

STRATEGY

# Investing in Strategic Priorities

*Our strategic priorities serve as a blueprint for the progressive journey ahead, focussing on meeting customer demands, accelerating growth and surpassing competition. We have identified five strategic priorities after a meticulous assessment of DNL’s growth objectives, material topics and market factors.*

**STRATEGIC PRIORITY: EXPAND CAPACITIES**

1

**Capital Enhanced**



**Material matters addressed**

- Growth & Profitability
- Sustainable Supply Chain
- Customer relationship

**Key risks**

- Emerging competition to our existing business

**Progress during FY 2023-24**

- Commissioned a state-of-the-art fluorination plant in Dahej, Gujarat
- Nitric Acid plant is under implementation and commissioning is expected in FY 2024-25
- Greenfield project for Acetone derivatives MIBK and MIBC is underway and expected to be commissioned in FY 2024-25
- Projects including Hydrogenation and NT Expansion are advancing well and will be commissioned in phases starting Q2 FY 2024-25
- Elevated capacity utilisation on a sustained basis
- Acetophenone (ACP) Recovery Project
- Setting up a state-of-the-art Research & Development (R&D) Centre at Savli, Vadodara, with completion expected in March 2025.

**KPIs**

- Optimum capacity utilisation
- Cost optimisation
- Operational efficiency

**STRATEGIC PRIORITY : ENHANCE MARGINS**

2

**Capital Enhanced**



**Material matters addressed**

- Growth & Profitability

**Key risks**

- Global geopolitics and monetary risk

**Progress during FY 2023-24**

- Optimise product mix with high-margin, value-added products
- Continued process optimisation, productivity improvements and energy conservation to reduce costs
- Improve asset fungibility in line with customer’s schedule for key intermediates

**KPIs**

- Optimum operating margin
- Cost of goods sold
- Earnings Per Share
- Profit Before Tax

### STRATEGIC PRIORITY: OPERATIONAL EXCELLENCE AND SAFETY

3

#### Capital Enhanced



#### Material matters addressed

- Occupational Health and Safety
- Digitalisation

#### Key risks

- Technology Obsolescence
- Plant Safety Compliances

#### Progress during FY 2023-24

- Asset integrity study & OEE across all locations to improve productivity and reduce effluents in existing plants
- Enhance use of narrow band technologies for manufacturing and automation
- Ensuring better capacity utilisation and better process towards cost leadership
- Adequate steps undertaken to ensure safety like process automation to eliminate human error, enhanced training and frequent audits, stringent measures and protocols

#### KPIs

- Optimum plant utilisation
- Improve SHE aspects

### STRATEGIC PRIORITY: WIDEN PRODUCT PORTFOLIO

4

#### Capital Enhanced



#### Material matters addressed

- Product Innovation
- Adopted Integrated approach to growth. We are foraying into New Products, chemistries and end applications. Our investment strategy for ₹ 14,000 Crores of Projects involve Speciality products, Phenol, BPA, Poly Carbonate rasins and compounds, MMA

#### Key risks

- Global geopolitics and monetary risk
- Technology obsolescence

#### Progress during FY 2023-24

- Meaningfully enhance core technology platforms including nitration, reduction and diazotisation; and build platforms including fluorination and photochlorination
- Investment in manufacturing products that utilise core technology platforms for new agrochemical and pharmaceutical intermediates
- Setting up facilities for downstream or value-accretive products

#### KPIs

- New products launched during the year

**STRATEGIC PRIORITY: SUSTAINABLE GROWTH**

5

**Capital Enhanced**



**Material matters addressed**

- Occupational Health & Safety
- Climate Change
- Water Use & Effluent Management
- Community Involvement
- Waste Management
- Energy Management
- Customer Relationships
- New Investment fortifying growth

**Key risks**

- Plant Safety Compliances
- Environment Norms Compliances
- Reputational Risks

**Progress during FY 2023-24**

- Sustained alignment to Responsible Care, Together for Sustainability (TFS) and Nicer Globe affiliation
- Focus on value from waste initiatives
- Conduct regular energy audits for all locations
- Promote a positive HSE culture and maintain safe operations
- Proactive compliance with all local and national regulatory requirements

**KPIs**

- Reduction of specific freshwater consumption
- CSR spends, beneficiaries and impact
- Energy conservation efficiency



