



**Partner of Choice to
Life Sciences Companies**

Our Promise



Caring
for
Environment



Sharing
Economic
Value



Growing
with all
Stakeholders

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"We are a registered Organisational Stakeholder of the Global Reporting Initiative (GRI) and support the mission of the GRI to develop globally accepted sustainability reporting guidelines through a global, multi-stakeholder process."



SUSTAINABILITY POLICY

Jubilant Organosys Limited is an integrated pharmaceuticals industry player offering products and services to pharmaceuticals and life sciences industry. We are the country's leading CRAMS & API company, having business interests in pharmaceuticals & life science products, performance products and industrial products, believe in sustainability of growth.

Our approach to sustainable development focuses on the triple bottom lines of Economics, Environment and People.

As a business entity, we aim at improving stakeholder value through improved eco-efficient use of capital and natural resources.

The nature of our activities makes efficient utilisation of resources, environmental protection, operational & transportation safety and employee's health, significant component for long-term sustainability of our business and we stand committed to these.

Being responsible corporate citizens, we understand our role towards the society. We encourage and practise open dialogue with all our stakeholders and value their esteemed opinion, reflecting them in our strategic plans. We also recognise that development and empowerment of our human resources are crucial to achieving our stated objectives.

As in the past, we shall continue to adopt a structured approach for implementation of the policy and regularly monitor the progress.

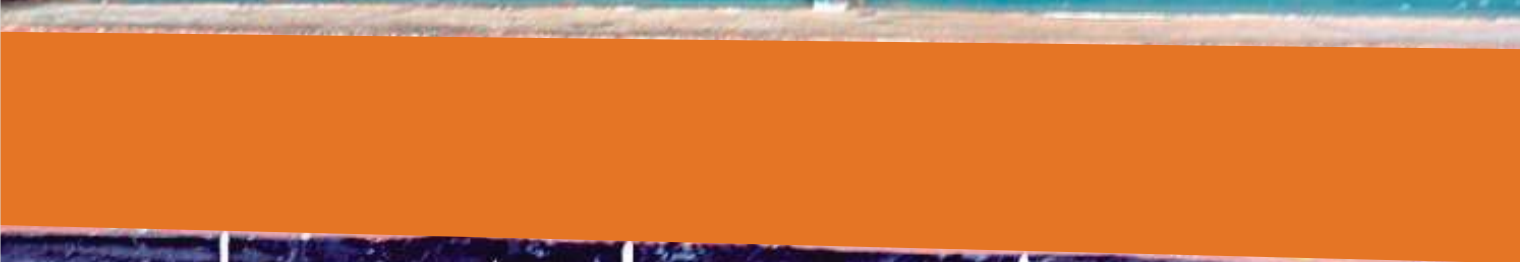
Shyam S. Bhartia

Shyam S Bhartia
Chairman and Managing Director

Hari S. Bhartia

Hari S Bhartia
Co-Chairman and Managing Director

Project Muskaan



$= 5$	$6 \times 1 = 6$	$7 \times 1 = 7$	$8 \times 1 = 8$	9
$2 = 10$	$6 \times 2 = 12$	$7 \times 2 = 14$	$8 \times 2 = 16$	9
$= 15$	$6 \times 3 = 18$	$7 \times 3 = 21$	$8 \times 3 = 24$	9
$= 20$	$6 \times 4 = 24$	$7 \times 4 = 28$	$8 \times 4 = 32$	9

Chairmen's Message



Shyam S Bhartia
Chairman and Managing Director

Hari S Bhartia
Co-Chairman and Managing Director

Dear Stakeholders,

In line with our continued focus on sustainability of our business during the year we accelerated the pace of our initiatives in the areas of Environment, Health and Safety as well as Social Development in sync with the business growth in various segments. We are happy to share with you our Eighth Corporate Sustainability Report for 2009-10 giving our performance on Economic, Environmental and Social parameters.

During the year, we enhanced our focus on the Pharma and Life Sciences business and re-aligned our business segmentation to derive maximum synergies from this business. We consolidated the non-pharma business as Agri and Performance Polymers business and initiated the process of demerger to enable each business to independently pursue and efficiently realise, its operating objectives. The proposed demerger of Agri and Performance Polymer business into a separate company will

enable both Jubilant Organosys Ltd. as well as the new entity to focus on their respective core businesses.

We are constantly engaged in delivering value to our global customers through innovative technologies, products and services. Our integrated business model enabled us to achieve maximum operational efficiencies and business volumes during the year. Our success was duly recognised and the Company received over 10 awards from various external bodies during 2009-10.

Expanding our footprint in affordable healthcare services for the middle and lower income group in India, we

commenced services of a 120-bed Super Speciality Jubilant Kalpataru Hospital at Barasat, West Bengal. We are focusing on a combination of international standard, professional and efficient hub and spoke, affordable healthcare services model for the lower and middle income group that will bridge the significant gap in the healthcare delivery mechanism for the larger section of the community in West Bengal.

Touching a
population
of more than
100,000
lives through
'Swasthya Prahari'

Our Drug Discovery and Development initiatives gained momentum during the year with several alliances with leading innovator companies like Astra Zeneca, Lilly and Endo Pharma. We also took initiatives in the areas of network R&D through collaborations with the academia, some of them being with Duke University, Southern Research Institute and University of Alabama at Birmingham, aimed at collective innovation for accelerating the development of affordable therapies. These partnerships demonstrate the Company's intent to be India's largest provider of innovative solutions for accelerating global Drug Discovery and Development for affordable healthcare for patients.

In line with its progress in various business segments the Company focused on extending its sustainability initiatives to other areas. We introduced a "Green Supply Chain Policy" on April 22, 2009, the Earth Day and a step towards greening the supply chain by extending the scope of sustainability to our suppliers.

Climate Change and Global Warming are issues, which are high on agenda at various international organisations and institutions. The challenge we face over the next decade or two is to continue to work towards a sustainable future. As we know, the issue of Climate Change is not a subject of debate anymore, rather it's time to come together and mitigate Climate Change from becoming a harsh reality of future. Acknowledging this, we formalised our "Climate Change Mitigation Policy" on June 5, 2009, which coincides with the World Environment Day. This policy is another effort in the direction of sustainable development and our endeavour to mitigate Climate Change by various initiatives as defined in the policy. The

Company is committed and working on various measures for energy conservation and emission reduction as well as to create awareness on Climate Change mitigation issues on a wider national scene.

The world's major economies measure and disclose their greenhouse gas emissions and Climate Change strategies through Carbon Disclosure Project (CDP). The Carbon Disclosure Project is an independent non-profit organisation holding the largest database of primary Corporate Climate Change information in the World. We plan to disclose information on our Greenhouse Gas emissions through the CDP during next year.

To subscribe to the principle that nothing is more important than the health, safety and wellbeing of employees, contractors, visitors and the surrounding community, we have integrated health and safety into business strategies, processes and performance measures. This year, the Company introduced "Suraksha Award" (Safety Award) for Executives as well as Workmen to recognise the contribution of an individual towards excellence in safety performance.

Corporate Social Responsibility is an integral part of how we conduct our business, set our goals and take decisions. We are happy to see the outcome of our long standing commitment to Corporate Social Responsibility and the initiatives taken for various neighbouring communities. We accelerated our pace in the focus areas of Primary Healthcare, Vocational Training and Primary Education during the year. The success of Project 'Muskaan', the primary rural education initiative is reflected in the significant lowering of the student 'drop out' rate. During the year, a Vocational Training Centre approved by National Council for Vocational



The Company is committed and working on various measures for energy conservation and emission reduction as well as to create awareness on climate change mitigation issues on a wider national scene.

Training (NCVT) became functional at Gajraula, offering various courses for skill development. The Ministry of Labour & Employment, Government of India, recognised this training institute within three months of its establishment.

We are committed to scale up our social development initiatives at all our locations across India and North America. Efforts were made at our overseas facilities namely Cadista, HollisterStier and Draxis to align it with the overall Sustainability Policy of the Company. Specific-actions are covered in the report.

The Company is committed to doing the right thing for today and tomorrow's generations i.e. Sustainability. The Company had set few targets to be implemented during the next year. The progress on the same is given below:

- The Company installed Wet Air Catalytic Oxidation system for the treatment of effluent at Gajraula unit to treat non bio-degradable effluent. This system is energy efficient and has helped improve the environment.
- The losses from the vents were reduced in the Pyridine and Picoline plant by installing new chillers. This has resulted in better yield, helped in resource conservation and improved work environment.
- At Gajraula, the plant drainage and recycling arrangements have been improved.
- Climate Change Mitigation Policy was unveiled with short term and long term planning for energy conservation measures, reduction in emissions, spreading awareness by using advancements in information technology.
- An MIS system was introduced to ensure better monitoring and management of information flow related to Company's EHS practice across locations.
- 'Project Muskaan' was extended to 20 additional schools in the vicinity of our manufacturing locations

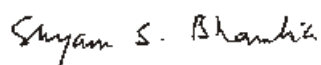
in India. This is an outcome of the positive response from the beneficiaries and requests from members of the community.

- The Company was successful in getting its Vocational Training Centre at Gajraula, registered as the Vocational Training Provider (VTP) under the Ministry of Labour & Employment, Government of India.
- To develop skills and help the youth for employment opportunities or start their micro enterprise, a training centre at Nanjangud was also established.
- 'Swasthya Prahari' a community based program was started at Gajraula with a focus on mother and child healthcare. This project has so far covered more than 30 villages around our Gajraula unit, touching a population of more than 100,000 lives.
- Green Supply Chain Policy was released to green the supply chain, which drives our agenda along with Partners in Progress, i.e. suppliers and vendors for long term sustainability.

As a community, the challenge we face over a long term horizon is to work for a sustainable future. To make our business effective and its impact acceptable, we will continue to identify and implement measures for better procurement, judicious usage of resources, minimise waste and reduce pollution. Jubilant is committed to Sustainable Development and continued efforts are directed towards protecting the environment wherever we operate. We thank all our stakeholders for their continued support and encouragement and look forward to their cooperation in chartering the future course of Sustainability.

We hope that this year also, the report, developed in-house, will find acceptance with you and we look forward to your valuable suggestions to make it better.

Best wishes and regards,



Shyam S Bhartia
Chairman and Managing Director



Hari S Bhartia
Co-Chairman and Managing Director

Description of Key Impacts, Risks & Opportunities

There are several risks and factors impacting the Company's business. The Company looks at these risks as challenges and opportunities to work and improve upon. Jubilant's businesses are widely spread from manufacturing to R&D of various products in India and abroad. While these activities are carried out, the impacts could be positive as well as negative.

Jubilant's ability to convert risks into opportunities has paved the way for the Company to emerge as one of the leaders in the industry. The Company's global presence and enhancement of product capacities along with introduction of latest technologies pose significant challenges, risks as well as opportunities for the Company.

Top and bottom line growth can be threatened by new risks while growing interests in Corporate Eco-efficiency by both consumers and investors is creating new business opportunities. In the current year climate change and global poverty have attracted a lot of attention as key global challenges for the future health and prosperity of the planet.

The other key risks for the Company's business including environment and safety are mentioned below:

As part of the Company's growth strategy, the Company plans to move up the pharmaceuticals value chain by expanding into new, complementary businesses and expanding its existing production ca-

capacity. A key focus of this strategy involves making substantial investments in the pharmaceutical and life sciences products and services sector. This expansion is being affected through organic growth and selective acquisitions, such as Hollister-Stier, Draxis Specialty Pharmaceuticals and Speciality Molecules. The Company's growth strategy therefore is subject to the risks inherent in the development of new business enterprises, viz:

- Commercialise and develop a market for new products and services;
- Develop or obtain the necessary know-how to manufacture new products;
- Maximise capacity utilisation;
- Expand its international distribution network;
- Obtain required domestic and international regulatory approvals on a timely basis;

1. Cost Competitiveness

The Company believes that it is a low-cost manufacturer for most of its product segments, including Advance Intermediates, Fine Chemicals and Active Pharmaceutical Ingredients (APIs). Multinational corporations have been increasing their outsourcing of such products to highly regarded companies that can supply products at low cost and conform to quality standards applicable to developed markets.



Jubilant's ability to convert risks into opportunities has paved the way for the Company to emerge as one of the leaders in the industry.

Understanding this as an opportunity and driver for business growth, the Company continued to take initiatives in reducing its costs by employing lean manufacturing techniques, alternate resource management and six sigma initiatives.

2. Third Party Liability Risks

The Company's business inherently exposes it to potential liabilities from its customers or end users for defects in products. It exports products to highly regulated markets, including the United States and Europe, which are 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 materialise.

3. Environment, Health & Safety Risks

Non Compliance with emissions standards relating to the manufacturing facilities, or other environmental regulations, may adversely affect the business and results of operations. Some of the Company's Research & Development and manufacturing operations involve dangerous chemicals, processes and by-products. The manufacture of Pharmaceuticals, Advance Intermediates, Fine Chemical Products & Sterile Injectables and Non-Sterile Products is subject to stringent regulations. The Company anticipates that environmental laws and regulations in the jurisdictions, where it operates, relating to the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from its operations, may become more restrictive with stricter enforcement in future. It also anticipates that customer requirements of quality and safety of production processes and products will continue to increase.

In anticipation of such requirements, the Company has incurred substantial expenditure and allocated other resources to proactively adopt and implement manufacturing processes to increase its adherence to environmental quality standards and enhance its industrial safety levels.

The challenges due to Company's operations related to Environment, Health & Safety (EHS) aspects for the business, employees & society are mapped and mitigated through a series of systematic and disciplined

sets of policies and procedures, which are explained below :

- For existing plant operations, the corporate audit team reviews the system regularly to achieve the overall objectives of the organisation and sustainability.
- Assessment of EHS aspects at the stage of the sanctioning funds for new projects as well as expansion. Accordingly, the Company sanctions additional Capital Expenditure to take care of EHS aspects of each project.
- Environmental Impact Assessment study for the projects as per the statutory requirement and obtain approval prior to setting up of new plant or expansion of existing facilities. Develop the Environment Management Plan to minimise the impacts identified.

The Company's operations are subject to the operating risks associated with pharmaceutical and chemical manufacturing, including related storage and transportation of raw materials, products and wastes. These hazards include, among other things:

- Pipeline and storage tank leaks and ruptures;
- Fire & explosions; and
- Discharges or releases of toxic or hazardous substances.

Such hazards may cause personal injury, property damage and environmental contamination and may result in the shutdown of affected facilities and the imposition of civil or criminal penalties. The occurrence of any of these events may subject the Company to litigation and/or significantly reduce the productivity and profitability of a particular manufacturing facility.

To mitigate these risks, the Company follows the Hazard Identification & Control system through Hazard Operability (HAZOP) or similar tools to identify the safety aspects related to manufacturing activities for new projects/expansion of existing plants and management plan for the same.

The Company also maintains an industrial all risk insurance policy for its primary manufacturing facility at Gajraula and Nanjangud, as well as property and casualty insurance at other manufacturing facilities.

The Company has processes in place for risk identification, monitoring & mitigation and incident management related to environmental protection.

4. Foreign Currency Exposures

Foreign Currency Exposures on account of global scale of operations could impact the economic results of the Company. Appreciation of Rupee against other currencies could decrease the cost competitiveness of the international sales and reduce overall profitability. Depreciation of Rupee against other currencies could increase the cost of imports, borrowings and repayment of indebtedness and reduces the Company's net income.

The Company actively makes decisions to hedge its currency exposures or to leave them unhedged.

5. Plant Shutdown or Disruption

The plants in Gajraula are the Company's main production facility for Organic Intermediates, Advance Intermediates, Performance Polymers, Performance Chemicals, Agricultural Products and Speciality Gases. Any disruption at Gajraula plant or stoppage of work due to labour strikes, social unrest, terrorist attacks, natural calamities or any other reasons may adversely affect the business and results of operations.

The Company uses an enterprise risk management approach that addresses broad spectrum of risks: industry specific, compliance, legal, competitive, environmental, business continuity, security, strategic, financial, reporting, reputation and operational.

The strategy of enhancing Jubilant's focus as a Pharma and Life Sciences company and growing population of developing world with a vision of increasing access to medical facilities is creating an expand-

ing market for Pharmaceutical products thus and is a great opportunity for the Company.

The Company's collaboration with various Pharma majors strengthens internal capabilities and increases the capacity of the innovative approaches to deliver a sustainable discovery pipeline with a lean and agile organisation. Ultimately, this will enable the Company a competitive portfolio and provide meaningful medicines to patients.

The Company understands that the only way to sustain growth is to be responsible, combat challenges and continually seek opportunities across triple bottom line.



The Company maintains an industrial all risk insurance policy for its primary manufacturing facility at Gajraula and Nanjangud, as well as property and casualty insurance at other manufacturing facilities.

Company Profile

Jubilant Organosys Ltd. is an integrated Pharmaceutical and Life Sciences company. It is the largest Custom Research and Manufacturing Services (CRAMS) player and a leading Drug Discovery and Development Solution (DDDS) provider out of India.

- The Company has a presence across the pharmaceuticals value chain through a wide range of products and services such as Proprietary Products, Exclusive Synthesis, Active Pharmaceutical Ingredients, Contract Manufacturing of Sterile Injectable (Liquids & Lyophilised) products, Non-Steriles (Ointments, Creams and Liquids), Radiopharmaceuticals, Drug Discovery Services, Medicinal Chemistry Services, Clinical Research Services, Generic Dosage Forms, Life Sciences Chemicals, Nutrition and Healthcare. The Company also has a presence in Agri and Performance Polymers business offering key Agricultural Products like Crop Nutrition Protection and Growth Regulators. Performance Polymers business comprises a range of consumer products like adhesives, wood finishes, application polymers like emulsions, food polymers and latex such as vinyl pyridine, SBR and NBR latex to its customers.
- Jubilant has geographically diversified manufacturing facilities at 11 locations worldwide of which 8 are based in India and 3 in North America.

Jubilant has organised its business into two distinct segments – Pharmaceuticals and Life Sciences Products & Services (PLSPS) and Agri and Performance Polymers (APP). Both these business segments have distinct and independent growth units catering to a cross section of industries from Pharmaceuticals, Biotechnology and Agrochemicals to Construction, Packaging and Textiles.

Jubilant currently has manufacturing units in three different countries holding direct relevance to sustainability issues. Other than India, Jubilant operates manufacturing facilities in:

1. United States of America

- Hollister-Stier Laboratories LLC in Spokane, Washington

- Cadista Pharmaceuticals Inc. in Salisbury, Maryland

2. Canada

- Draxis Specialty Pharmaceuticals in Montreal, Quebec.

Here in after, these are referred as North America units (NA units) in this report.

Jubilant Organosys Ltd. exports products to international markets for customers in more than 65 countries. The Company has marketing subsidiaries in the United States and China to effectively penetrate these major markets.

The Company also has subsidiary companies:

- Jubilant Pharmaceutical N.V. (Jubilant Pharma) and PSI Supply N.V. (PSI Supply), which focuses on pharmaceuticals regulatory affairs and supply of dosage forms business in Europe.
- Cadista Pharmaceuticals, Inc. (Cadista), which focuses on manufacturing and distribution of dosage forms in the U.S. market.
- Clinsys Clinical Research, Inc. (Clinsys), a USA-based CRO.
- Hollister-Stier Laboratories LLC. (HollisterStier) and Draxis Specialty Pharmaceuticals Inc. (Draxis Pharma), which focus on contract manufacturing of multiple dosage forms from sterile parenteral injectables to non-sterile products, and the production of speciality pharmaceuticals focused on allergy therapy and radiopharmaceuticals in the United States and Canada respectively.
- Jubilant Biosys Ltd., a drug discovery service company based in India.
- Jubilant Chemsys Ltd., a medicinal chemistry service provider based in India.
- Clinsys Clinical Research Ltd, an India based CRO.

As of March 31, 2010, the Company had 5,829 employees including those in our Subsidiary companies.

Net sales for the year ending March 31, 2010 was ₹ 37812.72 million. The paid up capital was ₹ 158.78 million and the consolidated debt was ₹ 31,727.33 million as on March 31, 2010.

Pharmaceuticals and Life Sciences Products and Services - 656185 MT

Product Line	Products and Services	Industry
Custom Research and Manufacturing Services	Proprietary Products – Fine Chemicals & Advance Intermediates and Exclusive Synthesis, Active Pharmaceutical Ingredients, Contract Manufacturing of Sterile and Non Sterile Injectables and Drug Discovery & Development Solutions	Pharmaceuticals, Biotech, Nutrition, Agrochemicals
Pharmaceutical Products	Speciality Pharmaceuticals - Radiopharmaceuticals & Allergenic Extracts and Generics*	Pharmaceuticals
Life Science Chemicals	Acetyls, Speciality Gases	Pharmaceuticals, Beverages, Agrochemicals, Herbicides, Organic Chemicals, EDTA, Oil Drilling, Detergents, Food, Paints and Coatings, Adhesives, Packaging, Printing,
Nutritional Ingredients	Nutritional Products for Pharma, Human Food and Animal Feed Applications	Pharmaceuticals, Agro Industry, Nutrition, Cosmeceuticals and Personal Care

Agri Products and Performance Polymers - 25208 MT

Product Line	Products and Services	Industry
Agri Products	SSP- Fertilizer, Agrochemicals	Farming, Agriculture
Performance Polymers	Consumer Products, Application Polymers, Food Polymers, Latex and others	Packaging, Dyeing, Woodworking Solutions, Wood Finishing, Chewing Gum, Adhesives etc.

* No of Tablets and Capsules manufactured at Roorkee unit are 102.40 million.

Total assets for the group comprises of Fixed Assets, Investments and Current Assets (net of Current Liabilities) are ₹ 43,245.50, ₹ 2,564.07 and ₹ 10,113.95 million respectively.

Currently, the Company supplies products and services to customers in more than 65 countries. International sales in Fiscal Year 2010 have increased by 12.7% over the previous year. America &

Europe are the single largest international markets accounting for 48.3% and China is the fastest growing market which accounted for 9.8% of the total sales.

During the course of the reporting period following changes have been carried out by the Company.

- In line with the continued strategy of enhancing the focus as a Pharmaceuticals and Life Sciences company, the

demerger of the Agri and Performance Polymer division into a separate company was approved in principle by the Board of Directors on January 21, 2010. The Company believes that the demerger will enable each business to pursue its respective growth prospects independently and efficiently. The demerger is expected to be implemented during 2010 by means of a Court approved process, involving each of our shareholders receiving a prescribed number of shares in the new company, prorata to their holding of shares in Jubilant Organosys Limited.

- The Board in the same meeting also approved change of the name of the Company to Jubilant Life Sciences Limited. A decision which has been endorsed by the shareholders.
- Jubilant Organosys also initiated work on a new 10,000 TPA manufacturing facility for 3-CyanoPyridine at its SEZ in Bharuch, Gujarat. The facility is expected to be operational by the end of 2010.
- Jubilant has filed patent applications in various countries for 32 innovations pertaining to organic intermediates of which, the Company has been granted 35 patents. Other details of patents filings are mentioned in the following table.
- The Company has made and expects to continue to make, substantial capital expenditures in connection with its continuing growth strategy.

In the reporting year, the Company raised ₹ 3,871.3 million through private placement from Qualified Institutional Buyers.

Jubilant Organosys Ltd. is a Public Listed Company. The shareholding percentage (as on March 31, 2010) is as mentioned in the graph.

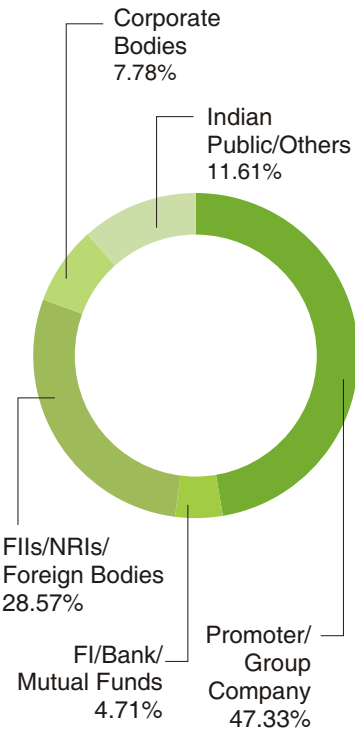
The Corporate Office of Jubilant Organosys Ltd. is located at Noida (U.P.), India and the address is:

Jubilant Organosys Ltd.
1-A, Sector 16-A
Noida – 201301
Uttar Pradesh, India
Phone: +91-120-2516601-11
E-mail: support@jubl.com

Patent Status

Business	Innovations Filed	Granted
API	68	17
Dosage Forms (NDDS)	20	2
IR Dosage Forms	18	–
APP	9	2

Shareholding Pattern

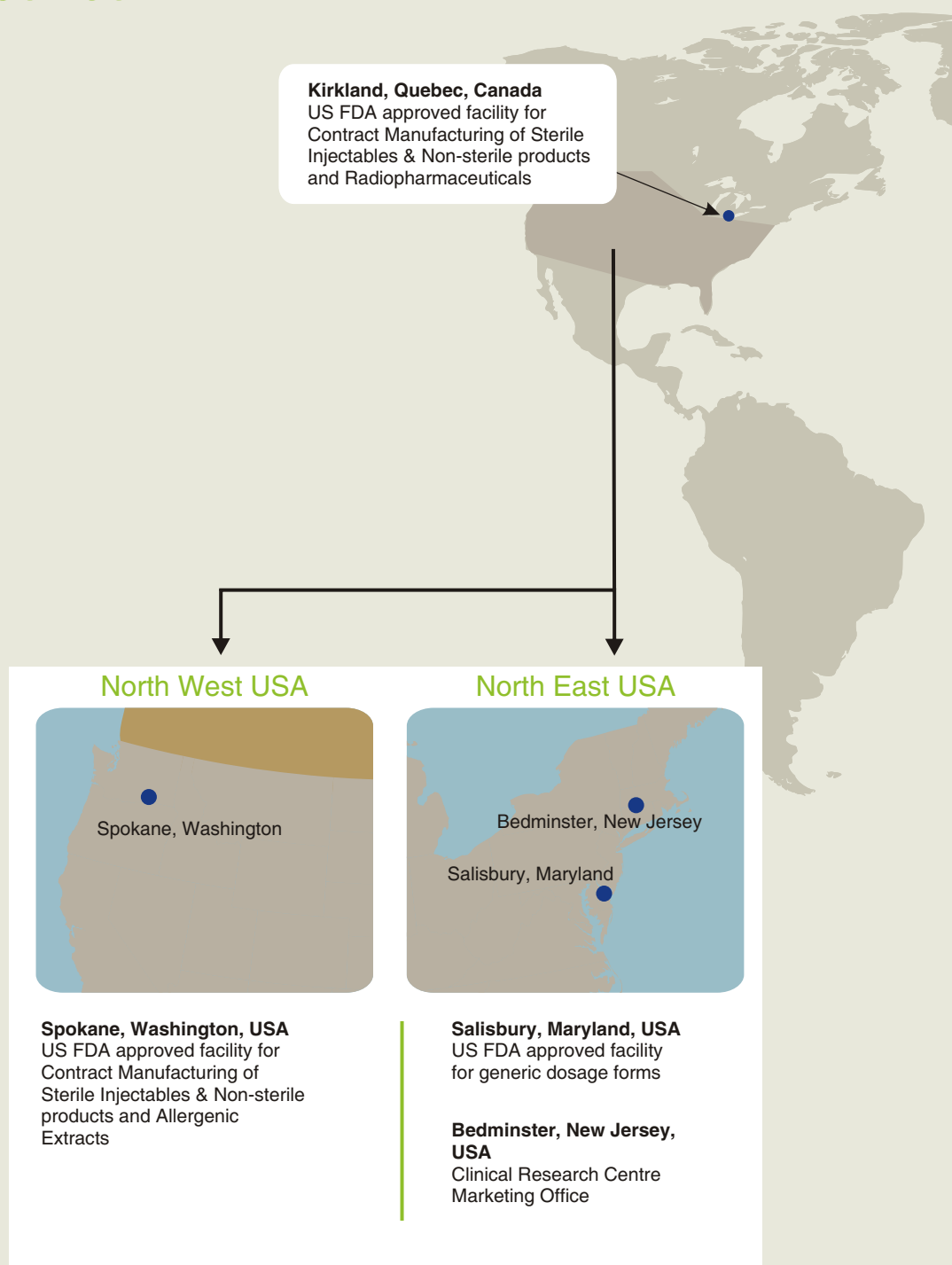




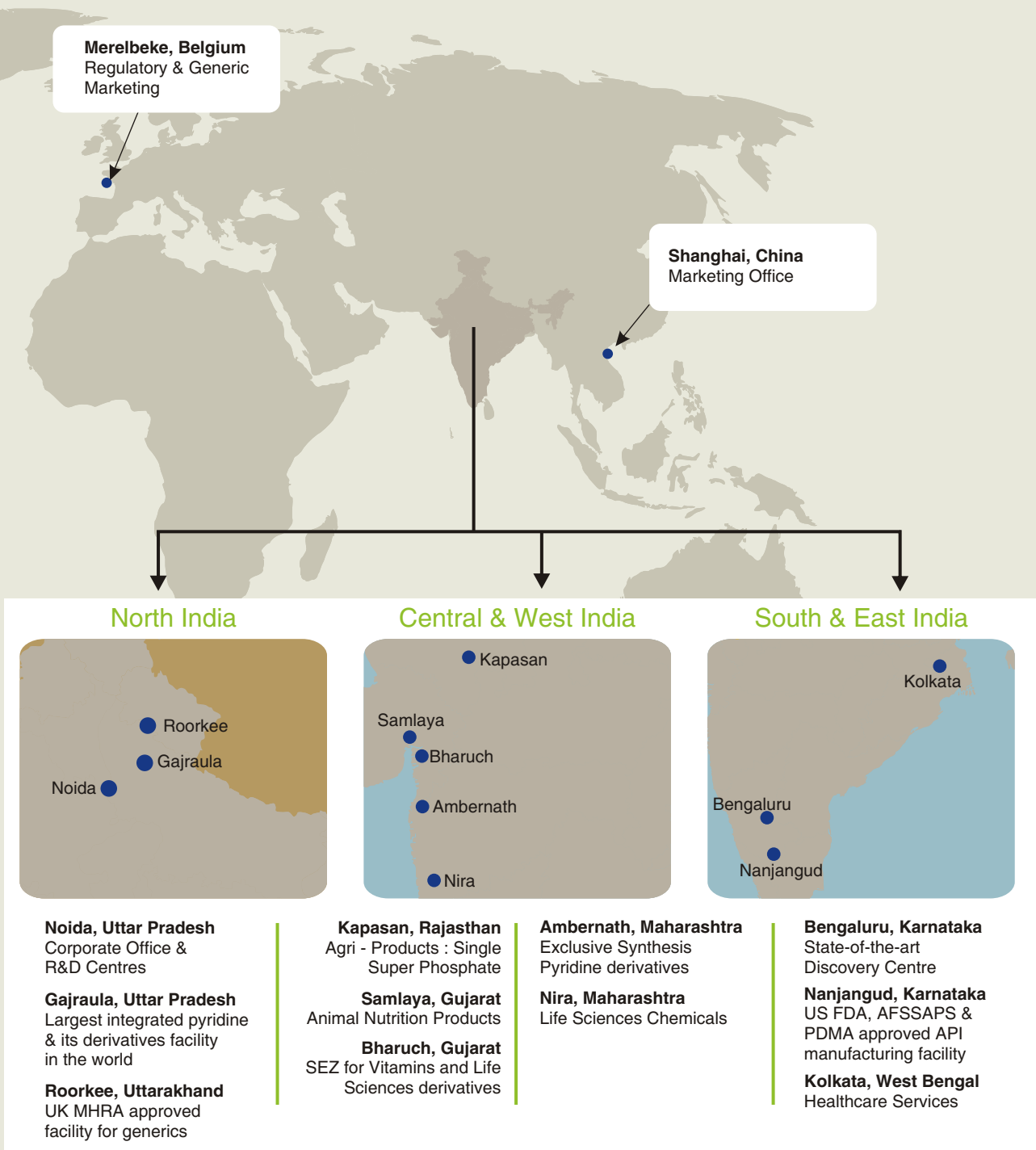
Awards & Recognitions

- NDTV Profit Business Leader of the Year 2009 as the **Best Pharmaceutical Company**
- PHD Chamber Annual Excellence Award 2009 for **Good Corporate Citizen**
- Acharya PC Ray Award for **Development of Indigenous Technology**
- **Industry Excellence Award** 2009 from Institute of Engineers India, Kolkata
- Frost and Sullivan – India Excellence in Healthcare Award as the **Best Contract Research Manufacturing Organisation** of the Year 2009
- ET – IMEA 2009 **Platinum Award** by Frost & Sullivan, in the Pharmaceutical category for the API facility at Nanjangud
- **Bio-Services Company** of the Year for Jubilant Biosys, Award by BioSpectrum Magazine for 2009
- BioSpectrum - **Person of the Year Award** conferred upon Co-Chairman & Managing Director
- **Best Performing CFO** of the year for the Pharma sector to Executive Director (Finance) by CNBC-TV18
- **Best CFO** (FMCG, Health and Retail Sector) to Executive Director (Finance) by Institute of Chartered Accountants of India
- **Corporate Excellence Award** as the best Pharma company from Amity University
- **Certificate of Appreciation** to the Company for successful implementation of HIV/AIDS program from International Labour Organisation (ILO)
- **Green Tech Silver Award** for Safety for Gajraula unit from GreenTech Foundation

Global Presence



- **International sales** in more than **65 countries**
- Present in **India, North America, Europe** and **China**
- **8** manufacturing facilities in **India** and **3** in **North America**
- **Drug Discovery Centre** in India and **Multiple R&D Centres** in India & Overseas
- Employs ~ **6000** people including ~**1100** in **R&D** and ~**1500** in **North America**



Leadership

Position

Globally No.1 in Carbamazepine, Oxcarbazepine, Lamotrigine and No. 2 in Citalopram & Risperidone in generic APIs

Globally No.1 in Pyridine & 11 advance intermediates

Leader in I-131 radiopharma product in USA

Leading player in North America in CMO for Sterile injectables

Globally among top 3 Allergy therapy companies

Globally among top 3 in several Generic dosage forms

Leading player from India in Drug Discovery & Development Services

Among top 3 in India for Single Super Phosphate fertilizer

No.1 in India and **Globally No.3** for food polymers

No.1 in India and **Globally No.4** in Vinyl Pyridine Latex

“Jivanjor” is the **2nd largest brand in India** in Consumer adhesives & wood polish category

Report Parameters

This Corporate Sustainability Report is for the period April 2009 to March 2010, which is the financial year in India. The Company has been publishing Corporate Sustainability Report regularly for past seven years and the last report was brought out in June 2009.

The report is published on annual basis and is brought out along with the Annual Report of the Company. The contact person for any questions or clarifications related to the report is Dr. Yogendra Kumar Saxena.

The contact details are as follows:

Dr. Y. K. Saxena
Chief of EHS & Sustainability
Jubilant Organosys Limited
1-A, Sector 16-A
Noida – 201301
Uttar Pradesh, India
Phone: +91-120-2516601-11
E-mail: sustainability@jubl.com

Report Scope and Boundary

The report content includes both core and additional performance indicators of G3 guidelines of Global Reporting Initiative (GRI), Netherlands as applicable to the Company. The other requirements of the guidelines have also been followed. With the experience of earlier years, various feedbacks from stakeholders and current challenges, the report focuses on the social activities as well as initiatives of the Company on Climate Change. This has resulted from the fact that most of the Indian manufacturing facilities are located in remote/semi urban areas where there is a significant requirement to support government projects for improving the quality of life as well as to work on Millennium Development Goals (MDGs) of the United Nations.

Climate Change phenomenon is creating unprecedented business challenges that are being felt from the production floor to the board rooms. Beyond the traditionally held categorisation of Climate Change as an environmental issue, it is now clearly understood that Climate Change is not only a development issue but also linked with poverty reduction, food security, economic, health, human rights, governance and equality. In fact the Company considers it as a MDG issue.

The report covers all the manufacturing facilities of the Company both in India and abroad. The subsidiary companies are also included in the report. Efforts on the activities carried out with the business partners – suppliers have been included in the report. On the down stream side, the Company has been responding to queries from customers related to sustainability but specific activities have not been included in this report. As mentioned last year, manufacturing units located at Roorkee (Uttarakhand, India) and Ambarnath (Maharashtra, India) have been included in this year's report. One of the international subsidiaries Draxis Specialty Pharmaceuticals Inc. has also been included as per the commitment made in last year's report.

The report includes all major activities which have significant impact on sustainability. Areas such as emissions due to employee travel and movement of goods have not been included in the report.

The Company has included the subsidiaries in the report and their performance indicators are part of the report.

Wherever practicable, the measurement techniques adopted are based on actual measurement. However, in the absence of continuous monitoring system for various facilities, sample data have been extrapolated to derive the results. There are no re-statements of information in the report. Previous year's figures have been regrouped/rearranged, wherever found necessary to conform to this year's classification.

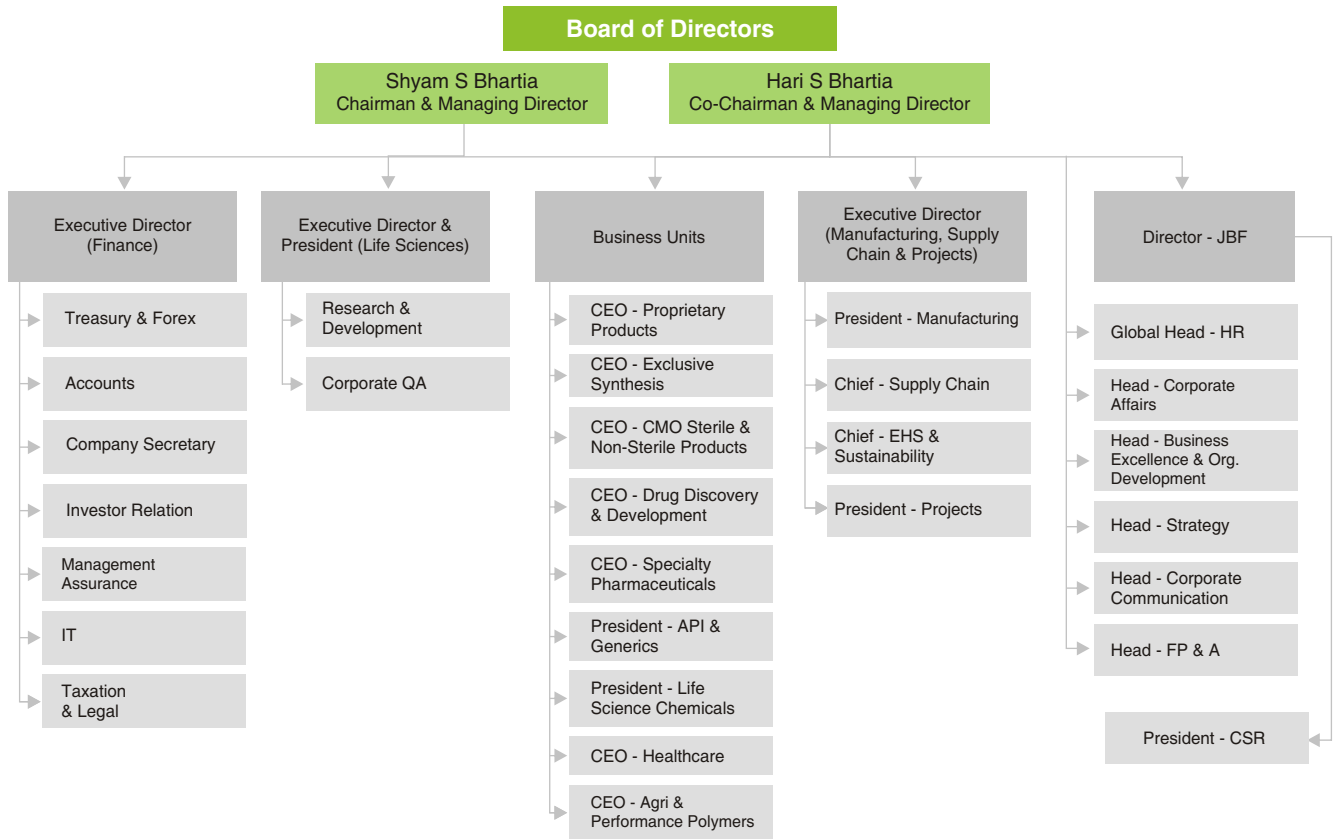
As mentioned earlier, two additional manufacturing units from India have been included in the report. Draxis Specialty Pharmaceuticals Inc., Canada has also been included in the current report.

Assurance

External/third party independent assurance has been a part of the Company's Corporate Sustainability Report. This year's report has also been verified by M/s Ernst & Young Pvt. Ltd. and the Assurance Statement is a part of the report.

Governance, Commitments and Engagement

Global Management Team



The Board of Directors of the Company is the Apex governing body responsible for framing and implementation of corporate governance policies. The Board, with the objective of creating sustainable value for all stakeholders, provides vision to the Company and oversees the Management's decisions. The Board has fostered a spirit of constructive criticism and created a culture of transparency throughout the organisation. For smooth operation of the business of the Company, the Board has delegated operational powers to the Managing Directors. The Company also has various Board level Committees, which include Audit Committee, Investors Grievance Committee,

and Remuneration Committee to meet regulatory requirements and to discharge these critical functions as delegated by the Board.

The Board/Committees regularly monitor:

- Internal Audit Reports
- Risk Management Processes
- Business Strategy and long term plans
- Financial Performance Review of Jubilant & its subsidiary companies
- Foreign Exchange Exposures
- Statutory Compliance

Further, to ensure effective implementation of Board's policy decisions, there are several Executive

The Company's Board is a judicious mix of executive, non-executive and independent directors. Out of the total of twelve directors, eight are non-executive and independent.

Committees, comprising Executive Directors and Senior Officials of the Company.

The Chief Executive Officers & Business Unit Heads of various businesses placed at one level below the Board are responsible for supervising and overseeing the functioning of their respective businesses, including the development of business strategies/plans, with due consideration to the interests of stakeholders. At the Annual Strategy Meet, the CMD, CCMD and the Executive Directors review these business strategies.

The highest Executive Officers of the Company are Chairman and Co-Chairman. Both of them belong to the founder group and have led the Company to its present growth and success. Under their guidance and leadership, the Company has extended its operations globally. The Company today stands prominently on the industry's world map, having some of the world's most successful and largest Pharmaceuticals majors as its customers.

The Company's Board is a judicious mix of Executive, Non-Executive and Independent Directors. Out of the total of twelve Directors, eight are Non-Executive and Independent. Non-Executive Directors are those who are not associated with the Company in an executive capacity. An Independent Director is a Non-Executive Director who apart from receiving director's remuneration does not have any material pecuniary relationship with the Company.

The Company is continually working to improve the quality of service rendered to its shareholders. As a step in this direction, the Company has been following a practice of obtaining annual feedback from its shareholders regarding the quality of services rendered to them. The Investor Feedback Form is also available on the website of the Company. The Shareholders can give their feedback by filling in this form at any time as per their convenience and ease.

The feedback is evaluated by the Company and acted upon, if found reasonable and practicable. Shareholder meetings are convened annually to meet the statutory requirements. The Annual General Meeting is another important platform where shareholders can exchange their valuable suggestions and ideas with Directors.

Due consideration is given to the suggestions/ ideas given by the shareholders, and to the extent found practicable, appropriate and in the interest of the Company, suitable actions are taken. 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 min-

utes of the meetings of members are prepared as per requirements of law and as such, inputs received in the General Meetings are not mentioned.

The quarterly results are voluntarily e-mailed to all shareholders whose e-mail addresses are available. In addition to mailing hard copy of Notice of Annual General Meeting and Annual Report to shareholders, the Company had also sent soft copies of these documents to those shareholders whose e-mail addresses were available.

Remuneration of Managing/Whole-Time Directors

The remuneration of Chairman & Managing Director and Co-Chairman & Managing Director is paid only after recommendations of Remuneration Committee are approved by the Board and Shareholders.

Remuneration of Non-Executive Directors

The Directors are paid sitting fees to meet the expenses incurred by them in attending the Board meetings, which are duly approved by the Board of Directors and are in accordance with Government guidelines. Further, Non-Executive Directors are also paid commission on an annual basis, in order to compensate them partially for the time and effort put in by them. Such commission is subject to the approval of the Board and shareholders. In addition to this, some Non-Executive Directors were also granted Stock options.

Remuneration of Executives

The Company's executive compensation policies are structured in line with the latest industry norms and business practices with the objective of attracting and retaining the best talent. The comprehensive appraisal system practiced in the Company consists of four parts of which three are based on non-financial parameters. Thus, the compensation given to executives reflects substantially their achievements on non-financial parameters, in addition to financial goals.

The Company has no formal written policy for conflict resolution. However, the conflicts within senior management levels are resolved through informal channels. In the eventuality of a conflict, the following approach is adopted:

- Studying/analysing the problem/situation.
- Organising joint meeting to understand the differing perspectives.
- Conciliation efforts through the offices of other senior executives.

In case conciliation fails, arbitration by senior persons/outside reputed persons is sought.

There are informal procedures in place for appointing members of the Board wherein the composition of the Board is studied to assess if there is a proper balance in place at the strategic level. For appointing a new director, suitable candidates are shortlisted, based on the criteria set by the Board, including the area of expertise/specialisation. The Board then makes the final selection.

The Company's Vision, Promise and Values statements are adapted by Business Heads and Functional Heads into their respective businesses/ functions. The Company has internally developed the following:

- Code of Conduct for directors and senior executives.
- Code of Conduct for employees (other than directors & senior management).
- Whistle Blower Policy.
- Corporate Communication Policy.
- Sustainability Policy.
- Environment, Occupational Health and Safety Policy.
- Climate Change Mitigation Policy, and
- Green Supply Chain Policy.

The major Committees of the Board at Jubilant are Audit Committee, Investors Grievance Committee and Remuneration Committee. The details are given below:

Audit Committee

The Committee monitors management's financial and operating processes and provides effective supervision and controls for ensuring the existence of a 'Controls Framework' commensurate with the size of the organisation and the nature of its business. Before the submission of financial statements to

the Board, it reviews Management Discussion and Analysis of financial conditions and results of operations.

Investors Grievance Committee

The Committee examines and redresses the shareholders' grievances. It also looks after the matters relating to share transfer/transmission and approves share transfers at its meetings. It also oversees and recommends measures for overall improvement in the quality of investor services.

Remuneration Committee

The Committee considers, evaluates and recommends to the Board, the compensation of the Managing and Whole Time Directors of the Company.

Certain committees like Supply Chain Committee, Capex Committee and Functional Review Committee have been constituted with the ED's, and senior officials as members for various important operational and functional areas including EHS performance review. The meetings of these Committees are held periodically, and also depending upon the business exigencies. The performance of each business unit and functional division including EHS and Social performance is reviewed by the CMD, CCMD and Executive Directors. The Company, with a view to inculcating a culture of transparency, ethical dealings and compliance with law, has laid separate Codes of Conduct, one for directors and senior management, and one for other employees.

Presently, the Company has not adopted a formal method for evaluating the performance of Non-Executive Board Members. The performance evaluation of the Executive Members is based on the results achieved in their respective areas.



Commitments To External Initiatives

Initially, lined lagoons were used to store distillery effluent and use it for bio-composting and ferti-irrigation as per the prevailing practice of that time. These lagoons were spread in an area of about 40 acres in Shahbajpur area of Gajraula region. The Company has installed a Slop Boiler and Multi Effect Evaporator which is the latest technology for the treatment of distillery effluent in addition to existing Reverse Osmosis plants. The Company has dismantled and levelled 26 lagoons after utilising the stored effluent. The Company plans to raise plantation/agricultural activities on this reclaimed land.

The Company has an adequate fire hydrant system at its Nira unit to take care of any emergency. Despite this, the Company has replaced the old fire tender with a new one having additional features such as increased water holding capacity, Self Contained Breathing Apparatus, Extendable ladder, Fire Fighter Suits, First Aid Box, etc. This facility is also extended to nearby villages on demand.

The waste from Nanjangud unit was sent to cement industry for co-processing as an alternate fuel in kiln. This is not only an example of generating Wealth from Waste but has also reduced the carbon emissions due to either incineration of this waste for disposal at Nanjangud unit or due to use of coal for cement kiln. The area which was earlier occupied for waste storage has been converted into office space and resulted in a better aesthetic environment for the plant. The solar evaporation ponds earlier used for waste storage are now cleaned and this is also being used for water storage. The Company has also installed a stripper system, ATFD and forced circulation evaporation in addition to the existing MEE and spray dryer system to strengthen its effluent treatment process. Today, Nanjangud unit is an example of comprehensive Environmental Management for effluent treatment in pharmaceutical industry. A well equipped laboratory for Environmental Monitoring has also been established at Nanjangud unit during the year.

The Samlaya unit is about 40 km from Vadodara and there is no hospital in the vicinity of the plant. The plant follows stringent standards for safety. As a precautionary measure for the safety of the workers and staff, the Company has procured an ambulance for Samlaya unit. This ambulance is equipped with bed for patient, oxygen cylinder, arrangement for administering drip, a folding stretcher etc. This facility is also extended to nearby villages whenever required as part of Company's Socially Responsible Initiative.

At the Gajraula unit of the Company, as an initiative for

spreading awareness for precautionary measures in case of any emergency. An Evacuation Drill was planned & meticulously executed for the Township, adjoining the plant, in which almost 600 persons reside. Evacuation drill was conducted successfully without any unwanted incidents. 100% evacuation was ensured by emergency support staff, post which all people assembled at the Assembly Point. This was one of the most important and unique feature of this exercise.

This exercise was appreciated by the residents as it helped in boosting their confidence. Though, plant personnel regularly take part in the emergency response drills, this was the first instance for township residents. Before this exercise, a group of housewives, key personnel & Emergency responders were explained about the objective & basic tips of evacuation drill. Special communication as well as training was imparted for evacuation of old age & physically/mentally disabled people as well as small children.

The Company engages with the media on a regular basis to apprise them of the Company developments beyond statutory requirements. The Company views media as a critical stakeholder who can help the Company build an effective brand image. During the year, the Company held special media briefings at plant locations like Nanjangud, Gajraula and Nira to create awareness about the Company's Environment Health and Safety practices and CSR initiatives.

The Company follows several externally developed charters and principles related to Economic, Environmental and Social performance. These charters and principles are not only those which are binding but voluntary also.

The Company's major manufacturing facilities i.e. Gajraula, Samlaya, Nanjangud & Nira in India are certified to ISO standards for Quality and Environment Management Systems (EMS) as well as OHSAS for Safety systems. The Gajraula unit is certified for Integrated Management Systems (IMS), this includes Quality, Environment and Safety. The codes which the Company is required to follow in order to carry out business abroad for API manufacturing facility and dosage forms such as US FDA, AFSSAPS - France and PMDA – Japan have also been obtained. The Company has adopted the Globally Harmonised System for providing safety information regarding its products.

The Company is a signatory to the Responsible Care program of Indian Chemical Council (ICC). As a signatory to Responsible Care, the Company is committed to Sustainability; The global chemical industry's unique ini-

tiative to improve its Health, Safety and Environmental performance.

The Company continues to be a member of GRI as an Organisational Stakeholder (OS) demonstrating its commitment to the concept of Sustainable Development and Sustainability Reporting. The Company tries to align its social initiatives to the Millennium Development Goals (MDGs) of the United Nations. On the social front, as a specific case, the Company follows the ILO guidelines on building awareness to prevent/spread of HIV/AIDS.

The Company actively participates in activities of various industry associations of the country. Many of the senior executives are members in various committees of the associations. The Company is also a member of leading industry associations of the country. These include Confederation of Indian Industry (CII), Federation of Indian Chamber of Commerce & Industry (FICCI), All India Distillers Association (AIDA), Indian Chemical Council (ICC), PHD Chamber of Commerce & Industry (PHDCCI) etc. The Company does not provide major financial funding to the associations but serves in terms of providing professional support. However, the Company supports technical programs to spread awareness on sustainability issues.

Stakeholder Engagement

1. Customers: The customers are engaged by the Businesses on regular basis in the form of one-on-one discussions and through exhibitions, e-mails, etc. Jubilant believes that its business goes beyond manufacturing and does extensive customer engagement for Custom Research and Manufacturing Services (CRAMS), one of

the main business portfolios of the Company. The Company's approach on Sustainability as well as details on Environment, Health and Safety are also shared with customers in the form of a questionnaire survey. The Corporate Sustainability Report and Financial Report are also provided to the customers. Some of the customers also visit the manufacturing site for first hand feedback on the Sustainability aspects. HollisterStier strictly follows the State Legislation Prescription of drug marketing to disclose marketing expenses, including gifts to drug prescribers.

2. Shareholders, Investors and Providers of Capital: The finance department of the Company engages regularly with the group of stakeholders and provides regular updates to shareholders about the performance of the Company. Annual Report and Sustainability Report are also circulated to all the shareholders. This also includes communication on business risks and opportunities. Investors and providers of capital enable the Company to generate funds.

3. Employees: The Company considers employees as an important resource. Besides initiatives implemented earlier, e.g. 'Disha' and 'Sankalp', the Company has initiated 'Applause' to motivate and encourage the employees to perform beyond excellence and reward them. The other programs introduced are 'Talent & Succession Management' as well as 'Employees Wellness'



program for awareness to assist employees and their families to lead better & healthier lives. Employees are also involved in the monitoring of the welfare facilities. The employees of NA units are regularly involved in the social activities of the Company. Cadista's 'Wellness by Choice' program to minimise the high cost of health care is provided to employees for improved health in promoting individual responsibility.

4. **Local Community:** The Company regularly engages with the surrounding community through Jubilant Bhartia Foundation (JBF). The Foundation conducts need based assessments to identify the needs of the local area for suitable intervention. These assessments are also carried out by an expert agency to determine the social needs of the community. This has helped in proper identification of requirements of the locals and effective planning to deliver the desired result.
5. **Non Government Organisations (NGOs):** The projects are selected based on need assessments and implementation approach is participatory. The Company ties-up with NGOs to work in areas that are not the core competency of the Company. The details are included in the Social section of this report. The NA units of the Company are also joining hands with NGOs for social activities.
6. **Government & Other Regulatory Bodies:** The Company engages with concerned agencies to organise programs for the communities launched by the Government, e.g. DOTS, ICTC and Vocational Training Providers with Ministry of Labour and Employment, Government of India. The Company's Project 'Muskaan' is also carried out in partnership with the State Government of Uttar Pradesh. The NA units of the Company are audited by Regulatory bodies such as Department of Ecology, Fire Department, Waste Water Management and Country Air Pollution Control Authority, Department of Labour and Industries as well as Business Insurance carriers.
7. **Suppliers:** The Supply Chain department of the Company regularly engages with Suppliers. The engagement is both formal and informal. Annually, the Partners in Progress Meet is organised by the Company to discuss various issues related to Supply Chain activities as well as global issues such as Climate Change & HIV/AIDS. At Jubilant, e-Procurement system called eJ-Buy

has been initiated. The eJ-Buy platform has been instrumental in improving visibility in procurement process and creates a systematic information flow.

8. **Industry Associations:** The Company is a member of several industry associations and actively participates on Committees of these associations. The Company also joins hands on various programs on technical issues related to Effluent Treatment, Waste Management as well as global issues such as Climate Change & Sustainability.
9. **Employee's Family:** The Company has introduced various schemes and provisions for employee's family welfare as per the need of the locations. The Company has provided good residential facilities, children's education, recreational facilities, health care facilities etc at Gajraula and Nira. At other locations, Annual day is celebrated with members of the Company. At Corporate office employee's families participated to commemorate the World Environment Day with the motive "your planet needs YOU! UNite to combat Climate Change".
10. **Research Institutes and Universities:** Jubilant has regular interaction with research institutes and universities for conducting several studies as and when required for the improvement of environment and other related issues of Sustainability.
11. **Consultants:** The Company has consultants having specific expertise in areas where the company has planned improvements for conducting studies as per regulatory requirements.
12. **Media (Print & Electronic):** The Company engages with the Media, both Print and Electronic on an ongoing basis and views them as critical stakeholders who help the Company build an effective brand image. During the year the Company scaled up its interactions with journalists based in Delhi, Mumbai, and Bangalore in order to build relationships with them and garner a positive mindshare for Jubilant.

The Company stepped up its quarterly media outreach through a combined conference call with print media and wire services journalists on the day of the results to ensure transparent and consistent messaging to the media. The Company also extended its visibility on Electronic media through television interviews on all mainstream English and Hindi business news channels through its team of spokespersons, in order to expand its reach to a larger section of the population.

During the year the Company also extended its media outreach with foreign publications and had its articles appearing in Financial Times, UK, New York Times, USA and Forbes magazine, besides global online presence for its various press releases. The Company's media visibility was consistently scaled up in the national and regional media through targeted interventions at some of its plant locations. The Company follows the SOP of sharing all material information with the Stock Exchanges before sharing it with the media.

The Company engages with the media on a regular basis to apprise them of the Company developments beyond statutory requirements. During the year the Company held special media briefings at plant locations like Nanjangud, Gajraula and Nira to create awareness about the Company's Environment, Health and Safety practices and CSR initiatives.

Basis for identification and selection of stakeholders


The stakeholder identification and selection for engagement is based on two criteria – impact on stakeholders due to Company's activities and influence of stakeholders on Company's business. The Company developed and adopted this methodology, two years ago. In addition to this, the engagement with the stakeholders is issue

based. On the issue of Climate Change Mitigation, the Company had taken a drive to increase awareness on this global issue at all its locations for the initiatives defined in the policy. To spread the awareness of Climate Change Mitigation on a wider scale, a leaflet was posted to all concerned as well as e-mailed to various stakeholders as mentioned above.


On the occasion of Diwali, the festival of lights celebrated all over India, the Company continued its efforts to increase the awareness on Mitigation of Climate Change. A leaflet was circulated to all the employees at the corporate office and R&D facilities at Noida, accompanied by a Solar Torch to selected stakeholders.

Further, the Company has supported seminars, exhibitions, etc on this issue with Industry Associations with the aim of engaging larger group of stakeholders.

As mentioned above the Company engages with a wide range of stakeholders. Different Businesses and functions engage the stakeholders depending upon the need and mapping. The frequency and method for engagement varies with different stakeholder group. The community development programs are identified on the basis of need assessment survey with the active engagement of the concerned stakeholders.



"A Very Special Wish
just for you
Today and all the year through"
to mark
World Environment Day
5 June 2009



as
An Environmentally Conscious New Year Day

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Dr. Y K Saxena
Chief of EHS

Climate Change

Social and economic development is strongly related to climate change. It is now well established that climate change and its impact can have a very negative influence on people and their economy. The global effort to fight poverty, confirm again with their adoption of the Millennium Development Goals, will be seriously hampered if mitigation and adaptation to climate change are not addressed.


The theme for World Environment Day 2009 is Climate Change with the motto "Your Planet Needs You—UNITE to Combat Climate Change". Every individual's effort, no matter how small, can contribute to the Sustainable Development.

UNEP has now launched a new and more ambitious plan—the Seven Billion Tree Campaign. This aims to see more than one new tree planted for every person alive.

On this day, we all should do an action which will contribute to cut carbon emissions and continue these throughout our life. These are :

- Plant a tree and nourish it
- Change bulbs to CFL
- Switch off lights and other electrical items when not in use
- Treat office as our home by turning off lights, computer when not in use
- Use solar devices and buy energy efficient appliances
- Look out for products with Eco-mark or BEE level
- Knock local authorities to switch off street lights before sunrise and stop garbage burning to reduce carbon emissions
- Observe a week ride initiative to reduce GHG emissions
- Open windows to use natural airflow and light whenever possible
- Say no to Polythene bags and use Thalis
- Think twice before flying or attending a meeting
- Turn off computer, electrical gadgets, lights and geyser when not in use
- Use public transport or adopt car pooling whenever possible
- Buy in bulk – be Environment Friendly

THINK ! USE LESS ! BUY BETTER ! SAVE EARTH




UNITE TO COMBAT CLIMATE CHANGE – THIS DIWALI

- The changes in weather pattern such as heavy rainfall, drought, higher temperature, etc. are visible impacts of global warming.
- It is time for all of us to realise the imposing danger affecting us and the planet.
- This can be tackled by change of attitude in our day to day life.
- As one of the initiatives of our Climate Change Mitigation Policy, we are spreading awareness in the form of Solar Torch, hope Jubilant efforts will be appreciated
- We invoke the blessings of Ganeshji and Laxmiji, Wishing you and your family a very "Happy & Prosperous Diwali".

The concerns raised and actions taken are below:

Stakeholder Engagement

Education		
Concerns	Raised by stakeholders	Actions taken
Lack of running water availability to maintain toilets in the schools	VECs at Gajraula	<ul style="list-style-type: none">16 hand pumps were installed in 'Muskaan' schools at Gajraula. However, one pump is without Seesaw arrangement due to nearby wall
Renovation of school facilities	VECs at Gajraula, Nanjangud, Nira and Samlaya	<ul style="list-style-type: none">Built school gate in Mohammadpur School at Gajraula.Boundary wall and drinking water facilities have been built in Korehundi school at NanjangudDesks and tables were provided in Jubilant English Medium School (JEMS), Nira
To improve the facilities in Kasturba Gandhi schools project at Gajraula	District Administration and Education dept. at Gajraula	<ul style="list-style-type: none">4 schools have been included in our school support program
Health		
Concerns	Raised by stakeholders	Actions taken
Poor health indicators at Gajraula, support requested from Company	District Administration and Health Department	Community based Mother and Child Healthcare (MCH) program named 'Swasthya Prahari' initiated in Gajraula
Malnourishment in the children below 5 years of age	Panchayati Raj Institution(PRI) members, Integrated Child Development Scheme(ICDS) and Health Dept. at Nira	Initiated jointly with ICDS, Indian Medical Association (IMA), Nira and Health dept. to train mothers about the importance of child nutrition and providing supplementary nutritional elements to children
Lack of health check facilities in the villages	Villagers (PRIs)	Initiated weekly clinics with the help of trained doctors in 3 villages namely Karachiya, Samlaya and Juna Samlaya
Livelihood Generation		
Concerns	Raised by stakeholders	Actions taken
Lack of employment opportunities for the youth	Villagers (youth)	<ul style="list-style-type: none">Established Vocational Training Centre (VTC) at Gajraula and NanjangudInitiated vocational training programs to improve employability among youth at Gajraula, Nanjangud and Samlaya
Other Community Work		
Concerns	Raised by stakeholders	Actions taken
Cattle health around two of the Company's locations namely Gajraula and Kapasan	Villagers (PRIs) and Veterinary department	<ul style="list-style-type: none">Conducted cattle health camps at both the locations
Drinking water facilities at Nanjangud	Villagers (PRIs)	<ul style="list-style-type: none">Renovated drinking water supply facilities at Nanjangud

Management Approach- Economic Indicators

Policy & Goals

The policy and the goal for Economic performance are stated in the Jubilant Vision.

Economic Performance

The return on capital invested during the reporting year was 24 points higher than the cost of capital invested.

Economic Value Generated product category wise

The Net sales for FY 2010 increased by 8% to ₹ 37,812.72 million, with revenues from international market rising by 12.7% to ₹ 24,539.82 million. The Pharmaceuticals and Life Science Product & Services (PLSPS) business, which is the focus business area, was the fastest growing business recording a growth of 13%. PLSPS business with revenue of ₹ 33,617.60 million contributed 89% of the net sales of the Company.

Economic value generated region wise

Over 65% of the Company's revenues come from international markets. The Company's major international markets are Europe, America and China.

Economic value distribution to employees

The staff cost as a percentage of net sales has witnessed an increase to 20% of net sales in FY 2010 as compared to 18.7% of the net sales in FY 2009. The Company has moved into more knowledge-based business, which involves higher level of R&D work.

Revenue Generation - Product Category Wise

Product Category	2007-08 (₹ million)	2008-09 (₹ million)	2009-10 (₹ million)
PLSPS	21,450.52	29,714.72	33,617.60
APP	3,438.25	5,465.12	4,195.12
Total	24,888.77	35,179.84	37,812.72

Revenue Generation - Region Wise

Region	2007-08 (₹ million)	2008-09 (₹ million)	2009-10 (₹ million)
India	10,949.21	13,408.59	13,272.90
Americas & Europe	9,468.20	15,943.46	18,293.60
China	3,024.60	2,902.94	3,707.90
Asia & Others	1,446.76	2,924.85	2,538.32
Total	24,888.77	35,179.84	37,812.72

Employee Wages & Benefits

Item	2007-08 (₹ million)	2008-09 (₹ million)	2009-10 (₹ million)
Salaries, Wages, Bonus, Gratuity & Allowances	3,328.64	5,487.22*	6,397.01
Contribution to Provident Fund & Superannuation Fund	187.18	552.97*	540.79
Staff Welfare Expenses	323.36	534.70*	514.80
Total	3,839.18	6,574.89	7,452.60

* Figures are regrouped and rearranged.

Major Expenditures

Item	2007-08 (₹ million)	2008-09 (₹ million)	2009-10 (₹ million)
Purchases – traded goods	506.91	1,134.85	2,018.45
Raw and process materials consumed	9,510.17	13,148.77	12,904.28
Power and fuel	1,704.32	1,979.06	2,200.34
Stores, spares, chemicals, catalyst & packaging material consumed	1,674.45	2,111.64	2,371.61
Processing charges	156.15	177.48	202.53
Advertisement, publicity & sales promotion	169.12	149.71*	161.74
Printing & stationery	44.39	58.59	56.50
Communication expenses	102.11	142.97	139.01
Auditors remuneration- as auditors	1.92	2.13	2.81
For taxation matters	0.39	0.54	0.43
For certification/advices	0.64	0.38	0.65
Out of pocket expenses	0.17	0.24	0.31
Legal, professional & consultancy charges	247.92	323.41	304.58
Freight & forwarding	507.22	600.89	594.08
Total	14,625.88	19,830.66	20,957.32

* Figure is regrouped and rearranged.

Economic value distributed

The volume of raw materials purchased increased in line with growth in sales and is summarised in the table under Environmental Performance indicators on material used. Molasses and alcohol, our key raw materials and some of the petroleum based raw materials witnessed sharp increase in prices resulting in marginal increase in cost of material as percentage of net sales.

A large part of our raw materials and supply procurement is done by advance payment or through letter of credit. We also import a large part of our raw materials from international markets.

Economic value distribution to others

The Company has been working with the community on several fronts. The Company does not make any significant, direct financial donation to the community. However the Company provides financial assistance to Jubilant Bhartia Foundation (JBF) through which it is engaged in various community development activities. During the year the Company donated ₹ 11.40 million to the Foundation and paid ₹ 45.69 million to other non profit organisations for carrying out social activities.

The Company has been making dividend payments consistently over the past several years, as tabulated. During FY 2010, the Board of Directors of the Company has recommended 200% dividend payment, subject to

Dividend Paid by the Company

Dividend	2007-08	2008-09	2009-10
Total dividend payout (₹ million)	256.56	261.29	370.30
% dividend (on face value of ₹ 1)	150	150	200

Contribution to National Exchequer

Tax	2007-08 (₹ million)	2008-09 (₹ million)	2009-10 (₹ million)
Corporate Tax	676.35	122.91	961.69
Tax on Distributed Profits on Equity Shares (Provision)	37.27	37.95	52.74
Central Excise	2,263.46	2,695.84	2,882.50
Total	2,977.08	2,856.70	3,896.93

approval of shareholders.

The Company's retained earnings and reserves increased by 43% to ₹ 21854.56 million. The dividend payout for the reporting year includes the dividend tax.

Jubilant is a profitable business, subject to taxes paid such as corporate income tax and other taxes including excise, service tax, sales tax, customs etc. The details of the Company's contribution to the public exchequer in India are given in table.

Financial implications due to Climate Change

The Company has a risk management framework in place for active monitoring and mitigation of organisational risks on continuous basis. There are no major financial implications envisaged at present due to climate change. Issues such as rise in sea level will not impact business significantly as the operations are away from the seacoast. However, the Company is working on energy efficiency though the Company's operations are not highly energy intensive.

The Company has defined benefit plans for the employees. This year Variable Pay plan was introduced for senior management to build a high performance culture in the Company.

In addition to this there are two types of plans available in the Company. First is the Provident Fund, which is managed by a trust and the contributed money is given to employee when s/he either retires or leaves the Company. The second is Gratuity, whereby, the Company pays a sum, based on the duration of service with the Company at the time of retirement or separation from the services of the Company. The Company has Group Medical Insurance Policy for all the employees of Indian locations, while workmen are covered under ESI Policy and Workmen Compensation Policy as applicable. The

employees of NA units are covered under the Health Insurance as per the laws.

The Company receives subsidies for the manufacture of fertilizers, which is an Agrovet product. During the year, the amount of subsidy received from the Government, was ₹ 619.27 million.

Market Presence

The Company procures major feedstock from indigenous sources across the country. However, critical material coming at competitive prices with the world best suppliers are also a part of the inputs to the value chain & these are being managed with the best in class processes. The major inputs on energy which includes coal, HSD, RFO and other major minerals like the rock phosphate are also coming from the partners within the country.

The Company does not give any preference to local residents when hiring professionals for senior management position. The Company believes in hiring professionals based on their knowledge and skills and not as per their place of residence. However, at significant locations of operations in India, local citizens represent higher management. In the worker class however, depending upon the availability people are hired from nearby locations.

Indirect Economic Impacts

The Company carries out the social activities in a wide variety of areas under the aegis of Jubilant Bhartia Foundation (JBF) hereafter referred as Foundation. The Need Assessment Survey by reputed consultants for four units which include Gajraula, Nanjangud, Nira and Kapasan was conducted. The details of various socio-economic activities are given in the Social section of the Report.



The Company believes in hiring professionals based on their knowledge and skills and not as per their place of residence.

Management Approach - Environmental Indicators

Policy

The Company believes in Sustainable Development and has a formal Sustainability Policy. The Company also has an integrated Environment, Occupational Health and Safety Policy.

In the reporting year, two more policies on Climate Change Mitigation and Green Supply Chain were released. These policies are available on the Company's website at www.jubl.com.

Organisational Responsibility

Executive Director, who is also a member of the Board, holds the overall responsibility of Environmental, Health and Safety performance of the Indian operations of the Company. Chief of EHS & Sustainability monitors the status of compliance and performance across the units in India through unit level teams at all locations and reports to the Executive Director. All EHS heads located at Indian locations report to the Chief of EHS & Sustainability and maintain EHS database. For international subsidiaries, the respective Unit Heads are responsible for the statutory requirements.

Goals and Performance

The goals for Environment, Health & Safety and related areas are reflected in our policies and the Company is committed to protect the environment. The Company is continuously working on these areas and specific performance is given in the relevant sections. Performance and targets for EHS aspects are discussed annually during the Sustainability Meet for all the Indian locations.

Training and Awareness

All new employees are trained in Environment, Health and Safety aspects related to the Company's operations. This is practiced at all manufacturing locations as well as at all R&D facilities. The EHS team members at plants and head office are trained in specific areas to upgrade their skills as and when identified. In-house training programs are also conducted for Company employees and for the manpower provided by contractors.

Monitoring and Follow Up

The Company has a robust system for monitoring the environmental performance. The compliance status is reviewed by the Board on a quarterly basis. The environmental performance is reviewed on regular basis by the Executive Director and Chief of EHS & Sustainability. Apart from this, the environmental performance is re-

viewed on a monthly basis at the unit level.

The Environment, Health and Safety issues are discussed in detail not only in Annual strategy meet but also form a part of the evaluation process for all capital expenditure proposals of the Company. The performance is reviewed on regular basis by the Executive Director and Chief of EHS & Sustainability. Apart from this, the environmental performance is reviewed on a monthly basis at the unit level.

Additional Information

Case 1: Conference on Environment to commemorate National Pollution Prevention Day and National Conservation Day, December 2-3, 2009, Dehradun.

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the growth of Industry in India, partnering industry and government alike through advisory and consultative processes.

CII, Northern Region organised a two day conference on Environment to commemorate National Pollution Prevention Day and National Conservation Day on December 2-3, 2009, in Dehradun. This conference was supported by Uttarakhand State Pollution Control Board (UKPCB) & Uttarakhand State Council for Science and Technology Dehradun and sponsored by Jubilant and GTZ.

The Company made a presentation “**Making Uttarakhand A Carbon Neutral State – An Industry Perspective**”, which included the need for environmental awareness and Jubilant's initiatives for Mitigating Climate Change. This presentation was appreciated by the audience including the senior officers of the Government of Uttarakhand. The Company representative from Roorkee Unit spoke on Laboratory Practices and Environmental Management.

The event was well covered by Press & Media and helped in spreading awareness in the community.

Case 2: Climate Change - Technology Development & Transfer

An Exhibition and International Conference on Climate Change – Technology Development & Transfer was jointly organised on October 21-23, 2009, at Vigyan Bhawan, New Delhi by Ministry of Environment & Forests and United Nations Department of Economic and Social Affairs, Confederation of Indian Industry (CII)

and Federation of Indian Chambers of Commerce and Industry (FICCI). The exhibition was inaugurated by the Minister of Finance, Government of India and the International Conference was inaugurated by the Prime Minister of India.

The Company participated in this conference and exhibition, as a Responsible Corporate Citizen committed to Sustainable Development. The Company's stall highlighted efforts on Energy Conservation, Renewable Resource - Biogas, Slop Boiler and MEE – latest treatment technology for distillery effluent treatment, Bio-diversity at Gajraula and Nira. The Company is one of the few in India to exhibit policy of CCMP, distributed leaflet on 'what I (an Individual) can do' to mitigate Climate Change. The stall also displayed a working model of 'Muskaan' hand pump with a back-drop film showing the pump operating at actual site at Gajraula.

The 'Muskaan' hand pump is an innovative idea of pumping underground water to an overhead tank while playing on the see-saw, where no electricity is available; very com-

mon in many schools in rural India.

The highlights of the stall were;

- The only working model in the entire exhibition.
- The banner on what an individual can do to mitigate Climate Change.
- The only Company showing Climate Change Mitigation Policy with efforts.

The stall was visited by international delegates & dignitaries, senior ministers of Government of India, officials from government & regulatory bodies, Industry associations in addition to a large number of national and international visitors. The Company's efforts were appreciated by all above as well as the President of Maldives, Hon. Mohd. Nasheed, who spared few moments and discussed the detailed working of Muskaan pump an environment friendly initiative of the Company, during the visit to the stall.

Environmental Performance

Materials

Molasses and press mud are waste materials of sugar industry. Rest of the raw materials mentioned are direct materials, which go into the final products.



The Environment, Health and Safety issues are discussed in detail not only in strategy meet but also form a part of the evaluation process for all capital expenditure proposals of the Company.

Major Raw Materials

Raw Material	2007-08	2008-09	2009-10
Molasses (MT)	443,409	371,757	43,449
Press Mud (MT)	58,499	62,210	53,233
Alcohol (KL)	152,810	93,035	110,868
Process Chemicals (MT)	129,834	155,883	198,973
Rock Phosphate (MT)	82,596	132,583	146,953
Sulphur (MT)	40,613	72,157	79,079
Chemicals for Feed Additives (MT)	2,869	2,761	3,772
Latex Chemicals (MT)	2,618	2,931	3,531
API Chemicals (MT)	868	8,057	6,668

*Small quantity of wood was used for startup operation of boiler.

In the year 2009-10, due to lower availability of molasses, on account of reduced sugar production in the country, purchasing molasses and converting it to alcohol was not feasible. The Company decided to import the alcohol for consumption, which was economical than to manufacturing. The major raw materials used by the Company are for Indian operations.

In addition to molasses and press mud, corn cob, a waste materials from corn industry is also used in the Company for the manufacture of animal feed. These are utilised as raw material in our process hence, solves the disposal problem of the related industry. This is an example of Wealth from Waste. Molasses and press mud constitute 6.7% and 8.2% respectively of the total major raw materials. Corn cob, one of the raw materials at Samlaya is 4,123 MT. As a new initiative to utilise the waste into value added product, the Company established a Sodium Silico-Fluoride manufacturing facility at Kapasan, an example of cleaner production.

Energy

As an effort to reduce the consumption of coal, which is a non renewable resource, biogas produced in Gajraula and Nira units during the treatment of distillery effluent is

utilised as source of energy. The Energy consumption reduced during the reporting year due to decreased production of alcohol and energy conservation measures adopted at various units.

Identical protocols have not been used for reporting the raw material used and fuel consumed in the Company. Data have been used from the ERP system where it is implemented (primarily the major Indian manufacturing locations) and the others have been reported as per the consumption reported by individual units based on relevant records. Going forward, the Company will standardise the data capture protocol for ensuring consistency.

The electricity purchased is indirect form of energy consumed. The electricity is sourced from the State Electricity Boards in India. The emission factor for each grid is different depending on the source of power, which is fed to the grid.

Energy Conservation and Efficiency

The Company believes in waste minimisation at source and the energy saved is energy produced, in an effort to conserve energy and Mitigate Climate Change the Company implemented several initiatives during the

Direct Energy Consumption

SOURCE	UNIT	2007-08	2008-09	2009-10
Coal	MT	383,829	347,354	358,358
	peta joule	6.292	5.920	5.93
LDO	MT	3,293	2,196	6,363
	peta joule	0.148	0.099	0.287
RFO	MT	12,060	12,058	11,238
	peta joule	0.492	0.490	0.46
HSD	MT	534	738	1,184
	peta joule	0.024	0.034	0.054
FO	MT	3,378	3,962	5,225
	peta joule	0.138	0.161	0.214
Bio-gas	MT	51,074	51,253	5,542
	peta joule	0.769	0.948	0.105
Natural Gas	peta joule	4.92	7.482	7.37
Biomass	MT		2,229	4,565
	peta joule		0.036	0.089
Total Direct Energy (peta joule)		12.787	15.170	14.511

year, not only in its operations but at Corporate Office and other offices also. Few examples are given below:

Case 1: Initiative for Climate Change Mitigation

After the release of CCMP, the Company proposed to use natural light at Corporate Office and R&D facilities at Noida. All the employees were requested to be environmentally conscious and use natural light. The vertical blinds are kept open at common places such as canteen, stairs, recreation area etc. as well as in rooms at Corporate Office and R&D. Incandescent bulbs were changed to CFL and numbers of CFL bulbs were reduced in the area where illumination was sufficient. The Company saved more than 43000 kwh per month.

Our endeavour to continue the momentum and take small but concrete steps to preserve nature were continued by reducing electricity consumption at Corporate Office. The Company requested that sustainable consumption will be possible by participation of all by adopting the following measures:

- Utilise day light as much as possible by opening vertical blinds.
- Judicious usage/switch off lights & other electrical equipment when not in use. Making a habit to switch off the lights, while going out from of-fice/conference rooms/other work area.
- Inculcate habit of switching off computer, printers/photo copi-

ers machines etc. before going home.

- Switch off lights during lunch time.
- Suggest housekeeping staff for the above where ever possible.
- Administration department is planning to maintain the AC plant at 24°C, which is a comfortable temperature to work and restrict the AC plant operation after the office hours.

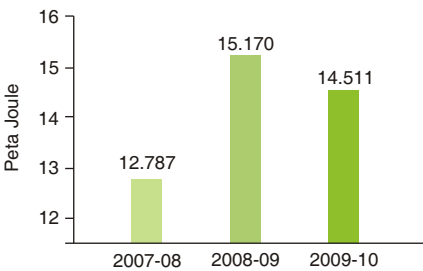
Case 2: Earth Hour 2010

A mail was sent to everybody at Jubilant across all locations and international subsidiaries to observe Earth Hour 2010 with a request to switch off the lights on Saturday, 27th March from 8.30 pm to 9.30 pm for a global call for 60 minutes of action to every individual, business and community throughout the world. It is a call to stand up, to take responsibility, to get involved and lead the way towards a sustainable future.

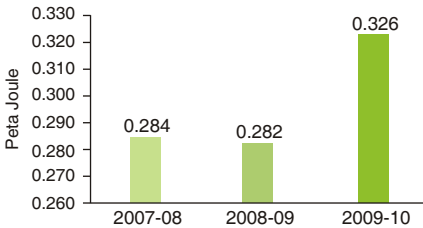
This Earth Hour has raised awareness of Climate Change issues across the Company and working together to create a sustainable low carbon future. All were requested to:

- Reach home on time and finish all evening task including dinner before 8.25 pm, make sure to involve neighbourhood.
- Switch off all lights, TV, music systems, ACs, etc. and relax either in open area or roof top to admire the moon, stars, sky and the environment.
- Make sure not to sit in office late. Just because of few central

Direct Energy Consumption



Indirect Energy Consumption



Incandescent bulbs were changed to CFL and numbers of CFL bulbs were reduced in the area where illumination was sufficient.

Indirect Energy Consumption

Year	Electricity purchased (KWH)	Energy equivalent (peta joule)
2007-08	78,812,585	0.284
2008-09	78,439,277	0.282
2009-10	90,433,887	0.326

air conditioning, lighting system is on throughout the stay period. It is better to finish the task within office hours.

- Turn off office lights, wherever possible at all manufacturing units but remember safety is a prime concern. Do not switch off lights at the cost of safety.

Though the amount of energy conserved was not tangible, this was a well intentioned thought for environmental awareness on Climate Change and Global Warming.

Case 3: Green Peace International

The Company organised a program with Green Peace, an active international NGO working for the cause of environmental education to meet the members of the Jubilant family between 12 to 3 pm in the Atrium on July 21, 2009. The objective was to inculcate environmental awareness with the issues of Climate Change. The activities covered during the program included creating awareness on carbon foot print, things to do for reducing impact.

Case 4: Earth Day 2009

An e-mail was sent to everyone in Jubilant regarding the Earth Day with a request to celebrate this year as the Year of Environmental, Health & Safety consciousness. The objective was to increase the awareness on the subject besides giving information about the Company's initiatives on Climate Change, Sustainability, Green Supply Chain Management (GSCM) etc. The started with Sustainability Meet organised during February 20-21, 2009 with the motto... working together for Sustainability.

"April 22, 2009 celebrated to mark the Earth Day. The United Nations celebrates Earth Day, which was started by John McConnell in 1969.

This year, under the umbrella of The Green Generation, thousands of events are being planned in schools, communities, villages, cities and countries.

Earth Day 2009, April 22, marked the beginning of The Green Generation Campaign which was the focus of the 40th Anniversary of Earth Day in 2010. With negotiations for a new Global Climate Agreement coming up in December, Earth Day 2009 must be a day of action and civic participation, to defend The Green Generation's core principles:

- A carbon-free future based on renewable energy that will end our common dependency on fossil fuels, including coal.
- Creation of a new green economy that lifts people out of poverty by creating million of quality green jobs and;
- Transforms the global education system into a green one.

- An individual's commitment to responsible, sustainable consumption."

What on Earth can I do? An individual Commitment to responsible & sustainable consumption.

From time to time, we read in the newspapers about the environmental changes where glaciers melting, the course of rivers is getting altered and the sea level, rising causing havocs like 'Katrina' and 'Tsunami'. More is likely to follow as nobody is willing to compromise with his/her present lifestyle. Recent changes in the weather patterns are examples of the adverse effects.

With this objective it was requested to change few things in every individual's lifestyle, that can make us a **Responsible Environmental Citizen** and become an Environment Crusader on the following measures:

Energy

- Avoid the wastage of electricity by turning off lights, fans, air-conditioners and other equipments when not in use. **Let us make this as a cardinal rule for ourselves.**
- Give preference to energy efficient equipments / power saving devices in purchasing decisions.
- Use of low energy light bulbs such as CFL, LED.
- Switch off computers, printers, Xerox machines, coffee dispenser, etc. before going home.
- Use solar cooker and solar water heaters.
- Switch off the lights of our room, cabin in office when going out for more than 5 minutes.
- Utilise maximum day light by requesting house-keeping staff to open vertical blinds every day in offices / cafeteria

Water

- While brushing teeth or shaving, do not to let the water flow from the tap instead use mug.
- Use bucket/telephone shower for bathing so that there is no wastage.
- The cisterns for flushing should be changed for 3 litre capacity with half/full flow system. For the time being it can be suggested to all to keep 1 or 2 used drinking pet bottles filled with water in the cistern, this will help in reducing the flow of 2 litres with every flush.
- Use bucket with cloth instead of hosepipe to clean the car and suggest the same to cleaner.
- Preferably water the plants after sunset and spread dried leaves in the pot to avoid evaporation.
- Create a pond to collect rainwater for gardening/ harvesting.

Paper

- Avoid taking hardcopies - Strive for Paperless office.
- Where ever feasible, take back to back or print in booklets
- Use Print Preview option before firing the print outs.
- Edit on screen rather than on paper.
- Print only what is needed. Think! Capture and print only the required pages.
- Reuse! Use the reverse of mis-copies to print draft copies or as scrap paper
- Place used paper in the section/box marked 'Recycled Paper'
- Use handkerchief in wash-rooms and conserve paper.

In fact, if we save 60 kg of waste paper, it is equal to one tree. By recycling a tone of waste paper we can save 17 large trees, 7000 gallons of water and 380 gallons of oil.

Other Measures

- Plant more trees and promote greenery in the vicinity.
- Reduce, Recycle and Reuse of resources.
- Promote opportunity of carpooling amongst work colleagues.
- Buy recycled paper products, use both sides and reuse envelopes.
- Return unwanted mail and ask to be removed from the mailing list.

- Rethink before travel.
- Avoid throwing anything down the toilets.
- Use containers rather than wrap or foil for storage in the kitchen.
- Avoid wastage of food and water i.e. consume as required in our canteen.
- Take own bag for shopping to avoid plastic disposal.
- Inform Municipal Corporation/ Authorities regarding garbage burning, leakage of water, street light timing, etc.
- Treat office as home by adopting these measures and communicate.

There are many issues on which we can contribute towards conservation. This will not only save money but the world also. Adopt these in daily life and move forward to Save the Mother Earth.

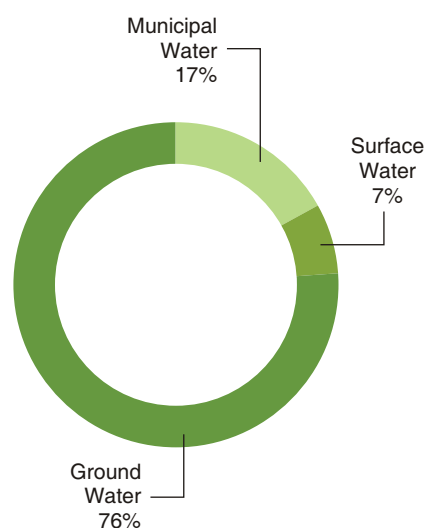
Water

Water for Company's operations is sourced from ground for Gajraula, Samlaya, R&D facilities and Roorkee unit, however at Nira & Nanjangud units the water is received from surface water source. Water supplied to the Corporate Office and other subsidiaries including international operations through municipal connection. Total water consumption by different sources is given in the table.

The Company's Overall water consumption has reduced by 12.17% in the reporting year compared to last year. This is mainly due to reduced



Water Consumed 2009-10



Water Consumption by Source

Source (m³/yr)	2007-08	2008-09	2009-10
Ground water	4,523,782	4,038,666	3,690,486
Surface water	924,543	1,026,876	825,217
Municipal water	329,497	448,016	326,703
Total	5,777,822	5,513,558	4,842,406

alcohol production at Gajraula & Nira and water conservation initiatives at various locations. This year, water consumption of three manufacturing units of Roorkee, Ambarnath and Draxis have been included.

The Company continuously strives to reduce water consumption in various processes and reduction in effluent generation by new measures. Few examples are reduction in specific Raffinate generation in Pyridine plant at Gajraula, the effluent generation is reduced in VP latex plant by replacing water jet with steam at Samlaya, utility effluent earlier sent to common ETP has been treated in RO plant and recovered water is reused and the balance effluent is now sent to common ETP.

Source segregation scheme, implemented at Nanjangud unit has helped in separating the effluent streams and thereby reducing the effluent generation.

Biodiversity

All manufacturing locations of the Company in India and international subsidiaries do not fall in or adjacent to protected area, sanctuary, reserve forests or area of importance of Biodiversity. The major units are located in industrial areas, the units which are not in industrial area; do not have proximity to such areas as described above.

The Company does not have activities, products and services in protected areas and so has no impact on the biodiversity in such areas. Most of the products of the Company are intermediates and so are not directly used by the consumers; hence their direct impact on biodiversity is difficult to measure.

CASE 1: Avifauna study for Gajraula and Nira

Nutrient rich habitats often provide an important refuge for a variety of bird life in different habitat. The generation of wastes in the form of effluents, fertilizers, or sludge provides an ideal and conducive environment for proliferation of a diverse range of animal life consisting of invertebrates e.g. insects, worms, flies etc. These sites are useful for refuges for a variety of faunal organisms including birds. Effluents from distilleries during bio-composting of solid waste (press mud) from sugar industry and sewage treatments plants provide nutrients. The long term objective of bio-composting is to provide an eco-friendly and non toxic source of fertilizer for use of farmers and thereby contributing to a cleaner environment. At the same time it is also important to note that these sites are also a haven for many species of birds. Gajraula and Nira unit utilise spent wash, the distillery effluent and press mud, a waste from sugar industry to convert in to bio-compost, an alternative to chemical fertilizer.

These bio-composting habitats are a major attraction

for several species of insectivorous birds since the effluents used in the process of generating bio-compost are rich in nutrients. The bio-compost material is generated using solid waste mixed with press mud and the compost material provides an attractive habitat for several species of resident and migratory birds.

The presence of birds at these sites is due to large and abundant availability of insects and worms which act as food for these birds. The availability of insects and smaller worms churned out due to the constant nature of mixing bio-compost attracts a large number of birds throughout the day.

Both resident and migratory birds utilise this habitat due to availability of food, water and trees of the surrounding area. The bird life of the bio-compost site and inside the plant at Gajraula is dominated by resident species like Cattle Egrets and Mynas. Amongst migratory bird species, Wagtails provide a spectacular site as hundreds of birds congregate at the Gajraula site during the day time to feed on a variety of insects and worms.

The presence of large flocks of the Migratory Starlings at Gajraula plant and bio-compost site is not often seen in large flocks in other areas nearby. More than 50 species of resident and 8 migratory birds were found within Gajraula plant, colony, sewage treatment plant and bio-composting site. The migratory birds were attracted due to the habitat at Gajraula Plant and the vicinity. The environment at Gajraula Plant is conducive to attract birds due to plantation in and around the plant site along with the availability of water and insects from bio-compost.

The Nira unit and its residential complex also provides a safe haven for several species of water birds due to its secure and protective nature. The location around the guest house and adjacent to the main plant site has several tall and broad leaf trees which act as an ideal roost site for many species of birds.

Communal roosting of birds is a common site in bird sanctuaries across the world and in some village centres, birds congregate during the evening hours. The example at Nira is perhaps a remarkable example of how birds have been utilising this habitat for roosting despite the presence of similar trees elsewhere. The protection provided/built/served by the Company has gone a long way in making these birds secure and provide a spectacular sight and a visual delight for the common man every evening when large number of these birds congregate in the vicinity.

The congregation of birds that settled on at least a dozen trees around the guest house include Little Egret, Median Egret, Little Cormorant, White Ibis and Common

Mynas. It is important to note that most of the birds that were recorded were exclusive fish eaters indicating that these birds frequented water bodies, ponds, rivers and jheels (lake) near Nira during the day and found refuge at the guest house during night. More than 55 species sighted at Nira and majority of these are water birds 8 of which are migratory species and visit in winter season.

The Avifauna study at Gajraula and Nira were conducted in winter season (January to March 2009) however, the reports were compiled during the reporting year and circulated to all concerned.

Emissions, Effluents & Waste GHG emissions

The Company continued to measure greenhouse gas emissions during the reporting year for all the manufacturing locations. The total emissions of Company's operations from fossil fuel are 812653 tCO₂ e. However, GHG emissions from biomass and biogas are 17372 tCO₂ e. These calculations are based on fuel and power consumed.

The GHG emission due to employee travel to the workplace, tours, etc. and transportation of major raw material have not been accounted.

Initiatives for GHG emission reduction

The Company has taken several initiatives to reduce GHG emission at its manufacturing locations and Corporate Office during the reporting year. Some of these initiatives taken at various locations are described below:

Gajraula

- Use of extracted steam in Liquid Incinerator.
- Reduction in power consumption of ID fan in Liquid

Incinerator-3 by reducing RPM.

- Utilisation of flash steam of Pyridine and Picoline plant.
- Replacement of 15 kgf/cm² steam with 8 kgf/cm² steam in Pyridine & Picoline and 3-CP plants.

Nira

- Installation of energy efficient lights in administration building, guest house & colony.
- Flash steam condensate recovery system in Ethyl Acetate-I plant.
- Temperature controller in cooling tower fans for Ethyl Acetate-II & Acetic Anhydride plants cooling towers.

Nanjangud

- Increase in condensate recovery.
- Installation of VFD in FO circulation pumps in boiler section.
- Optimisation of the operating hours of cooling tower circulation pump.
- Modification of low pressure cooling system in air compressor.

Samlaya

- Installation of energy efficient lights in offices and timer based lighting system for street lights.
- VFD on dryer ID fan, centrifuge, ribbon blender, hammer mill blower etc.
- Installation of soft starter for 150 TR refrigeration system.

Kapasan

- Installation of VFD in belt conveyers and pumps.

Roorkee

- Optimisation of Boiler and chiller operation during night shifts.
- Optimisation of street lighting system.



More than 55 species sighted at Nira and majority of these are water birds 8 of which are migratory species and visit in winter season.

Corporate Office

- Optimisation of usage of light.

Emissions of Ozone Depleting Substances (ODS)

The Company neither uses CFCs in its operations nor any products with CFCs. The Company's supply chain ensures that new equipments when purchased do not use CFCs. The chilling plants/refrigeration systems use HCFC which is permitted in India.

Air emissions

The Company's direct emissions are generated mainly from the usage of RFO, HSD, LDO, FO, Coal, Natural Gas etc. and from the process vents in its manufacturing locations while indirect emissions are those generated from purchased electricity.

The source of emissions is from the steam generating boilers and process furnaces in which above said fuels are used at various manufacturing locations. The major contributors to particulate emission are coal fired boilers at Gajraula.

The Company uses the best available technology and equipment at its various manufacturing locations to minimise adverse environmental impacts due to emissions, wherever possible.

Regular monitoring of the desired environmental parameters is carried out at all manufacturing locations in India and reports are regularly submitted to the concerned statutory and regulatory authorities. For International subsidiaries, these are regularly audited by regulatory agencies. Various emission analyses confirm that existing emissions comply with the local requirements and are well within the limits specified by the state boards/regulatory agencies, as applicable at respective manufacturing locations. These systems enable the Company to track emission performance thereby reducing the risk to communities living in the vicinity of manufacturing locations.

For controlling the emissions, control equipment such as Cyclones, Bag Filters, Electro Static Precipitators (ESPs), Scrubbers, Spray chambers and stacks of adequate heights for proper dispersion are provided in the boilers and process furnaces.

The increase in Particulate Matter is marginal and mainly due to additional units covered in the boundary of reporting.

The Company continued to monitor SO₂ as well as NOx emission from major manufacturing locations in India. The increase in NOx & SO₂ emission is mainly due to increased use of RFO at Gajraula as against biogas, which was earlier available due to distillery operations.

However, the Company continued its efforts during the year in reducing the emissions. At Samlaya, agro based boiler for steam generation ensures minimum SO₂ & NOx emissions within the stipulated norms. At Gajraula, waste heat from the solid and liquid waste incinerators are utilised for generation of steam and evaporation of high TDS effluent streams in the spray dryers thereby saving fossil fuel which would have resulted in SO₂ & NOx emission. At Nanjangud, rejects from the RO plant is evaporated in the spray drier by utilising the waste heat from the solid waste incinerator thereby saving furnace oil which would have resulted in SO₂ & NOx emission.

Some of the actions taken for emission reduction at various manufacturing locations during the reporting year are:

1. At Nanjangud, 1,121 MT of solid wastes were sent for co-incineration to authorised processor during the reporting year, resulting in reduced usage of furnace oil for incinerating these wastes at site.
2. Recycling of condensate has resulted in reduced FO consumption in boilers and in turn reduced SO₂ & NOx emissions at Gajraula.
3. The fly ash is sent to the cement and brick manufacturers to be used as Pozzolanic material. The disposal by the Company for utilisation of fly ash by these users has increased by 156% as compared to the previous year at Gajraula & Nira.
4. At Samlaya, new dust collector along with cyclone separator is installed in the corn cob plant. In addition, a double stage cyclone separator is provided in ANU dry plant.

In addition to above, at Gajraula, multi-stage control system is provided for control of process emissions from the process vents. These include secondary & tertiary condensers with chilled water/brine circulation and venturi scrubbers. In Pyridine and Picoline Plants, even the residual emissions are subjected to thermal destruction in a state-of-the-art Thermal Oxidizers. During the reporting year, the capacity of Thermal Oxidizer was augmented for residual emission control from process vents at Gajraula.

In this report, emissions from the fuel burning in the boilers and process furnaces are included. However, residual emissions, if any, have not been included.

Water discharge

There is no discharge of effluent from any of the manufacturing facilities to any surface water body. The treated effluent is utilised within the plants for horticultural

ture purposes at all locations except Samlaya. The treated effluent from Samlaya plant is sent to common effluent treatment facility. The effluent from the R&D centers and NA units is discharged to the municipal drain after treatment.

Waste disposal

The hazardous wastes generated from the Company's operations are categorised into incinerable and non-incinerable wastes. Incinerable wastes are incinerated at captive incinerators at Gajraula and Nanjangud. However, at other locations including International subsidiaries, Incinerable as well as non-incinerable wastes are sent to authorised Treatment & disposal facility. At HollisterStier, the hazardous waste is transported to authorised recyclers to utilise the heat value. Though the waste is incinerable however, it is disposed through authorised reprocessor. The quantity of raffinate and residue incinerated at Gajraula was 165675 M³ and 6180 M³ respectively.

Non-incinerable wastes at Gajraula and Nanjangud are directly disposed off to captive Secured Landfill Facility (SLF) at respective sites, while the waste oil generated from the Company's operation in India is sold to authorised reprocessors. The corn cob waste generated at Samlaya plant is reused in the new boiler as agro fuel.

While hazardous wastes during the year were disposed off as per requisite approvals, except in two cases, where there were minor variations in terms of quantity and mode of disposal. These have been addressed within the reporting period for our future disposals. The hazardous waste generation is maintained in Form III as per prevailing laws in India and its disposal is mentioned.

The Biomedical wastes are being collected in separate vats and their disposal is undertaken on alternate day by SembRamky at Gajraula. During the reporting year total quantity of approximately 162 kg was disposed though SembRamky. This quantity is reported being a major occupational health centre and facility is also utilised by staff & their families as well as local population.

The Company has also sold non-hazardous materials other than fly ash during the reporting year, which falls in the category of scrap material. These materials include metal, plastic scrap, paper, packaging material etc. The quantities of these have not been reported, however, their disposal value would be reported in future.

This year the Company has initiated proper disposal of e-waste comprising of discarded, obsolete, or broken electrical or electronic devices. This may involve significant risk to workers and communities if not disposed properly. The e-waste of 869 kg was disposed to authorised recycler from corporate office and the Company plans to extend this initiative to R&D Labs and other manufacturing locations also.

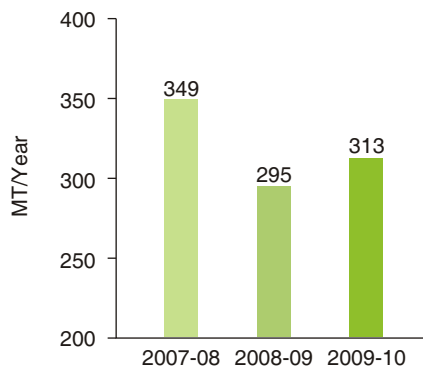
Significant spills

The Company's operation involves lot of chemicals, solvents as well as other aqueous material and waste water. The International subsidiaries and Indian operations are well equipped with storage, handling and treatment facilities to avoid any spillage. No spillage was reported from any of the operations during this year.

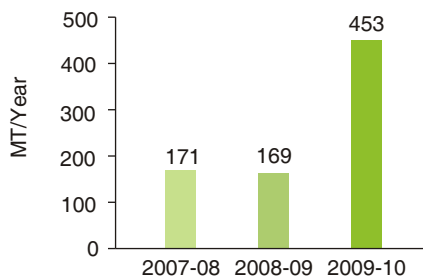
Details on Hazardous Waste as per the Basel Convention

The Company has sold 24 MT of Waste Spent Catalyst from Gajraula to Moxba-Metrex BV, Holland for recovering and recycling at their end

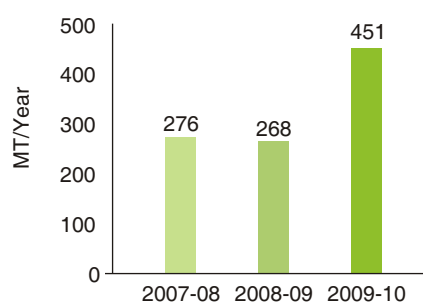
Particulate Matter Emission



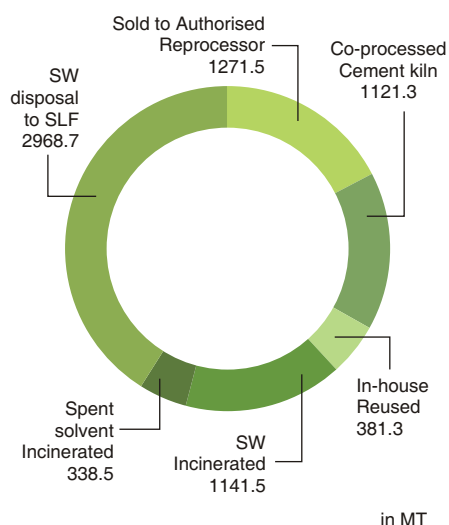
NOx Emission



SO₂ Emission



Disposal of Hazardous Waste



after permission from the Ministry of Environment & Forests, Government of India.

The Company's operations do not discharge any waste water and solid waste to any water body and related habitats.

Products and Services

The objectives to mitigate environmental impacts of products and services through R&D are given below;

1. To make continuous progress towards the vision of no accidents, injuries or harm to personnel and environment.
 - To develop a process or synthetic route, by virtue of its design does not produce a hazard even after a malfunction.
 - To use only eco-friendly solvents as per ICH guidelines.
 - To comply with all relevant laws regulations and other applicable requirements for laboratory.
 - To protect the Environment, Health and Safety of our employees, our customers and the community in which we operate.
 - To conduct our activities in a sustainable manner by developing products and processes that eliminates/minimises adverse impact on environment, health and safety.
2. To provide customers with products and services that meet their needs exactly and providing necessary information and support, so that customers use our products safely and effectively. The Company's R&D efforts are directed to improve the product yield, reduction in the use of solvents, as well as to reduce the effluent generation. The Company believes in waste minimisation and cleaner production. Some of the examples of our R&D efforts in this direction are summarised below:
 - Aqueous effluent generation reduced by 51% as well as yield improvement by 5.5% mole for 2,3,5-Tri Chloro Pyridine. Further for Azacyclonol, aqueous effluent reduced by 25%, while organic effluent reduced by 75%, Tetra Hydro Furan recovery results in resource conservation. These processes are implemented at Gajraula unit.
 - For production of 3-Hydroxy Pyridine, aqueous effluent is reduced by 37% and single solvent process implemented against multi solvents. Hence reduction in organic effluent by 45%. Similarly, for 2-Chloro Methyl 6 Methyl Pyridine, aqueous effluent

is reduced by 30% and Sodium Chloride eliminated from process to avoid waste salt disposal. These processes are ready for scaling up.

- For 4-Amino Pyridine (Pharma Grade) aqueous effluent is reduced by 80%, Single solvent process developed against multi solvents resulted in organic effluent reduction to the tune of 65%. This is ready for scale up.

The Company's major activities are to manufacture consumable products. These are not reclaimable. Most of the bulk material which the Company manufactures, is supplied through tankers which does not involve any packaging material. The other consumer goods and exported products are packed with suitable material as required. However, these packaging materials are not reclaimed by the Company.

Compliance

The Karnataka State Pollution Control Board issued a closure notice for Nanjangud unit alleging the non-compliance. Prompt actions were taken and the reports were submitted to the State Pollution Control Board leading to revocation of the notice issued by the Board. No monetary fine was imposed on the Company.

Environmental Protection Expenditure

Regular operations related to Effluent Treatment Plant and other environmental control measures are included in the overall cost of manufacturing operations of respective units. In the reporting year, the effluent treatment facility at Nanjangud was augmented with a total capital expenditure in excess of ₹ 21 million.

Management Approach - Social Indicators

Labour Practices

Policy

The Company has several policies on labour practices. These are given under the relevant indicators.

Organisational Responsibility

Senior Vice President - Human Resources is the senior most officer responsible for labour practices in the Company. The Senior Vice President reports to Global Head HR. He is assisted by a head for HR department at each unit and they look after the labour practices of respective units and reporting to Senior Vice President. The labour practices of International Subsidiaries are looked after by Vice President – HR, North America and he reports to Global Head HR.

Goals and Performance

The specific goals and the performance are given under the specific indicators for labour practices.

Training and Awareness

An induction program on Company's business and activities is organised for the new joiners. Regular specific training is also given to all the employees as per requirement. Shop floor programs for awareness on related issues are carried out on a regular basis.

Monitoring and Follow Up

The Company ensures that all statutory laws of various central & state legislations are adhered to at all the manufacturing facilities and offices. The implementations of fair labour practices are monitored during monthly reviews. They are also reported quarterly to the Board. The HR department ensures that there is no breach with respect to these laws.

Additional Information

The Company realises that commitment of employees is important in improving the partnership with employer. As employee productivity is clearly linked to employee engagement, creating an environment that encourages employee engagement is considered to be essential for effective management of human capital.

Employee engagement is the level of commitment and involvement an employee has towards their organisation and its values. An engaged employee is aware of the business context and works with colleagues to improve performance within the job for the benefit of the organisation. The Company followed the employee engagement process as suggested by Gallup philosophy and continued to work on DISHA initiative. This year the Company introduced the following initiatives for the improvement of employee, employer engagement.

The Company strengthened the Performance Management System (PMS) during the reporting year to enable a high performance culture by promoting business and personal alignment through open dialogue on the current and future value of the employee with continued focus on raising the bar of both the individual performance and potential and the performance of the organisation as a whole. The drivers of the PMS are:

- Performance Planning: Setting breakthrough and SMART KRAs, cascaded from top to bottom.
- Performance Coaching: Round the year focus on training and development.



As employee productivity is clearly linked to employee engagement, creating an environment that encourages employee engagement is considered to be essential for effective management of human capital.

- Performance Evaluation: Appraisal and assessment of performance.
- Performance Feedback and Career Development: Specific focus on employee development through career guidance, career path and well-defined development plans to achieve career aspirations.

Another example of effective employee engagement is reflected through a centralised Human Resource Information System (HRIS) called Synergy. This is based on PeopleSoft HCM introduced throughout the Jubilant group of Companies, including all plant locations and offices. Employee Self Service (ESS) menu shows the information pertaining to self about staff members. Managers who have some direct reports can see an additional manager self-service (MSS) menu that shows information pertaining to one's subordinates. The first phase was implemented in December, 2009 and covered modules of Core HR & Payroll functionality and Employee Self Service for all Group companies and Subsidiaries in India.

With the installation of HRIS, a GREEN Initiative of the Company, the employees during the next year can:

- Apply for leaves online.
- View salary slip, income tax computation sheet, loan details, if any.
- Declare investments for tax computation.
- View no-dues clearance status.
- Enter Flexi basket allocation and claims etc.

The Employee Reward & Recognition system is not a new concept in the Company. In fact, the Company has Long Service Award for the recognition for continuous service with the Company for 10, 15 & 25 years of continuous service.

To build a culture of continuous improvement the Company encourages the employees by recognising their efforts made in terms of Creativity, Innovation and Improvements in their respective work area. The following awards were introduced this year which will be given on annual basis to a team or individual which score maximum in the inter department competition on their projects:

- Manufacturing Excellence (Workmen) – Team Award.
- House Keeping Excellence (Covered Plant) – Team Award (Workmen).
- House Keeping Excellence (Open Plant) – Team Award (Workmen).
- Suraksha Award (Executive & Workmen) – Individual.
- Maximum Attendance and No sick leave (Executive & Workmen) – Individual.

	Total Workforce		
Location/company	Executives	Workmen	Total
Jubilant Organosys Ltd. (A)			
Corp office/ Branches	633		633
Gajraula	621	381	1002
R&D Center	292		292
Samlaya	68	47	115
Nira	94	142	236
Nanjangud	420	288	708
Roorkee	108	50	158
Kapasan	23		23
Bharuch	12		12
Total (A)	2,271	908	3,179
Indian subsidiaries (B)			
Jubilant Biosys	384		384
Jubilant Chemsys	369		369
Clinsys	146		146
JFTH	49	165	214
Speciality Molecules	63	72	135
JIL	12		12
Total (B)	1,023	237	1,260
International subsidiaries (C)			
JOL China	7		7
JOL USA	3		3
Cadista	163		163
ClinsysInc	130		130
PSI	14		14
Hollister Stier	234	318	552
Draxis	286	235	521
Total (C)	837	553	1390
Grand Total (A+B+C)	4,131	1,698	5,829

Labour Practices Performance

Employment

The employees of the Company are divided in two categories i.e. executive and workmen with permanent nature of employment. The total number for both the categories at various locations within India and International Subsidiaries are mentioned in the table;

The rate of attrition for both the categories in the Company's Indian operation during the reporting year is 17.35%. However, there was an overall net increase in the number of employees, which increased by 1019, mainly due to increase in number of reporting units. The

age groups in years are divided between 20-35, 35-50 & 50-60. The attrition rate was 13.19%, 3.53% & 0.63% respectively. The female and male attrition is 1.19% & 16.16% respectively.

The Company has mediclaim health insurance (hospitalisation) for employees & their dependents. The employees are covered under accidental insurance policy and workmen compensation policies. Apart from ESI coverage as applicable under law, the Company facilitates providing hospitalisation, accidental and term life policies for employees and workmen.

The contractual employees have also been provided certain benefits like salaries as per Minimum Wages Act, Provident Fund, ESI benefits to meet hospitalisation requirements.

Labour and Management Relations

All the workmen are covered under the collective bargaining either through formalised group or workmen committees. However, the executives are not a part of this agreement. The percentage of overall employees covered under the collective bargaining agreements is around 29% of the Company's total permanent employees in India as on March 31, 2010.

Wage agreements at manufacturing units:

- The Company has signed Wage Agreements at Gajraula, Nira, Samlaya, Nanjangud. No long term settlement is pending.
- The industrial relation at all these units has been harmonious with no loss of man hours due to labour unrest.
- The Company has introduced various benefits for workmen.
- The Company has also introduced appraisal for workmen on specific parameters. This aims to increase their attendance and

productivity. The increments are given to workmen on annual basis based on their actual performance at Gajraula.

The notice period is not mentioned specifically in the collective agreements. However, sufficient time is given wherever necessary, in case of operational change. The minimum notice period given adheres to the provision of the Industrial Dispute Act, 1947.

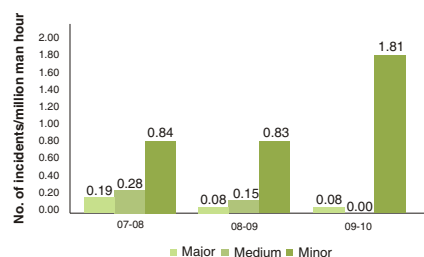
Occupational Health and Safety

The Company has a Corporate Policy on Environment, Occupational Health and Safety. Accordingly, for continuous monitoring and improvement in the performance of these parameters, a safety committee is functional at all the locations including R&D Centers.

The environmental protection, Occupational Health and Safety is integral to business success. The Company takes the responsibility in this area at all the locations. EHS Policy commits to achieve high standards for safety. Though, the Plant Head is responsible for ensuring the Health & Safety of plant personnel and those residing in the vicinity of our plants. The Company has a dedicated team of competent and experienced professionals in EHS department across the Jubilant group as well as at the corporate level which coordinates EHS activities within the Company. At each site, it is ensured that EHS Policy is implemented appropriately. Safety risks are identified and assessed across the businesses and subsidiaries. At all locations there is a system to identify hazards and risks involved in the various operations and its Management Plan. Regular trainings are organised for plant personnel, workers on various topics related to safety. Technical staff is also trained on new initiatives as and when required.



Safety Performance



At all locations there is a system to identify hazards and risks involved in the various operations and its Management Plan.

Handling chemicals is an inherent risk in pharmaceutical & chemical plants. Employees, who handled chemicals as part of their activity, are trained to use them accordingly. The knowledge of safety data sheet as well as personal protective equipment meeting the requirement of operations is also provided to the all concerned.

A safe & healthy workforce is essential to ensure employee well being and productivity. To upgrade and enhance the capability to ensure safe working at all the locations, the specific initiative of Comprehensive Safety Improvement & Capacity Building taken up since last 3 years is continued. Under this initiative regular safety surveillance and regular safety audits are conducted. All major new installations are systematically assessed through the tool such as HAZOP and the recommendations are implemented.

The Draxis Safety program is well designed and basic safety training is also given to new employees. The Health & Safety Committee meets monthly as well as on dedicated days such as health & safety days, etc. A total training of 465 hours was given to employees on WHMIS, Chemical spills, Transportation of dangerous goods etc. Safety program also include the following:

- Health and safety plant inspections & communication.
- Training: WHMIS, Lab safety, Lift truck operation, Chemical spill, Evacuation procedure, Use of a fire extinguisher, First aid etc.
- Confined spaces entry program.
- Lock Out Tag Out program.
- Respiratory protection program.
- New product introduction program.

However, there was 1 reportable accident at Nanjangud unit. The reportable accident in India is the absence from work for more than two days. The number of recordable accidents at international subsidiaries, i.e. Hollister, Draxis and Cadista are 12, 20 & 2 respectively. These numbers are high due to system of reporting accidents as per prevailing law of the country. The recordable accident is with loss time beyond the day of the accident.

However, these accidents are categorised as Major (out of work for more than 2 months), Medium (out of work for more than 48 hours) and Minor (out of work for less than 48 hours) in India.

However, there was no fatality for the Company during the reporting year. The Company's continued efforts on safe working practices along with strengthening the Safety systems would be pursued with vigour in coming years. The graph gives the number of accidents per Million man hour for Indian units.

The Company believes in improving skills and knowledge of its employees as well as keep them updated on various new developments. Regular programs are conducted to train the workforce, their families as well as the community residing in the vicinity of the manufacturing locations in the area of communicable and non-communicable diseases. The Company's efforts were recognised by International Labour Organisation for the contribution made in the successful implementation of Jubilant's HIV/AIDS program. A certificate of appreciation was given to the Company.

The Company considers HIV/AIDS and Tuberculosis as serious diseases. Regular awareness programs are organised for the employees, transporters as well as for neighbouring community.

A DOTS centre for Counselling and treatment of TB is continuing at Gajraula to provide services to nearby community.

The Company's project 'Samarth' a program on HIV/AIDS awareness is continued for employees and the neighbouring community. The activities are given later in the report.

Training and Education

The Employees are an important resource for the Company and Company believes in developing skills of the employees to keep them abreast with the latest developments. To achieve this, trainings are imparted to all the executives on various subjects as relevant to their work as well as for their own development. The average hours of training during the year are 22.98 per executive per annum.

Diversity and Equal Opportunity

The Company treats all employees as equal and does not differentiate on the basis of caste, gender or age. The criteria for selection to various levels are the knowledge and competency of the employee.

As mentioned above, the criteria for basic salary and other emoluments are based only on merit. The Company follows the principle of equal pay for equal work. The ratio of basic salary of men to women is equal. However, the women employees are entitled to maternity leave as well as provided transport facility during odd hours working by the Company.

Management Approach - Social Indicators

Human Rights

Policy

The human rights are respected in the Company and there are several policies in place to address various human rights issues such as freedom of association, collective bargaining and abolition of child labour etc. These are mentioned under the relevant indicator in the report.

Organisational Responsibility

The senior most officer with operational responsibility for Human Rights aspects is Global Head - Human Resource. Each unit has a head for HR department who looks after the local requirements and reports to the Global Head in the Corporate Office. The Vice President-HR, North America is responsible for human rights aspects of the International Subsidiaries and report to Global Head – HR.

Goals and Performance

The goal of human rights defines that there should be no case of violation in the Company. During the current reporting period there was no case of human rights violation. The Company would like its business partners also to respect and protect human rights.

Training and Awareness

The employees undergo trainings on various subjects. Internal trainings, as per requirements, are conducted for employees at regular intervals. At each manufacturing location, security personnel are aware that no underage person is allowed to enter the unit as a workman.

Monitoring and Follow Up

It is ensured that, all the statutory laws of various central & state legislature are adhered to in addition to implementation of Company policies. The performance is monitored and reviewed monthly. This is also

reported to the Board on quarterly basis.

Additional Information

This year the Company has introduced many other Rewards & Recognition for effective employee engagement with the following objectives:

- Recognise individuals and teams, in a timely and effective way for exceptional contributions to the Company.
- Provide a uniform and consistent recognition platform across locations.
- Provide a continuum of opportunities to acknowledge and recognise employees.
- Highlight behaviours and contributions that have benefited the organisation for others to emulate.

The Reward & Recognition system APPLAUSE includes the following categories for Individual & Team Awards:

- **Spot On Award:** On-the-spot recognition award to instantly recognise individual effort/contributions .
- **Star of the Month Award:** Monthly award to applaud significant individual contributions.
- **Young Talent Award:** Annual Award to recognise young, talented and promising employees in the Company for their skills and accomplishments to prepare them to become ‘Leaders of Tomorrow’.
- **MDT Team Award:** Monthly Award to recognise the successful completion of a project by a Mission Directed Team (MDT).
- **Outstanding Team Award:** Quarterly award to applaud outstanding team contributions.



My Life Program

Month	Participants	Participants in "Maintain My Life" Category
April 09	105	68
October 09	123	86
Increase	17%	26%

The next biometric screening will be held in April 10.

This year the Company has introduced many other Rewards & Recognition for effective employee engagement

- **Chairman's Innovator of the Year Award:** To applaud 'Top 3' teams across the organisation which have implemented a breakthrough business solution/ innovation during the year.
- **Chairman's Achiever of the Year Award:** To applaud the 'Top 3' employees across the organisation who have made exemplary contribution to the business during the year while demonstrating outstanding leadership competencies.

These awards are based on established evaluation & selection criteria. Except for the Spot-On awards all the other nominations are being discussed in the committee meeting (Steering or Central) having cross-functional representatives from senior leadership in an unbiased manner.

To ensure that our '**Talent Management Practices**' support the fulfilment of the business strategy, the Company has launched a Talent and Succession Management Process across Jubilant Organosys. This process ensures a common language to assess, develop and promote talent and creates a succession pipeline for all critical positions as well as a set of career paths for key players in each business unit or function.

The Company has launched Jubilant '**Employee Wellness Program**' with the following objectives:

- An awareness to assist employees and their families to lead healthier lives.
- Wellness management of employees at physical, emotional, relationships & work efficiency levels.
- Preventing and managing stress & stress disorders.
- Enhancing fitness for better productivity.

The Current initiatives are pre-employment health check up, part time medical consultation at corporate office & R&D centers, sponsored annual health check at Corporate Office – improved mediclaim services for employees and families, enhanced benefits on PAI & GTL, health awareness through periodical talks & articles etc. The pre-employment health checks up, and Part time medical consultation facility is also available at all the locations. Further, the unit of Gajraula, Nanjangud, Nira, Samlaya are equipped with Occupational Health Centre as well as Ambulance. The health initiatives for surrounding community at manufacturing locations are looked after by social initiatives through the Foundation. The medical facilities setup at manufacturing locations is also available to all the workers and surrounding communities.

The above program aims to benefit the following:

- Better productivity of employees.
- Reduced attrition rate & absenteeism.
- Improved customer satisfaction, retention & referrals.
- Happy, healthy workforce & harmonious teamwork.
- Enhances employer branding.

Cadista kicked off the '**Wellness by Choice**' program this year to help minimising the high cost of healthcare by providing employees with the education and tools for improved health and promoting individual responsibility. During the 'Wellness by Choice' health fair, employees were given the opportunity to have their cholesterol, glucose, blood pressure and percent of body fat checked free of charge. They are also encouraged to log onto a website for health choice life style information designed especially for their needs.

HollisterStier continued the '**MY LIFE**' program to give medical premium reductions to employees whose biometrics are already within recommended guidelines and extra reductions to those who improve their biometrics, bringing them into the recommended ranges. The three classifications of participants are "**Change My Life**," meaning the individual is at serious risk for health issues if improvements are not made, "**Improve My Life**," representing individuals who are at some risk for health issues but are aware of the changes that need to be made to lessen those risks, and "**Maintain My Life**," which means an individual's biometrics fall within recommended guidelines. Instead of rewarding participation in programs – Hollister reward results! Continued premium reductions are contingent on repeat screenings every six months. The program has contributed to a healthier workforce and reduced healthcare costs. HollisterStier's MY LIFE program has been recognised throughout the state of Washington and across the United States, as well as presented to the Senate. The number of Participation Increase/Health Improvement from Apr '09 – Oct '09.

Human Rights Performance

Investment and Procurement Practices

There was no significant investment agreement during the year. The Company has not formally conducted any screening of suppliers and contractors on human rights issues. The Company, however, ensures that the contractors do not violate basic human rights while they carry out work in its premises. The vendor evaluation form has been designed which covers the human rights issues also. No actions have been taken on significant suppliers and contractors since there were no human rights violation cases during the reporting year.

Non - Discrimination

During the current reporting period there were no incidents of discrimination in the Company. The Company deals with internal and external stakeholders on their individual merit. Jubilant believes in 'zero-tolerance' policy on sexual harassment. In this reporting year, a Policy on Prevention of Sexual Harassment (POSH) was released. The cases are considered by a committee for punishment. During this year, a case was found and suitable action was taken as per the policy.

Policy

Jubilant Organosys is committed to ensuring that workplaces are free from all forms of discrimination or harassment on the basis of age, caste, sex, religion or on any other ground. No discrimination whatsoever is practiced during the Human Resource processes of recruitment, employee development and rewarding performance.

Freedom of Association and Collective Bargaining

The Company maintains good relations with its employees. There are regular meetings between the management representatives and the representatives of the associations. There are no areas of operation which pose any risk with respect to freedom of association and collective bargaining.

Policy

The Company believes in freedom of association and respects the right of its employees to form associations in accordance with the local laws, as applicable. At locations, the Company engages these associations in regular dialogue.

All workers have the right to join associations of their own choice or to refrain from joining one, unless otherwise prohibited/ necessitated by law.

Child Labour

The Company ensures that the new projects, mainly construction which are carried out by contractual manpower should not involve any child labour. The Company ensures strict vigilance by security personnel to stop young workers from entering the Company premises. At the time of issue of card to the labour, age verification is carried out. Further, a vigil is maintained by plant safety personnel while imparting training on safety issues. At all locations, the person who does not have a documentary proof of age is not allowed to work.

Policy

Jubilant Organosys believes in protection of the young and the vulnera-

ble. It is 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 proactive manner to eradicate child labour by actively contributing to the improvement of children's social status. To promote this, the Company encourages its Suppliers also to work towards a no child labour policy.

Forced and Compulsory Labour

There are no operations where there is risk for incidents of forced or compulsory labour. The employment policy of the Company is transparent and voluntary. The Company signs an agreement with the employee at the time of joining and as per the conditions stipulated therein can leave the Company when they desire.

Policy

Jubilant Organosys 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.

Indigenous Rights

During the reporting year, there was no incidents of violation involving right of indigenous people. Hence, no action was taken.



No discrimination whatsoever is practiced during the Human Resource processes of recruitment, employee development and rewarding performance.

Management Approach - Social Indicators Society

Policy

The Society is an important stakeholder for the Company and the surrounding community is of prime importance in this respect. Jubilant believes in value sharing with the community and does not want to exist as an island of prosperity. The Company would like the community to benefit from its presence in the region. Several activities, for socio-economic improvements are carried out during the reporting year by the Company through its Foundation and are detailed later in the report.

Organisational Responsibility

The Director of Jubilant Bhartia Foundation is responsible for the social activities of the Company and monitors community development work at the highest level at all Indian locations. The social activities of the International Subsidiaries are monitored by the respective Unit Head.

Goals And Performance

The President-CSR with his team prepares annual action plan supported by a detailed budget for the activities identified around Indian locations of the Company.

The Management approves the budgetary allocation after necessary discussions with the Director-JBF.

Training And Awareness

The training and awareness programs on selected topics such as TB, HIV/AIDS are organised by the Company through Foundation on regular intervals as per the needs of the community.

Monitoring And Follow Up

Under the leadership of Director-JBF, the progress is monitored on monthly basis. However, President - CSR, regularly monitors the progress of community development activities being carried out. The short comings, if any and reasons for the same are analysed for corrective action.

Additional Information

The social activities of the Company are now being carried out by Jubilant Bhartia Foundation, a not-for-profit Company established for this purpose. JBF strongly feels that involvement and ownership of the community for whatever work JBF does, is the key to its success.

Societal Performance

Community

Jubilant works actively to address community needs

and improve the quality of life in the communities in which it operates. It targets to bring the positive changes in key areas such as support to Rural Government primary education, provide basic health care and promote livelihood generation program.

Need assessment studies are carried out and based on that the programs are developed. Since there are considerable gaps in India in almost all areas of social development, Company's efforts on community development align with the Millennium Development Goals (MDGs) of the United Nations and thus contributing to the wider cause of sustainable development.

The JFTHL in collaboration with Operation Smile, an NGO, headquartered in U.S.A have set up the first Cleft Care Centre in India at the Hospital and operated more than 475 children from poor socio-economic background. The cost of surgery is partly subsidised by JFTHL, and partly funded by Operation Smile.

The Hospital continued NightLine service, a unique scheme in India wherein card-holders get continuous assured medical support at home through phone or home visits by JFTHL doctors between 8 PM to 8 AM. They receive value-added facilities like Diagnostic & Pharmacy services at home and guarantee of admission at a nominal yearly charge. The service started as an experiment but became an instant hit and today the number of cardholders has gone up to 900. The hospital has also supplemented the landline numbers with a dedicated mobile number to increase the accessibility of the service keeping in view its need among the people.

We must not fail the billions who look to the international community to fulfil the promise of the Millennium Declaration for a better world. Jubilant also believes in improving the quality of life where we operate as well as keep the promise as defined by the Millennium Development Goals (MDGs). Jubilant is committed for the cause though these are small however, contributing to the attainment of Millennium Development Goals.

Goal 1: Eradicate Extreme Poverty and Hunger

HollisterStier has set up a wonderful internal Community Service Committee (CSC) to carry out fund raising programs for social development. The CSC contributed to Second Harvest Food Bank leading the hunger-relief network in the region. Second Harvest distributing more than 1 Million pounds of donated food each

month, and they are able to help people in need in many counties in Eastern Washington and North Idaho. During this reporting year the CSC raised over USD 19,501 for these cause.

As India aims for an accelerated and consistent GDP growth, there would be a tremendous demand for skilled human resource. Jubilant is committed to contribute its bit in developing this resource pool through its Vocational Training programs. These programs will improve the skills of youth for better job opportunities.

The two prong approach adopted, includes job oriented programs and entrepreneurship development programs.

In order to address the vital need of generating more employment opportunities in the rural non-farm sector, Jubilant has initiated an Entrepreneurship Development Program so that opportunities can open up in rural/semi urban areas. Towards this end, Jubilant has identified some skills, based on need assessment studies. Some of the skills identified are repairing electrical/electronic appliances and mobile phones, beautician and hair

dressings, tailoring, repairing of tractors, diesel engines, threshers, two-wheelers etc.

All the training modules are generally kept in alignment with the guidelines of National Council for Vocational Training (NCVT), Government of India so that the training gets accreditation of NCVT. Instead of doing charity, Jubilant believes in facilitating the betterment of the communities thereby strengthening their skills for better job opportunities.

Goal 2: Achieve Universal Primary Education

Corporate Giving

HollisterStier is proud to support the local community in a variety of ways. The Corporate Giving program helps sponsor various organisations that work to improve the Spokane community with a special emphasis on children, education, and healthcare.

During the reporting year, HollisterStier has helped support many local organisations and programs. Few of these programs are:

Junior Achievement mission

The aim of this mission is to teach students from



Jubilant works actively to address community needs and improve the quality of life in the communities in which it operates.

Approach for Vocational Training Program

- Skills are identified, which have immediate requirement and highest potential in the market
- Duration of training is generally two months- long enough to impart necessary skills yet not too long to deter prospective candidates
- Training modules are generally kept in alignment with the guidelines of National Council for Vocational Training (NCVT), Govt of India so that the training gets accreditation of NCVT.
- Competent and professional training agencies are selected for various trades depending on their expertise and experience.
- For job oriented programs, preference is given to agencies who have good tie-up with companies for placements of trainees after they complete the course successfully
- A suitable aptitude and attitude test has been designed and is used for selection of the trainees. The program includes a test at the end to assess assimilation of the training by the trainee.

kindergarten to 12th grade to value free enterprise, business, and economics, thereby improving the quality of their lives and ensuring workforce readiness.

Vanessa Behan Crisis Nursery – Dedicated to provide safe shelter and care for children in abusive situations. This is a place of refuge, while also offering family support and parent education.

HollisterStierTextbook Assistance Fund – This fund helps deserving students in the science department at Eastern Washington University to obtain textbooks as they continue their education towards a degree.

Case Study 1

At HollisterStier has set up a wonderful internal Community Service Committee (CSC) to carry out fund raising programs for social development. The Toys for Tots program initiated to provide needy children in the community with a shiny, new toy at Christmas, with the goal of delivering a message of hope that will motivate them to grow into responsible, productive, patriotic citizens and community leaders.

Case Study 2

At the Sultanther School, there were 6 teachers for 8 classes (the school covers up to standard 8). With the 'Muskaan' project beginning to show results, the villagers realised the need for more teachers for better performance of school and proposed to employ local qualified youths. JBF and community shared the cost. This exemplifies the extent of involvement and ownership in the project by the community.

".....Mujhe naya dress mila aur pitaji ne naya bag bhi diya hai. Pehle school jaane me itna man nahi karta tha par abhi to bahut mazaa aata hai. Is baar mere ko drawing competition me prize mila" (I have got new uniform and my father bought me new school bag. I never felt like going to school but now its great fun. This time, I have even won a prize in drawing competition).

....says Pradeep, one of the students of class IV of 'Muskaan' school in Karachiya, Samlaya in reply to how he feels going to school.....

The purchase of schoolbags and other related stationary items shows the willingness of the parents to send their children to school for studies.

Primary education is the bed block on which a nation builds its future. While Government of India has passed the Right to Education Bill and also massive efforts have been made by the Government and the Non Government sectors, the coverage and quality of education, particularly in the rural Government primary schools, are still far from satisfactory.

This is how Project 'Muskaan', one of the most innovative initiatives of Jubilant Bhartia Foundation, continues to spread smiles across the rural primary schools. After detailed deliberations with social workers and experts in the field of education, Jubilant evolved a unique participatory approach to help bring improvements in Government Primary Schools in rural areas. The basic idea was to empower the communities to understand their needs/rights and come out with a solution.

Amongst the numerous educational initiatives being undertaken in our country, Project 'Muskaan' is perhaps one of the few which is working in tandem with Government to improve primary education in rural areas. Since its inception in 2007 in a pilot school at Sultanther village near Gajraula, it has now grown to 35 schools covering 6500 students at major manufacturing locations viz. Gajraula, Nanjangud, Samlaya and Nira.

Goal 3: Promote Gender Equality and Empower Women

The Company is focusing on empowering women through enabling the environment. There are several schemes under Company's social initiatives which provide opportunity for starting and continuing education, basic healthcare facilities, improving employability and encouraging women through felicitating them. Our implementation team comprises more than 40% of women.

The Resident Community Volunteer (RCV) program of JFTHL continued to create earning opportunities for women and girls from neighboring areas. They are trained at Hospital in Health information, Disease prevention, BP measurement, Dressing, Pharmacy dispensing, Nutritional monitoring, Maternal health monitoring and other critical areas. These RCVs help the community and provide "low cost" medical support to the people at their doorstep. Thus it saves their time and money, otherwise they would need to travel to the hospital to get the required service from doctors. These volunteers work as 'Ambassadors' of the hospital.

Since status of women in the society continues to be one of deprivation and denial in most part of India, JBF's vocational training program is aimed at contributing to correcting this situation by giving as much opportunity to women as possible. Vocational Trainings with USHA on stitching and tailoring, with Krishi Vigyan Kendra (KVK) in making agarbattis are encouraged for women folks. In terms of forward linkages for ensuring sustained livelihood, efforts are made in getting Company uniforms stitched by the trained women and in linking up with KVKs for market linkages of products manufactured by them.

Savita is one of the 123 individuals being trained under at the Vocational Training Centre (VTC) of JBF at Gajraula. The VTC has already received the recognition of the Ministry of Labour and Employment, Government of India, as a Vocational Training Provider (VTP). This would mean that the trainees would receive certificates from NCVT on successful completion.

Goal 4: Reduce Child Mortality

The Company has started integrated healthcare program to cater to the healthcare needs of the entire society. The pilot project started at Gajraula with the name Swasthya Prahari at Gajraula. More details are available under Goal No. 5. Beside this, two targeted programs were conducted during the year. The Malnourishment mitigation program at Nira was organised in collaboration with Integrated Child Development Scheme (ICDS), IMA (India Medical Association) Nira branch and Government Health Department and Gram Panchayat Nira. Highlights of the programs are:

- 103 malnourished children in the age group of 6 months to 6 years were examined by a well renowned paediatrician from Indian Medical Association (IMA).
- Provision for supplementary nutrition and medicines were made for the children.
- Parents of the examined malnourished children were counselled on the importance of child nutrition and healthy living.

For the children from 6 to 14 years of age, the Company takes care of children's health under '**Nirog Bachpan**', the **school health check program**, reached out to more than 6500 students who got examined for hygiene and common health ailments.

Goal 5: Improve Maternal Health

Care for Mother and Child Health (MCH) is fundamental to creating a healthy society. Poor education level and inadequate social infrastructure leaves a huge gap between the desired level of healthcare facility and what is actually available in the region around



The project covers a population of 1,00,000 around Gajraula in UP and is for three year duration so that people get accustomed to the system ensuring its sustainability.

Case Study

Savita Chauhan, mother of two children, remembers the days when she would only make food for her children and could not add on to the income of her husband in meeting the unmet needs of their family. Her husband still works in a sugar mill earning a meagre amount of money. She has experienced positive change in the last 5 years. After getting USHA certified cutting and tailoring training from JBF, Savita started stitching her neighbour's clothes and earned a decent amount. The first compensation of hers' has created a sense of well-being in her. Considering her enthusiasm and ability to help her peers during the tailoring course, she was entrusted the role of trainer for a series of trainings. She has also started mentoring her neighbours for a nominal charge. She is now happy to help her husband financially in getting their children enrolled in the formal schools.

"Paisa kamane ke baad pata chala Bachat kya hoti hai" (After earning money, I realised the importance of savings).....says Savita

Gajraula. This applies to Mother and Child Health (MCH) issues as well.

The problem is of inadequate awareness amongst the community and lack of coordination between various service providers. With an objective to narrow these gaps, JBF has initiated a unique community based pilot healthcare project named 'Swasthya Prahari' in Public-Private-People Partnership, the 4P model. Instead of re-inventing any new system, this project is aimed at strengthening Government's efforts with more effective community participation for improved services. The project has four stages -

- Building capacity in the community to pursue various aspects of MCH
- Helping revitalise existing infrastructure to improve delivery mechanism
- Introducing in performance based incentive system for effective implementation
- Building in social marketing of products / services for the community based link providers for long-term sustenance of the project

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

The project covers a population of 1,00,000 around Gajraula in UP and is for three year duration so that people get accustomed to the system ensuring its sustainability. The health authorities have been taken into confidence and a Memorandum of Cooperation has been signed with the Integrated Child Development Scheme (ICDS) and the State Health Department. The broad activities under the project include -

- Base line survey.
- Training of Block Resource Team (BRT) members,
- Advocacy with health dept, ICDS and block administration.
- Identification of change agents from the community as 'Swasthya Prahari'.
- Formation of community stakeholder groups.
- Capacity building of PRIs/Community Based Organisations (CBOs)/ opinion makers.
- Awareness generation and behaviour change communication.

- First Aid training for Mid-wives/ TBAs.
- Strengthening service delivery in villages.
- Incentive based follow-up and social marketing.
- Monitoring and evaluation of health indicators and
- End line survey to measure the impact at the end of the project tenure.

Expected outcome of the project include limiting population growth, reducing Infant & Maternal Mortality Rates (IMR & MMR), providing better health services during antenatal and postnatal period and reducing the incidence of HIV/AIDS/ STDs/ RTI among the target population.

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

DOTS centre for TB treatment and Integrated Counselling and Testing Centre (ICTC) for HIV continued their services to the population around Gajraula.

Project 'Samarth' – workplace program on HIV/AIDS continued to spread awareness among employees and in the nearby community. Various activities have been undertaken within and outside the Company.

In absence of any cure or even a vaccine for the HIV, "Jaankaari Hi Bachav Hai" (Awareness is the Cure) seems to be the mantra which has been disseminated through rallies, campaigns and lecture sessions at all locations to observe World AIDS Day, every year.

When there was an upsurge in Swine Flu cases across the world as well as in India, the Company organised awareness campaign for Swine Flu due to strong presence in the community through 'Muskaan' school children and healthcare program.

Besides providing basic healthcare and DOTS facility for TB treatment, Company also organised community awareness programs on TB.

Goal 7: Ensure Environmental Sustainability

The changing climate, as one of the major concern in today's scenario, does pose potential threat to the progress towards attainment of MDGs. In this regard, the innovatively developed 'Muskaan' hand pump was showcased during the two day International exhibition on "Climate Change – Technology Development and Transfer" organised under the auspices of Government of India and the Confederation of Indian Industry (CII).

The 'Muskaan' hand pump is an innovative idea of lifting water to an overhead tank where no electricity is available. In fact, in many schools in rural India, there is no electricity to lift water to the overhead tank. 'Muskaan' hand pump operates with the efforts of the children en-

gaged in playing Seesaw. This helps in providing running water to the toilets, keeping these clean and hygienic. Non-availability of proper toilet facilities is one of the major factors for the girl child dropping out of schools after standard III or IV. This pump not only lifts water with the playing activity but also conserve energy which could have otherwise use in lifting the water.

Workplace Volunteers

Jubilant encourages and supports Workplace Volunteers program and offers ample opportunities for employees to make an impact in the society wherein they exist. Some examples are:

- Drive for collection of clothes in collaboration with 'Goonj', a Non-Government Organisation (NGO), for distribution amongst the needy.
- Visit to 'SOS village', an NGO, sheltering destitute and orphaned children during festivals and sharing gifts with them.
- Continue the activity of benevolent fund 'Ashraya' by the employees of Nanjangud unit a platform for various community work like providing interest free loan to SHG members to purchase sewing machines, donating desks and tables for rural primary 'Muskaan' schools, assisting in the upliftment of the deprived population etc.
- Blood donation camps were organised in three units viz. Gajraula, Samlaya and Nanjangud in close cooperation with Indian Red Cross Society (IRCS) and local hospitals. These series of events saw an outstanding contribution of blood donation by the employees of Jubilant. Necessary health tests were done by IRCS

Goal of 'Swasthya Prahari':

To sensitise local population on health related issues with focus on Mother and Child Health (MCH) thereby promoting health seeking behaviour

Objectives:

- To improve MCH services in target villages by encouraging community involvement and seeking active participation from key stakeholders including PRI representatives, Government agencies etc.
- To strengthen the existing government and non-government medical care delivery system by building support and accountability mechanisms.
- To promote social marketing of health products thereby ensuring economic sustainability of the project.

doctors prior to accepting the blood units from the employees thereby ensuring safe blood from the donors. All the blood donors were given blood donation card by IRCS which can be utilised for future need of blood within one year.

These series of events saw an outstanding contribution of blood donation by the employees of Jubilant.

Goal 8: Develop a Global Partnership for Development

Jubilant seeks partnership with agencies, both in private and public sectors like International Labour Organisation (ILO), National Bank for Agriculture and Rural Development (NABARD), KrishiVigyan Kendra (KVKs), Grameen Banks, USHA International, The NIIT Institute (TNI) etc.

The Company sponsored Asian Forum on Corporate Social Responsibility (AFCSR) 2009 held at Manila, Philippines. The theme of the conference was **"SUSTAINING CSR IN DIFFICULT TIMES – How Business can benefit and why it will make business sense"**. The Company sponsored this as a Cooperating Partner - Silver Sponsor.

Cadista, the international subsidiary, in 2010 took up a one-time collection for the Red Cross to contribute money for Haiti Relief after the earthquake. The contribution to the Salisbury Red Cross Chapter was match dollar for dollar by the Company for a total of USD 4,040 donated to the cause.

The Company encourages the employees to give back to the community at every opportunity, in a way that suits them. By participating on the CSC, donating to a cause that is close to their heart, or volunteering their time to local organisations, the employees understand the importance and the impact of their giving. Hollister continued to support the United Way campaign. The employees pledge donations to support the organisation. The campaign resulted in HollisterStier employees donating USD 39,000 to United Way.

Bribery And Corruption

Individually, the Businesses are not analyses for risks related to corruption. However, the Company has a Code of Conduct for the senior management. Affirmation Statement signed by senior officers is submitted to the CMD that they have followed the Code of Conduct. The Code of Conduct also covers issues related to corruption.

The Company does not have a separate anti-corruption policy. This issue is covered under the Code of Conduct and is applicable to the employees. The Code of Conduct can be accessed by the employees from the intranet.

During the reporting year there was no incident of corruption and no action was warranted with respect to incidents of corruption.

Policy

Adhering to the strong set of values and guiding principles that drive working at Jubilant, dealings are conducted in a professional and ethical manner.

Any personal payments or bribes to individuals employed by Jubilant's customers or suppliers, or receipt of bribes or personal payments by employees of Jubilant are strictly prohibited. This includes buying equipment from suppliers for personal use at high discounts.

Moreover, any meals, entertainment, gifts or favours we offer to our customers or prospective customers will be moderate, in good taste, and in keeping with the principle of avoiding even the appearance of inducing our customers to place their personal interests above those of their employer.

Public Policy

The Company is not involved in lobbying in public policies. The Company interacts with government authorities at local level in terms of implementing its social activities.

As a policy, the Company does not get involved in politics and so does not make any contribution to political parties, politicians or related institutions.

Anti Competitive Behavior

There were no legal actions against the Company for anti-competitive behaviour, antitrust, and monopoly practices.

Compliance

There were no fines or non-monetary sanctions against the Company for non-compliance with laws and regulations.

Management Approach -

Social Indicators

Product Responsibility

Policy

The Company has an Intellectual Property Rights (IPR) policy in place. The Company also provides several products and services which have confidentiality agreements. However, as a policy, the Company provides necessary labels and information along with its products.

Goals and Performance

The Company ensures that the safety data sheet is provided along with the label which follows the internationally accepted Globally Harmonised System (GHS) with all products.

Organisational Responsibility

CEOs and Business Heads of various businesses are accountable for the Product Responsibility.

Training and Awareness

There is a regular interface with the users of the products. The field staff regularly update the users about the usage of the products & discloses the safety aspects to be used with the products. For example, in the polymer division, the Carpenters are trained on various products and their safe use.

Monitoring and Followup

The Company's business representatives regularly interact with their customers to monitor the performance with respect to product usage & its information on packaging and labelling etc.

Additional Information

HollisterStier's Allergy Business Unit falls under the blanket of the Pharmaceutical Research and Manufacturers of America (PhRMA). HollisterStier Allergy conducts all business to comply with our Sales and Marketing Policy,

which takes into account all regulations put forth by the PhRMA Code on Interactions with Healthcare Professionals. Training on this policy is provided to all sales representatives. They are also provided with updated documents of additional state and federal regulations. HollisterStier follows the strictest current guidelines when conducting business in each state, be that the Sales and Marketing Policy or individual state laws.

Product Responsibility Performance

Customer Health and Safety

Product Responsibility is an integral part of the Business. The Company together with the line management identifies and assesses significant health, safety and environmental risks and opportunities for long term business and reputation as a responsible corporate citizen.

The Company considers customer needs & expectation to help improve customer satisfaction and commercial effectiveness as well as value customer feedback and use a range of initiatives to respond to their questions and requests.

There was no incident of non-compliance with regulations and voluntary codes concerning health and safety codes.

Product and Service Labeling

The Safety instructions are mentioned on packing & labels of products. The Company discloses the safety aspect related to the product sold to the customers. The Oral Dosage Formulation unit at Roorkee is manufacturing capsules & tablets for export and labels have instructions as per laws prevailing in those countries. The API unit at Nanjangud markets the products in

bulk as per the demand of the customer & country. These packaging have relevant information as per the prevailing laws.

The Company is concerned about compliance with regulations and voluntary codes concerning product and service information and labelling. There was no incident of non-compliance during the reporting period.

The Company has a system for all the businesses to take feedback in the form of a questionnaire from Customers as well as product users.

Marketing Communications

As a corporate citizen, the Company adheres to the laws pertaining to advertising, promotional activities as well as sponsorship etc.

The Company is regularly advertising for the promotion of its products as well as other related issues of Sustainability and sponsored many programs during the reporting year. There was no incident of non-compliance with regulation and voluntary codes concerning marketing communication, including advertising, promotion and sponsorship.

Customer Privacy

The Company did not receive any complaints regarding breaches of customer privacy and losses of customer data during the reporting year.

Compliance

During the reporting year, there was no monetary fine levied on the Company for non-compliance with laws and regulations concerning the provision and use of products and services.

Path Forward 2010



- The Company proposes to reduce water, electricity and paper throughout offices and manufacturing locations. It is proposed to use old/used envelopes for internal communication; reduce making extra copies; recycling of waste paper; conserve water and electricity as an effort to reduce waste minimisation at source.
- The Company shall work for Gender Equality and Transparency on social, environmental, and economic factors as essential components at the corporate level and all locations, wherever possible.
- To further integrate Sustainability into Businesses, it is proposed to form a Sustainability Committee at Corporate Office with members from Business, Finance, HR & Administration, Corporate Communication, Secretarial department as well as EHS and CSR. The members of this Committee as well as others involved in Sustainability Reporting from all locations will be trained through e-learning tutorial on Sustainable Development.
- As Company's endeavour to mitigate the impact of Climate Change, it is proposed to initiate few Green IT initiatives, such as Unified communication deployment to reduce travel; Safe disposal of e-waste; Virtualisation of Servers: save power; Adopt Digital Scroll Compressor Technology in new PACs to save power; Green Refrigerant Gas in PACs for new data Centre.
- The Company's efforts for mitigating Climate Change will continue to be the focal point. The Company proposes to reduce electricity consumption with enhanced day light utilisation; install solar lights wherever possible; replace incandescent bulbs with CFLs. The Company will continue to observe Earth Hour, World Environment Day as well as others and organise/ sponsor programs/ seminars/ conferences to spread awareness.
- The Company will continue the journey for greening the Supply Chain. It is proposed to include 100 suppliers on EHS & Climate Change

mitigation issues in coming year. Enhance e-procurement through “eJ-Buy” to improve the Supply Chain processes for sourcing and procurement. It entails electronic communication with all the suppliers leading to fair and transparent transactions and reduces paper consumption.

- The Company will establish a Vocational Training Centre (VTC) at Bharuch through its Foundation for carrying out livelihood training program and get it registered with the Ministry of Labour and Employment, Govt. of India. The Company will also organise vocational training in association with NABARD at Nira.
- The Company through its Foundation shall partner "Social Entrepreneur of the year Award" for India in association with Schwab Foundation of Social Entrepreneurship.
- The Company will work on implementation of ISO 14001 & OHSAS 18001 for other Indian locations by 2011.
- Encouraged by the impact and acceptability of Muskaan project started at Gajraula for supporting the Government primary schools, the Company plans to extend project to 35 more schools around other manufacturing units in India. This will be strengthened with

the formation of Eco-club in all the ‘Muskaan’ project schools.

- At JFTHL, an Infection Control Committee will be formed to cater to its infection control needs. It is considered to use sterile papers instead of towels in the hospital to improve hygiene.
- As a Corporate Commitment the Company will become the member of Global Compact Network, India for the implementation, disclosure, and promotion of ten universal principles of UN Global Compact and disclose GHG emissions through Carbon Disclosure Project (CDP).



Assurance Statement



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The Management and Board of Directors

Jubilant Organosys Limited

1-A, Sector 16-A

NOIDA 201301

Uttar Pradesh, India

Independent Assurance Statement

We have been engaged by Jubilant Organosys Limited (the 'Company') to review and provide independent assurance for its Corporate Sustainability Report 2009-10 (the 'Report').

The Company has stated in the Report that it is prepared based on GRI G3 guidelines. The development of the Report, its content, and presentation is the sole responsibility of the management of the Company. Our responsibility, in accordance with the Company's instructions, is to provide independent assurance to the report contents. However, this assurance report should not be taken as a basis for interpreting the Company's performance across the scope of issues covered in the Report. 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 reliance any such third party may place on the Report is entirely at its own risk.

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, limitation and methodology of assurance

The Scope of our work for this assurance statement was limited to verification of information pertaining to environment, health & safety (EHS) and social performance for the year 1st April 2009 to 31st March 2010. We have not performed review of the past years' information included in the Report.

The scope was limited to review and verification of the Report contents on a sample basis, and general review of the logic of inclusion/ omission of necessary relevant information / data as provided below:

- Review of the Report for any major anomaly within the report and between the report and source data/information;
- Verification of the transcription of the data internally verified by the Company;
- Execution of an audit trail of selected claims and data streams to determine the level of accuracy in collection, transcription and aggregation processes followed;

- Review of the Company's plans, policies and practices, so as to be able to make comments on the completeness of reporting and the degree to which EY believes the report provides a fair and honest representation of the Company's business;

We have not performed any review of the 'economic performance indicators' included in the Report which we understand are derived from the Company's audited financial records. The assurance scope excludes the Company's statements which are generic assertions, expression of opinion, belief, aspiration, expectation, aim or future intention indicated by the Company.

The assurance was performed by our multidisciplinary team of professionals in the field of environment, health, safety (EHS) and social matters, who visited the corporate office at Noida and three manufacturing locations at Gajraula (Uttar Pradesh), Roorkee (Uttarakhand) and Samalaya (Gujarat) for reviewing and verifying the information and data; information and data pertaining to the other manufacturing facilities was made available to us at Company's Corporate Office at Noida.

Conclusions

On the basis of the work undertaken, the key conclusions are as follows:

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;
- the systems and procedures applied by the Company for collection, collation and interpretation of non-financial historical data on EHS and social performance parameters for inclusion in the Report are reliable.

Independence

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.

Ernst & Young Private Limited



Sudipta Das

Partner

Kolkata, India

Dated: 3rd June, 2010.

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			EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	34



Profile Disclosure	Description	Page No.	Profile Disclosure	Description	Page No.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	34	Social: Labour Practices and Decent Work		
EN16	Total direct and indirect greenhouse gas emissions by weight	35	LA1	Total workforce by employment type, employment contract, and region	40
EN17	Other relevant indirect greenhouse gas emissions by weight	35	LA2	Total number and rate of employee turnover by age group, gender, and region	40
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	35	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	41
EN19	Emissions of ozone-depleting substances by weight	36	LA4	Percentage of employees covered by collective bargaining agreements	41
EN20	NOx, SOx, and other significant air emissions by type and weight	36	LA5	Minimum notice period(s) regarding significant operational changes	41
EN21	Total water discharge by quality and destination	36	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	41
EN22	Total weight of waste by type and disposal method	37	LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	42
EN23	Total number and volume of significant spills	37	LA10	Average hours of training per year per employee by employee category	42
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	37	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	42
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	38	LA14	Ratio of basic salary of men to women by employee category	42
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	38	Social: Human Rights		
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	38	HR1	Percentage and total number of significant investment agreements that include human rights clauses	44
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	38	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	44
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Profile Disclosure	Description	Page No.	Profile Disclosure	Description	Page No.
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	45	Social: Product Responsibility		
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	45	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	53
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	45	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	53
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Social: Society			PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	53
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SO5	Public policy positions and participation in public policy development and lobbying	52	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	53
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List of Abbreviations

AFSSAPS	Agence Francaise de Securite Sanitaire des Produits de Sante (The French Health Products Safety Agency)	IMA	Indian Medical Association
AI	Advance Intermediates	IMR	Infant Mortality Rates
AIDA	All India Distillers Association	IMS	Integrated Management System
AIDS	Acquired Immune Deficiency Syndrome	IPR	Intellectual Property Rights
ANU	Animal Nutrition Unit	IRCS	Indian Red Cross Society
API	Active Pharmaceutical Ingredients	ISO	International Organization for Standardization
APP	Agri & Polymer Products	JBF	Jubilant Bhartia Foundation
ATFD	Agitated Thin Film Dryer	JEMS	Jubilant English Medium School
BRT	Block Resource Team	JFTHL	Jubilant First Trust Healthcare Limited
CBOs	Community Based Organisations	KRAs	Key Result Areas
CCMP	Climate Change Mitigation Policy	KWH	Kilowatt hour
CFC	Chloro Fluoro Carbon	LDO	Light Diesel Oil
CFL	Compact Florescent Light	LED	Light Emitting Diode
CII	Confederation of Indian Industry	LLC	Limited liability company
CMD	Chairman & Managing Director	MCH	Mother and Child Healthcare
CCMD	Co-Chairman & Managing Director	MDGs	Millennium Development Goals
CRAMS	Custom Research and Manufacturing Services	MEE	Multiple Effect Evaporator
CRO	Clinical Research Organisation	MMR	Maternal Mortality Rate
CSC	Community Service Committee	MT	Metric tons
CSR	Corporate Social Responsibility	NA Units	North America units
DDDS	Drug Discovery and Development Solution	NABARD	National Bank for Agriculture and Rural Development
DOTS	Direct Observed Treatment Short-course	NCVT	National Council for Vocational Training
ED	Executive Director	NDDS	Novel Drug Delivery System
EDTA	ethylenediaminetetraacetic acid	NGOs	Non Government Organisations
EMS	Environment Management Systems	NOx	Oxides of Nitrogen
ERP	Enterprise Resource Planning	OHSAS	Occupational Health and Safety Assessment Series
ESI	Employees' State Insurance Act	PAC	proxy auto-config
ESP	Electro Static Precipitator	PAI	Personal Accident Insurance
ESS	Employee Self Service	PhRMA	Pharmaceutical Research and Manufacturers of America
ETP	Effluent Treatment Plant	PLSPS	Pharmaceutical Life Sciences Product and Services
FICCI	Federation of Indian Chambers of Commerce & Industry	PMDA	Pharmaceutical and Medical Devices Agency
FO	Furnace Oil	PMS	Performance Management System
FY	Financial Year	POSH	Prevention of Sexual Harassment
GDP	Gross Domestic Product	PPEs	Personal Protective Equipments
GHG	Greenhouse Gases	PRI	Panchayati Raj Institution
GHS	Global Harmonized Systems	RCV	Resident Community Volunteer
GRI	Global Reporting Initiative	RFO	Residual Furnace Oil
GSCM	Green Supply Chain Management	RO	Reverse Osmosis
GTL	Group Term Life	RPM	Revolution per minute
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit GmbH	SLF	Secured Landfill Facility
HAZOP	Hazard Identification & Control system through Hazard Operability	SO2	Sulphur Dioxide
HCFC	Hydro Chloro Fluoro Carbons	SOX	Sarbanes – Oxley
HIV	Human Immunodeficiency Virus	SOP	Standard Operating Procedure
HO	Head Office	TBA	Traditional Birth Attendants
HRIS	Human Resource Information System	tCO ₂ e	Tonnes Carbon di Oxide Equivalent
HSD	High Speed Diesel	TDS	Total Dissolved Solids
ICC	Indian Chemical Council	UKMHRA	United Kingdom Medicines and Healthcare Products Regulatory Agency
ICH	International Conference on Harmonization	TR	Tons of Refrigeration
ID Fan	Induced Draft	US FDA	United States Food and Drug Administration
ICDS	Integrated Child Development Scheme	VEC	Village Education Committee
ICTC	Integrated Counselling and Testing Centre	VFD	Variable Frequency Drive
IFRS	International Financial Reporting Standards	VP	Vinyl Pyridine
ILO	International Labour Organisation	VTP	Vocational Training Provider
		₹	Indian Rupees

Application Level

		2002 In Accordance	C	C ⁺	B	B ⁺	A	A ⁺
Mandatory	Self Declared							
Optional	Third Party Checked			Report Externally Assured		Report Externally Assured		
	GRI Checked			Report Externally Assured		Report Externally Assured		

This Report conforms to G3 guidelines with
A⁺ Application Level as checked and confirmed by GRI



Climate Change Mitigation Policy

Jubilant, committed to Sustainable Development, recognizes the risk of Climate Change. We shall initiate actions at all our manufacturing locations, R&D centers and offices to reduce carbon emission as a step towards climate change risk mitigation.

Our initiatives include:

- Creating awareness among employees, their families and community
- Continuous improvement for energy conservation measures
- Install energy efficient fixtures and metering systems in our buildings
- Reduce emission and promote renewable energy sources
- Optimize usage of all resources
- Use advancement of Information Technology to reduce travel related emission
- Plant trees for carbon sequestration
- Involve suppliers through Green Supply Chain Management to use energy efficient equipment

We shall endeavor to mitigate the impact of Climate Change by above initiatives.



green

Supply Chain Policy

At Jubilant, we renew our passion for the Environment with a commitment to strive for enhancing the **Greening** of our Supply Chain in collaboration with our **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 green house gas emission
- S**trive for sustainable partnership



Jubilant Organosys Limited

...working together for Sustainability

FEEDBACK FORM FOR SUSTAINABILITY REPORT 2009-10



We value your suggestions to improve our performance. Please spare few minutes of your valuable time and give us your feedback.

1. Relevance of Economic, Environment & Social issues covered in the Report

☐ High

☐ Medium

☐ Low

2. Clarity of information provided on above issues in the Report

☐ High

☐ Medium

☐ Low

3. Quality of Design, Layout and Presentation of the Report

☐ Excellent

☐ Very Good

☐ Good

4. Suggest any other issue should be covered in the next Report

5. Suggest the areas, if any, to include in the next Report

Name :

Designation :

Organization :

Contact Address :

E-mail :

Please mail your feedback to :

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