

Lack of disclosures and transparency drags Reliance Industries' sustainability score down

India's largest corporation, Reliance Industries, is a livelihood provider to a massive 1,95,618 direct employees of which 26,488 are permanent, across verticals as varied as retail, digital services, media, petrochemicals, oil & gas, and more. Their retail business alone serves 5 million customers every week and their digital services business has 654.3 million broadband subscribers in FY 20. The company finds a mention in this issue of BW Businessworld India's Most Sustainable Companies for raising the bar on innovation towards pro-environment practices in industries notorious for pollution. However, Reliance Industries scores low on energy productivity, transparency about social responsibility, reporting on employee fatalities (RIL's 400+ page annual report has no mention about employees fatalities), social responsibility towards communities, and gender parity, dragging it to the 42nd rank on our list.

A high level of innovation was seen in RIL's manufacturing and processes. The company has invested Rs. 2538 crore on R&D, has filed 127 patent applications and hired 900+ researchers and scientists. These efforts have resulted in, according to RIL, product improvement, cost reduction, product development and import substitution. There are some noteworthy pro-environment innovations at Reliance that truly stood out for their effectiveness and innovation. This includes investment in renewables, recycling of plastic waste, adopting energy efficient technologies and protection of biodiversity.

Resource efficiency

In FY19, approximately 300,000 telecom towers in India faced electrical grid outages in excess of 8-hours on a daily basis. These towers need assured power supply 24 X 7. In the situation of power outages, traditionally, telecom companies use digital generators as the primary source of power which consume approximately 475 million gallons (1.8 billion litres) of diesel fuel annually. Reliance has developed an innovative solution such that lithium batteries with a custom designed battery management system can be used as a backup for powering the Jio towers when the situation demands.

Other energy-related innovations are the pilot "algae-to-oil" project that creates renewable bio-crude oil; catalytic gasification that converts waste (petcoke) to high value (syngas); and adoption of RCAT-HTL, a process that provides a sustainable solution for converting organic waste into renewable crude. RIL announced its vision to go carbon neutral at its Jamnagar Refinery, the largest refinery in the world. However, it has not provided a timeline for achieving this target. In FY20, the company recycled 74.4 million m³ of water and has designated the Jamnagar Refinery to be a site for zero freshwater withdrawal.

Climate action

RIL has committed to becoming carbon neutral by 2035. For this, the company has in place a climate action task force that looks into climate related financial disclosures (TCFD).

The company has also undertaken the process of direct synthesis of dimethyl carbonate (DMC) from carbon dioxide (CO₂) and methanol as part of its efforts towards capture of CO₂ from refineries and power plants and conversion into value-added chemicals and fuels.

Waste

RIL has reported that its hazardous wastes are used as alternate fuels and raw material to the cement industries.

The company has been successful in closing the loop on plastics and repurposing waste plastics to create innovative products such as textile, roads and furniture. It has a goal of recycling 5 billion PET bottles per annum in the future. In FY20, RIL touched a number of 2 billion bottles. As part of its sustainability and circularity initiatives, RIL formally launched an initiative that transformed waste plastic to roads titled ReRoute. The Company has laid down around 40 km of road in Maharashtra, completely using end-of-life plastics.

In an attempt towards fostering the circular economy and addressing the environmental burden caused due to discarded PET-based fabrics, RIL is attempting to separate PET from fabric blends and converting it into fabric. RIL joined hands with Turkey's textile behemoth, Kıvanç Tekstil and Raymond Group in India to further its activities and innovations in the area of sustainable fabrics. RIL has developed a low-cost low temperature hybrid green process to recover metals from slag waste, thereby cutting out the temperature loss associated with the conventional process for extraction.

Supply chain sustainability

RIL has demonstrated commitment towards maintaining a sustainable supply chain by reviewing the performance of its channel partners on environmental, health and safety parameters. For companies that do not publish their sustainability performance, RIL ensures that these companies implement initiatives to make their operations green and safe. The company also conducts regular meets with their suppliers, communicating its policies and procedures. It has launched a digital platform to drive improved feedback, vendor management and agile delivery of services. Also, Reliance Retail's grocery business model follows a farm-to-fork value chain. The business has therefore directly partnered with

tens of thousands of farmers and small vendors to ensure that quality produce is available at the Reliance Retail stores in an efficient manner with minimum waste, high yields and an agile movement of produce to consumers.

Transparency

Disclosures to investment platforms are a great way for ensuring transparency to financial stakeholders such as investors, banks, regulatory bodies. Further, going by Elkington's triple bottom line approach that has gained considerable popularity amongst companies in India, companies need to go beyond the financials towards embracing the social (and the environmental). This means that the general public, clients, and communities increasingly want to know about companies, just as much as companies need to focus on them as their most material issues. Reliance is lacking in this regard. There is no information about the Loss Time Injuries and fatalities at the company for FY 20. There is less transparency about the total energy consumed, water consumed, total waste produced, CSR impact, as well as access to leadership for women and millennials at the company.

*Some important points
Hario volupta nest, sa vit debit
lacia delesti blacerc ipsunt fugia
qui archilicet fugiarit venit.
ma sinitis et perum nimo equi
dit re is molorunt quam earchit,
officte parum rat. Tatemodi
temquunt. Accae elliae. Itas sedi
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andundi odit aut officti*