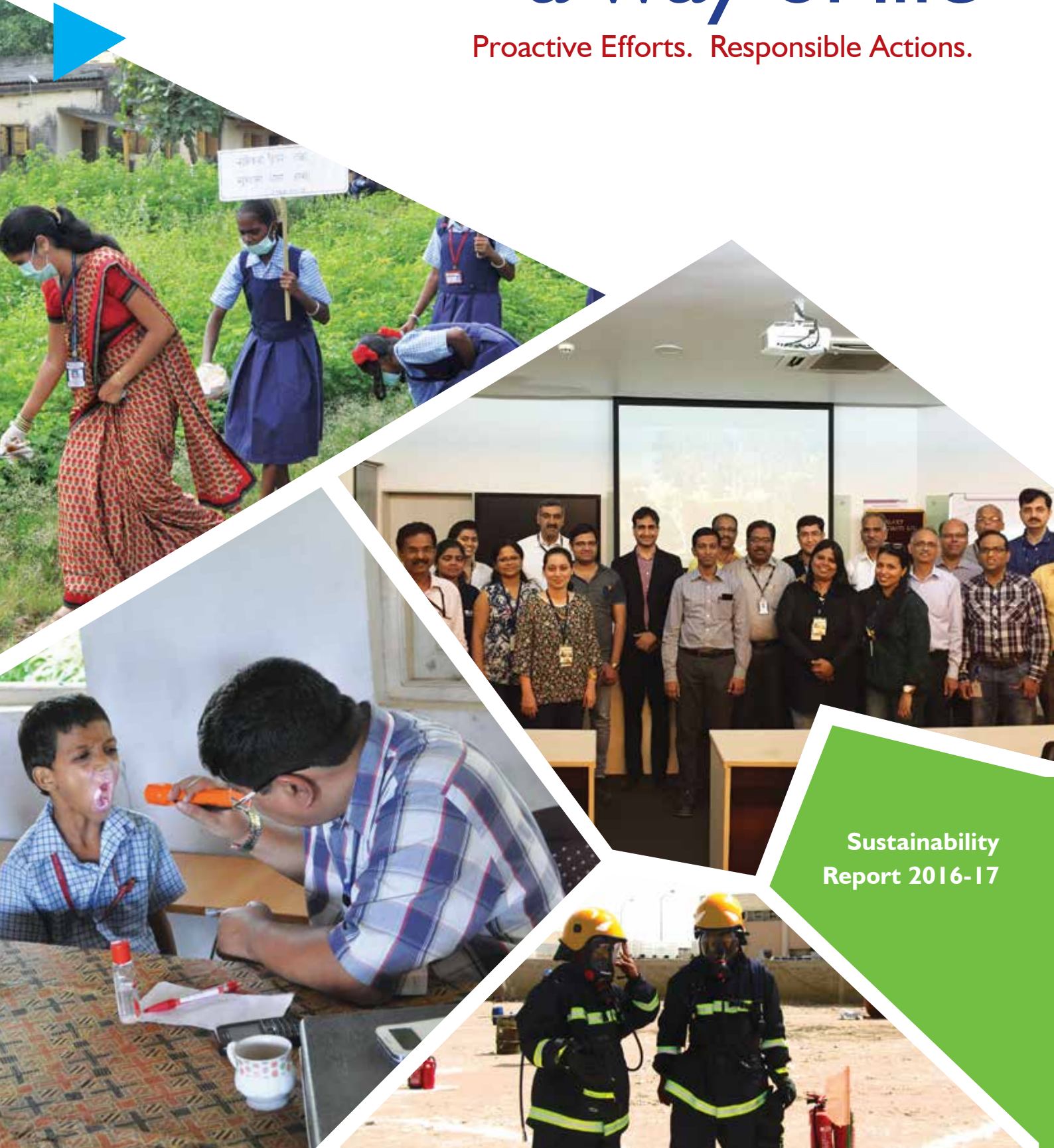


Sustainability - a way of life

Proactive Efforts. Responsible Actions.



Sustainability
Report 2016-17

About the Report

Since our first Sustainability Report for FY 2011-12 is based on GRI Guidelines, we have been sharing our performance on GSL's sustainability performance transparently and openly to our stakeholders. This is our sixth Sustainability Report and is referenced with GRI G4 guidelines as "In Accordance-Core" compliance. The GRI index is at the end of the report.

Scope

The scope of the report covers all the location of operations of Galaxy Surfactants Ltd., in case if reporting indicator is not covering all the locations, the scope for the relevant content is accordingly specified.

Reporting Year and Cycle

This Sustainability Report follows a one year reporting cycle. The reporting content is based on our annual reporting year which is from April 1, 2016 to March 31, 2017. Communication of the report is done through print and electronic media. The electronic copy of this report is available on the Company's website.

Data Validation & Assurance

This report is declared by Galaxy Surfactants Ltd. and not verified or assured by any third party. The report is prepared by Business

Process Excellence team based on the data provided by the different functional departments of the organisation and approved by the senior members of the same.

Sustainability reporting is an annual activity of the organisation which requires stakeholder's participation as a fundamental requirement. In this context, the views of our stakeholders' are welcome anytime and the same can be sent across to our sustainability team at sustainability@galaxysurfactants.com to improve our reporting performance. For details related to sustainability, please visit our website link: <http://sustainability.galaxysurfactants.com/>.

In legalese: No part of this report may be reproduced, or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information storage or retrieval system, without the prior written permission of Galaxy Surfactants Ltd.

Sustainability: A Way of Life

At Galaxy, we don't believe that sustainability is just a destination or a journey, for us it is a way of life. It is a process of continual improvement that results in sustaining the business by being a competitive and reliable partner, while being environmentally and socially responsible.

Sustainability is a key driver for decisions made in Galaxy. With an aim of establishing a culture of sustainability in Galaxy, our actions are driven to make the business more sustainable every day. Our products

touch the lives of countless people every day across the globe; so an inclination towards continuous improvement be it in technology, people or process; we are always trying to figure out how we can make the world a better place. This is why we believe that sustainability is our way of life.


Over the time, we have grown in revenue while creating value for society and reducing our impact on environment. Creating value for the investors, Galaxy has become

a multimillion dollar organisation with presence across the globe, while becoming a preferred supplier to many multinational organisations. This growth has added value to customers, investors, community and other stakeholders. The increase in revenue is accompanied by continual reduction in water, energy consumption, GHG emissions and waste generation. This is a result of continuous efforts put by Galaxites for improvements across processes and technology.

Inside the Report:


| | | | | | | | |
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Sustainability Goals 2020




ENERGY REDUCTION

reduce energy intensity by **50%** with base year 2011-12 by improving energy efficiency




RENEWABLE ENERGY GENERATION

increase the share of renewable energy by **10%** with base year 2015-16



GREEN HOUSE GAS EMISSION REDUCTION

reduce organisational Greenhouse gas emission constituting of scope 1 and 2 by **35%** with 2012-13 as baseline




WATER REDUCTION

reduce water intensity by **80%** with base year 2011-12



PACKAGING WASTE REDUCTION

reduce packaging waste generation by **10%** by reduction, recycling and reuse of raw material packaging with base year 2015



TREE PLANTATION

introduces afforestation programmes as one of the climate change mitigation measures and plant **25,000** trees by 2020



LIFE CYCLE ASSESSMENT OF PRODUCTS

achieve environmentally sound management framework for products and complete LCA assessment of **40** products by 2020



Sustainability Highlights 2016-17



CDP Score:

B, Management Level
Global Avg.: D, Disclosure Level



WDP Score:

B, Management Level
Global Avg.: D, Disclosure Level



RSPO Upgraded to Segregation Model:

First company in India to
receive permission for using
RSPO trademark globally



Economic Performance:

Consolidated Sales
FY 2016-17: INR 2,138 Crores
FY 2015-16: INR 1,779 Crores



Learning Performance:

Training hours increased to 25 hrs/
employee from 21.97 hrs/employee last year



CSR:

Number of Initiatives increased to 194 as
compared to 180 last year



Responsible Care:

RC Logo certification for all Indian
Manufacturing units



EcoVadis:

Gold Level Recognition in 2016

Safety Performance:

Enterprise Incident Frequency rate (LTI)
FY 2016-17: 0.18
FY 2015-16: 0.18



Sustainability Roadmap

2010-11

Initiatives

- ▶ Sustainability - Introduction
- ▶ GHG Monitoring in Stacks

2011-12

Initiatives

- ▶ Scope 2 GHG Emissions
- ▶ Sustainability Goals 2015
- ▶ GRI Framework Adopted
- ▶ RSPO Membership

2012-13

Initiatives

- ▶ GHG accounting in Indian Operations
- ▶ CDP Supply Chain Programme
- ▶ Sustainability Cell Constituted
- ▶ Community Engagement

Achievements

- ▶ 1st Sustainability Report based on GRI

2013-14

Initiatives

- ▶ Customers' Supplier Sustainability Programs: CDP, WDP, EcoVadis
- ▶ Responsible Care Journey
- ▶ Stakeholder Engagement

Achievements

- ▶ 2nd Sustainability Report
- ▶ RSPO Certification - Taloja Unit
- ▶ CDP Disclosure Score: 66 (Global Avg - 49)

2014-15

Initiatives

- ▶ Supplier Sustainability Programmes
- ▶ GHG Accounting - Global Operations

Achievements

- ▶ 3rd Sustainability Report
- ▶ ISO 14001 and OHSAS 18001 for Taloja
- ▶ RSPO Certification for India & Egypt
- ▶ Responsible Care Logo awarded to GSL
- ▶ EcoVadis Status upgraded to Silver Rating
- ▶ CDP Disclosure Score: 80 (Global Avg - 53)

2015-16

Initiatives

- ▶ GHG Accounting
- ▶ Life Cycle Assessment Initiation
- ▶ Scope 3 GHG emission (transportation)

Achievements

- ▶ 4th Sustainability Report
- ▶ Ecodesk - 4/5
- ▶ ISO 14064 Standard - GHG verification statement for Indian Operations
- ▶ ISO 14001 and OHSAS 18001 for Jhagadia
- ▶ CDP Disclosure Score: 98, C (Global Avg- 60, D)
- ▶ WDP Score: B, Management level (Global Avg - D, Disclosure level)
- ▶ EcoVadis Gold

2016-17

Initiatives

- ▶ Sustainability Goals 2020
- ▶ Solar Power Plant
- ▶ Life Cycle Assessment
- ▶ Responsible Care
- ▶ CSR: Afforestation and Water Conservation Projects
- ▶ Sustainability Website
- ▶ GHG Accounting and Verification

Achievements

- ▶ 5th Sustainability Report
- ▶ India Green Manufacturing Award for Jhagadia: Silver Rating
- ▶ Sustainable Beauty Awards for TRI-K: Runner Up
- ▶ RSPO Certification Upgraded to Segregation Model
- ▶ CDP Score: B, Management Level (Global Avg - D, Disclosure Level)
- ▶ WDP Score: B, Management Level (Global Avg - D, Disclosure Level)
- ▶ CDP Pilot Supplier Engagement Rating: A-, (Global Average: C-)



Message from Managing Director



Dear Esteemed Stakeholders,

I am glad to present our 6th Sustainability Report for the Financial Year 2016-17.

We would like to reiterate our commitment to promote a cleaner and safer environment which is fully aligned to our business strategy. As a Business Leader in India, combining power of science and technology with passion to innovate which is essential to human progress, we will advance sustainability by collaborating at the intersection of business, government and society with everyone - from customer, supplier, and any other stakeholder to government, NGO, educational institutes, community and society. Galaxy is fully committed to help lead this transition. We would like to present our achievements towards sustainability goals.

We have installed 50 kWp Solar Plant at Jhagadia unit and initiated installation of 49 kWp at Corporate office and 125 kWp at Taloja manufacturing unit. To maximise wastewater recovery, our manufacturing plant in India locations are converted to Zero Liquid Discharge (ZLD) units where wastewater is purified and recycled. This will ensure not a drop of water is being discharged outside Galaxy's premises. We gained status of being RSPO (Roundtable on Sustainable Palm Oil) certified company for all facilities in India and Egypt. We have also received Responsible Care Logo certification in October 2014 which is valid till September 2017. We have designed process at Jhagadia to convert gaseous waste into valuable product with high purity.

Our Jhagadia manufacturing unit has been awarded 'Silver' recognition in India Green Manufacturing Challenge 2016 organised by Institutional Research and Information Management (IRIM) for adopting green manufacturing practices and deploying sustainability. TRI-K's Baobab Tein NPNF® was runner-up for Sustainable Beauty Awards. This award is given to a new cosmetic ingredient that makes a difference in terms of environmental and social footprint.

We have drawn a Blueprint of our 2020 goals. Sustainability Goals of 2020 focus on Galaxy's Leadership in the development of blueprint that integrates Public Policy Solutions, Science and Technology, our Value Chain innovation to facilitate the transition to a sustainable planet, profit and people. Our Sustainability Goals 2020 will address to meet the toughest global standards. These include reducing water intensity by 80% with base year 2011-12, GHG Emissions by 35% with base year 2012-13, reducing energy by 50% with base year 2011-12, increasing renewable energy usage by 10% with base year 2015-16, reducing packaging waste by 10% with base year 2015-16, tree plantation of 25,000 trees and conducting Life Cycle Assessment study of 40 products.

Our employees play a vital role in achieving these successes through generating new ideas. Our progress and achievements give us confidence that we are on the right track towards sustainable development. Going forward, we will initiate more projects in line with tree plantation and water conservation.

U. Shekhar
Managing Director

“The essential elements as we seek to grow are action on goals”



Organisational Profile



Galaxy Group has about **1,000** full time employees with consolidated turnover around **₹ 2,000 Crore.**

Galaxy Surfactants Ltd. (GSL), founded in the year 1980, is one of the leading organisation in India, manufacturing Performance Products and Specialty Chemicals for the Personal and Home Care Industry. Our products cater to largest global brands in the FMCG sector and find applications in skin care, hair care, oral care, body wash, sun care, household cleaners and fabric care segments. We provide more than 100 products (and product variants) to over 1,000 customers across the globe. We have six manufacturing sites in India, one in Egypt and one in USA. Our Corporate office is located in Navi Mumbai, India and Sales offices are located at Chennai and New Delhi in India, Denville, New Jersey in USA, Eindhoven, in the Netherlands, and Istanbul in Turkey.

Our products touch lives of billions of people every day. We have a wide range of specialty chemicals which includes Amino Acid based Surfactants, Rheology Modifiers, Pearllising Agents, Conditioning Agents, Blends based on innovative concepts, Proteins, Quats for personal care.

Galaxy Group has about 1,000 full time employees with consolidated turnover of around INR 2,000 Crore. Galaxy is respected in the industry as a professional, transparent, innovation-oriented, ethical and continually improving Company. We are a value-based Company focussing on integrity, teamwork, empowerment, adding maximum value to customers and environmental compliance. Beyond the legal requirements, Galaxy has adopted world-class practices and systems like ISO 9001:2008, ISO 14001:2004, BS OHSAS 18001:2007, ISO 22716:2007, Responsible Care Global Charter, SQC, 5S, and TPM (won the Special Award in 2007). We have a technologically advanced well-equipped Innovation Centre for New Product Development and Application Development at Navi Mumbai, India. Galaxy Surfactants Ltd. has been granted 21 patents in India, 17 patents in USA, 2 in Japan and 2 in Europe, 2 in China & 1 in Russia.

Global Presence



Map not to scale

 Manufacturing Location
  Galaxy Sales Office
  Head Office
  TRI-K Corporate Office
  TRI-K Sales Office

Mission:

To be a brand of Global Eminence through best-in-class value delivery by high quality people.

Vision:

Delight Customers; be a Partner of Choice, and a Global Leader of Surfactants and Specialty Chemicals to the Personal and Home Care Industry with a commitment to a cleaner and safer environment and delivering consistently above average returns to the investors.

Supply Chain:

Our Supply Chain Management function is referred as Global Customer Delight (GCD) which is an integrating process of Galaxy. The main objective of GCD is to provide best service to customer resulting in customer delight which finally helps in sustaining customer for long run. The pillars of GCD are correct information flow, compliance and efficient material movement. GCD functional units are basically divided into Vendor Support, Customer Support, International Logistics Excellence and Domestic Logistics Excellence.

Reporting Changes:

There have been no major reporting changes in FY 2016-17 in organisation size and supply chain. However, there is change in organisation structure as found in this report.

Commitment to External Initiatives

- ▶ Signatory to Responsible Care Global Charter
- ▶ Ordinary member in Roundtable on Sustainable Palm Oil (RSPO)
- ▶ Environmental and Safety Management Standard – ISO 14001:2004 and BS OHSAS 18001:2007
- ▶ Carbon Disclosure Project (CDP) & Water Disclosure Project (WDP)
- ▶ EcoVadis
- ▶ Responsible Sourcing Audits (based on SMETA- 4 Pillar Guidelines)
- ▶ Life Cycle Assessment based on ISO 14040:2006 and ISO 14044:2006
- ▶ GHG Protocol and Corporate GHG Accounting and Reporting Standard – ISO 14064-1:2006
- ▶ Cosmetic Good Manufacturing Practices (GMP) – ISO 22716:2007 (GMP) certification for Taloja, M3 Tarapur, Jhagadia, and Egypt Sites

Memberships and Associations

- ▶ Indian Chemical Council (ICC)
- ▶ Indian Merchants' Chamber (IMC)
- ▶ Bombay Chamber of Commerce and Industry (BCCI)
- ▶ CHEMEXCIL – Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council
- ▶ Mutual Aid Response Group (MARG)
- ▶ Taloja Manufacturers' Association (TMA)
- ▶ Tarapur Industrial Manufacturers Association (TIMA)
- ▶ Indian Specialty Chemical Manufacturers' Association (ISCMA)

We work in collaboration with various Research Institutes such as the Institute of Chemical Technology (ICT, Mumbai), the National Chemical Laboratory (NCL, Pune), and other Research Organisations.

Awards and Recognition

Galaxy Surfactants Ltd, Jhagadia plant has received **SILVER Level** recognition in Industrial Chemicals, Solvents and Paints Sector with the score of **658/800**.

1 India Green Manufacturing Award (IGMC): Silver Rating

The India Green Manufacturing Challenge (IGMC) is an award platform that is designed to recognise manufacturing firms that have shown consistent progress in improving sustainability factors associated to a manufacturing facility.



TRI-K Industries, Inc. was the runner-up in 'Sustainable Beauty Awards' in Sustainable Beauty Awards 2016 held in Paris, France. It won the award for its product Baobab Tein NPNF®. TRI-K Industries, Inc. is the first company to develop a natural active from the exotic fruit of African Baobab trees. Baobab Tein NPNF®, multifunctional bioactive oligopeptides that defends skin from photo-ageing and offers 5-in-1 anti-ageing hair care benefits, is naturally sustainable. This product is also part of TRI-K's NPNF® preservative platform, which is non-paraben and non-formaldehyde.

Sustainable Beauty Awards: 2 Runner-up



Governance, Ethics & Integrity

Precautionary Approach

Galaxy has been proactive in terms of setting the right controls and channels in place to categorically evaluate the impacts of products and process at each stage of its development. The relevant checks are done in order to ensure that operational plans and product development meets all the applicable criteria and conditions before taken forward. This helps us comply with the condition and requirement of Precautionary Principles accepted globally and referred in GRI G4 guidelines.

Galaxy believes that adhering to global standards of Corporate Governance and commitment to perform business efficiently and ethically will create value for all its stakeholders. We also believe that deployment of sound corporate governance is critical for enhancing transparency and retaining trust reposed by shareholders. With this philosophy, we ensure that our corporate goals are met with integrity. We are committed to conducting business in an ethical manner, managing all operations with fairness as the foundation of all our stakeholders' relationships.

The Board of Directors of the Company ('The Board') determines the objectives, mission, strategies, policies, business plans and sets the direction. The Board also reviews the management's strategic plan and business objectives and monitors the Company's strategic direction.

The Board has constituted the following Committees to assist itself in carrying out its functions:

- ▶ Audit Committee comprising three Independent Directors and one Non-Executive Director.

- ▶ Nomination and Remuneration Committee comprising four Independent Directors.
- ▶ Stakeholder Relationship Committee comprising One Executive, One Non-Executive & One Independent Director.
- ▶ CSR Committee comprising one Independent Director, the Managing Director and Executive Director.

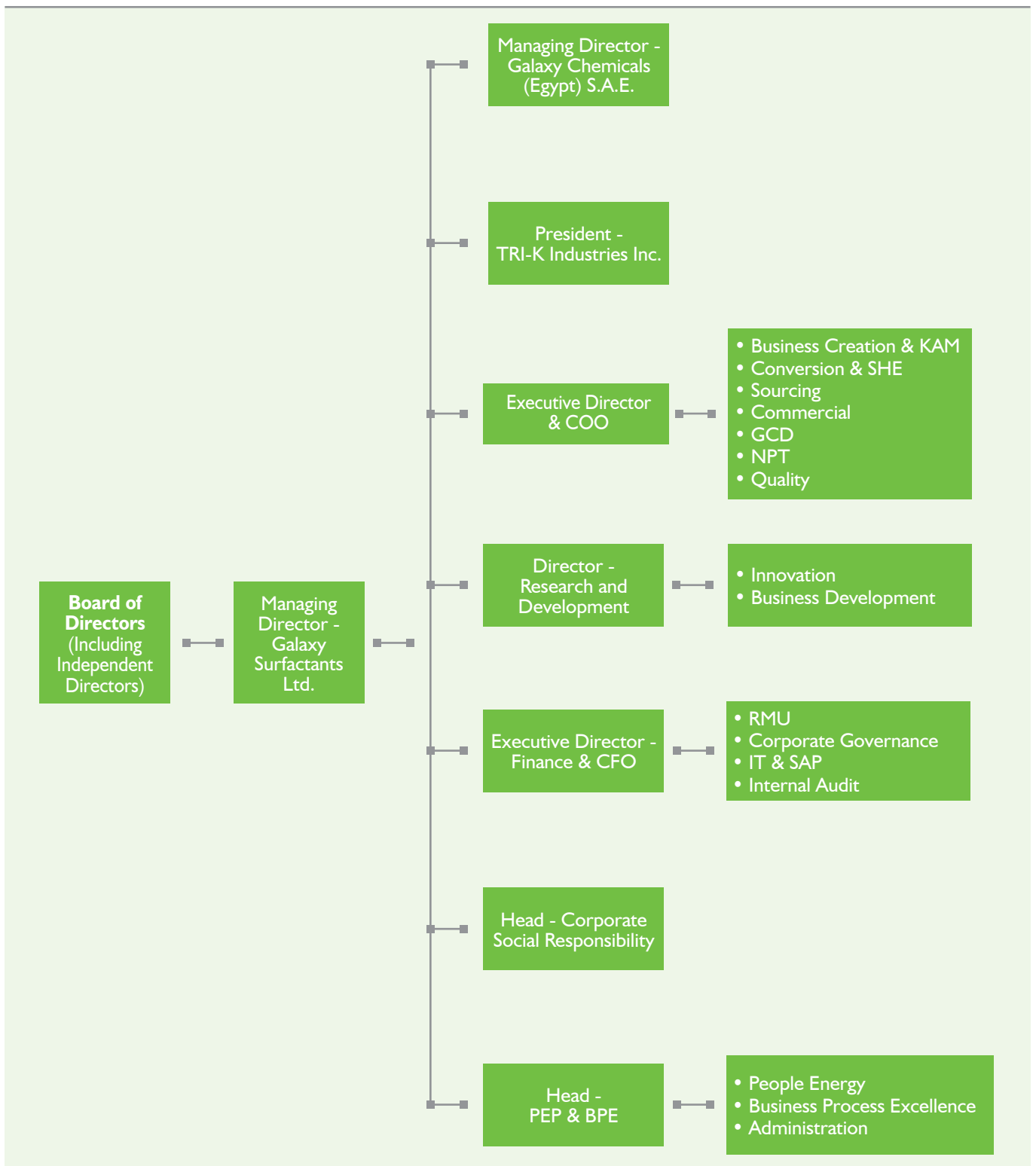
Pursuant to the provisions of the Companies Act, 2013 ('the Act'), the Board has carried out an annual evaluation of its own performance, of individual Directors as well as its various committees.

Galaxy has adopted various policies and procedures for ensuring the orderly and efficient conduct of business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors. There was no case of conflict of interest that has been reported during this financial year.



Group Organisation Structure

As on August 3, 2017



Sustainability Cell

Sustainability Cell looks after the overall execution of Sustainability journey focussed on long-term sustainable business growth. It is the Apex body headed by Directors, which mulls over sustainability-related agendas in the organisation. The Cell is so formed that it represents all the departments of the organisation.

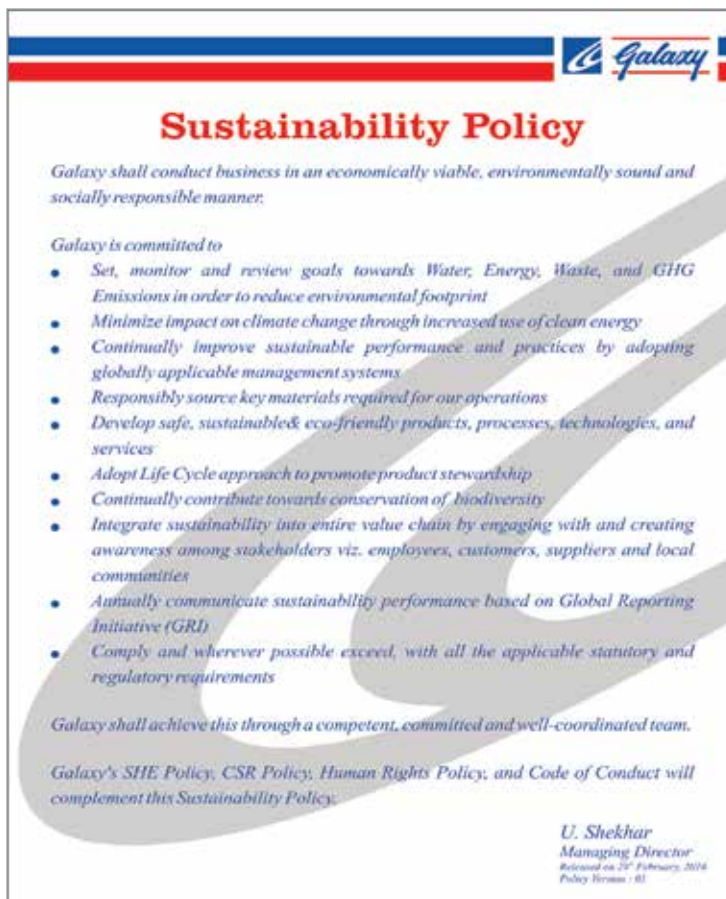
Sustainability Cell is a three-tier structure comprising Steering Committee at the apex. Steering Committee sets the direction for the team and allocates & mobilises the needed resources. Steering Committee meets once

in every quarter to review the progress and to ensure that the set objectives and targets for sustainability in Galaxy are met. Steering Committee confirms and approves the forward-looking plan of action for the organisation sustainability endeavours.

Next to Steering Committee, the Working Pillars looks into functions and areas specific to their vertical that contributes in overall sustainability of the organisation. These working pillars are being represented by individual process heads/seniors defined as leaders for that pillar. Representation

of working pillars is ensured in all the sustainability cell meetings.

Locational Working groups have been formed for 4 working pillars - Community Development, People Process, Safety Health and Environment function and Working Pillar looking into Manufacturing Operations at Galaxy in order to continuously map and monitor the progress and initiatives being taken up at different locations.



Stakeholder Engagement

We consider it extremely important to understand the viewpoints and concerns of all our stakeholders. Every year, we attempt to bring continuous improvement in our approach towards comprehensively engaging with our stakeholders and arriving at the material aspects. We have identified our key sustainability aspects by conducting Materiality Assessment using

survey, feedback mechanism, meetings and engagements with all stakeholders. Our material aspects are illustrated in Galaxy's Materiality Matrix and the performance on these aspects is mentioned in subsequent sections. Materiality, through a continuous process, is reviewed every two years and the Materiality Matrix is updated.

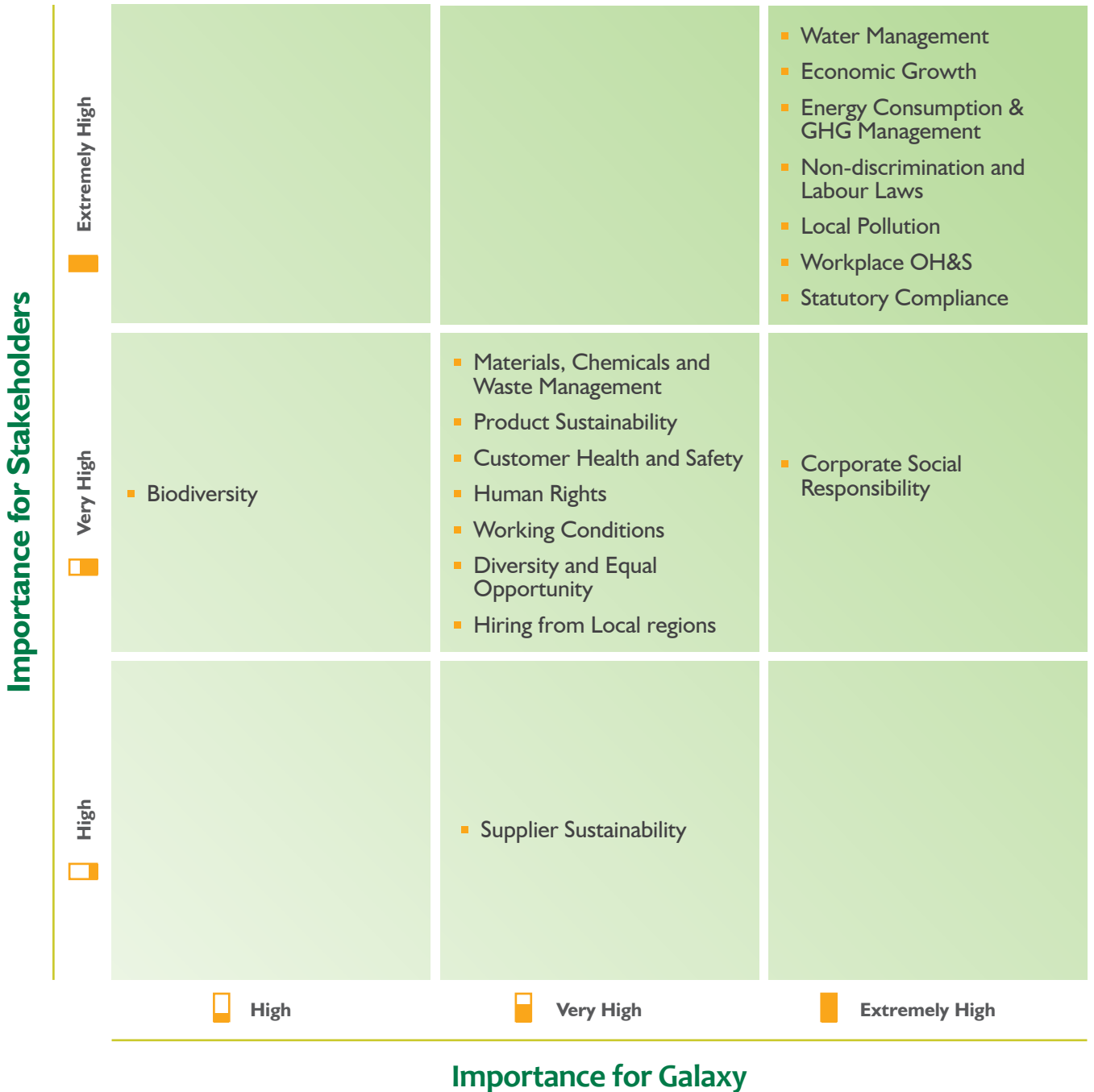
Stakeholder Engagement



Materiality Analysis

We understand that our organisation and its stakeholders are interdependent and that makes it important for us to understand the viewpoints and concerns of our stakeholders. For us, stakeholder engagement is to understand their concern, meet their expectations, enhance

environmental stewardship, creating economic value, promote human rights and build social value. We regularly interact with customers, institutional investors, suppliers, transporters, community and NGOs, contractors, and employees.



Risk and Opportunities

Galaxy has formulated and implemented risk management system to manage the risks involved in all the activities to minimise adversity and maximise the opportunities. This is intended to assist in decision-making processes that will minimise potential losses, improve the management of uncertainty and the approach to new opportunities, thereby helping the Company to achieve its objectives.

As part of its enterprise risk management (ERM), Galaxy has established a specific company-wide process to effectively identify, assess, and manage risks and opportunities associated with Climate Change and Water. Assessing concerns across on the basis of likelihood of occurrence and impact it holds, we define areas of low, medium and high risk categories.

With the majority of our operations in India, we foresee long-term water availability is a challenge. Based on certain tools and global database like Aqueduct (developed by World Research Institute – WRI), we have mapped risk associated with water and identified scenarios for self-sufficiency in water. In that context, Galaxy, in a past few years has

invested to mitigate water-based risk through rainwater harvesting and using technologies like Membrane Bio Reactor and Reverse Osmosis to recycle and reuse wastewater. Risk of increase in cost of energy is mitigated by investments in energy efficiency measures and process improvement programmes.

Galaxy is also increasing its share of renewable energy in its energy mix after a successful pilot solar power plant. As one of the goals, Galaxy aims to increase the share of renewable energy to 10% of the total energy by 2020.

Major risks identified are systematically addressed through mitigating actions on a continual basis. The risks and opportunities are reviewed and updated on regular basis with risk management team and Sustainability Cell. The steering committee of Sustainability Cell meets once in every quarter while the working pillars meets more frequently. The frequency of monitoring depends on the type of risk/opportunity, occurs at least once per year. The resultant action plans are integrated in our business growth plans and strategy roadmap which are further cascaded to facility levels.

Other actions and initiatives that Galaxy undertakes are:

- ▶ Environment Impact Assessment for Greenfield projects.
- ▶ ISO 14001 and BS-OHSAS 18001 management systems.
- ▶ Adopting RSPO framework.
- ▶ Adopting Responsible Care framework.
- ▶ Risk and asset impact assessment for internal processes through Process Hazard Analysis, Pre Startup Safety Review and Failure Mode Effects Analysis.

With the majority of our operations in India, we foresee long-term water availability is a challenge.

Economic Performance

During the year, the global economy was characterised by low growth and geopolitical uncertainties. There was an upturn in commodity prices after a year of deflation. In India, rural demand remained sluggish in the early part of the year on account of two consecutive years of weak monsoons. Though later part of the year showed some upturn, there was temporary disruption due to demonetisation. Overall this year saw moderate growth of the HPC Industry.

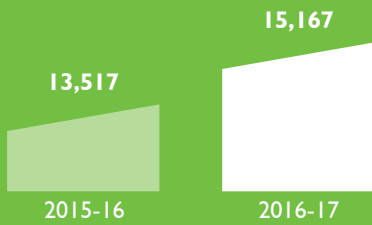
Despite this challenging business environment, Galaxy has delivered a resilient performance in FY 2016-17. Each of our wholly-owned operating subsidiaries had an important role to play in delivering strong consolidated results.

Following were the highlights of business performance in FY 2016-17:

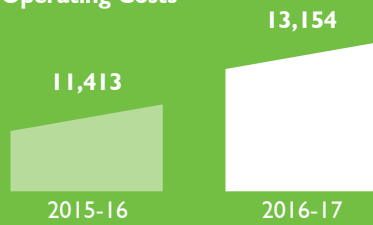
- ▶ Galaxy Chemicals (Egypt) S.A.E., our international subsidiary, registered its first profitable year since the commencement of business at Egypt. It was achieved by creatively reworking on its product portfolio, competitive procurement and meeting the exacting needs of the customers in and around AMET region.
- ▶ Tri-K Industries Inc., our other operating subsidiary in USA also produced good results, wherein it had brought out a new range of proteins that it supplied to global brands in the HPC industry to launch new products with newer applications.
- ▶ Reaching out to new markets, launching new products like new-age proteins, safer preservatives, etc., together with well-trained sales force supported the participation in the premiumisation trends, acquire niche customer and improve the revenue matrix.
- ▶ The year saw significant volatility in foreign exchange and in prices of feed stock of fatty alcohols and fatty acids. Well set risk management practices in Galaxy enabled it to navigate the market conditions appropriately and deliver good performance.
- ▶ Moderate industry growth, strengthening rupee and the event of demonetisation had a marginal impact on standalone performance in India.

All Values in ₹ Millions (for Indian Operations)

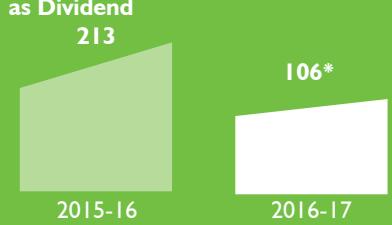
Revenue



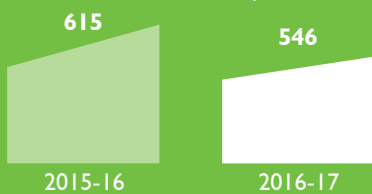
Operating Costs



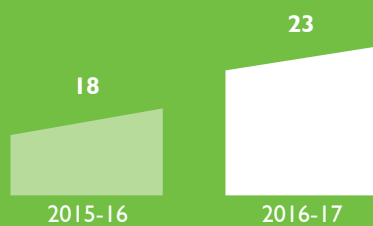
Distribution of Earnings to Shareholders as Dividend



Distribution of Earnings to Government as Taxes (Income Tax, Deferred Tax & Dividend Distribution Tax)



Donations/CSR Expenditure

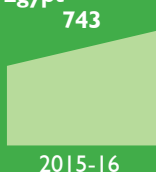


*The figure of Total Dividend for FY 2016-17 does not reflect the proposed final dividend which is covered in the Annual Report.

Employee Benefits Expenditure:

All Values in ₹ Millions

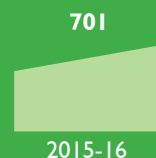
USA & Egypt



692



India



741

Financial incentives from government were limited to the export incentives. Galaxy's expenditure on safety, health, environment, and sustainability is more than INR 2.5 crores.

Environmental Performance

We are committed to conduct business in an economically viable, environmentally sound and socially responsible manner.

Galaxy has committed to a cleaner and safer environment. Galaxy's scope of environmental sustainability includes Energy Management, Water Management, GHG Management, and Packaging Waste Management.

Galaxy has established its "Sustainability 2020 Goals" with aspirational targets in each of the categories and has included targets for product sustainability as well. These goals are a revision of our previous goals with stretched targets.

[For Indian Operations, as of March 2017]

| Sustainability Goals 2020 | Target | Base Year | Achieved 2016-17 |
|-------------------------------------|--------|-----------|------------------|
| Reduce Water Intensity* | 80% | 2011-12 | 52% |
| Reduce Energy Intensity* | 50% | 2011-12 | 38% |
| Reduce GHG Intensity* | 35% | 2012-13 | 21.5% |
| Tree Plantation** | 25,000 | - | 9,155 |
| Life Cycle Assessment of Products** | 40 | - | 4 |
| Renewable Energy Share** | 10% | 2015-16 | 0.02% |

*Revised Targets in FY 2016-17
**New Targets in FY 2016-17

Carbon Disclosure Project

CDP is an organisation which works with shareholders and corporations to disclose their greenhouse gas emissions. Galaxy discloses its GHG and Water performance to CDP under Supply Chain module.

We received our first CDP score in FY 2012-13 which was 26 against the global average of 48. Since then we have

been continuously participating in the disclosure. With time, our scores increased significantly reflecting on the improvements undertaken at Galaxy. In 2015, we scored 98,C against the global average of 63,D in the Supply Chain-Climate Change module.

| CDP Supply Chain 2016 | Galaxy's Score | Global Average |
|-----------------------|---------------------|---------------------|
| CDP: Climate Change | B, Management Level | D, Disclosure Level |
| CDP: Water | B, Management Level | D, Disclosure Level |

Galaxy Surfactants Ltd. CDP Pilot Supplier Engagement Rating Feedback Chart

This year, for the first time, CDP has evaluated the ability of organisations to engage with their suppliers on climate change. Purchasing organisations have the potential to incentivise significant environmental changes in their supply chain. However in 2016, just 23% of companies responding to the CDP supply chain questionnaire reported that they engage with their own suppliers on GHG emissions and climate change strategies. By piloting a system to evaluate supplier engagement practices and recognise best practice, CDP aims to increase buyer engagement to accelerate global action on supply chain emissions. This score represents our supplier engagement rating and helps us benchmark against our peers.

Galaxy Surfactants Ltd. CDP pilot
supplier engagement rating

A-

This rating is expressed as a letter ranging from A to D-, with A being the highest rating.





Energy Management

Galaxy's approach on energy management has been very effective throughout the years which has resulted in 38% reduction of energy consumption per metric tonnes of production. We focus on increasing energy efficiency, debottlenecking and technology improvement through various improvement

themes resulted in reducing our energy consumption over the years.

We have installed energy management software in Taloja for mapping of energy consumption points with the target of covering more than 90% of energy consumed. This will help in identifying energy hotspots and areas for improvement.

Some of the actions taken in FY 2016-17 for reducing our energy consumption:

- 1) Installation of energy efficient LEDs at Taloja and Jhagadia unit saved the consumption of electricity by 182.25 MWh.
- 2) Installation of energy efficient blowers in our Taloja unit saved electricity consumption by 198.46 MWh.
- 3) Enhancing the process of compressor usage in Egypt facility for better availability, better power management leading to lower energy consumption and projected to save 90 MWh of electricity.
- 4) Reducing the batch cycle time and reducing the number of changeovers in dryer.
- 5) Various process improvements in Jhagadia facility saved cumulatively more than 95 MWh.

Energy Reduction (Intensity-based for Indian Operation)



Renewable Energy

Galaxy is focussed on increasing its renewable energy share to 10% by 2020. We had installed pilot solar power plant on the rooftop of admin building of our Taloja Plant and there is expansion of solar project at one of Company-owned guest house in Tarapur. The energy generated through this power plant is 14.62

MWh in FY 2016-17. We have installed 50 kWp solar power plant at Jhagadia. The installation commenced in March 2017. We have initiated 125 kWp solar power plant installation at Taloja Plant and 49 kWp solar power plant installations at our Corporate office.



Water Management

We recognise that reducing water consumption in our operations and improving water quality are important elements for our business. We are continuously mapping our water consumption and reducing it.

Focus on water management and conservation has been an important agenda for organisation throughout the year. Galaxy has installed MBR and reverse osmosis for all manufacturing facilities in India. The MBR enabled, after installation of reverse osmosis, reuse of water, thus successfully pursuing zero liquid discharge (ZLD) strategy and saving fresh water resources.

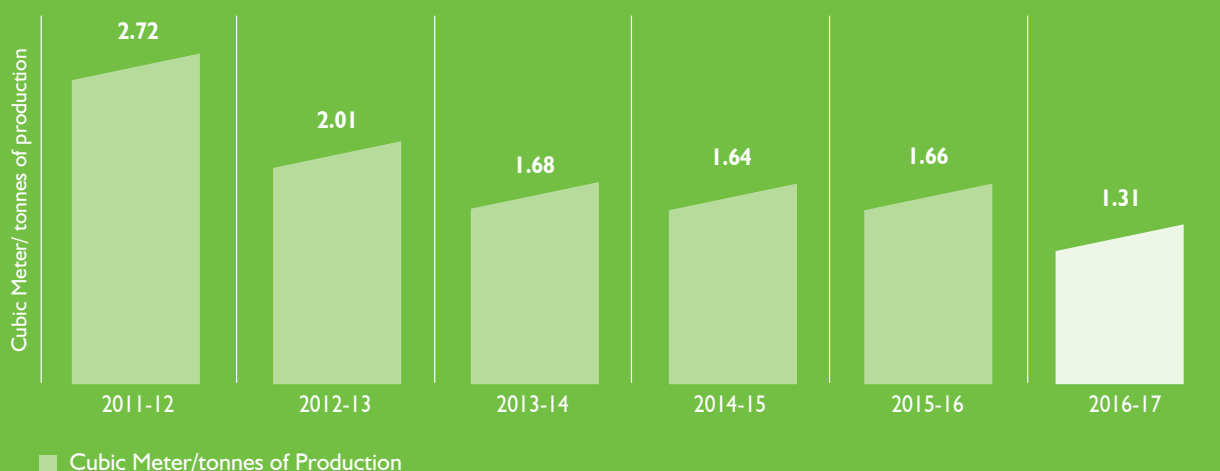
In continuation to the progress made in water management, all the units have charted out ideas and themes towards water saving. Some of the key interventions and projects on water conservation were driven with focussed cross-functional efforts to reduce the water demand and in making our operations and production process more water efficient. Suggestions for reduction, reuse and recycling of process water and domestic water use were worked on.

In FY 2016-17, Galaxy achieved 52% reduction in water consumption per MT of production considering baseline of FY 2011-12 and is working aggressively

towards stretched intensity-based target of achieving 80% reduction by 2020. Our manufacturing site in Egypt is also working towards reduction in its water requirement and has developed momentum in this area.

Galaxy continues its effort on rainwater harvesting at Taloja and Tarapur locations. We are improving water catchment each year. Total water harvested through rainwater harvesting was 4% of water withdrawn. Galaxy used 15% recycled water and discharged 16% wastewater of total water withdrawn. For Indian operations, we have reduced around 60% of wastewater discharged with respect to previous year.

Water Reduction (Intensity-based for Indian Operations)



Climate Change Management

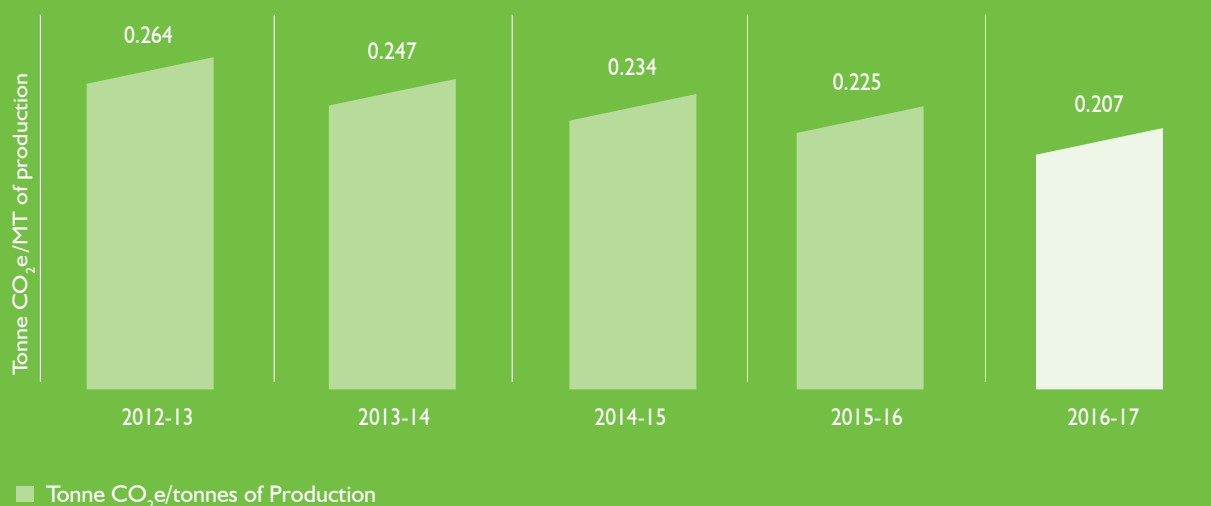
Greenhouse Gases

Global warming and its impact on climate pose an enormous challenge to the world. In order to minimise the impact and lower our emission inline with the internationally agreed target of limiting global warming to less than two degrees Celsius, emissions of greenhouse gases must be lowered in all areas.

By 2020, Galaxy has set a target to reduce Greenhouse Gases emission intensity by 35% with base year 2012-13. GHG emission accounting and reduction is an integral part of our long-term agenda towards sustainability and climate change mitigation. Galaxy follows ISO 14064-1 for GHG accounting and covers all its operational areas. We have achieved a significant reduction of 21.5% in GHG emissions per metric tonnes of

production against the base year of 2012-13. Reduction in GHG emissions is closely related to energy management intervention and increase in renewable energy share. The projects that were undertaken in energy efficiency domains have resulted in reduction of GHG emissions.

Greenhouse Gases reduction (Intensity-based for Indian Operation)



Directed Actions

Energy conservation themes and projects executed in FY 2016-17 have resulted in reduction of power consumption, fuel consumption and improved energy efficiency. As a result, for our Indian operations, total GHG avoided emissions is 581.56 tonnes of CO₂e.

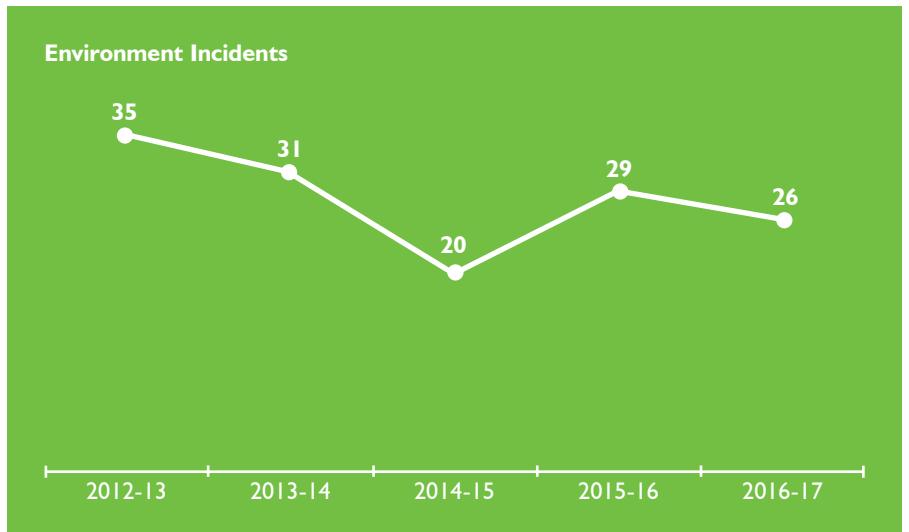
Packaging Waste

Galaxy has taken a target of reducing packaging waste by 10% by 2020 with a base year of FY 2015-16. The target is to be achieved by considering alternative packaging materials, and reducing weight of packaging.



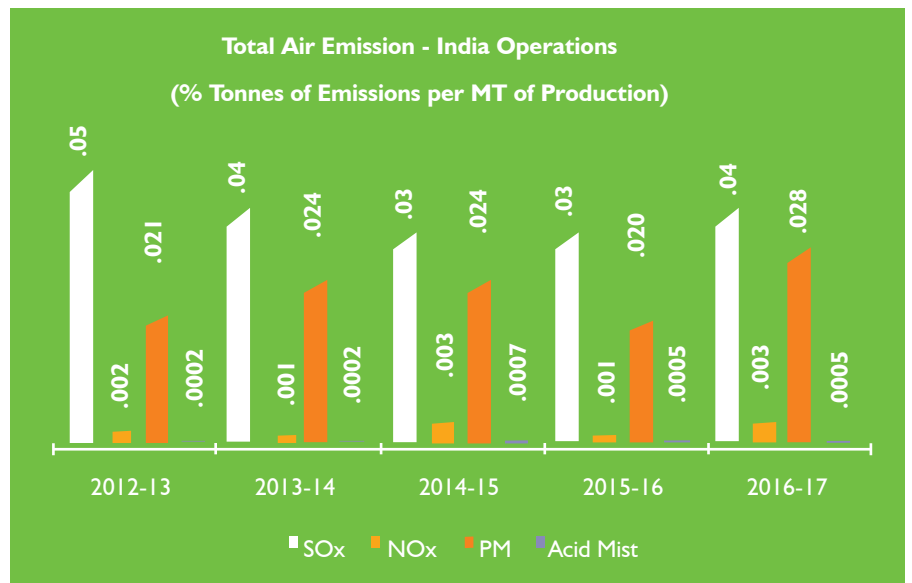
Environment Incident

We have monitoring and control systems in place to prevent overall environment incidents including spillage with integrated automation and control systems that manage spillage, leakage & overflow. We provide training to our employees on how to evade spillage and overflows, at the same time how to tackle the situation if it happens. With time, we are continuously working on achieving minimum environment incidents. With the base year of FY 2012-13, our environmental incidents have reduced by 25.7%.



Air Emissions Monitoring

We are committed to keep our emissions below statutory norms while focussing on continuously improving our systems. For our manufacturing sites in India, we measure and monitor SO_x, NO_x, PM (Particulate Matter) and Acid Mist emissions on a regular basis.



Bio-Diversity

All our manufacturing operations are located in the regions approved and allocated by the government for industrial development. It has been ensured that the required approvals and permissions are taken well in time and continuously complied with. We adhere to all the applicable legal requirements and some of the internal limits are kept at stringent level vis-à-vis those applicable, these further support our commitment to environment and bio-diversity. Our product development cycle considers a number of parameters and factors in design and development stage

to ensure that there is no negative impact on bio-diversity. We ensure green belt development in and around our operations. No environmental grievances were received or registered in the reporting period FY 2016-17 and environmental compliance was ensured at all our locations of operation.

We started our plantation project wayback in FY 2012-13 with 120 saplings. Till FY 2016-17, we planted more than 9,155 saplings cumulatively.



Project Title: Sustainability Through Design

Objectives:

- ▶ Create a safe, economical and efficient manufacturing facility.
- ▶ Converting waste into by-products for captive consumption and commercial sale.

Project Title, implemented at our Jhagadia facility, was an example of process innovation for waste reduction/reuse and process efficiency.

In the prior process, product being manufactured generated by-products with impurities that led to wastage and lower resource efficiency. The process also had problems in scrubbing of gas making it uncomfortable to work while corroding the surrounding area.

Our NPT team decided to design a green process to convert the gaseous by-products into high purity products as raw material for captive consumption and commercial sale.

NPT team developed an innovative and novel technology to separate and convert a mixture of gases into valuable products with the following results:

- ▶ The problems in scrubbing of gases were eliminated and were 'below detectable limits' and under local pollution control board.
- ▶ Waste generation reduced by 70%.
- ▶ Eliminated safety hazards.

Next, dust emissions were reduced by implementing special design filters that reduced the emission to 1 ppm, resulting in avoided dust emissions.

This facility also incorporated various sustainability aspects in design itself such as:

- ▶ Integrating rainwater harvesting in design stage.
- ▶ Using PPC grade cement, utilizing 340 tonnes of fly ash.
- ▶ Integrating a 50 kWp solar power plant in design stage.
- ▶ Using LED lights.
- ▶ Using high efficiency motors with efficiency greater than > 93%.



Safety and Health

Our Safety, Health and Environment (SHE) Vision is to achieve and sustain an incident-free organisation. In order to achieve this Vision, we have established processes and systems in identifying, eliminating and controlling potential hazards present in the workplace which can lead to an incident or injury. Our culture promotes safety across our locations. The first thing that every employee goes through each day is the 'Safety Prayer' to reinforce the significance of safety in every employee. We believe this

concept strengthens our safety procedures and practices.

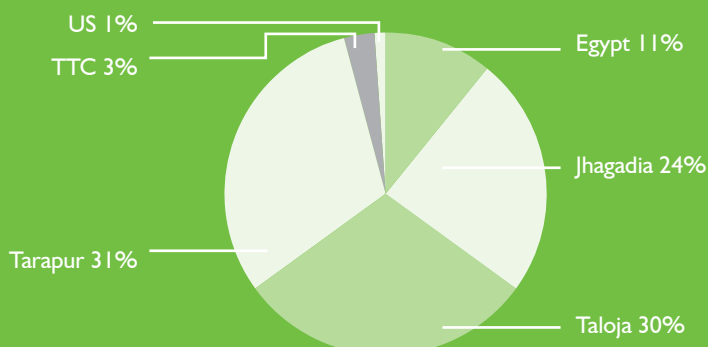
SHE performance is reviewed by the Board of Directors every quarter and once in a month by our senior leaders. Further, we have established an apex team in place to guide us on SHE strategies. We have different Committees and Sub-committees that work on certain specific safety aspects across the business operations of Galaxy.



Safety Training

Safety is accorded overriding priority. Apart from our practices, safety trainings and mock drills are an important way of life at Galaxy. We provide training across different domains like behavioural safety, fire safety, defensive driving, SCBA, etc. Operating procedures and work instructions are communicated to employees in English as well as in the local language when necessary during training and induction sessions. This helps to develop better understanding and learning for all employees including contract employees.

Consolidated Safety Training Man-Hours

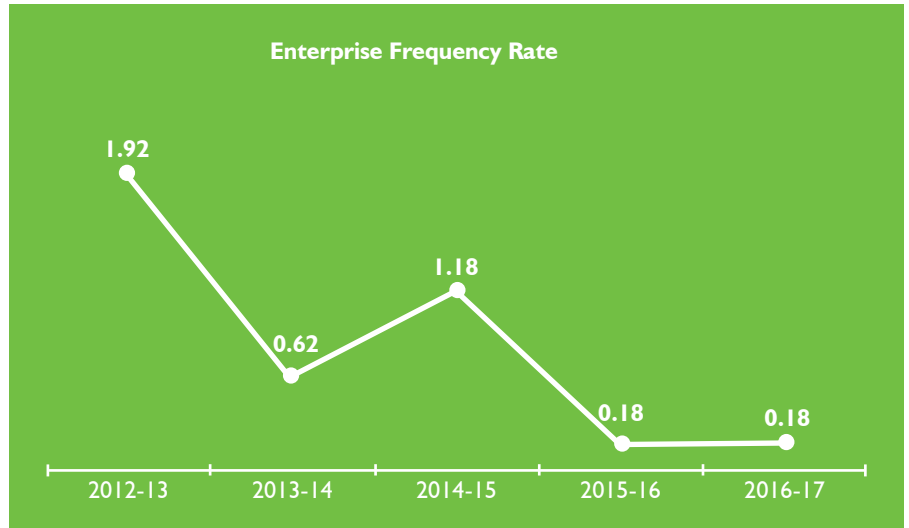


Total Manhours:
12235.77

Lost Time Injury (LTI) rate

Lost Time Injury rate is one of the Safety KPIs that is being closely monitored in Galaxy for all locations. We make continuous efforts to reduce our LTI rate as the safety of our employees is our topmost priority.

Safety, Health and Environment are major thrust areas since three decades and we are continuously making efforts for improvements by adopting best practices and management systems. ISO 14001:2004 and BS:OHSAS 18001:2007 management systems have helped us to control environmental and Occupational Safety & Health aspects and reduce their adverse impacts. Aspect-impact analysis and 'Hazard Identification & Risk Assessment (HIRA)' have been conducted for all the activities along with adequate action plans to mitigate environmental risks and occupational hazards. A committee of management representatives (MRC) meets once in every six months to review legal compliance and monitor performance in the area of 'Safety, Health and Environment'.



Galaxy has achieved certification for ISO 14001:2004 and BS:OHSAS 18001:2007 for Taloja and Jhagadia manufacturing units and is in the process of attaining certification for other manufacturing units.

Responsible Care

Responsible Care is the chemical industry's unique global initiative that drives continuous improvement in health, safety and environmental (HSE) performance, together with open and transparent communication with stakeholders. This initiative, which started in Canada, has gained worldwide momentum in the chemical industry. In India, Indian Chemical Council is in forefront in spreading this initiative.

Galaxy became a signatory to Responsible Care Global Charter in March 2015. Galaxy Surfactants Ltd. has received Responsible Care Logo certificate for Indian manufacturing units in October 2014. During Sustainability Cell meetings, regular updates on Responsible Care actions are shared with senior management. Responsible Care team members have played an important role in implementing actions related to all RC Codes. Over the years, we have improved monitoring of overall process safety indicators and enhanced incident investigation mechanism through safety software.



Product Responsibility

Product Safety & Regulations

As a responsible global supplier of surfactants and specialty chemicals, regulatory compliance is of paramount importance at Galaxy. Our Regulatory Team monitors the constantly changing global regulatory scenario and ensures compliance to regulations.

REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) is a regulation of the European Union that entered into force on June 1, 2007. At Galaxy, a team with members drawn from multi-functions works on REACH, with the ultimate responsibility lying with the REACH core team. Team members gather relevant information by attending various seminars, workshops, and trainings conducted across the globe. We have completed pre-registration of more than 50 substances as well as registration of higher tonnage band substances (≥ 100 tonnes per year) and are confident of completing the REACH registration of lower tonnage substances (≥ 1 tonne per year) within the deadline of May 31, 2018. We are also working with our suppliers to get their REACH compliance commitments so as to ensure uninterrupted supply of products to our customers in Europe.

Galaxy also adheres to the GHS (Globally Harmonised System of Classification and Labelling of Chemicals). The GHS is a voluntary international system which provides a framework that defines / classifies the hazards of chemicals, and provides guidance for communicating the hazards and safety information through labels and Safety Data Sheets. The GHS has been implemented in the EU by Regulation (EC) No. 1272/2008 on Classification, Labelling and Packaging of substances and mixtures (the 'CLP Regulation'). Under CLP, companies shall

classify substances or mixtures and label and package their products in accordance with the CLP regulation.

We ensure that the hazards and adverse effects of the chemicals on human health and the environment, as well as physical and chemical properties are communicated down the supply chain in the form of Safety data sheets (SDS) and labels. SDS is prepared for all our products according to the updated Commission Regulation (EU) No. 2015/830 for EU and GHS (Globally Harmonised System of Classification and Labelling of Chemicals) for all other countries. GHS / CLP labels are also affixed on packages for clear and concise communication of product hazards, as applicable. SDS and labels are periodically reviewed and revised whenever new and significant information is available.

While transporting dangerous goods, we ensure use of UN certified packing material and affixation of Dangerous goods labels in compliance with IMDG (International Maritime Dangerous Goods) and IATA (International Air Transport Association). Our employees involved in handling dangerous goods are appropriately trained on the transport regulations.

In view of the increasing numbers of global customers that Galaxy caters to, we understand the need for clear, multilingual communication to ensure workplace safety. Translating our SDS into the local language of country of export lifts language-barriers, improves communication and understanding, and empowers the stakeholders to anticipate risks, take precautions and take the appropriate actions in the event of any product-related emergency.

Our Sodium Lauryl Sulfate / Sodium Cocoyl Glycinate range of products has ECOCERT attestation. ECOCERT, a voluntary certification system, ensures that a product is natural and environmentally friendly

throughout its life cycle and satisfies the minimum threshold of natural and organic ingredients. It thoroughly analyses the complete production process of a product, beginning with the sourcing of its raw materials, the manufacturing process, and the final finished product and its packaging.

We also fulfil the Halal and Kosher requirements of our valued customers. Halal certification is a voluntary process which ensures that the features and quality of products meet the requirements of Islamic law and are therefore suitable for use by Muslims. Similarly, Kosher certification ensures that the product conforms to the Jewish laws and are fit for use by Jews.

Our regulatory team also handles specific customer requirements such as confirmation of presence / absence of substances / impurities listed in California Proposition 65, CMR (Carcinogenic, Mutagenic and Reprotoxic) substances; listing of products in various chemical inventories, NDC (National Drug Code) listing, etc.

There was no non-compliance with regards to regulations and voluntary code in FY 2016-17.



Life Cycle Assessment

One of our Sustainability Goals 2020 is to conduct Life Cycle Assessment of 40 products. Galaxy plans to assess majority of its product range for their total environment impacts, moving beyond basics like energy and water intensity of products. This approach provides Galaxy with a framework for ascertaining the relative sustainability

of products, identifying opportunities for environment impact mitigation, and promoting greener products.

Galaxy took up Life Cycle Assessment based on ISO 14040/14044 as a part of assessing total impact of product through its lifecycle and completed LCA for four products with the help of GaBi tool, as part of the initiative. This enabled Galaxy to determine their environment impacts and opportunities for

improvement in the same. The studies were conducted with Cradle to Gate approach measuring impact over range of parameters like human toxicity, carbon footprint, eco-toxicity, and many more.

This study was conducted with the help of ThinkStep Sustainability Solutions Pvt. Ltd., leveraging on their expertise and experience of thousands of LCA studies and develop our capabilities in the domain.

Sustainability Through Innovation

The innovation team focusses on delivering high performance ingredients for the home and personal care industry that offer multi-functional benefits to our end consumers. At the core to these developments is innovation and commitment to sustainability to design cutting-edge technology with high carbon efficiency, low carbon footprint and low effluent. The approaches are thoughtfully crafted by adopting state-of-the-art

technologies and fundamental understanding of science to deliver best-in-class products.

Previously, Galaxy had introduced “cold process” blend for ease of its use in formulation, reduction of heating time and increasing throughput for our customer. Galaxy also introduced various blends and sulfate-free products in its portfolio that reduced energy consumption and health concerns for our customers. New sustainable product launches include “Galsoft SCGL” manufactured based on our

patented nontoxic proprietary catalyst and on Green Chemistry Principles. Successfully developed and launched Sulfate Free, Mild Surfactants based Transparent Bathing Bar “Galaxy SN 960 SF” and “Galaxy SN 967 SF” for both international and domestic market.



Supplier Sustainability

Galaxy strives towards incorporating sustainability across its supply chain by assessing its suppliers on their environment & social performance through our internal audit team. Our supplier sustainability survey covers key suppliers amounting to more than 75% in procurement spend.

Our key raw materials are obtained from Palm plantations and are derivatives of Palm Kernel Oil. The demand for palm oil & palm kernel oil based products is poised to grow in the market with the coming years. This growth comes with myriad of sustainability challenges like deforestation of high carbon stock peat land, biodiversity loss, labour & human right issues of the labour employed in plantation and mills. India is one of the largest importers of palm oil and hence, Indian companies are connected to these problems.

'Roundtable on Sustainable Palm Oil' is a body that was instituted to prevent such practices related to palm oil. RSPO is a not-for-profit that unites stakeholders from seven sectors of palm oil industry: palm oil producers, processors or traders, consumer goods manufacturers, retailers, banks/investors, and environment and social NGOs, to develop and implement global standards of sustainable palm oil. It assumes a role in tracking end-to-end practices in palm oil supply chain with an objective of reducing its negative impacts. Galaxy discourages unsustainable practices and became the member of RSPO in 2012.

Since becoming a member, Galaxy progressively started implementing RSPO framework in its facilities. Within a short period of time, Galaxy's facilities in India & Egypt were RSPO certified. We were the first company in India to receive permission to use RSPO trademark globally. We were certified to use MB (Mass Balance) grade for our products. In FY 2016-17, we covered yet another major milestone wherein we upgraded to SG (Segregation) model for our India facilities. Galaxy also collaborates with

its customers to initiate Oil Palm Traceability as a key agenda.

Another initiative where Galaxy is working with its suppliers and customers for inclusive growth of business is by involving marginalised groups. Galaxy is also working with its suppliers and customers in reducing our packaging waste by reworking on packaging material consumption. With one of our Sustainability Goals being reducing our packaging waste, several interventions like using alternative packaging & weight reduction in packaging material have led to reduction in waste generation on year-on-year basis.

For FY 2016-17, 44% of all raw materials sourced were from renewable sources.

People Energy

| | | | | |
|-------|-------|-----|---|---|
| India | Egypt | USA |  |  |
| 990 | 146 | 61 | 114 | 1083 |

Total Employee Count - 1197

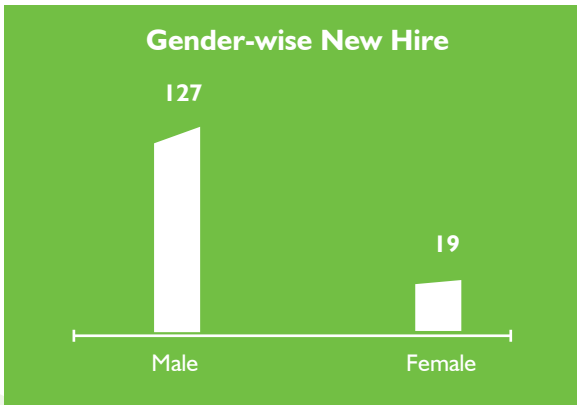
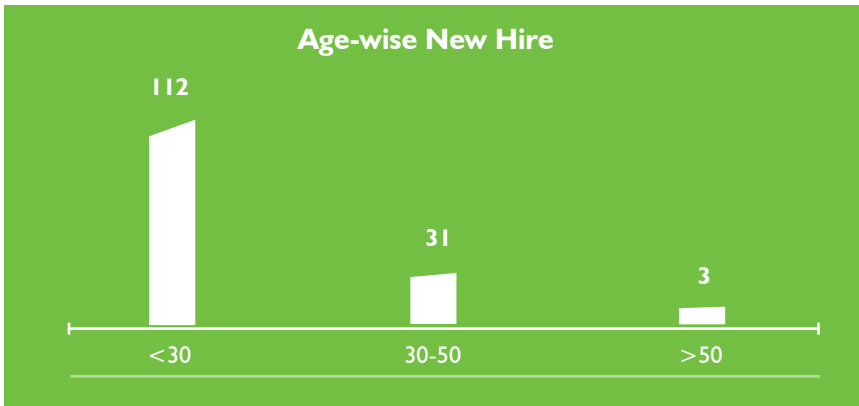
Galaxy believes that 'Business is People'. It is the people with whom business interacts, be it customer, supplier or, the most important, its employees. Galaxy gives foremost importance to the development of its employees and strives to provide engaging working environment for its people.

Galaxy's People Energy Process is actively involved in developing and nurturing talent. Galaxy believes that continuous efforts in

talent acquisition and development are a strategic priority. This approach has enabled our people to move seamlessly between processes and develop multi-dimensional skills effortlessly. This has facilitated Galaxy in being responsive and agile in adapting market dynamics.

Galaxy aspires to be an "Employer of Choice". With regards to this, there is a continuous effort in developing an

excellent engaging culture throughout the organisation. This is evident by the results of GPTW survey taken by Galaxy in FY 2016-17. The Trust Index Survey and Culture Audit for fifteen HR practices gave high results in communication, competence, support, and corporate image. This resulted in Galaxy being certified as a "Great Place to Work" for April 2017-March 2018.



Total new hire for FY 2016-17 across India, USA & Egypt were 146.

Employee Retention

Galaxy focusses on being Employer of Choice and extends several benefits to the employees along with an engaging culture to retain employees and reduce attrition. Our benefits and pay-scales are competitive with market and industry. Pay-scales are periodically revised based on market scenario. Galaxy rewards employees on business as well as individual performance.

There are various interventions taken to develop employee and decrease attrition.

- 1) Career Planning
- 2) Performance Management System
- 3) Market-based Salary Revision
- 4) Learning and Development Interventions
- 5) Cross Functional Opportunities

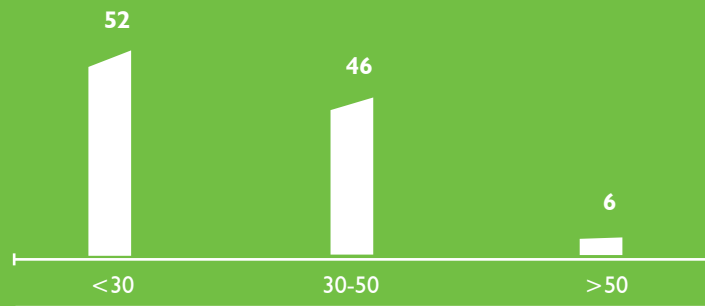


Work-Life Balance & Office Environment

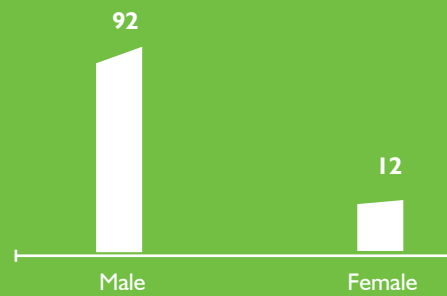
Galaxy promotes work-life balance for better productivity. Flexible working hours, recreational areas in office space, various cultural events, and other engagement activities promote a productive and efficient working culture while ensuring work-life balance. Galaxy under its Wellness Programme – My Health, My Choice undertakes various focussed and interesting initiatives like weight management programmes, wellness chronicles, nutrition counselling to create awareness about lifestyle diseases and healthy wellbeing of its employees.

Total attrition for FY 2016-17 across India, USA & Egypt was 104.

Age-wise Attrition



Gender-wise Attrition



Training

Galaxy has identified various trainings with respect to the levels of skills and competencies of its employees. These trainings are conducted periodically. Specific need-based trainings are also conducted as and when the need is identified. Galaxy also provides aid for higher education to employees.

Plethora of trainings were held for all levels of employees and across various functions of the organisation. These included trainings in leadership & strategy, whistleblower policies, gender sensitisation, sustainability practices, safety, technical knowledge building, personality development and communication skills. In FY 2016-17, for India, close to 99% of the employees received minimum 1 training programme and the average Training Hour/Employee was 25 hours across all locations.

OVERALL TRAINING HOURS (India, Egypt and USA)

| Year | 2015-16 | 2016-17 |
|---------------------------|---------|---------|
| Total no. of employees | 1160 | 1197 |
| Average hrs. per employee | 21.90 | 25.00 |
| Cumulative | 25487 | 29878 |



Human Rights & Labour Laws

Galaxy has established a human rights policy that is communicated to every employee. We also ensure that forced or child labour is not practised at our work premises and strict compliance audits are conducted to ensure the same. All the labour laws and other policies pertaining to workplace ethics are well communicated to employees through display boards, handbooks and other forms of communication. These include policies such as whistleblower policy & sexual harassment policy and strict legal compliance is observed as laid down by local and national acts and regulations.

Employees are encouraged to provide their feedback and there are anonymous speak-up mechanisms set up for sharing their concerns and grievances. The Company also undergoes Responsible Sourcing Audit which includes audit of various areas like safe and hygienic working condition, child labour, wages & benefits, and discrimination and business practices.

Trainings specific to Human Rights, Whistleblower Policy, and Code of Conduct are conducted for security and staff.

In FY 2016-17, total of 421 hours of training was conducted on aforementioned topics for 235 participants.

Employee Welfare Council

EWC is constituted as a platform for employees to voice their concerns and grievances to the management on monthly basis.

Galaxy is a union-free organisation and the major reason for this is that everybody has complete access to senior management which strongly is in line with Galaxy's value of 'Accessibility to Seniors'.

Rewards and Recognition

To recognise the efforts of employees, various rewards have been institutionalised. Various awards recognise contributions in different categories like manufacturing excellence, waste elimination, process improvements, and sustainability etc. Some of our major awards are:

- ▶ Sustainability Steward Award
- ▶ Galaxy Manufacturing Excellence Award
- ▶ Galaxy Operational Excellence Award
- ▶ Best Kaizen Award
- ▶ Best Hazard Identification and Resolution Award
- ▶ Best Quality Circle Award
- ▶ Best WESAP (Suggestion Programme) Award
- ▶ Best Operator Award
- ▶ Galaxy Star Employee Award
- ▶ Rising Star Award



Corporate Social Responsibility

Galaxy strongly believes that Corporate Social Responsibility (CSR) is connected with the principles of sustainability and recognises that its business activities have wide impact on the society in which it operates. We started our social interventions in FY 2010-11, before CSR became mandatory, post the Companies Act 2013. We have reached more than 1,34,000 beneficiaries comprising students and under-privileged sections of society. Over the time, we have increased our interventions like awareness sessions on hand hygiene and environment, blood donation, cleanliness drives, community connect activities, etc.

CSR Structure:

Our CSR Committee consists of 3 members of the Board and one of them is independent board member. Our Managing Director is the Chairperson of this committee. We have established Site Steering Councils at Taloja, Tarapur, Jhagadia and Navi Mumbai who are responsible for implementing CSR initiatives for local community development around our areas of operation.

CSR Key Projects:

1) Arogya Vardheeni (Health & Hygiene)



2) Gyan Sanjeevani (Education)



3) Samajeek Utthaan (Community Development)



4) Vatavaran Suraksha (Environment Protection)



5) Stree Unnati (Women Empowerment)



6) Aapda Rahat (Calamity Relief)



Our Approach:

- ▶ About 60% initiatives are undertaken in and around the locations where Galaxy has its operations and presence.
- ▶ We encourage our employees to take part in CSR initiatives. We believe in doing work at the ground level in-house, hence 60% of our initiatives are rolled out at our site locations through direct intervention by our Steering Council members who closely monitor various on-going and past initiatives. We engage with NGOs, wherever required.

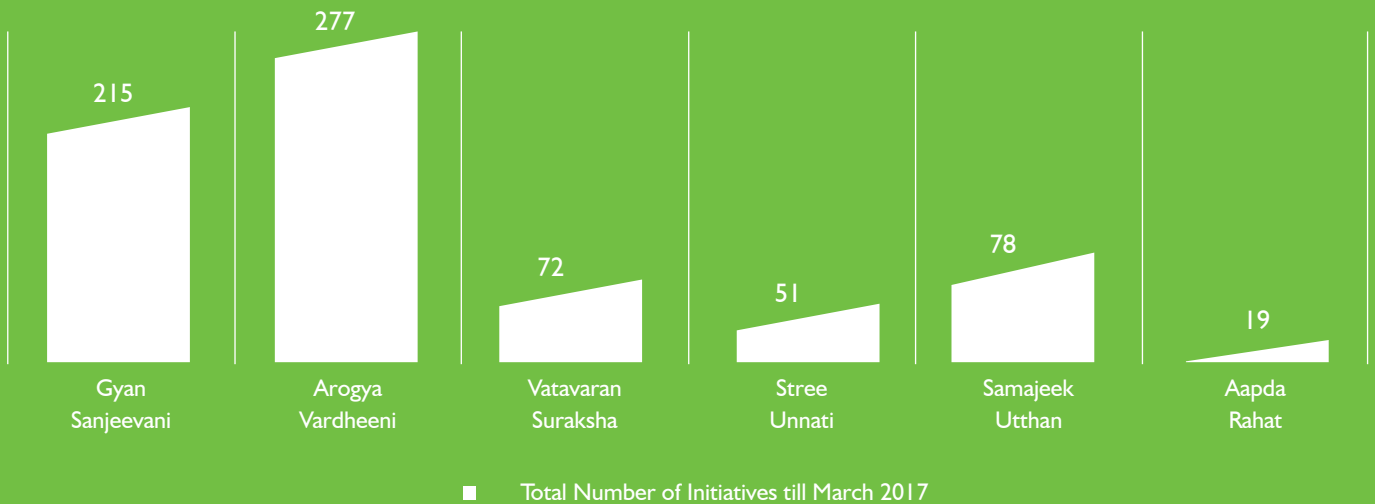


During the year, we have implemented several CSR initiatives with employee volunteers as well as in partnership with implementing agencies. Over the last 3 years, we have recorded about 2,500 man-hours of employee volunteering through 194 initiatives. Some of the highlights for FY 2016-17 were:

Provided funds for the following infrastructure projects in the states of Maharashtra and Gujarat:

- ▶ Setting up of Two new Libraries in Zilla Parishad Schools of Thane District along with the NGO: Room to Read
- ▶ Phase II – Structural rejuvenation and renovation of building of Param Shanti Dham - Old Age home in Taloja
- ▶ Construction of toilet blocks for Boys & Girls; construction of pathway, painting & window repairing and replacement work in a Zilla Parishad School, Walap in Taloja
- ▶ Installation of TV unit + Speakers at Navi Mumbai Municipal Corporation Hospital, Vashi, Navi Mumbai for spreading hygiene awareness among the patients
- ▶ Construction of Washroom at Deaf & Mute School, Palghar district
- ▶ Safe Drinking Water facility in 14 ZP Schools around Tarapur
- ▶ Repairing of the School Building of Z.P. School, Turbhe in Taloja
- ▶ Installation of 24 Cement Chairs for community use in Talodara and Selod villages, Jhagadia
- ▶ Installation of Solar Street Lights at:
 - a) 2 at Boys Hostel, Kara Village, Jhagadia
 - b) 4 at Betegaon Ashram Shala and 11 at Rescue Foundation, Tarapur
- ▶ Adoption of a Village for Sustainable Livelihood & Integrated Development, near Jawahar Mokada, Palghar district, Maharashtra
- ▶ Distribution of more than 18,600 Notebooks in 33 schools near Taloja, Tarapur & Satara Schools
- ▶ Partnered with NGO: Swades Foundation for construction of 200 household toilets in Raigad district, Maharashtra
- ▶ Collaboration with Education Department of Navi Mumbai Municipal Corporation- Education Department for distribution of more than 7,800 books in 54 NMMC Khelwadis & Balwadis in Navi Mumbai region, Maharashtra
- ▶ Partnered with NGO: Stree Mukti Sanghatana for conducting awareness Session on E-Waste & Household Composting and distributed Magic Basket in our Corporate Office, Navi Mumbai, Maharashtra
- ▶ Commissioning of Mobile Pathology Laboratory at Saksham Centre of NGO: Udaan Foundation, Thane, Maharashtra
- ▶ Distribution of Relief Material for 2016 Flood Victims along with NGO: Goonj
- ▶ Cleanliness Drive conducted in Jhagadia Village
- ▶ Provided opportunity to 12 students of Management college to undergo CSR Internship for 2 weeks in 3 Schools & 2 Villages
- ▶ Organised 4 Days CSR Field Camp for our 10 Management Trainees in Tarapur
- ▶ Contribution of more than 700 units of blood during several Blood donation camps by our volunteers in India and Egypt
- ▶ Celebration of Global Hand Washing Day in 7 schools of Tarapur, Jhagadia and Navi Mumbai geography
- ▶ Distribution of Blankets & Sweaters during Diwali to senior citizens of Param Shanti Dham Ashram and Wanvasi Kalyan Ashram, Panvel
- ▶ Planted over 3,900 Saplings inside and outside our facilities

Over the years, there has been great focus on “Gyan Sanjeevani” & “Arogya Vardheeni” through many interventions. With alarming issue of climate change across the world, we have increased our focus on Environment Protection (‘Vatavaran Suraksha’).



- ▶ Cumulative number of tree plantation inside and outside our premises, till FY 2016-17, has been 9,155 saplings.
- ▶ Galaxy has also invested in water conservation projects like rainwater harvesting & building of check dams.

Case Study: Adarsh Gaon Initiative

Geographical, environmental as well as social challenges, make life difficult for the villagers of ‘Navlyacha Pada’ in Mokhada block, Palghar district of Maharashtra. Geologically, the basalt formation in the area and the hilly terrain not only make it a poor groundwater store, but there also is little scope of collecting rainwater, which simply runs off. Consequently, the wells generally start drying up from February, after which, for a couple of months the women have

no option but to traverse long distances on foot to get water. Non availability of water & employment, forces locals to migrate from the pada to nearby cities, in search of livelihood.

During FY 2016-17, Galaxy under its CSR Focus Area: ‘Vatavaran Suraksha-cum-Samajeek Utthaan’ adopted a remote tribal village named ‘Navlyacha Pada’ in Mokhada block, Palghar District of Maharashtra with a view to transforming the village by constructing a big check dam and two small bunds at a higher altitude, for harvesting around 20 lakh litres of rain water. This project shall lead to rise of the ground water table, which in turn would raise water level in the only well for the entire population of around 300 people.

Other benefits expected by the end of this project are:

- 1) Year-round availability of water for local consumption.
- 2) Water availability for second crop.
- 3) Replenishment of groundwater table.
- 4) Provide livelihood by providing fruit bearing trees - 100 trees per farmer - total 10,000 trees will be planted.
- 5) Address climate change adaptation for the village and increase overall biodiversity.
- 6) Arresting migration of villagers in search of livelihood by increasing their income potential.
- 7) During Phase 2, training in poultry and jasmine flower cultivation.
- 8) Overall cleaner environment and community development.



Construction of Check Dam at Navlyacha Pada

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| G4-3 TO G4-16 | Organisational Profile | 5,6,14,27 |
| G4-17 | Entities in Galaxy's consolidated financial statement | 14 |
| G4-18 | Defining report content | Front Back |
| G4-19 TO G4-27 | Material aspects and stakeholder engagement | 11,12 |
| G4-28 TO G4-33 | Report profile | Front Back, 6, 35, 36 |
| G4-34 TO G4-40, 42, 43, 48, 49, 51 | Governance structure of the organisation | 8,9,10 |
| G4-56 TO G4-58 | Organisation's values, principles, standards and code of conduct | 5,6,10,31 |

| Specific Standard Disclosures | | |
|--|--|------------------|
| Category - Economic, Material Aspect - Direct and Indirect Economic Performance & Procurement Practices. | | |
| Standard Disclosure | Disclosure Item | Page Number |
| DMA | Generic Disclosures on Management Approach | 2,12,14,32,33,34 |
| EC1, EC3, EC4 | Direct economic value generated and distributed, Galaxy's benefit plan obligation & financial assistance from government | 2,14 |
| EC2 | Financial implications and other risks and opportunities for the organisation's activities due to climate change | 13 |
| EC7, EC8 | Development and impact of infrastructure investments and services supported and significant indirect economic impacts | 32,33,34 |

| Category - Environment, Material Aspect - Environment | | |
|---|---|---------------|
| Standard Disclosure | Disclosure Item | Page Number |
| DMA | Generic Disclosures on Management Approach | 1-3,15-22 |
| EN1 | Materials used by weight or volume | 27 |
| EN3, EN4, EN5, EN6, EN7 | Energy consumption within the organisation, Energy consumption outside organisation, Energy Intensity, Reduction in energy consumption/energy requirement of products | 2,15,17,18 |
| EN8, EN10 | Total water withdrawal by source and percentage of total volume recycled and reused | 2,16,18 |
| EN11, E12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas | 2,21,27,32,33 |
| EN15, EN16, EN17, EN18, EN19 | GHG emissions - Scope 1, Scope 2, emissions intensity and GHG reduction, Other indirect greenhouse gas (GHG) emissions (Scope 3) | 2,16,19 |
| EN21 | NOx, SOx and other significant air emissions | 20 |
| EN22, EN23, EN24 | Total water discharge by quality and destination, weight of waste by type and disposal and number & volume of significant spills | 18-19 |
| EN27 | Extent of impact mitigation of environmental impacts of products and services | 19,25-27 |
| EN29 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations | 21 |
| EN30 | Significant environmental impacts of transporting products and other goods and materials for the organisation's operations, and transporting members of the workforce | 16,19 |

| | | |
|--|---|----------|
| EN31 | Total environmental protection expenditures and investments | 14 |
| EN32, EN33 | Percentage of suppliers that were screened using environmental criteria & significant actual and potential impacts in supply chain | 27 |
| EN34 | Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms | 21 |
| Category - Social, Material Aspect - Employment, Labour Practices, and Training and Education | | |
| DMA | Generic Disclosures on Management Approach | 27-31 |
| LA1, LA2, LA12 | Breakdown of employees (new hires and employees turnover) on diversity parameters & benefits provided to full time employees | 14,28-29 |
| LA9, LA10, LA11 | Average hours of training and programmes for skill management & lifelong learning, percentage employees under performance review | 27,28,30 |
| LA16 | Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms | 31 |
| Material Aspect - Occupational Health & Safety | | |
| DMA | Generic Disclosures on Management Approach | 23,24 |
| LA5, LA6 | Workforce representation in formal joint management - worker health and safety committees; Injury rate and other organisational safety measurement parameters | 23,24 |
| Material Aspect- Human Rights, Non-Discrimination, Grievance Mechanism | | |
| DMA | Generic Disclosures on Management Approach | 31 |
| HR2 | Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained | 31 |
| HR3, HR12 | Total incidents of discrimination and corrective actions taken and number of grievance about human rights impacts filed & addressed | 31 |
| HR5 | Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour | 27,31 |
| SO4 | Communication and training on anti-corruption policies and procedures | 30,31 |
| Material Aspect - Local Communities | | |
| DMA | Generic Disclosures on Management Approach | 32-33 |
| SO1, SO2 | Percentage of operations with implemented local community engagement, impact assessments, and development programmes, Operations with significant actual or potential negative impacts on local communities | 32-33 |
| SO8 | Significant actual and potential negative impacts on society in the supply chain and actions taken | 27 |
| Material Aspect - Customer Health and Safety, and Product and Service Labelling | | |
| DMA | Generic Disclosures on Management Approach | 25-26 |
| PR1, PR2, PR3, PR4 | Percentage of significant product and service categories undergoing health and safety assessment and their labelling; Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling | 25-26 |
| PR5 | Results of surveys measuring customer satisfaction | 11,12 |
| Supplier Assessment for Labour Practices & Human Rights | | |
| DMA | Generic Disclosures on Management Approach | 27 |
| LA14 | Percentage of new suppliers that were screened using Labour practices criteria | 27 |
| SO9 | Percentage of new suppliers that were screened using criteria for impacts on society | 27 |

Glossary

| List of Abbreviations | |
|-----------------------|--|
| Abbreviations | Full Form |
| Avg. | Average |
| BPE | Business Process Excellence |
| CDP | Carbon Disclosure Project |
| CLP | Classification, Labelling and Packaging |
| COO | Chief of Operations |
| CSR | Corporate Social Responsibility |
| ETP | Effluent Treatment Plant |
| FY | Financial Year |
| GHG | Greenhouse Gas |
| GHS | Global Harmonised System |
| GMP | Good Manufacturing Practices |
| GRI | Global Reporting Initiative |
| GSL | Galaxy Surfactants Limited |
| HIRA | Hazard Identification and Risk Assessment |
| HR | Human Resources |
| ISO | International Organisation for Standards |
| IT | Information Technology |
| KAM | Key Accounts Manager |
| KPI | Key Performance Indicator |
| LCA | Life Cycle Assessment |
| LTI | Lost Time Injury |
| MBR | Membrane Bio-Reactor |
| NGO | Non-governmental Organisation |
| NO _x | Nitrogen Oxides |
| NSC | National Safety Council |
| PBT | Profit Before Taxes |
| PF | Provident Fund |
| PPD | Performance Products Division |
| QC | Quality Control |
| RC | Responsible Care |
| R&D | Research and Development |
| REACH | Registration, Evaluation, Authorisation and Restriction of Chemical substances |

| List of Abbreviations | |
|-----------------------|------------------------------------|
| Abbreviations | Full Form |
| Rs. / INR | Indian National Rupees |
| RSPO | Roundtable on Sustainable Palm Oil |
| SCBA | Self-Contained Breathing Apparatus |
| SDS | Safety Data Sheet |
| SHE | Safety, Health and Environment |
| SMETA | Sedex Members' Ethical Trade Audit |
| SO _x | Sulphur Oxides |
| PM | Particulate Matter |
| SQC | Statistic Quality Control |
| TPM | Total Productive Maintenance |
| USA/US | United States of America |
| USD | US Dollar |
| WDP | Water Disclosure Project |
| WRI | World Resources Institute |

| Abbreviations for Units of Measurement | |
|--|---------------------------|
| Unit | Full Form |
| CO ₂ e | Carbon Dioxide Equivalent |
| Cubic m | Cubic Meter |
| GJ | Giga Joules |
| hrs | Hours |
| KL | Kilolitre |
| kWh | Kilo Watt hour |
| Mg/L | Milligram per litre |
| MT | Metric Tonne |
| MW | Mega Watt |
| MWh | Mega Watt hour |

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