Business Responsibility Report

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L45309MH2004PLC147531

2. Name of the Company : Reliance Communications Limited

3. **Registered address**: H Block, 1st Floor, Dhirubhai Ambani Knowledge City,

Navi Mumbai 400 710, India

4. **Website** : www.rcom.co.in

5. **E-mail id** : rcom.investors@relianceada.com

6. Financial Year reported : 2012 - 13

7. Sector(s) that the Company is engaged in (industrial activity code-wise)

The Company is engaged in the business of providing Telecommunications services. The Company together with its subsidiaries operates across the full spectrum of Wireless, Wireline, Voice, Data, Video, Internet and IT Infrastructure services and has an extensive international presence through the provision of long distance voice, data, internet services and submarine cable network infrastructure.

Industrial Group Description

Group 611	Wired telecommunications activities
Group 612	Wireless telecommunications activities
Group 619	Other telecommunications activities

(As per National Industrial Classification – Ministry of Statistics and Programme Implementation)

8. List three key products/ services that the Company manufactures/ provides (as in balance sheet)

Telecommunications Service Provider through CDMA, GSM and 3G technologies. Our Company also provides Internet Data Centre, Direct-To-Home Television services and Telecom Infrastructure services through subsidiary companies.

- 9. Total number of locations where business activity is undertaken by the Company
 - i. Number of International Locations (Provide details of major 5):- USA, UK, France, Ireland and Bermuda.
 - ii. Number of National Locations: All the states in India.
- 10. **Markets served by the Company** The Company offers it services in 200 countries around the world apart from serving on Pan India basis during the year ended 31st March, 2013.

Section B: Financial Details of the Company

1. Paid up Capital (INR) : 1,032 Crore

2. **Total Turnover (INR)** : 12,820 Crore

3. Total profit after taxes (INR) : Rs. 624 Crore

4. Total Spending on Corporate Social Responsibility as percentage of profit after tax: 0.42%

5. List of activities in which expenditure in 4 above has been incurred:-

Following are the major list of activities in which expenditure has been incurred:

- (a) Employability to Youth and upgrading skills for potential earnings
- (b) Skill empowerment, livelihood promotion by creating employment opportunities for women.
- (c) Environmental Conservation
- (d) Healthcare initiatives
- (e) Initiatives for development of community.
- (f) Promotion of Education
- (g) Volunteering for Social Change
- (h) Mainstreaming differently abled through livelihood interventions.

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

The Company has 82 subsidiary companies as on 31st March, 2013.

2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Yes, CSR activities are done at group level in which subsidiaries are part of it.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No, the entities e.g. suppliers, distributors etc. of the Company are not participating in the BR initiatives of the Company.

Section D: BR Information

- 1. Details of Director/ Directors responsible for BR
- a) Details of the Director/ Director responsible for implementation of the BR policy/policies

DIN	Name	Designation		
00004593	Prof. J. Ramachandran	Independent Director		

b) Details of the BR head

S. No.	Particulars	Details
1.	DIN Number	N. A.
2.	Name	Mr. Prakash Shenoy
3.	Designation	Company Secretary, Manager and Chief Executive officer
4.	Telephone Number	(022) 303 86286
5.	e-mail id	Rcom.investors@relianceada.com

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

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Businesses should conduct and govern themselves with Ethics,
Transparency and Accountability
Businesses should provide goods and services that are safe and contribute
to sustainability throughout their life cycle
Businesses should promote the well being of all employees
Businesses should respect the interests of and be responsive towards all
stakeholders, especially those who are disadvantaged, vulnerable and
marginalized
Businesses should respect and promote human rights
Businesses should respect, protect and make efforts to restore the
environment
Businesses, when engaged in influencing public and regulatory policy,
should do so in a responsible manner
Businesses should support inclusive growth and equitable development
Businesses should engage with and provide value to their customers and
consumers in a responsible manner

SI. No.	Questions	Р	Р	Р	Р	Р	Р	Р	Р	Р
		1	2	3	4	5	6	7	8	9
1.	Do you have a policy/ policies for	Υ	Υ	Υ	Υ	Υ	Υ	Υ	Υ	Υ
2.	Has the policy being formulated in consultation with the relevant stakeholders?		Y	Υ	Υ	Y	Y	Υ	Υ	Υ
3.	Does the policy conform to any national /international standards? If yes, specify?	Y	-	Υ	-	Y	Y	-	1	-
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Υ	Y
5. Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?						- H f the p		vers	ee	the
6.	Indicate the link for the policy to be viewed online?					t is om.c		ble	on	our
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, Policies have been communicate to concerned.		ated						
8.	Does the company have in-house structure to implement the policy/policies.	Yes, all policies are implemented through President – HR.								

9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	We have a mechanism to redress the grievance of the stakeholder related to policy. They can approach the CEO or the Chairman of Audit Committee.				
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Our Management Audit Team independently evaluates the working of this policies.				

2 a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

SI.	Questions	Р	Р	Р	Р	Р	Р	Р	Р	Р
No.		1	2	3	4	5	6	7	8	9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	Not applicable.								
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Chief Executive Officer of the Company periodically reviews the BR performance of the Company.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, and will host BRR in its website every year once Annual Report is published.

Section E: Principle-wise performance

- Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company considers Corporate Governance as an integral part of good management. The Company's policy relating to ethics, bribery and corruption is covered under Reliance Group Companies Code of Ethics and Business Policies, which are applicable to all personnel of the Company as well as to the (i) Consultants, (ii) Representatives, (iii) Suppliers, (iv) Contractors and (v) Agents dealing with the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Stakeholder Complaints						
Complaints	No. of complaints received	No. of complaints resolved	% of complaints resolved			
Shareholders Complaints	100	100	100%			
Customers Complaints	1478120	1462393	99%			

Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

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

Our Company provides Telecommunications Service through CDMA, GSM and 3G technologies. Our Company also provides Internet Data Centre, Direct-To-Home services and Telecom Infrastructure through subsidiary companies.

The electronic components used in Set-Top-Box (STB) are compliant of Restriction of Hazardous Substances (RoHS). This eliminates harmful impact to the environment.

Another major challenge is to optimize the electricity use at the data center. Normally, data center operation itself involves enormous amount of electricity consumption measured by power usage effectiveness (PUE). The huge electricity consumption has a negative impact on the environment and corporate operating costs. We have been identifying and implementing the technologies, mechanisms at all the data centers to improve the PUE.

Electromagnetic radiation from BTS antenna and noise pollution from usage of Diesel Generator may be considered as an environment concerns. Radiation and noise pollution are within the

permissible limit, but still we are closely monitoring the same and take preventive steps to reduce radiation and noise pollution.

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

The Company's services do not have any broad based impact on energy. Our Internet Data Center (IDC), normally, has a connected load of 5 MW which is being taken from the local grids. Our IDC is in process of implementing the Energy Management System (ISO 50001_EnMS) at all centers across India. IDC is also planning to implement, Environmental Management System (ISO 14001) and Occupational Health and Safety system (OHSAS 18001).

Spectrum is used for Electromagnetic radiation and Diesel is used in Diesel Generator as a resource. Electromagnetic radiation is measured in unit of RF power transmitted in watt per meter square and Noise pollution emitted from Diesel Generator is measured in terms of dB level.

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

Yes, our policy aims to have long term relationship with various vendors. We have detailed procedures for finalization of prospective vendors, which includes techno commercial analysis, vendor's financial strength, market share, past track record etc. All vendors providing goods/ services have to comply with the local laws. While selecting a product, efforts are put on environment friendliness, low power consumption, EMF radiation monitoring / testing etc.

At present around 60% of our inputs are sourced sustainably.

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

We support and encourage local vendors for ensuing positive impact of sourcing resources. The local vendors were used for small civil related jobs, fiber related services, sign boards, local supply of materials, material handling, housekeeping, etc. We have appointed local service providers whose job is to give after sales service to the customers. These service providers are given regular training so as to optimize their capacity and capabilities.

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

Yes, Company has well established process for disposal of Products Waste, e.g. Telecom End of Life Batteries though Battery OEMs and Electronics waste are being disposed off through scrap vendors after proper disposal certificates are being taken from the vendors.

Our IDC is in process of developing the Environmental management system, the mechanisms to utilize the waste, recycle products, waste to energy, renewable energy sources would be in place and will be implemented by the mid of 2013.

We also re-use the STBs by refurbishing them. At present, around 20% of new Installations are from the refurbished lot.

Principle 3 Businesses should promote the well being of all employees.

1. Please indicate the Total number of employees.

The total numbers of employees were 18,070 on rolls as on March 31, 2013.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

There are total 12,739 employees.

3. Please indicate the Number of permanent women employees.

There are 2,949 women employees on the rolls of the Company.

- 4. Please indicate the Number of permanent employees with disabilities.

 There are 32 employees with disabilities.
- 5. Do you have an employee association that is recognized by management.
- 6. What percentage of your permanent employees is members of this recognized employee association?
 Not Applicable
- 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

SI. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	The Company does not hire Child labour, forced labour or involuntary labour. No Complaint.	Not Applicable
2.	Sexual harassment	No case reported.	Not Applicable.
3.	Discriminatory employment	There is no discrimination in the recruitment process of the Company.	Not Applicable

8. Safety and skill up-gradation training provided to following percentage of under mentioned employees in the last year?

Permanent Employees - 23%
 Permanent Women Employees - 22%
 Casual/Temporary/Contractual Employees - 16%
 Employees with Disabilities - NA

- Principle 4 Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- 1. Has the company mapped its internal and external stakeholders? Yes/No Yes
- 2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes. The Company has identified the disadvantaged, vulnerable and marginalized stakeholders.

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

Our philosophy of corporate sustainability is founded on three pillars - our people, processes and services. "Reliance ASHA" is our Company's endeavor to create comprehensive rehabilitation opportunities for individuals with disabilities, so as to facilitate their integration into the mainstream of the society. The mandate of the program is to enrich the life of individuals with disabilities, provide them with financial stability as well as create platforms for interfacing individuals and community in partnership with Army, AWWA and ASHA schools.

Principle 5 Businesses should respect and promote human rights

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

Most of the aspects of human policy are covered in our Reliance Group Companies Code of Ethics and Business Policies. We respect human rights. All the labor related laws are based on human rights principle, which we follow consistently. We provide equal opportunity to all the sections of the society without any discrimination. We are in process of formulating the Ombudsman Policy of the Company on human rights.

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

Please refer our response to Principle No.1.

Principle 6 Businesses should respect, protect and make efforts to restore the environment.

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

Our companies in the group are committed to achieve the global standards of health, safety and environment. We believe in sharing process and product innovations within the group and extending its benefits to the Industry. We believe in safeguarding environment for long term. Reliance Group Companies Code of Ethics and Business Policies is applicable to all personnel of the Company as well as to the Consultants, Representatives, Suppliers, Contractors and Agents dealing with the Company.

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

Yes, the Company has taken the initiatives on Green telecom such as :- (i) Usage of renewable energy with solar panels, (ii) Usage of newly developed batteries to reduce fuel consumption at telecom sites and thereby reducing CO2 emission etc. Hyperlink is not available.

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

Yes. Reduction of Carbon Emission is being implemented by the Company by deploying High Efficient Batteries and Energy Conservation measures such as Sourcing Power through Green resource e.g. Solar and RESCO Model.

We have also identified and assess potential environmental risks as follows:

- 1. Electro-Magnetic Radiation: We comply with EMF norms released by DOT.
- 2. Tower Structure safety: Towers are deployed on the basis of Wind Zone compliance.
- 3. Lighting arrester and earthling are also used for tower safety.
- 4. Towers are complied with fire safety norms and practices.
- 5. Surplus electronics equipments not in use are sold and we follow the e-waste process to dispose of these equipments.
- 4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company has undertaken the following projects related to Clean Development Mechanism –

- a) Initiatives on Green telecom with focus on (i) Renewable energy like solar, (ii) Newly developed batteries to reduce fuel consumption on telecom sites and thereby, reducing CO2 emission.
- b) Guidelines on TRAI for CO2 reduction have been released and compliance report was submitted.
- c) BTS runs on minimal power consumption mode based on actual traffic.
- 5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/ N. If yes, please give hyperlink for web page etc.

Yes. Company has deployed High Efficient Batteries and Energy Conservation measures such as Sourcing Power through Green resource e.g. Solar and RESCO Model. Company has also taken up measures in reducing / removing use of Air-conditioners for Telecom BTS Sites by converting Sites to Outdoor category. Initiatives on Green telecom such as (i) renewable energy with solar panels, (ii) usage of high efficient batteries and (iii) DC power are supplied to reduce fuel consumption on telecom sites (iv) reduction of CO2 emission is being planned for 5000 sites.

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

CPCB/ SPCB is not applicable for Telecommunication Network. We comply with the regulatory requirement as released by DOT from time to time. We are continuously reducing the carbon foot printing of IDC by reducing the CO2 emissions year by year.

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

Not received any notice from CPCB/ SPCB.

Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, we are the members of some prestigious trade association. The major associations are as follows:

- a. Association of Unified Telecom Service Providers of India (AUSPI)
- b. Tele Management Forum
- c. Tower and Infrastructure Providers Association (TAIPA)
- c. Internet Service Providers Association of India (ISPAI)
- e. National Association of Software & Service Companies (NASSCOM)
- 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The industry associations take up the issues faced by the industry to the Policy makers to enable us to provide quality telecom services to the subscribers. TAIPA has been following up on the issue of permission for towers, right of way, renewable energy etc.

Principle 8 Businesses should support inclusive growth and equitable development

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

We as a group envisage nourishing and sustaining the ecosystems in which we operate by aiming for growth through sustainable development. Our philosophy of corporate sustainability is founded on three pillars - our people, processes and services. For us, engagement with our stakeholders is an integral part of developing business strategy, understanding the impact, and future plans and priorities to help in building more capable and vibrant communities. Embodied in the value system of the Reliance is a vision to give millions the power to shape their destiny, the means to realize their full potential and a commitment to being a socially responsible entity.

The Company has undertaken several initiatives to support inclusive growth and equitable development towards CSR Policy for social and economical development. Major initiatives are as under:

- a. PRAYAG To provide grass-root advancement to Youth aspiring growth, offering employability skills to unemployed, under employed slum youth of India by upgrading the skill and earning potential through focused classroom learning. Successfully trained 2,100 youth of which 45% of them comprise of female students.
- b. Project Swavlambhan We focus on the need to create a pool of self-reliant and empowered women members through a series of interventions in the area of skill building, livelihood, awareness on women specific issues. The projects are based around areas of our business operations and deliver value through the model of co-creation. We have implemented our program in West Bengal. The aim is to create a platform to achieve dual objectives of skill empowerment and livelihood promotion for creating self reliant group.
- c. Reliance ASHA Reliance ASHA is our endeavor to create comprehensive rehabilitation opportunities for individuals with disabilities, so as to facilitate their integration into the mainstream of the society. The mandate of the program is to enrich the life of individuals with disabilities, provide them with financial stability as well as create platforms for interfacing individuals and community.
- d. Little Genius Programs like *e-shikshit and* Cyber women, whereby through Internet literacy programs being organized for underprivileged children to bridge the digital divide of government schools and orphanages across India.
- e. Green Minutes Part of our GreenMile program, the aim is to build in green process across our operations. The first initiative rolled out across the country was promoting ebill registration amongst the customers from the traditional billing and in return take a step towards conserving our natural resources that is paper and trees.
- f. Green Mile The objective is to build in green process across our operations. As part of the larger mission by UNEP, we have planted more than 4,000 saplings across 14 states in India and saved around 2,000 trees.
- g. Employee volunteering is integrated with our CSR framework and focuses on selfless voluntary services offered by our employees with enabling support, motivation and facilitation from the Company. We have created an active volunteer base of 1,900 employees contributing 20,000 man hours in the areas of health, education, employability and environment.
- h. Awareness campaigns for spreading social awareness messages across India covering issues like save the girl child, promoting voluntary blood donation, safety, women empowerment etc.
- i. Organising blood donations campaigns Our group has contributed more than one lac units of bold form 100 cities over the last few years.
- 2. Are the programmes/ projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Driven by our belief that the whole is greater than the sum of its parts, all our CSR activities across the group are aligned under one umbrella: the Group CSR forum which is the helm for strategy, planning and integration of functional learning. The forum facilitates cross-

functional, cross-geographical learning and brings in operational and methodological efficiency at every level within the CSR ambit across the Group companies.

We also partner with external NGO/ institutions in achieving the developmental goals, by actively engaging along with them for rolling out various social plans and interventions thus co-creating socio-economic value adds within the earmarked communities. We have a partnership with 108 organizations from across the country for the purpose of implementation support, environment building etc.

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

With a view to enhancing the effectiveness of the CSR projects and initiatives, feedback is obtained on regular basis from the concerned stakeholders, including the target beneficiaries of the CSR projects. Feedback is collated and appropriately analysed for refining future CSR projects.

Also, impact analysis of each and every CSR activity is carried out on a regular basis.

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

We have incurred various expenditure towards community development, education, healthcare, livelihood support, rural development, environment safety etc. aggregating to Rs. 2.59 crore during the year 2012-13.

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

We believe in creating synergies with our partners in growth and success: the communities. We are committed to augment the overall economic and social development around the local communities where we operate by discharging our social responsibilities in a sustainable manner. This is undertaken by initiating meaningful grassroots participation with local bodies/institutions/NGOs to support and augment interventions in areas undertaking Stakeholder Engagement to identify their perceived needs. We also bring in the representatives of our beneficiary pool annually once to our offices for a day to revisit our journey and its outcomes along with other grassroot partners. This endeavor is undertaken at the Circle level across all our offices.

Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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

As on 31st March, 2013, there were 1% complaints of customers pending and same was resolved on or before 6th April 2013.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Beyond mandatory details such as name of the company, address etc. we also display brand name / product specifications / visuals etc. on product packaging.

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

There are no cases pending against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior etc.

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

Yes, the customer satisfaction is measured with the help of a robust SMS based surveys conducted monthly. These SMS response is a means to the customer to voice out their dissatisfaction, if any, easily. The decision making of participation in the survey lies with the customers. There is a set of SMS which is sent to the customer once the customer provides his consent for participation in the survey. Customers who have responded "No" in the Overall Experience are out called within 48 hours (subject to reach ability). The VoC based on this out calling is analyzed for Opportunity identification and reduction of dissatisfaction. The customer response helps to understand their expectations and requirements. We conducted Brand Track survey to measure consumer perception of various legs of our business namely brand, service, Network.

