

# STRATEGY

Considering the volatile and dynamic external environment, and emerging business risks, SRF has defined key priorities to ensure uninterrupted growth and business sustainability. SRF's strategic direction towards carving a sustainable business future is built on its 'Core Values' and 'Aspirations 2025'. These together form the guiding force that drives business performance and strengthens market position, while addressing the material aspects pivotal to the Company for enhancing stakeholder value.

The 'Aspirations 2025' are supported by the overarching Core Values **"RINEW" - Respect, Integrity, Non-Discrimination, Excellence and Well-being**. The values are instrumental in achieving the key pillars of the aspirations, including operational excellence, customer advocacy, pushing boundaries of innovation, and nurturing talent that enhance the Company's reputation and brand value. The details of the key pillars of the 'Aspiration 2025' are elaborated below:

**Operational excellence:** Creating new and differentiated offerings that deliver superior customer value through innovations and improvements in quality, cost, efficiency or environmental benefits, supported by digital technologies for efficiency and reliability. In addition, nurturing a capable workforce that continues to develop new solutions and provide

advanced technical support. Implementation of various facets of the Total Quality Management (TQM) way to create new benchmarks across multiple dimensions of Quality, Cost, Delivery, Safety, Health & Environment and Morale (QCDSM).

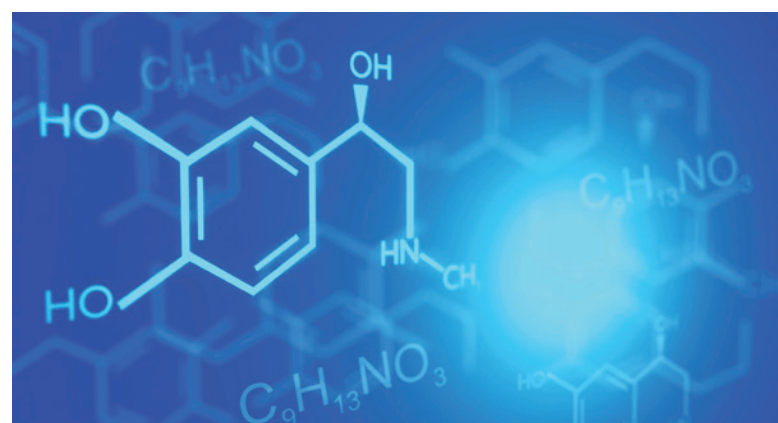
**Professional reputation and value system:** In line with the core values, SRF strives to attract, retain and nurture talent that demonstrate high levels of ethics and integrity while delivering high quality products to its customers, thereby enhancing the brand value and reputation of the Company.

**Customer advocacy:** Building a customer-focussed, agile and lean organisation, becoming a trusted, long-term partner of choice with the customers through innovative offerings and strong customer relationships.

**Innovation and Technology Leadership:** The Company constantly focuses on developing and investing in new technologies and developing new-age products




to lead the way in serving the emerging needs of customers and deliver value over the long run.

SRF is currently in the process of developing a structured ESG strategy encompassing defined targets and action plan to demonstrate progress on a year-on-year basis. However, the Company's strategic approach coupled with an agile outlook that ensures the ESG parameters are built into its decision making, which further helps in achieving performance improvements across the identified material aspects critical to the Company and stakeholders. SRF's focus on adequate allocation of resources to effectively implement systems and initiatives is helping in creating sustainable value on an ongoing basis. The Company will continue to focus on the key strategic areas that have contributed in driving improvements across the ESG material aspects.



The details of the ESG strategic focus areas are highlighted in the figure below:



Risks	Material aspects	Strategic focus areas	Progress in FY 2020-21	Aspirations 2025
Operational	Energy management GHG and air emissions Water and effluents Waste management Material	<ul style="list-style-type: none"> <li>Focus on implementing cutting-edge technology.</li> <li>Transition to cleaner energy sources to mitigate carbon emissions</li> <li>Drive efforts towards reducing water consumption with water-efficient technologies, recycling and reusing wastewater and sequestering rainwater to the maximum extent possible</li> <li>Emphasis on the principle of 3R – Reduce, Reuse and Recycle and strive to operate in a 'closed-loop' through circularity in operations</li> </ul>	<ul style="list-style-type: none"> <li>Implemented energy efficiency initiatives, leading to energy savings of: ~7,745 MWh</li> <li>792 TJ of energy consumed from renewables and biomass</li> <li>675 Million Litres of water consumption met through recycled wastewater</li> <li>TTB Manali and PFB Indore (SEZ) Plants have installed rainwater harvesting systems to sequester rainwater</li> <li>Supplying fly ash waste generated onsite for utilisation as raw material in cement industries</li> <li>Promote usage of recycled materials as raw materials in production processes</li> <li>TQM led supply chain improvements, enhancement of internal process efficiency and building a skilled workforce, resulting in over INR 40 Crores of annual savings</li> </ul>	 <p><b>Operational Excellence</b></p>
	Financial	<ul style="list-style-type: none"> <li>Continuous efforts on local sourcing of raw materials and increasing the use of recycled materials in production</li> <li>Implementation of Total Quality Management (TQM) for meeting evolving customer aspirations and shifting market dynamics by bringing systemic changes to maximize plant efficiency and deliver diverse solutions</li> </ul>		
IT & Cyber-security	Employment Occupational health and safety Local communities	<ul style="list-style-type: none"> <li>Concentrated efforts on creating a favourable environment for employees to nurture and grow through structured learning and development, career advancement, and rewards and recognition programme to keep employees motivated and engaged</li> <li>Build a workplace that thrives on diversity and inclusion, and supports human rights</li> <li>Endeavor to create a safe and secure work environment by embedding health and safety in the company culture and implementing robust systems to ensure well-being of each employee</li> <li>Relentless efforts to empower local communities through community initiatives focusing on vocational skills, education, natural resource management, among others</li> </ul>	<ul style="list-style-type: none"> <li>81,321 training manhours</li> <li>Increase in female workforce across the management levels by more than 7% compared to FY 2019-20</li> <li>More than 90% employee engagement score</li> <li>Reduction in first-aid cases of employees compared to FY 2019-20: 53</li> <li>18,739 manhours of EHS training imparted to permanent employees</li> <li>1,14,285 beneficiaries of CSR initiatives in local communities</li> </ul>	 <p><b>Professional Reputation and Value System</b></p>
	Strategic	<ul style="list-style-type: none"> <li>Emphasis on expanding product portfolio and market presence</li> <li>Identifying evolving customer expectations and capitalizing new opportunities</li> <li>Implement differentiated business strategies, prudent capital allocation, optimum utilization of natural resources to lower operating costs, automate processes and strengthen business processes that aid in building a sustainable business model</li> <li>Deliver long-term sustainable returns to shareholders by increasing market capitalization and higher dividend pay-out</li> </ul>		
Regulatory	Economic performance	<ul style="list-style-type: none"> <li>Developed innovative products that are socially and environmentally responsible and have zero ozone depleting substances, low global warming potential (GWP), recyclability and low carbon footprint</li> <li>23 patents granted</li> <li>INR 8,400 Cr. revenue</li> <li>Dividend pay-out- INR 141 Cr. (INR 24 per share)</li> </ul>	<ul style="list-style-type: none"> <li>Zero incidents of fines levied or non-compliance with respect to environmental and social aspects</li> <li>Continued to collaborate with industry associations to benefit the industry and society at large</li> <li>Continued to identify and manage existing as well as emerging risks through the robust risk management framework, integrated with the Company strategy and planning</li> </ul>	 <p><b>Customer Advocacy</b></p>
	Corporate Governance Risk management	<ul style="list-style-type: none"> <li>Focus on creating an eco-system which promotes effective decision-making, accountability and financial prudence</li> <li>Encourages an ethics-driven culture of accountability and responsibility for all activities with the integration of sustainability into its decision-making processes to create value</li> <li>Constant identification, assessment, monitoring and mitigation of risks to achieve business objectives</li> <li>Focus on robust internal control system and proactive response strategy towards identified risks</li> </ul>		

For details on progress, please refer to the capitals section.