

What Drives our Growth and Market Leadership



Our strategic priorities are dynamic levers for long-term value creation. They serve as the framework for every decision we take, directing capital, shaping innovation, and guiding how we compete. In a fast-evolving landscape, they help us sharpen our focus, scale with discipline, and embed a mindset of continuous improvement across the organisation. These priorities are how we translate ambition into sustained, measurable advantage.

1 Leadership across Businesses

We hold leadership positions through deliberate choices in capability, capital, and commitment. Our enduring leadership across the business segments is driven by the consistent capacity expansions to meet growing demand, introduction of new and innovative products and entry into new growth businesses. We are modernising legacy assets, expanding production capacity, and embedding sustainability into operations to future-proof our businesses.

Material Topics	SDGs
<div>Employee Training and Skill Development</div>	<div><div>5</div><div>8</div></div>
<div>Quality and Customer Satisfaction</div>	<div><div>9</div><div>11</div></div>
<div>Customer Health and Safety</div>	<div><div>16</div><div>17</div></div>
<div>Business Ethics and Compliance</div>	
<div>Diversity and Inclusion</div>	

Capitals Impacted

FCMCICHC SRC

FY 2024-25 Progress

- Achieved highest-ever sales volumes in both Cellulosic Fibres (CSF) and Chlorine Derivatives & Specialty Chemicals during the year
- CSF capacities increased to 879 KTPA through successful de-bottlenecking initiatives
- Caustic soda capacity expanded to 1,505 KTPA, strengthening the business’s pan-India reach and influence

Future Plans

- Stabilisation of new capacities in Specialty Chemicals (Epoxy) will further enhance our competitive edge and strengthen market presence
- The commencement of the sixth plant will enable Birla Opus to achieve a 24% capacity-based market share in the Indian Decorative Paints segment

2 Innovation

We view innovation as a catalyst for premiumisation and differentiation. From specialty product development to advanced data analytics and process enhancements, innovation is embedded across the value chain. We continue to invest in expanding facilities, optimising operations, and elevating customer experience.

Material Topics	SDGs
<div>Product Stewardship</div>	<div><div>8</div><div>9</div></div>
<div>Innovation and R&D</div>	<div><div>11</div><div>12</div></div>
<div>Digitalisation, Data Privacy and Security</div>	

Capitals Impacted

FCMCIC NC

FY 2024-25 Progress

- Commissioned a pulp pilot plant at Harihar to explore sustainable and cost-effective pulp solutions using agricultural residues, discarded textiles, veneer waste, and other alternative feedstocks
- Chlorine integration improved from 62% to 65%, enhancing operational efficiency
- Birla Opus successfully launched a comprehensive portfolio of 176 products across 1,250+ SKUs, marking a strong entry into the decorative paints market

Future Plans

- The state-of-the-art Paints R&D facility is advancing process standardisation across Polymers, Paints, Powders, Wood Finishes, and Colourants to deliver industry-leading quality products
- The Chemicals R&D team is developing safer, sustainable solutions for potable water, including the demonstration of application of HSBP technology for swimming pool and drinking water sanitation


3 Sustainability

Our approach to sustainability is anchored in measurable impact and long-term responsibility. We are reducing our environmental footprint through cleaner manufacturing, eco-conscious product design, and disciplined resource management.

Material Topics

- Air and Soil Pollution
- Energy Consumption and GHG Emissions
- Water and Effluents
- Waste Management
- Climate Change Adaptation
- Resource Efficiency
- Occupational Health & Safety
- Biodiversity and Land Use

SDGs



FY 2024-25 Progress

- Conducted a comprehensive Biodiversity Study across three locations, including six business units.
- Updated the TCFD Study to incorporate Paints business
- Maintained Renewable Energy capacity at 11%, despite business expansion

Future Plans

- Adopt a structured approach by aligning ESG targets at the entity level, transitioning from business-specific goals
- Continue phased Biodiversity assessments across additional locations
- Maintain focus on reducing natural resource consumption, including water

Capitals Impacted

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4 Capital Allocation

We deploy capital with discipline, balancing growth ambitions with financial prudence. Our approach prioritises efficient allocation, tight working capital management, and conservative debt levels, underpinned by strong internal accruals. This financial rigour has earned us high credit ratings from leading agencies. Every expansion or new venture is grounded in rigorous market analysis and portfolio evaluation, ensuring that capital flows only where long-term value justifies the investment.

Material Topics

- Organisational Resilience
- Empowering Communities
- Financial Performance

SDGs



FY 2024-25 Progress

- Capital expenditure stood at ₹3,513 crore for FY 2024–25, with growth capex comprising 76% of the total. The Company maintained a strong balance sheet, with a net debt/equity ratio of 0.13x and a net debt/EBITDA of 2.4x.

Future Plans

- The Chemicals business will introduce new products catering to high-growth markets such as pharmaceuticals, agrochemicals, water treatment, food and feed, plastic additives, industrial applications, etc.
- The first phase of the Lyocell project, with a capacity of 55 KTPA (out of a total planned capacity of 110 KTPA), has been announced and is expected to be commissioned by mid-2027.

Capitals Impacted

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5 Cost Leadership

Sustained cost leadership is central to our strategy for margin expansion, market share gains, and long-term profitability. We continue to drive operating efficiency through disciplined cost management, reinforcing our ability to compete and grow across cycles.

Material Topics

- Resource Efficiency
- Responsible Supply Chain
- Stakeholder Engagement

SDGs



FY 2024-25 Progress

- Chlorine integration reached a record high of 65%.
- The Cellulosic Fibres business is improving consumption norms through in-house innovations.
- Paints plants have started integrated manufacturing of key inputs: emulsions and resins

Future Plans

- Commencement of the Epichlorohydrin (ECH) and Lubrizol projects will enhance chlorine integration
- Chlorine integration is expected to reach 70% upon commissioning of planned projects
- Growing share of renewable power capacity is driving a reduction in power costs

Capitals Impacted

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