



Business Responsibility Report



BUSINESS RESPONSIBILITY REPORT

SECTION A

| General Information about the Company | | |
|--|---|---|
| 1 | Corporate Identity Number (CIN) of the Company | L11101MH2006PLC163934 |
| 2 | Name of the Company | Cairn India Limited |
| 3 | Registered address | 101, West View, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025 Tel +91 22 24338306, Fax +91 22 24311160 |
| 4 | Website | http://www.cairnindia.com |
| 5 | E-mail id | cilir@cairnindia.com |
| 6 | Financial Year reported | 2013-14 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | Division 06 - Extraction of crude petroleum and natural gas |
| 8 | List three key products/ services that the Company manufactures/ provides (as in balance sheet) | Cairn India produces only two products, viz. 1. Crude Oil 2. Natural Gas |
| Total number of locations where business activity is undertaken by the Company | | |
| 9 | Number of International Locations | <ul style="list-style-type: none"> Sri Lanka South Africa |
| 10 | Number of National Locations | <p>Cairn India produces crude oil and natural gas from the</p> <ul style="list-style-type: none"> RJ-ON-90/1 hydrocarbon block located in the districts of Barmer&Jalore in Rajasthan, PKG-M-1 block (Ravva) located off-shore, Suraisaniyanam, Bay of Bengal, Andhra Pradesh and CB/OS-2 (Suvali), located offshore, Suvali, Gulf of Khambhat, Gujarat. We also operate crude oil evacuation pipeline system that extends from Barmer (Rajasthan) to Salaya (Gujarat) which is presently being extended to the Arabian sea coast off Bhoghhat (Gujarat). <p>The company also utilizes its Natural Gas pipeline infrastructure to evacuate some of its natural gas from the Rajasthan block to a government nominated buyer in Gujarat.</p> |
| 11 | Markets served by the Company | <p>"Cairn India's crude oil customers include both Public Sector Units (PSU) refineries like - Indian Oil Corporation Ltd (IOCL), Hindustan Petroleum Corporation Limited (HPCL), Chennai Petroleum Corporation Limited (CPCL) as well as private refineries like Reliance India Limited (RIL) and Essar Oil Limited.</p> <p>Natural gas buyers are Gujarat Narmada Valley Fertilizers Company Limited (GNFC), GAIL (India) Ltd. and Gujarat Gas Co. Ltd. (GGCL) & CLP India Private Limited (CLPIPL)."</p> |

SECTION B

| Financial Details of the Company | | |
|----------------------------------|---|---|
| 1 | Paid up Capital (INR) | 19,076,298,710 |
| 2 | Total Turnover (INR) | 18,762 Crore |
| 3 | Total profit after taxes (INR) | 12,432 Crore |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 0.38% (47.6 Crore) |
| 5 | List of activities in which expenditure in 4 above has been incurred:- | <p>Cairn India CSR spend are classified in following 5 categories:</p> <ol style="list-style-type: none"> Health, Water & Sanitation – 27% Education – 12% Sustainable livelihood (Vocational skill development and non-farm) – 14% Sustainable Livelihood (farm-based) – 10% Construction of Cairn Center of Excellence (Vocational Training Center): 37% |

SECTION C

Other Details

1 Does the Company have any Subsidiary Company/ Companies?

Cairn India has five Joint Venture partnerships in India. These are with:

1. Oil and Natural Gas Corporation (ONGC), Cairn Energy Hydrocarbon Limited (CEHL) and Cairn India Limited (CIL) for RJ-ON-90/1 Block
2. ONGC, Tata Petrodyne Limited (TPL) and CIL for CB/OS-2 Block
3. ONGC, Videocon India limited (VIL), Rawa Oil Singapore (ROS) and CIL for Rawa Block
4. ONGC and CIL for KG-ONN-2003/1, and
5. ONGC, TPL and CIL for PR-OSN-2004/1 Block.

All subsidiaries of Cairn India are unlisted wholly owned foreign companies. These subsidiaries have their own Board of Directors having the rights and obligations to manage such companies in the best interest of the Company. The Company has its representatives on the Boards of subsidiary companies and regularly monitors the performance of such companies.

As on 31st March, 2014, the Company had 19 subsidiaries including indirect subsidiaries, as per details provided below. All these companies are 100% beneficially owned by Cairn India Limited.

1. Cairn India Holdings Limited, Jersey
2. Cairn Energy Holdings Limited, Scotland
3. Cairn Energy Hydrocarbons Ltd, Scotland
4. Cairn Exploration (No. 7) Limited, Scotland
5. Cairn Exploration (No.6) Limited, Scotland
6. Cairn Exploration (No. 2) Limited, Scotland
7. Cairn Energy Gujarat Block 1 Limited, Scotland
8. Cairn Energy Discovery Limited, Scotland
9. Cairn Energy Cambay B.V., Netherlands
10. Cairn Energy India West B.V., Netherlands
11. Cairn Energy Gujarat B.V., Netherlands
12. Cairn Energy Netherlands Holdings B.V., Netherlands
13. Cairn Energy Australia Pty Limited, Australia
14. CEH Australia Limited, British Virgin Islands
15. Cairn Energy India Pty Limited, Australia
16. CIG Mauritius Holding Private Limited, Mauritius
17. CIG Mauritius Private Limited, Mauritius
18. Cairn Lanka (Pvt) Ltd., Sri Lanka
19. Cairn South Africa Proprietary Limited, South Africa

Further, during the financial year under review, the following dormant susidiary companies were deregistered:

| S.No | Name of the Company & Country of Incorporation | Effective date of deregistration |
|------|---|----------------------------------|
| 1. | Cairn Petroleum India Limited, Scotland | 21 March, 2014 |
| 2. | Cairn Exploration (No.4) Limited, Scotland | 21 March, 2014 |
| 3. | Cairn Energy Cambay Holding B.V, Netherlands | 26 March, 2014 |
| 4. | Cairn Energy Gujarat Holding B.V, Netherlands | 26 March, 2014 |
| 5. | Cairn Energy India West Holding B.V, Netherlands | 26 March, 2014 |
| 6. | Cairn Energy India Holdings B.V, Netherlands | 26 March, 2014 |
| 7. | Cairn Energy Group Holdings B.V, Netherlands | 26 March, 2014 |
| 8. | Sydney Oil Company Pty Limited, Australia | 24 February, 2014 |
| 9. | Cairn Energy Investments Australia Pty Limited, Australia | 24 February, 2014 |
| 10. | Wessington Investments Pty Limited, Australia | 24 February, 2014 |
| 11. | Cairn Energy Asia Pty Limited, Australia | 31 March, 2014 |
| 12. | CEH Australia Pty Limited, Australia | 31 March, 2014 |

Other Details

| | | |
|---|---|---|
| 2 | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | <p>Cairn's Code of Business Ethics defines the company's approach towards responsible business. It is applicable to Cairn India Group (CIG), viz. Cairn India Limited and all its Subsidiary Companies. All entities under CIG abide by the Code of Business Ethics. Where applicable, the subsidiary companies support the 'Responsible Business' initiatives of the parent company. The Code of Business Ethics address areas like ethics, bribery, Health, Safety, Environment practices, Fair employment practices, and Regulatory Compliance.</p> <p>Cairn India also has specific Joint Venture partners for each of its blocks. The terms of the operating framework of the PSC define the role and responsibilities of the Joint Venture partners regarding Health, Safety and Environment (HSE) practices, ethics, regulatory compliance and human rights.</p> |
| 3 | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? | Cairn's suppliers/ contractors/ service providers are contractually bound to abide by Cairn's Code of Business Ethics and related performance standards. In this capacity they are involved & participate in the Business Responsibility initiatives of the company, as applicable |

SECTION D

Business Responsibility Information: Details of Director/Directors responsible for Business Responsibility

1 Details of the Director/Director responsible for implementation of the BR policy/policies

| | |
|-------------|-----------------------------------|
| DIN Number | 06475821 |
| Name | Elango Pandarinathan |
| Designation | Interim CEO & Whole Time Director |

2 Details of the BR head

| | |
|----------------------------|--------------------------------------|
| DIN Number (if applicable) | 06475821 |
| Name | Elango Pandarinathan |
| Designation | 1. Interim CEO & Whole Time Director |
| Telephone number | 2. 0124 4593000 |
| e-mail id | 3. Elango.P@cairnindia.com |

Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

| | Question | Response | | | | | | | | |
|---|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | Principle 1 | Principle 2 | Principle 3 | Principle 4 | Principle 5 | Principle 6 | Principle 7 | Principle 8 | Principle 9 |
| 1 | Do you have a policy/policies for.... | Y | Y | Y | Y | Y | Y | N | Y | Y |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| 3 | Does the policy conform to any national / international standards? If yes, specify? (50 words) | Y | Y | Y | Y | Y | Y | NA | Y | Y |

Cairn India's policies have been formulated over time after taking into consideration several international standards, conventions and best practices, like Oil & Gas Producers Forum, IFC Performance Standards, Global Reporting Initiative Framework, ISO Quality and Environmental Management Systems, ILO Standards, Foreign Corrupt Practices Act, Sarbanes-Oxley Act, among others.



Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

| | | | | | | | | | | |
|----|--|--|---|---|---|---|---|----|---|---|
| 4 | Has the policy being approved by the Board? | Y | Y | Y | Y | Y | Y | NA | N | N |
| 5 | Is yes, has it been signed by MD/owner/CEO/appropriate Board Director? | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| 6 | Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| 7 | Indicate the link for the policy to be viewed online? | http://cairnindia.com/sustainability http://cairnindia.com/investors/corporate-governance/code-business-ethics | | | | | | | | |
| 8 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| 9 | Does the company have in-house structure to implement the policy/policies. | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| 10 | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| 11 | Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency? | Y | Y | Y | Y | Y | Y | NA | Y | Y |

If answer to S.No. 1 against any principle, is 'No', please explain why:
Please refer to the response provided in Section E, Principle 7.

Governance related to BR

| | | |
|---|--|--|
| 1 | Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. | The Board of the Company meets every quarter to assess the business and financial performance of the company. Video/tele-conferencing facilities are also provided to enable Directors to participate in Board meetings. As part of Board deliberations, it also discusses among other points, business responsibility issues. The BR performance of the company is compiled every year in the BR report, which forms a part of the Annual report, and is placed before the Board of Directors for their approval. |
| 2 | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | <p>Cairn India Limited has published its first Sustainability Report for FY 2012-13 based on GRI G3.1 Guidelines. The report is published on an annual basis and is available at: http://www.cairnindia.com/sites/default/files/Sustainability_Report_2012_2013.pdf</p> <p>The Sustainability Report of the Company also addresses the principles related to business responsibility as defined in the National Voluntary Guidelines (NVG) guidelines.</p> <p>Cairn India also produces a Business Responsibility Report in accordance with SEBI guidelines and forms a part of the Annual Report.</p> |



Healthcare initiatives as part of community engagement at Rajasthan

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 – Ethics, Transparency & Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/ NGOs /Others?

Cairn India's Code of Business Ethics, governs the manner in which the company carries out its activities and interacts with its stakeholders. It extends to the entire Group, Joint Ventures, Suppliers, Contractors, Business Partners and all other associated entities. The provisions of this Code are a mandatory condition for employment, contract, or business relationship with Cairn India and among other things cover ethics, bribery and corruption.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details

thereof, in about 50 words or so.

We received a total of 1,337 queries/ complaints from shareholders of the Company during April '13 to March '14, out of which a total of 16 complaints were related to ethics, bribery and corruption. Shareholders' complaints were related to non-receipt of annual report, dividend etc. and were resolved successfully. Among the complaints related to ethics, bribery and corruption, 11 have been resolved satisfactorily through appropriate grievance redressal mechanisms. The 5 remaining complaints are still under investigation

Principle 2 – Sustainable Products and Services

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Cairn India is an Oil & Gas Exploration & Production company, producing only processed Crude Oil and Natural Gas. While we recognize the limitation of incorporating environmental and social

design concerns in the composition of our products, we ensure that best-in-class practices are followed while designing and operating our processing facilities and transportation infrastructure.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

i. Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?

Cairn India carries out its business with the prime objective of optimizing resource use. The associated gas from the well-fluid processing is separated and used for captive power generation ensuring that flaring of excess gas is minimal. The processed crude oil is transported to the buyers through a heated, insulated and buried pipeline using state-of-art technology. This ensures minimal environmental impact due to crude transportation.

Cairn's average energy consumption

during FY 13-14 for production operation was 1.452 GJ per Ton of Crude equivalent produced, compared to last year's value of 1.42¹ GJ per Ton of Crude equivalent produced. Cairn's fresh water consumption for FY 13-14 was 115,584 cubic meters as compared to 98,995 cubic meters consumption last year.

During FY13-14, Cairn's flaring intensity reduced to 2.18 T of natural gas per 1000 T of HC produced, from last year's value of 3.90² T of natural gas per 1000 T of HC produced. The global average for exploration and production upstream operation the OGP report for exploration & production industry for year 2012 is 13.9 T of gas per 1000 T of HC produced

During FY13-14, Cairn's flaring intensity reduced to 2.15 T of natural gas per 1000 T of HC produced, from last year's value of 3.87 T of natural gas per 1000T of HC produced. The global average for exploration and production upstream operation the OGP report for exploration & production industry for year 2012 is 13.9 T of gas per 1000 T of HC produced

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Cairn's operations are Business-to-business (B2B) with no direct interaction with the product's end consumers.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Water is a critical input resource for our operations. The company undertakes several measures to ensure sustainable usage built on the principles of reduce, reuse and recycle. Key to our efforts

is sourcing a majority of our water requirement from sub-surface water, which is saline in nature. More than 99% of all our water needs are fulfilled by this saline water.

Our operations are designed to incorporate:

- The majority of our freshwater requirements are met by the desalination of saline water.
- The treated produced water and the reject from the desalination process is commingled with the injection water for re-injection into the oil reservoir, thereby avoiding any surface discharge of wastewater in our Rajasthan operations. There is some discharge of treated produced water into the sea for our Ravva operations.
- Water efficiency through the installation of Drip Irrigation at Mangala and Rageshwari

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Cairn India has a "local content" policy to encourage good, services and employment to the local community near our area of operation. All major tenders have condition that require a majority of unskilled labour to be sourced from the local community, subject to availability and requirement. Vendor from local communities are developed through Quality and HSE training and provided preferences on certain tenders. More than 600 vendors from local area (near our operation) is registered with us and from whom we procure \$150M worth of goods and services. During FY13-14 49% of the total procurement spend was on domestic suppliers of which 15% is from vendors near our area of operation.

In addition, specific efforts are made to improve employability of the local community through skill development initiative. 950 individuals from the local communities were provided skill development and vocational training out of which 760 people were linked to employment.

Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Cairn India recycles the by products resulting from its operations.

- The well fluid from the sub-surface reservoir comprises of crude oil, water (produced water) and natural gas (associated gas). The produced water is the most significant liquid waste from Cairn India's operations. It is treated and recycled back into the hydrocarbon reservoir to maintain the reservoir pressure. During FY 13-14, Cairn India recycled about about 96% of the produced water.
- Drill cuttings and drilling mud are significant solid wastes generated from Cairn's operations. The drilling process is designed to reuse the drilling mud and thereby reduce the volume of waste drilling mud. The drill cuttings and waste mud are stored in lined and concrete paved pits. During FY 13-14, Cairn obtained regulatory approval to co-process the above waste for use as raw material by the cement industry. Currently, operationalizing the initiative in underway.
- The crude oil that does not meet buyer specification is automatically routed for re-processing and thus there is no generation of waste product.
- The spent lube oil and other oily wastes are disposed/ recycled through government approved recyclers.

¹ This number has been corrected. Last year we reported energy intensity to be 1.12 GJ/ Ton of Crude Equivalent Produced

² This number has been corrected. Last year we reported flaring intensity to be 4.5 T/000 Ton of Crude Equivalent Produced

Principle 3 – Employee's Wellbeing

| Employees' Well-being | | |
|-----------------------|---|----------------|
| 1 | Total number of employees. | 1,643 |
| 2 | Total number of employees hired on temporary/ contractual/ casual basis. | 7,696 |
| 3 | Number of permanent women employees. | 145 |
| 4 | Number of permanent employees with disabilities | Not tracked |
| 5 | Do you have an employee association that is recognized by management? | No |
| 6 | What percentage of your permanent employees is members of this recognized employee association? w | Not Applicable |

Details of the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

| Category | No of complaints filed during the financial year | No of complaints pending at end of the financial year |
|---|--|---|
| Child labour/ Forced labour/ Involuntary labour | 0 | 0 |
| Sexual harassment | 2 | 2 |
| Discriminatory employment | 0 | 0 |

Percentage of your under mentioned employees were given safety & skill up-gradation training during 2013-14

| Category | Skill Up-gradation Training | Safety Training |
|--|-----------------------------|---|
| Permanent Employees | 80% | All employees undergo the required safety trainings on an ongoing basis |
| Permanent Women Employees | 93% | |
| Casual/Temporary/Contractual Employees | Not Tracked | |
| Employees with Disabilities | Not Tracked | |

Principle 4 – Stakeholder Engagement

1. Has the company mapped its internal and external stakeholders?

Cairn had carried out a formal mapping/ identification of its stakeholders (both internal and external) in FY 12-13. With there being no significant change in the company's operation, its stakeholders remain the same as identified earlier. Further, each function of the company identifies and engages with its relevant stakeholders on an ongoing basis.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, Cairn's India has identified the disadvantaged, vulnerable & marginalized stakeholders in its area of operations. These include, among others, project affected people, land contributors, local resident / villagers, women & children, and persons with disabilities

Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Cairn India has paid due attention towards those sections of the local

communities, which are disadvantaged, vulnerable & marginalized. Methods are initiated for open communication and their needs are considered while designing community development initiatives. This is carried out through continuous interaction and engagement with the stakeholders through appropriate channels and platforms, such as public hearings, surveys, focus group discussions, and most importantly through regular interactions during the course of implement our social programmes. These include programmes to improve health service delivery, improvements to quality of education in rural schools, skill development and economic livelihood, and improvement of

the infrastructure.

SHAREHOLDERS' SATISFACTION SURVEY

The Company has sent feedback forms seeking shareholders' views on various matters relating to investor services and information sharing. The feedback received from the shareholders was placed before the Shareholders'/Investors' Grievance Committee. The Company noted the suggestions of shareholders and will endeavor to implement wherever required and feasible.

Principle 5 – Protecting Human Rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors /NGOs/Others?

Cairn India, through its Code of Business Ethics, has endeavored to extend its value system regarding human rights, among other aspects, throughout its value chain. Cairn India's is currently in the process of understanding its vendor's human rights practices. Cairn is also carrying out vendor capacity building exercises in Rajasthan on topics of Human Rights, among other topics.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

In FY2014 we received no human rights related complaints from our external stakeholders. Two sexual harassment complaints were received from our employees, which have been satisfactorily resolved.

Principle 6 – Reducing Environmental Impact

1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/

Contractors/ NGOs/ others.

Cairn's vendors, contractors, third-party man power, and suppliers are required to comply with its HSE requirements. Compliance to the policies is a mandatory part of the tender conditions and major non-compliance entails disciplinary action against defaulters. Cairn carries out capacity building exercises and further extends support to vendors to help them improve their Health, Safety and Environmental (HSE) performance.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Cairn India has formalized a Sustainability Policy and nominated a Sustainability Steering Committee to drive its sustainability agenda, which among other things, reflects Cairn's resolve to address global environment issues. Cairn has also voluntarily undertaken Sustainable Development (SD) Goals, such as reduction in GHG (Green House Gas) emissions from its operations, investment in renewable energy technologies, and conservation of water.

Cairn hosted the Global HSE Conference in FY2014 to deliberate, discuss, and bring focus to industry best practices on Health, Safety, Environment and Sustainability. The conference was attended by a global group of experts, industry peers, regulators, suppliers and contractors.

The company also conducted a water & wastewater management workshop to understand upcoming technologies, in order to improve our water management and handling of our wastewater streams.

3. Does the company identify and assess potential environmental risks?

Yes, Cairn follows a structured process of identifying and addressing environmental

risks. Such risks are regularly identified and assessed through the following:

- Environment Impact Assessment (EIA) Studies carried out by independent expert agencies to identify risks and develop appropriate environment and social management and monitoring plans.
- Audits by independent, external agencies.
- Integrated HSE audit carried out by an independent internal audit team.
- Hazard Identification (HAZID), Hazard Operability (HAZOP) and Project HSE Review (PHSER) are carried out as part of designing and establishing any new project or carrying out any major modification.
- Compliance to the Gated process during the project life-cycle.

During FY13-14, as part of the company's expansion activities, Cairn undertook three EIA studies and public hearings activities. Two of these were conducted in the Rajasthan block and the third in the Ravva block.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Cairn has not applied for any projects under the Clean Development Mechanism. However, Cairn India has been active in reducing its GHG emissions in all its operating sites by implementing measures to compress the low pressure gas to maximize gas recovery and reduce flaring.

During FY2014, in the Rajasthan Mangala Terminal further initiatives have been undertaken to use the excess gas as fuel in new boilers. The terminal has also installed additional gas recovery packages and is progressing on projects to commercialize the sale of excess gas.

During FY 13-14, CB/OS-2 implemented

vapor balancing and nitrogen blanketing for Crude Oil Storage Tanks; this will reduce GHG emissions and minimize natural gas consumption.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

During FY 13-14, Cairn has undertaken many initiatives to increase the share of renewable energy in its energy consumption, some of which are as follows:

- Installed solar-powered lighting at well-pads and offshore platforms
- Carried out feasibility study for generating power from Solar Photovoltaic (PV) technology at MPT and RGT
- Installed light sensitive timers to reduce energy consumption
- Initiated Solar Home Project for 500 households in partnership with K-energy and Rajasthan Renewable Energy Corporation (RREC).
- Ravva Asset has purchased Renewable Energy Certificates (REC) to be in compliance with Renewable Power Purchase Obligation (RPPPO).

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None

Principle 7–Responsible Policy Advocacy

1. Is your company a member of any trade and chamber or association? If Yes, name only those major ones that

your business deals with.

Cairn India is a member of several industry associations through which it interacts with its peers and discusses key issues in Oil & Gas sector. The major associations which Cairn India is a part of are:

- Association of Oil & Gas Operators (AOGO)
- Federation of Indian Chambers of Commerce & Industry (FICCI)
- Associated Chambers of Commerce & Industry of India (ASSOCHAM)
- Confederation of Indian Industries (CII)
- Petroleum Federation of India (Petrofed)
- International Association of Oil & Gas Producers (OGP)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

If yes, specify the broad areas. (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

As a company policy, Cairn India does not engage in any covert lobbying for issues of corporate interest. However, since it operates in a highly regulated industry, Cairn India needs to interact with the Central and State governments at different levels.

Cairn has mapped and assigned responsibilities for its officials for interaction with each level of government and any interactions are carried out strictly under the overview of the Management.

Cairn India actively engages with the above mentioned associations, specifically for the policy formulation / advancement / improvement of public good and national interest towards Energy Security, Sustainable Business Principles, Governance and Administration and Inclusive Development.

Principle 8 – Inclusive Growth & Equitable Development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Cairn India has the following policies that support inclusive growth and equitable development:

- Sustainability Policy
- PSCM (Local Content) Policy
- HSE Policy
- CSR Policy
- Group CR (Corporate Responsibility) guiding principles

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Cairn India engages with NGO's, government departments/bodies and other third party agencies along with its own teams to ensure that Cairn achieves success in effectively translating the company's vision of promoting inclusive growth successfully.

3. Have you done any impact assessment of your initiative?

Cairn India regularly conducts impact assessment studies for its community development activities/initiatives across its operations. The feedback from these studies serves as an input in planning Cairn's future course of action on CSR.

4. What is your company's direct contribution to community development projects–Amount in INR and the details of the projects undertaken?

Cairn spent INR 47.6 Crores towards community development projects in FY2014. The distribution of CSR spend is as follows:

- Health, Water & Sanitation – 27%
- Education – 12%
- Sustainable Training & Vocational



Onshore terminal, Ravva

Skills (Non-Farm Based) – 14%

- Sustainable Livelihood (farm-based) – 10%
- Construction of Cairn Center of Excellence (Vocational Training Center): 37%

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Cairn conducts consistent engagement and interaction with the community to ensure that the initiatives undertaken are successfully implemented and addresses specific needs of the community.

To plan, implement, and monitor community development strategies and initiatives, a dedicated, cross-functional steering committee located in Barmer has been appointed. This committee authorizes/ carries out audits and field visits to measure the effectiveness of the initiatives undertaken. This regular interaction, allows for improvisation of ongoing initiatives while also serving as an input in planning Cairn's future course of action.

Principle 9 – Providing Value to Customer

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

None. Cairn India has KPI that ensures that all customer complaints are resolved within 48 hours.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

Cairn India operates in a highly regulated industry with stringent quality and safety specification for its products (processed Crude oil and Natural gas). As a part of which, Cairn India provides detailed MSDS (Material Safety Data Sheet) to all its customers.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No. The Cairn crude oil pricing formula is approved by the Government of India and most sales are at an arms-length. The government nomination and the private seller contracts are revised annually. Any un-nominated oil is sold to private parties based on mutually negotiated price.

Did your company carry out any consumer survey/ consumer satisfaction trends?

In the case of crude oil, at the point-of-sale, Cairn conducts a daily audit of quality. This audit is conducted by the Joint Surveyor, comprising of a representative each from Cairn India, the buyer and a third party. Any disputes that might arise are resolved by a third party mediator.

Apart from this, Cairn ensures that daily sample of the products are kept for reference requirements, which might come up in the future. Cairn also carries out regular checks for testing the integrity of the product pipelines through standard pipeline inspection methods, hardware testing, volumetric calibration and checks through sampling ports.