

Our Approach to Sustainability

Galaxy has always prioritised sustainability, diligently identifying both existing and potential impacts on the economy, environment, and society. This comprehensive understanding is achieved through stakeholder engagement, rigorous environmental and social risk assessments, and meticulous supply chain scrutiny.

In 2012, we became a member of the Roundtable on Sustainable Palm Oil (RSPO). We also implemented greenhouse gas (GHG) accounting and participated in the Carbon Disclosure Project (CDP) programme. These initiatives highlight our proactive approach to

sustainability, encompassing comprehensive risk and opportunity assessments. Our consistent performance and widespread presence underscore that sustainability is deeply ingrained in our DNA.

We concentrate on five key areas – climate change, circular economy, water stewardship, green supply chain management, and diversity and inclusion – aligned with the critical goal of minimising our environmental impact. The identification of said focus areas allows us to streamline responsible business practices in a specific path, and has allowed us to contribute to a more equitable ideology and a healthier planet effectively.

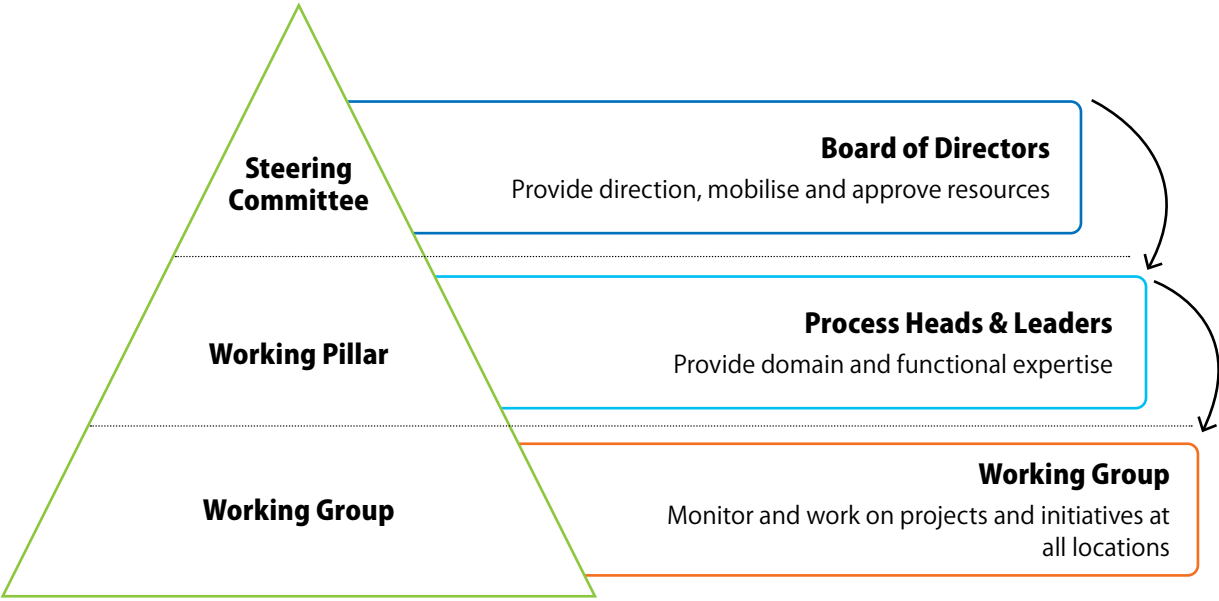


Sustainability Governance

At Galaxy, we pursue sustainability through a three-tier framework known as the Sustainability Cell. It has a Steering Committee at the apex made up of the Board of Directors, working pillars made up of process heads and leaders, and the operations team making up the working group. The Sustainability Cell meets quarterly to monitor and review the performance of sustainability across organisation.

A core committee is being formed to operate as an advisory group for long-term projects that may have a substantial influence on our business to develop new and focused activities in our next decade of Sustainability journey. The governance structure is depicted in the figure, and it consists of a core committee, an execution team, and an implementation team.

Sustainability Governance at Galaxy



Sustainable Innovation

Since our inception, Galaxy has been dedicated to innovation, driving its growth with a vision to develop impactful products responsibly. We foster a culture of foresight by empowering our R&D teams to prioritise environmental and social considerations from the very beginning of the innovation journey. This includes meticulously tracing a product’s lifecycle impact, starting from the sourcing of raw materials through to its eventual disposal. This holistic approach ensures that every stage of our products’ existence is thoughtfully evaluated, minimising environmental footprint and maximising sustainable outcomes.

For example, we actively explore bio-based alternatives and greener chemistries to reduce dependency on fossil fuels and lower the overall environmental footprint of our products. Additionally, the development of very mild

surfactants with minimal environmental and societal impact exemplifies our commitment to driving innovation with sustainability. This forward-thinking approach puts Galaxy at the forefront of sustainable surfactant innovation, delivering the right solutions that meet industry demand while being mindful of our environmental responsibility. Our dedication to innovation is underscored by our 96 granted patents to date, showcasing Galaxy’s profound commitment to advancing R&D and pioneering new solutions in our industry.

96 patents granted till March'24

Sustainable Product Development

Our product development teams come with the knowledge and skillset needed to transform innovative ideas into sustainable surfactant solutions.

A prime example is our success in developing a product with significantly lower dioxane levels compared to industry standards. This achievement exemplifies our commitment to developing cleaner and safer surfactants. Galaxy work closely with suppliers to explore the potential of alternative raw materials with lower environmental burdens.

Product safety is a priority at Galaxy when developing solutions with high natural content, adhering to the 12 principles of green chemistry. Our vegan beauty solutions cater to consumer trends while minimising biodiversity impact. Additionally, product certifications like COSMOS/Ecocert, Kosher, Halal, and RSPO (MB and SG) assure customers of our commitment to responsible sourcing and reduced environmental impact.

Our Innovative Sustainable Products



Galseer® Tresscon



Galseer® DermaGreen



Galseer® Flexcon



GalEcoSafe



Hearth® Concentrate



Hearth® Mix LLDC



Hearth® Mix Pods



Hearth® Fabcon

Sustainable Manufacturing

Galaxy’s commitment to sustainability extends beyond product development and innovation. Our manufacturing processes are continuously monitored and upgraded to minimise environmental impact and optimise resource utilisation.

This is done through a multi-pronged approach:

Lean Manufacturing Principles

We implement lean manufacturing principles to streamline production processes, eliminate waste, and improve overall efficiency. This translates to reduced energy consumption and material waste during production.

Total Productive Maintenance (TPM)

Through implementation of TPM practices, we ensure optimal equipment performance and minimise downtime. Through proactive maintenance and preventative measures, we aim to extend equipment lifespan, reduce energy consumption, and ultimately lessen our environmental footprint.

We adopt Kaizen, a philosophy that emphasises continuous, incremental improvements in our processes. By involving employees at all levels, we ensure that small, consistent changes lead to significant advancements in sustainability.

Advanced Technologies

We invest in advanced technologies that lead to lower energy and water consumption during production. This could include energy-efficient machinery or utilising closed-loop water systems for recycling and reuse.

Waste Elimination Suggestion Award Programme (WESAP)

We encourage our employees to actively participate in sustainability initiatives through WESAP. This programme recognises and rewards innovative ideas that contribute to waste reduction and environmental sustainability.

Cost Efficiency Projects (CEP)

Our CEP focuses on continuously improving our processes and practices. By fostering a culture of continuous improvement, we aim to enhance efficiency, reduce waste, and promote sustainability across all operations.

PDCA (Plan, Do, Check, Act)

Our PDCA approach ensures that all improvements are thoroughly planned, implemented, evaluated, and refined. This iterative process helps us maintain high standards of quality and sustainability.

Right the First Time (RTFT)

We emphasise the importance of quality and precision in our manufacturing processes. By aiming to get everything right the first time, we reduce rework, minimise waste, and improve overall efficiency.

By continuously optimising our manufacturing processes, we maintain consistency in delivering high-quality surfactants while minimising environmental impact and promoting resource conservation.

Sustainable Quality

We implement robust controls and channels to evaluate the impacts of our products and processes at every stage of development. Our Raw Materials, Semifinished Goods, Finished Goods, and Packing Materials are subjected to stringent quality checks, resulting in them surpassing industry benchmarks. Dedicated teams and top

management regularly review compliance with quality and cosmetic GMP standards, ensuring rigorous adherence to product development strategies. Additionally, we focus on yield improvement and leverage Design of Experiment (DOE) methodologies to optimise our processes and enhance product quality.





Sustainable Supply Chain Management

Building a sustainable future requires collaboration. At Galaxy, we actively engage with suppliers to promote responsible practices throughout our entire supply chain. This collaborative approach focuses on several key areas:

Sustainable Sourcing

We have RSPO Mass Balance (MB) certification for palm oil derivatives, ensuring responsible sourcing practices and minimising deforestation risks. Additionally, we encourage our suppliers to adopt sustainable practices within their operations.

Supplier Collaboration

We believe in fostering strong partnerships with suppliers. Through open communication and joint initiatives, we explore innovative and sustainable solutions across the supply chain.

Supplier Audits

Galaxy conducts regular supplier audits to ensure alignment with Sustainability goals. This process allows us to identify areas for improvement and work collaboratively with suppliers to implement more sustainable practices.

By working closely with our suppliers, We promote a culture of sustainability throughout the surfactant value chain. This collaborative approach ensures the responsible sourcing of raw materials, minimises environmental impact and contributes to a more sustainable future for our industry.



Alignment with UN SDGs and Responsible Care®



The Responsible Care® SHE Excellence programme at Galaxy is built on seven key codes that guide our commitment to sustainable and responsible chemical management. These codes ensure our operations align with our dedication to safety, health, environment, and sustainable development.



List of Responsible care codes

Product Safety Code	Process Safety Code	Environmental Protection Code
Distribution Safety Code	Employee Health and Safety Code	Community Awareness and Emergency Response (CAER) Code
Security Code		



Case study

Sourcing it Right:  
Sustainable Palm Oil Practices



Recognising the environmental and social concerns associated with palm oil production, we were among the early adopters in the industry to prioritise responsible sourcing. As an ordinary member of the Roundtable on Sustainable

Palm Oil (RSPO) since 2012 and certified for Mass Balance and Segregation supply chain models, since 2014 & 2016 respectively. We have consistently underscored our dedication to sustainable practices. Through a robust sustainability process, we have aligned ourselves with sustainable palm oil practices, addressing the needs of all our relevant stakeholders. Our commitment to no deforestation and no conversion in our palm oil supply chain is unwavering, and we conduct frequent on-site audits of our suppliers to ensure compliance with our deforestation policies.

Our dedication has yielded significant results. We achieved over 97% traceability to the mill level and over 48% traceability to plantations in our 10<sup>th</sup> traceability cycle. This achievement is part of our broader goal to achieve 100% traceability to both mill and plantation levels by 2030. We have also seen a substantial increase

in sales of RSPO Mass Balance-certified finished goods (over 85,000 MT) and a rise in RSPO MB-certified raw material purchases (39,000 MT). This translates to a positive environmental impact: by using RSPO MB-certified materials, we saved an estimated 4000 hectares of land and prevented approximately 75,000 tonnes of CO<sub>2</sub> emissions. Our responsible sourcing practices aim to avoid 100,000 MT of CO<sub>2</sub> emissions by 2030.

As part of our commitment to transparency and sustainability, we conduct an annual Oil Palm Traceability cycle, gathering detailed information from our suppliers about the origins of their palm-based derivatives. This includes the identification of plantations, mills, crushers, and refineries involved in their supply chain. The data is consolidated into comprehensive lists, which we plan to make publicly available by the end of financial year 24-25. Additionally, through our flagship supplier engagement programme, GalSustain, we promote transparency and support suppliers in improving the traceability of their operations. We also circulate a supplier sustainability questionnaire to assess and enhance our suppliers' sustainability practices.

As we progress in our journey, we aim to improve transparency and drive continuous improvement. We are developing a comprehensive Oil Palm/Forest Policy and conducting a full value chain Forest Risk and Impact Assessment. These initiatives, along with our commitment to No Deforestation, No Peat, and No Exploitation (NDPE) principles, which over 80% of our upstream partners have adopted, solidify our position as a leader in sustainable palm oil sourcing. By the end of financial year 24-25, we plan to make our mill and plantation lists publicly available, increase traceability to plantations beyond 80%, establish a public grievance mechanism, and initiate smallholder engagement projects. These efforts demonstrate our commitment to environmental and social responsibility, as well as to fostering a sustainable future.

76  
Supplier Palm Index

75,000+ MT  
CO<sub>2</sub> emissions avoided through the use of RSPO MB-certified materials

All our global sites  
hold RSPO certification

Our Journey

