

The Board of Directors of Jubilant Organosys Ltd.

### 1. Background

At your request we have reviewed the contents of "A Jubilant Tomorrow - Corporate Sustainability Report 2003-04" ('the Report') relating to environment, health and safety ('EHS') and social performance of Jubilant Organosys Ltd. ('the Company') as outlined below, in order to provide conclusions in relation to its responsiveness, materiality and completeness. The Report is prepared by the Company, which is responsible for collection and presentation of information within it.

Our responsibility is to provide our conclusions regarding the information presented in the Report with respect to EHS and social performance. However, this Statement should not be taken as a basis for interpreting the Company's performance across the scope of issues covered in the Report.

### 2. Approach

There is currently no statutory requirement in India for preparation and publication, nor generally accepted international standard relating to verification, of corporate sustainability reports.

Therefore, a review process was used employing a series of customized work steps to ensure consistency in our assessment across the operations of the Company. This involved challenging and substantiating the assertions and claims made in the Report, to the extent the Report relates to historical performance and also involved a review of processes for the collection, collation and internal reporting of non-financial data relating to EHS and social performance and of implementation at the site level, of specific EHS and social programmes.

### 3. Limitation of scope

We understand that the financial data included in the "Economic" section of the Report is derived from the Company's internal financial records; we have not performed any procedures on this section of the Report.

The scope of our work was limited to visits to the Company's head office at NOIDA and its two major manufacturing locations, Gajraula and Nanjangud; the other manufacturing facilities at Samlaya and Nira were not visited by us.

#### 4. Basis of our review

In order to form our conclusion, we undertook the steps outlined below:

- Reviewed the Report based on the Company's sustainability plans, policies and practices to ensure that the Report provides a fair representation of performance based on such plans, policies and practices.
- Interviewed selected functional heads as well as executives and managers with responsibility for functions such as EHS, plant operations and corporate initiatives. These meetings were conducted to understand the implementation of initiatives and historical performance as well as to support our understanding of the processes and activities relating to EHS and social performance.
- Reviewed selected documents that were used to capture and collate information relating to EHS and social performance parameters as well as policy documents, systems documentation, internal guidelines, assessment tools and training materials.
- Conducted site visits to the key plant locations at Gajraula and Nanjangud, to review data reporting relating to EHS and social performance as well as processes and activities relating to collection and collation and analysis of such data.
- Reviewed processes and activities used to consolidate non-financial data relating to EHS and social performance from individual sites across business units to the data in the Report.
- Reviewed and challenged the information relating to EHS and social performance, to substantiate the assertions made in the Report. This included an assessment of the Report's contents against the evidence obtained through the course of our work.

#### 5. Conclusions on the report

5.1 On the basis of our review, with the exceptions described in Para 5.2 below, our conclusions on the report are as follows:

- The Company has demonstrated a commitment to respond to EHS, social as well sustainability challenges, as set out in this Report. This has been reflected in the prominence of these issues in the agenda of the Company's management. The EHS and social issues are integrated with the corporate decision-making process.
- Formal EHS and social functions have been established and defined processes and activities are in place at the individual sites and business units to collect and collate non-financial data relating to EHS and social performance. Further, we have observed that key variances in the data are reviewed by the Company's management.

- The statements and assertions made in the Report regarding EHS and social performance provide a balanced representation consistent with the Company's sustainability policy included in the Report.
- In line with the Company's sustainability policy, management follows a structured process of evaluating EHS and social implications for the projects taken up for implementation.
- Processes for collection, collation and interpretation of non-financial historical data on EHS and social performance parameters are reliable for assessing Company-wide sustainability performance in the context of the data reporting boundaries stated in the Report. Our observations on selected audit trails support our positive assessment on data integrity and accuracy.
- Statements and assertions made in the Report regarding EHS and social performance are generally supported by evidence found at the sample of sites we visited.
- We observed that there is a structured effort at the Company for stakeholder consultation in the process of sustainability management. Documentation of such engagements may be further standardised for collating the outputs of the stakeholder engagement process in defining the scope and content of the Report as well as its updation from the previous year.

5.2 In our opinion, based on the nature of the Company's operations vis-à-vis its sustainability policy, there is scope for improvement in the coverage of the following issues in the Report:

- Water conservation efforts and future plans: In our opinion, water management is an important issue and a significant sustainability criterion for the Company. Though we observed significant initiatives for water treatment and reuse, appropriate efforts towards reducing consumption of water need to be strengthened. We felt that information from a structured water audit could strengthen efforts in this regard.
- Hazardous waste management practices: We observed that hazardous waste management systems and practices have scope for improvement at both the locations, Gajraula and Nanjangud, visited by us. It would be pertinent for the Company to consider this matter beyond regulatory compliance, analyse the improvement opportunities, draw up an appropriate action plan and take up time-bound implementation programmes.
- Green house gas (GHG) emissions and mitigation efforts: Initiatives have been taken by the Company in inventorisation of GHG emissions. We understand that reporting on this matter could not be done as conclusions from the study are not yet available. Appropriate reporting on GHG in future would further improve the balance of representation.

Ernst & Young Private Limited



Authorised Signatory