



Energy Management Policy

For Godrej Industries Limited (Chemicals)

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Preface

Godrej Industries (Chemicals) is one of the leading businesses of the Godrej Industries Group, established in 1963. We are pioneers in "Green Chemistries," dedicated in helping the environment and ensuring a greener and sustainable future. Today, we are one of India's leading providers of oleochemicals, surfactants, specialty chemicals, and biotech products, all produced largely with renewable feedstocks from vegetable oils, demineralising the applications.

At Godrej Industries Limited (GIL) chemicals, Good & Green is core to our business, and we are committed to embed sustainability into our processes and value chains across our business. We recognise that the nature of our business activities is prone to consume significant energy. This leads to depletion of natural reserves of fossil fuel and contribute to emission of Green Houses Gases. Hence, we always strive to minimize our carbon footprint, conserve energy, optimize consumption of fossil resources and keep exploring the alternative renewable energy source.

GIL Chemicals ensures to comply with local regulations and statutory limits. We recognize the need to go beyond to prevent, control and continuously reduce our fuel consumption to protect our people, community, biodiversity, and the environment. We will ensure to take all possible steps to mitigate the risk of climate change.

This is our **Energy management policy** with an approach for adopting Sustainable practices in our supply chain, manufacturing operations and product life cycle.

Our Purpose

The most trusted global partner for green chemistries, creating value for our stakeholders and accelerating towards a sustainable future.

Our Vision

Evolve as a leading global oleochemicals and surfactants player, with a rapidly building specialty and biotech portfolio, driven by best-in-class manufacturing and sustainable practices across the value chain.

Delight customers with world class innovation and deep application expertise, delivering industry leading green solutions, taken to market personally and digitally.

All this is executed by a highly engaged and expert team.

Policy Declaration

GIL chemicals have embedded sustainability at the core of our business strategy, recognizing it as a key driver of long-term value and resilience. For us sustainability is not just as a compliance requirement, but a strategic imperative that shapes our operations, innovation, and stakeholder engagement. We maintain the standards of environmental stewardship to the highest level by being innovative, transparent, and accountable. All our manufacturing operations are driven by improvement in resource management, efficiency, and safety. Our goal is to provide long-term value and make a positive impact on the communities and eco systems we influence by integrating sustainability with business resilience.

Scope:

Our policy applies to all Godrej Industries Limited's Chemicals business and manufacturing operations. We also ensure to communicate to all our suppliers through Supplier Code of Conduct, and all our efforts are persistently focussed on ensuring that all our suppliers adhere to Supplier Code of Conduct.

Our Manufacturing Sites are:-

1. Godrej industries Limited Chemicals, Valia (Gujarat)
2. Godrej Industries Limited Chemicals, Ambernath (Maharashtra)
3. Godrej Industries Limited Chemicals, Kheda (Gujarat)
4. Godrej Industries Limited Chemicals, Kundaim (Goa)

Our Approach

To realize our vision to be the most trusted global partner for green solutions, with great team, creating value for our stakeholders and accelerating towards a sustainable future, requires an everyday commitment.

Across our diverse and extended supply chain, we prefer suppliers and business partners that have similar policies and practices and include relevant expectations in our contracts with them. For those suppliers who do not have similar policies and practices, we encourage and support them to do so. Active engagement and collaboration based on transparency, corrective action, and continuous improvement are hallmarks of our approach.

Policy Commitment

In line with our sustainability vision, we are committed to the following Qualitative and Quantitative Targets:

- **Compliance and Beyond**

- Ensure 100% compliance with respect to statutory regulations specified by government authority for energy consumption.
- We will strive to extend our efforts in going beyond the compliance needs and focus on best practices to improve the energy efficiency of our processes and minimize losses.
- Go beyond to achieve our voluntary goals and support projects that positively impact society, build trust, and contribute to our long-term success.
- Protecting natural reserves of fossil fuels and keep exploring the alternative renewable non-polluting sources that sustain communities and meet climate protection goals.

- **Prioritization**

- We will focus on reducing our specific energy consumption by moving towards energy efficient equipment, utilities, and process modifications.
- We endeavor to improve energy efficiency in line with our EP100 commitment and achieve 75% renewables in energy mix by 2030.
- We target to achieve Net Zero for Scope1 and 2 emissions by 2040.
- Promoting increase in renewable energy usage to mitigate climate change impacts.
- Incorporating life cycle thinking at the design stage to reduce energy consumption throughout the product or process life cycle
- Set an Internal carbon price & include it in decision making for technology / project selection.

- **Measure, Monitor and Improve**

- We are committed to regularly track, monitor and assess our environmental performance across the key focus areas such as Energy consumption, Renewable Energy Share, Greenhouse gas emissions, air emissions and product safety.
- Review our objectives and energy related targets, monitor progress on actions to control and reduce and report energy consumption and RE share periodically to leadership and the Board ESG committee.
- Train our employees and workers on improving energy efficiency and importance of energy conservation. As well as train them on all aspects of energy management relevant to their roles.
- We also strive to educate our suppliers, business partners, customers and stakeholders regarding the responsible handling and use of our products.
- Engage with R&D for efforts that explore ways to reduce energy conservation and improved energy efficiency.
- Communicate our expectations and drive awareness campaigns to spread knowledge about the significance of energy management and enhancing energy efficiency to our suppliers.

- **Assurance and Transparency**
- Publish Annual Sustainability reports aligned with GRI/UN SDGs standard to ensure accountability and transparency.
- We will periodically assure the Reliability, transparency, accuracy and credibility of data in our disclosures on our energy data by monitoring and reporting procedures according to industry best practices and applicable regulatory requirements as well as via internal and external independent third-party audits.
- Report our energy related targets, efforts, actions and progress transparently in public disclosures.

Responsibilities

- **Board level Sustainability committee**- Oversight of the organization's environmental policies, programs, and performance, with particular focus on climate-related initiatives and oversee the performance of Sustainability indicators against the targets set.
- **Senior Management**-Drive Strategic Initiative and allocate resources for energy conservation projects.
- **Sustainability Team**- Target setting, creating road map, gap assessment, and identification of opportunities for improvement, data monitoring, assurance, and reporting.
- **Environmental Compliance Team**-Ensure regulatory and legal compliance.
- **Operations and Manufacturing**-Evaluate and implement energy efficient projects and review performance of manufacturing teams on environmental KPIs.
- **Energy management cell** -Maintaining accurate records of energy consumption data, creating awareness and implementing in energy conservation projects.
- **Procurement and Sourcing**-Promote Responsible sourcing and supplier collaboration.
- **Other Employees**-Follow Sustainability practices and participate in training.
- **External Stakeholders**-Support Sustainability through partnerships and compliance.

Review Mechanism and Continuous Improvement

Key performance indicators are established by corporate sustainability team along with supply chain head, which are then communicated to plant heads and relevant plant based functional managers. Monthly reviews are conducted by the Corporate Sustainability team along with Supply Chain Head and CEO. Quarterly meets are held with group level Chief Sustainability Officer and Head of Good and Green function. Sustainability performance of the business and strategic initiatives is presented and discussed with board level sustainability committee twice a year during the Board ESG Meet.

We will bi-annually review the policy and amend in response to input from internal and external stakeholder engagements to assess its effectiveness and determine its alignment with industry best practices, evolving sustainability goals, legal and regulatory requirements, and industry best practices. To strengthen environmental commitments and promote ongoing progress, necessary changes will be undertaken. Any significant changes or updates will be communicated to all employees and relevant stakeholders to ensure effective implementation.

Vishal Sharma



Executive Director and CEO

Godrej Industries Limited (Chemicals)