



**UNITED NATIONS GLOBAL COMPACT
COMMUNICATION ON PROGRESS REPORT
2016-17**

ABOUT REPORTING ORGANIZATION: JUBILANT LIFE SCIENCES LIMITED

Jubilant Life Sciences Limited ('Jubilant' or the 'Company') is an integrated global pharmaceutical and life sciences company engaged in Pharmaceuticals, Life Science Ingredients and Drug Discovery Solutions. The Pharmaceuticals segment, through its wholly owned subsidiary Jubilant Pharma Limited, is engaged in manufacture and supply of APIs, Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products and Contract Manufacturing of Sterile and Non-sterile products through 6 US FDA approved manufacturing facilities in India, USA and Canada. The Life Science Ingredients segment, is engaged in Specialty Intermediates, Nutritional Products and Life Science Chemicals through 5 manufacturing facilities in India. The Drug Discovery Solutions segment, provides proprietary in-house innovation & collaborative research and partnership for out-licensing through state-of-the art research centres in India and USA. Jubilant has a team of around 6,700 multicultural people across the globe and is committed to deliver value to its customers across over 100 countries. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally. Jubilant is a public limited company, listed on National Stock Exchange of India Limited & BSE Limited in India with a revenue of Rs. 60,063 million in FY 2016-17. As on March 31, 2017, the Company had 49 subsidiary companies out of which 9 are unlisted Indian subsidiaries.

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:

- 17th CII National Award for Excellence in Energy conferred under the Chemical/ Pharma/ Fertilizers category, 2016 - Gajraula Plant, India;
- 'Best Green Process' in Chemical sector in FICCI Chemicals & Petrochemicals Awards, 2016 - Gajraula Plant, India;
- ICC Certificate of Merit for continuous efforts of 'water resources management in chemical industries' 2016 - Gajraula Plant, India;
- One Gold and One Silver Award at Quality Circle Forum of India (QCFI), Ankleshwar, Gujarat, 2016 - Bharuch Plant, India
- Safety Innovation Award 2016 by the Institution of Engineers (India) - Received by Nanjangud Plant in September 2016
- FICCI CSR Award 2015-16 for Health, Water and Sanitation – Received in December 2016
- Green Tech Environment Award 2017 - Received by Nanjangud Plant in March 2017

Jubilant's continued focus on sustainability aims at improving stakeholders' value through improved eco efficient use of capital and natural resources. Our Promise of Caring, Sharing, Growing is the essence of our activities that are directed towards sustainable growth. Jubilant's approach to sustainable development focuses on the triple bottom line of Economic, Environment and Social performance. We are committed and working on various areas of energy conservation and climate change mitigation.

Our sustainability efforts are being reported through Corporate Sustainability Report since 2003. This year we published our 15th sustainability report in consecutive years and 2nd one following the GRI G4 guidelines in accordance with the 'Comprehensive' option. This reflects our commitment towards sustainable development and continued efforts directed towards protecting the environment wherever we operate.

Contact:

Mr. Rajiv Shah, Company Secretary

Phone No.: 0120-4361141, E-mail: rajiv.shah@jubl.com

VISION VALUES PROMISE

Jubilant symbolizes positivity, dynamism, triumph and joy, all of which guide and shape the Group's collective experiences and efforts.

OUR VISION

- To acquire and maintain global leadership position in chosen areas of businesses
- To continuously create new opportunities for growth in our strategic businesses
- To be among the top 10 most admired companies to work for
- To continuously achieve a return on invested capital of at least 10 points higher than the cost of capital

OUR VALUES



OUR PROMISE

Caring, Sharing, Growing

We will, with utmost care for the environment and society, continue to enhance value for our customers by providing innovative products and economically efficient solutions; and for our stakeholders through growth, cost effectiveness and wise investment of resources

STATEMENT OF SUPPORT AND COMMITMENT SIGNED WITH UNGC

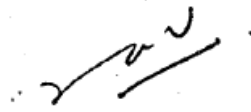
STATEMENT OF SUPPORT AND COMMITMENT OF THE CHAIRMAN & CO-CHAIRMAN

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. Rajiv Shah, Company Secretary

Phone No.: 0120-4361141, E-mail: rajiv.shah@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 Sustainable Development Goals (earlier Millennium Development Goals).

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 Sustainable Development Goals (SDGs).

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 the 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 areas including human rights (1-2), labour (3-6), 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 ENDEAVOURS
HUMAN RIGHTS		
PRINCIPLE 1	Businesses should support and respect the protection of internationally proclaimed human rights	<ul style="list-style-type: none"> Jubilant respects and follows universal declaration of human rights and fundamental freedom. The Company also complies with all human rights related regulatory requirements of the land of incorporation of its businesses across the world. These fundamental principles of human rights are embedded in Jubilant's Code of Conduct and all employees are required to respect and follow these principles strictly. The Company has formulated policies and systems to ensure protection of Human Rights of all concerned and these are defined in its Code of Conduct. These policies cover issues of Child Labour, Forced & Compulsory Labour, Non Discrimination, Bribery & Corruption. The Company has made the Code of Conduct available to all employees through intranet and conducted training to improve awareness and implementation on ground. From FY 2013-14, the Company is conducting online training using an e-learning module on Human Rights - Concept, Global and Indian Regulations & Framework' at Jubilant. Like every year, this year also online training was carried out across JLL India. 2,048 employees have participated in this training till date.
PRINCIPLE 2	Businesses should make sure that they are not complicit in human rights abuses	<ul style="list-style-type: none"> At Jubilant, implementation and monitoring of the aforesaid Human Rights policies and Code of Conduct lies on the Human Resource (HR) Head at each manufacturing location, reporting to the

		<p>Corporate HR Head. HR Head oversees implementation of the human rights policies and takes responsibility of resolving any violations arising.</p> <ul style="list-style-type: none"> • Jubilant has a Whistle-blower Policy and a dedicated Ombudsman office for addressing employee grievances in neutral and unbiased manner. A charter of the Ombudsman has been prepared and made available on the intranet portal of the Company. This Charter allows stakeholders including employees to voice their concerns and guide the Company to resolve issues efficiently. • 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 address which can only be accessed by the Ombudsman Office, for anonymous reporting. • The online portal (www.cwiportal.com) is another way of reporting concerns and maintaining complete anonymity of the whistle-blower. • No cases of human rights violation and corruption were reported to the Ombudsman's Office during the reporting period. • The Company has operations at various locations across India and North America. The Company supports local culture and heritage for the respective regions. There have been no violations involving rights of indigenous people or those related to human rights in Jubilant during this reporting period. • The Company aims towards protection of human rights and its policies are extended to its suppliers and service providers integrated in its contract agreements and purchase orders. These cover prohibition of Child Labour, Forced & Compulsory Labour, Discrimination and others.
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		<ul style="list-style-type: none"> There have been no fines or non-monetary sanctions for non-compliances pertaining to human rights during this reporting period.
LABOUR		
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"> The Company never prohibits its employees to form an association in accordance with the local laws applicable. The Company engages in open and continuous dialogue with the employee associations at its manufacturing sites. There are no operations where the right to exercise freedom of association and collective bargaining are at significant risk. Trade Unions exist at three locations and Works Committee has been formed by the employees at one location in India. All arrangements with respect to collective bargaining and trade unions are as per applicable laws of the land. The entire workforce at Jubilant is represented in formal joint management- worker health and safety committees. Health and safety topics are also included in the local formal agreements of the manufacturing facilities of the Company with trade unions. In Indian operations, 598 employees are covered by collective bargaining agreements with trade unions and Works committee. At the Montreal Unit, 186 employees were covered by Trade Unions/ Collective Bargaining Agreements as on March 31, 2017. During the year, we enjoyed cordial relations with our employees and there have been no instances of labour unrest or disputes at any of the manufacturing sites.
PRINCIPLE 4	Businesses should uphold the elimination of all forms of forced and compulsory labour	<ul style="list-style-type: none"> The Company respects the dignity of labour and denounces all forms of forced and compulsory labour. The Company, therefore, ensures that its terms of employment are transparent and voluntary.

		<ul style="list-style-type: none"> • The Company encourages its suppliers and service providers to adhere to a ‘no forced and compulsory labour’ code. • The employees are free to quit work at any time after serving the requisite notice period as stipulated in the terms of appointment. • The minimum notice period is mentioned in the appointment letter of all permanent employees, including workers. While the minimum notice period varies for management staffs depending on their position in the organisation, the minimum notice period for termination of a permanent worker is 30 days and the same is mentioned in the appointment letter. This is in accordance with the prevailing regional/ country labour laws. • No incident of forced or compulsory labour at the suppliers’ end came to the Company’s notice during this year.
PRINCIPLE 5	Businesses should uphold the effective abolition of child labour	<ul style="list-style-type: none"> • The Company prohibits child labour in its business activities. In order to ensure this, every prospective employee is required to submit a proof of age including contract employees. • Under the Code of Conduct, it is not permissible to employ child labour. In order to ensure this, in certain jurisdictions, every applicant is required to submit a proof of age. • 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’ Code.” • There are regular internal and external audits to ensure achievement of this objective.

		<ul style="list-style-type: none"> There were no cases of child labour reported within the organisation or came to the Company's notice involving its suppliers.
PRINCIPLE 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	<ul style="list-style-type: none"> The Company is committed to ensuring that the workplace is free from all forms of discrimination. The Company's Code prohibits harassment of any kind on the basis of age, nationality, race, caste, creed, religion or gender and has a zero tolerance against sexual harassment. 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 the 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 the 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		
PRINCIPLE 7	Businesses should support a	<ul style="list-style-type: none"> Creating sustainable business requires proactive environmental management and Jubilant has

	<p>precautionary approach to environmental challenges</p>	<p>been committed towards operational excellence integrated with environmental consideration.</p> <ul style="list-style-type: none"> • Environment, Occupational Health & Safety (EHS) Policy, Responsible Care Policy and the Climate Change Mitigation Policy set overall the direction of the Company's commitment towards achieving environment performance excellence. In addition, the Company has also adopted and communicated Green Supply Chain Policy to its suppliers, expecting them to be sensitive towards the environment. • During the year, our largest manufacturing site at Gajraula and corporate office has been certified by DNV for successful implementation of RC 14001 based Responsible Care Management System following the American Chemistry Council (ACC) standard. The Company has already rolled out implementation of this across all other Life Science Ingredient (LSI) business plants in India and our Bharuch site is in advanced stage of implementation. • The performance against the set Sustainability targets are reported to the Board of Directors and presented in the Corporate Sustainability Report. Apart from this, site specific EHS Goals are set and tracked under the environment and safety management systems at respective manufacturing locations. • There is a dedicated EHS team, both at Corporate and site level to take care of all day to day environmental issues arising out of Company's activities. Chief Sustainability Officer is responsible for the Company's overall EHS performance. Environmental performance is reviewed regularly through internal and external audits. New projects are assessed for identifying any potential hazards related to the environment, health and safety. The CEOs, Executive Director and the Sustainability & CSR Committee review the EHS performance on a half-yearly basis covering the entire sustainability performance. Sustainability related aspects are included in the induction training for all new employees.
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		<p>Employees are also provided technical training to support their work.</p> <ul style="list-style-type: none"> • ‘Jagriti’, an in-house developed software has been deployed for timely tracking of environmental related observations and analysis and to have preventive actions for achieving higher level of environmental standards. • The Company proactively makes investment for environmental protection and management. During the year, the Company incurred capital expenditure of Rs. 119.3 million for environmental pollution control and management measures. • 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 intranet portal of the Company and covers all Indian manufacturing locations of the Company.
PRINCIPLE 8	Businesses should undertake initiatives to promote greater environmental responsibility	<ul style="list-style-type: none"> • The Company is conscious of the global deliberation towards reduction of Greenhouse Gas (GHG) emissions to reduce the menace of climate change impact. The Company not only monitors its GHG emission on a regular basis but also constantly searches opportunities to reduce its own carbon footprint through judicious use of energy and its mix incorporating all possible renewable energy sources fitting into the business process. • In FY 2016-17, the Business Excellence team of the Company took up 109 energy saving projects which led to an estimated savings of 310 TJ energy and reduction of 28374 tCO₂e of GHG emission. The Company also publicly declares its GHG emission performance through Sustainability Report and participation in CDP every year. • Jubilant was one of the only 11 companies from India who participated in CDP in FY 2016-17 voluntarily as a Self Selected Company. The Company is in recognition of Govt. of India’s

		<p>intention on reduction of Greenhouse Gases (GHG) emission as communicated in its INDC (Intended Nationally Determined Contribution) during COP21 (21st Conference of the Parties) and its latest National Tariff Policy 2016. The management has also internally reviewed its implication on the Company in case the Government allocate its commitment among industries and set sector specific emission reduction target.</p>
PRINCIPLE 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	<ul style="list-style-type: none"> • Being in the chemical sector, managing of wastes requires intensive use of environmentally sound technology for its handling and disposal. Waste minimization, waste recovery & reuse and scientific disposal of waste are the three approaches adopted by Jubilant for all type of wastes, whether hazardous or non-hazardous. However in Jubilant, the focus is always on waste minimization. At Jubilant, the non-hazardous wastes are either recycled or reused by the third parties. Fly ash, metal scrap, plastic scrap, paper and wooden material scraps are a few major contributors of non-hazardous waste. Further, the products are packaged in bulk quantity which considerably reduces the Company's consumption of packaging materials. Certain products are transported in tankers thus eliminating the use of packaging material and some products are sent in drums and carboys, which are reused wherever feasible. • For hazardous waste generated at its facilities, the Company follows the following methods for its proper disposal depending on the nature of waste and local regulation: <ul style="list-style-type: none"> ➤ Recycle and reuse through authorised third party ➤ Co-processing at cement kiln ➤ Secured land fill ➤ Incineration (both solid and liquid) • The Company focuses on improving process energy efficiency, find alternate sources of uninterrupted low cost energy and increasing the percentage of renewable energy in its overall energy portfolio.

		<ul style="list-style-type: none"> Solar, bio-gas, biodiesel and biomass are the direct renewable energy sources used by the Company at present. The Company implemented roof top PV solar power system at its corporate office (45 kWp) at Noida and at another office (60 kWp) at Greater Noida, India during FY 2015-16. During the current reporting period, 0.133 million Kwh solar power was consumed against 0.045 million kWh last year, replacing equivalent grid power. From August 2015, Nira site is purchasing power from open access route to reduce its energy cost. The company through its Business Excellence team has been able to implement several energy saving projects which have directly contributed towards reduction of energy consumption. This year, the Company achieved 7% reduction in total energy consumption through energy saving projects and due to change in the product mix. Out of the total direct energy consumption during the year, 4.48% was sourced from renewable energy sources including solar energy.
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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 became a member of the UN Global Compact (UNGC) in 2010 with the aim of internalizing the 10 Global Compact Principles in the areas of human rights, labour, environment and anti-corruption within its strategies, policies and operations. 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. 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 to the Chairman or Co-Chairman and Managing Director (CCMD) that they have been following the Code of Conduct for Directors and Senior Management. Based on this, a declaration is made by the CCMD to the Shareholders that all the Directors and Senior Management personnel have affirmed compliance with the said Code 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 the 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 - Code of Conduct for Prevention of Insider Trading has been established with the objective of preventing possible circumstances of trading in securities of the Company by its officials while in 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 obtained from the Designated Persons (as defined in the Code) 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. • There have been no fines or non-monetary sanctions for non-compliance pertaining to corruption during this reporting period.
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SUSTAINABILITY POLICY

Jubilant Life Sciences Limited and its subsidiaries are committed to **Sustainability** and consider 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**.

The nature of our activities defines resource efficiency, environmental protection, occupational health and safety, and transportation safety as significant components for long term sustainability of our business and we stand committed to these.

We are a part of the society and acknowledge our responsibility as a good corporate citizen. We endeavor to have an open dialogue with all our stakeholders and adopt structured plans to bring **Progressive Social Change** through strategic multi-stakeholder partnerships.

We intend to be a noteworthy force in integrating Sustainability across our business.

Shyam S Bhartia
Chairman

Hari S Bhartia
Co-Chairman & Managing Director

June 30, 2015



RESPONSIBLE CARE POLICY

Jubilant Life Sciences Limited and its subsidiaries are committed to excellence and continual improvement in Health, Safety, Security and Environment [HSSE] performance at its manufacturing units, research & development centers and offices; by leveraging our promise of Caring, Sharing, Growing.

The leadership is committed to implement Responsible Care Management System [RCMS] to promote sustainability across value chain. We shall endeavor to comply with all applicable national and international HSSE regulations.

Jubilant shall design and develop, manufacture, handle, store and distribute its products in a manner that minimizes the risk to human beings and environment, while satisfying the stakeholders' needs.

At Jubilant, every employee has an important role in implementing RCMS through establishment, periodic review and achieving its objectives and targets. We shall timely engage with stakeholders to communicate our Responsible Care performance and inspire them to adopt Responsible Care guiding principles.

We intend to be a noteworthy force in helping to create a more sustainable world.

Shyam S Bhartia
Chairman & Managing Director

Hari S Bhartia
Co-Chairman & Managing Director

December 26, 2014



GREEN SUPPLY CHAIN POLICY

Jubilant Life Sciences Limited and its subsidiaries are committed to protect the Environment by striving for the Greening of Supply Chain in collaboration with our stakeholders 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 S Bhartia
Chairman

Hari S Bhartia
Co-Chairman & Managing Director

June 30, 2015



ENVIRONMENT, OCCUPATIONAL HEALTH AND SAFETY POLICY

Jubilant Life Sciences Limited and its subsidiaries are committed to proactively manage and achieve excellence in Environmental, Occupational Health and Safety (EHS) practices.

We shall achieve this by:

- Complying with country-specific regulatory standards on Environment, Occupational Health and Safety
- Optimizing resource utilization for pollution prevention, energy & water conservation and reduction of wastes & emissions
- Identifying EHS hazards at the design stage of the processes & services and build appropriate measures to mitigate risks
- Penetrate Workplace Safety as an individual responsibility for all employees
- Ensure providing 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 Company shall design and develop, manufacture, handle, store and distribute its products in a manner that minimizes the risk to human beings and environment to go beyond compliance in all aspects of EHS.

Shyam S Bhartia
Chairman

Hari S Bhartia
Co-Chairman & Managing Director

June 30, 2015



CLIMATE CHANGE MITIGATION POLICY

Jubilant Life Sciences Limited and its subsidiaries recognize the risk of **Climate Change** and are 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 endeavor to implement this policy to mitigate the risk of Climate Change at **JUBILANT**.

Shyam S Bhartia
Chairman

Hari S Bhartia
Co-Chairman & Managing Director

June 30, 2015



Sustainable Development Goals

CHAPTER TWO

On 1 January 2016, the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development officially came into force. Over the next fifteen years, with these new Goals that universally apply to all, countries will mobilize efforts to end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind.

The SDGs, also known as Global Goals, build on the success of the Millennium Development Goals (MDGs) and aim to go further to end all forms of poverty. The new Goals are unique in that they call for action by all countries, poor, rich and middle-income to promote prosperity while protecting the planet. They recognize that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection.

Jubilant recognizes this very fact and respect Sustainable Development Goals (SDGs) set to address basic needs of a major part of global population who are still left behind and where business houses have ample opportunities to contribute too.

Starting from the current year, we are co-relating our sustainability initiatives with Sustainable Development Goals (SDGs) set by UN and find another meaningful and visible purpose of doing business, purpose of becoming a partner in contributing to achieve global common goals, the SDGs. These SDGs will act as an impetus for our existing business and reinstate the foundation of our inclusive business model integrating the sustainability principles.

We endeavor to constantly engage in delivering value to our stakeholders – our customers, shareholders, employees, local communities, statutory & regulatory institutions, non-governmental organisations and other opinion makers through our promise of Caring, Sharing, Growing. By focusing on quality, operational efficiency and EHS compliance, we strive to maintain a direct link between sustainability and our business priorities. Our sustainable business principles are enablers for our growth.

Jubilant is partnering with its surrounding communities and has been working with them for a long time to bring progressive social change through its community development programs. Majority of its community programs are already aligned with some of the SDGs like alleviation of poverty & hunger, encourage good health & improve quality of education and others.

Jubilant Bhartia Foundation (JBF) is a “not for profit” organization established in 2007 by Jubilant Bhartia Group to implement its Corporate Social Responsibility programs. Primary education, basic healthcare service and livelihood generation programs focused on improving the employability of women and local youth are the areas where the Company is focused and taking up well-structured long term community development programs through JBF.

JBF, along with the Confederation of Indian Industry (CII), has set up Food and Agriculture Centre of Excellence (FACE) to contribute to the ongoing policy dialogue related to agriculture and food security concerns. The Centre, through its integrated approach of action-oriented programs and capacity building, will address the issues from the farm gate to the consumer end.

Alignment of our sustainability initiatives with the SDGs has been provided in this chapter.

The Sustainable Development Goals are:



No Poverty



Zero Hunger



Good Health and Well-Being



Quality Education



Gender Equality



Clean Water and Sanitation



Affordable and Clean Energy



Decent Work and Economic Growth



Industry Innovation and Infrastructure



Reduced inequalities



Sustainable Cities and Communities



Responsible Consumption and Production



Climate Action



Life below Water



Life on Land



Peace, Justice and Strong Institutions



Partnerships for the Goals

JUBILANT'S SUSTAINABILITY INITIATIVES ALIGNING WITH THE SDGs

Given below is the summary of initiatives taken by Jubilant towards each SDG during the year 2016-17:

Goal 1: No Poverty

According to UN SDGs, poverty is more than lack of income or resources and it includes lack of basic services such as education, hunger, social discrimination and exclusion and lack of participation in decision making. The Company also seconds this and understands that root cause of poverty would be addressed by increasing the employability and livelihood opportunity of the community through their skill development.

Jubilant conducts skill development programs at the Vocational Training Centres (VTCs) developed at two of its locations in the surrounding community of its operations in India. These VTCs are aimed at helping the trainees find 'vocation for life' on successful completion. 1002 youths were trained in the surrounding community of Nanjangud plant in India.

During the reporting year the VTCs were restructured and MoU was signed with IL&FS SKILLS to implement vocational training programs at a centre near Gajraula Unit. Under this partnership, more than 60 youths have received training under different categories.

Further, under the Pradhan Mantri Garib Kalyan Yojana (PMGKY) scheme, the Company through JBF has supported VTC by arranging sewing machines and actively promoted the training programme at the Gajraula location. Presently, 60 students have been enrolled under this program.

Goal 2: Zero Hunger

End hunger, achieve food security and improved nutrition and promote sustainable agriculture is the objective of this goal (SDG2). And as we know, poor nutrition is one of the major cause of death of children under the age of five. In response to this major social problem, Jubilant has also taken up CSR program on 'combating malnutrition' in communities surrounding our Gajraula site.

This year, the Company extended its integrated malnutrition project from 10 villages to 31 villages near our Gajraula site. The project aims towards improving the nutritional status of children under the age of 5 in select areas. The project focuses on bringing behavioural change, awareness building and creating a supporting environment to fight malnutrition.

The project works on improving the nutritional intake and status of mothers and children, right from pre natal stage till their growing years along with promotion of breast feeding. The Swasthya Praharis regularly monitor the children in their villages below the age of five. Post monitoring, the children are advised on improvement of diet and nutrition and are referred to a physician or the Community Health Centre depending on this regular monitoring outcome.

Goal 3: Good Health and Well-Being

The SDGs look at ensuring healthy lives and promote well-being for all at all ages. The Company is proactive in providing basic healthcare facility to the community around its manufacturing locations. There are different health projects running at all locations. The basic healthcare services are rendered to the community through mobile health unit at Nanjangud. Also, Uttarakhand State AIDS Control Society (USACS)/ Technical Support Unit (TSU) has signed MOU with JBF for our Roorkee site under the Employer led Model (ELM). Program Officer-ELM has started providing technical support to JBF and accomplished activities on a regular basis in following areas:

- Adoption of HIV/AIDS policy
- Display of HIV/AIDS Policy in company premises
- Regular awareness activities in company premises

Swasthya Prahari – Child and mother mortality is a sensitive indicator of a country's development. The 'Swasthya Prahari' project at Gajraula promotes monitoring birth rate, reducing Infant Mortality Ratio (IMR) and increasing Institutional delivery to reduce Maternal Mortality Ratio (MMR).

Community Health Services - The basic healthcare services are rendered to the community through a static medical clinic at Gajraula location. The clinic provides various services to the patients as Outpatient Department (OPD), Day Care, Lab Tests, and Directly Observed Treatment, Short course (DOTS) for Tuberculosis, Integrated Counselling and Testing Centre (ICTC), X-Ray etc. At other locations, the basic healthcare services are provided to the inmates through mobile health units.

Integrated Counseling and Testing Centre (ICTC) for HIV & DOTS - An Integrated Counseling and Testing Centre (ICTC) for HIV/AIDS has been set-up in association with UP State AIDS Control Society (UPSACS) at Gajraula. It has a tie-up with the Anti-Retroviral Treatment Centre at the Medical College in nearby town of Meerut, where the patients found positive are referred. Qualified Doctor, counsellors and Laboratory technicians operate this centre.

Goal 4: Quality Education

This goal talks about inclusive and equitable quality education and promote lifelong learning opportunities for all. Jubilant is already implementing Project Muskaan working towards strengthening Rural Government Primary Education System. Project Muskaan focuses enhancing quality of education by introducing monthly extracurricular activities in the selected project schools. The activity involves events like mass sapling plantation, drawing competition, story-telling competition, crafts day, essay competition and street playing competition, etc. The project aims at filling in the quality gaps in the already existing education system.

	Gajraula		Nanjangud		Bharuch		Nira		Samlaya		Roorkee	
Activities	No. of schools Participated	No. of Students Participated	No. of schools Participated	No. of Students Participated	No. of schools Participated	No. of Students Participated	No. of schools Participated	No. of Students Participated	No. of schools Participated	No. of Students Participated	No. of schools Participated	No. of Students Participated
Pratibha Puraskar	123	441	18	112	4	84	8	834				
Mathemaze	30	2882	10	944			8	867	3	432	1	142
Speech Reading Writing	30	2679	9	848	4	351	8	735	3	459	1	143
Essay writing	30	2830	9	848	4	389	8	734	3	459	1	164
Har Aangan mein Ped	5	453	9	507	4	675			3	520	1	50
Annual Day	10	150	1	79	4	84	2	74				
GK Quiz			9	845	4	384	8	921	3	395	1	159
Crafts Day			9	497	4	675			3	497		
Drawing Competition			9	485	4	548	5	548	3	495	1	132
Story Telling			9	874	4	675	8	857	3	486	1	130

Goal 5: Gender Equality

Jubilant firmly believes in this goal of SDGs to achieve gender equality and empower all women and girls. Jubilant provides equal opportunity to all through a policy of non-discrimination and equal access to health care, quality education at all levels, career and vocational guidance, employment, equal remuneration, occupational health and safety and social security, etc. With the infrastructure support from Jubilant, the stitching centre at Nanjangud (operated by all women Self Help Group - SHG) is running successfully since last five years.

Also, to strengthen the network of Swasthya Prahari's (incentive based women volunteers) at Gajraula location, they are enrolled in the program of combating anaemia (an initiative at Gajraula for few villages) for identification and treatment of cases, counselling, and other services through intensive training and behaviour change methods.

Goal 6: Clean Water and Sanitation

This goal deliberates on availability and sustainable management of water and sanitation for all. Jubilant is also working for the same in some of its project locations. Potable drinking water facility has been made available to the communities surrounding our Nanjangud site. Similarly under this community development program, more than 100 hand pumps have been installed at Gajraula location for enhancing the availability of potable clean water at various places. In addition, we have also helped and facilitated for sanction from the government water authority to establish water distribution system at villages near our sites at Nira, Samlaya and Bharuch locations.

Goal 7: Affordable and Clean Energy

Industry can play a key role in achieving the global goal (SDG) of 'Affordable & Clean Energy' for all through judicious selection and use of its energy demand. To optimise its energy consumption and decouple climate change impact from energy usage, Jubilant has decided to focus on improving process energy efficiency, find alternate sources of uninterrupted low cost energy and increase the percentage of renewable energy in its overall energy portfolio. Solar, bio-gas, biodiesel and biomass are the direct renewable energy sources used by the Company at present. The Company implemented roof top PV solar power system at its corporate office (45 kWp) at Noida and at another office (60 kWp) at Greater Noida, India during FY 2015-16. During the current reporting period, 0.133 million kWh solar power was consumed against 0.045 million kWh last year, replacing equivalent grid power. The Company, through its Business Excellence team, has been able to implement several energy saving projects which have directly contributed towards reduction of energy consumption. In FY 2016-17, the Company achieved 7% reduction in total energy consumption through energy saving projects and due to change in product mix. Like every year, the Company took up several resource savings initiatives at its manufacturing facilities. During this reporting period, 165 new projects were taken up by the Business Excellence team of the Company. There were 109 energy saving projects which led to an estimated saving of 310 TJ equivalent of energy and reduction in 28374 tCO₂e. This year, out of total direct energy consumption, 4.48% was sourced from renewable energy including solar energy.

Goal 8: Decent Work and Economic Growth

Jubilant recognises the role of decent work environment in creating economic growth for our business. Jubilant not only generates employment through its economic activities but also is sincere in nurturing conducive work environment to realise maximum human resource potential of its employees. Jubilant encourages its employees, both permanent and contract, to maintain good relations and constructive bargaining practices with the management. Local human resource personnel take care of the employee relations and interact with the employees and contractors about various services, measures and initiatives to assist them in creating and maintaining a sound work environment.

Trade Unions exist at three locations and Works Committee has been formed by the employees at one location in India. All arrangements with respect to collective bargaining and trade unions are as per applicable laws of the land. The entire workforce at Jubilant is represented in formal joint management- worker health and safety committees. Health & safety topics are also included in the local formal agreements of the manufacturing facilities of the Company with trade unions.

Jubilant respects and follows universal declaration of human rights and fundamental freedom. The Company also complies with all human rights related regulatory requirements of the land of incorporation of its business across the world. These fundamental principles of human rights are embedded in Jubilant's Code of Conduct and all employees are required to respect and follow the same strictly. The Company is committed to its Sustainability Mission and is signatory to the UNGC Principles with human rights commitments. The Company has formulated policies and systems to ensure protection of Human Rights of all concerned and these are defined in the Code of Conduct of Jubilant. These policies cover issues of Child Labour, Forced and Compulsory Labour, Non Discrimination, Bribery and Corruption. The Company has made the Code of Conduct available to all employees through intranet portal of the Company and conducts training to improve awareness and implementation on ground.

For further details, please refer the 'Social Performance' section of our Sustainability Report for FY 2016-17 available on our website www.jubl.com.

Goal 9: Industry, Innovation and Infrastructure

The Company is operating through multiple locations and thereby contributes to the development of the respective local areas by providing employment, developing basic infrastructure, etc. The Company recruits employees based on their skills and merit. Local employees are preferred when they meet the specific role set by the Company. Employee salaries are always higher than the minimum wages mandated by the local regulations. The Company sources its material, machinery, spares, stores, etc. from across the globe without compromising on quality and value. Preference is given to the local suppliers if they satisfy the requisite specifications. In monetary terms, 21.18% of the material was sourced domestically whereas 78.82% was sourced from other countries for Indian operations in FY 2016-17.

The Drug Discovery Solutions segment provides proprietary in-house innovation and collaborative research and partnership for out-licensing through state-of-the art research centres in India and USA.

Goal 10: Reduced Inequalities

Jubilant prohibits any form of discrimination or harassment on the basis of age, caste, sex, religion or any other ground at workplace. Equal remuneration is provided to the male and female members of the workforce for the similar set of work. 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.

Goal 11: Sustainable Cities and Communities

The SDGs have talked about making human settlements inclusive and sustainable. The Company through JBF is implementing the projects which are sustainable and inclusive. The Company believes in sustainable development, which we interpret as growing our business while meeting the legitimate concerns of our stakeholders. Jubilant takes a proactive role in empowering local communities to improve their quality of life so as to achieve the goal of inclusive growth. The Company's CSR projects/programmes are designed in such a way that the community is involved

from the planning to impact assessment level. The community shares human capital as well as various other resources in terms of land and cost of additional infrastructure development.

Since the selected community programs are based near our manufacturing locations, our involvement in the community initiatives will be for a long tenure. However, we have a focused approach of developing the projects in self-sustainable model.

Goal 12: Responsible Consumption and Production

Environment, Occupational Health & Safety (EHS) Policy, Responsible Care Policy and the Climate Change Mitigation Policy set the overall direction of the Company's commitment towards achieving environment performance excellence. In addition, the Company has also adopted and communicated Green Supply Chain Policy to its suppliers, expecting them to be sensitive towards environment. During this year, our largest manufacturing site at Gajraula and Corporate office have been certified by DNV for successful implementation of RC 14001 based Responsible Care Management System following the American Chemistry Council (ACC) standards. The Company has already rolled out implementation of this across all other Life Science Ingredients (LSI) business plants in India and our Bharuch site is at an advanced stage of implementation.

To remain cost competitive, Jubilant always practices efficient use of quality materials in its processes. The Company utilizes molasses as its key raw material which is biogenic in nature. Other major raw materials are alcohol and process chemicals. Molasses (by-products from sugar industries) and corn cob are renewable in nature and constitute over 36% of the total major raw material consumption. Process chemicals like solvents are recovered and recycled wherever possible.

Goal 13: Climate Action

Climate change is a global challenge that does not respect national borders. The Company recognises the significance of climate change impact on its business and monitors business risks and opportunities arising out of national and international regulations and protocols related to climate change. The Company is continuously striving to reduce its energy consumption to reduce its GHG footprint. The Company has engaged a dedicated Business Excellence team for identification and implementation of energy efficient measures and cleaner technology to fulfil its commitment defined in its Climate Change Mitigation Policy.

Bio-mass, biogas, bio-diesel and solar energy are the key renewable energy sources in the overall energy mix of the Company. It has invested significantly to generate energy from its distillery effluent in the form of Bio-gas, fired in the process furnaces. The Company is also monitoring and reporting its GHG emission regularly. Jubilant is one of the few companies in India disclosing GHG emissions and taking voluntary reduction initiatives by participating in the Carbon Disclosure Project (CDP), which is holding the largest database of primary corporate climate change information in the world.

Jubilant manufactures Pyridine using alcohol produced from agricultural feedstock (molasses) instead of using alcohol produced by conventional petro route. As per the latest Life Cycle based carbon footprint study in FY 2011-12, it was evident that pyridine manufactured by Jubilant

through ethanol (biogenic source) route has a much lesser carbon footprint than similar products which are manufactured through conventional petro route.

Goal 14: Life Below Water

Global demand for water will exceed supply by 40% by 2030. Business will be subjected to water shortages, water quality decline and water price volatility. Jubilant is aware about this growing conflict for water usage between industry and public at large across the globe. In its bid to become water sustainable, the Company is continuously striving to follow zero discharge strategy. Majority of its plants are already zero discharge and all the plants try to optimize water consumption and maximize effluent recycle and reuse. In addition to process modification, site management has also put in place the best available effluent treatment technologies for better recycling and reuse. Further, the Company has also implemented rainwater harvesting structures at several locations to support to water conservation.

Goal 15: Life on Land

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 manufacturing operations of the Company. All our manufacturing facilities are located outside biodiversity sensitive or notified protected areas. Therefore, there is no such case of habitats significantly affected by discharges of water and runoff from Jubilant.

For further details, please refer the 'Environment Performance' section of our Sustainability Report for FY 2016-17 available on our website www.jubl.com.

Goal 16: Peace, Justice and Strong Institutions

The Board of Directors ('Board') is the apex and highest governing body in Jubilant. The Board along with its Committees provides leadership and strategic guidance to the Company's management while discharging its fiduciary responsibilities thereby ensuring that the management adheres to high standards of ethics, transparency and disclosures. The Board's objective is to create sustainable value for all stakeholders, provide vision to the Company and oversee implementation of the Board's decisions.

Jubilant is led by a team of eminent individuals who inspire, lead and contribute to the growth of the Company. The Board of Directors has a judicial mix of executive, non-executive, independent and non-independent Directors. All members of the Board are well experienced and bring expertise in the fields of Life Sciences, Pharmaceuticals, Chemical Engineering, Banking, Accounts, Law, Administration, etc. to the table.

The Independent Directors ensure independence and transparency in the Board's decision-making process. The Independent Directors are not associated with the Company in any executive capacity. They do not have any material pecuniary relationship with the Company other than their remuneration. The Independent Directors, by furnishing a Certificate of Independence to the Board, affirm their independence on an annual basis.

Co-Chairman and Managing Director (CCMD) is the highest Executive Officer of the Company. He belongs to the promoter group and along with the Chairman, has led the Company to its present

growth and success. The Chief Executive Officers (CEOs) of various businesses are responsible for smooth functioning of their respective businesses. This also includes development of business strategies as well as due consideration of the interests of all the stakeholders. The business strategies and plans are reviewed during the Annual Strategy Meet by the Chairman, Co-Chairman and Managing Director, Executive Directors and CEOs.

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted several Committees with clearly defined terms of reference and scope. Committee members are appointed by the Board with the consent of individual Directors. The Committees meet as often as required. Minutes of the meetings of all Committees of the Board are placed at the subsequent Board meeting for noting. Major Committees are:

- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholders Relationship Committee
- Sustainability & CSR Committee
- Finance Committee
- Capital Issue Committee
- Fund Raising Committee

The role, terms of reference and composition of these committees are available in detail in the Corporate Governance Report forming part of the Annual Report.

There are several codes and policies framed by the Board in compliance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'). Following are the key policies which provide broad guidelines for smooth and transparent functioning of the Board:

- Code of Conduct for Directors and Senior Management
- Code of Conduct for Prevention of Insider Trading
- Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions
- Corporate Social Responsibility Policy
- Policy for Determining Materiality of Events and Information
- Policy on Board Diversity
- Succession Plan for Board Members and Senior Management
- Performance Evaluation Policy
- Appointment and Remuneration Policy
- Whistle Blower Policy
- Policy for Determining Material Subsidiaries
- Dividend Distribution Policy
- Policy for Preservation of Documents
- Archival Policy

At Jubilant, good governance is a tradition and a way of life and ‘Our Promise’ and ‘Our Vision’ set the overall direction on corporate governance of the Company.

The Vision, Values and Promise statements of the Company are adopted by businesses and all other functions in the Company. There are several internally developed policies and codes adopted by the Company for good corporate governance. In addition to the above mentioned policies framed by the Board, there are several other policies adopted by the Company ensuring effective governance in regular operations. The information is also available on the Company’s website (<http://www.jubl.com/sustainability/policy/sustainability-policy>).

Goal 17: Partnerships for the Goals

Jubilant plays the role of the catalyst in implementation of all the projects. The community involvement and monitoring mechanism to track improvements also helps towards long term sustenance of all initiatives.

JBF joined hands with the Schwab Foundation in 2010 for Social Entrepreneurship to launch the Social Entrepreneur of the Year (SEOY) Award in India. The Schwab Foundation for Social Entrepreneurship and JBF are dedicated to promoting social innovation in India by recognizing social entrepreneurs who address the needs of under-served communities in both scalable and sustainable ways.

The Social Entrepreneur of the Year Award recognizes mature stage social entrepreneurs and their organizations who implement innovative, sustainable and large-scale solutions to address poverty, indignity and the lack of basic services and resources in ‘Bottom of the Pyramid’ and ultra-poor communities. These organizations cover social issues as diverse as health, education, job creation, water, clean energy and building identity and entitlements and access to information and technology. Whether they set up social businesses, hybrid social ventures or not-for-profit organizations, the primary focus of social entrepreneurs is large-scale, transformational impact.

The Company is also partnering with several local and global organisations to make its community programs more meaningful with significant positive impact in our society. This year, Jubilant’s major partners for its programs were:

- World Economic Forum
- Schwab Foundation for Social Entrepreneurship
- Confederation of Indian Industry
- IL&FS Skills Development Corporation Limited
- Panasonic
- Start-up
- Responsenet Development Services
- Ogaan Cancer Foundation
- Rotary Blood Bank
- Hewlett Packard

The Company also has membership of various associations and the list has been provided at page no 58 of Sustainability Report FY 2016-17.

The Company has been publishing Sustainability Report for the past 15 years following GRI Guidelines. The Sustainability Report for FY 2016-17 has been prepared in accordance with the 'Comprehensive' option and externally assured by Ernst & Young. For further details on the alignment with SDGs, please refer the 'SDG Mapping' section at page no. 55 of the Sustainability Report for FY 2016-17 available on our website www.jubl.com.