Materiality Assessment

At Galaxy, we recognise that identifying and prioritising material topics is fundamental to creating long-term sustainable value. In FY 2025-26, we undertook a comprehensive re-evaluation to understand impacts, risks and opportunities associated with material topics across our complete operations and value chain. This enabled us to strengthen sustainability disclosures while aligning our business strategy with evolving stakeholder expectations.

Our materiality assessment covers our complete operations and evaluates topics from environmental, social and economic perspectives by integrating stakeholder inputs, ESG risk assessments and supply chain insights. This enables us to identify and prioritise issues most relevant to our business and stakeholders while aligning with our long-term sustainability ambitions.

The assessment considers short-term (1–2 years), medium-term (3–5 years) and long-term (5–10 years) horizons across our operations and value chain to strengthen future readiness and strategic decision-making. Our approach is guided by internationally recognised principles and frameworks.

Assessment Process

1. **Define Scope and Stakeholders**
   We define the scope of the assessment, including product lifecycle and business relationships and identify key stakeholders such as suppliers, employees, customers and investors.

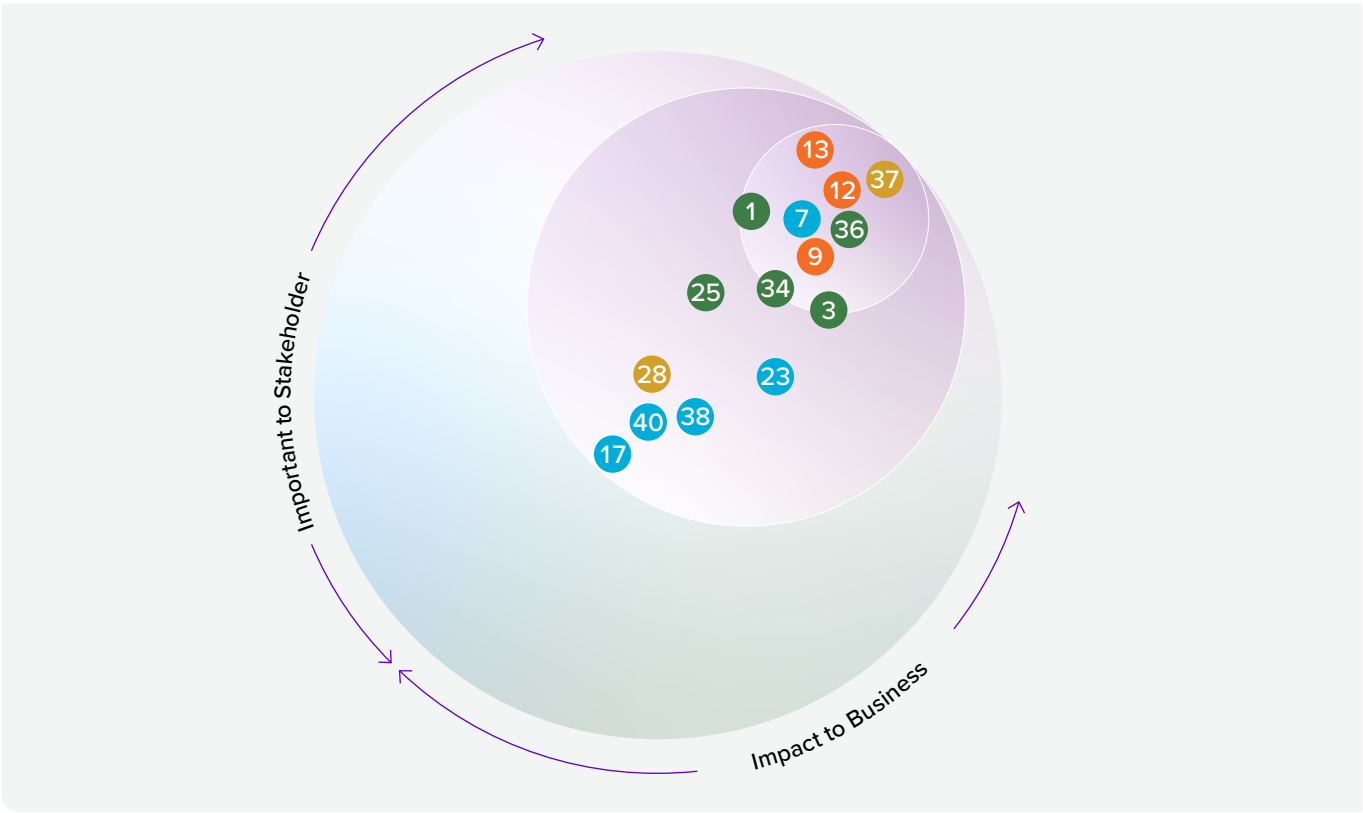
2. **Identify and Assess Impacts**
   Through stakeholder input and internal expertise, we identify positive and negative impacts on the economy, environment and people, including human rights issues.

3. **Prioritise Material Topics**
   We prioritise ESG topics based on their significance, considering business impact and stakeholder importance. We are informed by industry trends and feedback from key stakeholders.

4. **Materiality Matrix**
   We map the material topics using a matrix, evaluating their relevance based on their potential impact on our business and their importance to our stakeholders.

5. **Validation and Communication**
   We internally review, validate and, where appropriate, externally assure drafted material topics before communicating them to stakeholders for feedback.

6. **Continuous Improvement**
   Considering the evolving sustainability landscape and business dynamics, we regularly revisit our materiality assessment to ensure its relevance.



Environment

1	Energy consumption - measurement & monitoring, reduction initiatives
2	Increasing the % use of renewable source of energy, renewable electricity (power)
3	GHG emission accounting, air emissions measurement, monitoring & reporting
4	Water security at site and being water positive at organisational-level
5	Measurement, monitoring and reduction of effluents, waste, spillage
6	Measurement of biodiversity impact
8	Net zero carbon emission
21	Product Lifecycle thinking
25	Circular economy
34	Expenditures on environmental issues - climate, water, plastic, waste, etc.
35	Energy saving, water savings, waste reduction and other efficiency projects
36	New technologies

Labour and Human Rights

9	Labour relations - Fair labour practices
10	Employee health, safety and well-being
11	Diversity and inclusion in the workforce
12	Career management: Recruitment, training and development
13	Human rights
14	Local community engagement and impact assessment
15	Protection of indigenous rights

Sustainable Procurement

22	Product packaging
24	Product and process design and improvement
27	Sustainable Palm Oil (RSPO-certified)
28	Engagement with suppliers
29	Suppliers evaluation and audits
30	Oil Palm Traceability till plantations level
31	Onboarding for a smallholder projects
32	Financial growth
37	Risk management

Ethics

7	Measurement of material conservation and recycling
16	Fair disclosure and labelling
17	Fair marketing and advertising
18	Customer privacy
19	Customer communication/engagement
20	Customer complaints resolution
23	Product quality and safety
26	Regulatory requirements
33	Corporate Social Responsibility spend
38	Compliance
39	Business ethics and transparency
40	Competitive behaviour
41	Information security
42	Policy advocacy
43	Digitisation

Management of Material Topics

Energy Consumption – Measurement and Monitoring, Reduction Initiatives

Galaxy's surfactant manufacturing operations are energy-intensive, making energy efficiency and renewable integration critical for reducing emissions, improving operational efficiency and supporting Mission 2030 climate goals.

Approach

- Mission 2030 target: 75% renewable electricity by FY 2029-30
- TPM, Kaizen and efficiency projects for energy optimisation

KPIs Monitored

- Total energy consumption (GJ)
- Energy intensity (GJ/MT)
- Renewable electricity share (%)
- Emissions avoided through renewable electricity (tCO_2e)
- Energy saved through efficiency projects (GJ)
- Renewable energy generated onsite (MWh)

GHG Emission Accounting, Air Emissions Measurement, Monitoring and Reporting

GHG and air emission management is essential for Galaxy's climate strategy, regulatory compliance and reduction of environmental impact across surfactant and specialty chemical manufacturing operations.

Approach

- GHG inventory and air emissions monitoring are managed through defined environmental governance systems.
- Product carbon footprint studies across major SKUs
- Mission 2030 target: 40% absolute reduction in Scope 1 and 2 emissions by FY 2029-30

KPIs Monitored

- Scope 1 and 2 emissions (tCO_2e)
- GHG intensity (kg CO_2e/MT)
- Product carbon footprint studies (% SKUs covered)
- NOx emissions SOx emissions VOC emissions Particulate emissions Air emission compliance (%)

Measurement of Material Conservation and Recycling

Efficient material utilisation and recycling are critical for reducing waste, improving circularity and optimising resource consumption across Galaxy's manufacturing and packaging operations.

Approach

- Waste segregation and resource recovery systems across manufacturing sites
- Mission 2030 target: 90% waste circularity by FY 2029-30
- PARIVARTAN and RTFT initiatives for waste reduction and material optimisation

KPIs Monitored

- Waste circularity (%)
- Waste generated (MT)

Environment | Labour and Human Rights | Sustainable Procurement | Ethics

Labour Relations – Fair Labour Practices

Fair labour practices are essential for maintaining workforce stability, employee well-being and responsible operations across Galaxy's global manufacturing and business locations.

Approach

- Employee Welfare Council (EWC) and grievance redressal mechanisms
- Workforce well-being and safety performance monitoring through LTIFR
- Employee engagement and awareness programmes across operations

KPIs Monitored

- LTIFR
- Total permanent employees
- Women in workforce
- Employee engagement score
- Attrition rate

Career Management: Recruitment, Training and Development

Continuous learning, leadership development and technical capability building are important for strengthening technical capability, innovation and operational excellence within Galaxy's specialty chemicals business.

Approach

- KRAs and performance appraisal-based capability development framework
- Technical, behavioural and leadership training programmes
- Internal learning and industry participation initiatives for workforce upskilling

KPIs Monitored

- New hires
- Number of training programmes conducted for key management personnel
- Training hours per employee
- Total training hours

Human Rights

Respecting human rights across operations and supply chain is essential for responsible sourcing, ethical business conduct and stakeholder trust within Galaxy's global value chain.

Approach

- Supplier sustainability and ethical sourcing assessments across value chain
- Human rights compliance integrated into supplier engagement processes
- Employee and supplier awareness programmes on ethical labour practices

KPIs Monitored

- Number of suppliers (accounts for 95% of total spend) adhering to sustainable practices
- Employees trained on human rights
- Suppliers assessed for human rights risks

Management of Material Topics

Engagement with Suppliers

Responsible supplier engagement is essential for sustainable sourcing, traceability and ESG performance across Galaxy's global supply chain, especially for palm-based raw materials.

Approach

- RSPO commitments and palm traceability monitoring programmes
- Supplier sustainability surveys and ESG assessment mechanisms
- GalSustain programme for supplier sustainability engagement

KPIs Monitored

- RSPO MB-certified raw material procured (MT)
- Palm traceability to mills (%)
- Palm traceability to plantations (%)
- Suppliers assessed for ESG risks (%)
- Suppliers covered under sustainability audits (%)

Expenditures on Environmental Issues – Climate, Water, Plastic, Waste, etc.

Strategic environmental investments support Galaxy's Mission 2030 goals related to climate action, water stewardship, waste circularity and sustainable manufacturing improvements.

Approach

- Sustainability investments aligned with Mission 2030 environmental goals
- Renewable energy, water stewardship and waste management projects
- Environmental expenditure monitoring through sustainability reviews

KPIs Monitored

- Investment in environment (₹ Cr)
- Rainwater harvested (ML)
- Recycled water used (%)
- Waste recycled (%)
- Waste circularity (%)
- Scope 1 & 2 emissions reduction (%)

New Technologies

Adoption of innovative and cleaner technologies supports sustainable manufacturing, process efficiency and development of high-performance surfactants and specialty care products.

Approach

- Green chemistry and sustainable R&D process frameworks
- Enzyme catalysis, upcycling and bio-based innovation initiatives
- Automation and patented process technologies for operational efficiency

KPIs Monitored

- R&D expenditure (₹ Cr)
- Patents granted

Environment | Labour and Human Rights | Sustainable Procurement | Ethics

Risk Management

Strong risk management systems are essential for addressing operational, ESG, supply chain and regulatory risks across Galaxy's global manufacturing and sourcing operations.

Approach

- HIRA, HAZOP and PSM-based operational risk assessment systems
- ESG and supply chain risk monitoring through enterprise risk framework
- Periodic audits and business continuity review mechanisms

KPIs Monitored

- LTIFR
- CDP- Climate Rating
- CDP- Water Security Disclosure Rating
- CDP- Forest Security Disclosure Rating
- CDP- Supplier Engagement Assessment
- Critical risks identified and mitigated

Compliance

Regulatory compliance and ethical governance are essential for maintaining operational integrity, stakeholder trust and responsible business conduct across Galaxy's operations.

Approach

- Code of conduct, whistleblower and internal control mechanisms
- Regulatory audit and compliance review systems across operations
- Governance and compliance awareness training programmes

KPIs Monitored

- Penalties or fines paid on discrepancy
- Attendance by Board in training and awareness programmes (%)
- Number of training programmes conducted for key management personnel

Competitive Behaviour

Ethical competitive behaviour is important for maintaining fair market practices, business integrity and long-term stakeholder confidence across Galaxy's global operations.

Approach

- Business ethics and transparency governance frameworks
- Misconduct reporting and compliance review mechanisms
- Employee ethics and fair competition awareness programmes

KPIs Monitored

- Penalties or fines paid on discrepancy
- Anti-competitive incidents reported