

Gujarat Fluorochemicals Limited (GFL)

TCFD Report FY 2025

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About GFL

Gujarat Fluorochemicals Limited ((hereafter referred to as 'We', 'Our', 'GFL', or 'the Company')) is a leading Indian specialty chemicals company with over 30 years of expertise in fluorine chemistry. Gujarat Fluorochemicals Limited (GFL) is a leading specialty chemicals company and a flagship entity within the INOX Group. In FY 2024-25, GFL reported net revenues of approximately ₹4,737 crore (USD $570 million). The company is a prominent producer of fluoropolymers, refrigerants, and specialty chemicals, serving diverse industries across India and global markets. GFL's manufacturing footprint includes state-of-the-art facilities in Gujarat, enabling it to supply international customers in North America, Europe, and Asia.

The company's product portfolio spans fluoropolymers, fluorochemicals, Bulk chemicals and Battery materials intermediates, tailored for industries such as automotive, electronics, energy, and healthcare. With a strong focus on research and innovation, GFL continues to expand its value-added product range and maintain quality leadership. Committed to sustainability and responsible business, GFL follows robust ESG frameworks, ambitious decarbonization goals, and investments in circular economy solutions. Further information on our sustainability framework and performance is available on our website. GFL - Sustainability.

Reporting Boundary

This report covers the boundary of Gujarat Fluorochemicals Limited's three key manufacturing sites located at Dahej, Jolva, and Ranjit Nagar in Gujarat, India. These specific sites have been selected to comprehensively assess the risks and opportunities associated with climate change. The analysis of these operations enables GFL to better understand the localized impacts of climate change on its manufacturing activities and to develop informed strategies for climate resilience and sustainable growth.

About the Report

This report presents GFL's approach to managing climate-related challenges and opportunities. It outlines the Company's climate strategy, governance structure, risk management practices, and performance against key metrics and targets, in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework. The TCFD framework was established in 2015 by the Financial Stability Board (FSB) and has since been taken over by the International Sustainability Standards Board (ISSB), with climate-related disclosures now covered under IFRS S2. Based on comprehensive engagement across the Company, the report identifies 11 significant climate-related risks and opportunities that may impact GFL's value chain and describes the mitigation strategies developed to strengthen the resilience of the Company's business model. These insights support the integration of climate considerations into strategic planning and operational decision-making, enabling sustainable long-term value creation.

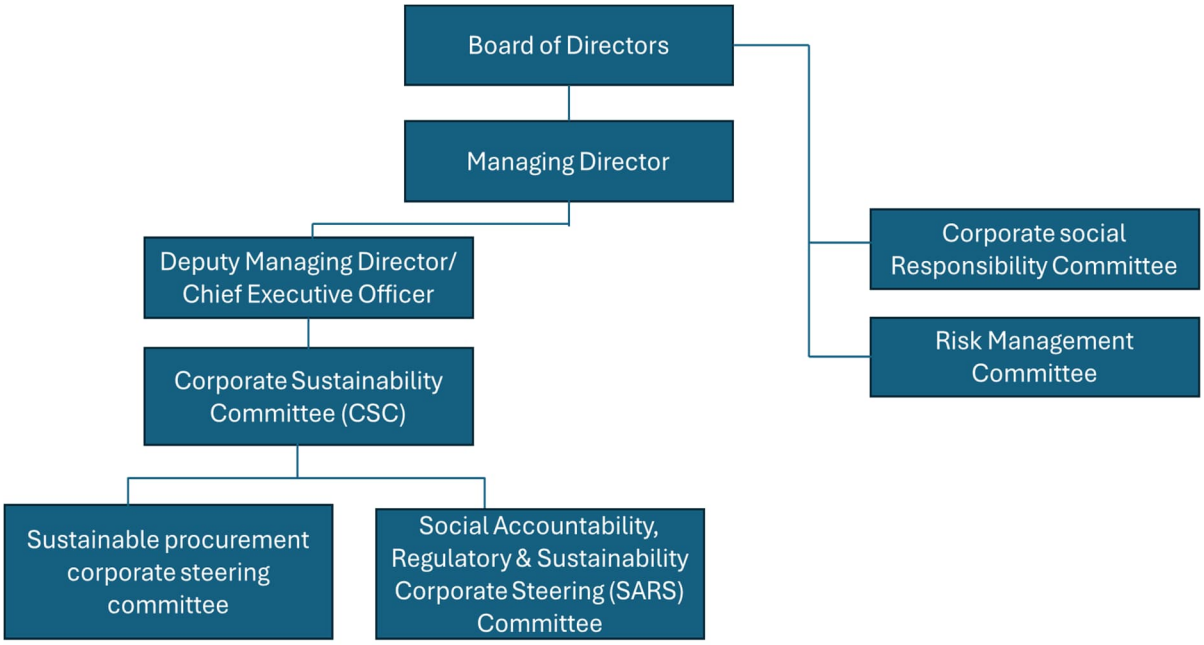
Executive Summary

Gujarat Fluorochemicals Limited (GFL) integrates climate considerations across governance, strategy, risk management, and performance measurement to strengthen long-term resilience and capital efficiency. Climate oversight is anchored in a 10-member Board supported by dedicated committees, including the Corporate Sustainability Committee chaired by the Deputy MD/CEO, which conducts quarterly ESG reviews and aligns variable pay with climate-related KPIs. Building on this governance structure, the company embeds climate issues directly into strategic planning through its Enterprise Risk Management framework, assessing physical risks such as heat stress, cyclones, and water scarcity alongside transition risks including BRSR and EPR compliance, PFAS-related regulatory shifts, and the transition to low-GWP technologies. Wherein, physical risk assessments use IPCC-aligned climate scenarios (RCP 2.6/4.5/8.5) to guide risk-informed decisions and operational planning.

To manage these risks, GFL implements mitigation measures such as adopting 30% renewable energy, deploying zero liquid discharge systems, enhancing water reuse, and strengthening circularity practices to minimise regulatory, operational, and supply-chain vulnerabilities. Complementing this risk-management approach, the company tracks progress through clear climate metrics and targets, including a 42% reduction in Scope 1 and 2 emissions by FY30 (with 4% reduction achieved to date) and net-zero goals for Scope 1 and 2 by FY40 and Scope 3 by FY50. These actions are supported by strategic investments in low-VOC products, green hydrogen, and battery materials, enabling GFL to capture emerging low-carbon opportunities while advancing long-term sustainable value creation.

Climate Governance

GFL's climate governance is guided by its Board of Directors, which shapes business strategy and oversees the appointment of Executive and Non-Executive Directors. The structured framework integrates ESG principles and climate considerations into decision-making, enabling effective risk management, opportunity identification, and long-term sustainable growth.



GFL's Board of Directors directly oversees 6 committees (Audit committee, Nomination and remuneration committee, stakeholder relationship committee, corporate social responsibility committee, Risk management committee, Committee of board of directors for operations) , while 5 (Ethics Committee, Corporate Health and Safety steering Committee, Responsible marketing corporate steering committee, Internal complaints committee and Corporate sustainability Committee) others operate under the Managing Director. Among these 11 committees, 3 play key roles in ESG and climate-related decision-making: the Corporate Sustainability Committee (CSC), Corporate Social Responsibility (CSR) Committee, and Risk Management Committee (RMC). The CSC further strengthens governance through 2 sub-committees, the Sustainable Procurement Corporate Steering Committee and Social Accountability, Regulatory & Sustainability Corporate Steering (SARS) Committee ensuring integrated oversight across sustainability pillars. Their functions are outlined below, with further details on all committees available in the Integrated Annual Report on page 108.

To strengthen climate resilience, the Company has implemented a structured incentive framework that drives accountability across GFL. Climate-related objectives are linked to both financial and non-financial incentives, with KRAs and KPIs aligned annually to business priorities and the UN Sustainable Development Goals (SDGs). A defined portion of variable pay is tied to verified performance on key ESG metrics, including energy efficiency, emissions reduction, and climate-related disclosures. Senior management, the Head of Corporate Sustainability, Business Heads of Departments, and the AGM – Sustainability are recognized for their roles in driving operational efficiency, environmental risk management, and effective implementation of sustainability initiatives, reinforcing the Company's long-term climate resilience strategy.

Committee	Function
Board of Directors	✓ Governance oversight aligning business and sustainability goals ✓ Oversee policies, financials ✓ Monitor ESG and regulatory compliance ✓ Supervise six board-level committees ✓ Engage stakeholders
Managing Director	✓ Approve strategic plans and financial decisions ✓ Lead performance and ESG monitoring ✓ Foster stakeholder trust ✓ Guide ESG implementation across units
Corporate Sustainability Committee (CSC) – (1- Non independent Director, 4- senior management) *Quarterly meetings*	✓ The Corporate Sustainability Committee (CSC) is chaired by the Deputy Managing Director/Chief Executive Officer, with members including functional heads, unit leaders, and special invitees from diverse functions and units, providing cross-functional leadership. ✓ The Deputy Managing Director reports CSC discussions and outcomes to the Managing Director, who then presents consolidated ESG and climate related updates from the CSC to the Board of Directors. ✓ Lead sustainability and climate initiatives ✓ Address carbon, water, waste, biodiversity management ✓ Oversee health & safety, procurement, labor management ✓ Prepare sustainability roadmap ✓ Review ESG performance quarterly ✓ Approve ESG/Sustainability disclosures ✓ Participated in ESG Rating (CDP, DJSI)
Social Accountability, Regulatory & Sustainability Corporate Steering (SARS) (2- Senior Management, 10- Members) *Quarterly meetings*	✓ Lead sustainability initiatives ✓ Manage procurement, employee and labor concerns ✓ Incorporate triple-bottom-line strategy ✓ Oversee Corporate Women's Empowerment & WASH Committees o The Corporate Women's Empowerment Committee focuses on promoting gender equality, empowering female employees through awareness programs, skill development, and ensuring a safe and inclusive workplace. o The Corporate WASH Committee is responsible for implementing and maintaining Water, Sanitation, and Hygiene standards to ensure health, safety, and well-being across the organization.
Sustainable Procurement Corporate Steering Committee (2- Senior Management, 6 - Members) *As needed, scheduled meetings*	✓ Promote sustainable, low-carbon procurement ✓ Evaluate and select suppliers on climate impact ✓ Integrate climate risk assessments ✓ Foster circular economy in supply chain ✓ Ensure regulatory compliance
Risk Management Committee (RMC) *(2- Independent & Executive Director, 1- Excutive and Managing Director)* *Quarterly meetings*	✓ Develop and maintain ESG risk management policies ✓ Monitor risk systems and controls ✓ Update policies biennially ✓ Report key risks to Board ✓ Oversee Chief Risk Officer
Corporate social responsibility *Committee (CSRC) (2-Independent Director, 1- Managing Director)* *As per regulatory calendar*	✓ Formulate and recommend CSR policy ✓ Oversee budget and project implementation ✓ Ensure compliance and transparent reporting ✓ Evaluate CSR impact and improvements

Note: The Company has recently revised its governance structure. As part of this restructuring, a new Corporate Sustainability Committee (CSC) has been constituted during the year and is governed by the Managing Director. Previously, the Sustainable Procurement Corporate Steering Committee and the Regulatory & Sustainability Corporate Steering Committee (SARS) were directly governed by the Managing Director. Following the restructuring, both committees now function as sub-committees under the Corporate Sustainability Committee.

Climate strengthening Policies

The Company's policies reinforce its commitment to responsible business by effectively managing ESG and climate-related risks and supporting sustainable operations; only certain policies are approved by Executive Management and the Board, and these apply to relevant internal and external stakeholders and are communicated to internal teams through regular training and internal communications, while external partners are informed during onboarding and through contractual arrangements. The Company has established several policies related to environment and climate change, including the Environmental Policy, Energy Management Policy, and Health & Safety Policy. In addition, governance-focused policies such as the Board Diversity Policy support effective decision-making, while the Code of Conduct guides responsible business practices. Other applicable

policies are publicly available on the Company's website under the section GFL Policies, with certain sensitive policies accessible exclusively to employees via the Company's intranet.

Climate Strategy and Risk Management

Climate Strategy

GFL undertakes a structured climate-risk assessment to identify potential climate-related risks and opportunities that could influence its business prospects, in line with IFRS S2 Standard. Building on these insights, the Company addresses climate change through an integrated strategy that focuses on optimising energy efficiency, expanding renewable energy adoption, strengthening emission-control systems, utilising carbon-offset mechanisms, and promoting afforestation initiatives

Building on this strategic foundation, the Company recognises environmental compliance and sustainability as both a material risk and an opportunity across its value chain, and therefore applies a forward-looking, scenario-based approach to evaluate transition and physical climate risks. Aligned with the TCFD framework (now embedded within IFRS S2 requirements), the Company's strategy is consistent with the goals of the Paris Agreement, aiming to limit global temperature rise preferably to 1.5°C

Risk Assessment:

To operationalise this strategy, GFL conducts comprehensive climate risk assessments across its Dahej, Jolva, and Ranjitnagar manufacturing sites, analysing how potential future climate scenarios may affect business operations. These assessments combine likelihood estimates derived from secondary research with impact evaluations informed by stakeholder engagement, enabling the Company to prioritise mitigation actions based on both current initiatives and planned measures. Through this structured process, GFL evaluates the implications of climate change on its portfolio and continuously strengthens its climate-resilient strategy across the short (1-3 years), medium (3-12 years), and long term (>12 years).

Physical Risk

Physical risks are mainly classified as acute and chronic physical risks.

- Physical risks: Risks resulting from event driven or longer-term change in climatic patterns causing damage to assets or supply chain disruption.
    - Acute physical risks: Acute risks are risks that arise from "a single extreme event or a series of events that occur over a short period of time, typically weeks or months." such as Floods and cyclones
    - Chronic physical risks: Refer to long-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

Scenario Analysis

As part of its climate-risk assessment, GFL evaluates potential long-term impacts by conducting scenario-based analyses that examine temperature rise, precipitation shifts, and water-stress conditions. These assessments draw on both baseline and future climate projections aligned with key Representative Concentration Pathways (RCP) and Socioeconomic Pathway (SSP) combinations referenced in the IPCC AR5 and AR6 literature. By analysing chronic physical risks across multiple radiative-forcing trajectories through 2100 and comparing expected deviations from historical climate pattern. GFL recognizes how evolving climate conditions may influence its operations. This scenario work, carried out for time horizons extending to 2030 and 2050, supports the Company's broader IFRS S2-aligned process of identifying risks and opportunities and reinforces its strategic planning for long-term resilience.

Scenario	RCP Scenario	Description	Liked SSP scenario	Radiative forcing (W/m2)
Optimistic	RCP 2.6	Very stringent pathway where CO2 emissions start declining by 2020 and go to zero by 2100	SSP1: Sustainability	0.9 – 2.3
Business As Usual (BAU)	RCP 4.5	Lower intermediate scenario, peak around 2040, then decline	SSP 2: Middle of the road	1.7 – 3.2
Pessimistic	RCP 8.5	Worst case climate change scenario	SSP 5: Inequality	3.2 – 5.4

*For water stress scenario RCP7-SSP3 is considered instead of RCP4.5-SSP2

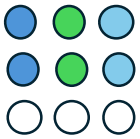
Acute Physical Risks:

Acute risks identified would help in identifying impact in short term. Risk scoring is calculated basis Risk Management Framework.

Acute Risk	Description	Impact/Risk	GFL Mitigation Strategy
Heat Wave 	Heat wave is considered if maximum temperature of a station reaches at least 40^{0}C or more for Plains and at least 30^{0}C or more for Hilly regions.	• Result in reduced workforce productivity and increased health and safety concerns. • Dahej and Jolva fall under medium risk and Ranjitnagar falls under as low risk Financial Impact: Increased operational expenses in terms of energy costs	• Provide rehydrating drinks, equip plants with better ventilation to avoid health risks to employees and loss of employee productivity due to high temperatures. • Ensure raw materials and finished goods storage areas are climate-controlled to prevent degradation of temperature-sensitive components such as solvents, resins, and pigments
Drought 	Drought is a prolonged period of abnormally low precipitation that leads to a shortage of water, adversely impacting ecosystems, agriculture, human health, and economic activities.	• Reduced or halted production due to water shortages • All the GFL sites classified under medium risk Financial Impact: Increased operational expenses in terms of sourcing water from external sources like 3rd party tankers	• GFL has water desalination plant, water reuse and recycling systems in place
Cyclone 	A physical climate hazard characterized by extreme weather events involving high winds, heavy rainfall, thunder, lightning, and sometimes hail or snow. These include tropical cyclones (hurricanes/typhoons), thunderstorms, winter storms, and extra-tropical storm. Increase in cyclone risk can cause coastal flooding along with a combination of other factors.	• May lead to water logging issues in the city or infrastructure damage causing commuting and transport disruption • Commuting difficulties may result in higher employee absenteeism and lower productivity. • All assets located in Gujarat classified as high risk. Financial Impact: Increased operational expenses due to damages and repairs, disruption to supply chain process.	• Elevate critical structures, including production floors, storage areas, and electrical systems, above known flood levels.
Riverine Flood 	The overflowing of the normal confines of a stream or other bodies of water or the accumulation of water in areas that are not normally submerged. Likelihood assessed based on proportion of the population anticipated to be affected on average.	• Logistics Disruptions • Employees and workers residing near river areas, might get impacted by flood situations. • All assessed assets classified as medium risk Financial Impact: Increased operational expenses due to damages and repairs, disruption to supply chain process.	• Efficient public drainage systems in place near assets.

Physical Chronic Risks

Chronic risks identified are mentioned below, identified chronic risks are assessed under RCP2.5, RCP4.5 and RCP8.5 scenarios for medium and long term.

Chronic Risk	Description	Impact on Businesses, Stakeholders and Strategy	Risk	GFL Mitigation Strategy
Water Stress 	Baseline water stress measures the ratio of total water demand to available renewable surface. Water demand includes domestic, industrial, irrigation, and livestock consumptive and nonconsumptive uses.	• Water stress can lead to water supply interruptions which might impact company operations and product quality • All sites face medium water stress Financial Impact: • Increase in Operational Costs		• GFL recycles UF rejected water instead of discharging it to the ETP in our FKM plant cooling tower, reducing freshwater consumption significantly. • Repurpose RO reject water from both micropowder plants at Jolva and Dahej units, diverting it from the ETP to our cooling towers. • Treats 100% of the wastewater in ETP & STP facilities
Temperature Rise* 	Annual Maximum Daily Temperature is used to assess chronic climate risk linked to Temperature Rise.	• Maintenance issues to the infrastructure and the equipmentt may rise, necessitating more frequent inspections and repairs for cooling systems • Heat wave conditions can impact employee and the productivity • All Sites exhibit medium heat risk across all RCP scenarios Financial Impact: OPEX (electricity, maintenance). Energy Efficiency		• Provide rehydrating drinks, equip plants with better ventilation to avoid health risks to employees and loss of employee productivity due to high temperatures. • Ensure raw materials and finished goods storage areas are climate-controlled to prevent degradation of temperature-sensitive components such as solvents, resins, and pigments
Cumulative Precipitation* 	Annual cumulative precipitation (mm/year) is used to assess chronic climate risk linked to	• Heavy rainfall or urban flooding may lead to water logging issues in the city causing commuting and transport disruption. • Commuting difficulties and health concerns may result in higher employee absenteeism and lower productivity. • All the assets exhibit medium risk for medium term and high risk during long term across different scenarios.		• Upgrade facility drainage systems to handle higher water volumes. Maintain drains and stormwater systems to prevent blockages



Transition Risks

Transition Risk Analysis:

Transition risks arise from the global shift toward a low-carbon economy, driven by changes in climate policies, regulations, technologies, market dynamics, and stakeholder expectations to support climate mitigation and adaptation. These changes may result in legal, technological, market, and reputational impacts for businesses operating across the value chain.

GFL faces transition risks associated with evolving regulatory requirements, technological advancements, and changing market conditions as the economy moves toward a low-carbon pathway. The Company evaluates these risks across multiple scenarios, considering current and emerging regulations and their potential financial, operational, and strategic implications. GFL also assesses the timeframe over which these risks may materialize, enabling timely mitigation actions and alignment with the Company's long-term business strategy.

Transition Risk Identified:

Risk Type	Description	Impact on Operation	Mitigation
Policy and Legal  *(Short-term to Medium Term)*	ESG Disclosure • Emerging environmental and sustainability regulations, such as India's net-zero target by 2070 (NDC) and SEBI's BRSR mandate, could increase compliance costs for GFL and require changes in operations. The BRSR requires top companies to enhance sustainability disclosures and obtain third-party assurance by 2026, with a focus on GHG emissions aligned with global net-zero pathways. These evolving requirements may influence investor expectations and drive GFL to strengthen its ESG reporting and climate action efforts. Hazardous waste management and EPR • GFL faces regulatory risks related to hazardous waste due to persistent pollutants from chemical manufacturing, which could lead to fines or environmental damage. Strict Extended Producer Responsibility (EPR) policies also pose cost and compliance challenges.	• Elevated Compliance Costs and Resource Diversion. • Required Operational Modifications • Higher Treatment and Disposal Costs • Production Disruptions and Fines Risk	• Ensure adherence to all local and national regulatory requirements through workforce capacity building and tool upgrades. • Partnerships with certified recyclers, and ongoing compliance monitoring to minimize liabilities and align with evolving regulations. • Adopt digital solutions for real-time performance tracking
Market Risk  *(Short-term to Medium Term)*	Supply chain & raw materials • Growing global demand for fluorochemicals and reliance on imports pose risks for GFL, including supply disruptions, regulatory pressures (EU PFAs Ban), and price volatility. • Rising costs and competition for battery raw materials driven by the transition to electric vehicles and renewable energy present risks to market share and supply stability. Customer changing in demand/Preference • Changing customer preferences and stricter regulations on high-GWP refrigerants increase market risks for GFL by reducing demand and raising costs.	• Supply Disruptions and Production Halts • Cost Volatility and Margin Pressure • Declining Product Demand and Revenue • Reformulation and R&D Costs	• Investing in low-GWP technologies and sustainable product innovation to stay competitive and compliant. • Explore new business opportunities in battery chemicals and supercapacitors raw materials. • Adopting strategies such as diversifying suppliers, exploring local sourcing, and investing in alternative materials and circular supply chains.

Risk Type	Description	Impact on Operation	Mitigation
Technology Risk  *(Medium-term to long Term)*	Transition toward lower-emission technologies and low-VOC • The chemical industry is rapidly evolving due to tougher environmental regulations and increasing sustainability demands, driving companies like GFL to transition to low-emission technologies and low-VOC products. This shift presents technological challenges that require substantial investments and ongoing innovation; failure to adapt may result in higher operating costs and reduced competitiveness.	• Capital-Intensive Process Upgrades • Production Downtime and Skill Gaps	• Deploy energy-efficient technologies such as sensor-based LED lighting. • Utilize digital technologies for ESG data management. • Advance transmission systems toward lower carbon emissions.
Reputation Risk  *(Medium-term to long Term)*	Stakeholder concern and investor demand • GFL faces reputational risks if it fails to meet climate targets aligned with global standards, as investors and ESG agencies demand transparent GHG reduction commitments.	• Increased External Scrutiny and Audits • Project Delays and Financing Constraints	• Maintain a net zero commitment by integrating innovative technologies and green practices across operations to provide sustainable spaces. • Publish timely ESG disclosure reports to fulfil stakeholder expectations.

Climate Related Opportunities

Climate-related opportunities emerge from the transition to a low-carbon economy and from physical changes in climate, creating potential for innovation, efficiency improvements, and market growth. Guided by the TCFD recommendations, GFL's climate risk assessment has identified key climate-related opportunities aligned with the Company's strategic objectives. These opportunities support business growth, enhance operational efficiency, and strengthen long-term sustainability while contributing to the Company's overall climate resilience.

Opportunity type	Opportunity Description
Resource Efficiency	• Adoption of energy-efficient technologies to reduce emissions and operational costs. • Promoting circular economy principles via the 3-R approach (Reduce, Recycle, Reuse) across operations to minimize waste and environmental impact.
Product and Services	• Leveraging expertise in fluoropolymers, fluoro-specialities, and refrigerants to develop low-carbon and low-VOC products that meet evolving environmental standards. • Implementing energy-efficient manufacturing processes and waste reduction initiatives such as fluoride reduction in aqueous effluents and thermal oxidation of greenhouse gases (e.g., HFC-23). • Driving sustainable supply chain practices by integrating green chemistry into product development and sustainable procurement across the value chain.
Resilience	• Expanding investment in green technologies including green hydrogen production and battery/supercapacitor chemicals through subsidiaries like GFCL Solar and Green Hydrogen Products Limited

Risk Management

GFL employs a comprehensive Enterprise Risk Management (ERM) framework encompassing risk identification, assessment, calculation of gross risk, mitigation and monitoring, and comprehensive reporting across key areas such as financial, operational, climate-related topics, ESG, and cybersecurity risks. To maintain a robust and responsive risk management practice, GFL's Risk Committee reviews the ERM and Risk Register every six months, updating them based on recent climate risk assessments to incorporate both physical and transition risks. This ERM framework drives continuous improvement aligned with GFL's strategic goals and values, supporting resilient long-term growth. GFL addresses diverse risks, including geopolitical risks affecting exports, raw material shortages linked to climate variability, operational disruptions from extreme weather events, and evolving regulatory requirements. We conducted the risk assessment using a combination of in-house analytical tools and publicly available national and international datasets. As part of this process, we utilised external tools and platforms

such as the World Resources Institute (WRI) Aqueduct, Mausam, India Meteorological Department (IMD), Central Ground Water Board (CGWB) databases, National Disaster Management Authority (NDMA) resources, and the Vulnerability Atlas of India. In addition, we reviewed various research studies and historical climate and disaster-related publications to understand long-term patterns, hazard frequencies, and past risk trends. This blended approach enabled a more comprehensive assessment of physical and transitional risks across our operations. The climate risk framework presented below is the basis used to determine the risk ratings for both physical and transition risks. This approach aligns with the methodology typically applied for identifying and prioritizing risks within the risk register.

Identification:	GFL aligns its climate risk identification with TCFD and IFRS S2 frameworks, assessing physical and transition risks under various IPCC climate scenarios.
Assessment:	The company conducts comprehensive risk assessments using historical data and climate scenario modeling for nuanced understanding. For the inherent risk rating, each identified risk is evaluated based on two key parameters: • Likelihood: The probability of a risk event occurring is rated on a scale of 1 to 5, where 1 represents rare occurrences and 5 represents highly expected risks. The assessment draws from historical data, emerging trends, and expert judgment. • Impact: The severity of consequences if the risk materializes is rated on a scale of 1 to 5, where 1 signifies minor effects and 5 represents critical consequences for financial stability, operations, and sustainability performance. The inherent risk rating is derived by multiplying the likelihood and impact scores, yielding a final score from 1 to 16, where higher scores indicate more critical risks requiring immediate attention. Likelihood * Impact score = Inherent Risk Rating
Gross Risk Evaluation:	Scenario modeling helps determine the likelihood and stakeholder interviews helps determine the impact of identified risks
Mitigation and Monitoring:	Stakeholder interviews support evaluation and continual improvement of mitigation strategies.
Reporting:	A visual Risk Rainbow summarizes final risk outcomes, facilitating transparent communication with stakeholders for informed decision-making.

GFL's dynamic risk management approach integrates climate risks into the overall ERM framework, strengthening resilience, protecting asset value, and enhancing long-term sustainability. For detailed information, please refer to the Risk Management Methodology section on pages 49-51 of the Integrated Report.

Metrics and Targets

For Gujarat Fluorochemicals Limited (GFL), clearly defined metrics and targets are crucial to track progress and ensure accountability in achieving its strategic objectives. These performance indicators focus on sustainability, risk management, and operational excellence, enabling focused efforts across the organization. By setting ambitious yet realistic targets, GFL drives continuous improvement and aligns its initiatives to support long-term growth and climate resilience. FY2025 has been considered as the base year for Scope 1 and 2 emissions, the renewable energy target, and water and waste management targets. FY2026 has been considered as the base year for Scope 3 emissions. GFL's key targets and their latest status are mentioned below.

No	KPI	Near Term (FY 35)	Long Term (FY50)	Current Status (FY26)
1	Absolute Scope 1+2 GHG Emissions Reduction (%)	42%	90%	• 26% reduction from base year
2	Scope 3 GHG Emissions Reduction (%) 1.5°C Scenario	37.8%	90%	• 8.71L tCO2e Scope 3 emissions
3	Renewable Energy (%)	RE100	--	• 72% RE capacity • RE mix %share increase by 43% from base year
4	Waste Management	100% of sites are certified for waste to landfill.	--	• 12% of waste is sent to landfill
5	Water Management	Achieve 100% water neutrality across all sites.	--	• Effluent Recycling System (All Units) • Backwash Water Recovery via ERS (Dahej Power Plant) • UF Backflush Water Reuse (Dahej) • Other water reuse initiatives

Way forward

Gujarat Fluorochemicals Limited (GFL) is committed to sustainable growth by setting clear climate targets and making steady progress toward them. The company focuses on reducing emissions, advancing energy-efficient technologies, adopting green chemistry principles, and promoting circular economy practices such as reduce, reuse, and recycle. GFL invests in innovative low-impact products like low-VOC chemicals, green hydrogen, and battery materials to support a cleaner future. Through continuous integration of climate risks into its Enterprise Risk Management framework, ongoing stakeholder engagement and building resilience measures for future impacts due to climate disasters, GFL strengthens its resilience and ensures long-term sustainability.

TCFD mapping Index

The Task Force on Climate-related Financial Disclosures (TCFD) recommendations guide companies in disclosing climate change risks and opportunities. Focused on TCFD Pillars – Governance, Strategy, Risk Management, and Metrics & Targets, these recommendations demonstrate GFL's response and strategy to climate resilience.

TCFD Pillar	TCFD Recommendation	Page No.
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	2-4
	a) Describe management's role in assessing and managing climate-related risks and opportunities.	3-4
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	5-9
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	5-9
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	5-9
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	8-9
	b) Describe the organization's processes for managing climate-related risks.	5-9
	c) Processes to identify, assess and manage climate-related risks that are integrated into the organisation's overall risk management	8-9
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	11
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	11
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	11

Abbreviations

CFO	Chief Financial Officer
CSRC	Corporate social responsibility Committee
ERM	Enterprise Risk Management
ESG	Environmental, Social, and Governance
FY	Financial Year
FSB	Financial Stability Board
GFL	Gujarat Fluorochemicals Limited
GHG	Greenhouse Gas
IR	Investor Relations
ISBB	International Sustainability Standards Board
IFRS S2	International Financial Reporting Standard – Climate-related Disclosures
KPI	Key Performance Indicator
NRC	Nomination and Remuneration Committee
PTFE	Polytetrafluoroethylene
RMC	Risk Management Committee
RE	Renewable Energy
SARS	Social Accountability, Regulatory & Sustainability Corporate Steering
TCFD	Task Force on Climate-related Financial Disclosures