



**UNITED NATIONS GLOBAL COMPACT
COMMUNICATION ON PROGRESS
REPORT 2011-12**

ABOUT JUBILANT

Jubilant Life Sciences Limited ('the Company' or 'Jubilant'), an integrated pharmaceutical and life sciences company, is the largest Custom Research and Manufacturing Services (CRAMS) player and a leading Drug Discovery and Development Solution (DDDS) provider out of India. Recently, it has been ranked at No. 6 position amongst the top Global contract manufacturing & service outsourcing players of the pharmaceutical industry (Source: UNCTAD).

The Company provides Life Science Products and Services across the value chain, serving its customers globally with its ground presence in India, North America, Europe and China. The Company is well recognised as a 'Partner of Choice' by leading life sciences companies worldwide.

The Company's success so far is an outcome of its strategic focus on the pharmaceuticals and life sciences industry, moving up the value chain for products and services across geographies, constantly investing in various growth platforms and promoting a culture of innovation.

Over the years, we have extended our footprint beyond India in the USA, Canada, Europe, and other countries across the globe. We have expanded our business by building capabilities internally, through strategic build outs and acquisitions, resulting in a network of 7 world class manufacturing facilities in India and 3 in North America and a team of around 6300 people across the globe with 1500 in North America, with international sales in more than 75 countries.

Over the last three decades, Jubilant Life Sciences has emerged as an integrated Pharmaceutical and Life Sciences Solution Provider offering products & services to its customers across the globe.

Jubilant is the largest Custom Research and Manufacturing Services (CRAMS) Company and one of the leading Drug Discovery and Development Services (DDDS) Companies of India. The Company's strategic focus is to innovate, collaborate and accelerate the process of delivering products to the market for its customers which has resulted in Jubilant being successfully positioned as an outsourcing partner of choice.

Jubilant offers Products and Services to Life Sciences and bio companies internationally.

Jubilant's Value proposition to big pharma and biotech is:

- Providing high quality and low cost drug discovery and development services for expanding pipeline of innovative products
- Offering products from pre- clinical to clinical, intermediate to finished products at speedier, high quality lower cost
- Offering contract manufacturing services at substantially lower cost than their internal cost with high quality and on time deliveries
- Providing complete life cycle management from pre to post patent expiry of innovative products

The business is segmented into:

- **Pharmaceuticals**
 - Active Pharmaceutical Ingredients (API's)
 - Solid Dosage Forms
 - Radiopharmaceuticals
 - Allergy Therapy Products
 - CMO of Sterile & Non-sterile Products
 - Drug Discovery & Development Solutions
 - Healthcare
- **Life Science Ingredients**
 - Advance Intermediates
 - Fine Chemicals
 - Exclusive Synthesis - Intermediates & APIs
 - Crop Science Chemicals
 - Nutrition Ingredients
 - Life Sciences Chemicals

Our multi-location presence helps us get closer to our customers and serve them better with the best in class products developed most efficiently, economically and on time.

At Jubilant, we are engaged in continuous improvement of our products and processes to enhance the quality of our production and cost competitiveness in order to build value for our customers. We serve our customers across the globe in over 75 countries and have strong relationships with the Top 20 Pharma companies, and 7 out of the top 10 Agrochemical companies across the globe.

State-of-the-art infrastructure and enabling technologies further augment Jubilant's philosophy of creative partnering and provides all collaborators optimal outcome in managing their functional and portfolio needs. The state-of-the-art technology platforms span across in Silico Modelling, Protein Crystallography, High Throughput Screening and profiling technologies including in vivo screening technologies and parallel synthesis in the discovery area; and also extends to EDC platforms in Clinical development. Jubilant also partners with technology companies across the world in enabling cutting edge discovery and development efforts.

Jubilant's progress in diverse businesses has been made possible through the contribution of R&D; for quality, non-infringing process for product development and cost reduction through process innovation.

Innovation at Jubilant is backed by strong chemistry and bio science expertise and the knowledge bank created by the Company over the years. The Company has harnessed its strengths – a strong R&D team, modern R&D facilities, command over cheap technologies and economies of scale into a synergistic organic entity, continuously creating and nurturing high quality products and technologies.

In line with our continued focus on sustainability of our business we aim at improving stakeholder value through improved eco efficient use of capital and natural resources. Our approach to sustainable development focuses on the triple bottom line of Economics,

Environment and Social performance. The Company is committed and working on various areas for energy conservation and climate change mitigation. The continued support and patronage provided by stakeholders has enabled us to successfully complete a decade of Sustainability Reporting journey. The Company started its reporting as '**March Towards Sustainability**' in 2003 and has successfully brought out the report on yearly basis. The Company has been on the forefront for many achievements during this Sustainability journey. These include the following:

- Amongst the first Indian companies to report on Sustainability performance as per GRI Guidelines in 2003.
- One of the few Indian companies to complete a decade of Sustainability Reporting.
- The first company in the Global Pharmaceutical sector to report on GRI Generation 3 (GRI G3) version in 2007 with A+ Application Level check.
- The first Indian company to publish the Sustainability Report on GRI G3.1 Guidelines in 2011 with A+ Application Level check.

Corporate Social Responsibility is an integral part of how we conduct our business and our efforts are directed towards community development through focus on primary education, basic healthcare service, and livelihood generation programs focused on improving the employability of women and local youth.

We have been recognized with several awards which bear testimony to our commitment towards operational excellence, innovation, corporate governance and social responsibility.

SCALE & PROFILE OF THE REPORTING ORGANIZATION

Over the years, the Company has extended its footprint beyond India in the USA, Canada, Europe, and other countries across the globe with international sales in more than 75 countries.

The Company has total 46 subsidiary companies out of which 10 are unlisted Indian subsidiaries.

The total number of employees in the Company is over 6200 with 10 manufacturing units. The revenue for the year was Rs. 43031.3 million.

The Paid-up capital was Rs. 159.28 million and consolidated debt was 36069.84 million. The Company is a public limited company and is listed on NSE & BSE in India.

The Company holds the following global leadership positions:

- **Globally No.1** in 10 APIs products;
- **Globally No.1** in Pyridines, Beta Picolines & 14 other Pyridine derivatives - Fine Chemicals;
- **Globally amongst top 10** players in Ethyl Acetate & Acetic Anhydride;
- **Globally No 2** in Niacin & Niacinamide /Vitamin B3-Nutrition Ingredients;
- **Globally among Top 3** in several Generic Dosage Forms;
- **Leading market share positions** in Four therapeutic and imaging, Nuclear Medicine products in North America;
- **No. 2** Allergy Therapy Company in the USA;
- **Leading pharmaceutical contract manufacturer** of multiple sterile and non-sterile dosage forms in North America;
- **Leadership in Integrated Drug Discovery and Development solutions** with location across India, Europe and the US and
- **Unique affordable healthcare model** operational with 165 beds hospital in West Bengal, India.

During the last ten years, the business has grown almost 60 times, reflecting the Company's dedicated focus on being an integrated pharma and life sciences solution provider.

VISION, VALUES AND PROMISE

Jubilant symbolizes positivity, dynamism, triumph and joy, all of which guide and shape the Group's collective experiences and efforts. Jubilant will always care for human needs, share its expertise to provide a better life and help upgrade the stakeholders' standard of living and sustainable growth by dynamizing the value chain within the Jubilant Group.

Our vision is to be amongst the top 10 most admired companies to work for. We want to maintain our leadership position in our chosen area of business in India and to establish it globally. We will ENDEAVOUR to create new opportunities for growth in our strategic businesses which give a 10 points higher rate of return than the cost of capital.

Our values determine our business path. Combined with our Promise and Vision, these values have determined what we have achieved and they continue to guide our future.

OUR VISION



OUR VALUES



We will carefully select, train and develop our people to be creative and empower them to take decisions, so that they respond to all stakeholders with **agility, confidence and**



We stretch ourselves to be **cost effective** and efficient in all aspects of our operations and focus on flawless delivery to create and provide the best value

teamwork.	to our stakeholders.
 <p>By sharing our knowledge and learning from each other and from the markets we serve, we will continue to surprise our stakeholders with innovative solutions.</p>	 <p>With utmost care for the environment and safety, we will always strive to excel in the quality of our processes, our products and our services.</p>

OUR PROMISE



STATEMENT OF SUPPORT AND COMMITMENT OF THE CHAIRMAN & CO-CHAIRMAN

As a responsible corporate citizen, Jubilant believes that long-term Sustainability can be achieved by its performance on triple bottom line parameters. The concept of Sustainability has been built on the foundation of Our Promise i.e. *Caring for Environment, Sharing the Economic value and Growing with all Stakeholders*.

In year 2010, Jubilant became a member of the UN Global Compact ('UNGC') with the aim of internalizing the ten Global Compact Principles in the areas of human rights, labour, environment and anti corruption within the Company's strategies, policies and operations. Through our support to the UNGC, we also aim to undertake projects to advance the broader development goals of the United Nations particularly the Millennium Development Goals. Hence we have summarized the progress we have made against these principles and we will continue to follow them up in future as well.



Shyam S. Bhartia
Chairman & Managing Director



Hari S. Bhartia
Co-Chairman & Managing Director

Date: 18.08.2011

Contact:

Mr. Lalit Jain, Company Secretary
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United Nations Global Compact

UNGC AND JUBILANT

The twin goals of signing the UN Global Compact are:

- (i) Internalizing its Ten Principles within the Company's Strategies, Policies and Operations;

and
- (ii) Undertaking Projects to advance the Broader Development Goals of the UN, particularly the Millennium Development Goals (MDGs).

while **Chapter One** offers a general overview of what the ten principles are and how Jubilant as a responsible corporate citizen with its best practices has tried to comply with them, **Chapter Two** deals with Jubilant's efforts towards achievement of UN's Millennium Development Goals (MDGs).

CHAPTER ONE

UNGC - The Ten Principles

The Global Compact asks its signatories to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption:

Principle	Statement
Principle 1	Businesses should Support and respect for Protection of Internationally Proclaimed Human Rights
Principle 2	Businesses should make sure that they are not complicit in Human Rights Abuses
Principle 3	Businesses should uphold the Freedom of Association and the effective recognition of the Right to Collective Bargaining
Principle 4	Businesses should uphold the Elimination of all forms of Forced and Compulsory Labour
Principle 5	Businesses should uphold the effective abolition of Child Labour
Principle 6	Businesses should uphold the elimination of discrimination in respect of Employment and Occupation
Principle 7	Businesses should support a precautionary approach to Environmental Challenges
Principle 8	Businesses should undertake initiatives to promote greater Environmental Responsibility
Principle 9	Businesses should encourage the Development and Diffusion of Environmentally Friendly Technologies
Principle 10	Businesses should work against Corruption in all its forms, including Extortion and Bribery

IMPLEMENTING THE PRINCIPLES OF THE UN GLOBAL COMPACT

The ten principles of the Global Compact are clustered around four issue areas including human rights (1-2), labour standards (3-6), the environment (7-9), and anti corruption (10). This section presents examples of how Jubilant has implemented each principle in its true spirit:

UNGC Principle No.	UNGC Principle	Jubilant's Endeavors against Principles
HUMAN RIGHTS		
PRINCIPLE 1	Business Should Support and Respect the Protection of Internationally Proclaimed Human Rights	<ul style="list-style-type: none"> Jubilant has always respected and subscribed to the protection of internationally proclaimed human rights. Jubilant's HR policies are of a high standard. Jubilant aims to encourage the protection of human rights through organization wide policies. The Company has set policies covering key aspects of Human Rights and these policies are available on the Company's intranet portal (MYJUBILANT) for easy access to employees and are also included in Employees Handbook thereby raising awareness on these issues. Human Rights issues are covered during the internal audit conducted for Sustainability Reporting and for compliance to regional regulatory requirement. Jubilant's focus is on people and emphasis is on transparency, fairness and good governance. Jubilant has demonstrated concern for the socio-economic development and improvement of communities in the vicinity of the Units. Jubilant strengthens employee relations by ensuring healthy and safe work environment; involvement and commitment of all employees; incentives for employee motivation; and effective communication system in the Company. Excellent social security package, performance-linked economic incentives, profit sharing scheme, various exciting learning & development opportunities at work, challenging assignments, pride of being part of a globally

		<p>comparable institution and strong bonding akin to being members of a large family are some of the factors enhancing employee commitment in the Company.</p> <ul style="list-style-type: none"> • Recruitments are based on policy of fairness and non discrimination through job portal, consultant, direct contact, employee referral etc. The criteria for the selection of the candidate are based on qualification and job description/requirement. The process ensures the compliance with prevailing employment laws and regulations of the various countries, in which the Company operates. • There are several policies in relation to human rights issues management within the Company. Some of the significant policies are: <ul style="list-style-type: none"> - Prevention of Sexual Harassment - Equal Opportunity Employer • In token of giving recognition to the manpower, for the first time ever 'Global Chairmen's Annual Awards' were presented to the employees. These awards are in recognition of employees who have exhibited positive behaviors while delivering par excellent performance demonstrating jubilant values, working collaboratively, surmounting the toughest of obstacles and driving innovation within the Company. The winners of the awards of three categories, Emerging Talent of the Year, Achiever of the Year & Innovator of the Year were awarded by CMD/CCMD. • Business operations may have potential positive or negative impact on human rights of the people involved or living in the vicinity. The UN mandated Special Representative to develop materials and methodologies for undertaking human rights impact assessments of the activities of transnational corporations and other business enterprises. Jubilant has 7 manufacturing locations in India and 3 in the North America. During the internal audit for FY 11-12, human rights assessment was carried out in 7 (100%) locations in India and 1 (33.34%) in the
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		North America.
PRINCIPLE 2	Make sure that they not Complicit in Human Rights Abuses	<ul style="list-style-type: none"> • Jubilant ensures that there are no human rights abuses. The Company does not provide goods and services to any entity that uses them for human right abuse. • Jubilant is committed to ensure an inclusive growth of the society. The area and magnitude of operations of the Company does not hamper the interest of any kinds of indigenous people. • The Human Rights are reviewed to promote awareness, knowledge, and discussion on matters of human rights law and policy as per prevailing law of the country. At all the Company's units the internal audits are conducted to review human rights and its impacts regularly. • There is well defined Human Resource (HR) Policy covering succession planning, recognizing and rewarding talent, and leadership development. HR management identifies skill gaps within the organization and also looks to address those gaps ensuring right people are in the right jobs. • Jubilant in its quest to nurture talent and provide the best amenities has evolved a gamut of employee centric policies. These policies have been formulated keeping in mind the employee needs and its promise of growing with the Stakeholders. Some of these are listed below: <ul style="list-style-type: none"> ✓ Recruitment Policy ✓ Employment Policy ✓ Compensation & Benefits Policy <ul style="list-style-type: none"> i. Group Term life (Natural death) ii. Group Medclaim Insurance iii. Provident fund iv. Gratuity v. Superannuation ✓ Employee Assistance Policy <ul style="list-style-type: none"> i. Loans ii. Reward & Recognition iii. Education Expense

		<p>iv. Marriage Gift ✓ Separation Policy</p> <p>With effective implementation of the above mentioned policies, Jubilant ensures that it is not complicit in human rights abuses.</p> <ul style="list-style-type: none"> • Jubilant is committed to treat individuals in all aspects of employment on the basis of ability irrespective of nationality, race, caste, creed, religion or gender. The Company neither initiates nor tolerates racial, sexual or any other kind of discrimination or harassment. • There is no disparity in basic salary between women and men employees in the Company. Regarding the salary of the Company employees, the Company follows the principle of 'Equal Pay for Equal Work'; hence, there is no disparity in the salary based on gender. The Company also values the principles set in ILO Convention 1958, which passed the resolution to eliminate 'Discrimination in Respect of Employment and Occupation'. • Under 'Policy on Prevention of Sexual Harassment (POSH)' all written or oral complaints are addressed to a member of the POSH Committee which comprises of 6 senior management personnel of the Company. This is also informed to new employees at the time of joining and it is a part of the Employee Handbook. This policy gives behavior guidelines for all the employees to prevent unwanted conduct of sexual nature and protects individual dignity. • The health and safety of the workers and customers is of prior importance to the Company and since the Company is involved in handling, transportation and use of certain chemicals that can cause danger to the human health, it follows 'Globally Harmonized System of Classification and Labelling of Chemicals' while performing various operations with such chemicals like handling, transportation etc. Each chemical has its Material Safety Data Sheet
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		(MSDS) both in hard copy and electronic version. MSDS of the chemical is provided to its user also.
LABOUR STANDARDS		
PRINCIPLE 3	Businesses should uphold the Freedom of Association and the effective Recognition of the Right to Collective Bargaining	<ul style="list-style-type: none"> Jubilant recognizes the fact that the right to bargain collectively with an employer enhances human dignity, liberty and autonomy of workers by giving them the opportunity to participate in the establishment of workplace rules. Collective bargaining permits workers to achieve a form of workplace democracy and to ensure the rule of law in the workplace. Jubilant, therefore, respects the right of all its employees to form associations in accordance with the local laws, as applicable. Though its 'Freedom of Association Policy' the Company upholds the freedom of association and right to collective bargaining in accordance with the local laws, as applicable. At locations, the Company engages these associations in regular dialogue. All workers have the right to join associations of their own choice or to refrain from joining one, unless otherwise prohibited/necessitated by law. The labour practices at the Company are based on the principles of fairness and are as per various statutory requirements. Interactive fora for collective bargaining at various levels exist and are utilized by employees. Constitution of India and relevant Acts including Industrial Disputes Act and Trade Unions Act empower the workforce to have collective bargaining and freedom of association. It is ensured that the union members are not discriminated against for lawful union activities and are not subjected to any sort of discrimination, harassment, intimidation, or retaliation.
PRINCIPLE 4	Elimination of all forms of Forced and Compulsory Labour	<ul style="list-style-type: none"> Jubilant respects the dignity of labour and denounces all forms of forced and compulsory labour. It is ensured that its terms of

		<p>employment are transparent and voluntary.</p> <ul style="list-style-type: none"> • Though its 'Policy on Forced and Compulsory Labor' the Company ensures elimination of all forms of forced and compulsory labour. • The employees are statutorily protected from imposition of any kinds of forced/ compulsory labour. 8 hours, six days a week duty system is being followed at the Units with leave facilities applicable as per rules of the Company. • Before release of payment against the work, the concerned official has to certify that minimum wages are being paid to the workforce. • The employees are free to quit work at any time after serving the requisite notice period as stipulated in the terms of appointment.
PRINCIPLE 5	Effective Abolition of Child Labour	<ul style="list-style-type: none"> • Jubilant believes in protection of the young and the vulnerable and is committed not to employ child labour. The Company's 'Child Labor Policy' ensures that nobody is recruited without a proof of age as per the employment norms of the region. • The Company is committed to work in a pro-active manner to eradicate child labour by actively contributing to the improvement of children's social situation. The Company also suggests its suppliers (Partners in Progress) to 'Say No to Child Labour' and it is well defined in Company's Green Supply Chain Policy. • The Company is at the forefront of abolition of child labour in any forms in all of its activities, and it is statutorily informed and ensured that no person under the age of 18 is entering the plant premises. Minimum age for recruitment for all levels of employees is 18 years. • In case of labour engaged by the contractor, the Company insists that he procures and submits photo and age proof of the worker.

		<ul style="list-style-type: none"> Jubilant ensures 'Dignity of Employees' and treats all its personnel with dignity and respect. Jubilant also ensures not to be engaged in or tolerate the use of corporal punishment, mental or physical coercion, verbal abuse, or harsh or inhuman treatment of any of its personnel.
PRINCIPLE 6	Elimination of Discrimination in respect of Employment and Occupation	<ul style="list-style-type: none"> Jubilant believes that human rights are the birthright of every person and everyone is entitled to enjoy their human rights regardless of discrimination of any kind. Therefore, it ensures that human rights are for all human beings, regardless of "race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status". Non-discrimination protects individuals and groups against the denial and violation of their human rights. The Company has a 'Non Discrimination Policy' in force for this purpose. Under 'Policy on Prevention of Sexual Harassment (POSH)' all written or oral complaints are addressed to a member of the POSH Committee which comprises of 6 senior management personnel of the Company. This is also informed to new employees at the time of joining and it is a part of the Employee Handbook. This policy gives behavior guidelines for all the employees to prevent unwanted conduct of sexual nature and protect individual dignity. It is the belief of Company that the employees are solely employed, trained, promoted and remunerated on the basis of performance and competence irrespective of race, caste, natural origin, religion, disability, gender, age, sexual orientation or political affiliation. The Company is an Equal Opportunity Employer (EoE) and this is also mentioned on the Company's website. Both men and women are paid Equal Remuneration for the same category of work. The employees are paid equal remuneration for the same category of work. This is in line with the Equal Remuneration Act, 1976.

		<ul style="list-style-type: none"> Employees are treated in a decent manner and are free from verbal, physical and sexual harassment and other discriminatory practices. Breach of the policies related to human rights can result in actions leading to and including risk of employment termination.
ENVIRONMENT PROTECTION		
PRINCIPLE 7	Businesses should support a Precautionary Approach to Environmental Challenges	<ul style="list-style-type: none"> The Company adopted a Sustainability Mission signed by the top Management and Jubilant's Sustainability Journey is based on this mission. Jubilant has following effective policies: <ol style="list-style-type: none"> Climate Change Mitigation Policy Environment, Health and Safety Policy Green Supply Chain Policy Quality Policy The Company had released the new Climate Change Mitigation Policy in the previous year. The aim was to have a focus on mitigation of climate change impacts due to the Company's operations. The Company implemented initiatives to reduce its carbon footprint. The Company continues to take initiatives under the Business Excellence for improvement in processes leading to conservation of energy, reduction in emissions and raw material consumption norms. Jubilant achieved another milestone this year by integrating END-END logistics for liquid movement. The first full liquid rake carrying Acetic Acid and Methanol in ISO – Tankers, from the port was executed successfully to the Company's railway siding at Gajarula Unit. Through this Multi Modal logistics initiative, the Company achieved emission reduction and provided safer handling of the logistics. It is also profitable from economic aspect as well. The Company had also evaluated the feasibility of reverse logistics for the outbound shipments which was implemented during the year. This also resulted in greener logistics. The Salisbury Unit, while making a decision to purchase a generator, the Unit preferred a gas

		<p>based generator over diesel-powered motor with a view to reduce GHG emissions.</p> <ul style="list-style-type: none"> • The Company continues to communicate regularly with key stakeholders on the Company's sustainability agenda and involve stakeholders on wider national scene for the awareness on Climate Change and other environmental issues. This was achieved through regular mailers to the employees, awareness messages in technical journals and participation in various seminars & workshops. • A series of training programs were conducted at manufacturing units for awareness on Climate Change, Environmental regulations & other issues related to Sustainability. All new employees undergo Induction training that includes environment as one of the components. At shop floor level personnel are trained on environmental aspects of their work. Employees are also nominated for external trainings on Environmental awareness. • The Sustainability Committee of the Company constituted to oversee its performance on triple bottom line indicators meets once in every six months. • To address the extremity of power shortage in Gajraula, a solar lamp distribution program was organized where employees at Jubilant from all the manufacturing locations partly bore the cost of the light. The rest of the cost was borne by the family head. Solar lamps were distributed to 35 kids in Gajraula who were very happy to receive the new lamps which would remove darkness from their lives, their future and motivate them to study more to shape their future. • The Company has a robust system for monitoring the environmental performance. The environmental performance is reviewed on regular basis by the Executive Director and Chief of EHS & Sustainability. The compliance is also reviewed by the Board on a quarterly basis. Apart from this, the environmental performance
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		<p>is reviewed on a monthly basis at the unit level along with Chief of Manufacturing and Chief of EHS & Sustainability.</p> <ul style="list-style-type: none"> • Ensuring awareness on health and environment issues amongst the community residing in proximity of the manufacturing location, the Company organized various activities like celebrating World Environment Day, Earth Day and World Health Day. • Jubilant has been continuously supporting institutions and industry associations for disseminating awareness about Sustainability and Environmental Protection. • The Company followed the practice of conserving water, paper & energy across its operations. A new initiative was launched at Kirkland Unit for paper and bottle recycling. • All the major Indian manufacturing units are ISO 14001, Environmental Management System (EMS) certified and monitoring follow-up is a part of the EMS. As required by the EMS, audits are conducted for monitoring the performance. Environmental performance is also reviewed at the Corporate at regular intervals by the Senior Management.
PRINCIPLE 8	Undertake Initiatives to Promote Greater Environmental Responsibility	<ul style="list-style-type: none"> • Jubilant is committed to Sustainability. The Company has been publishing Corporate Sustainability Report since 2003 based on Global Reporting Initiatives (GRI) guidelines. The last five Corporate Sustainability Reports are as per G3 Guidelines of GRI with Application Level A+ (Highest Application Level). • The Company being committed to policy of sustainable development, has taken several green initiatives which include: <ul style="list-style-type: none"> ✓ Conducting paperless Board Meetings; ✓ Since last year, Corporate Sustainability Reports are e-mailed to all the shareholders whose e-mail IDs are available. However, where E-mail ID are not available, the same

		<p>are sent in CD form (rather than a printed book);</p> <ul style="list-style-type: none"> ✓ E-mailing annual reports to shareholders who have opted for the electronic version. • The Company has been regularly communicating its progress on triple bottom line to all the shareholders and key stakeholders through Corporate Sustainability Report. • The Salisbury Unit participated in the “Beat the Peak” program. This program notifies a member of the maintenance department when the electrical usage is close to reaching a maximum level creating a power outage. When the maintenance team receives a notification, they turn down the chillers, and undertaking other measures to conserve energy. This program helped create awareness in the Unit, throughout the day the employees are now turning off unnecessary lighting and at the end of the day all computers and office equipment are switched off. • Disposal of e-wastes and batteries to authorized agencies for recycling and ultimate disposal. • As per the Company’s commitment towards safe disposal of E-Waste, an inventory of IT Stores in Corporate Office was audited and 147 assets were removed, which were more than 3.5 years old and were beyond repairs or use. Apart from this there were 428 used printer cartridges that were disposed. The total weight of the E-waste disposed during the year was 980 Kg. An authorized agency-Greenscape Eco Management Pvt. Ltd. collected the E-waste. The Company received a Certificate from the said agency regarding disposal of the waste. • The Company also continues reporting its carbon footprint through Carbon Disclosure Project, UK. • The Company took several initiatives for Capacity Building of its workforce. One of them was a specialized online training on Disaster
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		<p>Management for 6 weeks organized for the EHS personnel in the Company. This training was conducted jointly by The World Bank and National Disaster Management Authority.</p> <ul style="list-style-type: none"> • The Company installed a new & efficient Screw Type Chiller for HVAC system to reduce the indirect energy consumption at the Corporate Office. This resulted in reduction in power consumption. • The Company through its Business Excellence undertook several initiatives for reduction of indirect energy. This resulted in saving of Rupees 1.81 million in power. • The Company has been conferred with several awards which bear testimony to our commitment towards operational excellence, innovation, corporate governance and social responsibility: <ul style="list-style-type: none"> ✓ 'Golden Peacock National Quality Award - 2011' in Pharmaceutical Sector under Large Enterprises category, presented during the 22nd World Congress on Total Quality, organized in association with ET Now to Gajraula Plant, India; ✓ 'Certificate of Appreciation - Safety Awards 2010' - from National Safety Council of India, for Gajraula Plant, India; ✓ 2nd Prize in 'National Energy Conservation Awards - 2011', in the chemicals sector, for Gajraula Plant, India; ✓ 'The Economic Times - Frost & Sullivan India Manufacturing Excellence Gold Award - Process Sector, Medium Business' for the Pyridine & Picoline Plant at Gajraula plant, India; ✓ 'Certificate of Appreciation - Safety Awards 2010' from National Safety Council of India for Gajraula Plant, India; ✓ 'Indian Chemical Council Award for Social Responsibility' for the year 2010;
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		<ul style="list-style-type: none"> ✓ 'Information Week EDGE Award 2011' (Enterprise Driving Growth & Excellence – through IT) from UBM (United Business Media Group); ✓ 'DHL - CNBC TV 18 International Trade Awards' 2010-11, powered by ICRA; ✓ Among the companies with a 'Level 4 rating by The Karmayog Corporate Social Responsibility (CSR) Study on CSR Ratings of India's Largest 500 companies: 2009-10'; ✓ 'International Quality & Productivity Centre (IQPC) Award (2011)' for the Best Innovative Continuous Improvement Project - Process Re-engineering implemented in North American Subsidiaries.
PRINCIPLE 9	Encourage the Development and Diffusion of Environmentally Friendly Technologies	<ul style="list-style-type: none"> • Company has been using Bio-gas & Biomass as renewable source of energy. • The Company has been manufacturing pure Pyridine & Beta Picoline by batch distillation process. During the year, modification was carried out to convert batch distillation to continuous distillation in order to reduce the steam consumption norm for both the products. Significant reduction was achieved in the average steam consumption norm for both the products by this modification. The change in process from Batch to Continuous Distillation has not altered the quality of the products. • The Environment issues are discussed in detail not only in Annual strategy meet but also form a part of the evaluation process for all capital expenditure proposals of the Company and all necessary environmental control equipments are also included. • In one of the Plants manufacturing APIs, the usage of sulphuric acid has been reduced significantly by developing a modified process in R&D. This revised process has further reduced the consumption of sodium hydroxide needed for basification thereby leading to reduction in overall effluent load.

		<ul style="list-style-type: none"> • Jubilant R&D is successfully engaged in converting batch processes into continuous processes since last one year very aggressively. The use of continuous flow reactors viz. micro-reactors, plug-flow-reactors are gaining momentum in commercial chemical manufacturing ultimately leading to higher product selectivity, and, hence less waste, saving lot of solvents, avoiding hazardous chemicals use and sealing of toxic chemical reactions. • Also, short residence times enable micro-reactors/ plug flow reactor to perform reactions that involve highly unstable intermediates at ambient temperatures thereby avoiding cryogenic conditions and minimizing the energy required for cooling. Precise residence time control avoids the use of auxiliary substances such as protecting groups, enabling straightforward syntheses with good atom economy and fewer reaction steps. All these steps lead to enhanced carbon efficiencies.
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ANTI-CORRUPTION AND PREVENTION OF BRIBERY

PRINCIPLE 10	Businesses should Work Against Corruption in all its forms, including Extortion and Bribery	<ul style="list-style-type: none"> • Adhering to the strong set of values and guiding principles that drive working at Jubilant, dealings are conducted in a professional and ethical manner. HR Policy of the Company states that any personal payments or bribes to individuals employed by Jubilant's customers or suppliers, or receipt of bribes or personal payments by employees of Jubilant Life Sciences is strictly prohibited. This includes buying equipment from suppliers for personal use at high discounts. • Through its 'Bribery and Corruption Policy', the Company tries to meet its anti-corruption and bribery objectives. • Any meals, entertainment, gifts or favours the Company offers to its customers or prospective customers will be moderate, in good taste, and in keeping with the principle of avoiding even the appearance of inducing the customers to place their personal interests above those of their employer.
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		<ul style="list-style-type: none"> • The Company has a 'Code of Conduct for Directors and Senior Management'. The Directors and senior management personnel are required to give an annual affirmation statement to the CMD and CCMD that they have been following the code of conduct of senior management. Based on these, a declaration is made by the CMD to the Board that all Directors and senior management personnel have affirmed compliance with the Code of Conduct of the Company. Apart from ensuring honest and ethical conduct, the said code also covers issues related to integrity, confidentiality, insider trading, dealings with outsiders, gifts & entertainment and penalty for breach/corruption. The details of the Code of Conduct can be accessed from the HR Policy manual and it is well covered in Employee handbook prepared for Senior and Middle Management and handed over to new joiners. • In compliance with the SEBI's Prohibition of Insider Trading Regulations, a 'Code of Conduct for Prevention of Insider Trading' has been established with an objective to prevent possible circumstances of trading in securities of the Company by its officials based on possession of unpublished price sensitive information. Under the said Code, annual disclosures regarding securities held and other disclosures in respect of trading in securities of the Company are taken from the Directors and the Designated Persons (defined in the Code itself) from time to time. • The induction training covers the organizational policies and procedures related to anti-corruption. All new employees are required to undergo induction training. • The Company carries out Enterprise Risk Management through external agency and also conducts internal audits at each manufacturing location which covers corruption as one of the aspects to be analyzed.
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SUSTAINABILITY MISSION

Jubilant Life Sciences Limited is committed to **Sustainability** and considers environmental protection, accountability, transparency and inclusiveness as the facets to Sustainable Development.

As a responsible corporate citizen the company is constantly engaged in delivering value to its stakeholders through its promise of **Caring, Sharing & Growing**.

Shyam S Bhartia
Chairman & Managing Director

Hari S Bhartia
Co-Chairman & Managing Director

October 4, 2010



CLIMATE CHANGE MITIGATION POLICY

Jubilant Life Sciences Limited recognizes the risk of **Climate Change** and is committed to mitigate its impact. Our initiatives to reduce carbon emissions are to:

Join hands with the employees, families & community to create awareness

Undertake energy conservation measures

Benchmark all activities for optimum use of resources

Involve suppliers to reduce emissions through Greening of Supply Chain

Limit Greenhouse Gas emission by process optimization and pollution prevention

Adopt advanced information technology to reduce travel related emission

Nourish the plantation in the units and the vicinity for carbon sequestration

Transform above initiatives into actions

We shall abide by this policy to mitigate the risk of Climate Change at **JUBILANT**.

Shyam S Bhartia
Chairman & Managing Director

Hari S Bhartia
Co-Chairman & Managing Director

October 10, 2010



QUALITY POLICY

- Our endeavour shall be to achieve delighted customers across the globe by providing them products and services meeting highest quality standards, with utmost care for the environment.
- We shall continuously upgrade our manufacturing technologies and quality standards to achieve and maintain quality leadership with thrust on eco-friendly processes.
- We shall always strive to create a cohesive and motivated team of international competence by providing them continuous training to enhance their knowledge and skills.
- We shall ensure compliance to the national and international regulatory requirements as applicable.

Shyam S Bhartia
Chairman & Managing Director

Hari S Bhartia
Co-Chairman & Managing Director

January 01, 2010



ENVIRONMENT, HEALTH AND SAFETY POLICY

Jubilant Life Sciences Limited is an integrated pharma & life sciences Company serving its customers globally with recognised strengths in innovation, manufacturing and support services. Jubilant endeavors to go beyond compliance with regulatory standards, to achieve excellence in Environmental, Health and Safety (EHS) management practices.

We shall achieve this by:

- Complying with regulatory standards on Environment, Health and Safety
- Optimizing resource utilization for pollution prevention, energy & water conservation and reduction of wastes & emissions
- Identifying hazards at the design stage of the processes & services and build appropriate measures to mitigate risks
- Ensuring safe & healthy work environment with necessary infrastructure and systems
- Reviewing EHS performance for continual improvement
- Promoting EHS awareness among key stakeholders
- Imparting training to operating personnel

The policy will be available in public domain and it is applicable to all Indian operations.

Shyam Bang
Executive Director

October 14, 2010



GREEN SUPPLY CHAIN POLICY

At Jubilant Life Sciences Limited, we are committed to protect the Environment by striving for the Greening of Supply Chain in collaboration with Partners in Progress for long term Sustainability.

Jubilant is committed to maintain & expand its Green Supply Chain and will work with **PARTNERS** to:

- P**rotect the environment by creating awareness
- A**dhere to environment, health & safety compliance
- R**educe, reuse and recycle resources
- T**rain and educate to say no to child labour
- N**ourish plantation and greenery in vicinity
- E**ncourage saving of water and electricity
- R**educe Greenhouse Gas emissions
- S**trive for sustainable partnership

Shyam Bang
Executive Director

November 9, 2010



Millennium Development Goals

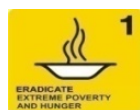
CHAPTER TWO

The Millennium Development Goals (MDGs) are eight international development goals that 192 United Nations member states and at least 23 international organizations have agreed to achieve by the year 2015.

As a responsible corporate citizen, the Company is actively involved with the community in proximity with its locations through various programs. Jubilant believes in maximizing the efforts for the inclusive growth of the society at large. The company is also engaged with the community for infrastructure improvement as and when required. With this mandate Jubilant collaborated with the Schwab Foundation for Social Entrepreneurship, sister organization of the World Economic Forum. This Foundation provides unique regional and global platforms to promote social entrepreneurship, a key element in meeting the social concerns innovatively and effectively. The social entrepreneurs are innovators who implement practical and sustainable solutions to address challenges in numerous areas including health, education, and environment, access to technology and job creation. While the approach is towards addressing the concerns of the stakeholders yet all efforts are attuned to the MDGs.

The Company's approach towards addressing the concerns of the local community fall in line with the UN Millennium Development Goals.

The Millennium Development Goals are:



Eradicate Extreme Hunger and Poverty



Achieve Universal Primary Education



Promote Gender Equality and Empower Women



Reduce Child Mortality



Improve Maternal Health



Combat HIV AIDS, Malaria & other Diseases



Ensure Environment Sustainability



Develop a Global Partnership for Development

JUBILANT INITIATIVES TOWARDS COMMUNITY EMPOWERMENT

Corporate Social Responsibility initiatives of the Company are conceptualized and implemented through **Jubilant Bhartia Foundation (JBF)**, the social wing of Jubilant Bhartia Group established in 2007, as a not for profit organisation. JBF initiatives focus on primary education, basic healthcare and skill development for employability and self-sustenance. A summary of the activities of JBF is provided on its website www.jubilantbhartiafoundation.com.

JBF program coordinators are regularly in touch with a vital stakeholder i.e. the community for bringing a change in socio-economic environment. The JBF activities are conceptualized and implemented for various community development work, health care, cultural & sports, environmental awareness and related initiatives, vocational training, women empowerment and educational activities.

Given below is the summary of initiatives taken by JBF towards each MDG during the year 2011-12:

Goal 1: Eradicate Extreme Poverty and Hunger

Jubilant aims at sustainable livelihood opportunity for all by empowering youth, unskilled and semi-skilled, through proper training and helping them to escalate their lives from subsistence level to sustainable living. The livelihood programs involve:

- Capacity building to Self Help Group (SHG) members
- Vocational Training Centres
- Technical literacy at Government primary schools for student of class VIII

The Company has established Vocational Training Centres at Gajraula and Nanjangud. Based on need assessment studies, some of the skills identified are repairing electrical/electronic appliances & mobile phones, beautician & hair dressing, tailoring, repairing of tractors, diesel engines, threshers, two-wheelers etc. All the interventions aim at increasing employability of the community. JBF works towards forward linkages for their placement and self employment.

Goal 2: Achieve Universal Primary Education

Lack of education is the root cause of numerous social and economic problems therefore the Company believes that education should be the primary area of intervention for empowering the communities. Taking into cognizance the need to sensitize the community on the virtue of

education, JBF started engagement programs with the community. Lack of proper infrastructure in the school was one of the challenges to be met. This gave birth to the **project Muskaan**, where the Company partnered with the local government in their educational initiatives in addressing the gamut of challenges. Through Muskaan, the Company intends to bring all stakeholders *namely* the villagers, teachers, students, panchayati raj Institution members, local authorities and others on board to get all round acceptance and unconditional support of the entire community for the project. Since its inception in 2007 in a pilot school at Sultanther village near Gajraula, it has now grown to 100 schools. Out of these 100 schools, the expenses of 80 schools are being supported by Jubilant.

To measure the development taking place through project Muskaan in the community, indicators were developed and standard scores were assigned to each component of the core activities (Community involvement, Infrastructure, Attendance and Knowledge). Based on these indicators an assessment activity was performed in the Project Muskaan Schools at all the locations.

Goal 3: Promote Gender Equality and Empower Women

Conducive milieu instills confidence in women and empowers them. The approach of the Company is to provide an environment where women may explore their skills to maximum. There are several interventions which provide opportunity to the fairer sex for starting and continuing education, having access to basic healthcare facilities and attaining economic empowerment.

CASE STUDY:

The Company under the arena of vocational training program imparted tailoring skills to the women SHG members at Kallahali Village, Nanjangud location. With some infrastructure support from the Jubilant Bhartia Foundation, the women started a **Uniform Stitching Centre** and bagged several assignments from various organizations including Jubilant. These women are now significantly contributing towards their net family income.

Goal 4: Reduce Child Mortality & Goal 5: Improve Maternal Health

The Company is concerned about the poor Mother and Child Health (MCH) in the society and working towards creating a healthy community. The Company has started a pilot project for approximately 100,000 population at Gajraula unit. The details are given in the following case study:

Project “**Swasthaya Prahari**”- Under health initiatives besides supplementing basic healthcare services at all locations a pilot project on community health was initiated with a goal to address Infant Mortality Ratio (IMR) & Maternal Mortality Ratio (MMR). It is a unique community based pilot healthcare project named ‘Swasthya Prahari’ in People-Public-Private-Partnership (4P) model. Instead of reinventing any new system, this project is aimed at strengthening Government’s efforts with more effective community participation for improved services.

The project is proposed to be completed in following stages:

- Building capacity in the community to pursue various aspects of MCH
- Helping revitalize existing infrastructure to improve delivery mechanism
- Introducing performance based incentive system for effective implementation

The project primarily involves advocacy with various stakeholders like community, Panchayati Raj Institution (PRI) members, Government officials with an objective to win their support on the concept of 'Swasthya Prahari' to train a group of Block Resource Team who would in turn train the Change Agents (1 from every village) to take the awareness about the project up to the ground level.

The project has resulted in increased awareness about health issues. Increase in birth registration, Immunization practices and institutional delivery have been observed. Institutional delivery ensures reduction in infant and mother mortality rate.

Key objectives of project Swasthya Prahari are:

1. Monitoring and reducing Birth rate
2. Monitoring and reducing IMR (Infant Mortality Ratio)
3. Monitoring and increasing Institutional delivery to reduce MMR (Maternal Mortality Ratio)

Goal 6: Combat HIV/AIDS, malaria and other diseases

The Company recognizes AIDS, Tuberculosis and Malaria as important issues. The Company is working towards awareness generation about these diseases and supports the stakeholders for prevention through various programs:

- Organizing regular awareness sessions on various health issues;
- Observing World AIDS Day which is celebrated at all the units through various workshops and programs for employees, contractual workers, truckers and communities in the vicinity;
- DOTS centre for TB treatment and Integrated Counseling and Testing Centre (ICTC) for HIV at Gajraula unit for diagnostic and counseling services;
- Various other regular health camps are organized at all location at frequent intervals for the community around which included eye camps, dental camps, healthy heart camps and veterinary camps etc.

Goal 7: Ensure Environmental Sustainability

Ensuring awareness on health and environment issues amongst the community residing in proximity of the manufacturing location, the Company organized various activities like celebrating World Environment Day, Earth Day, and World Health Day.

The projects like Eco-clubs, Swasthya Prahari & Occupational Health Centre generate awareness on long term benefit of hygiene and environmental issues for community.

Case Study:

'Har Aangan Main Ped' Initiative: A revolutionary activity generated environmental awareness amongst the Muskaan school students and their families. In this initiative, 2 saplings (one flowering plant and one perennial plant) were distributed to the students and the teacher explained them the importance of the trees and how one should take care of the saplings.

Benefits Derived:

- Mass plantation: By this initiative through the Muskaan Schools, several trees were planted across various locations.
- Community participation: During the distribution of the saplings, the PRI and VEC were involved. By this way, the awareness on this initiative is communicated to the key members of the villages, who can further communicate it to the masses and take this initiative at a higher level.

Workplace Volunteering

Jubilant encourages and supports workplace volunteering programmes and offers opportunities for employees to make an impact in the society.

Some examples are:

- The employees at Jubilant supported the lives of **Tihar Inmates** by buying Rakhi, Bags, Herbal Holi Colours made by them.
- The employees of the Company sponsored & distributed **Solar Lantern** in the community at one of the manufacturing locations.
- **Blood Donation Camps** were organized across the locations in close cooperation with Indian Red Cross (IRC) Society and local hospitals. These series of events saw an outstanding contribution by the employees of the Company. Necessary health tests were done by IRC doctors prior to accepting the blood from the employees. All the blood donors were given blood donation cards by IRC which can be utilized for future need of blood within one year.

Goal 8: Develop a Global Partnership for Development

The Company believes in working in partnership with various local and global organizations. This year, Jubilant's partners under its various programs were:

- World Economic Forum (WEF)
- Schwab Foundation for Social Entrepreneurship
- NIIT
- SEWA
- Labour NET
- National Bank for Agriculture and Rural Development (NABARD)
- Pratham