

Leveraging science &
innovation for sustainable
global growth



Corporate Sustainability Report 2012-13





Statement GRI Application Level Check

GRI hereby states that **Jubilant Life Sciences Limited** has presented its report "Corporate Sustainability Report 2012-13" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 4 July 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of the GRI logo in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because Jubilant Life Sciences Limited has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 26 June 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

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1.0 CHAIRMEN’S MESSAGE



Shyam S Bhartia
Chairman & Managing Director

Hari S Bhartia
Co-chairman & Managing Director



“ Jubilant Life Sciences has for the first time reported its sustainability performance addressing principles under National Voluntary Guidelines in addition to the GRI guidelines ”

Dear Stakeholders,

On behalf of the Board of Directors of Jubilant Life Sciences, we are pleased to share the 11th Corporate Sustainability Report of the Company.

In its bid to become more transparent, Jubilant Life Sciences has for the first time reported its sustainability performance addressing principles under National Voluntary Guidelines in addition to the GRI guidelines. The Company would also continue to report its performance according to the United Nations Global Compact framework and the Millennium Development Goals.

Another significant achievement this year is the development of a structured framework to monitor the Company's sustainability performance by the Sustainability Committee at board level. This framework comprises of relevant economic, environmental and social indicators, some of which are also a part of the GRI framework. With these collaborative efforts, the Company has been successful in putting a system in place to periodically monitor its sustainability performance at apex level of the Company's management

As you are aware, at Jubilant Life Sciences, sustainability performances are assessed & reported on three dimensions – Economic, Environmental and Social. We have followed the same pattern this year as well.

Economic

The Company has reported sales revenue of Rs 51,609.5 million, a growth of 19.9% over last year and Profit After Tax (PAT) of Rs 1,527 million.

The growth momentum in the Company revenue and EBITDA is expected to continue to do well, with robust outlook. In the Pharmaceuticals segment, strategy of new product launches and geographic expansion will continue to drive growth while the key driver in the Life Science Ingredients segment will be higher capacity utilisation in the Nutrition Ingredients and Crop Science intermediates supported by backward integration of Pyridine.



Environmental

In accordance to 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:

- 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
- On energy front the Company has made significant efforts to improve its performance through systematic planning and implementation of 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
- 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
- It is evident that without a sustainable supply chain base, our 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 optimisation 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

“ Today the benefits have percolated to 65 villages, 350,000 people and 13,500 students across locations ”

Social

Jubilant has been making consistent investments in its communities for years and today 65 villages, 350,000 people and 13,500 students are benefitted from it. The Company focuses on three primary areas of community development and inclusive growth – primary education, basic



healthcare and skill development & empowerment of rural women & youth. Jubilant Bhartia Foundation, a not-for-profit organisation, strategises, plans, implements and synergises Corporate Social Responsibility (CSR) initiatives for the Jubilant Bhartia Group.

Jubilant has also been collaborating with the Schwab Foundation to recognise India's Best Social Entrepreneurs. Fundraisers were conducted at the Company's Montreal (Canada), Salisbury (USA) and Spokane (USA) locations with the local community at those locations. The Company is confident that this partnership will continue to strengthen in the coming years as well.

The Company wishes that this report will be well received and will create a basis for a continued positive dialogue on sustainability amongst all its stakeholders.

The Company welcomes your valuable feedback about its sustainability performance and looks forward to your continued support in its journey towards a more sustainable world.

Shyam S Bhartia
(Chairman & Managing Director)

Hari S Bhartia
(Co-Chairman & Managing Director)



2.0 Company Profile

“ Jubilant Life Sciences is ranked No. 6 amongst the Top 10 global contract manufacturing & services outsourcing players of the pharmaceutical industry by the United Nations Conference on Trade and Development (UNCTAD) ”

Jubilant Life Sciences Limited, an integrated pharmaceutical and life sciences Company, is the largest Custom Research and Manufacturing Services (CRAMS) player and a leading Drug Discovery and Development Solution (DDDS) provider out of India. Jubilant Life Sciences is a publicly listed company on Indian Stock Exchanges (both National Stock Exchange and Bombay Stock Exchange). Jubilant Life Sciences is ranked No. 6 amongst the Top 10 global contract manufacturing & services outsourcing players of the pharmaceutical industry by the United Nations Conference on Trade and Development (UNCTAD).

Global Presence

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 Seven world class manufacturing facilities in India and Three in North America and a team of around 6300 people across the globe with international sales in 98 countries.

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.

Subsidiary Companies of Jubilant Life Sciences

- Jubilant Biosys Limited
- Jubilant Cadista Pharmaceuticals Inc.
- Jubilant Chemsys Limited
- Jubilant Clinsys Inc.
- Jubilant Clinsys Limited
- Jubilant DraxImage Inc.
- Jubilant First Trust Healthcare Limited
- Jubilant HollisterStier LLC
- Jubilant Infrastructure Limited





NORTH AMERICA

[Kirkland, Quebec, Canada](#)

US FDA approved facility for contract manufacturing of Ointments, Creams and Liquids (OCL) and Radiopharmaceuticals

[Ottawa, Canada](#)

DDDS Office

[Spokane, Washington, USA](#)

US FDA approved facility for contract manufacturing of Sterile Injectable and Allergy Therapy Products

[Horsham, Pennsylvania, USA](#)

Jubilant Cadista - Sales & Marketing Head Office

[Malvern, Pennsylvania, USA](#)

DDDS Office

[Salisbury, Maryland, USA](#)

US FDA approved facility for Generics (Tablets & Capsules)

[Raleigh North Carolina, USA](#)

Clinical Research Centre and Jubilant Life Sciences Marketing Office

[Bedminster, New Jersey, USA](#)

Clinical Research Centre and Jubilant Life Sciences Marketing Office

EUROPE

[Merelbeke, Belgium](#)

Regulatory & Generic Marketing

[Dusseldorf, Germany](#)

Jubilant Clinsys, Europe Office

CHINA

[Shanghai](#)

Marketing Office

INDIA

[Noida, Uttar Pradesh](#)

Corporate Office & R&D Centres

[Roorkee, Uttarakhand](#)

US FDA, UK MHRA, ANVISA Brazil and PMDA Japan approved facility for Generics

[Gajraula, Uttar Pradesh](#)

Largest integrated Pyridine & its derivatives facility in the world

[Samlaya, Gujarat](#)

Animal Nutrition Products

[Bharuch, Gujarat](#)

SEZ for Vitamins and Life Science derivatives

[Ambarnath, Maharashtra](#)

Exclusive Synthesis - Pyridine derivatives

[Nira, Maharashtra](#)

Life Sciences Chemicals

[Bengaluru, Karnataka](#)

State-of-art Discovery Centre

[Nanjangud, Karnataka](#)

US FDA, AFSSAPS France and PDMA Japan approved APIs facility



Products & Services

The Company offers a wide range of products and services, grouped under the business segments as provided below:-

Jubilant Life Sciences Business Segments	Pharmaceuticals	<ul style="list-style-type: none"> • Active Pharma Ingredients • Generics • Speciality Pharma • Contract Manufacturing Outsourcing • Drug Discovery & Development • Healthcare
	Life Sciences Ingredients	<ul style="list-style-type: none"> • Proprietary Products & Exclusive Synthesis • Nutrition Ingredients • Life Sciences Chemicals

Research & Development

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.

Scale of Business

The revenue for the year 2012-13 was ₹ 51609.52 million. The paid up capital was ₹ 159.3 million and consolidated debt was ₹ 33876.01 million. During this year the production from Indian operations were 467,601MT of bulk products and 483.69 million capsules and tablets. The Company has strong assets and financials comprising total assets ₹ 84319.67 million. The international sales of the Company comprises of revenue from America & Europe at 58.80%, China at 7.5%, Asia & others at 7.86% and India markets at 25.84% respectively.



“ Jubilant Life Sciences has been recognised with several awards which bear testimony to its commitment towards operational excellence, innovation, corporate governance and social responsibility ”

Awards

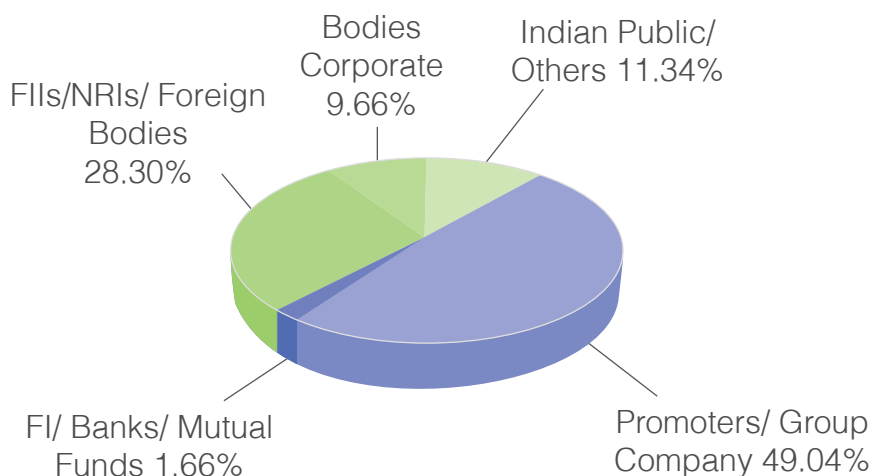
Jubilant Life Sciences has been recognised with several awards which bear testimony to its commitment towards operational excellence, innovation, corporate governance and social responsibility.

Some of the recent awards are:

- NDTV Profit Business Leadership Award 2012 for Corporate Social Responsibility
- National Quality Excellence Award for best in Class manufacturing presented by Stars of the Industry Group,
- CII “National Award for Excellence in Water Management 2012 “ as “Water Efficient Unit” for Gajraula Unit
- Economic Times – Frost & Sullivan India Manufacturing Excellence Gold Award – Process Sector for 2012
- I.C.C. Award for Water Resource Management in Chemical Industry for the year 2011,
- Winner of Golden Peacock Award for Sustainability 2012,
- Winner of the Golden Peacock Environment Management Award 2012

Changes During the reporting period

This year the facility at Bharuch has been included in the scope of the report. Other than this, there is no significant change during the reporting period with respect to the size, structure, or ownership. There has been no significant change in the Company’s shareholding pattern during the reporting period. The major shareholder groups are shown in the figure.



Share holding pattern of Jubilant Life Sciences as on March 31, 2013



3.0 Report Profile

“ Jubilant Life Sciences published its first Corporate Sustainability Report in the year 2003 and since then the Company is releasing it on an annual basis ”

This Corporate Sustainability Report is for the Financial Year April 2012 - March 2013. Jubilant Life Sciences published its first Corporate Sustainability Report in the year 2003 and since then the company is releasing it on an annual basis. In June 2012, the Company published its most recent previous corporate sustainability report.

All Corporate Sustainability Reports of the Company are made public and are available on the Company website (www.jubl.com).

Corporate Sustainability & EHS group was involved in data compilation and report preparation. Relevant information and data, for this report, are collected periodically from the concerned departments and reported to the Sustainability Team by all manufacturing facilities located globally. The data presented is verified through regular internal audits. In case of any queries, clarifications, or suggestions the contact person of the Company is Mr. Ganesh Tripathy, Chief Sustainability Officer. His contact details for any related communication/ feedback are as below:-

Jubilant Life Sciences Limited,
1-A, Sector 16A,
Noida -201301
Uttar Pradesh, India
Phone: +91-120-4361987
Email: sustainability@jubl.com

Report Scope and Boundary

The report has been prepared in accordance to GRI G3.1 guidelines. The Company's material matrix has been prepared to identify key issues to be responded as a part of the corporate strategy. Based on this materiality matrix and other internal & external factors, the Company decided to report on all Core and Additional Indicators of GRI G3.1 Version. Since the Company has been reporting its performance on sustainability parameters for past one decade, systems are already in place to report for all these indicators.

All Indian and International manufacturing units have been included in the scope of the report. The report also includes subsidiaries which are directly under the control of the Company and which have a significant impact on the sustainability performance of the organisation. SEZ Bharuch has been included completely for the first time in this year's



“ Jubilant Life Sciences has been receiving A+ application level check from GRI since 2007 ”

report boundary. There has been no other change in the scope, boundary and measurement methods for this year's report. There has been no significant change which would affect the comparability of the report.

Data management and reporting techniques have been the same as that of previous year. Standard protocols and/ or guidelines have been used for calculation and estimating values. Scope 3 emissions like emissions from travel/ transport related activities and contract manufacturing have not been included in the scope of the report due to unavailability of reliable data. Previous year's figures have been regrouped/ rearranged wherever necessary to this year's (FY 2013) classification. There is no re-statement of information provided in the previous report.

All Sustainability Reports published by Jubilant Life Sciences have been assured by an external agency. Following this practice, this year also the Company's Sustainability Report has been assured by Ernst & Young LLP, as the external agency.



4.0 Key Impacts, Risks, and Opportunities

Internal Control Systems & Risk Management

All enterprises seek to maximise their profits and reduce their risks through a range of measures to achieve their desired objectives. In such a situation, the most critical part of decision making is dependent on the efficiency of the internal control systems which in turn guide the organisation to function on the desired parameters.

Vision on Risk Management

The Vision of the Company is to establish and maintain enterprise wide risk management capabilities for active monitoring & mitigation of organisational risks on continual and sustainable basis.

Risk Management Strategy

Jubilant has a strong risk management framework in place that enables active monitoring of business activities for identification, assessment and mitigation of potential internal or external risks along with a strong monitoring system at the Board and senior management levels. The Company has put in place established processes and guidelines under this existing management framework.

The Company's senior management team sets the overall tone and the risk mitigation culture through defined and communicated corporate values, clearly assigned responsibilities and appropriately delegated authority. The Company has laid down procedures to inform Board Members about the risk assessment and risk minimisation procedures. As an organisation, the Company promotes strong ethical values and high levels of integrity in all its activities, which by itself significantly reduces business risk.

Risk Management Structure

The Company's risk management structure comprises of the Board of Directors and Audit Committee at the Apex level, supported by Executive Directors, Heads of Businesses, Functional Heads, Unit Heads, Divisional Heads of Accounts & Finance and Head of Assurance function. As risk owners, the Heads are entrusted with the responsibility of identification and monitoring of risks. Issues/ Concerns are then discussed and deliberated at various review forums chaired by the Executive Directors and actions are drawn upon. The Audit Committee, Executive Directors and Head of Assurance act as a governing body to monitor the effectiveness of the

“ The Vision of the Company is to establish and maintain enterprise wide risk management capabilities for active monitoring & mitigation of organisational risks on continual and sustainable basis ”



internal controls framework. There is a perpetual internal audit activity carried out by a third party and the in-house internal audit team, who make an independent assessment of the Company's risk mitigating measures and provide suggestions for improvement.

The Audit Committee, on a quarterly basis, reviews the adequacy and effectiveness of the internal controls being exercised by various businesses and support functions and advises the Board on matters of core concern for appropriate redressal.

Risk Mitigation Methodology

Jubilant has a comprehensive internal audit plan and a robust Enterprise Risk Management (ERM) system which helps to identify risks at an early stage and take appropriate steps to mitigate the same. The Company has completed seven years of its certification process wherein, all concerned Control Owners certify the correctness of about 1700 controls related to key operating, financial and compliance related issues, every quarter. This has made internal controls and processes stronger and also serves as the basis for compliance with revised Clause 49 requirements mandated by the Securities and Exchange Board of India (SEBI).

The Company has also identified entity level controls for the organisation, covering integrity and ethical values, adequacy of audit and control mechanisms and effectiveness of internal and external communication, there by strengthening the internal controls systems and processes with clear documentation on key control points.

Management's Assessment of Risk

The Company identifies and evaluates several risk factors and draws out appropriate mitigation plans for the same in detail. Some of the key risks affecting its business are laid out below.

Competition

With significant share of the business represented by exports across different businesses within the life sciences space, the Company faces stiff competition from both domestic as well as international markets.

Manufacturers outside India, aided by economies of scale, favourable policies and lower costs amongst others may pose a risk in terms of threatening the Company's ability to maintain its market leadership, achieve planned growth and generate planned margins. The additional risk of competition manifests in the form of certain competitors are

“ The Company has completed seven years of its certification process wherein, all concerned Control Owners certify the correctness of about 1700 controls related to key operating, financial and compliance related issues, every quarter ”



suppliers of core raw materials for Life Science Chemicals business, new entrants resorting to penetration pricing to make inroads, dumping strategy by outside manufacturers to fuel price wars from local players amongst others. The Company has drawn out detailed plans and combat strategies to safeguard existing business against competition which range from Customer and Account Management programs to offering improved quality and service experience and in the process securing long term contracts. With the commissioning of the SEZ in Bharuch and initiatives underway to bring in manufacturing efficiencies, the Company expects further cost optimisation opportunities which will help in successfully taking on competition from international boundaries. The Company has developed new suppliers for certain key raw materials. Significant R&D has been done focusing on increasing the manufacturing efficiencies.

For its Animal Nutrition business, the Government has issued anti-dumping notification against imports of Choline Chloride for 5 years with 60.79% anti-dumping duty.

Cost Competitiveness

Rising Input Prices and Margin Pressure – The Company believes that it is a low-cost manufacturer for most of its products and is a major contender for outsourcing opportunities with global corporations offering products that also conform to quality standards set in developed markets. Constant and rising input prices amidst inflationary market condition pose a risk to the Company's ability to retain price competitiveness and build reserves to drive future growth. Volatility in raw material prices, sugar industry trends (Life Science Chemicals business), and the increase in input prices of core material such as Acetic Acid, Alcohol, Ammonia can have cascading impact on other businesses in terms of increased cost of input materials. Significant variations in the cost as well as availability of raw materials and energy may impact its operating results. Local currency depreciation and impact on fuel prices have further increased the logistics costs, putting additional pressure on the Company margins when competing globally. The Company continues to take initiatives in reducing its costs by employing Business Excellence initiatives. Wherever feasible the Company enters into long term contracts with volume commitments and prices which are linked to key input material prices to mitigate this risk. Alternate supply sources are constantly being identified and evaluated by Supply Chain and R&D initiatives are undertaken to develop cheaper alternates or re-engineering costs to counter increases in input costs.



Compliance and Regulatory Framework

The Company needs to comply with a broad range of regulatory controls on testing, manufacturing and marketing of its products in the Pharmaceutical and Life Sciences space. In some countries, including the US, regulatory controls have become increasingly demanding leading to increased costs and reduced operating margins for its line of products and services. Failure to achieve regulatory approval of new products can mean that the Company does not recoup its R&D investment through the sale of final products. Any change in regulations or reassessment of safety and efficacy of products based on new scientific knowledge or other factors could result in the amendment or withdrawal of existing approvals to market its products, which in turn could result in revenue loss. This may occur even if regulators take action falling short of actual withdrawal. The Company has taken measures to comply with these regulations and continuous training programs are organised for employees to keep them updated with latest changes in local regulations.

Environment, Health, Safety & Social Responsibility Risks

With the growing pressure of public scrutiny, there is need for corporate world to be more cautious in managing the business risks arising from environmental and social impacts. These challenges not only bring reputational threats but also direct risks in the form of society and consumer backlash. Social acceptance and Corporate Social Responsibility (CSR) have become increasingly important over the last decade. Compliance with stringent emission standards for the manufacturing facilities and other environmental regulations may adversely affect the business. R&D and manufacturing of products sometimes involves hazardous chemicals, processes and by-products and subject to stringent regulations. The Company anticipates that environmental laws and regulations in the jurisdictions, where it operates, may become more restrictive and be enforced more strictly in the future. The Company also anticipates that customer requirements as to the quality and safety of products will continue to increase. In anticipation of such requirements, the Company has invested substantially and allocated other resources to proactively adopt and implement manufacturing processes to increase its adherence to environmental standards and enhance its industrial safety levels.

At Jubilant, the challenges due to the Company's operations related to Environment, Occupational Health and Safety (EHS) aspects of the business, employees and society are mapped and mitigated through a series of systematic and disciplined sets of policies and procedures.

“...the Company has invested substantially and allocated other resources... to increase its adherence to environmental standards and enhance its industrial safety levels”



“ Jubilant has a Committee of dedicated experts and professionals to periodically advice on matters relating to foreign currency risk management ”

Foreign Currency and Interest Rate Exposures

Foreign currency exposures on account of global operations could impact the financial results of the Company. Foreign currency exposures arise out of international revenues, imports and foreign currency debt. Constantly increasing interest cost of the borrowings may impact the profitability of the organisation adversely. Depreciating rupee poses a risk of imports becoming dearer and raw material more expensive. Further, volatility and uncertainty in forex rates create complexity and challenge in determining the price which balances margins protection goal and at the same time is attractive to customers. To mitigate foreign currency related risks, the Company has a strategy in place to take measured risks through hedges and forward covers. Jubilant has a Committee of dedicated experts and professionals to periodically advice on matters relating to foreign currency risk management for example consolidating inbound/outbound exposures for natural hedge. The risk management team formulates policies and guidelines which are periodically reviewed to align with the external environment and business exigency. Further, if required, currency and interest swaps are taken on loans and interest rate exposures. A quarterly update on foreign exchange exposures, outstanding forward contracts and derivatives is placed before the Board for their noting.

Acquire and Retain Professional Talent

The Company's dependence on R&D activity makes it very important that it recruits and retains high quality R&D specialists. In case the Company fails to hire and retain sufficient numbers of qualified personnel its operating results and financial condition could be affected. The Company has committed substantial resources to this effort given the competition for qualified and experienced scientists from the biotechnology, pharmaceutical and chemical Companies, as well as universities and research institutes, in India and abroad. To execute its growth and diversification plans, while on one hand the Company continues to hire new, highly-skilled scientific and technical personnel staff, it has also introduced Rewards & Recognition policies for effective employee retention.

Protecting Intellectual Property Rights (IPRs)

Jubilant's success will depend, in part, on its ability in the future to obtain and protect IPRs and operate without infringing others' IPRs. The Company's competitors may have filed patent applications, or may hold issued patents, relating to products or processes that compete with those that the Company is developing, or their patents may impair its ability to do business in a particular geography. The Company in



addition to patents has relied on trade secrets, know-how and other proprietary information and hence its employees, vendors and suppliers sign confidentiality agreements.

Business Interruption due to Force Majeure

The Company's largest manufacturing facility for organic intermediates is at Gajraula, India. Any disruption or stoppage of work at this facility, for any reason, may adversely affect its business and results of operations not just for this but other business segments which depend on supplies from Gajraula unit. An Industrial All Risk insurance protection has been taken by Jubilant to ensure continuity in its business capacity. Besides, the presence of a majority of the workforce in the residential colony adjoining its unit premises ensures sustenance of unit operations under challenging circumstances.

Third Party Liability Risks

The Company's business inherently exposes it to potential liability from its customers or end users for defects in products and services, especially in highly regulated markets noted for their litigious nature and high awards of damages. The Company carries global Product Liability Insurance program with respect to its major manufactured products which provides a compensating safeguard against such risks, if they are to materialise.

“ Risk insurance protection has been taken by Jubilant to ensure continuity in its business capacity ”



5.0 Governance

“ 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 ”

With the increasing global focus on greater accountability and transparency in the way businesses function, Corporate Governance has grown from a mere buzzword in 1990s, to a core necessity for businesses now. With Securities & Exchange Board of India (SEBI), introducing Corporate Governance Code (Clause 49) for listed companies, Corporate Governance has transformed from a soft issue to a core issue with a structured framework. 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 Company's Corporate Governance philosophy is led by core principles of:

- Caring for the environment which includes caring for the society around us;
- Enhancement of stakeholders' value through pursuit of excellence, efficiency of operations, quest for growth and continuous innovation;
- Transparency, promptness and fairness in disclosures to and communication with all stakeholders including shareholders, Government authorities, customers, suppliers, lenders, employees and the community at large;
- Complying with laws in letter as well as in spirit;

The highest governing body responsible for framing and implementation of corporate governance policies is the Board of Directors ('Board') of the Company. The Board's objectives are to create sustainable values for all stakeholders, provide vision to the Company and oversee the implementation of the Board's decisions. The Board is committed to adhere to the highest standards of corporate governance practices and to this end, the Board has formally adopted many of the Corporate



Governance Voluntary Guidelines, 2009 promulgated by the Ministry of Corporate Affairs (MCA), the Government of India ('Voluntary Guidelines').

“Independent Directors constitute a majority of the Board, thus ensuring independence and transparency of the Board's decision-making process”



Jubilant's Core Values

Unitary Board of Jubilant comprises of seven members of whom four are Independent Directors, two Managing Directors and one Executive Director. The composition of the Board and detailed profiles of Board members are available on the Company's website (on the link: <http://www.jubl.com/board-directors.html>). All the members of the Board are rich in experience and are above 50 years of age. The Board comprises entirely of male members. The Independent Directors constitute a majority of the Board, thus ensuring independence and transparency of the Board's decision-making process. Further, the Board has delegated operational powers to the Chairman & Managing Director (CMD) and Co-Chairman & Managing Director (CCMD) for smooth operations of the business. 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.

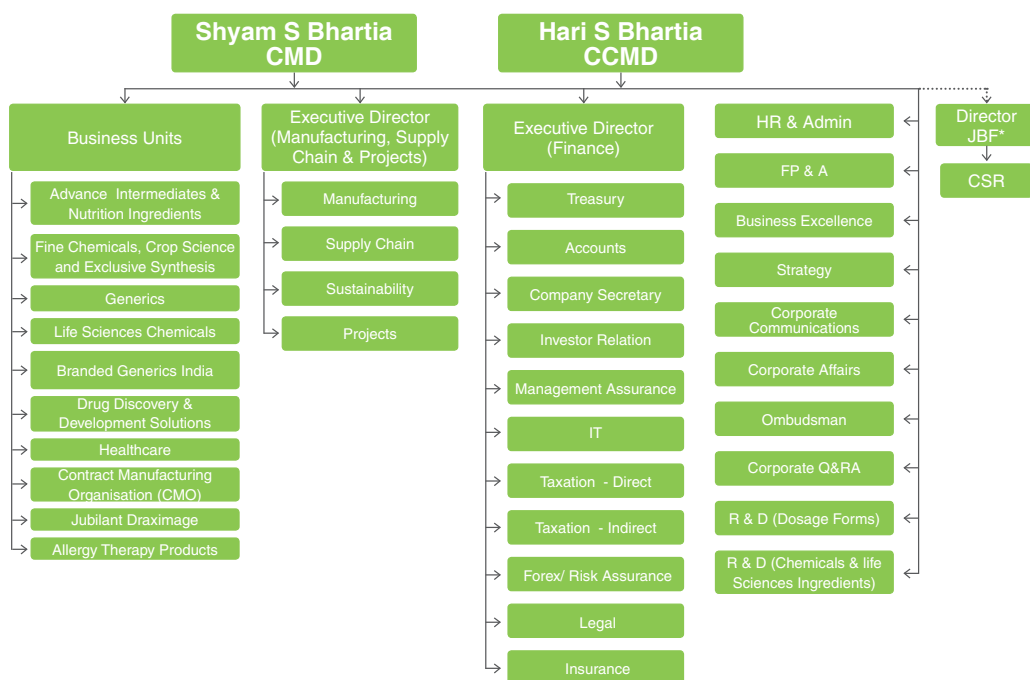
The Board along with its Committees provides leadership and strategic guidance to the Company's management while discharging its fiduciary responsibilities thereby ensuring that the management adheres to high standards of ethics, transparency and disclosures.

CMD and CCMD are the highest Executive Officers of the Company. Both of them belong to the promoter group and have led the Company to its present growth and success. The Company has expanded its operations globally under their guidance & leadership and stands

¹Independent and Executive Directors are defined as per the prevailing Indian Laws.



prominently on the industry's world map in many of the businesses. The Chief Executive Officers (CEOs) of various businesses are responsible for smooth functioning of their respective businesses and they are placed at one level below the Board. This also includes the development of business strategies as well as due consideration of the interests of all stakeholders. The business strategies and plans are reviewed during the Annual Strategy Meet by CMD, CCMD, Executive Directors and CEOs. The Global Management Team of Jubilant is presented below:-



**Jubilant Bhartia Foundation (JBF) is a not for profit organisation under Jubilant Bhartia Group and specialises in providing community services. JBF conducts CSR activities for Jubilant Life Sciences for its operations in India.*

Directors' Remuneration Policy of Jubilant aims at encouraging and rewarding good performance/contribution to the Company's objectives. Remuneration of Independent Directors comprises of:

- Sitting fees for attending Board and its Committees meetings;
- Commission, as decided by the Board and approved by the members, within the ceiling of 1% of the net profits of the Company, as computed under the Companies Act, 1956 subject to a maximum of ₹ 10,00,000 in a year per Director; and
- In addition, Stock Options are also granted to Independent Directors.



“The Company is an ‘Equal Opportunity Employer’ and members of the highest governing body are selected on merit”

The remuneration of Executive Directors (Managing Directors and Whole Director) is paid as recommended by the Remuneration Committee and approved by the Board and Shareholders. Remuneration of Executive Directors consists of a fixed component (salary, allowances, perquisites, other benefits) and a variable component (variable pay or commission). Further, Executive Directors are also given Stock Options. Managing Directors who belong to Promoter Group are not eligible for Stock Options. Remuneration Committee ensures that the levels of remuneration are sufficient to attract, retain and motivate Directors to run the Company successfully.

The compensation policies for the Company's executives are also structured in line with the current industry standards and business practices with the aim of retaining and attracting the best talent. The appraisal system followed in the Company is comprehensive in nature and consists of four parts including three non-financial parameters. In fact, the compensation paid to the Company's executives clearly reflects their achievements on non-financial parameters as well as on financial goals.

There is no formal written guideline or procedure for conflict resolution in the Company, however, the Business Code of Conduct mentions incidences where conflict can arise and how it should be avoided by the employees. It also mentions cases which are not covered under this section on conflict of interest. Conflicts arising, if any, can be resolved through informal discussions. However, if any conflict is unresolved, the following approach is adopted by the Company:

- Analyse or review the situation of conflict;
- Organise meeting jointly with the concerned parties to know their perspective; and
- Reconcile through the involvement of senior executives.

In case, it is not possible to solve the conflicts, the matter is dealt by senior persons/outside reputed persons. However, no such cases occurred during the year.

In tune with the Voluntary Guidelines, Jubilant is set to follow a formal procedure with respect to appointment of Independent Directors. During the year, a Nomination Committee has been constituted comprising a majority of Independent Directors to recommend appointment of Independent Directors.

There is no consideration of gender or any other indicators of diversity. The Company is an ‘Equal Opportunity Employer’ and members of the highest governing body are selected on merit as mentioned above.



The Vision, Values and Promise statements of the Company are also adopted by businesses and other functions. There are several internally developed policies and codes adopted by the Company for good corporate governance. These include:

- Sustainability Mission
- Climate Change Mitigation Policy
- Environment, Health and Safety Policy
- Green Supply Chain Policy
- Quality Policy
- Code of Conduct for Employees
- Code of Conduct for Directors and Senior Management
- Child Labour Policy
- Policy on Forced and Compulsory Labour
- Bribery and Corruption Policy
- Freedom of Association Policy
- Policy on Prevention of Sexual Harassment
- Non Discrimination Policy
- Whistle Blower Policy

“ An independent office of the Ombudsman for the Jubilant Bhartia Group was established during the year ”

Grievance redressal at Jubilant

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. To further augment the corporate governance standards, an independent office of the Ombudsman for the Jubilant Bhartia Group was established during the year. Any issue or concern may be reported by e-mail to ombudsman@jubl.com or by logging on to www.cwiportal.com, an external web portal with whom Jubilant has tied up for processing issues/concerns independently and confidentially.

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. The minutes of the meetings of all Committees of the Board are placed before the subsequent Board meeting for noting. Major Committees are:



- Audit Committee
- Remuneration Committee
- Investors Grievance Committee
- Corporate Governance Committee
- Sustainability Committee
- Finance Committee
- Compensation Committee

Audit Committee: Two-third members of Audit Committee are Independent Directors. This Committee primarily constitutes a formal and transparent arrangement for accurate financial reporting and strong internal controls. The Committee through regular interaction with external & internal auditors and review of various financial statements ensures that the interests of all the stakeholders are properly protected.

Remuneration Committee: Roles and responsibility already delineated above in this section.

Investors Grievance Committee: To expedite the process of share transfers, the Board has delegated the power of share transfer / transmission and other related matters to the Investors Grievance Committee. The Board has authorised Executive Director – Finance and the Company Secretary to jointly exercise powers of approving transfers/transmissions of securities. Under usual circumstances, share transfers/transmissions are approved once in a fortnight.

The Corporate Governance Committee is responsible for evaluating adoption of the Voluntary Guidelines.

Sustainability Committee oversees the performance of the Company on triple bottom line indicators viz. Environmental, Economic & Social factors. Sustainability Committee comprising of Independent and Executive Directors, is apprised of the Company's sustainability performance covering environmental, economic, and social indicators on a half yearly basis. The recommendations of these members are then implemented by the Company.

Finance Committee has been delegated the powers to borrow money and to avail financial assistance from banks, financial institutions etc.

Compensation Committee has been constituted for administration and superintendence of the Jubilant Employees Stock Option Plan, 2005 and

“ Sustainability Committee comprising of Independent and Executive Directors, is apprised of the Company's sustainability performance covering environmental, economic, and social indicators on a half yearly basis ”



Jubilant Employees Stock Option Plan, 2011. The Committee frames suitable policies and systems for grant of stock options so that there is full compliance with the relevant provisions of law. The Committee also monitors the quantum of stocks to be granted.

To measure and drive business performance on a continuous basis, various Executive Committees have been constituted. The Committees comprise of Managing Directors /Whole Time Director, Executive Director-Finance and other Senior Executives of the Company. Meetings of these Committees are held periodically depending upon the business and management requirement.

Some of these committees are:

- Supply Chain Committee: To review various operational areas
- Purchase Committee: To ensure that key purchases pass through a leadership rigour and are done at an optimal price
- Business Performance Review Committee: to review key revenue and profitability drivers on a continuous basis
- Capex Committee: To have a control on capital expenditure
- Credit Control Committee: To ensure tight control on quality of working capital
- Functional Review Committee: To review various important operational and functional areas including EHS performance review.

“ The shareholders can also give their feedback by filling the on-line Investor Feedback Form available on the Company's website www.jubl.com ”

Jubilant values its investors & shareholders immensely and is continuously working to improve the quality of service to its investors & other stakeholders. An annual feedback from shareholders regarding the quality of services rendered to them is obtained. The shareholders can also give their feedback by filling the on-line Investor Feedback Form available on the Company's website www.jubl.com. The shareholders also have an opportunity to share their valuable suggestions /ideas with directors during Annual General Meeting.

Due consideration and suitable actions are taken on the suggestions/ ideas given by the shareholders and employees, subject to being found practical, appropriate and in the interests of the Company. In addition, where the shareholders have expressed their opinion through mails to the Company Secretary, the same are forwarded to the concerned authorities for necessary action. The minutes of the meetings of members are prepared as per requirements of law and as such, inputs received in the General Meetings are not mentioned.



“ Jubilant Life Sciences has a comprehensive internal audit plan and a robust Enterprise Risk Management (ERM) system ”

With a view to communicating on a real time basis, since past 6 years, the Company has been e-mailing quarterly results and press releases to all the shareholders whose e-mail IDs are available with the Company soon after these are sent to the stock exchanges. In synchronisation with green initiative of the Ministry of Corporate Affairs, Government of India, since the year 2010-11, the Company has been e-mailing Notice of the Annual General Meeting, Annual Report and Corporate Sustainability Report to shareholders who have registered their e-mail IDs with the Company and mailing physical documents to those whose e-mail IDs are not available in the Company's records.

Jubilant Life Sciences has a comprehensive internal audit plan and a robust Enterprise Risk Management (ERM) system which helps to identify non-compliances (if any) at an early stage and takes appropriate steps to mitigate the same. The Company has a variety of controls related to key operations, financial and compliance related issues. These internal controls also serve as the compliance requirements mandated by law. 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.



6.0 Stakeholder Engagement

At Jubilant, stakeholder satisfaction is the purpose of business and the Company values the concern of all stakeholders associated directly or indirectly with the business.

The stakeholder engagement process consists of a variety of activities from stakeholder Identification, Consultation, Prioritisation, Collaboration and Reporting. At Jubilant Life Sciences, the approach for and the frequency of engagement with the stakeholders varies on the basis of the type of the stakeholder. There is no fixed frequency of engagement with the stakeholders. However there are annual events like vendor meet for suppliers, annual general meeting for investors, exhibition for customers and others. In addition respective departments engage with their specific stakeholder groups on need basis.

The identification of all relevant stakeholders and understanding their expectations is of high concern for enterprises in their quest to remain sustainable. Following list of key stakeholders were identified by the Company and were engaged based on their influence on the company's operations and impact of the company's operations on them.

Key Stakeholders of Jubilant Life Sciences	
Internal	External
<ul style="list-style-type: none">• Board Members• Employees• Investors / Shareholders	<ul style="list-style-type: none">• Community• Government• Regulatory Agencies• NGOs• Customers• Suppliers/ Vendors/ Service Providers• Media• Industry Associations• Academic & Research Institutes

The engagement methodology adopted with our key stakeholders is as follows:

Shareholders

Business Case for Selection: Jubilant Life Sciences values the contribution of all its investors immensely. Investors are known to critically examine Company's performance on a variety of parameters. Of late, it has been observed that the investors are looking beyond shareholder value and are concerned about the sustainability of the organisation. Carbon Disclosure Project, BSE GreenEx and Annual Business Responsibility



Report (mandated for top 100 companies by SEBI) are a few results of this growing interest of investors in the sustainability aspects of the Company.

Teams Responsible: A dedicated Investor Relations Department has been stationed at the Corporate Office, Noida which coordinates with institutional investors of the Company. However, for retail investors Company Secretary and his team are responsible.

Mode & Frequency of Engagement: The Company endeavours to keep the investors well informed of major events on an ongoing and periodic basis. Quarterly Results, Annual Reports and Corporate Sustainability Report are e-mailed on a periodic basis besides mailing through postal services for investors who have not shared their email addresses. All press releases and other relevant communication to the shareholders are shared after they are sent to the stock exchanges.

Another mode of excellent investor communication is the Investor Section on the Company website <http://www.jubl.com/investor-relation-landing.html>. In addition there is dedicated email id viz. investors@jubl.com for investors to interact with the Company Secretary / Compliance Officer on various matters. To improve its service levels, Jubilant obtains valuable feedback and suggestions through feedback forms mailed to investors on an annual basis and the same is also made available online on its website www.jubl.com. Other than Annual General Meeting, conference call is hosted quarterly for investors to discuss the Company financial and operating performance. The conference call is typically accompanied by Results Presentation and Release. The promoters and senior leadership team presents their view on the Company performance followed by a question and answer session. Transcripts of these calls are uploaded on the website for reference by interested analysts and investors. In addition the Company management is accessible for meetings with institutional investors and analysts throughout the year. The company management also participates in various Investor Conferences and non-deal road shows.

Actions to address concerns, perceptions, advice & suggestions:

A third party survey was conducted during the year and some of the issues were raised on further clarity on Company's strategy, optimal capital structure, capex plans, and growth drivers across business segments. Issues so raised have been duly incorporated in management communication channels to reflect clear cut strategic objectives for revenue growth, profit improvement and value creation for stakeholders.



Customers

Business Case for Selection: No Company can exist in absence of customers. Customer is the most important stakeholder on whom the success of the organisation depends.

Team Responsible: The Sales Team of each business is responsible to engage with their respective customers.

Mode & Frequency of Engagement: The Company engages with existing and prospective customers on a regular basis. Usually one to one interaction is preferred for engaging with existing customers since on a B2B model, one to one meetings are the most preferred mode of communication. The Company also reaches out to the customers through participation in several national and international exhibitions. The Company participated CPhI and CHEMSPEC exhibitions during this Financial Year.

Actions to address concerns, perceptions, advice & suggestions: Actions taken to address customer needs and concerns varies depending upon the customer and business. Annually Customer Satisfaction Index is calculated for respective customers of each business. This feedback from customers helps the Company to identify, analyse and address customer needs.

Jubilant Life Sciences at CPhI Madrid, 2012

CPhI Worldwide is one of the world's leading pharmaceutical networking events with over 29000 attendees, 133 countries and 2200 exhibitors. Jubilant Life Sciences' stall was uniquely designed and was well received by the visitors on all days of the exhibition.



Employees

Business Case for selection: Employees are often termed as an



organisation's greatest asset and engines for driving competitiveness. Engagement with Jubilant employees happens on an ongoing basis. Human Resource Information System (HRIS) which has made the functioning of the organisation efficient and transparent is operational. PeopleSoft has also been implemented and full implementation of the software will be complete by the end of next financial year.

Team Responsible: Human Resources' team works towards greater involvement of employees leading to increased satisfaction and enhanced commitment levels.

Mode & Frequency of Engagement: Apart from the Company intranet, employees are also engaged through communication meetings, workplace interactions, talent and performance recognition. Ombudsman's office is operational from this year to address any grievances of the employees.

At Salisbury, Maryland, employee recognition happens through quarterly Cadista Awards which are given to three individual employees and one team every quarter. Jubilant Cadista also organised the annual employee appreciation event off site at the local Civic Centre where dinner and entertainment was for all employees with guests on September 21, 2012.

Actions to address concerns, perceptions, advice & suggestions: Various welfare facilities have been implemented to improve quality of life of the employees. Apart from these, employees are recognised for their good performance through various awards. To address concerns of employees, whistleblower policy has been revised and an ombudsman's office has been established to address issues like discrimination and harassment apart from other issues. Training is also provided to improve employee skills and continued employability.

Suppliers / Vendors

Business Case for Selection: Good supplier relations is the key to greater control over value chain and helps reduce risk & uncover new opportunities & realise new value. Since suppliers are intrinsic to our product and service quality we have put processes and system in place to engage with them on a continuous basis.

Team Responsible: The Supply Chain Management Department at Jubilant is dedicated to dealing with suppliers / vendors and has divided them into six basic categories, namely - Raw materials, Packaging, Project / Turn-Key Suppliers, Transporters, Contractors, and others (such as IT/ R&D suppliers). The suppliers have been categorised based on the value of the service or product and the criticality involved.



Mode & Frequency of Engagement: The Company engages with its suppliers through Annual Partners in Progress Meet, One to One meetings and Supplier Audits.

The Supplier Audits are conducted in a manner that every vendor/supplier is covered at least once every three years; however the frequency of audit is dependent on the categorisation of the supplier. At the last Annual Partners in Progress Meet in May, 2012, Executive Director of Jubilant Life Sciences presented Jubilant's initiatives towards being greener, safer and more responsible. The suppliers are also made to declare a Supplier Self Assessment Evaluation Questionnaire which includes basic information about the supplier, information regarding their infrastructure, sourcing, manufacturing process, packaging & labelling, quality assurance and control, and a section on environment, health and safety.

Jubilant Life Sciences has also introduced eJBuy which is an e-procurement model for paperless buying. This has resulted in increased efficiency, greater transparency in procurement process and systematic information flow.

Actions to address concerns, perceptions, advice & suggestions: Supplier Concerns are addressed through various interactions on a continual basis and through annual Partners in Progress meet. The Suppliers are also updated about Company's progress and plans through various interactions.

Government

Business Case for Selection: Government acts in various forms to influence business. This may include influencing businesses through tax, regulatory and other policies, creating a level playing field for businesses, providing access to capital and other related functions. For Jubilant, compliance to all laws, rules and regulations is a priority.

Team Responsible: There are dedicated people at corporate as well as facility levels responsible for interacting with the respective regulatory and government agencies for various compliances and related functions.

Mode & Frequency of Engagement: The Company proactively interacts with government and regulatory Authorities on an ongoing basis through various industry bodies, and other related platforms.



Jubilant Life Sciences at Vibrant Gujarat 2013

Mr. Hari S Bhartia, Co-Chairman and Managing Director, Jubilant Life Sciences, was invited by the Gujarat State Government to participate in the Vibrant Gujarat Summit 2013 held in Gandhinagar, Gujarat in January 2013. Speaking at the occasion, he announced that Jubilant Bhartia Group would make additional investments of ₹ 15000 million in the state.

Vibrant Gujarat was attended by 2100 delegates from 121 countries. 127 seminars were held on a variety of subjects and about 2670 partnerships were forged during the Summit.



Governor of Washington State (USA) visited the Corporate Office of Jubilant Life Sciences

Governor of Washington, Ms. Christine Gregoire, visited the Company headquarters at Noida in October 2012. She is the First Governor of the State to visit India. Ms. Gregoire stated that, "We come here to India as the first delegation ever from the State of Washington. We have already developed a wonderful partnership and we are so proud to be the home of Jubilant in Spokane, Washington. By investing in our community and technical colleges, as well as our research universities, we provide the skilled workforce that Jubilant needs to prosper, resulting in more family-wage jobs in our community."



Media

Business Case for Selection: Media acts as one of the strongest opinion maker in today's times. It plays an important role in creating new trends which can influence markets and businesses to a great extent. Apart from this, media also helps in business communications through various channels and build an effective brand image.

Team Responsible: The Company's corporate communication team is constantly engaged in perception management through effective communication with various stakeholders in order to garner a positive mindshare through media interactions and communications.

Mode & Frequency of Engagement: The Company engages with the media (Print & Electronic) fraternity on an on-going basis through an integrated media outreach program that encompasses print publications, electronic media, digital media and wire services. Besides nationwide key business publications, the regional level media journalists are also constantly engaged by the unit representatives in order to keep them well informed about Company's developments.

The Company continued its media outreach through sharing press releases of the major developments like quarterly financial results, collaborations, product approvals etc. to media journalists.

During the year, the Company issued nine Press Releases. Some of the major media coverage included Forbes Asia: Cover Story (Nov 2012) – India's 100 Richest: "All Barriers are Down" – Modern Pharma (15 Sep 2012) – "Indian entrepreneurs need to adopt better work culture", - Modern Pharma (May 2012) – "Banking on Integration". The Company also follows the SEBI guideline of sharing all material information with the Stock Exchanges before sharing it with the media.

Community

Business Case for Selection: In present times, it is extremely important for any organisation to function in sync with the community it operates in. Jubilant recognises this fact and works with the local community around its manufacturing locations.

Team Responsible: Jubilant Bhartia Foundation (JBF) manages the community engagement activities for Jubilant Life Sciences Ltd. The Foundation works for Jubilant at all Indian locations (i.e. 86% coverage of Indian manufacturing locations) to address the needs of the local community. Primarily, the activities of the Foundation are focused on four key initiatives. These are primary education, livelihood generation,



basic healthcare and social entrepreneurship. JBF has a Corporate CSR team stationed at the Corporate Office which monitors the progress of all the activities at the units. This team is supported by CSR team at the manufacturing locations which also includes the field workers. In addition to JBF's formal initiatives, the local plant management sometime organises programmes involving surrounding community where the company employees get the opportunity to interact with the community more closely. In the year two such events were organised at its Gajraula site.

“ Jubilant Stakeholder Engagement is based on co-creation of value for the society through a partnership model ”

Mode & Frequency of Engagement: Jubilant has developed systems in-house for stakeholder engagement. These systems and methodologies have evolved over a period of time from philanthropy based to the present state of value creation. Present model of Jubilant Stakeholder Engagement is based on co-creation of value for the society through a partnership model. CSR team at various locations interacts continuously with the local community to address the local needs. JBF has also developed information & communication methodologies to address the needs and conduct various activities. These help in better engagement with the community and seeking feedback for ongoing community initiatives.

Actions to address concerns, perceptions, advice & suggestions:

Regular interface with the local opinion leaders and community representatives provides adequate feedback which helps to evaluate the requirement and impact of social initiatives. This feedback helps to shape the community initiatives at the units. For example, the local community around Nanjangud was facing severe problem with respect to drinking water. Though water is categorically not a part of JBF's mandate, it decided to work with the local community and installed a drinking water system for the village.

With its objective to promote sports and games in local areas, social goodwill, industrial & public relation and nurture and develop local talent Jubilant is organising Jubilant Cup tournament at Gajraula for past several years. Many new teams involving other corporate houses, local colleges and neighbouring community participated in “Jubilant Cup 2013” cricket tournament this year. Along with local community, company employees, local senior administrative people also participated with lots of enthusiasm in this tournament. Several local media covered this cricket tournament throughout.





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.



Testimony to Jubilants constant efforts towards community development

As recognition to its community initiatives, the Company received NDTV Profit Business Leadership Award for Corporate Social Responsibility. Mr. Shyam S Bhartia, Chairman & Managing Director, Jubilant Life Sciences received the Award from Chief Guest Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Government of India.



7.0 Economic Performance

Disclosure on Management Approach

Policy Goals and Performance

Jubilant Life Sciences believes in a growth model which minimises the negative impacts on its surroundings. This is reflected in the Company's Promise of Caring, Sharing, Growing. The vision of the Company states that it will seek to achieve leadership position in its chosen areas of business.

Organisational Responsibility

The organisational responsibility for the economic performance lies with the Business Heads. Executive Director- Finance of the Company ensures internal controls through internal audit team. Finally, annual statutory audit is carried out by third party in line with country's regulation and financial performance is assessed and publicly reported after approval by the board.

Economic Performance

Against the backdrop of extremely challenging business environment, like economic slowdown in many developed countries, the company has performed a modest level of economic performance this year. This proves the ability of the Company's strength in formulating and implementing very effective business strategy and plan.

Component	Data		
	2010-11	2011-12	2012-13
Direct Economic value generated (₹ million)			
Revenues	34456.23	43031.30	51609.52
Economic value distributed (₹ million)			
Major operating costs	19,991.88	25,388.26	29,394.21
Employee wages and benefits	7,185.42	8,363.64	9,621.83
Payments to providers of capital	370.24	555.36	559.05
Community Investment	30.13	39.53	41.58
Retained Earnings	21,563.36	22,411.01	24,784.21

This year the Company received export benefit of ₹ 301.68 million as financial benefit from Government. The Company paid net taxes of ₹ 1560.93 million at the consolidated level (this amount mentioned, does not include deferred taxes). Interest expense and other borrowing cost



of the Company during the reporting period were ₹ 2414.63 million as against ₹ 2257.89 million in the previous year (2011-12). Payments made to providers of capital, mentioned in the above table, is payments made in the form of dividends to all shareholders. Similarly the figure mentioned against retained earnings in the table is cumulative reserves and surplus as on 31st of March.

Climate Change and Business

It is now widely recognised that climate change can make a significant impact on business, either directly or indirectly. Like all conscious business organisations, Jubilant is also aware about this fact and management is continuously monitoring the probable business risks as well as opportunities of this impact. Jubilant's management is aware about the national and international level changes in the climate change related policies and the country regulations arising out of the same.

Jubilant Life Sciences aims to operate through a low carbon footprint and support in mitigating the risk of climate change. The commitment from the top management is visible in the form of Climate Change Mitigation Policy which aims to mitigate the risk of climate change through participatory and collaborative efforts. The Company sees cleaner production as a new market opportunity. The Company is also monitoring any change in regulation which may result in financial implication with respect to energy and other resources relevant to the Company's business.

Long-term Employee Benefit

Employee pension, provident fund and gratuity are the key elements of employee's post retirement benefits in India. Other post-employment benefits include Leave Encashment and Superannuation @12% of the basic salary is contributed by the employee to the Provident fund and the Company also makes an equal contribution to the fund. The Gratuity is awarded to an employee at the time of separation and is 4.81% of the basic salary of an employee for Indian operations. Provident fund is funded through duly constituted and approved independent trusts while family pension contribution for all permanent employees are deposited with the government as required under applicable law of the land.

International subsidiaries of the Company make contribution to various social security plans and insurance schemes as per local requirements and generally accepted practices in their respective country of incorporation.

Market Presence

The entry level wages by gender are equal for same work. The salary

“ Jubilant Life Sciences aims to operate through a low carbon footprint and support in mitigating the risk of climate change ”



at entry level in Indian units is normally higher than the minimum wages as defined by the Minimum Wages Act for the respective region. The prevailing law in North American units is very stringent and gender discrimination is prohibited. Salaries of all employees are higher than the minimum wages as mandated by law.

The Company sources its material, machinery, spares stores etc. from across the globe without compromising on quality and value. The Company considers local suppliers as those who are within the country. Preference is given to local suppliers if they satisfy the requisite specifications. For Indian operations, in the Financial Year, 2012-13, 64.22 % of the material was sourced locally whereas 35.78 % was sourced from other countries.

Jubilant Life Sciences recruits employees based on their skills and merit. However, local employees may be preferred only if they satisfy the specified requirements needed for the specific role set by the Company.

“ the Jubilant Bhartia Group, which is the parent group of Jubilant Life Sciences, has set up Food and Agriculture Centre of Excellence in association with Confederation of Indian Industry (CII) ”

Indirect Economic Impact

The Company is committed to providing infrastructure and services to the community through various initiatives and working towards strengthening the rural educational, skill development programmes for women & youth and healthcare infrastructure. The Company operates these initiatives through the Jubilant Bhartia Foundation (JBF). Details of the activities and performances of the Foundation on education, primary basic healthcare and vocational training have been delineated under social section of this report. In addition to JBF programmes, the Jubilant Bhartia Group, which is the parent group of Jubilant Life Sciences, has set up Food and Agriculture Centre of Excellence in association with Confederation of Indian Industry (CII) in order to:-

- Improve on and off-farm productivity through the introduction and dissemination of global best practices and technological innovation
- Improve global competitiveness of India's agricultural sector by investing in capacity building initiatives and skill development for supply chain participants across the value chain
- Strengthen linkages across the agriculture and food value chain with an objective of reducing spoilage, increasing value add and farmer incomes

The total expense incurred by Jubilant Life Sciences towards local community development work in the financial year 2012-13 through JBF for Indian operations was ₹ 22.4 million.



Additional Contextual Information

Jubilant SEZ inauguration at Bharuch (Gujarat)



Jubilant Life Sciences inaugurated the state of art Special Economic Zone (SEZ) in Vilayat Industrial Estate, Bharuch, Gujarat on April 13, 2012. The SEZ was inaugurated by Mr. Narendra Modi, Hon'able Chief Minister, Gujarat. The history of this SEZ trails back to 2007, Jubilant had signed a Memorandum of Understanding (MoU) with the Government of Gujarat during the Vibrant Gujarat Summit.

The global scale plants of Vitamin B3 and 3-Cyanopyridine, at SEZ makes Jubilant the largest producer of Vitamin B3 in India and second largest globally. The Company has also set up a manufacturing plant at SEZ for Symtet, a crop science ingredient for one of the world's largest and safest low cost insecticide through an environment friendly process. This will make Jubilant the world's largest producer of the crop science ingredient for the insecticide through green route. These facilities will generate exports of about ₹ 10000 million at full capacity.



8.0 Environmental Performance

The increasing stress on the finite natural resources has made businesses more conscious about reducing their environmental footprint. To ensure good quality of life, for all, the need of the hour is to balance economic prosperity and social progress with care for the planet. At Jubilant Life Sciences, environment management has gone through various iterations from initially being a mere responsibility issue to eventually transforming into a competency and performance issue.

Management Approach Disclosure

Policy

To address the concerns related to the environment, Jubilant Life Sciences 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 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. The policy was last revised in October 2010.

Climate change is envisaged as one of the most significant developments of the present century. To mitigate the risk arising from climate change, a separate policy, formally 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.

Jubilant has also formulated a Sustainability Mission which acts as an umbrella to cover all aspects related to sustainability; environment protection being one of the aspects under the mentioned Sustainability Mission.

Organisational Responsibility

The operational responsibility for environmental aspects is undertaken by the Executive Director, a Member of Company's Board. Chief Sustainability Officer monitors the Company's overall EHS performance from corporate office and reports to Executive Director. Corporate EHS

“ Jubilant has also formulated a Sustainability Mission which acts as an umbrella to cover all aspects related to sustainability ”



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, Health and Safety aspects reports to the Unit Head.

Goals and Performance

EHS Policy and the Climate Change Mitigation Policy have been the Company's key guiding principles for improving environmental performance. The organisation has a commitment of not only complying with all regulatory requirements but also improving its environmental performance with respect to previous years. 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.

Training and Awareness - Environment

Environment & Sustainability training and awareness seminars and 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. Need identification for this is done by the respective Head of Department for sending staff across for internal as well as external trainings.

Monitoring and Follow Up

For regular performance checks, reviews are conducted by the Corporate EHS Team every month. These monthly reviews involve the Unit Heads and respective EHS teams along with the Corporate EHS team. Internal audits are also performed regularly to identify and plug any lacunas. All new projects are also audited to identify any potential hazards related to environment, health and safety from the proposal stage to the implementation stage. Data related to environment and other aspects of sustainability is monitored at regular intervals. Senior Management is also

“ The performance achieved against the set sustainability objectives is reported to the Board and in the Corporate Sustainability Report ”



involved in the monitoring of progress on environmental performance. Executive Director and the Sustainability Committee reviewed the EHS performance on a six monthly basis during the reported financial year.

Additional Contextual Information

Jubilant Life Sciences has been participating and sharing its good practices at various platforms. One such occasion was when Jubilant participated at the National Workshop on Sensory Systems for Environmental Monitoring of Obnoxious Odours and VOCs in Industries, organised by National Environmental Engineering Research Institute (NEERI) along with the Centre for Development of Advanced Computing on February 7 & 8, 2013 at Nagpur, India.



In order to promote greater consciousness towards environmental conservation amongst its employees and their families, the Company celebrated World Environment Day on June 2, 2012 at its Corporate Office. On this occasion various competitions like fancy dress, drawing, quiz were held. More than 50 children aged between 3 to 15 years participated in these competitions. Senior management including Executive Director – Manufacturing and Supply Chain, encouraged the participants by presenting certificates during this event.



Apart from this, to create awareness on environment amongst employees and other stakeholders, the Company employed the print media for advertisements in a popular magazine. These advertisements were published on the occasion of World Environment Day, International Day of Climate Change and World Water Day.

As part of policy advocacy, on behalf of Jubilant Life Sciences, DGM- Sustainability & Manager- EHS actively participated in the two day workshop organised by the National Authority for the Chemical Weapon Convention (CWC) of India and Department of Chemicals & Petrochemicals, Government of India. The workshop was organised to develop and reach a decision over uniform safety rating system for chemical industry in India and was held in Delhi on 25th and 26th February 2013.

Jubilant HollisterStier (JHS), wholly owned subsidiary of Jubilant Life Sciences, located at Spokane, Washington, USA, received the Governor's Award in recognition of the Commute Trip Reduction Program (CTR). CTR is a mandated programme by the State for the purpose of reducing automobile related air pollution. This was achieved through bike racks, preferred carpool parking, participating in all countywide promotions and implementation of an innovative incentive program for over 500 employees. CEO – JHS, initiated Bike to Work Day on July 31, 2012, T-shirts and bags were distributed to the participants. JHS achieved a 16.7% reduction in vehicle miles travelled as compared to their target of 11%. Due to JHS's extra efforts in support of this programme the Company was given this distinguished award.

“ Jubilant HollisterStier located at Spokane, Washington, USA, received the Governor's Award in recognition of the Commute Trip Reduction Program ”



Environmental Performance Indicators

Materials

Jubilant Life Sciences 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 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. Not to forget that these materials are waste from another industry that it uses as its raw materials, thereby serving the problems of waste disposal and pollution prevention. Other major raw materials are alcohol, process chemicals, and API chemicals.

“ Molasses and Press Mud are by-products and waste from sugar industries and are renewable in nature and constitute over 48% of the total major raw material consumption ”

Major Raw Materials	2010-11	2011-12	2012-13
Renewable (MT)	1,31,521	3,76,352	3,33,450
Non-Renewable (MT)	3,17,551	3,05,240	3,57,464

Major Raw material consumption by Indian operations is provided in the table above. Of these major raw materials, Molasses is consumed in highest proportion, followed by Process Chemicals.

Molasses and Press Mud are by-products and waste from sugar industries and are renewable in nature and constitute over 48% of the total major raw material consumption. Other than these raw materials, process chemicals like solvents are recovered and recycled wherever possible.

Energy

Energy consumption is increasingly being linked to environmental and industrial economics in the context of global climate change. To add to this, continuously depleting energy sources have made businesses look for alternative sources of energy which would meet the needs of the future. Jubilant Life Sciences has been consciously working in this direction through the use of biomass and bio-gas as renewable sources of energy. Jubilant is also exploring the use of other renewable fuels like Bio-diesel to increase the share of cleaner fuels in its total energy mix.

Direct Energy mix for Jubilant constitutes both fossil fuels and renewable energy sources. These constitute coal, light diesel oil, high speed diesel, furnace oil, natural gas, bio-gas, bio-diesel and bio-mass. North American units primarily rely on Natural Gas as the main source of direct energy.



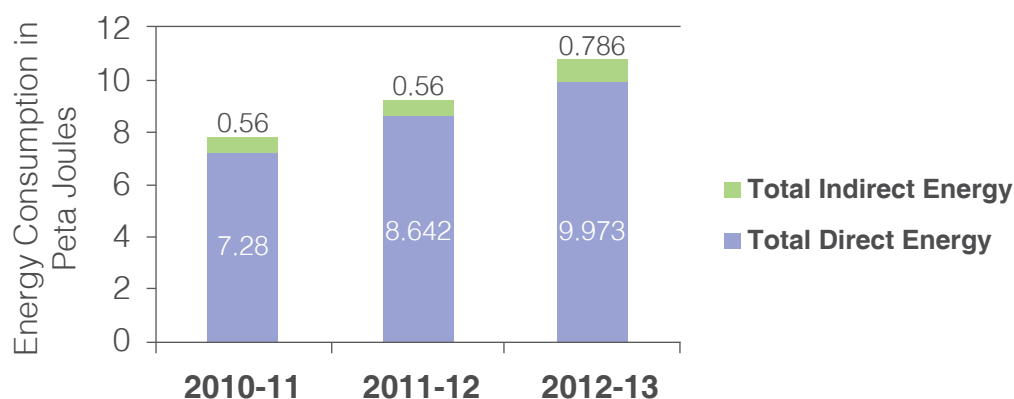
Energy consumption detail at Jubilant

Non renewable energy sources	Units of measurement	2010-11	2011-12	2012-13
Coal	MT	347989	388265	440225
Energy from Coal	Peta Joules	6.01	7.27	8.503
LDO	MT	1463	34	43
Energy from LDO	Peta Joules	0.064	0.002	0.002
RFO	MT	10798	3862	1065
Energy from RFO	Peta Joules	0.43	0.15	0.042
HSD	MT	4198	4728	4608
Energy from HSD	Peta Joules	0.178	0.204	0.199
FO	MT	4684	6104	4642
Energy from FO	Peta Joules	0.187	0.241	0.188
Energy from Natural gas	Peta Joules	0.143	0.14	0.365
Total direct energy consumption from Non renewable energy sources	Peta Joules	7.012	8.007	9.299
Renewable energy sources	Units of measurement	2010-11	2011-12	2012-13
Bio-gas	1000Nm ³	10696	30286	29145
Energy from Bio-gas	Peta Joules	0.208	0.559	0.522
Bio-diesel	MT	0	0	928
Energy from Biodiesel	Peta Joules	0	0	0.032
Total direct energy consumption from Renewable energy sources	Peta Joules	0.208	0.559	0.554
Biomass as energy source	Units of measurement	2010-11	2011-12	2012-13
Biomass	MT	4991	5591	10383
Energy from Biomass	Peta Joules	0.06	0.076	0.12
Total Direct Energy	Peta Joules	7.280	8.642	9.973



Indirect Sources of Energy			
Year	Electricity Purchased (KWH)	Steam Purchased (MT)	Energy Equivalent (Peta Joule)
2010-11	103,578,410	66,673	0.560
2011-12	116,683,382	61,050	0.591
2012-13	165,978,216	55,023	0.786

Annual Energy Consumption of Jubilant Life Sciences



“ The Company initiated energy conservation projects which resulted in monetary savings of about ₹ 67 million ”

Out of total energy consumed in direct and indirect form, a part of the same is supplied to other group industry at Gajraula. This year the Company has incorporated energy from bio-mass under direct energy unlike previous years. Accordingly graphs have been prepared for this year and previous years as well.

During the reporting period, the absolute energy consumption increased since the Company is growing. However, the Company initiated energy conservation projects (for direct & indirect energy savings) which resulted in monetary savings of about ₹ 67 million. The Company also encourages its employees to substitute business travel with phone and video conference to the extent feasible and thus helping the Company to reduce its indirect energy and GHG foot print. However the company has not monitored actual reduction occurred from this initiative.

Energy saving initiatives at Jubilant

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. 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

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.

The Company's water consumption is predominantly fed by ground water followed by municipal water / other sources and surface water. This year, the water consumption of the Company increased by 8.56%. This small increase was due to the increased production and incorporation of Bharuch unit within the reporting boundary from this year. However ground water consumption for the reporting period declined by 7.16% with respect to last year.

Source type	Unit	2010-11	2011-12	2012-13
Ground Water	m ³ /yr	3,530,222	4,210,671	3,909,384
Surface Water	m ³ /yr	655,735	710,735	1,026,125
Municipal Water/ Other Sources	m ³ /yr	660,026	643,462	1,105,932
Total Water Consumption	m³/yr	4,845,983	5,564,868	6,041,441

There were no water sources that are significantly affected by the withdrawal of water for the Company. Majority of our plants have rain water harvesting system for ground water recharge. Majority of our facilities in India are zero discharge units and hence water is recycled & reused for process applications like cooling tower make up and green

“ Ground water consumption for the reporting period declined by 7.16% with respect to last year ”



belt development within our facilities. All major locations have installed Reverse Osmosis (RO) systems for treatment and reuse of waste water. The recycled/ reused water is not reported since not metered.

Emissions

Air emissions along with greenhouse emissions have been an area of concern in the backdrop of economic development. Jubilant Life Sciences 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 Jubilant Life Sciences. Several initiatives are put in place to reduce companies GHG emission like technology change, switching to renewable energy, improving energy efficiency and others.

Green House Gas (GHG) Emissions

Jubilant has calculated direct and indirect GHG emissions according to GRI requirements. Data for fuel consumption at various locations has been used for calculation of direct emissions and emission factors have been calculated on site specific data wherever applicable. In some cases the default data and data provided by the supplier have been used. For indirect energy emissions, grid emission factors have been used, as applicable.

In this reporting period total direct greenhouse gas emission due to Company activities was 894,456 tCO₂e while total indirect emission was 107,906 tCO₂e. Apart from these emissions, the GHG emission from bio-mass for the reporting period was 12,057 tCO₂e. Indirect emission due to employee commuting and business travel was not significant in comparison to direct and indirect GHG emission and hence not monitored. 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 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.

Ozone Depleting Substances

The commitment of Jubilant Life Sciences' is in line with the country's commitment to the Montreal Protocol. The Company is not manufacturing any product containing Ozone Depleting Substances. All banned Ozone

“ To understand the product carbon footprint the Company has already conducted two life cycle based carbon footprint studies ”



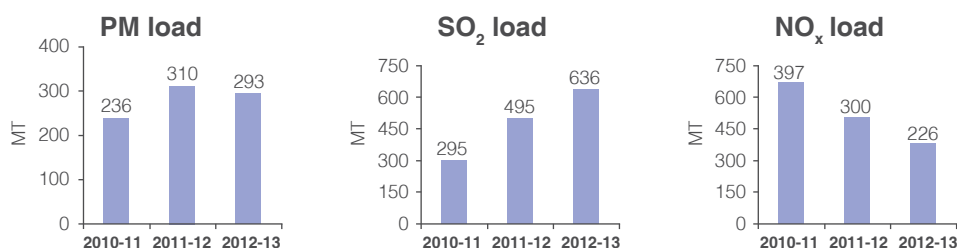
Depleting Substances (ODS) have been phased out as per applicable regulations.

In Jubilant Life Sciences, emission of ozone depleting substances is primarily due to use of ODS based refrigerants in air-conditioners and chilling plants. During this reporting period total ODS emission from seven Indian manufacturing units was 0.15 tonnes of CFC 11 equivalent.

Air Emissions- Sulphur Dioxide (SO₂), Oxides of Nitrogen (NO_x) and Particulate Matter (PM)

The Company aspires to reduce air pollution beyond regulatory requirement through adoption of cleaner technology, use of cleaner fuel, improvement in combustion efficiency and using state of the art air pollution control devices. In addition to regular monitoring by regulatory bodies, all the units monitor air pollution on regular basis to review the performance of its pollution control equipments as well as compliance with set standards by local regulatory bodies.

All significant air emissions are reported for Indian units. For North American units, air quality is monitored by local authorities as per the prevailing laws of the land. Last year, due to more use of imported coal, particulate matter emission in absolute term has decreased while SO₂ emission has increased.



Effluent Management

Jubilant has installed waste water treatment facilities at all major locations and units are maintained as zero discharge units. However from three units located in India, namely Ambernath, Samlaya and Bharuch, effluent is sent to Common Effluent Treatment Plant (CETP) after primary treatment at the unit. Final treatment is done by CETPs under control of respective industrial authorities. Treated effluent from Bharuch is finally discharged at sea. Total effluent discharge from these three units was 28,590 m³ for



“ Total water discharged reduced by 30.6% as compared to the previous year ”

the reporting period. From the three North American manufacturing units, effluent is discharged as per applicable laws. During the reporting year total waste water discharged from these three units was 305,019 m³, a reduction of 30.6% as compared to the previous year.

Waste Management

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. Major non-hazardous waste of the Company consists of plastic, paper, metal, wood and others. The value of non-hazardous waste disposed last year was about ₹ 28.8 million. Quantity of Fly Ash disposed during the reporting period was 47,984 MT out of which 30418 MT was sent to cement plant and 17566 MT was sent to brick manufacturers for their use. This year, the Company also exported 20.86 MT of waste for recovery / recycling to appropriate vendors under the terms of the Basel Convention. The waste was sent only after obtaining the requisite authorisation from Ministry of Environment and Forests. During this reporting period there has been no instance of significant spillage/s in any unit of the Company.

Table: Hazardous waste disposed in 2012-13

Hazardous Waste Type (by mode of disposal)	Units	2012-13
Solid Waste Incinerated	MT	1,897
Waste disposal to SLF	MT	5,143
To Authorised Agency	MT	1,828
Co-processed in Cement kiln	MT	281
Liquid Waste Incineration	KL	7,884

Technologies employed for the disposal of waste vary on the basis of the category of waste. The Company employs three basic disposal methods. These are incineration, secured landfills and recycling / recovery by authorised agencies.

Waste Reduction Initiatives at Jubilant

Recovery and Reuse:

In order to reduce the effluent load & its treatment cost, efforts are made to segregate the streams from various units and identifying the separate treatment strategy so that salts can be isolated from effluent streams. In Nanjangud unit estimated wet salt recovery from effluent is about 74 TPA. The Company is continuously working on identifying the areas of salt isolation in effluent from other products as well.



Another initiative was taken to reduce waste at the Gajraula Unit from the acetic anhydride plant from 4 Kg/MT to 2 Kg/MT. This resulted in reduction of actual specific solid waste generation lower than the projected target.

Co-Processing of Waste

Jubilant Life Sciences has adopted co-processing as a form of waste management at Nanjangud Unit. With this approach the hazardous waste material which was earlier incinerated in-house, is now sent to cement kilns for co-processing. In cement kilns, the energy and material content from waste is used as fuel for energy generation. Co-processing results in the complete thermal destruction of waste, and has reduced the Company's concern by reducing the need for onsite waste storage. In addition there is a substantial reduction in the waste disposal cost. Indirectly co-processing also helps the cement plants to reduce their consumption of non-renewable resources like coal in their cement kiln. In FY 2012-13, 281 MT of hazardous waste was sent for co-processing. At present the Company is exploring the scalability of this initiative to other units as well.

Environmental Impact of Products and Services

Major volume of Jubilant Life Sciences' business is Business to Business (B2B) with the exception of generic products which are Business to Consumer (B2C). With time, the Company's business has been vertically integrated for higher value addition. Thus its products from a B2B are primarily used by other business houses or in-house and hence the chance of being exposed to the environment at the end of product's life is also less. Environmental impacts arising out of the manufacturing process of the products are taken care of in line with local regulation. Due to this reason the Company has never felt the requirement of conducting a detailed product life cycle till date to find environmental impacts of the products and services.

The Company produces end product intermediates which are utilised by other companies to produce end products for the consumer. Because of this, B2B orientation of the Company, the products are packaged in bulk which considerably reduces the Company's consumption of packaging materials. Certain products are also transported in tankers thus eliminating the use of packaging material. Some products are sent in drums and carbouys. The used drums and carbouys at the customer end are reused wherever feasible.

Transportation

Vehicular emissions are one of the largest sources of air pollution in



“ the Company has reduced 930 tCO₂e of GHG by shifting its transportation mode from road to rail against 375 tCO₂e in 2011-12 ”

India. This has a direct impact on environment & human health and indirect effect on climate change. Emissions from the Company vehicles are regularly checked in line with local regulation and the Pollution Under Control (PUC) certificates are maintained in-house. While transporting any hazardous chemical, Transport Emergency Management (TREM) card is provided to the drivers so that Company can respond to any emergency situation arising during transportation and thus minimising any possible environmental impact.

Jubilant has not yet monitored scope 3 GHG emission. However the Company is gradually shifting from road to rail based transportation mode, where ever feasible. In 2012-13 the Company has reduced 930 tCO₂e of GHG by shifting its transportation mode from road to rail against 375 tCO₂e in 2011-12.

Bio-Diversity

The paradigms of conducting business is constantly changing, therefore keeping with the times, the Company decided to usher upon the task to improve its commitment towards the environment by conducting Avifauna Studies for its units at Gajraula and Nira in the years 2009 and 2012. The study brought forth encouraging results for the organisation. It was noted that there was a large presence of flocks of the migratory Starlings at the bio-compost site. Other species found at the bio-compost site at Nira included resident species like Cattle Egrets, and four species of Mynas. Three species of Wagtails were also sighted in significant numbers during day time to feed on a variety of insects and worms at the bio-compost site. Presence of Black Ibis was also recorded at the site for the first time.



“ The Company had incurred an expenditure of about ₹ 821.37 million for operational as well as capital expenditure for various environmental protection equipments this year ”

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. As already reported, the Company's major operating units are either zero discharge units or effluent is disposed of as per the local regulations. Several units in India are located within declared Industrial and Special Economic Zones. Other units are located outside any biodiversity sensitive or notified protected area therefore there is no such case of habitats significantly affected by discharges of water and runoff from Jubilant.

Compliance

Complying with relevant regulatory standards for all operations at all locations remains the top priority for the Company. Not only does it act as a risk mitigation strategy but also helps the Company to streamline the management of environmental impacts and satisfy the concerns from the stakeholders. The compliance is monitored continuously through the Statutory Compliance Reporting System by the functional EHS head, Unit Head and Company Secretary. The Corporate EHS team also plays an important part in monitoring and reviewing the compliance with the applicable legal requirements. During this reporting period there was no such case of violation of environmental standards set by country's regulatory body. There have been no significant penalties or non-monetary sanction for non-compliance with environmental laws during this monitoring period.

Environmental Expenditure

The Company had incurred an expenditure of about ₹ 821.37 million for operational as well as capital expenditure for various environmental protection equipments this year.



9.0 Product Responsibility

Management Approach

For Jubilant Life Sciences, customers are one of the very important stakeholders, directly impacting the sustainability of the Company. Customer satisfaction & safety is an area of utmost concern, being directly linked to business value. Details of customer engagement have been provided under stakeholder consultation section of this report.

Organisational Responsibility

Business Head and Functional Heads are responsible for addressing the issues related product responsibility aspects of their respective business. They are supported by dedicated sales and marketing team, Research & Development (R&D) team, Quality Assurance (QA), Quality Control (QC) team and other relevant departments.

The employees are trained on a continuous basis on customer satisfaction, both externally and internally based on the need identified through annual performance management.

Customer Health & Safety

Jubilant complies with national and international product safety standards such as Registration, Evaluation, Authorisation and restriction of Chemicals (REACH), Feed Additives and Premixtures Quality System (FAMI-QS), and KOSHER. The Carbon Dioxide manufacturing facility at Gajraula has been certified for Food Safety System Certification (FSSC) 22000:2012

At Jubilant, a two-pronged approach is established for Customer Health and Safety, where in, R&D and REACH teams constantly work to upgrade product safety information, QA & QC Teams ensure that product quality, packaging and labelling of the products are strictly in accordance with the customer specifications, applicable international guidelines and regulatory requirements as applicable.

Depending on the type of product and end customers, systems are in place to ensure customer health and safety during transportation, handling and use of its product. R&D Team continuously updates the product health and safety information in the form of Material Safety Data Sheet (MSDS) and the same is provided to the customers. All the products under animal nutrition business are FAMI-QS certified, which ensures safety, quality and regulatory compliance of specialty feed ingredients and their mixtures for animal nutrition. Some of the products are used in the food industry and the facilities involved in manufacturing these products are KOSHER certified. This is to assure the customer that none of the products contain any ingredients of animal origin.

“ All the products under animal nutrition business are FAMI-QS certified ”



At Jubilant, the Chemical Regulatory Team prepares labels as per the applicable regulations of the region. In case of any changes required in the existing labels based on customer needs or changes in regulation, the regulatory team raises the change control form, makes necessary changes with a justification and forwards the same to the Corporate Quality Assurance Team for approval.

In addition to the above systems, Jubilant Life Sciences also has AFSSAPS (Agence Francaise de Products Safety Agency), GMP approvals for certain products, PMDA approval (Pharmaceuticals and Medical Devices Agency, Japan) for exporting Risperidone HCl to Japanese market, KFDA (Korea Food and Drug Administration) for exporting Valsartan and Losartan to Korean market, COFEPRIS approval for exporting Pinaverium Bromide to Mexican market, ANVISA, Brazil approval for exporting Carbamazepine to Brazil market and TGA, Australia approval for exporting certain products to Australia.

During this reporting period, there was no non-compliance with regulations resulting in a fine or penalty with regard to safety impacts of Jubilant's products and services during their life cycle. However, the Montreal Contract Manufacturing unit received a warning letter from the US Food and Drug Administration (FDA) due to certain Current Good Manufacturing Practices (cGMP) concerns observed by the regulators. All the queries raised by US FDA were answered within the due date and the Company is expecting a favourable reply from the regulatory agency. However there was no impact of the above on current operations.

Product & Service Labelling

The products are packed with proper labelling and bar-coding, wherever applicable. In its bid to be more inclusive, the Company also uses Braille Code for the products meant for end consumers in Europe.

For communication of hazards, international labelling guidelines are followed depending on the requirements of the target customer. For the customers in Europe, CLP (Classification, Labelling and Packaging) is followed, where as for Chinese customers - China GHS (Global Harmonised System), for Korean customers – Korea GHS and for USA and rest of the world GHS is followed for classification and labelling of chemicals. To reduce hazards due to an emergency situation during transportation, Transport Emergency Management (TREM) cards are also provided to the driver with necessary information for quick control of the emergency situation. The Company adheres to the transport labels which are governed by the guidelines of the International Air Transport Association (IATA), for shipments by Air, and International Maritime



Dangerous Goods (IMDG), for shipments by the Sea, and ADR (European Agreement concerning the International Carriage of Dangerous Goods by Road), for road transport.

There was no incidence of non-compliance with regulations or voluntary codes concerning product & service information and labelling in this year.

Customer feedback is taken both in formal and informal ways depending upon the type of business and products. A standard customer feedback form has been prepared under the already existing customer feedback system. Feedback forms are sent to all customers and feedback is taken at least once a year. At the end of the year, the customer satisfaction index is calculated based on the feedbacks received. This customer satisfaction index paves the way forward for respective businesses and gives direction to the sales and marketing team to improve customer satisfaction.

Marketing Communications

The Company adheres to all applicable laws, standards, and voluntary codes related to marketing communications. The Company does not engage in marketing of any products or services that are banned or controversial.

For Allergy Business in Spokane, new hires to the customer service, marketing or sales departments are required to go through a two day training on products with the product manager. For sales team members there is a second level product training called Phase II training on products and product use according to the package inserts. Outside professional sales training is also conducted at National Sales Meeting for all sales team members.

Customer Privacy

The Company pays special attention to protecting its customers' intellectual rights and privacy. There have been no incidences of breach of customer privacy and losses of customer data.

Compliance

There have been no incidences of non-compliance with regulations and voluntary codes concerning marketing communications during this reporting period. Similarly, there have been no significant fines for non-compliance with laws and regulations concerning the provision and use of products and services during this reporting period.



10.0 Social Performance

Disclosure on Management Approach- Labour Practices

Goals & Performance- Labour Relations and Practices

Labour and Employee relations are of essential importance to Jubilant Life Sciences 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.

Performance management systems have been put in place by the Company and 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.

Policy

Jubilant Life Sciences, 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 organisation's 'Policy Manual'. The manual provides an in-depth understanding of eligibility, entitlement, terms & conditions and 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. These guidelines may be modified, revoked, or changed by the Corporate HR, with or without notice, at any time.

Key Human Resource policies formulated by the organisation are:-

- Employment Policy
- Compensation and Benefits Policy
- Travel & Transfer Policy
- Employee Assistance Policy
- Separation Policy

Organisational Responsibility

The operational responsibility of the Labour Practices Aspect is taken care by the Sr. Vice President (HR) of the Company. At each manufacturing



location, the mentioned issues are reviewed by the respective Unit HR Heads.

Monitoring & Follow-up

At Jubilant, monitoring, follow-up of labour & employee practices and relationship, is based on three pillars- HR Department, EHS and Ombudsman's Office. HR Department covers all labour related issues and compliances while the EHS Department oversees the work environment and safety aspects. The Ombudsman takes care of any grievances that are reported to his office. The responsible departments monitor the progress regularly and ensure that all regulations are complied with.

Jubilant Life Sciences revised its Whistleblower Policy during this financial year and also appointed a dedicated Ombudsman for addressing the grievances reported by the employees. 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. 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.

Employment

The Company recognises the contribution of its employees and continued to provide the following benefits exclusively to full time employees as reported last year. These include:

- Maternity leave;
- Disability and invalidity coverage as per the Industrial Dispute and Workers Compensation Act;
- Group Mediclaim 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 given below.

- Short Term / Long Term Disability Insurance (Company paid) Benefits
- Health Club Reimbursement
- Jury Duty Leave / Court Appearances
- Military LOA (Leave)

The Company believes that jury duty and court subpoenaed appearances are a responsibility of good citizenship. The Company therefore provides employee pay for up to 21 calendar days per summons. The objective is to provide continued and consistent pay to employees called to jury duty and court-subpoenaed appearances.

Under Military Leave, the Company supplements military pay up to 20 days of training, 120 days of emergency military leave. Re-employment rights for unpaid full-time military leave. All female employees in Indian units and all employees in North American units are entitled to parental leave. All the employees availing the leave returned to work during this period.

Table: Total workforce (Figures as reported for March 31, 2013)

Location/Company Jubilant Life Sciences	Executives	Workmen	Total	Temp & Labour Supply	Job Contracts/ Projects	Over All
Corp office/ Branches	451	0	451	109	0	560
Gajraula	637	263	900	513	496	1909
R&D Noida	304	0	304	89	0	393
Samlaya	44	23	67	57	55	179
Nira	152	117	269	112	96	476
Nanjangud	615	225	840	280	164	1284
Roorkee	230	92	322	78	44	444
Ambernath	148	38	186	131	16	333
Bharuch	227	19	246	100	232	578
Total (A)	2808	777	3585	1469	1103	6157
Indian subsidiaries						
Jubilant Biosys	299	0	299	21	0	320
Jubilant Chemsys	300	0	300	13	0	313
Jubilant Clinsys	167	0	167	12	0	179



Location/Company Jubilant Life Sciences	Executives	Workmen	Total	Temp & Labour Supply	Job Contracts/ Projects	Over All
Jubilant First Trust Healthcare	43	224	267	1	0	268
Jubilant Infrastructure	97	56	153	99	134	386
Total (B)	906	280	1186	146	134	1466
International subsidiaries						
Jubilant Life sciences (Shanghai) Ltd. (China)	12	0	12	0	0	12
Jubilant Life Sciences Inc. (USA)	4	0	4	0	0	4
Jubilant Cadista Pharmaceuticals Inc. (USA)	76	150	226	40	0	266
Jubilant Clinsys Inc. (USA)	59	0	59	0	0	59
PSI Supply NV (Belgium)	15	0	15	1	0	16
Jubilant HollisterStier LLC (USA)	251	325	576	0	0	576
Draximage General Partnership & Jubilant HollisterStier General Partnership (Canada)	308	252	560	0	0	560
Total (C)	725	727	1452	41	0	1493
Grand Total (A+B+C)	4439	1784	6223	1655.8	1236.9	9116

Table: Age wise employee break-up of all Indian manufacturing units and Corporate Office, Noida & R&D 1&2

Age in yrs	HEADCOUNT		
	Executive	Workmen	Grand Total
< 30	1045	134	1179
30-50	1586	549	2135
>50	177	94	271
Grand Total	2808	777	3585

Table: Gender wise employee break-up of all Indian manufacturing units and Corporate Office, Noida & R&D 1&2

Gender	HEADCOUNT		
	Executive	Workmen	Grand Total
Female	171	0	171
Male	2637	777	3414
Grand Total	2808	777	3585

Note: To avoid any conflict with local regulation, discouraging information on employee gender/ age and other details has not been disclosed for subsidiaries of the Company. Frequent change in contract workers made it difficult for the company to track & report compiled information on gender/ age of contract workers of the Company.



Attrition

Effective management of human resources is anchored in the Company's Vision and Promise statements. This helps attract, motivate and retain employees. Overall attrition has increased by 1.2 % considering three North American units during the reporting period. Attrition calculations exclude employees who have retired during this reporting period.

Table: Voluntary Attrition rate break up of all Indian units, R&D, Corporate Office and Branch Offices

FY 2012-13 LOCATION	AVERAGE MANPOWER			ATTRITION (Voluntary)			ATTRITION %		
	EXECUTIVE	WORKER	TOTAL	EXECUTIVE	WORKER	TOTAL	EXECUTIVE	WORKER	TOTAL
BRANCHES	56	0	56	7	0	7	13%	0%	13%
BHARUCH	211	28	239	59	10	69	28%	35%	29%
AMBERNATH	158	39	197	44	1	45	28%	3%	23%
CORPORATE OFFICE	370	0	370	41	0	41	11%	0%	11%
GAJRAULA	643	268	910	47	2	49	7%	1%	5%
NANJANGUD	661	231	892	181	6	187	27%	3%	21%
NIRA	143	119	262	20	0	20	14%	0%	8%
R & D NOIDA	302	0	302	49	0	49	16%	0%	16%
ROORKEE	211	90	301	59	10	69	28%	11%	23%
SAMLAYA	42	28	70	7	0	7	17%	0%	10%
Total	2796	802	3597	514	29	543	18%	4%	15%

Table: Total Attrition & New joinee details for Three North American Units (subsidiaries) and all Indian operations

	ATTRITION			New Joinee		Grand Total
	Executive	Worker	Total	EXECUTIVE	WORKER	
Grand Total	558	131	689	708	192	900



Table: Age-wise attrition & new joinee details for Indian manufacturing locations, Corporate Office, Noida and R&D 1&2

Age in yrs	ATTRITION			New Joinee		
	EXECUTIVE	WORKER	Grand Total	EXECUTIVE	WORKER	Grand Total
< 30	304	19	323	426	39	465
30-50	205	10	215	232	20	252
> 50	5	0	5	9	0	9
Grand Total	514	29	543	667	59	726

Table: Gender wise attrition & new joinee details for Indian manufacturing locations, Corporate Office, Noida and R&D 1&2

Gender	ATTRITION			New Joinees		Grand Total
	EXECUTIVE	WORKER	Grand Total	EXECUTIVE	WORKER	
Female	32	0	32	40	0	40
Male	482	29	511	627	59	686
Grand Total	514	29	543	667	59	726

Labour Management & Labour Relations

Jubilant Life Sciences continues to extend its support to its employees and contractors in their cooperative efforts to develop good relations and constructive bargaining practices. 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. 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. 628 employees are covered by trade unions/ collective bargaining agreements in India.

At the Montreal Unit of the Company (as of March 31, 2013) 269 employees were covered by Trade Unions/ Collective Bargaining Agreements.

Minimum Notice period

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 followed for termination of permanent worker is 30 days and the same is mentioned in their appointment letter. This is in accordance with the prevailing regional/ country labour laws.



“ This year, an external agency (Chilworth India Pvt. Ltd.) was also involved in conducting safety audits at six Indian units ”

Occupational Health & Safety

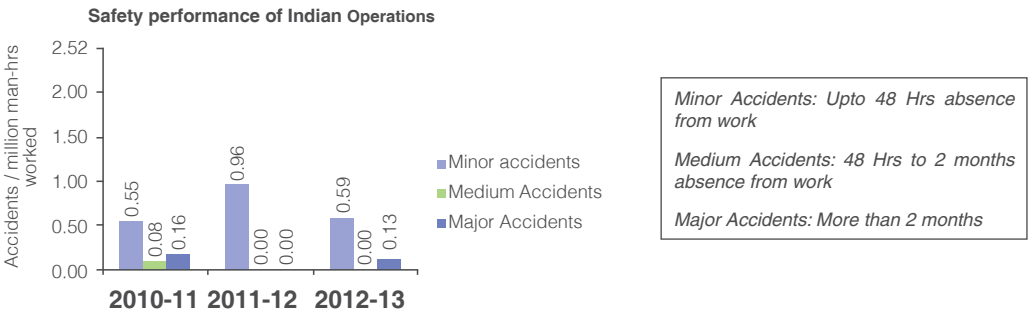
Occupational Health and Safety of employees is important not just for obligatory moral and legal reasons but also for financial and business continuity impacts. Maintaining health and safety of employees are critical to the Company's effectiveness and maintaining high morale of the employees. In order to ensure highest standards of Occupational Health and Safety practices in the Company, the Company's major units have implemented OSHAS 18001 based occupational health and safety management system and are certified. The Company also has dedicated safety officers at all manufacturing units and Occupational Health Centre at all major units. At Salisbury Unit, Safety Committee has been formed which conducts inspection every month. In addition to internal safety audits, third party audits are also conducted to identify the gap and close them on priority. This year, an external agency (Chilworth India Pvt. Ltd.) was also involved in conducting safety audits at six Indian units. The entire workforce at Jubilant Life Sciences 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 units of the Company with trade unions.

Occupational Health and Safety Training

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.

Safety Performance

Both, employees of the Company and contractors have been included while reflecting figures on Occupational Health and Safety. There was no injury involving females at the Indian manufacturing units. First Aid Incidents are not included in the scope of the report. However, Lost Time Accidents, Reportable Accidents and Fatalities are included in the report.

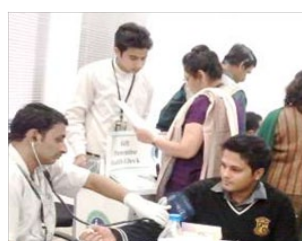


No case of occupational diseases has been recorded during this reporting period. Even though the Company has a safety management system in place, which is in line with international standards, two unfortunate accidents took place this year. These two fatal accidents occurred one each at Gajraula and Bharuch unit. The Company conducted a detail investigation of the incidents and necessary corrective & preventive actions have been identified & implemented to avoid recurrence of such incidents in future.

Health Check-ups

Employee Health Check-ups are conducted on a continuous basis throughout all locations at Jubilant Life Sciences. Health Check-up is also conducted for all workers at regular intervals, including contract worker. Besides, different programs are also conducted for families of employees on issues like AIDS and Maternal & Child Health.

At Corporate Office, Employee Wellness Camp was organised on Feb 6, 2013 in association with Max HealthCare under which Free Health Check-Up was provided to employees. The check-ups included blood pressure, body-mass index, blood sugar, orthopaedic and physician consultation. About 60 employees benefitted from this health check-up camp.



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.

At Bharuch Unit, the week starting March 4, 2013 was celebrated as Safety Week. Various Activities were held during safety week celebrations which included poster making competition, slogan competition, and quiz competition with Safety as the theme for all events. A Safety Exhibition was also organised at the Unit in the cafeteria, where all Personal Protective Equipments (PPE) were displayed and detailed information about the PPEs and instructions on proper usage were shared by the EHS Team.



Fire drill and Mock Chlorine leakage Drill were conducted during the safety week celebration.

At Nira Unit, the Unit Head, addressed the employees and contract workers on compliance with safety rules & procedures and to avoid any unsafe practices in the units. The Unit Head hoisted safety flag and safety oath was taken by all assembled in the local language (Marathi). EHS Head of the unit explained the importance of Personal Protective Equipment (PPE) and work permit system. Department & Sectional Heads, Company employees, union office bearers, and contractors were present for the programme. Fire Drills, Quiz Competition, poster making competition, safety slogans and safety elocution were also held.



Training & Education

To enable a high performance culture in a Matrix organisation, Performance Management System (PMS) has been put into place. At Jubilant, PMS has been implemented and formulated in a manner to enable identification, assessment, reward good performance, encourage talent, and ensure motivation amongst the target employees. The organisational goal setting begins with the Business Planning process every year. It derives its linkage with the business plan that is finalised in March for the subsequent financial year into business unit/ functional unit goal and so on. PMS is formulated on Balanced Scorecard providing a clear linkage between organisational and individual objectives.

Decisions on talent management determine competencies that the organisation requires for success at the marketplace. Jubilant has constantly aimed at building a vibrant and excellence based culture which is fully geared to meet current and future business challenges. Talent and Succession planning process at Jubilant involves four key steps:-

1. Identification of organisational leadership needs based on the business and leadership challenges



“ All new employees are informed about the Company's policies and procedures including those related to human rights during the induction training ”

2. Identification and Assessment of key human resources on the basis of potential and performance
3. Succession Planning for critical positions
4. Identify focussed development plan and retention plan for key resources and succession plan to manage Company's investment in these resources through appropriate actions

For plant employees Performance Linked Incentive System is in place to monitor the performance of the employees. The Company also has wage agreement at locations with trade unions and works committee.

The Company focuses on providing learning and development opportunities to all employees through various internal and external trainings. Jubilant continuously strives towards enhancing the learning curve of employees through targeted and intellectually stimulated learning and development programmes. Key capability development programs include leadership development programs, strategic initiatives programs, self-development programs, and customised programs. 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 intranet system. The Company has now decided to conduct dedicated training programme on human rights policies during next reporting period.

Table: Training Details of all Indian operation of Jubilant

Category	Avg. No. of Employee	Training Man-hrs	Training Man-hrs/Employee
Executive	2808	74000	26.4
Worker	777	8832	11.4
Total	3585	82832	23.1

Category	Avg. No. of Employees	Training Man-hrs	Avg. Training (Training Man-hrs/Employee)
Female	171	3392	19.8
Male	3414	79440	23.3
Total	3585	82832	23.1



Diversity & Equal Opportunity

Equal Remuneration for Women and Men

Jubilant Life Sciences does not differentiate amongst employees on the basis of caste, creed, religion, gender or any such criteria. It provides equal salary to men and women for same set of work. Jubilant Life Sciences 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.

Disclosure on Management Approach- Human Rights

Goals & Performance

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.

Policy

The Company has policies covering key aspects of human rights like Child Labour, Forced & Compulsory Labour, Non Discrimination and others.

Organisational Responsibility

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.

Training & Awareness Human Rights

The policies related to human rights are available on the Company's intranet with access to all users. These are also included in the Employee Handbook to create awareness.

Monitoring & Follow-up

Human Rights issues are covered during the internal sustainability audits at various locations at periodic intervals.

Investment and Procurement Practices

The foundation stone of modern Human Rights was laid in 1948 in the form of the Universal Declaration of Human Rights. The United Nations'



guiding principles for business and human rights provide the first global standard for preventing human rights violations from business activities. They make clear:

- The duty of Governments to protect human rights and provide access to remedy, and
- The responsibility of all businesses, regardless of their size, sector, location, ownership and structure, to respect human rights.

Practices in Jubilant Life Sciences resonate with the above stated principle and the Company is aware about its responsibilities. 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 manage the business reputation risks.

Whenever the Company decides to take up a new project or an investment, it is ensured that a formal due diligence is conducted and all applicable laws are followed. Jubilant does not procure any material from vendors who violate human rights and standards as stipulated. This is scanned as per the contract agreement of 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. Under the Green Supply Chain Policy, the Company aims to train and educate its suppliers to say no to child labour. 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.

Non-Discrimination

Jubilant Life Sciences 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. 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.

Two cases of discrimination were reported to the Ombudsman's Office during this reporting period and were resolved after detailed investigations.

Freedom of Association and Collective Bargaining

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. There is no such operation under Jubilant Life Sciences where the right to exercise freedom of association and collective bargaining are at significant risk. Most of the suppliers are reputed companies and are expected to follow the country's regulations. No such cases of violation of related regulation by any of the suppliers were reported for the reporting period.

Child Labour

Jubilant Life Sciences believes in the protection of the young and vulnerable. It is the Company's policy not to employ child labour. In order to ensure this, every new recruit is required to submit a proof of age.

Further, 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.

Forced and Compulsory Labour

Jubilant Life Sciences 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.

In India practice of forced or compulsory labour is legally prohibited. Also local regulation allows the labours to form an association for collective bargaining with unit management. Jubilant Life Sciences never uses any form of forced or compulsory labour in any of its operations. No incident of forced or compulsory labour at the suppliers end came to Company's notice during this reporting period.

Security Practices

All security personnel are briefed about relevant policies of the Company including child labour policy. The security personnel are also aware about other policies of the Company which lays the foundation for them to function effectively. They are also trained in first responder and fire security trainings at all locations. The security personnel are

“ the Company encourages its Suppliers to work towards a no child-labour policy ”



given behavioural trainings on body language, dealing with visitors and employees and other related trainings for escalation of issues etc.

Indigenous Rights

The Company has operations in various locations across India & 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.

Remediation & Assessment

The Company has well defined grievance identification and redressal mechanism in place for human rights violation cases affecting our stakeholders. The detail of such system in place has been elaborated under Corporate Governance section and disclosure on management approach under Social Performance section of this report. Two cases of human rights violation were reported by the employees during the reporting period. Both cases were resolved after detailed investigation by the ombudsman's office.

The Company has seven manufacturing locations in India. During the internal sustainability audit human rights assessment was carried out at all seven Indian Units.

Local Communities

Disclosure on Management Approach- Society Policy

As reflected in its motto - "Caring, Sharing and Growing" - the Company has a strong focus on sustainability and inclusive growth. Sustainability Mission of the Company is applicable at all its locations and addresses the social issues.

Organisational Responsibility

Through Jubilant Bhartia Foundation (JBF), the Company has been engaged in empowering communities with initiatives that focus on primary education, basic healthcare and skill development for employability and self-sustenance. JBF has conducted need assessment survey to decide the focus areas of intervention and set a baseline to measure the impact. The General Manager - CSR is responsible for regular operations through support of local team present across locations. For North American unit, activities are conducted under the supervision of unit heads.



Monitoring & Follow-up

The JBF program coordinators at each location, along with the Unit Heads, decide activities, prepare budget and finalise strategy and approach towards creating value in the life of the community around. Monitoring of projects is carried out by senior management of the Company. This year, a third party impact assessment was also conducted to analyse the impact of JBF's initiatives.

Goals & Performance

JBF understands that the lack of education is a root cause of various social and economic problems and therefore, the foundation believes that the education should be the primary area of intervention for empowering the communities. In this regard, Project Muskaan was introduced in 2007 to support the Government initiatives in primary education. Similarly, to strengthen the healthcare services for the community around manufacturing locations, JBF started various initiatives like Community health services, and Swasthya Prahari. To improve the employability skills of the youth, JBF introduced Nayee Disha, a vocational training programme.

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 between Jubilant Bhartia Foundation and Schwab Foundation for Social Entrepreneurship, sister organisation of the World Economic Forum to award Social entrepreneurs has been forged. The social entrepreneurs are one of the key enablers of inclusive growth who implement practical and sustainable solutions to address challenges in numerous areas including health, education, and environment, access to technology and job creation.

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 Millennium Development Goals (MDGs).

CSR initiatives aligning with the MDGs

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. The figure 1 below shows the different trades under which youths are being trained throughout the year. Several youths have got appropriate and encouraging placements while some have become self-employed after the training.

Table: Vocational Training

Trades	No. of people trained
Beauty Parlour (REDP)	30
Three & Four Wheel Driving	30
Agarbati Making	15
Candle Making	15
Tailoring at Vocational Training Centre	393
Work Place Skills and Soft Skills (Computer, Spoken English & Personality Development)	491
Beautician at Vocational Training Centre	302
Electrician	233
Retail Sales	239
Masonry (On site)	261
Carpentry (On site)	192
Plumbing (On site)	66
Tailoring training at Kallahalli village, Nanjangud	12
Paper bag training programme at Kallahalli village, Nanjangud	28
Total	2307

“ This year alone, JBF has been able to touch around 2300 lives through vocational training programs ”



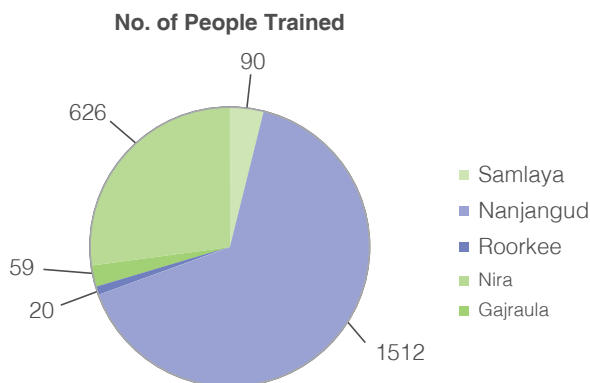


Figure - JBF initiated training under various trades in the year 2012-13

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, according to 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 by Jubilant Life Sciences along with the other Group Company.



Case Study 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 school

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 obstacles. The field staff 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.



Table: Self Help Groups

Location	Total No. of SHG	Total savings done by SHG till date (Rs)
Gajraula	19	331150
Nira	1	2200
Samlaya	38	NA
Roorkee	9	107200

Case Study on Self Help Groups

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 & 5: Reduce Child Mortality & 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 location.

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

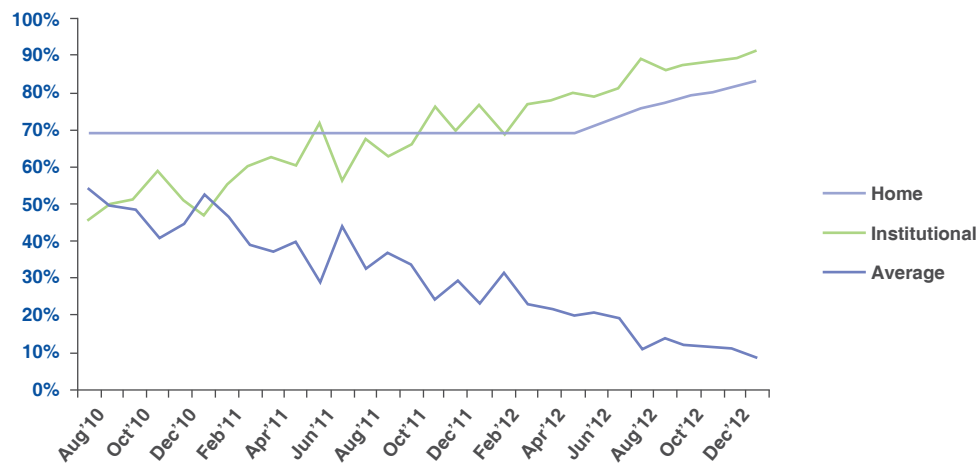


death. They also make home contact; motivate people for visiting health institutions and promote institutional child birth.

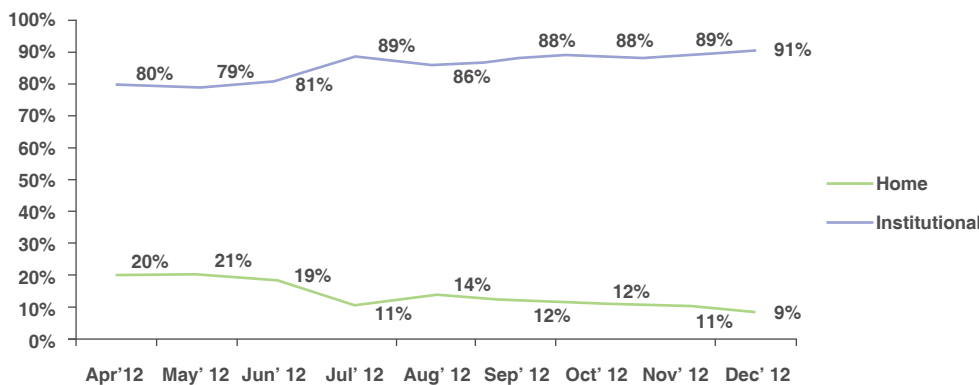
Key objectives of the project

- 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 curbing 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 IMR and MMR. The institutional child birth by the registered medical practitioner assures safe motherhood and child birth.



Home Vs Institutional child birth pattern in the year 2010 at Gajraula

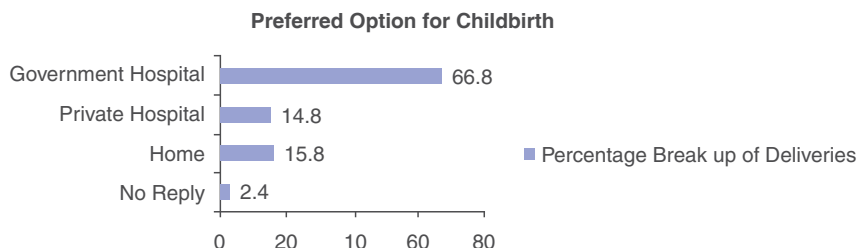


Home Vs Institutional child birth pattern in year 2012 at Gajraula



“ A Social Impact Assessment on CSR Initiatives of Jubilant was conducted by Partners in Change in Gajraula, UP ”

A Social Impact Assessment on CSR Initiatives of Jubilant was conducted by Partners in Change in Gajraula, UP. The assessment report came out with following result on preferred option of child birth within the study area.



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 get aware and the cases of AIDS drop to zero. Taking cognisance 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 in identification of HIV infected people and their proper counselling. The centre is giving 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 included 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 utilising 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.

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 about 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 USD 5,707.41 was raised. The Company matched the employees' contributions (USD 4,000) for a grand total of USD 9,707.41.



Goal 8: Develop a Global Partnership for Development

The Company believes in working in partnership with various local and global organisations. This year Jubilant's major 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



“An international delegation of 46 members from 26 countries visited Jubilant Bhartia Foundation at Gajraula”

An international delegation of 46 members from 26 countries visited Jubilant Bhartia Foundation at Gajraula under the International Programme on Small Business Planning & Promotion (SBPP) & Trainers' Training on Self Help Group Formation, Growth & Sustenance (TT-SHGFGS) from 10-12 November 2012. The visit included the showcasing of the educational and vocational training project of JBF, Gajraula. The visit was facilitated by the National Institute for Entrepreneurship and Small Business Development (NIESBUD) and National Bank for Agriculture and Rural Development (NABARD). The delegation interacted with the community members, school students, teachers and the trainees at a vocational training centre during their visit.

The participants were from the following countries- Argentina, Botswana, Ethiopia, Lithuania, Mauritius, Sudan, Sierra Leone, Tanzania, Sri Lanka, Russia, Togo, Laos, Papua New Guinea, Tajikistan, Malawi, Nigeria, Uganda, Namibia, Bangladesh, Jamaica, Botswana, and Zimbabwe.



“ JFTHL has operated on more than 550 children from lower socio-economic background – free of cost ”

Jubilant First Trust Healthcare Ltd. (JFTHL), a Jubilant Life Sciences subsidiary, worked in collaboration with Operation Smile, an NGO, and has set up the first Cleft Care Centre in India at the Hospital. JFTHL has operated on more than 550 children from lower socio-economic background – free of cost; the cost of surgery being partly subsidised by JFTHL, and partly funded by Operation Smile. This collaboration was started in 2008 and the response is encouraging as more and more families are coming forward and reaping the benefits of the surgeries with a hope to heal their children.



There are no significant actual negative impacts on local communities around the manufacturing location. However, there is potential for negative impacts on the local communities which can arise out of any industrial mishap due to abnormal conditions. To address the above mentioned potential negative impacts, the Company has adequate systems and equipment in place beyond regulatory requirement. The Company also has off site emergency plan to mitigate the impact of any unlikely event as required by the local regulations.

Prevent Corruption

In today's world, businesses are often subjected to increasing globalisation, and regulations. In this environment, understanding of how the organisation is likely to encounter corruption and integrity risks will help one manage such risks effectively. The anti-corruption regulatory movement is emerging as one of the most formidable compliance challenges confronting the public and private sector alike.

Jubilant Life Sciences 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 these policies 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.



One case of corruption was reported to the Ombudsman's Office during the reporting period. However, the claims reported were not found to be genuine after investigation.

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.

Public Policy

The Company engages with a variety of stakeholders like Government, Regulatory Agencies, NGOs, and Industry associations. Through its interactions with these stakeholders the Company participates in identifying and framing public policy matters. The Company also uses industry association forums to voice its views about policies. The Company provides its feedback to the requisite agencies when rules/laws are being prepared afresh or being amended.

There has been no financial and in-kind contribution to political parties, politicians and related institutions.

Anti-Competitive Behaviour

Market distortionary tactics and anti-competitive practices restrict the working of healthy competition in the economy. Hence, Government of India has formulated a Competition Policy which protects the interests of consumers and producers by promoting and sustaining a fair competition. Jubilant, adheres to such competition policy.

The Company conducted training on 'Anti-Dumping' which covered WTO agreements and its impact on business. The training was conducted by experts from APJ-SLG Law Office and they focussed on trade remedial measures including anti-dumping, anti-subsidies and safeguard issues and its implication for business.

There has been no legal action on anti-competitive behaviour, antitrust and monopoly practices.

Compliance

There have been no significant fines or non-monetary sanctions for non-compliance pertaining to human rights, corruption, labour practices etc.



11.0 Achievements Against 2011-12 Goals

A snapshot of Jubilant's performance with respect to last year's path forward has been given below:-

Way Forward 2011-12	Progress 2012-13
Hazardous waste: The Company will explore the possibility for co-processing of hazardous waste in cement industries. Co-processing of waste is one of the sustainable ways suggested by regulatory authorities for management of the hazardous waste. This will not only reduce the incinerator operations at the Company's manufacturing unit and the waste will be utilised by the cement industry as fuel.	Jubilant sent 281MT of hazardous waste for co-processing in cement kilns.
Increase transportation of raw materials & finished goods through railways resulting in reduction of movement of number of trucks thereby reducing emissions. This would also lead to safer operations for transportation of goods & raw materials due to reduced number of trips.	The Company is gradually shifting from road to rail based transportation mode, where ever feasible. In 2012-13 the Company has reduced 930 tCO ₂ e of GHG through shifting its transportation mode from road to rail against 375 tCO ₂ e in 2011-12.
The Company will continue to take initiatives under the Business Excellence for improvement in processes leading to conservation of energy, reduction in emissions and raw material consumption norms.	The Company initiated 18 new projects for reducing wastes, effluent, and material recovery and the same number of projects for reducing the energy consumption. In all 29 projects were completed which were aimed at reducing energy consumption and reducing wastes and effluents. These projects have together resulted in annualised savings of about ₹ 98 million.
The Company would continue working towards empowering communities in the vicinity of its manufacturing locations through Jubilant Bhartia Foundation in the realm of primary schooling in rural areas, provision of basic health care, vocational training. The Company is also committed to continue its efforts to promote social enterprises in India. The efforts would be towards making the initiatives sustainable and participatory and in line with the Millennium Development Goals of United Nations.	JBF has provided livelihood training to about 2300 people in FY2013. It has now reached about 350,000 people in 65 villages. It has also connected to over 100 schools through Project Muskaan.



Way Forward 2011-12	Progress 2012-13
<p>The Company will continue to participate in voluntary initiatives like United Nations Global Compact Ten Principles for Sustainability. The Company would respond to information disclosure under National Voluntary Guidelines by Ministry of Corporate Affairs.</p>	<p>In order to reaffirm its commitment to continue on the path of sustainable development, the Company has been participating in voluntary initiatives like the United Nations Global Compact. For the first time the company has also reported information as per National Voluntary Guidelines issued by the Ministry of Corporate Affairs and Annual Business Responsibility Report parameters for listed companies issued by the Securities and Exchange Board of India.</p>
<p>The Company would commence the production of Symtet through greener route. Jubilant's in-house R&D team has developed an innovative technology to manufacture Symtet involving green chemistry that helps reduce GHG emissions and thus brings down the carbon footprint of our customers using this product.</p>	<p>The Bharuch Unit was inaugurated in April 2012 and production of Symtet was also started using a more environmentally friendly route. For the first time Bharuch is also included in totality for Sustainability Report.</p>
<p>Sustainability Dashboard: The Company formalised a Sustainability Committee at the Board level in the year 2010-11. To develop a Sustainability Dashboard to identify Indicators in addition to the one covered by GRI framework. This will help to evaluate the Company's performance through the dashboard by the Committee.</p>	<p>A set of indicators has been developed to keep up with the Company's Business and changing scenario. Sustainability Committee oversees and monitors the progress of the Company on these selected sets of sustainability parameters half yearly on a YoY basis.</p>



12.0 Way Forward

- As Corporate Sustainability Reporting at Jubilant enters a new decade with this report, the Company will work towards developing indicator specific accounting principles and provide training to relevant employees for better understanding and further streamlining the already existing systems for Sustainability Reporting.
- Jubilant Life Sciences will continue to participate in voluntary initiatives like United Nations Global Compact's Ten Principles for Sustainability. The Company will continue to align its Sustainability Report with the National Voluntary Guidelines issued by the Ministry of Corporate Affairs, as it did for the first time in the present report.
- The Company will revise its existing supplier & external manufacturing contracts' standard Terms and Condition through incorporation of relevant clauses on restriction of child labour and forced labour in their business. This is to further extend Company's commitment in respect of ILO convention and country regulation on Human Rights (HR) issues.
- The Company will conduct in-house training for capacity building of Company's Supply Chain Auditors to further strengthen their sustainability audit skills while conducting regular supplier's audit covering EHS & HR performance of the suppliers.
- The Business Excellence Team will work continuously towards reduction of energy and water consumption. The team will also work on waste reduction and resource optimisation.
- In the coming months, there would be a greater focus on improving the quality of education through JBF's flagship education program- Muskaan. The activities under the project shall be designed in a way so as to attract greater participation from students and the community. This year foresees the improvisation in the project module of Muskaan- the primary education program of JBF. There would be a special focus on improving the quality of education. The activities under the project are to be designed in a way to attract greater participation from students and active community involvement.
- As its contribution to Goal 5 of the MDGs, The Swasthya Prahari project under health initiative will have an emphasis on combating anaemia under MDG in mothers which is also an important component of reducing Maternal Mortality Rate.
- Under the skill development program, JBF will work towards enhancing the capacity of vocational training centres to 2500 trainees per year, cumulatively.
- The Company will continue to anchor the Social Entrepreneur of the Year India Award in association with the Schwab Foundation (sister concern of WEF).



A. Memberships in associations (such as industry associations) and/ or national/ international advocacy organisations

S.No.	NAME OF THE ASSOCIATION/ COMMITTEE
1	All India Alcohol Based Industries Development Association
2	All India Distillers' Association
3	All India Industrial Gases Manufacturers' Association
4	American Chemical Society
5	Catalysis Society of India
6	Chemexil
7	Confederation of Indian Industry (CII)
8	Employers' Federation of India
9	FEFANA (EU Association of Specialty Feed Ingredients and their Mixtures)
10	Federation of Indian Chambers of Commerce & Industry (FICCI)
11	Indian Chemical Council (ICC)
12	Indian Chemical Society
13	Indian Institute of Chemical Engineers
14	Indian Pharmaceutical Association
15	Indo-Canadian Business Chamber (ICBC)
16	Institute of Applied Manpower Research
17	International Society of Heterocyclic Chemistry
18	International Society of Pharmaceutical Engineering (ISPE) India Affiliate
19	Indian Speciality Chemical Manufacturers' Association (ISCMA)
20	Karnataka Drugs and Pharmaceuticals Manufacturers' Association (KDPMA)
21	Lucknow Management Association
22	Mysore Chamber of Commerce & Industry
23	Nanjangud Industries Association
24	Public Affairs Forum of India (PAFI)
25	Pharmaceuticals Export Promotion Council (Pharmexil)
26	PHD Chambers of Commerce
27	QCFI (Quality Federation Of India)
28	The Institution of Engineers (India)
29	US-India Business Council (USIBC)
30	Uttar Pradesh Alcohol based Industries Association (UPABIDA)
31	World Economic Forum



B. Policies



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:

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

Shyam Bang
Executive Director

November 9, 2010



C. Abbreviations

Abbreviation	Full Form
ADR	Accord européen relatif au transport international des marchandises Dangereuses par Route (More commonly known as European Agreement concerning the International Carriage of Dangerous Goods by Road)
AIDS	Acquired Immuno Deficiency Syndrome
API	Active Pharmaceutical Ingredients
B2B	Business to Business
B2C	Business to Consumer
BSE	Bombay Stock Exchange
CCMD	Co-Chairman & Managing Director
CEO	Chief Executive Officer
CETP	Common Effluent Treatment Plant
CFC	Chloro Floro Carbon
CG	Corporate Governance
CII	Confederation of Indian Industry
CMD	Chairman & Managing Director
CMO	Contract Manufacturing Outsourcing
CNS	Central Nervous System
CO ₂	Carbon di oxide
COP	Conference of Parties
CRAMS	Custom Research and Manufacturing Services
CSR	Corporate Social Responsibility
CTR	Commute Trip Reduction
CVS	Cardio Vascular Segment
CWC	Chemical Weapons Convention
DDDS	Drug Discovery & Development Solutions
DOTS	Direct Observation Treatment, short course
ED	Executive Director
EDC	Electronic Data Capture
EHS	Environment, Health & Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
ERM	Enterprise Resource Management
ERP	Enterprise Resource Planning
FO	Furnace Oil
GHG	Green House Gases
GRI	Global Reporting Initiative
HIV	Human Immunodeficiency Virus
HoD	Head of Department
IATA	International Air Transport Association
ICTC	Integrated Counselling & Testing Centre
IMDG	International Maritime Dangerous Goods
IMR	Infant Mortality Rate



Abbreviation	Full Form
IPR	Intellectual Property Rights
IT	Information Technology
IUCN	International Union for Conservation of Nature
JBF	Jubilant Bhartia Foundation
JFTHL	Jubilant First Trust Healthcare Ltd.
JLL	Jubilant Life Sciences
LOA	Leave of Absence
MCA	ministry of Corporate Affairs
MDG	Millenium Development Goal
MMR	Maternal Mortality Rate
MoEF	Ministry of Environment & Forests
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
NA	Not Applicable
NCE	New Chemical Entities
NEERI	National Environmental Engineering Research Institute
NGO	Non Government Organisation
NSE	National Stock Exchange
NVG	National Voluntary Guidelines
ODS	Ozone Depleting Substances
OHS	Occupational Health & Safety
PM	Particulate Matter
PPE	Personal Protective Equipment
PRI	Panchayati Raj Institute
PUC	Pollution Under Control
QA	Quality Assurance
QC	Quality Control
R&D	Research & Development
RO	Reverse Osmosis
SCBA	Self-Contained Breathing Apparatus
SCRS	Statutory Compliance Reporting System
SEBI	Securities and Exchange Board of India
SEZ	Special Economic Zone
SHG	Self Help Group
SO ₂	Sulphur Dioxide
TREM	Transport Emergency Management
UNGC	United Nations Global Compact
USA	United States of America
USD	United States Dollar
VOC	Volatile Organic Compound
WEF	World Economic Forum



D. United Nations Global Compact- Index

UNGC THE TEN PRINCIPLES			
Area	Principle	Statement	Page No.
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	21, 66-68
	Principle 2	make sure that they are not complicit in human rights abuses	66-68
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	21, 60, 66
	Principle 4	the elimination of all forms of forced and compulsory labour	21, 67
	Principle 5	the effective abolition of child labour; and	21, 67
	Principle 6	the elimination of discrimination in respect of employment and occupation	66
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges	24
	Principle 8	undertake initiatives to promote greater environmental responsibility; and	48-50
	Principle 9	encourage the development and diffusion of environmentally friendly technologies	3, 44
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	78



E. National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business- Index

Principle	Description	Page No.
Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	17-24, 78
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	14, 36, 42-46, 48, 49, 53, 54, 65-68
Principle 3	Businesses should promote the wellbeing of all employees	18, 27, 55, 57-58, 61, 64, 65-68
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.	25-33
Principle 5	Businesses should respect and promote human rights	65, 66-68
Principle 6	Business should respect, protect, and make efforts to restore the environment	11-16, 38-54
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	79, 83
Principle 8	Businesses should support inclusive growth and equitable development	31, 68, 78
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	52-54, 78



F. GRI G3.1 Content Index

G3.1 Content Index						
Application Level		A+	Self- Declared		Assured by	Ernst & Young LLP
Standard Disclosures Part I: Profile Disclosures						
1. Strategy and Analysis						
Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
1.1	Statement from the most senior decision-maker of the organisation.	Fully	1			
1.2	Description of key impacts, risks, and opportunities.	Fully	11			
2. Organisational Profile						
Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
2.1	Name of the organisation.	Fully	5			
2.2	Primary brands, products, and/or services.	Fully	7			
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	5			
2.4	Location of organisation’s headquarters.	Fully	6, Back Cover			
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	5, 6			
2.6	Nature of ownership and legal form.	Fully	5			
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	5, 7			
2.8	Scale of the reporting organisation.	Fully	7			
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	8			
2.10	Awards received in the reporting period.	Fully	8			
3. Report Parameters						
Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	9			
3.2	Date of most recent previous report (if any).	Fully	9			



3.3	Reporting cycle (annual, biennial, etc.)	Fully	9			
3.4	Contact point for questions regarding the report or its contents.	Fully	9			
3.5	Process for defining report content.	Fully	9			
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	9, 10			
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	9, 10			
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Fully	9			
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	10			
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	10			
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	10			
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	92			
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	10			

4. Governance, Commitments, and Engagement

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Fully	19, 20, 21, 22			



4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	18			
4.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	18			
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	23			
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	Fully	19, 20			
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	20			
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	20			
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	17, 18, 21			
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	22			
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	20, 22			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	Fully	24			
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	Fully	2			



4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	83			
4.14	List of stakeholder groups engaged by the organisation.	Fully	25			
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	25-33			
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	25-33			
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	Fully	25-33			

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

G3.1 DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
DMA EC	Disclosure on Management Approach EC					
Aspects	Economic performance	Fully	34			
	Market presence	Fully	35, 36			
	Indirect economic impacts	Fully	36			
DMA EN	Disclosure on Management Approach EN					
Aspects	Materials	Fully	42			
	Energy	Fully	42			
	Water	Fully	45			
	Biodiversity	Fully	50			
	Emissions, effluents and waste	Fully	46, 47, 48			
	Products and services	Fully	49			
	Compliance	Fully	51			
	Transport	Fully	49-50			
	Overall	Fully	38-41			
DMA LA	Disclosure on Management Approach LA					
Aspects	Employment	Fully	56			
	Labor/management relations	Fully	60, 61			
	Occupational health and safety	Fully	61, 62			
	Training and education	Fully	63			
	Diversity and equal opportunity	Fully	65			



	Equal remuneration for women and men	Fully	65			
DMA HR	Disclosure on Management Approach HR					
Aspects	Investment and procurement practices	Fully	65, 66			
	Non-discrimination	Fully	66			
	Freedom of association and collective bargaining	Fully	66, 67			
	Child labor	Fully	67			
	Prevention of forced and compulsory labor	Fully	67			
	Security practices	Fully	67			
	Indigenous rights	Fully	68			
	Assessment	Fully	68			
	Remediation	Fully	68			
DMA SO	Disclosure on Management Approach SO					
Aspects	Local communities	Fully	68			
	Corruption	Fully	78			
	Public policy	Fully	79			
	Anti-competitive behaviour	Fully	79			
	Compliance	Fully	79			
DMA PR	Disclosure on Management Approach PR					
Aspects	Customer health and safety	Fully	52			
	Product and service labelling	Fully	53			
	Marketing communications	Fully	54			
	Customer privacy	Fully	54			
	Compliance	Fully	54			

STANDARD DISCLOSURES PART III: Performance Indicators

Economic

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
Economic performance						
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	34			
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Fully	35			
EC3	Coverage of the organisation's defined benefit plan obligations.	Fully	35			



Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
EC4	Significant financial assistance received from government.	Fully	34			
Market presence						
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Fully	35, 36			
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	36			
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	36			
Indirect economic impacts						
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	36			
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	36			
Environmental						
Materials						
EN1	Materials used by weight or volume.	Fully	42			
EN2	Percentage of materials used that are recycled input materials.	Fully	42			
Energy						
EN3	Direct energy consumption by primary energy source.	Fully	43			
EN4	Indirect energy consumption by primary source.	Fully	44			
EN5	Energy saved due to conservation and efficiency improvements.	Fully	44, 45			
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	44, 45			
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	44			
Water						
EN8	Total water withdrawal by source.	Fully	45			
EN9	Water sources significantly affected by withdrawal of water.	Fully	45			
EN10	Percentage and total volume of water recycled and reused.	Fully	46			



Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
Biodiversity						
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	51			
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	51			
EN13	Habitats protected or restored.	Fully	51			
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	51			
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Fully	51			
Emissions, effluents and waste						
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	46			
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	46			
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	44, 45, 46			
EN19	Emissions of ozone-depleting substances by weight.	Fully	46, 47			
EN20	NO _x , SO _x , and other significant air emissions by type and weight.	Fully	47			
EN21	Total water discharge by quality and destination.	Fully	47, 48			
EN22	Total weight of waste by type and disposal method.	Fully	48			
EN23	Total number and volume of significant spills.	Fully	48			
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Fully	48			
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	Fully	51			



Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
Products and services						
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	49			
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	49			
Compliance						
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	51			
Transport						
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	Fully	49, 50			
Overall						
EN30	Total environmental protection expenditures and investments by type.	Fully	51			
Social: Labor Practices and Decent Work						
Employment						
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Partially	57, 58	Reason for partial reporting explained on Page 58 of the report		
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	59, 60			
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	56, 57			
LA15	Return to work and retention rates after parental leave, by gender.	Fully	57			
Labor/management relations						
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	60			
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	60			
Occupational health and safety						
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	61			



Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	61			
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	62, 75			
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	61			
Training and education						
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	64			
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	28, 63, 64			
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	63, 64			
Diversity and equal opportunity						
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	18, 58			
Equal remuneration for women and men						
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	65			
Social: Human Rights						
Investment and procurement practices						
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	65, 66			
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Fully	65, 66			



Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	64			
Non-discrimination						
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	66			
Freedom of association and collective bargaining						
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Fully	66, 67			
Child labor						
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Fully	67			
Prevention of forced and compulsory labor						
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Fully	67			
Security practices						
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	67, 68			
Indigenous rights						
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	68			
Assessment						
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	68			
Remediation						
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Fully	68			



Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
Social: Society						
Local communities						
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	31			
SO9	Operations with significant potential or actual negative impacts on local communities.	Fully	78			
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	78			
Corruption						
SO2	Percentage and total number of business units analysed for risks related to corruption.	Fully	79			
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	Fully	78			
SO4	Actions taken in response to incidents of corruption.	Fully	79			
Public policy						
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	79			
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	79			
Anti-competitive behaviour						
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	79			
Compliance						
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	79			
Social: Product Responsibility						
Customer health and safety						
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	52, 53			



Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	53			
Product and service labelling						
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	53			
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	54			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	54			
Marketing communications						
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	54			
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	54			
Customer privacy						
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	54			
Compliance						
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	54			



G. Application Level Check



Report Application Level		C	C+	B	B+	A	A+	
Standard Disclosures	<div>Profile Disclosures</div> <div>OUTPUT</div>	Report on: 1.1 2.1- 2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4/14-4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured	✓
	<div>Disclosures on Management Approach</div> <div>OUTPUT</div>	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category		✓
	<div>Performance Indicators & Sector Supplement Performance Indicators</div> <div>OUTPUT</div>	Report fully on a minimum of any 10 Performance Indicators, Including at least one from each of: social, economic, and environment.**		Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human right, labor, society, product responsibility.***		Respond on each core and Sector Supplement* Indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.		✓

* Sector supplement in final version

** Performance Indicators may be selected from any finalised Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines

*** Performance Indicators may be selected from any finalised Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines



H. Assurance Statement



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The Management and Board of Directors

Jubilant Life Sciences Limited

1-A, Sector 16-A

NOIDA 201301

Uttar Pradesh, India

Independent Assurance Statement

Ernst & Young LLP (EY) was engaged by Jubilant Life Sciences Limited (the 'Company') to provide independent assurance on its Sustainability Report 2012-13 (the 'Report') covering the Company's sustainability performance during the period 1st April 2012 to 31st March 2013.

The development of the Report based on the Global Reporting Initiative (GRI-G3.1) Guidelines, its content, and presentation is the sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

Assurance standard

Our assurance is in accordance with International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), and our conclusions are for 'limited' assurance as set out in ISAE 3000.

Scope of assurance and methodology

The scope of our work for this assurance engagement was limited to review of information pertaining to environment, health & safety (EHS) and social performance for the period 1st April 2012 to 31st March 2013. We conducted review and verification of data collection/ measurement methodology and general review of the logic of inclusion/ omission of necessary relevant information/ data and this was limited to:

- Review of consistency of data/information within the report as well as between the report and source;
- Review the level of adherence to GRI G3.1 Guidelines, the reporting framework followed by the Company in preparing the Sustainability Report;
- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation. Plants of the Company at Gajraula & Nanjangud were visited for this purpose apart from Head/Corporate Office at Noida;
- Review of the Company's plans, policies and practices, pertaining to their social, environment and sustainable development, so as to be able to make comments on the fairness of sustainability reporting.

Limitations of our engagement

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2012 to 31st March 2013);
- Review of the 'economic performance indicators' included in the Report which, we have been informed by the Company, are derived from the Company's audited financial records;
- The Company's statements that describe expression of opinion, belief, inference, aspiration, expectation, aim or future intention;



Building a better
working world

Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, was drawn from our Climate Change and Sustainability network, and undertakes similar engagements with various Indian and international companies. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. EY's independence policies and procedures ensure compliance with the Code.


Observations

During our review process, we observed that Company has compiled the Report on the basis of GRI-G3.1 Guidelines of the Global Reporting Initiative.

Conclusion

Based on our scope of review and approach, nothing has come to our attention that causes us not to believe that the Company is concerned about environment, health & safety (EHS) and social issues pertaining to its business activities, and the Report covers a broad range of EHS and social issues that are relevant to the sustainability performance of the Company.

Ernst & Young LLP



Sudipta Das
Partner

Dated: 9th July 2013

Place: Kolkata, India





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