



New Businesses. New Technologies. New Partnerships.



Dhirubhai H. Ambani  
Founder Chairman

## CONTENTS

|  |    |
|--|----|
| 1. New Businesses. New Technologies. New Partnerships. | 02 |
| 2. CMD's Message                                       | 06 |
| 3. Company Profile                                     | 10 |
| 4. Report Scope  | 12 |
| 5. Our Vision, Mission and Values                      | 14 |
| 6. Our Strategy & Roadmap                              | 16 |
| 7. Corporate Governance                                | 18 |
| 8. Management Systems                                  | 23 |
| 9. Disclosure on Management Approach                   | 26 |
| 10. Communication and Engagement                       | 28 |
| 11. Performance on Commitments                         | 32 |
| 12. Awards and Recognitions                            | 34 |
| 13. Performance Review                                 | 38 |
| • Economic Performance                                 | 44 |
| • Energy Security                                      | 46 |
| • Growth through Innovation                            | 52 |
| • Health & Safety                                      | 55 |
| • Environment  | 58 |
| • Product Responsibility                               | 62 |
| • Social Institution Building                          | 64 |
| 14. Assurance Statement                                | 76 |
| 15. GRI's Application Level                            | 78 |
| 16. Content Index – GRI/IPIECA/UNGC/WBCSD              | 80 |
| 17. Abbreviations                                      | 93 |



Sustainability Report  
**2010 - 11**

# NEW

Businesses

Technologies

Partnerships

When you incorporate sustainable business practices into the very DNA of an organization, every new business opportunity is also an opportunity to make a difference to the environment, nay, the humanity as a whole.

We, at Reliance, are investing significant resources in order to retain our global leadership position in the manufacturing sector, in a cost-competitive and environment-friendly way.

We continuously strive to create innovative products and services for our customers the world over through strategic partnerships and alliances that not only help us gain access to new domains, new markets, products and competencies but also bring a smile on the faces of all our stakeholders.

We are investing in technology to create new businesses of the future and for the future.

India is a nation of billion opportunities and aspirations. We symbolise the Indian opportunity – in creating unprecedented value for millions of Indians in their endeavour to access world-class products and services.



Businesses.  
**NEW** Technologies.  
Partnerships.





What is good for  
**INDIA**  
is good for the  
**WORLD**






# CMD's

M e s s a g e

---

 We consider our stakeholders as our partners in our success and we remain committed to maximising stakeholder value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. 



Dear Stakeholder,

In a highly price sensitive economy, sustainability is a function of extracting the last drop from the bottom of the barrel through operational efficiency, using green technologies to optimize on available resources and investing in discovering green sources of energy.

Reliance Industries Limited (RIL) did very well on all these parameters and achieved the largest profit growth in its history in FY 2010-11, with record operating and financial results from each of its three core segments in the integrated energy chain - oil & gas, refining and marketing and petrochemicals.

As you might know, RIL's turnover in the year FY 2010-11 was INR 2,586.5 billion (\$ 58.0 billion), and the company recorded net profit of INR 202.86 billion (\$ 4.5 billion). RIL's spectacular results came from its ability to



create a robust business model encapsulating sustainable development through continuous innovation, business transformation and implementation of system-based business processes, apart from factors such as global economic recovery, and a strong demand for its products and services linked to a better quality of life.

Consequently, we were able to realize the full potential of our producing assets, make strategic investments, and bring into play our management capabilities to extend our reach in the global markets in an unprecedented manner. Additionally, our newly commissioned projects in refining and upstream oil & gas sectors created enormous value for the nation.

As you can appreciate, all of this would not have been possible without the active support of all our stakeholders. In fact, this entire play was underlined by our strategic investments in sustainable businesses and green practices.

Toward this end, we entered into strategic partnerships with Atlas Energy (now owned by Chevron), Pioneer Natural Resources and Carrizo Oil & Gas, as one of the leading foreign investors, to participate in an exciting and unconventional hydrocarbon opportunity in North America. We will leverage our well honed competencies in developing large exploration and production projects through these partnerships and make a meaningful contribution to our earnings within the next few years.

Similarly, the primary focus of our partnership with BP is to bring to India sophisticated technological capabilities that will enhance the country's supply of natural gas, besides exploring other oil resources. This powerful partnership will accelerate the creation of state-of-art infrastructure for receiving, transporting and marketing of natural gas in India, apart from bringing in the technical expertise needed to maximize recoverable resources.

It was also a strong year for our upstream oil & gas business. We made five oil discoveries in the Cambay basin and a gas discovery in the Krishna basin. Our KG-D6 production facility completed two years of operations, and crude oil and natural gas supplies from KG-D6, in FY 2010-11, grew by 97.6% and 41.7%, respectively. In the refining and petrochemicals businesses, we maintained operating rates upwards of 100% and processed 66.6 million metric tonnes of crude at Jamnagar, the highest until now.

Continuing our relentless drive to combat factors of climate change, we have significantly invested in renewable and non conventional energy, energy efficiency and GHG reduction. During the year, we undertook the validation of two renewable energy projects harnessing solar and biomass energy. These projects have received host country approval and the biomass-based project is in its final stage of registration.

In FY 2010-11, we also updated our group-wide environmental standards and protocols. We engaged international agencies to develop a group-wide environment management process to identify environmental risks to our businesses and to plan appropriate preemptive actions. Some of our manufacturing locations have already scored over 90% in the five-star environmental audits carried out by the British Safety Council. We continued to focus on reducing our environmental footprint in the E&P business and completed our drilling campaign at Timor-Leste without any environmental incidents. This year, we also conducted an oil spill response mock exercise and joined the Indian Coast Guard and the State Pollution Control Board's initiative to clean the beaches in Kakinada.

We continue to pursue world class operational excellence through stringent safety management systems, through a strategic partnership with DuPont Sustainable Solutions. During the year, we have strengthened our HSE management systems (HSE-MS) to establish group-wide safety management objectives, processes and guiding principles. We have reinforced our ties with globally renowned institutions such as the British Safety Council and the Centre for Chemical Process Safety and gained access to the industry's leading practices. We have also dedicated significant senior management time towards ensuring the safety of our people and assets. Our goal is to eliminate the loss time injury frequency rate. On the health front, we have developed a health improvement index and have subsequently witnessed an improvement on this index during the year.

We look at our stakeholders as our partners in our success and remain committed to maximize value for each one of them, be they our shareholders, employees, suppliers, customers, investors, communities or policy makers. The end-users of our products are one of our key stakeholders and our business development teams regularly interact with them to seek up to date feedback. Our R&D centres incorporate such feedback while developing or modifying new products.

We believe that sustainability is possible only through continuous operational improvements, targeted research and development and by quickly looping in technological innovations into our product development cycle. Our Innovation Leadership Centre designs, develops and deploys such programmes in our march to become one of the most innovative companies in the world. Our patent portfolio is expanding, both in terms of quality and quantity and includes patents filed for protection of our Intellectual Property (IP) in the overseas markets.

These sustained efforts have led us to be featured in Fortune Global 500 list for the sixth consecutive year. We currently rank 100 based on profits and 175 based on revenues. We are also the only Indian company to get a perfect score from CLSA Asia and Pacific Markets, in the list of Asia's best companies for CSR. CLSA has termed the Company as the region's 'Corporate Good Guy'. In its 'Ethical Asia' 2010 report, CLSA has acclaimed us amongst its top picks, for providing excellent data and going beyond the required disclosure norms. Our Jamnagar Manufacturing Division has also won the 'Golden Peacock Global Award for Sustainability' for the year 2010.

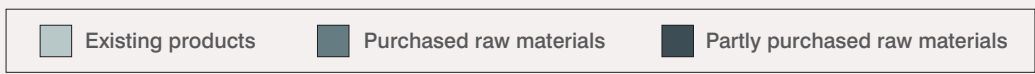
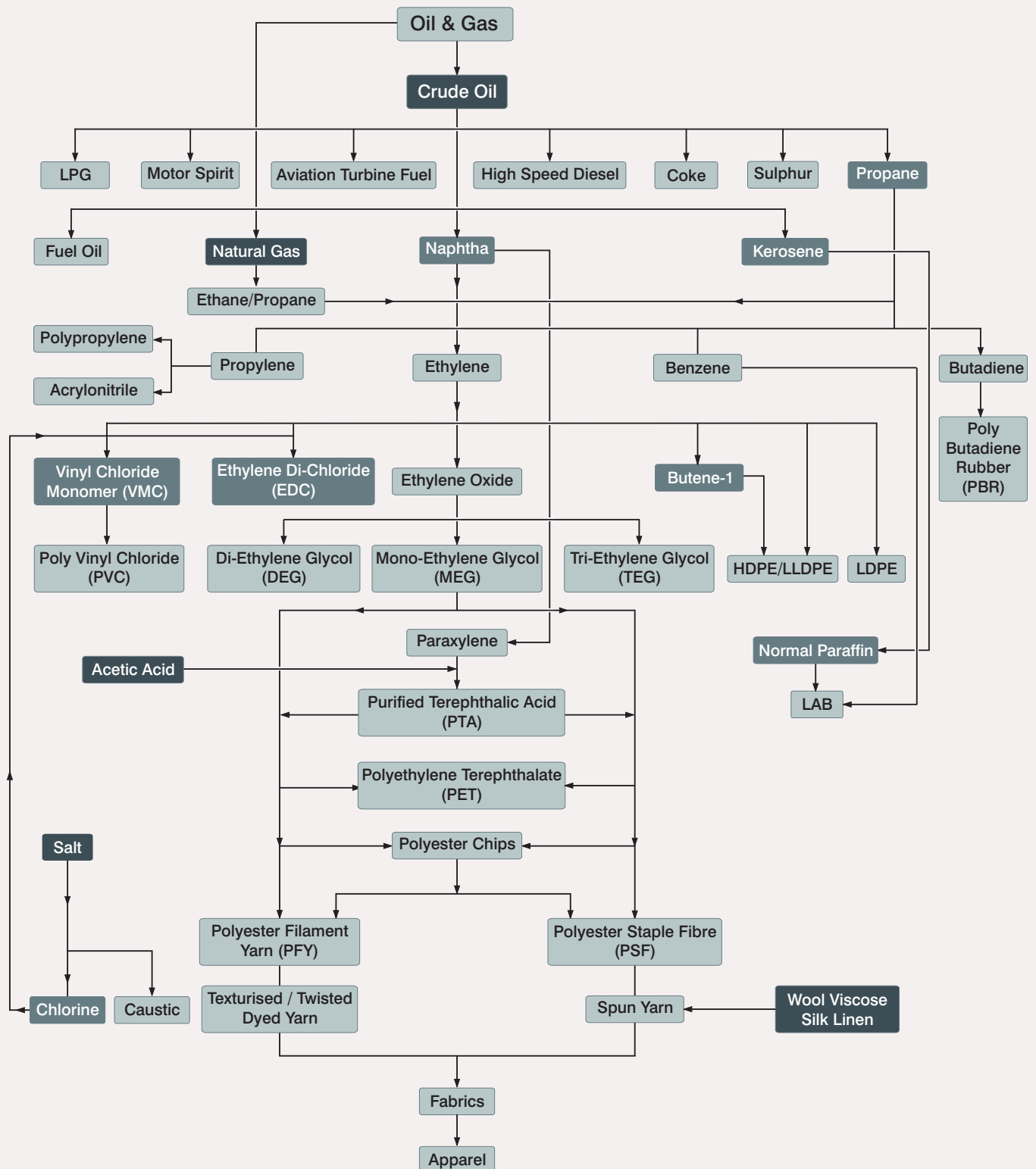
By incorporating sustainable business practices in the very DNA of our organization, we have thrived with 'best-in-class' performance in all aspects of our business. The outlook for the future is bright and we are confident that Reliance will scale greater heights and set new benchmarks as a global leader.

Yours sincerely,



**Mukesh D. Ambani**  
Chairman & Managing Director  
September 02, 2011

# Product Flow Chart



# Company Profile



In line with our growth aspirations, our Company is investing its resources in core businesses across its integrated energy chain. We are also investing in new technologies and businesses that help meet the changing aspirations of millions of Indian consumers. These strategies and initiatives are aimed to ensure that our Company delivers long-term sustainable growth and creates unprecedented value for our stakeholders.

Our Company has an integrated business model that combines a long-term perspective, with a focus on operational excellence and disciplined approach towards capital investment. Our Company has identified, developed and executed projects applying best practices that ensure superior returns on projects across a range of scenarios. It has regularly generated higher income from its productive capital base, as demonstrated by superior returns on average capital employed. For the year ending 31 March 2011, our Company remains India's largest private sector company on all major financial parameters with a cash profit of INR 345.3 billion (\$ 7.7 billion), and a net worth of INR 1,515.4 billion (\$ 34.0 billion).

FY 2010-11 was a strong year for our upstream oil and gas business. Our Company completed two years of operations at its KG-D6 production facility. We not only delivered new supplies of crude oil and natural gas to the nation, but also provided significant value to all our shareholders. Our KG-D6 field produced, for FY 2010-11, 7.95 million barrels (MMBL) of crude oil, and 720 billion cubic feet (BCF) of natural gas - a growth of 97.6% and 41.7% respectively. We have made 5 new oil discoveries in Cambay basin and also made a gas discovery in Krishna basin. We have 13 blocks in our international conventional portfolio including 2 in Peru, 3 in Yemen and 2 each in Oman, Kurdistan and Colombia, 1 each in East Timor and Australia.

During the year, our Company announced a strategic partnership with British Petroleum for the oil and gas business, with BP taking a 30 per cent of stake in 23 oil and gas

production sharing contracts that Reliance operates in India, including the KG-D6 block. It also includes the formation of a joint venture (50:50) for sourcing and marketing of gas in India. The partnership will also endeavour to accelerate the creation of infrastructure in receiving, transporting and marketing of natural gas in India.

Our Company has also entered into one of the fastest growing opportunities emerging in the US unconventional gas business through three upstream joint ventures. These joint ventures will materially increase our Company's resource base and provide us with an entirely new platform to boost our exploration and production business while enhancing our ability to operate unconventional resource projects in the future. During the year, our Company entered into partnerships with Atlas Energy (now owned by Chevron Corporation), Pioneer Natural Resources and Carrizo Oil & Gas through distinctive joint venture agreements. We have also entered into a separate joint venture with Pioneer Natural Resources with the aim of addressing the midstream opportunity in gas evacuation and transportation.

In the downstream and chemical business, we have maintained a long-term strategic approach during the recent economic downturn. Our Company maintained operating rates upwards of 100% in the refining and petrochemicals businesses. We processed 66.6 million metric tonnes (MMT) of crude, the highest ever, at our Jamnagar refinery complex in FY 2010-11.

We foresee large opportunities in elastomers, owing to excessive demand pull from automotive sector coupled with high natural rubber prices, creating high margin environment for the elastomer segment. As a commitment to service India's automotive sector by bringing in complex technologies, we entered into a joint venture with Russia's SIBUR to produce 100,000 tonnes of butyl rubber in India.

Vimal, our flagship brand, enjoys the distinction of being one of most trusted brands among premium textile brands in India, for over three decades now.

Our major subsidiaries include Reliance Retail Ltd and Haryana SEZ. Our Company and the D. E. Shaw group agreed to establish a joint venture to build a leading financial services business in India.

During the year, our Company also acquired 95% stake in Infotel Broadband Services Limited, which had emerged as a successful bidder in all 22 auction circles for Broadband Wireless Access (BWA) spectrum of the Department of Telecommunication, Government of India. We have invested INR 42.0 billion by means of subscription to equity capital issued by Infotel Broadband. Our Company sees the broadband opportunity as a new frontier for the knowledge economy and is confident of achieving leadership position and providing India with an opportunity to be in the forefront amongst countries providing world-class 4G network and services.

*For further information on company operations, products, services, brand and group and subsidiaries please refer RIL Annual Report for FY 2010-11, available on <http://www.ril.com>*



# Report Scope



We, at Reliance, commenced our sustainability reporting in FY 2004-05 and have made significant progress since, in expanding the scope, enhancing our mode of engagement and planning the path forward. This report, the seventh in our journey, presents the performance of our Company across all three bottom lines<sup>1</sup> and showcases the implementation of our sustainability strategy.

## Report Boundary

This sustainability report aims to provide information on our performance for FY 2010-11. The scope of the report includes our plants at the following locations: Allahabad, Barabanki, Dahej, Gadimoga, Hazira, Hoshiarpur, Jamnagar, Nagothane, Nagpur, Naroda, Patalganga, Silvassa and Vadodara. It also covers our various businesses and entities, such as Exploration and Production of Oil & Gas, Refining and Marketing, Petrochemicals - including Polymers, Chemicals, Fibre Intermediates and

Polyesters, the Dhirubhai Ambani Foundation, the Reliance Rural Development Trust and the Reliance Foundation.

## Standards and Guidelines used to develop this report

This report has been developed according to GRI G3 guidelines and is aligned with six strategic pillars, which form the core of our sustainability strategy. The materiality of specific topics and indicators has been determined by using internal and external conventions, including:

- United Nations Global Compact Principles on Environment, Human Rights and Corruption.
- American Petroleum Institute / International Petroleum Industry Environmental Conservation Association (API / IPIECA) Voluntary Sustainability Reporting Guidelines.
- World Business Council for Sustainable Development's Focus Areas.
- Sustainability challenges facing our business identified through our risk management processes.
- RIL's core values and internal management systems.

## Global Reporting Initiative Guidelines (GRI)

The report confirms to GRI G3 A+ application level criteria. The report has been independently assured by M/s. KPMG, India. Our Company features as an organisational stakeholder of the Global Reporting Initiative. Our Company intends to use the GRI G3.1 guidelines for its FY 2011-12 sustainability report.

<sup>1</sup>Economic, Environmental and Social Performance

---

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

Although we are not signatories to the UNGC principles, we consistently report on our Communication on Progress (COP) in promoting and implementing UNGC principles in our sustainability report.

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

We continue to present the linkages to API / IPIECA 2005 guidelines in our report, which provide guidance on voluntary disclosures on sustainability parameters for the oil and gas sector. In our future reports, we plan to provide linkages to the API/IPIECA 2010 guidelines.

## **World Business Council for Sustainable Development's (WBCSD) Development Focus Areas**

We are a member of the WBCSD, pursuing our commitment towards playing an active role in transforming business and shaping society. We represent on the governing council of WBCSD, and in November 2010, our CMD Mr. Mukesh D. Ambani was re-elected as the Vice Chairman of WBCSD's executive committee. Our mantra for transformation and growth mirrors WBCSD's position: "Business is good for development and development is good for business." Our endeavour in this report is to provide a comprehensive performance review of our Company, enabling diverse stakeholders to assess the health of the Company.

---

**Feedback:** The current sustainability report, previous editions of our report and additional information can be found at [www.ril.com](http://www.ril.com).

We value your suggestions and invite your feedback on this report. Please e-mail your suggestions / views / opinions 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.*



# Vision

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



# Our Strategy & Roadmap



Sustainability underpins our business approach and our strategy is aligned with the principles of materiality. It involves understanding the linkages amongst people, processes and resources. The strategy includes ensuring, through a robust governance mechanism, energy security, development of cleaner products and a safe environment for our people. We are selectively entering into strategic partnerships to ensure our sustainability objectives are achieved and so that we remain leaders in the energy space.

Our sustainability strategy aims at eliminating risks and creating new business opportunities, and our strategic objectives are aligned with the principles of Responsible Care. Our strategic pillars include: Energy Security, Health & Safety, Corporate Governance & Transparency, Product Responsibility, Climate Change and Waste Management.

## Our Sustainability Strategy

| Our Strategic Pillars   | Our Performance  |
|---|--|
| <p><b>Energy Security</b><br/>With five oil discoveries in the Cambay basin, one gas discovery in the Krishna Godavari basin and entry into the unconventional gas business, we continue to deliver on our promise of securing energy supplies.</p> | <ul style="list-style-type: none"> <li>Produced 7.95 Million Barrels of crude oil and 720 BCF of natural gas from KG-D6</li> <li>Produced 9.3 MMBL of crude oil and 52.1 BCF of natural gas from Panna-Mukta</li> <li>Produced 1.2 MMBL of condensate and 95.2 BCF of natural gas from Tapti</li> <li>Jamnagar achieved 110% capacity utilisation at our new SEZ refinery</li> </ul>   |
| <p><b>Environment</b><br/>To our Company, sustainable development implies the need to identify and act upon environmental risks and opportunities. Our efforts aim towards integration of environmental aspects into our business processes.</p>    | <ul style="list-style-type: none"> <li>All our manufacturing units and upstream facility at KG-D6 have received certification for adherence to ISO 14001 management systems</li> <li>During the year, our Company developed its Environmental Management Process that includes work streams, roles and responsibilities matrix and performance indicators to monitor progress</li> <li>We have developed a second party audit protocol for Company's environmental standards</li> <li>We have joined the Indian Coast Guard and the State Pollution Control Board's initiative of beach cleaning at Kakinada in October 2010</li> <li>We achieved COD of 75 mg/l in ETP effluent through in-house research and used effluent sludge to generate biogas at Hazira Manufacturing Division</li> </ul> |

| Our Strategic Pillars  | Our Performance  |
|--|--|
| <p><b>Growth through innovation</b><br/>Innovation forms the core of our sustainability strategy and Reliance Innovation Council drives our innovation agenda along with the Reliance Technology Group and Group Manufacturing Services.</p>                                   | <ul style="list-style-type: none"> <li>• RTG is involved in developing cutting-edge technologies such as fuel cells, carbon fibers, bio-fuels, and gasification of several types of feedstock</li> <li>• Some of these projects include: <ul style="list-style-type: none"> <li>- Selection of FCC catalysts and additives for improved conversion and yields</li> <li>- Processing of cheaper and heavier crudes to widen the crude blends window</li> <li>- Propylene yield improvements and benzene reduction in refining</li> <li>- De-salter operation improvements</li> <li>- Development of high performance additives for poly-olefins</li> <li>- Development of clarifiers for PP grades</li> </ul> </li> </ul> |
| <p><b>Health and Safety</b><br/>Providing a healthy and safe work environment is one of our topmost priorities.</p>  | <ul style="list-style-type: none"> <li>• We have developed a health improvement index and recorded a 2% drop on the illness index</li> <li>• We have achieved 0.09 loss time injury frequency rate at our manufacturing divisions</li> <li>• We have introduced life protection rules focusing on 10 high risk areas</li> </ul>  |
| <p><b>Product responsibility</b><br/>We remain committed to producing products that meet international standards and communicating the key aspects of these to our customers. We comply with EU-REACH requirements of enhanced protection of human health and environment.</p> | <ul style="list-style-type: none"> <li>• Implemented 85 six-sigma projects during the year resulting in financial savings worth INR 261.1 million</li> <li>• 38 registrations with EU-REACH</li> </ul>   |
| <p><b>Social institution building</b><br/>We aim to transform lives of the underprivileged sections of our society through our efforts in the following areas: rural development, livelihood programmes, education,</p>  | <ul style="list-style-type: none"> <li>• We are catering to the educational needs of over 13,000 students through a network of nine schools across India and benefitting thousands of students from under-privileged sections of society</li> <li>• We have performed over 9,000 free corneal graft surgeries through Project Drishti</li> <li>• Reliance Foundation has launched Mission BIJ (Bharat India Jodo), with the aim to make farming a profession of first choice by empowering farmers with small land holdings</li> </ul>   |

# Corporate Governance

---

Good governance practices stem from the culture and mindset of the organisation. Governance is all about out-performing sustainable organisations. These are organisations that consistently succeed in the market place, gain a greater share of market opportunities and sustainably drive their top and bottom lines.

It is our firm belief that as we move closer to our aspirations of becoming a global corporation, our corporate governance standards must also be globally benchmarked. That gives us the confidence to create the right pedestal blocks for our future growth and ensure that we achieve our ambitions prudently and in a sustainable manner.

Corporate governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense to meet stakeholder aspirations and societal expectations. Our Company is committed to meet the aspirations of all our stakeholders. This is demonstrated by our shareholder returns, high credit ratings, governance processes and an entrepreneurial, performance focused work environment. Our customers have benefited from our high quality products delivered at the most competitive prices.

The demands of corporate governance require professionals to continuously raise their competency and capability levels to not only manage the enterprise and its resources effectively, but also follow the highest standards of ethics. It is thus crucial to foster and sustain a work culture that integrates all components of good governance by carefully balancing the complex relationships operating between the board of directors, the audit committee, the accounting team, the auditors and the senior management - the CEO and CFO.

Our employee satisfaction is reflected by the stability of our senior management team, low attrition rates across various levels and substantially higher per employee productivity. Details of several such initiatives are available in the section on Social Institution Building.

We not only adhere to the prescribed corporate practices as per Clause 49 but are also constantly striving to adopt other best practices emerging worldwide. It is our endeavour to achieve higher standards and provide an oversight and guidance to management in strategy implementation and risk management and fulfillment of stated goals and objectives.

Corporate governance is a journey of constantly improving sustainable value creation and is a target continuously moving upward. We have undertaken several initiatives towards maintaining the highest standards, and these include creation of an Independent Board with defined roles & responsibilities. The Audit Committee, Remuneration Committee and Corporate Governance and Stakeholders' Interface Committee comprise only independent directors. The Company has defined guidelines and established framework for the meetings of the Board and Board Committees. These guidelines seek to systematise the decision-making process at the

meeting of the Board and Board Committees in an informed and efficient manner. The Board critically evaluates the strategic direction of the Company, management policies and their effectiveness. The agenda for Board reviews include strategic review from each of the Board committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. Additionally, the Board reviews financial reports from the CFO and business reports from each of the sector heads. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the future growth of our Company.

### Board Composition

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

<sup>1</sup>w.e.f May 16, 2010    <sup>2</sup>upto May 16, 2010



From left to right: Mr. P.M.S. Prasad, Prof. Dipak C. Jain, Mr. Nikhil R. Meswani, Dr. Dharam Vir Kapur, Mr. Ramniklal H. Ambani, Mr. Mansingh L. Bhakta, Mr. Mukesh D. Ambani, Mr. Yogendra P. Trivedi, Mr. Mahesh P. Modi, Mr. Hital R. Meswani, Prof. Ashok Misra, Dr. Raghunath Anand Mashelkar and Mr. Pawan Kumar Kapil

During their appointment, every Independent Director signs a declaration to confirm that they fulfill the minimum conditions for being independent directors, as laid down under Clause 49 of the listing agreement with stock exchanges.

Eight Board meetings were held during the year, as against the minimum requirement of four meetings. Our Company has held at least one Board meeting in every three months and the maximum time gap between any two meetings has been less 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 in an informed and efficient manner. The seven standing committees are as under:

- 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**

Our Company has a well defined policy framework contained in a comprehensive Corporate Governance Manual. The manual includes policies and procedures for effective governance and addresses each of the following groups:

- Code of Conduct 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 Company's Whistle-blower Policy empowers employees to report any wrongdoings without the fear of reprisal. As the field of Corporate Governance evolves, the Company ensures that the management and reporting systems evolve at an equal pace. Some initiatives in this respect are as under:

**Reporting on Triple Bottom-Line Performance:** Our Company has been reporting on its triple bottom-line performance every year since FY 2004-05. All our sustainability reports are externally assured and GRI-Checked. The maiden report received 'in-accordance' status from GRI and all subsequent reports were 'GRI G3 Checked A+' application level reports. The sustainability report for FY 2010-11 meets GRI G3 Checked A+ Application Level criteria and is externally assured by M/s. KPMG, India.

In addition to using the GRI G3 sustainability reporting guidelines, from FY 2006-07, our Company began referring to the American Petroleum Institute/International Petroleum Industry Environmental Conservation Association guidelines and the United Nations Global Compact principles. Our Company has also aligned its sustainability activities with the focus areas in the World Business Council for Sustainable Development.

**Audits and Internal Checks and Balances:** Three leading audit firm - M/s. Deloitte Haskins & Sells, M/s. Chaturvedi & Shah and M/s. Rajendra & Co. are responsible for the financial audit of accounts of our Company. Our Company has a Management Audit Cell that reviews internal controls and operating systems & procedures. A dedicated Legal Compliance Cell within the Management Audit Cell ensures that our Company conducts its business with high standards of legal, statutory and regulatory compliances. Our Company has instituted a legal compliance programme in conformity with best international standards, supported by a robust online system that covers all manufacturing units of our Company as well as our subsidiary companies. The gamut of this system includes statutes such as, industrial and labour laws, taxation laws and health, safety and environment regulations. At the heart of our processes is the wide use of technology that ensures robustness and integrity of financial reporting, internal controls, 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.

**Best Corporate Governance practices:** Our Company believes in maintaining the highest standards of Corporate Governance and it is our constant endeavour to adopt the best Corporate Governance practices, as laid down in international codes of Corporate Governance and as practiced by well-known global companies. Some of the best global governance norms put into practice include the following:

- Our Company has a designated Lead Independent Director with a defined role.
- All securities related filings with Stock Exchanges and SEBI are reviewed every quarter by the Shareholders'/Investors' Grievance Committee of Directors of our Company.
- Our Company has an independent Board Committee for matters related to corporate governance and stakeholders' interface and nomination of Board members.
- Our Company undergoes internal audit conducted by the independent auditors.
- Our Company also undergoes secretarial audit conducted by an independent company secretary in whole-time practice. The quarterly audit reports are placed before the Board and the annual audit report placed before the Board is also included in the Annual Report.

**Shareholders Communications:** Our Board recognises the importance of two-way communication with shareholders. It believes in giving a balanced report of results and progress and responds to questions and issues raised in a timely and consistent manner. Our Company's corporate website: [www.ril.com](http://www.ril.com) has information for institutional and retail shareholders alike. Shareholders seeking information may

---

contact us directly or via dedicated shareholder points or through any of the Investor Service Centres of our Registrars and Transfer Agents spread over 80 cities across India, details of which are available on our corporate website. Our Company ensures that queries, complaints and suggestions are responded in a timely and consistent manner.

**Employees Stock Option Scheme:** One of the widest programmes of its kind in the Indian corporate sector, our Company's Employees' Stock Option Programme was introduced in 2007. The programme has ensured complete alignment of individual interests with the growth imperatives of our Company.

---

*For more information about our Corporate Governance and shareholder engagement process, please refer to our Annual Report FY 2010-11 available on RIL website: <http://www.ril.com>*



# Management Systems

In our Company, we have always believed in structured growth and have established Management Systems to guide our progress. Systems are deployed to steer our efforts in various aspects, be it quality management, risk management or environment and safety management. Globally recognised benchmarks in each of these areas are utilised to develop our internal standards and we have taken resolute steps to improve our performance each year. Some of the systems, structures, processes and standards that drive our operations are:

## Code of Conduct and Values

Our code of conduct and values is a reflection of our commitment towards business ethics, transparency and legal compliance.

## Risk Management

Our Company's internal control systems are commensurate with the nature of our business and the size and complexity of our operations. These systems are designed to ensure that all the assets of our Company are safeguarded and protected against any loss and that all the transactions are properly authorised, recorded and reported.

We have an internal audit function, which is empowered to examine the adequacy and compliance with policies, plans and other statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process. The internal audit function team comprises well-qualified, experienced professionals who conduct regular audits across our Company's operations. The management duly considers and takes appropriate actions on the recommendations made by the



statutory auditors, internal auditors and the independent Audit Committee of the Board of Directors. Our Company has a well-established policy towards maintaining the highest standards of health, safety and environmental norms while maintaining operational integrity. This policy is strictly adhered to at all our Company's manufacturing facilities.

## Six Sigma

During the year, Six Sigma was deployed on improving process capability and reliability, as per the needs of our business functions. A total of 85 projects were executed leading to a financial benefit exceeding INR 260 million in the year FY 2010-11. As a part of the Six Sigma deployment process, nine Reliance Certified Black Belts - Wave 1 (RCBB-1) are working across manufacturing divisions have, in turn, developed 305 Six Sigma Green Belts during the period 2009-11. The target of the team is to execute 157 such projects in a span of two years, leading to a financial benefit exceeding INR 690 million.

*Jamnagar Manufacturing teams win National level "Special Awards - Six Sigma Case studies contest 2011"*

19 BMGI/ASQ certified Black Belts are currently working in different sites. Based on the effective deployment of Six Sigma methodology by the first wave, a new batch for Reliance Certified Black Belt - Wave 2 (RCBB-2) has been launched in January 2011, for which 11 employees have been identified across manufacturing divisions.

In all, 354 Black Belts and Green Belts are associated with Six Sigma projects at different sites. To ensure the success of various Six Sigma projects, 1892 team members and supervisory personnel provided active support.

As a part of the standardisation of the training and development needs, a web-based examination module has been developed for the certification of Six Sigma Green Belts. In FY 2010-11, 8 employees were certified as Reliance Certified Green Belt (RCGB).

## **SAFETY**

In FY 2010-11, our Company's HSE Management System (HSE-MS) has been further strengthened with new initiatives. The HSE-MS have been institutionalised to establish Company-wide safety management objectives, guiding principles and processes. We continue to pursue world-class operational excellence through the HSE Management System initiatives, in strategic partnership with M/s DuPont Sustainable Solutions. In FY 2010-11, our Company implemented the operational discipline framework of 11 characteristics to embed operational discipline in the organisation in 6 major manufacturing sites. Our Company's manufacturing divisions undertook a rigorous self-assessment of operational discipline and are in the process of implementing improvement measures through total employee engagement. In order to ingrain safety culture, a set of 'Life Protection Rules' (LPR) have been introduced in FY 2010-11. The LPR focusses on 10 high risk activities. Complying with the LPR is mandatory for all our employees and for the employees of contractors too. LPR complements our 'Safety Best Practices' and 'Safety Procedures' to be followed at all locations.

One of the focus areas was to conduct self-assurance studies for the safety of the community through Process Hazard Analysis (PHA) and Quantitative Risk Assessment (QRA) in plants prioritised on risk basis. Our Company's Central HSE audit programme is a critical component of the HSE governance process, which has been specifically designed to ensure that stakeholder expectations, HSE Policy and HSE Management Standards are being effectively implemented across the Group. The HSE Audit Protocol is based on the HSE Management Standards and systems and performance management principles. The process provides assurance to the Group and the Board that the HSE Management Standards are being implemented and it also identifies best practices that can be shared across our Group.

Our Company's HSE systems are aligned with recognised management systems and global best practices. Most of our manufacturing divisions have been ISO 14001:2004 certified for Environmental Management Systems and OHSAS 18001:2007 certified for Safety Management Systems. At the E&P operations, we have adopted the HSE Management System and use the Safety Case approach for the onshore and offshore facilities, to demonstrate high levels of safety integrated into the design and operations through several risk and hazard assessment studies. We have established emergency management systems and regularly check and improve its efficacy through periodic mock drills at various facilities across the entire KG-D6 assets, as well as drilling and CBM operations. Our Company's KG-D6 assets, comprising the Onshore Terminal, Supply Bases and Off-shore facilities, were certified with ISO-9001:2008; ISO

14001:2004 and OHSAS 18001:2007 certification by M/s DNV in April 2010. Our Company has also labelled the same as 'Integrated Management System' for the KG-D6 Asset.

For Coal Bed Methane and Onshore Drilling operations, both internal and regulatory audits (through Oil Industry Safety Directorate) were conducted to ensure that all statutory requirements were met in the operations.

## **ENVIRONMENT**

In our pursuit of excellence in environmental management towards sustainable business development, our Company continues to be committed to develop and implement Environmental Management System (EMS) throughout the Group to measure, control and reduce the environmental impact. In this context, during FY 2010-11, Gadimoga and Jamnagar SEZ manufacturing divisions have instituted ISO 14001:2004. With this, the international environmental accreditation-based management system covers Company's all manufacturing divisions. The management framework is further strengthened with defined structures, roles and responsibilities, group standards, audits and training.

Our Company is fully compliant with various environmental protection and health and safety laws and regulations. Prior to the implementation of new projects, the potential environmental impacts are always assessed. The environment impact assessment and risk analysis are performed for all new and major expansion projects and necessary measures are incorporated to mitigate adverse environmental impacts at the planning stage of the project.

In our Company's improvement efforts, audits play an important role. The Company has developed three-tier audit systems. Trained and qualified internal auditors perform internally or first party environmental audits of our environment management system at regular intervals. In FY 2010-11, we developed an environment second party audit protocol for our Company's Environmental Standards. The high level environmental audit by the external agency or third party is performed for all manufacturing divisions which include annual audit by Gujarat Pollution Control Board (GPCB) recognised auditors in the State of Gujarat and ISO-14001:2004, audits by the accreditation agencies also at regular frequency.

# Disclosure on Management Approach



control compliance with legal and regulatory requirements including detecting frauds and negligence.

## Environmental Indicators

We pursue excellence in Health, Safety and Environment (HSE) management. The overall responsibility for reviewing and monitoring the implementation of HSE management systems lies with the board-constituted HSE committee. We strive for the highest standards of HSE management across our operations while meeting our legal and regulatory compliance obligations. During the year, we undertook a major initiative and developed a 'RIL-Environment Management Process'. The processes include work streams, roles and responsibilities, matrices and performance indicators to monitor our environmental performance.

## Labour Practices and Work Indicators

We strive to provide our workforce with a safe and challenging work environment, enabling them to achieve their potential. Our learning and development efforts are directed towards developing talent for the future. We have specialised career development and succession planning systems and amply reward employees through performance incentives and recognition. We accord highest priority to the safety of our people. Our Process Safety Management (PSM) approach has enabled us to adopt best-in-class safety practices and management systems. We have also established consistent audit protocols for our safety management.

## Economic Indicators

The direct and indirect economic impacts of our operations cut across geographies. Through our operations, products and services, and community development initiatives, we have emerged as a significant contributor to India's economic development. We continue to generate employment opportunities for thousands across our operations and businesses.

Internally, we adopt robust business planning and risk management processes with stringent controls. These processes help us maintain operational stability and ensure regulatory compliance. We ensure reliable and effective financial reporting through integrated financial accounting systems with in-built controls. Our Board of Directors, through a board-constituted Audit Committee, regularly reviews the audit mechanism. Our audit function is entrusted with responsibilities of ensuring and periodically reviewing

## Human Rights Indicators

We respect the dignity of every individual and our code of conduct guides us in matters such as bribery and corruption, fraud, insider trading, human rights and discrimination. We believe in conducting our business in an ethical manner with due regard to the interests of our stakeholders and the environment. We comply with all regulatory norms and follow international practices for aspects pertaining to freedom of association, prohibition of child labour, protection of indigenous people's rights and prohibition of forced and compulsory labour.

## Society Indicators

Our contributions to community development are in areas of health, education, infrastructure development (drinking water, improving village infrastructure, construction of schools etc.), environment, relief and assistance in the event of a natural disaster, and miscellaneous activities such as contribution to other social development organisations. We provide and support health services to communities surrounding our operations and work with multiple organisations in combating diseases such as Tuberculosis (TB) and HIV/AIDS. On the education front, our major manufacturing locations provide quality education to the children of all employees and also cater to the needs of surrounding villages. We also proactively work towards developing rural infrastructure. We have undertaken several transformational projects in rural areas including construction of roads, anganwadis (kindergarten schools), panchayat offices and community halls. Reliance Foundation, envisioned to become one of the foremost professional philanthropic organisations in the world, was incorporated in 2010. The Foundation has corporate systems and is a process-driven organisation operating on a not-for-profit basis, with the aim of creating and supporting meaningful and innovative activities that will address some of India's most pressing development challenges.

## Product Responsibility Indicators

We strive to minimize health, safety and environmental impact of our products across our supply chain. We partner with various agencies to promote end-of-life recycling and reuse of our products. Our R&D efforts are directed towards developing cleaner and safer products and alternatives. We adhere to all Indian laws related to marketing communications, including advertising, promotion and sponsorship.



# Communication and Engagement



We believe that growth is life and our stakeholders play a vital role in our growth and transformation. We strive to achieve regular and meaningful interaction with all our stakeholders - investors, customers, employees, communities, suppliers, unions, government, regulators and NGOs.

We value our relationships with stakeholders and are sensitive to their needs and concerns. Our engagement techniques facilitate the identification of potential risks, challenges and help in converting them into opportunities for growth. Our commitment towards stakeholders enriches our organisational value and advances our capabilities.

At the core of our stakeholder engagement strategy is a two-way process intended to protect stakeholder interests and uphold our relationships. We communicate to our stakeholders by means of stakeholder consultations which forms the crux of our strategy.

**The objectives of these consultations are:**

- To elicit stakeholders preferences and priorities
- To identify commonalities and differences in stakeholders aspirations and
- To determine a manageable set of priorities, preferably through consensus

Stakeholder consultations follow a five-step approach, refined over the years to elicit the maximum response from stakeholders. These steps are:

**Plan:** Identify key stakeholders and topics for consultation; outline the purpose for consultation with each group. This step serves to prepare for consultations addressing a wide range of objectives, from meeting regulatory requirements and negotiating compensation, to building trust and managing expectations.

**Consult:** Consultations are conducted over a range of means customised to individual needs with an aim to elicit maximum response. These include employee and customer satisfactions surveys, touch points on our intranet and website, meetings with shareholders and customers to gather feedback and address concerns.

**Incorporate Feedback:** Stakeholder consultations help us plan to meet future expectations, anticipate risks to our businesses, identify material issues and prioritise amongst them. The incorporation of feedbacks from stakeholder consultations into our business and sustainability strategy is a key step in the process of engagement.

**Document results of consultation:** In order to institutionalise the process of stakeholder consultations and develop responsive systems, we ensure that every consultation is carefully documented for future reference. All the important details concerning participants, topics and outcomes are captured in this step of documentation.

**Report back:** Our involvement with stakeholders doesn't end with consultations and documentation but extends to reporting the outcomes of consultations back to relevant groups. Decisions on the subsequent course of action are taken after gaining approval of the relevant stakeholder group. In the event of suggestions which are not taken forward, our Company makes it a point to explain the rationale behind its actions.

**Supplier Development:** Triethylaluminium (TEAL) is used as a co-catalyst in the manufacture of polypropylene and polyethylene. TEAL is an organo-aluminium compound which is highly pyrophoric/ combustible and ignites upon exposure to air. Previously, we were importing TEAL with lead time of 90 days. This resulted in the Company having to maintain high levels of inventory of TEAL, a system that had high potential safety hazards in transportation and storage. In 2010, we partnered with an overseas supplier to manufacture TEAL in India. We also extended support in making the raw material ethylene available to the supplier through our own pipeline. This has helped reduce our inventories and minimise the potential safety hazards involved in transportation and storage. Also, the supplier benefited from assured product sales. During the year, we procured nearly 80 % of our TEAL requirement from this supplier.

*The meticulous application of the above-mentioned 5 – step process of stakeholder consultations has enriched the company and its stakeholders by way of numerous sustainability initiatives. The diagram below depicts our key stakeholder groups, priorities identified and our response.*





## Employees

### Priorities

- Health & Safety
- Merit-oriented work environment

### Response

• Our occupational health initiatives focus on lifestyle diseases in addition to work-related hazards. We have comprehensive programmes in place for the identification and management of diabetes and hypertension. These include awareness generation, counselling and providing nutritional advice to the employee and their family. We support initiatives such as yoga camps and health check-ups at our townships to benefit families of our employees.

• We have an advanced, merit-oriented performance evaluation system in place wherein employees are rated annually according to their team's performance, their individual performance and their performances on special projects. Every employee has access to his/her personal performance information online.



## Suppliers

### Priorities

- Regular communication and updates on our Company's plans.

### Response

Through a focus on local suppliers and regular supplier meetings, we have been successful in helping suppliers plan their production on the basis of assured sales. In addition to lowering their business risks, we have successfully reduced our inventories of hazardous materials. An example of supplier development is the TEAL case, which has been mentioned earlier in this report.



## Trade Unions

### Priorities

- Regular communication and involvement in initiatives.

### Response

We have a dedicated Industrial Relations team that is experienced in responding to issues raised by trade unions. We provide the team with the flexibility to respond as per the requirements in a situation. We ensure that union representatives are provided with training on all aspects of our Company's business to facilitate better understanding and have a constructive dialogue. Our policy of putting employee health and safety above all other priorities is well appreciated by the unions.



## Local Communities

### Priorities

- Health and Safety
- Waste Management

### Response

• We support primary health care centres in several locations through management support, distribution of free medicines and have also invested in testing centres for diseases like HIV/AIDS and TB. In terms of ensuring that the communities are not adversely affected by plant activities, we conduct regular community-oriented trainings on fire safety, spills and explosions.

• We have several programmes to promote waste management, including- a zero garbage campaign in our townships and surrounding villages at Hazira, a programme to support rag pickers in recycling PET bottles in Surat, awareness generation programmes and construction of roads using 5 % plastic waste in collaboration with the Gujarat Engineering Research Institute.





## Shareholders

### Priorities

- Governance & Transparency

### Response

Shareholders seeking information may contact our Company directly or via dedicated shareholder contact points or through any of Investor service centres of the Company's Registrars and Transfer Agents spread over 80 cities across India, details of which are available on our Company's website [www.ril.com](http://www.ril.com). Our Company ensures that queries, complaints and suggestions are responded in a timely and consistent manner. Shareholders are provided with Annual Report which contains comprehensive information about the financial performance of the Company.



## Customers

### Priorities

- Quality and timely delivery of products for industrial consumers
- Information/education on new ways to use products and benefits for end-users

### Response

- Our sales and marketing teams regularly host customer/dealer meets and conduct annual satisfaction surveys.
- Our Company has also taken a lead role in creating new market by conducting customer meets called "Rishta" throughout India, to propel growth of PP, PE and PVC in the field of engineering, agriculture, infrastructure and packaging.
- We have tied up for new projects with several agricultural institutes to establish PP in fruits and vegetables storage and transportation. Apart from increased yields, it will help farmers to grow high quality produce for export business. Our Company worked with leading consumer durable manufacturers to successfully introduce PP in four-wheelers, refrigerators and water filters. We are also driving metal replacement and import substitution programme with major commercial/two wheeler manufacturers by introducing niche grade PP.



## Government & Regulators

### Priorities

- Compliance with laws
- Energy Security
- Waste Management

### Response

- We have a robust compliance monitoring framework in place to assess compliance with all national and state laws and meet international regulatory requirements.
- Our contribution towards providing energy security to the nation has been widely appreciated by the government and we ensure that all the concerned government personnel are kept apprised of our plans and progress.
- To address waste management concerns, we have research collaborations with leading institutions like Indian Centre for Plastics in the Environment (ICPE), to identify uses for recycled plastic waste. UNFCCC has approved the changes proposed by our Company to the small scale methodology for recovery and recycling of materials from solid wastes, to include PET recycling.



## NGOs

### Priorities

- Financial and managerial support for community programmes

### Response

- We enter into strategic long-term partnerships with several NGOs and trusts across the country based on a thorough evaluation of their work and potential for positive impact on communities. A few examples are as below:
  - We have established an Early Intervention and Rehabilitation Centre for supporting the mentally-challenged children living in Tallarevu Mandal and Yanam Union Territory. This centre is being run with the technical support of a NGO, Uma Mano Vikasa Kendram, Kakinada.
  - Hazira Manufacturing Division has tied up with a NGO, 'Life Line Foundation' and adopted 110 kms stretch on the State Highway of Gujarat starting from Sachin to Bharuch and the state highway via Hazira-Olpad-Hansot-Ankleshwar to provide relief services in case of emergencies.
  - The Mumbai Indians cricket team supported five NGOs working in the field of education - Akanksha, Nanhi Kali, Pratham, Teach for India and Ummeed - through the 'Education for All' campaign.

# Performance on Commitments

We track the performance on our commitments on a periodic basis. The table below shows the progress made on our commitments.

| Commitment   | Performance  |
|--|--|
| <p><b>Controlling GHG emissions</b></p>  | <ul style="list-style-type: none"> <li>• We achieved 0.3146 GHG emissions (CO<sub>2</sub> equivalent) per tonne of product manufactured at our manufacturing divisions</li> </ul>  |
| <p><b>Ensuring safety of people and assets</b></p>   | <ul style="list-style-type: none"> <li>• Our Health improvement index witnessed 2% drop in illness index</li> <li>• We achieved 0.09 loss time injury frequency rate at our manufacturing divisions</li> </ul>   |
| <p><b>Attracting and retaining talented professionals</b></p>                                  | <ul style="list-style-type: none"> <li>• Our attrition rate decreased to 7.91% from 8.45% last year</li> </ul>   |
| <p><b>Target of training 40% of our supervisory staff in Six Sigma in the next 3 years</b></p> | <ul style="list-style-type: none"> <li>• Cumulatively, 51% of our supervisory staff members have been trained in Six Sigma till the end of FY 2010-11</li> <li>• Developing in-house consultants to impart Six Sigma training</li> </ul>   |
| <p><b>Providing clean fuel to increase the clean energy mix of the nation</b></p>              | <ul style="list-style-type: none"> <li>• In FY 2010-11, we supplied over 720 billion cubic feet of natural gas to the nation from the KG-D6 block, a growth of 42% over last year's supply</li> <li>• Production of natural gas from PMT fields was at 147 billion cubic feet</li> </ul> |



Control Riser Platform



# Awards & Recognitions

Some of the major awards and recognitions conferred on RIL in FY 2010-11 are as follows:

## Leadership

- Mr Mukesh Ambani, Chairman & Managing Director, RIL, was nominated to a 'key advocacy group of Millennium Development Goals', whose mandate includes finding ways to fight socio-economic evils such as poverty, by the United Nations in 2010. Mr Ambani is the only Indian to be a part of the MDG Advocacy Group that comprises eminent international personalities.
- Mr Mukesh Ambani was re-elected as the Vice Chairman of the World Business Council for Sustainable Development's (WBCSD) Executive Committee for the second consecutive term in 2010.
- The Foundation Board of the World Economic Forum (WEF) elected Mr Mukesh Ambani on its Board. WEF's mission is to improve the state of the world and the elected board members make valuable contributions to this mission through their involvement.
- Mr Mukesh Ambani received the prestigious 'Dwight D Eisenhower Global Leadership Award' at the Business Council for International Understanding's Annual Global Awards Gala in 2010.
- The Asia Society, New York presented the 'Global Vision Award' to Mr Mukesh Ambani, in honour of global leaders who help promote understanding between Asians and Americans in 2010.
- Mr Mukesh Ambani received the NDTV Profit Business Leadership Award 2010 from the Finance Minister, Government of India in 2010.
- The senior editors of Financial Chronicle unanimously voted Mr Mukesh Ambani as 'Businessman of the Year for 2010'.
- Mr PMS Prasad was bestowed with the "Outstanding Achievement - Natural Gas" Award at the OCEANTEX 2010.

## Corporate Rankings and Ratings

- Our Company was featured, for the sixth consecutive year, in the Fortune Global 500 list of the World's Largest Corporations. Its ranking for 2010 is as follows:

Ranked 175 based on Revenues

Ranked 100 based on Profits

- We were ranked 68th in 2010, in the Financial Times Global 500 list of the world's largest companies (up from 75th rank in the previous year).
- We were ranked 20th, on the basis of sales, in the ICIS Top 100 Chemicals Companies list. Our Company is the only Indian company in the world's Top 20 chemical companies. We have also been named as the 8th biggest gainer in the list in terms of operating profits.
- Ours' is the only Indian company to get a perfect score from CLSA Asia-Pacific Markets (CLSA) in a list of Asia's best companies in terms of CSR. CLSA termed the Company as the region's 'Corporate Good Guy'. In its 'Ethical Asia' 2010 report, CLSA has named our Company amongst its top picks for providing very good data and going well beyond the required disclosure norms.
- Our Company was rated as the 33rd '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). Further, in 2010, BCG ranked us second amongst the world's 10 biggest, 'Sustainable Value Creators', companies for creating the most shareholder value for the period 2000 to 2009.

#### Project Management

- E&P Division received the Petrotech-2010 Special Technical Award in the 'Project Management' category for completion of the Krishna Godavari Gas project ahead of schedule.
- Hazira Manufacturing Division's project 'Polyester Fiberfill Production Cost Reduction' received the Honourable Mention Recognition in the category of 'Best Deployment Leader' from the International Quality and Productivity Centre (IQPC) at the International Lean Manufacturing & Process Excellence Summit, USA in 2010.

#### Health, Safety & Environment

- Hazira and Barabanki Manufacturing division have five star rating while Allahabad Manufacturing Division has

received 4 star rating for their Environmental initiatives from British Safety Council for the year FY 2010-11.

- Allahabad Manufacturing Division received a rating of 90% for its environmental initiatives from the British Safety Council in 2010.
- Barabanki Manufacturing Division received '5 Star Rating on BSC Environment' from the British Safety Council in 2010.
- Dahej Manufacturing Division received the 'Greentech Environment Excellence Award 2010 - Gold' for its excellence in environment practices from the Greentech Foundation.
- Dahej Manufacturing Division received the 'National Award for the Prevention of Pollution in Petrochemicals Sector' for its excellence in environmental practices from the Ministry of Environment & Forests, Government of India, in 2010.
- Dahej Manufacturing Division received 'Our Cup of Joy India's Best Practices on Water' from the Confederation of Indian Industry (CII) in October, 2010 for the best practice of water conservation of utilising cooling tower blow down water for irrigation.
- Dahej Manufacturing Division's Quality Control Department (QCD) (Sangchhatvam) and GCU (Uday)



plant won the "Par Excellent" award and RGSS (Suraksha) won the 'Distinguished' award at the 24<sup>th</sup> Annual National Convention on Quality Concepts (NCQC - 2010).

- Dahej Manufacturing Division's QCD (Sangchhatvam), GCU (Uday) and RGSS (Suraksha) won Gold Award and EOEG (Drishti) won Silver Award at the 21st Gujarat State Level Annual Convention on Quality Concepts - 2010.

- Hazira Manufacturing Division received the 'DuPont Safety Award' for outstanding initiatives towards workplace safety enhancements and accident prevention in 2010, thus making our Company the first Indian / Asian company to win this award.

- Hazira Manufacturing Division received the British Safety Council's (BSC), 'Five Star Environment Award' for its 'beyond compliance' initiatives, best environmental practices, innovations and resource conservation efforts in 2010.

- Hazira Manufacturing Division won the UK Energy Institute's Safety Award for 'Road Safety Trust Programme' in 2010, making our Company the first Indian / Asian company to win this award.

- Hazira Manufacturing Division won the FGI Award for 'Excellence in Environmental Pollution Abatement and Preservation' in 2010.



- Hazira Manufacturing Division won Confederation of Indian Industry's (CII) Best Environmental Practice Award under 'Most Innovative Project' and 'Innovative Project' categories in January, 2011.

- Hoshiarpur Manufacturing Division, for fourth consecutive year in a row won the 'State Safety Award' from Punjab Industrial Safety Council & Chief Inspector of Factories, Punjab in 2011.

- Jamnagar Manufacturing Division Domestic Tariff Area (DTA) Refinery received the 'Golden Peacock Award for Occupational Health & Safety' for pace-setting performance in OH and Safety in 2010.

- Jamnagar Manufacturing Division DTA Refinery was conferred with the Institute of Engineers' 'Safety Innovation Award' for the year 2010, organised by the Safety and Quality Forum of the Institute of Engineers.

- Jamnagar Manufacturing Division DTA Refinery won the 'Greentech Platinum Award (2010)' Safety Category, in Petroleum Refinery Sector for its outstanding achievements in Safety Management.

- Jamnagar Manufacturing Division was granted 'NABL accreditation' based on ISO 15189: 2007 for the DAOH & FWC Medical Laboratory by the National Accreditation Board for Laboratories (NABL), Ministry of Science & Technology, Government of India.

- Jamnagar Manufacturing Division Special Economic Zone (SEZ) Refinery received '5 Star Award for Health & Safety' from British Safety Council for sustained performance in Health & Safety in 2010.

- Jamnagar Manufacturing Division SEZ Refinery won the prestigious 'Greentech Environment Excellence Award 2010' in Gold Category in Petroleum Refinery Sector for its best practices in Environment Management.

- Jamnagar Manufacturing Division SEZ Refinery has been selected as the winner of the '10th Annual Greentech Safety Award 2011', in Platinum Category in the Petroleum Refinery Sector.

- Nagothane Manufacturing Division received the 'Vana Shree Award' from the State Government of Maharashtra in 2010.

- Nagpur Manufacturing Division received the 'Sword of Honour' from the British Safety Council in 2010.

- Vadodara Manufacturing Division received the CII Environmental Best Practice Award in 2011.

### Energy and Water Conservation / Efficiency

- Hazira Manufacturing Division won the 'Excellent Energy Efficient Unit Award for FY 2009-10' from CII in 2010.
- Dahej Manufacturing Division bagged the 'Excellent Energy Efficient Unit Award 2010' for its energy conservation efforts from CII in 2010.
- Dahej Manufacturing Division received the 'National Energy Conservation Award 2010' for its energy conservation initiatives from the Ministry of Power, Government of India.
- Jamnagar Manufacturing Division received the 'National Award for Excellence in Energy Management' for its energy conservation techniques from CII in 2010.
- Jamnagar Manufacturing Division received the 'ICC Award for Excellence in Energy Management' for its energy performance from the Indian Chemical Council in 2010.

### Technology, Patents, R&D and Innovation

- Nagpur Manufacturing Division received the 'Innovation Quest 2010 Trophy' instituted by the Indian Institution of Industrial Engineering.
- E&P's KG-D6 won the 'Innovation for India Awards 2010' instituted by the Marico Innovation Foundation for their combined synthesis of advanced technologies, extreme engineering, innovative execution, yielding unprecedented results and impact on India's energy security.
- Hazira Manufacturing Division won the 'Innovative Project' from the CII in 2010.
- Hazira Manufacturing Division won the Federation of Gujarat Industries (FGI) Award for technology development in 2010.
- Hazira Manufacturing Division won the Indian Chemical Council Award for chemical plant design and engineering in 2010.
- Reliance Technology Group (RTG) received 'Certificate of Merit' from the Federation of Gujarat Industries and 'ICC award for excellence in chemical plant design and engineering' in 2010.
- Hazira Manufacturing Division won the Global HR Excellence Awards 2010-11 for 'Outstanding Contribution to the cause of education at World HRD Congress.

### Training & Development

- Hazira Manufacturing Division bagged the 'Golden Peacock National Training Award' for the year 2011.
- Nagothane Manufacturing Division bagged the prestigious ASTD 'Excellence in Practice Award 2010' for 'Empowering Employees with Knowledge, to achieve World-Class Safety in Plant Operation'.

### Sustainability

- Jamnagar Manufacturing Division won the 'Golden Peacock Global Award for Sustainability for the year 2010'.



For more information about our Awards and Recognitions, please refer to our Annual Report FY 2010-11 available on RIL website: <http://www.ril.com>

# Performance Review

| Environmental   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| Manufacturing Divisions                                     | 2010-11    | 2009-10    | 2008-09    | 2007-08    | 2006-07    | 2005-06    |
| <b>Total Production ('000 tons)</b>                         | 76,401.23  | 71,446.16  | 44,526.85  | 44,626.95  | 43,509.81  | 39,519.01  |
| Material Consumption  |            |            |            |            |            |            |
| Raw material ('000 tons)                                    | 74,086.83  | 68,089.79  | 41,061.49  | 43,033.43  | 41,962.17  | 38,310.22  |
| Associated material ('000 tons)                             | 508.70     | 528.71     | 264.73     | 217.72     | 197.23     | 180.45     |
| Intermediates ('000 tons)                                   | 44.44      | 47.35      | 29.99      | 34.78      | 31.60      | 31.09      |
| Packaging material ('000 tons)                              | 97.54      | 94.12      | 82.13      | 110.81     | 91.13      | 87.14      |
| Material Recycled   |            |            |            |            |            |            |
| Material recycled ('000 tons)                               | 73.43      | 74.63      | 40.08      | 61.65      | 52.80      | 52.73      |
| Material recycled (%)                                       | 0.10       | 0.11       | 0.10       | 0.14       | 0.13       | 0.14       |
| <b>Direct energy consumption ('000 GJ)</b>                  | 382,917.05 | 369,248.31 | 247,391.73 | 253,868.52 | 236,992.87 | 214,474.57 |
| <b>Renewable ('000 GJ)</b>                                  | 463.48     | 522.58     | 324.84     | 276.93     | 236.57     | 188.67     |
| <b>Indirect energy consumption ('000 GJ)</b>                | 1,378.41   | 1,196.49   | 1,572.23   | 1,707.05   | 1,642.10   | 1,385.49   |
| <b>Energy saved due to conservation ('000 GJ)</b>           | 2,431.33   | 5,858.14   | 2,035.00   | 3,121.51   | 10,496.17  | 2,318.13   |
| <b>Total water withdrawal ('000 cu. M)</b>                  | 120,302.41 | 107,966.76 | 97,172.64  | 97,788.41  | 95,686.43  | 89,857.64  |
| <b>Percentage of water recycled (%)</b>                     | 50.46      | 44.29      | 31.09      | 28.58      | 26.35      | 23.30      |
| <b>Total effluent discharged ('000 cu. M)</b>               | 22,390.69  | 21,324.14  | 20,105.38  | 23,774.00  | 24,920.44  | 24,106.89  |
| Greenhouse Gas Emissions                                    |            |            |            |            |            |            |
| Direct emissions ('000 tons of CO <sub>2</sub> eq.)         | 23,647.65  | 19,754.70  | 16,591.74  | 16,889.57  | 16,410.80  | 15,534.50  |
| Indirect emissions ('000 tons of CO <sub>2</sub> eq.)       | 391.50     | 334.58     | 369.37     | 368.22     | 367.42     | 312.71     |
| <b>Reductions in GHGs ('000 tons of CO<sub>2</sub> eq.)</b> | 395.46     | 1,220.25   | 613.56     | 877.27     | 629.07     | 0.00       |
| <b>Emissions of ODS (tons of CFC-11 eq.)</b>                | 2.55       | 8.38       | 11.65      | 30.70      | 27.72      | 18.91      |



| <b>Total Air Emissions</b>             |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|
|  | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 |
| SPM ('000 tons/year)                   | 2.69    | 2.95    | 3.60    | 3.64    | 3.52    | 3.36    |
| SOx ('000 tons/year)                   | 11.39   | 12.82   | 12.51   | 13.94   | 13.81   | 14.21   |
| Nox ('000 tons/year)                   | 29.42   | 23.26   | 18.41   | 19.07   | 18.87   | 17.01   |
| VOCs ('000 tons/year)                  | 40.34   | 29.23   | 19.94   | 19.91   | 19.67   | 18.50   |
| <b>Total amount of waste generated</b> |         |         |         |         |         |         |
| Hazardous waste ('000 tons)            | 51.34   | 56.16   | 47.07   | 41.44   | 40.47   | 32.94   |
| Non-hazardous waste ('000 tons)        | 59.34   | 50.01   | 35.91   | 44.87   | 41.81   | 23.69   |

| <b>Social</b>                     |         |         |         |         |         |         |
|-----------------------------------|---------|---------|---------|---------|---------|---------|
| <b>Manufacturing Divisions</b>    | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 |
| <b>Safety Performance</b>         |         |         |         |         |         |         |
| Injuries (nos)                    | 64      | 51      | 123     | 100     | 128     | 116     |
| Injury rate (per 100 workforce)   | 0.09    | 0.07    | 0.20    | 0.17    | 0.26    | 0.22    |
| Lost days <sup>1</sup> (nos)      | 4,112   | 8,079   | 11,886  | 3,338   | 3,418   | 2,826   |
| Lost day rate (per 100 workforce) | 5.73    | 11.02   | 19.11   | 5.63    | 6.94    | 5.47    |
| Man hours worked (million hours)  | 143.58  | 146.68  | 124.36  | 118.60  | 98.53   | 103.36  |
| Fatalities (nos)                  | 2       | 3       | 8       | 1       | 9       | 2       |

<sup>1</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 6000 lost days.

## Performance Review

| <b>Environmental</b>                                |                 |                 |                 |                |                |                |
|---|-----------------|-----------------|-----------------|----------------|----------------|----------------|
| <b>E&amp;P<sup>2</sup></b>                          | <b>2010-11</b>  | <b>2009-10</b>  | <b>2008-09</b>  | <b>2007-08</b> | <b>2006-07</b> | <b>2005-06</b> |
| <b>Material Consumption<sup>3</sup></b>             |                 |                 |                 |                |                |                |
| Associated Materials (tons) <sup>4</sup>            | 1098            | 742             | --              | --             | --             | --             |
| Casings & Tubular ('000 meters)                     | 66.11           | 215.63          | 237.70          | 199.38         | 195.41         | 149.40         |
| Chemicals-Solid ('000 tons)                         | 2.15            | 8.53            | 76.77           | 92.82          | 27.90          | 25.33          |
| Chemicals – liquid ('000 KL)                        | 43.54           | 12.48           | 15.42           | 14.26          | 7.31           | 6.51           |
| <b>Direct Energy Consumption</b>                    |                 |                 |                 |                |                |                |
| Diesel ('000 GJ)                                    | 2,466.44        | 2,402.77        | 2,763.73        | 2,352.70       | 1,305.04       | 1,167.06       |
| Gas ('000 MWH) <sup>5</sup>                         | 903.89          | 1,386.71        | 1,497.28        | 902.50         | 1,769.60       | 1,772.43       |
| Gas ('000 GJ) <sup>6</sup>                          | 1,842.59        | 1,748.51        | --              | --             | --             | --             |
| HFO ('000 GJ)                                       | 1.66            | 1.91            | 0.94            | 0.86           | 1.29           | 1.99           |
| <b>Indirect energy consumption (GJ)</b>             | <b>5,413.00</b> | <b>4,321.15</b> | <b>--</b>       | <b>--</b>      | <b>--</b>      | <b>--</b>      |
| <b>Water consumption ('000 cubic metres)</b>        | <b>461.87</b>   | <b>224.42</b>   | <b>171.34</b>   | <b>64.81</b>   | <b>38.86</b>   | <b>30.64</b>   |
| <b>Greenhouse Gas Emissions</b>                     |                 |                 |                 |                |                |                |
| Direct emissions ('000 tons of CO <sub>2</sub> eq.) | 682.04          | 582.77          | --              | --             | --             | --             |
| Indirect emissions (tons of CO <sub>2</sub> eq.)    | 1128            | 877             | --              | --             | --             | --             |
| Emissions of ODS (tons)                             | 0.21            | 0.12            | --              | --             | --             | --             |
| <b>Total Air Emissions</b>                          |                 |                 |                 |                |                |                |
| SPM (tons/year)                                     | 16.63           | 16.26           | --              | --             | --             | --             |
| Sox (tons/year)                                     | 319.25          | 593.88          | --              | --             | --             | --             |
| NOx (tons/year)                                     | 1,253.92        | 1,575.01        | --              | --             | --             | --             |
| VOCs (tons/year)                                    | 536.41          | 753.96          | --              | --             | --             | --             |
| <b>Hazardous waste (tons)<sup>7</sup></b>           | <b>1,329.92</b> | <b>4,390.24</b> | <b>3,018.54</b> | <b>909.01</b>  | <b>463.99</b>  | <b>165.82</b>  |
| <b>Non hazardous waste (tons)</b>                   | <b>413.75</b>   | <b>398.99</b>   | <b>927.56</b>   | <b>974.98</b>  | <b>995.12</b>  | <b>503.47</b>  |

| Social                            |         |         |         |         |         |         |
|-----------------------------------|---------|---------|---------|---------|---------|---------|
| E&P                               | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 |
| <b>Safety</b>                     |         |         |         |         |         |         |
| Injuries (nos)                    | 5       | 10      | 28      | 17      | 16      | 5       |
| Injury rate (per 100 workforce)   | 0.06    | 0.08    | 0.10    | 0.07    | 0.21    | 0.12    |
| Lost days <sup>8</sup> (nos)      | 80      | 142     | 431     | 0       | 14      | 0       |
| Lost day rate (per 100 workforce) | 0.99    | 1.17    | 1.55    | 0       | 0.1877  | 0       |
| Man hours worked (million hours)  | 16.10   | 24.24   | 55.54   | 46.17   | 14.92   | 8.69    |
| Fatalities (nos)                  | 1       | 2       | 4       | 2       | 0       | 0       |

<sup>2</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>3</sup> The material consumption values are related to consumables used in the E&P of O&G.

<sup>4</sup> Associated materials are related to the steady state operations facility at Gadimoga

<sup>5</sup> The values are related to PMT operations.

<sup>6</sup> The values are related to the steady state operations facility at Gadimoga

<sup>7</sup> The Hazardous Wastes (Management, Handling and Transboundary Movement) 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.

<sup>8</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 6000 lost days. The lost days reported for 2010-11 also includes lost days from the blocks other than PMT which commenced the production in 2009-10.

## Performance Review

| Across RIL  |                 |                 |                 |                 |
|---|-----------------|-----------------|-----------------|-----------------|
| Social  |                 |                 |                 |                 |
| Workforce breakdown                                 | 2010-11         | 2009-10         | 2008-09         | 2007-08         |
| Leader (nos)  | 901             | 880             | 985             | 1,163           |
| Manager (nos)                                       | 7624            | 7,278           | 7,863           | 7,974           |
| Executive (nos)                                     | 4832            | 4,842           | 4,988           | 4,451           |
| Trainees (nos)                                      | 140             | 1,067           | 1,497           | 1,430           |
| Apprentice (nos)                                    | 352             | 186             | -               | -               |
| Retainers / Consultants (nos) <sup>9</sup>          | -               | -               | 21              | 88              |
| Workers (nos)                                       | 8812            | 9,112           | 9,325           | 10,381          |
| <b>Total number of employees (nos)</b>              | <b>22,661</b>   | <b>23,365</b>   | <b>24,679</b>   | <b>25,487</b>   |
| <b>Attrition rate (%)</b>                           | <b>7.91</b>     | <b>8.45</b>     | <b>10.03</b>    | <b>8.66</b>     |
| <b>HSE expenses (million INR)</b>                   | <b>968.94</b>   | <b>845.18</b>   | <b>1,114.42</b> | <b>925.98</b>   |
| <b>Benefits provided to employees (million INR)</b> | <b>4,449.60</b> | <b>3,722.30</b> | <b>4,840.20</b> | <b>4,668.40</b> |

| Training                | 2010-11 | 2009-10 | 2008-09 | 2007-08 |
|-------------------------|---------|---------|---------|---------|
| Leader (hours)          | 13,566  | 15,824  | 22,505  | 26,910  |
| Manager (hours)         | 372,817 | 505,129 | 594,903 | 751,755 |
| Executive (hours)       | 223,402 | 214,048 | 192,481 | 291,841 |
| Non-supervisory (hours) | 166,228 | 177,598 | 130,132 | 463,937 |
| Contract Labour (hours) | 410,291 | 398,877 | 354,693 | 452,575 |

| Social Expenditure                | 2010-11        | 2009-10        | 2008-09        | 2007-08        |
|-----------------------------------|----------------|----------------|----------------|----------------|
|                                   | INR million    | INR million    | INR million    | INR million    |
| Education <sup>10</sup>           | 910.10         | 509.77         | 191.84         | 732.34         |
| Health <sup>11</sup>              | 469.90         | 292.41         | 480.99         | 146.00         |
| Community Development             | 283.47         | 440.84         | 369.16         | 332.28         |
| Environment (Greening activities) | 7.64           | 1.71           | 12.32          | 13.55          |
| Others <sup>12</sup>              | 342.30         | 540.16         | 492.38         | 73.26          |
| <b>TOTAL</b>                      | <b>2013.41</b> | <b>1784.89</b> | <b>1546.67</b> | <b>1297.23</b> |

<sup>9</sup> In FY2010-11 we had no retainers or consultants on the Company rolls

<sup>10</sup> Education includes all education related aid, donations, scholarships across RIL including Jammaben Hirachand Ambani Foundation, Hirachand Goverdhandas Ambani Charitable trust and Dhirubhai Ambani Foundation

<sup>11</sup> Health includes medical aid & benefits extended across RIL including Sir H.N. Medical Research Centre, Drishti and Dhirubhai Ambani Foundation

<sup>12</sup> Others include donations, sponsorship and awards instituted across RIL including Dhirubhai Ambani Foundation, UAA – Dhirubhai Lifetime Achievement Award, RIL CNN IBN Real Indian Heroes Award.



Jetty , Jamnagar

## Economic Performance



### Financial Performance

We achieved a record turnover of INR 2586.5 billion, a growth of 29% over the previous year. The increase in revenue was due to 11 % rise in volumes and 18% rise in prices. The landmark performance was a result of strong global economic recovery, India's consumer demand for products and services for a better quality of life and best in class manufacturing achievements at our plants.

In FY 2010-11, we maintained our status as India's largest exporter accounting for 13.4% of India's total exports. Our exports, including deemed exports were INR 1,466.7 billion (\$ 32.9 billion), higher by 33% as compared to previous year.

We exported products to 122 countries around the world. Exports represented 57% of our turnover. Of this, petroleum products constituted 88% while the balance was contributed by petrochemicals.

The total economic value generated by us increased by 29% to INR 2,617.0 billion (\$58.7 billion) while the total economic value distributed by us also increased by 30 % to INR 2,299.4 billion (\$51.6 billion). Our operating costs for the FY 2010-11 were INR 1,937.3 billion (\$43.4 billion). We contributed INR 287.2 billion (\$ 6.4 billion) to the national exchequer in the form of various taxes and duties.

### Key Financial Indicators

- Total Assets: INR 2,847.2 billion (\$63.8 billion)
- PBDIT: INR 411.8 billion (\$9.2 billion)

- Cash Profit: INR 345.3 billion (\$ 7.7 billion)
- Net Profit: INR 202.9 billion (\$4.5 billion)
- Net gearing ratio: 13.5%
- Net debt/equity ratio: 0.17
- Market Capitalisation is 4.8% of the total market capitalisation in India
- Contribution of 6.9% of the Government's indirect tax revenues
- Weightage in BSE Sensex is 11.9 %
- Weightage in S&P CNX Nifty Index is 10.1%

During the previous financial year, we were able to demonstrate full potential of our manufacturing assets, management capability, high quality of products and access to Indian markets by achieving a record turnover, gross and net profits. This can be attributed to volume growth and better margins in our core business. As always, our shareholders are the first to reap the benefits of these profits. We have announced a dividend payout of 80% amounting to INR 27.7 billion (\$ 622 million) including dividend distribution tax. This is one of the highest payouts by any private sector company in India.

Our contribution to wages and salaries stood at INR 26.2 billion (\$ 588 million). The expenditure towards Employee Defined Contribution Plans for the year was INR 916.7 million (\$20.6 million) and Employee Defined Benefit Plans obligation stood at INR 5.6 billion (\$ 125.9 million).

## Successful operations of new Projects

The new SEZ refinery and the deep-water gas production facility are globally recognised as among the leading projects of the decade in terms of project execution, cost competitiveness and on-going performance. The new refinery has consistently operated at over 110% of its rated capacity. This performance has led to its recognition as the best large complex refinery ever constructed. The KG-D6 project, with over 700 days of incident free uptime has set a benchmark in operation of offshore deep water gas projects.

## New Partnerships

We entered into several joint ventures and partnerships during the year. We entered into three partnerships in shale gas in North America thereby establishing ourselves as one of the leading foreign investors in this emerging unconventional hydrocarbon opportunity. We are building new competencies which will be the basis for a larger footprint in the future.

We also announced strategic partnership with BP, which will enable us to exploit our domestic oil & gas portfolio to its full potential. This partnership also envisages a joint venture to import gas from global resources and invest in infrastructure to provide reliable supply of gas to Indian consumers.

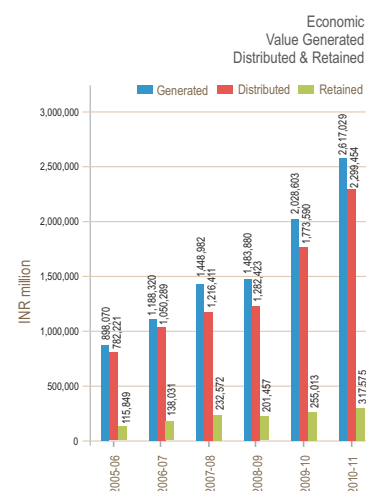
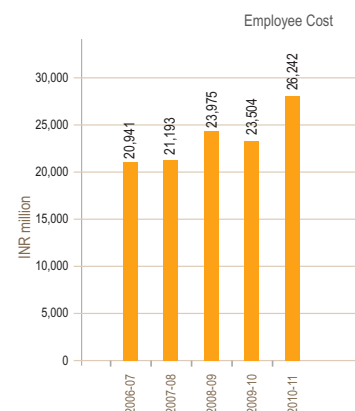
We have entered into over 50 partnerships in the past 5 years. These partnerships bring new products, competencies, technologies and new markets. Growth through partnerships is a key part of our strategy. These partnerships will help us address needs of the Indian markets, as well as provide us with entry points into global markets. Our partnerships in shale gas and joint ventures in retail are few examples of how we have implemented this strategy.

## Rating

Strong credit ratings by leading international agencies reflect our Company's financial discipline and prudence.

We continue to receive the highest domestic credit ratings of AAA from CRISIL and Fitch. Moody's and S&P have reaffirmed investment grade ratings for international debt of the Company, as Baa2 and BBB respectively. Our continued Balance Sheet strengthening in FY 2010-11, has resulted in Moody's, Fitch and S&P recently upgrading their outlook for our Company from Stable to Positive. Our international rating from S&P is higher than the country's sovereign rating.

We are ranked 68th in 2010 in Financial Times FT Global 500 list of the world largest companies (up from 75th rank in the previous year).



For more information on our Economic Performance, please refer our Annual Report FY 2010-11 available on RIL website: <http://www.ril.com>

## Energy Security



Securing energy supplies has been the prime driver for growth at RIL. We have always focused on investing our efforts in exploring new energy sources. Recent examples include our partnerships with Atlas Energy, Pioneer Natural Resources and Carrizo Oil & Gas through three distinctive joint venture agreements to acquire interest in Shale acreage position in the United States of America. We continue to derive success in the exploration and production business. At the same time we are also looking to expand our investments in clean and green energy sources.

### Shale Gas joint ventures

The growing importance of U.S. shale gas resources is reflected in USA's Department of Energy's EIA Annual Energy Outlook 2011 energy projections, with technically recoverable U.S. shale gas resources now estimated at 862 TCF. Through our subsidiary, Reliance Marcellus LLC, we entered into a joint venture with the Atlas Energy, Inc. through which we acquired 40% interest in Atlas's core Marcellus Shale acreage position. Through another subsidiary, Reliance Eagleford Upstream Holding LP, we entered into a joint venture with the Pioneer Natural Resources Company, through which we acquired a 45% interest in Pioneer's core Eagle Ford shale acreage position. Finally, through our subsidiary, Reliance Marcellus II LLC, we entered into a joint venture with Carrizo Oil & Gas Inc., through which we acquired 60% interest in Marcellus Shale acreage in central and northeast Pennsylvania. Overall, through the three joint-venture partnerships, our Company will support drilling of approximately 5750 wells with a net resource potential of approximately 26.7 TCFe.

### Continuing success in exploration and production

India's dependency on energy imports to meet its increasing energy demands stands at 5%, while India's known hydrocarbon reserves are only 0.5% of the global reserves. This underlines the importance of furthering the efforts in oil & gas exploration and production in India.

Our Company made five oil discoveries in the on-land exploratory block CB-ONN-2003/1 (CB-10 A&B) in the Cambay basin, awarded under the NELP-V round of exploration bidding. Our Company also made a gas discovery in the exploration block KG-DWN-2003/1 (KG-V-D3) of NELP-V. The deepwater block KG-DWN-2003/1 is located in the Krishna basin, about 45 km. off the coast in the Bay of Bengal.

Our KG-D6 gas fields continued their excellent performance in FY 2010-11. The KG-D6 gas fields completed 730 days of 100% uptime and zero-incident production. An average daily gas production from KG-D6 block for the year was 55.9 MMSCMD with a cumulative production of 1,257 BCF since inception, of which 720 BCF was produced in the current fiscal. Average oil production for the year from the block was 21,971 barrels per day with a



cumulative production of 14 MMBL of oil and condensate since inception, of which 8 MMBL of oil and 1 MMBL of condensate were produced in the current fiscal.

The Panna-Mukta fields produced 9.3 MMBL of crude oil and 52.1 BCF of natural gas in FY 2010-11. Tapti fields produced 1.2 MMBL of condensate and 95.2 BCF of natural gas in FY 2010-11. We have a presence in 13 conventional E&P international blocks in Peru, Yemen, Oman, Kurdistan, Colombia, East Timor and Australia amounting to a total acreage of 99,145 sq. km.

### Promoting clean energy, energy efficiency and conservation

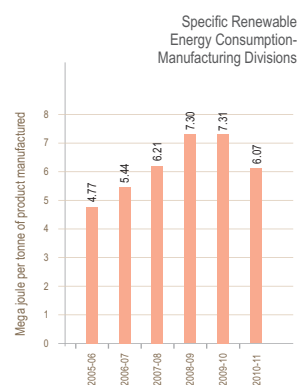
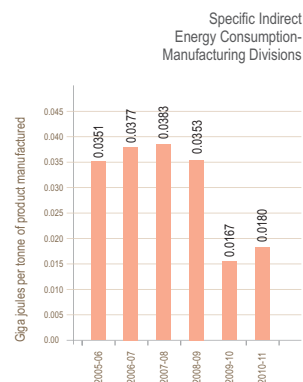
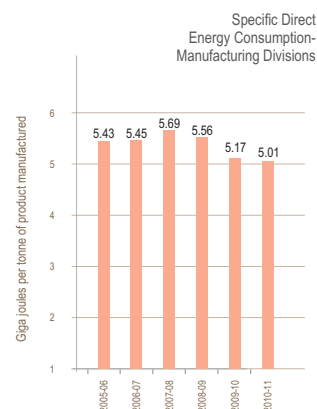
We are sensitive and committed to improving the energy efficiency of our operations year on year. At the same time, we are making consistent investments towards renewable and clean energy. The natural gas production from the KG-D6 basin has significantly contributed to increased clean energy availability in the country.

Energy efficiency improvements form a part of core objectives for all manufacturing divisions at our Company. A dedicated energy cell at each of our manufacturing units is responsible for the energy management of the unit. Our corporate energy cell works closely with the energy cell at the manufacturing units to further improve energy efficiency through process redesign, retrofitting and behavioural change campaigns. Energy audits and accounting, regular management reviews of energy generation and utilisation, guide the manufacturing

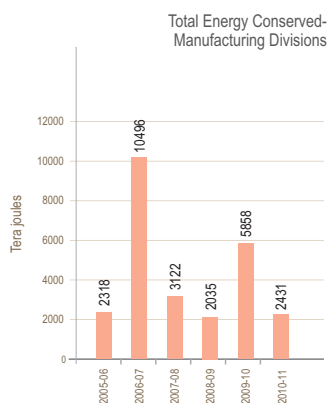
units towards responsible energy management. We benchmark the energy performance of all our manufacturing units using the Solomon and/or Shell energy index which promotes healthy internal competition between our 13 domestic units. Dahej, Hazira and Jamnagar manufacturing divisions received external recognition from prestigious bodies such as Ministry of Power, Govt. of India and CII for excellence in energy management.

This year we were able to achieve an overall reduction in our specific direct energy. Our specific direct and indirect energy consumption at manufacturing divisions for the year was 5.01 and 0.0180 giga joules per tonne of product manufactured, respectively. Our E&P operations recorded direct specific energy consumption of 0.2292 giga joules per tonne of production and indirect specific energy consumption of 0.2878 mega joules per tonne of production.

The specific renewable energy consumption at our manufacturing division decreased from 7.31 mega joules per tonne of production to 6.07 mega joules per tonne of product manufactured. Our focussed efforts at manufacturing divisions to improve energy efficiency helped us save 2,431,331 giga joules of energy during the year.



## Performance Review



### Energy conservation measures carried out during FY 2010-11 at various manufacturing divisions included:

#### Allahabad Manufacturing Division

- Installed Awwa nozzles on spinning machines leading to reduction in compressed air consumption.
- Recycled filter water and cooling water.
- Installed a capacitor on HT circuit, leading to improvement in power factor.

#### Barabanki Manufacturing Division

- In order to utilise wind energy, 45 Eco-ventilators were provided at various locations in the plant to improve the working atmosphere and reduce the heat load. Fans were provided at Draw line roof, Warehouse and DG roof.
- Energy efficient motors were provided at Husk Boiler ESP (Electrostatic Precipitator) unit. A total of seven motors were replaced.
- A solar geyser was installed and commissioned at the canteen for hot water use.
- One solar light was installed and commissioned outside the main gate on the side of the road.
- At the Nitrogen Plant, one line was fabricated and installed, resulting in the stoppage of Nitrogen purge compressor.

#### Dahej Manufacturing Division

- Realised energy savings by optimising the Gas Turbine load by implementing an Export-Import tie-line control at Captive Power Plant (CPP).
- Achieved water savings by reducing water to monomer ratio at Poly Vinyl Chloride (PVC) plant.

- Reduced in energy consumption through distillation vent steam utilisation at the Ultra-high-molecular-weight polyethylene (UHMW) – HDPE II (High Density Poly Ethylene) plant.
- Reduced effluent generation by replacing 5% Caustic with 32% Caustic for pH control at Vinyl Chloride Monomer (VCM) plant.
- Reduced energy consumption by providing isolation valve in High Pressure (HP) steam header in Phase-I at CPP.

#### Hazira Manufacturing Division

- Upgraded the capability of Gas Turbine (GT)-3 and GT-5 within Captive Power Plant & Utilities (CPP&U).
- Installed an additional motor-driven BFW Pump (B-900) and stopped the Boiler Feed Pump Turbine (BFPT) at Cracker Plant to achieve energy savings.
- Replaced existing bowed Super Heater (SH) modules of Heat Recovery Steam Generator (HRSG) #1 and 2 with drainable and finned super heaters.
- Reduced steam and power consumption by reducing the water/Aqueous EO (Ethylene Oxide) ratio in glycol reactors at Mono Ethylene Glycol (MEG) plant.
- Achieved piping/process modification in Condensate Trim Cooler (EA 1553) heat exchanger scheme to improve energy performance and reliability at CPP&U.
- Improvement in waste heat recovery performance of (Make up water heater) MUWH# 3 and MUWH#5 at CPP&U plant.

- Achieved Hiboil reflux ratio optimisation at Vinyl Chloride Monomer (VCM) plant.

- Maximised loading on Recycle Ethylene Di-Chloride (REDC) column and minimised loading on HB column to reduce SIP consumption by 1.0 Tonnes Per Hour (TPH) and achieved Reflux flow optimisation in REDC column.

- Increase power export in Purified Terephthalic Acid (PTA)-3 Process Air Compressor (PAC).

### **Hoshiarpur Manufacturing Division**

- Reduced energy consumption by installing an inverter for the chilled water pump.

- Stopped one exhaust blower of Draw Machine # 3 to conserve energy.

- Reduced specific steam consumption in Draw Machine # 1, 2 & 5.

- Reduced specific power consumption in Draw Machine # 2 & 5.

### **Jamnagar (DTA) Manufacturing Division**

- Improved heat recovery in Amine Treatment by replacing shell and tube heat exchanger with new plate-frame type.

- Reduced Low Pressure (LP) steam consumption in Amine Treatment Units by reducing the lean amine circulation rate.

- Achieved optimisation of Coker FGRS (Flare Gas Recover System). MP steam consumption in the ejector was reduced and Flare-loss was also reduced by optimising operating parameters.

- Improved the centrifugal air

compressor's efficiency. Inter-stage cooler bundles were replaced with phenolic coated tube bundles to minimise fouling. This was implemented in 4 out of 6 compressors.

- Installed Heat exchanger in Cracked Naphtha Hydro Treaters (CNHT) to recover naphtha splitter Overhead stream heat. Earlier it was routed directly to fin fan cooler.

- Improved Ortho Xylene (OX) and Heavy Aromatics (HA) column reboiler heater efficiencies through online cleaning of the radiant section.

- Reduced Steam Leakage. A Steam leak survey was carried out across the complex. Identified sources of leak were arrested.

- Achieved fuel saving through improvements in steam load distribution. Steam generation load on HRSG was maximised and load on the auxiliary boiler was reduced. The heat rate lower for HRSG.

- Propylene Treater Regeneration Sequence was modified in the Propylene Recovery Unit (PRU) to avoid Propylene loss.

- Achieved power savings in Pumps and compressors by optimising process parameters.

### **Jamnagar Manufacturing Division (SEZ)**

- Reduced LP Steam dumping by taking following measures:

- a) Changeover of the process unit turbines to motor driven in Crude / Vacuum Gas Oil (VGO) High Tension (HT) / Coker / Clean Fuels (CFP) Complex.

- b) Reduction of LP Steam generation in Diesel Hydro-

desulphurization (DHDS) -1/2.

- c) VGO HT-3 S-18 Steam generator bypass.

- Achieved Zero main flare on a continuous basis by:

- a) Arresting the leakages in Hydrogen Complex.

- b) Implementing energy conservation schemes in the Alkylation Unit (Refrigeration compressor seal modification).

- c) Implementing Energy conservation schemes in Flare Gas Recovery Unit (Additional 30" suction piping for the flare gas recovery compressor).

- d) Implementing Energy conservation schemes at Propylene Recovery Unit (PRU) [PRU regeneration gases to Low Low Pressure (LLP) flare.

- Minimising H2 flaring / H2 to FG through a product pressure-feed control scheme as well as through integration of the SEZ and DTA hydrogen complex.

- Running only 3 air compressors in place of 4 in utility complex.

- Routing of regeneration gases (high N2 conc.) to LLP Flare in PRU.

### **Nagpur Manufacturing Division**

- Reduced energy consumption by replacing two old Beacon-make Chilled Water Pumps with Grundfos-make new energy efficient pumps.

- Reduced energy consumption by replacing the Vertical Turbine pump with a submersible pump at River Intake Well resulting in stoppage of the water lubrication pump.

## Nagothane Manufacturing Division

- Stopped DM water pump to process plants and utilised the excess capacity available in DM water to supply to the CPP.
- Stopped both vent absorber (C-05 and C-20) tails pumps (P-95 and P-56) by re-routing tails to stripper through different nozzle and by utilising stripper vacuum.
- Installed a New Plug flow Steamer (FB501) for hydrocarbon stripping from Polypropylene (PP) powder.

## Naroda Manufacturing Division

- Replaced 2 bore-well pumps with energy-efficient pumps.

## Patalganga Manufacturing Division

- Achieved corro-coating of Cooling Water pumps in Linear Alkyl Benzene (LAB) and PTA Plants.
- Achieved chemical cleaning of Convection Bank Heater Tubes in Paraxylene Plant.
- Completed ceramic coating on Heater Tubes in Paraxylene Plant.

## Vadodara Manufacturing Division

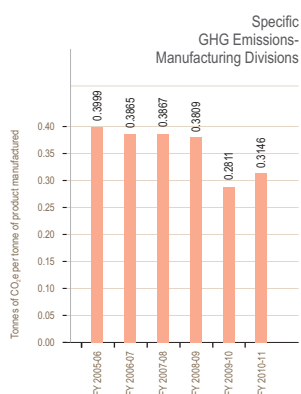
- Used Aerofoil designed Fibre-reinforced plastic (FRP) blades for cooling tower fans. Scheme was implemented in two cooling towers i.e. N2O2 (1 fan) and a CN cooling tower (1 fan). In addition to that a CN cooling tower internals were replaced resulting in reduction in make-up water by 4.5 m3/hr.
- Saved fuel gas by blocking the muffle

block inside burner assembly for 4 burners of Hot Oil heater, LAB plant.

- Reduced excess Oxygen in flue gas in H-106, of Naphtha Cracker Plant (NCP), from 4.0% to 2.4% by 4 burner blank off. This lowered fuel gas consumption significantly.
- Reduced in HF inventory by Single Reactor settler trial leading to power saving due to stoppage of one pump.
- Installed Energy Efficient Retrofit Metal halides/ Compact Fluorescent Lamp (CFL) in place of the conventional lighting to reduce power consumption.
- VCM EDC (Ethylene Dichloride) Cracker Stack temperature and excess Oxygen (O2) reduction done with the help of Damper adjustment.
- An insulation Health check was carried out for Out Side Battery Limited (OSBL) steam header. Insulation repair work was done for HP and MP header.
- Reduced Hot Oil circulation flow from 145M3/Hr to 120M3/Hr in LAB.
- Stripper column bottom 2 pump was operated for reduction in Chemical Oxygen Demand (COD) in a CN plant.

## Climate Change

As an integrated energy company, we recognise our responsibility towards climate change mitigation and adaptation. We have been gradually furthering our investments in building a renewable energy portfolio over the years and increasing accessibility of clean energy to the under privileged. At the same time we are continuously looking to identify and tap opportunities to enhance energy efficiency in our operations.



### Managing our Carbon footprint

We have been proactively monitoring the carbon footprint and intensity of our manufacturing divisions. GHG emissions reduction is defined as key result area and each manufacturing division lays down annual plans for achieving the same. Our efforts to improve energy efficiency and substitute non renewable and carbon intensive energy sources with renewable and clean energy have resulted in reduction of our GHG emissions. The absolute GHG emissions for FY 2010-11 were 24,039,147 tonnes of CO<sub>2</sub>e and 683,167 tonnes of CO<sub>2</sub>e for manufacturing divisions and E&P business respectively. Specific GHG emissions at our manufacturing divisions were 0.3146 tonnes of CO<sub>2</sub>e per tonne of product manufactured. Specific GHG emissions at our E&P operations were 0.0363 tonnes of CO<sub>2</sub>e per tonne of product manufactured.

### Clean Development Mechanism

We have built in-house capabilities to

develop Clean Development Mechanism (CDM) projects and obtain the registration and issuance of the same in the form of Carbon Emission Reductions (CERs) from United Nations Framework Convention on Climate Change (UNFCCC).

In FY 2010-11, we undertook validation of two renewable energy CDM projects harnessing solar and biomass energy. These projects have received host country approval from Ministry of Environment and Forest, Government of India. Our Biomass-based process steam generation project is at the final stage of registration at UNFCCC. Also, verification audit of one of the registered projects at Patalganga Manufacturing Division was conducted in FY 2010-11. Our efforts have helped us achieve emissions reductions of 395,468 tonnes of CO<sub>2</sub>e.

We have been proactive in devising methodologies that can be registered and funded as CDM projects. To this effect, UNFCCC has approved the changes proposed by us to the small-

scale methodology for "Recovery and recycling of materials from solid wastes" to include PET recycle.

### Carbon-friendly technologies

Carbon Capture and Sequestration (CCS) is a critical technology for climate change mitigation, especially for the energy industry. We actively participate in worldwide developments and activities in CCS and are also a member of the Carbon Capture and Sequestration Association, London.

In a proactive move to phase out Chlorofluorocarbons (CFCs), we have undertaken the replacement of CFC-based chiller units with new energy-efficient non-CFC chillers. This initiative will not only help towards our commitment to phase out Ozone Depleting Substances (ODS) from our operations but also contribute towards reducing our GHG footprint.



## Growth Through Innovation



In order to maintain sustainable growth, our Company remains focussed on the generation, exploitation and management of its intellectual property. Our portfolio for national and international patents is rapidly increasing in areas of existing and new technology as well as in terms of quality and quantity. As an integral part of our business transformation strategy, we are adopting and implementing best-in-class business processes with state-of-art applications to enhance technical excellence. Last year, we infused new energy into this domain through the structuring and institutionalisation of the IP thrust area. The focus of the IP team at our Company is to transform the organisation from being an IP user to an IP creator.

The Reliance Innovation Leadership Centre designs, develops and deploys programmes in realising our vision anchored around this agenda.

The Leading Expert Access Programme (LEAP) created a hat trick of Nobel Laureates' lectures. Prof. Venkatraman Ramakrishnan delivered the 13<sup>th</sup> Reliance LEAP lecture at the National Chemical Laboratory (NCL). In the past, LEAP speakers have included Nobel Laureates Prof. Jean Marie Lehn and Prof Robert Grubbs. LEAP has been designed to inspire our Company through the life, work and experience of global innovation leaders.

We instituted the 'NASI-Reliance Industries Platinum Jubilee Awards' covering both 'Physical and Biological Sciences' in partnership with National Academy of Sciences, India (NASI). Backed by an endowment from our Company, NASI recognises scientists for their significant contribution to application-oriented innovations and research.

Research, Technology and Innovation continue to be the key focus areas for our growth, besides ensuring sustainability and helping us take a leap in transforming the rural landscape. To sustain and enhance profitable growth in our existing businesses as well as to enter into new ventures in India and growing markets elsewhere, we aspire to become a developer of cutting edge technologies and users of selectively efficient technologies. Consistent with this aspiration, the Reliance Technology Group (RTG) was formed in 2008 as an integrated Research and Technology (R&T) organisation, acting as a hub for the R&T activities with pilot plants already operating at various manufacturing locations.

We are in the process of creating best-in-class physical and intellectual capabilities in technology, with some of the most talented professionals in order to bolster our innovation agenda. The first step towards creating the physical infrastructure was in the setting up of a new R&T centre at Reliance Corporate Park (RCP), Navi Mumbai.

### RTG's activities fall under four broad categories:

- Research and Development (R&D)
- Advanced technical services
- Support to capital projects
- Capability building

In refining, the major technology focus areas include maximising light olefins yields from fluidized catalytic cracker (FCC) by developing and selecting improved catalysts and additives; developing new schemes for improving propylene recovery in FCC; advanced characterisation of crude and evaluation of chemicals for desalting etc.; increasing efficiency and reliability of refinery processes; development of new crude treatment processes to help widen the crudes operating window. In the petrochemicals area, RTG is providing technology support to olefin crackers, polymers, fibre intermediates, linear alkyl benzene (LAB) and polyester. The focus areas in petrochemicals include efficient asset utilisation, development of specialty grades/materials, development of catalysts/additives for cost reduction, value addition to by-product streams, and leveraging opportunities at the chemicals/oil interface.

### Some major ongoing/completed projects include:

- Selecting of lower cost FCC catalysts and additives for improved conversion and yields.
- Processing cheaper and heavier crudes to widen the crude blends window.

- Propylene yield improvements and benzene reduction in refining.
- Desalter operation improvements.
- Computational fluid dynamics (CFD) studies for plant trouble shooting.
- Molecular compositional blending models.
- Polypropylene quality control.
- Coker streams processing in FCC.
- Catalytic processes for on purpose 1-hexene.
- Polyolefin inorganic precursor technology development.
- High performance polypropylene (PP) homo and impact copolymers (ICP) grades catalyst technology.
- Development of high performance additives for polyolefins.
- Development of clarifiers for PP grades.
- High melt strength PP by post reactor route.
- Development of morphologically controlled catalyst for producing HDPE grades.
- Functionalised and self-healing polybutadiene rubber (PBR).
- Process for chlorination of PVC to produce chlorinated polyvinyl chloride (CPVC).
- Superabsorbent polymers.
- Bio-filtration processes for effluent water treatment.



Bhumi pooja for RTG Navi Mumbai building

## Performance Review

- Catalyst for selective dehydrogenation of C11-C14 n-paraffins.
- Paraxylene isomerisation catalyst.
- Catalyst for naphtha reforming.
- Oxidation catalysis.
- Adsorbent for separation of p-xylene from C8 isomers.
- Additives for cracker coking passivation.
- Polyethylene terephthalate (PET) based product for improving shelf life of fruits and vegetables.
- Startup of bottle to bottle (B2B), PET recycling project.
- Development of oxygen barrier PET for beer packaging.
- Productivity enhancement through polymer modification.
- New co-catalyst systems for bottle-grade PET resin productivity enhancement.
- Development of PET with new additive for cost reduction and colour improvement.
- Development of yarn from alternate polyester (Polytrimethylene terephthalate, Polybutylene terephthalate).
- Asbestos replacement in cement sheets.
- Development of anti pill polyester, elastic polyester, low melt polyester, low cost flame retardant polyester, low antimony/antimony free polyester, and super micro denier polyester staple fibre.
- Development of low cost catalyst, additives, and indigenous spin finish for polyester.
- Spinning productivity enhancement through application of technology developed in-house.

Besides participating in various collaborative projects in India and overseas, RTG is involved in research on some cutting-edge technologies such as fuel cells, carbon fibres, bio-fuels, and gasification of several types of feed stocks. We are the sole industry partner in the New Millennium Indian Technology Leadership Initiative (NMITLI) project on indigenous Fuel Cell technology development.

To meet the needs of the existing businesses and to help position our Company for the future, RTG is focussed on building and strengthening its in-house capabilities. Hiring the best global talent is one of the core agendas for RTG, consistent with the firm's aspiration to become a global technology leader. As a part of our business transformation, RTG is adopting and implementing best-in-class business processes duly IT enabled with state-of-art applications to enhance "Technical Excellence".

RTG will continue to cater to the R&T needs of the organisation to enable maximum utilisation of assets, to counter potential technology-related threats to our businesses and to identify, develop and implement technology-related opportunities to fuel our future growth.



## Health and Safety

Health and Safety is a core value at Reliance. We accord highest priority to health and safety of our people. Our HSE Policy “safety of persons overrides all production targets” is a reflection of our concern towards providing a healthy and safe working environment for our entire workforce. A participatory approach has been adopted towards improving our HSE performance where in employees form an integral part of improving our HSE systems and performance. Change Agents for Safety, Health and Workplace Environment (CASHe), our HSE flagship programme, has grown over the past eight years to become a movement encompassing the entire enterprise with several improvement projects. The programme has been instrumental in implementing projects focused on health, safety and environment at the workplace on a priority basis. We continue to make significant investments in our HSE systems to adopt best in class technologies and processes and strive to improve our HSE performance. Toward this end, we have incurred an average HSE investment of INR 42,758 per employee for the FY 2010-11



### HEALTH

We regularly monitor health of our employees and work towards providing a workplace that is conducive to good health. We have established Occupational Health Centers (OHCs) at all our manufacturing divisions and major offices. Our OHCs are equipped with modern diagnostic and therapeutic facilities and are serviced by qualified occupational health specialists.

With a focus on preventive health care, we conduct periodical health checkups for all employees including contractual workforce. We also monitor health of employees working in designated hazardous areas, for exposure to certain chemicals and processes with an aim to prevent occupational diseases. Regular awareness sessions are conducted for employees to prevent and manage lifestyle diseases such as heart problems, hypertension, diabetes and communicable diseases such as malaria, tuberculosis and HIV/AIDS. Further information on managing personal

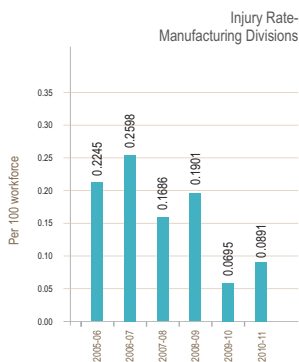
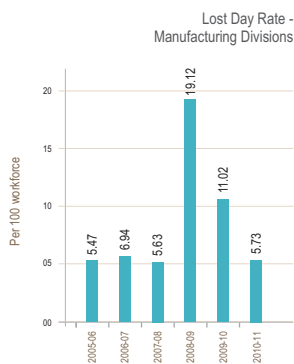
health is disseminated through emails, daily health tips and personal counseling. Health promotional activities are also extended to employees' family members staying at our townships. The full-fledged modern hospitals at major townships at Jamnagar, Vadodara, Nagothane and Patalganga provide preventive and curative health services to employees and their family members. We have also tied-up with reputed hospitals to provide similar services across our manufacturing divisions. To ensure food and water safety, we also regularly analyze potable water samples and conduct health audits of our canteens and guest houses.

### SAFETY

#### HSE Management System

We have an established HSE Management System (HSE-MS) formulated by adopting industry best

## Performance Review



Occupational Health & Family Welfare Centre

practices in HSE management. Our HSE-MS was institutionalised to establish organisation-wide safety management objectives, standards and processes. We continue to pursue world class operational excellence through the HSE Management System initiative, in strategic partnership with M/s DuPont Sustainable Solutions. In FY 2010-11, our HSE Management System (HSE-MS) was further strengthened with new initiatives through implementation of the operational discipline framework of 11 characteristics to embed operational discipline in the organization. Our manufacturing divisions also undertook a rigorous self-assessment of operational discipline and they are in the process of implementing improvement measures with total employee involvement. We continue to upgrade our management system certifications with the latest international standards. Most of our manufacturing divisions have been certified to ISO 14001:2004 certification of Environmental Management Systems and OHSAS 18001:2007 certification of Safety Management Systems. This year, our KG-D6 asset comprising an Onshore Terminal, Supply Bases and Off-shore facilities, received ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications and successfully completed the first independent 'Surveillance Audit' in August 2010.

### Health and Safety Principles

Our health and safety principles guide in making business decisions to ensure a safe and healthy workplace while maintaining operational integrity. The principles are supported by systems of proactive hazard identification, risk management, internal controls, frequent training, continuous process

improvement and rigorous audits. Additionally, a set of 'Life Protection Rules' (LPR) were introduced in FY 2010-11 which focus on 10 high risk activities across the organisation. Complying with the LPR is mandatory for all our employees and contractual workforce. LPR complements our 'Safety Best Practices' and 'Safety Procedures' to be followed at all locations. We also launched 18 HSE standards and 41 associated HSE procedures to be implemented across our E&P operations which will enable us to achieve further improved HSE performance.

### Process Safety Management

Process Safety Management (PSM) has been instrumental in transforming the safety management across the organization. It has been implemented across all our manufacturing divisions and E&P operations with defined roles and responsibilities. IN FY 2010-11, PSM has been further strengthened through strategic initiatives for sustenance. One of the focus areas during the year was to conduct self assurance studies for the safety of the community through Process Hazard Analysis (PHA) and Quantity Risk Assessment (QRA) in plants, prioritized on risk basis. Implementation of recommendations emerging from such studies has resulted in evolving inherent safer measures in operations of such plants.

### Safety Audits

We have adopted a central HSE audit programme which is a critical component of the HSE governance process. The audit programme is specifically designed to ensure that stakeholder expectations, HSE Policy

and HSE-MS are being effectively implemented across the organization. The audit programme also identifies internal best practices that can be shared across locations. Further, we have reinforced our ties with global institutions like the Centre for Chemical Process Safety, the American Institute of Chemical Engineers, American Chemical Council and the British Safety Council which gives us access to industry best practices.

### **Security Training**

We have a security policy in place to ensure security of our people and operations by thorough preparedness. All our security professionals are trained on security policy and on various aspects of security management. The security professionals are trained through basic officer training, as well as, on the job training. The basic officer training is aimed at training the security professional on Human Rights, Industrial and Labour Laws etc. On the job training is a continuous learning process wherein the skills of perseverance and negotiation are enhanced through daily briefing and training on reading mob psychology and response. The training is also given to all the security personnel on rescue of accident victims, providing first aid to highway casualties, extinguishing fire as part of mutual aid and providing community help through CSR initiatives. Apart from the training provided to security professionals, all our manufacturing staff and contractors undergo security awareness programme to respect the law of land and prevention of cruelty.

### **Safety Performance**

Our safety management framework ensures monitoring of all incidents across our operations. Safety performance is periodically reviewed at the apex level by Board-level HSE committee. During the year, at our manufacturing divisions, we recorded an injury rate of 0.0891 per 100 work force; and reduced our lost day rate to 5.73 as compared to 11.02 in FY 2009-10. Similarly for our E&P business, we had an injury rate of 0.0621 per 100 work force; and lost day rate of 0.99 as compared to 1.17 per 100 work force in FY 2009-10. We continually strive to better our safety performance to ensure a safe work environment.

#### **Reduction in Heat Stress**

Persons working in the "Clean Fuel Project" area in Jamnagar manufacturing division were experiencing high radiation heat during higher flare loads. This issue was discussed in safety review meetings and the management decided to provide some protection which will prevent exposure of the operating personnel to high radiation heat.

A detailed study was carried out using various simulation tools and the safety committee developed a report on "flare radiation contours". Based on the report, areas requiring a heat shield were identified to protect high elevation work areas during the higher flare load periods. Subsequently a heat shield was provided, which significantly reduced the radiation heat during flaring.

# Environment



We endeavor to pursue excellence in environment preservation and management. We acknowledge the impacts of our operations on environment and strive to continually improve environmental performance by deploying best environmental management solutions. A well established environment management framework with defined structures, roles and responsibilities, group standards, audits and training is in place to guide us in achieving environmental excellence. During the year, we have undertaken a focused initiative to develop environmental management process with the help of international agencies. These processes have defined set of performance indicators to monitor the progress. We have also developed a comprehensive three-tier audit system, which include internal and external audits, as an internal control measure. Environmental impact and risk assessments are carried out for all new and expansion projects. All our manufacturing divisions and E&P Gadimoga division are certified for ISO 14001:2004 Environmental Management Systems.

### KEY FOCUS AREAS

#### Resource Productivity

Our productivity strategy is based on optimal use of resources, contributing to conservation of resources and reduction of environmental impact. The cornerstone of our growth story, backward integration has helped us attain greater control over materials we use across the value chain. This helps us achieve higher resource productivity compared to industry peers. Cracking of crude oil through our best-of-class refinery complex at Jamnagar provide the basic raw materials for all manufacturing divisions. We maximise our resource productivity by recovering and reusing most of our non-product outputs, reducing our requirement for fresh materials. During the FY 2010-11, our specific material consumption for manufacturing divisions was 0.98 tonnes per tonne of product manufactured. Similarly we have consumed 0.172 kgs of associated material per tonne of product manufactured for our E&P business. We also recycled a total of 24,959 tonnes and 48,468 tonnes of packaging and process materials respectively at our manufacturing divisions in FY 2010-11.

#### Water

Scarcity of water is gaining significant importance as a critical business risk across the globe, especially in geographies with arid and semi-arid climatic conditions. Businesses across the globe are expected to demonstrate efficient and prudent water management practices. Our approach is to reduce, recycle and reuse water across manufacturing divisions. We withdraw water from multiple sources including sea, rivers and ground. We have adopted a proactive approach towards water management and ensure that our manufacturing divisions and E&P business do not withdraw more than 5% of the annual average volume of the source water body. Our water conservation efforts are directed towards increasing recycled water content for the process and utilisation of

treated effluents. We also harvest rainwater to reuse and recharge ground water sources. This year, we consumed 1.57 cubic metres and 0.0245 cubic metres of water per tonne of product manufactured at our manufacturing divisions and E&P business respectively.

In FY 2010-11, our manufacturing divisions were able to recycle and reuse 50.46 % of total water consumption, a 13.91% increase over last year's recycling and reuse achievement.

### Biodiversity

We pursue biodiversity conservation as one of key components of our environmental management approach. We continue our efforts in biodiversity management through initiatives such as mangrove plantation and its maintenance in the coastal areas with the help of external agencies, tree plantation, maintenance of green belts and gardens in and around our manufacturing divisions and E&P business. Through a unique partnership with Ministry of Environment and Forests, Government of India and Gujarat Ecological Commission, we are involved in setting up the National Centre for Marine Biodiversity (NCMB) - India's first Centre of Excellence for the study of India's coastal biodiversity at Jamnagar.

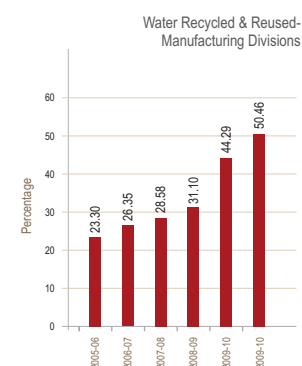
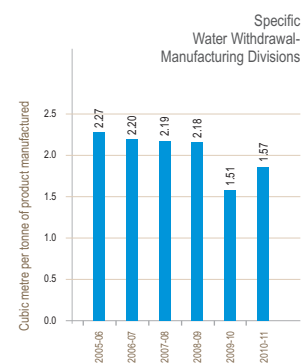
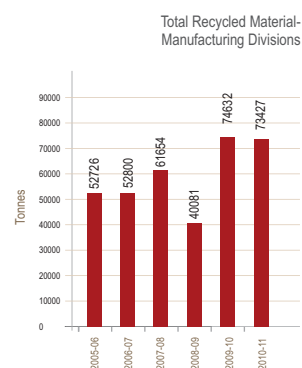
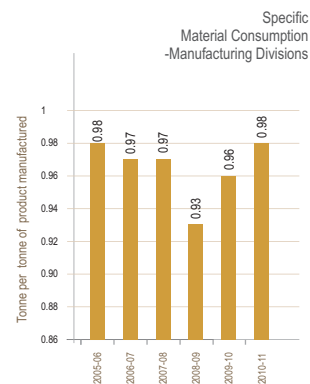
11 of our manufacturing divisions are located either in declared industrial development areas or environmentally non-sensitive areas. Local and national laws guide us with respect to fulfilling regulatory requirements and managing bio-diversity in our areas of operation, including those located in environmentally sensitive zones. We

conduct environment impact assessments for all new and expansion projects and engage external experts like National Environmental Engineering Research Institute (NEERI), National Institute of Oceanography (NIO) and other qualified consultants to undertake periodic monitoring of our impacts on bio-diversity. Based on the recommendations we review our biodiversity management plans.

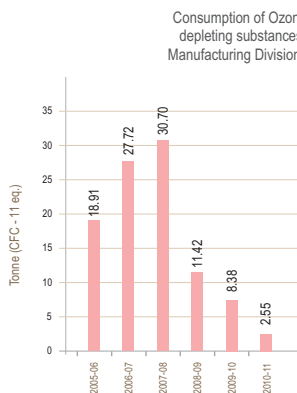
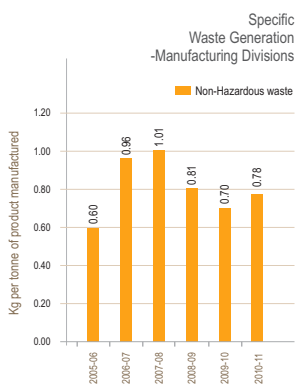
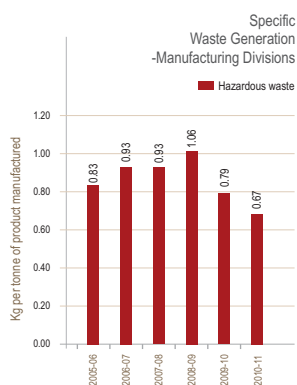
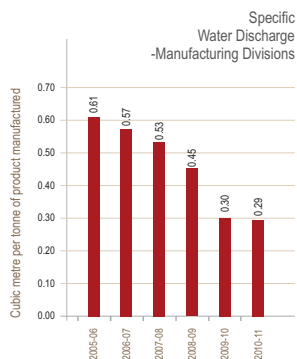
The right of way (ROW) for pipelines and the marine facilities at our Jamnagar refinery complex are located between 'inter-tidal mudflats', a protected marine ecosystem under national legislation. We have taken several measures to mitigate our impacts on marine biodiversity including:

- Discharge of desalinated brine water in the sea away from the mudflats 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 mudflats.
- Pumping of bilge water is strictly prohibited for ships that arrive for loading.

Green belt development is one of the key components of biodiversity management across our locations. In FY 2010-11, we planted more than 10,000 saplings, 43,000 shrub plants, 37,000 sq. mts. of lawn and 15,000 sq. mts. of ground covers, apart from about 20,000 seasonal plants. Orchards of coconut, guava, pomegranate, jack fruit and mangoes are cultivated in the



# Performance Review



operational site. We continue to support the maintenance of mangrove plantation with the help of M/s. MS Swaminathan Foundation in an area of 10 Hectares at Chollangipeta which is near the KG-D6 facility. We are also undertaking a study of biodiversity enhancement in this region with M/s. MS Swaminathan Foundation through project grants.

## Waste Management

We manage our wastes and effluents in an environmentally sound manner. Effluents are treated and reused to the maximum extent possible in production processes or for horticulture purposes. Treated effluents are discharged in designated water/land bodies as per the quality standards prescribed by regulatory agencies. Our Hoshiarpur, Nagpur and Silvassa manufacturing divisions are zero-effluent discharge units with 100% of their treated effluents being reused. We are making sincere efforts to maximise the treated effluent reuse and attain zero effluent discharge at other manufacturing divisions. In FY 2010-11, we discharged a total of 22,390,692 cubic metres of treated effluents from our manufacturing divisions.

Hazardous waste generation at our manufacturing divisions for FY 2010-11 was 0.67 Kgs per tonne of product manufactured as compared to 0.79 kgs per tonne of production in FY 2009-10, a reduction of 17.9%. Similarly our non-hazardous waste generation at manufacturing divisions was 0.78 Kgs per tonne of product manufactured during the year. This year we have undertaken a new initiative for conversion of organic waste to vermi-compost. This includes processing of food and paper wastes from our operations at Gadimoga. Our E&P business has disposed 1,329.92 tonnes of hazardous waste and 413.75 tonnes of non-hazardous waste during the year. Approximately 73% of hazardous waste and 55% of non-hazardous waste at our manufacturing divisions, 9% of hazardous waste and 15% of non-hazardous waste at our E&P business is recycled / reused in-house or through approved recyclers. The remaining waste is sent to a secured landfill or incinerated as per regulatory requirements.

## Air Emissions

We monitor our emissions of Suspended Particulate Matter (SPM), Oxides of Sulphur (SOx) and Oxides of Nitrogen (NOx) as per regulatory norms. In addition to monitoring these substances, our Jamnagar refinery complex also monitors Volatile Organic Compounds (VOC). Many of our manufacturing divisions have switched to

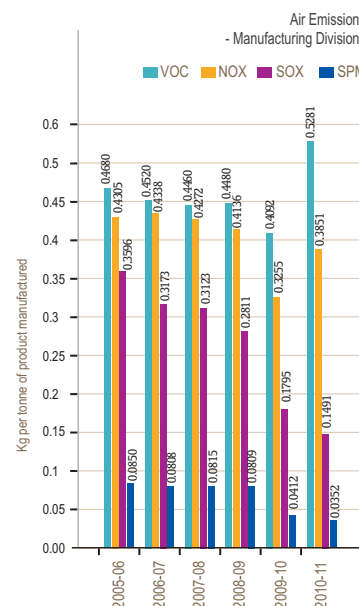
### Recovery of catalyst solution from waste

PTA manufacturing technology produces catalyst residue containing by-products that have to be incinerated for safe disposal. Handling of the incinerator ash, a hazardous waste, in huge quantities (700 MT per annum) is a key challenge for any manufacturing division. Our Hazira manufacturing division has taken an initiative to recover useful metals from the incinerated ash. Qualified re-processors were identified to recover metals such as cobalt and manganese catalyst in the form of CMA solution and this is reused again in the process. This initiative has helped us minimise the impact on environment while contributing to higher process efficiency.

gas-based energy which is cleaner fuel and contributes to lower emissions. At our manufacturing divisions, the specific SPM, SO<sub>x</sub> and NO<sub>x</sub> emissions for the year were 0.0352, 0.1491 and 0.3851 Kgs per tonne of product manufactured respectively. Our VOC emissions were 0.5281 Kgs per tonne of product manufactured. For our E&P business, during the year SPM, SO<sub>x</sub> and NO<sub>x</sub> emissions were 0.968, 18.58 and 72.98 grams per tonne of production and the VOC emissions for the year were 31.22 grams per tonne of product manufactured. Ozone Depleting Substances (ODS) is not consumed or produced as a byproduct of processes. During FY 2010-11, we used 2.55 tonnes (CFC-11 equivalent) of ODS at our manufacturing divisions and at our E&P business we used 210.6 kilograms (CFC-11 equivalent) of ODS, primarily for refrigeration and air conditioning purposes.

### Spills

We take adequate safety measures and strive to avoid significant spills and in the event of any spill we try to contain and recover it. Through a robust online incident reporting system, we monitor all spills at our manufacturing divisions. These are further classified based on the impact of the spill irrespective of the quantity of the spill. This year, we had no significant spills or leaks at manufacturing divisions and at E&P business. All minor spills and leaks were immediately attended to with appropriate remediation measures and had no significant impact. Further, with an objective of imparting awareness on oil spills control at sea during emergencies, we conducted oil spill response mock exercises in the East Coast with the involvement of all major operators and the Indian Coast Guard in September 2010.



## Product Responsibility



We perpetually strive to provide our customers with quality products and services that have minimal health, safety and environmental impacts, at affordable prices. We evaluate the impacts of products across the value chain through a life cycle approach. This enables us to seek opportunities to further reduce the impacts of our products while enhancing the quality. Reliance Technology Group (RTG) created by consolidating various research and technology functions provides key insights and support to our businesses on leveraging technology to meet these objectives. Members of Reliance Innovation Council (RIC) provide the necessary external expert perspective towards enhancing product responsibility.

### Clean and environment-friendly products

We have a comprehensive range of petrochemicals comprising polymers (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. We are strengthening our position in the clean energy segment through gas production from KG-D6 basin. Natural gas will significantly improve India's energy mix, currently dominated by fossil fuels like coal that have very high environmental costs.

We have taken significant product responsibility initiatives in our materials and fibres product segment. We have introduced many specialty products like flame-retardant fibre, waterproof fabrics, fibres made from 100% post-

consumer polyester waste. Our Recron3S fibre is used in the Construction and Paper Industry and one of its key applications include replacement of hazardous asbestos fibre in asbestos cement products. We have developed an innovative product Recron Hav Fresh which enhances the shelf-life of fruits and vegetables. Designed to adsorb ethylene emitted during the ripening/rotting of fruits and vegetables in non-refrigerated conditions, this products provides an affordable storage solution. The survey done by IMRB in 2010 indicated good acceptability of the product in specific Indian markets. We are further working on improved version of the product to overcome limitations of Gen-I product at more affordable price.

We adhere to EU-REACH regulations aimed at ensuring that every chemical and substance that is manufactured in or imported into Europe is safe to use. We have done 311 pre-registrations and with the help of inhouse efforts we were able to reduce it to 38 for immediate registration. Further, our efforts are directed towards compliance with such regulations in other markets like China, Japan, South Korea, Taiwan and USA.

### Promoting efficient plastic recycling and management

We promote efficient waste plastic recycling and management through our involvement with Indian Centre for Plastics in the Environment (ICPE).

ICPE is a Government of India recognised nodal agency focussing on issues related to plastics and environment. We are one of the founding members of ICPE and support



the agency by funding projects in the areas of plastic waste management and recycling, mass communication and awareness-generation programmes. We work closely with ICPE on a voluntary basis lending our technical and financial support to help the organisation plan and implement initiatives identified by the industry.

### **Creating wealth from waste**

Our Hazira manufacturing unit, in partnership with Gujarat Engineering Research Institute (GERI) and Road & Building Division, constructed a 900 metre stretch of road using 5% plastic waste. The site CSR team used unattended / non-recyclable plastic waste in construction of the tar road which reduced construction cost, improved road life and reduced road maintenance cost. Unattended and non-recyclable plastic waste sourced from rag pickers cooperative group and dead stock seized by Surat Municipal Corporation was used. Awareness-generation and sensitisation programmes about the technology and its benefit to community have been undertaken to benefit the population living in the villages neighbouring our unit at Hazira.

We have been one of the harbingers in recycling post-consumer packaging bottles in the country. Over the years, we have built up a robust infrastructure to realise the objective of recycling waste benefiting the cause of healthy living environment. We put up one of India's finest recycling plant to process PET bottles, which recycles about 2.5 billion bottles annually (7 million bottles/day). These bottles would have otherwise ended in landfills. The recycled material is further used as hollow polyester fibre-fill in sleep and comfort products. Our adherence to stringent quality parameters helped us achieve Oekotex certification for this product. Oekotex certification is the highest level of European ecological certification achievable today for textile products. This initiative has helped us lower our input costs, reduce the environmental impact of waste plastics and provide employment opportunities in our post-consumer PET bottle supply chain.

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

We have a comprehensive media and communications policy for all our external and internal communications. Our compliance management framework monitors and ensures adherence to all regulatory statutes and regulations including matters related to our marketing, communication, sponsorship, promotion and event management. We subscribe and adhere to voluntary codes set by Advertising Standards Council of India (ASCI) and are a certified member of the Council.

We value the information requests of our stakeholders and strive to provide them with timely and reliable information, enabling them to take informed decisions. These efforts of both voluntary and mandatory information disclosures, demonstrate our approach towards assuming responsibility for our products through their life-cycle.



## Social Institution Building



We are passionate about helping people from all regions and walks of life to realise their potential.

For our internal stakeholders - our employees - we try to design recruitment, retention and talent development initiatives that enhance productivity and loyalty. We support the active participation of our large non-supervisory workforce in organisational decision-making through joint committees and meetings with recognised labour unions.

For our external stakeholders, we try to maximise our reach and impact by building and supporting social institutions across urban, rural, national or international setups. The institutions and initiatives that we support cover diverse fields including culture, sports, environment, education, infrastructure and health. However, they have one characteristic in common i.e. the commitment to excel in the delivery of services that facilitate human development.

### Employee development - institutions and initiatives

Our talent base, as at March 31, 2011, stood at 22,661 with an average employee age of 41 years. In FY 2010-11, the ongoing Business Transformation initiative created high engagement and excitement amongst the workforce across all levels at our Company. This year's focus was on the following aspects of employee development:

**People:** Energising and engaging the existing workforce, building a pipeline for the future and creating an exciting workplace.

**HR Processes:** To ensure that we continue to have the world's best practices and processes, the existing processes are being re-engineered and new processes are being introduced.

**Policies:** The focus for FY 2010-11 was to make policies employee-friendly, keeping in mind employees' specific needs. The HR policies are being reviewed and benchmarked with world-class organisations.

**HR Shared Service Centre:** The Centre was established last year to ensure efficient and effective delivery of HR services to our employees.

### Key accomplishments of FY 2010-11 include:

**Talent Acquisition:** Belief in people has been the cornerstone of our growth story. Three decades ago, it was youth in their 20s & 30s who were instrumental in helping our Company grow into India's largest private sector organisation. The leadership's intent is to pass the baton on to young leaders over the next 2 to 3 years, for them to take this success story forward for the next few decades.

Towards this end, we have been actively expanding the pool of young talent in the organisation. Our Company's campus hiring programme from engineering, finance and management institutes has in FY 2010-11, been far more robust with wider coverage to ensure higher calibre hires as well as diversity.

We also launched a specially tailored programme for experienced and high-performing young professionals

between 27 and 34 years of age called the Reliance "Accelerated Leadership Programme" (ALP). Through ALP, we aim to hire high calibre young professionals who are truly capable and passionate about working in high-growth businesses, into the Company to build a talent pipeline for the future.

The ALP involves a unique hands-on two-year leadership experience.

In the first phase of ALP we invited professionals to join us for positions in:

- Finance (including Mergers and Acquisitions)
- Procurement
- Human Resources
- Information Technology

Over time we plan to invite a select group of professionals to join us through the ALP route for other functions and businesses.



Reliance Accelerated Leadership Programme brochure for 2010-11



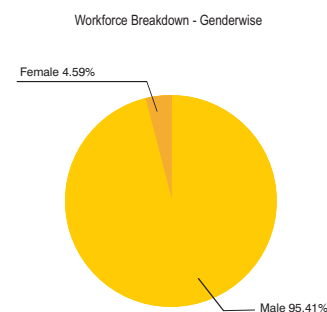
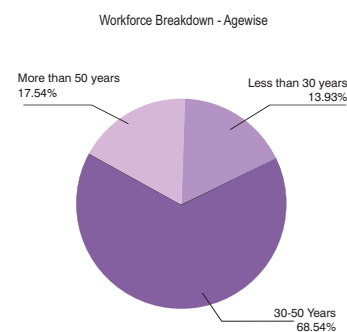
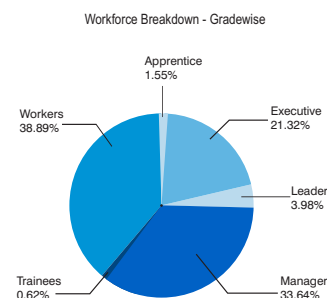
Reliance Accelerated Leadership Programme website <http://alp.ril.com>

## Learning & Development

In FY 2010-11, we ensured 1,617,051 man hours of learning activities (including trainees). We organise training for employees internally and additionally support their training at reputed external institutions. We ensure a minimum of 64 hours of training per employee in the supervisory cadre and we generally exceed that figure. The broad categories of employee training at RIL include:

- HSE Training
- Function-specific technical training
- Cross-functional training
- Soft-skill training
- Site-specific training

For our non-supervisory employees, we have intensive skill development programmes to help them grow from holding less-skilled jobs to performing highly skilled jobs and simultaneously enhancing their capacity and level of engagement with the organisation.





Education has the intrinsic potential to transform individuals and societies in limitless ways. The more innovative and inclusive such opportunities are, the greater a nation's sustainable progress. This is what inspires us in all our educational endeavours.

*Smt Nita M Ambani,  
President, DAF*

We also run tailor-made supervisor development programmes for employees in transition from the non-supervisory cadre to the supervisory cadre based on their performance. These are typically week-long programmes with equal emphasis given to developing the employee's soft skills and his / her understanding of various managerial functions and systems.

Six Sigma deployment during the year focussed on improving process capability & reliability issues. As a part of standardising the training & development of people and validating their skill level, a web-based examination module was developed to certify Six Sigma Green Belts.

Vacation Training Programme is a training initiative unique to our Vadodara manufacturing division wherein we encourage students from engineering and other undergraduate courses across the country to undertake short-term projects with various departments at Vadodara during their vacations. Students benefit from the mentoring they receive from Heads of Department and Plant Supervisors; and the site benefits from the new ideas of youngsters. The year FY 2010-11 saw over 430 students worked for 2 weeks to 6 months as 'Vacation Trainees' in the Vadodara manufacturing division.

Additionally, we invested several man hours to train leadership teams on developing the second-line, compensation and benefits, executive coaching, rewards and recognition programmes and interviewing & selection skills. Going forward, we will focus on building specialised skills and multiple cadres in the organisation to support our goals and aspirations.

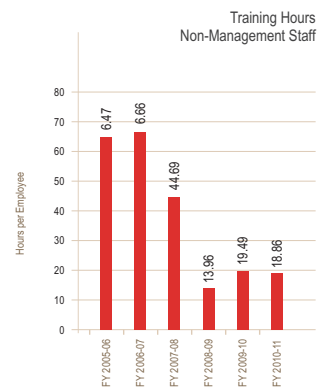
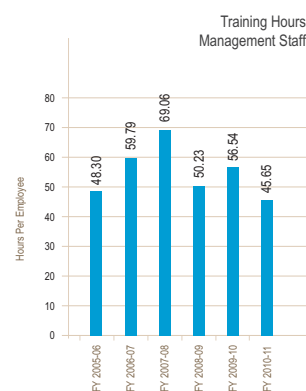
### Compensation & Banding

FY 2010-11 saw a significant change in the Company's compensation & banding management process. On the variable pay front efforts are afoot to move towards accountability and responsibility-driven variable pay programmes designed differently for different levels of employment. We have a structured performance management system which includes performance review and feedback for all eligible employees. Based on the performance review all our employees are suitably rewarded through performance-linked incentives. We ensure that 100% of our management and non-management staff undergo annual performance reviews.

### Ethics and Human Rights

Our directors and management personnel sign a code of conduct annually, committing to ethical behaviour in their internal and external dealings. Our commitment to the Universal Declaration of Human Rights of the United Nations is reflected in various policies and guidelines that govern our organisation. Our code of conduct, for example, reinforces our commitment to fair employment and equal employment opportunities. It also expresses our commitment to engaging in open and transparent dialogue with communities.

Our units aspire towards 100 percent compliance with the local and national laws regarding ethics and human rights. Every employee is exposed to these topics through



## Performance Review

organised training programmes. In addition to training, we have a compliance monitoring framework that we use to monitor and report our performance against statutory norms and regulations.

We are a politically neutral organisation, willing to work with all parties to achieve the vision of inclusive growth. At our manufacturing divisions, we ensure regular, constructive dialogue with unions that represent close to 100% of our non-supervisory workforce. We enter into long-term wage settlement agreements every 4-5 years with unions. These agreements are applicable to all non-supervisory staff and cover several topics in addition to wages including health and safety, rules for promotion, etc.

Over and above monitoring adherence to standard compliance requirements, we ensure that there is no child labour used in our operations, observe the provisions of the migration act, provide welfare measures (for employees and contract workers) including medical centres, canteens, education initiatives, etc.

### Community development - institutions and initiatives

Our programmes for communities are characterised by a diversity of themes, target beneficiaries and regions. A snapshot of the institutions and initiatives that we support is provided below:

#### EDUCATION

- **RIL Schools:** We run a network of 9 schools for the communities that live near our manufacturing locations, providing education to over 13,000 students and benefitting thousands of students from under-privileged sections of society. We also support existing private and government-run schools including one English-medium school for children of labourers in GIDC, Naroda area. Jamnagar manufacturing division has constructed a building for the children of Kana Chikari village. Hoshiarpur manufacturing division has adopted Mangrowal-Nari primary school.
- **Encouraging attendance:** To encourage regular school attendance, we provide uniforms, books, shoes and bags to children from several villages around our manufacturing sites.
- **Girl Child Education:** In Gujarat, under the project "Kanya Kelvani", our Dahej manufacturing division extended financial assistance towards education of girl children in the state.
- **Computer-Aided Learning:** Our manufacturing divisions have provided computers to primary and secondary schools under our Company's computer literacy initiative.
- **Project Jagruti:** This is a project to tackle dyslexia in Surat (see box for details).
- **Reliance Dhirubhai Ambani Protsaham Scheme:** The Scheme, launched in FY 2008-09, helps poor, meritorious students gain admission into and attend junior colleges of their choice. Including admissions for the FY 2010-11, the total strength of students receiving support under the scheme is 656. The first batch the Protsaham students passed the intermediate examination held in March 2010 with flying colours. From FY 2010-11 onwards, we started providing financial aid to the toppers for

pursuing higher studies in engineering and medical streams.

- **Mumbai Indians 'Education for All':** Mumbai Indians, the hugely popular cricket team owned by our Company, launched the 'Education for All' initiative during the Indian Premier League in 2010 to create support for the movement, to provide quality education for all children. The campaign supported five reputed NGOs working to increase access to education. Awareness was generated through references to the campaign in TV commercials and through the sale of 'Education for All' wristbands. These efforts helped generate INR 1.1 million for each of the NGOs. 700 children from the NGOs were also invited to see each of the Mumbai Indians home games.

- **Scholarships for Education at Stanford:** Our Company has partnered with the Stanford University and Stanford Graduate School of Business to create the 'Reliance Dhirubhai Ambani Undergraduate Scholarship Fund' as well as the 'Reliance Dhirubhai India Education Fund', with the aim of identifying and supporting higher education-related financial needs for promising Indian students. The 'Reliance Dhirubhai Fellows' receive full financial support for their education at Stanford.



• **Quiz Competitions:** In December 2010, to commemorate the 78<sup>th</sup> Birth Anniversary of our Company's Founder-Chairman Dhirubhai Ambani, a district level quiz competition (RDHA Quiz 2010) was organised in which more than 500 schools in East Godavari district participated.

## HEALTH

• **Community Medical Centres:** We have established Community Medical Centres near most of our manufacturing divisions to provide comprehensive health services - preventive, promotive and curative healthcare services, to communities from neighbouring villages through regular health camps and school check ups.

• **Project Drishti:** A unique joint initiative of our Company and the National Association of Blind, Project Drishti has undertaken over 9,000 free corneal graft surgeries for the visually challenged Indians from the underprivileged sections of society. It is the largest corneal grafting surgery project enabled by a single corporate entity in India.

• **AIDS Prevention, Testing and Treatment:** Our initiatives to combat HIV/AIDS are organised in partnership with the government, NGOs and other reputed agencies.

- **Prevention:** In FY 2010-11, a HIV/AIDS awareness campaign targeted at drivers and cleaners of all product transport vehicles was undertaken at various sites. The campaign activities included lectures and distribution of condoms.

### Project Jagruti

Our Company's Project Jagruti, a project to tackle dyslexia in Surat, is setting the pace for the community's response to the social dogma of mentally underprivileged children. More than 8,800 hours have been spent by 35 trained teachers and more than 1,000 hours by our volunteers to uplift and bring dyslexic students from the underprivileged segment into the mainstream. Our employees' spouses are supporting this activity and many teaching aids have been developed since the start of the project. The National Institute of Open Schooling (NIOS) registration has been initiated for Academic Year ("AY") 2011-12.

Partnerships with UNESCO, BBC and similar associations across the country have been forged to spread awareness and benefit students with latest training aids. An information kiosk to generate awareness of dyslexia was put up during the national book fair organised by the Surat Municipal Corporation that attracted thousands of visitors. The project has become a member of the Maharashtra Dyslexia Association and the International Dyslexia Association in order to gain access to the latest scientific knowledge and experts in the field of Learning Disabilities and Dyslexia. Last year the focus was also on early identification of learning disabilities in children and procuring screening tests for the same.



## Performance Review

- **Testing:** Dahej manufacturing division launched an Integrated Counselling and Testing Centre (ICTC) for HIV/AIDS at Dahej in partnership with Gujarat State AIDS Control Society (GSACS) in FY 2010-11. This centre will help monitor the health of the increasing number of migrant workers in the region drawn to the region's high rates of industrial growth.

- **Treatment:** Hazira manufacturing division's DOTS HIV / AIDS Centre is one of the largest Anti-Retroviral Treatment Centres (ART Centre) in the country. An additional 22-bed hospital for HIV /AIDS patients was commissioned in FY 2010-11. The manufacturing divisions at Jamnagar and Patalganga too have ART Centre facilities.

• **Project Hope & Project Balkalyan:** Jamnagar manufacturing division runs 'Project Balkalyan' and Hazira manufacturing division through Reliance Ladies Club has a child adoption programme - 'Project Hope'. Both these initiatives provide nutritional support to children affected by HIV infection.

• **Primary Health Centre adoption:** We have partnerships to manage PHCs at several locations including Bharuch, Gadimoga, Bhairavapalem and Laxmipathipuram.

• **Mobile Van Clinics/Health on Wheels:** These are specially designed mobile dispensaries accompanied by a doctor who conducts check-ups and dispenses medicines in neighbouring villages as per a fixed schedule for the week.

• **Other Hospitals and Health Centres:** In addition to the above initiatives, we have contributed significantly to expanding health infrastructure in rural areas by constructing new facilities for general hospitalisation and specialty care.

### A list of these facilities:

- Dhirubhai Ambani Hospital, Lodhivali, Maharashtra

- Early Intervention and Rehabilitation Centre for mentally challenged children in Talarevu Mandal & Yanam Union Territory.

- Orthopaedic Hospital and Rehabilitation Centre near Hazira manufacturing division.

• **Road Safety Initiatives:** Hazira manufacturing division (HMD) undertook several initiatives in the area of Road Safety in FY 2010-11.

- **Road Safety Training:** HMD institutionalised road safety training and reached out to over 158,000 tanker / truck drivers who visited the plant for pick-up and dropping feedstock / finished goods. The training focussed on the safe operation of fleet vehicles by eliminating unsafe driver and driving behaviour with the objective to save lives, reduce injuries, prevent crashes, control driver performance and minimise risk and liability. A centre dedicated for training truck drivers in transportation of hazardous goods was established for round-the-clock training. No driver is allowed inside the complex without training.

- **Safety Awareness:** HMD supported the local RTO by installing a multimedia based training facility to render safety awareness to all license aspirants.

- **Emergency and Trauma Care:** HMD tied up with an NGO, 'Life Line Foundation' and adopted a 110 kms stretch on the state highway in Gujarat from Sachin to Bharuch and the state highway via Hazira, Olpad, Hansot and Ankleshwar to provide emergency and trauma care for victims of highway accidents.

## ENVIRONMENT

• **Zero Garbage Campaign:** As part of a cleanliness drive for a disease-free environment, Hazira manufacturing division promoted the concept of 'Zero Garbage' or dry and wet waste management among households in our townships, villages surrounding the plant and in Surat city.

• **Supporting Women Rag Pickers:** To reduce plastic waste and support the economic empowerment of women rag pickers, HMD organises the direct sale of waste PET bottles to processing units in partnership with a local NGO. The initiative eliminated the role of waste merchants thereby helping women earn a higher income for their efforts in collecting PET bottles. The programme was extended to 350 slums of Surat in FY 2010-11.

• **Reusing Plastic Waste:** In partnership with the Gujarat Engineering Research Institute and the Roads Department of the Government



of Gujarat, our Company's CSR team constructed a 900 metre road with unattended and non-recyclable plastic waste comprising 5% of materials used. The benefits of mixing plastic waste are improved road life and reduced maintenance costs. The waste was sourced from the rag pickers' cooperative and dead stock seized by Surat Municipal Corporation.

• **Renewable Energy and Energy Efficiency Promotion:** Our Company has partnered with an NGO called GAIA Initiative from Japan to install renewable energy based power systems at various sites.

- A solar-micro-wind combined power system at HIV DOTS Centre and a solar AC (1.7TR) at the orphanage, Mora Village, Surat.

- A solar-micro-wind combined power system (2KW) at JH Ambani School, Surat.

• **Tree Plantation Activities:** These are conducted at all manufacturing divisions every year.

• **Supporting conferences:** In FY 2010-11, our Company has supported several conferences with green themes including 'Chemical Industry-2020 Vision and Action' at Ankleshwar, 'Global Bird Watchers Conference' at Jamnagar, 'Van Mahotsav- 2010' at Palitana, 'International Conference on Global Warming' at Gujarat Vidyapeeth, 'Conference on Synergy with Energy', Conference on 'Gujarat's Maritime History' by Darshak Itihas Nidhi.

• **Green Ideas Rewards Scheme:** We rewarded students in the vicinity of the

Hazira manufacturing division and employees for generating practical ideas to improve the environment.

## INFRASTRUCTURE DEVELOPMENT

• **Social Infrastructure:** We help to expand rural infrastructure through the Reliance Rural Development Trust in partnership with the Government of Gujarat's Gokul Gram Yojana. In FY 2010-11, the trust's achievements included 608 works (please refer to the table below). The Check Dams completed in FY 2010-11 have total water storage capacity of 8.7 mcft and will cater to about 1,065 hectares of rural land.

Our Company's manufacturing divisions also contribute to the development of village infrastructure by constructing bus sheds, roads, street lights, and installation of solar street lights and free supply of blankets during winter months.

Works completed by RRDT in FY 2010-11:

| Type of Infrastructure          | Numbers Constructed |
|---------------------------------|---------------------|
| Anganwadi buildings             | 478                 |
| Cement Concrete Roads           | 58                  |
| Underground RCC sumps           | 61                  |
| Check Dams                      | 5                   |
| Other Works                     | 6                   |
| Total expenditure in FY 2010-11 | Rs. 237 million     |

• **Potable Water Supply:** Almost all our Company's manufacturing divisions supply free potable water to neighbouring villages especially during water shortage periods.



### Livelihood Support

- **Vocational Training Programmes:**

Hazira, Vadodara, Nagothane, Gadimoga and many other manufacturing divisions offer training programmes through Self-Help Groups (SHGs) to help rural women and youth become self-reliant in generating income for themselves and support their families. For women, courses are offered in dress making and designing, beauty culture, healthcare and hospital attendant training. For youth from surrounding communities, courses are offered in plumbing, hand pump repairs, computer hardware repair, motor vehicle driving, mobile repairing, doormat making etc. Training in horticulture cultivation and free fruit samples are provided to farmers from villages surrounding our sites.

- **Skill up-gradation for Plumbers:** In FY 2010-11, our Polymer team conducted training programmes and workshops for plumbers on advanced techniques in plumbing systems with PPR pipes. Plumbers were taught advanced techniques of welding to prevent leakages and ensure hygienic and safe drinking water to end users. Brochures, training manuals and installation guides were made available in various vernacular languages.

- **Improving the quality of agricultural produce:** Our Company conducted several programmes and participated in farming related exhibitions to promote advanced technologies in the production, handling, storage and distribution of agricultural products.

- **Promotion of Leno bags:** Leno bags made out of polypropylene (PP) were extensively promoted amongst farmers.

Leno bags are immensely beneficial to farmers as they reduce handling losses in fruits and vegetables. We demonstrated the use of plastic in enhancing productivity, reducing losses and increased earnings and distributed promotional materials. Filling, storing and transportation trials were conducted with PP leno bags to help remove apprehensions of users in adopting advanced packaging solutions.

- **Use of PP skirting bags for bananas:** Our Company has evolved a targeted solution for banana growing-farmers, especially those involved in export of their produce, in the States of Gujarat and Tamil Nadu. The usage of PP non-woven material as skirting bags for bananas helps in growing spotless fruits of uniform size. This helps increase yields by 10-15% and ensures uniform ripening across the bunch, while allowing air, water, pesticide to pass through to provide protection from insects and pests attack. We have been working directly with farmers and with the Krishi Vigyan Kendras to create awareness of this concept in order to improve the quality of produce across the country.

- **Re-use of water released from the sites:** We have set up an experimental farm to demonstrate how crops may be grown with treated effluent that is safe to use for irrigation purposes.

### SUPPORTING INDIAN CULTURE AND HERITAGE

- **Development of Dwarka:** Development of Dwarka and other places of religious and spiritual significance is a passion for us. The following activities were completed at the site in FY 2010-11.

- The construction and beautification of the Parisar Temple.

- A newly developed facility at the temple square was made ready for dedication to devotees of Lord Dwarkadheesh.

- We undertook the resurfacing and strengthening of 'Dhirubhai Ambani Marg', a by-pass road leading to the temple from the national highway.

- We completed the refurbishing of the temple premises, including construction of a ceiling for the area adjoining the main temple premises and reinstalled the CCTV camera-based security system.

- **Support to religious trusts:** Our Company continued its support to the social, educational, cultural and spiritual activities of Shardapeeth of Jagadguru Shankaracharyaji based in Dwarka. Financial assistance was extended to Shree Somnath Trust for construction of Kokila Dhirubhai Ambani Sagar Darshan Dham (a place of accommodation for pilgrims) and furniture was provided to Dhirajdham at Nathdwara Temple. We also extended support to publication of 'Shraddha Setu' - a coffee table book on Gujarat's pilgrimage centres.

- **Support to religious and non-religious festivals:** We have a strong tradition of supporting professionally organised 'Garbhas', the music and dance festivals that accompany the celebration of 'Navratri'. In FY 2010-11, Garbhas were supported across Jamnagar, Chorwad, Ahmedabad, Gandhinagar, Mumbai and other towns and cities. We sponsored a state-level Navratri festival under the banner of Gujarat Industries Navratri Festival

Society. Our Company also supports gifts for girls during the festival season. Other festivals/events promoting Indian culture and heritage that received support from our Company in FY 2010-11 included:

- Durga puja
- Utkal dival
- Shivratri
- 150<sup>th</sup> Birth Anniversary Celebration of Swami Vivekananda
- Sardar Patel's birth anniversary
- A Convention of Gujarati Poetry and Music (in association with a regional magazine)
- Activities of the Vishwa Gujarati Samaj
- Swarnim Gujarat celebrations

#### **Promoting sports and sportsmen**

Our Company supports sports and sportsmen by extending financial assistance to competitions and tournaments, providing for coaching fees, uniforms and daily allowances and ensuring that events are well-publicised to attract and develop talent in diverse sports.



### Sports events and initiatives supported by RIL in FY 2010-11:

| Sport          | Name of Event/Initiative  |
|----------------|---|
| Cricket        | <ul style="list-style-type: none"> <li>• Reliance Inter-Cricket tournament</li> <li>• G1 Cricket Tournament</li> <li>• MPCA's All India Cricket Tournament</li> <li>• Central Board of Cricket</li> <li>• Mumbai Indians - the hugely popular Mumbai - based IPL franchise, led by Sachin Tendulkar is owned by IndiaWin Sports Pvt. Ltd., a subsidiary company of RIL</li> </ul> |
| Chess          | <ul style="list-style-type: none"> <li>• International Tournament for upcoming players</li> <li>• Gujarat State Chess Association for the under 09 tournament</li> <li>• Support to one upcoming chess player</li> </ul>  |
| Football       | <ul style="list-style-type: none"> <li>• Support to players of Gujarat State Football Association</li> <li>• Support to players of Jamnagar District Football Association</li> </ul>  |
| Badminton      | <ul style="list-style-type: none"> <li>• Third Gujarat Major Ranking Badminton Tournament, Ahmedabad</li> <li>• Shuttle Tournament at Kochi</li> </ul>  |
| Hockey         | <ul style="list-style-type: none"> <li>• Hockey League Night Tournament, Rajkot</li> </ul>  |
| Tennis         | <ul style="list-style-type: none"> <li>• Tennis Tournament of Government Employees at Ahmedabad</li> </ul>  |
| Table Tennis   | <ul style="list-style-type: none"> <li>• Table Tennis Championship Tournament, Vadodara</li> </ul>  |
| Kabbadi        | <ul style="list-style-type: none"> <li>• Kabbadi Tournament of Maharashtra Krida Mandal</li> </ul>  |
| General Sports | <ul style="list-style-type: none"> <li>• Sports Carnival at Bhopal</li> </ul>   |



### IMG Reliance Scholarships for India

IMG Reliance Private Limited (IMGR), the joint venture between IMG and RIL, has initiated 'IMG Reliance Scholarships for India' to identify and train young athletes in India. The first batch of "IMG Reliance Scholars" is undergoing training at IMG Academies at Bradenton, Florida. IMGR has forged partnerships with the All India Football Federation (AIFF) and the Basketball Federation of India (BFI) to work with the Federations to improve the standard of game in India by participating from grassroots to professional levels.

### Supporting institutions

In addition to all the activities carried out by our Company under different themes near its manufacturing sites, the organisation also offers support to national-level institutions engaged in community development.

## National Institutions supported by RIL

| Institution  | Description of Institution   |
|--|--|
| Reliance Foundation                                      | <p>Reliance Foundation, envisaged to become one of the foremost professional philanthropic organisations in the world was incorporated in 2010. The Foundation focusses on five areas: education, health, rural development, urban renewal, promotion and protection of India's art and culture</p> <p>In October 2010, Reliance Foundation launched Mission BIJ, a flagship program focussed on supporting smallholder farmers. BIJ, which stands for 'Bharat India Jodo' (BIJ) aims to bridge the gap between rural and urban areas. Its overall goal is to make farming a profession of first choice by empowering smallholder farmers. Starting in over 6 geographic sites spread across four states, Mission BIJ will provide support to smallholder farmers along the supply chain through input support, technical assistance, post harvest and marketing support. Initially envisaged as an agricultural focussed programme, Mission BIJ will eventually work with farmers and communities on a comprehensive rural development strategy - including education, health, and infrastructure and community development.</p> <p>Reliance Foundation has also launched an initiative to set up a world-class multidisciplinary university in Maharashtra as well as revamping and creating a world-class tertiary care hospital in Mumbai.</p>                                   |
| Dhirubhai Ambani Foundation                              | <p>Dhirubhai Ambani Foundation (DAF) has Education and Public Healthcare as its focus areas. The Foundation's "Dhirubhai Ambani Undergraduate Scholarship Scheme" has been motivating students who excel at the +2 level by providing them assistance to pursue higher education. Similarly, the Foundation's "Dhirubhai Ambani SSC Merit Reward Scheme" has been recognising and rewarding the Board toppers at Std X exams. The Scheme also has special provisions for Physically Challenged children and girl children.</p>   |
| Sir Hurkisondas Nurrotumdas Hospital and Research Centre | <p>Sir Hurkisondas Nurrotumdas Hospital and Research Centre (HNRHC) is a renowned institution in South Mumbai that has rendered quality healthcare to the society for more than 85 years. It is a multi-specialty tertiary care hospital with some rare specialties like Oro-facial Surgery, Onco-Surgery, Paediatric Haematology and Paediatric Endocrinology. It is one of the most renowned institutes for transplant surgeries and eye donations.</p>  |
| Sir Hurkisondas Nurrotumdas Medical Research Society     | <p>Sir Hurkisondas Nurrotumdas Medical Research Society (HNMRS), a non-profit research organisation based in Mumbai was established with the sole aim of undertaking scientific research in the area of biomedical sciences and allied disciplines. The HNMRS has undertaken over 150 research projects on a wide range of topics, most of which are of national importance in the areas of the preventive, diagnostic, therapeutic and rehabilitative aspects of health.</p>  |
| Dhirubhai Ambani International School                    | <p>Dhirubhai Ambani International School recognises the imperative of imparting an educational experience that is world-class in every respect and which prepares children for global citizenship.</p> <p>Building on the School's excellent track record, DAIS students achieved impressive results across all its three streams - the ICSE, the IGCSE and the IB Diploma examinations held in 2010. As against the average score of 36 (out of the maximum possible score of 45) achieved by the first five batches of our IB students, the sixth batch, the Class of 2010, attained an average score of 37, compared to the world average of 29.8 points. 2 students earned the perfect score of 45 points, a score that was only achieved by 86 children worldwide in the previous year. For the fourth year in a row, DAIS ICSE children have achieved excellent results earning an average score of 94.06% with 45% of them scoring 95% and above and the topper scoring 96.80%. 85.3% of all IGCSE grades achieved were A* and A grades, as compared to the world average of 35% and the Indian average of 34%. Some of DAIS children have emerged as global toppers in several subjects while some have been national toppers. For the fifth year in a row, DAIS student received the 'Best IGCSE Student in India' award from the Cambridge International Examinations.</p> |

# Assurance Statement



**KPMG (Registered)**  
Lodha Excelus  
1st Floor, Apollo Mills Compound  
N. M. Joshi Marg  
Mahalakshmi  
Mumbai - 400 011  
India

Telephone +91(22) 3989 6000  
Fax +91(22) 3983 6000  
Internet www.in.kpmg.com

## Independent assurance report to Reliance Industries Limited

KPMG was engaged by Reliance Industries Limited (RIL) to provide independent assurance on RIL's Sustainability Report ('the Report') for the Financial Year (FY) 2010 - 2011. Our responsibility is to provide "limited assurance" on the Report contents as described in the assurance scope.

## What was included in the scope of our assurance engagement?

The assurance is provided on the data and information in line with agreed scope for the FY 2010-11. 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 including Chemical, Fibre Intermediates, Polyester, Polymers, Petroleum, Supply & Procurement, Dhirubhai Ambani Foundation, Reliance Rural Development Trust and Reliance Foundation.

## Which criteria did RIL use?

RIL applies its own sustainability performance reporting criteria, derived from the Sustainability Reporting Guidelines (G3) of the Global Reporting Initiative, API/IPIECA guidelines and UNGC principles, as detailed in the 'Report Scope'. We believe that these criteria are suitable in view of the purpose of our assurance engagement.

## Which assurance standards did we use?

We have 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 behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

## What were the main elements of our work?

- Assessment and review of materiality and stakeholder engagement framework deployed at RIL
- Review of sustainability governance framework at RIL
- Assessment of the systems used for data collection and reporting for the selected social and environmental performance indicators
- Interviews with RIL personnel responsible for data collection, collation and reporting
- Testing on a sample basis, 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

We have not been engaged to:

- Determine which, if any, recommendations should be implemented
- Develop/ prepare source documents on transactions
- Verify financial performance indicators



### **What was 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 2010-11 Report. Our procedures were designed to gather sufficient appropriate evidence to determine that the selected performance information is not materially misstated.

### **What did we do to reach our conclusions?**

- Observed RIL's stakeholder consultation processes and the methodology for determining and reviewing of material issues;
- Reviewed the Report to ensure there are no disclosures that are misrepresented or inconsistent with our findings;
- Tested the processes and systems at corporate level and manufacturing division level to generate, collate, aggregate and report the sustainable development performance indicators;
- Visited all manufacturing divisions as mentioned in the assurance scope;
- Interviewed the business heads and senior management at group level and at manufacturing divisions level.

During the assurance process we discussed changes to the various drafts of The Report with RIL, and reviewed the final version of The Report to ensure that it reflected our findings.

### **What are our conclusions?**

- Based on the procedures, as described above, the information in The Report does not, in all material respects appear to be unfairly presented in accordance with the criteria described in 'Report Scope'.

### **What are our key observations?**

Without affecting the conclusions, we would like to draw readers' attention to the following;

- The Report fairly presents performance update on strategic pillars and the approach of achieving sustainability objectives through strategic partnerships.
- The Report covers RIL's approach towards engaging with its stakeholders and key activities undertaken during the reporting period.
- RIL monitors and reviews its sustainability performance at various levels within the Company.
- RIL has self declared GRI G3 A+ application level and based on our review the report meets the A+ application level criteria of GRI G3 guidelines.

### **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 economic 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 Sharma  
KPMG  
11 November 2011

# GRI Application Level



To indicate that a report is GRI-based, report developer declares 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+                               |
|--|---|----------------------------------|---|----------------------------------|--|----------------------------------|
| <b>G3 Profile Disclosures</b> OUTPUT   | Report on:<br>1.1<br>2.1 - 2.10<br>3.1 - 3.8, 3.10 - 3.12<br>4.1 - 4.4, 4.14 - 4.15                                       | <b>Report Externally Assured</b> | Report on all criteria listed for Level C plus:<br>1.2<br>3.9, 3.13<br>4.5 - 4.13, 4.16 - 4.17  | <b>Report Externally Assured</b> | Same as requirement for Level B  | <b>Report Externally Assured</b> |
| <b>G3 Management Approach Disclosures</b> OUTPUT                                       | Not Required  |                                  | Management Approach Disclosures for each Indicator Category   |                                  | Management Approach Disclosures for each Indicator Category  |                                  |
| <b>G3 Performance Indicators &amp; Sector Supplement Performance Indicators</b> 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 2010-11, **'New Businesses. New Technologies. New Partnerships'** is a **'GRI Checked' Application Level A+ Report.**

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





## Statement GRI Application Level Check

GRI hereby states that Reliance Industries Limited has presented its report "New Businesses. New Technologies. New Partnerships. (2011)" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 12 December 2011

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



The "+" has been added to this Application Level because Reliance Industries Limited has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.  
[www.globalreporting.org](http://www.globalreporting.org)

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 1 December 2011. GRI explicitly excludes the statement being applied to any later changes to such material.

# GRI Content Index

| 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 organisation  | 06 - 08  | Full                |   |
| 1.2  | Description of key impacts, risks, and opportunities.  | 16 - 17  | Full                |   |
| <b>2. Organisational Profile</b>                 |  |  |                     |   |
| 2.1  | Name of the organisation.  | Contents   | Full                |   |
| 2.2  | Primary brands, products, and/or services.   | RIL Annual Report FY 2010-11 (Pg 2-5)  | Full                | RIL Annual Report FY 2010-11 is available at <a href="http://www.ril.com/rportal1/DownloadLibUploads/1305009098340_AR1011R.pdf">http://www.ril.com/rportal1/Download LibUploads/1305009098340_AR1011R.pdf</a>   |
| 2.3  | Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.  | RIL Annual Report FY 2010-11 (Pg 164-166)  | Full                | RIL Annual Report FY 2010-11 is available at <a href="http://www.ril.com/rportal1/DownloadLibUploads/1305009098340_AR1011R.pdf">http://www.ril.com/rportal1/Download LibUploads/1305009098340_AR1011R.pdf</a>   |
| 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. | 10 - 11  | Full                |   |
| 2.6  | Nature of ownership and legal form.  | RIL Annual Report FY 2010-11 (Pg 69-70)  | Full                | RIL Annual Report FY 2010-11 is available at <a href="http://www.ril.com/rportal1/DownloadLibUploads/1305009098340_AR1011R.pdf">http://www.ril.com/rportal1/Download LibUploads/1305009098340_AR1011R.pdf</a>   |
| 2.7  | Markets served (including geographic breakdown, sectors served, and types of customers / beneficiaries).   | 10 - 11  | Full                |   |
| 2.8  | Scale of the reporting organisation.   | 10 - 11, 44 - 45   | Full                |   |
| 2.9  | Significant changes during the reporting period regarding size, structure, or ownership.   | 44 - 45  | Full                |   |
| 2.10   | Awards received in the reporting period.   | 34 - 37  | Full                |   |
| <b>3. Report Parameters</b>                      |  |  |                     |   |
| 3.1  | Reporting period (e.g., fiscal/calendar year) for information provided.  | 12   | Full                |   |
| 3.2  | Date of most recent previous report (if any).  | RIL Annual Report FY 2010-11; RIL Sustainability Report FY 2009-10 and Press Releases available on RIL website. ( <a href="http://www.ril.com">www.ril.com</a> ) | Full                | RIL Annual Report FY 2010-11 is available at <a href="http://www.ril.com/rportal1/DownloadLibUploads/1305009098340_AR1011R.pdf">http://www.ril.com/rportal1/Download LibUploads/1305009098340_AR1011R.pdf</a><br><br>RIL Sustainability Report FY 2009-10 is available at ( <a href="http://www.ril.com/downloads/pdf/RIL_SR2009_10.pdf">http://www.ril.com/downloads/pdf/RIL_SR2009_10.pdf</a> ) |
| 3.3  | Reporting cycle (annual, biennial, etc.)   |  | Full                | Annual  |
| 3.4  | Contact point for questions regarding the report or its content.   | 13   | Full                |   |
| 3.5  | Process for defining report content.   | 16 - 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.                               | 12 - 13  | Full                |   |

## GRI Content Index

| S. No.  | Profile Disclosure  | Reference                                      | Extent of Reporting | Explanation  |
|---|---|--|---------------------|--|
| 3.7   | State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).  | 12 - 13  | 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 of our upstream operations where we are 30 % joint-operators.                                     |
| 3.9   | Data measurement techniques and the basis of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols. | 16 - 17, 38 - 42                               | Full                |  |
| 3.10  | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statements (e.g., mergers / acquisitions, change of base years / periods, nature of business, measurement methods).  |  | Full                | No re-statements   |
| 3.11  | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.   | 38 - 42  | Full                |  |
| 3.12  | Table identifying the location of the Standard Disclosures in the report.   | 80 - 88  | Full                |  |
| 3.13  | Policy and current practice with regard to seeking external assurance for the report.   | 76 - 77  | Full                |  |
| <b>4. Governance, Commitments, and Engagement</b> |   |  |                     |  |
| 4.1   | Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.  | 18 - 20  | Full                |  |
| 4.2   | Indicate whether the Chair of the highest governance body is also an executive officer.   | 18 - 20  | Full                |  |
| 4.3   | For organisations 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 - 20  | Full                |  |
| 4.4   | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.   | 21 - 22  | Full                |  |
| 4.5   | Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).   | RIL Annual Report FY 2010-11, page 63 - 64     | Full                | RIL Annual Report FY 2010-11 is available at <a href="http://www.ril.com/rportal1/DownloadLibUploads/1305009098340_AR1011R.pdf">http://www.ril.com/rportal1/Download LibUploads/1305009098340_AR1011R.pdf</a>  |
| 4.6   | Processes in place for the highest governance body to ensure conflicts of interest are avoided.   | 19 - 21  | 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 2010-11, page 50 - 56, 61 | Full                | RIL Annual Report FY 2010-11 is available at <a href="http://www.ril.com/rportal1/Download LibUploads/1305009098340_AR1011R.pdf">http://www.ril.com/rportal1/Download LibUploads/1305009098340_AR1011R.pdf</a> |

## GRI Content Index

| S. No.   | Profile Disclosure  | Reference  | Extent of Reporting | Explanation  |
|--|---|--|---------------------|--|
| 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.  | 14 - 15, 23 -25                                    | 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.              | 16 - 17<br>20, 21                                  | Full                |  |
| 4.10   | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.   | 18 - 21, RIL Annual Report FY 2010-11 (page 59-65) | Full                | RIL Annual Report FY 2010-11 is available at <a href="http://www.ril.com/rportal1/DownloadLibUploads/1305009098340_AR1011R.pdf">http://www.ril.com/rportal1/DownloadLibUploads/1305009098340_AR1011R.pdf</a> |
| 4.11   | Explanation of whether and how the precautionary approach or principle is addressed by the organisation.  | 16 - 17  | Full                | Our existing risk management processes go beyond the requirement of the precautionary principles and cover the three bottom-lines.   |
| 4.12   | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.   | 12 - 13, 92  | 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. | 92   | Full                |  |
| 4.14   | List of stakeholder groups engaged by the organisation.   | 30 - 31  | Full                |  |
| 4.15   | Basis for identification and selection of stakeholders with whom to engage.   | 28 - 29  | Full                |  |
| 4.16   | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.   | 30 - 31  | Full                |  |
| 4.17   | Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.   | 30 - 31  | Full                |  |
| <b>STANDARD DISCLOSURES PART II: Disclosure of Management Approach</b> |   |  |                     |  |
| DMA EC   | Disclosure on Management Approach EC  | 10 - 11, 26, 44 - 45, 71 - 72                      | Full                |  |
| DMA EN   | Disclosure on Management Approach EN  | 25 - 26, 46 - 51, 58 - 63                          | Full                |  |
| DMA LA   | Disclosure on Management Approach LA  | 26, 55 - 56, 64 - 68                               | Full                |  |
| DMA HR   | Disclosure on Management Approach HR  | 27, 57, 67 - 68                                    | Full                |  |
| DMA SO   | Disclosure on Management Approach SO  | 20 - 22, 27, 68 - 75                               | Full                |  |
| DMA PR   | Disclosure on Management Approach PR  | 20 - 22, 27, 62 - 63                               | Full                |  |

## GRI Content Index

| S. No.   | Profile Disclosure  | Reference   | Extent of Reporting | Explanation   |
|--|---|-------------|---------------------|---|
| <b>STANDARD DISCLOSURES PART III: Performance Indicators</b> |   |             |                     |   |
| <b>Economic</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. | 44 - 45     | Full                |   |
| EC2  | Financial implications and other risks and opportunities for the organisation's activities due to climate change.   | 50 - 51     | Full                |   |
| EC3  | Coverage of the organisation's defined benefit plan obligations.  | 44, 64 - 67 | Full                |   |
| EC4  | Significant financial assistance received from government.  | 44 - 45     | Full                |   |
| EC5  | Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.  |             | 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.   | 29          | Partially Reported  | We are committed to sourcing materials from local (India-based) suppliers as and when feasible from a technical, competency, quality and commercial perspective. The case study on TEAL supplier development (Pg 29) is one such example. |
| EC7  | Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.   |             | 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.   |
| EC8  | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.  | 42, 71 - 72 | Full                |   |
| EC9  | Understanding and describing significant indirect economic impacts, including the extent of impacts.  | 42, 72 - 75 | Full                |   |
| <b>Environmental</b>   |   |             |                     |   |
| EN1  | Materials used by weight or volume.   | 58 - 59     | Full                |   |
| EN2  | Percentage of materials used that are recycled input materials.   | 58 - 59     | Full                |   |
| EN3  | Direct energy consumption by primary energy source.   | 47          | Full                |   |
| EN4  | Indirect energy consumption by primary source.  | 47          | Full                |   |
| EN5  | Energy saved due to conservation and efficiency improvements.   | 48 - 50     | 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.  | 48 - 50     | Full                |   |
| EN7  | Initiatives to reduce indirect energy consumption and reductions achieved.  | 48 - 50     | Full                |   |
| EN8  | Total water withdrawal by source.   | 58 - 59     | Full                |   |

## GRI Content Index

| S. No. | Profile Disclosure   | Reference        | Extent of Reporting | Explanation   |
|--------|--|------------------|---------------------|---|
| EN9    | Water sources significantly affected by withdrawal of water.   | 58 - 59          | Full                |   |
| EN10   | Percentage and total volume of water recycled and reused.  | 58 - 59          | Full                |   |
| EN11   | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.   | 59               | Full                |   |
| EN12   | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.                                    | 59               | Full                |   |
| EN13   | Habitats protected or restored.  | 59               | Full                |   |
| EN14   | Strategies, current actions, and future plans for managing impacts on biodiversity.  | 59               | 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.   |                  | 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.  | 50 - 51          | Full                |   |
| EN17   | Other relevant indirect greenhouse gas emissions by weight.  |                  | 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.  | 48 - 51          | Full                |   |
| EN19   | Emissions of ozone-depleting substances by weight.   | 60 - 61          | Full                |   |
| EN20   | Nox, Sox, and other significant air emissions by type and weight.  | 60 - 61          | Full                |   |
| EN21   | Total water discharge by quality and destination.  | 60               | Full                |   |
| EN22   | Total weight of waste by type & disposal method.   | 60               | Full                |   |
| EN23   | Total number and volume of significant spills.   | 61               | Full                |   |
| 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. |                  | 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 biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.                         | 59               | Full                |   |
| EN26   | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.   | 52 - 54, 62 - 63 | Full                |   |

## GRI Content Index

| S. No.  | Profile Disclosure  | Reference | Extent of Reporting | Explanation  |
|---|---|-----------|---------------------|--|
| EN27  | Percentage of products sold and their packaging materials that are reclaimed by category.   |           | Not Reported        | Products sold are hydrocarbon derivatives, in the form of upstream oil and gas, refined products polymers, polyesters and bulk chemicals- used as feedstock and are not reclaimable. Most of the products are transported through ships/tanker and pipelines, however, we have initiated the process to capture the reclaimed packaging material wherever possible and we intend to report in the FY 2012 - 2013 report. |
| EN28  | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.  |           | Full                | No monetary fine of any significant value has been imposed on any manufacturing locations of our company during FY 2010-11 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 organisation's operations, and transporting members of the workforce.         | 50 - 51   | Full                |  |
| EN30  | Total environmental protection expenditures and investments by type.  | 42, 55    | Full                |  |
| <b>Social: Labour Practices and Decent Work</b> |   |           |                     |  |
| LA1   | Total workforce by employment type, employment contract, and region.  | 64 - 65   | Full                |  |
| LA2   | Total number and rate of employee turnover by age group, gender, and region.  | 42        | Full                |  |
| LA3   | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.  | 42        | Full                |  |
| LA4   | Percentage of employees covered by collective bargaining agreements.  | 68        | Full                |  |
| LA5   | Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.   |           | 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 programmes. | 55 - 57   | Full                |  |
| LA7   | Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.  | 56 - 57   | Full                |  |
| LA8   | Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.    | 55        | Full                |  |
| LA9   | Health and safety topics covered in formal agreements with trade unions.  | 55 - 56   | Full                |  |
| LA10  | Average hours of training per year per employee by employee category.   | 65, 67    | Full                |  |
| LA11  | Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.                            | 65, 67    | Full                |  |

## GRI Content Index

| S. No.                       | Profile Disclosure   | Reference | Extent of Reporting | Explanation   |
|------------------------------|--|-----------|---------------------|---|
| LA12                         | Percentage of employees receiving regular performance and career development reviews.  | 67        | 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.         | 18 - 20   | Full                |   |
| LA14                         | Ratio of basic salary of men to women by employee category.  |           | Full                | There is absolutely no difference between the basic salaries of men to women. We are firm believer of equal opportunity principle. The ratio of basic salary of a men to women is 1:1   |
| <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.                              | 67 - 68   | 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.   | 67 - 68   | 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. | 67 - 68   | 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.   |           | 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.   |           | 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 labour, and measures taken to contribute to the elimination of child labour.                           |           | Full                | This year there was no operation identified as having significant risk for incidents of child labor.  |
| HR7                          | Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.   |           | Full                | This year there was no operation identified as having significant risk for incidents of forced or compulsory labor.   |
| HR8                          | Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.                      | 57        | Full                |   |



## GRI Content Index

| S. No.                                | Profile Disclosure   | Reference | Extent of Reporting | Explanation   |
|---------------------------------------|--|-----------|---------------------|---|
| HR9                                   | Total number of incidents of violations involving rights of indigenous people and actions taken.   |           | Full                | This year there were no incident of violation involving rights of indigenous people across locations.   |
| <b>Social: Society</b>                |  |           |                     |   |
| SO1                                   | Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.                          | 68 - 75   | Full                |   |
| SO2                                   | Percentage and total number of business units analysed for risks related to corruption.  | 20 - 21   | Full                |   |
| SO3                                   | Percentage of employees trained in organisation's anti-corruption policies and procedures.   | 20 - 21   | Full                |   |
| SO4                                   | Actions taken in response to incidents of corruption.  |           | Full                | There were no incidents involving acts of corruption.   |
| SO5                                   | Public policy positions and participation in public policy development and lobbying.   | 62 - 63   | Full                |   |
| SO6                                   | Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.   |           | Full                | We do not support any specific political party.   |
| SO7                                   | Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.   |           | 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.   |           | 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. | 62 - 63   | Partially Reported  | <p>A significant range of our products and services follow the health and safety related regulatory requirements. Additionally, we support life-cycle assessment study which is being done by ICPE and are also working with the Bureau of Indian Standards (Government of India) for formulating standards and guidelines. This is an on-going initiative. During the year we have rendered 38 registrations for EU-REACH regulatory compliance.</p> <p>Furthermore, several of our products form the base or intermediate products which are then converted to various final products using incremental materials and/or processes.</p> <p>Given the heightened degree of intermediation and the involvement of technical convertors, it is not feasible for us to track final products made from our products and hence, we are not in a position to conduct comprehensive health and safety impact assessments at the use and service, disposal and recycle stages of the product life cycle. In so far as our products are concerned, we comply with all regulatory health and safety impact mandates.</p> |

## GRI Content Index

| S. No. | Profile Disclosure   | Reference | Extent of Reporting | Explanation   |
|--------|--|-----------|---------------------|---|
| 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. |           | 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.                                 | 62 - 63   | Partially Reported  | Our core / major products are derived by processing hydrocarbon materials including crude oil, condensates and natural gas. These follow all regulatory requirements for product and service information. Awareness is imparted to customers on safe use of product and services. Since, our core raw material is hydrocarbon, which is sourced globally; it is not feasible to inform consumers about its sourcing. Our products are provided with Material Safety Data Sheets which clearly delineate information on environmental impacts on the content of the substance, safe handling and disposal of the products. |
| PR4    | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.                              |           | Full                | No significant incident of non-compliance with regulations and voluntary codes concerning product and service information and labelling.  |
| PR5    | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.  | 30 - 31   | Full                |   |
| PR6    | Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.                                     | 63        | Full                | We are member 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. |           | 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.   |           | 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.  |           | Full                | No significant fine for non-compliance with laws and regulations concerning the provision and use of products and services  |

# Content Index – IPIECA / UNGC

| Report Section                                      | IPIECA/API  | UNGC                            | Page No.                                 |
|---|---|---------------------------------|--|
| New Businesses. New Technologies. New Partnerships. |   |                                 | 02                                       |
| CMD's Message                                       |   | Statement of continuing support | 06                                       |
| Company Profile                                     |   |                                 | 10                                       |
| Report Scope  |   |                                 | 12-13                                    |
| Our Vision, Mission and Values                      |   |                                 | 14-15                                    |
| Our Sustainability Strategy and Roadmap             |   |                                 | 16-17                                    |
| Corporate Governance                                | ECO - A1, SOC - 2, SOC - 6  | Principle 2 and 10              | 18-22                                    |
| Management Systems                                  | ENV - 6,  | Principle 7                     | 23-25                                    |
| Disclosure on Management Approach                   | SOC - 1, SOC - 4, SOC - 7   | Principle 1                     | 26-27                                    |
| Communication and Engagement                        | SOC - 6   |                                 | 28-31                                    |
| Performance on Commitments                          |   |                                 | 32                                       |
| Awards and Recognition                              |   |                                 | 34-37                                    |
| Performance Review                                  | SOC A4, ENV - 2, ENV - 3, ENV - 5, ENV - A3, ENV - A4, ENV - A5, ENV - A6, ENV - A7 |                                 | 38-42                                    |
| • Economic Review                                   | ECO - 1, ECO - 2, ECO - A2  |                                 | 44-45                                    |
| • Energy Security                                   | ENV - 3, ENV - 5, ENV A8  | Principle 8 and 9               | 46-51                                    |
| • Growth Through Innovation                         |   |                                 | 52-54                                    |
| • Health & Safety                                   | H&S - 1, H&S - 2, H&S - 3, H&S - 4  |                                 | 55-57                                    |
| • Environment                                       | SOC A1, ENV - 2, ENV A3, ENV A4, ENV A5, ENV A6, ENV A7, ENV A9                     | Principle 7 and 8               | 58-61                                    |
| • Product Responsibility                            | H&S 5   | Principle 8 and 9               | 62-63                                    |
| • Social Institution Building                       | SOC - 5, SOC - 8, SOC - 9, SOC - A2, SOC A5   | Principle 3, 4, 5 and 6         | 64-75                                    |
| Assurance statement                                 |   |                                 | 76-77                                    |
| GRI application level                               |   |                                 | 78                                       |
| Content Index – GRI/IPIECA/UNGC/WBCSD               | SOC 3, SOC A3, SOC A6   |                                 | 80-92                                    |
| Abbreviations                                       |   |                                 | 93-94                                    |
| Capital Expenditure and Interest Payments           | ECO - 3, ECO A3   |                                 | Refer Annual Report FY 10-11 Pg. No. 170 |

# UNGC – Communication on Progress

| Global Compact Principles |  | Our Response  |
|---------------------------|--|---|
| Human Rights              | 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.  |
|                           | 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 2010-11.   |
| Labour Standards          | Uphold the freedom of association and effective recognition of the right to collective bargaining                      | We exercise freedom of association and comply with all the regulations enacted by Government of India developed to address labour issues. We have trade unions representing workers and disputes are dealt in accordance with the Industrial Disputes Act of 1947. There has been no loss of workdays during FY 2010-11 on account of any labour dispute. |
|                           | Uphold the elimination of all forms of forced and compulsory labour  | The Forced Labour Convention (29) and the abolition of Forced Labour Convention (105) has been ratified by India and our company does not support forced or compulsory labour in any form and we adhere to all labour laws in this respect.   |
|                           | Uphold the effective abolition of child labour   |   |
|                           | Uphold the elimination of discrimination in respect of employment and occupation                                       | We respect human rights at the work place and pursue leading global practices, which ensure freedom of association, prohibition of child labour, protection of indigenous rights and prohibition of forced and compulsory labour.   |

| Global Compact Principles     |   | Our Response   |
|-------------------------------|---|--|
| <p><b>Environment</b></p>     | <p>Support a precautionary approach to environmental challenges</p>                     | <p>We recognise the challenges faced by our industry, whether in terms of depleting crude resources, climate change, or end-of-life of petroleum-based products. To address these, we have a comprehensive environmental policy in place with a focus on conserving and improving the environment.</p> <p>We ensure regulatory compliance and also conduct environmental impact assessments for all our expansion projects.</p> <p>Our manufacturing plants are ISO 14001:2004 certified and have specific goals and targets which are monitored at regular intervals.</p> |
|                               | <p>Undertake initiatives to promote greater environmental responsibility</p>            | <p>To reduce our environmental footprint, our efforts are focused on reducing GHG emissions. We have a dedicated CDM cell which looks into opportunities for 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>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. <i>(Refer our environmental section for further details)</i></p>   |
| <p><b>Anti-corruption</b></p> | <p>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 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 Mr. Mukesh D. Ambani, Reliance Industries Limited became a Council Member of WBCSD in 2007. Mr. Ambani was elected as Vice Chairman of the WBCSD Executive Committee in 2008 and has been re-elected as Vice Chairman in 2010.

### **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 India 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 holistic community development, and we have partnered with various NGOs and initiated various community related programmes. These programmes are aimed at 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. Environmental excellence is one of the pillars of our sustainability strategy. We are also investing in various initiatives that will mitigate the impact on our ecosystem.

# Abbreviations

|                  |   |               |   |
|------------------|---|---------------|---|
| AAA              | One of the highest credit rating of financial instruments given by rating agencies; reflects highest financial strength to meet repayment obligations   | CSR           | Corporate Sustainability Report   |
| AGM              | Annual General Meeting  | DAF           | Dhirubhai Ambani Foundation   |
| AICTE            | All India Committee for Technical Education   | DAIS          | Dhirubhai Ambani International School   |
| AIDS             | Acquired Immune Deficiency Syndrome   | DHDS          | Diesel Hydro De-sulphurisation  |
| ALP              | Accelerated Leadership Program  | DM            | De-Mineralisation   |
| API              | American Petroleum Institute  | DOTS          | Directly Observed Treatment Short-course  |
| ASTD             | American Society for Training & Development   | E&P           | Exploration & Production  |
| ATF              | Aviation Turbine Fuel   | EDC           | Ethylene Dichloride   |
| B to B           | Business to Business  | EHS           | Environment, Health, & Safety   |
| 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. | EMS           | Environmental Management Systems  |
| BAIF             | Bharatiya Agro Industries Foundation  | ERP           | Enterprise Resource Planning  |
| BBB on companies | Standard & Poor's (S&P) is a division of McGraw-Hill that publishes financial research and analysis stocks and bonds. It is one of the top three in this business, along with Moody's and Fitch Ratings. BBB denotes medium class companies, which are satisfactory at the moment.                                | ESOP          | Employee Stock Options  |
| BCCI             | Bombay Chamber of Commerce and Industry   | ETP           | Effluent Treatment Plant  |
| BCG              | Boston Consulting Group   | EVA           | Economic Value Added  |
| BEST Award       | An award for Businesses for an Environmentally Sustainable Tomorrow   | EU-REACH      | European Union - Registration, Evaluation, Authorisation and Restriction of Chemicals |
| BIS              | Bureau of Indian Standards  | FCC           | Fluidised Catalytic Cracker   |
| BSE              | Bombay Stock Exchange   | FGI           | Federation of Gujarat Industries  |
| CAGR             | Compounded Annual Growth Rate (from report)   | FI            | Fibre Intermediaries  |
| CASHe            | Change Agents for Safety, Health and Environment  | FIS           | Fibre Intermediaries Sector   |
| CCS              | Carbon Capture and Sequestration  | FRP           | Fibre Reinforced Plastic  |
| CER              | Certified Emission Reductions   | FT            | Financial Times   |
| CFC              | Chloro Fluoro Carbons   | FY            | Financial Year  |
| CMD              | Chairman & Managing Director  | G3 Guidelines | The new set of Sustainability Reporting Guidelines, launched by GRI in October, 2006  |
| CBSE             | Central Board of Secondary Education  | GDP           | Gross Domestic Product  |
| CDM              | Clean Development Mechanism   | GGY           | Gokul Gram Yojna  |
| CII              | Confederation of Indian Industry  | GHG           | Green House Gases   |
| CO2              | Carbon Dioxide  | GIDC          | Gujarat Industrial Development Corporation  |
| COD              | Chemical Oxygen Demand  | GJ            | Giga Joules   |
| CMR              | Chemical Management Regulation  | GRI           | Global Reporting Initiative   |
| CPP              | Captive Power Plant   | HDPE          | High Density Poly Ethylene  |
| CRISIL           | Credit Rating Information Services of India Ltd.  | HIV           | Human Immunodeficiency Virus  |
|                  |   | HNH           | Hurkiondas Nurrotamdas Hospital   |
|                  |   | HMD           | Hazira Manufacturing Division   |
|                  |   | HNMRS         | Hurkiondas Nurrotamdas Medical Research Society                                       |
|                  |   | HRSG          | Heat Recovery Steam Generator   |
|                  |   | HSC           | Higher Secondary school Certificate   |
|                  |   | HSD           | High Speed Diesel   |

|             |  |        |  |
|-------------|--|--------|--|
| HSE         | Health, Safety and Environment   | PFY    | Polyester Filament Yarn                                      |
| HSE-MS      | HSE Management Systems   | PHA    | Process Hazard Analysis                                      |
| HZ          | Hazira   | PHC    | Primary Health Centre  |
| ICP         | Impact Copolymer   | POY    | Partially Oriented Yarn                                      |
| ICPE        | Indian Centre for Plastics in the Environment                              | PP     | Polypropylene  |
| IP          | Intellectual Property  | PPE    | Personal Protective Equipment                                |
| IPIECA      | International Petroleum Industry<br>Environmental Conservation Association | PSF    | Polyester Staple Fibre                                       |
| IR          | Industrial Relations   | PTA    | Purified Terephthalic Acid                                   |
| ISAE        | International Standard on Assurance Engagements                            | PVC    | Poly Vinyl Chloride  |
| ISO         | International Organization for Standardization                             | PX     | Paraxylene   |
| IQPC        | International Quality & Productivity Centre                                | QMS    | Quality Management Systems                                   |
| KGD6        | Exploration block in Krishna-Godavari Basin                                | QRA    | Quantitative Risk Assessment                                 |
| KPI         | Key Performance Indicator  | R&D    | Research and Development                                     |
| KRA         | Key Result Areas   | RC     | Responsible Care - An Initiative of<br>the Chemical Industry |
| LAB         | Linear Alkyl Benzene   | RCBB   | Reliance Certified Black Belt                                |
| LABFS       | Linear Alkyl Benzene Feed Stock  | RCGB   | Reliance Certified Green Belt                                |
| LEAP        | Leading Expert Access Programme  | RIC    | Reliance Innovation Council                                  |
| LLP         | Low Low Pressure   | RIL    | Reliance Industries Limited                                  |
| MEG         | Mono Ethylene Glycol   | RTG    | Reliance Technology Group                                    |
| MMSCMD      | Million Metric Standard Cubic Meter Per Day                                | S&P    | Standard & Poor's  |
| MT          | Million Tonnes   | SAP    | Systemanalyse and Programmentwicklung                        |
| MW          | Mega Watt  | SEBI   | Securities and Exchange Board of India                       |
| NAB         | National Association for the Blind   | SEZ    | Special Economic Zone  |
| NABL        | National Accreditation Board for Testing and<br>Calibration Laboratories   | SHG    | Self Help Groups   |
| NDTV        | New Delhi Television Ltd.  | Sox    | Oxides of Sulphur  |
| NELP        | New Exploration Licensing Policy   | SPM    | Suspended Particulate Matter                                 |
| NGOs        | Non-Government Organizations   | SSC    | Secondary School Certificate                                 |
| NIO         | National Institute of Oceanography   | TB     | Tuberculosis   |
| Nox         | Oxides of Nitrogen   | TEAL   | Tri Ethyl Aluminium Alkyl                                    |
| NSE         | National Stock Exchange  | TPH    | Tonnes Per Hour  |
| ODS         | Ozone Depleting Substance  | UN     | United Nations   |
| OHC         | Occupational Health Centre   | UNFCCC | United Nations Framework Convention<br>on Climate Change     |
| OHSAS 18000 | Occupational Health and Safety Assessment Series                           | UNGC   | United Nations Global Compact                                |
| OHSMS       | Occupational Health and<br>Safety Management Systems                       | US\$   | US Dollars   |
| OX          | Orthoxylene  | VCM    | Vinyl Chloride Monomer                                       |
| PET         | Polyethylene Terephthalate   | VOC    | Volatile Organic Compounds                                   |
| PF          | Provident Fund   | WBCSD  | World Business Council for Sustainable<br>Development        |







[www.ril.com](http://www.ril.com)