

A report on sustaining life today, for a better tomorrow - 2005

Life

आकाश



अग्नि



जल



वायु



पृथ्वी





"Between my past, the present and the future, there is one common factor:
Relationship and Trust. This is the foundation of our growth."

- Dhirubhai H. Ambani
Founder-Chairman

Life

What is it? Where did it come from?

Where will it lead? Life is one of the most mystical concepts for mankind. But, when we listen with an open heart, our ancient texts unravel the mysteries of life to us. Telling us how life is a beautiful union of *Panchamahabhoota*: *sky, fire, water, air, earth*.



Every element adds to the dynamism of life.

And life blossoms when it is nurtured with our ideas and actions. At Reliance, this is one thing we strongly believe in and which is reflected in our belief:

'Growth is Life.'

And when growth is achieved -

By keeping our dreams limitless like the *sky (Aakash)*,

By fuelling the *fire (Agni)* within us,

By keeping our thoughts pure like the *water (Jal)*,

By touching the lives of millions like a breath of fresh *air (Vayu)*,

By staying connected to the *earth (Prithvi)* we are born on -

Life is beautiful.



THE CORPORATE SUSTAINABILITY REPORT

Our first Corporate Sustainability Report (CSR) reflects our approach towards sustainable development. This report is based on the internationally accepted Global Reporting Initiative's Guidelines 2002.

We have chosen an ancient Indian concept - the *Panchamahabhoota* to elaborate our commitment to life - the five basic elements which form the essence and building blocks of all life forms and matter in the universe - sky, fire, water, air and earth.

With strength derived from each of these elements, we have moved up the value chain, from a trading enterprise to a Fortune 500 company. Our achievements can be attributed to continuous capacity creation, product range expansion and value-oriented policies.

We will continue to build and operate integrated manufacturing and service facilities designed to global standards. We hope to set standards in addressing consumer interests, ecology, operational safety, occupational health, employee welfare and community services.

In the course of our business pursuits, we keep in mind a concern for the environment and the interests of the people we work with. We believe *Growth is Life*. As each element fulfils a vital role and works with the other elements in an integrated manner, so does RIL encourage the building of an exciting and well-networked business environment.

The Corporate Sustainability Report highlights the triple bottom line performance: our commitment to people, business and the environment.

In every activity that we take up, we pay tribute to the inventiveness of the human brain, the aspirations of the human heart, the intellectual quest of the human mind and the inclination of the human spirit to grow, create and transform.



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आकाश



Even sky is not the limit to what we wish to achieve.

Because our imagination knows no boundaries.

Our abilities push beyond the high standards we've set.

That's what has taken us to great heights of success.

True achievement however, for us, is when we can make
a difference to the people and the environment.

And every year we step up our efforts in all areas
to enrich the lives around us.





CHAIRMAN'S STATEMENT



Mukesh D. Ambani - Chairman & Managing Director

Dear Friends,

It gives me great pleasure in presenting to you the first Corporate Sustainability Report (CSR) of Reliance Industries Ltd. (RIL).

The year 2004-05 witnessed a remarkable performance by RIL across several operating and financial indicators. Strategic investments, robust business plans, sound management practices, the company's resilience in adapting rapidly to the changing environment, and the contribution of our employees and business partners have enabled RIL to keep growing as an exceptional corporation.

Inspired by a high-performance culture and driven by our belief - *Growth is Life* - we continue to build an exciting work environment to help shape our





future as a vibrant corporation. We have demonstrated world-class operating and financial discipline, an integrated and balanced portfolio of assets, a well-defined and sustainable growth plan and expanded access to great opportunities. And we continue to deliver on our promises to create superior shareholder value.

As a global business leader, we are equally concerned about the society we live in and our environment. We have constantly pursued businesses that will trigger high growth and promote sustainable development and this has been and must continue to be one of our guiding philosophies.

The health, well-being, safety and development of our people and surrounding communities foster growth. As responsible corporate citizens, we respect and protect the environment, we contribute to improving healthcare, education and to the welfare and development of the community in which we operate. We firmly believe that these commitments will nurture our future growth endeavours.

Our Founder-Chairman, Dhirubhai Ambani, always urged us to *Think Beyond Business*. We are carrying this mission forward and remain responsible to our stakeholders - customers, shareholders, governments, business partners, employees and the community and society at large.

Our country faces huge social infrastructure challenges. These cannot be met by government intervention alone. As business leaders and responsible corporate citizens, we consider it our duty to form effective partnerships and address these needs.

We have come a long way in building communities and our initial philanthropic impulses have grown comprehensively in a proactive corporate approach. We strive to keep focused on understanding the needs of communities, conserving natural resources and preserving ecological equilibrium. We have partnered with various corporations, government agencies, non-governmental organisations and trusts to undertake and implement initiatives to support education for children, organising health camps, public-private partnerships for HIV/AIDS and various infrastructure development activities.

We will now focus on adding value to the intangible elements that have significant relevance to our businesses - elements such as a safe workplace, a clean environment, trust among stakeholders and business ethics and conduct. We understand that this endeavour will help us in identifying various risks and opportunities, besides redefining and sustaining our business interests.

"There is a Jonathan
Livingstone Seagull within RIL
whose journey into exploring the
unknown will never end."

- Mukesh D. Ambani





RIL has always taken on big challenges. We have consistently tried to set standards and raise the bar. Our result-oriented strategies have been tested in different market conditions and across different time zones.

From small beginnings, we have come a long way. In a short span of time, we have become a world-class corporation in running our businesses, as well as in our commitments to our people and our communities.

We derive our strength from our people. As a testimony to this continued commitment and as a reflection of our future plans for growth, this report is intended to bring clarity to the issues being discussed and to place sustainability at the core of our business paradigm.

I see two challenges ahead of us - the first is to pace up in making our business strategy geared to sustainable development; the second is to structure our policies and programmes with a much deeper engagement with our stakeholders.

In line with our governing objective of Growth is Life, we have chosen Life as the theme of our maiden report.

In line with our governing objective of Growth is Life, we have chosen Life as the theme of our maiden report. Here, we seek to celebrate the essence of Life and to inextricably link it to the concept of Sustainability.

We cannot quantify trust or assign value to respect or measure the value of relationships. Instead, we can integrate trust, respect and relationship-building as the foundation of our work culture. Focus on sustainability adds new and vital dimensions to our accounting and monitoring systems, which in my view is the essence of good governance.

This report has been prepared in accordance with the 2002 GRI Guidelines. It represents a well-balanced view of our organisation's economic, environmental and social performance.

We invite you to evaluate our progress and share with us your insights. Your valuable suggestions would help us make our community and planet a better place for generations to come.

Yours sincerely,

Mukesh D. Ambani

Chairman & Managing Director





SCOPE OF THE REPORT



The concept of sustainability has driven the business endeavours of RIL and channelled its efforts towards improving the quality of life of its people. So far, we have been monitoring and reporting on our financial footprint; information on our efforts towards society and the environment was limited to employees and a few select stakeholders. With this report, we intend to share our environmental and social footprint with all our stakeholders.





This report presents information on our performance on the economic, environmental and social fronts - the triple bottom line.

We have developed this report in accordance with The Global Reporting Initiative (GRI) Sustainability Reporting Guidelines 2002.

- Economic performance is elaborated highlighting indicators that are not detailed in our annual report - such as contribution to socio-economic development and support to local infrastructure, non-core business expenses and supplier breakdown.
- Environmental performance includes our approach towards environmental management and our ecological footprint in terms of waste, air emissions,

greenhouse gas emissions, energy footprint and the compliance thereof.

- On the social front, we have discussed initiatives both at the corporate and site levels; corporate level initiatives include a brief account of our efforts towards public-private partnerships through the Dhirubhai Ambani Foundation (DAF); at the site level we have discussed our approach towards effective dialogue with neighbouring communities and other stakeholders including suppliers, contractors, customers and employees. An account of various policies addressing ethics, child labour, transparency and freedom of expression is also presented.

We have developed this report in accordance with The Global Reporting Initiative (GRI) Sustainability Reporting Guidelines 2002. We intend to continue to assess GRI and other

Bird's eye-view of Jamnagar Refinery.





MEG Plant at Hazira.

external reporting frameworks such as The World Business Council of Sustainable Development SDR portal as they evolve and apply them as they evolve.

- We have focused primarily on information pertaining to the period 2002-05 in the report. But wherever it provides scope for a more complete

We have focused on core indicators in this report; we plan to include additional indicators in future reports.

picture of our performance or impacts, we have included some notable information.

- The group has a total of 16 sites. However, this report focuses on the performance of our 3 locations at Patalganga, Hazira and Jamnagar - sites

which constitute over 90 percent of the company's business.

Key performance indicators

- We have focused on core indicators in this report; we plan to include additional indicators in future reports.
- Extending beyond performance indicators, we have tried to bring in unique features of each manufacturing site by presenting case studies.
- For collating information, we have used GRI as the framework.

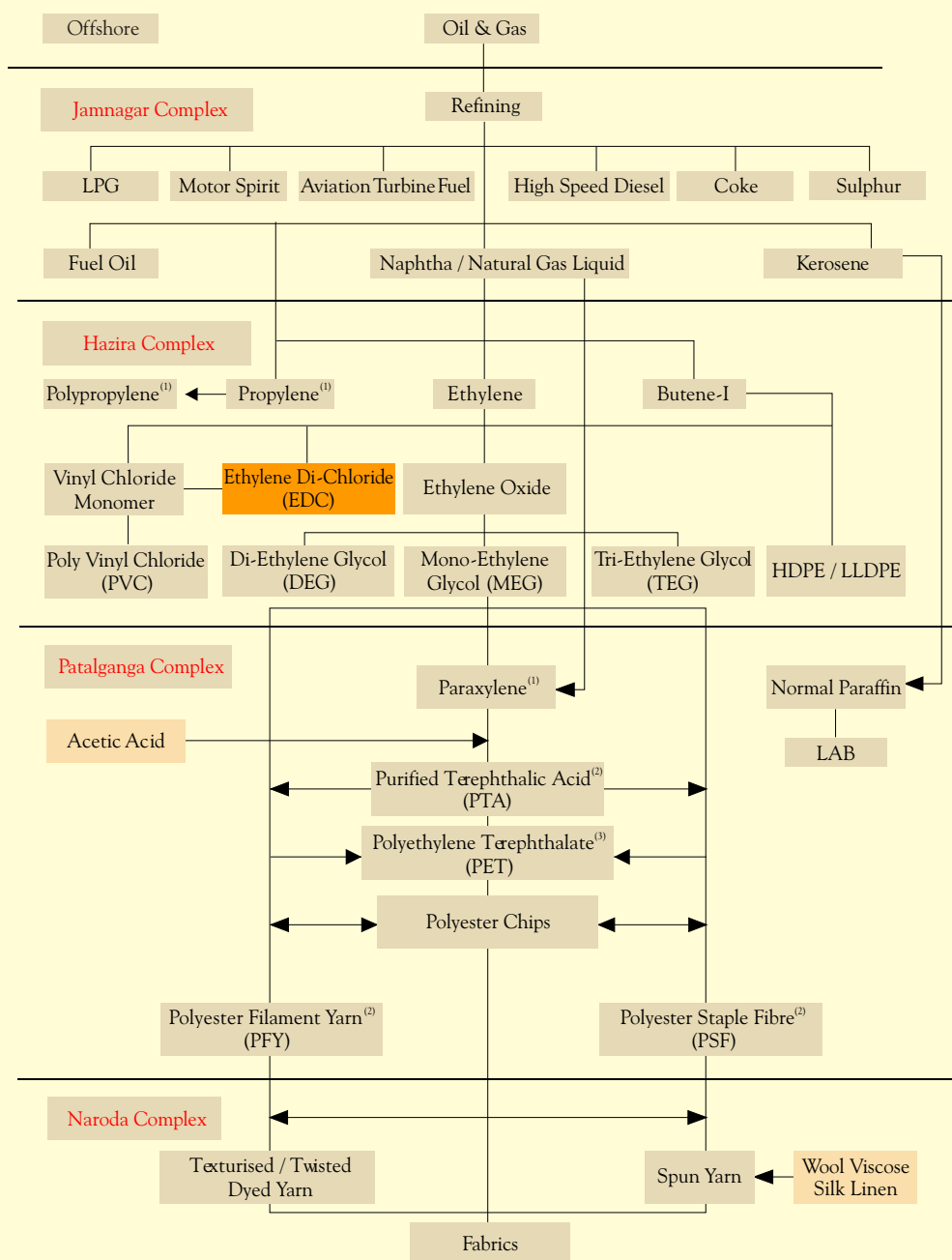
We recognise that we can expand the scope and coverage of our Corporate Sustainability Report in the future; we view this current report as the baseline for continual improvement.

We invite your feedback on this report. Please mail your suggestions to Rohit Rao at rohit.rao@ril.com





❧ A DREAM COME TRUE ❧



Existing products Purchased raw materials Partly purchased raw materials

(1) Plant also under operation at Jamnagar Complex (2) Plant also under operation at Hazira Complex
(3) Plant operational at Hazira Complex





❖ COMPANY PROFILE ❖



*"Growth has no limit at Reliance. I keep revising my vision.
Only when you dare to dream, can you hope to achieve." - Dhirubhai H. Ambani*





It was in the year 1958 that our Founder-Chairman, Dhirubhai Ambani, set up Reliance Commercial Corporation, a commodity trading and export house in Mumbai. This marked the beginning of a legend called Reliance Industries Ltd.

In 1996, we started work on our greenfield grassroots refinery at Jamnagar and completed it in a record time of less than three years.

We reached our first milestone in 1966 when we set up a textile unit at Naroda in Ahmedabad, Gujarat, based on a belief that synthetics would become the fabric of the future - our first move towards vertical backward integration.

In 1977, RIL announced its IPO and created one of the widely-held public

holdings in India. From this point, our efforts gained momentum and put us on the path towards phenomenal growth.

In the early 1980s, a Polyester Filament Yarn plant was set up at Patalganga, near Mumbai in Maharashtra - another step in the backward integration process.

By 1997, in tune with this core philosophy of backward integration, we had set up an MEG plant, a Naphtha Cracker and a PTA plant at Hazira.

We further integrated laterally into plastics - PVC, HDPE and LLDPE and PP. In 1996, we started work on our greenfield grassroots refinery at Jamnagar and completed it in a record time of less than three years. Jamnagar produces feedstock such as Naphtha, LABFS and Paraxylene, which in turn is used in downstream chemical plants for the manufacture of Ethylene, normal paraffins, PTA and other such products.

Jetty at Jamnagar Refinery.





Today, RIL is India's largest private sector corporation with a turnover of INR 732 billion and a net profit of INR 76 billion.

Stellar leadership and individual performance at every level have always been the hallmark and foundation of our businesses; the supporting pillars are a strong balance sheet, world-class levels of operating discipline, research and innovations in technology and focus on community building.

We have the distinction of being among the top ten producers of petrochemical products in the world.

Our activities span exploration and production (E&P) of oil and gas and coal bed methane gas, refining, petrochemicals, plastics, fibre intermediates, synthetic fibres, textiles, infrastructure development and life sciences initiatives. RIL exports its products to nearly 100 countries the world over.

We contribute 2.6 percent towards India's GDP, 7.7 percent towards total exports, and nearly 7.9 percent towards the country's indirect tax revenue.

In the global market, we are ranked:

- the largest producer of Polyester fibre and yarn
- 3rd largest producer of Paraxylene (PX)
- 5th largest producer of Mono Ethylene Glycol (MEG)



Polypropylene Plant at Jamnagar.

- 6th largest producer of Purified Terephthalic Acid (PTA)
- 7th largest producer of Polypropylene (PP)

Our accomplishments speak of our overall performance:

- We have the distinction of being among the top ten producers of petrochemical products in the world.
- Our operations commenced at Naroda, spread to Patalganga in Maharashtra and then to Hazira and Jamnagar in Gujarat.
- Our manufacturing sites have implemented management systems under ISO 9001:2000 standards for our Quality Management Systems, ISO 14001 and OHSAS 18001 standards for our Environment, Health and Safety Management Systems. Hazira and Jamnagar are ISO 14001 certified. We plan to obtain this certification for Patalganga in the coming year. Plans are also on to obtain OHSAS 18001 for all three sites in the coming year.





Central Control Room - Distributed control systems for smooth functioning of the Refinery.

- RIL is in the process of making significant investments in the exploration and production (E&P)

This report will create awareness about these significant endeavours in the area of corporate social responsibility and sustainable growth.

business, being the largest private sector acreage holder in India with 30 domestic exploration blocks covering an area of around 300,000 sq. km.

- We plan to establish a modern and extensive petroleum retail network across India.

We believe that while our growth is planned and focused, it is also spontaneous and self-energising. We are

experiencing this growth and learning from it. We are now leveraging the strengths of our existing businesses and creating new growth opportunities through our emerging businesses.

The remarkable surge in our growth and performance is known to shareholders and partners the world over. However, our commitment to socially responsible programmes and partnerships is known only to a few select stakeholders like the communities where we operate and regulatory bodies.

We believe that a clean environment in and around the workplace fosters health and prosperity for the individuals, the group, and the larger community.

This report will create awareness about these significant endeavours in the area of corporate social responsibility and sustainable growth.





Our initiatives and interventions are driven by the following concerns and principles:

- Environment protection is an integral part of the planning, design and construction, operation and maintenance of all our projects.
- Respect and concern for the people we work with has been given importance in our core practices and decision-making processes.
- We strive to integrate the safety and occupational health of our employees and create a better quality of life for the communities and people who come into our fold.

As a responsible corporate citizen, we have invested in social infrastructure with the belief that dedicated social contributions are critical for long-term

value creation. We encourage, fund and develop numerous educational, health, human resource and infrastructure initiatives. These initiatives are undertaken through partnerships with non-governmental organisations, corporations and trusts.

At our manufacturing sites, care is taken to improve the quality of life in the surrounding communities. Our community outreach programmes focus on key areas like healthcare, education, child welfare and infrastructure development.

While we are poised to take on new business challenges, we are also strengthening our approach towards these initiatives and planning to step up the integration of these concerns into our business strategies.

Migratory birds at our tank farm site.





OUR ACHIEVEMENTS



*"I can only say, we were small then - an infant in the industry.
We are small now - at the doorsteps of opportunity." - Dhirubhai H. Ambani*





RIL has been acknowledged for its performance across all parameters of business:

- Ranks as the first and only private sector company from India to feature in the *FORTUNE Global 500*[®] list of the *World's Largest Corporations*, 2004.

RIL received the 'International Refiner of the Year 2004' annual award at the World Refining and Fuels Conference in San Francisco.

- Ranks amongst the *World's Top 200 Companies* in terms of profits.
- Is the *10th most respected among the world's energy/chemicals companies*.
- Ranks among the *Top 50 companies that create the most value for their*

shareholders - in a global survey and research conducted by Pricewaterhouse - Coopers and Financial Times, 2004.

- Received the *International Refiner of the Year 2004* annual award at the World Refining and Fuels Conference in San Francisco - the first Asian company to win in the award's twenty-year history.
- Declared *Asia's Best Chemical Company* in the seventh annual survey of the *World's Best Companies* conducted by Global Finance Magazine, 2004.
- Features in the *Forbes Global 400* best big companies.
- Features in *FT's Global 500* list of the world's largest companies.
- Declared the *Best Managed Company* in India, Business Today and A. T. Kearney, 2003.
- Declared *India's biggest wealth creator* in the private sector over a 5-year

FORTUNE Global 500[®] is a registered trademark of the FORTUNE magazine division of Time Inc.

Prestigious awards received by RIL.





Sectional view of the plant.

RIL's refinery at Jamnagar ranked best thrice by Shell Benchmarking in the 'Energy and Loss Performance' category.

period, Business Today - Stern Stewart.

- Recognised as India's Most Admired Company in a Business Barons - TNS Mode Opinion Poll.
- Declared India's Greenest Company in the private sector with an overall second ranking in a Business Today - AC Nielsen ORG-MARG survey of shareholder perception, 2004.
- Awarded Petrochemicals Company of the Year at the prestigious Platts Global Energy Awards ceremony in New York, 2004.

Awards for Health, Safety and Environment

- Sword of Honour awarded to the

Hazira site by the British Safety Council for excellence in safety, December 2003.

- Ranked No. 1 for Energy Performance among large complex group refineries in the Asia-Pacific region by Solomon Benchmarking, a world-renowned energy benchmarking conducted by Solomon Associates of USA.
- Is among Asia's Top 5 Companies in the Energy Sector in a Corporate Governance Poll conducted by Asiamoney, 2003.
- Placed 31st in Business Week's list of Top 200 Emerging Markets Companies.
- Received the Golden Peacock Award for Corporate Social Responsibility in recognition of its social initiatives from the Institute of Directors, 2003.
- RIL's refinery at Jamnagar ranked best thrice by Shell Benchmarking in the Energy and Loss Performance category from among 50 refineries worldwide.





Deep within us burns a fire.
Constantly flaring and never dying down.
It's this power that drives us, giving us the energy to see into
the unlimited possibilities of the future.
To set higher aims, grow further and in the process spread light
around us. It's our vision to make tomorrow
even more prosperous and brighter than today.





OUR VISION



The vision of our leadership is to align our goals with social infrastructure initiatives. With an aspiration to grow, expand and diversify in order to serve the interests of millions of our stakeholders, we have framed a statement articulating our aims.





Our statement of aims:

- To seek new avenues for profitability, growth and development and to translate ideas into practice.
- To provide economic value to shareholders and investors on a continuous basis.
- To build integrated manufacturing and service facilities to world-class standards and to the most competitive parameters of technology, scale, quality and costs.
- To access and align people skills, knowledge, creativity, funds, materials and service providers on a globally competitive basis.
- To set standards in addressing consumer interests, ecology, operating safety, occupational health, employee welfare and community services.
- To lead markets through continuous capacity creation, product range expansion and value enhancement.

Based on our commitment to build

upon the culture of excellence and on our endeavour to include societal, environmental and human concerns in our planning and activities, we have framed the following policies:

- Quality policy with a commitment to meet customers' requirements through continual improvement of quality management systems.
- Human resource philosophy with a commitment to the belief that concern for the safety of people overrides all production targets.
- Environment policy with a commitment to ensuring a safe and clean environment for sustainable development.
- Energy conservation policy with commitment towards efficient utilisation of energy resources.
- Corporate Social Responsibility Policy with a commitment to create economic opportunities for people through business initiatives.

Hazira Complex.





OUR VALUES



Teaming for effective learning.

An Ethics Management Organisation has been set up to promote a generative and ethical work environment.

Integrity
Trust
Respect
Fairness
Responsibility

Our core values are outlined in a set of five documents titled "We Believe", issued in the year 1998, covering: Values and Commitments, Code of Ethics, Business Policies,

Insider Trading Policy and Ethics Management.

The code of ethics issued to the employees aims at sensitising the employees towards legal and ethical practices. An Ethics Management Organisation has been set up as a corporate initiative to promote a generative and ethical work environment. In order to develop our core values and make them the basis for all our operations and interactions, our management has made it mandatory for senior executives to submit an Ethics Compliance Statement every year.





Purity of thought. Transparency in action.

There's a sea of information revealing that we've always
formed our own path, followed our own rules and,
while doing so, discovered new ways of making a difference.

It's the corporate governance and management systems
followed by us that have helped us win the trust of millions.





OUR CORPORATE GOVERNANCE PRINCIPLES



"Our reputation is our most valuable asset as it allows us to develop a trusting relationship with stakeholders such as shareholders, financial institutions, customers, fellow employees and, above all, the society in which we operate and perform." - Mukesh D. Ambani





Our policies and their effective implementation underpin our commitment to create superior principles of corporate governance.

RIL is in the forefront of implementation of the best corporate governance practices. The framework takes into account the company's size, complexity, global operations and corporate traditions.

For implementing our corporate governance practices, we have a well-defined policy framework:

- Values and Commitments Policy
- Code of Ethics
- Business Policies
- Policy for Prohibition of Insider Trading
- Ethics Management

These policies and their effective implementation underpin our commitment to create superior principles of corporate governance, consistent with our goal to enhance shareholder value.

Keeping in view the scale and complexity of our operations and our global pursuits and corporate traditions, the governance framework is based on the following main principles:

- Constitution of a Board of Directors of appropriate composition, size and commitment to discharge their responsibilities and duties.
- Ensuring timely flow of information to the Board and its committees to enable them discharge their functions effectively.
- Independent verification and safeguarding the integrity of the company's financial reporting.
- A sound system of risk management and internal control.
- Timely and balanced disclosure of all material information concerning the company to all stakeholders.
- Transparency and accountability.
- Compliance with all the rules and regulations.
- Fair and equitable treatment of all stakeholders, including employees, customers, shareholders, regulatory authorities, suppliers and NGOs.

Extensive library at the Learning Centre, Jamnagar.





Our policy is to maintain an optimum combination of Executive and Non-Executive Directors. Details of these appointments are given in the table below:

Category	Name of Directors
Promoter Executive Directors	M. D. Ambani <i>Chairman & Managing Director</i>
	A. D. Ambani* <i>Vice Chairman & Managing Director</i>
	N. R. Meswani <i>Executive Director</i>
	H. R. Meswani <i>Executive Director</i>
Promoter Non-Executive Director	R. H. Ambani
Non-Promoter Executive Director	H. S. Kohli <i>Executive Director</i>
Independent Directors	M. L. Bhakta
	Y. P. Trivedi
	T. R. U. Pai**
	Dr. D. V. Kapur
	M. P. Modi
	S. Venkitaramanan
	Prof. Ashok Misra***
	Dipak C. Jain

* A. D. Ambani resigned as the Vice Chairman and Managing Director and also as a Director of the Company on June 18, 2005 and ceased to be a Director with effect from that date.

** Mr. T. R. U. Pai passed away on January 26, 2005 and ceased to be a Director with effect from that date.

*** The Board has appointed Prof. Ashok Misra with effect from April 27, 2005 in the casual vacancy which arose on account of the death of Mr. T. R. U. Pai.

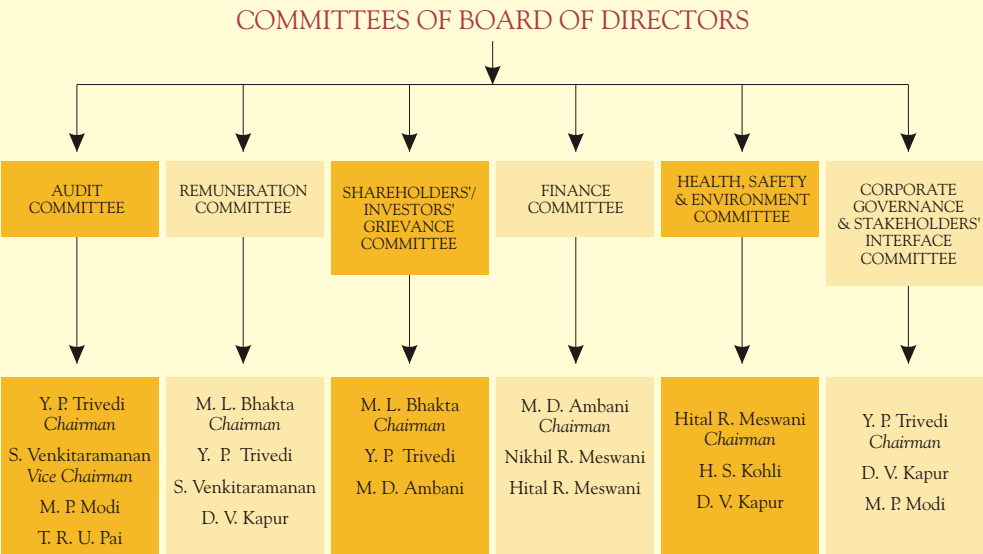




The Board monitors the conduct of Business and Performance Management, through the following committees set up specifically for this purpose:
Standing Committee - The details of various committees that fall under the Standing Committee and the

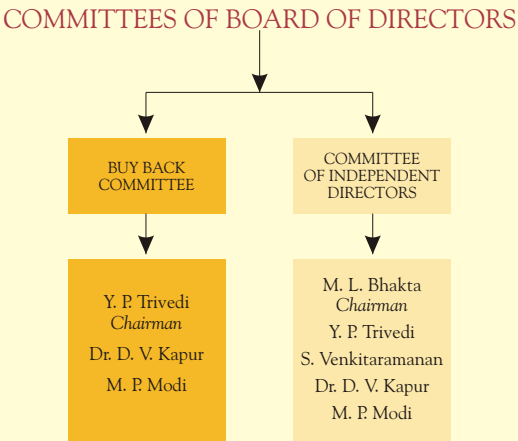
responsibilities are delineated below (Chart A).
Functional Committee - The Board of Directors from time to time constitutes one or more Functional Committees, delegating thereto powers and duties with respect to specific purposes (Chart B).

A) Standing Committee*



*as on July 1, 2005

B) Functional Committee





Marine tank farm.

The next level of our organisational structure has business heads responsible for business results of specific product groups manufactured at multiple locations. Each manufacturing site has a site head supervising the manufacturing operations, supported by a team of plant heads, maintenance heads and support service chiefs.

Our leadership structure focuses on business as well as on customers, with business teams and manufacturing teams at different sites closely coordinating for each business. The business processes are managed laterally with key review and control

mechanisms in place.

We use an approach on the lines of the Balanced Score Card to support the delivery of the organisation's policy and strategy. A clear deployment linkage between strategies, business goals, ownership of processes, responsibility, accountability and improvement activities has been established.

RIL recognises that good corporate governance should be a continuing exercise and reiterates its commitment to pursue higher standards of corporate governance in the overall interest of our stakeholders.





Committees of the Board

Audit Committee	Monitors and effectively supervises the Financial Reporting process with a view to provide accurate and timely disclosures and maintain the integrity and quality of financial reporting.
Remuneration Committee	Recommends / reviews remuneration based on performance and defined assessment criteria.
Shareholders / Investors Grievance Committee	Redressal of shareholders' complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends and so on.
Finance Committee	Recommends the capital structure and issuance of securities, reviews banking arrangements and cash management, reviews and approves certain short-term and long-term loans, investment, transactions, and so on.
Health, Safety and Environment Committee	Monitors and strives to ensure high standards of environment, health and safety, and all applicable pollution and environmental laws at all works / factories / locations of the company. Recommends measures for improvement. The Committee meets four times a year and reviews the HSE policy of the company, performance on Health, Safety and Environment matters, the procedures followed at each manufacturing site and compliance with relevant statutory provisions.
Corporate Governance and Stakeholders' Interface Committee	Observance of practices of corporate governance at all levels and to suggest remedial measures; dissemination of factually correct information to the investors, institutions and the public at large; interaction with existing and prospective FIIs and rating agencies and so on.
Functional Committee	<p>Buy Back Committee: Oversees all matters pertaining to the Buy Back of Equity Shares.</p> <p>Independent Directors: Consider all matters pertaining to exercise of the company's options to convert Cumulative Convertible / Redeemable Preference Shares.</p>





OUR MANAGEMENT SYSTEMS



"We recognise that good corporate governance is a continuing exercise and reiterate our commitment to pursue superior standards of corporate governance in the overall interest of our stakeholders."

- Nikhil Meswani

In our journey from policy to practice, we implemented various management systems that have helped steer us towards our goals of creating value. A brief account of these systems is presented here.

Six Sigma

The Six Sigma initiative was launched in May 2000 to achieve Zero Defect work culture. Six Sigma,

deployed across all aspects of business, manufacturing and service functions, is helping us to improve processes, boost productivity, reduce inventory and improve quality.

- A team of 25 full-time Black Belts in Six Sigma is leading cross-functional high-impact projects throughout the company.
- In the next two years, we aim at training about 40 percent of our supervisory staff in Six Sigma methodology, to inspire them to work towards achieving efficient performance. This, in turn, is expected to create value for all stakeholders in the supply chain.
- Three of our Six Sigma projects have been rated as the top three projects at the 50th year celebrations of the Indian Statistical Institute, Bangalore, in March 2005.

• One of our Six Sigma projects at Hazira has won an award at the American Society for Quality Conference held at Seattle in 2005.

Total Quality Management (TQM)

TQM is a philosophy of continuous improvement. The ISO Quality Standard - ISO 9001 - sets in place a system to deploy policy and verifiable objectives. The implementation of ISO is the basis for our TQM implementation. This forms the foundation for our activities which include:

- Meeting Customer Requirements
- Reducing Development Cycle Times
- Just In Time/Demand Flow





We have dedicated health, safety and environment departments at all the manufacturing sites.

Manufacturing

- Improvement Teams
- Reducing Product and Service Costs
- Improving Administrative Systems Training

Five S (5 S)

During the year 2004-05, the 5 S Programme was introduced at laboratories for inventory and document management. 5 S is a methodology for organising, cleaning, developing and sustaining a productive work environment. Implementation of 5 S has enabled us to:

- Sort: all the clutter. Segregate what is needed for our operations.
- Set: in order. Organise the work area and make material easily accessible.
- Shine: Clean the work area and make it spotless.
- Standardise: Establish schedules and methods for performing the cleaning and sorting.
- Sustain: Implement mechanisms to sustain the gains through involvement of people, integration into the performance measurement system, discipline generation, and recognition of work done.

Occupational Health and Safety Assessment Series (OHSAS)

We have dedicated health, safety and environment departments at all the manufacturing sites. As we believe that growth is caring for safety, our

efforts are continually focused on establishing a Safety and Health management system in line with OHSAS 18001 at all our sites.

Essentially, OHSAS helps minimise risk to employees, improve an existing OH and S management system, demonstrate diligence and gain assurance.

Our Hazira site received the OHSAS 18001 certification in May 2004 - the first site in the RIL Group to achieve this certification. Our Patalganga and Jamnagar units are also expected to obtain the OHSAS 18001 certificate shortly.



Our Chairman at the laboratory at Lodhivli hospital.

Management Information Systems (MIS)

MIS at RIL comprises all the components that collect, control and disseminate data or information. These include hardware, software, people, communication systems such as telephone lines, and the data itself. MIS servers are secured and protected against any disaster. With an MIS in





Training session on ISO 14001.

Aligned with the requirements of ISO 14001, we have structured environmental monitoring, management systems and regular audits.

place to cover all aspects of the different operations of RIL, information is readily available to every employee of the company with just a click of the mouse.

Environmental Management System (EMS)

There is a constant upward spiral of new environmentally related legislations which are targeted at a clean and life-supportive global environment. Environmental management systems can equip an organisation to meet the challenge of nurturing and sustaining a

clean environment for current times and for posterity.

- This standard is a part of the ISO 14001 series of standards providing not only a specification but guidance and advice on a wide range of environmental issues including auditing, labelling, life-cycle assessment and others.

- Aligned with the requirements of ISO 14001, we have structured environmental monitoring, management systems and regular audits, aimed at ensuring compliance with environmental protection laws.

- A high-power Health, Safety and Environment group at each manufacturing site constantly monitors and audits performance.





OUR COMMITMENTS



Kokilaben Dhirubhai Ambani Vidyamandir, Jamnagar.

We have been investing in developing relationships with surrounding communities and understanding their needs.

As we march towards sustainability, there are a number of key issues and challenges related to energy consumption, social development and environmental improvement that solicit our attention. Along with our

stakeholders, we strive to find common and acceptable solutions in order to ensure our long-term success. Based on our interaction with them, we have identified areas where we need improvement. We are presenting in brief the breakthroughs we have achieved against the following heads.

Improve quality of life in surrounding communities

We have been investing in developing relationships with our neighbouring communities and in understanding their needs. We have





identified various issues and accordingly invested in the development of social infrastructure. We now plan to focus on the empowerment of people.

Enhance safety in the workplace

Our goal is to achieve zero accident and zero man days lost on account of occupational diseases and safety. To achieve this, we have set up a dedicated HSE department in all the locations. The emphasis is on behavioural safety.

- Our commitment to safety is best demonstrated in our daily plant meetings, which start with updates on HSE.
- Awareness on safety issues is important; we are planning to spread this awareness to all employees and contractors by way of tool box talks.

Our goal is to achieve zero accident and zero man days lost on account of occupational diseases and safety.

- In order to adopt a structured approach to safety management, we have implemented occupational health and safety management systems at all the locations and included our contractors under the safety umbrella.

Reduce greenhouse gas emissions

Energy efficiency has always been our priority and our energy efficiency measures are recognised by institutes the world over.

- We have shifted from high carbon intensive fuels to low carbon



Floral species maintained at our glasshouse in Jamnagar.

intensive fuels, such as natural gas, for power generation.

- We have initiated accounting for our GHG emissions and created an inventory of Carbon Dioxide (eq) emissions from our activities.
- We achieved our goal of leveraging the Clean Development Mechanism (CDM) of the Kyoto Protocol. Currently we are evaluating the CDM potential of several GHG emission reduction initiatives.
- We have introduced the GHG accounting protocol using IPCC emission factors and the GHG protocol developed by The World Business Council for Sustainable Development and The World Resources Institute.

Minimise environmental impacts

To improve our environmental footprint, we pursued efficient technologies and processes. The major pollutant, which is ETP wastewater and sludge in our case, was taken up on priority. We achieved significant reduction in COD levels, details of





which are presented in other sections in this report. At our Hazira plant, we implemented the recycling of PET bottles, a project that generated employment among rag pickers and simultaneously achieved its objective of encouraging sustainable development.

Protect biodiversity

One of the key objectives of all our complexes is ensuring environment protection. At RIL, various environmental and process improvement measures have been implemented across locations. These projects are aimed at conserving valuable resources like fossil fuel reserves, water and land, and giving momentum to our efforts in the field of sustainable development.



Scientist at the plant tissue culture laboratory.

To further strengthen these primary initiatives, we have deployed resources and talent in different fields of environment and green belt development.

- One of the remarkable programmes in green belt development that was implemented at our Jamnagar refinery

involved conversion of about 729 hectares of barren land into a fertile green area. Our activities in this area include agro initiatives.

- The key drivers are reuse, recycling, water harvesting and proper usage of precious water resources.

Our mission is to create and nurture knowledge.

- The plantation of over 100,000 mango trees till March 2005 has made this Asia's largest mango orchard. Known as Lakhi Bagh, the orchard has helped realise a fondly cherished dream of Dhirubhai Ambani.

Build intellectual capital

At RIL, our mission is to create and nurture knowledge. The human resource cell across each and every manufacturing site strives to provide training and expand the knowledge base of our employees by building intellectual capital.

- The training needs are identified through a matrix model and are assessed appropriately at various levels.
- Each department sets its own benchmarks and develops Knowledge, Skills and Attributes (KSA) across three sites.
- To share this vast pool of developed knowledge and resources, we have created many platforms: the Discussion Forum, the Seminar Forum, the Seminar CDs on Network, e-Knowledge Portals, a Digital Library and Internet stations to disseminate and integrate this knowledge into a huge intellectual capital pool.





Technician at work in Lodhivli Hospital.

A well-equipped DOTS Therapy Centre at Hazira is a remarkable example of providing treatment facilities for Tuberculosis and HIV/AIDS.

Invest in Health

Health awareness and education form an integral part of RIL's healthcare programmes.

- Medical teams regularly conduct health awareness programmes on critical health issues.
- Health promotion camps to improve the workplace environment are

conducted at regular intervals.

- Occupational health initiatives are developed as part of CASHE projects across all manufacturing locations.
- Public-private partnership initiatives have helped us create awareness of the dangers of HIV/AIDS and develop programmes to take necessary precautions.
- A well-equipped DOTS Therapy Centre at Hazira is a remarkable example of providing treatment facilities for Tuberculosis and HIV/AIDS.

Well-planned counselling, education, training and the dissemination of nutritional support information form the basis of our healthcare programmes.





STAKEHOLDER ENGAGEMENT



Healthcare centre at our Jamnagar facility for local community and employees.

Truthfulness and openness with stakeholders are pre-requisites for building the foundations of a long-term relationship based on trust.

Our stakeholders are all those who affect or are affected by or have a justifiable interest in our company's performance. Each of our sites has its own planning and execution strategies; however, throughout all sites, our approach to stakeholder engagement remains the same.

Since inception, we have focused on understanding and addressing the needs of our stakeholders. With dedicated teams at each location, we develop partnerships with the local communities.

Employees

It is our endeavour to understand the concerns of our employees and design policies to address any related issues. We map their concerns both informally and systematically - informally through one-to-one interaction with the immediate superior and systematically through a grievance redressal practice. We constantly strive to monitor their satisfaction levels. In the year 2003-04, we engaged Hewitt Associates to develop the baseline for employee satisfaction.

Local Community

We interact responsibly and ethically with our neighbours. It is our priority to create an enhanced understanding of the impact of our activities on neighbouring communities. Community concerns are dealt with on a

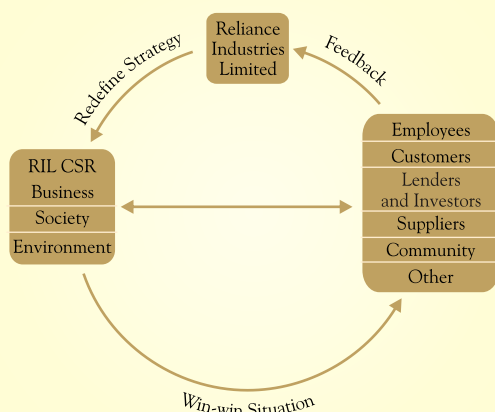




decentralised basis; each site has direct communication methods with the community. Interventions are developed based on these consultations.

NGOs

In our efforts to gauge the perception of people, we engage in a dialogue with local NGOs. We have identified two NGOs at each manufacturing site and tried to collate their views on our initiatives. Among various issues they raised, the most prominent included health and education of the community. During these interactions, we felt the need to modify our approach towards social initiatives and set a frequency for structured dialogues with stakeholders.



Regulatory Authorities

As part of compliance requirements, we submit an annual environmental statement to Pollution Control Boards (PCB). Personnel from the PCB visit us once a month. We provide them with the details of our ongoing and future projects and seek their advice and inputs.

Shareholders

Shareholders express their views

through our stockholder interface committee. In addition to that, shareholders have access to our annual report, which covers some of our initiatives to support and enhance sustainable development. They will also have access to this report and are free to express any of their views and concerns.



RIL Community Medical Centre, Jamnagar.

Trade Unions

We value the role of trade unions and seek their cooperation and partnership. Periodic discussions enable us to map and evaluate their concerns.

Customers

All manufacturing sites have their marketing and R&D divisions dealing with customers to ensure that we meet their requirements. As part of our quality management systems, we invite feedback from customers to help us modify operations/processes at our end.

We receive noticeable feedback during these interactions. We will continue this dialogue to help clarify and gain a better understanding of our stakeholder concerns.





What began as a small breeze grew
into a big whirl of air. Where our success brought us pride,
it also added to the well-being of the
world around us. And when we see our efforts
make a difference to the environment and society,
it reassures us that our performance
across all parameters is indeed a true success.





ECONOMIC Performance Indicators



"A desire for doing what the world thinks is impossible is what gives Reliance its distinguishing feature."

- Hital Meswani

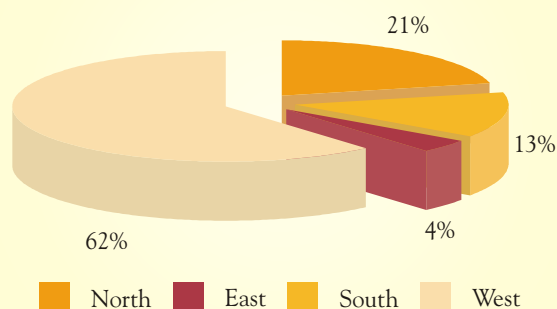
During the year we set new benchmarks and continued to grow our business at all levels. We also continue to enjoy our position as the largest private sector business house in India on all major financial parameters, including sales, profits, net worth and assets. Our refinery at Jamnagar is the world's third largest refinery at a single location and accounts for 28 percent of India's refining capacity. We enjoy

a leadership position in all our products including gasoline. In the domestic context, we are dominant market leaders in polyester, polymers and intermediates.

Financial performance breakthroughs

- RIL became the first Indian company to offer the Euro Issue of Global Depository Receipts in 1992.
- We have the unique distinction of being the first Indian company to offer Euro Convertible bonds in the year 1993.
- We were the first corporation in Asia to issue 50- and 100-year bonds in the US debt market in the year 1997.

Geographic breakdown of markets
(2004-05)-Petrochemicals - EC 2



Capacity Utilisation

Our refinery processed 31.5 million tonnes of crude oil and achieved a utilisation rate of 96 percent. Our petrochemical plants operated at 99 percent of their capacities.

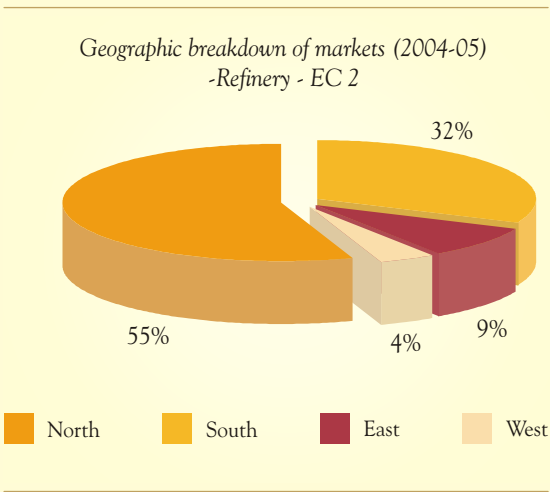
Net Sales

Domestic sales accounted for 65 percent of the turnover and stood at





A vessel tube for erection.



INR 476 billion, a 15 percent increase from last year; the remaining 35 percent is derived from exports.

Payroll and employee benefits

The company has grown significantly over the years. Consequently the time devoted and contribution made by our employees has increased. While we touched the milestone of becoming the first Indian private sector company to record a net profit of over INR 76 billion, we ensured that our employees are



compensated appropriately. This year the wages across three locations touched a figure of INR 5 billion which is 6 percent of the net profit.

Taxes Paid

We are one of the largest contributors to the national exchequer. During the year, we paid a total of INR 115 billion in the form of various taxes and duties, up by 46 percent from last year.

Cost of all goods

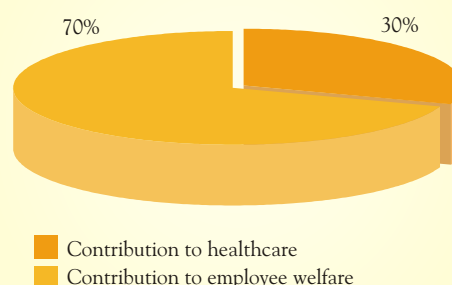
We invested a sum of INR 142 billion in procuring raw materials for our refinery and for the petrochemicals business.

Our annual financial report provides more information in this context.

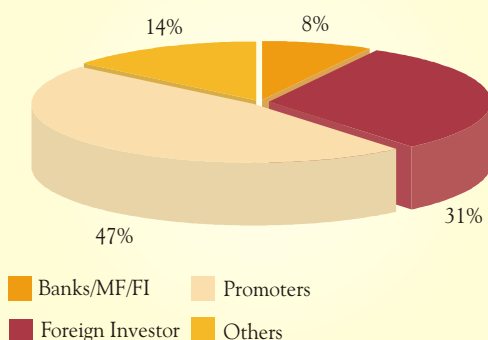
Donations

This year we donated a total of INR 0.5 million towards assisting local communities in their initiatives.

Non-core business expenses
(2004-05) - EC 12



Shareholding pattern (2004-05)



Non-core business expenses

A total investment of INR 1.2 billion was made this year. Education was assigned top priority under this head and accounted for almost 40 percent of the total investment.

Shareholders' Value

The earning per share was INR 54.2 and the cash earning per share was INR 86.6. Our paid-up Equity Share Capital has been dematerialised to an extent of 93.66 percent up to March 31, 2005. Consecutively in the course of the last sixty quarters, RIL has shown both top line and bottom line growth. This is a remarkable precedent for a cyclical industry like oil and gas and petrochemicals.





ENVIRONMENTAL Performance Indicators



In this section we present to you our environmental performance in the past three years. This performance is classified under energy, water, biodiversity, climate change, ODS, air emissions, waste management and spills. We believe in continual improvement and strive to achieve this in our environmental performance across all sites, year after year. We are well aware of the size and nature of our operations and understand our responsibility towards the protection and conservation of the environment.





ENERGY

At RIL, our energy conservation efforts seek to reduce the unit cost of fuels and improve efficiencies in energy intensive processes. With increasing production volumes, our specific energy consumption is reducing consistently.

GRI GUIDE

EN 3 - Direct energy use segmented by primary source.

EN 4 - Indirect energy use.

Total energy consumption is governed by the type of technology used and efficiency of operations. At RIL, we focus on both.

Energy audit and accounting is a process at RIL; our corporate energy cell and energy divisions at the sites jointly innovate ideas for developing the energy mix (grid-own generation), fuel mix and benchmark performance using the Solomon and Shell Energy Index. All the manufacturing sites have implemented Pinch technology.

With the introduction of the ownership concept under TQM, we have reaped benefits in terms of overall reduction in energy consumption. Some of these energy conservation measures were planned, keeping in mind the global flexibility mechanism - the Clean Development Mechanism (CDM). These initiatives are discussed in the section on greenhouse gas emissions.

As an energy conservation initiative, we are utilising waste gases generated from our processes.

The energy consumption at each site is different depending on the production volumes. There has been a decline in the specific energy consumption across locations in the past three years.

- The energy performance of Patalganga and Hazira is expressed as the Energy Index which is the ratio of total energy (including power generation and processes) and total production.
- At the Jamnagar refinery, corrected energy and loss figures are reported as per Shell Guidelines. Corrected energy and loss is the ratio of actual energy to theoretical energy, expressed in percentage.

Captive power plant.





Energy team at Patalganga.

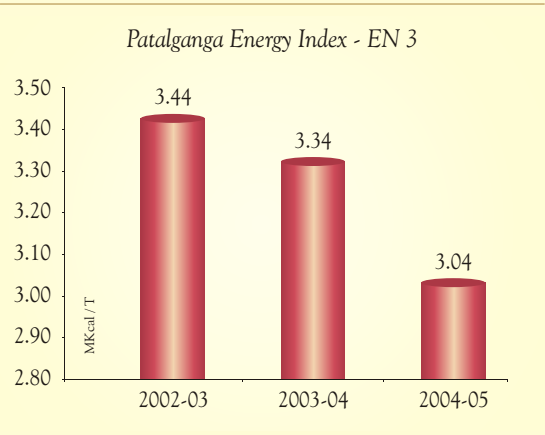
We are presenting a summary of our energy initiatives across three locations - Patalganga, Hazira and Jamnagar.

Patalganga

The power generation capacity at Patalganga is 84 MW. Energy centres maintain: 3 Auxiliary Boilers of capacity 70 TPH and 2 HRSGs of capacity 125 TPH for steam generation; 2 Gas Turbines of capacity 30 MW and 1 Steam Turbine of capacity 24 MW for power generation.

The site is harnessing the potential of biogas as fuel. Anaerobic digestion of ETP sludge results in generation of methane-rich gas. The site team explored the potential of using this gas as fuel in the Paraxylene plant in the heater D-5001. Conventionally black fuel was used in this plant and with this modification, the corresponding

quantity was replaced with biogas. The payback period of this initiative was 6.6 months. This is a typical



example of eco-efficiency, wherein, besides monetary benefits, resource conservation is achieved.

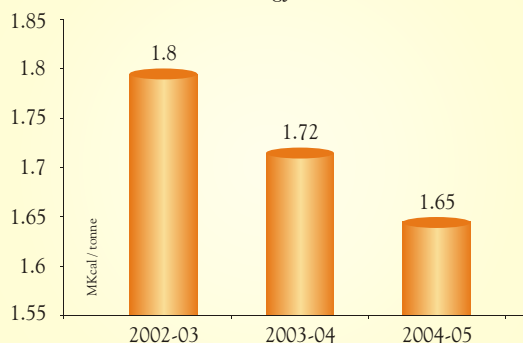
Hazira

A dedicated energy team carries out internal audits to identify thrust areas in



Power receiving station at one of our sites.

Hazira Energy Index - EN 3



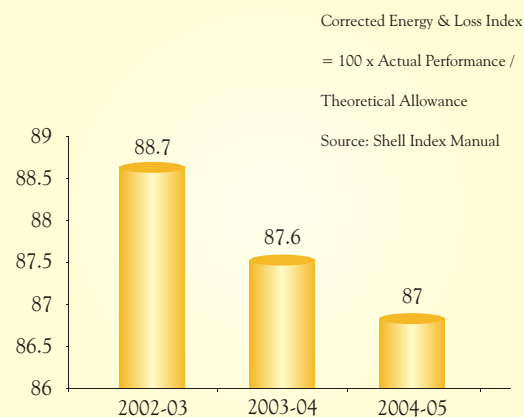
energy conservation. Energy accounting is achieved by installing energy meters at almost all major units.

The in-house generation capacity is 290 MW of which 210 MW is natural gas-based power generation and 80 MW uses steam-based power generation. The installation of an additional 60 MW gas turbines is under progress.

Jamnagar

The complex has been designed with energy-efficient concepts such as Pinch Technology, Heat Pump, Power

Jamnagar Corrected Energy & Loss - EN 3



Recovery Turbines, Low Temperature Heat Recovery and others. In addition, there is continuous thrust given to energy management in this refinery.

In-house generation capacity at Jamnagar is 360 MW. There are 8 Gas Turbines (30 MWh each) with 8 Heat Recovery Steam Generators, 4 Steam Turbine Generators (30 MWh each) and 4 Auxiliary Boilers.





W A T E R

Zero effluent discharge is our ultimate goal and we have aligned all our activities to achieve this.

GRI GUIDE

EN 5 - Total water use.

EN 12 - Significant discharges to water by type.

Most of our processes are water-intensive and we are striving towards conserving and reducing water consumption at our sites. Jamnagar has taken a lead by achieving zero effluent discharge; other sites are progressing in this direction.

Patalganga

A Six Sigma initiative helped us reduce water consumption by 13.74 percent. We achieved this by increasing the output between regeneration of the DM plant and increasing the cycle of concentration in the cooling towers.

The Polyester ETP has been re-designed and modified to recycle 220 m³/hr of effluent as cooling water make-up.

Further, to reduce the COD of influent streams, several ISBL (In Side Battery Limit) measures have been taken. These include:

- Reduction in consumption of Spin Finish by improving drawline operation and better finish pick-up on tow (fibre).
- Reducing the carry-over of glycol vapours in steam ejectors.
- Replacing steam ejectors with glycol

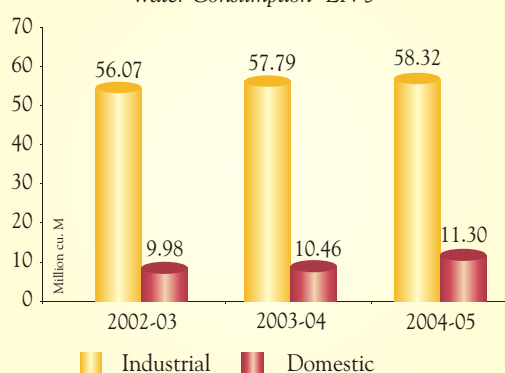
ejectors in expansion plans.

- Reduction in specific consumption of catalysts and chemicals.
- Improving operation communication of batch activities with ETP personnel and regulating effluent pumping to prevent shock loading.

Hazira

Preserving marine ecology is of great concern to us at Hazira, as part of the treated effluent from our unit is discharged into the Tapi basin. To keep

Water Consumption- EN 5



a check on marine ecology, regular monitoring of the Tapi basin at upstream and downstream locations during both high tide and low tide is done and monitoring of effluents is regularly carried out.

Sophisticated anaerobic wastewater treatment is done for PTA wastewater. The technology is imported from Canada. As a result, methane-rich biogas having potential usage as fuel is produced. This biogas is used as fuel in the Dow Vapouriser in the Polyester plant.

COD Reduction at Hazira

At Hazira, we have taken special efforts to reduce COD levels from 200 mg/l to less than 80 mg/l. A linear





programming software was installed for ETP operation, monitoring and control and ETP controls were automated. This resulted in improved influent quality.

Jamnagar

At Jamnagar, we are not drawing

The wastewater treatment facilities are designed to reuse 100 percent of the treated effluent.

ground water as this is a scarce resource in the region. All fresh water

requirement for the refinery complex and the company township is met by desalinating sea water. Brine from the desalination plant is discharged into the sea through a diffuser.

The wastewater treatment facilities are designed to reuse 100 percent of the treated effluent. Effluent management includes segregated collection and treatment and maximum reuse of treated effluent in cooling towers, process water, horticulture, coke cutting and as fire-water make-up.

- The wastewater generated in the refinery is treated in three separate

Treated water sample at our Effluent Treatment Plant.





Landscaping in Jamnagar township.

identical trains, two for Low Total Dissolved Solids (LTDS) wastewater and one for High Total Dissolved Solids (HTDS) wastewater.

- The LTDS stream is a mixture of process/oily wastewater. This water is treated to an effluent quality, meeting the demands of cooling water make-up, fire-water make-up and irrigation water for local green belt development and maintenance.
- The HTDS stream is a mixture of

process/oily wastewater from the crude unit desalters containing dissolved salts such as Sodium Chloride, neutralised spent caustic, crude tank drains and contaminated cooling water blowdown. This water is also treated to an effluent quality meeting the demands of make-up in a seawater-cooling tower.

- The township has been provided with a separate sewage treatment plant and all the treated sewage is used in the township for horticulture.





BIODIVERSITY

At RIL, our respect and care for the natural ecosystem is intrinsic to our culture and values.

GRI GUIDE

EN 6 - Location and size of land owned, leased or managed in biodiversity-rich habitats.

EN 7 - Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, fresh water and marine environments.

All our plants are situated in areas that are not classified as special zones - such as protected forest, sites of ecological importance, sites with biodiversity-rich habitat, sites of archaeological importance and other such sites.

However, we are aware that our activities at each site can affect biodiversity and have taken necessary measures to minimise impact.

Hazira

Hazira covers an area of 284 hectares of which the green cover - green belt and lawns - constitutes about 64 hectares.

- 40 percent of the green belt is covered under drip irrigation while 20 percent of the lawn area is covered under sprinkler irrigation.
- Our green belt constitutes various hydrocarbon assimilating species like Syzygium Cumini, Delonix Regia, Accassia Auriculate Formisin.
- About 10,000 trees and 1,000 shrubs and ornamental plants are propagated annually in the nursery at Hazira.

In order to preserve biodiversity, we release the treated effluent from the petrochemical complex in the Tapi estuary through a subsurface outfall which is operational for more than a decade. We have engaged the National Institute of Oceanography to conduct monitoring in the estuary during pre- and post-monsoon seasons; the study

Fruits in our green belt - Jamnagar Refinery.





Thimmaiah Machiah, Horticulturist, in the demonstration farm at the Jamnagar Refinery.

revealed that there is no evidence of disturbance in the natural ecosystem due to our operations.

Jamnagar

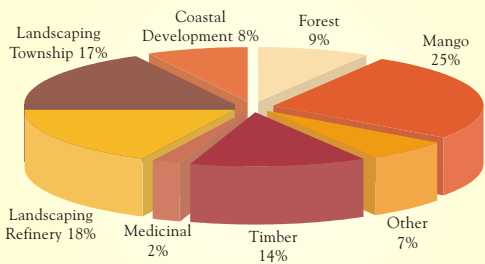
In and around the Jamnagar refinery site, we have transformed the arid land into a green belt. The advantages of the drip irrigation system (DIS) have been

harnessed to create and nurture this green belt.

- Dhirubhai Ambani Lakhi Bagh houses Asia's largest mango plantation with a concentration of 593 trees per hectare.
- Other non-native fruits grown include fig, tamarind, grapes, guava, pomegranate, *ber*, cashew and *amla*.
- This green belt also houses medicinal and aromatic plants covering an area of 31 hectares.
- We have successfully brought two pilot polyhouses into operation as an agro business venture.

The green belt acts as a pool of life, nurturing the growth of greenery in an arid and water-scarce region. We have ensured that this is effected in a sustainable manner.

Biodiversity* (2004 - 05) - EN 6



*data only for Jamnagar





CLIMATE CHANGE

We understand the importance of reducing greenhouse gas emissions and believe that it is our responsibility to develop and implement solutions to curb climate change.

GRI GUIDE

EN 8 - Greenhouse gas emissions.

Oil and gas constitute a major part of our business and we believe it is our responsibility to take a lead in finding and implementing solutions to climate change and stepping up efforts to ensure sustainability.

We have initiated monitoring of GHG emissions. Overall, the GHG emissions from our activities increased by 4 percent primarily due to our expansion projects. We have implemented various energy conservation measures targeted to reduce GHG emissions.

At RIL, we believe that care for life is the core of our existence.

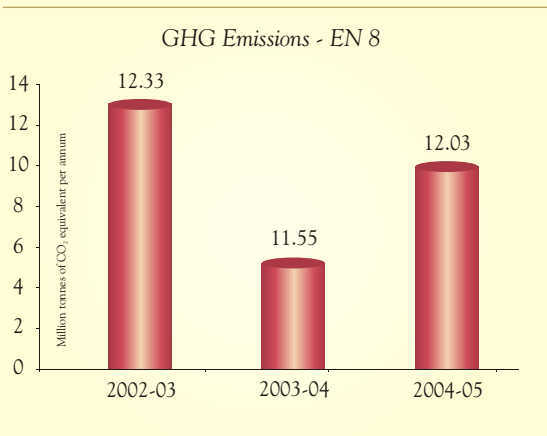
Increase energy efficiency

Recovering waste heat from

processes, cogeneration facilities, heat integration using Pinch technology (implemented at all three complexes), flare gas recovery and various other energy conservation projects are some of the initiatives that have helped us in reducing greenhouse gas emissions from our operations.

Support flexible and economically sound policies and mechanisms that protect the environment

With our country having ratified the



Kyoto Protocol, our businesses are continuously targeted to work in line with the commitment of our government to manage greenhouse gas

Greenhouse at Jamnagar.





emissions from our operations. We support the development and use of the international mechanism for GHG emission reduction - the Clean Development Mechanism (CDM), which provides a flexible, market-based, economically sound way to reduce emissions. We have also developed a central CDM body with experts in the

The flaring of hydrocarbons from the Coker plant has reduced by 95.4 percent.

field to form our Energy Cell. This body performs a critical function and considers CDM requirements at the time of conceptualising any new project.

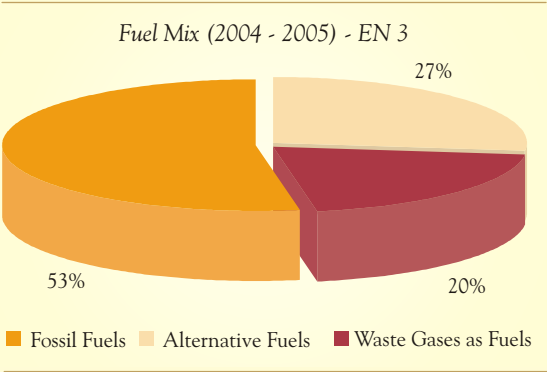
LLP Flare Gas Recovery

At Jamnagar, we have installed a flare gas recovery system at the delayed Coker unit to recover flare gas.

Around 44 T/day of hydrocarbon flare gases are recovered by the recovery system. Apart from the reduction of flaring from the Coker, the following minor changes were also observed in

the plant:

- Marginal increase in Gas plant compressor power to accommodate additional flare gas
- Increase in fuel gas yield
- Increase in H₂S in Rich amine



- Increase in sour water generation from the fractionator overhead condenser

As a result of the installation of this system, the flaring of hydrocarbons from the Coker plant has reduced by 95.4 percent. There was also a reduction of SO_x levels in the flared gas by 95 percent. The economic benefit of the project is about INR 157.5 million every year.

LLP flare gas recovery.





OZONE DEPLETING SUBSTANCES

In line with the Montreal Protocol, we have initiated our own plan to eliminate ozone depleting substances, way ahead of the year 2010 deadline.

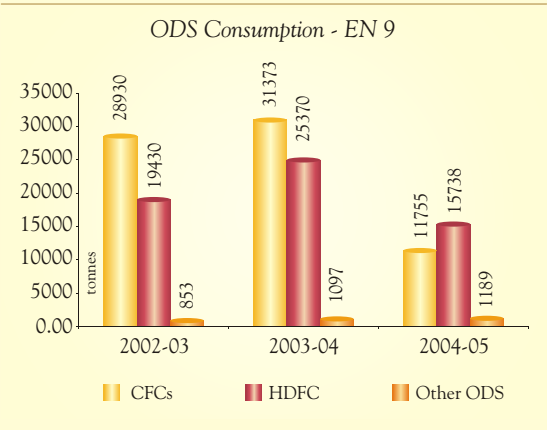
GRI GUIDE

EN 9 - Use of Ozone Depleting Substances.

The Montreal Protocol mandates phasing out of Ozone Depleting Substances (ODS) by the year 2010. We have taken the decision to phase out ODS from our operations before the deadline. Our various initiatives at the sites have resulted in a 50.4 percent reduction in ODS consumption from that of 2003-04 levels.

At Patalganga, an initiative to phase out R-22, a potential ozone depleting

substance was launched. We have initiated monthly checking and fixing of leaks from every chiller using the Freon leak detector.



At Hazira, we have achieved a 53 percent reduction in ODS consumption, compared to the year 2003-04, by setting up a refrigerant recovery unit. The procurement of Halon has been discontinued since 1999. To a large extent, Halon type extinguishers have been replaced with CO₂ type extinguishers.

Mock drill - Fire fighting.





AIR EMISSIONS

Regular monitoring of SO_x, NO_x, SPM and ambient air quality form the backbone of our effective air pollution management system. This is supported by numerous initiatives to continually improve air quality.

GRI GUIDE

EN 10 - NO_x, SO_x and other significant air emissions.

The volume of air emissions and their potential impact depends on the nature of the process under

consideration. We have demonstrated our commitment to improve our environmental performance by improving our processes to minimise SPM, NO_x and SO_x emissions.

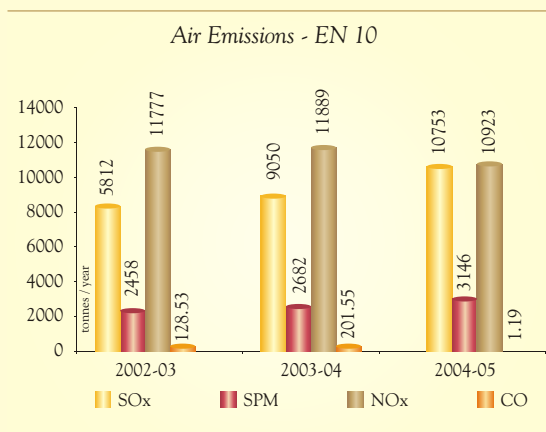
RIL is one of the sponsors of the Indian Clean Air Programme (ICAP) which is looking at air quality in metros and is working towards improvements in this direction.

Ambient air quality and stack monitoring are regular features at all our manufacturing sites.

- At Patalganga, we have installed various air pollution control equipment - like cyclone separators and gas scrubbers - to reduce air emissions to

Jamnagar Complex.





the atmosphere. Regular monitoring of both stack and ambient air is carried out to assess effectiveness of our pollution control equipment and the control process parameters designed to minimise air emissions. Monitoring of heater stacks at the Patalganga site has been exempted from SPM monitoring by the State Pollution Control Board (due to use of process off gas as fuel), and therefore the results do not contain the SPM from these stacks. This is,

however, expected to be negligible.

- At Hazira, we carry out stack monitoring every day. For ambient air monitoring, we have three mobile stations and six fixed stations at various villages. Ground level concentration at each location is measured every month on a voluntary basis.
- At Jamnagar, all fired heaters are provided with advanced combustion control systems, staged air combustion and low NOx high efficiency burners to ensure complete combustion resulting in reduced Carbon Monoxide, unburnt HC and NOx emissions. In the FCC at Jamnagar, we treat the FCC feed in VGO hydrotreaters. This helps in reducing stack emissions and also improves yield. There is a provision of high efficiency CBA units for recovering sulphur from sour gases. The Jamnagar refinery also supplies clean fuels in the market in line with the government's Auto Fuel Policy.

Single Point Mooring at high sea, Jamnagar.





WASTE MANAGEMENT

We believe that waste management at the source is the most effective and efficient action for the handling and disposal of our wastes.

GRI GUIDE

EN 11 - Total amount of waste by type and destination.

We strive to create wealth from waste. All our sites are equipped with efficient waste recovery units. We thus maximise our throughput while simultaneously negating the environmental impact of the wastes.

We convert process waste fibre into a fibrous and fluffy mass to make stuffing for pillows and mattresses.

We have adopted the following practices to ensure the efficacy of our

waste management programmes:

Patalganga

- Incinerator Ash, generated from the process, is re-processed to recover Cobalt and Manganese. This prevents heavy metal pollution and also reduces cost. The catalyst used for oxidation of PX in the PTA plant is recovered from the Incinerator Ash which is converted from its Cobalt Oxide form to Cobalt Acetate form and reused in the oxidation process. Approximately 100 to 150 TPA of ash is processed for recovery and reuse as Cobalt Acetate catalyst.
- The biological sludge generated from effluent treatment plants is about 80 to 100 TPD having 2 percent solids. This is de-watered in a belt filter press system to a cake having about 20 percent solids. The de-watered biosludge has been successfully vermicomposted by mixing with garden and canteen waste to yield valuable soil conditioner and

Dry leaves composting at Patalganga.





manure. Further efforts are on to anaerobically digest the biosludge to generate biogas.

Hazira has eliminated the use of chemical fertiliser by meeting its entire need with vermicast fertiliser from horticulture waste.

- An additional plate and frame filter press has been installed in the LAB plant to recover Calcium Fluoride solids from the KOH regeneration system. Prior to the filter press, the overflow from the neutralisation basin carried fluorides into the ETP and resulted in a high pH. Now there is feed to the filter press directly from the KOH regenerator bottom for KOH recovery (filtrate) and removal of Calcium Fluoride solids. We have been able to reduce the volume of Calcium Fluoride sludge by four times; this has eliminated acid usage for correcting the pH of the liquid effluent.
- The DHA Hospital has an incinerator for disposal of the biological waste from the hospital and the OHC.

Hazira

Apart from the regular reduce, recycle and reuse programmes, we have initiated other activities to strengthen our waste management systems.

- We have set up a waste segregation and recycling activity in collaboration with Surat city authorities. This initiative has helped in generating fixed employment for rag pickers and has eliminated middlemen by directly facilitating the purchase of

PET scrap from rag pickers, giving them better returns.

- We have started producing biogas from canteen waste by installing a digester, capable of handling 500 kg/day of kitchen waste producing 50 m³/day of biogas.
- We sell waste silica gel to silicate manufacturers, spent alumina to refractory manufacturers and spent Nickel-Cadmium batteries to the supplier. These offsite waste processors' facilities are audited by environmental officers from the site.
- Hazira has eliminated the use of chemical fertiliser by meeting its entire need with vermicast fertiliser from horticulture waste. The capacity of the vermiculture plant was augmented from

Preventive maintenance.





40 MT/yr to 60 MT/yr to meet the increasing demand.

Jamnagar

Segregation of waste into hazardous and non-hazardous categories is done at the source of generation itself. The wastes are further split into various categories based on their physical and chemical characteristics. Separate facilities for their segregation have been provided at our plants.

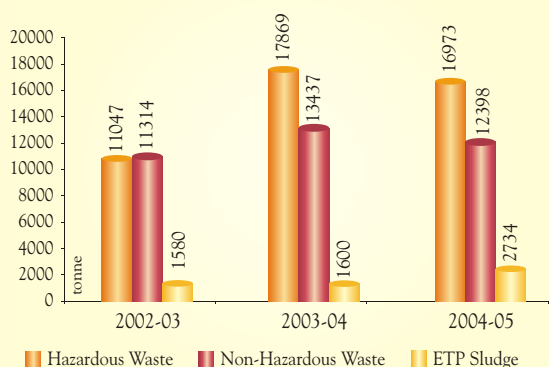
Non-hazardous wastes are segregated at the plant level into saleable and non-saleable categories.

- Our advance-delayed Coker can process the hazardous oily sludge and convert it into value-added petroleum coke. As a result, other solid wastes - like spent activated carbon, amine treatment carbon and charcoal from units like Merox - could be

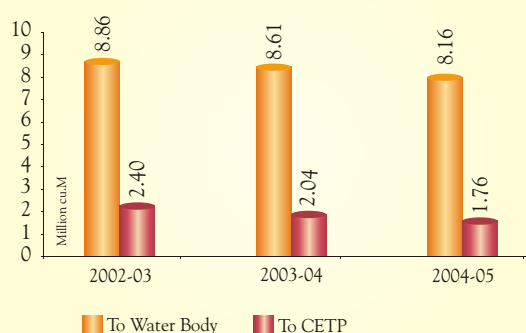
blended with coke and converted into energy sources.

- Slop oil from the oil separator in the effluent treatment plant is recycled back to the refinery.
 - Wastes including oily rags/papers, contaminated non-plastic packing and others are disposed in the secured landfill facility within the refinery complex. Upstream and downstream groundwater samples are collected and analysed regularly.
 - Decontamination of drums and spent clay/alumina is done for a safe and environmentally compatible disposal.
 - Non-hazardous wastes are segregated at the plant level into saleable and non-saleable categories. Saleable material is sent to the scrap yard and sold to various vendors as scrap.
- Non-hazardous, non-saleable material such as masonry waste is landfilled. We ensure that soil cover is provided on the sides of the landfill.

Waste Generated - EN 12



Wastewater Discharge - EN 12





SPILLS

We understand the nature of our operations and hence our spill management system has been reinforced with a rigorous emergency preparedness and response plan, supported by a well-designed network of oily water sewage systems.

GRI GUIDE

EN 13 - Significant spills of oils, chemicals and fuels in terms of total number and total volume.

Management of spills of oil and chemicals is an important parameter in the measurement of the sustainable environmental performance of any integrated petrochemicals industry.

- As defined by our Jamnagar complex, a spill of less than 5 litres is a micro spill; a spill of less than 500 litres is a minor spill and any spill above 500 litres

is considered a major spill.

- Small-scale spills may have minimal environmental impact; but we take utmost care to prevent such a situation.
- In the event of any accidental spillage, we have in place a rigorous emergency preparedness and response system.
- A well-designed oily water sewerage system collects all the unintended spills and routes them to our effluent treatment plants.

With respect to spills, high consequence areas include populated areas, commercially navigable waterways, unusually sensitive ecological areas and drinking water sources. The most sensitive spots for leakages and spills are the pipelines laid under the sea water for carrying crude from the vessels to the shore tanks. Periodic inspection is done to measure and analyse the conditions along the walls of the pipes to identify potential problems before they develop into leaks.

Refinery tank farm.





❧ SOCIAL ❧ Performance Indicators



This section elaborates on our social performance in the past three years classified under diversity, health and safety, training, work ethics and others. We have implemented safety and health management systems under OHSAS 18001 and await certification for the same. We respect the culture of our employees and always take care to ensure their safety and good health. We believe in a merit-oriented recruitment policy; at the same time, we respect the local people and give them opportunities and preference, based on calibre and potential.





DIVERSITY

*We believe in the power of people.
We are committed to nurture and engage
people power in building our institution.*

GRI GUIDE

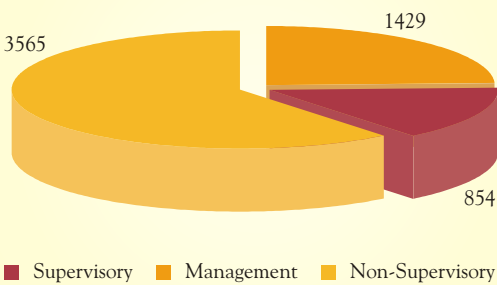
LA 1 - Breakdown of workforce where possible by region/country, status (employee/non-employee), employment type (full-time/part-time), and by employment contract (indefinite or permanent/fixed term or temporary). Also identify workforce retained in conjunction with other employers (temporary agency workers or workers in co-employment relationships), segmented by region/country.

LA 2 - Net employment creation and average turnover segmented by region/country.

LA 3 - Percentage of employees represented by independent trade union organisations or other bona fide employee representatives broken down geographically or percentage of employees covered by collective bargaining agreements broken down by region/country.

We work closely with our employees and our contractors. We strive to understand their needs and expectations, to provide them a safe and healthy workplace, to respect their culture and establish partnerships to achieve common and acceptable solutions.

Workforce breakdown (2004-05) - LA 1



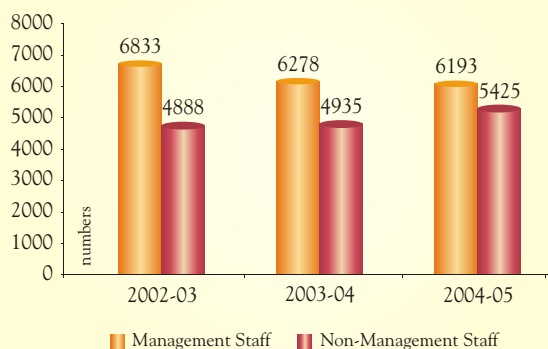
Our diverse workforce across the three sites stands at a total of 11,620. This workforce is distributed across all locations.

- Across locations, we have organised our workforce into two categories: Supervisory and Non-Supervisory Staff. The former is further classified into Senior Management, Middle Management and First Line Management; the latter category comprises Workmen and Retainers.
- This year we increased employment generation by 42 percent for Supervisory Staff and 13 percent for Non-Supervisory Staff as against last year.
- Our workforce is truly representative of our country's diversity. Priority is given to generate local employment. Currently 50 percent of our employees





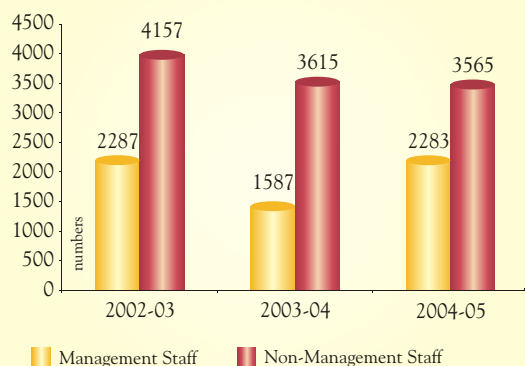
Type of Employment - LA 1



represent the local population.

- About 40 percent of our workforce comprises contract labour. We have established a separate contract cell to ensure better facilities and adequate

Regional Break-up - LA 1



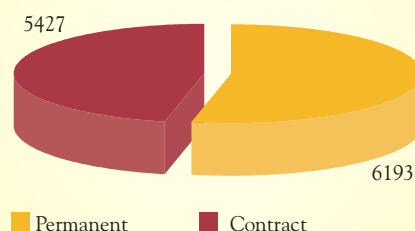
training of the contract service personnel and to execute timely payment to all contractors.

- As part of our commitment to meet contractor expectation, we launched a

Six Sigma initiative to map the payment process. Under this project, we will map the reasons for untimely payments. We have also commenced the training of contractors to acquaint them with our requirements.

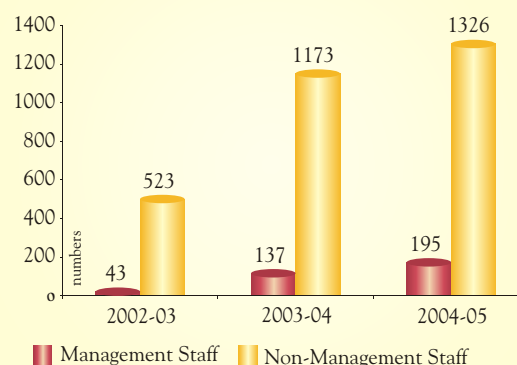
At RIL, we lay stress on the quality of life of our people. We are creating a

Workforce Diversity - LA 1



workplace that facilitates professional as well as personal growth. We believe in creating opportunities for our employees through our career growth programmes.

Employment Creation - LA 2





HEALTH AND SAFETY

We are committed to ensure the health and safety of every person directly or indirectly related to our complexes.

GRI GUIDE

LA 6 - Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees.

LA 7 - Standard injury, lost day and absentee rates and number of work-related fatalities (including subcontracted workers).

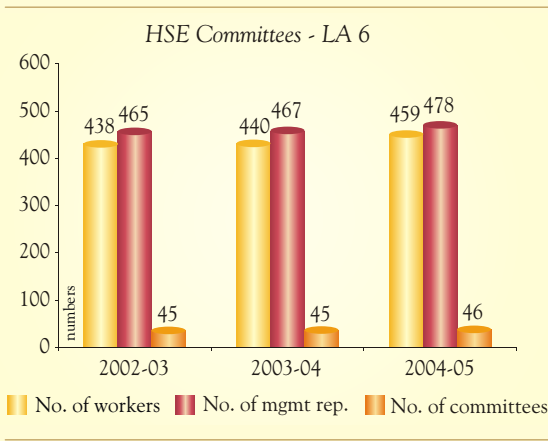
We accord high priority to the provision of adequate and modern medical services to all our people. We believe that good safety performance is an integral part of efficient business management.

- Our morning meetings commence every day with updates on safety at each site.
- Each operating location has an occupational health centre.
- We lay emphasis on prevention of work-related health hazards, reduction of health impairment and promotion of positive health.

To ensure safety at the workplace, we have designed the following programmes:

- Safety performance benchmarking against leading international

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



Creating safety at work

To implement safe work practices, we have constituted health and safety committees at all the sites. The committees ensure safety at work and encourage the reporting of near-miss incidents. The role of these committees includes spreading awareness on safety, taking stock of OHSAS implementations, goal setting and involvement of people at all levels.

The committees have adequate representation from supervisory and non-supervisory staff. Their role covers the following:



- Annual health and safety plans at each site include setting frequency of occupational health check-ups, exposure assessment, job rotation and other issues.

We have established an online suggestion scheme for suggestions from all employees and contractors.

- Enhancing community awareness on safety is one of the key points on the agenda of the committees.
- We have established an online suggestion scheme, wherein suggestions are invited from all employees and contractors. These suggestions are then studied in detail by committee members, an implementation plan is drawn and priorities are set.
- Bringing plant personnel and the

contractor workforce to a common platform is ensured, so that there is joint ownership when it comes to safety.

Contractors' safety

It is more challenging to ensure good safety performance of the safety personnel. This is largely due to their low levels of literacy and also the underprivileged economic background that they come from.

Feedback from a stakeholder

"Over the years, we have seen that workplace safety has been given growing prominence; we have observed a sea change in safety management in the last five years. It is a good change and my personnel don't ask for more compensation in view of an unsafe workplace."

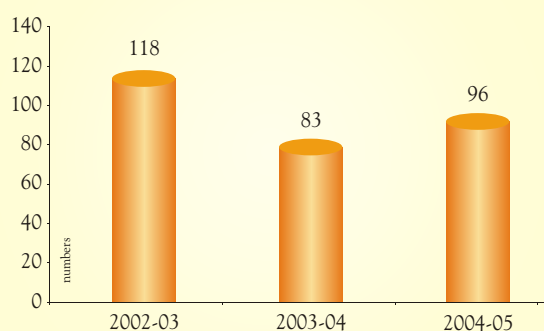
- Vishal Engineering, Hazira

Safety at workplace.





Safety - Minor Injuries - LA 7



Statistics and experience reveal that an additional benefit from improved safety performance leads to overall effectiveness in the execution of contracted work.

- We train the contractors for safety procedures and provide a safe work environment. We clearly communicate our safety requirements to the contractor and monitor his performance with respect to safety.
- We have set safety standards for the contract employees at par with those of the company's employees; any violation observed is dealt with strictly, to the level of termination of the contract.

Safety parameters

First Aid: Injury which does not need any further follow-up with medical services within the plant or outside. It is restricted to first aid only.

Minor Injury: Injury which needs further follow-up treatment from medical services but the person will not be away from his/her duties for more than 48 hours.

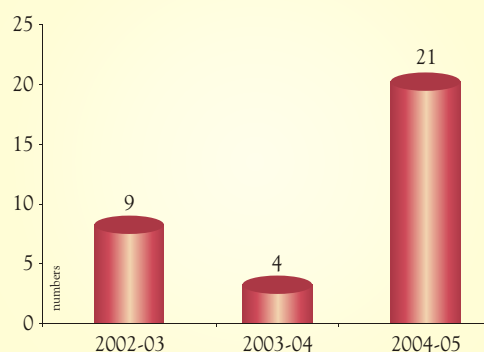
Lost Time Injury: Injury which is serious in nature and where the injured

person will not be able to attend duty for more than 48 hours from the time the injury has taken place.

At RIL, employee welfare is the key objective of the Medical and Occupational Health services. Headed by an Occupational Health Specialist, every Occupational Health Centre (OHC) has a team of doctors, paramedics and support staff like ambulance personnel. Since 1999, all our employees have undergone medical check-up.

At OHC, in addition to round-the-clock curative medical services, surveillance measures aimed at prevention are also undertaken. These are:

Safety - Major Injuries - LA 7



- An annual medical examination for all employees.
- A biannual medical examination for identified groups as per statutory requirements.
- Weekly biological monitoring for those employees working in areas prone to chemical exposure.
- Pre-retiral check-ups for all retiring employees.
- A biannual examination of food handlers at the canteen.

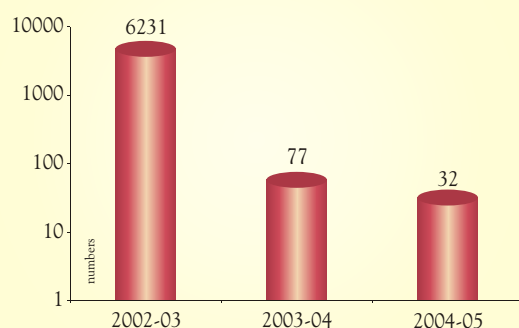




Every OHC is equipped with modern equipments:

- Audiometer with a soundproof Audiometry booth
- Titmus Vision Tester
- Computerised ECG Machine

Safety - Lost Mandays - LA 7



- Pulmonary Function Test
- X-Ray Automated Pathology Equipment - Vitros 250 Analyser (for blood chemistries) and Gas Chromatograph
- Gas Chromatography Machine for Urine Phenol monitoring
- Shortwave Diathermy

In addition to the above equipment, the medical centre at JN has a defibrillator and a physiotherapy centre.

Working on the theme to enable the employee to understand his own health better, over the last four years, the OHCs have evolved an effective multipronged approach.

- The Annual Medical Examination is followed up with feedback in the form of a handy Health Card. This serves as a constant reminder to the employee about any measures suggested and also contains his medical data, which will be

invaluable in an emergency.

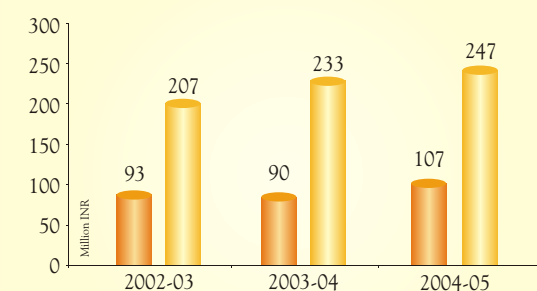
- Regular Health Education

Programmes are conducted, periodically on the shop floor as well. High priority is accorded to heart diseases, related exercise and nutrition awareness.

Some of the topics covered at such interactive sessions include: Prevention of heart diseases; Role of diet in heart diseases; Living with hypertension; Prevention and control of backache; Occupational health and hearing conservation; HIV/AIDS awareness; Hazards of smoking and chewing tobacco; First aid.

- Stress Management workshops are organised for employees and their families.

Employee Benefits - LA 12



■ Contribution to healthcare ■ Contribution to employee welfare

Investment per Worker in Illness and Injury Prevention covers:

- Medical insurance and hospitalisation benefits extended to all employees, their spouses, two children and parents.
- Personal accident policy for workmen against loss of wages due to injuries.



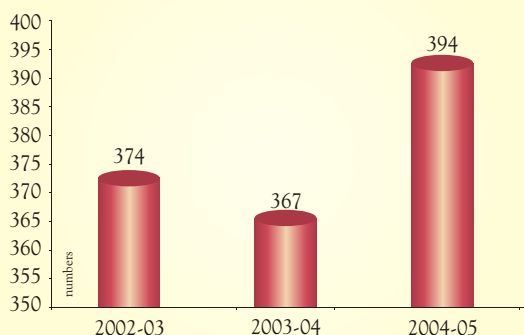


Behaviour-based Safety

We believe promoting a safe behaviour culture among our people is the key to improving our safety performance. Our endeavours include:

- Institutionalising behavioural safety audit followed by data analysis and necessary corrective measures.
- Introducing the 20 minutes for safety campaign for all our staff to focus attention on and encourage contribution towards safety awareness and interventions.
- SOP/SMP audits to ensure process safety and plant integrity by focusing on implementation and continuation of good behavioural practices.
- Communicating the learning from investigations of incidents at our site and of incidents in similar industries.

Safety - Near-Miss Incidents - LA 7



All our employees across all our sites are taking steps to prevent such occurrences.

- Enhancing PPE usage by proper signage and education.
- Introduction of an online unified reporting system for reporting unsafe behaviour.

We promote near-miss reporting of incidents so that the learnings from these incidents will help to achieve an accident-free safe site.

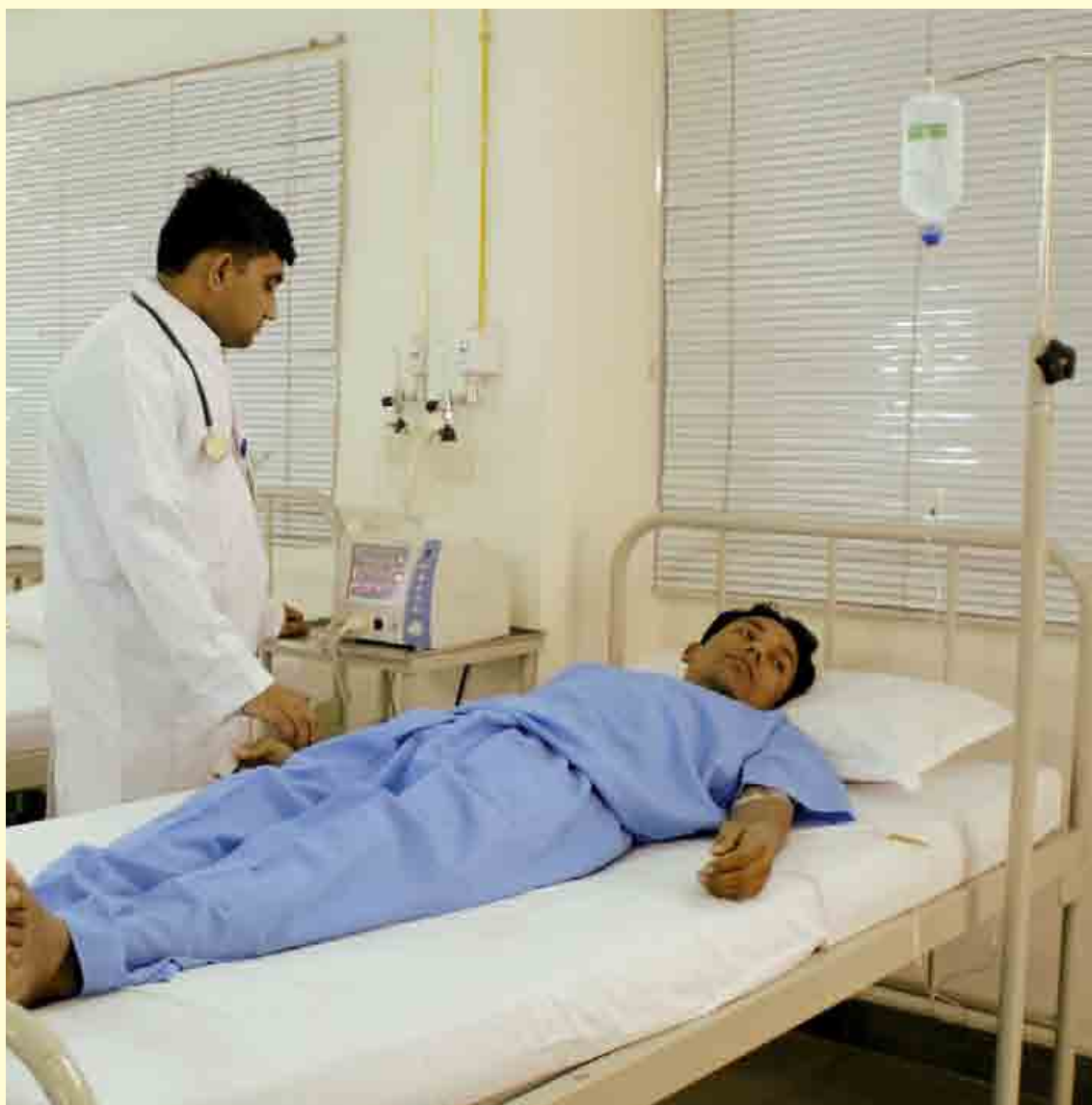
CASHE - Change Agents for Safety, Health and Environment.

Project CASH (Change Agents for Safety and Health) was a new initiative introduced in 2003. This initiative has now evolved into a programme of full-fledged activities envisioned to inculcate the best safety and occupational health work practices.

We have now included environmental systems as a part of CASH; hence the initiative has been renamed CASHE (Change Agents for Safety, Health and Environment).

- The project's main objective is to steer the workforce to concentrate on workplace, occupational health, safety and environmental hazards and take appropriate precautionary measures to prevent related accidents/injuries/illnesses/mishaps.
- The project aims to bring about a positive change and continual improvement in occupational health, safety and environment practices.
- Apart from engineering solutions, behavioural and attitudinal change is also evident among workers and employees. For example, the PPE's compliance has improved from about 70 percent pre-CASHE to almost 100 percent post-CASHE.





Occupational Health Centre at Jamnagar.

The following learnings from CASHE projects are being implemented across all sites:

- Primary prevention is the best strategy to reduce hazards.
- The involvement of people from the shop floor brings in effective solutions.
- Technological advancement helps in building an improved workplace.
- The reduction of hazards creates better health for employees and also improves productivity and profitability.
- Commitment from the management initiates change at the grassroots level.
- These projects encourage out-of-the-box thinking.
- A sense of determination and commitment help in initiating and sustaining behaviour change.





TRAINING

The mission of our learning centres is to create and nurture a knowledge-driven and change-receptive organisation by offering opportunities for self-development to all employees.

GRI GUIDE

LA 9 - Average hours of training per year per employee by category of employee.

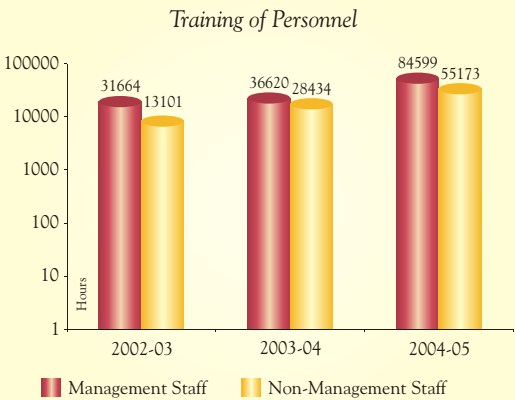
Enterprise Development

We think, behave and thrive with a global mindset. We encourage every employee to reach his/her full potential by availing opportunities that arise across the group.

Our aims for employee development are not just targeted at acquiring skills to solve specific problems. We work to expand the existing knowledge base to intelligently address new problems and opportunities and to increase our understanding of cross-functional linkages. We perceive this to be an indispensable contributor to the building of a strong enterprise.

- Every employee is trained in the basic skills required for the effective and efficient operation of the plants.
- Rotation of jobs across different functional areas has helped employees to understand the complexity of operations. This has also enabled them to share their knowledge when required with other sites.
- To remain competitive and environment-friendly and to increase

our quality and product output, we have implemented various quality and



management systems, thus decreasing the downtime across every plant of RIL.

- To achieve a Zero Defect Work culture, we have introduced *Six Sigma* and *Quality Management* systems.
- Six Sigma training has been initiated across the businesses, manufacturing and service functions. 25 full-time Black Belts are spearheading high impacts across functional projects at Patalganga; 410 Black and Green Belts are performing a similar function at Hazira. We have planned the training of 40 percent of our supervisory staff for Six Sigma methodology, which would motivate them to work towards achieving world-class performance.
- Programmes for training and capacity building are given prime importance vis-à-vis the professional growth of our people.
- Any employee who joins our organisation is given training in different departments. Every graduate trainee receives on-site training before





he is deputed to a plant job. Our employees have to set their training man-hours and get continuously updated through in-house and professional training programmes organised by RIL. This training includes subject training across different levels of employees.

- Training budgets across RIL sites have steadily increased by 95 percent from the base year 2002-03.

RIL is associated with premier Indian institutes like IIT, Mumbai and IIM, Bangalore.

- Every year we sponsor over 250 engineers in specially customised technical and management programmes.



On-site training.

for all employees in assistance with international consultants.

Our Learning Centres

We have established training and development centres across all our sites; we refer to them as Learning Centres. The mission of these learning centres is to create and nurture a knowledge-driven and change-receptive organisation by giving opportunities of self-development to all employees.

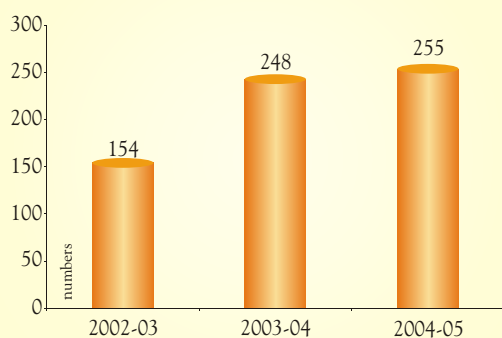
The learning centres are well-equipped with the latest tools and techniques. They operate on the Self-Development Module of SAPHR and follow a specific matrix model for the learning and development of employees.

The model includes the following steps:

- Develop Knowledge, Skills and Attributes (KSA) Matrix for each position
 - to do the current job
 - to do the current job better
 - to take on the next higher job

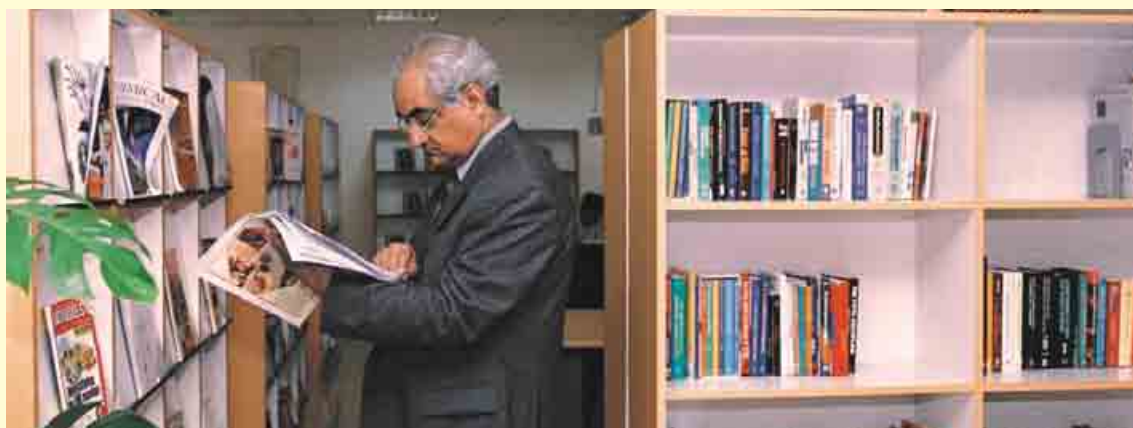
This serves as a benchmark.

On the Job Training - LA 9



- We have sponsored 91 science graduates.
- Diploma holders complete RIL's certified engineering course with IIT, Mumbai.
- The organisation has also started a *Manufacturing Leadership Programme* for its Senior Executives in association with Hewitt Associates and has embarked on developing a performance-linked incentive scheme



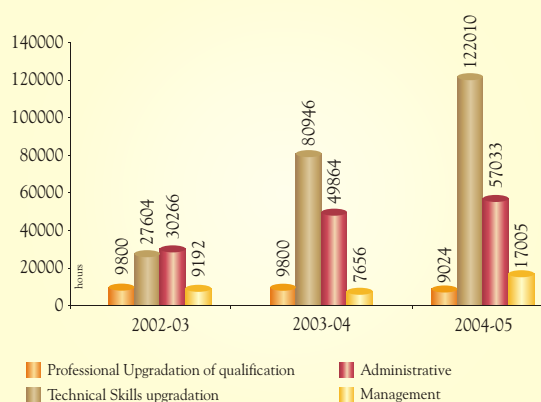


Library at Jamnagar.

- Assess each individual against this benchmark.
- Identify the Individual Learning Needs (ILNA).
- Consolidate the ILNA data for the year to structure the Plant/ Department/Learning Centre annual training calendar.

- persons who have attended external seminars to share their learning.
- Seminar CDs on Network - an initiative to make available to everyone the relevant information and study material of the seminars conducted either in-house or externally.
- e-Knowledge Site - a site containing web resources to make available the latest developments in various disciplines to the concerned personnel.
- Digital Library - a medium of transferring the latest available information in a classified form right on to the desktop of the concerned personnel.
- Internet Stations - an initiative to make available Internet access to all.

Training - Subject - LA 9



Apart from normal SDM activities, the learning centres also have certain knowledge enhancement initiatives:

- Discussion Forum - a forum to enable any group or individual to discuss and/or share ideas and knowledge.
- Seminar Forum - a forum to enable

To assess the effectiveness of training, the learning centres have initiated several procedures. All learning centres are ISO 9001 certified. The principle behind the Customer Satisfaction Survey from ISO 9001:2000 has been adopted to obtain feedback. Subsequently an action plan is being prepared to improve the effectiveness of our training programmes.





OTHER SOCIAL ISSUES

Political lobbying

We do not associate with any political party but provide support under the legal umbrella.

Child Labour

We have procedure in place to prevent the use of child labour.

- Every employee is issued an identity card where the date of birth is clearly mentioned.
- We instruct our contractors not to employ children below 18 years of age.
- We monitor our contractors randomly and check their identity cards. So far we have not witnessed instances of child labour in any of our plants.

Work environment

We encourage a friendly work environment.

- Towards this purpose, we have designed various team-building programmes under initiatives such as TQM, Six Sigma and CASHE projects.
- We invite suggestions from our employees and contractors, analyse their suggestions and implement the feasible ones.
- There is freedom of association and we have trade unions at every site.

We are sensitive to the need to respect human rights. We aim to ensure that we act responsibly to protect the rights of employees and contractors.

Recruitment at RIL

At RIL, we maintain and ensure transparency in the recruitment process.

- This process places merit on top priority - independent of caste, creed and culture.
- Outlook scores second on the priority list.

We believe that good work will help us in building an efficient, challenging and value-driven environment.

- We are an equal opportunity employer and do not discriminate on the basis of race, community, religion or gender.
- The process of employee selection is initiated through different print media across India and through an intensive process of campus selection.

Work Ethics

At RIL, we believe in the work ethics as a cultural norm that advocates personal accountability and responsibility. We believe that good work will help us in building an efficient, challenging and value-driven environment.





KEY INITIATIVES

We subscribe to the philosophy of coexistence - Vasudhaiva Kutumbakam - the whole world is one family. We consider our surrounding communities to be our extended family and understand that we cannot exist and flourish in isolation. We work towards improving the quality of life of the people who live with us and around us.

Infrastructural support

We have adopted various villages across three locations and funded education, health, human capital and infrastructural initiatives in these locations.

At Jamnagar, we have constructed temples and assisted in the maintenance of cowsheds in eight villages. We have continually supported the development of the Dwarka Temple, a heritage site of archaeological importance.

The Government of Gujarat has entrusted the Reliance Rural Development Trust (RRDT) with the work of implementing village infrastructure development work in tune with the respective District Rural Development Agencies (DRDAs) through the Gokul Gram Yojana.

- A special escrow account called the Gokul Gram Vikas Fund was created

Student being felicitated by DAF Trust.





DOTS Therapy Centre at Jamnagar.

with DRDA, Jamnagar. RIL contributed an ad hoc amount of INR 5.1 million to this fund.

- The scope of the Gokul Gram Yojana, being carried out under the Reliance Rural Development Trust (RRDT), was extended to 23 districts.

Our employees mingle within the community to find out the impact of our actions.

- Under this project, we have completed the construction of 44 well-commutable village roads, 151 community halls, 63 *panchayat* houses and 16 *anganwadis* - play schools for small children.
- Construction work on 447 new projects has commenced in the villages.

Hazira initially started a DOTS (Directly Observed Treatment Short-course) Therapy Centre for the treatment and control of Tuberculosis. This later graduated to treatment and control of HIV/AIDS.

At Patalganga, efforts are made to gauge the local community's mindset and to understand its perception. Both formal and informal means are employed for this purpose. Our employees mingle within the community to find out the impact of our actions. This is to pre-empt any cause for concern related to our actions.

Some of our best sources of information are one-to-one meetings with *sarpanchs* (democratically elected village chiefs) and newspaper reports and articles published in the local village newspapers or at the state level.





THE DHIRUBHAI AMBANI FOUNDATION

The philosophy of this Foundation is based on the belief that organisational growth objectives need to be integrated into our overall development imperatives for ensuring sustainable all-round growth for local communities, for society at large and for our businesses.

"The impact of business on society results from the way business behaves. What really matters is the outcome."

- Nita M. Ambani

This Foundation was established in 1995 as a Trust with the overall objective of systematic and professional philanthropic interventions, to promote and advance national welfare and social good and encourage the advancement of objects of general public utility.

- Nita M. Ambani is the President of the Dhirubhai Ambani Foundation.
- During the past five years, the Foundation has concentrated on supporting education and healthcare initiatives.

Education

The Foundation has funded and developed educational institutions which aspire to develop confidence, capacity, global mindsets and communication skills in young people.

RIL runs its own schools and these

provide high quality education to the children of its employees and to children living in the neighbourhood. At Patalganga, the J. H. Ambani High School located at the Lodhivli Township, imparts education both in English and Marathi.

We provide computer laboratories to schools in the villages in and around the plants in an attempt to get young people acquainted with the various applications of the computer.

At Hazira, as part of our education outreach programme, we have felicitated students and teachers, provided infrastructure and initiated a "Train the Teacher" programme to benefit community schools.

Dhirubhai Ambani International School, Mumbai

The Dhirubhai Ambani International School (DAIS) commenced academic sessions in

Nita M. Ambani with students of DAIS.





A view of the Dhirubhai Ambani International School.

March 2003. The school provides international educational opportunities in the context of the emerging educational needs of students.

- The school seeks to develop the creative potential in children, shaping them to be critical thinkers who appreciate cultural diversity and a global outlook.
- As a step towards creating the idea of a human-sensitive community, the school has recently opened the Dhirubhai Ambani International School Akanksha Centre in association with the Akanksha Foundation, an NGO working to educate street children.

Rewards and scholarships

The Dhirubhai Ambani Foundation (DAF) has instituted several rewards and scholarship schemes over the years.

- The Dhirubhai Ambani SSC Merit Reward Scheme and the Dhirubhai Ambani Undergraduate Scholarship Scheme encourage and assist district level meritorious students to pursue

professionally-oriented courses in higher education.

- These schemes are also suitably designed to encourage education of the girl child and to integrate the physically-challenged into the mainstream.

The school seeks to develop the creative potential in children, shaping them to be critical thinkers.

- This year 575 meritorious students received rewards and scholarships under the schemes. Over the past 9 years, DAF has covered 4234 students under these two schemes. Of these, 314 are physically-challenged.
- The Reliance Kargil Scholarship Scheme was launched with the generous contribution of RIL employees. It supports 383 children from 103 families of martyrs of the Kargil war as well as disabled soldiers.





CARE FOR GOOD HEALTH

RIL perceives the importance of healthcare and has activated initiatives for its nurture and development.

- Our occupational health centres conduct pre-employment and periodic medical check-ups as well as other routine preventive services for our employees. Specialised tests like biological monitoring for detecting the level of hazardous substances in blood, health risk assessment studies and audits for exposure to various materials are executed on a regular basis.

As part of our commitment to the Millennium Development Goals, we have taken up initiatives to control the spread of conditions such as Tuberculosis and HIV/AIDS.

- Our medical teams regularly conduct health awareness programmes to deal with lifestyle diseases like hypertension, diabetes, heart disease and mental stress.
- One such endeavour in occupational health and safety, Project CASH (Change Agents for Safety and Health) has been introduced at all our manufacturing sites.
- The idea is to facilitate a positive change and to ensure continual betterment in occupational health practices at the workplace, along with attitudinal and behavioural changes among our employees.

The DOTS Therapy Centre

As part of our commitment to the Millennium Development Goals, we have taken up initiatives to control the spread of conditions such as Tuberculosis and HIV/AIDS in an effort to eradicate them. We have collaborated with many agencies to build unique Public-Private Partnerships (PPP).

OPD at Lodhivli Hospital.





Emergency treatment at Lodhivli Hospital.

The Dhirubhai Ambani Hospital, situated on the Mumbai-Pune Highway, caters to the health needs of the residents of the Reliance Township and the community at large.

The well-equipped DOTS (Directly Observed Treatment Short-course) Therapy and Microscopy Centres established at the Community Medical Centres at Hazira and Jamnagar cater to a total population of approximately 150,000 each.

- For detection and control of Tuberculosis and HIV/AIDS, the centres concentrate on the workplace as well as on the villages, involving the local population and families of our workers.
- Comprehensive healthcare to all those affected is imparted through intercessions like counselling, education, training, social and nutritional support.

The Dhirubhai Ambani Hospital, an 80-bed hospital situated at Lodhivli on the Mumbai-Pune Highway, caters to the primary and secondary level health needs of the residents of the Reliance Township, residents of other industrial residential colonies around the area and the community at large. It also provides emergency care to victims of highway accidents.

Apart from managing medical centres and hospitals, our medical services offered at different locations include:

- free outdoor medical services for nearby communities
- outreach mobile medical services
- family planning camps
- blood donation drives
- antenatal check-ups
- vaccination centres
- pulse polio camps
- school health check-ups
- diagnostic multi-disciplinary camps
- eye camps
- HIV/AIDS awareness drives





CARE FOR THE VISUALLY-CHALLENGED - THE DRISHTI INITIATIVE



Eye testing of senior citizen.

The Drishti Project began its journey as a nationwide corneal grafting drive on December 28, 2003.

Today, Drishti has further increased its scope by:

- creating opportunities through development of technology solutions to empower the visually-challenged,
- actively participating in blindness prevention activities,
- creating awareness about the

compelling need for eye donation.

The project works in the following areas:

- carries out corneal grafting surgeries,
- has covered 64 Brihanmumbai Municipal Corporation schools,
- has screened 8,838 students of the age group 7-14 years to detect and prevent blindness at an early age,
- has provided 401 pairs of spectacles.





✧ OUR APPROACH TO REPORTING ✧



Interaction with one of our contractors.

We also have a committee at the board level that looks into HSE issues, plans programmes and rolls out policies addressing these issues.

We have been measuring our performance against health, safety and environmental (HSE) issues as part of our routine monitoring mechanism. We also have a committee at the board level that looks into HSE issues and plans various programmes and rolls out policies addressing these issues.

Social issues are still not an integral part of our management systems and performance against these indicators is not monitored systematically. We do

have a dedicated team at each site that looks into issues pertaining to our external stakeholders. We have been addressing such issues and establishing partnerships with surrounding communities and other stakeholders such as suppliers, customers, regulatory authorities, shareholders and others.

The demographic profile and social issues differ with each location. Hence the approach to address these issues is unique to each site. The overall concept at the corporate level covers the agenda for Education, Health and Quality of Life for all sites.

In this report, we have attempted to use the GRI framework primarily to identify appropriate indicators and



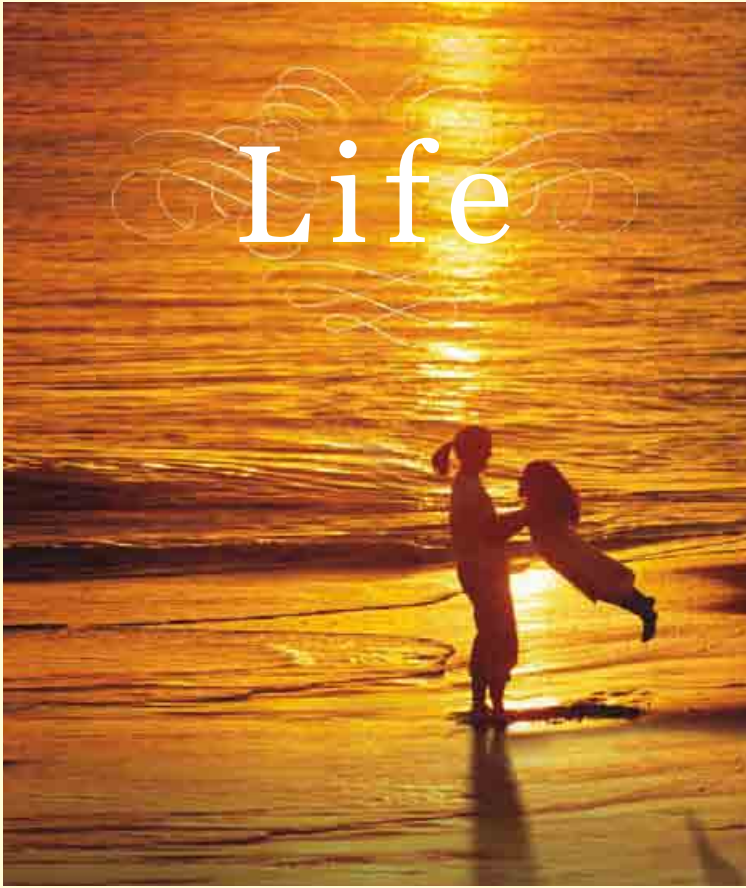
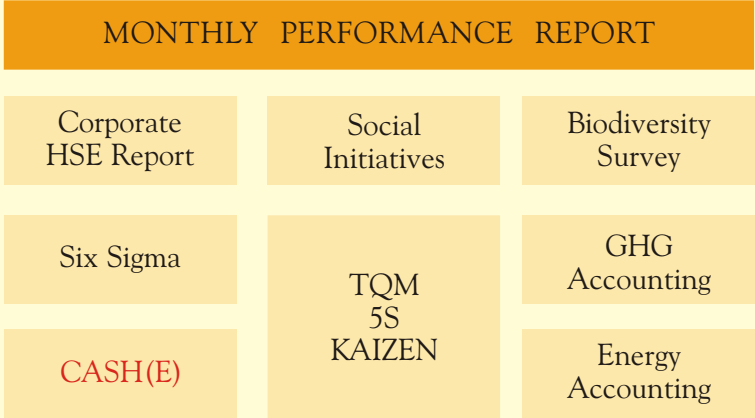


to integrate social issues with business strategy.

We have now focused on core indicators and plan to include

additional indicators in our future reports.

We have tried to link all existing systems within this report.





What a beautiful earth we have been endowed with.

And it is up to us to enhance its splendour.

With our presence in many places,
we do our best not only for our success,
but for the environment as well as to improve
the quality of people's life on earth.





Location Report

❧ P A T A L G A N G A ❧



"We cannot exist as an island. We need to ensure that the community grows, that we build the requisite skills within the community, that the environment is protected and that we keep our people with us. Hence it makes sense that we have long-term sustainable development strategies." - Sanjeev Pathak





Products

Patalganga is an integrated petrochemical complex manufacturing fibres, fibre intermediates and chemicals.

The main products are:

- Polyester Staple Fibre (PSF)
- Polyester Filament Yarn (PFY)
- Polyester Chips
- Purified Terephthalic Acid (PTA)
- Paraxylene (PX)
- Linear Alkyl Benzene (LAB)

Commissioned in 1982,
Patalganga has grown into a mother
plant for all our manufacturing sites.

These are manufactured with the help of technology partners like Dupont - USA, UOP - USA and others.

Brief History

Commissioned in 1982, the

Patalganga complex has grown into a mother plant for all our manufacturing sites. People get exposure and training in this plant and are then redeployed at other manufacturing locations.

Covering an area of more than

91 hectares on the banks of the river

Patalganga, PG has more than

2,600 employees on its rolls.

The developments at the PG site are chronologically given below:

- Polyester Filament Yarn (PFY):

October 1982

- Polyester Staple Fibre (PSF):

March 1986

- Linear Alkyl Benzene (LAB):

November 1987

- Purified Terephthalic Acid (PTA):

February 1988

- Paraxylene (PX): November 1988

- LAB (Front End): March 1992

- A3 Tank Farm: May 1992

- Pipeline from BPCL to PG: May 1992

A view of Patalganga Unit.





Equipped with the latest developments in technology, including hardware and software, the site contains an integrated chain of plants. Most plants act as suppliers to the plant next in line.

Energy conservation is accorded high priority, not only to reduce costs but also to conserve precious natural resources.

Health, Safety and Environment Excellence

The site has been certified for ISO 14001. Continuous monitoring of various pollutants is carried out to maintain a clean and safe environment in and around the plant. We have upgraded effluent treatment recently to accommodate additional pollutant load after expansion.

- To meet the objectives of our policy on Health, Safety and Environment, we have clearly defined a framework for inspection, operation and emergency shutdown.
- There is continuous, systematic and micro-level auditing - internal as well as external - of work procedures and practices.
- Contractors and transporters are continuously and systematically educated for complying with safe work practices.
- A detailed investigation of all incidents including the minor ones and near-miss incidents is completed followed by recommendations to

avoid recurrence.

- Pre-employment and annual medical check-ups for all employees are conducted regularly for monitoring health and early identification of occupational health hazards.

Operational excellence

Energy conservation is accorded high priority, not only to reduce costs but also to conserve precious natural resources and to reduce emissions and effluent discharge. The site has a dedicated energy conservation cell that identifies potential areas of technological improvement, carries out



Heat exchanger network at Patalganga.

benchmarking exercises, monitors energy consumption and implements new proposals.

- A multi-level structured track programme is in operation at Patalganga for maintaining contact with the customers.
- Plant Managers visit the customers at regular intervals to understand issues and invite their suggestions.
- Customers are also invited to visit manufacturing facilities so that they get first-hand information on the site's





OH and Family Welfare Centre at Jamnagar.

quality assurance systems.

The Six Sigma initiative was launched in May 2000 to create value for all stakeholders in the supply chain.

So far, 29 Champions, 90 Black Belts and 132 Green Belts have been trained under this initiative.

- The philosophy was to develop a culture of breakthrough improvement through a mindset change in intellectual capital to encourage out-of-the-box thinking.
- So far, 29 Champions, 90 Black Belts and 132 Green Belts have been trained under this initiative.
- In addition, 30 projects have been taken up. These have yielded significant benefits in terms of improved reliability, improved quality, reduced consumption of utilities and cost reduction.

Patalganga has a learning centre of excellence driven by a team of

specialised trainers who facilitate the training activities in the complex. Being members of the American Society for Training and Development, the trainers are well versed with the best training practices across the globe.

Societal interventions

Our hospital is equipped with state-of-the-art facilities to provide comprehensive healthcare up to the secondary level.

- More than 500 villagers in and around the site have been provided concessional treatment.
- The hospital has a scheme for senior citizens for concessional and preferential treatment. More than 230 members have registered themselves under this scheme.
- The hospital has 13 full-time consultants in basic disciplines: 2 each in Medicine, Surgery, Obstetrics and Gynaecology, Orthopaedics, Anaesthesiology, Paediatrics and one in Community Medicine.





In addition, the services of the following part-time consultants are also provided:

- Ophthalmology
- ENT (Otolaryngology)
- Dental Services

We have implemented various welfare projects for the neighbouring communities, like the provision of water tanks, modern sanitation facilities and cheap loans.

- Dermatology
- Psychiatry

Some of the facilities include:

- 24-hour emergency services and a Trauma Care Theatre
- Fully-equipped Intensive Care Unit of 8 beds
- Operation theatre complex with

2 operating rooms

- Labour and maternity complex with a dedicated Gynaecological Operation Theatre
- Neonatal Intensive Care Unit
- Fully-automated Pathology Laboratory
- Radio imaging services including USG
- Blood Bank
- Audiometry, Physical Medicine and Rehabilitation
- 24-hour Ambulance services

Rural Development Projects

We have implemented various welfare projects for the neighbouring communities. These include the provision of water tanks, modern sanitation facilities and cheap loans to the villagers through co-operatives.

As part of this endeavour, we have worked in the following areas:

- Constructed *balwadis* for the village children.
- Initiated a teacher-training project

Gaushala (shelter for cows) maintained by RIL.





Creativity at Patalganga School.

called Anand-dayee Shikshan, in association with UNICEF and the Raigad Zilla Parishad covering all the 2,500 primary schools of the Zilla Parishad, and trained more than 5,000 teachers and officers.

- Helped the formation of *Mahila Mandals* or women's co-operatives to make these initiatives self-sustainable. These *mandals* organise a host of activities ranging from maintenance of water tanks in the villages, micro-savings and loan schemes and supervision of *balwadis* to running the super bazaar.
- Under the Trade Familiarisation Scheme, more than 200 rural youth from villages within a 7 km. radius were trained to be turners, fitters and such others at a cost of about INR 4.5 million.
- Full-time classes were conducted for about 70 rural children to enable them to complete their matriculation.

Feedback from stakeholders

"Patalganga is the best place to work in. During my tenure here, I have experienced fast growth and received excellent exposure to world-class technology. In my view, the management should introduce the buddy culture to keep employees motivated."

- Employee

"We have seen remarkable changes in safety management over the years and we have learnt a lot. The company gives preference to local people. RIL has made significant changes to the socio-economic status of the region."

- Local contractor, Borivli Village

"The socio-economic status of the area has gone up. To some extent, the problem of unemployment has come down primarily due to the generation of secondary employment."

- Tehsildar, Khalapur Village





Location Report

HAZIRA



*"We believe sustainable development is Business Unusual for creating a common tomorrow.
We perceive our primary responsibility to be our commitment to posterity." - H. S. Kohli*





Jetty at Hazira.

Situated on the banks of the river Tapi, the Hazira complex covers an area of 405 hectares.

Products

- Ethylene Oxide
- Mono Ethylene Glycol
- Vinyl Chloride Monomer
- Poly Vinyl Chloride
- High Density Polyethylene
- Partially-oriented Yarn
- Polyester Staple Fibre
- Polypropylene
- Purified Terephthalic Acid

Brief History

The Hazira petrochemical complex is located approximately 35 km. from Surat in Gujarat. Situated on the banks of the river Tapi, the complex covers an area of 405 hectares.

The first phase of the complex was commissioned in 1991-92 to generate power/utilities and a range of products like Ethylene Oxide (EO), Mono

Ethylene Glycol (MEG), Vinyl Chloride Monomer (VCM), Poly Vinyl Chloride (PVC), Polyethylene, Polypropylene, Polyester Fibrefill, Benzene, Toluene and Mixed Xylene. In this phase, a jetty was also built for the loading and unloading of raw material and finished products.

The second phase of the project commenced in 1995. This involved the commissioning of the Polyester (POY & PSF) complex. In line with our backward integration philosophy, we commissioned the Polypropylene (PP) plant, a multifeed Naphtha Cracker, a Purified Terephthalic Acid (PTA) plant and simultaneously focused on expanding the existing Phase 1 plants.

Health, Safety and Environmental Excellence

Hazira was the first site in the Reliance group to obtain ISO 14001 certification in the year 1999. The HSE department at the site has executed various projects aimed at improving the





Cracker Plant at Hazira.

health, safety and environmental performance of the plant.

We have deployed the best available technologies, selected on the basis of their ease of operation, safety compliance and environment compatibility.

- SS powder packs were used for filtration of polymers in the Polyester complex. The cleaning of these packs resulted in high COD effluent, hazardous TEG fumes and solid waste generation. To eliminate the waste generated, a Rhypox unit was installed to recycle the SS powder. The implementation of this project resulted in the recycling of 70 MT/yr of SS powder.

- In a major step to ensure compliance with safety regulations concerning all food grade products, we ensure compliance of our polymer products with national and international norms of food grade products. Third Party Certification from CFTRI is obtained for each product type and a certificate to this effect is issued with each batch.

We are fully equipped with two full-fledged fire stations manned by a team of 65 qualified and experienced fire service personnel, including officers:

- The fire stations have six mobile fire-fighting appliances which include four foam tenders, one DCP tender and one emergency-cum-rescue tender.
- The fixed fire-fighting installations include deluge valves, water spray system, pressurised fire water/hydrant system, riser system, water/foam monitors, foam system, modular DCP, CO₂ system, heat shield water spray units and others.
- Fire alarm panels are installed in plant control rooms as well as in control rooms of fire stations and are interfaced with automatic detectors such as smoke detectors, heat detectors, UV/IR detectors, and LEL detectors.

Operational Excellence

Hazira has been certified for the ISO 9001:2000 Quality Management System. We have deployed the best available technologies, selected on the basis of their ease of implementation and operation, safety compliance and environment compatibility. We continuously strive to improve our product quality, reduce our





manufacturing costs, increase delivery rate, enhance productivity and reduce downtime. The continuous efforts of our research and development department supplemented by our customer-centric approach have helped us launch new products with stringent specifications as per customer requirements. QA/QC at Hazira is accredited by the National Accreditation Board for Testing & Calibration Laboratories (NABL), Government of India, based on ISO 17025:1999.

We initiated a pilot rainwater harvesting project at Navchetna High School in Damka village.

Societal Interventions

At Hazira, we have taken up several initiatives to improve the quality of life and the well-being of the society we operate in.

We decided to replenish the depleting ground water level by surface water and ground water recharging. We initiated a pilot rainwater harvesting project at Navchetna High School in Damka village. With the help of the local authorities and villagers, we constructed a 100 x 60 metre pond to retain surface water while two recharging wells - 10.8 and 13.5 metres deep - were constructed to recharge the ground water. The project proved successful and serves as a precedent for other locations.



Control Room at Hazira.

Feedback from stakeholders

"RIL's intervention in various ongoing schemes of the government strengthened the pace of implementation of programmes aimed at providing mid-day meals for school children, generating employment and increasing green cover. In the past, the company has contributed generously to help combat the chaos caused by natural disasters. Timely help offered by RIL has helped save the lives of hundreds of people."

- Tehsildar

"In the neighbouring villages, the primary source of livelihood was agriculture and dairy farming. There were no major industries in the area and we did not have any other source of income. We were deprived of basic necessities such as water, sanitation and schools. After RIL commenced operations, we now have access to high schools, medical facilities and other recreational facilities like the community centre. We are now aware of the causes and consequences of critical conditions like HIV/AIDS and Tuberculosis."

- Bhatlai and Damka,
Panchayat Council Members





Location Report

❧ J A M N A G A R ❧



"We believe that it is imperative for us to balance the seemingly competing objectives of business - economic growth, environmental stewardship and a prosperous society." - P. K. Kapil





Entry point at Reliance Port - Sikka.

Products

The main products:

- LPG and Propylene
- HSD + Kerosene + ATF + LDO + AHE70
- Naphtha and MS
- Pet Coke
- Sulphur
- Polypropylene
- O-Xylene
- Benzene
- TAME
- P-Xylene

The raw Naphtha from JN is used to produce Paraxylene, the intermediate for manufacturing PTA at the PG site.

Brief History

Situated on the north-west coast of India, this integrated refinery-cum-petrochemicals complex is located at

Jamnagar, Gujarat.

The refinery complex is about 815 kilometres by road from Mumbai - approximately 25 kilometres from the city of Jamnagar - and is located in proximity to the Gulf of Kutch, a sheltered bay close to the Middle-East crude oil sources. The entire Jamnagar complex with its manufacturing and allied facilities - such as utilities and offsites, port facilities and a township for the employees - sprawls over more than 3035 hectares of land.

This complex was created in a record time of less than 36 months involving national and international engineering firms, equipment and material procured from leading suppliers across the globe, the best construction equipment and innovative techniques of project execution and management.

During the construction period, the complex witnessed a turnover of more than 75,000 people working round-the-clock. The commissioning of the site was a combined effort of people across the world guided by RIL's

This complex was created in a record time of less than 36 months involving national and international engineering firms.





A panoramic night view of the Jamnagar Refinery Complex.

expertise acquired over the past several years.

The Learning Centre at Jamnagar has a team of specialised trainers who facilitate the training activities in the complex. Being members of the American Society for Training & Development, the trainers are well versed with the best training practices around the globe.

We have a dedicated health, safety and environment department.

The centre has an excellent library which features:

- 10,000+ documents in an electronic environment
- Service to 2,000+ employees and other staff
- An average of 52 library visitors per day
- 260 hits per day on the digital library portal

- Average of 35 check-outs of documents per day
 - Four multimedia workstations with an average of 25 users per day
 - A 9-seater audio-visual room for self-study in e-Learning
 - Telephonic/email support and query-handling with an average of 10 users per day
 - 24x7 Web-based OPAC services through the digital library portal
 - Digitisation and dissemination of literature
 - Data mining/downloading from the Internet and publishing through the Intranet
 - TOC of the Day, InfoAlert, and Techinfo services via email
- Health, Safety and Environmental Excellence**
- We have a dedicated health, safety and environment department. We have also established a well-structured Environment Management System in





We successfully installed an ejector system to recover flare gases from the Coker. The design for this system was developed in-house.

line with ISO 14001 Standards. Efforts are on to establish a Safety and Health management system in line with OHSAS 18000.

- As party to the CREP (Corporate Responsibility for Environmental Protection) charter, experts from our refinery are members of the National Task Force and the expert committee formed under this programme. They are also members of the CPCB team for reviewing and finalising environmental

standards for the petroleum industry.

- We have co-sponsored a programme initiated by the Government of Gujarat and carried out by the National Institute of Oceanography (NIO) to assess the carrying capacity of the entire Gulf of Kutch. This programme has immense significance in view of the fragile nature of the Gulf and the increasing development around it.
- Under our environmental management systems, we have identified several problem areas and implemented many successful initiatives to continually improve our performance.
- Zero flaring was one of our main targets. We successfully installed an ejector system to recover flare gases

Deep sea vessel - E&P





from the Coker. The design for this system was developed in-house. The system functions automatically and takes care of inherent fluctuations in the Coker and without manual intervention. This flare gas recovery

Our refinery is equipped with state-of-the-art technology with the capacity to process a variety of crude.

system is one of its kind in the world and was audited by the Foster Wheeler Corporation - Process licensor for the Coker unit.

- The green belt of the refinery in the inter-tidal area fosters around 793,000 mangroves of five different species.

The mangroves arrest sea erosion and expansion and advancement of salinity into the mainland. They induce the growth of marine flora and fauna, thus sustaining inter-tidal ecology. Medicinal and aromatic plants are grown in an area of 31 hectares, while the Lakhi Bagh houses more than 100,000 mango trees. The green belt nurtures life and also ensures its sustainable existence and growth.

Operational Excellence

Our refinery is equipped with state-of-the-art technology along with fully-integrated process and utility units designed for optimal utilisation of resources and equipped with the capacity to process a variety of crude.

- The process units are designed with

Green belt: Lakhi Bagh (mango orchard) - Jamnagar.





integral environmental and safety management systems.

- The products manufactured are meant to meet the latest national and international norms, especially with respect to Sulphur and Benzene/Aromatics.

We have always extended our support to social endeavours and we gradually encourage their development into self-sustaining programmes.

- We are capable of producing green fuels to meet the latest international specifications (Euro Norms and US Standards).

Societal Intervention

The Reliance Rural Development Trust has jointly undertaken responsibility with the Government of Gujarat to provide basic rural infrastructure to about 2,682 villages of 141 *talukas* covering 23 districts of Gujarat.

We have established a village medical centre in the Moti Khavadi village along with ambulance services operating round-the-clock. We started a mobile dispensary to reach out to faraway villages and offer free consultation and medicines to the villagers. To supplement the medical centre and mobile dispensaries, we conduct free medical camps which include:

- Vaccination camps
- Antenatal and Post-natal camps
- Newborn care camps
- De-addiction camps
- Counselling for couples

- Osteoporosis camps
- Thalassemia screening
- Dental camps

We have always extended our support to social endeavours and we gradually encourage their development into self-sustaining programmes.

Feedback from stakeholders

"The company has wholeheartedly participated in various initiatives like providing good and economical healthcare facilities, offering rehabilitation and relief aid to victims affected by disasters and the construction of temples, community halls and offices for the local government."

- Sarpanch, Meghpur

"The company has improved the quality of life of the villagers living near the refinery. The management should now look forward to enter into partnership with local authorities to promote cleanliness and support their ongoing initiatives."

- Hallar Utkarsh, NGO

"There is no place like Reliance Greens in the world. We have experienced excellent safety management at this refinery."

- Lee Eun Sang, KHPT Korea

"The company had supported us in the construction of village roads. In my view, the company's management and the local community should jointly endeavour to solve various developmental issues."

- Tehsildar, Padana



GRI CONTENT INDEX

✓ - Reported; ✕ - Not reported; 0 - Partially reported

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3.10	Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group.	✓	Stakeholder Engagement, Location Report - PG, HZ & JN	39 - 41, 86 - 91, 92 - 95, 96 - 101
3.11	Type of information generated by stakeholder consultations.	✓	Stakeholder Engagement, Location Report - PG, HZ & JN	39 - 41, 86 - 91, 92 - 95, 96 - 101
3.12	Use of information resulting from stakeholder engagements.	✓	Stakeholder Engagement, Location Report - PG, HZ & JN	39 - 41, 86 - 101
3.13	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	×	Not addressed in this report but we plan to address this in our forthcoming report.	-----
3.14	Externally developed, voluntary economic, environmental and social charters, sets of principles or other initiatives to which the organisation subscribes or which it endorses.	✓	Dhirubhai Ambani Foundation	78 - 79



		STATUS	LOCATION	PAGE
3.15	Principal memberships on industry and business associations and/or national/international advocacy organisations.	×	We are member of WBCSD's India Chapter CoRE-BCSD. We are in the process of consolidating data on other memberships and the same will be reported in the subsequent report.	-----
3.16	Policies and/or systems for managing upstream and downstream impacts.	✓	Our Management Systems	32 - 34
3.17	Reporting organisation's approach to managing indirect economic, environmental and social impacts resulting from its activities.	✓	Our Approach to Reporting	83 - 85
3.18	Major decisions during the reporting period regarding the location of, or changes in, operations.	×	No major changes in the reporting period. However we are planning to double the capacity of our refinery in the near future, which will be addressed in the subsequent report.	-----
3.19	Programmes and procedures pertaining to economic, environmental and social performance. Include discussion of priorities, targets, internal communication and training, performance monitoring, auditing and senior management review.	✓	Economic Performance Indicators, Environmental Performance Indicators, Social Performance Indicators	42 - 44, 45 - 62, 63 - 82
3.20	Status of certification pertaining to economic, environmental and social management systems.	✓	Our Management Systems	32 - 34



		STATUS	LOCATION	PAGE
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4. GRI CONTENT INDEX

4.1	A table indicating location of each element of the GRI report content by section and indicator.	✓	GRI Content Index	102
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5A. ECONOMIC PERFORMANCE INDICATORS

EC1	Net sales – as listed in the profile section under 2.8	✓	Economic Performance Indicators	42 - 44
EC2	Geographic breakdown of markets.	✓	Economic Performance Indicators	42 - 44
EC3	Cost of all goods, materials and services purchased.	✓	Economic Performance Indicators	42 - 44
EC4	Percentage of contracts that were paid in accordance with agreed terms, excluding agreed penalty arrangements.	×	Not reported	-----
EC5	Total payroll and benefits including wages, pension, other benefits and redundancy payments broken down by country or region.	✓	Economic Performance Indicators	42 - 44
EC6	Distributions to providers of capital broken down by interest on debt and borrowings and dividends on all classes of shares, with any arrears of preferred dividends to be disclosed.	×	Not reported	-----
EC7	Increase/decrease in retained earnings at end of period.	✓	Economic Performance Indicators	42 - 44
EC8	Total sum of taxes of all types paid broken down by country.	✓	Economic Performance Indicators	42 - 44
EC9	Subsidies received broken down by country or region.	×	Not reported	-----



		STATUS	LOCATION	PAGE
EC10	Donations to community, civil society and other groups broken down in terms of cash and in-kind donations per type of group.	✓	Economic Performance Indicators	42 - 44

5B. ENVIRONMENTAL PERFORMANCE INDICATORS

EN1	Total materials used other than water, by type.	✗	Not reported	-----
EN2	Percentage of materials used that are wastes from sources external to the reporting organisation.	✗	Not reported	-----
EN3	Direct energy use segmented by primary source.	✓	Energy	46 - 48
EN4	Indirect energy use.	✗	Not reported	-----
EN5	Total water use.	✓	Water	49 - 51
EN6	Location and size of land owned, leased or managed in biodiversity-rich habitats.	✓	Biodiversity	52 - 53
EN7	Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, fresh-water and marine environments.	✓	Biodiversity	52 - 53
EN8	Greenhouse gas emissions.	✓	Climate Change	54 - 55
EN9	Use and emissions of ozone depleting substances.	✓	Ozone Depleting Substances	56
EN10	NO _x , SO _x and other significant air emissions by type.	✓	Air Emissions	57 - 58
EN11	Total amount of waste by type and destination.	✓	Waste Management	59 - 61
EN12	Significant discharges to water by type.	✓	Water	49 - 51
EN13	Significant spills of chemicals, oils and fuels in terms of total number and total volume.	✓	Spills	62
EN14	Significant environmental impacts of principal products and services.	✗	Not reported	-----



		STATUS	LOCATION	PAGE
EN15	Percentage of the weight of products sold that is reclaimable at the end of the products' useful life and percentage that is actually reclaimed.	✗	Not reported	-----
EN16	Incidents of and fines for non-compliance with all applicable international declarations/conventions/treaties, and national, sub-national, regional and local regulations associated with environmental issues.	✓	Environmental Performance Indicators	45

5C. SOCIAL PERFORMANCE INDICATORS – LABOUR PRACTICES AND DECENT WORK

LA1	Breakdown of workforce, by region/country, status, employment type and employment contract.	✓	Diversity	64 - 65
LA2	Net employment creation and average turnover segmented by region/country.	0	Diversity	64 - 65
LA3	Percentage of employees represented by independent trade union organisations or other bona fide employee representatives broken down geographically or percentage of employees covered by collective bargaining agreements broken down by region/country.	✓	Diversity, Stakeholder Engagement	64 - 65, 39 - 41
LA4	Policy and procedures involving information, consultation and negotiation with employees over changes in the reporting organisation's operations (e.g. restructuring).	✓	Other Social Issues	75
LA5	Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases.	✓	Health and Safety	66 - 71
LA6	Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees.	✓	Health and Safety	66 - 71
LA7	Standard injury, lost day and absentee rates and number of work-related fatalities.	✓	Health and Safety	66 - 71
LA8	Description of policies or programmes (for the workplace and beyond) on HIV/AIDS.	✓	Key Initiatives	76 - 77



		STATUS	LOCATION	PAGE
LA9	Average hours of training per year per employee by category of employee.	✓	Training	72 - 74
LA10	Description of equal opportunity policies or programmes as well as monitoring systems to ensure compliance and results of monitoring.	✓	Other Social Issues	75
LA11	Composition of senior management and corporate governance bodies including female/male ratio and other indicators of diversity as culturally appropriate.	✓	Training	72 - 74

5D. SOCIAL PERFORMANCE INDICATORS – HUMAN RIGHTS

HR1	Description of policies, guidelines, corporate structure and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results.	✗	Not reported	-----
HR2	Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors.	✗	Not reported	-----
HR3	Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring.	✗	Not reported	-----
HR4	Description of global policy and procedures/programmes preventing all forms of discrimination in operations, including monitoring systems and results of monitoring.	✗	Not reported	-----
HR5	Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programmes to address this issue.	✓	Other Social Issues	75
HR6	Description of policy excluding child labour as defined by the ILO Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring.	✓	Other Social Issues	75



		STATUS	LOCATION	PAGE
HR7	Description of policy to prevent forced and compulsory labour and extent to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring.	✓	Other Social Issues	75

5E. SOCIAL PERFORMANCE INDICATORS – SOCIETY

SO1	Description of policies to manage impact on communities in areas affected by activities, procedures/programmes to address this issue, monitoring systems and results of monitoring.	✓	Stakeholder Engagement	39 - 41
SO2	Description of the policy, procedures/management systems and compliance mechanisms for organisations and employees addressing bribery and corruption.	✓	Other Social Issues	75
SO3	Description of policy, procedures/management systems and compliance mechanisms for managing political lobbying and contributions.	✓	Other Social Issues	75

5F. SOCIAL PERFORMANCE INDICATORS – PRODUCT RESPONSIBILITY

PR1	Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring.	✓	Safety	66 - 71
PR2	Description of policy, procedures/management systems and compliance mechanisms related to product information and labelling.	✗	Not reported	-----
PR3	Consumer privacy policy, procedures/management systems and compliance mechanisms.	✗	Not reported	-----



❧ ACRONYMS ❧

A LIST OF
ACRONYMS USED
IN THE REPORT



5 S	Sort, Set, Shine, Standardise, Sustain
AIDS	Acquired Immunodeficiency Syndrome
ATF	Aviation Turbine Fuel
CASH	Change Agents for Safety and Health
CASHE	Change Agents for Safety, Health and Environment
CBA	Cold Bed Absorption
CDM	Clean Development Mechanism
CFTRI	Central Food Technological Research Institute
COD	Chemical Oxygen Demand
CPCB	Central Pollution Control Board
CREP	Corporate Responsibility for Environmental Protection
CSR	Corporate Sustainability Report
DAF	Dhirubhai Ambani Foundation
DIS	Drip Irrigation System
DM	De-Mineralisation
DOTS	Directly Observed Treatment Short-course
DRDA	District Rural Development Agency
E&P	Exploration and Production
EHS	Environment, Health & Safety
EMS	Environmental Management Systems
EO	Ethylene Oxide
ETP	Effluent Treatment Plant
FCC	Fluidised Catalytic Cracker
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
H ₂ S	Hydrogen Sulphide
HDPE	High Density Polyethylene
HIV	Human Immunodeficiency Virus
HRSG	Heat Recovery Steam Generator
HSD	High Speed Diesel
HSE	Health, Safety and Environment
HTDS	High Total Dissolved Solids
HZ	Hazira





ICAP	Indian Clean Air Programme
ILNA	Individual Learning Needs Assessment
INR	Indian National Rupees
IPCC	Intergovernmental Panel on Climate Change
ISBL	In Side Battery Limit
ISO	International Standards Organisation
JN	Jamnagar
KOH	Potassium Hydroxide
KSA	Knowledge, Skills and Attributes
LAB	Linear Alkyl Benzene
LABFS	Linear Alkyl Benzene Feed Stock
LDO	Liquid Diesel Oil
LLDPE	Linear Low Density Polyethylene
LLP	Low Low Pressure
LPG	Liquefied Petroleum Gas
LTDS	Low Total Dissolved Solids
MEG	Mono Ethylene Glycol
MIS	Management Information Systems
MW	Mega Watt
NABL	National Accreditation Board for Testing and Calibration Laboratories
NGO	Non-Governmental Organisation
NIO	National Institute of Oceanography
NOx	Oxides of Nitrogen
ODS	Ozone Depleting Substance
OHC	Occupational Health Centre
OHSAS	Occupational Health and Safety Assessment Series
OHSMS	Occupational Health and Safety Management Systems
PCB	Pollution Control Board
PET	Polyethylene Terephthalate
PFY	Polyester Filament Yarn
PG	Patalganga
POY	Partially Oriented Yarn
PP	Polypropylene
PPE	Personal Protective Equipment
PPP	Public-Private Partnership





PSF	Polyester Staple Fibre
PTA	Purified Terephthalic Acid
PVC	Poly Vinyl Chloride
PX	Paraxylene
QA	Quality Assurance
QC	Quality Control
R&D	Research & Development
RIL	Reliance Industries Limited
RRDT	Reliance Rural Development Trust
SDM	Self-Development Module
SOP	Standard Operating Procedure
SO _x	Oxides of Sulphur
SPM	Suspended Particulate Matter
TAME	Tertiary Amyl Methyl Ether
TB	Tuberculosis
TPA	Tonnes Per Annum
TPH	Tonnes Per Hour
TQM	Total Quality Management
VCM	Vinyl Chloride Monomer
VGO	Vacuum Gas Oil
WBCSD	World Business Council for Sustainable Development



❖ ASSURANCE STATEMENT ❖

The “Corporate Sustainability Report 2004-05” (the 'Report') of Reliance Industries Limited (the 'Company') has been prepared by the Company, which is responsible for collection and presentation of information within it. We have been engaged by the Company to review and verify the contents of the Report and provide an assurance to the same. This Assurance Statement, however, should not be taken as a basis for interpreting the Company's performance across the scope of issues covered in the Report.

Approach

There are currently no statutory requirements in India relating to preparation, publication or assurance of corporate sustainability reports. Our review process included a series of customised work steps to ensure consistency in our assessment across the operations of the Company. This involved challenging and substantiating a sample of the assertions and claims made in the Report and also involved a review of processes for the collection, collation and internal reporting of non-financial data relating to Environment, Health, Safety (EHS) and social performance. The Company's manufacturing facilities at Patalganga in Maharashtra and, Hazira and Jamnagar in Gujarat, were visited for the review and verification purpose.

Limitation of scope

We understand that the financial data included in the Company Profile, Corporate Governance and Economic Dimension sections of the Report is

derived from the Company's annual report and internal financial records; we have not performed any review of these information. The scope of verification excludes physical monitoring and measurements of EHS parameters during verification process and is limited to checking the integrity of the data collection and management system pertaining to EHS and social performance for the year April 2004 March 2005; we have not performed review of the past years' information included in the Report.

Basis of our review

Our conclusions are based on review of:

- The Company's sustainability plans, policies and practices to ensure that the Report provides a fair and honest representation on these aspects;
- Interviews with a selection of the company's senior managers and personnel to gain an understanding of their approach to managing social, ethical and EHS issues;
- Review of selected documents as well as processes and activities that were used to capture and collate information relating to EHS and social performance parameters;
- Physical review of integrity of processes and activities relating to collection, collation and internal verification by the Company of such data; and
- Challenging the information relating to EHS and social performance, to substantiate the assertions made in the Report, obtaining and reviewing evidence against selected sample of claims and information.



Conclusions

On the basis of our review, the key conclusions are as follows:

- The commitment of the management of the Company in EHS and social issues has been evident. The Company has taken initiatives in stakeholder identification and consultation. We have observed evidence of projects, where public-private partnership is demonstrated.
- The Company's EHS and social governance and management systems were found to be structured as evidenced by existence of formal communication process on EHS and social front and periodic review of matters pertaining to the same. The Company has demonstrated efforts to compile the report in accordance with GRI 2002 sustainability reporting guidelines.
- The EHS and social data included in the report deals with matters which are important from the Company's perspective. Significant EHS and social aspects of the business have been included in the Report in a fair and balanced manner. However, the report does not include sufficient details on the following aspects:
 - a) Uniformity of basis across sites in respect of estimation and reporting of greenhouse gas emissions due to flaring and venting;
 - b) Impact on biodiversity due to plant operations and the efforts in introducing non-native species;
 - c) Quantification of spills at every site.
- Though the operational issues of the plant pertaining to social and EHS aspects are addressed, the Report does not sufficiently cover how the Company is

planning to address broader sustainability issues, like analysis of performance trends, benchmarking, mapping impact on biodiversity, identify stakeholder requirements extending to suppliers and customers, etc.

- The Company has taken initiatives to identify and receive feedback from key stakeholders; however, we observed that the recent structured and proactive initiatives in the area of using these feedbacks into decision-making as well as reporting are likely to improve the process further.
- Accuracy and auditability: We have observed that the systems and procedures for collection, collation and interpretation of data on EHS and social parameters are established and are reliable. However, internal review was not evidenced in some of the sample data trail reviews conducted by us. The accuracy and auditability were found to have scope for improvement in the following instances:
 - a) Water consumption data were not always based on metering and measurements, but relied on estimates;
 - b) Effluent discharge and ETP sludge generation figures are estimated and not based on measured quantities at all sites;
 - c) Uniformity and robust basis for energy index calculations across all sites; and
 - d) Solid waste (non-hazardous) quantities are partially based on estimates, where internal assurance was not appropriately evidenced.

Ernst & Young Private Limited
Authorised Signatory

Date: January 23, 2006.





"People will remember you after you are gone. Not for your money or your power, but because of what you have left behind."

- Mukesh D. Ambani
Chairman & Managing Director

