



UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS REPORT 2012-13

ABOUT REPORTING ORGANIZATION: JUBILANT LIFE SCIENCES LIMITED

Jubilant Life Sciences Limited ('the Company' or 'Jubilant'), is a global Pharmaceutical and Life Sciences Company engaged in manufacture and supply of Generics (including Active Pharmaceuticals Ingredients (APIs) and Solid Dosage Formulations), Specialty Pharmaceuticals (including Radiopharmaceuticals, Allergy Therapy Products and Sterile Injectibles and Ointments, Creams and Liquids (OCL)) and Life Sciences Ingredients (including Proprietary Products and Exclusive Synthesis (PPES), Nutrition Ingredients (NI) and Life Sciences Chemicals (LSC). It also provides services in Drug Discovery and Development and other Healthcare services.

The Company's strength lies in its unique offerings of Pharmaceutical and Life Sciences products and services across the value chain. With 10 world-class manufacturing facilities in India, US and Canada and a team of over 6,200 multicultural people across the globe, the Company is committed to deliver value to its customers spread across over 90 countries.

The Company is well recognized as a "Partner of Choice" by leading pharmaceuticals and life sciences companies globally.

Over the years, the Company has extended its business beyond India to Canada, Europe, USA, and other countries across the globe by building capabilities internally and through strategic build outs & acquisitions, resulting in a network of 7 world class manufacturing facilities in India and 3 in North America. Jubilant's multi-location presence helps it to get closer to customers and serve them better with the best in class products developed most efficiently, economically and on time.

Jubilant serves its customers across the globe and has strong relationships with the 19 of the top 20 pharmaceutical companies and 7 out of the top 10 agrochemical companies across the globe.

Research & Development (R&D) has played a pivotal role in quality, product development and cost reduction through process innovation in the products and services offered by Jubilant Life Sciences. 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 scale up technologies and economies of scale into a synergistic organic entity, continuously creating and nurturing high quality products and technologies.

Jubilant has been recognised with several prestigious awards which bear testimony to its commitment towards operational excellence, innovation, corporate governance and social responsibility. Some of the recent awards are:

- FICCI Quality System Excellence Award 2012' silver prize under large scale category won by Gajraula Plant, India;
- 'AIMA Managing India Awards 2013: Entrepreneurs of the Year' award won by Mr. Shyam S. Bhartia and Mr. Hari S. Bhartia, presented by the President of India, Mr. Pranab Mukherjee;
- NDTV Profit 'Business Leadership Award 2012 under Corporate Social Responsibility category' won by the Company presented by Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Government of India;

- '7 Star Category Certificate' from Directorate of Industries, U.P., (valid for two years), won by Gajraula Plant, India;
- 'ICC Award for Water Resource Management in Chemical Industry' for the year 2011 won by Gajraula Plant, India;
- 'The Economic Times - Frost & Sullivan India Manufacturing Excellence Gold Award - Process Sector' for 2012 won by Gajraula Plant, India - second time in a row;
- CII 'National Award for Excellence in Water Management 2012' as Water Efficient Unit won by Gajraula Plant, India;
- 'National Quality Excellence Award' for best in Class manufacturing presented by Stars of the Industry Group, won by Gajraula Plant, India;
- 'Golden Peacock Environment Management Award 2012' won by Gajraula Plant, India; and
- 'Golden Peacock Award for Sustainability 2012' won by Gajraula Plant, India.

Corporate Social Responsibility at Jubilant is the commitment of business towards Inclusive Growth. Jubilant believes that long-term sustainability can be achieved by good performance in the social, environmental and financial areas. The Company's approach to sustainable development focuses on the triple bottom line of Economics, Environment and Social performance. The Company remains focused on its policy of sustainable development by ensuring Equal Opportunities for All, Climate Change Mitigation, Environment, Health and Safety and Green Supply Management.

Jubilant's Sustainability efforts have been reported through a Corporate Sustainability Report (CSR) since past one decade and has been rated A+ since 2007 by Global Reporting Initiative (GRI). The report is duly audited by Ernst & Young and conforms to the GRI G3.1 Reporting Guidelines launched on March 23, 2011 by GRI. This reflects Jubilant's commitment towards sustainable development and continued efforts directed towards protecting the environment wherever the Company operate. The same is also available on the Company's website at www.jubl.com/sustainability-report.html.

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 initiatives of the Company are conceptualised and implemented through Jubilant Bhartia Foundation (JBF), the social wing of Jubilant Bhartia Group established in 2007, as a not for profit organisation. JBF works on 4P model (Public-Private-People-Partnership) for empowering communities and believes that for sustainable social intervention, the people themselves would have to be the drivers of these projects.

Based on the 4P approach, following three major areas have been selected for social initiatives by Jubilant:

- Supporting Government Rural Primary Education System;
- Strengthening Basic Healthcare Facilities; and
- Improving Employability of Local Youths through Vocational Training Programmes.

A summary of the activities of JBF is provided on its website www.jubilantbhartiafoundation.com. Sustainability initiatives are set out in greater detail in the Corporate Sustainability Report of the Company.

JBF releases a quarterly news letter called *Community Linkages* covering the activities undertaken by it. This publication is also available on the Company website.

SCALE & PROFILE OF THE REPORTING ORGANIZATION

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

Company is a public limited company and is listed on NSE & BSE in India with Paid-up capital of Rs. 159.28 million. The Company has seven world class manufacturing facilities in India and three in North America.

The Company holds the following global leadership positions:

- **Global leadership in APIs;**
- **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 10** players in Choline Chloride (Vitamin B₄);
- **Globally No. 2** in Niacin & Niacinamide/Vitamin B₃ – Nutrition Ingredients;
- **Leading market share positions** in Four Therapeutic and Imaging, Nuclear Medicine products in North America;
- **Leading No. 2** Allergy Therapy Company in the USA;
- **Amongst top 3** in the Contract Manufacturing of Semi-solid OCL Dosage Formulations in North America;
- **Global leadership** in the Contract Development and Manufacture of Sterile Injectable Dosage Forms;
- **Leadership**, amongst the world's top 5 in Integrated Drug Discovery and Development solutions; and
- **Unique affordable healthcare model** operational in West Bengal, India.

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 Bhartia Group.

Jubilant's vision is to be amongst the top 10 most admired companies to work for. The Company wants to maintain leadership position in its chosen area of business in India and to establish it globally. The Company will endeavour to create new opportunities for growth in its strategic businesses which give a 10 points higher rate of return than the cost of capital.

Jubilant's values determine its 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 PROMISE



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 teamwork.**



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 to our stakeholders.



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.

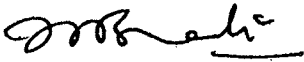


With utmost care for the **environment and safety**, we will always strive to excel in the quality of our processes, our products and our services.

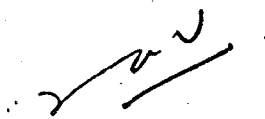
STATEMENT OF SUPPORT AND COMMITMENT OF THE CHAIRMAN & CO-CHAIRMAN

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
Ph: 0120 4361141, Email: lalit_jain@jubl.com



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 delineates examples of how Jubilant has imbibed each principle in its true spirit:

UNGC Principle No.	UNGC Principle	Jubilant's Endeavors
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. The Company extends its commitment in respect of ILO convention and country regulation on Human Rights (HR) issues. The Company aims at the protection of human rights through the implementation of its policies and compliance to country regulation on human rights throughout its organisation. Practices in Jubilant resonate with United Nations' guiding principles for business and human rights. Jubilant understands that Labour and Employee relations are of essential importance for its success. The Company understands that the Labour and Employee relations impacts productivity, motivation, and morale of the employees and also helps in preventing & resolving issues arising from work situations. The operational responsibility of human rights is of the respective unit HR head at each manufacturing location and they report to the corporate HR Head. HR Head oversees the implementation of the human rights policies and takes responsibility of resolving any human right violation issue raised by any employee or outsider.

PRINCIPLE 2	Make sure that they are not Complicit in Human Rights Abuses	<ul style="list-style-type: none"> • Jubilant is continually striving to ensure that there are no human rights abuses within its sphere of control. Jubilant does not procure any material from vendors who violate human rights and standards. This is scanned as per the Contract Agreement with the Company. • The supply chain department at Jubilant requires the vendors to fill a self-declaration form which also includes human rights aspects. The suppliers are audited on the basis of these self-declared forms. • The Company has seven manufacturing locations in India. During the internal sustainability audit human rights assessment was carried out at all seven Indian Units. • To enable a high performance culture in a Matrix organisation, Performance Management System (PMS) has been put in place by the Company. Related information is provided to the employees whenever necessary and is available on the Company intranet (Human Resource Information System). This results in improved understanding of management's goals and policies. • 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 Company has operations in various locations across India & North America. The Company supports local culture and heritage for the respective regions. • Jubilant, in its quest to nurture talent and provide the best amenities, has a gamut of employee centric policies. These policies have been formulated keeping in mind the needs of the employees and the Company's promise of Caring, Sharing, Growing. A compilation of all such policies has been articulated in the Company's Policy Manual. The manual provides an in-depth understanding of eligibility, entitlement, terms & conditions and
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		<p>associated documentation, with each policy. It forms a reference point for all policy related clarifications. The information provided in this manual does not form a part of an employee contract, but provides guidelines to aid efficient and smooth application of level specific policies.</p> <ul style="list-style-type: none"> • The policies related to human rights are available on the Company's intranet (MYJUBILANT) with access to all users. These are also included in the Employee Handbook to create awareness. • All new employees are informed about the Company's policies and procedures including those related to human rights during the induction training and through access to Company's intranet system (MYJUBILANT). • The Company also recognises the fact that identifying the impact of human rights not only enables the organisation to fulfil its responsibility but also helps to manage the business reputation risks. • There are several internally developed policies and codes adopted by the Company: <ul style="list-style-type: none"> a. Code of Conduct for Employees b. Code of Conduct for Directors and Senior Management c. Child Labour Policy d. Policy on Forced and Compulsory Labour e. Bribery and Corruption Policy f. Freedom of Association Policy g. Policy on Prevention of Sexual Harassment h. Non Discrimination Policy i. Whistle Blower Policy a. Employment Policy b. Compensation and Benefits Policy c. Travel & Transfer Policy d. Employee Assistance Policy e. Separation Policy <p>With effective implementation of the above mentioned policies and codes, Jubilant ensures that it is not complicit in human rights abuses.</p>
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		<ul style="list-style-type: none"> • The Company recognizes the contribution of its employees and continued to provide the following benefits exclusively to full time employees as reported last year. These include: <ul style="list-style-type: none"> a. Maternity leave b. Disability and invalidity coverage as per the Industrial Dispute and Workmen's Compensation Act c. Group Medclaim Insurance for employees and their dependents • The Company provides certain benefits exclusive to full-time employees at manufacturing Units. Few of them are education and hostel fee reimbursement for certain employees' children; accommodation in the township; loan on nominal interest for the purchase of computer, vehicle and housing etc. • The full-time employees of the Company in North American Units have benefits different to that of Indian operations. Some select benefits are mentioned below: <ul style="list-style-type: none"> a. Short Term / Long Term Disability Insurance (Company paid) Benefits b. Health Club Reimbursement c. Jury Duty Leave / Court Appearances d. Military LOA (Leave) • All female employees in Indian units and all employees in North American units are entitled to Parental Leave. • Talent and Succession Planning process at Jubilant involves four key steps: <ul style="list-style-type: none"> a. Identification of organisational leadership needs based on the business and leadership challenges; b. Identification and Assessment of key human resources on the basis of potential and performance; c. Succession Planning for critical positions; d. Identify focussed development plan and retention plan for key resources and succession plan to manage Company's investment in these resources through appropriate actions.
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		<ul style="list-style-type: none"> • The Company has well defined Grievance Identification and Redressal Mechanism in place for human rights violation cases affecting our stakeholders. • Jubilant has a Whistle Blower Policy in place to enable any full time employee to voice concerns without fear of retaliation/victimisation/discrimination which is a sine qua non for an ethical organisation. The Policy has been made in alignment with the over-arching Code of Conduct and the Company's commitment to ensuring open communication and best Corporate Governance Practices. • An independent office of the Ombudsman for the Jubilant Bhartia Group was established during the year. A charter of the Ombudsman has also been prepared and made available on the intranet of the Company. This Charter allows all stakeholders, including employees, to voice their concerns and guide the Company to resolve issues efficiently and help conduct business in accordance with the Company's Values, Vision and policies. Under this policy the employees can report any information which they believe reflects serious malpractice, impropriety, abuse or violation of code of conduct in relation to the Company's functioning. The Company has a dedicated email ID for the ombudsman (ombudsman@jubl.com) which is directly accessed by the Ombudsman Office. The online portal (www.cwiportal.com) is another way of reporting concerns and maintaining complete anonymity of the whistleblower. • Employee Health Check-ups are conducted on a continuous basis throughout all locations at Jubilant. Besides, different programs are also conducted for families of employees on issues like AIDS and Maternal & Child Health. • At all manufacturing locations, Safety Day was celebrated on Mar 4, 2013. This day has assumed importance and is widely celebrated to create awareness and renew the commitments of industries towards greater safety and continual improvements.
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		<ul style="list-style-type: none"> • Occupational Health and Safety Training and Awareness workshops/ talks are conducted regularly for staff. All workmen, including contract workers, are given a safety talk before they are allowed to work in the units. Specific training modules have been designed for specific work. Employees from Corporate Office also visits units to conduct trainings and provide technical support & guidance.
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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 continues to extend its support to its employees and contractors in their cooperative efforts to develop good relations and constructive bargaining practices. • 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. • Employee relations are strengthened over time and taken care of by the local human resource personnel, who interact with the employees and contractors about various services, measures and initiatives to assist them in creating and maintaining a workplace that is conducive for work. • Jubilant respects the right of its employees to form an association in accordance with the local laws applicable. The employees have a right to join associations of their own choosing or to refrain from joining one, unless otherwise prohibited/necessitated by law. This has also been mentioned in the Business Code of Conduct Policy. • At its locations, the Company engages in open and continuous dialogue with the employee associations. • Trade Unions exist at three locations and Works Committee has been formed by the employees at one location. All arrangements with respect to collective bargaining and trade unions are as per applicable laws of the land.
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		<ul style="list-style-type: none"> The Company also has Wage Agreement at locations with trade unions and works committee.
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 employment are transparent and voluntary. Through its Policy on Forced and Compulsory Labor, the Company ensures elimination of all forms of forced and compulsory labour. Jubilant never uses any form of forced or compulsory labour in any of its operations 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. To promote this, the Company encourages its Suppliers also to work towards a no child labour policy. Self-Evaluation is filled by the suppliers of Jubilant which delineates prohibition of Child Labour at supplier's place. The Company has Green Supply Chain Policy under which its suppliers are trained and educated to say no to child labour in their businesses. Jubilant is working towards further strengthening of the audit system for suppliers with respect to human rights by revising the existing supplier audit check list and standard terms of supplier contract and capacity building of internal auditors for the supply chain department.

		<ul style="list-style-type: none"> • All security personnel are briefed about relevant policies of the Company including child labour policy.
PRINCIPLE 6	Elimination of Discrimination in respect of Employment and Occupation	<ul style="list-style-type: none"> • Jubilant is committed to ensuring that workplaces are free from all forms of discrimination or harassment on the basis of age, caste, sex, religion or any other ground. • 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. • No discrimination is practiced during the Human Resource processes of recruitment, employee development and rewarding performance. This is also mentioned in the Business Code of Conduct of the Company. • Jubilant is an Equal Opportunity Employer (EoE) as there is no consideration of gender or any other indicators of diversity. This is also mentioned on the Company's website www.jubl.com. • Members of the highest governing body, being Board of Directors, are also selected on merits. • Jubilant is a signatory to the CII Code of Conduct on Affirmative Action that reconfirms the Company's commitment to equal opportunity in employment for all sections of society. • The Company follows the Principle of Equal Remuneration for Women and Men; hence, there is no disparity in the salary based on gender. It provides equal salary to men and

		women for same set of work. This is in line with the Equal Remuneration Act, 1976. There is no disparity in basic salary and remuneration between women and men employees in the Company.
ENVIRONMENT PROTECTION		
PRINCIPLE 7	Businesses should support a Precautionary Approach to Environmental Challenges	<ul style="list-style-type: none"> • As reflected in its motto - <i>Caring, Sharing and Growing</i> - the Company has a strong focus on sustainability and inclusive growth. The Company adopted a Sustainability Mission signed by the top Management and Jubilant's Sustainability Journey is based on this mission. Sustainability Mission is applicable at all its locations and focused to address the environmental issues. • Jubilant has following effective policies: <ul style="list-style-type: none"> a. Climate Change Mitigation Policy b. Environment, Health and Safety Policy c. Green Supply Chain Policy d. Quality Policy • To mitigate the risk arising from climate change, a separate policy, known as the Climate Change Mitigation Policy was formulated in 2010, which reaches out, not only to the internal stakeholders but also, to external stakeholders to collaboratively work towards reducing emissions. Several initiatives are put in place to reduce the Company's Green House Gases (GHG) emission, like technology change, switching to renewable energy, improving energy efficiency and others. • To address the concerns related to the environment, Jubilant has formulated Environment, Health and Safety (EHS) Policy applicable to all locations irrespective of the type of operations and geographies. The policy outlines the fundamental ideology of not only complying with the regulatory standards but also excelling in improving its environmental performance through continual

		<p>review. The EHS policy acts as a guiding principle for identifying, addressing and eliminating or mitigating any impacts/ risks arising from resource utilisation, processes, unsafe working conditions, waste, effluent generation, and emissions. The policy also focuses on improvement of systems by way of continual review.</p> <ul style="list-style-type: none"> • EHS Policy and the Climate Change Mitigation Policy have been the Company's key guiding principles for improving environmental performance. However, different specific goals are defined for environmental management systems at respective locations. In addition, the Company sets sustainability objectives in the form of way forward, every year and mentions it in the Corporate Sustainability Report. These are implemented by respective personnel with routine follow ups. The performance achieved against these set objectives is then reported to the Board and in the Corporate Sustainability Report. • Chief Sustainability Officer monitors the Company's overall EHS performance from corporate office and reports to Executive Director. Corporate EHS team in co-ordination with EHS team stationed at each location monitors the performance and regulatory compliance across Indian operations. EHS personnel at each manufacturing location report to Corporate EHS team that monitors EHS performance at the Unit level jointly with respective Unit Heads. • For international subsidiaries, the respective Unit Heads are the torch bearers of the organisational responsibilities and a dedicated personnel looking after all Environmental, Occupational Health and Safety aspects reports to the Unit Head. • The Company is following ISO 14001 & OHSAS 18001 Standards for effective management of Environment, occupational Health and Safety issues.
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		<ul style="list-style-type: none"> • A Committee of the Board namely Sustainability Committee oversees the Company's performance on triple bottom line indicators viz. Environment, Economic and Social factors. The Committee meets once in every six months. • The Company has been regularly communicating its progress on triple bottom line to all the shareholders and key stakeholders through Corporate Sustainability Report (CSR) every year. • India is party to international protocols/ forums on precautionary approach and Indian laws & regulations are also based on these aspects. The Company has a system of Statutory Compliance Reporting System (SCRS) for managing compliances as a part of the precautionary approach to prevent any non-compliance. This system is web-based and is hosted on the Company's intranet and covers all Indian manufacturing locations of the Company.
PRINCIPLE 8	Undertake Initiatives to Promote Greater Environmental Responsibility	<ul style="list-style-type: none"> • 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 and its Committee Meetings; ✓ E-mailing annual reports to shareholders who have opted for the electronic version. • As a part of Jubilant's Sustainability Policy with the aim of mitigating impact on environment, like last year, this year too the Company is sending Corporate Sustainability Report in CD along with the Annual Report to all of its shareholders. The same is also available on the Company's website at www.jubl.com/sustainability-report.html. • To understand the product carbon footprint the Company has already conducted two life cycle based carbon footprint studies by reputed external agency for 2010-11 and the latest one for 2011-12. The latest study was conducted on 15 key products of the Company using the cradle to

		<p>gate approach. From both the studies it was evident that the products manufactured by Jubilant through ethanol (biogenic source) route have a much lesser carbon footprint than similar products which are manufactured through conventional petro route.</p> <ul style="list-style-type: none"> • Environment & Sustainability Training & Awareness Seminars & Workshops are conducted regularly for all staff. All new joiners, irrespective of their levels are briefed about EHS and Sustainability related aspects of the organisation during their induction process. Employees are also made to undergo specific training with respect to the nature of their work. • In order to reaffirm its commitment to continue on the path of sustainable development The Company has for the first time reported its sustainability performance addressing principles under National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business issued by Ministry of Corporate Affairs.
PRINCIPLE 9	Encourage the Development and Diffusion of Environmentally Friendly Technologies	<ul style="list-style-type: none"> • In accordance with the Company's Climate Change Mitigation Policy, it is exploring all possible options to reduce energy consumption and GHG emissions. These initiatives are as mentioned below: <ul style="list-style-type: none"> a. The Company adopted co-processing of hazardous waste in one of its plants to better manage the waste generated. This alternative use of hazardous waste in cement kiln has helped the company avoid on-site incineration, thereby reducing GHG emission and cost of hazardous waste disposal Company has been using Bio-gas & Biomass as renewable source of energy. b. On energy front the Company has made significant efforts to improve its performance through systematic planning and implementation of

		<p>numerous energy improvement projects across locations. In addition to improvement in energy norms, the Company has also been able to introduce a new renewable energy source, bio-diesel, in its energy mix this year replacing earlier use of fossil fuel in one of its plants in India.</p> <p>c. This year the Company witnessed a significant increase in the transport of materials by railways replacing transportation by roads. This has helped in reducing GHG emission arising from transportation of materials. The Company has also made significant investments in its newly developed facility at Bharuch using feedstock coming from renewable resource base instead of widely used conventional non-renewable resource based technology.</p> <p>d. It is evident that without a sustainable supply chain base, Jubilant's vision towards acquiring and maintaining global leadership can never be achieved. With this in mind, the Company formulated Green Supply Chain Policy in 2010. Now the company is poised to create environmental awareness amongst its suppliers and customers, to ensure resource optimization across the value chain, adopt zero tolerance against child labour, develop long term partnerships and reduce GHG emissions throughout the supply chain. As a step towards this, the Company has initiated eJBuy, a unique paper-less e-procurement system that ensures greater transparency and accountability.</p> <ul style="list-style-type: none"> Jubilant manufactures a variety of products like active pharmaceutical ingredients, allergy therapy products, advance intermediates, fine chemicals, and crop science chemicals to name a few. Since inception the Company's focus has been on being environmentally friendly and utilising naturally available materials. Therefore,
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		<p>to manufacture all these products the Company adopts greener route instead of the conventional petro-route. It utilises molasses and press mud as its key raw materials which are biogenic in nature.</p> <ul style="list-style-type: none"> • One of the important initiatives under taken by the organisation was the replacement of Furnace Oil with Bio-Fuel/ Bio-Diesel at one location. Trials were conducted and the right blend of fuel was determined. This blend of FO and Bio-diesel was used and the savings were evaluated. Key results from this project were reduced GHG emissions through usage of a cleaner fuel, reduced boiler downtime for preventive maintenance, and reduction in fuel expenses. • North American units primarily rely on Natural Gas as the main source of direct energy. • Another project undertaken by the Business Excellence Team was at Gajraula, where Steam Jet Ejector was replaced by the Hydro Jet Ejector. Earlier, Steam Jet Ejector was being used for creating a vacuum for distillation which was replaced by Hydro Jet Ejector making it a closed loop cycle. This resulted in reduction of steam and fresh water consumption, effluent volume and cost reduction. • Another important project was at Gajraula plant, where aqueous solvent was earlier incinerated directly. This direct firing led to higher fuel consumption. The aqueous waste is now concentrated by routing it through the Multi Effect Evaporator and flash column and later incinerated in concentrated form. This resulted in reduced net energy consumption and reduced GHG emissions due to reduced fossil fuel consumption. • Water is the most important natural resource to mankind. The company understands the importance of this resource and uses it responsibly. Jubilant has also decided to embark upon various water conservation measures at all its major units. Most of its major units have adopted a zero discharge strategy and treated
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		<p>effluent is reused and recycled for cooling towers and horticulture within the unit.</p> <ul style="list-style-type: none"> • Jubilant has adopted various measures in order to reduce both air and GHG emissions. Technologies like Electrostatic Precipitators, Scrubbers, Thermal Oxidizers, and Cyclones are used for air pollution control at different units of the Company. • Jubilant has installed Waste Water Treatment facilities at all major locations and units are maintained as zero discharge units. • Managing wastes from chemical industry requires intensive use of environmentally sound technology for its handling and disposal. The Company has developed a two pronged strategy to deal with its waste generated - recycling & recovery and safe disposal. • The Company had incurred an expenditure of about Rs. 800 million for operational as well as capital expenditure for various environmental protection equipments this year.
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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"> • Jubilant has proactively taken significant steps to bolster its anti-corruption commitment. • Jubilant has a Policy on Bribery and Corruption which is stated in the Business Code of Conduct. The policy prohibits any personal payment or bribes by employees of the Company. To strengthen the effectiveness of this Policy, Whistleblower Policy was revised this year and Ombudsman was appointed for the organisation. • The Company also covers this policy in a specific session during the induction of employees and communicates all updates to all employees regularly. Senior Management gives a declaration stating that they have not indulged in corruption or related activities.
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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 for 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 namely Jubilant Life Sciences Limited – Insider Trading Code has been established with the objective of preventing 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. • Enterprise Risk Management is carried out by the organisation along with the internal audits at each manufacturing unit. All units are covered under this risk assessment and analysed for corruption and related issues.
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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



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



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



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:

Protect the environment by creating awareness

Adhere to environment, health & safety compliance

Reduce, reuse and recycle resources

Train and educate to say no to child labour

Nourish plantation and greenery in vicinity

Encourage saving of water and electricity

Reduce Greenhouse Gas emissions

Strive for sustainable partnership

Shyam Bang
Executive Director

November 9, 2010



Millennium Development Goals

CHAPTER TWO

The eight Millennium Development Goals (MDGs) – which range from halving extreme poverty rates to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015 – form a blueprint agreed to by all the world's countries and all the world's leading development institutions. They have galvanized unprecedented efforts to meet the needs of the world's poorest.

The Company relentlessly works with the neighbouring community which is one of its key stakeholders. In the process, the organisation ensures that these community initiatives are aligned to the country's focus of the MDGs.

Corporate Social Responsibility initiatives of Jubilant 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 works on 4P model (Public-Private-People-Partnership) for empowering communities and believes that for sustainable social intervention, the people themselves would have to be the drivers of these projects.

Based on the 4P approach, the following three major areas have been selected for social initiatives by Jubilant:

- Supporting Government Rural Primary Education System;
- Strengthening Basic Healthcare Facilities; and
- Improving Employability of Local Youths through Vocational Training Programmes.

A summary of the activities of JBF is provided on its website www.jubilantbhartiafoundation.com. Sustainability initiatives are set out in greater detail in the Corporate Sustainability Report.

JBF believes that entrepreneurship is the most important tool for not only economic growth but also an instrument to present solutions to prevalent social problems. Taking the agenda forward, a collaboration has been forged between Jubilant Bhartia Foundation and Schwab Foundation for Social Entrepreneurship, sister organisation of the World Economic Forum to award Social entrepreneurs. The social entrepreneurs who implement practical and sustainable solutions to address challenges in numerous areas including health, education, and environment, access to technology and job creation are one of the key enablers of inclusive growth. While the approach is towards addressing the concerns of the stakeholders, yet all efforts are attuned to the MDGs.

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'S CSR INITIATIVES ALIGNING WITH THE MDGS

Given below is the summary of initiatives taken by JBF towards each MDG during the year 2012-13:

Goal 1: Eradicate Extreme Poverty and Hunger

It is often considered that economic progress is the greatest tool to alleviate poverty. The Foundation focuses on vocational training which can equip the people with skills to generate livelihood.

Under the **Project Nayee Disha**, Jubilant conducts skill development programmes at JBF's Vocational Training Centres at different locations aimed at helping the trainees find 'vocation for life' on successful completion. The training programmes on a wide array of areas like mobile and tractor repairing, stitching, retail management, soft skill development and beautician courses, offer the right mix of 'class room' and 'hands on' training for optimum results, besides entrepreneurial training and skills.

JBF has also engaged a social enterprise known as **Labour Net** for a focused approach to imparting specialised training at Gajraula and Nanjangud. This partnership is yielding positive results in employment generation for these trained skilled rural youths and offering a sustainable model of skill development that shapes them into entrepreneurs.

This year alone JBF has been able to positively touch around 2300 lives, an achievement that has motivated JBF to reach out to many more in the future. All the interventions aim at increasing employability of the community. Several youths have got appropriate and encouraging placements while some have become self-employed after the training.

Goal 2: Achieve Universal Primary Education

The Government of India's ambitious scheme- Right To Education (RTE) entitles children, aged 6 to 14, from economically weaker section to free & compulsory education. However, the Annual Status of Education Report (ASER) for 2012, which was released earlier this year, expressed concern over the availability of sufficient resources to provide quality education to these children. JBF believes in a similar policy and focuses to strengthen existing educational infrastructure than to create parallel institutes for education. With this objective JBF initiated the **Project Muskaan** in 2007 for supporting Government Primary Schools in rural areas. Project Muskaan was initiated with the following basic objectives:

- ☐ To improve the learning environment in the school so that students feel interested to attend school, thereby bringing down the dropout rates
- ☐ To improve the quality of education imparted and motivate the students to take up higher studies

Project Muskaan is an attempt towards bringing relevant stakeholders - villagers, teachers, students, Panchayati Raj Institution members, local authorities aboard for understanding the importance of education. The project embraces various activities which drive students towards the school. Some of the key activities are birthday celebration of the students, regular village education meeting, observing important days of national significance and other motivational

extracurricular activities. In addition Jubilant is also monitoring the impact of project Muskaan against four indicators. These are infrastructure, community involvement, retention and quality of education.

At present, the Jubilant Bhartia Foundation supports 100 Rural Government Primary Schools under Project Muskaan. The Project aims at strengthening Rural Government Education System ultimately leading to improved quality of education being imparted to the students through community involvement. The cost of expenses of these programmes is also shared primarily by Jubilant Life Sciences and Jubilant Industries Limited, a group company.

Case Study as per the report on Social Impact Assessment of CSR Initiatives of Jubilant in Gajraula, UP (carried by Partners in Change):

Impact on Enrolment, Dropouts and Absenteeism

After a thorough discussion with the school authorities in Sultanther, it was observed that all of them unequivocally supported the initiatives under the Project Muskaan. They commented that after the implementation of the Project, there has been a sharp increase in the rate of enrolment at the schools. Similarly, the number of dropouts, and the tendency of absenteeism have also decreased in last few years. For example, in 2006, the number of students in Sultanther primary school was only 57, and in 2012-13 it increased to 282, with a boy and girl ratio of 50:50. According to Mr. Raghavendra Singh, a primary school teacher in Sultanther, education was not top priority for the majority of villagers earlier. To ensure maximum admission and attendance, the school authorities used to visit the households, meet the parents and personally ask them to send their children to school. As a result, almost 80-85% of the kids in the village attend this.

Goal 3: Promote Gender Equality and Empower Women

Jubilant abides by its policy of non-discrimination which is also reflected in the activities implemented by JBF. Through its intervention, JBF is constantly touching the lives of several women through various programmes. An important part of the livelihood program at Jubilant is to form women **Self Help Groups (SHG)**. The aim of forming these SHGs is to enable women to save and pool small amount of money and initiate internal loaning. Field staff from JBF constantly gauges the development of SHG and counters any kind of bickering amongst the SHG members. The field staff, from time to time, makes these women aware of the trend in income generating activities. These women SHGs are also motivated to participate in the training programmes organised by JBF.

Case Study

JBF is trying to provide forward linkages to the SHGs, for the economic empowerment for women. JBF initiated a **Rakhi Making Project** in Bharuch for women Self Help Group for its self-sustenance. JBF arranged training on Rakhi making for 10 candidates which also involved information on raw material procurement. The forward linkage was also provided by JBF wherein the women are getting orders from the market. With a way forward and training support from JBF this women SHG have now become self-dependent and working towards creating their own niche.

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

Infant and maternal mortality rates are major concerns to improve human development index in India. Jubilant has initiated a demonstration project to improve the situation in a control area around one of its manufacturing locations.

JBF is operating a **Project Swasthya Prahari** helping to revitalise the existing Maternal and Child Healthcare (MCH) services at Gajraula. The Swasthya Praharis are the women Health Guards who are identified from the local community around the manufacturing location. They keep track of expecting & lactating mothers, malnourished children, birth and death. They also make home contact; motivate people for visiting health institutions and promote institutional child birth.

The key objectives of project:

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

There has been a significant increase in the institutional delivery after the inception of the project IMR and MMR. Earlier due to lack of awareness and existing taboos, the community was practicing delivery of child at home which is an unsafe practice leading to high IMR and MMR. The institutional child birth by the registered medical practitioner assures safe motherhood and child birth.

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

The Company, through health camps, keeps the community aware of the diseases prevailing. It is working towards awareness generation about various diseases and supports its stakeholders for prevention through various programmes as below:

The theme of World AIDS day for the year 2012 was 'GETTING TO ZERO'. The theme suggests that awareness should be taken to the level that the people become aware and the cases of AIDS drop to zero. Taking cognizance of the theme, the World AIDS day was observed at all locations including corporate office.

The Jubilant Bhartia Foundation has a registered **Integrated Counselling & Testing Centre (ICTC)** with a microscopic centre running at Gajraula which caters to identification of HIV infected people and their proper counselling. The centre is getting good response, as many people are availing this facility for counselling and testing.

During the year 2012-13, the ICTC referred 4 patients for Antiretroviral Therapy (ART) in Meerut, UP.

Jubilant also operates a **DOTS centre** for TB treatment at Gajraula unit for diagnostic and counselling services.

Various other regular health camps are organised in the community around manufacturing locations which includes eyes, dental, heart and veterinary camps.

Goal 7: Ensure Environmental Sustainability

To impart awareness on environment protection, Jubilant celebrates Environment Day, Earth Day at different units, offices and the community around. Jubilant also participated in public awareness building by poster campaign utilizing external magazines like Down to Earth and others.

The ‘**World Environment Day**’ which is celebrated on 5th June 2012 was observed at project Muskaan schools with various activities like drawing competition and tree plantation. At Nanjangud the entire month of June was dedicated to environment related initiatives in Muskaan schools. Jubilant employees visited the Muskaan Schools at Nanjangud and planted saplings in the school premises. Best students in various competitions were felicitated.

The projects like Eco-club, Swasthya Prahari and Occupational Health Centre generate awareness on long term benefit of hygiene and environmental issues for community mainly school children and employees’ families.

Health Day Celebration in schools is the integral part of Project Muskaan sensitising students about environmental health issues to increase awareness about communicable and other diseases.

In 2013, the Company also organised a **cleanliness drive** in villages around Gajraula plant involving local community and company employees. Employees volunteered along with local community members to clean the roads, drains in and around the selected villages to improve the awareness on health and hygiene amongst local village people. Unit head and other senior management staff participated in this cleanliness drive in full enthusiasm along with other employees and villagers.

The Company conducted **Avifauna Studies** for its units at Gajraula and Nira in the years 2009 and 2012. No species listed in the International Union for Conservation of Nature (IUCN) Red List and National Conservation List was found to exist in or near the operations of the Company. The Company also makes sure that there is no significant impact of its operations, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected area. Jubilant also conducts Environmental Impact Assessment (EIA) study before any expansion or establishment of new operations.

Water is the most important natural resource to mankind. The company understands the importance of this resource and uses it responsibly. Jubilant has also decided to embark upon various water conservation measures at all its major units. Most of its major units have adopted a zero discharge strategy and treated effluent is reused and recycled for cooling towers and horticulture within the unit. Majority of Jubilant’s plants have **rain water harvesting system** for ground water recharge.

Workplace Volunteering

Jubilant understands the significance of workplace volunteering and employees contribution to the society. The Company organises various programmes where the employees have come forward to show their benevolence like:

- **Book donation** to Muskaan school students through 'Joy of Reading Program'
- **Flood relief for Uttarkashi cloud burst**
- Blood donation camps
- **Vastra daan camp**
- Supporting the noble cause of bringing a positive change in the lives of Tihar jail inmates by buying Rakhi, bags, and cosmetics made by them
- Donating food items at '**Feed the Need**' programme of the Indian Food Bank Network
- Employees at Salisbury Unit participated in a blood donation drive at Blood Bank of Delmarva where 43 new members signed up. 109 employees of the Unit also participated in the United Way Charitable Contribution Program and donations of USD 20,951 were made. A similar fund raising activity was conducted at Kirkland in September 2012 viz St.Baldrick's Event. This was a 'head shaving event' to raise funds for the 'Childhood Cancer Canada'. A total of appx USD 5,707 was raised. The Company matched the employees' contributions (USD 4,000) for a grand total of appx USD 9,707.

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:

1. World Economic Forum (WEF)
2. Schwab Foundation for Social Entrepreneurship
3. Confederation of Indian Industry (CII)
4. Pratham
5. Vidya School
6. Schneider Electric India
7. Godrej
8. Indian Food Bank Network
9. Aid Matrix