

RSPO

Roundtable on Sustainable Palm Oil

Sustainability from a downstream ingredient perspective

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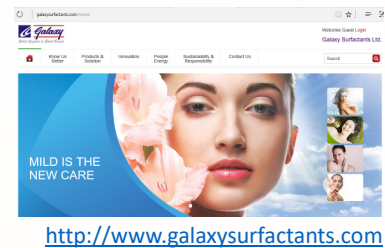
**LEARNING TO LIVE TOGETHER
FROM VISION TO TRANSFORMATION**



Galaxy Surfactants at Glance



Business	6+	Diverse Product Portfolio <ul style="list-style-type: none"> Products find applications in Skin Care, Hair Care, Oral Care, Sun Care, Baby Care and Home Care
Growth Rate	20%	Sustainable Growth <ul style="list-style-type: none"> Global sales CAGR of ~20% during year 2008-14
Revenues	300	Growing Revenues <ul style="list-style-type: none"> Global Revenues of USD 300M
Employees	900+	Talent pool <ul style="list-style-type: none"> Highly Innovative, Agile & Solution driven Team Global & diverse talent pool
No. of Countries	106	Global Footprint <ul style="list-style-type: none"> Caters to 106 countries with 66 products Global Suppliers to Global Brands in Personal and Home Care segment



Flow of the Presentation

Ingredient & Oil Palm

Indian context for Oil Palm

Indian ingredient industry

What has Galaxy done?

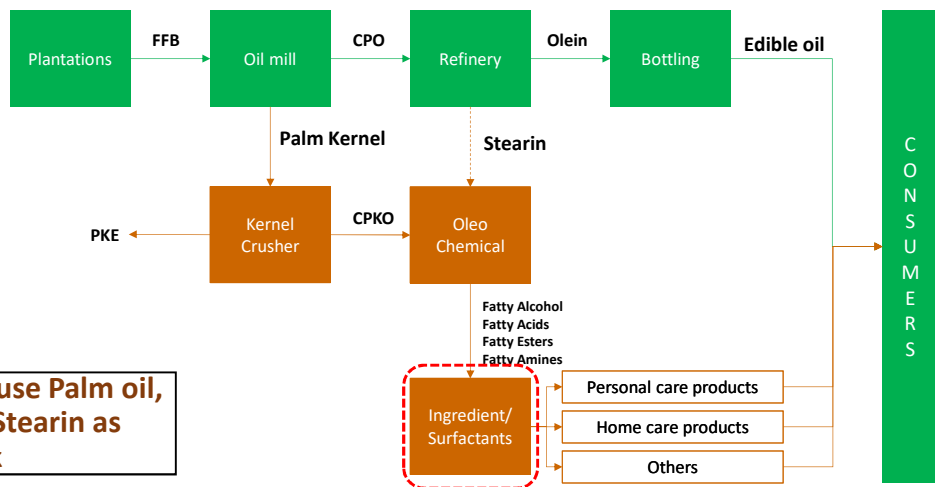
Challenges & Opportunities

Summary & Conclusion

Ingredients & Oil Palm

Nomenclature

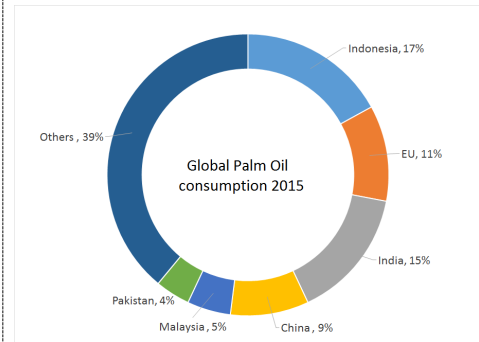
FFB – Fresh fruit bunches
 CPO – Crude Palm Oil
 CPKO – Crude Palm Kernel Oil
 PKE – Palm Kernel Expeller



Ingredients industry use Palm oil, Palm Kernel oil & Stearin as feedstock

Indian Context for Oil Palm

- 88% of production in Asia
- More than 50% of Consumption in Asia
- Indian context
 - 15% of global consumption of Palm oil (≈ 10 m tpa)
 - Largest importer of Palm oil
 - Edible oil market characteristics
 - Fragmented market
 - Low brand awareness – non branded oils
 - Low Consumer awareness on Sustainability
 - Price sensitive market
- Palm Kernel oil imports less than 0.2 m tpa



Source: USDA 2015

India's participation in palm oil sustainability – Important for overall traction

Indian Ingredient Industry

- India has emerged as a cluster for ingredients
- Enablers
 - Indigenous technology
 - Frugal innovation
 - World class quality
- Export focused Industry
- Exposure to Global Customers
 - Transmission of good practices
 - Partners in global Sustainability initiative
- Regional Customers
 - Lower traction on Sustainable oil palm



Ingredient industry is part of global supply chains with high awareness on Oil Palm sustainability

What has Galaxy done?

Three pronged approach

1. Company - Build Capability

- RSPO membership
- Supply chain certifications
- Migration plan from MB to SG

2. Industry – Share good practices

- RSPO Workshop on Certification
- Indian Surfactant Group conference

3. Interface with Customers

- Educate & learn
- Participate in Customer initiatives
- Promote certified products

Every journey begins with a single step

Challenges & Opportunities

Challenges

- Multiple approaches on demand side
- Getting edible oil traction
- Managing complex Palm Kernel oil supply chain in interim
- Demand Supply imbalance

Opportunities

- Good demand emerging
- Enhancing supply of certified oils
- Promoting Certified Ingredients with Regional Customers

In Summary

1. Ingredient companies committed to Oil Palm Sustainability
2. Edible oil traction critical for building momentum
3. Need for unified approach
4. Critical to enhance supply of Certified oils

Galaxy is committed to engage with stakeholders to deliver on the agenda of Sustainable Oil Palm

Thank You