Galaxy Surfactants Limited Sustainability Report 2024-25

# MATERIALITY ASSESSMENT

At Galaxy, we understand that identifying and addressing material topics is essential for sustainable growth. Our materiality assessment helps us focus on areas where strategic actions can create a significant, positive impact for our business and stakeholders.

Through active stakeholder engagement, detailed ESG risk assessments and thorough supply chain analysis, we identify and prioritise the most critical environmental, social and economic issues impacting both Galaxy and our partners. This collaborative approach ensures transparency and alignment with our long-term sustainability goals, enabling us to focus on areas of greatest impact and opportunity across our value chain.

To support this, we capture short- (1-2 years), medium- (3-5 years) and long-term (5-10 years) risk assessments covering our direct operations, upstream and downstream value chains and end-of-life product stages. These assessments are guided by CDP frameworks with medium-term targets serving as key checkpoints in our sustainability journey.

#### **Assessment Process**

**Define Scope and** We define the scope of the assessment, including product lifecycle and business **Stakeholders** relationships and identify key stakeholders such as suppliers, employees, customers and investors. **Identify and Assess** Through stakeholder input and internal expertise, we identify positive and **Impacts** negative impacts on the economy, environment and people, including human rights issues. We prioritise ESG topics based on their significance, considering business **Prioritise Material** impact and stakeholder importance. We are informed by industry trends and **Topics** feedback from key stakeholders. We map the material topics using a matrix, evaluating their relevance **Materiality Matrix** based on their potential impact on our business and their importance to our stakeholders. **Validation and** We internally review, validate, and, where appropriate, externally assure drafted **Communication** material topics before communicating them to stakeholders for feedback. Considering the evolving sustainability landscape and business dynamics, **Continuous** we regularly revisit our materiality assessment to ensure it remains relevant. **Improvement** 

**GRI 3-1** 



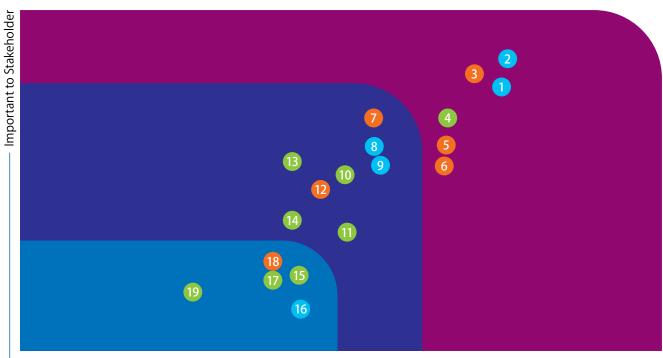
## **Material Topics in Order of Priority**

- 1 Compliances
- 2 Business Ethics and Transparency
- 3 Employee Health and Safety, Well-being
- 4 Water Security Being Waterpositive at the Respective Operational Sites
- 5 Labour relations Fair Labour Practices
- 6 Customer Privacy
- Customer Complaints Resolution

- 8 Data Security
- 9 Risk Management
- Increase in use of % of renewable sources of energy in overall energy consumption
- 11 Net-zero Carbon
- Engagement with Suppliers
- 13 Sustainable Palm Oil
- 14 Circular Economy
- 15 Product Sustainability Lifecycle Assessment Approach

- 16 Digitalisation
- 17 Efficiency Projects
- 18 Diversity and Inclusion at the Workplace
- 19 Biodiversity Impact

## **Materiality Matrix**



Impact to Business





Social



Governance



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# **Materiality Assessment**

## Management of Material Topics

### **Economic Impact**

- Galaxy's management contributes to economic progress through economic growth, job creation and contributions to innovation and technological advancements.
- Potential negative economic effects, such as unfair competition.
- We prevent or mitigate negative impacts through strict compliance with business ethics, transparency and risk management. We ensure compliance with local laws and international standards to promote fair business practices.

#### **Material Topics Mapped**









## **Environmental Impact**

- Galaxy promotes sustainable practices that reduce carbon emissions, conserve resources and preserve the environment through energy efficiency and waste management.
- As a chemical industry player, Galaxy's operations involve handling complex chemicals, which demand specialised expertise. This necessitates hiring professionals with highly technical skill sets and investing in their continuous training, sometimes leading to higher training costs.
- Actions to manage environmental impacts include increasing the use of renewable energy, striving for net-zero carbon emissions and working towards a circular economy.

### **Material Topics Mapped**













# People Impact

- Galaxy provides fair labour practices, equal employment opportunities and a healthy work environment that promotes wellbeing.
- Unsafe working conditions, low wages and job insecurity can harm workers' well-being and livelihoods.
- We mitigate negative impacts by ensuring fair wages, improving working conditions and maintaining a commitment to health and safety standards.

#### **Material Topics Mapped**















Positive Impacts Negative Impacts Management Actions



## **Human Rights Impact**

- Our management supports fair labour conditions and respects the rights of local communities, upholding human rights across operations.
- Exploitative labour practices, child labour and disregard for indigenous rights can lead to violations of human rights.
- We commit to adhering to human rights policies and provide training on ethical practices, ensuring the elimination of forced and child labour.

**Material Topics Mapped** 





### **Customer and Data Impact**

- Galaxy prioritises customer privacy and satisfaction, ensuring that customer information is handled responsibly and securely.
- Failure to protect customer data can lead to privacy violations and erosion of trust.
- We implement secure data protection measures, ensure compliance with privacy laws and resolve complaints promptly.

**Material Topics Mapped** 











# **Supply Chain Impact**

- We build enduring supplier relationships to ensure transparency and sustainability across our supply chain, driving mutual growth.
- Poor supplier practices can result in unethical sourcing and adverse environmental or social impacts.
- We conduct regular audits and engage with suppliers to align on sustainability goals and performance metrics, improving supply chain transparency.

**Material Topics Mapped** 

