13,895
Aviation Fuel	239	255	292
Total primary energy consumption	1,17,604	1,16,106	1,60,526.26

Table 14 : Energy consumption (ONGC)

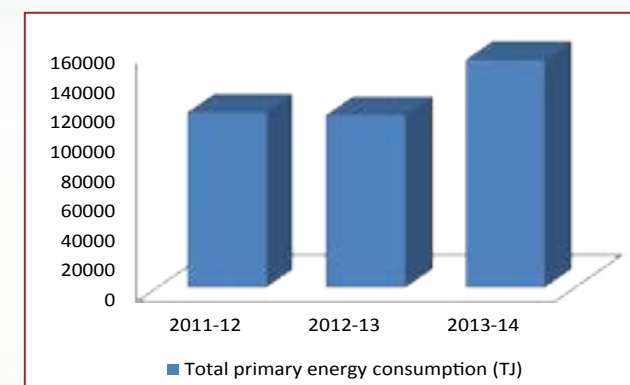


Figure 21 : Total primary energy consumption at ONGC

Location	2012-13 (TJ)	2013-14 (TJ)
Plants	2,077.98	2,223.88
Units	7,109.79	7,154.88
Total	9,187.77	9,378.76

Table 15 : Indirect Energy Consumption (electricity) at ONGC<sup>21</sup>

Direct and indirect energy consumption at ONGC Videsh units and MRPL is summarized below.

<sup>20</sup> This includes Uran and Hazira plants.

<sup>21</sup>ONGC has moved from reporting electricity consumption calculated by an indirect mode to direct collection of data from all units. In this process, there has been a change in the number of units reported. Consumption for 2013-14 and the changed values for 2012-13 have been presented.

	ONGC Videsh	MRPL
Direct Energy (TJ)	12,900.92	50,186.16
Indirect Energy (TJ)	340.55	187

Table 16 : Direct and Indirect Energy Consumption at ONGC Videsh and MRPL

### Renewable Energy

ONGC has made substantial investments in renewable energy projects. Our first wind power project of 51 MW capacity was installed in the state of Gujarat (Bhuj district) in 2008. This project generated about 88 million units of wind power in 2013-14, which was sold to state electricity boards resulting in a revenue generation of ₹ 471 million. The second of wind power project of 102 MW at Jaisalmer, Rajasthan is expected to commence operations in 2014-15. The expected investment in this project is ₹ 6,780 million.

As a business strategy, ONGC is aggressively pursuing renewable energy. The strategic vision (PP2030) envisages generation of 6.5 GW of renewable energy from renewable sources and 30% revenue from non-exploration and production business by 2030.

**Wind Power:** Target to generate 2 GW wind power (onshore and offshore) by 2030.

**Solar Power:** Target to generate 1.5 GW in solar power generation by 2030 and plan to acquire equity stake in promising solar photo voltaic technology for further development.

**Nuclear Power:** Target to achieve 3 GW of nuclear power generation in collaboration with Nuclear Power Corporation Limited, India.

Other renewable projects developed locally:

- 25kW solar power plants for street lighting in KDMIPE campus.
- 15kW solar power plants at GEOPIC

<sup>18</sup> Data from some locations are not available in the current reporting period. These locations are in the process of setting up data collection systems and will start reporting in the subsequent years.

<sup>19</sup> This being the first year of reporting for ONGC Videsh and MRPL, the data trends are not reported this year and will be available from next report onwards.





- 12kW solar power plants at IRS, led to a saving of 20,000 units (kWh)
- Solar Street light for illumination of remotely located CBM wells
- 100kW rooftop solar power plant at Western Onshore Basin, Vadodara

#### Renewable projects under active pursuit are:

- Generation of hydrogen
- Geothermal power project at Cambay
- Kinetic hydropower project
- Uranium exploration



### ONGC CDM Projects

In what could provide a major fillip to ONGC's Sustainability agenda and its status as one of the most environmentally conscious corporate, the 9th, 10th and 11th CDM project of ONGC - Natural gas based combined cycle power plant in Tripura, Gas Flaring Reduction at Neelam and Heera Asset and Green Building at Kolkata, has been registered with the UNFCCC. Following is the list of CDM projects registered by ONGC and expected annual Certified Emission Reduction (CER) generation.

Project	CER/ annum
Waste heat recovery from Process Gas Compressors (PGCs), Mumbai high south (offshore platform), ONGC	5,320
Up-gradation of Gas Turbine 1 (GT 1) and Gas Turbine 2 (GT 2) at co-generation plant of Hazira Gas Processing Complex (HGPC), ONGC	7,802
Flare gas recovery project at Uran plant, ONGC	97,740
Flare gas recovery project at Hazira Gas Processing Complex (HGPC), Hazira plant, ONGC	8,793
Amine Circulation Pumps Energy Efficiency at Hazira Plant, ONGC	4,043
51 MW wind power project of ONGC at Surajbari, ONGC	85,762
Energy Efficient Green Building at Mumbai by ONGC Limited	544
Green Building at Dehradun	735
Gas Flaring Reduction at Neelam and Heera Asset	65,811
Natural gas based combined cycle power plant in Tripura, India	1,612,506
Green Building at Kolkata	1,881
Green Building at Delhi	5,944

Table 17 : CDM Projects by ONGC and expected annual CER generation

Across the globe there are only a handful of energy efficient buildings that have successfully registered so far for their energy efficient features. Various green features have been included in these building that have significantly lesser impacts on natural material used for construction and also conserve energy during occupation

### Global Methane Initiative

The Global Methane Initiative facilitates cooperative mitigation activities that result in bringing more gas to markets through the Identification, Quantification, and Reduction (IQR) path. ONGC entered into a MoU with the United States Environment Protection Agency (USEPA) in August 2007, to undertake Methane to Market projects in ONGC. ONGC has formed internal teams to work on this project and also procured methane emission detection and measurement equipment in order to undertake Fugitive Emission detection and quantification at its operating facilities. Till date, this initiative has helped reduce approximately 14 MMSCM of fugitive methane emissions as a result of robust monitoring. ONGC has also drawn an effective plan to map all its production installations for fugitive hydrocarbon emission and make the installations leak free in the near future.

Year	2009-10	2010-11	2011-12	2012-13	2013-14
Methane reduction (BCM)	4.72	0.62	1.99	2.44	0.783

Table 18 : Methane emissions reduction by ONGC

### MRPL Energy Performance

#### Refinery Energy Index

MRPL is considered as one of the top energy efficient refineries in the country. The energy performance is monitored according to the methodology derived by Centre for High Technology under the Ministry of Petroleum and Natural Gas, in coordination with Engineers India Limited. According to this methodology, the Refinery Energy Index is established in terms of MBN (short form for MBTU/ Barrel/NRGF) which can be used for comparing the Energy performance among Refineries of different configuration and complexities. CHT has also

instituted an annual award for the best performing refineries in this parameter, called as "Jawaharlal centenary award" for energy performance among Indian refineries'. These awards are distributed normally during the Refinery Technology Meet conducted once in every two years.

MRPL has won the first prize in this prestigious award for totally seven years since 2003-04 and second prize for two years.

MRPL's Energy Index has improved from 66.25 during 2003-04 to lowest achieved value of 57.92 during 2011-12, which is mainly due to efficient operation, higher capacity utilization and implementation of various energy conservation measures.

For the year 2013-14, MRPL's MBN of 60.89, which is higher mainly due to higher fuel and loss for commissioning of Phase-III units.







### MRPL Energy Intensity Index

On a Global level, the Refinery Energy performance can be compared using Energy Intensity Index, which is a terminology used by M/s Solomon Associates in their Global Benchmarking exercise done once in every two years. MRPL has also participated in this Global Benchmarking study for two years viz 2011 and 2012, through CHT. In both these years, MRPL's Energy Intensity Index is among the lowest among Indian PSU refineries.

Year	Refinery Energy Index, MBN
2009-10	58.27
2010-11	58.13
2011-12	57.92
2012-13	61.01
2013-14	60.89

Table 19 : MRPL - Refinery Energy Index over the last five years

### Water Management

ONGC has embarked upon a number of measures for water use reduction. The company aims to sustain operations with less dependence on fresh water resources. In order to do so the company has undertaken water mapping of onshore operations by adopting the concept of 4R:

**Reduce:** Identify areas to reduce fresh water usage

**Reuse :** Identify opportunities to reuse fresh water

**Recycle:** Identify ways to use produced or effluent water in place of fresh water

**Replenish:** Identify opportunities for rain water harvesting and recharge

ONGC has commenced a comprehensive water foot-printing study which is likely to be completed by 2015. In 2013-14 water foot printing studies

were carried out at Ankleshwar, Rajhamundry Assets and at Hazira Plant. The company is also in the process of installing a 20 Million Litres per Day sea water desalination plant at Uran.

#### New Sewage Treatment Plant (STP) at Mehsana Asset

ONGC's commitment to Sustainable Water Management in line with company's policy of 4R's got a further boost in the year 2013-14. A new State-of-the-Art STP of capacity 50 cubic metres per day was successfully commissioned at the Mehsana. The need for the STP was determined as an outcome of a Water Footprint Study that was carried out at Mehsana Asset by Carbon Management and Sustainability Group (CM&SG) in 2012, in association with the Asset HSE team and external consultants.



STP at Mehsana

The water produced with the oil and gas (produced water), is a major effluent as part of production activities. The produced water, which is part of well fluid is separated and sent to Effluent Treatment Plants (ETPs) for further treatment. ONGC operates 22 ETPs to treat the effluent generated at onshore Installations. In order to cope up with enhanced liquid production due to high water cut (attributable to the aging of oil

fields) 21 new/ substitute ETPs have been planned or under construction.

At drill sites, waste water generated during drilling activities is collected in a waste pit that lined with High Density Poly Ethylene Sheets (HDPE). The waste water from waste pit is recycled for mud preparation and other uses. In northeast sector, which sees heavy rainfall, waste water is treated by mobile ETPs and reused to avoid overflow of water from waste pits to nearby areas. In onshore locations, part of treated produced water is used for water injection into the reservoir for pressure maintenance; the remaining quantities are re-injected into sub surface disposal wells located 1,000 meters underground as per State Pollution Control Board guidelines and at offshore locations, treated produced water is disposed 40 meters below the sea surface.

Water recycled in  
2013: 27,31,345  
KL

Treated  
wastewater  
discharged:  
2,50,08,700 KL

Produced water  
generated:  
4,59,58,070 KL

Percentage  
produced water  
recycled: 5-9%

Figure 22 : Sustainable Water Management

At ONGC Videsh units, a total of 2,48,74,265 KL of produced water was generated, of which about 3.6% was reused.

At MRPL, the main source of water requirement for the refinery operation is from river. To reduce the water intake from river, MRPL has made an agreement with Mangalore Special Economic Zone

<sup>221</sup> 1 MGD = 3,785 KLD

(MSEZ) for utilizing STP treated water as a make-up to cooling towers in MRPL.

#### Fresh Water Consumption

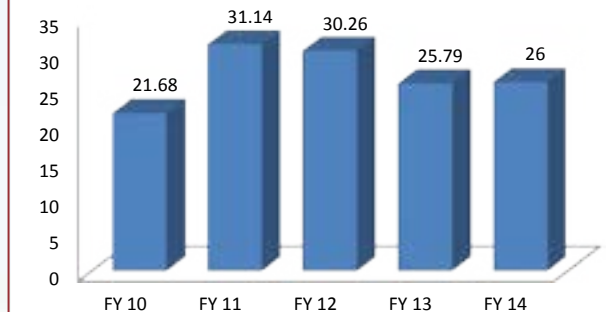


Table 20 : Fresh Water consumption at ONGC - in Billion Litres

The total water requirement for phase - III refinery operation is 13 MGD out of which 6.5 MGD will be sourced from the river through MSEZ pipeline and rest 6.5 MGD will be sourced from MSEZ STP<sup>22</sup>.

Treated tertiary STP water is received in MRPL in a closed sump and after proper disinfection treatment it is being taken to cooling towers as a make-up water. At present MRPL receives approximately 1 to 1.5 MGD STP water and it will be increased to the maximum over a period.

Surface water consumption (KL)	1,18,06,088.43
Collected rain water (KL)	4,73,983.576
Sewage water from city treated(KL)	81,589
Total (KL)	1,23,61,661.01

Table 21 : Water consumption at MRPL by source

Ground water (KL)	2520682.78
Surface water (KL)	1,903.61
Tanker water (KL)	588000
Total (KL)	3110586.4

Table 22 : Water consumption at ONGC Videsh by source





Note: This only represents the water consumption at two of ONGC Videsh's units included in the project boundary. The other units are in the process of putting up systems for collection of water use data.

In the reporting period MRPL reported waste water generation to the tune of 26,05,656 KL of which about 72% (i.e., 1,88,63,004 KL) was recycled and reused, while the rest of the treated waste water was discharged into the sea.

## Managing Emissions

### Flaring of off-gases

ONGC's persistent efforts have helped the company incrementally reduce the amount of off-gases flared at operating locations. The quantity of off-gases flared at on-shore and off-shore locations were 0.126 BCM and 0.393 BCM respectively.

The table below presents the specific flaring rate over the past few years.

### Specific Flaring (BCM/MMTOE) 2009-14

Specific Flaring	2009-10	2010-11	2011-12	2012-13	2013-14
On-shore flaring (BCM/MMTOE)	0.005	0.006	0.009	0.007	0.0104
Off-shore flaring (BCM/MMTOE)	0.017	0.016	0.020	0.016	0.011

Table 23 : Specific flaring at ONGC

ONGC Videsh units reported 363.77 Million Cu. M flaring of off-gases and venting of 7.58 Million Cu. M of gas venting.

In 2013-14, 12,277 cubic meters of Hydrocarbon gases were flared at MRPL.

### Emission from direct and indirect energy consumption

Carbon emissions resulting from our direct and indirect energy use i.e. corresponding to primary fuel and electricity consumption are presented below.

Emissions	2009-10	2010-11	2011-12	2012-13	2013-14
Direct emission (million tons)	8.03	8.13	9.21	8.59	10.83
Indirect emission (million tons)	0.24	0.46	0.47	2.10	2.13

Table 24 : Direct and Indirect Carbon emissions of ONGC

Year	Natural Gas	HSD	ATF	Fugitive emission	Flaring	Indirect emissions
2012-13	5.81	0.91	0.02	0.40	1.45	2.10
2013-14	8.21	1.03	0.02	0.39	1.18	2.13

Table 25 : Emissions by source at ONGC (million tCO<sub>2</sub>e)

### CO<sub>2</sub> emissions at ONGC Videsh and MRPL

	ONGC Videsh	MRPL
Direct (million tCO <sub>2</sub> e)	2.407*	3.355
Indirect (million tCO <sub>2</sub> e)	0.085	0.044

\*ONGC Videsh emissions – including flaring of off-gases

### ODS use at ONGC

Year	2009-10	2010-11	2011-12	2012-13	2013-14
Halon consumption	8,895	4,305.8	3,744	6,182	9,216.4
CFC 11 equivalent	88,950	43,058	37,440	61,820	92,164

Table 26 : Halon consumption at ONGC (kg)

### Indirect emissions (Scope - 3)

ONGC has developed an internal system for calculating Scope-3 emissions arising out of employee business travel. At 45,995.06 tons, our Scope-3 emission from business travel has almost doubled from the previous year. This is due to a rise in the number of employees seeking air travel (close to 30% increase), increased number of foreign travel and greater accuracy (and conservativeness) in the methodology used for calculating the emissions.

### SO<sub>x</sub> and NO<sub>x</sub> emissions

The ONGC and MRPL units are compliant to emission norms as prescribed by respective state pollution control boards. In 2013-14, MRPL estimated its SO<sub>x</sub> emissions to be about 12031 tons.

NO<sub>x</sub> and SO<sub>x</sub> emissions at are monitored at ONGC Videsh Locations periodically and are compliant to local regulations.

In 2013-14, ODS use at MRPL 0.878 tons (R-22), primarily from refrigeration.

## Preserving Biodiversity

None of our operating locations in India are present in the vicinity of bio-diversity hotspots. Development of new units and expansion of existing units are governed by Indian laws, which mandate the undertaking of comprehensive Environmental Impact Assessment (EIA) studies, which also review and suggest suitable safeguards for preventing any adverse impacts on bio-diversity. During the year 2013-14, ONGC's Corporate HSE team was involved in the development of 22 such EIA studies. For each of ONGC's operational sites, we have environmental management plans in compliance to the environmental regulations, which includes forest, biodiversity and marine

ecosystem conservation. However, we have not assessed and monitored the biodiversity risk across our operational areas

Operating units of ONGC Videsh undertake EIA and related studies as required by local laws.

MRPL facility at Mangalore has taken substantial efforts for greening of the facility, including a 25 acre garden in the residential colony.

## Waste Management

ONGC Group has a policy for management of hazardous chemicals and materials. As per the policy, personnel handling hazardous chemical are to be trained for safe handling practices. Separate designated areas are maintained for storage of hazardous chemicals and all personnel are to be provided Personnel Protective Equipment (PPE) and first aid training.

Best practices from the oil industry are adopted to manage solid waste arising from operations. Waste drill cuttings, drilling fluid and oily sludge from cleaning of storage tanks and from various process units (effluent treatment plants) are few important wastes material generated from our operations, which are disposed according to local statutory guidelines. Oily sludge removed periodically is treated by environmentally sound techniques like bioremediation using a consortium of bacteria (known as Oil Zappers); the bioremediation process renders the waste non-hazardous. Approximately 21,900 MT of oily sludge was treated by ONGC using the bioremediation technique at our plants and installations.

Chemical sludge is collected in lagoons having leachate collection facility where water is drained to reduce the quantity of sludge. This chemical sludge is disposed of by land filling in accordance with norms of the State Pollution Control Board.





In India, Ministry of Environment, Forest and Climate Change regulates the recycling/reprocessing of hazardous wastes such as used/waste oil, used lead acid batteries and other non-ferrous metal waste under registration scheme, with the objective of channelizing such waste to only those units which possess Environmentally Sound Management (ESM) facilities.

ONGC also has in place an e-waste policy to guide units on appropriate handling of e-waste. In India, for disposal of e-waste generated at plant locations, ONGC group companies issue limited tenders to a pool of firms registered with Central Pollution Control Board for such items. E-waste items are sold only to such entities to ensure safe disposal.

Waste Generation	Hazardous (tons)	Non-hazardous (tons)
ONGC	867.81	25344.25
MRPL	12,202.72	1,221.83
ONGC Videsh	444.11	1,409.02

Table 27 : Hazardous and non-hazardous waste generation at ONGC group

Additionally, operations of ONGC Videsh units resulted in the generation of 67,930 cubic metres of drilling mud waste and 43,566 cubic metres of drill cuttings respectively.

ONGC units and MRPL dispose hazardous waste through authorized third party approved by respective state pollution control boards. ONGC Videsh units dispose hazardous waste mostly through incineration and through appropriate third party waste handlers. The Group focuses on recycling non-hazardous waste to the extent possible.

#### Oily sludge management at MRPL

In MRPL, oily sludge is being generated mainly from waste water treatment plants and from crude oil storage tanks during tank cleaning. The generated

sludge is stored in impervious sludge pits with leachate collection system.

Nearly 2000 MT of oily sludge has been treated via open bioremediation process by adopting The Energy and Resource Institute (TERI) technology. Subsequently, a newer technology developed by M/s. Engineers India Limited, referred as Closed Bioremediation Unit, has been installed in the refinery and commissioned in the year 2013. The design capacity of the unit is 1000 cubic metres per annum.

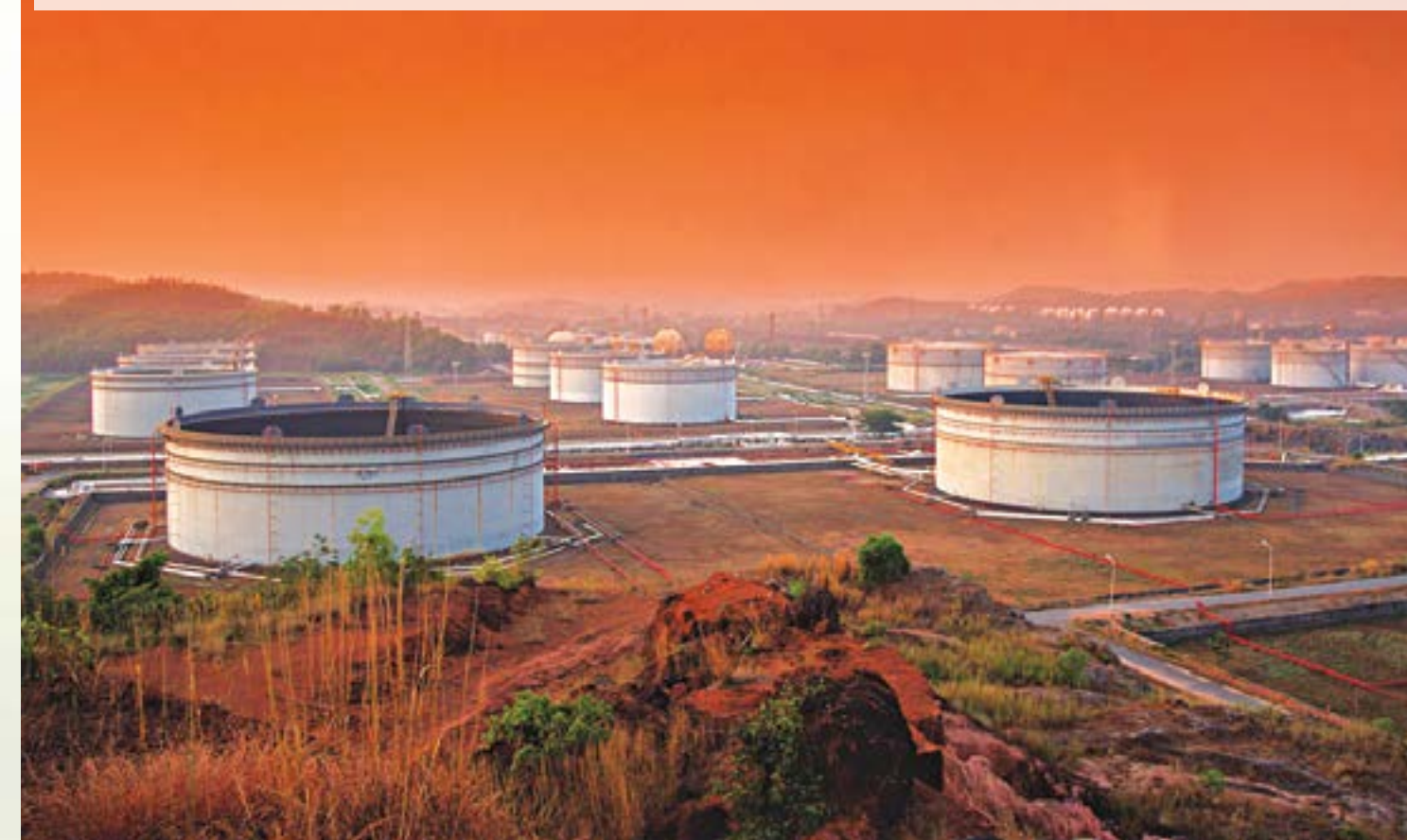


#### Closed Bio Remediation Unit at MRPL

Bio Remediation is a biological process to reduce the Total Petroleum Hydrocarbon (TPH) level in oily sludge to make it suitable for disposal at non-hazardous landfill site.

The process involves biological processing of the oily sludge in a confined bioreactor using specially designed bacterial inoculums and advanced fermentation methods to degrade the petroleum hydrocarbon in the sludge producing a non-hazardous sludge with very low level of hydrocarbon. The TCLP analysis of the remediated sludge is within US EPA guideline.

The Bacterial mass is naturally selected and acclimated with a careful blend of nutrients and surfactants. The reactor conditions promote growth of highly active microbial population which rapidly converts the TPH into carbon dioxide and water. The contents of the bioreactor are closely monitored for temperature by online temperature indicator, pH by hand held meter, and aeration intensity by blower pressure gauge. Nutrient feeding is done as per sludge quantity that will be fed into bioreactor tank. Each batch is treated for approximately 10 to 15 days after which the bio remediated sludge is removed from the reactor using discharge pumps.







### Biodiversity Program at MECL

From the onset of operations, MECL has strived to protect sensitive ecosystems by incorporating exclusion areas that due to their ecological importance present a principle of conservation, without intervention of any type during development activities. MECL's projects are developed after Environmental Impact Assessment (EIA) studies so as to identify, evaluate and define controls for the environmental impacts during the different stages of operations (e.g. drilling, extraction, wells closing). Apart from the International Union for Conservation of Nature (IUCN) Red List, Colombia has the Resolution 192 of February 2014, which set the unified list of threatened wild species for Colombian biodiversity. There are two fauna and one flora species considered by the IUCN and the Colombian Resolution in the influence area of MECL. These are:

- Redfooted tortoise (*Chelonoidis carbonaria* - critical level) - A tortoise from northern South America
- Chavarri ( *Chauna chavarria* (vulnerable level) - A large bird species, also known as the black-necked screamer



Redfooted tortoise, *Chelonoidis carbonaria* (Critical level)



Chavarri, *Chauna chavarria* (Vulnerable level)

- Garcero (*Licania arborea* - endangered)- A tree belonging to the rose bush family that grows to a height of about 20 meters and has a diameter of 40 centimetres.

MECL has been undertaking effective interventions to protect these species. Social, environmental and productive diagnoses of Palagua's Swamp, a large inland body of standing water, are continually performed in collaboration with various universities. This allows for the evaluating and monitoring of any risk to biodiversity, and the formulation of sustainable alternatives to combat invasive vegetation growth. Forest replanting activities that generate connectivity of fragmented forest are also being carried out. Native species, already present in the forest are used, thus encouraging the creation of nesting, shelter and food source areas for fauna, without affecting the balance and dynamics of the ecosystem. During the last 3 years 49.7 hectares have been reforested with more than 15,000 species. A fauna and flora catalogue was prepared to implement an environmental education programme for the local community in the direct influence area in order to increase awareness and strengthening knowledge of the locals.

Months after breeding and rearing voluntarily in a farm, 115 endangered turtles were released into the natural environment.

### Environmental Investments

ONGC environmental expenditure has also seen a consistent increase over the past five years and currently stands at ₹ 6.18 billion, an increase of 4.7% over FY 2012-13. Our environmental expenditure consists of procuring new technology or intervention related to environmental protection; training, consultancy and awareness workshops; biodiversity conservations such as mangrove and ringal plantation.



Figure 23 : ONGC Environmental Expenditure (₹ Billion)

The annual expenditure on environment related activities for MRPL and ONGC Videsh were ₹ 131.15 million and ₹ 180.38 million respectively for 2013-14. These expenditures included the operating cost of process units for meeting environmental stipulations (like DHDT, SRU), cost of chemicals used in ETP & other costs related to environmental activities like study charges, analysis charges.







## 10. Human Capital

### Employee Strength

Being a CPSE, the ONGC Group follows a pan-national policy for hiring of management cadre employees without any discrimination to region, gender, caste, creed or religion except that stipulated by the government of India for the promotion of backward and marginalised communities.

For three consecutive years in a row, the company bagged the 'Best Enterprise Award' in the Maharatna and Navratna category at the Women in Public Sector (WIPS) Award of excellence. It was also a recipient of the 'Best Employer' award and the 'Voice of Employee' award at the Aon Hewitt Best Employers, India 2013 award function held at New Delhi on 15 January 2014. The Aon Hewitt Best Employer 2.0 India study was conducted across several organisations to benchmark the best employers across the country, regionally as well as globally. The study aimed at identifying the best employers and the innovative practices



adopted. ONGC was invited to participate along with around 500 global companies. The company has also bagged the Randstad award for the most attractive employer in the energy sector in India.

ONGC, as a common practice, encourages employing individuals from the local communities in its non-executive ranks as a means to facilitate local economic and social growth and to extend the benefit to its staff to live close to their domicile locations. At the company level, nearly half (52%) of the workforce is positioned in their state of domicile. However, ONGC ensures that career progression at any level is only governed by performance and merit of the individual.

In positions of senior responsibility (that is, management level employees) ONGC does not have any preferential policy or practice geared towards employing local talent and follows a pan national hiring policy for recruitment in this cadre.

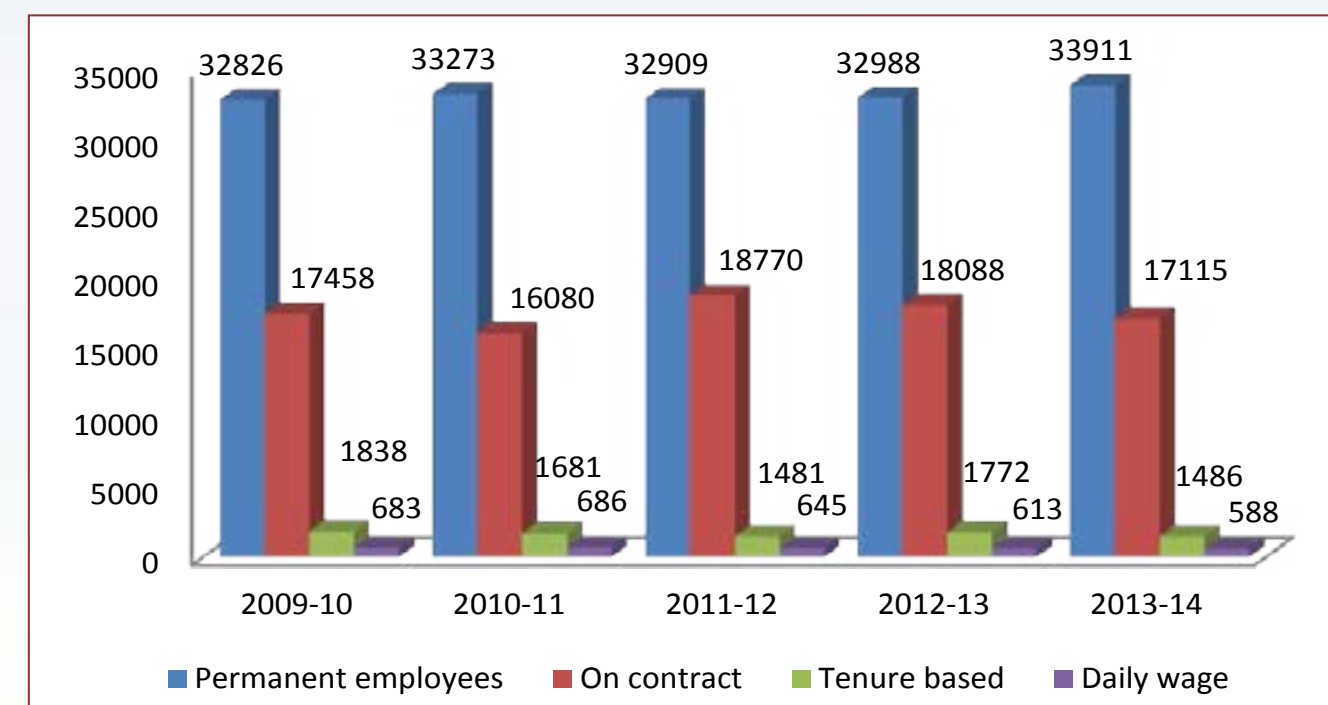


Figure 24 : Number of Employees (by category) ONGC and ONGC Videsh

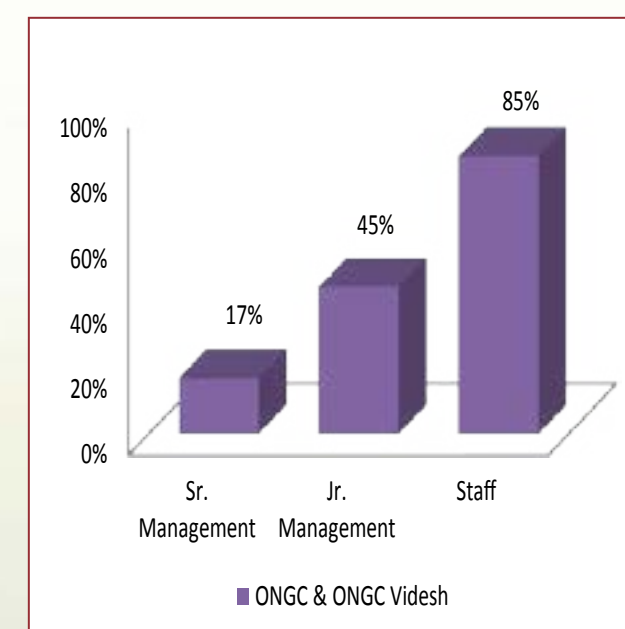


Figure 25 : Percentage of employees from local population

ONGC complies with the government directives for priority section of the society. The percentage of Scheduled Castes (SC) and Scheduled Tribe (ST) employees were 15.4% and 9.1% respectively as on 31st March, 2014.

During the reporting year, ONGC has implemented over 30 policy revisions for enhancing the welfare of its employees. ONGC Videsh follows the HR practices and policies of ONGC and also draws crucial manpower support from the same; however the training programmes of ONGC Videsh have been expanded to suit the needs of their overseas operations.

Out of 312 regular employees of ONGC Videsh, 87 executives have been posted to various overseas locations. At its overseas assets ONGC Videsh also hires need based local employees. As on 31 March 2014, the global manpower based on ONGC Videsh participating interest is 2,098.



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Parameters		Employee turnover 2012-13		Employee turnover 2013-14	
		Total turnover	*Rate of turnover	Total turnover	*Rate of turnover
Age Group	< 41 years	77	0.01	93	0.01
	41-45 years	17	0.01	6	0.003
	46-50 years	41	0.01	25	0.004
	51-55 years	113	0.01	100	0.01
	56-60 years	1011	0.15	1164	0.15
	<b>Total</b>	<b>1259</b>	<b>0.04</b>	<b>1388</b>	<b>0.04</b>
Gender	Male	1191	0.04	1315	0.04
	Female	68	0.03	73	0.03
	<b>Total</b>	<b>1259</b>	<b>0.04</b>	<b>1388</b>	<b>0.04</b>
Region	Headquarters	147	0.04	163	0.04
	Mumbai Sector	294	0.04	280	0.04
	Western Sector	311	0.03	390	0.04
	Eastern Sector	251	0.04	287	0.04
	Southern Sector	143	0.04	129	0.04
	Central Sector	113	0.06	139	0.08
	<b>Total</b>	<b>1259</b>	<b>0.04</b>	<b>1388</b>	<b>0.04</b>

Note: \* Turnover Rate= Total Employees separation during the period / Average Manpower Strength during the period

Table 28 : Total number and rate of employee turnover by Age Group, Gender and Region for ONGC and ONGC Videsh

The recruitment policy of MRPL, being a CPSE, has been framed based on the guidelines of DoPT and applicable guidelines from the state. As per the policy non-management employees are recruited by seeking applications from the local employment exchange, in order to meet the guidelines of the state government which gives preference of recruitment of locals. The number of locals at the senior management level (that is, general manager and above) is 50%. The proportion of total non-management grade workforce from local communities (that is, within the state) is currently at 94%.



		Age	Management	Clerical	Non-Management	Sub-Total	Total
Total employees as of 31st March 2014	Male	< 30 yrs	93	5	389	487	1715
		30-50 yrs	526	59	389	974	
		< 50 yrs	109	14	4	127	
	Female	< 30 yrs	10	12	35	57	
		30-50 yrs	13	38	7	58	
		< 50 yrs	8	4	0	12	
New employees recruited	Male		0	0	64	64	87
	Female		0	0	23	23	
Employees resigned from organisation	Male		14	0	6	20	20
	Female		0	0	0	0	
Turnover	Male		0.02	0	0.01	0.01	0.01
	Female		0	0	0	0	

Table 29 : MRPL total number and employee turnover by Age Group and Gender

### Employee Engagement

ONGC has a wide range of HR policies (which also applicable for ONGC Videsh), which cover all categories of employees. It includes measures which addresses all aspects related to professional skills & knowledge up-gradation, employee motivation & welfare, employees' health & general well-being measures, women empowerment, empowerment of SC/ST and other disadvantageous class of employees, separation/ superannuation and post-retirement welfare measures. The Director (HR) heads the Human Resource department, which is responsible for employee engagement activities throughout the company.

The company lays special emphasis on Work-Life Balance for employees. Its townships are equipped with facilities like gymnasiums, music rooms, etc. Family members of the employees are engaged in various cultural and outdoor activities. These activities are conducted by Mahila Samities, RWAs and bodies such as the ONGC Himalayan Association, which organizes various adventure

programs for the employees and their families. We have a "Nav-Utsah" program, aimed specifically at senior executives. Under this program, the senior executives are made aware of aspects related to stress management, conflict resolution, personality development, team building and mental and physical health.

Another initiative towards that end is the innovatively designed and highly popular 'Business Games', an organisation-wide contest that puts to







test and further hones the managerial and business acumen of the executives. During the year 2013-14, a total of 167 teams and 668 executives participated in the event.

**Fun Team Games (FTGs)** are organized for E0 and staff level employees to inculcate the concept of a multi-disciplinary team and a spirit of camaraderie and belongingness to the organisation, which is highly popular among the target group of employees. **During the year 72 teams and 188 employees participated in FTGs.**

### Collective Bargaining

Under the collective bargaining agreements, 27.3% of the ONGC employees have been covered. These include all class III and IV level employees. Under collective bargaining agreement, ONGC engages with its employees on matters related to pay and allowances, perks, social security and welfare issues. Discussions are held with recognised trade unions representing the unionized staff. All collective bargaining agreements transparently specify that changes will be effected only after joint discussions with all stakeholders involved. In comparison, MRPL has one trade union of non-management employees' MRPL Employees Union affiliated with Petroleum and Gas Workers Federation of India (PGWFI). Contract workers have union, MRPL ONGC Karamchhari Sangha affiliated to MRPL Employees Union and PGWFI. The MRPL offers a common industrial relations grievance redressal cell to both its regular employee and contract workers to approach in case of any concerns. MRPL engages with its trade union in bilateral discussions before implementing any significant operational changes that could substantially affect them. It also occasionally invites Government Central and State Officials like Assistant Labor Commissioner and deputy chief labour commissioner, deputy director of factories etc. to the discussions related to its

industrial relation related issues which are always cordial.

ONGC provides a minimum 21 day notice period regarding operation changes, in line with section 9A of the Industrial Dispute Act. As a practice, ONGC discusses all operational changes with representatives of those likely to be affected. Unilateral changes are not made. Notice is required only when unilateral changes are proposed in service conditions.

ONGC and ONGC Videsh have a structured employees' grievance redressal mechanism. Employees can escalate their grievances to the level of Director (HR) of the Company and in some case even to the Executive Committee for justifiable redressal of their grievances. An Executive Director level position oversees employee relations and industrial relations (ER & IR) and maintains cordial, motivated and a conducive work atmosphere.

MRPL has designated Works Committee (headed by GGM and having members from management employees and nominees of collective of non-management), Canteen Committee (headed by GM and having members from management employees and nominees of collective of non-management), and Grievance Committee (headed by GGM having members from management employees) for mutual discussions and decision making in the interest of the company and its workforce.



### Prolific supporter of sports and sportspersons

FICCI conferred the 'Best Sports Promoting Company' award in India for the second consecutive year on ONGC. It has bagged the FICCI sports award for the third time in a span of twelve years which speaks volumes of the management's commitment towards sports promotion in the country. It is the first time that FICCI has conferred its award on the same organisation in successive years. The corporate sports division of the company ably supports and mentors 347 sportspersons (180 sportspersons on the rolls of ONGC and 167 scholarship players). These 347 achievers have won accolades in the following categories:

- **National Awards:** Four 'Arjuna Awards' - Rupesh Shah (billiards), Virat Kohli (cricket), Amit Kumar Saroha (athletics) and Rajkumari Rathore (shooting)
- **Eleven 'National Champion' Crowns :** Athletics, badminton, basketball, billiards, carrom, chess, table tennis, shooting and volleyball.
- **PSPB:** ONGC has won the Petroleum Minister's Trophy for the 10th consecutive year. This year's hunt of PSPB titles has seen ONGC win titles in athletics, badminton, basketball, billiards and snooker, kabaddi and table tennis with a few more events yet to be conducted.
- **AIPSSPB:** ONGC is the overall title winner since 2010-11. This year the company was the host as well as the winner for both athletics as well as hockey AIPSSPB tournaments while a few more tournaments remain to be conducted by member PSUs to complete the calendar.
- **Innumerable international and national tournaments** have been won in the 23 sports disciplines that ONGC supports.



CMD receiving Khel Protsahan Puraskar - 2014





### Promoting Diversity

The percentage of women employees in ONGC and ONGC Videsh has been constantly increasing over the years.

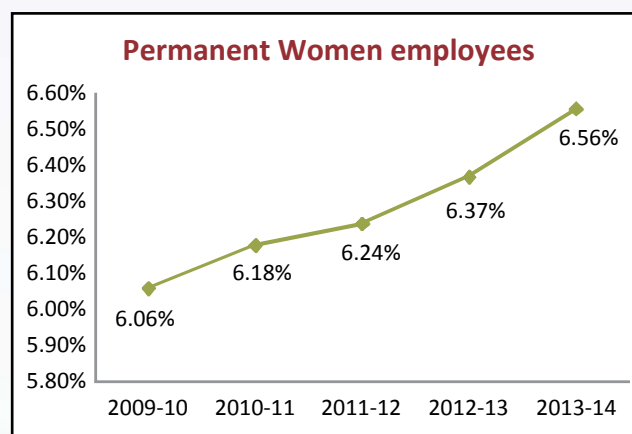


Figure 26 : Regular Women Employee % of total

The company encourages women representation across all levels and ensures a working environment which is free from any gender bias or discrimination in any form. It regularly organises programmes on gender sensitisation and women empowerment and development across the country. The company encourages all female employees to participate in activities organised by WIPS and WILR. The ratio of basic salary of men and women across the organisation for the same position is maintained at 1:1.

During the reporting year, 1,543 female employees from the management received performance and career development reviews.



Age groups	Employment Type	Male	Female	Total
Age <30 years	Regular	332	45	377
	Tenure	6	0	6
	Term	14	1	15
	<b>Total</b>	<b>352</b>	<b>46</b>	<b>398</b>
Age 30 - 50 years	Regular	913	97	1010
	Tenure	88	6	94
	Term	2	0	2
	<b>Total</b>	<b>1003</b>	<b>103</b>	<b>1106</b>
Above 50 years	Regular	1522	120	1642
	Tenure	3	0	3
	Term	0	0	0
	<b>Total</b>	<b>1525</b>	<b>120</b>	<b>1645</b>

Table 30 : Total number of employees from Minority groups

The representation from minority communities (Christians, Muslims, Sikhs, Jains and Parsis) at MRPL is a cumulative 8.81%. The MRPL total workforce (as on 31 March 2014) of 1,715 includes 127 women employees, 191 SC/ST employees and 7 physically challenged employees.

Age groups	Male	Female
Age <30 years	88.6%	11.4%
Age 30 - 50 years	94.6%	5.4%
Above 50 years	80%	20%

Table 31 : MRPL percentage distribution of employees in each age category

### Best Enterprise for Women in Public Sector

ONGC bagged the 'Best Enterprise Award' in the Maharatna and Navratna category at Forum of Women in Public Sector (WIPS) Award of excellence held on February 11, 2014 at Kolkata. ONGC bagged this award third time in a row. ONGC's submission at the WIPS National Convention titled 'Breaking the Glass Ceiling' received accolades at the forum for its path breaking HR policies that has made women employees a force to reckon with and recognised them as collaborators in its success story. Acknowledging the leadership quality of women in public sector, ONGC has been opening new horizons for women for over last three decades. Today, a large number of women are holding challenging portfolios. Women are given opportunities for proving their mettle by heading geophysical field parties, working in core areas in the plants, Institutes, corporate offices and are also posted at offshore and in remote locations.

### Employee Benefits

ONGC and ONGC Videsh have several benefit plans for the employees, e.g. medical care, education, housing and social security. Similar benefit plans exist for MRPL employees. Details on few schemes are presented below:

- **Employees Contributory Provident Fund (ECPF):** This trust manages Provident Fund accounts of employees of the Company.
- **The Post Retirement Benefit Scheme (PRBS) Trust:** The scheme underwent a major transformation from defined benefit to defined contribution during the past year. In the converted Defined Contribution Scheme, the corpus in the individual employee account shall include employer or employee contributions





and interest thereon. The benefits under the Scheme are dependent on corpus in the individual employee account and accordingly, would be market determined which depends on interest rate and annuity price.

- **Extension of Benefits under the Asha Kiran Scheme to retired employees under PRBS:** ONGC's pension plan covers all permanent employees of the group. Also, a retirement plan is compulsory for all employees. The employee contributes 3% while ONGC contributes 15 % of Basic salary and DA in the plan. During the year, your Company launched Asha Kiran Scheme to meet the emergency needs of the ex-employees retired prior to 1 January 2007, who are passing through distressful situation. The scheme was launched as per DPE guidelines by creating a corpus of 1.5% of PBT. During the reporting year, a financial assistance of ₹ 1352 million was provided to 12964 ex-employees under the Asha kiran Scheme.
- **Composite Social Security Scheme (CSSS):** It provides an assured ex-gratia payment in the event of unfortunate death or permanent disability of an employee in service.
- **Gratuity Fund Trust:** This has been created to take care of payment of gratuity as per the provisions of the Gratuity Act.
- **Sahayog Trust:** Our Company's 'Sahayog Yojana', instituted under this Trust provides ex-gratia financial grant for sustenance, medical assistance, treatment, rehabilitation, education, marriage of female dependent and alleviation of any hardship or distress to secure the welfare of the secondary workforce and their kin, who do not have adequate means of support. Under the scheme, an amount of ₹ 20.6 million was disbursed by the trust during the year.







### Agrani Samman Scheme

ONGC extends Agrani Samman Scheme to mitigate financial and social distress for senior ONGCians who have helped developed ONGC to reach its current level of prosperity. 'Agrani Samman' ex-gratia benefit scheme is for those ex-employees who have rendered a minimum of 10 years' service in ONGC. The Scheme aims to provide assistance to the ex-employees who separated from the service of ONGC on account of premature retirement due to disability or medical deficiency suffered while on duty.

### Training and Development

Skill up-gradation is a vital component for driving excellence through Human Resource. ONGC's (which includes ONGC Videsh also) training programs are designed to facilitate lifelong

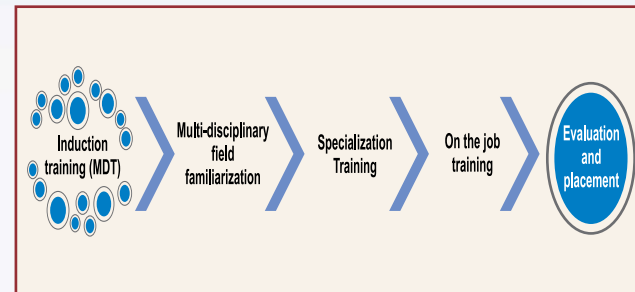


Figure 27 : Training process for new recruits

learning of the employees with the objectives of skill development and overall personality development. It has branded the spectrum of our training activities as 'Exponent', a comprehensive programme which is aimed at nurturing the energy leaders of tomorrow. The growth of an ONGCian to an 'Exponent' of energy business is facilitated by the ONGC Academy, IPSHEM Goa, Regional Training Institutes (RTIs), other in-house Institutes in association with globally recognised trainers and sponsored trainings from leading institutes. These training Institutes organize trainings in technical, non-technical as well as managerial skills that are relevant to our industry.



All executives joining ONGC and ONGC Videsh go through an induction training process, which lasts for 25 weeks. In the reporting year, the Graduate Trainees underwent a cumulative 1,26,511 hours of induction training. During the initial duration of eight weeks, the ONGC Academy provides an overview of the upstream oil industry to the Graduate Trainees. This is followed by Multi-Disciplinary Field Familiarization training for two weeks to give an exposure of field operations to the Graduate Trainees. Thereafter, five week specialization training through classroom lectures is followed by specialization training at the place of posting under a mentor.

After four weeks of on job training under a mentor, the GTs are evaluated at ONGC Academy for a period of one week through written tests, presentations, and interviews. Induction Training covers also policies on sexual harassment, non-discrimination and corruption etc. During the reporting year, 746 Graduate Trainees were imparted induction training. Zero number of incidents of discrimination during the reporting period.

During the reporting year, ONGC Videsh imparted a total of 2262 hours of human rights related trainings to 10% of its employees and 50% of its contractual workers.

#### Workforce training at MRPL

48,347 hours of functional training  
987 hours of behavioral training

MRPL in comparison provided human rights training as part of its induction program which was cumulatively held for 5368 training hours (44% for management grade and 56% for non-management grade). MRPL provides its employees training on technical, management and personal development based on the identified training needs. The CISF

and private security agencies provide armed security cover to MRPL. MRPL conducts one-full day training on anti-sexual harassment and similar training on reservation policies (SC/ST), rules and regulations are also conducted for the beneficiaries and relevant officers. The training program related to security aspects are given on a regular basis to all security personnel which include briefing on human rights aspects such as prevention of physical / verbal abuse / disrespectful treatment is regularly given to all the guards. MRPL provided 36,771 hours of functional training to its direct employees and 11,576 hours of functional training to its contractual workers. MRPL provided 934 hours of behavioral training to its direct employees and 53 hours of behavioral training to its contractual workers. An employee satisfaction survey in 2012-13 identified employee training as a critical success factor for the future, in view of that a comprehensive training needs assessment is currently being conducted.

ONGC and ONGC Videsh also conducted the Assessment Development Centre (ADC) for 294 E-6 (DGM) level executives and provided them developmental inputs. They have partnered with global HR consulting firms to create a pool of accredited mentors in the organisation. These mentors will support organisation's effort to hone young minds to successfully respond to the emerging business needs of the Company. As part of this initiative, 865 mentors were trained during the reporting year.

The average training hours (under ONGC Academy) for full-time male executives for the reporting year were 54.27 Hrs while the same for female executives were 101.2 Hrs. 50 of these executives were also trained in Leadership Development programs while 125 executives were trained in Advanced Management Program.





### Average training hours per employee for ONGC and ONGC Videsh at ONGC Academy

54.27 hours for male employees  
101.2 hours for female employees

HR/ER of Cambay Sub Asset conducted a free wheeling meeting with office bearers of Association of ONGC Retired Employees, Cambay on March 11, 2014 in Conference Hall. The agenda for the meeting was to hand over the details of payments made in February 2014 under Asha Kiran to the eligible retired employees of Sub Asset.

- Certified programs through internationally accredited bodies were conducted in specific fields such as Project Management, Offshore Installation Management, lead auditor course and control room operations at ONGC. Stress management and Yoga techniques are practiced to provide executives skill to deal with the present day management system. Programs are also conducted for specific requirements of employees through the sponsored programme group both in country and abroad to meet the specific requirements of training of employees.
- Life Long learning programs include Workshop on Executive Competencies, Work life Balance, Leadership Essentials, Leadership, and Self Development for women employees (Workshop on Mahila Sashktikaran Ke Paripaksh Mein Mahilaon Ke Adhikaar) etc.
- Eighteen programs were conducted entitled 'Planning for Superannuation' during the year 2013-14, through ONGC Academy at various work centers for employees superannuating in the near future, for better planning of their superannuated life. This Program on "planning for superannuation" is organized to all Superannuating employees and it covers

Physical, Emotional and Financial aspects of life after superannuation.

- During the reporting year ONGC also organized soft skill development (Presentation and Communication Skills, Public Speaking, Communication, Motivation, Attitudinal Change and Teamwork) training programs for employees to bring about greater efficiency and effectiveness in the working of employees.

ONGC's premier Institute of Petroleum Safety, Health and Environment Management (IPSHEM) was established with the objective of promoting standards of safety, health and environment in petroleum sector in India. The Institute is committed to upgrade and develop our human resources capacity to minimize the overall risk to human life, damage to property, process and the environment in our operations.

The Institute offers training courses in Basic and Advanced Safety and Environment Management, Fire Safety, Offshore Survival and Safety and Coxswain Boat Handling etc. The offshore survival at sea, Helicopter Underwater Escape Training (HUET) and COXSWAIN program are practical training programs for offshore going personnel which also includes a certificate course in First Aid and Fire Fighting.

Given that most work related accidents are caused by system related shortcomings it is imperative that the personnel engaged in this our industry are exposed to the latest trends, practices and knowledge in the field of safety and environment management.

Acknowledging the pioneering role of IPSHEM and its subject matter authority the Government of India continues to invite ONGC executives as experts to serve in a number of committees appointed for the purposes of framing of regulations, review of environmental plans, formulation of guidelines, etc.

The company strives to create a workforce which is among the world's best in the oil and gas industry. Hence, apart from the training programs mentioned above, it also organises International Certification Programs benchmarked to global standards:

- Offshore Installation Manager (OIMs) Certification through OPITO,
- Project Management Professionals (PMP) Certification from PMI, USA,
- CIPM from PMA and IPMA from Switzerland.

During the year 2013-14, the ONGC Academy organized 14 OIMs programs in which 62 OIMs participated. 450 executives attended CIPM programs, 120 executives attended PMP of PMI, USA and 50 executives attended IPMA level-D.

ONGC, in addition to training of executives, is working towards strengthening the industry-academia interface and is committed towards inclusive growth of the society through well-structured CSR initiatives. The following activities were reported in respect of Industry Academia during 2013-14:

- ONGC Chairs: ONGC created Chairs in reputed academic institutions with an objective to promote knowledge and excellence in disciplines related to ONGC's activity areas by way of providing financial assistance to the leading institutes.
- Industry-Academia Workshops: ONGC organizes region wise industry academia workshops, for professors and research scholars from academic institutions in the region for creating awareness amongst the academia, pertaining to oil industry.
- ONGC Scholarships: ONGC provides scholarship to the students of topper of pre-final year of B.Tech, B.E and M.Sc or M.Tech, in the final year in selected courses towards strengthening industry-academia linkage. This year ONGC Scholarship fund was released to the 37 academic institutions for 89 scholars.

- ONGC Gold Medal: A gold medal along with a cash prize of ₹ 1 lakh is awarded to topper of the course. This year, fund amounting to ₹ 5 lakh was released to the 5 academic institutions along with 5 gold medals.
- Post-Graduate Dissertation: ONGC offers opportunity to Final year Post-graduate M.Tech or M.Sc. students doing upstream petroleum related courses to carry out dissertation work in ONGC institutes and other ONGC work centers.
- Industrial Visits: ONGC Academy also organizes industrial visits of students to various ONGC institutes, to give them the awareness about various activities of ONGC.

### Labour Management Relations

ONGC has a large workforce which is temporary in nature. This workforce contains contract laborers, tenure-based workers, daily wage workers, etc. In some cases, the labour force is managed by contractors. However, that health, safety and human rights standards of these labourers are maintained at all times. Formal agreements between ONGC and trade unions also reflect the same. ONGC also has a comprehensive policy on







periodic medical examination (PME) for all regular employees, employees on deputation, tenure or term-based employees and casual and contingent workers. General PME is conducted every two to five years based on the age group of the employee. Specific PME is conducted for employees identified as having hazard-based profiles. The periodicity is clearly mentioned in its PME Policy. ONGC also conducts PME workshops for its contractual workers periodically. In this reporting period, as many as 7,239 employees were subjected to PME across 21 health centre across the country.

ONGC and ONGC Videsh comply with minimum wage requirements as per the applicable regulations at all their locations. Over 2500 contract employees have been covered under the Fair Wage Policy which was initiated in August 2012. The process to cover all contract employees under this policy at all their work centres is currently under progress. Under the policy, contractors are encouraged to pay 35% higher wages than the minimum prescribed limits. The policy also provides that the contractors will obtain Group Gratuity cover and Group Insurance cover from LIC for the labor deployed in ONGC operations.

MRPL ensures that the notified minimum wages are paid to contract workers employed through contractors), as per the guidelines received from concerned statutory authority. MRPL's contract cell ensures payment of minimum wages by scrutinizing the wage register before passing the bills of any of its contractors. Other related benefits such as PF, ESI, medical insurance (if applicable) are also verified by relevant document verification.

For the reporting year, zero man-days were lost on account of labor management issues at ONGC Group.







## 11. Health and Safety at Work

### Management Systems

By its inherent nature, the Oil and Gas industry is technology and capital intensive; our operations involve complex processes and dealing with conditions that exacerbate risk.

ONGC Group pursues its business activities in a safe and sustainable manner. All work practices and production operations comply with the highest Health, Safety and Environment (HSE) standards, in-line with globally recognised and industry accredited best practices and standards prescribed by government bodies (e.g., DGMS and OISD in India - and similar norms laid down by respective governments where ONGC Videsh operates).

At ONGC and ONGC Videsh, the Health, Safety and Environment management system is driven through their respective HSE policies - the implementation of which is overseen by the dedicated HSE departments. At both ONGC and ONGC Videsh, the implementation of the HSE policy is overseen by Board level Committees headed by Independent Directors.

Project locations of ONGC Videsh comply with the requirements of the relevant local laws as well as international bests br

At MRPL, the plant safety officer and the chief safety officer, who in turn, reports to the Director, Refineries are responsible for implementation and monitoring of safety systems, in line with the company's HSE policy. It also has area safety committees (with members from the management as well as the union) headed by unit heads. These area safety committees meet once a month and significant safety issues and hazards are discussed and acted upon during such meetings.

ONGC units and MRPL have Safety Committees as per the Indian law, with broad based participation from workmen and the management. ONGC Videsh units have Safety Committees in accordance with the laws and regulations of respective countries.

The focus is on putting in place best-in-class systems for safe operations and also providing suitable safety training for our workforce.

At MRPL, if hazards/ risks with 'high potential' are identified, these are immediately reported to the Director - Refineries and adequate corrective actions are taken.

### Safety Training

At the group level, it has been realised that its aim of achieving zero-accidents is only possible through awareness, mitigation of risks, engaging contractors at various levels in order to inculcate safe practices and an inclusive safety culture within the workforce.

Dedicated safety personnel at the sites and other members of the workforce are trained in identifying and reporting hazardous conditions. Such conditions reported are analyzed using methods like 'Fault Tree' and 'Event Tree' analysis and subsequently risks are prioritized using risk matrix to plan for contingencies and implementation of suitable control measures. Through such measures the overall risk rating of the Group's facilities is brought down to ALARP levels (As Low As Reasonably Practicable).

ONGC Group employ a substantial number of secondary work force (contracted) including unskilled and semi-skilled work. ONGC named the year 2013 as "Year of Safety of Contract Workers".



**SAFETY DAY CELEBRATIONS**

ONGC celebrated its 43rd National Safety day on 4th March, 2014 on the theme 'Manage Stress at Work Place and Control Hazards'. On the occasion, CMD Shri D. K. Sarraf kicked off the 43rd Safety Day across ONGC by administering the Safety Day pledge to ONGCians at New Delhi. National Safety day was celebrated at all the work centres and the various programme were conducted to create safety awareness and stress management among all the employees including contractual workers. While it is common knowledge that human error is the most significant cause of accidents, stress is a major factor that results in human errors and therefore it was of paramount importance to ensure a stress-free environment and to channelize stress creatively using it as a 'positive push'.

The occasion was made significant by the roll out of 'e Permit to Work' system with Go Live of First Phase at Uran and Hazira. The occasion also witnessed launch of ONGC's Safety Campaign - 2014 - 'Be Safe - Know your job' and release of Updated Corporate Disaster Management Plan by the CMD.

At ONGC Videsh, Safety Day celebration revolved on the theme 'Manage stress at work place and control hazard'. Awareness presentations and safety alerts were mailed to all employees. Many competitions like cartoon, poster, slogan and quiz were held. Safety Pledge in Hindi and English was administered. Senior Management spoke on the occasion and distributed gifts to the winners of events.





### ONGC VIDESH HSE VISION

*To be a leader in pursuit and attainment of Health, Safety and Environment Performance*

### HSE STRATEGIC OBJECTIVE

*No accident, no harm to people and promote environment protection*

At MRPL, new members of the contract workforce are required to complete a day-long safety training before commencing work. For the entire workforce (employees and contract workers), one day long refresher courses in safety are provided every year. Additionally, focused safety training programmes are also undertaken for some sections of the workforce (depending on the nature of work) on an as-needed basis.

With the objective of keeping its workforce up-to-date on safety issues, the ONGC Group's HSE teams publish regular safety newsletters.

ONGC and ONGC Videsh provide safety training to all offshore going contractual workers and also conduct contractor worker safety workshop at all the major work centres. Management of HSE systems and their regular audit are anchored by our HSE team. ONGC undertook 265 safety audits in 2013-14 as against our annual MoU target of 220 audits for the same period (performance level rated as - 'Excellent'). At ONGC Videsh's project sites, safety of installations and pipelines are ensured through proper planning, design, operation and monitoring. Audits, both internal and external are being carried out and observations complied with. In 2013-14, three projects sites - GPOC, SPOC and MECL Columbia were audited and findings presented to the respective Management Committees.

## Safety Performance

Over the years, our safety efforts have been primarily focused on the following key aspects: periodic QHSE internal audits, Fire safety measures, periodic mock drills, health Awareness programs, maintenance of Material Safety Data Sheets (MSDS), driving the use of suitable Personal Protective Equipment (PPE), identification and implementation of Occupation Health and Safety (OHS) programs as per needs of individual units, near miss and Governance, Risk management and Compliance (GRC) reporting.



Figure 28 : ONGC - Near misses and man-days lost

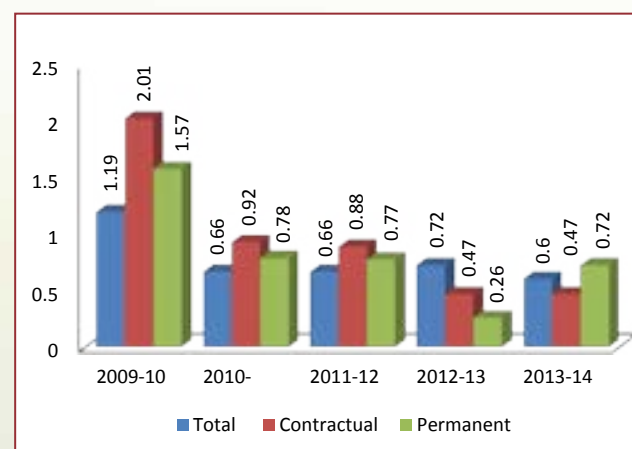


Figure 29 : Incidents involving injuries (per million man-hours)

Note: Injury rate for ONGC has been calculated on the basis of 74.92 million man-hours of work by ONGC personnel and 71.5 million man-hours of work by contractual labour. Number of incidents involving injuries for ONGC and contract employees are 78 and 79 respectively.

Following are some of the key safety indicators tracked by ONGC units and their trend over the past few years.

The management of ONGC is continuously striving to improve our safety performance and associated systems.

Also, there was no incident of significant oil spills<sup>23</sup> at ONGC in the reporting period.

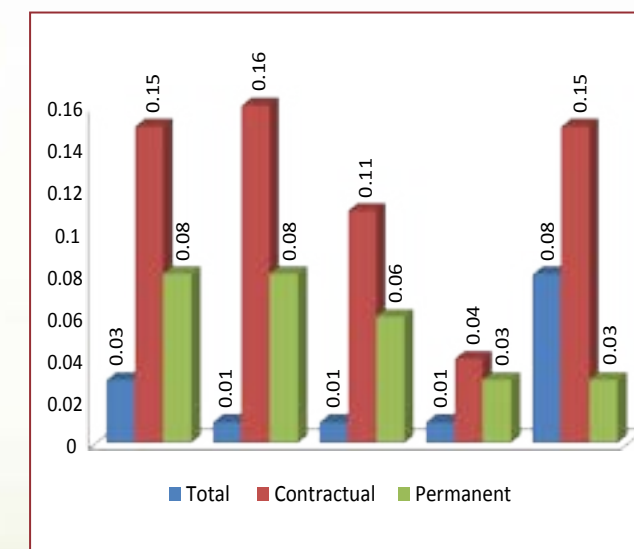


Figure 30 : Fatalities per million man-hours worked - ONGC

A snapshot of ONGC Group's safety performance is presented in the below table.

PARAMETER	2013-14		
	ONGC	MRPL	ONGC VIDESH
Fatalities	3	0	1
Recordable Incidents	336	0	46
Near-miss	6088	N.A	1123
LTIF	0.39	0	0.17

Table 32 : Safety Performance

Currently ONGC Group does not categorize any safety incidents as Tier-I or Tier-2.

### SENSITIZATION ON EMERGENCY PREPAREDNESS ON "OIL AND GAS PIPELINE LEAKAGES AND FIRE"

ONGC's Mehsana unit conceptualized an orientation/sensitization program on emergency preparedness on Oil and Gas pipeline leakage and Fire for the local rural communities. The program was undertaken in association with Gujarat state Disaster Management Authority (GSDMA) and District Administration, and was conducted on 13th September 2013 at Village Punasan Taluka, District Mehsana, Gujarat.

The scope of the program was to create awareness on emergency preparedness to the villagers, Village Disaster Management committee (VDMC) members, School children of (Punasan village) in co-ordination with DPO-Mehsana, Malmlatdar Mehsana block under directives of GSDMA and district authorities.

<sup>23</sup>Oil & Gas industries across the world consider spills of over 100 gallon to be significant spills. ONGC has adopted the same standard for recording and reporting significant spills.





### Disaster Management and Emergency Preparedness

All the installations in offshore and onshore areas have emergency and disaster management plans. Mock drills as per annual plan are conducted by these installations to keep up the readiness of plan by improving the response time. ONGC has a well-documented Regional Contingency Plan (RCP) which is vetted by Western Naval Command of the Indian Navy. It contains emergency response for emergencies such as blow-out, fire, search and rescue, vessel hitting installation, oil spill, helicopter crash etc. Standard Operating Procedures for various contingencies have been prepared and documented. There is also a dedicated Crisis Management team as well as

full fledged fire services equipped with latest fire control equipment.

ONGC offshore assets have been rated under 'acceptable risk' by international underwriters, enabling a lower-than-peer insurance premium for these assets.

### Health and Well-being

The group companies conduct health check and awareness workshops as well as other engagements for the benefit of their workforce and local communities. Such engagements address work related health hazards (e.g. stress management, ergonomics etc) and other diseases. Noise and stress are significant health hazards in our industry.

#### PERIODIC MEDICAL EXAMINATION (PME)

Considering manpower as the most important stakeholders for the organisation, ONGC has been following a rigorous and structured programme to promote the health and well-being of the employees across the board. In this spirit, ONGC has put in place a 'Periodic Medical Examination' system, under which employees are required to undergo a thorough medical examination at a fixed periodicity based on their ages (ranging from once in 5 years for employees below 45 years to once in two years for those above 56). The programme is applicable to all regular employees, casual /contract workers, persons on deputation to ONGC and tenure /term based employees. For each employee, a detailed medical profile is created by the Occupational Health professionals engaged by ONGC and is updated with each PME result. Diagnostic centres/ laboratories conforming to the standards laid down by accredited agencies have been empaneled

at various work centres for facilitating the examinations. Employees are considered on duty during the PME, for a maximum period of 2 days.



Adequate checks and balances have been installed by the group to ensure the health and well-being of the Group's workforce. MRPL and ONGC's major facilities have health centres within their premises. In addition to providing first-aid and related care, these health centres also conduct health checks for all employees on an annual basis. Where there is a necessity, these health centres also recommend a change in location and nature of job assignment of an employee to minimize the exposure to certain risks. No incidents of occupational illness were reported in 2013-14 across the Group companies.

In the year 2013-14, 180 First Aid Awareness programmes and 80 Health Awareness programmes were conducted by ONGC at different locations for the benefit of the workforce.

For security sensitive countries, where ONGC Videsh's executives are travelling or working, security and medical risks are being mitigated by hiring the services of internationally reputed Risk Management Companies in each geography.





## 12. Community Initiatives



Corporate Social Responsibility (CSR) is embodied in the foundation spirit, operational practices and corporate ethos of ONGC Group. In its pursuit for creating a truly inclusive business paradigm wherever we are present, ONGC Group selects its CSR interventions which are based on local social, environmental, and economic considerations. ONGC Group is fully engaged in ensuring equitable and sustainable growth of society in and around the area of its operations in compliance with the government directives to discharge its social responsibilities as a leading Indian corporate. Domestic CSR activities are planned in accordance with the guidelines issued by the Department of Public Enterprises (DPE) and Ministry of Corporate Affairs (MCA). ONGC Videsh undertakes CSR activities in alignment with local country requirement of its operations in consultation with concerned communities.

The organisation fulfils its CSR responsibilities in its operational areas and neighboring the rural areas and backward districts through collaborative partnership and necessary alignment with government, civil society and other likeminded stakeholders. ONGC persistently works towards



encouraging active people participation through the following measures:

- By understanding the developmental needs of economically weaker, differently-abled and less privileged sections in identified geographical locations
- By developing suitable CSR programs and projects that aim to improve the quality of life and enhance self-reliance of the underprivileged in consultation with them
- By generating goodwill in the communities in and around ONGC operational areas by not only mitigating operational impact but through creating social value as well that is sustainable and inclusive.

Further ONGC's CSR activities are essentially guided by project based approach and have well-defined set of objectives, targeted beneficiaries, physical and social milestones, implementation methodology and discernible, long-term sustainable benefits.

Out of the due CSR budget of ₹ 4,185 Million (calculated as per the new Companies Act, 2013),

ONGC spent an amount of ₹ 3,413 Million in FY 2013-14 which translates into an overall utilization of 86 %. The non-utilization of balance CSR budget was due to delay in setting up of 102 MW Wind Power Plant in Jaisalmer District (a back ward district of Rajasthan) due to land acquisition at the site. In the last 7 years, ONGC has contributed ₹ 13,270 Million towards its well-structured and well-focused CSR activitiesactivities.

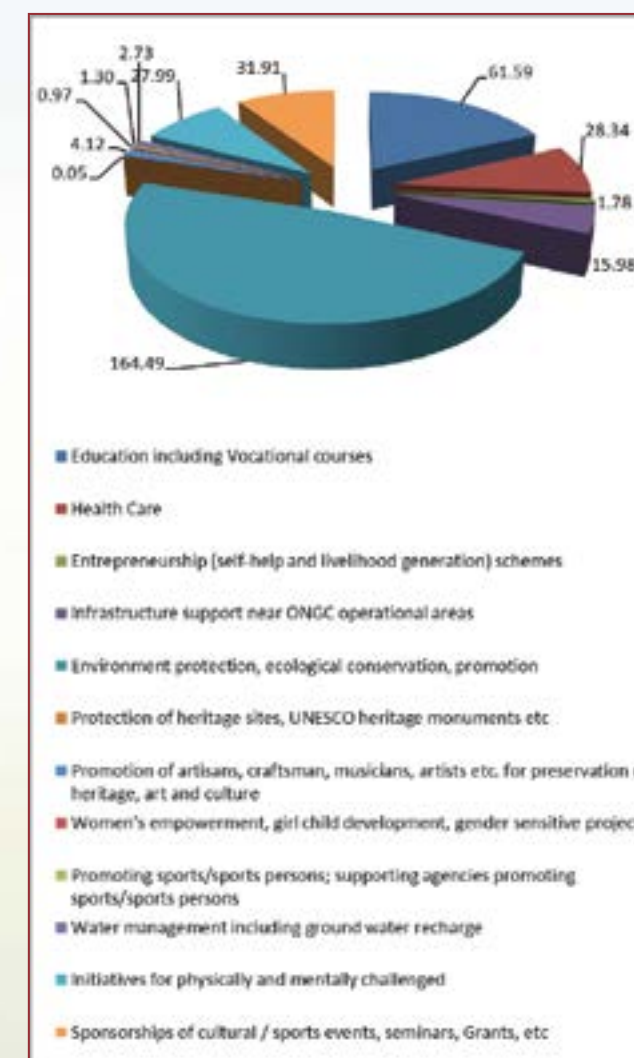


Figure 31: ONGC CSR Category Wise (₹ Crore)



Figure 32 : Key areas for ONGC CSR activities in 2013-14

During 2013-14, some of the new major CSR initiatives undertaken by ONGC include the following:

### A) EDUCATION:

- Shirdi Sai Baba school, Mahoba:** ONGC in association with Shirdi Sai Baba Temple Society for construction and setting up of school for providing free education with food, clothing, study material and healthcare to under-privileged children in the backward region of Mahoba District.
- English medium residential school, Patna:** ONGC in association with Soshit Seva Sangh is supporting construction of free English medium residential school in Patna, Bihar for the economically backward Mushahar community with estimated population of approximately 4 Million.
- Community school, Sitapur:** The project is being developed under a PPP model





in which the full capital expenditure of the project is contributed by ONGC and operating expenditure will be borne by the Shanti Devi Memorial Charitable Trust.

- d. **IIIT, Agartala:** ONGC has extended support for setting up a new IIIT in Agartala.

### CAMBAY SUB ASSET SUPPORTS UNDER PRIVILEGED STUDENT FOR IT EDUCATION

ONGC is consistently focused on the development and advancement of its stakeholders in accordance to their needs. Under SC / ST Component Plan of Cambay Sub Asset, 50 students from weaker section of society belonging to SC / ST community were sponsored to undergo a three months Course on Computer Concepts (CCC) at ITCT Computer Education Centre, Khambhat. This course is widely recognised by National Institute of Electronics and Information Technology (earlier known by DOEACC Society) and is considered a valid certification for all government jobs of Government of Gujarat as well as Government of India.

On successful completion of course, certificate to these students were distributed at ITCT Computer Education Centre, Khambhat in presence of senior office bearers of ONGC and AISCSTEWA. After completing this course, the students are now able to use the computer for basic personal and professional purposes. Few students trained under this course have also been able to secure suitable jobs for themselves.

### B) HEALTHCARE:

- a. **Assam medical college, Dibrugarh:** ONGC is providing support to establish Catheterization Laboratory and facilities for open heart surgery in Assam Medical College, Dibrugarh for providing quality health services.

- b. **Community hospital, Lakhimpur-Kheri:** The project is being developed under a PPP model in which the full capital expenditure of the project is contributed by ONGC and operating expenditure will be borne by the operating partner. This 26 bedded community hospital would cater to primary and secondary health service requirements from BPL, economically backward class families at 50% less cost than the existing CGHS rates.

- c. **King George hospital, Vizag:** Under this initiative ONGC aims to construct new 11 storied building, medical infrastructure and equipment to enable the hospital to deliver quality health services to poor patients and also strengthen the present oncology department to make cancer treatment a reality.

- d. **District government hospital, Chikkaballapur:** Support from ONGC has been provided for up gradation of facilities in the district government hospital to improve the general healthcare services delivered.

- e. **Government general hospital, Kakinada:** ONGC has given financial assistance to construct a separate building for blood bank and to equip the hospital with additional equipment for blood bank, general surgery and general medicine departments.

- f. **ONGC mission Ujala:** The project envisages eye screening of 50,000 children in Government Schools in NCR under National Blindness Control Programme of Government of India in collaboration with reputed NGO PRAANI. Spectacles to 3,000 children detected with refractive errors along with medicines were provided.



### C) ENTREPRENEURSHIP DEVELOPMENT:

- a. **Mokshagundam Visvesvaraya centre:** ONGC in association with Society for Bharat Ratna Sir M Visvesvaraya National Training Facility for Skills for All (BMV NTFS), Government of Karnataka, Government of India, GAIL, JSW, BEML, Volvo, BOSCH, L&T and a few nationalized banks has undertaken to set up Mokshagundam Visvesvaraya Centre for training Master Trainers in Skill Development (MVCTMTSD).
- b. **Apparel training programme, Chhindwara:** This project in association with Apparel Training and Design Centre (ATDC), Gurgaon, aims to train 180 boys and girls of poor families located in tribal areas of Chhindwara district, M.P, to conduct six diploma/ certified training courses.
- c. **Auto loans, Chikkaballapur:** The project envisages distribution of auto loans to 200 beneficiaries from Chikkaballapur and Bangalore. The loan is distributed through

Canara Bank. ONGC has provided financial assistance towards margin money for these loans. The project would be of immense help for the poor and needy beneficiaries to become self-employed and earn livelihood for their families.

- d. **Udaan:** In association with National Skill Development Corporation this project aims to train graduates/post graduates from J&K to improve their technical knowledge and soft skills and enhance their scope for employability.

### D) INFRASTRUCTURE DEVELOPMENT:

- a. **Akshaya Patra Foundation, Surat:** A centralized fully automated mechanized kitchen with a capacity to provide mid-day meals to 200,000 school going children per day in the district of Surat is being set up. Presently 75,000 students are being fed from an interim kitchen.





### E) CARE FOR DIFFERENTLY ABLED:

- Aids and appliances for physically challenged:** This project was undertaken in collaboration with Artificial Limbs Manufacturing Corporation of India (ALIMCO) to cater to the needs of orthopedic, hearing and visually challenged people by providing suitable aids and appliances. The project covered 45,000 beneficiaries.
- ONGC centre for vocational rehabilitation, New Delhi:** A financial support has been provided to Tamana School of Hope, New Delhi for setting up of autism centre and provide vocational training for the mentally challenged young adults and children to enable their economic rehabilitation.

### F) WATER MANAGEMENT:

- Hortoki water supply scheme, Kolasib:** The project for the people of Hortoki village, Kolasib District, Mizoram at will create a sustainable source of safe drinking water by creating a supply of more than 40 lpcd of water till 2043.
- Chief Minister's relief fund, Uttarakhand:** ONGC has extended support of ₹ 20 Million towards rehabilitation of flood affected regions in Uttarakhand.

### G) ENVIRONMENT PROTECTION:

- Wind turbine generators, Jaisalmer:** The project in the Jaisalmer district involves setting up of 49 wind turbine generators

each of capacity of 2.1 MW with total capacity of 102.9 MW in association with M/S Suzlon Energy Ltd. 22 wind turbine generators have been installed so far.

### H) SPORTS:

- Rajeev Gandhi international sports complex, Dehradun:** ONGC in association with Government of Uttarakhand is working towards building a cricket stadium-cum-sports complex with a capacity of 30,000 people extendable to additional seats in future, car parking, a sports academy, a club house or gymnasium, restaurant and other auxiliary facilities. The project is expected to be completed in two years.
- Dashrath stadium, Agartala:** The project aims to create an indoor sports complex in association with DDO Directorate of Youth Affairs.

In addition to above new CSR initiatives undertaken in 2013-14, ONGC continues to the CSR interventions initiated in previous years like Varisthajana Swasthya Sewa Abhiyan, ONGC-GICEIT Computer Centre, Eastern Swamp Deer Conservation, Harit Moksha, Mangrove plantation at Ankleshwar and Hazira and Ringal plantation in upper reaches of Himalayas.

ONGC Videsh through its operated assets and country offices undertakes CSR activities at each of its sites in alignment with the local regulatory requirements and expressed needs of the communities in which it operates. Need assessment is carried out, if required. ONGC Videsh undertakes CSR projects in two categories:

#### 1) COMMUNITY UPLIFTMENT:

- Providing basic/ technical / vocational education and training for local population, particularly women.

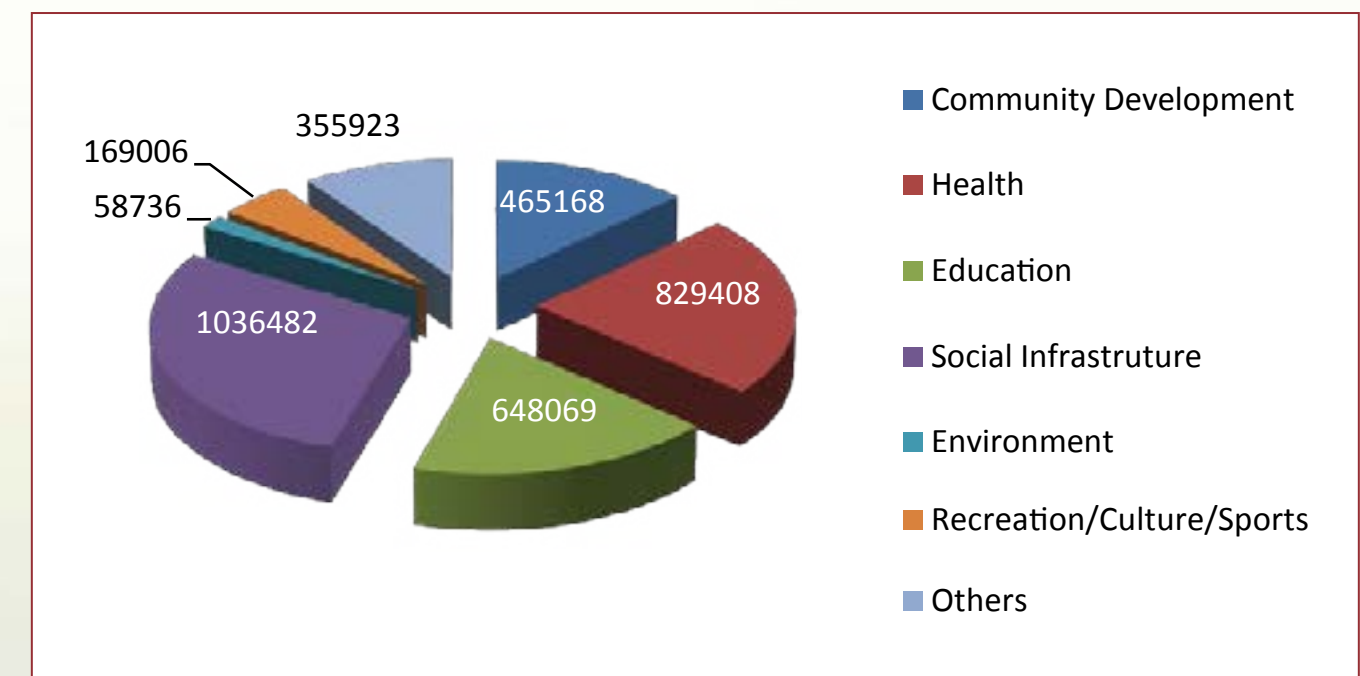


Figure 33 : ONGC Videsh's share of expenditure towards CSR during 2013-14 (in USD) in its overseas projects





- Providing computers and furniture to local training facilities.
- Undertaking projects for health care, infant mortality, treatment for HIV/AIDS and other major diseases and immunization programs.
- Providing or improving social infrastructure for drinking water, sanitation, agricultural inputs, irrigation, community centre, old age home, shelter for slum dwellers etc.
- Promotion of local art and Culture, heritage, music, sports etc.
- Providing relief during natural calamities.

### 2) SUSTAINABILITY PROJECTS:

- Undertaking projects related to energy conservation and reducing emissions through energy efficiency.
- Undertaking projects related to protection, conservation and restoration of eco system.
- Undertaking environment sustainability project for water, waste and energy management, bio-diversities, forest conservation, afforestation, reversal of loss of environmental resources, etc.

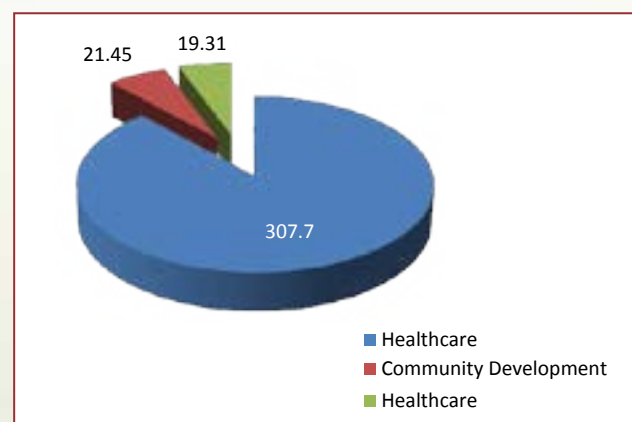


Figure 34 : MRPL CSR Category wise (₹ Lakhs)

- Undertaking projects for reduction reuse and recycle of materials.
- Undertaking projects on rain-water harvesting.
- Providing R&D projects/ studies sponsorship on energy efficiency and green energy.

During 2013-14, some of the new CSR initiatives undertaken by MRPL include the following:

### I) HEALTH CARE

- **Primary Health Centre (PHC) at Chelaieru Rehabilitation colony:** MRPL is running a free primary health center at Chelaieru Rehabilitation colony for the benefit of rehabilitated community. The expenses related to rent of Primary Health Centre and consultation fee of the doctors monthly is covered by MRPL. Additionally, MRPL also provides the annual medicine supplies as per the requirement of doctors of the centre.
- **Construction of a wing of Government Lady Goschen Hospital Mangalore:** MRPL is currently funding the construction of a wing at Government Lady Goschen Hospital Mangalore which predominantly caters to the needs of women, children and local below poverty line population

### II) COMMUNITY DEVELOPMENT

- **Chairs to Devadigara Sangha Hosabettu Mangalore:** Devadigara Sangha Hosabettu has built a community hall for the benefit of the public for which MRPL has donated 350 armed chairs to Sangha.
- **Water purifier and grinder to Shri. Guru Narasimha Temple Saligrama:** MRPL has donated water purifier for the benefit of devotees who visit the temple. Temple is also serving food to the devotees for which a coconut grinder has also been donated.

- **Development work at Benkinatheshwara Temple Kalavar:** MRPL facilitated construction of toilet, office room and laying of granite slab at Benkinatheshwara Temple Kalavar.
- **Mid-day meal to Ganapathi Higher Primary School and High School Padubidri:** MRPL is supporting the mid-day meal programme of Ganapathi Higher Primary School and High School students.
- **Wooden bench to St. Antonys Churh Kulur:** St. Antonys Churh Kulur underwent renovation with a new chapel. MRPL has provided wooden benches for church prayer hall.

### III) EDUCATION

- **Distribution of books to Kalavar Higher Primary School, Chelaieru:** The Kalavar Higher Primary School is located in Rehabilitation colony of Chelaieru where MRPL supplies note books for

the benefit of the students most of whom belong to the local below poverty line population.

- **Construction of Computer room for DKZP High School Yekkar:** MRPL helped construct a computer room for the benefit of DKZP High School students at Yekkar.
- **Anganwadi (Play school) building for Chelaieru Grama Panchyat:** MRPL helped construct an Anganwadi building for Chelaieru Grama Panchyat. This play school building is used for pre-nursery school education, meeting of self-help groups etc.

No recorded impact assessment studies were undertaken by ONGC Group entities in FY 2013-14.

In the reporting period none of the ONGC Group operations recorded any significant potential or actual negative impacts on local communities from our activities.







## 13. Protecting Human Rights



### Discrimination-free Workplace

All policies of ONGC Group take into account the Human Rights of not only employees but also people likely to be affected by the operations of the Company. The Group is committed to conducting its business operations and strategies with the ten universally accepted principles in the area of Human Rights, Child labour, Anti- corruption and Environment. ONGC embraces and supports those ten principles, particularly that on the Human Rights viz: "Businesses should support and respect the protection of internationally proclaimed human rights" and "Make sure that they are not complicit in human rights abuses".

ONGC is fully committed to the principles of United Nations Global Compact on human rights and subscribes to the international agreements/conventions such as Kyoto protocol, Montreal

Protocol, UNCLOS (MMD), SOLAS and MARPOL within the framework of Government of India directives. Awareness on human rights is included in ONGC training programmes. All graduate trainees at ONGC Group are provided training on human right during their induction training.

ONGC Group ensure compliance with various labour protection Acts such as Payment of Wages Act 1936, minimum Wages Act 1948, Equal Remuneration Act 1976, Industrial Dispute Act 1947, ESI Act 1948, Employees Provident fund and Miscellaneous Act 1952, CLRA 1970, Child Labour (Prohibition and Regulation) Act 1986 in vogue in India. As a responsible principal employer, ONGC Group ensures that contract labour is treated fairly as per the law and for any complaints or disputes, the contractor is advised to settle the issue in accordance with the law. Its in-house policies like

service rules, leave rules, gratuity rule, CPF rules, HBA, conveyance advance, education loans also confirm to Human Right values.

The Group does not discriminate in any way between caste, religion, gender, etc. The policies of ONGC Group are in line with national standards and relevant international standard for its operations and business pursuits abroad.

The security personnel are the first points of physical contact for some of the key external stakeholders like local communities who are also most vulnerable to human rights violation. ONGC Group ensures that all such personnel are well trained with various aspect of protecting human rights. This subject is also a critical element of induction training programme of the Group Companies. As part of the ongoing efforts to re-sensitize its security personnel on human rights issues, 9.3% of total security related workforce in ONGC was provided training on Human Rights last calendar year. During the same period also ONGC organised two additional training programmes on Intelligence, Technical Equipment and Security Gadgets, in which 43 security personnel were imparted training on core security related subject along with elaborate deliberations on the human rights aspect of securing its sites.

Standard clauses for protection of human rights (like fair-treatment, anti-discrimination, child labour, safe work place) are included in all ONGC contracts and agreements. All ONGC contractors

and service providers are required to diligently comply with the same.

### Human Rights in Supply Chain and Investments

The policies towards upholding the human rights extend to JV's and wholly owned subsidiaries of ONGC. At the off-country locations of ONGC Videsh, respective local laws related to human rights, labour, etc. are followed. Other than the routine compliance related checks on the Company's partners, no separate exercise was undertaken on its significant suppliers, contractors or other business partners for screening their human rights related practices, in the current reporting year.

### Avoidance of Child and Forced Labour

Comprehensive procedures have been put in place in order to ensure that practices such as child labour, forced labour, etc are not followed within the group's sphere of operations. Every contractor is subject to a check-up by the security department of the company on compliance of work with technical specifications of the tender both at the stage of the tender procedure and during the course of the work. The company did not receive any complaint relating to child labour, forced labour, sexual harassment or discriminatory employment during the reporting year.

No grievances related to human rights violation were filed in the reporting year.





### DNV·GL

#### INDEPENDENT ASSURANCE STATEMENT

##### Introduction

DNV GL represented by DNV GL Business Assurance India Private Limited, has been commissioned by the management of Oil and Natural Gas Corporation Limited (ONGC) to carry out an assurance engagement (Type 1, Moderate) for ONGC Group Sustainability Report ('the Report') in its printed format. The Report includes disclosures of ONGC Group companies (the 'Group' i.e. comprising of ONGC Limited, ONGC Videsh Limited and Mangalore Refinery and Petrochemicals Limited) for the year 2013-14, against the Global Reporting Initiative (GRI) 2011 Sustainability Reporting Guidelines Version 3.1 (GRI G3.1) and the principles of AccountAbility Principles Standard AA1000APS.

The intended user of this assurance statement is the management of ONGC Group, and the management is responsible for all information disclosed in the Report as well as the processes for collecting, analysing and reporting that information. Our responsibility regarding this verification is to ONGC only, in accordance with the agreed scope of work. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement.

##### Scope, Boundary and Limitations of Assurance

The summary of scope of work agreed upon with ONGC included the following:

- Evaluation of the disclosed information in the Report, including the systems and the processes the Group has in place for adherence to the three Accountability Principles (Inclusivity, Materiality and Responsiveness) as required for a Type 1, moderate level of assurance, in accordance with AA1000AS 2008.
- Evaluation of the additional principles of Completeness and Neutrality, as set out in DNV GL's Protocol for Verification of Sustainability Reporting ('VeriSustain' - [www.dnv.com/moreondnv/crl/](http://www.dnv.com/moreondnv/crl/); available on request)

The reporting boundary is as set out in the Report in the section 'About this Report' i.e. covering sustainability performance of entities of the ONGC Group of Companies and based on the maturity of sustainability data management systems; these entities include:

- ONGC Limited, including domestic exploration and production operations, and processing plants including office buildings, institutes, centres of delivery and residential colonies;
- ONGC Videsh Limited (OVL), including its corporate office in New Delhi and global operations across Imperial Energy, San Cristobal Project, Petrocarabobo, Greater Nile Petroleum Operating Company, Mansarovar Energy Colombia Limited and Block CPO-5; and,
- The refinery unit of Mangalore Refinery and Petrochemicals Limited (MRPL) at Mangaluru, Karnataka.

The assurance engagement was carried out at the ONGC office in New Delhi and did not involve any site visits. No external stakeholders were interviewed as part of this assurance engagement. We have not verified the accuracy and reliability of quantitative data and sustainability performance information stated in the Report.

##### Verification Methodology

Our assurance engagement was planned and carried out in December 2014 – February 2015 in accordance with AA1000AS (2008) i.e. Type 1, Moderate and using VeriSustain. As part of the verification, we have challenged the sustainability related statements/claims made in the Report and assessed the underlying systems and processes for adherence against the three Accountability Principles set out in AA1000 APS (2008) as referred under the 'Scope, Boundary and Limitations of Assurance' of this Statement.

We have taken a risk-based approach, that is, we have concentrated our verification efforts on issues of high material relevance to the Group's business and its stakeholders. In doing so, we have:

- Conducted a review of the Group's sustainability systems, processes and outputs, and other relevant information and documentation made available to us i.e. verified the sustainability-related statements and claims made in the Report and assessed the robustness of the data management system, information flow and controls;
- Reviewed the documents of materiality assessment and stakeholder engagement processes adopted by the Group for the purpose of the sustainability reporting exercise;
- Conducted interviews with the core team involved in preparing the Report and key decision-makers of the Group at ONGC's office in New Delhi;
- Performed sample-based reviews of the mechanisms for implementing the Group's policies, as described in the report, and for determining material issues to be included in the Report.

##### Conclusion

In our opinion, based on the scope of this assurance engagement, the Report provides an appropriate representation of the Group's sustainability related policies and management systems. The Report has fairly disclosed its sustainability performance on identified key material aspects from GRI G3.1 and the Oil and Gas Sector Supplement. We have evaluated the Report's adherence to the following principles on a scale of 'Good', 'Acceptable' and 'Needs Improvement'.

### DNV·GL

##### AA1000AS 2008 Principles

**Inclusivity:** The Group has within its reporting boundary, established appropriate processes for stakeholder identification and engagement, and established mechanisms for capturing and responding to identified key concerns of stakeholder groups. The Report brings out key stakeholder concerns. In our view, the level at which the Report adheres to this principle is 'Good'.

**Materiality:** The Group has a process for identifying and prioritising significant material issues as part of its sustainability management and reporting; the process includes inputs from diverse stakeholders, industry peers and emerging local and global risks and opportunities in the oil and gas sector. The process may be further strengthened to determine emerging material issues having short, medium and long term impacts on the Group as a whole, and may be further expanded to all exploration and production sites to capture material issues in the sustainability context of its operations in all geo-locations. In our view, the level at which the Report adheres to this principle is 'Acceptable'.

**Responsiveness:** The Group is in the process of continual improvement of its systems for engaging in dialogue with its stakeholders, including responses to the analysis of activities dedicated to understanding how ONGC Group is perceived by its key stakeholders with respect to accountability and transparency in sustainability reporting. Within the reporting scope and boundary, the Report has fairly responded to identified major stakeholder concerns i.e. disclosed policies, processes and management systems. In our view, the level at which the Report adheres to this principle is 'Acceptable'.

##### Additional Parameters as per DNV GL's VeriSustain

**Completeness:** The reporting boundary is limited to the Group's operations in India, Russia, Venezuela, Sudan and Colombia, as disclosed in the Report and referenced under Scope, Boundary and Limitations of Assurance. The Group is in the process of putting in place mechanisms for fully reporting the material core indicators which are partially reported, and has set timelines for full reporting. The level at which the Report adheres to this principle is 'Acceptable'.

**Neutrality:** The Group has reported its sustainability aspects in terms of content and presentation a neutral tone; in our view, the level at which the Report adheres to this principle is 'Good'.

##### Opportunities for Improvement

The following is an excerpt from the observations and opportunities for improvement reported to the management of ONGC and are not considered for drawing our conclusion on the Report; however, they are generally consistent with the management's objectives:

- The Group may further strengthen the process of materiality determination and arrive at material aspects, topics and performance indicators related to upstream and downstream operations of the group companies including subsidiaries and joint ventures.
- The stakeholder engagement process may be further expanded/strengthened and inputs from key external stakeholders across the Group's extended boundary of operations may be considered.
- The boundary of reporting may be progressively expanded to cover all entities in the Group's sphere of control and influence, and the short, medium and long term impacts of issues specific to these entities may be disclosed.
- Systematic internal review and auditing of internal data management system may be implemented to ensure the reliability of reported sustainability performance data and to help in regular and timely disclosures of sustainability performance.

##### DNV GL's Competence and Independence

We are a global provider of sustainability services, with qualified environmental and social assurance specialists working in over 100 countries. DNV GL states its independence and impartiality with regard to this assurance engagement. While we did conduct other third party audits work with ONGC and its subsidiaries in 2013-14, in our judgement this does not compromise the independence or impartiality of our assurance engagement or associated findings, conclusions and recommendations. The assurance team were not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. We maintain complete impartiality towards any people interviewed.

For DNV GL,

 Kiran Radhakrishnan Project Manager DNV GL Business Assurance India Private Limited, India	 Vadakepath Nandkumar Assurance Reviewer Regional Sustainability Manager DNV GL Business Assurance India Private Limited, India.
--	--

Bengaluru, India, 9 February 2015







## 14. Summary of Performance

Period: Financial Year (1<sup>st</sup> April-31<sup>st</sup> March)

INDICATOR	UNIT	FY'10	FY'11	FY'12	FY'13	FY'14
<b>BUSINESS PERFORMANCE</b>						
Crude oil production - ONGC	MMT	24.63	24.42	23.72	22.56	22.25
Crude oil production - ONGC Videsh	MMT	6.49	6.76	6.21	4.34	5.49
Crude oil production - MRPL	MMT	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Natural gas production - ONGC	BCM	23.10	23.10	23.32	25.34	23.28
Natural gas production - ONGC Videsh	BCM	2.38	2.69	2.54	2.92	2.87
Natural gas production - MRPL	BCM	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Reserve Accretion - ONGC	MMTOE	82.98	83.56	84.13	84.84	84.99
Reserve Accretion - ONGC Videsh	MMTOE	0.35	46.23	-0.31	14.16	212.59
Reserve Accretion - MRPL	MMTOE	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Economic Value Retained - ONGC	₹ billions	-	-	-	114.97	124.26
Economic Value Retained - ONGC Videsh	₹ billions	-	-	-	80.22	108.15
Economic Value Retained - MRPL	₹ billions	-	-	-	-	7.29
<b>ENVIRONMENTAL PERFORMANCE</b>						
Total Primary Energy Consumption - ONGC	Terra joules	105,127	108,126	117,604	116,106	160,526.26
Total Primary Energy Consumption - ONGC Videsh	Terra joules	-	-	-	-	12,901



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



INDICATOR	UNIT	FY'10	FY'11	FY'12	FY'13	FY'14
Total Primary Energy Consumption - MRPL	Terra joules	-	-	-	-	50,186
Electricity purchased from grid - ONGC	Terra joules	-	-	-	9,188	9,379
Electricity purchased from grid - ONGC Videsh	Terra Joules	-	-	-	-	340.6
Electricity purchased from grid - MRPL	Terra Joules	-	-	-	-	187
Fossil fuel - Direct emissions - ONGC	Million tCO2e	8.03	8.13	9.21	8.59	10.83
Fossil fuel - Direct emissions - ONGC Videsh	Million tCO2e					2.407
Fossil fuel - Direct emissions - MRPL	Million tCO2e					3.355
Electricity - Indirect emissions - ONGC	Million tCO2e				2.10	2.13
Electricity - Indirect emissions - ONGC Videsh	Million tCO2e	-	-	-	-	0.085
Electricity - Indirect emissions - ONGC - MRPL	Million tCO2e	-	-	-	-	0.044
Business Travel - Indirect emissions - ONGC	Million tCO2e	-	-	0.02	0.02	0.046
Business Travel - Indirect emissions - ONGC Videsh	Million tCO2e	-	-	-	-	-
Business Travel - Indirect emissions - MRPL	Million tCO2e	-	-	-	-	-
Total Green House Gas (GHG) emissions - ONGC	Million tCO2e	-	-	-	10.71	13.01

INDICATOR	UNIT	FY'10	FY'11	FY'12	FY'13	FY'14
Total Green House Gas (GHG) emissions - ONGC Videsh	Million tCO2e	-	-	-	-	2.49
Total Green House Gas (GHG) emissions - MRPL	Million tCO2e	-	-	-	-	3.40
Fresh water (Ground water sources) - ONGC	Billion litres	5.18	3.88	7.65	4.15	3.95
Fresh water (Ground water sources) - ONGC Videsh	Billion litres	-	-	-	-	2.52
Fresh water (Ground water sources) - MRPL	Billion litres	-	-	-	-	0
Fresh water (Municipal sources) - ONGC	Billion litres	3.92	6.26	5.25	4.23	5.73
Fresh water (Municipal sources) - ONGC Videsh	Billion litres	-	-	-	-	0
Fresh water (Municipal sources) - MRPL	Billion litres	-	-	-	-	0
Fresh water (Surface sources) - ONGC	Billion litres	12.31	20.68	17.00	17.29	16.32
Fresh water (Surface sources) - ONGC Videsh	Billion litres					0.59
Fresh water (Surface sources) - MRPL	Billion litres					11.80
Total water usage - ONGC	Billion litres	21.68	31.14	30.26	25.79	26
Total water usage - ONGC Videsh	Billion litres	-	-	-	3.39	3.11
Total water usage - MRPL	Billion litres	-	-	-	-	12.36
Environmental expenditure - ONGC	₹ Billion	4.38	5.10	4.95	5.90	6.18
Environmental expenditure - ONGC Videsh	₹ Billion	-	-	-	-	0.180





INDICATOR	UNIT	FY'10	FY'11	FY'12	FY'13	FY'14
Environmental expenditure - MRPL	₹ Billion	-	-	-	-	0.131
<b>PEOPLE PERFORMANCE</b>						
Number of employees - ONGC and ONGC Videsh	No.	32826	33273	32909	32988	33911
Number of employees - MRPL	No.	-	-	-	-	1715
Turnover of employees - ONGC and ONGC Videsh	No.	139	86	77	85	1388
Turnover of employees - MRPL	No.	-	-	-	-	20
Employee wages and benefits - ONGC	₹ million	-	-	-	-	193.6
Employee wages and benefits - ONGC Videsh	₹ million	-	-	-	-	21.5
Employee wages and benefits - MRPL	₹ million	-	-	-	-	36.8
Recordable Incidents - ONGC	No.	291	86	90	162	81
Recordable incidents - ONGC Videsh	No.	-	-	-	68	46
Recordable incidents - MRPL	No.	-	-	-	-	0
Total fatalities - ONGC	No.	11	12	9	4	4
Total fatalities - ONGC Videsh	No.	-	-	-	3	1
Total fatalities - MRPL	No.	-	-	-	-	0
<b>CORPORATE SOCIAL RESPONSIBILITY</b>						
Community investments - ONGC	₹ million	2680	2200	1210	2620	3410
Community investments - ONGC Videsh	₹ million	-	-	-	208.27	217.1
Community investments - MRPL	₹ million	-	-	-	-	34.84

## 15. Appendix 1: GRI 3.1 Content index Oil & Gas Sector Supplement

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Discl-osure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
STANDARD DISCLOSURES PART I: Profile Disclosures									
1. Strategy and Analysis									
1.1	Statement from the most senior decision-maker of the organization.	Fully	Leadership speak (10-12)					Statement of Continuing Support	
1.2	Description of key impacts, risks, and opportunities.	Fully	"Material sustainability issues (46-48) Managing risk (56-58) A detailed description of the business risks are provided in the latest annual reports. ONGC annual report <sup>24</sup> 2013-14 (page 110 to 112) ONGC Videsh annual <sup>25</sup> report 2012-13 ( page 55) MRPL annual <sup>26</sup> report 2013-14 (page 9 to 10)						
2. Organizational Profile									
2.1	Name of the organization.	Fully	About this report (1)						Section A: General Information about the Company
2.2	Primary brands, products, and/or services.	Fully	Our operations (20)						Section A: General Information about the Company

<sup>24</sup> [http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Performance/Annual\\_Reports/](http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Performance/Annual_Reports/)

<sup>25</sup> [www.ongcvidesh.com/pdf/ovl\\_annual\\_report\\_2013-14.pdf](http://www.ongcvidesh.com/pdf/ovl_annual_report_2013-14.pdf)

<sup>26</sup> <http://www.mrpl.co.in/annual-report>



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Organisational and operational structure (25-27)						Section C: Other details
2.4	Location of organization's headquarters.	Fully	Back cover of the report						Section A: General Information about the Company
2.5	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.	Fully	Organisational and operational structure (25-29)						Section A: General Information about the Company
2.6	Nature of ownership and legal form.	Fully	About the report (1)						Section C: Other details
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	"Our operations (20-21) Organisational and operational structure (25-29)"						Section A: General Information about the Company
2.8	Scale of the reporting organization.	Fully	"Our operations (20-21) Production levels (21-22) Economic performance (64-70) Employee strength (100)"						
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	None						
2.10	Awards received in the reporting period.	Fully	Awards and Recognition 2013-14 (36-37)						

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
3. Report Parameters									
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	About the report (1)						Section A: General Information about the Company
3.2	Date of most recent previous report (if any).	Fully	About the report (1)						
3.3	Reporting cycle (annual, biennial, etc.)	Fully	About the report (1)						Section D: BR Information
3.4	Contact point for questions regarding the report or its contents.	Fully	About the report (1)						Section A: General Information about the Company
3.5	Process for defining report content.	Fully	"About the report (1) Material sustainability issues (46-49) Engagement with stakeholders (38-39) Consolidated data for operations covered in the reporting boundary presented in this report with emphasis on material issues"						
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	About the report (2)						Section C: Other details
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	About the report (2)						



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	About the report (2)						
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	"About the report (1) Covered in respective sections alongside the reported data points"						
3.10	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).	Fully	"Energy use and conservation (88-89) A restatement has been made in the energy consumption reported for ONGC. Explanation for the same has been included in the Energy use and conservation section"						
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	About the report (2)						
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	This table (139)						

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	About the report (2)						Section D: BR Information
4. Governance, Commitments, and Engagement									
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Governance (52-56)					Actions Taken to Implement Principles 1-10	Section D: BR Information
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	"Chairman and Managing Director of ONGC is the chair of the Boards of ONGC, ONGC Videsh and MRPL"					"	
4.3	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.	Fully	Organisational governance (53-55)					"	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	"Monitoring and enabling systems (62) Annual general meetings are held and shareholders are invited to provide their recommendations. The Investor Relation Cell is also available for all shareholders"					"	



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	The performance-related pay (PRP) of executives is based on the evaluation of an MoU signed with the government, which is decided by the DPE based on fixed guidelines for all CPSEs. The MoU has two parts—static financial parameters and dynamic parameters—each with 50% weightage. CSR and sustainability elements are included in dynamic parameters. Therefore, performance, against the set targets under the economic, environmental and social parameters, is considered for performance evaluation.					“	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	"Ethics and integrity (60-61) The code of conduct for the senior management and the board members contain guidance on avoidance of conflict of interest."					“	

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
4.7	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.	Fully	"Governance (52-56) Further details are provided in the corporate governance report section of the annual report. ONGC annual <sup>27</sup> report 2013-14 (pages 117-141) ONGC Videsh <sup>28</sup> annual report 2012-13 (pages 62-75) MRPL annual <sup>29</sup> report 2013-14 (pages 35-42) "						
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	"ONGC Group of Companies-vision, mission and values (34) Organisational strategy (30-32) Ethics and integrity (60) Issue specific principles or implementation status covered across the sections "					“	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	"Governance (52-56) Procedures have been installed in line with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises"					“	

<sup>27</sup> [http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Performance/Annual\\_Reports/](http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Performance/Annual_Reports/)

<sup>28</sup> [www.ongcvidesh.com/pdf/ovl\\_annual\\_report\\_2013-14.pdf](http://www.ongcvidesh.com/pdf/ovl_annual_report_2013-14.pdf)

<sup>29</sup> <http://www.mrpl.co.in/annual-report>



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	"Governance (52-56) Procedures and policies (policy on performance of evaluation of directors) installed in line with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises "					"	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	"Managing risk (56-58), Risk and opportunities due to climate change (73-75) A detailed description of business risks is provided in the latest annual reports. ONGC annual <sup>30</sup> report 2013-14 (pages 110-112) ONGC Videsh <sup>31</sup> annual report 2013-14 (pages 48-55 of the management discussion and analysis report) MRPL annual <sup>32</sup> report 2013-14 "page 9-10					Actions Taken to Implement Principles-7	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	External sustainability commitments (49-50)					Actions Taken to Implement Principles 1-10	

<sup>30</sup> [http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Performance/Annual\\_Reports/](http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Performance/Annual_Reports/)

<sup>31</sup> [www.ongcvidesh.com/pdf/ovl\\_annual\\_report\\_2013-14.pdf](http://www.ongcvidesh.com/pdf/ovl_annual_report_2013-14.pdf)

<sup>32</sup> <http://www.mrpl.co.in/annual-report>

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
4.13	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.	Fully	External sustainability commitments (49-50)						
4.14	List of stakeholder groups engaged by the organization.	Fully	Engagement with stakeholders (38-39)					Sharing the COP with the Company's Stakeholders	Section D: BR Information
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Engagement with stakeholders (38-39)					"	Section E: Principle 4- Stakeholder Engagement
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Engagement with stakeholders (38-39)					"	Section D: BR Information
4.17	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.	Fully	"Engagement with stakeholders (38-39) Material sustainability issues (46-48) Covered in detail across different sections of the report."					"	Section D: BR Information; Section E: Principle 4-Stakeholder Engagement; Section E: Principle 5- Human Rights
STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs) G3.1 OGSS DMAs									
DMA EC	Disclosure on Management Approach EC							Actions Taken to Implement Principle-1, 4, 6 and 7	



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
Aspects	Economic performance	Fully	Economic performance (64-71)						Section D: BR Information
	Market presence, including local content	Fully	Employee strength (100-103)						
	Indirect economic impacts	Fully	Safeguarding India's energy security (66), contribution through under recoveries (73) and environmental investments (99)						
	Reserves	Fully	Safeguarding India's energy security (67-68)						
DMA EN Aspects	Disclosure on Management Approach EN							Actions Taken to Implement Principle-7, 8 and 9	Section D: BR Information; Section E: Principle 6-Environment
	Materials	Fully	Material consumption (58 to 59)						
	Energy	Fully	Energy Management (88-92)						
	Water	Fully	Waste Management (92-94)						
	Ecosystem services including biodiversity	Fully	Preserving biodiversity (95 - 98)						
	Emissions, effluents and waste	Fully	Managing emissions (94-95), waste management (95-96)						
	Products and services	Fully	Environmental management (58 to 66)						
	Compliance	Fully	Environmental investments (99)						

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
	Transport	Not			Not material	Transportation of products has not been identified as an area where the company has significant impact.			
	Overall	Fully	Environmental investments (99)						
DMA LA Aspects	Disclosure on Management Approach LA							Actions Taken to Implement Principle-1, 3 and 6	Section D: BR Information
	Employment	Fully	Human capital (100-103)					Principle-6	
	Labor/management relations	Fully	Collective bargaining (104)					Principle-3	
	Occupational Health and Safety	Fully	Health and safety at work (116-121)					Principle-1	
	Training and education	Fully	Training and development (110-112)						
	Diversity and equal opportunity	Fully	Promoting diversity (106-107)					Principle-6	
	Equal remuneration for women and men	Fully	Promoting diversity (106-107)					Principle-6	
DMA HR Aspects	Disclosure on Management Approach HR							Actions Taken to Implements Principles 1, 2, 3, 4, 5 and 6	Section D: BR Information
	Investment and procurement practices	Fully	Human rights in the supply chain and investments (130)					Principle-1 to Principle-6	
	Non-discrimination	Fully	Employee strength (100)					Principle-1, Principle-2, Principle-6	
	Freedom of association and collective bargaining	Fully	Collective bargaining (104)					Principle-1, Principle-2, Principle-3	



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
	Child labor	Fully	Monitoring and enabling system (62)					Principle-1, Principle-2, Principle-5	
	Prevention of forced and compulsory labor	Fully	Monitoring and enabling system (62)					Principle-1, Principle-2, Principle-4	
	Security Practices	Fully	Training and development (110)					Principle-1, Principle-2	
	Indigenous rightsCOMM	Not			Not applicable	Not applicable - there are no indigenous communities in the vicinity of the group's operating locations.		Principle-1, Principle-2	
	Assessment	Not			Not applicable	Not applicable - there are no indigenous communities in the vicinity of the group's operating locations.		Principle-1 to Principle-6	
	Remediation	Not			Not applicable	Not applicable - there are no indigenous communities in the vicinity of the group's operating locations.		Principle-1 to Principle-6	
DMA SO Aspects	Disclosure on Management Approach SO							Actions Taken to Implement Principle-10	
	Local communities	Fully	Community initiatives (112-129)					Principle-1, Principle-2	Section D: BR Information ; Section E: Principle 8- Inclusive growth ; Section E: Principle 1- Ethics, Transparency and Accountability

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
	Corruption	Fully	External Sustainability commitment (49), discrimination free workplace (130)					Principle-10	
	Public policy	Fully	Government or regulatory bodies of host countries (40)						
	Anti-competitive behavior	Not			Not applicable	ONGC Group is a Public Sector Undertaking and all major policy issues are reviewed by government bodies. There have been no instances of anti-competitive behaviour by our group entities.			
	Compliance	Fully	Community initiatives (124)						
	Emergency preparedness	Fully	Disaster management and emergency preparedness (120)						
	Involuntary resettlement	Not			Not applicable	There have been no instances of involuntary resettlements in the vicinity of any of the group's operating locations.			
	Asset integrity and process safety	Fully	Disaster management and emergency preparedness (120)						
DMA PR	Disclosure on Management Approach PR							Actions Taken to Implement Principle-1 and 8	
Aspects	Customer health and safety	Fully	Health and safety at work (116-121)						Section D: BR Information



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
	Product and service labelling	Fully	"Please see the disclosures provided against the corresponding indicators in this table."						
	Marketing communications	Not			Not applicable	Given the nature of our business, group companies are only involved in a limited amount of business-to-business (B2B) marketing. Hence, this aspect has not been considered material.			
	Customer privacy	Not			Not applicable	Group companies do not collect any substantial information on customers. Hence, this aspect has not been considered material.		Principle-1	
	Compliance	Not			Not applicable	Group companies have adequate systems to ensure compliance to all applicable laws and regulations. Hence, this aspect has not been considered material.			
	Fossil fuel substitutes	Not			Not applicable	Currently, group companies do not procure/ produce/ sell any biofuels/ bio-fuel blended products.			
			STANDARD DISCLOSURES PART III: Performance Indicators						

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
Economic									
Economic performance									
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	Financial performance (71-73)						Section B: Financial Details of the company
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	Risk and opportunities due to climate change (73)					Principle-7	
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Employee benefits (76)						
EC4	Significant financial assistance received from government.	Fully	None of the ONGC group companies received any financial incentives from government						
Market presence									
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Fully	Labour management relations (113-115)						
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	Materiality (46), indirect impact on the community (77)					Principle-6	Section E: Principle 2 -Products Life Cycle Sustainability



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	Employee strength (100-103)						
Indirect economic impacts									
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Indirect economic impact on the community (77)						
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	Indirect economic impact on the community (77)						
OG1	Volume and type of estimated proved reserves and production.	Fully	Safeguarding India's economic security (66)						
Environmental									
Materials									
EN1	Materials used by weight or volume.	Fully	Material consumption (88)					Principle-8	
EN2	Percentage of materials used that are recycled input materials.	Not			Not material	There is a limited scope for the use of recycled material inputs in our operations		Principle-8, Principle-9	Section E: Principle 2- Products Life Cycle Sustainability
Energy									
EN3	Direct energy consumption by primary energy source.	Fully	Energy use and conservation (88-90)					Principle-8	
EN4	Indirect energy consumption by primary source.	Fully	Energy use and conservation (88-90)					Principle-8	

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
OG2	Total amount invested in renewable energy.	Fully	Energy use and conservation (88-90)					Principle-8, Principle-9	Section E: Principle 9- Environment
OG3	Total amount of renewable energy generated by source.	Fully	Energy use and conservation (88-90)					Principle-8, Principle-9	Section E: Principle 9- Environment
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Energy use and conservation (88-90)					Principle-8	Section E: Principle 9- Environment
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	"Energy use and conservation (89) ONGC supplies renewable energy generated through its wind power projects to the grid"					Principle-8, Principle-9	Section E: Principle 6- Environment; Section E: Principle 2- Products Life Cycle Sustainability
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Not	N.A		Not available	This information is currently not monitored	2018	Principle-8	Section E: Principle 6- Environment; Section E: Principle 2- Products Life Cycle Sustainability
Water									
EN8	Total water withdrawal by source.	Fully	Water management (92)					Principle-8	Section E: Principle 2- Products Life Cycle Sustainability
EN9	Water sources significantly affected by withdrawal of water.	Fully	Nil. No water sources are currently affected significantly by group operations					Principle-8	
EN10	Percentage and total volume of water recycled and reused.	Fully	Water management (92)					Principle-8	Section E: Principle 2- Products Life Cycle Sustainability



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
Biodiversity									
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	Preserving biodiversity (95-96)					Principle-8	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	Preserving biodiversity (95-96)					Principle-8	
EN13	Habitats protected or restored.	Fully	Preserving biodiversity (95-96)					Principle-8	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	Preserving biodiversity (95-96)					Principle-8	
OG4	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored.	Fully	Preserving biodiversity (95-96) 100%					Principle-7, Principle-8	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Fully	Preserving biodiversity (95-96)						
Emissions, effluents and waste									
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Managing emissions (94)					Principle-8	
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	Managing emissions (94)					Principle-8	

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Managing emissions (94)					Principle-8	
EN19	Emissions of ozone-depleting substances by weight.	Fully	Managing emissions (94)					Principle-8	
EN20	NOx, SOx, and other significant air emissions by type and weight.	Not	Managing emissions (94)		Not available	While all group entities are currently compliant to statutory requirements on SOx, NOx and other emissions - currently group companies do not have systems to quantify emissions for the complete reporting period	2018	Principle-8	
EN21	Total water discharge by quality and destination.	Partially	Water management (92)	Quality parameters of discharged waste water are not available	Not available	While all group entities are currently compliant to statutory requirements on discharge of effluents currently we do not have consistency in data monitored across locations and hence is the group is not in a position to report quality parameters of waste water discharged..	2018	Principle-8	



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
EN22	Total weight of waste by type and disposal method.	Partially	Waste management (95-96)	Method of disposal for each waste type not available.	Not available	All wastes are disposed as per the existing statutory norms. However, we currently do not have systems for uniform recording and reporting of wastes generated from our operations. ONGC is in the process of developing a corporate waste management policy, which is expected to streamline recording and reporting data on waste management. has been prepared and is expected to be approved in the next year. Full disclosures for the group will be made from 2017-18.	2018	Principle-8	Section E: Principle 2- Products Life Cycle Sustainability
OG5	Volume of formation or produced water.	Fully	Water management (92)					Principle-8	
EN23	Total number and volume of significant spills.	Partially	Health and safety at work (121)	Spillage at locations of some of the group entities and spillage by third party - information not available.	Not available	Full disclosures for the group will be made from 2017-18.	2018	Principle-8	
OG6	Volume of flared and vented hydrocarbon.	Fully	Managing emissions (94)					Principle-8	Section E: Principle 2- Products Life Cycle Sustainability
OG7	Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal.	Fully	Waste management (95-96)					Principle-8	Section E: Principle 2- Products Life Cycle Sustainability

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
EN24	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.	Fully	None					Principle-6	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Fully	None					Principle-8	
Products and services									
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Health and safety at work (116-121)					Principle-8, Principle-9	Section E: Principle 6-Environment; Section E: Principle 2- Products Life Cycle Sustainability
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not			Not applicable	Not applicable to ONGC's products and services			
OG8	Benzene, Lead and Sulfur content in fuels.	Fully	Applicable only to finished products from MRPL-which are 100% compliant to Indian regulations. Fuel products are also compliant to Euro III or Euro IV standards.					Principle-8, Principle-9	Section E: Principle 2- Products Life Cycle Sustainability



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
Compliance									
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	There were no instances of monetary or non-monetary penalties against group entities in the reporting period.						
Transport									
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Not			Not available	"Material transportation is currently not covered under scope three emission calculations. ONGC is developing a system to capture scope three emissions for transportation of the material."	2017		
Overall									
EN30	Total environmental protection expenditures and investments by type.	Fully	Environmental investments (99)						
Social: Labor Practices and Decent Work									
Employment									
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Partially	"Employee strength (100-104) Promoting diversity (106-107)"	(Contracted) workforce by region and gender	Not available	Information on contracted workforce - split by region and gender is not currently available.	2018		Section E: Principle 3-Employee's well being
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	Employee strength (102-103)					Principle-6	

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	Employee benefits (76, 107)						
LA15	Return to work and retention rates after parental leave, by gender.	Fully	The group reports 100% return to work after parental leave						
Labor/management relations									
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Collective bargaining (104)						Section E: Principle 3-Employee's well being
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	Collective bargaining (104)					Principle-8	
Occupational health and safety									
LA6	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.	Partially	Health and safety at work (116)	Level(s) at which the safety committees operate	Not available	While ONGC Videsh units have Safety Committees in accordance with the laws and regulations of respective countries, information on the levels at which these committees operate is currently not available.		Principle-1	



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	ONGC COP Element	BRR (SEBI)
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Partially	Health and safety at work (116)	"In calculating lost days, whether 'days means 'calendar days' or 'scheduled work days' and at what point the 'lost days' count begins. Occupational diseases rate (ODR) for total workforce (total employees plus supervised workers) by region and gender. Occupational diseases rate (ODR) for independent contractors working on-site to whom the reporting organization is liable for the working environment by region and gender. Absenteeism rate (AR) for total workforce (total employees plus supervised workers) by region and gender. Absenteeism rate (AR) for independent contractors working on-site to whom the reporting organization is liable for the general safety environment by region and gender. OGSS COMMENTARY: Fatalities broken down by cause (e.g., road transport, helicopter transport, assault, construction activities). OGSS COMMENTARY: The measures taken to avoid future fatalities. The system of rules applied in recording and reporting accident statistics."	Not available	While compliance to Factories Act and other statutory requirements are met by group companies across geographies, some of the parameters sought by GRI under LA7 are currently not being monitored by the Group companies.	2018	Principle-1	

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	ONGC COP Element	BRR (SEBI)
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	"Health and safety at work (116-117) Community initiatives (122-124)"					Principle-1	
LA9	Health and safety topics covered in formal agreements with trade unions.	Partially	Health and safety at work (116)	The extent to which various health and safety topics are covered by local and global agreements signed by the organization.	Not available	While compliance to Factories Act and other statutory requirements are met by group companies across geographies, some of the parameters sought by GRI under LA9 are currently not being monitored. Full disclosures for the group will be made from 2017-18.	2018	Principle-1	
Training and education									
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	Training and development (110)						Section E: Principle 3-Employee's well being
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Training and development (110-113)						Section E: Principle 3-Employee's well being
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	All ONGC group employees are subject to an annual appraisal process						



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
Diversity and equal opportunity									
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	Committees under the board (55)					Principle-6	Section E: Principle 3-Employee's well being
Equal remuneration for women and men									
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	Promoting diversity (106)					Principle-6	
Social: Human Rights									
Investment and procurement practices									
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	Human rights in supply chain and investments (131)					Principle-1, Principle-6	
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Fully	"Human rights in supply chain and investments (131) W.r.t human rights practices, suppliers and business partners are expected to adhere to the law of the land. This expectation is incorporated in all our business contracts. However, group companies do not have a mechanism for screening suppliers and business partners based on human rights related practices."					Principle-1, Principle-6	

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Partially	Discrimination free workplace (130)	"Total number of hours in the reporting period devoted to training on policies and procedures concerning aspects of human rights that are relevant to operations."	Not available	Trainings on Human Rights are covered as part of a larger programs and the number of hours dedicated to HR aspects is not available. Full disclosures for the group will be made from 2017-18	2018	Principle-1, Principle-6	
Non- discrimination									
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	"Training and development (110) No such incidents were reported"					Principle-1, Principle-2, Principle-6	
Freedom of association and collective bargaining									
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Fully	No such operations and significant suppliers were identified					Principle-1, Principle-2, Principle-3	
Child labor									
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Fully	"Protecting human rights (130) No such operations and significant suppliers were identified"					Principle-1, Principle-2, Principle-5	



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
Prevention of forced and compulsory labor									
HR7	Operations and significant 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.	Fully	"Protecting human rights (130) No such operations and significant suppliers were identified"					Principle-1, Principle-2, Principle-4	Section E: Principle 3-Employee's well being
Security practices									
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	"Training and development (110), Community initiatives (122) 9.3% security personnel were collectively covered for ONGC and ONGC Videsh. 100% of MRPL security personnel were covered."					Principle-1, Principle-2	
Indigenous rights									
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	No such incidents were reported					Principle-1, Principle-2	
Assessment									
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	No such reviews or impact assessments were undertaken in FY'14.					Principle-1, Principle-2	
OG9	Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place.	Fully	No indigenous communities are present in the vicinity of any of our locations.					Principle-1, Principle-2	Section E: Principle 5 Human Rights

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
Remediation									
HR11	"Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms."	Fully	"Community initiatives (122) No grievances were filed"						
Social: Society									
Local communities									
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	All our operations have a long-term community engagement plan. No impact assessments were undertaken in FY14.						Section E: Principle 8-Inclusive Growth
SO9	Operations with significant potential or actual negative impacts on local communities.	Fully	None of our operations have any significant actual or potential negative impacts						
SO10COMM	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	None						
OG10	Number and description of significant disputes with local communities and indigenous peoples.	Fully	No significant disputes were recorded with local communities and indigenous people					Principle-1, Principle-2	Section E: Principle 5-Human Rights
OG11	Number of sites that have been decommissioned and sites that are in the process of being decommissioned.	Fully	None						Section E: Principle 5-Human Rights



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
Corruption									
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Monitoring and enabling systems (62-63)					Principle-10	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Monitoring and enabling systems (62-63)					Principle-10	
SO4	Actions taken in response to incidents of corruption.	Fully	Enabling systems (61)					Principle-10	Section E: Principle 1-Ethics, Transparency and Accountability
Public policy									
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	External sustainability commitments (49-50)						
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	No such contributions were made in FY14.						
Anti-competitive behavior									
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	None						Section E: Principle 9- Customer Value
Compliance									
SO8COMM	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	None						

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
Involuntary resettlement									
OG12	Operations where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process.	Fully	There were no instances of involuntary resettlements in the reporting period						
Asset Integrity and Process Safety									
OG13	Number of process safety events, by business activity.	Partially	Health and safety at work (118-120)	"Number of Tier 1 process safety events, include narrative per API RP 754 definitions and reported per business activity Number of Tier 2 process safety events, include narrative per API RP 754 definitions and reported per business activity"	Not available	While safety events are monitored and corrective actions taken across the group, currently they are not being categorized as Tier-1, Tier - 2 etc.	2018		
Social: Product Responsibility									
Customer health and safety									
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	Health and safety at work (116-121)						
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	There were no instances of non-compliances with applicable regulations relating to health and safety impacts of our products.						Section E: Principle 2- Products Life Cycle Sustainability



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow



Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
Product and service labelling									
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	100% of the group's products are compliant to product information requirements according to the applicable laws. These may include quality parameters including basic sediment and water (BS&W) for crude, lead or benzene or sulphur content in MRPL's products.						Section E: Principle 9-Customer Value
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	The group was fully compliant with the applicable standards laid down by the regulatory bodies in India (OSID) and countries where ONGC Videsh units operate						Section E: Principle 9-Customer Value; Section E: Principle 2- Products Life Cycle Sustainability
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Not			Not applicable	ONGC, MRPL and ONGC Videsh entities constantly engage with key customers on an ongoing basis. However, the information sought under PR5 are not monitored.	2018		Section E: Principle 9- Customer Value
Marketing communications									
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not			Not material	ONGC group complies to procedures or standards laid down (e.g., batch-wise test certificates for products) by the concerned authority in each country of operation (e.g., OISD in India).			

Application Level			A*		Assured by	DNV GL Business Assurance India Pvt. Ltd.			
Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure (Page No.)	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in	UNGC COP Element	BRR (SEBI)
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.	Not			Not material	There were no instances of non-compliances relating to product promotion and advertising.			
Customer privacy									
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not			Not material	There were no instances of customer data losses or privacy issues in the reporting period		Principle-8	
Compliance									
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Not			Not material	There were no instances of monetary or other penalties against the group companies in the reporting period			
Biofuels									
OG14	Volume of biofuels produced and purchased meeting sustainability criteria.	Not			Not material	No biofuels were produced or purchased by the group in the reporting period		Principle-8	



# ONGC Group

## Sustainability Report 2013-14

On the path to a sustainable tomorrow

