



Transforming TOMORROW,  
TODAY.





**Dhirubhai H. Ambani**  
Founder Chairman

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## Sustainability Report 2008-09

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## Strategy Pillars

### p34 Energy Security



As an integrated energy company we intend to secure energy supplies in the country

GRI G3: EC2, EC9, EN3, EN4, EN5, EN6, EN7, EN16, EN17 and EN18

UNGC: Principle 7, 8 and 9

### p37 Growth Through Innovation



We strive to innovate and provide world class quality and safety at affordable rates

GRI G3: EN2, EN5, EN6, EN7, EN10, EN18, EN26 and PR1

UNGC: Principle 8 and 9

### p39 Health and Safety



We strive to bring about a positive change and continual improvement in occupational health and safety practices at the workplace

GRI G3: LA6, LA7, LA8, LA9

UNGC: Principle 1

### p41 Environment



We recognize the challenges faced by Oil and Gas sector and its impact on the environment

GRI G3: EC2 and EN1 – EN 30

UNGC: Principle 7, 8 and 9

### p44 Product Responsibility



We work towards adopting a life cycle approach and evaluating the product impacts on the environment across its value chain

GRI G3: EN26 and PR1 - PR9

UNGC: Principle 8 and 9

### p47 Social Institution Building



We work towards improving the quality of life, especially of the people from the under-privileged segment of the society

GRI G3: EC8, LA1, LA2, LA4, LA10, HR5, HR6, HR7, SO1 AND SO6

UNGC: Principle 1 - 6 and 10



# Transforming TOMORROW, TODAY

The present moment is a seed which transforms into flowers of tomorrow. Our roots lie in consciously developing and nurturing relationships across the entire range of stakeholders. This relationship, trust and commitment to stakeholder interest and the warm reciprocal of the same by the stakeholders has transformed Reliance into a robust, resilient and sustainable organisation.

We, at Reliance Industries Limited (RIL), actively integrate stakeholder goals with our own and then pursue them collaboratively. This approach helps us understand pertinent issues for the future, develop our businesses, enhance shareholder value and manage risks better thereby touching lives and Transforming Tomorrow, Today.

One cannot escape the responsibility of tomorrow by evading it today. It is our constant endeavour to remain at the forefront of energising India and be the catalyst for bringing about tomorrow's transformation, today.

Our manufacturing divisions utilise energy resources in a responsible and efficient manner with a focus on productivity improvement measures that result in the reduction of energy consumption.



We are today committed to promote energy efficiency as much as controlling Green House Gases (GHG) and continue to initiate a number of Clean Development Mechanism (CDM) projects.

Our new refinery, one of the most complex in the world, has the capability of producing ultra low sulphur and environment-friendly auto fuels.

Our exploration & production of oil & gas business enables energy security for India and, more importantly, promote gas as a green fuel.

India's economic growth demands huge energy and the imperative is to secure energy sources for tomorrow, today.

It is our ambition to transform the lives of millions of Indians, tilt the energy balance in India's favour and, above all, increase the share of gas as a green fuel.

We are also looking at alternate energy – solar energy in particular.

We are convinced that solar energy can transform rural lives in India, where electricity is a luxury.





We have a long and strong tradition of supporting the larger communities that we connect with – from education, health, drinking water, large-scale development of employable skills, to assistance during natural calamities such as earthquakes and cyclones.

We strongly believe that we can, and should, do much more. This effort will bring into play RIL's strengths of strategic planning, meticulous detailing and flawless execution on a large format.

With these perspectives, RIL Chairman & Managing Director, Shri Mukesh D. Ambani announced the launch of 'The Reliance Foundation'.

We envisage The Reliance Foundation to become one of the foremost professional philanthropic organisations in the world.

It is our deep desire to bring cheer into the lives of millions of Indians.

The best of India is yet to come.

And, the best of Reliance is yet to come.

And yes, we are in a hurry.

After all we are Transforming Tomorrow,  
Today.

*Panoramic view of the new 580,000 Barrels  
Per Stream Day (BPSD) Refinery at the Jamnagar SEZ.*





*“What is good for INDIA  
is good for the WORLD.”*

## | **CMD's** Message

This year was challenging yet transformational for us. The global economic and financial crisis we faced has brought the wider challenges of what it means to be a sustainable business into spotlight. Despite this crisis, we delivered record revenues and net profits. We remained focused on securing energy supply while improving efficiency and building renewable energy portfolio.





We commissioned the new refinery at Jamnagar with Nelson Complexity index of 14.00 enabling processing of heavy crudes and production of superior products, which meet specifications exceeding Euro IV standards. The new refinery catapults RIL into the league of largest refiners globally, both in terms of complex refining capacity and earning potential.

Further, with the successful commissioning of KG-D6 oil and gas fields we became one of the world's largest deepwater oil and gas operators, doubling India's indigenous gas production. The emergence of this reliable, eco-friendly energy source will enable India to take giant strides towards ensuring its energy security and fuelling growth in core sectors.

With improved hydrocarbon availability, we will enhance millions of lives through easy availability of cooking gas for households, electricity for the common man and meet growing transportation needs in an eco-friendly manner.


While ensuring clean energy, we continued our efforts to understand better and manage our own impacts on environment. The focus of our work on environmental issues primarily addressed the risks and opportunities associated with energy and climate change, management of waste and product responsibility. We have taken progressive stand in climate change with a particular focus on improving energy efficiency and reducing continuous flaring of gas.

Improving safety performance remains a top priority. We continue to devote considerable time, resources and efforts to re-emphasise safety as a core value in all our employees and strengthen the safety management systems.


Our sustainability strategy sets out the overall direction for us, to grow and manage our businesses in order to deliver value to our stakeholders. It emphasises the importance of partnership with our stakeholders, transparency and mutual value creation, which form the basis of the culture we foster throughout the group.

Innovation is the key for our growth and we aspire to be the most innovative and globally connected organisation in our sector. Research & Development and technology development are integral to our innovation agenda and we are continuously engaged in emerging technologies such as fuel-cells, solar energy, bio-fuels and gasification.

It is our people who drive the innovation agenda and our responsibility is to offer them a challenging, rewarding and exciting work environment and career opportunities. We



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have implemented innovative career management programmes for high-potential leaders, through multi-faceted careers and world-class training programmes. Our efforts are aimed at attracting and retaining top talent to realise our strategy milestones and we continue to be one of the Top10 employers of choice in India.

Our growth story is intricately tied to India's social and economic development. Despite several decades of impressive development, India has many infirmities and challenges in human development. Inclusive and sustainable development is a sacred obligation for every institution in the country. For the business community, it is more than an obligation – it is recognition of our enlightened self-interest.

We have a long and strong tradition of supporting the larger communities that we connect with – from education, health, drinking water, large-scale development of employable skills, to assistance during natural calamities such as earthquakes and cyclones.

I strongly believe that we can, and should do, much more. I also believe that this effort has to bring into play RIL's strengths of strategic planning, meticulous detailing and flawless execution on a large format. With these perspectives, we launched 'The Reliance Foundation'.

The foundation would be endowed with an initial contribution of Rs. 5 billion from RIL and rapidly scaling up to Rs. 10 billion.

We have been making significant efforts in nation building through wealth creation, employment generation, exports and energy security. The Reliance Foundation would aim to make a similar contribution through meaningful, innovative and effective activities in the social development sphere.

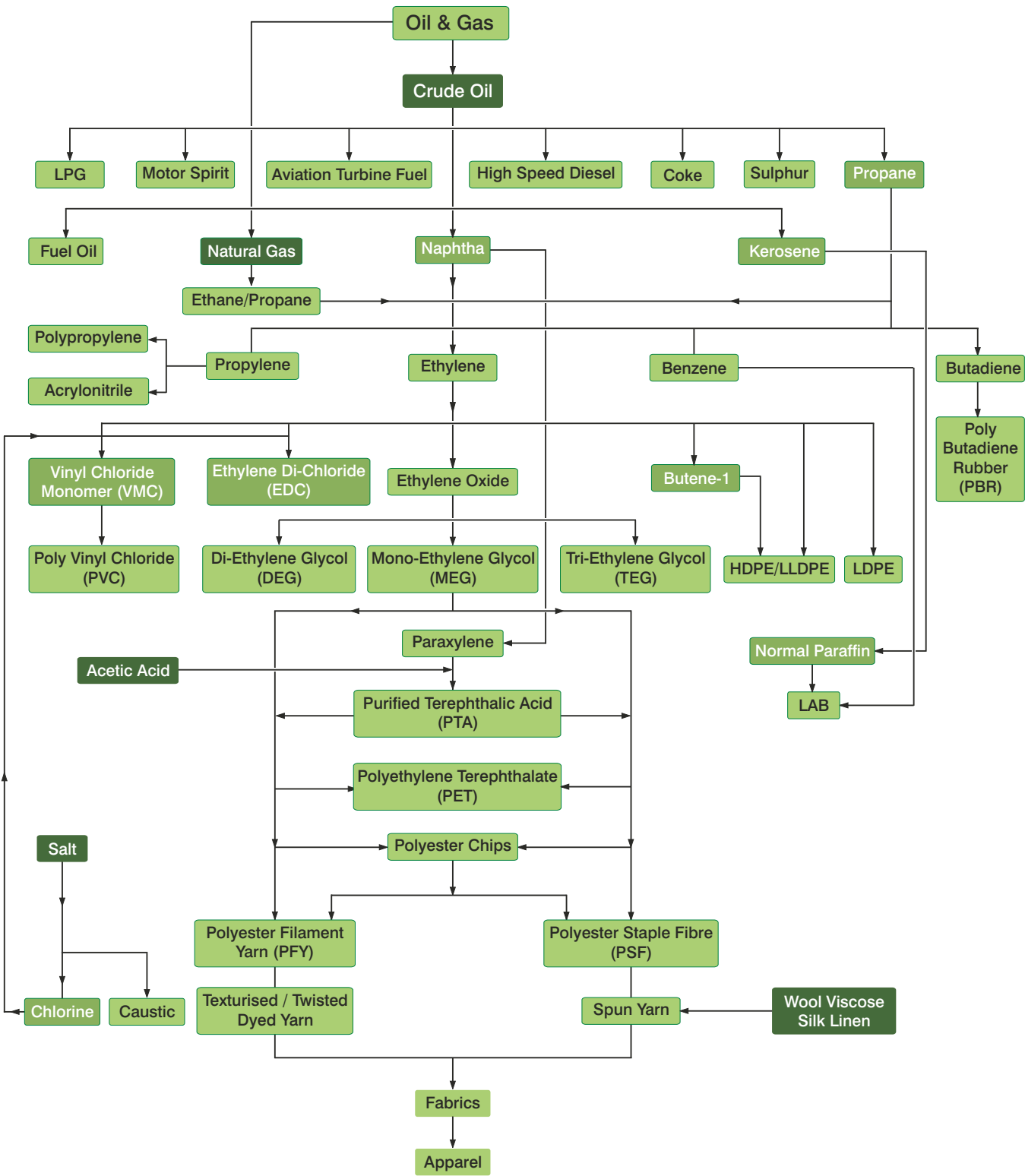
Though we have received several international accolades for being an environmentally conscious and socially responsible company and are proud of our progresses, we will continue to further embed sustainability in our management decisions. We are well positioned to transform the energy landscape of India and remain highly optimistic about our future.

Yours Sincerely,



**Mukesh D. Ambani**  
Chairman & Managing Director  
January 22, 2010

# Product Flow Chart





# Company Profile

We are India's largest private sector company with footprints in exploration & production of oil & gas, petroleum refining and marketing, petrochemicals (polyester, fibre intermediates, polymers and chemicals), textiles, retail and special economic zones (SEZ).

We are the first private sector company from India to feature in the Fortune Global 500 list of 'World's Largest Corporations' and rank 117<sup>th</sup> amongst the world's Top 200 companies in terms of profits. We rank 75<sup>th</sup> in the Financial Times' FT Global 500 list of the world's largest companies. We are rated as the 15<sup>th</sup> 'Most Innovative Company in the World' in a survey conducted by the US financial publication-Business Week in collaboration with the Boston Consulting Group (BCG).

We have been ranked as the 5<sup>th</sup> sustainable value creator globally by BCG in their report on the Top 25 sustainable value creators that have been most successful at attaining superior value creation over a longer period of time. Further, amongst 'India's 10 largest companies by market capitalisation', International Finance Corporation (IFC) [World Bank Group] has rated our Sustainability Report's reporting quality as "good" – the highest rating given in this report, in 2009.

Along with our subsidiaries, we continue to be India's largest exploration acreage holder in the private sector. Our domestic portfolio comprises 30 percent interest in Panna-Mukta and Tapti (PMT) fields, 31 exploration blocks awarded under the New Exploration Licensing Policy (NELP) and Pre-NELP licensing rounds and 5 coal bed methane (CBM) blocks. The total domestic acreage is 325,000 sq KMS. In FY 2008-09, we farmed out 25 percent participating interest in Block K in East Timor. We, now, have 14 blocks in our international portfolio including 3 in Yemen (1 producing and 2 exploratory), 2 each in Oman, Kurdistan and Colombia, 1 each in East Timor and Australia, with total acreage of 99,000 sq kms.

We commenced production of gas and hydrocarbons from KG-D6 block in FY 2008-09, which has contributed significantly towards achieving India's energy security.

We operate two of the world's largest and most complex refineries. With 1.24 million barrels per day (MBPD) of crude processing capacity, we are the largest refiners at any single location in the world. The addition of the new refinery has transformed 'Jamnagar' into the 'largest refining hub of the world'. Further, we are among the Top 10 private sector refining companies, globally, owning 25% of world's most complex refining capacity.

We are the largest producer of Polyester Fibre and Yarn, 4<sup>th</sup> largest producer of Polypropylene (PP) and Paraxylene (PX), 6<sup>th</sup> largest producer of Purified Terephthalic Acid (PTA) and 7<sup>th</sup> largest producer of Mono Ethylene Glycol (MEG).

For over three decades, VIMAL, our flagship brand enjoys the distinction of being one of most trusted brands of premium textiles in the country. Our textile division added clients in auto textiles and is now a significant supplier to major automobile manufacturers in India. We continued with our foray in the defence, police, and paramilitary services by supplying specialised fabrics for their applications.

For further information on company operations, products, services, brand and group and subsidiaries pl refer RIL Annual Report for FY 2008-09, available on <http://www.ril.com>



# Report Scope

We are in the fifth year of reporting on our triple bottom-line performance.

We started our journey from understanding our position on sustainable development, knowing our stakeholders better and carefully planning the path forward. Last year, we defined our vision, mission and values and rolled out our sustainability strategy. We have commenced implementing this strategy as detailed in this report.

## Report Boundary

This report aims to provide reliable and balanced information on our sustainability performance for the FY 2008-09. The report covers our manufacturing divisions located at Allahabad, Barabanki, Dahej, Hazira, Hoshiarpur, Jamnagar, Jamnagar SEZ, Nagothane, Nagpur, Naroda, Patalganga, Silvassa and Vadodara; Exploration and Production of Oil & Gas business; business divisions such as: Chemical, Fibre Intermediates, Polyester, Polymers, Petroleum, Solar and Bio-fuels; Supply & Procurement; Dhirubhai Ambani Foundation and Reliance Rural Development Trust.

## Inclusiveness

We have reported our triple bottom-line performance on the basis of our sustainability strategy. Priority has been given to topics and indicators that are material to us and are of particular interest to our stakeholders. We determined the materiality of specific topics and indicators based on guidance in the GRI G3 Reporting Guidelines and taking into account a number of internal and external considerations, including:

- United Nations Global Compact Principles on Environment, Human rights and Corruption
- Challenges facing our sectors, identified through secondary research
- Our commitment to industry standards, such as International Petroleum Industry Environmental Conservation Association (IPIECA)
- Our key sustainability challenges identified through our risk management process
- Our core values and our sustainability policies
- Our internal management system

We believe the report will be of most interest to our employees and contractors, shareholders, the financial community, our suppliers and customers, NGOs and general public.

## Global Reporting Initiative Guidelines (GRI)

This report has been drafted in accordance with the Global Reporting Initiative's G3 guidelines and conforms to A+ application level check. The report has been checked independently by KPMG, India and the GRI. We are Organisational Stakeholders of GRI.

## United Nations Global Compact (UNGC) principles on Human Rights, Environment and Corruption

The scope of the report has evolved since we started reporting in FY 2004-05. From FY 2006-07, we presented the report with linkages to UNGC principles and this year we are presenting detailed performance on these principles and their

relevance to our activities. Though we are not signatory to UNGC principles, we have endeavoured to ensure that our report coverage is sufficient to report on our communication on progress keeping with UNGC principles, which seek to achieve the highest standards for return on investments to shareholders along with performance in sustainability.

The commitment towards ethics and transparency, set forth in the values that guide our company, provides assurance to stakeholders and guidance in their decisions according to UNGC principles.

#### **American Petroleum Institute / International Petroleum Industry Environmental Conservation Association (API / IPIECA) guidelines**

From FY 2006-07, we presented the report with linkages to API / IPIECA indicators. We continue to report on these indicators, which provide guidance on voluntary disclosure for the oil and gas sector. The majority of these indicators are consistent with the indicators used by the GRI in the G3 Sustainability Reporting Guidelines. We have raised greater awareness concerning API / IPIECA indicators and their relevance to our businesses among a large number of employees.

Throughout the reporting period, we have revisited our strategic vision on sustainability, identifying opportunities for improvement and the main courses of action to be adopted, keeping in mind the sustainability challenges placed before the company.

#### **World Business Council for Sustainable Development (WBCSD) Development Focus Area**

Being a WBCSD Council member and as a responsible corporate citizen, we go beyond corporate philanthropy and assume a larger role in society. This year's theme "Transforming Tomorrow, Today" strongly advocates WBCSD's belief "Business is good for development and development is good for business". Our sustainability strategy is built around this philosophy and directs us towards investing in economic and social progress while preserving the environmental resources on which our ecosystems depend.

We value your suggestions and invite your feedback on this report. Please e-mail your suggestions/views/opinions to Shri Rohit Rao at [sustainability.report@ril.com](mailto:sustainability.report@ril.com)

#### **Forward-looking Statements**

*This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to statements about the company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.*





## Our Vision,

Through sustainable measures, create value for the nation, enhance quality of life across the entire socio-economic spectrum and help spearhead India as a global leader in the domains where we operate.

## Mission,

- Create value for all stakeholders
- Grow through innovation
- Lead in good governance practices
- Use sustainability to drive product development and enhance operational efficiencies
- Ensure energy security of the nation
- Foster rural prosperity

## Values

Our growth and success are based on the ten core values of Care, Citizenship, Fairness, Honesty, Integrity, Purposefulness, Respect, Responsibility, Safety and Trust.





*Dhirubhai-1, India's first Floating Production Storage Offloading (FPSO) vessel, located in the KG-D6 block of the east-coast of India.*



## Sustainability Strategy and Roadmap

Our sustainability strategy sets out the overall direction for us, to grow and manage our businesses in order to deliver value to our stakeholders. It emphasises the importance of partnership with our stakeholders, transparency and mutual value creation, which form the basis for the culture we foster throughout the Group.

For us, robust governance and the integration of sustainable development into our strategy, business planning, risk management and day-to-day operations allows us to minimise risks and seize opportunities to create value.

Our approach to sustainability is aligned with the 'principles of materiality' and we have identified six material issues, which are important for the long-term success of our business. Each of these issues is seen as being of particular interest to one or more of our key stakeholder groups, and each issue has a direct bearing on the continuing sustainability both of the company itself and the communities within which we operate. Materiality sets the tone for risk management and we have worked to integrate material issues into our strategy, business plans, operational management and day-to-day activities.

To achieve our strategy objectives and deliver value to our stakeholders over the long term, our emphasis is on reducing risks. We believe that operating to leading standards of health, safety and environmental management, contributing to the development of sustainable communities and engaging with our stakeholders in a two-way open dialogue, regardless of our location, offers us a source of real competitive advantage.



## Tools for Supporting the Strategy

### Sustainability management system

The deployment of the system is part of an improvement programme that consists of target setting and performance assessment. The approach chosen by us draws on the GRI guidelines on transparency API / IPIECA and UNGC frameworks

### Dialogue with stakeholders

We identify the expectations of the stakeholders affected by our activities, mainly through customer and employee satisfaction surveys, questions raised at shareholder meets, supplier meets, consultations with local communities, the evaluation and negotiation of contracts, etc. The dialogue established and resulting feedback allow us to adapt our practices to the present and future expectations of our stakeholders.

DISCUSSION ON MATERIALITY	
Energy Security	Securing energy supplies safely lies at the heart of our business. We are investing in technology and R&D to maximise yield fossil fuel resources, increase our renewable energy portfolio and meet the ever increasing energy demand.
Health and Safety	We are fully committed to improve our health and safety performance. Our board sponsored HSE committee drives HSE improvement projects across manufacturing locations. We are investing in our people and technology to improve safety performance with a focus on behavioural and process safety.
Corporate Governance & Transparency	We have a strong value system within the group and our board adheres to governance principles of trust and transparency, among other things, and has over 50 percent independent directors. Our risk framework includes major areas ranging from health and safety to integrity and fraud reporting.
Product Responsibility	Our R&D efforts are aimed at improving quality of our products. We already have innovative packaging solutions for agriculture produce and we are exploring the possibility of using plastic waste as a supplementary fuel in cement kiln thereby achieving effective management of plastic waste.
Climate Change	While securing energy supplies we understand that our carbon footprint is bound to inflate. We are investing in low carbon technologies and have implemented a robust system to track flare gas emissions to achieve zero flare.
Waste Management	We remain committed to our “Waste to Resource” agenda. Our effort is to reduce our overall environment footprint. Key focus areas for us include water recycling and reuse, reducing hazardous waste generation and increasing recycled input.

## Strategy Pillars

### Energy Security



Energy security, a national imperative, is one of the pillars of our sustainability strategy. As an integrated energy company, we intend to secure energy supplies in the country. With the commissioning of KG-D6 Oil and Gas field, we are helping India reduce the imported crude oil requirement and lessen the impact of the vagaries of crude oil prices. We set the commencement of gas production in a record time of six and a half years from the time of discovery against an average age of around nine years. We augmented our acreage through domestic and international acquisitions to touch 325,000 sqKMs and 99,000 sqKMs respectively.

### Environment



We have an important responsibility towards the natural environment. We recognise the challenges faced by our industry, be it in terms of depleting crude resources, climate change, or end of life of petroleum-based products. In FY 2008-09, we have invested Rs. 3,367.40 million in R&D. Our refineries at Jamnagar are able to process several types of crude, including those with a rich-sulphur content, thereby pushing further the limits of crude availability. We multiply the initiatives at the end of life of our polymers and other petrochemicals products, engage with our B2B customers and their end-customers and partner with regulators to maximise the actual share of recycling of our products. We make cleaner fuels in India and also investing in alternate energy sources such as solar, bio-fuels including Jatropha plantation.

### Growth Through Innovation



We provide a great variety of affordable and quality products, which enhances lives: fuels for transportation, a wide range of plastics used in hundreds of products - from polyethylene bags to fibre optic, affordable fabrics etc. With KG-D6, we will provide an affordable and cleaner energy source at the doorstep of millions of households, and industry. We strive to innovate and provide world-class quality and safety at affordable rates and for this we believe 'technology' is a great enabler.

The 'RIL way' is to develop its own technologies in select areas besides being an efficient user of available technologies. R&D and Technology development are integral to our innovation agenda for achieving growth, business profitability, sustainability and rural transformation.





## Health and Safety



We continue to give top priority to Health and Safety. Our objective is to bring about a positive change and continual improvement in occupational health and safety practices at the workplace. For us, the most important domain is focusing on behavioural safety and our safety committees at each location ensure adequate awareness on industrial safety as well as occupational health. All our manufacturing units have a fully equipped occupational health centre including a full-time doctor, ambulance service and necessary life-saving medicines.

A committee of directors monitors the Health, Safety and Environment standards and practices. This committee ensures that safety management systems are reviewed at the highest level and are in-line with our ambitious goal of zero incidents at work place. It is our constant endeavour to further strengthen our safety management systems with the latest global best practices.

## Product Responsibility



We produce a comprehensive range of petrochemicals comprising plastics (PE, PP and PVC), olefins (ethylene and propylene) and polyester (PSF, PFY and PET), fibre intermediates (PX, PTA and MEG), aromatics (benzene, toluene and butadiene) and other chemicals. Our endeavour is to design and deliver products and services with minimal impact to the environment. We work towards this by adopting a life cycle approach and evaluating the impacts on environment across the value chain.

The cross functional teams established to direct our efforts in this area, review and recommend on a wide range of product and process improvements, which include product safety, industry participation and association, environment and safety labelling, ease of handling and managing products, waste reduction, recycling and reuse, use of recycled and recyclable packaging, energy conservation and environmental protection.

## Social Institution Building



Our business vision extends beyond our commercial interests. We believe in the philosophy of co-existence, 'Vasudhaiva Kutumbakam' – the whole world is one family. Our Corporate Social Responsibility (CSR) strategy is to have close and continuous interaction with the people and communities around our manufacturing divisions; the thrust is on improving their quality of life, especially the underprivileged segment of society.

Our contributions are in the areas of health, education, infrastructure development (drinking water, improving village infrastructure, construction of schools etc.), relief and assistance in the event of natural disaster and other social initiatives. The company's aim is to provide comprehensive health services covering preventive, promotive and curative, and community health care services.

# Corporate Governance

Responsible governance is at the core of our value system driving our growth and we have been practicing this mantra for over three decades. While adhering to the regulatory requirements on corporate governance, we continually strive to adopt emerging global practices guiding the management in strategy implementation and risk management and fulfilment of stated goals and objectives.

We are committed to meet the aspirations of all our stakeholders. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial, performance focused work environment. Our customers have benefited from high quality products delivered at the most competitive prices.

Our employee satisfaction is reflected in the stability of our senior management, low attrition rate across various levels and substantially higher productivity. Above all, we feel honoured to be an integral part of India's social development.

We not only adhere to the prescribed corporate practices as per Clause 49 of the listing agreement with stock exchanges in India but constantly strive to adopt emerging best practices worldwide.

## Board Composition

Our Board consists of 13 Directors, out of which 7 are Independent Directors. Composition of the Board and category of Directors are as follows:

Category	Name of The Directors
Promoter Director	Mukesh D. Ambani (Chairman & Managing Director)
Executive Directors	Nikhil R. Meswani, Hital R. Meswani, Hardev Singh Kohli, P.M.S. Prasad <sup>1</sup> , R. Ravimohan <sup>2</sup>
Non-Executive Non-Independent Director	Ramniklal H. Ambani
Independent Directors	Mansingh L. Bhakta, Yogendra P. Trivedi, Dr. Dharam Vir Kapur, Mahesh P. Modi, S. Venkitaramanan <sup>3</sup> , Prof. Ashok Misra, Prof. Dipak C. Jain, Dr. Raghunath A. Mashelkar

<sup>1</sup> w.e.f. August 21, 2009 | <sup>2</sup> from September 1, 2009 to December 28, 2009 | <sup>3</sup> Up to July 24, 2009

Every Independent Director furnishes a declaration at the time of their appointment as well as annually that they qualify the stipulated conditions for being independent directors as laid down under Clause 49 of the listing agreement with the stock exchanges.

Seven Board meetings were held during the year, as against the minimum requirement of four meetings. We have held at least one Board meeting in every three months and the maximum time gap between any two meetings was not more than four months.

The Board has constituted seven standing committees to provide direction and facilitate the decision making process at the meetings of the Board/ Committees in an informed and efficient manner.

1. Audit Committee
2. Corporate Governance and Stakeholders' Interface (CGSI) Committee
3. Employees Stock Compensation Committee
4. Finance Committee
5. Health, Safety and Environment (HS&E) Committee
6. Remuneration Committee
7. Shareholders' / Investors' Grievance Committee

## Code of Conduct

We have a well defined policy framework consisting of a comprehensive Corporate Governance Manual, which incorporates the policies and procedures for effective governance:

- Code for Board of Directors and Board Committees
- Code of Business Conduct and Ethics for Directors and Management Personnel
- Code of Business Conduct and Ethics for Employees
- Code of Shareholder Rights and Investor Relations
- Code of Financial Reporting, Disclosure and Transparency
- Code of Conduct for Prohibition of Insider Trading

Our Whistle-blower Policy empowers employees to report any wrong doing without fear of reprisal.

We have undertaken several initiatives towards maintaining the highest standards. Some of the initiatives are as follows:

### Reporting on Triple Bottom-Line Performance

RIL commenced annual reporting on its triple-bottom-line performance from FY 2004-05.

All our sustainability reports are externally assured by independent assurers and GRI Checked. The Sustainability Report for FY 2008-09 is being assured by KPMG Advisory Services Private Limited (India) and is a GRI-Checked A+ Application level report.

The maiden report received 'in-accordance' status from GRI and all subsequent reports are 'G3 Checked A+' application level reports. From FY 2006-07, in addition to referring GRI G3 sustainability reporting guidelines, RIL refers to The American Petroleum Institute/The International Petroleum Industry Environmental Conservation Association guidelines and The United Nations Global Compact principles. RIL has also aligned its sustainability activities with the focus areas of The World Business Council for Sustainable Development.

### Internal Checks and Balances

At the heart of our belief is the wide use of technology that ensures robustness and integrity of financial reporting. We have deployed a robust system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports and ensure compliance with statutory laws, regulations and company policies.

## Legal Compliance Unit

A dedicated Legal Compliance Audit Cell within the Management Audit Cell ensures that we conduct our business maintaining high standards of legal, statutory and regulatory compliances. We have instituted a legal compliance programme in conformity with the best international standards. Our compliance programme is supported by a robust, on-line system that covers all our manufacturing units as well as subsidiary companies. The gamut of this system includes statutes, all labour and industrial laws, HSE regulations and taxation laws.

## Shareholders' communications

Our Board recognises the importance of two-way communication with our company's shareholders and of giving a balanced report of results and progress and responds in a timely and consistent manner to questions and issues raised. Our corporate website; [www.ril.com](http://www.ril.com) has information for institutional and retail shareholders alike. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the AGM. Shareholders can contact RIL via dedicated shareholder contact points as provided in our annual report. We ensure that queries, complaints and suggestions are responded to in promptly.

## Employee Stock Option Scheme

One of the widest programmes of its kind in the Indian corporate sector, the programme was introduced in 2007. The programme has ensured complete alignment of individual interests with the growth imperatives of the Company.



For more information about our Corporate Governance and shareholder engagement process, please refer our Annual Report FY 2008-09; available on RIL website: <http://www.ril.com>

# Management Systems

We have a comprehensive pan-India Integrated Management System (IMS), which acts as a vital support for smooth and efficient operations. We strive to lead the industry with best in the class management practices. The robust management information systems help us conduct efficient business and deliver superior quality products & services. Our MIS combined with disciplined internal audit function ensures regulatory compliance across operations.

Continual and breakthrough improvements are carried out in all manufacturing and service functions through Quality Circles, 5S and Six Sigma.

## Information Integrity

- Information captured at source and made available on robust enterprise wide electronic network contributes to accuracy of information
- Consistency of business processes is ensured by ERP system SAP 4.6
- Well defined organisation structure, documented policy guidelines, predefined authority levels and an extensive system of internal controls ensures optimal utilisation and protection of resources, IT security, accurate reporting of financial and sustainability performance and compliance with applicable laws and regulations
- Internal controls ensure that the assets are safeguarded against loss from unauthorised use or disposition. Further, transactions are authorised, recorded, reported and stored in a secured manner

## Six Sigma

- Rs. 670 million financial (annualised) benefits
- 528 Black Belts and Green Belts are associated in Six Sigma projects at different sites
- ISO 9001 QMS contributes to the management systems approach of RIL on quality

## Safety

- Company's safety programme 'Reliance Safety Observation Process' (ReSOP) focuses on the behaviour safety aspect of all personnel
- 'Process Safety Management' (PSM) is a key focus area with DuPont Safety Resources as the strategic partner
- 'Process Hazard Analysis' at various plants was initiated to address and reduce the process safety risks
- Management systems approach for safety is significantly guided by OHSAS 18001 Management Systems

## Environment

- Management System approach on environment further upgraded with integration of ISO 14001 EMS
- Environmental standards covering all major environmental aspects were released during the year
- To ensure effective implementation of the environment standards, an exercise to make independent audit protocol and site related standard operating procedures was initiated
- Company has more than 95 'Trained Lead Auditors' for ISO 14001:2004. They perform internal environmental audits at regular interval



# Disclosure on Management Approach

## Economic Indicators

We have a stringent internal control system for business planning, risk management, operational stability and control, and regulatory compliance. Our integrated financial accounting system has in-built controls that ensures reliable and effective financial reporting. Our audit mechanism periodically reviews control and compliance of legal and regulatory requirements and also frauds and negligence. We have a board constituted Audit Committee with three independent non-executive directors.

## Environmental Indicators

We have a board constituted Health, Safety and Environment (HSE) Committee to monitor and ensure highest standards of environmental, health and safety norms and compliance with applicable laws at all manufacturing divisions of the Company and recommend measures for improvement. The Committee reviews the HSE policy, performance, procedures, controls and regulatory compliance. Our 12 manufacturing divisions are certified for ISO 14001:2004 environmental management systems. As part of our continuous improvement cycle, the manufacturing divisions and the E&P division establish goals and objectives, under Environmental Management Programmes (EMPs), to improve their environmental performance.

## Labour Practices and Decent Work Indicators

At RIL, every employee is encouraged to avail opportunities that exist across multiple functions, disciplines as well as geographies. We have customised management programmes for our workforce upgrade and skill enhancement. For our senior management, we have an advanced management programme designed in collaboration with an international management institute. Our manufacturing divisions are certified for OHSAS 18001 - safety and occupational health management systems. As part of our continuous improvement cycle, the manufacturing divisions and the E&P division establish goals and objectives, under Occupational Health & Safety Management Programmes (OHSMPs), to improve their safety performance.

## Human Rights Indicators

Over the years, governance processes and systems have been strengthened at RIL. In addition to complying with the statutory requirements, effective governance systems and practices inter alia towards transparency, disclosures, internal controls, promotion of ethics at workplace and non-discrimination have been institutionalised. Our codes of conduct and ethics policies cover such issues as bribery and corruption, fraud, insider trading, human rights and discrimination. They include a commitment to conducting our business with due regard to the interests of our stakeholders and the environment. We respect human rights at workplace and pursue global leading practices, which ensure freedom of association, prohibition of child labour, protection of indigenous rights and prohibition of forced and compulsory labour.

## Society Indicators

Aligned with the goals and vision of the management, our social initiative programmes, focus on key areas of healthcare, education, community development, child welfare, environmental care and infrastructure development. On the health front, we have the distinction of being the founder member of the India Business Alliance of the World Economic Forum. We have resolved to share the responsibility of combating diseases such as Tuberculosis (TB) and HIV/AIDS. To achieve this, we have collaborated with a large number of agencies working on these issues to create some rather unique Public-Private Partnerships (PPP). In addition to setting up hospitals for the neighbouring community at some of our manufacturing divisions, we offer medical services at all our manufacturing divisions and offices. On the educational front, our major manufacturing locations provide quality education to the children of all employees and also cater to the needs of surrounding villages. When it comes to community development, we have undertaken several unique infrastructural projects in rural areas such as construction of roads, anganwadis (kindergarten schools), panchayat offices and community halls.

## Product Responsibility Indicators

It's our constant endeavour to ensure minimal health, safety and environmental impact of our products across the supply chain. We work with various agencies to promote end-of-life recycle and reuse of our products. Our R&D team is focused on developing greener and safer products and alternatives. We adhere to all Indian laws related to marketing communications, including advertising, promotion and sponsorship.



# Communication and Engagement

We encourage an open and transparent process to communicate with our stakeholders. We ensure that the preferences, interests and perspectives of different stakeholders are given systematic consideration in the evaluation. This process ensures that stakeholders are well informed and can engage with us whenever necessary.

We work under the guiding principle of providing our shareholders, investors, analysts and the market in general, with reliable, complete information that accurately reflects the situation of the company in terms of its commercial activities and business strategies. Transparency is pursued in compliance with applicable regulations, time periods and based on respect for the rights of all interested parties.

In our communications with customers, suppliers and employees, we ensure the right to privacy, confidentiality and protection of personal information. Our employees who have access to specific company information are duty bound to ensure that no undue advantage is taken of the same.

Each year, we conduct numerous events to encourage interaction among employees. Our policy with regard to customers is to meet their expectations as best as possible, while striving to anticipate their requirements. The Investor Relations Department is responsible for handling relations with shareholders and analysts. Our relation with suppliers and contractors is special and we consider them as partners, seeking mutual benefit, working together creatively to offer customers the best quality service. As part of the community in which we operate, we participate in various social initiatives introduced by the government and local organisations.

Stakeholder consultation is aimed at:

- Eliciting stakeholders' preferences and priorities
- Identifying common ground and differences in what stakeholders' want from the evaluation, and
- Determining a manageable set of priorities, preferably through consensus.

Last year, we had rolled out our stakeholder engagement strategy and the two-way process we designed was primarily to initiate and sustain external relationships over a period of time. This consultation process helped us in understanding risks, impacts and opportunities in the entire value chain. We have adopted a five-step approach to these consultations;

1. Plan
2. Consult
3. Incorporate Feedback
4. Document results of consultation
5. Report back

## Plan

We continued with our approach of Monitor; Inform; Transact; Consult; Involve; Collaborate and Empower (MITCICE) and developed a comprehensive engagement plan. This plan included the list of stakeholders to be consulted; key topics of consultation; and the purpose of consultation with each stakeholder group. The planning process included a wide range of objectives, from meeting regulatory requirements and negotiating compensation, to building trust and managing expectations in general. This planning process helped to tailor the consultation specifically to stakeholders' needs.

## Consult

The process deployed was context specific and we built on our approach of MITCICE. The consultation was targeted at key stakeholders and was customised to individual stakeholder groups. The measures set in place include customer and employee satisfaction surveys, questions raised at shareholders meetings, contact points on our website and sustainability report, and meetings with employee representative bodies, local residents and the press.

## Incorporate Feedback

We are using this dialogue with stakeholders as a tool for ascertaining the demands of the competitive environment, anticipating risks and benefiting continuously from new business opportunities. The resulting feedback allows our businesses to adopt the practices suited to the present and future expectations of our stakeholders. This dialogue with our stakeholders has enabled us to identify a list of material issues, which we have woven into our sustainability strategy.

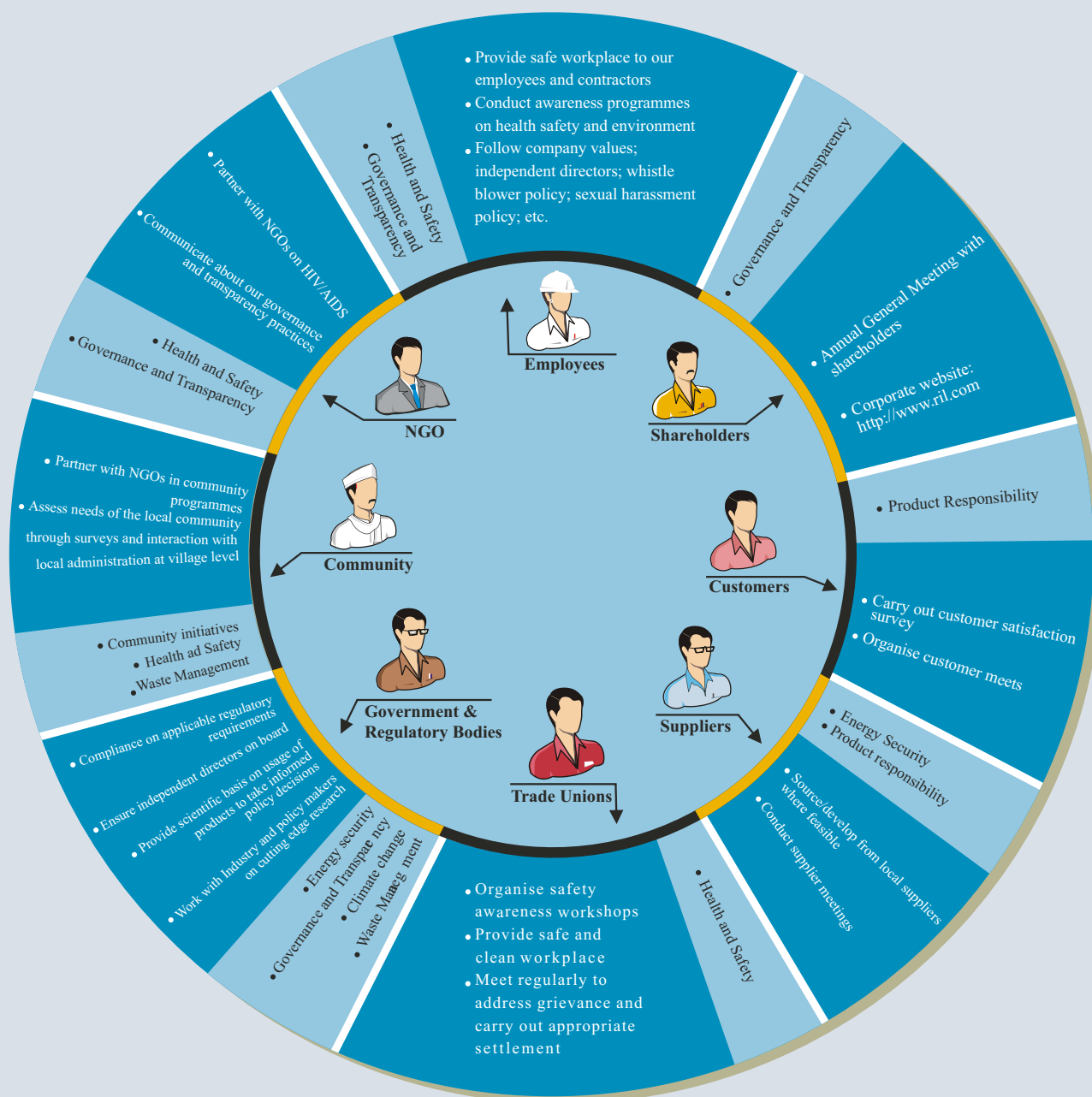
## Document Results of Consultation

We have initiated documenting the results of consultation activities and their outcomes to include: time and place such meetings take place; the stakeholder group consulted; the topics and themes of discussion and the results.

## Report Back

We revert to the stakeholders consulted with the outcome of their feedback and take their agreement on the next course of action. These stakeholders include customers; suppliers; employees; shareholders and local community. We also explain to them regarding the suggestions that were not taken on board and the reasons for the same.

## Stakeholder dialogue that helped RIL identify material issues



Material Issue | Our Actions

## Lessons Learnt

The exchange of information through a systematic interaction with the stakeholders has helped shape changes in the way we addressed issues in our sustainability report. The following provides some of the benefits:

- Strengthened organisation-wide environmental protocol to include various frameworks and standards on sustainability
- Expanded scope to include renewable energy with a special thrust on solar
- Scaled up our initiatives on social institution-building; announced the formation of the Reliance Foundation.
- Achieved certification of all colour products thus joining a select group of manufacturers to have certification of all colour compounds
- We continue to play an important role in assisting Bureau of Indian Standards develop standards for Leno Bag, which is used for packaging of vegetable and fruits, and standards for PPR piping for hot and cold water applications.
- We continue to invest in training our employees and achieved 5,28,647 man days of training on diverse range of subjects. The focus this year was on e-learning and we have partnered with Harvard to deliver 42 modules of e-learning programme "Harvard Manage Mentor10".





## Performance on Commitments

In our efforts to achieve excellence in our sustainability initiatives, we have shaped our short term and long term plans under our sustainability roadmap.

Commitment	Performance
1. Controlling GHG emissions	GHG emissions (CO <sub>2</sub> equivalent) per tonne of production reduced from 0.3867 to 0.3809
2. Ensuring safety of people and assets	Injury rate has increased by 17.30% while lost days increased by 239.58% largely due to fire incident at Nagothane Manufacturing Division
3. Attracting and retaining talented professionals	Attrition rate increased to 10.03% from 8.66% last year Increased the talent pool by hiring 1500+ engineers in 2008-09
4. Target of training 40% of supervisory staff in Six Sigma in next 3 years	18.81% of supervisory staff have been imparted training on Six Sigma Developing in-house consultants to impart Six Sigma training
5. Providing cleaner fuels: Plans to commence supply of gas from the KG-D6 block to our consumers. In addition to supplementing the energy supplies, it will also help in reducing GHG emissions from high carbon intensive fuels by replacing them with cheaper and more efficient natural gas	The project was completed in six-and-a-half years from the time of discovery. This is significantly faster than the time taken for similar production facilities elsewhere in the world.

## Awards and Recognition

We continue to be recognised by various institutions for our excellence. Some of the major awards and recognition conferred on our executives, and company's operations are as follows:

- Shri Mukesh Ambani received the American India Foundation's (AIF), USA, 'The 2008 Annual Spring Gala Award' in 2008.
- Shri Mukesh Ambani was elected as Vice Chairman of the World Business Council for Sustainable Development's (WBCSD) Executive Committee in 2008.
- Shri PMS Prasad has been named as the 'Energy Executive of the year 2008' by the London-based magazine, Petroleum Economist in 2009.
- Dr. R. A. Mashelkar received 'Foreign Fellow' from Australian Academy of Technological Sciences and Engineering (ATSE) in 2008.
- Dr. R. A. Mashelkar represented India in the 'I-20 Global Innovation Leadership Summit' held at San Francisco, USA, 2009.
- In recognition of his major contributions / achievements for the year, South Gujarat Chamber of Commerce and Industry conferred 'CEO 2007-08, Golden Jubilee Trust Award' on Shri Hardev Singh Kohli in 2008.
- RIL won the Golden Peacock Global Award for Excellence in Corporate Governance for the year 2008.
- Jamnagar Manufacturing Division bagged the 'Refinery of the Year Award for 2008', for second successive year from 'Petroleum Federation of India'.

- Dahej Manufacturing Division received the 'Greentech Safety Award 2009 – Gold' from the Greentech Foundation for excellence in safety practices.
- Hoshiarpur Manufacturing Division received BSC 5-Star Rating in Health & Safety certification by BSC, UK, with a score of 94.2 percent. Further, the manufacturing division got BSC 5Star Rating in environment certification by BSC, UK with a score of 97.4%.
- Hoshiarpur Manufacturing Division bagged Punjab Safety Award for two consecutive years 2007-08 & 2008-09.
- Hoshiarpur Manufacturing Division won 'Hong Kong Green Level Certificate' for its PET recycling initiatives; the division recycled PET bottles of 30 tonnes per day.
- Jamnagar Manufacturing Division received 'Platinum Award' for excellence in environment management in refinery and chemical sector, respectively, from GreenTech Foundation, India.
- Jamnagar Manufacturing Division received 'G-Cube Award for Good Green Governance' from Shrishti.
- Silvassa Manufacturing Division achieved 5-Star Rating in Safety & Health with a rating score of 95.1% by British Safety Council (BSC), UK, and was also awarded the 'Sword of Honour – 2008' by BSC, UK.
- Silvassa Manufacturing Division achieved 5-Star rating in environment with 98.76% by BSC, UK- highest percentage points in the world awarded by BSC so far in 95 countries.
- Hazira Manufacturing Division's 'Truckers Safety Programme' and 'Workers Safety Programme' received 'Excellence in Practice Award' from American Society for Training & Development (ASTD) in the training management category.
- Patalganga Manufacturing Division was selected to receive an 'Excellence in Practice Award' from ASTD for the case study 'Learning Function - A catalyst to Organisational Change for Global Leadership'.
- According to the Nielsen India Corporate Image Monitor 2008, a study designed to measure people's perceptions of the image and reputation of India's leading companies, RIL is one of the most admired companies by stakeholders for its CSR initiatives.
- Amongst 'India's 10 largest companies by market capitalisation', International Finance Corporation (IFC) has rated RIL's Sustainability Report's reporting quality as "good" - the highest rating given for this report, in 2009.





# Performance Review

Environmental Performance					
Manufacturing Divisions					
	2008-09	2007-08	2006-07	2005-06	2004-05
HSE expenses (Rs. million)	998.96	908.96	536.37	483.90	456.54
Total Production ('000 tonnes)	44,526.85	44,626.95	43,509.81	39,519.01	40,332.21
Material consumption					
Raw material ('000 tonnes)	41,061.49	43,033.43	41,962.17	38,310.22	39,440.51
Associated material ('000 tonnes)	264.73	217.72	197.23	180.45	124.34
Intermediates ('000 tonnes)	29.99	34.78	31.60	31.09	48.60
Packaging material ('000 tonnes)	82.13	110.81	91.13	87.14	87.99
Material Recycled					
Material recycled ('000 tonnes)	40.08	61.65	52.80	52.73	45.10
Material recycled (%)	0.0967	0.1421	0.1249	0.1366	0.1136
Direct energy consumption ('000 GJ) <sup>1</sup>	247,391.73	253,868.52	236,992.87	214,474.57	215,525.35
Renewable ('000 GJ)	324.84	276.93	236.57	188.67	137.34
Indirect energy consumption ('000 GJ) <sup>2</sup>	1,572.23	1,707.05	1,642.10	1,385.49	941.60
Energy saved due to conservation ('000 GJ)	2,035.00	3,121.51	10,496.17	2,318.13	2,830.07
Total water withdrawal ('000 cu m)	97,172.64	97,788.41	95,686.43	89,856.64	85,957.62
Percentage of water recycled (%)	31.09	28.58	26.35	23.30	24.49
Total effluent discharged ('000 cu m)	20,105.38	23,774.00	24,920.44	24,106.89	23,334.36
Greenhouse gas emissions					
Direct emissions ('000 tonnes of CO <sub>2</sub> eq.) <sup>3</sup>	16,591.74	16,889.57	16,410.80	15,534.50	15,927.32
Indirect emissions ('000 tonnes of CO <sub>2</sub> eq.) <sup>4</sup>	369.37	368.22	367.42	312.71	211.62
Reductions in GHGs ('000 tonnes of CO <sub>2</sub> eq.)	613.56	877.27	629.07	0.00	0.00
Emissions of ODS (tonnes of CFC-11 eq.)	11.65	30.70	27.72	18.91	19.71
Total air emissions					
SPM ('000 tonnes/year)	3.60	3.64	3.52	3.36	3.99
SOx ('000 tonnes/year)	12.51	13.94	13.81	14.21	15.70
NOx ('000 tonnes/year)	18.41	19.07	18.87	17.01	17.79
VOCs ('000 tonnes/year) <sup>5</sup>	19.94	19.91	19.67	18.50	18.97
Total amount of waste generated					
Hazardous waste ('000 tonnes)	47.07	41.44	40.47	32.94	35.43
Non-hazardous waste ('000 tonnes)	35.91	44.87	41.81	23.69	26.79

<sup>1</sup> In FY 2008-09, direct energy consumption values are considered as the energy purchased in the form of fuel plus energy generated in the form of fuels and / or other indirect energy less energy sold either in the form of fuel and / or electricity exported to the grid, in order to ensure consistency in reporting the same has been applied to all the years in the table.

<sup>2</sup> In FY 2008-09, indirect energy consumption values are considered as electricity purchased from the grid in order to ensure consistency in reporting the same has been applied to all years in the table.

<sup>3</sup> Direct GHG emissions include all the emissions resulting from Direct Energy consumption, inclusive of electricity produced and sold to grid, in order to ensure consistency in reporting the same has been applied to all the years in the table.

<sup>4</sup> Indirect emissions include all the GHG emissions due to the purchase electricity from third party or from the grid, in order to ensure consistency in reporting the same has been applied to all the years in the table.

<sup>5</sup> VOC is currently monitored only at our Jamnagar manufacturing division.

E&P <sup>6</sup>					
	2008-09	2007-08	2006-07	2005-06	2004-05
HSE expenses (Rs. million)	115.46	17.02	10.47	11.92	8.16
<b>Material consumption<sup>7</sup></b>					
Casings & Tubular ('000 meters)	237.70	199.38	195.41	149.40	47.95 <sup>8</sup>
Chemicals-Solid ('000 tonnes)	76.77	92.82	27.90	25.33	25.17
Equipments and accessories ('000 each)	15,769.31	20,691.14	3,556.17	1.56	0.00
Chemicals – liquid ('000 KL)	15.42	14.26	7.31	6.51	8.44
<b>Direct energy consumption</b>					
Diesel ('000 GJ)	2,763.73	2,352.70	1,305.04	1,167.06	650.62
Gas ('000 MWH)	1,497.28	902.50	1,769.60	1,772.43	100.28
HFO ('000 GJ)	0.9371	0.8636	1.29	2.00	2.19
<b>Water consumption ('000 cu m)</b>	171.34	64.81	38.86	30.64	22.84
Hazardous waste (tonnes) <sup>9</sup>	3,018.54	909.01	463.99	165.82	118.02
Non hazardous waste (tonnes)	927.56	974.98	995.12	503.47	365.22

<sup>6</sup> RIL is a joint operator with BG Exploration and Production India Limited (BG) and Oil&Natural Gas Corporation of India (ONGC) having a 30% interest in Panna-Mukta-Tapti (PMT) and in-line with the best global sustainability reporting practice, we have considered 100% applicable value to PMT in Environmental and Social Performance Review.

<sup>7</sup> The material consumption values are related to consumables used in the E&P of O&G.

<sup>8</sup> PMT information is not available.

<sup>9</sup> The Hazardous Wastes Management and Handling Rules 2008, Schedule 1, item 2.1, 2.2 and 2.3 classifies drill cuttings containing oil, drill mud and other wastes and sludge containing oil as Hazardous waste. As such, the total mud (sludge and slurry form) needs to be reported as Hazardous Waste.

## Social Performance

Manufacturing Divisions	2008-09	2007-08	2006-07	2005-06	2004-05
<b>Safety Performance</b>					
Injuries (nos)	123	100	128	116	138
Injury rate (per 100 employees)	0.1978	0.1686	0.2598	0.2245	0.2923
Lost days <sup>10</sup> (nos)	11,886	3,338	3,418	2,826	3,332
Lost day rate (per 100 employees)	19.11	5.63	6.94	5.47	7.06
Man hours worked (million hours)	124.36	118.60	98.53	103.36	94.43
Fatalities (nos)	8	1	9	2	7
<b>Training</b>					
Leader (hours)	15,402	23,562	12,918	16,829	14,187
Manager (hours) (including retainers/consultants)	489,168	629,831	295,272	216,705	131,861
Executive (hours)	191,408	291,137	140,663	109,221	221,753
Non-supervisory (hours)	130,132	463,937	96,405	92,160	111,369
Contract Labour (hours)	354,693	452,575	~	~	-

<sup>10</sup> As per global reporting practice, we have reported the number of lost days sans fatalities. From FY 2008-09, we have expanded the scope of injuries and loss days to include injuries and loss days of construction workers in steady-state operations. As per Indian regulations, each fatality is equivalent to 6,000 lost days.

<b>E&amp;P</b>					
	2008-09	2007-08	2006-07	2005-06	2004-05
<b>Safety Performance</b>					
Injuries (nos)	28	17	16	5	1
Injury rate (per 100 employees)	0.1008	0.0736	0.2145	0.1151	0.0393
Lost days <sup>11</sup> (nos)	431	0	14	0	0
Lost day rate (per 100 employees)	1.55	0	0.1877	0	0
Man hours worked (million hours)	55.54	46.17	14.92	8.69	5.09
Fatalities (nos)	4	2	0	0	0
<b>Training</b>					
Leaders (hours)	7,102.5	3,348	3,990	3,478	808
Managers (hours)	105,735	121,924	70,883	13,112	5,464
Executives (hours)	1072.5	704	384	864	448

<sup>11</sup> As per global reporting practice, we have reported the number of lost days sans fatalities. As per Indian regulations, each fatality is equivalent to 6,000 lost days. The lost days reported for FY 2008-09 also includes lost days from the blocks other than PMT which commenced the production in 2008-09. For the earlier years, the lost days pertain only to PMT operations which are jointly operated by RIL, BG and ONGC.



### Across RIL

Workforce breakdown	2008-09	2007-08	2006-07
Leader (nos)	985	1,163	1,144
Manager (nos)	7,863	7,974	6,954
Executive (nos)	4,988	4,451	3,676
Trainees (nos)	1,497	1,430	702
Retainers / Consultants (nos)	21	88	100
Workers (nos)	9,325	10,381	12,120
<b>Total number of employees (nos)</b>	<b>24,679</b>	<b>25,487</b>	<b>24,696</b>
<b>Attrition rate (%)</b>	<b>10.03</b>	<b>8.66</b>	<b>7.79</b>
<b>Benefits provided to employees (Rs. million)</b>	<b>4,840.20</b>	<b>4,668.40</b>	<b>3,596.30</b>

### Across RIL

Social Expenditure	2008-09	2007-08	2006-07
	Rs. million	Rs. million	Rs. million
Education <sup>12</sup>	167.54	709.73	104.74
Health <sup>13</sup>	146.31	15.83	9.47
Community Development	171.73	91.38	39.68
Environment (Greening activities)	12.32	13.55	41.16
Others <sup>14</sup>	488.99	73.04	92.02
Dhirubhai Ambani Foundation	354.70	145.50	82.80
Sir HN Medical & Research Society	7.65	7.50	7.70
RRDT	197.43	240.70	452.22
<b>TOTAL</b>	<b>1,546.67</b>	<b>1,297.23</b>	<b>829.79</b>

<sup>12</sup> Education includes all education related aid, donation, scholarship and sponsorship across RIL locations including Jamnaben Hirachand Ambani Foundation, Hirachand Goverdhandas Ambani Chairtable Trust.

<sup>13</sup> Health includes medical aid & benefits extended across RIL locations including Sir HN Medical Hospital Research Centre and Drishti.

<sup>14</sup> Others includes donations, sponsorship and awards instituted across RIL loactions including UAA-Dhirubhai Lifetime Achievement Award, RIL CNN IBN Real Indian Heroes Award.

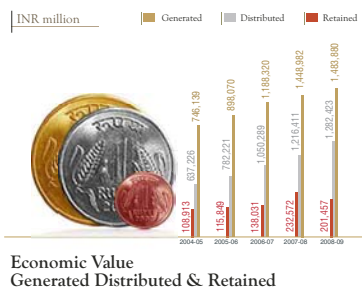
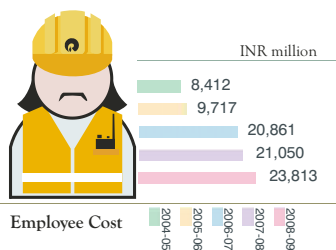
## Economic Performance Review



We delivered a superior financial performance with improvements across key parameters. Turnover achieved for the year ended March 31, 2009 was Rs. 1,463.28 billion (USD 28.9 billion), a growth of 5 percent over the previous year. Operating profit before other income increased by 2 percent from Rs. 233.06 billion to Rs. 236.83 billion (USD 4.7 billion).

We continue to be one of India's largest exporters. Exports, including deemed exports, were at Rs. 891.99 billion (\$ 17.6 billion) as against Rs. 834.92 billion for the previous year. RIL exported to 111 countries, including many quality-driven and value-driven markets. Exports represent 61% of the RIL's turnover. Petroleum products constitute 83% and petrochemicals contribute 17 % of the total exports.

The total economic value generated increased by 2.41% to Rs. 1,483.88 billion while the total economic value distributed also increased by 5.43% to Rs. 1,282.42 billion. We are one of India's largest tax paying organisations with a contribution equivalent to 2.90 percent of Government of India's indirect tax revenues. We have contributed Rs. 115.74 billion to the national exchequer in the form of various taxes and duties. This year, our employee costs were Rs. 23.81 billion including employee benefit plans.



- Total Assets: Rs. 2,457.06 billion (USD 48,444 million)
- PBDIT excluding exceptional item: Rs. 257.43 billion (USD 5,076 million)
- Cash Profit: Rs. 223.65 billion -11% (USD 4,410 million)
- Net Profit: Rs. 153.09 billion (USD 3,018 million)
- Net Profit excluding exceptional income: Rs. 156.37 billion (USD 3,083 million)
- Dividend payout: 130% - amounting to Rs. 22.19 billion (USD 438 million). This is one of highest payout by any private sector company in India
- Net gearing ratio: 27.8%
- Net debt/equity ratio: 0.42
- Market Capitalisation is 6.1% of the total market capitalisation in India
- Weightage in BSE Sensex is 13.6%
- Weightage in S&P CNX Nifty Index is 11.1%

## OVERVIEW

### RPL merger with RIL: Value creation through scale and synergies

The merger of Reliance Petroleum Limited (RPL) with RIL has enabled seamless integration of operational scale and financial synergies that existed between the two companies. Assets and liabilities of RPL have been transferred to RIL with effect from April 1, 2008, as per the approval granted by the Hon. High Courts of Mumbai and Gujarat. Shareholders of RPL received 1 share of RIL in lieu of every 16 shares of RPL held by them, as per the scheme of merger.

The merger creates a platform for reinforcing the Company's position as an integrated energy company on a global scale. The merger enhances value for shareholders of both Companies.

Through this merger, we consolidated our company's position as a world-class, complex refinery that complements its' existing refining assets. We will additionally gain from reduced operating costs arising out of the combined operations. The merger is expected to reduce the earnings volatility for RPL shareholders as they participate in our integrated energy chain.

### RIL joins the league of global deep water oil and gas operators

We commenced production of hydrocarbons in KG-D6 block in the Krishna Godavari basin with the production of sweet crude of 42° API. The production of oil in KG-D6 block was commissioned in just over two years of its discovery, making it the world's fastest green-field deepwater oil development project.

We are enhancing India's energy landscape. We have commenced gas production from KG-D6. Production from the Dhirubhai 1 and 3 discoveries of the KG-D6 block will result in a quantum leap towards achieving India's energy security as it will account for 40% of the country's current hydrocarbon production. This will reduce India's energy dependence on external sources and help bring down subsidies in the fertiliser, power and transportation sectors.

### Refining Hub of the World

We started our refinery in the Special Economic Zone (SEZ) at Jamnagar, which is the most complex, super-sized refinery built anywhere in recent years. The new refinery is the 6<sup>th</sup> largest refinery in the world with crude oil processing capacity of 580,000 barrels of oil per day (BPD).

The new refinery catapults our company into the league of the largest refiners globally, both in terms of complex refining capacity and earning potential. Jamnagar has since emerged as the refining hub of the world with an aggregate refining capacity of 1.24 MBPD of oil.

The new refinery has a Nelson Complexity Index of 14.0 enabling processing of heavy crudes and production of superior products, which meet specifications exceeding

Euro IV standards. The refinery complex is now operating at full capacity.

### Rating

Our financial discipline and fiscal prudence is reflected in the strong credit ratings by leading international rating agencies. We have been rated BBB and Baa2 by S&P and

Moody's respectively, a notch above India's Sovereign rating. Our long term debt has been rated AAA by CRISIL and 'Ind AAA' by Fitch, the highest rating awarded by both

Agencies and short-term debt has been rated P1+ by CRISIL, the highest credit rating assigned in this category. Following the approval of merger by boards of RIL and RPL, Moodys, S&P, Fitch and CRISIL reaffirmed their respective ratings of our company's debt instruments.

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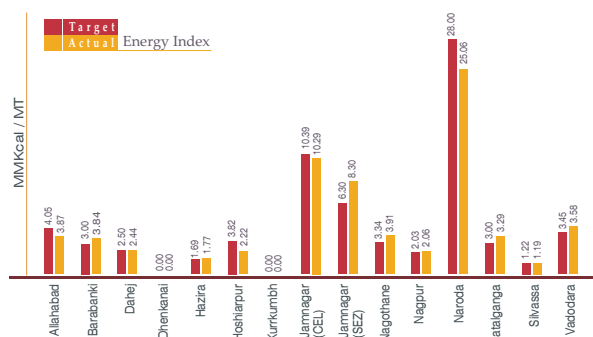
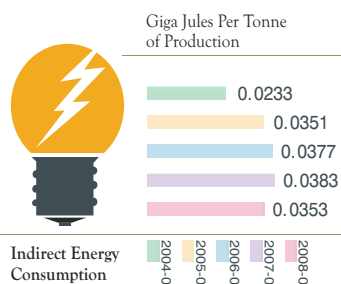
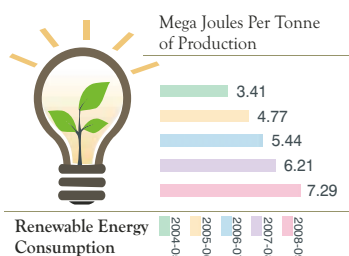
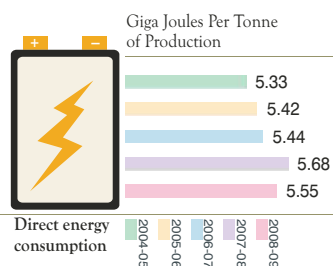
*Note: The figures for the current year include figures of Reliance Petroleum Limited (RPL), which is amalgamated with the Company with effect from 1st April 2008 and to that extent not comparable to those of previous year.*

*For more information on our Economic Performance, please refer our Annual Report FY 2008-09 available on RIL website: <http://www.ril.com>*





## Energy Security



**The energy security is a more compelling sustainability issue for India with the expected energy demand to be 1.8 Btoe by 2032 considering an average GDP growth of 7.5%.\***

\* Based on the Integrated Energy Policy of the Planning Commission of India

## CLIMATE CHANGE

As a responsible corporate citizen we are committed to the cause of climate change mitigation and adaptation. The production of natural gas, a cleaner fuel from Krishna Godavari basin will enhance the clean energy mix of India with currently only 9% of Indian energy demand being met by natural gas as compared to 24% of global energy demand satisfied by natural gas.\*\*

Energy conservation across our manufacturing divisions with a focus on efficient energy management has resulted in reduction of GHG emissions. Some of the projects have been qualified as Clean Development Mechanism (CDM) projects and ratified by United Nations Framework Convention on Climate Change (UNFCCC). In FY 2008-09, UNFCCC has issued 11,938 Certified Emission Reductions (CERs) to us resulting in a total of 112,968 CERs on a cumulative basis until March 2009. Till date we have registered five CDM projects at UNFCCC (expected 88,360 tCO<sub>2</sub> per annum). Two projects were approved by Chicago Climate Exchange in FY2008-09 (expected average GHG reduction of 71,732 tCO<sub>2</sub> per annum).

The CDM cell diligently evaluates all the initiatives for any CDM potential projects. All these focused efforts across the manufacturing locations have resulted in the specific GHG emissions of 0.3809 tonnes of CO<sub>2</sub> equivalent per tonne as compared to 0.3867 tonnes of CO<sub>2</sub> equivalent per tonne in the previous year. We were able to achieve absolute GHG emission reductions of 613,560 tonnes of CO<sub>2</sub> equivalent as a result of various initiatives taken including the CDM projects and other GHG emission reduction initiatives.

As a part of our commitment to the climate change mitigation and adaptation cause, we participate in worldwide developments and activities in Carbon Capture and Sequestration (CCS). We are also member of the Carbon Capture and Sequestration Association, London.

### Investment in Renewable Energy

We have executed several projects of supplying and installing solar PV power systems all over the country in remote rural areas. Solar street lights provide ease of commuting for people in rural areas at night time besides improving their security and overall law and order. Solar powered water pumping systems have been developed by us and installed in various parts of Andhra Pradesh. Such systems are very effective in dry areas with good sunlight and very little water availability. Farmers have benefited greatly from these systems as it protects their crop against variation in rainfall.

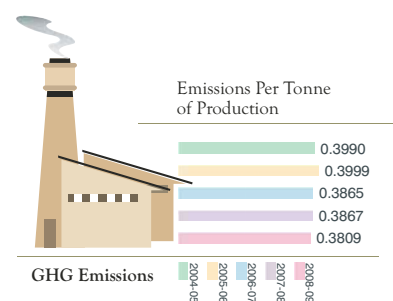
Other products that have been designed for a rural set-up are the solar powered water purifier and solar lantern charging station. These products support an entrepreneur model enabling a person to serve a small community and generate a regular source of income.

### Efforts for reducing CO<sub>2</sub> emissions at Hoshiarpur Manufacturing Division

The consumables for recycle plant were earlier being imported from Overseas Suppliers at CIF Nhava Sheva (Mumbai Port) and the containers were moved to Hoshiarpur Manufacturing Division by road from the Nhava Sheva Port - a distance of 1,600 kms. The trailers were moved by diesel operative vehicles on road, which resulted in consumption of around 710 litres for every container delivered at Hoshiarpur. To reduce diesel consumption, a multi-mode movement of rail-road mix was designed to save (road movement) approximately 1,510 kms (1600 - 90) for each container.

### Installation of Rice Husk Boiler at Barabanki Manufacturing Division

With a focus on renewable sources of energy, we have installed a boiler that is based on rice husk. A capital expenditure of Rs. 66.5 million was incurred in purchase of boiler and civil construction. The biomass-fired boiler resulted in reduction of GHG emission by 20,404 tonnes of CO<sub>2</sub> per year and has a payback period of less than 11 months.



\*\*Based on "World Energy Outlook 2008" released by The International Energy Agency (IEA)

### **Increase Hydrocarbon recovery in Main Flare Gas Recovery compressor – Jamnagar Manufacturing Division**

In Propylene Recovery Unit (PRU), part of the gases were getting flared. Further, the hydrocarbon recovery in the FGRS was low because of the nitrogen content in the gases.

A dedicated header was laid from treater / dryer outlet from PRU-1 & PRU-2 and connected to LLP flare header at the nearest location (i.e. upstream of FCC flare joint connection), which resulted in 50% reduction in the amount of gas flared and improved the hydro carbon recovery ( 0.48 MT/hr).

### **Reduction in reflux ratio of Vinyl Chloride Monomer (VCM) and Hydro Chloric Acid (HCL) column using ASPEN at Dahej Manufacturing Division**

VCM column is fed by HCL column bottoms, which mainly contains VCM and Ethylene Dichloride (EDC). It fractionates the feed into VCM from overhead and EDC from bottom. HCL column is fed by EDC cracking

furnaces, which mainly contain HCL, VCM, and EDC. It fractionates the feed into HCL from overhead, VCM and EDC from bottom. Simulation of VCM & HCL column in Aspen technology was taken up as a project, which resulted in reduction of reflux ratio of VCM and HCL column from 0.42 to 0.37 in VCM and 1.30 to 1.15 in HCL column without compromising the product purity. The total annual energy savings realised was 12,685 GJ.

### **Waste to energy**

ICPE initiated a project in collaboration with the leading manufacturers of cement in the country, to explore the possibility of disposal of plastics wastes through co-processing in the cement kilns. Use of unrecyclable plastic waste helps in recovering energy contained and in turn reduces fossil fuel consumption. On the emissions front, it was observed that the emission levels of various gaseous substances including Dioxins and Furans came down during the co-processing operation from the level observed during pre-co-processing stage.

## **Some of our major energy conservation measures under taken in FY 2008-09:**

### **Barabanki Manufacturing Division**

- Use of Atmospheric Fluidised Bed Combustion (AFBC) boiler consuming local fuel (rice husk) for steam generation, where otherwise fuel oil-fired boilers were used.
- Replacement of low efficiency motors by high efficiency motors for fans, blowers and pumps in entire complex.
- Stopping hot standby fuel-oil-fired-boiler by improved running boiler reliability.

### **Dahej Manufacturing Division**

- Coating of cooling water pumps, providing Variable Frequency Drive (VFD) on fire water jockey pump and replacement of Glass Reinforced Plastic (GRP) fans with Fibre Reinforced Plastic (FRP) fans in cooling tower at Utilities.
- Re-routed oxygen supply to Vinyl Chloride Monomer (VCM) plant through Mono Ethylene Glycol (MEG) plant oxygen compressors K-302A/ B (running), which otherwise was receiving oxygen from dedicated oxygen compressors K-202A/B (stopped) at VCM plant.

### **Hazira Manufacturing Division**

- Stopping 17 pack preheaters in DuPont Spinning and 16 pack preheaters in Barmag Spinning by improving pack life & optimising pack inventory, stopping one Dow heater in Continuous Polymerisation Plant CP-12 by improving reliability of heaters, increasing Hot Condensate Tank (HCT) pressure in CP-1 & 2 to 2.25 bar from 2.05 bar by rerouting of CP-3 finisher Dow condensate line to Cold Condensate Tank (CCT) from HCT.
- Stopping one high pressure compressor at utility plant by using floating header and optimising demand side consumptions, by reducing quench blower speed in DuPont & Barmag spinning by optimising duct pressures, removing blind plates, choked chilled water coils and adjusting positional quench air dampers.

### **Jamnagar Manufacturing Division**

- Increased hydrocarbon recovery by routing propylene treater regeneration gases to Low Low Pressure (LLP) flare gas recovery compressor. Main Flare reduction from 20 Tonnes per Day (TPD) to 8 TPD and Low Low Pressure

(LLP) Flare reduction from 20 TPD to 5 TPD has been achieved by the Acoustic survey and N2 tracer technique, done as a part of Flare Control Valves Audit.

- Conducting Steam Leak survey across the complex twice in the year.
- Installed 61 solar water heaters in the year. The project was started in 2006-07 and 857 solar water heaters have been installed till date.

### **Nagpur Manufacturing Division**

- Optimising threshold level control of Centrifugal Air compressors.

### **Nagothane Manufacturing Division**

- Performing catalyst replacement with new high selective catalyst at Utilities/Air Separation Plant (ASP).

### **Naroda Manufacturing Division**

- Augmenting steam header and replacement of traps and vents in entire complex and condensate recovery in Menswear Process House.

### **Patalganga Manufacturing Division**

- Installation of heat exchanger for furnace heat recovery at Fibre Utilities.

### **Silvassa Manufacturing Division**

- Unification of yarn suction blower in Barmag Machine.

### **Vadodara Manufacturing Division**

- Upgradation of Methyl Acetylene and Propadiene (MAPD) motor at Naphtha Cracker; stopping of one boiler feed water pump, one blower, six aerators at Inter Offsite Plant (IOP) unit and halting cooling tower operation at Pyrolysis Gasoline Hydrogenation – Benzene (PGH-BZ) unit.
- Recovering heat from Medium Pressure (MP) steam condensate by installation of Direct Steam Generation (DSG) preheater and rerouting the recycled surface condensate from cracker to boiler deaerator, which otherwise was going to cooling water at Naphtha cracker.

## Growth Through Innovation



We provide millions of Indians with a great variety of affordable and quality products which better their Life: fuels for transportation, a wide range of polymers used in hundreds of products - from polyethylene bags to fibre optic, affordable fabrics, etc. With KG-D6, we will provide an affordable and cleaner energy source at the doorstep of millions of households and Industry. We strive to innovate and provide world class quality and safety at affordable rates and for this we believe Technology is a great enabler.

The 'RIL way' is to develop its own technologies in select areas besides being an efficient user of available technologies. Research & Development (R&D) and Technology development are integral to our innovation agenda for achieving growth, business profitability, sustainability and rural transformation. The Company has consolidated various research and process technology functions under one umbrella - 'Reliance Technology Group' (RTG). This consolidation will act as a catalyst to foster innovation and enhance the interfaces in both, conventional and emerging technological arenas.

We get external perspectives from members of the 'Reliance Innovation Council' (RIC) in shaping its innovation agenda and informed insights in specific technology activities. The high-level organisational role for RTG includes Research & Development (R&D), Process Engineering, Basic Engineering, Process/Product Development, Laboratory and Pilot Plant Operations at various sites, Technology Sourcing Guidance, Technology Planning, Technical Support to Manufacturing and Businesses and New Business Development Support.

We also act as an enabler for the de-bottlenecking of manufacturing divisions for enhancing productivity and for improving the profitability, reliability and performance. Profit improvement plans and energy management capabilities are also being enhanced at manufacturing divisions.

We aspire to be 'the most innovative and globally-connected technology organisation in the businesses and operations that the company is in; recognised by its business partners and employees by creating unique opportunity and value through technology'. This assures alignment with business and manufacturing partners to create physical and

intellectual capability to meet RIL's business goals through technology development and application.

In the refining business, the major technology focus is on improving performance of Crude Unit, Fluidised Catalytic Cracker (FCC), Cokers and also increasing propylene yield in FCC among others. In the petrochemicals business, RTG supports Olefin Crackers, Polymers, Fibre Intermediates, Aromatics, LAB and Polyester. The focus areas in petrochemicals at present and in future include asset utilisation, development of specialty materials from facilities designed for commodities; value addition to by-product streams and opportunities at the chemicals / oil interface.

We are also working in emerging technologies such as Fuel Cells, Solar, Bio-fuels and gasification of various feedstocks to improve the eco-system. To meet current and future needs in a rapidly changing market environment, RIL is in the process of building technical capability in areas cutting across various businesses of the Company.

### Some major ongoing / completed projects include:

- Heavy crude processing
- Alternative applications of FCC spent catalyst
- Maximising propylene (PP) and LPG recovery from FCC products
- APC/RTO implementation in all RIL's major manufacturing facilities
- On-purpose Hexene - 1 & Octene -1 catalyst development
- n-Hexane, n-pentane and other solvents production from existing facilities
- A new polyethylene product (UHMWPE) process development
- Advance generation PP catalyst and donor obial Polyester
- Low cost antimony catalyst for polyester production
- Magic WrapZ using advanced polyester technology for food/vegetable preservation
- Advance Reliance Spinning for increased capacity from RIL's polyester plants
- More effective FDY finish-polyester
- Low pill fibre-polyester



We participate in various collaborative projects in India and overseas to enhance basic research and technological developments in many areas. We have signed Research Alliance Agreements with various entities like the IITs (Mumbai, Delhi & Chennai), The National Chemical Laboratory (NCL) and University of Mumbai Institute of Chemical Technology (UICT). RIL's partnership with Council of Scientific & Industrial Research (CSIR) under the New Millennium India Technology Initiatives (NMITLI) is gathering momentum in the area of Fuel Cells and upgradation of biofuels by-products.

The patent filing activity has increased substantially in recent years with 120 patent applications and 71 patents being granted. Last but not the least, RIL is developing and implementing fit-for-purpose management systems, work processes and tools for achieving technical excellence; and creating a high performance environment for people to innovate and contribute towards organisational and individual growth.

## Innovation

The contraction of the global economy and the demand destruction in markets saw many global corporates struggling to survive. We, once again, demonstrated our ability to innovate by developing initiatives seeking opportunity in adversity.

The Reliance Innovation Council (RIC), a unique structure, comprises global thought leaders under the chairmanship of Dr. R. A. Mashelkar, one of India's most eminent scientists and a member of the company's board. The eminence of the Council is enhanced by members such as Mr. Mukesh D. Ambani, CMD, RIL, Prof. C. K. Prahalad, renowned global

strategist, Prof. George Whitesides, Harvard University, Prof. Jean-Marie Lehn, Nobel Laureate, Prof. Robert Grubbs, Nobel Laureate and Mr. William Haseltine, Venture Capitalist.

Our aim is to build the next generation of young innovation leaders within the organisation; creating a robust system for innovation management; developing and integrating a comprehensive measurement system for innovation and propagating our achievements internally and outside the organisation.

### Specific R&D initiatives carried out by the company

- Improved propylene recovery at the refinery.
- Propylene odour control.
- Development and use of refinery models.
- Development of improved paraffin dehydrogenation catalysts.
- Unsaturates reduction in Pentane streams.
- Catalyst Technology Development for Polypropylene.
- Eco-friendly recovery of ammonium sulphate from wastes.
- Development of a green process for butadiene polymerisation.
- Production of ethanol from biomass.
- Process for comonomers from ethylene.
- Composite adsorbents for Solution Polyethylene.
- Improved bimodal High Density Polyethylene.
- New PTA (Purified Terephthalic Acid) technology development.
- Catalyst recovery from PTA plants.
- Single stage separation of PTA.
- Safe handling of PTA residues.
- Improved furnace technology in Cracker plants.
- Substitution of Di-methyl Di- Sulphide (DMDS) in Cracker Plants.
- Development of Cationic Polyester in Continuous Reactor.
- Development of Full Dull Luster Polyester in Continuous Reactor.
- Development of polybutylene terephthalate (PBT) yarns.
- Spin finish development for flat yarns and partially oriented yarn (POY).
- Magic WrapZ development for enhancing shelf life of fruits and vegetables.
- New Catalyst systems development for PET.
- Technology development of Antimicrobial Polyester.
- Development of Carbon fibre.
- Development of unique solar PV Products.
- Development of high yielding varieties of Biofuel crops like Jatropha, Pongamia, Calophyllum, Madhuka and Simarouba.

## Health and Safety



Health and Safety are among the top most priorities at RIL. Our objective is to bring about a positive change and continual improvement in occupational health and safety practices at the workplace. For us, the most important domain is focusing on behavioural safety and our safety committees at each location ensure adequate awareness on industrial safety as well as occupational health. All our manufacturing divisions have a fully-equipped occupational health centre including a full-time doctor, ambulance service and necessary life-saving medicines.

A committee of directors monitor Health and Safety standards and practices. The committee ensures that our safety management systems are reviewed at the highest level and are in line with our ambitious goal of zero incidents at the work place. We need to continuously fortify our safety management systems with the latest local as well as global best practices.

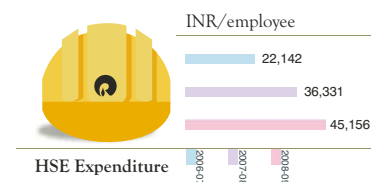
We have recently completed a safety benchmark exercise at all our manufacturing divisions. The exercise was spread over three months and the result of this study will be used to further improve our safety and health practices. In addition, we have regular inter-site benchmark exercises to encourage healthy competition between our sites.

We are committed towards creating a safe environment and workplace and dedicated investments in HSE ventures across all locations. The HSE expenditure per employee for the FY 2008-09 is Rs. 45,156.

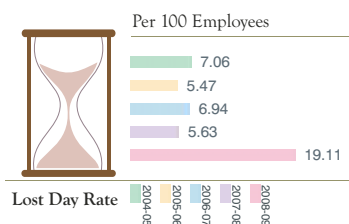
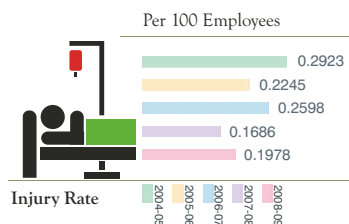
We have made significant improvements to our safety performance and in particular the progress made through our DuPont safety review. At our manufacturing divisions, injury rate for current year is 0.1978 as compared to 0.1686 last year. Similarly, the lost day rate for the current year is 19.11 as compared to 5.62 last year. The increase in injury rate and lost day rate was primarily attributed to the fire that occurred at one of our manufacturing divisions.

**To ensure safety at the workplace, the following programmes are pursued:**

- Safety performance benchmarking against leading international companies
- Comprehensive internal and external auditing system involving national and international Safety councils and external auditing organisations
- Safety induction training to all employees and contractors at the site
- Accident and near-misses sharing and learning
- Frequent emergency mock-drills
- Safety week celebrations including safety quiz, essay and slogan competition to create increased awareness



*In FY 2008-09, HSE expenditures includes HSE expenses incurred by manufacturing division and E&P, in order to ensure consistency in reporting, this same has been applied to earlier years as well.*



At RIL, employee welfare is the foundation of Medical and Occupational Health services. Headed by a Senior Occupational Health Specialist, every Occupational Health Centre has a team of doctors and paramedics, apart from support staff like ambulance personnel. At OHC, in addition to round-the-clock curative medical services, surveillance measures aimed at prevention are also undertaken. These are Annual Medical Examination for all employees, six-monthly Medical Examination for identified groups as per statutory requirements, weekly Biological Monitoring for those employees working in Benzene area and pre-retiral check-ups for all retiring employees. In addition, staff at the canteen are also examined every six months.

Highest ever coverage of employees for Annual Medical Examination, i.e., 100%, is being continuously achieved since 1999.

A key area that we are focusing on is 'Process Safety Management' (PSM). As part of the strategic partnership with DuPont Safety Resources, we have built capabilities within the company and developed in-house experts in various facets of PSM. 'Process Hazard Analysis' at various plants was initiated to address and reduce the process safety risks. Further, we have developed and implemented various metrics to monitor the process safety performance of company's manufacturing divisions.

Incident investigation, contractor safety management, management of change and auditing are other key areas in PSM where the company is focusing and strengthening the management processes. In addition to building strong safety management systems, we have undertaken special initiatives like 'Project Health Check'. Our objective is to reduce safety risks and prevent injuries in the short-term by identifying and addressing the safety issues requiring immediate attention.

As part of 'Project Health Check', learning from incidents has received enhanced impetus. There have been several high profile incidents in some leading global chemical and refining companies in the past few years. The least expensive way to improve process safety is to learn from such incidents and incorporate the learnings by way of improving the operating and maintenance procedures and doing necessary hardware changes in the plant facilities. A well laid out mechanism is now in place to gather incidents that have occurred within the group and in the external world and incorporate the learnings into our day to day work.

Additionally, we have started looking at leading and 'near miss' metrics to improve the process safety performance. Typically, companies look at lagging metrics - metrics that show the past outcome. On the other hand, leading and near miss metrics, when measured, tell us how we are progressing in each of the work processes that form the back bone of the process safety management systems. A beginning has been made to identify, collect and report leading metrics.



## Environment

We have an important responsibility towards the natural environment. We recognise the challenges faced by our industry sector, be it in terms of depleting crude resources, climate change, or end-of-life of petroleum based products. As a policy, we perform environment impact assessment and qualitative risk analysis for all new and major expansion projects and incorporate all necessary measures to mitigate environmental impacts due to project implementation. We have invested Rs. 3367.40 million in R&D, which is 0.23% of our total turnover.

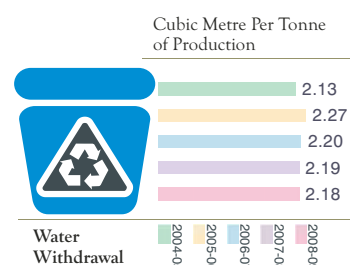
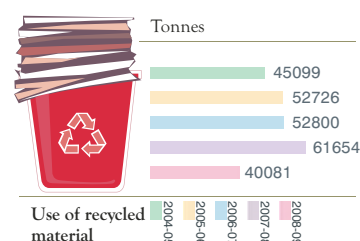
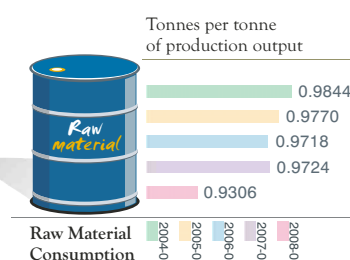
Our refineries at Jamnagar are able to process several types of crudes, including those with rich-sulphur content, thereby pushing further the limits of crude availability. We multiply the initiatives at the end of life of our polymers, and other petrochemicals products, engage with our B2B customers and their end-customers and partner with regulators to maximise the actual share of recycling of our products. We manufacture cleaner fuels in India and are active in the field of Biofuels. We are aware of other milestones on this journey that are still ahead of us and we acknowledge our responsibilities to continuously work towards minimising our environmental foot print.

### Resource Productivity

We focus our efforts towards resource conservation. Our backward integration model helped us increase our control over the material and other resource consumption across the value chain of our products. The Jamnagar manufacturing division provides the basic raw material for other manufacturing divisions through cracking of crude oil. Most of the non-product materials derived during the process is recovered as by-products for internal consumption as intermediates. Our initiatives for optimum material consumption and use of recycled materials reduce our requirement for virgin materials. This year, our material intensity decreased to 0.9306 tonnes per tonne of production output from 0.9724 tonnes per tonne of product output in the previous year. We have reduced our recycled material use by 31.95% over the previous year.

### Water

Water is a key resource requirement for our operations. Across manufacturing divisions, we withdraw water from various sources like sea, river, bore well and municipal supply besides others. We try and minimise the environmental impact of water withdrawal by limiting the withdrawal to less than 5% of the annual average volume of the respective water body. Our specific water withdrawal for FY 2008-09 was 2.18 cubic meter per tonne of production. Our approach to water management is based on the 'reduce-recycle-reuse' principle. Many initiatives were taken to recycle and reuse the water. We reduce the requirement for make-up water in the process by increasing the recycled water content for the process and reusing the remaining water after proper treatment. The total water recycled and reused as percentage of water withdrawn has increased to 31.09% as compared to 28.58% from last year.





### Usage of Cooling Tower Blow Down (CTBD) water for Horticulture & Gardening at Dahej Manufacturing Division

Conventionally, system blow down water from cooling towers is drained to cooling tower blow down pond in ETP. In order to utilise this blowdown water, a property analysis was done to ensure its suitability for horticulture use. Strategic position (Points) in the network line was identified to provide usage of the CTBD water. This resulted in saving of fresh water consumption by 19,200m<sup>3</sup>/ annum with a payback period of six months.

### Reduction in water consumption in Spinning take-up and Pack Cleaning Area at Hoshiarpur Manufacturing Division

In order to reduce the water consumption measures such as stopping vertical filter cleaning in the DM water tank, reducing frequency of its cleaning were implemented, which resulted in total water saving of 496,000 litres of water/annum.

### Conservation of Bio-diversity

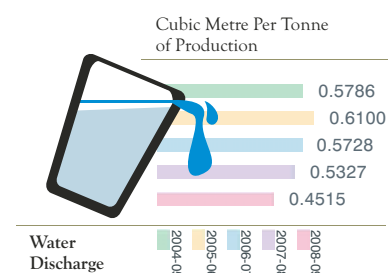
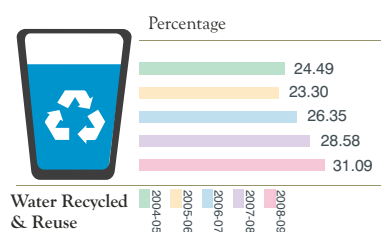
We assigned high priority to bio-diversity and take necessary actions for its conservation. Our 11 manufacturing divisions are located either in a declared industrial zone or in non-protected, non-sensitive area. We pro-actively monitor the impact on eco-systems, wherever required and essential. At our Jamnagar refineries, the right of way (ROW) for pipelines and the marine facilities are located in between inter-tidal mud-flats, which is a protected marine ecosystem under national legislation. To prevent any impact on the marine bio-diversity following measure are taken at Jamnagar:

- Desalinated brine water is discharged in the sea away from the mud-flats through a scientifically designed diffuser, which ensures that the brine attains ambient temperature within 50m from diffuser
- Only segregated ballast tank (SBT) vessels are chartered for trading to the marine terminal that is located away from the mud-flats
- Pumping of bilge water is strictly prohibited for ships that arrive for loading

Additionally, to ensure the pristine nature of sea water, we have engaged National Institute of Oceanography (NIO) to conduct periodic monitoring of sea water.

Green belt development activities commenced with plans for plantation of 10,000 tree saplings of different fruit varieties covering an area of 100 acres. A mangrove nursery was developed with over 40,000 saplings raised and planted at Kakinada. With the involvement of MS Swaminathan Research Foundation, a 10-hectare degraded mangrove is being restored near an eco-sensitive zone at Kakinada. In order to propagate and conserve bio-diversity, we ensure that all locations have developed green belts.

We have laid more emphasis on rainwater conservation scheme with construction of storm water retention ponds to collect all the rainwater from the Onshore Terminal premises for reuse in the green belt. We use effluent treated water in the plant for green belt development.



## LIFE CYCLE APPROACH

We have been extending our contribution in waste and environment management through Indian Centre for Plastics in the Environment (ICPE), a nodal agency recognised by the Government of India to handle all issues related to Plastics and Environment in the country. ICPE has been working with the Road Engineering Department of Municipal Corporation of Greater Mumbai (MCGM) since 2005 for popularising use of waste plastics for the construction of asphalt roads.

## Waste Management

Our waste management efforts are focused towards reclaiming or recycling resources and reducing our resource footprint. We discharge effluents after appropriate treatment as per the regulatory requirements. Our Silvassa, Nagpur and Hoshiarpur manufacturing divisions are zero discharge units through complete utilisation of treated effluent within the battery limits of the unit. Our efforts in water management have resulted in effective utilisation of treated effluents through recycle or reuse of the same. This year our waste water discharge is 0.45 cubic meter per tonne of production, a 15.30% decrease from the previous year

The total hazardous waste generated has increased from 0.9285 kgs per tonne of output to 1.0572 kgs per tonne of output, while the non-hazardous waste generated decreased from 1.0054 to 0.8066 kgs per tonne of output.

We successfully carried out a trial for the re-utilisation of Polyethylene Terephthalate (PET) waste into Polyester Fibre Fill (PFF) recycling plant at Hoshiarpur Manufacturing Division. Vermi-compost of waste is being carried out at manufacturing divisions located at Vadodara, Hazira and Naroda. Of the total hazardous waste generated, more than 81.68% was either recycled or reused in-house or through approved recyclers, while the remaining was sent to secured landfill, stored on site or incinerated. Our intent is to maximise this recycle and reuse of hazardous waste. Of the total non-hazardous waste generated, more than 54.26% was either recycled or reused while the remaining was sent to a secured landfill.

## Ozone Depleting Substances (ODS)

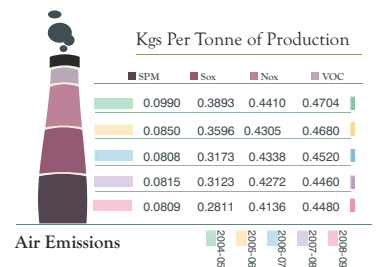
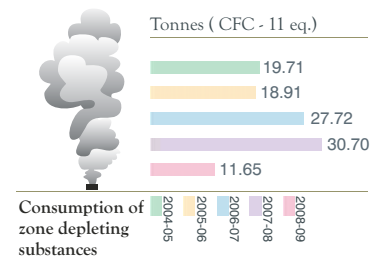
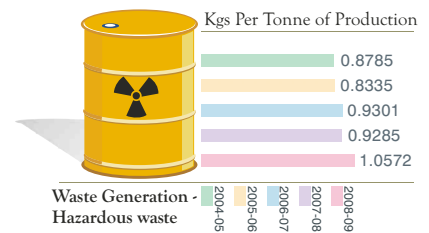
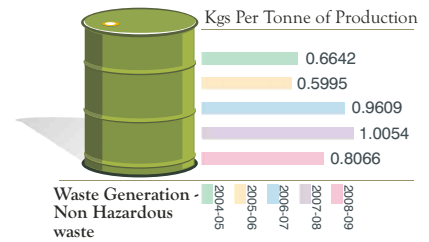
We neither consume ODS in our processes nor do we produce it. Our ODS consumption for the current year is 11.65 tonnes (CFC-11 equivalent). The emissions relate to ODS contained or emitted from the usage of products such as refrigeration and air conditioning units at our manufacturing divisions. We have planned a phase out of ODS use across our manufacturing divisions by 2010.

## Air Emissions

We monitor emissions for particulate matter, sulphur dioxide and oxides of nitrogen as per regulatory requirement. The Jamnagar division also monitors the volatile organic compounds (VOC) in addition to above parameters. This year we have witnessed a decrease in particulate matter to 0.0809 kg per tonne from 0.0815 kg per tonne the previous year. The sulphur dioxide emissions have decreased from 0.3123 kg per tonne to 0.2811 kg per tonne and oxides of nitrogen emissions have decreased to 0.4136 kg per tonne from 0.4272 kg per tonne. The VOC emissions have increased from 0.4460 kg per tonne to 0.4480 kg per tonne this year.

## Spills

This year, we had no major spills, while we had 36 minor spills across manufacturing divisions. The total spillage amounted to 3.65 cubic meters, which was either recovered or disposed successfully. The total spillage from our E&P operations amounted to 5.43 cubic meters, which was either recovered or disposed off successfully.



## Product Responsibility



We produce a comprehensive range of petrochemicals comprising PE, PP and PVC, olefins (ethylene and propylene) and polyester (PSF, PFY and PET), fibre intermediates (PX, PTA and MEG), aromatics (benzene, toluene and butadiene) and other chemicals. Our endeavour is to design and deliver products and services with minimal impact to the environment. We work towards this endeavour by adopting a life cycle approach and evaluating the impacts on environment across the value chain.

The cross functional teams established to direct our efforts in this area, review and recommend on wide range of product and process improvements, which include product safety, industry participation and association, environment and safety labelling, ease of handling and managing products, waste reduction, recycling and reuse, use of recycled and recyclable packaging, energy conservation and environmental protection.

This year we introduced five new grades in the homo-polymer and impact co-polymer segments. We are working with Bureau of Indian Standards for formulating standards for two of our product lines; leno bags and PPR pipes for hot and cold water applications.

Similarly, micro-irrigation techniques were widely promoted in partnership with the Ministry of Agriculture in the Centre as well as in States. These initiatives were carried out through National Committee on Plasticulture Applications in Horticulture (NCPAH). This partnership provided significant economic gains for farmers, strong value proposition for consumers, inclusiveness of small shopkeepers, an overarching physical distribution and logistics infrastructure and above all, greater rural prosperity.

We have achieved certification of all our coloured products allowing use of our products in the pipes used for city gas. We will be the first Indian company among 11 PVC producers to be listed for resin/piping material at the Plastic Pipe Institute (PPI).

Some of our product initiatives during the year:

- Advance generation of PP donors development
- Alternate catalyst evaluation for cost reduction and alternate supplies
- Fresca anti-microbial and anti-bacterial work wear apparel fabrics
- Fire-retardant and water repellent tent fabrics
- Insect and mosquito repellent nets as per WHO standards
- Production of ethanol from biomass
- Development of Carbon fibre.
- Development of unique solar PV Products.
- Development of high yielding varieties of biofuel crops like Jatropha, Pongamia, Calophyllum, Madhuka and Simarouba.

Petrochemicals and their derivative products are key enablers of sustainable solutions in areas like food security, water management, construction, textiles, healthcare, transportation, lifestyle products, information technology, communication and entertainment.

On the rural transformation space, we have developed several solar PV products using innovative concepts and technologies. Arushi<sup>TM</sup> lantern and R-Lite<sup>TM</sup> home power system developed by Reliance Solar use high power LEDs and provides better light output than similar products available in the market. The charge controller in the products has been developed in-house and has one of the highest efficiencies. Other value added features like mobile charging and dimming of light have also been introduced in the products. The products are made of poly carbonate, the strongest plastic material and are designed specially to operate in rugged rural conditions. Generating electricity from solar energy using PV technology has no green-house gas emissions, no noise pollution and waste generation. Solar lanterns used as a substitute for kerosene lamps completely displace the emissions from kerosene lamps and also avoid the heavy cross-subsidy provided by the Govt. for

kerosene. Being a de-centralised form of energy generation, solar PV systems can work on a standalone basis without any supporting infrastructure and have minimal impact on the surrounding environment.

### **Waste Management & Recycling – through ICPE**

We extend our sustainability activities in waste and environment management through the Indian Centre for Plastics in the Environment (ICPE), a nodal agency recognised by Government of India to handle all issues related to Plastics & Environment. We are one of the founding members and a key contributor to ICPE in seed capital and to sustaining funds for projects in areas of waste management and recycling, mass communication and awareness programmes. Officials from RIL spearhead ICPE activities on voluntary basis to plan, formulate and help implement the projects identified by the industry.

### **PP Non-Woven (NW) Medical Disposables for improved hygiene**

In order to promote usage of PP non woven medical disposables, we organised customer meets with IMA chapter in Pune, Daman and Chandigarh, to clear myths about usage of these disposables. Follow up visits were carried out in hospitals along with manufacturers to demonstrate cost advantages and effectiveness of non-woven disposables.

Benefits of Non-Woven Medical Disposables:

- Reduce risk of spreading highly contagious diseases
- Eliminate washing cycles, in which lot of chemicals are required to be used to make cotton fabrics completely safe for reuse in hospitals, thus protecting environment and conserving water and electricity
- Cost reduction since NW disposables require lower inventories
- Increases confidence of the user
- Improved hygiene as compared to reused cotton linen

### **Waste to Wealth**

ICPE has been working with the Road Engineering Department of Brihanmumbai Mahanagarpalika (formerly known as Municipal Corporation of Greater Mumbai) since 2005 for popularising use of waste plastics for the construction of asphalt roads. During the beginning of 2008, MCGM and ICPE have constructed a stretch of road near Dadar Railway Station, Mumbai (Prof. V. S. Aghase Road) using waste plastics in blend with bitumen and aggregates. A stretch of normal asphalt road, without mixing any waste plastics, also has been laid along the same road for evaluating the performance of both the roads over a period of time under similar conditions. Initial tests indicated improvement in important properties including Marshal Stability values (1600units) of the asphalt road.

Further, in-line with our commitment of protecting the environment as part of business objective, we continue working zealously on our project of collecting the soiled post-consumer PET bottles,

convert them in to clean flakes and then transform the flakes in to hollow polyester fibre-fill to be used as filling material in sleep and comfort products like pillows, cushions, quilts, furniture, soft toys etc. Our stringent quality standard used in manufacturing this product, have enabled us to get Oekotex certification on this product, which is the highest level of European ecological certification available today on textile products. With the steep rise in raw material price of PTA and MEG, today it is economically and ecologically a better proposition to use PET bottles, as it is comparatively cheaper and reduces the environmental impact. In addition, our unique drive has also helped in creating employment opportunities for lakhs of people, who are earning their livelihood by being a part of our post-consumer PET bottle supply chain.

### **Solid Waste Management**

Major problem related with plastic waste is not that of its environmental fate, but it is due to ineffective waste management and disposal. Most of this waste is mixed with wet garbage, which makes it unavailable for recycling due to ineffective segregation at source.

ICPE partnered with selected few NGOs and the local administrative authorities in helping the collection, segregation and recycling process and thus avoiding landfills. Experimental Waste Management System was initiated at Mumbai Metropolitan Region during the year, which resulted in effective waste segregation at source, increasing recycling input and saving landfill space. Besides achieving environmental-friendly disposal of waste, this initiative provided additional source of income to rag-pickers and scrap dealers.

### **Marketing communication including advertising, promotion, sponsorship and events:**

We view communication as a strategic element in overall business process. We have robust mechanisms in place, for internal as well as external communication. We adhere to all the statutory laws and standards related to marketing communication, advertising, sponsorship, promotion and event management. We comply with the code of conduct laid down by the Advertising Standards Council of India (ASCI) and are a certified member of the august body.

Our media communication policy defines our communication approach to both external and internal stakeholders through informed, controlled and consistent messaging. We ensure that the company honours the information requirements of all its constituencies such as consumers, local community, customers, employees and shareholders with respect to disclosing company and business information.

We make necessary disclosures and provide reliable information about our company to our stakeholders, voluntarily and as may be required by law.





“Education, particularly primary and secondary education, is the bedrock of any vibrant society. We believe there is nothing more rewarding than enabling our young people to shape their own destiny.”

Smt Nita M Ambani,  
President, DAF



## Social Institution Building

Our business vision extends beyond our commercial interests. We believe in the philosophy of co-existence, 'Vasudhaiva Kutumbakam' – the whole world is one family. Our Corporate Social Responsibility (CSR) strategy is to have close and continuous interaction with the people and communities around manufacturing divisions; the thrust is on improving their quality of life, especially of the people from the underprivileged segment of the society.

Our contributions are in the areas of health, education, infrastructure development (drinking water, improving village infrastructure, construction of schools etc.), relief and assistance in the event of a natural disaster and other social initiatives. The company's aim is to provide comprehensive health services covering preventive, promotive, curative and community health care services.

We invest in people and nurture talent inside and outside the organisation. Our vision is to develop future leaders to drive our sustainability agenda – transform the energy landscape, improve social infrastructure and enhance life.

### Human Resources

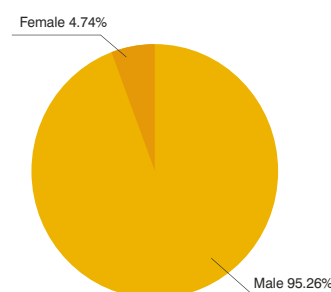
The economic scenario experienced globally was unprecedented from a business context. The key challenge was undoubtedly on the 'people' front.

In such a scenario, our way of managing the balance between driving efficiencies and staying on the 'growth' trajectory was a challenging act. The fact that we managed to do both is testimony and reflection of the quality of human talent the company has developed over the years. It is because of this human capital that our company sails through the stormy times. A much brighter future now beckons!

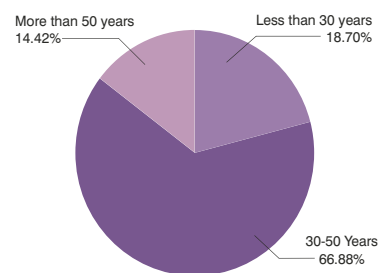
Our 'human talent' today is 24,679. This includes engineers, management graduates, accountants and other professionals. We classify them as Leaders, Managers & Executives and Non-Supervisory staff. The average age is 39 years, which for an organisation of our company's size and age clearly reflects a bias towards the youth. We increased our talent pool by hiring 1,500 + engineering talent in FY 2008-09. This year, the attrition rate stood at 10.03%.

Leaders, Managers and Executives are subject to annual performance review, while emoluments of workmen are based as per agreements with trade unions. Smooth implementation of operational changes is executed through bilateral agreements with workmen and trade unions. Working conditions are governed by the terms and conditions of Long Term Settlement (LTS) as per the provisions of Industrial Disputes Act, India, 1947. Any other changes are governed through the provisions of applicable laws.

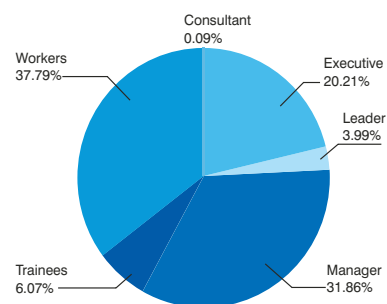
This year, the total spend on benefits extended to employees was Rs 4,840.20 million. This includes group medical employee insurance scheme, group personal accident insurance, employees' pension scheme, provident fund scheme, gratuity leave encashment, rehabilitation scheme, employees' state insurance, bonus other staff welfare and amenities labour welfare fund.



Workforce Breakdown-Genderwise



Workforce Breakdown-Agewise



Workforce Breakdown-Gradewise

"...The Reliance growth story is intricately tied to India's social and economic development. Despite several decades of impressive development, India has many infirmities and challenges in human development. Inclusive and sustainable development is a sacred obligation for every institution in the country. For the business community it is more than an obligation - it is a recognition of our enlightened self-interest.

Reliance has a long and strong tradition in supporting the larger communities that it connects with - from education, health, drinking water, large-scale development of employable skills, to assistance during natural calamities such as earthquakes and cyclones.

But I strongly believe that we can, and should, do much more.

I also believe that this effort has to bring into play Reliance's strengths of strategic planning, meticulous detailing and flawless execution on a large format.

With these perspectives, I would like to announce the formation of The Reliance Foundation. We envisage The Reliance Foundation to become one of the foremost professional philanthropic organizations in the world.

In its charter, The Reliance Foundation would address social development imperatives of India, specifically quality, formal and vocational education, affordable high-quality health care, meaningful rural development and urban renewal, and protection and promotion of India's priceless heritage of arts and culture.

In its character, it would embody a corporate systems and processes-driven organization operating on a not-for-profit basis.

In its constitution, it would comprise accomplished professionals from within and outside Reliance who are deeply committed to contributing to India's development.

And in its capital, it would be endowed with an initial contribution of Rs. 500 crore from Reliance Industries Limited and rapidly scaling up to Rs. 1000 crore. More resources will be made available in the coming years as the Foundation expands its activities.

Reliance has been making significant efforts in nation-building through wealth creation, employment generation, exports and energy security. The Reliance Foundation would aim to make a similar contribution through meaningful, innovative and effective activities in the social development sphere..."

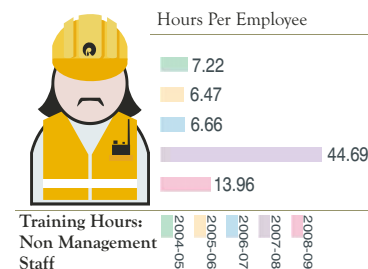
Extract from RIL's Chairman & Managing Director, Shri Mukesh Ambani's statement to the shareholders at the 35<sup>th</sup> Annual General Meeting held at Mumbai on November 17, 2009. The complete text of the statement is available on RIL website - <http://www.ril.com>



## Learning and Development

We continue to invest in training. In FY 2008-09, 528,647 man-days were dedicated to training delivered through various different modes both with external and in-house faculty with a diverse range of programmes for different employee target audience. This year was significant for the launch of 'e-learning' in a big way across the company. To facilitate the same, we partnered with Harvard and introduced their globally recognised 42 modules e-learning programme 'Harvard Manage Mentor 10'.

The 'Management Programme for Reliance Engineers' [MPRE] is a well-entrenched programme, which is conducted in collaboration with IIM, Bangalore, since 1995. In FY2008-09, two batches comprising 55 employees underwent this programme. Our relationship with IIM Bangalore goes beyond the MPRE programmes. We have tailor-made 'Management Development Programmes' (MDP) for the Company's high growth managers – MDP Level I and Level II. 82 employees in three batches underwent training under this programme.

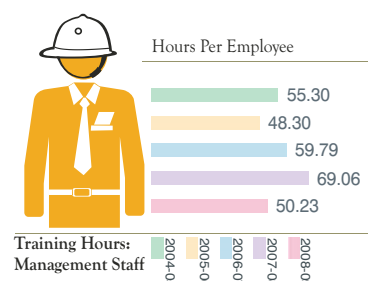


## Employee Engagement Exercise Update

In FY 2007-08, along with Hewitt Associates, a leading global consultancy firm, we conducted an 'employee engagement exercise' modelled on the global "Best in Class Employers". Based on the outcome of this exercise, in FY 2008-09, 5 pan-RIL task forces were developed: Learning and Development, Career Opportunities, Performance Assessment and Recognition, Pay and Benefits, Policies and People Practices; each mentored by a Sector / Site Leader.

Some key recommendations that emerged were implemented; viz. an e-learning platform for employees, a more robust internal opportunity system, a mid-year performance review and discussion, universal access to every employee through the ESS (Employee Self Service) on-line portal to all policies and practices of the company.

Several other initiatives that emerged from this exercise are being worked on and a plan is being put in place for implementation. The key ones among them include career development model, supervisory development plan and programme and a formal reward and recognition mechanism. All these initiatives are now integrated into our corporate DNA.



## Ethics and Human Rights

We hold ethical values in high regard for both internal and external dealings. All designated employees sign a code of conduct on a yearly basis.

We constantly endeavour towards 100 percent compliance with the local and national laws. Code of conduct, ethics and human rights form integral part of our training programme for all employees. The compliance monitoring framework monitors and reports, statutory compliance under applicable laws and regulations to the management. We are politically neutral organisation.

Our proactive measures over and above compliance include strict adherence to child labour act, migration and welfare measures (for employees and contract workers), medical centres, canteen, education initiatives etc.

## EDUCATION

Education is one of the major thrust areas of RIL's CSR interventions. A network of 10 schools caters to over 14,000 students spread across geographies in India. To encourage school children from neighbouring villages in their learning process, CSR cells at our manufacturing divisions and E&P blocks work zealously, round the year to support educational requirement of the community / schools in the neighbouring region.

While a computer has become an integral part of our lives, it is still away from the reach of students of Indian villages. We have taken a lead role in promoting computer literacy programme at village level. We provide computers in numerous schools and community halls in villages near its manufacturing divisions.

In partnership with a local NGO in Surat, we have developed a fully functional





Disabled Welfare Centre - a school for the physically challenged children - for bringing self-sufficiency to physically challenged children from the slum areas of Surat. Children are supported with travel facilities from their houses in buses. The Programme's objective is to give a sustainable livelihood by becoming contributing members and not dependants.

With our support, this school has become the first of its kind in India to get permission to impart formal education for Class XI and XII. We also provide wheel chairs, a medical centre and have also initiated development of a hostel and hospital in the school premises.

Project Jagruti, the project to address Dyslexia, is now maturing into a voluntary participation-based model wherein teachers, doctors, parents, NGOs, education societies and the state government of Gujarat are creating a sustainable model for sensitising and fighting learning disabilities amongst children. Linda Mood Bell model was adopted for diagnosis of Dyslexia and fully piloted in J.H. Ambani School with 81 students undergoing treatment.

Seeing the success of this programme, the same is being replicated in all schools in Surat. To encourage the poor and brilliant students to pursue higher studies, a novel scheme - 'Reliance Dhirubhai Ambani Protsaham' was launched in East Godavari District by the Hon'ble Chief Minister of Andhra Pradesh, in Academic Year (AY) 2008-09. The scheme facilitates the poor meritorious students in Secondary School Certificate (SSC) examination to get admissions in colleges of their choice and also requisite coaching for different competitive examinations on par with other students.

Further, we renovated classrooms of government schools in Gadimoga and Bhairavapalem region and distributed notebooks, uniforms and bags to children of schools from this region. The initiative includes supply of notebooks and uniforms to children from the region every year. We also participated in several education awareness initiatives, such as, 100 percent literacy programme in the Yanam region.

### Dhirubhai Ambani International School (DAIS)

The school year 2008-09 was yet another sparkling milestone in Dhirubhai Ambani International School's invigorating journey since its commencement in 2003. DAIS' overarching objective is to enable children discover the world in enjoyable ways, while imparting values and attributes that would stand them in good stead and help lead productive and fulfilling lives. This goal of a holistic education can be best achieved by providing education opportunities that synthesise internationally acclaimed pedagogical practices with India's rich educational heritage. These are the inspirations for the school's offerings across classes - lower kindergarten (LKG) to XII - the Indian Certificate of Secondary Education (ICSE), the International General Certificate of Secondary Education (IGCSE) and the IB Diploma (IBD) programmes.

As part of their engagement with a variety of social causes, our students work with a number of NGOs which include Advitya, Akanksha, Committed Communities Development Trust (CCDT), Muktangan, Pratham and Ishara. Paigaam, which is a student-initiated Peace programme of DAIS, exemplifies the enthusiasm and commitment amongst the youth towards building a harmonious relationship with people from across the border. The 'Paigaam' Peace Conference organised in July 2008 was yet another milestone in this exemplary journey. Since earning Regional Membership in March 2008, the 'Round Square' initiative in the school is making praiseworthy progress, in line with this global organisation's ideals of developing every student as a whole person. Initiatives like these have significantly contributed to our students' leadership attributes, appreciation of environment, service to the society and global-mindedness. DAIS is the RIL way of teaching them young and watching them grow.

### Community Health Care

We have developed Community Medical Centres near most of its manufacturing divisions, which provide comprehensive health services covering preventive, promotive and curative health care services to the community from neighbouring



villages. Manufacturing divisions conduct regular health check-ups for school children in schools of their respective neighbouring regions. Doctors advise children and their parents on various health care issues and personal hygiene.

A unique joint initiative of RIL and National Association of Blind, Project Drishti has undertaken over 7,000 free corneal graft surgeries for the visually challenged Indians from the underprivileged segment of the society. It is the largest corneal grafting surgery project enabled by a single corporate entity in India.

The initiative to combat TB HIV / AIDS is a unique public-private partnership programme - between the government, NGOs, several agencies and our company. It extends from creating awareness to providing care, support and treatment including free of cost treatment to those who cannot afford the same. Hazira Manufacturing Division's DOTS HIV / AIDS Centre is one of the largest Anti-Retroviral Treatment Centre (ART Centre) in the country. Manufacturing divisions at Jamnagar and Patalganga too have ART Centre facilities. The initiative was expanded to other manufacturing divisions; activities are largely in the advocacy and awareness area.

Our Jamnagar Manufacturing Division launched 'Project Balkalyan' on Children's Day, with an objective to provide nutritional support to children affected with HIV infection.

Nutritional kit is distributed to all HIV positive children when they visit the Centre for monthly follow up. Our Hazira Manufacturing Division, through Reliance Ladies Club (an association of spouses of RIL managerial employees) has a similar ongoing child adoption programme at Hazira to take care of nutritional requirement of HIV positive children.

The Primary Health Centre (PHC) at Dahej, adopted by our company in FY 2006-07, was adjudged as 'Best PHC' for FY2008-09 amongst all other PHCs in Bharuch district. The PHC caters to the community health needs under National Rural Health Mission Programme and has done a great deal of work in Malaria Surveillance Programme in all the 23 villages. In 2004, RIL established the PHC at Gadimoga.

The PHC has six member medical staff with all the amenities such as two-bed nursing room. Medicines are offered free of cost. Further, RIL runs two sub-centres of the PHC at Bhairavapalem and Laxmipathipuram.

Dhirubhai Ambani Hospital at Lodhivali, Maharashtra continues to play a significant role in improving the quality of life in surrounding communities. It extends prompt and specialised services to the Mumbai-Pune highway accident victims. Trauma patients are provided free lifesaving treatment. Besides taking care of hospitalisation requirements, the hospital provides poor patients and senior citizens subsidised treatment - both in the outpatient and in-patient departments.

A well-equipped community medical centre with four observation bed facility at Jamnagar continues to be offered free-of-cost, round the clock with comprehensive health services.

Our manufacturing divisions offer free medical services including free medicines to the neighbouring villages.

Mobile Van Clinics - 'Health-On-Wheels', specially designed mobile dispensaries equipped with a doctor accompanied by a nurse, move to neighbouring villages on a scheduled basis all through the week.

We organise and participate in blood donation camps every year across manufacturing divisions and offices. Hoshiarpur Manufacturing Division provides round-the-clock free ambulance service - 'Highway-Rescue', on National Highway No. 70, a radius of 20 km from Punjab to Himachal Border with heavy vehicular traffic, for road accident victims. The yeoman service saves over 50 lives annually.

### Community Safety

Our manufacturing divisions have initiated structured HSE education programme for the numerous industries located in the neighbouring region. To create awareness on safety among the people in the neighbouring industrial zone, road shows, safety-yatra and competitions were organised during the year.

### Rural Infrastructure Development

Reliance Rural Development Trust (RRDT), as a Corporate NGO, continued its activities in a committed way by constructing 14 check-dams; four of them in Jamnagar district. Check-dams are for conserving water and raise water tables of the surrounding areas. Besides these, RRDT also constructed 30 drinking water facilities in the villages of Junagadh (09), Patan (08), Porbandar (04) and Rajkot (09) districts. In all, RRDT completed 489 various facilities at a cost of Rs. 197.4mn across Gujarat during the year. The facilities include 97 cement concrete roads, 348 anganwadis, 30 drinking water facilities and 14 check dams. On the whole, RRDT has completed 5,725 facilities in 5,528 villages of Gujarat across the length and width of the state since its inception in 2001 in compliance with RIL's commitment to the Government of Gujarat. Hazira

Manufacturing division in partnership with local NGOs and also part of RRDT's initiatives, is working zealously for bettering rural life.

In partnership with Parivartan, a Gujarat-based NGO accredited with United Nations, we have initiated several community development programmes at Naroda. We support the Lions School, an NGO run by Lions Club of Naroda Charitable Trust located in GIDC Naroda, imparts quality education to the wards of labourers residing in and around GIDC Naroda.

Our Jamnagar Manufacturing Division contributed substantially and liberally to several community activities. This division contributed to Sardar Vallabhbhai Patel Memorial Society in FY 2008-09 for creating a memorial in the name of the architect of the Indian Union, at Old Raj Bhavan, Shahi Baug, Ahmedabad.

Further, the Jamnagar division also contributed to Sandipani Rachnatmak Abhigam Trust for projecting culture, business and progress of Gujarat and undertook a programme to give a face-lift to a neighbouring village, Moti Khavdi.

The initiative, in support of Gujarat State Government's

'Nirmal Gram' programme, comprised construction of a modern entry gate, sweeping of main village roads and garbage collection, public toilet blocks.

For providing better transportation, sanitation and hygienic conditions, internal cement concrete roads were laid in all the hamlets of Gadimoga and Bhairavapalem Gram Panchayats. Drainage facilities are also provided, on need basis, depending on the geographic conditions of the village.

Further, construction of fish jetty-cum-drying-platform near Darialathippa is in progress for the benefit of 500 fishermen families. We have renovated the fishermen community hall at Kakinada for enabling them to utilise the same for their social functions and constructed a burial ground for the usage of people of Darialathippa village.

## Water Relief

Jamnagar district is a water-scarce area. We supply round the year drinking water to Meghpar and Padana villages adjacent to the refinery through tankers. Drinking water was also supplied to Moti Khavdi, Kanalus and Navania villages through tankers during acute shortage of water in summer months in FY 2008-09.

Considering the problem of scarcity of drinking water being experienced by the people of Gadimoga, drinking water was supplied through private water tankers for the last four years. To offer a permanent solution to the people from Gadimoga and Chinavalasala villages, we have constructed a summer storage water tank and overhead reservoirs under Reliance Rural Water Supply (RWS) scheme.

Our Dahej Manufacturing Division continues to provide drinking water to its neighbouring villages. It has undertaken a job of renovating reservoir at Luvara village. The division in working with Water and Sanitation Management Organisation (WASMO) of Gujarat Water Supply and Sewerage Department to create drinking water distribution system through pipeline in neighbouring villages of Dahej.

## Livelihood Support Training

We have sponsored self-help groups (SHGs) empowering women from the underprivileged segment through various employment-oriented training and skill development programmes. These include training for nursing assistants, light motor driving and making bamboo articles. In FY 2008-09, our Nagothane Manufacturing Division facilitated formation of 28 SHGs taking the total number of SHGs that the division has facilitated formation, from 2005 till date, to 100.

Reliance Fresh stores, one of our retail initiatives, helped in the sale of 'Hatsadi Tandul'. To help farmers buy correct and high yield variety of paddy seeds, an educational programme was organised at MADER Foundation's office for farmers.

In the Gadimoga region, we conduct several livelihood support training programmes, such as making eco-friendly paper plates, agarbattis etc. Further, we have provided callipers, wheel chairs and other supportive equipments to the physically challenged with the support of Disabled Welfare Department of State Government of Andhra Pradesh.

We initiated training of plumbers on usage of PP pipes. The training was focused primarily on advanced plumbing skills helping plumbers improve their productivity by way of reduced time for installation ultimately helping them earn more. We partnered with major builders and architects and distributed free plumbing kits to selected plumbers in the training sessions. We also made sure there is adequate supply of these next generation plumbing kits in the market. Some of the benefits of using PP pipes include:

- Time of installation is less than half that of conventional system.
- Reduced physical labour (less weight – easier to handle) & no threading
- No exposure to hazardous chemicals as in the case of solvent joining methods
- Longer service life since the product does not corrode.
- Efficiency of Plumber is doubled – Increasing his earning capacity from Rs. 300 / day to Rs. 600 / day



We plan to expand these trainings to cover northern, eastern & western regions of India by March 2010. This initiative was recognised widely and we received appreciation letters for it is and today this training module is included in courses run by the Central Syllabi Authority.

Our Vadodara Manufacturing Division continues to support and work with Society for Village Development in Petrochemicals Area (SVADES), an NGO that binds the industry and the rural community for socio-economic development. SVADES works in 40 villages near Vadodra, Gujarat covering over 2 lakh people. SVADES focuses on skill development training and education. HIV AIDS awareness, hygiene and sanitation are some of the initiatives that SVADES undertook during the year.

Enhancing agricultural techniques and cost effective packaging solutions for farmers, the Polymer business division conducted several technical programmes and participated in farming-related exhibitions to propagate advanced technologies in the production, handling, storage and distribution agricultural products. These techniques use plastic products to enhance productivity of land, water and plant nutrients.

Use of Leno bags made out of PP was extensively promoted amongst farmers, which reduced handling losses in potato, onions, fruits and vegetable products. Similarly, micro-irrigation techniques were widely promoted in partnership with the Ministry of Agriculture in the Centre as well as in States. These initiatives were carried out through National Committee on Plasticulture Applications in Horticulture (NCPAH).

### **Recycling - energy and wastages**

Nearly 400 hectares of land is under plantation at Nagothane Manufacturing Division, resulting in generation of significant biomass. To avoid fire hazard from the dry biomass that is generated here, and at the same time utilising the same as an alternative energy source, the division commenced a project in 2007 to convert the biomass into coal. The technology of pyrolysing the biomass to coal was taken from a voluntary organisation called Appropriate Rural Technology Institute, Pune (ARTI). The coal produced from biomass is being sold in the market by ARTI. In FY 2008-09, total biomass coal produced and sold stood at 1,550 Kg. For 'propagating Sarai cooker', 16 programmes were organised during the year.

To help Surat district handle the 1,200 MT waste generated daily, we undertook a unique initiative in partnership with SMC, a local NGO. Rag picking women recycle the waste by converting the garbage collected into land filling.

The programme provides, women a sustainable livelihood and it also helps the city to manage its litter in a value-added manner. The programme targets to engage rehabilitate and provide sustainable livelihood to 17,500 rag pickers living in 350 slum areas around Surat. Polyester is completely recycled, while plastic goes into road and fuel manufacturing. In a simple and scientific method of disposing plastic waste and to add value by improving the quality and life of roads, low-end plastic waste is blended with bitumen. This method replaces about 8-15 percent of bitumen while offering better functional properties in the service life of the roads

constructed. It also results in cost reduction. ICPE has taken initiatives to popularise this technology throughout the country. We have adopted this method at our manufacturing divisions at Hazira and Vadodara.

### **Non-woven Products**

Several events, in association with various chapters of Indian Medical Association (IMA), were organised to increase awareness of the advantages of using PP non-woven medical disposables. With on site-demonstration and hospital visits, we demonstrated the cost advantage and effectiveness of non-woven disposables. These substantially reduce the risk of spreading highly contagious disease. They also eliminate washing cycles in which chemicals are used to make fabrics thereby protecting the environment. Not only do PP non-woven disposables offer better hygiene but they are also cost effective and require lower inventories.

### **Environment Care Advocacy**

We continue to support ICPE in conducting educational and awareness programmes on plastic waste management in major cities and towns. These programmes help school children understand proper disposal methods of plastic wastes and the importance of recycling.

Our Patalganga Manufacturing Division addressed the community concerns of its neighbouring region, which include driving-training for drivers transporting hazardous chemicals, awareness lectures on environmental systems and technologies to industry and institutions, support to common Effluent Treatment Plant (ETP) for Patalganga Rasayani Industrial Association (PRIA), and awareness campaign for all schools in the region on the importance of common ETP and its importance to environment.

Our Naroda Manufacturing Division continues to fog, fumigate and spray disinfectants at stagnated water points to avoid epidemics in surrounding areas and clusters in and around the manufacturing division.

### **Mid-day Meal Programme**

Kitchen sheds were provided for operating the mid-day meal scheme in a better and healthy environment benefiting children from villages. Additionally, to provide hygienic environment in the schools of Gadimoga and Bhairavapalem, toilets for boys and girls with running water facility were provided.

### **Relief Activities**

A devastating fire destroyed the houses and meagre belongings of many poor families in Babdeo village. Nagpur Manufacturing Division's Reliance Employees Ladies Club distributed essentials like food grains and utensils to the affected families.

We rehabilitated Katkarwadi, a tribal hamlet near Nagothane Manufacturing Division. We funded the rehabilitation expenditure, which is incurred by the Collector Raigad through the fund provided by Nagothane Manufacturing Division. Likewise, Nagothane Manufacturing Division sponsored the water filter plant for Kadsure



village resolving the longstanding problem of unfiltered water high on turbidity, which posed a serious health issue to the villagers.

### Wildlife, Animal Care

To address the problem of deaths of the Asiatic lions and their cubs from falling in open wells in Gir forest, Jamnagar Manufacturing Division constructed parapet walls on the host of open wells in Gir forest area. Parapet protection walls on as many as 1,200 open wells were constructed in FY 2008-09.

### Heritage Care

Jamnagar unabatedly keeps on supporting the development at mythological town of Dwarka. In order to further improve infrastructure and aesthetics at Dwarka, a cement-concrete road and a befitting traffic circle were constructed. We gave financial aid to Shardapeeth, Dwarka to support its spiritual and educational activities.

### Supporting Indian Culture

We took the lead two years ago to form a voluntary body - Gujarat Industries Navratri Festival Society (GINFS)- comprising several corporate houses of Gujarat to support and celebrate the Navratri festival at Ahmedabad. Besides GINFS, RIL supported about a dozen garba troupes and organisations in Jamnagar, Rajkot and Ahmedabad.

We support Gwalior Heritage Foundation. We are committed to be associated with such endeavours that bring alive the rich cultural tradition of our country. Gwalior Heritage Foundation promotes, creates and stimulates an awareness among the public through workshops fairs, festivals and events for the preservation, conservation, restoration and protection of the natural, cultural, architectural heritage of the Gwalior-Chambal region, State of Madhya Pradesh. The trust began its activities by showcasing the rich musical and cultural legacy of Gwalior by organising a three-day cultural festival in March 2008.

‘Homage to Abbaji’ was designed 10 years ago by the noted musician, Zakir Hussain in memory of his father and guru, Late Ustad Allarakha. This unique musical event, held in Mumbai, once a year, offers a platform to national and international artistes of repute to come on a common stage thus giving birth to camaraderie, cultural juxtaposition and harmony. We support ‘Homage to Abbaji’ musical fiesta by associating with the event unconditionally and with a passion to promote Indian cultural community.

### Promoting Sports and Sportspersons

Over the years, we have nurtured and promoted many star prodigies in Cricket, Billiard and Chess. In fact, our commitment to cricket spans to the last millennium when we sponsored Cricket World Cup in 1987 - ‘The Reliance Cup.’

Besides promoting cricket on the global front, we actively nurture young and talented cricketers. The Indian Premier League (IPL) offered yet another opportunity to support and sponsor cricket. We bagged the IPL franchise for the city of Mumbai. Mumbai Indians (MI), the Mumbai team, is among the most followed cricket teams in the IPL. This is yet another step to help make India a world-beater in sports. This effort, which will foster talent scouting and development of cricket, is our contribution in creating a healthy sporting ecosystem.



### Real Indian Heroes

Real Heroes is an initiative of CNN-IBN in partnership with our company. Our objective is to honour the silent warriors of change, ordinary people who have rendered extraordinary services for the betterment of others. Real Heroes is an annual celebration that felicitates and recognises the triumph of the human spirit. Now in its second year, this initiative honours the real-life heroes of our society who have worked hard to make a difference for others and have served a cause in

their own inimitable way thereby setting an example for a billion people. For their contributions, all 24 Real Heroes are honoured and felicitated at a grand event in Mumbai with a trophy and a cash prize of Rs. 5 lakh each.

#### **UAA-Dhirubhai Ambani Lifetime Achievement Award**

The first UAA-Dhirubhai Ambani Lifetime Achievement Award jointly promoted by UDCT Alumni Association (UAA) and RIL was awarded to Professor George Whitesides of Harvard University, USA, for his innovative and outstanding contributions to chemical sciences in December 2006. In June 2008, this one-of-its kind award was bestowed upon Professor Robert H. Grubbs, (a Nobel laureate Chemistry, 2005) - a Victor and Elizabeth Atkins professor of chemistry at California Institute of Technology, USA. The award was for his innovative and outstanding contributions to science and engineering having wide ramifications.

This Annual Award was instituted in memory of India's pioneering industrialist and our founder chairman, Shri Dhirubhai Ambani, to recognise outstanding contributions of scientists in the field of Chemical Sciences. This award, carrying a purse of USD 20,000 and a citation, is the highest Award for Scientific Achievements given by an Indian entity.

#### **NASI-Reliance Industries Platinum Jubilee Awards Covering Both Physical and Biological Sciences**

Along with National Academy of Sciences, India (NASI), we instituted "NASI-Reliance Industries Platinum Jubilee Awards Covering Both Physical and Biological Sciences" by allocating dedicated funds amounting to Rs. 10 million in 2006. The annual award to scientists is in recognition of their significant contribution for application-oriented innovations and research. The award carries cash prize of Rs. 2,00,000 and a citation.

#### **Reliance Dhirubhai India Education Fund**

RIL-Stanford Graduate School of Business announced the creation of the 'Reliance Dhirubhai India Education Fund' to support promising Indian students with financial need in obtaining an MBA at Stanford in April 2008. Each year, Stanford Business School may award up to five Reliance Dhirubhai Fellowships. Reliance Dhirubhai Fellows will receive full financial support for the two-year Stanford MBA Programme.

#### **National Council of Applied Economic Research, India (NCAER)**

NCAER is an independent, non-profit research institution that is committed to assist government, civil society and the private sector to make informed policy choices. The Council encourages research on Indian themes using Indian data. NCAER is dedicated to the goal of connectivity and seeks to establish inter-linkages with research institutions interested in the areas of industry and infra-structure development, macroeconomic analysis and human development. NCAER is doing pioneering research work in areas of applied econo-

mics with an emphasis on policy analysis and application of modern quantitative techniques to development issues, regional development and planning, household income, consumption, savings /investment and energy. Shri Mukesh D. Ambani is a member of the Prime Minister's Council on Trade and Industry, Government of India and the Board of Governors of the National Council of Applied Economic Research, New Delhi.

#### **Dhirubhai Ambani Foundation**

Dhirubhai Ambani Foundation (DAF) pursues philanthropic activities to promote national welfare and social well-being. Its main thrust areas are education and public healthcare. Till date, the foundation has awarded scholarships to over 5,900 students including 668 physically challenged and 171 children from the families of Kargil War martyrs.

Smt. Nita Ambani, President, Dhirubhai Ambani Foundation, was conferred the 'Giants International Award' in recognition of her outstanding contribution in the field of education.

#### **Sir Harkisondas Nurrotumdas Hospital & Research Centre**

Sir Harkisondas Nurrotumdas Hospital & Research Centre (HNHRC) is a tertiary care modern hospital equipped with all super speciality departments. The hospital has many firsts to its credit including introduction of departments like Sonology and Immunocytobiology, the latter becoming the life-line of many hospitals for their work in renal transplants, a field in which the hospital is a pioneer. The hospital's old building is a declared heritage structure and the façade represents colonial architecture.

Preserving the heritage charm, the hospital was upgraded to include facilities, which are a must for modern hospitals. Upgrading of infrastructure in both diagnostic and therapeutic areas has received top priority.

With improved infrastructural facilities, several high-budgeted research projects of considerable relevance to the community are on hand. Most of the studies have the potential of translating into tangible benefits, which will enhance humanity.

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**Independent assurance report to Reliance Industries Limited**

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KPMG was engaged by Reliance Industries Limited (RIL) to provide independent assurance of the RIL's Sustainability Report ('the Report') for the Financial Year (FY) 2008-09. Our responsibility is to provide "limited assurance" on the report contents as described in the assurance scope.

**Assurance scope - Reporting and assurance criteria**

The assurance is provided for the data and information in line with agreed scope for the financial year 2008-09. We have covered economic (excluding financial), environment and social indicators and carried out site visits to manufacturing divisions at Allahabad, Barabanki, Dahej, Hazira, Hoshiarpur, Jamnagar, Jamnagar SEZ, Nagothane, Nagpur, Naroda, Patalganga, Silvassa and Vadodara and Exploration and Production of Oil & Gas business at Gadimoga and business divisions such as Chemical, Fibre Intermediates, Polyester, Polymers, Petroleum, Solar and Bio-fuels; Supply & Procurement; Dhirubhai Ambani Foundation and Reliance Rural Development Trust.

We used ISAE 3000 assurance standards. We conducted our engagement in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

The main elements of our work included:

- Assessment of the maturity level of RIL's sustainability reporting framework
- Review of the sustainability governance framework of RIL
- An assessment of the systems used for data collection and reporting for the selected social and environmental performance indicators
- Review and validate the data collection systems, including related internal controls
- Interviews with staff responsible for data collection, collation and reporting
- Testing, on a sample basis, of evidence supporting the data Assessment of the consistency between the data for the selected social and environmental performance indicators and the related written comments in the narrative of the Report

**Specific limitations to our work**

We have not been engaged to:

- Determine which, if any, recommendations should be implemented
- Act on behalf of management in reporting to the Board of Directors, or Audit Committee
- Develop/prepare source documents on transactions
- Verify financial performance indicators

**Our conclusions**

Based on our review, nothing has come to our attention that would cause us not to believe that the Report presents the Company's sustainability performance and includes statements and claims that reflect Company's achievements and challenges, as supported by both documentary evidences and internal records.

**• Maturity assessment of sustainability framework**

- RIL has deployed a process for identification, selection and prioritization of the sustainability risks and opportunities, which are presented in the report
- The performance management system for the environmental indicators is robust
- Social initiatives form the backbone of the existing sustainability framework

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a Swiss entity.



- **Review the sustainability governance process**

- Governance structure is robust and the sustainability agenda is driven by various bodies / committees like Health Safety and Environment Committee at the board level, Centre for Health, Safety and Environment Excellence, Innovation Council and Corporate Social Responsibility Department

- **Review of vision and report scope**

- The existence of a well defined materiality framework and sustainability strategy demonstrates company's intent to realise its vision for sustainability
- The Report is aligned with GRI G3 guidelines, UNGC principles, WBCSD focus areas and IPIECA framework and the contents have been arrived using these frameworks

- **Review of data and information management**

- Sustainability performance data is collected at the corporate level-group manufacturing service and is verified annually
- Detailed sustainability protocol is available for all the indicators reported

- **"Third Party Application Level Check" with the 2006 GRI G3 guidelines**

- As indicated in the GRI content Index, requirements of application level A+ are met

### **Our Approach**

Our procedures selected depend on our judgment, including the assessment of the risks of material misstatements of selected performance indicators and disclosures and our assessment of the internal controls relevant to the company's preparation and presentation of the sustainability information in the 2008-09 Report. Our procedures were designed to gather sufficient appropriate evidence to determine that the selected performance information is not materially misstated. Our work included the following procedures:

- Testing of process and systems at corporate level and manufacturing division level to generate, collate, aggregate and report the sustainable development performance indicators for the year
- Visits to all manufacturing divisions mentioned above
- Interviews with management, at the manufacturing divisions
- A review of draft of the Report to ensure there are no disclosures that are misrepresented or inconsistent with our findings

### **Key Observations**

Without affecting the conclusions presented above, we would like to draw readers' attention to the following:

- RIL has a sustainability reporting framework in place through which sustainability performance is being reported annually
- The Report in its current form communicates RIL's sustainability strategy and the strategy navigator in the content page enhances the readability of the report
- The Report establishes linkages with UNGC principles and API/IPIECA guidelines for Oil & Gas sector, besides GRI framework

### **Responsibilities**

The Management of RIL is responsible for preparing the Report and the information and statements within it.

Our responsibility is to express our conclusions in relation to the above scope. We conducted our engagement with a multidisciplinary team including specialists in ISAE 3000, stakeholder engagement, auditing environmental, social and financial information and with experience in similar engagements in the Oil and Gas sector. This report is made solely to RIL in accordance with the terms of our engagement. Our work has been undertaken so that we might state to RIL those matters we have been engaged for. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than RIL for our work, for this report, or for the conclusions we have reached.

### **Arvind Mahajan**

Authorised Signatory  
KPMG Advisory Services Private Ltd., India  
January 25, 2010



# Content Index - GRI

STANDARD DISCLOSURES PART I: Profile Disclosures				
S. No.	Profile Disclosure	Reference	Extent of Reporting	Explanation
<b>1. Strategy and Analysis</b>				
1.1	Statement from the most senior decision-maker of the organization	4 - 7	Full	
1.2	Description of key impacts, risks & opportunities	14 - 17	Full	
<b>2. Organizational Profile</b>				
2.1	Name of the organization.	Contents	Full	
2.2	Primary brands, products, and/or services.	RIL Annual Report FY 2008-09 (Pg 2-6)	Full	
2.3	Operational structure of the organisation, including main division, operation companies, subsidiaries and joint ventures.	RIL Annual Report FY 2008-09 (Pg 166-170)	Full	
2.4	Location of organisation's headquarters.	Contents	Full	
2.5	Number of countries where the organisation operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	9 - 10	Full	
2.6	Nature of ownership and legal form.	RIL Annual Report FY 2008-09 (Pg 72-73)	Full	
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	9 - 10	Full	
2.8	Scale of the reporting organisation.	9 - 10, 33	Full	
2.9	Significant changes during the reporting period regarding size, structure or ownership.	32 - 33	Full	
2.10	Awards received in the reporting period.	26 - 27	Full	
<b>3. Report Parameters</b>				
<b>Report Profile</b>				
3.1	Reporting Period ( e.g. fiscal/calendar year) for information period	10	Full	
3.2	Date of most recent previous report (if any).	RIL Annual Report FY 2008-09; RIL Sustainability Report FY 2007-08 and Press Releases available on RIL website.	Full	
3.3	Reporting cycle (annual, biennial, etc.)		Full	Annual
3.4	Contact point for questions regarding the report or its contents.	11	Full	
<b>Report Scope and Boundary</b>				
3.5	Process for defining reports content.	14 - 17	Full	
3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	10 - 11	Full	
3.7	State any specific limitation on the scope or boundary of the reports (see completeness principle for explanation of scope.	10 - 11	Full	
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 organisations.		Full	We continue to report on all domestic operations of RIL, downstream as well as upstream businesses including our upstream operations where we are 30 % joint-operators.

## Content Index - GRI

S. No.	Profile Disclosure	Reference	Extent of Reporting	Explanation
3.9	Data measurement techniques and the bases of calculation, including assumptions and techniques, underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decision not to apply, or to substantially diverge from, the GRI Indicator Protocols.	14 - 17	Full	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, & the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).		Full	This year, we have further consolidated our sustainability reporting practice. For some KPI's the figures have been reworked, regrouped and rearranged.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	28 - 31	Full	
3.12	Table identifying the location of the Standard Disclosures in the report.	58 - 67	Full	
3.13	Policy and current practice with regard to seeking external assurance for the report.	57 - 58	Full	
<b>4. Governance, Commitments and Engagement</b>				
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.	56 - 57	Full	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	18	Full	
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	18	Full	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	18 - 19	Full	
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).	RIL Annual Report FY 2008-09; page 66	Full	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	18 - 19	Full	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	RIL Annual Report FY 2008-09; page 65	Full	
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.	12, 18 - 19,	Full	
4.9	Procedures of the highest governance body for overseeing the organisation'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.	18 - 19	Full	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	RIL Annual Report FY 2008-09; page 21	Full	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation. (Risk Planning)	14 - 15	Full	Our existing risk management processes go beyond the requirement of the precautionary principles and cover the three bottom-lines

## Content Index - GRI

S. No.	Profile Disclosure	Reference	Extent of Reporting	Explanation
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	10 - 11	Full	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: Has positions in governance bodies; Participates in projects or committees; Provides substantive funding beyond routine membership dues; or Views membership as strategic.	68	Full	
4.14	List of stakeholder groups engaged by the organization.	22 - 23	Full	
4.15	Basis for identification and selection of stakeholders with whom to engage.	22 - 23	Full	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	22 - 23	Full	
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.	22 - 23	Full	
<b>STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)</b>				
DMA EC	Disclosure on Management Approach EC	21	Full	
DMA EN	Disclosure on Management Approach EN	21	Full	
DMA LA	Disclosure on Management Approach LA	21	Full	
DMA HR	Disclosure on Management Approach HR	21	Full	
DMA SO	Disclosure on Management Approach SO	21	Full	
DMA PR	Disclosure on Management Approach PR	21	Full	
<b>STANDARD DISCLOSURES PART III: Performance Indicators</b>				
<b>Economic Indicators</b>				
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. (Core)	32 - 33	Full	
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change. (Core)	35	Full	
EC3	Coverage of the organization's defined benefit plan obligations. (Core)	32 - 33, 47	Full	
EC4	Significant financial assistance received from government. (Core)	32 - 33	Full	
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation. (Additional)		Full	Across locations, the minimum wage offered by us is more than the standard entry level wage as recommended by regulation.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. (Core)		Not Reported	We do encourage development of locally based suppliers, however, in FY 2008-09, there is no specific case of development of locally based supplier. We are committed to source materials from local based suppliers as and when possible.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation. (Core)		Full	Currently, we do not have any specific procedures for local hiring of senior management. The hiring is based on merits, irrespective of the location of the person.

## Content Index - GRI

S. No.	Profile Disclosure	Reference	Extent of Reporting	Explanation
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. (Core)	31, 47	Full	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts. (Additional)	31, 47	Full	
<b>Environment Indicators</b>				
EN1	Materials used by weight or volume. (Core)	28	Full	
EN2	Percentage of materials used that are recycled input materials.(Core)	28	Full	
EN3	Direct energy consumption by primary energy source.(Core)	28, 34	Full	
EN4	Indirect energy consumption by primary source. (Core)	28, 34	Full	
EN5	Energy saved due to conservation and efficiency improvements. (Additional)	28 - 36	Full	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. (Additional)	28, 34	Full	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved. (Additional)	28 - 36	Full	
EN8	Total water withdrawal by source. (Core)	28, 41	Full	
EN9	Water sources significantly affected by withdrawal of water. (Additional)	28, 41	Full	
EN10	Percentage and total volume of water recycled and reused. (Additional)	28, 41	Full	
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high bio-diversity value outside protected areas. (Core)	42	Full	
EN12	Description of significant impacts of activities, products, and services on bio-diversity in protected areas and areas of high bio-diversity value outside protected areas. (Core)	42	Full	
EN13	Habitats protected or restored.(Additional)	42, 54	Full	
EN14	Strategies, current actions, and future plans for managing impacts on bio-diversity. (Additional)	42	Full	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. (Additional)		Full	No IUCN Red List species within area of operations based on latest EIA Report.
EN16	Total direct and indirect greenhouse gas emissions by weight. (Core)	25, 28, 35	Full	
EN17	Other relevant indirect greenhouse gas emissions by weight. (Core)		Not Reported	On account of spread of activities across regions, data related to indirect GHG emissions such as employee travel and emissions saved by tele' and video conferencing was not tracked and captured. We are working on this and intend to address in the next 2-3 years.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved. (Additional)	28, 35	Full	
EN19	Emissions of ozone-depleting substances by weight. (Core)	28, 43	Full	
EN20	Nox, Sox, and other significant air emissions by type and weight. (Core)	28, 43	Full	
EN21	Total water discharge by quality and destination. (Core)	28, 42	Full	
EN22	Total weight of waste by type & disposal method. (Core)	29, 42	Full	



## Content Index - GRI

S. No.	Profile Disclosure	Reference	Extent of Reporting	Explanation
EN23	Total number and volume of significant spills. (Core)	43		
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.(Additional)		Full	Across locations we are not involved in any activity related to transporting, importing, exporting or treatment of waste deemed hazardous under Basel convention.
EN25	Identity, size, protected status, and bio-diversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff. (Additional)	42	Full	
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. (Core)	36	Full	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category. (Core)		Not Reported	Comprehensive measurement of reclaimed packaging is not possible because our core / major products are derived by processing hydrocarbon materials, which are transported through tankers and pipelines to national and international markets
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.(Core)	41	Full	No monetary fine of any significant value has been imposed on any manufacturing locations of our company during FY 2008-09 neither non-monetary sanctions for non-compliance with environmental laws and regulations imposed on the company.
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. (Additional)	35	Full	
EN30	Total environmental protection expenditures and investments by type. (Additional)	28 - 31, 39	Full	
<b>Social: Environmental Performance Indicators</b>				
LA1	Total workforce by employment type, employment contract, and region. (Core)	31, 47	Full	
LA2	Total number and rate of employee turnover by age group, gender, and region. (Core)	31, 47	Full	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. (Additional)	32	Full	
LA4	Percentage of employees covered by collective bargaining agreements. (Core)	47, 49	Full	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements. (Core)	49	Full	We follow the requirements of the Industrial Disputes Act, India, 1947 for issuing minimum notice period (s) regarding significant operational changes.
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. (Additional)	39	Full	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region. (Core)	28 - 29	Full	
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. (Core)	40	Full	
LA9	Health and safety topics covered in formal agreements with trade unions. (Additional)	39	Full	
LA10	Average hours of training per year per employee by employee category. (Core)	49	Full	

## Content Index - GRI

S. No.	Profile Disclosure	Reference	Extent of Reporting	Explanation
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. (Additional)	49	Full	
LA12	Percentage of employees receiving regular performance and career development reviews. (Additional)		Full	All eligible employees receive regular performance and career development reviews.
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity. (Core)	18 - 19	Full	
LA14	Ratio of basic salary of men to women by employee category. (Core)		Full	There is absolutely no difference between the basic salaries of men to women. We are firm believer of equal opportunity principle.
<b>Social: Human Rights</b>				
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. (Core)	47, 49	Full	India has ratified more than 39 conventions of the ILO that are covered in the nine chapters and 120 sections of The Factories Act, 1948 (Act No. 63 of 1948), as amended by the Factories (Amendment) Act, 1987 (Act 20 of 1987) Factories Act 1987, which covers various aspects of human rights. We have a screening process for our investment agreements based on the requirements of this Act.
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	47, 49	Full	India has ratified more than 39 conventions of the ILO that are covered in the nine chapters and 120 sections of The Factories Act, 1948 (Act No. 63 of 1948), as amended by the Factories (Amendment) Act, 1987 (Act 20 of 1987) Factories Act 1987, which covers various aspects of human rights. We follow our internal guidelines in selection of suppliers and contractors which include compliance to local regulations including this Act.
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.		Full	We do not have specific training modules on human rights but our existing induction programmes cover the basics of human rights.
HR4	Total number of incidents of discrimination and actions taken. (Core)		Full	This year there was no incident of discrimination across our locations.
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights. (Core)		Full	This year there was no operation identified in which the right to exercise freedom of association and collective bargaining was at significant risk.
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor. (Core)		Full	This year there was no operation identified as having significant risk for incidents of child labour.
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor. (Core)		Full	This year there was no operation identified as having significant risk for incidents of forced or compulsory labour.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. (Additional)	49	Full	
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken. (Additional)		Full	This year there were no incident of violation involving rights of indigenous people across locations

# Content Index - GRI

S. No.	Profile Disclosure	Reference	Extent of Reporting	Explanation
<b>Social: Society Performance Indicators</b>				
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting. (Core)	47	Full	
SO2	Percentage and total number of business units analyzed for risks related to corruption. (Core)	19, 49	Full	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures. (Core)	18, 49	Full	
SO4	Actions taken in response to incidents of corruption. (Core)	Full		There were no incidents involving acts of corruption
SO5	Public policy positions and participation in public policy development and lobbying. (Core)	42	Full	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country. (Additional)		Full	We do not support any specific political party.
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes. (Additional)		Full	No legal action initiated against RIL for anti-corruption behaviour, anti-trust and monopoly practices.
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. (Core)		Full	No fine or non-monetary sanction imposed against RIL for non-compliance with laws and regulations.
<b>Social: Product Responsibility</b>				
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. (Core)	17, 44 - 45	Partial	All our significant products and services follow the health and safety related regulatory requirements. Additionally, we are supporting life-cycle assessment study being done by ICPE and we are also working with Bureau of Indian Standards for formulating standards and guidelines. This is an on-going exercise. Though life cycle analysis studies are in progress, final results of such studies are still not available.
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. (Additional)	44 - 45	Full	No significant incident of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements. (Core)	44 - 45	Partially Reported	Our core / major products are derived by processing hydrocarbon materials, which follow regulatory requirements and awareness is imparted on safe use of product and services. Since, our core raw material is hydrocarbon, which is sourced from various sources, globally, it is not feasible to inform consumers about its sourcing. Information on such type of products is not available because of a large portfolio of manufactured products. All products manufactured comply with requirements set by Bureau of Indian Standards.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes. (Additional)		Full	No incident of non-compliance with regulations and voluntary codes concerning product and service information and labeling.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. (Additional)	22, 23	Full	
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship. (Core)	45	Full	We are members of Advertisement Standards Council of India (ASCI) and adhere to all laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.
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. (Additional)		Full	No significant incident of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. (Additional)		Full	No significant complaint regarding breaches of customer privacy and losses of customer data.
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. (Core)		Full	No significant fine for non-compliance with laws and regulations concerning the provision and use of products and services.

## Content Index – API / IPIECA & UNGC

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## Content Index - UNGC Communication on Progress

Global Compact Principles		Our Response
Human Rights	<b>Principle 1</b> Support and respect the protection of internationally proclaimed human rights within the business' sphere of influence	We recognise and accept our responsibility to uphold human rights at the workplace and its sphere of influence. We comply with all labour laws formulated by the Constitution of India. Our grievance mechanism is equipped to address all employee grievances related to work environment and company policies.
	<b>Principle 2</b> Ensure that the business is not complicit in human rights abuses	Our code of conduct is applicable to all employees and we do not have any instance of human right abuses in FY 2008-09.
Labour Standards	<b>Principle 3</b> Uphold the freedom of association and effective recognition of the right to collective bargaining	We respect freedom of association and comply with all the regulations enacted by Government of India developed for labour issues. We have trade unions representing workers and disputes are dealt in accordance with Industrial dispute Act of 1947. There has been no loss of workdays during FY 2008-09 on account of any labour dispute.
	<b>Principle 4</b> Uphold the elimination of all forms of forced and compulsory labour	Forced Labour Convention (29) and the abolition of Forced Labour Convention (105) has been ratified by India and our company does not support any forced or compulsory labour in any form and adheres to all labour laws in this respect.  We respect human rights at work place and pursue global leading practices, which ensures freedom of association, prohibition of child labour, protection of indigenous rights and prohibition of forced and compulsory labour.
	<b>Principle 5</b> Uphold the effective abolition of child labour	
	<b>Principle 6</b> Uphold the elimination of discrimination in respect of employment and occupation	

## Content Index - UNGC Communication on Progress

Global Compact Principles		Our Response
Environment	<p><b>Principle 7</b> Support a precautionary approach to environmental challenges</p>	<p>We recognise the challenges faced by our industry, be it in terms of depleting crude resources, climate change, or end-of-life of petroleum-based products. To address that we have a comprehensive environmental policy in place with a focus on conserving and improving environment.</p> <p>We ensure regulatory compliance and also conduct environmental impact assessment for all our expansion projects.</p> <p>Our manufacturing divisions are ISO 14001:2004 certified and have specific goals and targets which are monitored at regular intervals.</p>
	<p><b>Principle 8</b> Undertake initiatives to promote greater environmental responsibility</p>	<p>To soften our environmental footprint our efforts are focused on reducing GHG emissions. We have a dedicated CDM cell which looks into opportunities of GHG reduction. Our efforts are also dedicated towards conserving and reducing material consumption and at the same time increasing the use of recycled material.</p>
	<p><b>Principle 9</b> Encourage the development and diffusion of environmentally-friendly technologies</p>	<p>We use energy efficient clean technologies, it is our constant endeavour to improve our specific energy consumption. We are also investing in alternate energy sources such as solar, bio-fuels including Jatropha plantation. (Refer our environmental section for further details)</p>
Anti-corruption	<p><b>Principle 10</b> Work against all forms of corruption, including extortion and bribery</p>	<p>Our Code of Conduct defines our commitment of conducting business with due regard to the interests of our stakeholders and also the environment. Further, the Code of Conduct and also Ethics Policy cover such issues as bribery &amp; corruption, fraud, insider trading and human rights &amp; discrimination.</p>



## The World Business Council for Sustainable Development

The World Business Council for Sustainable Development (WBCSD) is a CEO-led, global association of around 200 companies dealing exclusively with business and sustainable development.

On invitation to Shri Mukesh D. Ambani, Reliance Industries Limited became a Council Member of WBCSD in 2007. Shri Ambani has been elected as Vice Chairman of the WBCSD Executive Committee in 2008.

### **The Council's objectives are to:**

- Be a leading business advocate on sustainable development
- Participate in policy development to create the right framework conditions for business to make an effective contribution to sustainable human progress
- Develop and promote the business case for sustainable development
- Demonstrate the business contribution to sustainable development solutions and share leading edge practices among members
- Contribute to a sustainable future for developing nations and nations in transition

As a member of WBCSD, we work with a mindset beyond corporate philanthropy, to build inclusive business models that create new revenue streams while serving the needs of the people of our country through sound commercial operations. We have presented many such examples in this report that clearly demonstrate a strong business case for sustainable development.

While developing this report we referred to WBCSD's four focus areas viz; Energy and Climate; Development; Business Role and Ecosystems.

- Energy and Climate has been identified as one of the material issues to us and we have taken numerous initiatives to mitigate our GHG emissions and minimise the impact of our activities on climate change.
- Our foundation focuses on Development area, and we have partnered with various NGOs and initiated various community related programmes for inclusive growth and empowering people to help them move into formal economic activities
- We aim to enhance to quality of life in society across the entire socio – economic spectrum through our various initiatives and also seek to define the Business Roles we will play in tomorrow's society by actively engaging with stakeholders
- We believe that Ecological balance is one of the three pillars of sustainable development and without it, business cannot function. Waste minimisation is one of the material issues and we have taken various initiatives to minimise its generation. We are also investing in various initiatives that will mitigate the impact on our ecosystem.

## GRI Application Level



To indicate that a report is GRI-based, report makers declare the level to which they have applied the GRI Reporting Framework via the "Application Levels" system.

To meet the needs of beginners, those somewhere in between, and advanced reporters, there are three levels in the system. They are titled C, B, and A. The reporting criteria at each level reflect a measure of the extent of application or coverage of the GRI Reporting Framework.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human Rights, labour, Society, Product Responsibility.		Report on each core G3 and Sector Supplement Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

\*Sector supplement in final version

The RIL Sustainability Report for FY 2008-09, 'Transforming Tomorrow, Today' is a  
**'GRI Checked' Application Level A+ Report.**

To know more about GRI, please visit <http://www.globalreporting.org>



# Glossary

5S	Sort, Set in order, Shine, Standardise and Sustain.	CCT	Cold Condensate Tank
AAA	One of the highest credit rating of financial instruments given by Rating Agencies; reflects highest financial strength to meet repayment obligations	CDM	Clean Development Mechanism
AC	Air Condition	CDU	Crude Distillation Unit
AFBC	Atmospheric Fluidised Bed Combustion	CEO	Chief Executive Officer
AGM	Annual General Meeting	CERs	Certified Emission Reductions
AHU of CP 11	Air Handling Unit of Continuous Polymerization Unit 11	CFC	Chlorofluorocarbons
AIDS	Acquired Immune Deficiency Syndrome	CFL	Compact Fluorescent Lamp
AIF	American India Foundation	CHSEE	The Centre for Health, Safety & Environment Excellence
APH	Air Pre Heater	CGSI	Corporate Governance and Stakeholder Committee
ARTI	Appropriate Rural Technology Institute	CII	Confederation of Indian Industry
API	American Petroleum Institute	CIPP	Cambridge International Primary Program
ART Centre	Anti-Retroviral Treatment Centre	CO <sub>2</sub>	Carbon Dioxide
ASCI	Advertising Standards Council of India	COMEE	Centre of Maintenance and Engineering Excellence
ASP	Air Separation Plant	CP-6	Unit of Continuous Polymerization – 6
ASTD	American Society for Training & Development	CPP	Captive Power Plant
ATU III	Amine Treating Unit	CRISIL	Credit Rating Information Services of India Limited
ATSE	Australian Academy of Technological Sciences and Engineering	CRU	Condensate Recovery Unit
BAA2 (Moody's)	Moody's long-term obligation ratings are opinions of the relative credit risk of fixed-income obligations with an original maturity of one year or more. Obligations rated BAA are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics	CSIR	Council for Scientific & Industrial Research
BBB	Standard & Poor's (S&P) is a division of McGraw-Hill that publishes financial research and analysis on stocks and bonds. It is of the top three companies in this business, along with Moody's and Fitch Ratings. BBB: medium class companies, which Are satisfactory at the moment	CTBD	Cooling Tower Blow Down
BCG	Boston Consulting Group	CSR	Corporate Social Responsibility
BPD	Barrels of oil per day	cu m	Cubic metres
BG	British Gas Group	DAIS	Dhirubhai Ambani International School
BIW	Business Information Warehouse	DAF	Dhirubhai Ambani Foundation
BMT	Business Management Trainee	DCS	Distributed Control Systems
BSC	British Safety Council	DGFASLI	Directorate General Factory Advice Service & Labour Institutes
BSE	Bombay Stock Exchange	DGH	Directorate General of Hydrocarbon
BSE SENSEX	Index for 30 large companies based on the free float market capitalisation on the BSE	DMA	Disclosure on Management Approach
btoe	Billion tons of Oil Equivalent	DM	Demineralized
CAS	Creativity, Action and Service	DMDS	Di-methyl Di- Sulphide
CASHe	Change Agents for Safety, Health and Environment	DNA	Deoxyribonucleic acid
CBFS	Carbon Black Feed Stock	DOTS	Directly Observed Treatment Short-course
CBM	Coal Bed Methane	DSG	Direct Steam Generation
CBSE	Central Board of Secondary Education	E&P	Exploration & Production
CCDT	Committed Communities Development Trust	EDC	Ethylene Dichloride
CCQC	Chapter Convention on Quality Circle	ELP	Extended Learning Program
CCS	Carbon Capture and Storage	EMP	Environmental Management Programmes
		EPA	Environmental Protection Agency
		EPC	Engineering Procurement Construction
		ERP	Enterprise Resource Planning
		ESS	Employee Self Service
		ESOS	Employee Stock Option Scheme
		ETP	Effluent Treatment Plant
		FCC	Fluidised Catalytic Cracker
		FGRS	Flare Gas Recovery System
		FPSO	Floating Production Storage and Offloading
		FRP	Fibre Reinforced Plastic
		GDP	Gross Domestic Product
		GHG	Greenhouse Gases

# Glossary

GJ	Giga Joules	LDPE	Low Density Poly Ethylene
GIDC	Gujarat Industrial Development Corporation	LIC	Life Insurance Corporation of India
GINFS	Gujarat Industries Navratri Festival Society	LKG	Lower Kindergarten
GRI	Global Reporting Initiative	LLP	Low Low Pressure
GTPP	Gas Turbine Power plant	LP	Low Pressure
HCL	Hydro Chloric Acid	LTC	Low-Temperature Chlorinationor
HCT	Hot Condensate Tank	LTS	Long Term Settlement
Hg	Mercury	MADER	MGCC Area Development Research Foundation
HIV	Human Immunodeficiency Virus	MAPD	Methyl Acetylene and Propadiene
HNHRC	Sir Hurkisondas Nurrotamdas Hospital and Research Centre	MBPD	Million barrels per day
HNMRS	Sir Hurkisondas Nurrotamdas Medical Research Society	MCGM	Brihanmumbai Mahanagarpalika (formerly known as Municipal Corporation of Greater Mumbai)
HRSG	Heat Recovery Steam Generator	MDP	Management Development Programs
HSC	Higher Secondary School Certificate	MEG	Mono Ethylene Glycol
HSE	Health, Safety and Environment	MGCC	Maharashtra Gas Cracker Complex
HT	High Tension	MI	Mumbai Indians
HVAC	Heating Ventilation and Air-Conditioning	MITCICE	Monitor, Inform, Transact, consult, Involve, collaborate and empower
HCTF	Habitat Conservation Trust Foundation	MMKcal	Million Kilo Calorie
IB	International Baccalaureate Diploma	MNRE	Ministry of New and Renewable Energy
ICPE	Indian Centre for Plastics in the Environment	MP	Medium Pressure
ICSE	Indian Certificate of Secondary Education	MPRE	Management Programme for Reliance Engineers
ID	Induced Draft	MT	Million Tonnes
IFAC	International Federation of Accountants	MUICT	Mumbai University Institute of Chemical Technology
IFC	International Finance Corporation	MW	Megawatt
IGCSE	International General Certificate of Secondary Education	MWH	Megawatt hour
ILO	Indian Labour Organization	NAB	National Association for the Blind
IOP	Inter Offsite Plant	NASI	National Academy of Sciences, India
IIM	Indian Institute of Management	NCL	The National Chemical Laboratory
IIT	Indian Institute of Technology	NCQC-07	National Convention on Quality Circle - 07
IMS	Integrated Management System	NCPAH	National Committee on Plasticulture Applications in Horticulture
IPA	Isophthalic Acid	NCAER	National Council of Applied Economic Research
IPIECA	International Petroleum Industry Environmental Conservation Association	NELP	New Exploration Licensing Policy
IPL	Indian Premier League	NMITLI	New Millennium India Technology Initiatives
IRIS	Integrated Risk Information System	NGOs	Non-Government Organizations
ISO	International Organization for Standardization	NIO	National Institute of Oceanography
ISAE	Indian Society of Agricultural Engineers	Nox	Nitrogen Oxide
ISAE - 3000	International Standard on Assurance Engagements 3000	NPBD	National Project on Biogas Development
ITI	Industrial Training Institute	O&G	Oil & Gas
IUCN	International Union for Conservation of Nature	ODS	Ozone Depleting Substances
JNCAR	Jawaharlal Nehru Centre for Advanced Scientific Research	OHC	Occupational Health Centre
KG-D6	Exploration Block in Krishna-Godavari Basin	OHSAS	Occupational Health and Safety Assessment Series
KMS	Kilometers	OHSMP	Occupational Health and Safety Management Programmes
KL	Kilolitres	ONGC	Oil and Natural Gas Corporation Limited
KPO	Knowledge Process Outsourcing	OPA	Ortho-Phthalic Acid
KSA	Knowledge, Skills and Attributes	OPD	Out Patient Department
LAB	Linear Alkyl benzene		
LED	Light-emitting diode		

# Glossary

OSHA	Occupational Safety & Health Administration
P.T. Clinic	Purshottamdas Thakurdas Clinic
PBDIT	Profit Before Depreciation, Interest and Tax
PBT	Polybutylene Terephthalate
PE	Polyethylene
PET	Polyethylene Terephthalate
PFF	Polyester Fibre Fill
PFY	Polyester Filament Yarn
pH	A measure of chemical activity of Hydrogen in a solution used to express acidity or basicity
PGH - BZ	Pyrolysis Gasoline Hydrogenation - Benzene
PHC	Primary Health Centre
PMT	Panna-Mukta and Tapti
POY	Partially Oriented Yarn
PP	Polypropylene
PPI	Plastic Pipe Institute
PPP	Public-Private Partnership
PPR	Polypropylene Pipes
PRIA	Patalganga Rasayani Industrial Association
PRU	Propylene Recovery Unit
PSF	Polyester Staple Fibre
PSM	Process Safety Management
PSF CP 11	Polyester Staple Fibre Continuous Polymerization Unit 11
PTA	Purified Terephthalic Acid
PV	Photo Voltaic
PVC	Polyvinyl Chloride
PX	Paraxylene
QCC	Quality Control Circle
R&D	Research and Development
RCEC	Reliance Certified Engineering Course
ReSOP	Reliance Safety Observation Program
RIC	Reliance Innovation Council
RIL	Reliance Industries Limited
RIL-C	Reliance Innovation Leadership Centre
RIC	Reliance Innovation Council
RIM	Reliance Innovation Movement
ROW	Right of way
RPL	Reliance Petroleum Limited
RPM	Revolutions Per Minute
RRDT	Reliance Rural Development Trust
Rs.	Indian Rupees
RSLS	Reliance School of Life Sciences
RTG	Reliance Technology Group
RU	Returnable Unit
RWTP	Raw Water Treatment Plants
RWS	Reliance Rural Water Supply
S&P CNX Nifty	Index for 50 large companies based on market capitalisation on the National Stock Exchange of India

SAP	Systemanalyse und Programmentwicklung
SBT	Segregated Ballast Tank
SEBI	Securities & Exchange Board of India
SEZ	Special Economic Zone
SGA	Small Group Activity
SHG	Self-Help Groups
Sox	Sulphur Oxides
SPM	Suspended Particulate Matter
SR	Sustainability Report
SRT	Short Residence Time
SSC	Secondary School Certificate
sq lkms	Square kilometers
SVADES	Society for Village Development in Petrochemicals Area
SVNIT	Sardar Vallabhbhai National Institute of Technology
SWAT	Internal team that implements best maintenance practices across all existing & future RIL manufacturing divisions
TA	Terephthalic Acid
TB	Tuberculosis
tCO <sub>2</sub>	Total Carbon Dioxide
TPD	Tonnes per day
TLV	Threshold Limit Value
TMA	Trimellitic Acid
UAA	UDCT Alumni Association
UDCT	University Department of Chemical Technology
UICT	University of Mumbai Institute of Chemical Technology
UHMWPE	Ultra high molecular weight polyethylene
UNAIDS	The Joint United Nations Programme on HIV/AIDS
UNFCCC	United Nations Framework Convention on Climate Change
UNGC	United Nations Global Compact
UGC	University Grants Commission
UK	United Kingdom
USA	United States of America
USD	US Dollars
VCM	Vinyl Chloride Monomer
VFD	Variable Frequency Drive
VGO	Vacuum Gas Oil
VGOHT1	Vacuum Gas Oil Hydrotreater - Unit 1
VOC	Volatile Organic Compounds
WASMO -	Water and Sanitation Management Organisation
WBCSD	World Business Council for Sustainable Development
WHRB	Waste Heat Recovery Boilers
WHO	World Health Organization







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