

small acts... **big impact.**



*Think of the small as large
and the few as many;
Resolve the difficult
while it is still easy;
Accomplish the larger goal
through a series of small acts;
that is the path to sustainability.*

Small acts are the building blocks of the most momentous of human endeavours. The journey of a thousand miles begins with one small step. The wheels of progress are set into motion with a small turn.

A valve represents the bridge between great minds and giant sized plants. It is a small touch point between process and people, but opens up a big window of opportunity. Seen in the picture is a committed Reliance employee turning a valve in the Crude Unit, at RIL's Jamnagar Manufacturing Division, to swing the exchanger on the run from upstream of de-salter to downstream of de-salter as part of the energy optimisation process.

Scores of such concentrated, diligent and purposeful actions at every stage of every process at every plant are taking us closer to our sustainability goals, transforming lives and building a more sustainable future for the Company, the Country and for our world.



Sustainability
Report 2006-07

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small acts...**big impact.**

Sustainability works only if its concepts are ingrained right to the grassroots level. Through the focus on '**small acts**' it is our endeavour to bring forth to the reader how sustainability is operational on the ground at Reliance.

Last year's report articulated our intent and vision in reference to Sustainability. The current year's report focuses on our efforts to translate the intent into action and turns the spotlight on '**acts**' across facilities, across geographies and across businesses to reflect the motivation levels of every team member across the organisational pyramid and the degree of alignment that exists in the organisation.



LPG Storage Tank at the Refinery Tank Farm, Jamnagar

Power of small

India's **largest private sector company** on all major financial parameters such as sales, profits and net worth

During FY 2006-07, India's **largest exporter** with exports constituting nearly 56 percent of its revenues. Further, its exports constitute 12 percent of India's exports

First private sector Company from India to feature in **Fortune Global 500 list**

Operates the **third largest petroleum refinery** in the world at any single location

Direct engagement with **millions of consumers** through Reliance Retail

Asia's **largest mango orchard** at Jamnagar Refinery

Most of these momentous milestones in the illustrious business history of Reliance are an outcome of the unique ability to dream big and act on the small. Epic vision of the leader actualised by the dovetailing of numerous small acts, innovations and ideas on the ground.

World's largest producer of Polyester fibre and Yarn

Fourth largest producer of Paraxylene (PX) and Purified Terephthalic Acid (PTA)

Sixth largest producer of Mono Ethylene Glycol (MEG)

Seventh largest producer of Polypropylene (PP)

One of the **largest shareholder family** of around **two million shareholders**

Since inception, Reliance has been perceptive of the power of small.



Reliance pioneers the equity cult in the nation

For initial expansion, it went beyond the conventional banking system. Shri Dhirubhai Ambani, our founder, decided to tap India's fledgling capital markets, thus, pioneering an equity cult that was to transform the corporate financing system in India. The nation woke up to the power of small. The combined financial might of first time retail investors, laid the foundation of India's largest private sector firm.

Reliance's initial public offering in 1977 saw 58,000 investors buying shares. Eventually, the number of Reliance shareholders climbed to two million. Shri Dhirubhai Ambani is fondly remembered as the pioneer of the Indian Stock market and one out of every four investor in India is a Reliance shareholder.

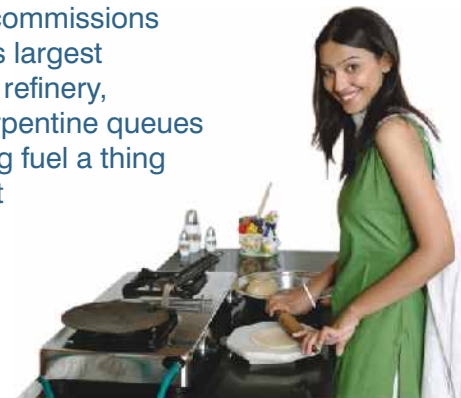
Reliance commences manufacture of polyester - the easy-to-own fabric

A decade before he tapped the stock market, Shri Dhirubhai Ambani demonstrated his belief in the power of small. In 1966, he established the first textile unit at Naroda, to manufacture polyester fabric. A fabric which would usher in new convenience, establish a new cost paradigm and impart new confidence to the common man. Shri Dhirubhai bet on the demand from the common man for this easy-to-own fabric and it reaped rich dividends.

After consolidating its position in polyester, Reliance established its dominance in polymers and petrochemicals by developing India's largest petrochemicals and polymers complex at Hazira. Petrochemicals and their derivative products have played a significant role in raising the standard of living across the economic spectrum. They are key enablers of sustainable solutions in areas like food-security, water-management, construction, textiles, healthcare, transportation, lifestyle products, information technology, communication and entertainment and continue to impact millions of lives.



Reliance commissions the world's largest greenfield refinery, makes serpentine queues for cooking fuel a thing of the past



Under the leadership of Shri Mukesh D. Ambani, Reliance is expanding to new horizons. Energy is the fuel of progress. A nation's growth and the resilience of its economy, all are directly proportional to its energy security. Reliance set-up the world's largest greenfield refinery in Jamnagar and turned the tide of the Indian economy. India, which until then perennially depended on imports for meeting its energy requirement became an exporter of petroleum and petrochemical products. The long wait for getting kerosene and LPG, serpentine queues in front of fair price shops all became a thing of the past.

Currently, a second refinery of a similar scale as the existing one is under construction at Jamnagar; performing numerous small acts of excellence to pursue one of the fastest execution plans in the world. With the new refinery, Jamnagar will become the largest hub for petroleum refining in the world and shall possess a capacity to process 1.24 million barrels of crude oil per day.

Reliance launches mobile telephony service, with calling rates to match that of a postcard

Similar confidence in the power of small and a strong commitment to enhance the quality of life of the common man, led Reliance to propel a revolution in the telephony sector by taking it to the doorsteps of over 650 million rural-(real)-Indians. Further, by making phone calls cheaper than a postcard, Reliance ushered in a revolutionary transformation in the lives of millions of Indians. Today, due to the cost leadership demonstrated by Reliance, India is not only the lowest-cost telephony market but also the most rapidly growing one in the world. This revolution spearheaded by Shri Mukesh D. Ambani brought the joys and power of mobile telephony to the lowest strata of the society.



The commitment to constantly explore means to transform lives leads Reliance to discover natural gas

Energy is the one of the key influencers of quality of life. While the world is struggling to come to terms with energy shortages, Reliance, with an aim to strengthen the energy balance sheet of the nation forayed into exploration & production of oil & gas. Translating discovery to production in a record time of six years, Reliance is on its way to deliver gas for the benefit of the nation.

The gas from our Krishna Godavari (KG) basin wells will significantly change the landscape of Indian Natural gas market. With increased availability and development of transmission and distribution infrastructure, the share of natural gas in the energy mix is set to rise and just like other Reliance initiatives every Indian will soon enjoy the positive impacts of this cleaner greener source of energy.

Reliance ushers an agri-revolution through its retail initiative



After teaming-up with the common man in its wealth creation exercise, through the mechanism of the stock market; Reliance is now partnering with the agriculture and rural sectors to script a new prosperity paradigm. Significant economic gains for farmers, strong value proposition for consumers, inclusiveness of small shopkeepers, an overarching physical distribution and logistics infrastructure and, above all, greater rural prosperity, are the benefits which shall accrue because of Reliance's indomitable retailing initiative.



To accelerate the globalisation of the burgeoning Indian economy and make it more inclusive, Reliance is promoting three SEZs in the states of Haryana and Gujarat. Integrated into the SEZ design, is Reliance's rich global experience and the knowledge gained by consistently setting global benchmarks through its manufacturing facilities. These SEZs will provide small and medium scale firms the much needed platform to perform. They will enable manufacturers to concentrate on their core business and create value for themselves, India and millions of Indians.

Today, Reliance has garnered a formidable reputation not only for its ability to plan big but also for its ability to execute big. A refinery with the ability to process 56 kinds of crude, completed in 36 months. A nationwide telephony network rolled out in just 18 months. The speed, precision, commitment and alignment of individual acts required to actualise such complex projects within time and costs, are an integral part of Reliance. This prowess to execute stems from our ability to focus on the small acts. These skills have been fine-honed over the past three decades by a band of professionals led personally by Shri Mukesh D. Ambani.

Reliance recognises the strategic significance of individual acts and the cumulative role that they play in creating a sustainable competitive advantage. Consistent focus on the power of small, enables Reliance to pay extraordinary attention to detail.

Excellence is nothing but getting the details right in all aspects of the business, from demand to fulfilment and from product quality to corporate social responsibility.

This report is dedicated to the millions of small acts, innovations and ideas that have contributed to make Reliance the largest business conglomerate in India, and helped it carve out a distinct place for itself in the global pantheon of corporate giants.



Sustainability
starts with me...





...and
impacts
each and
everyone
of us

Sustainability is a collective endeavour. No single individual can win the battle of sustainability, but with each one of us doing their part the outcome can be nothing but victory. It is with this belief that we at Reliance propagated sustainability across our organisation. In this report we take stock of how our efforts are culminating into results.



we strive for

best-in-class

performance in all aspects of our business. The task for us is to build great products, a strong business and a better world in a sustainable way.



CMD's Message

Everyday at Reliance we are engaged in acts that are helping shape a better future for the company, the country and the world. For us each individual is an agent of change; an active participant for whom sustainable growth is at the heart of every action.

From creating the world's largest grassroots refinery to creating grassroots infrastructure, sustainable action has been the cornerstone of our growth. It was embedded in our DNA by our founder Chairman, Shri. Dhirubhai Ambani, for whom actions spoke louder than words.

He gave us our motto - "Growth is Life", which aptly encapsulates our fundament of

sustainability, that though growth is an unstoppable phenomenon at Reliance, it constantly endeavours to create harmony between the 'Ecos' of Economics and Ecology.

Even as Reliance creates unprecedented value for stakeholders across growth platforms ranging from textiles, petrochemicals, organised retailing to infrastructure; we ensure that all of it is rooted in our core values of Honesty, Integrity, Respect, Fairness, Purposefulness, Trust, Responsibility, Safety, Citizenship and Caring.

Creating value for our stakeholders, innovating across business domains, empowering societies by making them self-reliant and reducing our environmental footprint are the signposts on our sustainability road map.



Every act is a building block of our sustainability superstructure, which is driven by the belief that "What is good for India is good for Reliance".

But as India becomes a global player, things are changing.

We live in times where one out of every six human beings lives in India. Once a caution, this remarkable statistic today empowers each and every one of us with the power to create the future we want. A future where individual acts can create a global impact.

With this opportunity come the challenges of sustainability, which take many forms. These include the globalisation of markets, accelerated economic growth in developing countries like China and India; climate change and the energy debate; and a growing awareness of the resource limitations. In the light of these we must think differently about what we do, and about our contributions to sustainable development.

At Reliance we view this as a moment in history where we can show the world how a growing economy can create a sustainable future. One where accelerated growth creates equitable economic opportunities, fosters societies and brings a breath of fresh air to our future generations.

This is our moment to choose our trust with the future, where we can say - what is good for India is good for the world.

To address this opportunity we are making five strategic shifts:

- Shift from an organic to a mix of organic and acquisition-led mode of growth
- Create an ecosystem of partnership
- Include Indian agriculture and rural sector in our growth paradigm
- Invest in innovation
- Build sustainable growth

On the basis of these five strategic shifts, Reliance will emerge as India's leading multinational - in size, scale, presence and participation globally.

This year we marched towards our sustainability goals with the strategic amalgamation of Indian Petrochemicals Corporation Limited (IPCL). This further consolidated our leadership position in the petrochemicals business. Let me now enumerate further on these developments:

Profitable Growth

During the fiscal year 2006-07, we scaled new heights and set several benchmarks in terms of sales, profits, net worth and assets. Despite rising oil prices and geopolitical challenges, we emerged as the only Indian company from the private sector to record a turnover of over one trillion Indian rupees - at INR 1,183,540 million (US\$ 27,227 million).

Combating Climate Change

While the world is yet to come to a consensus on the need to address climate change, we continued our action plan towards combating climate change: Energy Efficiency and GHG Emission Reduction. During the year we realised higher energy savings compared to last year and achieved a reduction of 0.629 million tons of GHG emissions. Although total GHG emissions increased as a result of capacity expansion and addition of new facilities, we are incorporating energy efficient measures and new technologies that are more environment friendly. Our revised energy policy released this year affirms our resolve to achieving excellence in energy management.

Ensuring Employee Health and Safety

During the year we faced a setback caused by fire at one of our hydro-treater unit at our Refinery. This is unacceptable to us. Currently, we are working with DuPont to review and strengthen our safety systems, formulate new safety standards and help to ensure their effective implementation. We are creating a culture where safety is a core value and remains always a paramount priority.

Reduction in Environment Footprint

Besides incorporating new technologies and better processes that are more environment friendly in our new projects, our other achievements include increased recycling of treated water, increased renewable energy consumption, reduction in air emissions and hazardous waste, to mention a few. The

Environmental Performance Rating ("Green Card") system is being extended to all sites to help monitor and improve our environmental performance

Engagement with Stakeholders

We remain firmly committed to maximising value, for all our stakeholders, be it shareholders, employees, suppliers, customers, communities or policy makers. By understanding stakeholder issues and working with them, we have been able to retain their support for our operations and expansion plans, and achieve record growth.

Growth through Innovation

At Reliance, we want to proactively stimulate innovation for sustainable and socially responsible products and solutions. Few examples of our innovation drive include the development of nano composite Polyolefin automobile components, Jaipur foot, Leno Bags for Potato packaging and numerous projects under the Change Agents for Safety, Health and Environment [CASHe] initiative across manufacturing locations.

We have established the "Reliance Innovation Centre" to drive our innovation agenda. The centre will propel RIL to the forefront of global business leadership by implementing Innovative strategies in operations as well as in Research and Technology domain.

As businessmen, we do have a responsibility to run our businesses efficiently and profitably. That doesn't however supersede our responsibility to leave the planet a better place for our children.

I am delighted to share our sustainability performance for the financial year 2006-07 in this report and invite your valuable feedback.

Yours Sincerely,

Mukesh D. Ambani
Chairman & Managing Director

January 28, 2008

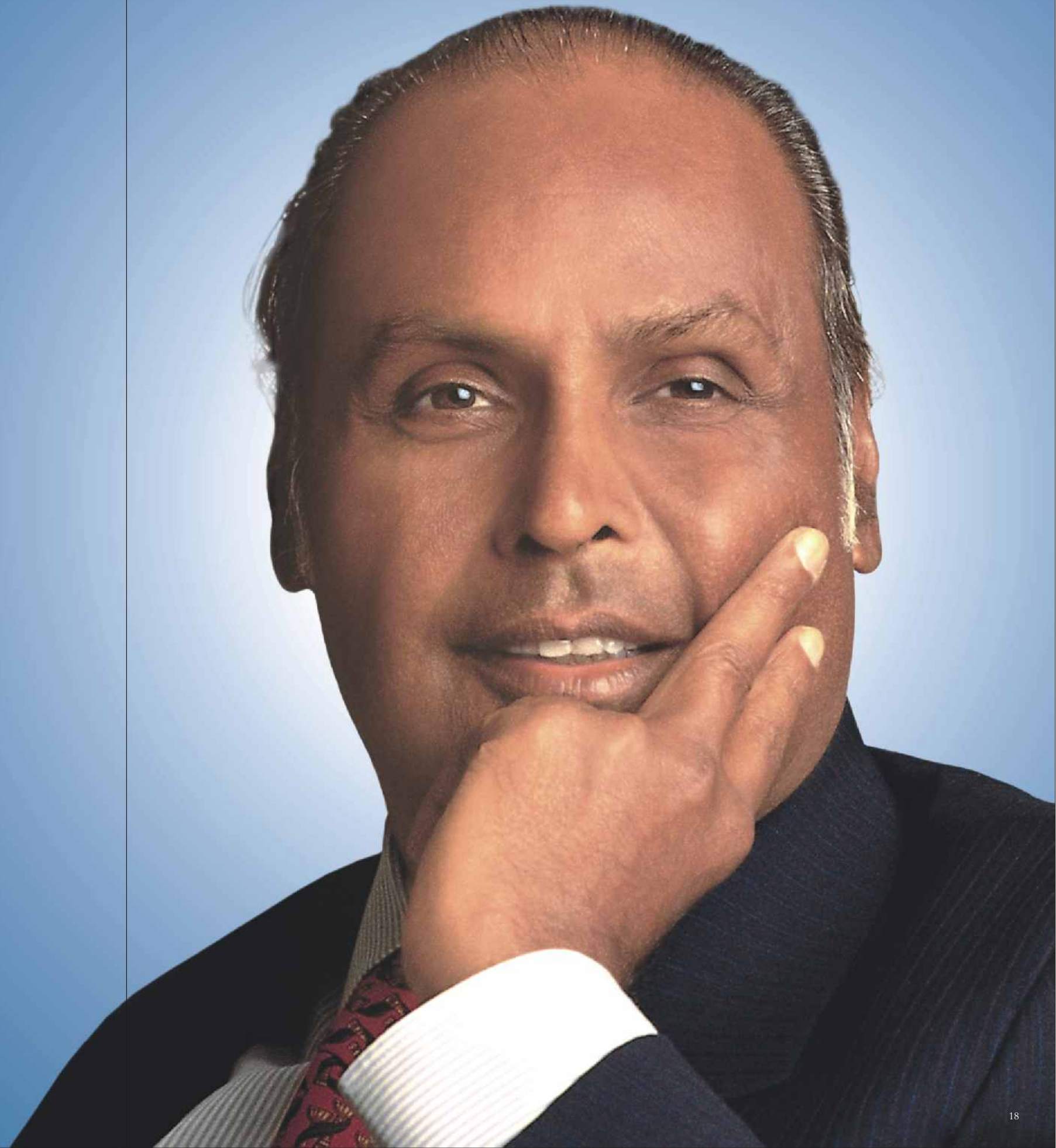
“What is good for India is good for the world”

Our Vision

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

“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
Founder Chairman



Company Profile



Panoramic view of the 33 MMTPA Jamnagar Refinery - World's 3rd largest refinery at any single location.

Started as a textile company 30 years ago, Reliance for the past several years is India's largest private sector company. Our Group's activities span exploration & production of oil & gas, petroleum refining and marketing, petrochemicals (polyester, fibre intermediates, polymers and chemicals), textiles, retail and development of special economic zones (SEZs). The two main lines of our business are crude oil refining and petrochemicals production, accounting for about 62.40 percent and 35.80 percent of net revenue respectively, for the fiscal year ended March 31, 2007.

Among the key developments of 2006-07 was the merger of IPCL a 'Navratna' Company with RIL. This has resulted in ongoing improvement in our financial and operating performance; turnover for the year was INR 1,188,320 million against INR 8,98,070 million in the previous year. We have scaled new heights and set several new benchmarks in terms of sales, profits, net worth and assets. The net profit for the year was INR 119,430 million (US\$ 2,747 million), registering a Compounded Annual Growth Rate (CAGR) of 30 percent over the past five years.

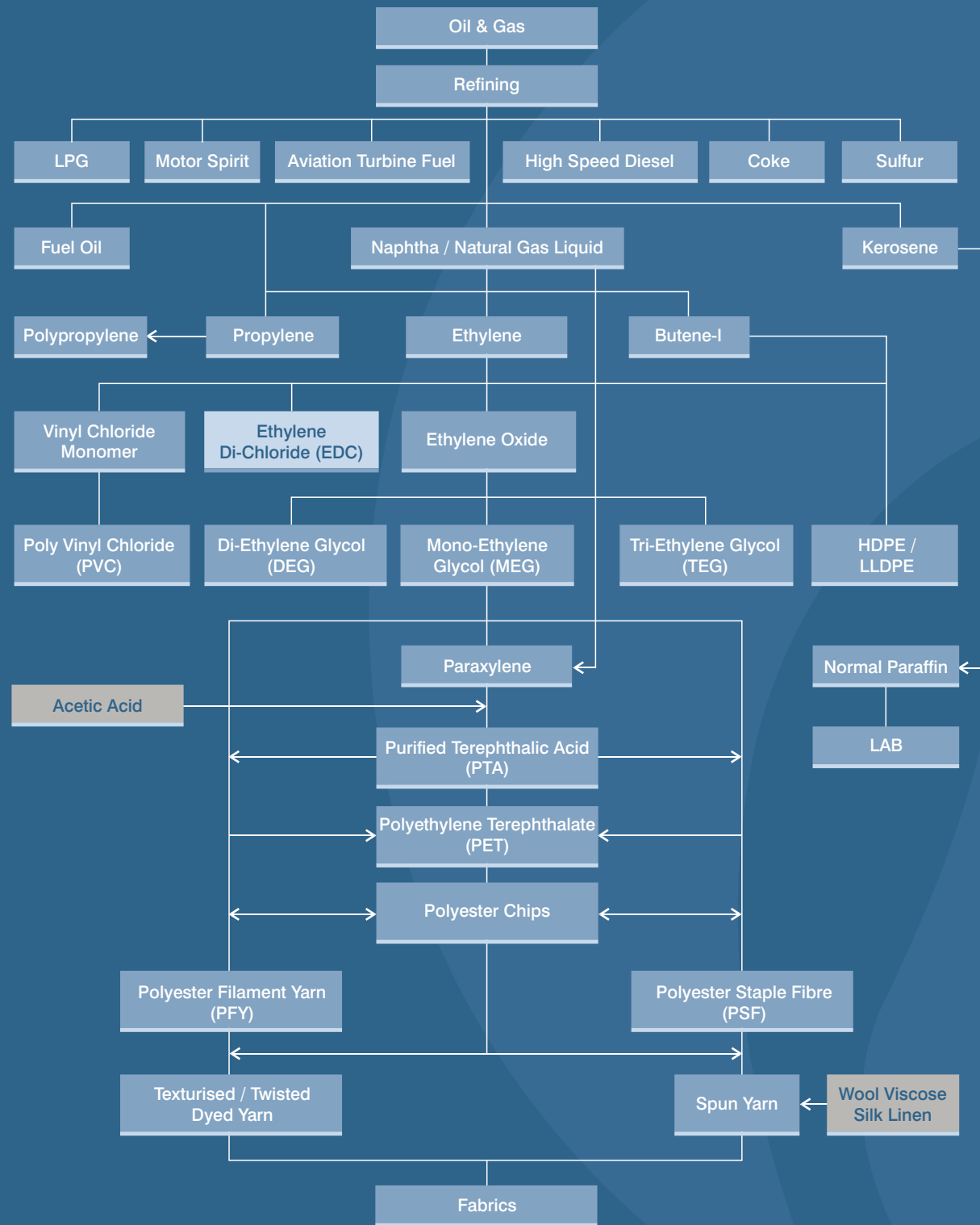
Our Core Values

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

Each of our employees lives by the spirit of 'Daring to Dream and Learning to Excel'.

Reliance featured in the Fortune Global 500 list of World's Largest Corporations for the fourth consecutive year and was among the top 50 climbers for two years in a row.

The RIL Vertical



■ Existing products ■ Purchased raw materials ■ Partly purchased raw materials

Diversified Portfolio



Exploration & Production



Refining



Petrochemicals



Textiles



Retail



SEZs

At Reliance, we have a diversified portfolio of businesses in the form of exploration & production of oil & gas, refining and marketing, petrochemicals, textiles, retail and development of SEZs. We have plans to make significant capital investments in all these core businesses to pursue growth opportunities.

Reliance Petroleum limited, our subsidiary, was listed on the Bombay Stock Exchange and the National Stock Exchange with equity share offering worth INR 81,000 million. We also entered in to the organised retail market in India by launching a convenience store format 'Reliance Fresh'.

Did you know

RIL is India's first private sector enterprise to cross US\$2 billion profit mark.

RIL is the largest Oil & Gas acreage holder among the Private sector companies in India with 34 domestic exploration blocks covering an area of about 337,000 sq. km.

RIL operates the third largest refinery in the world at any single location, with a capacity of 33 million tons per annum or 0.65 million barrels per day of crude throughput, at Jamnagar, Gujarat.

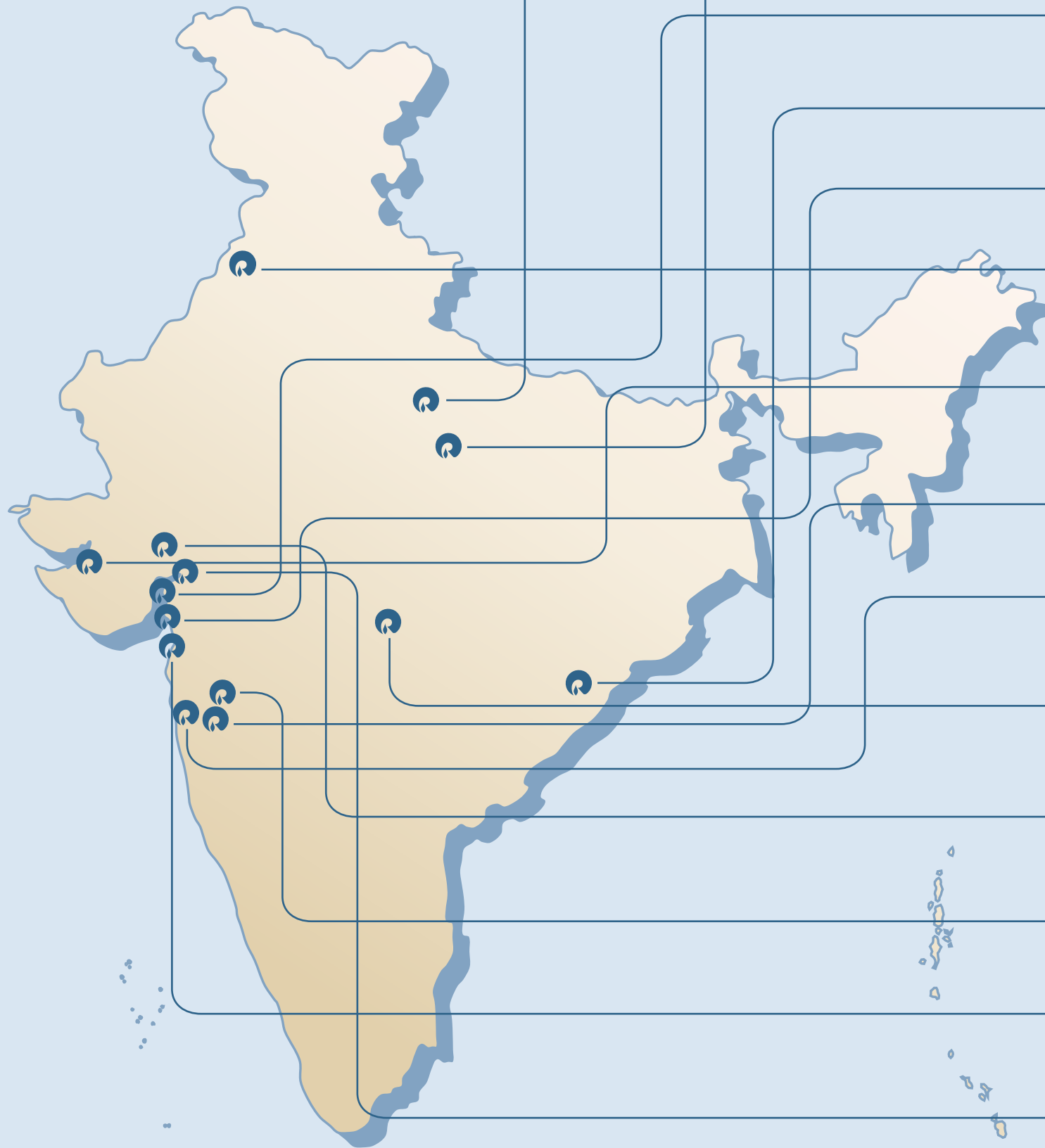
RIL is the seventh largest manufacturer of Polypropylene (PP) with a combined capacity of over 1 million ton.

RIL's Naroda Manufacturing Division, one of India's largest and modern textile complexes, produced about 25 million metres of fabric both for domestic and international markets.

RIL is world's largest producer of Polyester fibre and yarn

RIL placed \$300 million in US Private Placement Market. First ever Indian company to raise money through this route.

RIL Manufacturing Divisions



ALLAHABAD Manufacturing Division located in Allahabad, Uttar Pradesh, is spread over 105 acres. It is equipped with batch polymerisation and continuous polymerisation facilities.

BARABANKI Manufacturing Division located near Lucknow, Uttar Pradesh, is spread over 106 acres. It manufactures Black Fibre.

DAHEJ Manufacturing Division located near Bharuch, Gujarat, is spread over 1,778 acres. It comprises of an ethane / propane recovery unit, a gas cracker, a caustic chlorine plant and 4 downstream plants, which manufacture polymers and fibre intermediates.

DHENKANAL Manufacturing Division located in Baulpur, Orissa, is spread over 227 acres. It manufactures polyester staple fibre.

HAZIRA Manufacturing Division located near Surat, Gujarat, is spread over 700 acres. It comprises of a Naptha cracker feeding downstream fibre intermediates, plastics and polyester plants.

HOSHIARPUR Manufacturing Division located in Hoshiarpur, Punjab, is spread over 69 acres. It manufactures a wide range of PSF, PFF, POY and polyester chips.

JAMNAGAR Manufacturing Division located in Jamnagar, Gujarat, is spread over 7,400 acres. It comprises of a petroleum refinery and associated petrochemical plants. The refinery is equipped to refine various types of crude oil (sour crude, sweet crude or a mixture of both) and manufactures various grades of fuel from motor gasoline to Aviation Turbine Fuel (ATF). The petrochemicals plants produce plastics and fibre intermediates.

KURKUMBH Manufacturing Division located near Pune, Maharashtra, is spread over 34 acres. It manufactures fibre intermediates.

NAGOTHANE Manufacturing Division located in Raigad, Maharashtra, is spread over 1,860 acres. It comprises of an ethane and propane gas cracker and five downstream plants for the manufacture of polymers, fibre intermediates and chemicals.

NAGPUR Manufacturing Division located in Nagpur, Maharashtra, is spread over 368 acres. It manufactures polyester filament yarn, dope-dyed specialty products of different ranges, fully drawn yarn and polyester chips.

NARODA Manufacturing Division located near Ahmedabad, Gujarat, is RIL's first manufacturing facility and is spread over 150 acres. This synthetic textiles and fabrics manufacturing facility manufactures and markets woven and knitted fabrics for home textiles, synthetic and worsted suiting and shirting, ready to wear garments and automotive fabrics.

PATALGANGA Manufacturing Division located near Mumbai, Maharashtra, is spread over 200 acres. It comprises of polyester, fibre intermediates and linear alkyl benzene manufacturing plants.

SILVASSA Manufacturing Division located in the Union Territory of Dadra and Nagar Haveli, is spread over 127 acres. It manufactures a wide range of specialty products such as Recron Stretch, Linen Like, Melange, Thick-n-thin and Bi-shrinkage yarns.

VADODARA Manufacturing Division located in Vadodara, Gujarat, is spread over 1,263 acres. It comprises of a Naptha cracker and 15 downstream plants for the manufacture of polymers, fibres, fibre intermediates and chemicals.

Lessons Learnt

Our second sustainability report, *My Reliance, My Life*, published for the year 2005-06 was the only GRI checked G3 - A+ report from India. The report was issue and stakeholder centric, and reported on our 5 manufacturing divisions, 5 business divisions and Dhirubhai Ambani Foundation.

Based on the feedback received on our previous report, this year, we have...

- * Further expanded report coverage to include our 14 manufacturing divisions, 6 business divisions, the Dhirubhai Ambani Foundation and the Reliance Rural Development Trust.
- * Defined and articulated Material Issues.
- * Prioritised stakeholders based on a structured stakeholder engagement process.
- * Expanded indicator coverage - Out of 79 indicators, fully reported on 67 indicators against 35 in the last report.
- * Demonstrated progress on commitments made in the previous report.
- * Articulated "Business Case for Sustainability."



Scope of the Report

This report, third in our journey on sustainability reporting presents RIL's sustainability performance for the financial year 2006 – 2007. Wherever required, we have also exhibited the trends of our sustainability performance for all the three years FY 2004 to FY 2007.

The report covers the manufacturing locations of RIL at, Allahabad, Barabanki, Dahej, Dhenkanal, Hazira, Hoshiarpur, Jamnagar, Kurkumbh, Nagothane, Nagpur, Naroda, Patalganga, Silvassa, and Vadodara; and the business divisions of Chemical business, Fibre Intermediates, Petroleum, Polyester, Polymers, and Supply & Procurement; and Dhirubhai Ambani Foundation and Reliance Rural Development Trust.

We are 'Organisational Stakeholder' of Global Reporting Initiative (GRI) and continue to adhere to GRI G3 sustainability reporting guidelines.

Additionally, this year, we have also aligned the report to the sustainability reporting guidelines of International Petroleum Industry Environmental Conservation Association / American Petroleum Institute (IPIECA/API), United Nations Global Compact (UNGC) Principles and World Business Council Sustainable Development's (WBCSD) sustainability reporting tools.

This year we have defined more KPI protocols thereby bringing in additional coverage of our sustainability performance.

Indicators reported

Fully (67)	42 core 25 additional
Partially (2)	01 core 01 additional
Not reported (10)	06 core 04 additional

Ernst & Young has provided independent assurance for this report.

This year, we have adopted systematic steps to identify and prioritise the Sustainability issues facing our industry and in turn our company. Heads of Manufacturing divisions and businesses identified 21 sustainability issues relevant to RIL. Of these, five issues were prioritised. As part of the stakeholder engagement process we interacted with our stakeholders to understand their perspective on our sustainability performance and the implications of our operations on them.

In continuation of our commitment, this year's report is also a GRI checked A+ report

It is our endeavour to improve the quality of our sustainability report every year for which your valued feedback will be of great assistance. Please e-mail your suggestions / views / opinions to Shri. Rohit Rao at rohit.rao@ril.com

Discussion on Materiality

We began our sustainability reporting journey three years ago and today we are proud to imbibe sustainability as a way of life at Reliance. We recognise the importance of understanding our stakeholders better, capturing their expectations and assessing our reciprocal impacts.

We realised that these diverse expectations and sustainability issues compete for space in our reports. They also vie for time and attention in the boardroom and we need to be able to make decisions about which of these issues are really key – for our many stakeholders, for our commercial success and for internal management.

Therefore this year, we instituted a formal approach of identifying material sustainability issues including areas of interest to key stakeholders.

We strongly believe that 'materiality matters'. It goes to the heart of corporate accountability. Our stakeholders expect us to be accountable for our decisions and performance on issues relevant to them.

We started the process by involving senior management and selected stakeholders to define materiality. The result of this initiative was identification of 21 issues spanning the spectrum of our value chain. Five issues were prioritised based on their relevance to us and our stakeholders;

<p>1 Employee Health and Safety</p>	<p>2 Corporate Governance and Transparency</p>	<p>3 Product Responsibility</p>	<p>4 Climate Change</p>	<p>5 Waste Management</p>
				
<p>We continuously benchmark and improve our operations and processes towards the goal of zero accidents and injuries at the workplace. The Centre for HSE Excellence, working under the guidance of the HSE committee of Directors, has been active in promoting best standards in the field of Health, Safety and Environment at all our manufacturing divisions. Our new areas of focus, namely behavioural safety and process safety would help us in improving our HSE performance further.</p>	<p>For us, corporate governance is about commitment to values and ethical conduct of business. The company believes the most important attribute of Corporate Governance is creation of value equally for all its stakeholders. The board conducts business with the understanding that it is the trustee on behalf of our two million shareholders.</p>	<p>We feel responsible for the environmental and safety impacts of our products during their lifecycle. Through collaborative efforts of customers, consumers and regulatory authorities we are making efforts towards creating sustainable and cost-effective products. Based on their feedback we are able to reduce lifecycle impact of our products. Few examples include coloured polyester fibres; high performance environment friendly packaging alternatives and nano-composites for automotive applications.</p>	<p>We regularly benchmark our energy consumption with global standards, and consistently work towards improving efficiencies further. For a greater emphasis on energy conservation we revised our energy policy. Besides energy conservation, we are also looking at opportunities of utilising the energy conservation efforts by way of Clean Development Mechanism (CDM).</p>	<p>We practice the 'waste to resource' philosophy. We have initiatives that aim at converting waste streams into productive resource streams. We have undertaken various pilot and demonstration projects in the fields of waste management, recycling, energy recovery, etc. Our efforts on plastic waste recycling and life cycle impact assessment through Indian Center for Plastics in Environment (ICPE), and used PET bottle recycling towards sustainable development are very well recognised. Other examples include, recycling of treated effluent; recovery of biogas from effluent, biomass and canteen waste.</p>

Performance Review



Environmental

	2004 - 05	2005 - 06	2006 - 07
Weight of material used ('000 tons)			
Raw material	39,441.00	38,310.00	41,962.00
Associated material	198.66	248.29	256.36
Intermediates	15.14	12.60	11.76
Packaging material	39.71	36.56	38.69
Material recycled ('000 tons)	45.08	52.72	52.79
Direct energy consumption ('000 GJ)			
Non-Renewable	200,666.00	200,827.00	225,142.00
Renewable	137.34	188.67	236.57
Indirect energy consumption ('000 GJ)	19,624.00	19,369.00	20,999.00
Energy saved due to conservation ('000 GJ)	2,830.00	2,318.00	10,496.00
Total water withdrawal ('000 cu. M)	85,958.00	89,857.00	95,686.00
Percentage of water recycled	24.49	23.30	26.35
Total effluent discharged ('000 cu. M)	23,334.00	24,107.00	24,920.00
Greenhouse gas emissions ('000 tons of CO₂ eq.)			
Direct emissions	15,882.00	15,491.00	16,451.00
Indirect emissions	120.28	164.00	(46.10)
Reductions in GHGs ('000 tons of CO₂ eq.)	--	--	629.07
Emissions of ODS (tons)	44.10	43.53	53.61
Total air emissions ('000 tons/year)			
SPM	3.99	3.36	3.52
SO _x	15.70	14.21	13.81
NO _x	17.79	17.01	18.87
Total amount of waste generated ('000 tons)			
Hazardous waste	35.43	32.94	40.47
Non-Hazardous waste	26.79	23.69	41.81



Social

	2006 - 07
Workforce breakdown**	
Leader (nos.)	1,144
Manager (nos.)	7,054
Executive (nos.)	3,676
Non-Supervisory/Workmen (nos.)	12,120
Trainee (nos.)	702
Attrition rate (percentage)	7.79



** Post IPCL merger, cumulative data as of March 31, 2007

	2004 - 05	2005 - 06	2006 - 07
Total Benefits provided to employees (million INR)*	262.98	256.30	445.48
Safety performance*			
Injuries (nos.)	138.00	116.00	128.00
Injury rate (per 100 employees)	0.29	0.22	0.26
Lost days (nos.)	45,332.00	14,826.00	57,418.00
Lost day (per 100 employees)	96.01	28.69	116.55
Total hours of training*			
Leaders (hours)	14,187.00	16,829.00	12,918.00
Managers (hours)	131,861.30	216,705.00	295,272.00
Executives (hours)	221,753.00	109,221.50	140,663.00
Non-supervisory (Workers/Contract/Trainees) (hours)	111,369.00	92,160.00	96,405.00

* This data is only for the manufacturing divisions



Environment



- Reduction in green house gas emissions by 629,073 tons of CO₂ equivalent (88,360 tons through five registered CDM projects)
- Reduction in specific direct GHG emissions by four percent, compared to the previous year
- Energy conservation to the tune of 10,496,000 GJ, that is more than 4.50 times the energy conservation in the previous year
- Reduction in specific water consumption by three percent, through our 4R approach, i.e. reduce, recycle, reuse, and recover
- Six percent reduction in specific effluent discharge
- Increase in water recycling by 13 percent as compared to last year
- 25 percent increase in renewable energy consumption
- Reduction in total SO_x emissions by three percent

Social



- Attrition rate - 7.79 percent in 2006-07
- Average hours of training per employee at all levels, increased to:
 - management cadre 60 hours/employee
 - non-management cadre seven hours/employee
- DAF contributed INR 82.80 million to education and public healthcare initiatives, three times more than the previous year
- RRDT supported 2,862 villages under the Gokul Gram Yojana during the last five years
- Hurkisondas Charitable hospital managed by RIL treated 54,319 patients in OPD
- Till date, MADER - a trust managed by RIL has disbursed loans worth INR 10 million through self-help groups to needy women

Economic



- Revenues equivalent to three percent of India's GDP
- 12 percent of India's total exports
- AAA by CRISIL (S&P, India) for past 12 years
- Export to over 100 countries
- Refinery's average capacity utilisation rate was 96 percent and it achieved the highest ever crude throughput of 31.72 MT
- Economic value generated soared from INR 898,070 million to INR 1,188,320 million
- Investments in social initiatives has gone up from INR 400 million to INR 593 million

Recognition

Continuing with our tradition, RIL's efforts have yet again been acknowledged at national and international levels. Some of the major leadership awards being:

RIL featured in the Fortune Global 500 list of 'World's Largest Corporations' for the fourth consecutive year

- Ranked 269th in 2007 having moved up 73 places from last year.
- Featured as one of the world's Top 200 companies in terms of Profits.
- Among the top 25 climbers for two years in a row.
- Featured among top 50 companies with the biggest increase in Revenues.
- Ranked 26th within the refining industry.

RIL emerged 182nd in the FT Global 500 (up from previous year's 284th rank)

The United States India Business Council honoured Shri Mukesh D. Ambani in Washington at USIBC's 32nd Anniversary Leadership Award for "Global Vision" in 2007

The first NDTV Profit Global Indian Leader award to Shri Mukesh D. Ambani

The Economic Times Business Leader of the year award to Shri Mukesh D. Ambani

Additionally, we were recognised for excellence in the field of quality, training, energy conservation, information technology, social responsibility, environment, health & safety; details of the same are available in the Company's annual report for FY 2006-07.

Progress on Commitments

It is our endeavour to accept challenges and set new standards for ourselves. Last year we shared key challenges facing our business and resolved to overcome those challenges. We have made substantial progress on the commitments made last year and brief a account of the same is presented below:

	Commitments	Progress on the commitment made
1	Controlling GHG emissions	Achieved reduction in total GHG emissions to the tune of 629,073 tons of CO ₂ equivalent
2	Ensuring safety of people and assets	We have initiated pilot safety review at one of our manufacturing locations with an emphasis on behavioural and process safety. We have engaged DuPont to overhaul our safety management systems and enhance safety culture in the organisation
3	Attracting and retaining talented professionals	Attrition rate stood at 7.79 percent as against industry average* of 20 percent in India
4	Target of training 40 percent of supervisory staff on six sigma, in the next three years	17 percent of supervisory staff were trained in six sigma. We are planning to motivate our employees to involve in six sigma projects through focused programs
5	Providing cleaner fuels - plan to commence supply of gas from KGD - 6 block to our consumers in 2008. In addition of supplementing the energy supplies, it will also help in reducing GHG emissions from high carbon intensive fuels by replacing them with cheaper and more efficient natural gas	The progress on the supplying of gas from D1 and D3 of KGD - 6 block is on track and scheduled to commence production from the second half of FY 08-09 in a phased manner

* Source: ASSOCHAM report for the year 2006-07

Corporate Governance

Over the past

3

years Reliance stock has consistently outperformed the BSE Sensex and the S&P CNX Nifty Index.



At Reliance, we have a long-standing history of corporate governance leadership and commitment to high ethical standards. Corporate governance is integral to our culture and openness about the company's corporate governance principles, practices, and structure is an important element of our policy. We see effective corporate governance as critical to achieving corporate goals and increasing the company's value. Our management systems acts as the implementation tool to ensure long-term sustainable performance.

Our whistleblower policy empowers any employee to report any wrong doing without fear of reprisal. For matters where a director has an interest element, he abstains from the relevant proceedings of that meeting. We recognise that it is our responsibility to use the Company's earnings to deliver value to our shareholders and competitive prices to our customers.

In 2006-07, the Board of Directors met nine times. Of the 13 Directors on our Board, eight are independent. We have several sub committees on key issues represented by the Directors who oversee and guide on these issues. The broad functions of various sub committees are given below:

Shareholders and Distribution of Returns

Our strategy is to deliver superior shareholder value to our two million shareholders by efficiently managing our business and rigorously evaluating new investments. This approach produces strong earnings and cash flows, which provide the basis for business investments and distribution to shareholders through dividend payments and other corporate benefits. Reliance stock has consistently outperformed the BSE Sensex and the S&P Nifty 50 Index over the past three years.

We Listen and Communicate with our Shareholders

Each year, the Company receives suggestions from shareholders and they are encouraged to express their views.

We share the complete balance sheet with all our shareholders as against the practice of sharing an abridged version followed by several Indian Companies. We are committed to providing information without discriminating any shareholder - small or big.

Every quarter, media results elaborately cover on all material events and developments of the company's operations and businesses.

Our website: <http://www.ril.com> gives indepth and updated information about all facets of company's activities.



Board of Directors

Promoter Director	Shri Mukesh D. Ambani <i>Chairman & Managing Director</i>	
Executive Directors	Shri Nikhil R. Meswani Shri Hital R. Meswani Shri Hardev Singh Kohli	
Non-Executive, Non-Independent Directors	Shri Ramniklal H. Ambani	
Independent Directors	Shri Mansingh L. Bhakta Shri Yogendra P. Trivedi Dr. Dharamveer V. Kapur Shri Mahesh P. Modi	Shri S. Venkitaramanan Prof. Ashok Misra Prof Dipak C. Jain Dr. Raghunath Mashelkar <i>(from June 9, 2007)</i>
Company Secretary	Shri Vinod M. Ambani	

Board Committees

Powers/Functions

Audit Committee

Monitor and effectively supervise the Financial Reporting process with a view to provide accurate and timely disclosures and the integrity and quality of financial reporting.

Remuneration Committee

Recommend /review remuneration of Managing Director and Whole time Directors, based on performance and defined assessment criteria.

Shareholders/Investors Grievance Committee

Oversee and review all matters connected with transfer of securities of the company.

Finance Committee

Recommend the capital structure and issuance of securities, review banking arrangements and cash management, review & approve certain short-term & long term loans, investment, transactions etc.

Health, Safety & Environment Committee

Monitor and ensure achievement of highest standards of environment, health and safety, ensure compliance to statutory requirements and recommend measures for improvement at manufacturing divisions.

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 public at large; interaction with existing and prospective FIIs and rating agencies, etc.

Employee Stock Compensation Committee

Formed inter-alia to formulate detailed terms and conditions of the employees' stock option scheme.

Functional Committee

Functional committees are constituted for specific purposes.

Communication and Engagement

At Reliance, we believe that effective communication increases employee engagement and productivity. We not only involve our people but also value their input.

In the year 2005-06, we gave a structure to our stakeholder engagement process. This year we further intensified our stakeholder engagement process, primarily driven by our concern for health, safety and environment, product responsibility, climate change, need for transparency and waste management. The theme of our engagement with various stakeholders this year was 'Listening'. As part of this approach, we obtained feedback from representative groups of our stakeholders across manufacturing locations and business units.

When the stakeholder responses were scored, shareholders, customers, regulatory authorities, neighbouring communities, suppliers, and employees emerged as the key stakeholders.

Customers

We believe in a 360 degree partnership culture for engaging with and delivering to our customers.

Organising 'Customer Relationship Management' (CRM) Meets, entrepreneur development programs and sector management, are some of the initiatives that we undertake.

Customer satisfaction survey is carried out annually and the final results covering businesses and regions are shared with respective teams including sales, customer service, supply chain management, manufacturing and commercial to enable them to initiate suitable actions.

Regulatory Authorities

Across manufacturing locations, we interact with Regulatory Authorities on a regular basis. Our approach is to:

- Go beyond statutory compliance in letter and spirit
- Maintain, upgrade and operate all pollution control facilities
- Maintain and update all documentation required for running our facilities
- Support local authorities in times of crisis, such as floods, earthquakes etc.
- Support area development plans taken up by the administration, such as road construction, partnering with the authorities to manage defunct primary health centres (at Dahej), proposing better effluent treatment facilities for neighboring industries (at Patalganga) or partner in common effluent channel projects (at Vadodara)

Suppliers

Our Procurement cells / Contract cells coordinate our engagement with our suppliers and contractors. Meetings with suppliers and contractors are held periodically to capture their feedback, as well as to share our expectations in the areas of quality and other aspects of products & services delivered by them. We also help develop local suppliers and share our business outlook with them. Contractors are given extensive training on health, safety and environment at regular intervals to avoid accidents, and increase awareness on HIV/AIDS, amongst other objectives.

Neighbouring Communities

The agenda for community engagement is health, education and infrastructure development. Some examples of our community participation and development activities include;

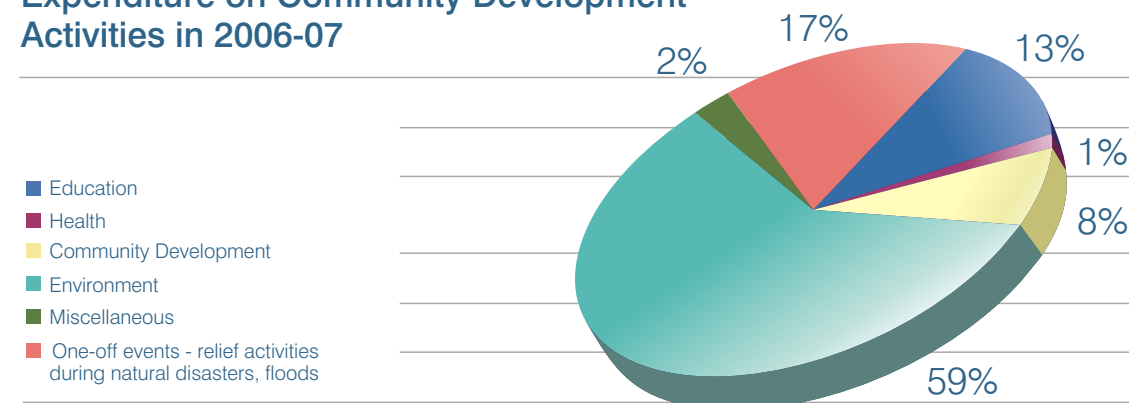
- Health awareness and medical facilities for the neighbouring communities
- Support for education through schools, scholarship to students, subsidising school fees etc.
- Infrastructure development activities in the surrounding villages
- Livelihood promotion and employment generation for women and youth
- Promoting education of girl child through supply of school starter kits
- Protection of the environment around our manufacturing facilities
- Support of district administration for local area development
- Assistance during natural disasters, whenever required
- Participation in government's welfare measures in Gujarat such as Gokul Gram Yojana, Kanya Shala Praveshotsav, Development of Dwarka etc.
- Public-private-partnership for rehabilitation of AIDS victims, improvement of public health care infrastructure

Employees

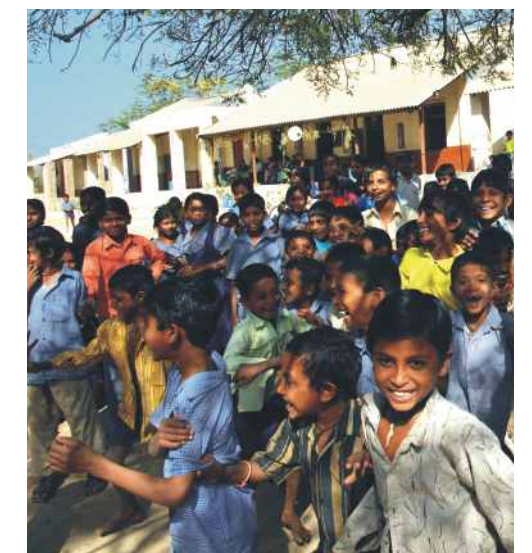
Our competitive advantage comes from our human talent pool, which we constantly nurture through training. We create opportunities for cross functional learning, which brings immense value in cross-fertilisation of ideas across businesses, sharing of good practices, and further anchoring of the company culture. In addition, what we call our 'Structural Capital' adds to our advantage: this Capital takes the form of our people's experience and knowledge captured in a structured manner, of best practices duly documented, of a robust system of formal and informal rewards and recognition, in addition to competitive compensation. Our belief of sharing our success with employees was expressed in the form of 28,728,000 employee stock options granted to over 14,000 eligible employees under the Employee Stock Option Scheme(ESOS).

To provide employment opportunities and foster the community spirit further, we are encouraging the spouses of our employees to join the company for our ongoing projects.

Expenditure on Community Development Activities in 2006-07

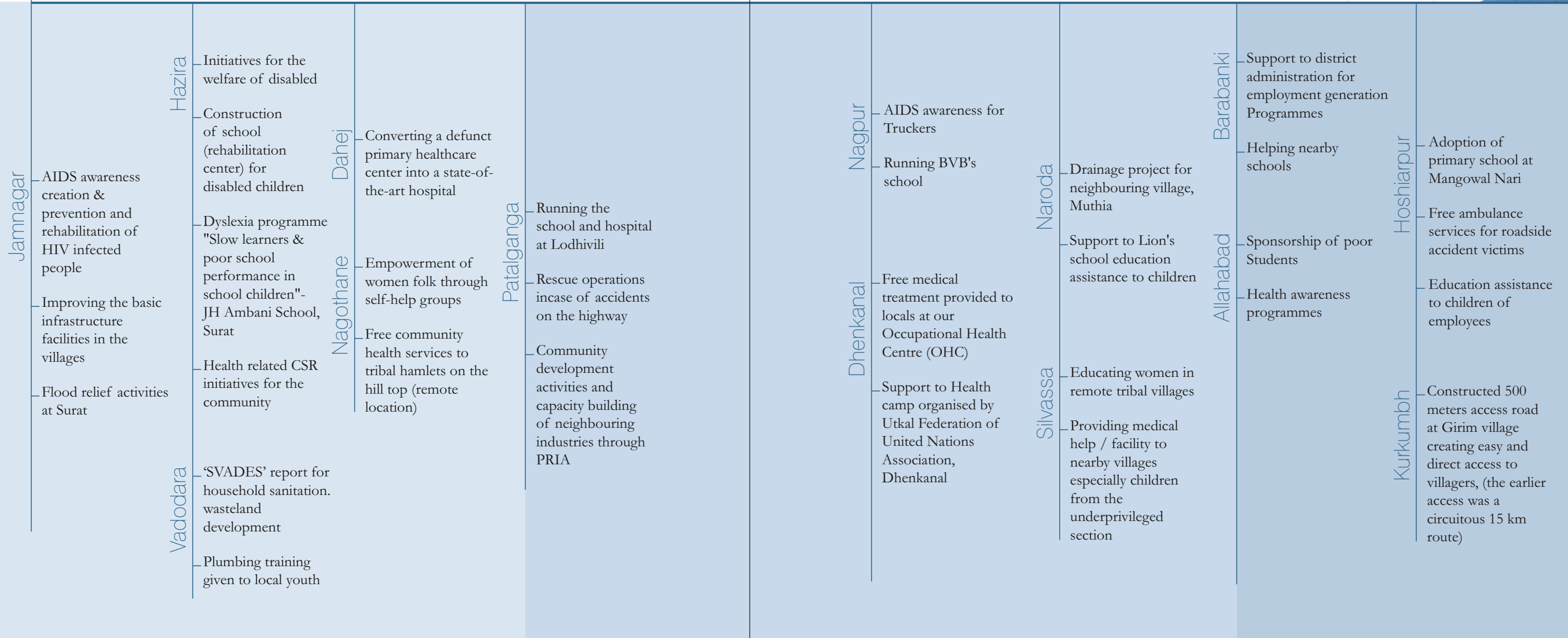


	in INR
Education	62,267,375
Health	5,896,364
Community Development	35,280,733
Environment	271,593,402
Miscellaneous	12,067,464
One-off events - relief activities during natural disasters, floods	78,724,664
Dhirubhai Ambani Foundation	82,800,000
Sir HN Medical Research & Society	7,700,000
Jamnaben Hirachand Ambani Foundation	36,900,000
TOTAL	593,230,002



SVADES run by RIL at Vadodara is enhancing school infrastructure to help children receive quality environment to pursue their dreams

Community Engagement



Community Medical Centers are oases of healthcare for the neighbouring villages



Anganwadis supported by RIL across its Manufacturing Divisions are spaces of care and recreation for village children



The Panchayatgrihas constructed by RIL have emerged as platforms for conducting village administrative functions and also function as a common-meeting point



Setting up the state-of-the-art medical facilities making modern medical care accessible to the common man



RIL organised free medical camps address the healthcare needs of the common man and also is a vehicle for conducting health awareness programmes



RIL patronised Self Help Groups have empowered women through the provision of various employment oriented training and skill development programmes

Economic Performance



3%

of India's GDP equivalent revenues generated

12%

of India's total exports

AAA

by CRISIL (S&P -India) for past 12 years

Our total income this year was INR 1,188,320 million with a net profit of INR 119,430 million. Our market capitalisation increased to over INR 1,989,050 million. We have maintained our global competitiveness and retain the position of being India's largest exporter. Revenues from exports represent 56 percent of our turnover. We continue to contribute to the wealth of the nation. We contributed to 6.50 percent of Government of India's indirect tax revenues. We have contributed INR 153,440 million to the national exchequer in the form of various taxes and duties.

INR 1,050,289

Economic value distributed soared from INR 782,221 million to INR 1,050,289 million

INR 593

Investments in social initiatives has gone up from INR 400 million to INR 593 million

100

Export to over 100 countries

96%

Capacity utilisation rates and at Jamnagar we achieved the highest ever crude throughput of 31.72 MT

For more information on our Economic Performance, please refer to our Company's Annual Report for FY 2006 - 07.

1:5

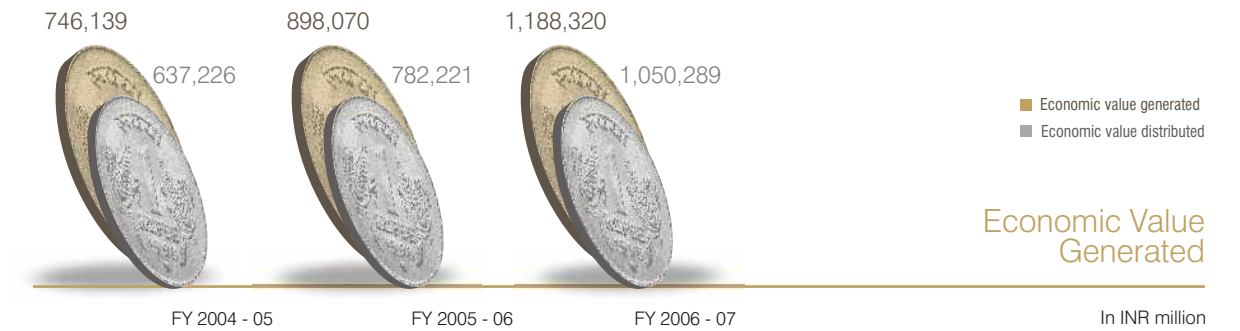
As per the approval from Hon. High Court, all assets and liabilities of IPCL have been transferred to RIL with effect from April 1, 2006.

As per the scheme of merger, one share of RIL was issued for every five shares of IPCL.

“With this merger, I am happy to welcome all IPCL shareholders to the RIL family. This merger will create value through synergies and scale that shall enhance the sustainable competitive advantages of RIL. This merger will be earnings accretive for the shareholders of RIL and provide shareholders of IPCL an opportunity to participate in RIL's diversified business portfolio.”

Mukesh D. Ambani

We paid a dividend amounting to INR 13,454 million-the highest ever for any private sector company in India. IPCL also distributed a dividend amounting to INR 950 million. The return on equity was 23.50 percent and the return on capital employed was 20.50 percent, both are significantly higher than the weighted average cost of capital. The total economic value generated increased by 32.32 percent to INR 1,188,320 million while the total economic value distributed also increased by 34.27 percent to INR 1,050,289 million.



Local Supplier Development



PEEB Chemical & RELD1000 (Co-Catalyst used in PP Plant)

As part of our supplier development plan, we have developed two local suppliers to manufacture Para Ethoxy Ethyl Benzene (PEEB) and RELD-1000 that are used along with co-catalyst TEAL (Tri ethyl aluminium alkyl). With this, we have benefitted in terms of cost reduction for reduced inventory levels.



Risk Management

At RIL, all key functions and divisions such as production, treasury, insurance, legal and other issues like health, safety and environment are independently responsible to monitor risks associated within their respective areas of operations. Our high level of integration, globally competitive operations and domestic leadership position has helped us in mitigating the adverse impact of generic industry risks.

Petroleum and petrochemical products are globally traded commodities. Over and above other factors that influence price volatility, their prices are subject to international market forces of supply and demand. With these two businesses presently accounting for the major proportion of RIL's revenues, changes in global price levels can impact our financial performance. We follow an efficient inventory management system and a well-crafted strategy of procuring crude through a mix of spot and long term contracts to dilute the impact of this volatility. Our conscious efforts on maintaining a judicious mix of markets for our sales and thrust on specialty products have also proved to be effective.

Foreign exchange rate volatility too has an impact on the business and on foreign currency debt portfolio. RIL undertakes liability management transactions and other structured derivatives such as interest rate swaps and currency swap on an ongoing basis. Our growing export revenues, and foreign exchange denominated oil & gas revenues, provide more than sufficient cover for our annual external debt service obligations.

Environmental Performance

We have committed ourselves to a clean environment in the workplace and surroundings we operate in. A comprehensive HSE policy is in place that underpins our determination to improve HSE performance and environmental stewardship. We carry out structured environmental monitoring and audits to ensure that we go beyond compliance to environmental legal requirements. All our sites are ISO 14001: 2004 certified and have set targets in line with the policy requirements. As a policy and system, environmental requirements are well integrated with processes and operations.

4.5 times

More energy conservation to the tune of 10,496,000 GJ than the energy conservation in the previous year

13%

Increase in water recycling as compared to last year

25%

Increase in renewable energy consumption

629,073

Tons of CO₂ equivalent green house gas emission reduced

3%

Reduction in specific water consumption through our 4R approach, i.e. reduce, recycle, reuse, and recover

3.55%

Reduction in direct GHG emissions per ton of the product

2.83%

Reduction in total SOx emissions



Strategic Environment Management System

As a part of the strategic environment management to integrate manufacturing with environment and make environmental activities a line function, we have developed a unique proactive environmental (Green card) rating system for operating plants and non-plant units of our manufacturing divisions.

A comprehensive Green card rating framework consisting of rules and mandatory expectations/targets for key environment performance indicators is created each year based on the best performance achieved and the best manufacturing practices. A team of qualified auditors conduct frequent environment performance audits in a month. Non-compliance to the mandatory targets results in the withdrawal of cards and/or penalty based on the severity of environmental impact. To encourage going beyond the mandatory targets, bonus cards are awarded based on verifiable extra ordinary actions performed for the mitigation of environmental impacts. The plant with highest number of Green cards at the site is awarded the "Environment Excellence Award".

The system was introduced and tested at Vadodara Manufacturing Division, and was conferred "Greentech Foundation Environment Excellence Award-2004". This strategic system has led to significant economical and ecological benefits and was consequently introduced at Dahej and Nagothane Manufacturing Divisions. We plan to extend this system to cover all the manufacturing divisions of RIL.

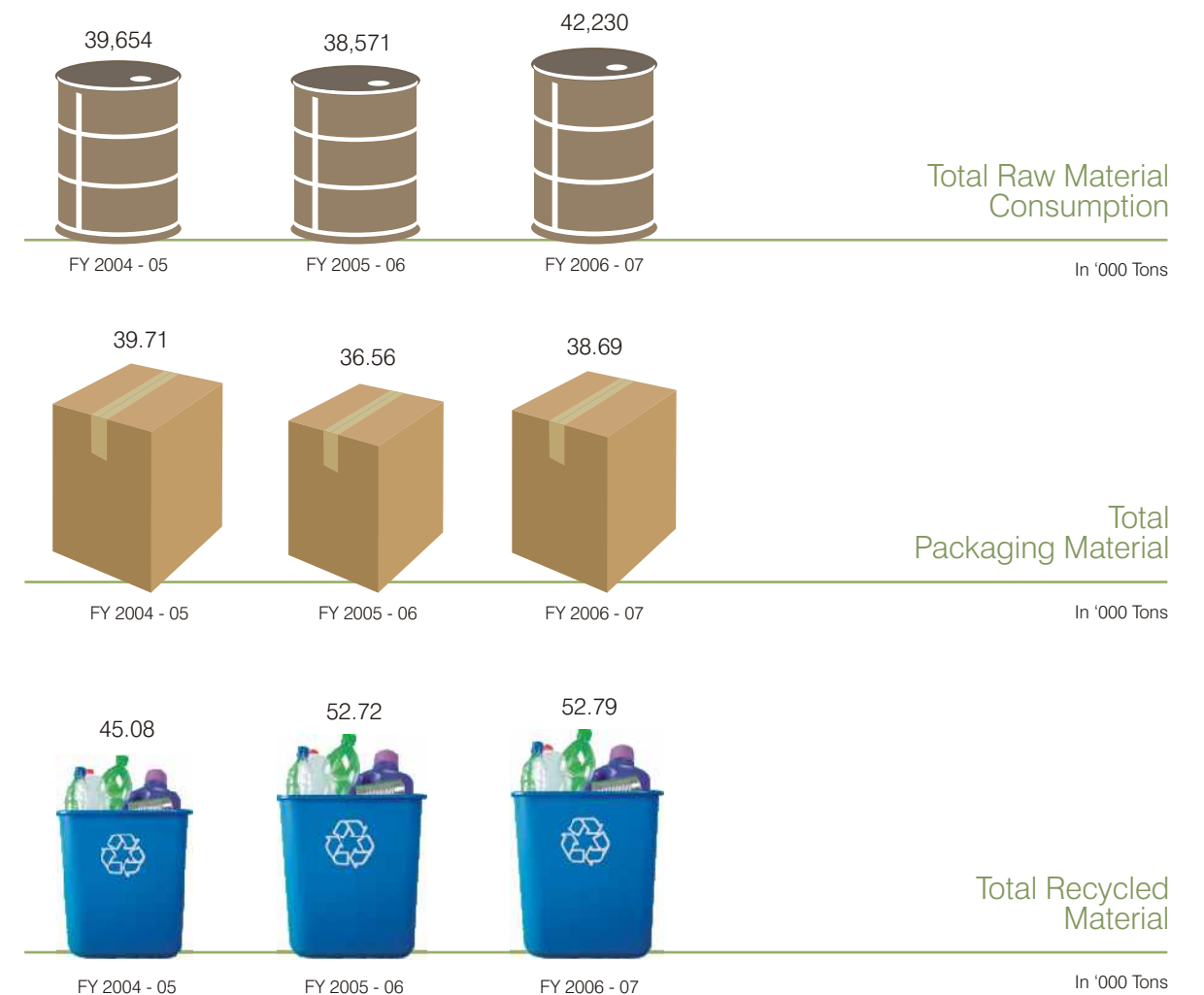


"Green" Vadodara Manufacturing Division

The plant with highest number of Green cards at the site is awarded the **"Environment Excellence Award"**

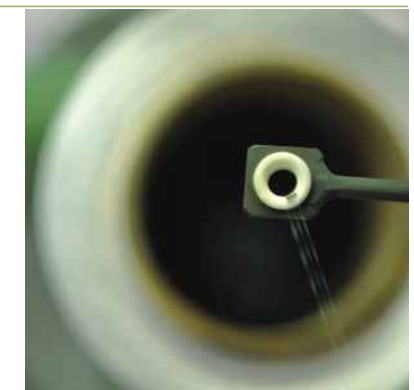
Resource Productivity

We have reduced the consumption of associated materials, semi-manufactured goods and packaging material during the current performance year. Our raw materials consumption has gone up due to increase in production at our various manufacturing locations.



Enhancing Productivity

In order to increase productivity with same machine power and utilities consumption and to reduce the conversion cost of bi-shrinkage yarn we modified the creel and yarn path of the draw twisting machines at Allahabad. The new twin feed method was achieved by creel modification to support proper yarn alignment; adjusting yarn pitch on all the 144 spindles; fabrication of special trolleys and introducing yarn guides. This modification resulted in doubling of the production volume while halving the conversion cost with same machine power and utilities consumption. The benefits of the new method were approximately INR 4.79 million over an investment of INR 0.6 million.





Waste-free Texturising Facility for the Customer

Texturising is one of the intermediate processes between spinning of Partially Oriented Yarn (POY) and textile weaving that imparts bulkiness and cotton-like feel to the polyester yarn. For any texturiser, uninterrupted and waste-free production depends on the presence of a “transfer tail”. Transfer tail is the visible and pickable end of the continuous filament yarn at the bottom-most layer of the spool that can be tied to the top-end of another spool, so as to run the spools in tandem. Keeping this in background we produced around 98 percent of spools with transfer tail availability, at Nagpur, through in-house improvisation of POY winder hardware design and at no extra cost to the customer. This resulted in a preferential demand for the site's POY vis-à-vis that of competitors and subsequently, yielded a higher Customer Satisfaction Index for the site.



Raw Material Recovery

To reduce virgin process consumable consumption in the production process a system to recover and reuse SS powder was implemented at Allahabad. After careful evaluation, we decided to clean the used SS powder, dry, segregate and reuse in the process. This resulted in 80 percent reduction in the use of virgin SS powder thereby reducing the cost of pack preparation. Approximate savings in virgin SS powder was 10 metric tons per annum which amounts to INR 5.3 million.

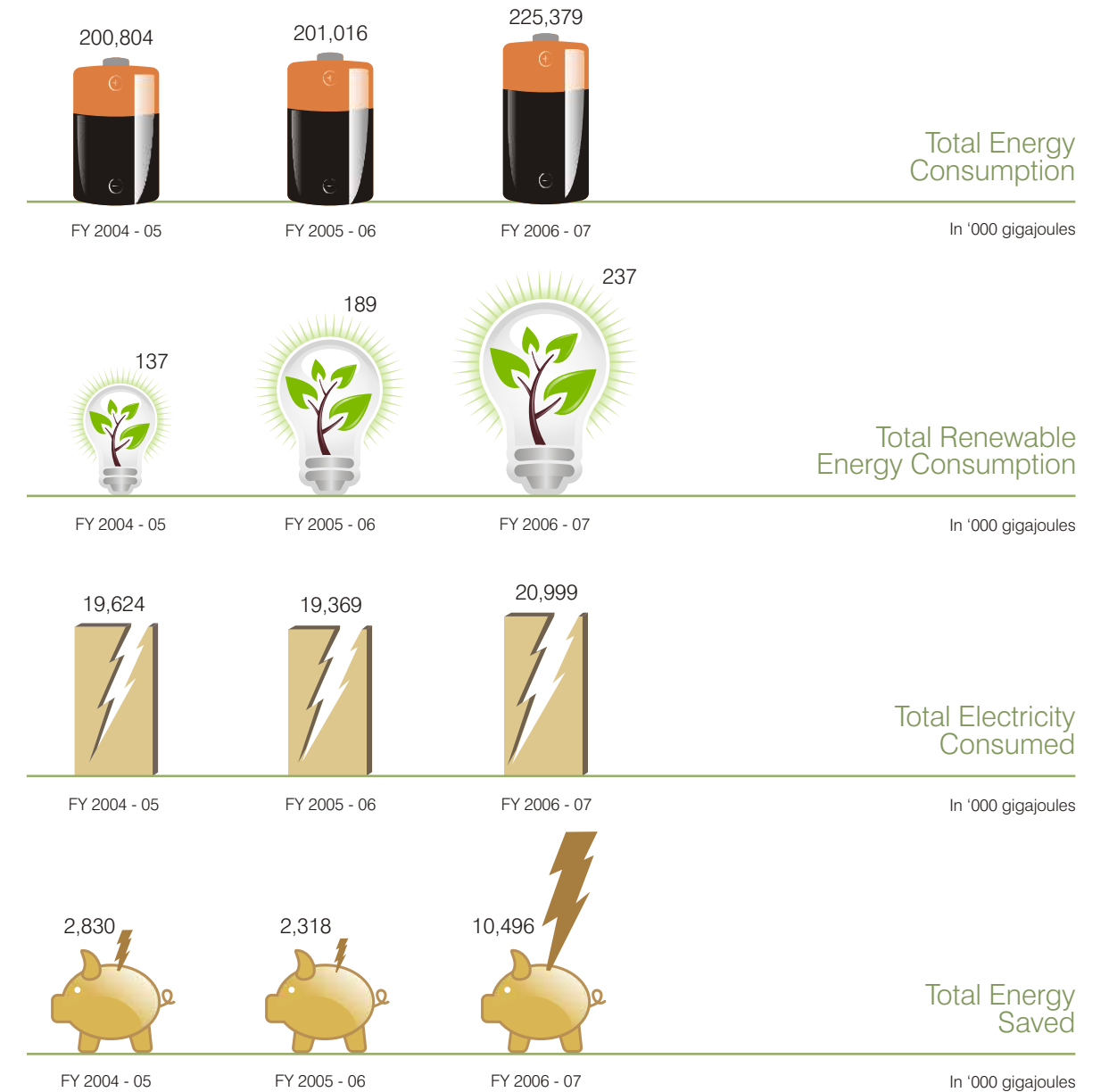
To reduce vapour loss from Naphtha storage tanks, we implemented a new improved design for the floating roof seal without taking tank outage at Hazira. This modification helped reduce vapour losses to the tune of 2.7 MT/Day/Tank thereby increasing the raw material availability to process at the cracker plant and eliminating fugitive emissions. The total investment in implementation of new seals was INR 5.0 million while the per annum saving was to the tune of INR 45.0 million.

An initiative to recycle crude ethylene glycol in the polymerisation process was implemented by us successfully at Allahabad to reduce generation of solid waste and effluents and improve cost of production at Allahabad. This intervention involved direct recycling of crude ethylene glycol in the process by control of mole ratio and di-ethylene glycol percentage; rationalising of poly reactor process parameters and catalyst adjustments along with control of moisture and impurities in ethylene glycol. Overall savings realised due to this change amounts to INR 11.6 million over an investment of INR 2.9 million.



Energy Conservation

Our energy conservation measures across manufacturing units have resulted in a new high in total energy savings this year. We have conserved more than 4.5 times the energy conserved in the previous year, through committed efforts of dedicated energy cells operating across locations.



Energy Efficiency Initiatives

We adopted various initiatives like improvement in condensate recovery, optimisation of steam usage across units and installation of an energy efficient boiler at Barabanki. These initiatives resulted in an annual saving of 336 MT of fuel which is equivalent to 1094 MT of CO₂. In monetary terms, the annual benefits were to the tune of INR 4.72 million.





Surplus steam generated from the newly commissioned PTA 3 plant at Hazira was diverted to existing steam network. A total of 35 tons per hour of 3.5 bar steam was captively used and 25 tons per hour of steam venting was eliminated. The plant was able to reduce water consumption along with reduced fuel consumption. The total investment for this initiative was INR 3 million while the total savings were to the tune of INR 80.4 million per annum.



We optimised the SHP steam temperature at the CPP end by effective temperature based segregation at respective consumer ends, at Hazira. Overall with a 10 degree variation in the temperature at the CPP end from 510 to 500 centigrade, 31 tons per hour of steam was saved amounting to INR 212.5 million per annum.



Waste heat was recovered from the gas turbine exhaust gases to generate high pressure steam at Hazira. This waste heat recovery from the HRSG stacks helped us in reducing fuel consumption. Additional benefit of this heat recovery was reduction in GHG emissions from the plant. The total investment for this project was INR 32.9 million while the benefits were to the tune of INR 57.9 million per annum.

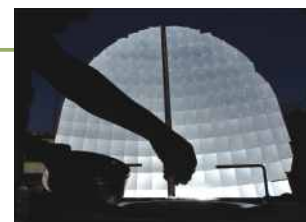


Various energy saving measures were implemented at Kurkumbh in the dehydration section for recovery of excess heat. Heat exchangers were installed to preheat glycol reactor feed and to generate live steam in the carbonate section. Further to preheat the reflux going to evaporators, a new condensate pot was installed in the existing exchanger. The above energy saving measures reduced the total steam consumption in the plant from 39 metric tons per hour to 34 metric tons per hour. The total capital investment was INR 23 million while the resulting savings were to the tune of INR 50 million.



Renewable Energy Initiatives

As a commitment towards creating a better environment, we started harnessing renewable energy for our energy needs at the Nagpur unit. A community solar cooker with a paraboloid reflector was installed in the employee canteen. This cooker not only helped tap an abundant source of energy but also helped to reduce the LPG consumption in the canteen by over 4 percent.



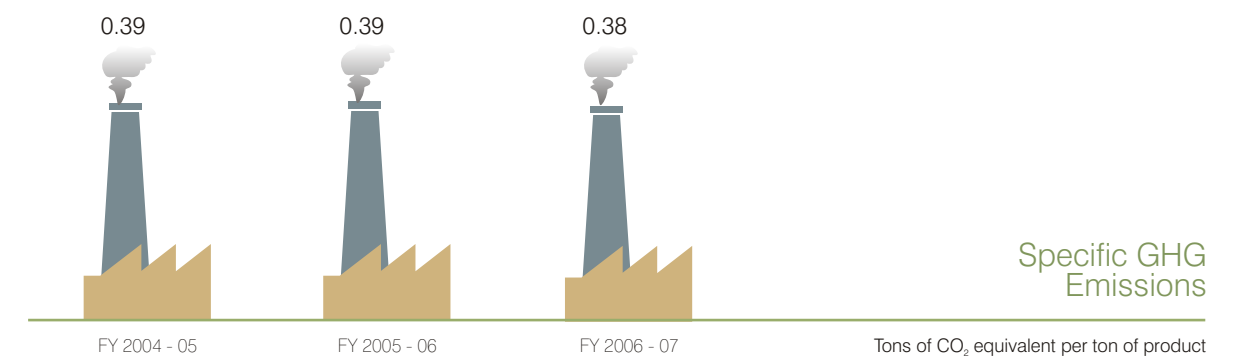
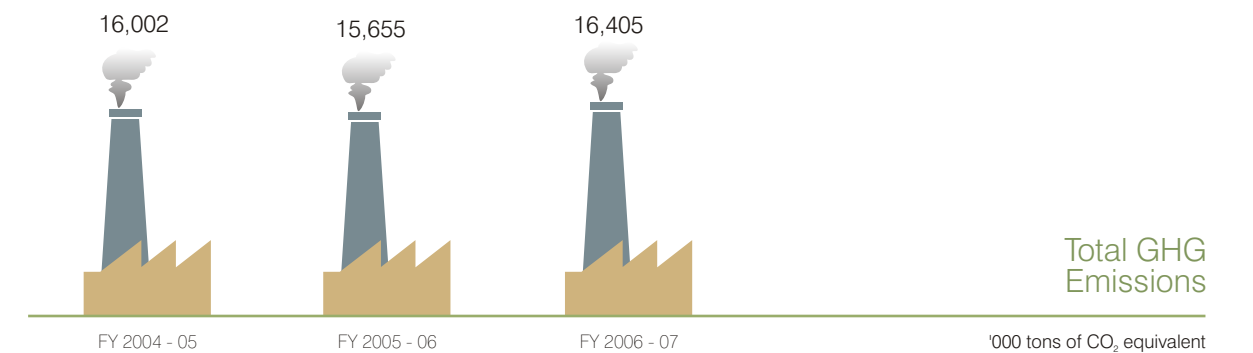
Additionally, a biomass based smokeless community chulha was also installed in the employee canteen. This chulha eliminated LPG consumption from the plant by over 77 percent. Further, a waste heat recovery unit was also installed in the chulha to recover heat energy from the exhaust gases, to provide hot water in the canteen.



Climate Change

As part of our commitment to reduce our GHG footprint we initiated a GHG reduction drive across manufacturing divisions. As a result we reduced 629,073 tons of GHG emissions. We started a cross location Clean Development Cell to identify and implement various GHG reduction projects to reduce our carbon footprint. We have sustained our specific total GHG emissions to last year's level. We have 13 ongoing CDM projects, of which five have been registered with UNFCCC. This has helped reduce GHG emissions by 88,360 tons of CO₂ equivalent, while the remaining eight have an estimated CO₂ reduction potential of 424,533 tons. This year we received Certified Emission Reductions (CERs) worth 101,030 tons of CO₂ equivalent. We are also developing the following CDM projects:

Biomass to Combined Heat and Power • Coal Bed Methane Project • Carbon Capture and Storage



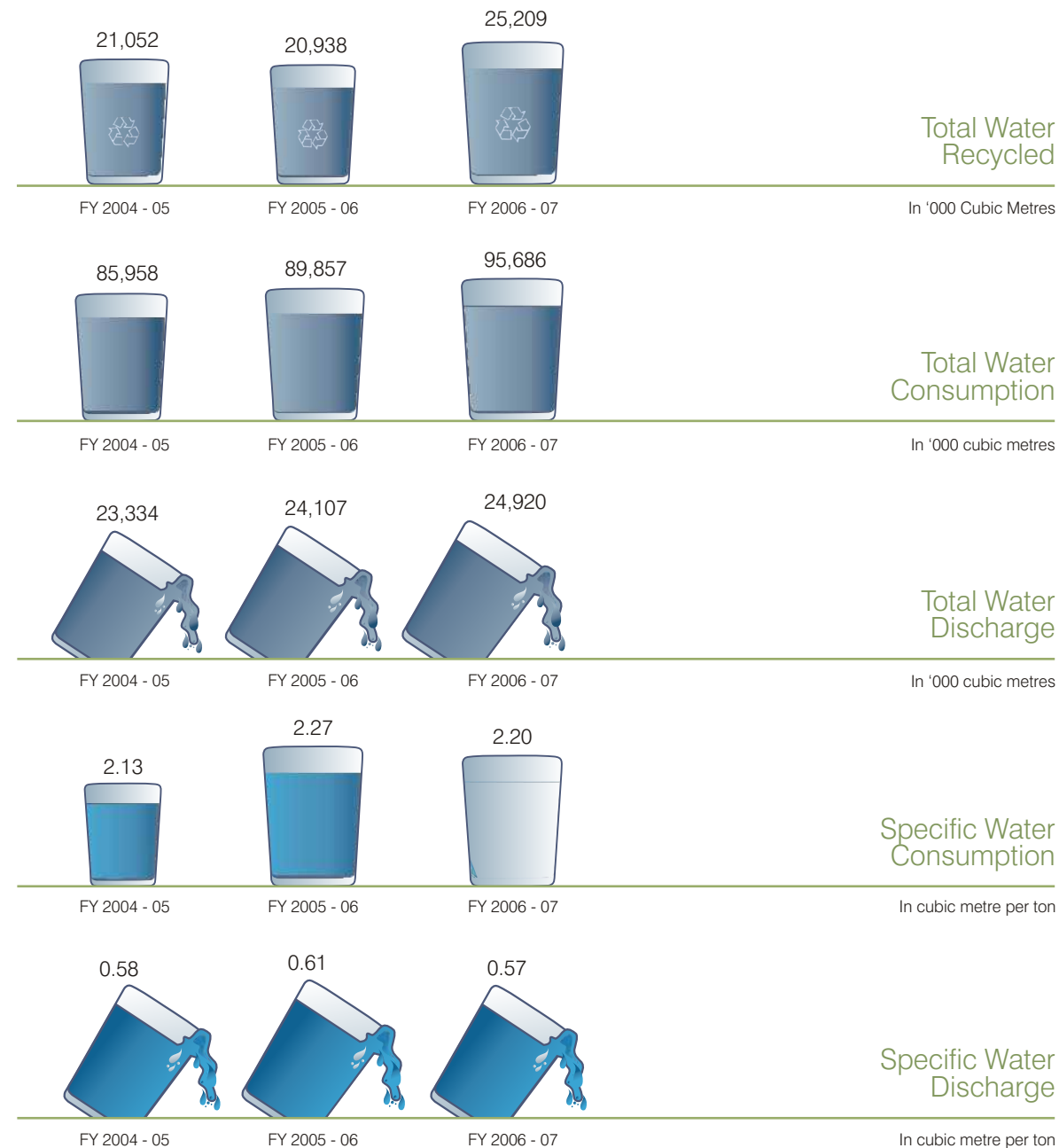
CDM Project

We have replaced solvent used in amine stripper. The new solvent procured from BASF was selected due to its better loading efficiency and flashing property resulting from the presence of stable activator. The change of solvent reduced the solvent circulation rate and made the process more energy efficient. This initiative resulted in 10,917 tons of CO₂ reduction. The investment made is INR 19.33 million and total savings realised is INR 157.7 million per annum.



Water Consumption

This year our specific water consumption has decreased by over three percent from that of last year. We have given thrust to water recycling initiatives this year that resulted in increase of recycled water by over 20 percent as compared to the previous year and achieved 13 percent recycling of total water withdrawal. The challenge ahead of us is to reduce water discharge from our manufacturing locations. Though we had a marginal increase in the total water discharged across locations, the specific water discharge was reduced by over six percent from 0.61 to 0.57 cubic metres of water per ton.



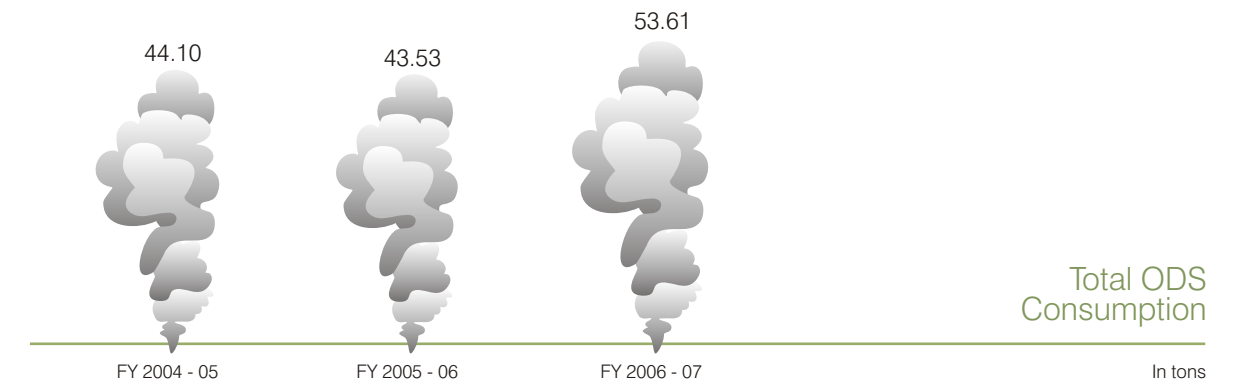
Recycling of Treated Effluent

A detailed effluent characterisation of each plant effluent stream was done and effluent streams were classified as low Total Dissolved Solids (TDS) and high TDS streams. We restructured the existing effluent treatment infrastructure to separately treat low TDS effluents and a recycle plant was commissioned to recycle treated low TDS streams as cooling tower make-up water. This project helped us at the Hazira plant to reduce uptake of fresh water and decrease the quantity of effluent discharged to the river.



Ozone Depleting Substances

Specific ODS consumption has increased this year by over 23 percent due to higher consumption at two of our sites. We plan to phase out the use of ozone depleting substances in line with the Montreal protocol by the year 2010.



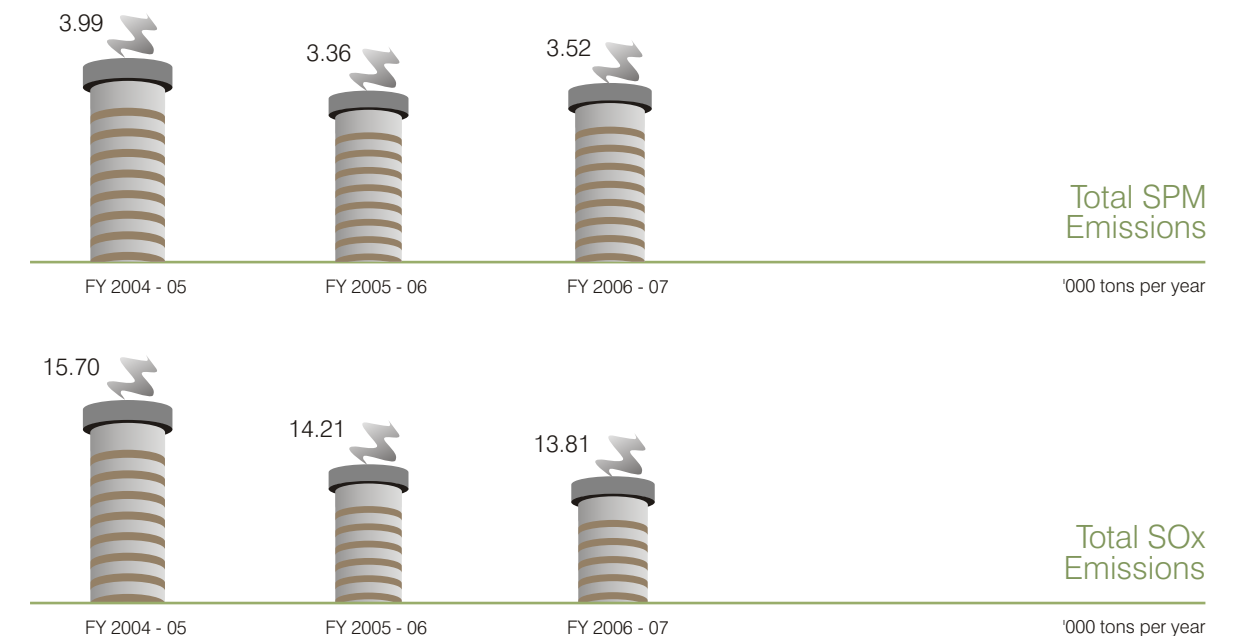
ODS Emission Reduction

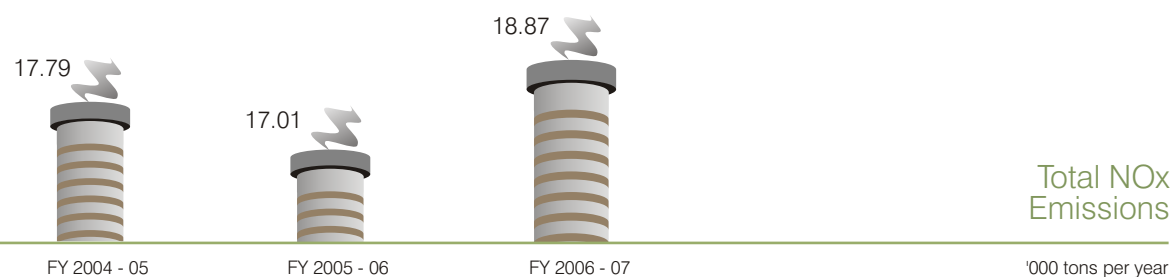
We installed a refrigerant vapour recovery unit at Hazira to recover vapours from low pressure and high pressure system at a very high rate. The recovery unit was used to recover and recharge the vapours emitted during maintenance activities. This project eliminated the emission of ozone depleting substances during maintenance activities. The total investment for this project was INR 0.1 million while the monetary benefits in terms of refrigerant costs was INR 1.2 million.



Air Emissions

This year, we were able to bring down the total SOx emissions by 2.83 percent, while the total NOx emissions increased by 10.92 percent and total SPM emissions increased by 4.61 percent





Emission Reduction

The N₂ tracer study, a novel concept introduced by Reliance Jamnagar energy cell helped us in reducing fuel gas loss to flare by about 7000 tons of hydrocarbon per annum. Elimination of flaring would mean reduction of hydrocarbon loss and hence less green house gas (GHG) emission from the refinery. The new technique has helped us in flare gas management and is of significant advantage to other hydrocarbon industries as well. This technique has reduced flaring at Jamnagar by about 20 tons per day.

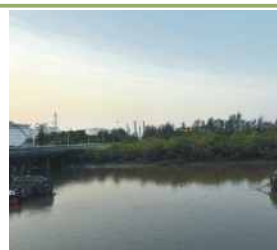
Biodiversity

We monitor the impact of our operation on biodiversity as part of our environmental management systems. For our expansion projects, we have carried out comprehensive environmental impact assessments. These assessments have revealed that there are no significant impacts on the biodiversity due to our expansion projects. Additionally, wherever required and essential we take proactive measures to monitor the impact of our operations on the ecosystem, for e.g. monitoring of quality of Tapti river at Hazira, monitoring of Patalganga river at Patalanga, and monitoring of sea water quality near jetty at Jamnagar.



Mangrove Plantation

To prevent the excessive erosion of the Tapti riverbank at Hazira we organised a mangrove plantation drive at the Manufacturing Division. As compared to 1991 levels, the Tapti riverbank had faced an erosion of more than 10 meters. As mangroves are known to prohibit land erosion, their plantation along the riverbank from the EDC jetty to the Gas jetty 2 was planned. Till March 2007, about 20,000 mangroves were planted. We have plans to plant additional mangroves in the coming year.



Sustainable Green Belt

A landscape development plan was envisaged at the Nagothane Manufacturing Division to create a better surrounding around the plant and housing colony. Such landscaping helped us in reducing soil erosion, conserving soil moisture, reducing fire hazard, reducing ambient dust content and increasing the presence of new bird species, besides acting as a carbon sink. Integrated horticultural activities like vermicomposting and intercrop cultivation for both fruit and vegetables were implemented. Hitech floriculture through the concept of green house cultivation for cut flowers like Anthurium, Gerbera, Orchids, and exotic seasonal flowers was introduced. Local tribals were employed to graft and propagate the plants. Overall 100,000 ornamental shrubs were planted in the year.



Waste Management

We subscribe to a waste-to-resource policy. The total hazardous waste generated has increased by over 22 percent this year and the total non-hazardous waste generated has increased by over 76 percent as compared to the year 2005-06, primarily due to the construction activities going on at various sites.



Creating Wealth from Waste

With a view to deliver sustainable value to the society and the environment, we have started recycling of used PET bottles to produce value added premium fibre. The Group Technical Team explored various ways for creating value from the waste PET bottles. The PET bottles are scientifically processed and recycled into value added premium fibre-fill at Hazira manufacturing divisions. This unique process has eliminated the disposal issues related with PET bottles besides generating a livelihood opportunity for the economically challenged section of ragpickers.



Reduction in Hazardous Waste Generation

We implemented 4 R project using six sigma methodology with a target to reduce waste generation from 40 kg per ton of Vinyl Chloride Monomer (VCM) to 20 kg per ton at Vadodara. Various improvements and controls were implemented, such as optimisation of oxygen and ethylene to chlorine ratio in the reactor, temperature based purging instead time based purging, installation of filter to remove coke, and continuous circulation of tar stills, in corporation of additional distillation stage and improvement in tar still separation efficiency, Re-processing of Heavy Chloro Carbon Liquid (HCCL), instrument calibration, nozzle operation improvement etc. With these modifications we were able to reduce hazardous waste to the tune of 1,088 tons - a reduction of 45.62 percent.





Eco-efficiency Initiative

A simple, cost effective adsorptive process was developed at laboratory scale, successfully scaled-up and commercialised at our Vadodara Manufacturing Division for the removal of fluoride from petrochemicals waste water. The novelty of the process was that the application of inexpensive alumina having high residual capacity for the removal of fluoride species from wastewater; the waste alumina product was from one of the sister manufacturing divisions adding value to the process chain and bringing inter-manufacturing division synergy. The modified process is environment friendly and safe involving inert alumina and water, generating no liquid effluents other than treated water.

In addition, the process operated at the system temperature of 80-90°C avoiding need for cooling and therefore resulting in conservation of energy. The flexibility of the process and its robustness helped even in increased fluoride loading, and even when capacity of the plant was increased from 30,000MT to 40,000MT per year. This modification resulted in decreased overall fluoride load on water discharged from the manufacturing division from 1.5 ppm to less than 0.5 ppm with a cost saving of INR 1.45 million per annum.



Product Responsibility

Through collaborative efforts of customers, consumers, regulatory authorities we develop sustainable, and cost-effective products. Based on their feedback we are able to reduce life cycle impacts of our products. Few examples include coloured polyester fibres; high performance environment friendly packaging alternatives; nano-composites for automotive applications.

Product Innovation

At Naroda, in the weaving process, temple provisions made of steel are required to provide a grip to the suiting fabric. However, due to this, temple marks were created on the fabric resulting in to shade variation and hence a defective quality of fabric. Such temple marks resulted in a decreased fabric quality and ultimately resulting into financial loss. After a lot of brain storming, we decided to cover the steel temple with a plastic sleeve. This solved the problem and the quality of fabric improved. The enhanced loom performance and quality out put of the fabric and ultimately resulted into financial benefit.



Use of Nano Technology

We are in the process of developing Polypropylene based nano-composites for automotive applications and light weight packaging materials using this technology. These materials have been successfully demonstrated for their superior performance, lower weight and paint savings. We expect these materials to be available to the larger section of automotive and appliance markets in near future.



Contribution to the Development of Polymer Product and Environmental Standards

We are working with Bureau of Indian Standards (BIS) of the Government of India, in drafting and formulating various standards relating to polymers. Presently we are represented in 35 committees at BIS for 226 standards. We are represented in several World bodies like ISO, CODEX and others in the drafting and formulating various ISO, CODEX and other relevant standards. Some of the key areas of involvement are as under:

- Wrapping fabrics for non-food applications
- Bulk packaging of commodities including foodgrain
- Retail packaging formats - rigid & flexible packaging
- Optimisation of liquid milk packaging
- Standards for HDPE/PVC Pipes for water and PPR pipes for plumbing
- Use of plastics in infrastructure - construction, roads
- Standard for packaged drinking water both in Polyethylene pouches and rigid containers



RIL is also associated in formulation and implementation of various environmental standards with national and state level regulatory authorities such as Ministry of Environment and Forest, Bureau of Indian Standards, Central and various state Pollution Control Boards, Confederation of Indian Industry, Federation of Indian Chambers of Commerce and Industry, Indian Chemical Council, etc.

Social Performance

People are our key assets and we are keen to nurture them as well as to hear from them. Our open door policy encourages all our employees and contractors to voice their opinions on our policies and programmes. We realise that our strength is in the creation of lasting bonds across stakeholders.



59.79 hrs

Increase in average hours of training per employee for management cadre by 24%

6.66 hrs

Increase in average hours of training per employee for non-management cadre by 3%

7.79%

Attrition rate - 7.79% in 2006-07

82,800,000

INR 82.80 million total amount spent by DAF on education and public healthcare initiatives, 3 times the amount spent in the previous year

2,862

number of beneficiary villages supported by RRDT under the Gokul Gram Yojana in the last five years

10,000,000

INR 10 million amount disbursed as loans through self-help groups to needy women by MADER - a trust managed by RIL

54,319

patients number of patients treated in the OPD of Hurkisondas Charitable Hospital managed by RIL



Talent Management

As on March 31, 2007, we have 24,696 employees on our payroll. We classify them as Leaders, Managers & Executives, and Non-supervisory staff.

This year, attrition rate stood at 7.79 percent. The minimum benefits given to our full time employees at the manufacturing divisions were INR 445.48 million.

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



Ethics and Human Rights

We hold ethical values in high regard for both internal and external dealings. All designated employees sign a code of conduct on a yearly basis. A detailed ethics policy is in place and is currently being revamped to broaden its scope.

The company constantly endeavours towards 100 percent compliance with the local and national laws. The company has developed and deployed an on-line system to monitor and ensure statutory and regulatory compliances at all manufacturing divisions. The compliance monitoring framework monitors and reports, statutory compliance under applicable laws and regulations to the management. We are a politically neutral organisation.

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



Health and Safety

We have a comprehensive HSE management system which ensures safe working conditions in our manufacturing divisions. Our belief that safety overrides the production targets has helped us in maintaining stringent safety standards at all locations.

We focus on three major areas of safety viz. behavioural safety, process safety and construction safety. To inculcate safe working habits, we provide training to the both employees and contractors on a continual basis. We carry out safety audits and reviews at regular intervals across manufacturing units to identify critical areas and improve on our safety performance.

Out of 14 manufacturing divisions, at four, we lost nine lives. In response to this, we took a major initiative through DuPont to address safety related issues, institutionalise the best practices and bring about a radical transformation in our safety management systems.

	FY 2004-05	FY 2005-06	FY 2006-07
Injuries (nos)	138	116	128
Injury Rate (per 100 emp)	0.29	0.22	0.26
Lost Days (nos)	45,332	14,826	57,418
Lost Day Rate (per 100 emp)	96.01	28.69	116.55
Fatalities (nos)	7	2	9
Man Hours Worked (million hours)	94.43	103.36	98.53



Product Safety

Our safety department at Hazira conducts safety audits for safe transportation and usage of Ethylene Oxide at the customer end to ensure accident free commissioning and operation of EO plants. The audit consists of critical scrutiny of all documentation and records related to health and safety; inspection of manufacturing, storage, and distribution systems, transportation vehicles, safety alarm systems and emergency procedures.



External Support during Emergencies

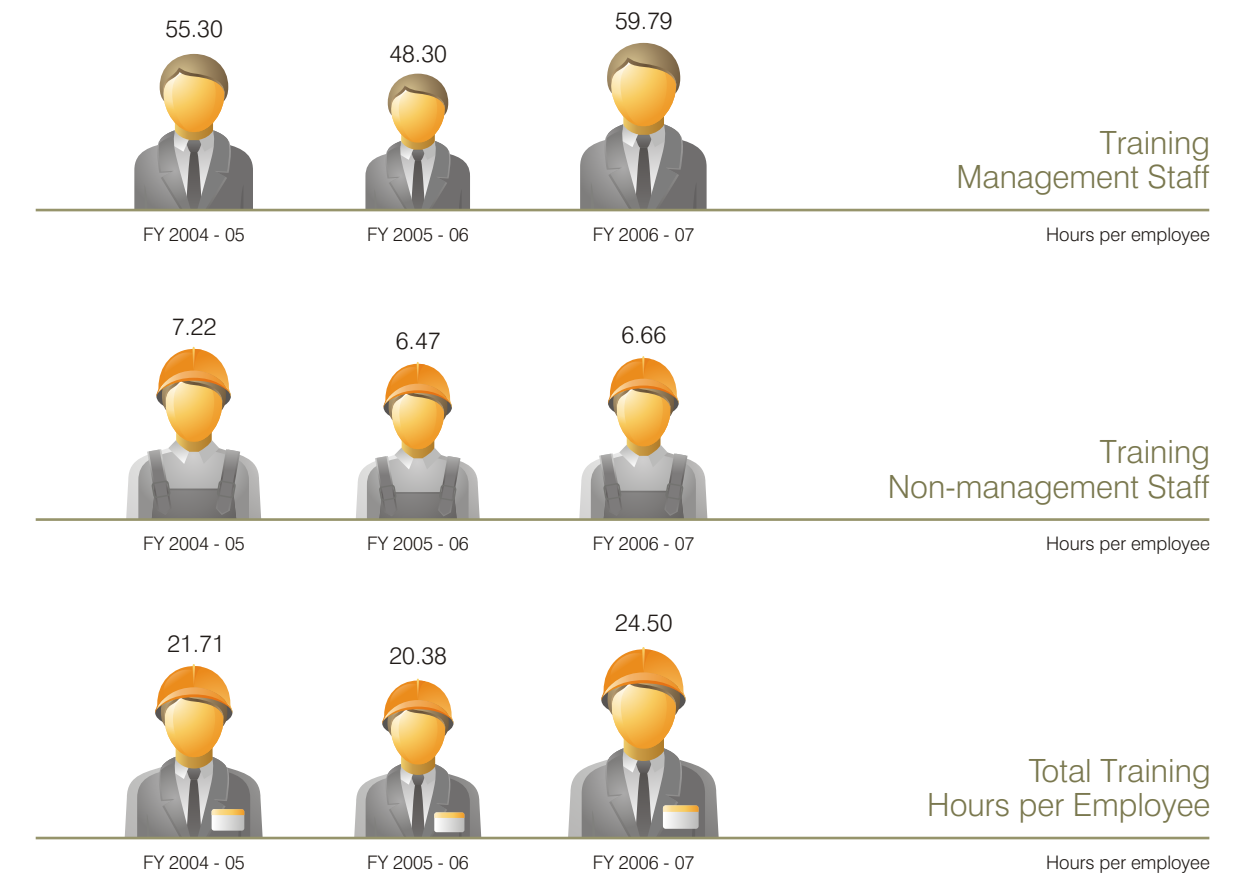
We extend support to other industries, local communities and on the highway near our manufacturing divisions to manage and control emergencies relating to chemical transportation and Fire. During the year, several fire calls were attended by us at all manufacturing divisions. We have also initiated training of traffic police in handling emergencies.



Enhancing Employability

We train our employees through internal training courses, external training or education and provision of sabbatical periods with guaranteed return to employment.

The number of hours of training given to each employee has increased significantly for both the management and non-management staff.





Life Time Employability

We believe that **“A good job is no longer the one that just pays well; but one that also trains well.”**

De-engineering - Releasing formally qualified Graduate / Postgraduate Engineers from the Site, starting from Junior Management Cadre levels - for higher level technical jobs in Reliance Group of Companies. This initiative helps Non-engineering graduates to take up higher level technical jobs otherwise done by qualified Engineers. The BSc and MSC graduates, and Diploma Holders, are encouraged to enroll in higher level degree courses under this scheme. The benefits include;

- Growth in knowledge levels and competencies of employees
- Employee retention



Knowledge Management

Patalganga Manufacturing division has received ASTD (American Society for Training & Development) 2006 'BEST' Award recognising enterprise-wide success on employee learning and development. The division also bagged the 'Golden Peacock National Training Award – 2006', instituted by Institute of Directors, New Delhi.

We provide a platform for employees to enhance their knowledge, skills and capabilities on a regular basis. We have established partnership with National Institute of Technology, at Surat, one of the best among the NITs in India, for imparting training to all Non-supervisory Staff and Front Line Executives to acquire better and higher education / qualification. The program was started with Chemical Engineering and replicated for other disciplines i.e. Mechanical, Electrical, and Instrumentation.



At Nagothane knowledge management is done through the concept of 'Structural Capital' which aims at ensuring that the right person has access to the right information, at the right time, at the speed of light. According to this concept, knowledge is categorised into 'organic' and 'scriptural', and the idea is to make this knowledge available online to improve organisational performance. This has also been extended to our other manufacturing divisions.



Community Development

Our contributions to the community are in the area of health, education, infrastructure development (drinking water, improving village infrastructure, construction of schools etc.), environment (effluent treatment, tree plantation, treatment of hazardous waste), relief and assistance in the event of a natural disaster, and miscellaneous activities such as contribution to other social development organisations etc. We have CSR teams at all manufacturing divisions that interact with community on regular basis. We take pride in sharing the facts that our CSR representatives are known by their first names in the regions we operate.

Medical Centres

Our medical centers at almost all manufacturing divisions offer free medical diagnostic and therapeutic services for all the neighboring villages. Medical vans specially designed as mobile dispensaries move to surrounding villages on a scheduled basis all through the week. On an average the mobile dispensary attends to 50 to 60 patients daily, majority of them from the “below the poverty line” category. The initiative has made an important impact in reducing the prevalence of problems such as gastroenteritis, malaria, Tuberculosis, skin diseases such as scabies and fungal infections.



Providing Free Community Health Services to Tribal Hamlets

As part of our social responsibility initiatives, Nagothane Manufacturing Division undertook the initiative of providing community health services to the ten tribal hamlets of - Gangawane, Chapewadi, Sandawadi, Hoslawadi, Bengalwadi, Wadnawadi, Killawadi, Goindawadi, Kagdawadi and Dhangarwadi; covering nearly 350 families. The idea was to provide basic medical care, care for malnourished children, the school going population, antenatal women, family planning and welfare support, treatment of general ailment for all the residents, and problems of senior citizens such as cataract.



Health Check at Schools

Every alternate year we organise a major health check campaign in all the six local schools around Hazira Manufacturing Division. For these camps we appoint a panel of consultants consisting of pediatricians, dental surgeons, phtharmologists and skin specialists to examine all the 3,500 students in these schools. The unit performs basic investigations and provides medicines for worm infestations, anemia and vitamin A doses for deficiency cases. Information regarding HIV /AIDS and sexually transmitted diseases are also imparted to all students in the 15 to 18 years age group.



Thalasemia Detection Camp and Parental counseling

We launched a Thalasemia detection camp in association with the Indian Red Cross at a local high school near Hazira, as Thalasemia is a common problem in this region. 400 children from the high school were tested for the problem and this opportunity was also used for detecting anemia and sickle cell anemia. 24 Children were found to be positive for the minor trait. A post test counseling session was organised for the parents of the children found to be positive.





Transformation of a Primary Health Centre

We adopted a Primary Health Centre (PHC) in a unique public – private partnership with the State Government of Gujarat at Dahej. As per this partnership the manufacturing division has been responsible for refurbishing and revitalising the same. Currently, the PHC is equipped with a laboratory technician, a pharmacist, a female nurse and a male and a female medical worker, who are all full time staff.

The manufacturing division has invested in improving the diagnostic facilities which now include testing facilities for HIV, Malaria, Haemoglobin, Jaundice, Hepatitis, Typhoid, Blood sugar, among others; a minor operation theatre, and a fully equipped labour room. While the PHC earlier saw a turn out of 15 to 20 patients per day, post adoption it catered to nearly 90 patients per day.

Women Empowerment

MADER (A trust sponsored and promoted by RIL) at Nagothane has been looking at avenues for women empowerment and greater access to resources. Our associate, Bharatiya Agro Industries Foundation, (BAIF), a large NGO working on rural livelihood, suggested this method of using Self Help Groups (SHGs) for the same. Therefore, the first SHG was formed with 13 village functionaries of MADER as a test case. Based on its operational experience of six months and realisation of its potential, the concept was propagated in village women resulting in formation of 23 groups.

Further to setting up the SHGs, MADER has promoted additional skill development, through the provision of various trainings (e.g., Making of Candle, Phenyl, agarbatti, soap, etc). The products made by the SHGs are now being marketed through Co-operative market outlets like Raigad Bazars. As on date, there are approximately 85 groups with more than 1,542 women members. The amount of loan disbursed by these groups is greater than INR 10 million.



Dahej Primary Health Centre's Pathological Laboratory. The only one in a 50 Km radius



Nursing and mid-wifery training to village girls for grooming them as Nursing Assistants and enhance their employability



A woman is gainfully employed after receiving skill development training from SHGs patronised by RIL



Products manufactured by village and town women under SHGs are marketed through co-operative outlets

Reliance Rural Development Trust (RRDT)

In a unique public private partnership, RRDT took up the responsibility of implementing Gujarat Government's 'Gokul Gram Yojana' (GGY). It has been implementing this scheme on the ground in a planned and sustained manner since September, 2001. As a result, 3,112 facilities in 2,682 beneficiary villages of 141 taluka of 23 districts in the State have been created during the last five years. The uniqueness of the Trust's approach is the deployment of local labour and supplies for the construction activities, which in turn creates economic opportunities for people.

The RRDT has actively contributed to the development of rural Gujarat. It's a unique corporate initiative to create infrastructure facilities in rural areas. The projects undertaken in rural areas are construction of roads, anganwadis (pre-nursery play-houses/schools), panchayat offices and community halls which are some of the basic development priorities of rural areas. So far, 592 'panchayatghars', and 567 anganwadis have been constructed. 1,523 village community halls have been constructed in various villages of Gujarat by RRDT.

Apart from continuing with regular activities of GGY, RRDT is involved in the construction of 126 check dams, costing in the range of Rs. 25 lakhs to Rs. 35 lakhs each.

RRDT plans to initiate a newsletter during 2007 to communicate its activities and progress to the internal and external stakeholders, and to organise the Trust staff members to handle larger assignments. It is also considering appointing more members to carry out its activities.

Village Welfare Surrounding Jamnagar Refinery

During 2006-07, drinking water was provided to the Moti Khavdi village and Sikka town during the summer months. Kanalus and Setalus villages located close to our refinery were also supplied adequate water for a month. The Jamnagar complex also undertook the replacement of drinking water supply pipelines at the Padana village.

Supply of fodder to cows in the villages of Moti Khavdi, Sikka, Nani Khavdi, Gagva, Pipli, Padana and Meghpar, etc. has been a well organised activity for almost a decade.

Village infrastructure facilities like community halls, temples, schoolrooms, overhead water tanks etc. have been constructed by our Jamnagar complex in the surrounding villages. During the year under report, some of these facilities were renovated, repaired, repainted etc.

Society for Village Development in Petrochemicals Area (SVADES), Vadodara

Some of the programmes are managed by respective sites such as the Vadodara Manufacturing Division which runs a collective action program - SVADES (Society for Village Development in Petrochemicals Area), an initiative that binds industry and the rural community for socio-economic development. SVADES works in 40 villages and covers 200,000 people.



Village Schools supported by SVADES have positively impacted the lives of hundreds of children



Sanitation facilities built for surrounding village homes ensure a hygienic environment



Use of audio visual equipment in classrooms makes learning more engaging and fun



“ Education is not merely a system of passing examinations and securing jobs. Education is a process of assimilating new learnings and ideas, developing diverse perspectives and upholding the spirit of quest ”

Nita M. Ambani
President, DAF

Dhirubhai Ambani Foundation

Smt. Nita Mukesh Ambani, President, DAF, has been the driving force behind all activities of the DAF and social initiatives undertaken by Reliance. Under her aegis the Foundation has transformed the lives of thousands by creating a better quality of life for them. Her zealous efforts have been a shining example of how corporate-community partnership can create lasting bonds.

The DAF, registered under the Bombay Public Trust Act in August 1995, was established under the patronage of Shri Dhirubhai H. Ambani. The overall objective of the Foundation is to make philanthropic interventions for the welfare of Indian Society and promote sustainable development of its people through initiatives in the fields of:

- Health, Hygiene and Sanitation • Education • Community Revitalisation • Promotion of Social and Economic Welfare and Upliftment of the People • Conservation of Natural Resources, Environmental and Ecological Protection • Rural Development • Assistance to other organisations with similar objectives.

The total amount invested by Dhirubhai Ambani Foundation during 06-07 on Education and Public Healthcare Initiatives was INR 82.80 million, as compared to INR 28.50 million in the previous financial year - a three fold increase.

Education

Dhirubhai Ambani International School (DAIS)

The Dhirubhai Ambani International School, (Mumbai) was established, in 2003. The school was set up with an aim to provide world-class education, synthesising an international perspective with a firmly grounded Indian context.

An LKG-12 school, it prepares students for the Indian Certificate of Secondary Education (ICSE), the International General Certificate of Secondary Education (IGCSE) and the International Baccalaureate Diploma (IB) Examinations. It is also a member of the Cambridge International Primary Programme (CIPP).

The school recognises the diverse learning needs and styles of students in an interdependent global environment and the imperative to bring out their full potential in terms of physical, intellectual, social and emotional growth.

The school believes that children learn best when learning becomes an engaging process. Therefore, the school's overarching philosophy is to provide an enjoyable and stimulating learning environment through a healthy mix of curricular and co-curricular programmes.

The focus is on nurturing children as successful learners, effective team



Dhirubhai Ambani International School

members, responsible citizens and compassionate human beings.

The Dhirubhai Ambani Foundation instituted SSC Merit Reward Scheme and Undergraduate Scholarship Scheme in 1996. The objective of the schemes has been to encourage and assist district level meritorious students to pursue higher education in different vocations and help enrich the human resource pool of the country.

Both the schemes are currently applicable in the states of Maharashtra, Gujarat, Goa and in the Union Territories of Daman, Diu and Dadra Nagar Haveli. The first three in overall merit and one physically challenged student securing the highest marks in each of the 64 districts at the annual

SSC and HSC examinations of the State Boards, as well as the first ten CBSE students from Maharashtra and Gujarat and top three from Goa are eligible for the Rewards and Scholarship.

The total number of eligible students for the Rewards and Scholarship has grown from 294 in 1996 to 624 in 2007.

The SSC Merit Reward consists of INR 3,000/- in cash and a bicycle. The physically challenged meritorious student is rewarded with INR. 6,000/-. The Undergraduate Scholarship for Meritorious HSC students, payable each year till graduation, ranges between INR 9,500/- to INR 31,500/- p.a. depending on the stream chosen by the scholar. The

Foundation informs eligible students of their selection for the Rewards/Scholarship, on receipt of the district/statewise merit list from the respective Education Boards. Annual public felicitation functions are held at the doorsteps of the meritorious students.

The Foundation has bestowed 5,937 SSC rewards and undergraduate scholarships during the past twelve years. Out of these, 677 have been presented to physically challenged students. 283 meritorious students received the SSC Merit Rewards during 2007 while 319 received the Scholarships at eight felicitation functions held in Maharashtra, four in Gujarat and one at Goa. Annually Dhirubhai Ambani Foundation disburses Undergraduate Scholarships to 1,033 meritorious students of which 32 percent are pursuing Medicine, 40 percent Engineering and 29 percent other courses like Pharmacy / Arts / B.Ed., etc.

To offer equal opportunities to the physically challenged meritorious students, the Foundation has extended the Rewards and Scholarship Schemes for the first five physically challenged students from all the states and Union Territories of India. A total of 30 physically challenged meritorious students from the state of Rajasthan received the SSC Merit Rewards and the Undergraduate scholarships till 2007. Whereas 20 physically challenged meritorious students are due to get the Rewards and Scholarships for 2006 and 2007 from the states of Andhra Pradesh and Karnataka each.

Under the Reliance Kargil Scholarship Scheme 39 children of families of martyrs/disabled soldiers of the Kargil war received financial support for their education from Std. V to XII during 2007.

In 2003 Dhirubhai Ambani Foundation launched, on behalf of Reliance Industries Limited, "Dhirubhai Ambani Scholar Scheme" for 1000 children of Shareholders on the occasion of 25th Anniversary of listing of Reliance Share on the Bombay Stock Exchange. During 2007, 101 Meritorious Students continue to receive scholarships.

Health

Sir Hurkisondas Nurrotumdas Hospital and Research Centre (HNHRC)

Dhirubhai Ambani Foundation (DAF), with financial and technical services support from Reliance Group, has joined (1997) the Management of HNHRC, a charitable hospital offering tertiary health care facilities to all strata of society and providing free and subsidised services to the poor and indigent patients availing various diagnostic and treatment facilities.



RIL conducts free health screening programmes for the senior citizens regularly at various centres

54,319

OPD patients treated during 2006-07

4,115

Surgeries performed in a year, majority of which were supra-major surgeries



Doctors of HNH examine the blood sugar levels of patients at Aaji-Aajoba garden, Shivaji Park, Mumbai

9,105 indoor patients received treatment, in various wards and specialised care areas; 4,115 surgeries performed majority of which were special supra-major surgeries, while 54,319 patients were treated at the Out-Patient-Department (OPD) of P.T. Clinic. The hospital continues its age-old tradition of rendering free service in the casualty ward. Upgradation of all facilities including Operation Theatres is an ongoing process.

The hospital carried out several Cadaver Transplants in the recent past. Further, the eye Donation drive initiated by the hospital witnessed an increased response. Some of the important outreach programmes conducted included a Senior Citizen Health Screening Programme in association with Rotary Club, and a medical back-up for the Special Olympics event organised by the Lions Club - International. Twice a month the hospital continues to conduct free health check-ups for senior citizens and

for physically challenged in Mumbai. These programmes have gone a long way in educating the community on prevention of diseases, and on promoting a healthy lifestyle.

The hospital is in the process of building a multi-storied ultra modern tertiary care hospital with state-of-the-art facilities and infrastructure embracing the entire spectrum of health care services. Several new facilities would be added, and many of the existing facilities would be significantly upgraded in areas like Neurology and Neurosurgery, Urosurgery, Cardiology and Cardiac Surgery, Cardiovascular Surgery and Cosmetology. A chain of blood banks would be established at various centers under a new initiative by the DAF. Educational and research activities at the hospital shall receive significant boost by way of advanced facilities and better funding. The project, when completed, would be a landmark in this city.

“A major focus of our sustainability initiatives is to make quality healthcare accessible to more people”

Nita M. Ambani

Sir Hurkisondas Nurrotumdas Medical Research Society (HNMRS)

DAF through the Reliance group supports the scientific research activities of HNMRS. The Society has been carrying out scientific research activities since 1974 -75 and has completed more than 120 research projects during the last 34 years. The scientists from HNMRS have presented over 169 papers at various national and international conferences. More than 120 papers have been published in peer reviewed scientific journals, about half of them being highly rated as prestigious international journals. Topics of national health priority constitute a major share of the research projects undertaken.

The researchers are motivated to expand their research avenues to carry out epidemiological studies and community-based surveys. As part of studies, children from nearby schools and susceptible communities are regularly screened by medical/paramedical professionals. Those in need of medical care are offered special attention and treatment at the institution free of cost.

The studies carried out on hospital infections and on the newly identified Transfusion Transmitted Virus were among the popular research projects that attracted the attention of professionals and won awards at national conferences. A study on Calcium and Vitamin D deficiency among exclusively breast fed infants was used as the dissertation topic for Diplomate of National Board (DNB) by a senior Pediatric resident at the hospital. An expert committee set up by the Indian Journal of Pediatrics awarded first prize to this thesis in a heavily contested pan India competition.

Active participation by honorary medical consultants in the research activities at the hospital has paved way for application of emerging technologies for the benefit of the community. Some of the current research programmes involve extensive and intensive use of the state-of-the-art infrastructure facilities.

Further, in active collaboration with the Reliance Life Sciences, HNMRS would take its research involving stem cells to greater heights and expand its horizons.



Intense research activities at HNHRC are opening up new avenues in medical science

169

Papers presented at National and International Conferences

120

Research projects completed during last 34 years

Disclosure on Management Approach(DMA)

Economic Indicators

We have a board driven stringent internal control system for business planning, risk management, operational stability and control, and regulatory compliance. We have adopted Six Sigma projects for achieving excellence across all operations. Our integrated financial accounting system has in-built controls and it ensures reliable and effective financial reporting. Our audit mechanism periodically reviews control and compliance of legal and regulatory requirements and also has control over frauds and negligence. We have a board constituted Audit Committee with three independent non-executive directors. The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and integrity and quality of financial reporting.

Environmental Indicators

We have a board constituted Health, Safety and Environment (HSE) Committee to monitor and ensure maintaining highest standards of environmental, health and safety norms and compliance with applicable pollution and environmental laws at all manufacturing divisions of the Company and recommend measures for improvement. The Committee reviews the HSE policy, performance, procedures, controls, and regulatory compliance. Our 14 manufacturing divisions are certified for ISO 14001 - environmental management systems. As a part of our continuous improvement cycle, the manufacturing divisions establish goals and objectives, under Environmental Management Programmes (EMPs), to improve their environmental performance. These EMPs are reviewed at management review meetings presided by Site Presidents and Head of Departments.

Labour Practices and Decent Work Indicators

At Reliance, every employee is encouraged to optimise his / her full potential by availing opportunities that exist across multiple functions, disciplines as well as geographies. Training plays a vital role in enhancing efficiency, productivity and performance of our employees. We have customised management programmes for our workforce to train them for higher level skills. For our senior management, we have an advanced management programme designed in collaboration with an international management institute. Under the supervision of the HSE committee of directors the Centre for HSE Excellence (CHSEE) guides the organisation from best to excellent in HSE management. Our 14 manufacturing divisions are certified for OHSAS 18001 - safety and occupational health management systems. As a part of our continuous improvement cycle, the manufacturing divisions establish goals and objectives, under Occupational Health & Safety Management Programmes (OHSMPs), to improve their safety performance. These OHSMPs are reviewed at management review meetings presided by Site Presidents and Head of Departments.

Human Rights Indicators

Over the years, governance processes and systems have been strengthened at Reliance. In addition to complying with the statutory requirements, effective governance systems and practices inter alia towards transparency, disclosures, internal controls, promotion of ethics at work-place and non-discrimination have been institutionalised. Further, we respect human rights at work-place and pursue global best practices which ensure freedom of association, prohibition of child labour, protection of indigenous rights and prohibition of forced and compulsory labour.

Society Indicators

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

Product Responsibility Indicators

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

January 31, 2008

Reliance Industries Limited,
Mumbai,
India.

Independent Assurance Statement

Ernst and Young Pvt. Ltd., has been engaged by Reliance Industries Limited (the Company) to provide independent assurance for its Sustainability Report (the Report) for the financial year ending March 31, 2007. The development of the Report, its content, and presentation is the sole responsibility of the management of the Company. Our responsibility is to provide "limited assurance" on the report contents as described in the scope of assurance. Financial data has been sourced from the Company's audited Annual Report for the period 1 April 2006 to 31 March 2007 and accordingly does not form part of our Assurance Scope. Our responsibility in performing the assurance activities is to the management of the Company only and in conformance with the terms of reference agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk. This assurance report should not be taken as a basis for interpreting the Company's overall sustainability performance, except for the aspects mentioned in the scope below.

Scope of Assurance

The scope of assurance covers the following aspects of the Report:

- Data and information related to the Company's sustainability performance in the period 1 April 2006 to 31 March 2007.
- The sustainability specific data and information covers the Company's manufacturing divisions at Jamnagar, Nagothane, Dahej, Vadodra, Hazira, Nagpur, Dhenkanal, Patalganga, Naroda, Silvassa, Barabanki, Allahabad, Hoshiarpur, and Kurkumbh; for the Company's business divisions: Chemicals, Fibre Intermediates, Petroleum Retail, Polyester, Polymers; and other sectors: Dhirubhai Ambani Foundation, and Reliance Rural Development Trust.
- The Company's internal protocols, processes, and controls related to the collection and collation of sustainability performance data.
- The Company's approach to stakeholder engagement.

Exclusions

The assurance does not cover:

- Aspects of the Report other than those mentioned above;
- Data and information outside the defined reporting period (1 April 2006 to 31 March 2007);
- Company statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company;
- Issues related to Intellectual Property Rights and other competitive issues;

Steps taken to carry-out Assurance work

The assurance provided to the Report is in accordance with the International Federation of Accountants' (IFAC) International Standard for Assurance Engagements (ISAE) other than Audits or Reviews of Historical Financial Information (ISAE3000).

Our team of professionals visited the Company's manufacturing divisions as mentioned in the scope above to gain assurance on the data and information presented in the report. The team interacted with selected set of internal and external stakeholders, reviewed the Company's internal protocols, processes, and controls related to the collection and collation of sustainability performance data to arrive at the conclusions.

Discussion with the Company's Senior Executives:

We discussed with the Company's Senior Executives, the Company's approach to sustainability with a view to understand the Company's sustainability strategy, their expectations from the manufacturing divisions and business divisions, and the way forward on incorporating and embedding sustainability in to the business. We also understood and reviewed their explanation to select material issues to be covered in the report.

Discussion with the Manufacturing Division Heads:

We discussed on one-to-one basis with the Manufacturing Division Heads about their plans on adopting and implementing the expectations of the Company's Chairman & Managing Director and Senior Executives on incorporating and embedding sustainability into the business. We also reviewed the process to identify and select material issues to be reported.

Site Visits to the Company's manufacturing divisions as described in the scope: We organized site visits to each of the manufacturing divisions to review the Company's internal protocols, processes, and controls related to the collection and collation of sustainability performance data. We tested sample data across the Report and assessed its auditability and accuracy. We understood and considered various assumptions made for arriving at final numbers against the sustainability performance indicators. We reviewed the stakeholder engagement process through interviews with concerned personnel, and by checking the relevant documentation such as questionnaires, stakeholder responses and feedbacks.

Our Observations

Our observations on the Report are as follows:

- The Report provides a multi-dimensional description of the Company's sustainability approach and performance; governance structure and process of identifying material sustainability issues.
- The report card on the progress on commitments made by the Company in its previous Sustainability Report 2005 - 06 has been presented in the Report.
- The outcome of the Company's stakeholder engagement has been detailed in the report across the selected key stakeholders: customers, employees, neighbouring communities, regulatory authorities, and suppliers.
- The Report articulates the Company's environmental performance across resource productivity, energy conservation, climate change, water consumption, ozone depleting substances, emissions, biodiversity, waste management, and product responsibility;
- The Report markedly states the Company's social performance across talent management, ethics and human rights, health and safety, training and community development.
- The Company has developed a preliminary set of internal protocols for collection and collation of sustainability specific data and information; however, the same can be integrated with MIS to make it more efficient and robust.

Conclusions

On the basis of our assurance methodology, nothing has come to our attention that would cause us not to believe that:

- The Report presents the Company's sustainability performance across manufacturing divisions and business divisions as described in the scope.
- The Company has reported on material issues that have high impact on the Company and are of high importance to its stakeholders;
- The Company's sustainability performance data has been correctly transposed from its internal protocols;
- The report includes statements and claims that reflect Company's achievements, as supported by both documentary evidences and internal records.
- The Report meets the requirements of the "A+" applicability level as stated in the GRI G3 Guidelines for Sustainability Reporting.

Ernst & Young Private Limited



Xavier Houot
Partner
New Delhi

January 31, 2008

Content Index - GRI

G3 Content Index Standard Disclosures Part I: Profile Disclosures					
Profile Disclosure	Description	Reference	Extent of Reporting	Reason	Explanation
1. Strategy and Analysis					
1.1	Statement from the most senior decision-maker of the organisation	13	Full		
1.2	Description of key impacts, risks, and opportunities.	25, 44	Full		
2. Organisational Profile					
2.1	Name of the organisation.	Contents	Full		
2.2	Primary brands, products, and/or services.	19, 21	Full		
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	23	Full		
2.4	Location of organisation's headquarters.	Contents			
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	23	Full		
2.6	Nature of ownership and legal form.	19	Full		
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	--	None	Not available	RIL caters to national as well as international markets, from retail customers to B2B customers. Therefore, it is very difficult to breakdown markets served in terms of geography, sectors or type of customers
2.8	Scale of the reporting organisation.	19	Full		
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	19	Full		
2.10	Awards received in the reporting period.	33	Full		
3. Report Parameters					
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	26	Full		
3.2	Date of most recent previous report (if any).	25	Full		
3.3	Reporting cycle (annual, biennial, etc.)	26	Full		
3.4	Contact point for questions regarding the report or its contents.	26	Full		
3.5	Process for defining report content.	27	Full		
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	26	Full		
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	26	Full		
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	--	None	Not material	The scope and boundary of this year's report is limited to steady state operations of RIL and hence does not include joint ventures, subsidiaries, leased facilities, outsourced operations, etc.
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques, underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	26	Full		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	--	None	Not material	No re-statements have been included in this report as there is no change in information provided in earlier reports
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	26	Full		
3.12	Table identifying the location of the Standard Disclosures in the report.	75	Full		

Content Index - GRI

Profile Disclosure	Description	Reference	Extent of Reporting	Reason	Explanation
3.13	Policy and current practice with regard to seeking external assurance for the report.	73	Full		
4. Governance, Commitments, and Engagement					
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	35	Full		
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	36	Full		
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	36	Full		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	36	Full		
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	Annual report: page 54	Full		
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	36	Full		
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	Annual report: page 43	Full		
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	17, 20	Full		
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	36	Full		
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	--	None	Not available	Currently, there are no processes in place to evaluate governance body's performance with respect to environmental and social performance
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	44	Partial	Not available	The section does not directly address the precautionary principle but discusses the risk management approach of RIL.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	26, 82	Full		
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	26, 82	Full		
4.14	List of stakeholder groups engaged by the organisation.	37, 38	Full		
4.15	Basis for identification and selection of stakeholders with whom to engage.	37, 38	Full		
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	37, 38	Full		
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	37, 38	Full		
Standard Disclosures Part II: Disclosures on Management Approach (DMAs)					
DMA EC	Disclosure on Management Approach EC	71	Full		
DMA EN	Disclosure on Management Approach EN	71	Full		

Content Index - GRI

G3 DMA	Description	Reference	Extent of Reporting	Reason	Explanation
DMA LA	Disclosure on Management Approach LA	71	Full		
DMA HR	Disclosure on Management Approach HR	72	Full		
DMA SO	Disclosure on Management Approach SO	72	Full		
DMA PR	Disclosure on Management Approach PR	72	Full		
Standard Disclosures Part III: Performance Indicator					
Economic					
Performance Indicator	Description	Reference	Extent of Reporting	Reason	Explanation
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	44	Full		
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	52	Partial	Not available	It was not possible to collate financial implications of climate change as the activities related to climate change were spread out across manufacturing divisions of RIL and IPCL.
EC3	Coverage of the organisation's defined benefit plan obligations.	61	Full		
EC4	Significant financial assistance received from government.	42	Full		
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	61	Full		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	44	Full		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	--	Full		Currently, RIL does not have any specific procedure for local hiring of senior management. The hiring takes place purely on merit basis irrespective of location of the person.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	37	Full		
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	39	Full		
Environmental					
EN1	Materials used by weight or volume.	48	Full		
EN2	Percentage of materials used that are recycled input materials.	48	Full		
EN3	Direct energy consumption by primary energy source.	50	Full		
EN4	Indirect energy consumption by primary source.	50	Full		
EN5	Energy saved due to conservation and efficiency improvements.	50	Full		
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	51	Full		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	51	Full		
EN8	Total water withdrawal by source.	53	Full		
EN9	Water sources significantly affected by withdrawal of water.	53	Full		
EN10	Percentage and total volume of water recycled and reused.	53	Full		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	55	Full		
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	55	Full		
EN13	Habitats protected or restored.	55	Full		
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	55	Full		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	--	Full	Not applicable	No IUCN Red list species within areas of operations: Based on the latest EIA report

Content Index - GRI

Performance Indicator	Description	Reference	Extent of Reporting	Reason	Explanation
EN16	Total direct and indirect greenhouse gas emissions by weight.	52	Full		
EN17	Other relevant indirect greenhouse gas emissions by weight.	--	None	Not available	On account of spread of activities across RIL and IPCL, it was not possible to track and collate data related to GHG emissions on account of employee travel, and emissions saved due to tele and video conferencing. RIL is in process of deploying software for managing sustainability data and within next three years data related to indirect greenhouse gas emissions will be tracked and reported.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	52	Full		
EN19	Emissions of ozone-depleting substances by weight.	54	Full		
EN20	NOx, SOx, and other significant air emissions by type and weight.	54	Full		
EN21	Total water discharge by quality and destination.	53	Full		
EN22	Total weight of waste by type and disposal method.	56	Full		
EN23	Total number and volume of significant spills.	--	Full		No significant spills in the reporting period
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	--	Full		We do not transport any kind of waste internationally
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	55	Full		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	55	Full		
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	--	None	Not available	Comprehensive measurement of reclaimed packaging is not possible because of huge product portfolio and also vast national and international markets. We are deploying a software to manage sustainability data and plan to report on this indicator within next five years
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	--	Full		No fines during the reporting period
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	57	Full		
EN30	Total environmental protection expenditures and investments by type.	Case-studies detailed in the report	Partial	Not material	Only project specific investments have been given in the report under specific case studies. The business-as-usual expenditure on environmental protection has not been reported as it is constant due to steady state operations.
Social: Labor Practices and Decent Work					
LA1	Total workforce by employment type, employment contract, and region.	61	Full		
LA2	Total number and rate of employee turnover by age group, gender, and region.	61	Full		
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	61	Full		

Content Index - GRI

Performance Indicator	Description	Reference	Extent of Reporting	Reason	Explanation
LA4	Percentage of employees covered by collective bargaining agreements.	61	Full		
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	61	Full		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	61	Full		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	61	Full		
LA8	Education, training, counseling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.	63	Full		
LA9	Health and safety topics covered in formal agreements with trade unions.	61	Full		
LA10	Average hours of training per year per employee by employee category.	62	Full		
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	63	Full		
LA12	Percentage of employees receiving regular performance and career development reviews.	61	Full		
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	--	None	Not available	On account of spread of activities across RIL and IPCL, it was not possible to collate the data. Also, for certain bodies there are no defined charters and hence detailed employee composition is not possible. We will track and report this data within next two years.
LA14	Ratio of basic salary of men to women by employee category.	61	Full		
Social: Human Rights					
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	--	Full		All investment agreements are subject to stringent screening process including human rights.
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	37	Full		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	62	Full		As a part of total hours of training for all employees.
HR4	Total number of incidents of discrimination and actions taken.	--	Full		No incidents of discrimination.
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	61	Full		No such operation.
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	61	Full		No such operation.
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	61	Full		No such operation.
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	62	Full		As part of total hours of training for all non-supervisory employees.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	--	Full		No incidents involving violation of rights of indigenous people.
Social: Society					
SO1	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	63	Full		

Content Index - GRI

Performance Indicator	Description	Reference	Extent of Reporting	Reason	Explanation
SO2	Percentage and total number of business units analysed for risks related to corruption.	35	Full		
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	35	Full		
SO4	Actions taken in response to incidents of corruption.	--	Full		No corruption related incidents.
SO5	Public policy positions and participation in public policy development and lobbying.	58	Full		
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	61	Full		
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	--	Full		No legal action for anti-competitive behaviour.
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	--	Full		No fines for non-compliance with laws and regulations.
Social: Product Responsibility					
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	--	None	Not available	Though life cycle analysis studies are in progress, final results of such studies are still not available. The results of the study will be available in the coming year and will be discussed in detail in the next report.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	--	Full		No incident of non-compliance with respect to life-cycle impact of products.
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	--	None	Not available	Information on such type of products is not available because of a large portfolio of manufactured products. All products manufactured comply with requirements set by Bureau of Indian Standards. Data on products and services governed by voluntary codes concerning health and safety impacts will be reported in the next report.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	--	Full		No incident of non-compliance with respect to product and service labelling.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	37	Full		
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	--	None	Not available	On account of spread of activities across RIL and IPCL, it was not possible to collate data related to marketing communications, including advertising, promotion, and sponsorship. Data on this indicator will be reported in the next report.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	--	Full		No incident of non-compliance with respect to marketing communications.
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	--	Full		No complaints on breach of customer privacy.
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	--	Full		No fines for non-compliance related to legal requirements for use of products and services.

Content Index - IPIECA /API, UNGC

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Abbreviations			

Content Index - WBCSD



The World Business Council for Sustainable Development

In the year 2007, World Business Council for Sustainable Development invited Shri Mukesh D. Ambani to be its Council Member. Presently, he is the only Indian CEO who is a Council Member of WBCSD.

WBCSD is a CEO-led, global association of over 200 companies dealing exclusively with business and sustainable development.

The Council's objectives are to:

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

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

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

Energy and Climate

Energy and Climate has been identified as one of the material issues to us and our efforts to reduce our energy and GHG footprint have been detailed in the report.

Development

Through Development focus area, we are engaging with Policy makers to help develop standards for various polymer products and investing in R&D through Reliance Innovation Centre.

Business Role

On Business Role, we are going beyond our core business and through Dhirubhai Ambani Foundation, investing in programmes aimed at Health, Education and Infrastructure development.

Ecosystem

On Ecosystem, it has always been our endeavour to optimise consumption of natural resources and invest in sustainable green belt.



GRI Application Levels

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

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

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

*Sector supplement in final version

The Reliance CSR Report 2006-2007, 'Small Acts. Big Impact.' is a 'GRI Checked' Application Level A+ report.

To know more about GRI please visit www.globalreporting.org

Abbreviations

4R	Reduce, Recycle, Reuse, Recover
ATF	Aviation Turbine Fuel
AIDS	Acquired ImmunoDeficiency Syndrome
AAA	Credit Rating of Corporations i.e. financial indicator to investors
API	American Petroleum Institute
ASTD	American Society for Training & Development
BSE	Bombay Stock Exchange
BAIF	Bharatiya Agro Industries Foundation
BIS	Bureau of Indian Standards
BEST	Businesses for an Environmentally Sustainable Tomorrow
BVB's	Bharatiya Vidya Bhavan
CASHe	Change Agents for Safety, Health and Environment
CHSEE	Centre for HSE Excellence
CIPP	Cambridge International Primary Programme
CAGR	Compounded Annual Growth Rate
CBSE	Central Board of Secondary Education
CERs	Certified Emission Reductions
CMD	Chairman and Managing Director
CDM	Clean Development Mechanism
CO₂	Carbon Dioxide
CODEX	International food standards code developed by Codex Alimentarius Commission, Rome
CoP	Communication on Progress
CPP	Captive Power Plant
CRISIL	Credit Rating Information Services of India Ltd.
CRM	Customer Relationship Management
DAF	Dhirubhai Ambani Foundation
DEG	Di-Ethylene Glycol
DAIS	Dhirubhai Ambani International School
DNB	Diplomate of the National Board of Examination
EMPs	Environmental Management Programmes
EDC	Ethylene Dichloride
EO	Ethylene Oxide
ESOS	Employee Stock Option Scheme
FII's	Foreign Institutional Investment
FT	Financial Times
FY	Financial Year
GGY	Gokul Gram Yojna
GHG	Green House Gases
GDP	Gross Domestic Product
GJ	Giga Joules
GRI	Global Reporting Initiative
HCCL	Heavy Chloro Carbon Liquid
HDPE	High Density Poly Ethylene
HIV	Human Immunodeficiency Virus
HNMRs	Hurkisondas Nurrotumdas Medical Research Society
HNHRC	Hurkisondas Nurrotumdas Hospital & Research Centre
HRSg	Heat Recovery Steam Generator
HSC	Higher Secondary school Certificate
HSE	Health, Safety and Environment
ICPE	Indian Center for Plastics in Environment
ID Act	Industrial Disputes Act
IFAC	International Federation of Accountants
ISAE	International Standard for Assurance Engagements
IPIECA	International Petroleum Industry Environmental Conservation Association
INR	Indian Rupees
IPCL	Indian Petrochemicals Corporation Limited

Abbreviations

IFAC	International Federation of Accountants
ICSE	Indian Certificate of Secondary Education
IGCSE	International General Certificate of Secondary Education
IB	International Baccalaureate
ISO	International Organisation for Standardisation
KGD6	Exploration block in Krishna-Godavari Basin
KPI	Key Performance Indicator
LAB	Linear Alkyl Benzene
LLDPE	Linear Low Density Polyethylene
LPG	Liquefied Petroleum Gas
LTS	Long Term Settlement
MADER	A trust Sponsored and Promoted by RIL
MEG	Mono Ethylene Glycol
MT	Million Tons
NGO	Non-Governmental Organization
NDTV	New Delhi Television Ltd.
NITs	National Institute of Technologies
NOx	Oxides of Nitrogen
OHSMPs	Occupational Health & Safety Management Programmes
ODS	Ozone Depleting Substances
OPD	Out Patient Department
PEEB	Para Ethoxy Ethyl Benzene
PET	Polyethylene Terephthalate
PFY	Polyester Filament Yarn
PPF	Polyester Filament Fibre
PHC	Primary Health Centre
POY	Partially Oriented Yarn
PPR	Polypropylene
PRIA	Patalganga ' Rasayani' (Chemical) Industries Association
PSF	Polyester Staple Fibre
PTA	Purified Terephthalic Acid
PPM	Parts Per Million
PVC	Poly Vinyl Chloride
PPP	Public-Private Partnerships
PX	Paraxylene
R&D	Research and Development
RELD 1000	Co-Catalyst
RIL	Reliance Industries Limited
RRDT	Reliance Rural Development Trust
S&P	Standard & Poor's
SEZ	Special Economic Zone
SHG	Self-Help Groups
SHP	Super Heated and Pressurised
SOx	Oxides of Sulphur
SPM	Suspended Particulate Matter
SR	Sustainability Report
SS	Stainless Steel
SSC	Secondary School Certificate
SVADES	Society for Village Development in Petrochemicals Area
TEG	Tri-Ethylene Glycol
TB	Tuberculosis
TDS	Total Dissolved Solids
TEAL	Tri Ethyl Aluminum Alkyl
USIBC	US - Indian Business Council
UNFCCC	United Nations Framework Convention on Climate Change
UNGC	United Nations Governance Centre
VCM	Vinyl Chloride Monomer
WBCSD	World Business Council for Sustainable Development



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