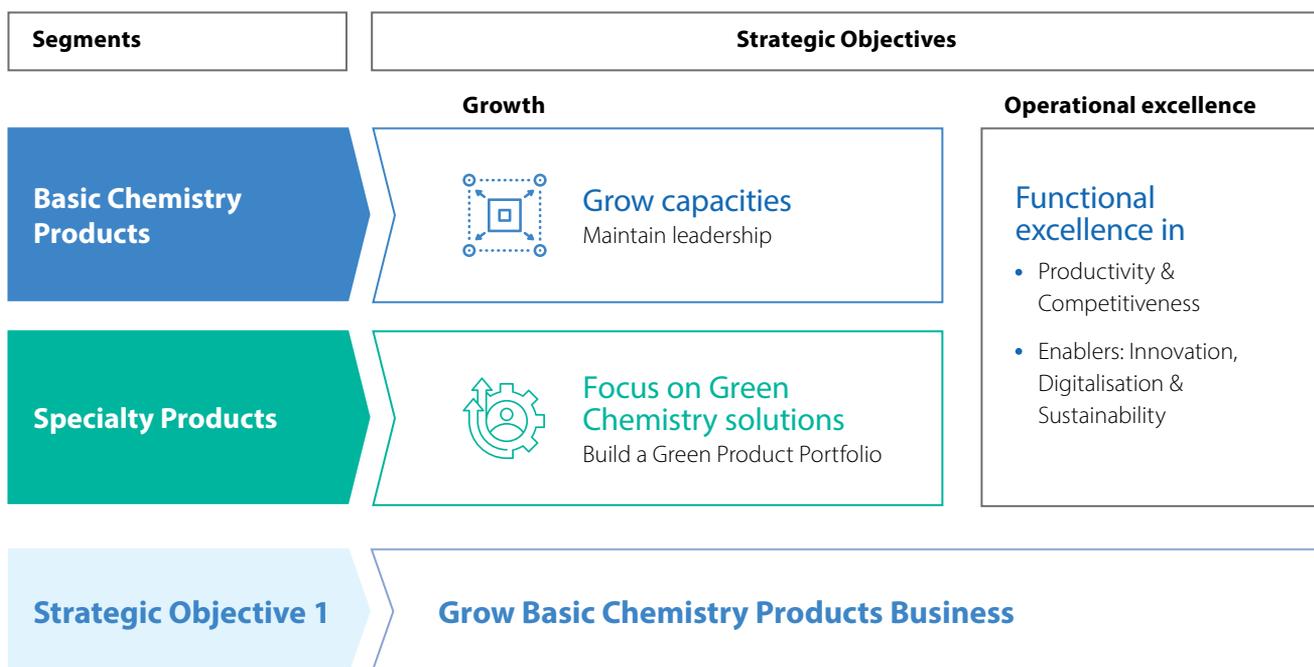


Strategy: Pursuing Growth and Competitiveness Focussed on Green Chemistry

Our resilience is an outcome of competencies and enablers that we have implemented across our business segments and operations. We continue to nurture these by delivering greater value to stakeholders, ensuring sustainable growth and improved business resilience.

Our strategic framework



Key growth lever

Capacity expansion (brownfield and debottlenecking)

Status and action plan

- Phase I expansion at Mithapur on schedule. New salt capacities are expected to commence from H2 FY 2022-23. Intent to further consolidate.
- To further plan for capacity expansion of Soda Ash, Bicarb, Salt and Silica

Key challenges

- Slowing of estimated demand due to rising inflation and global geopolitical situation (especially in Europe)
- Escalation in capex due to rising input costs

KPIs tracked

Current Capacities:

Soda Ash
4,100 KT

Salt
1,630 KT

Capacities Expansion:

Soda Ash (Phase I & II)
545 KT

Sodium Bicarbonate
240 KT

Salt
325 KT

Strategic Objective 2

Focus Specialty Products on Green Chemistry

Key growth lever

Focus on Green Chemistry Product Portfolio

Status and action plan

- **Silica:** Commercialise Highly Dispersible Silica (HDS) and expand customer base. Further, focus on developing Specialty Silica grades for personal care and food.
- **Fermentation Platform - Prebiotics & Formulations:** Gaining increasing experience in Green Chemistry Fermentation Platform. Obtained product and plant approvals with pharmaceutical and nutraceutical customers. Target to focus on new export markets and introduce new formulations.

Key challenges

- Impact on Agrochemicals demand due to high inflation and seasonal uncertainties
- Long gestation period of product trials and approvals in HDS and FOS

KPIs tracked

Capacities:

Silica
10.8 KT

FOS
5 KT

Customer acquisitions:

Silica
 More than **100**

FOS
 More than **50**

Strategic Objective 3

Driving Operational Excellence through Focussing on Key Efficiency Levers

Efficiency lever

Functional excellence in productivity, cost competitiveness and supply chain resilience

Status and action plan

- Ongoing fixed cost optimisation plan at all manufacturing facilities
- Maximise capacity utilisation
- Efficient cash flow management across both Basic Chemistry and Specialty Products businesses
- **Supply chain resilience:**
 - Reduce dependency on country / supplier
 - Develop robust partner network
 - Upstream and downstream integration
 - Hedging of energy and raw material
 - Optimising logistics network

Key challenges

- Rising input costs mainly energy and materials
- **Supply chain challenges:**
 - Disrupted supplies caused by COVID pandemic and geopolitical situation
 - Limited alternatives to China for material supply (mainly for Agrochemicals)
 - Shipment challenges - container and vessel availability and congestion at ports
 - Rising cost of fuel and energy

KPIs tracked

Capacity utilisation:

Mithapur - Soda Ash
88%

Cuddalore - Silica
76%

Mambattu - FOS
67%

Strategic Objective 4

Driving Operational Excellence in Key Enablers of Sustainability, Digitalisation and Innovation



Sustainability

Key levers

- Focus on Green Chemistry products and processes
- Climate change action – SBTi commitment for reducing carbon footprint
- Circular economy – water neutrality, solid waste management, recycling & renewable energy
- Nature & biodiversity – conservation of flora and fauna
- Product stewardship

Status and action plans

- CO₂ – SBTi guideline-based emission reporting and unit-wise reduction plan
- Circular economy – consumption of 100% fly ash and 865 MT of plastic waste co-processed in cement plant
- Climate change risk and biodiversity assessment and adoption strategy



Digitalisation

- Digital infrastructure and security
- Operational efficiencies – automation, connectivity and analytics

- Broadening and democratising IoT and analytics usage across the value chain
- Supply Chain Management digitisation and process automation like Transportation and Vehicle Tracking Systems
- Increased use of bots in finance and operations
- Improved collaboration and user experiences by transforming from Google apps to Microsoft suite, revamping intranet across TCL and accelerating cloud migration
- Improving benchmarks in cyber-security on IT and IT networks, Digital data maturity



Innovation

- World-class Innovation Centres
- New products and technologies
- R&D collaborations with external entities
- Scientific Advisory Board

- New product development (NPD) – new grades of Specialty Silica (HDS & derivatives) for automotive and personal care (tyre reinforcement, battery separators and Silicone rubber); Green Silica from Rice Husk Ash; Inulin; FOS variants; probiotics
- FOS quality and yield improvement
- Increased customer engagement and application support
- Optimise NPD process in Agrochemicals to minimise time to market
- Develop new AIs and Formulations of Pesticides

Key challenges

- Climate change
- Availability of low carbon technologies

KPIs tracked

GHG emission (Scope 1 & 2)

4,521 KT

Water recycled

90%

Key challenges

- Technology / platforms obsolescence

KPIs tracked

Digital Maturity Assessment Score

2.71

as against a target of 3

Key challenges

- Product / technology obsolescence
- Regulatory and legal environment
- Long cycle time of product development and registrations especially in Agrochemicals

KPIs tracked

Patents filed
(Cumulative, including Rallis)**177**R&D Investments
(including Rallis)**₹ 68 Crore**