



TRANSLATING
SUSTAINABILITY
INTO LASTING
OUTCOMES

Contents

06-09

Leadership Message

MD's Message	06
CEO's Message	08

10-19

About Us

Our Products	13
Our Geographical Footprint	15
Memberships and Associations	16
Awards and Accolades	17
Redefining Value Creation: Circularity at Epsilon Carbon	18

20-29

Discovering Clarity within Essential Focus Points

Materiality	25
Material Topics	26

30-39

Sustainable Steps Forward: Our Journey Towards a Better Future

Sustainability Framework	31
Strategic Focus Areas	32
Goals and Targets	34

40-51

Steering Success: Nurturing Effective Governance for Sustainable Growth

Corporate Governance	42
----------------------	----

52-63

Economic Resilience: Navigating Challenges, Driving Performance

Transforming the value chain	55
Charting the Path of Innovation	60

64-67

Pioneering EV Opportunities in India and Global Markets

68-87

Preserving Our Planet: Championing Environmental Stewardship

Materials Management	70
Emissions	77

88-114

Transforming Human Potential: Empowering Lives through Nurturing and Support

Talent Acquisition and Retention	90
Diversity and Inclusion	91
Human Rights and Freedom of Association	92
Learning and Development	93
Employee Engagement and Wellbeing	97
Occupational Health and Safety	101
Fostering Strong Community	105

115

Sustainability Outlook

116-119

Index

120

SASB Index



Translating Sustainability into Lasting Outcomes

As a market leader and trusted provider of high-quality carbon products, our commitment to sustainability runs deep. We bring best-in-class offerings to businesses in India and worldwide produced through environment-friendly processes. Conducting business with integrity and ethics is at the core of everything we do as we seek to create consistent value for our stakeholders.

Sustainable thinking permeates every aspect of our organisation, from financial resilience to adopting circular principles, being prepared for Climate disruptions and considerations for health, safety and societal wellbeing. In every endeavour we undertake, big or small, our responsible practices are about catalysing positive transformations for our stakeholders and the larger ecosystem.

Our plants are located strategically to respond to customer requirements with agility and ensure on-time deliveries. By creating a sustainable supply chain, we have nurtured a symbiotic and interlinked network of partnerships that aligns with our mission.

We are acting on our commitment to leaving a greener footprint on the planet by using cleaner fuels, low-sulfur feedstocks, and zero liquid discharge practices. Our energy sourcing and usage operates in a circular model, reusing waste gases from other industries to power a significant share of our processes.

Our community-centric interventions impact thousands of lives by broadening opportunities and empowering them to realise their aspirations of a better life.

Pursuing sustainable growth path is not just a business consideration for us but an ongoing commitment to creating lasting outcomes. Together with our stakeholders, we are inspired to translate our sustainable commitments into tangible benefits that will accelerate the collective effort towards crafting a greener future for all.





Key Highlights



ENVIRONMENTAL

14% Reduction in energy consumption intensity in FY 2022-23 compared to FY 2021-22

100% Wastewater recycled and reused at site

76% Energy needs met through recovered gases

22% Reduction in GHG emissions intensity at SC unit

4270 Saplings planted in FY 2022-23

20% less carbon footprint of carbon black compared to peer industries



SOCIAL

Zero Lost Time Injury Frequency Rate

11% women directors

24 near miss incidents reported

9.9 average hours of training per employee per year

78% employees trained on Human Rights policies

4 Lakhs+ Lives touched through CSR activities



ECONOMIC

3000+ Cr. Revenue generated

23% EBITDA

290+ KTPA Production realised in 2022-23

About the Report

We are delighted to present our third sustainability report, which offers a comprehensive overview of Epsilon Carbon Pvt. Ltd. (hereafter referred to as 'Epsilon Carbon', 'We', 'Our Company') Environment, Social and Governance (ESG) goals along with the progress we have made on them in Indian Financial Year 2022-23.

This report provides qualitative and quantitative data on our performance across various sustainability parameters woven into our operational framework to our stakeholders transparently and accurately. This empowers our stakeholders to assess and make informed decisions about our company's capability to create holistic and long-term value.



The report aligns with the 'core' option of the Global Reporting Initiative (GRI) standards.

Reporting Period

The information shared in the report covers our activities between April 1, 2022 to March 31, 2023.

Reporting Boundary & Scope

This report primarily provides non-financial information specific to Epsilon Carbon, with a focus on our Vijayanagar facility, unless stated otherwise. The financial information included in this report pertains to the company-wide financial performance from April 1, 2022, to March 31, 2023

Approach to Materiality

We conducted a detailed materiality assessment in FY 2020-21 to identify and prioritise the material topics most important for our business and stakeholders. These issues were identified through a structured process by engaging with our stakeholders, studying industry trends and peer performance, and seeking senior management inputs. In the reporting year (FY 2022-23), we have re-evaluated the relevance of our material issues to keep them current.

Assurance

The Board of Directors and senior management have reviewed and approved the report. Their endorsement guarantees the presence of all relevant information and accurate data, along with important disclosures.

Contact us

We look forward to our stakeholders' feedback on the report and its contents. Please contact us at info@epsiloncarbon.com or 022 227122800

Leadership Message

MD's Message

The world is experiencing multifaceted shifts in areas spanning politics, trade and economics, socio-cultural development, climate change impacts, and technological advancements, and a lot more. Effectively navigating this dynamic and complex landscape requires focused approach on addressing the sustainable development aspects that are most consequential for us – the environment, our people and communities, and continued business growth.

The principles of circularity significantly underpin many initiatives we are working upon to effectively manage our environmental impact. Combining cutting edge technology with innovative process design, and practices in responsible chemistry, our efforts are yielding noteworthy production outcomes. By investing in sustainable production processes, we are not only enhancing Epsilon Carbon's resilience but are also supporting our customers to achieve their sustainability goals.

Circularity also drives our approach to effective water management. Amidst heightening concerns about water security in India and the world, we are taking decisive action in water stewardship.

Lowering carbon footprint is inherent in our priority to environmental preservation. While we leverage cutting edge technology to implement energy efficiency strategies, we are advancing our transition to clean energy through a partnership that will enable us to power our operations. Moving forward, we envisage addressing our goals of energy efficiency and lowered environmental impact by setting up a 17MW captive power plant that will utilize waste gas to generate power for our operations. We have also identified opportunity in the Lithium-ion battery market and plan to foray into manufacturing battery storage materials.

People are the bedrock of sustainable development and are inextricably linked to Epsilon Carbon's growth and progress. Therefore, the well-being and professional growth of our employees is our foremost commitment. Highlighting diversity and inclusion, we implement best in class hiring and people management practices and deliver a portfolio of well-crafted learning and development programs to support career paths and professional advancement.



Sustainable development and transition to a healthier planet would be incomplete without the socio - economic growth of communities. Staying true to our commitment to improving the lives of those who are marginalized, we remain focused on enhancing their quality of life by enabling access to facilities and services that promote socio-economic development and self-sufficiency. Through investments in their development, we aim to create enduring value and build social resilience.

As we deepen our commitment to sustainability, I would like to take this opportunity to acknowledge and thank Epsilon Carbon's Board of Directors and all our stakeholders for their support, encouragement and valuable feedback which have fuelled our growth and competitiveness. I seek your continued support and look forward to it as we continue a journey that is both thrilling and challenging.

All the best,

Vikram Handa

Managing Director

By investing in sustainable production processes, we are not only enhancing Epsilon Carbon's resilience but are also supporting our customers to achieve their sustainability goals.



CEO's Message

Dear Stakeholders,

I am pleased to present Epsilon Carbon's third sustainability report, which discloses the progress we have made in implementing our Environment, Social and Governance (ESG) strategy and deepening circularity across our operations.

The commitment of driving responsible business practices of responsible business practices and an unwavering dedication to product innovation and delivering excellence propel our sustained growth. During FY 2022-23, we achieved a significant milestone as we crossed Rs. 3000 crores topline revenue, a 65% increase compared to the previous year, delivering an EBITDA of 23%. Ongoing strategic investments, include a Rs. 1200 crore project to set up a new carbon derivative complex in Jharsuguda, Odisha, which is expected to double our topline by FY 2025-26.

Environmentally Responsible

Epsilon Carbon Private Limited (ECPL) is the only company with 100% backward integration - from raw coal tar to synthetic graphite- globally. Coal Tar, a by-product of the steel industry and a coke oven waste product, is the primary raw material for our processes. A closed loop system allows us to recover and reuse the primary raw material across our product lines: Specialty Carbon, Carbon Black and Anode Materials, to run a circular value chain. Our carbon feedstock has a 90% lower sulphur content than traditional feedstock, resulting in our SOx and NOx emissions being 0.3-0.5%, lower than the industry average of 3%.

We collect waste gases like blast furnace gas (BFG) and coke-oven gas (COG) from a nearby steel facility

as a cleaner energy source than coal. Teaming up with JSW Energy, we're embracing solar and wind power. A 17 MW Captive Power plant will repurpose Carbon Black waste, potentially lowering emissions by 84 tons daily. Our Carbon Black has 20% less environmental impact than local peers, and our anode material emits almost 78% less carbon than similar Chinese products. Epsilon Carbon in Vijayanagar is India's pioneering continuous vacuum distillation, Zero Liquid Discharge facility, contributing to a cleaner atmosphere. Our steadfast dedication to Environmental, Health, Safety, and Security (EHS&S) excellence has earned us permission from the Indian Chemical Council to use the Responsible Care (RC) logo.

Socially Inclusive

Our rapid growth owes much to our dedicated team. We're heavily investing in digitization and automation for process optimization and better employee experience. Our employee wellbeing program 'EVOLVE' launched this year, boosts cognitive and professional growth. We prioritize green suppliers for sustainability and are creating a green reverse value chain to reuse manufacturing byproducts. Epsilon Carbon achieved ISO 28000:2022's second stage supervisory audit. Community trust is vital; we expand responsibly with CSR efforts in healthcare, education, sports, and infrastructure, positively impacting over 400,000 lives in 4 years.

Transparent Governance

Our empowered and engaged Board of Directors continue to proactively identify and mitigate sustainability and operational risks through a robust framework. Their expertise and foresight are



critical as we explore avenues to tap the emerging opportunities of climate change as well. This year we have also articulated a detailed sustainability strategy to sharpen our focus on ESG initiatives. We will continue to adopt future-ready governance strategies to facilitate independent and informed decision-making at the Board level and across the company and stay compliant.

Accelerating Green Mobility

Globally, nations are swiftly embracing eco-friendly transport to combat climate change. EAMPL is leading by producing battery materials for the growing Electric Vehicle (EV) sector. EAMPL's high-capacity anode materials are vital for high-energy-density batteries. In FY 2022-23, EAMPL partnered with Government of Karnataka for a \$1.1 billion battery material plant. An R&D site for advanced graphite anodes is also planned. Furthering our global reach, we're investing \$650 million in the US synthetic graphite anode facility for EV batteries – the largest Indian investment in the US EV battery industry. I thank our stakeholders for their continued support and belief in Epsilon Carbon's capabilities to grow responsibly and deliver long-term holistic value for many. We reiterate our commitment to translating our sustainability goals into tangible and lasting outcomes for our stakeholders and the larger ecosystem.

All the best,

Saiprasad Jadhav

Director and CEO

During FY 2022-23, we achieved a significant milestone as we crossed Rs. 3000 crores topline revenue, a 65% increase compared to the previous year, delivering an EBITDA of 23%.



About Us

Established in 2010, Epsilon Carbon Pvt. Ltd. is a leading Indian manufacturer of coal tar derivatives and is India's only backward-integrated company with a reliable source of raw materials.

Headquartered in Mumbai, we operate in three core segments: Specialty Carbon (SC), Carbon Black (CB), and Advance Material. We produce high-quality products manufactured to meet specific customer requirements and cater to a wide range of industries, including aluminium, carbon black, tyres, mechanical

rubber goods, graphite, specialty chemicals, construction chemicals, dyes and pigments, among others. We aim to be a global leader in the carbon and coal tar industry.

Our manufacturing plants are strategically located closer to raw material sources and / or close to customers in Karnataka, Chhattisgarh, and Odisha. We have embedded circular principles across our operations to run disruption-free sustainable operations that care for the people and the planet.



Epsilon Carbon Group

Epsilon Carbon Private Limited (ECPL)



Epsilon Advanced Materials Private Limited (EAMPL)





Our Purpose- Building Blocks of Tomorrow

Young, bold, and ambitious, we are driven by a relentless pursuit of excellence in the services we provide. With a dynamic and passionate team, we are dedicated to pushing the boundaries of what is possible and setting new benchmarks of excellence in our industry.

Our Vision

To be a market leader and a trusted provider of a range of innovative, high-quality carbon products

Our Mission

To support Global Industries with an assured supply of high-quality carbon products, using environmentally friendly processes, adhering to ethical standards, and creating value for our stakeholders and communities

Our Values



Innovation

We continuously strive for innovation and progress, finding new solutions to overcome challenges, enhance operations, and expand our company. Efficiency and environmental responsibility form the foundation of all our business.



Passion

Ignited by our passion to learn and succeed enthusiastically every day, we are committed to deliver excellence in our core services.



Quality

We always look for ways to deliver products that will exceed customer expectations.



Integrity

We are courageous, honest, transparent, trustworthy and adhered to the highest ethical standards.



Collaboration

We believe in the spirit of collaboration by maintaining a positive and cooperative relationship with all our stakeholders.

Our Products

Through backward and forward integration, we have successfully established India's largest coal chemical processing facility allowing us to manufacture high-quality goods tailored to the specific requirements of our customers.

Specialty Carbon

Our Specialty Carbon process uses coal-tar pitch to bring a diverse range of quality products to our customers in the aluminium, electric vehicles, energy storage, construction, and Specialty chemicals industries.

Products

- Coal Tar Pitch
- Anthracene Oil
- Crude and Refined Napthalene
- Impregnation Pitch
- Carbon Black Oil
- Crude Benzol
- Phenol Oil
- Wash Oil

Industries Served

- Aluminium
- Graphite
- Dyes and Chemicals
- Wood Preservative Industries
- Tyres and Mechanical Industry



Carbon Black

Leveraging our experience in coal-tar derivatives, we have undertaken a forward integration approach to produce both hard and soft grades of carbon black. These grades are designed to meet the requirements of various applications in the tire and non-tire sectors in India and international markets. Our carbon black products offer a range of customisable options exceeding the international standards of ASTM International, ensuring superior quality and performance.

Products

- Tread Grade Carbon Black
- Carcass Grade Carbon Black

Industries Served

- Plastics
- Printing and Packaging
- Inks
- Conductive Carbon Blacks
- Coatings
- Mechanical Rubber Goods

Advanced Material

We established Epsilon Advanced Materials as a majority-owned subsidiary in 2018 to enter the LiB (Lithium-ion Battery) market. Our synthetic, graphite anodes undergo rigorous testing and qualification with international cell companies.

We supply our anode coke precursor to well-known anode manufacturers on a commercial scale. We aim to become a leading anode manufacturer in the global LiB supply chain.

Our facility is a one-of-its-kind 100% backward-integrated production facility for synthetic graphite derived from coal-tar-based feedstock. This backward integration ensures control over the manufacturing process, allowing us to deliver high-performing products. Our dedicated manufacturing facility and research and development laboratory enable us to innovate and refine our offerings consistently.

Products

- Anode Precursor
- Anode Active Materials

Industries Served

- Anode Materials for LiBs for Electric Vehicles
- Energy Storage Systems
- Consumer Electronics



Manufacturing Capabilities

INDIA'S 1ST INTEGRATED CARBON FACILITY

Our flagship facility, the Specialty Carbon unit in Vijayanagar, Karnataka, spans 165 acres and has a current capacity of 300,000 metric tonnes per annum (MTPA). This facility, a first of its kind in India, plays a crucial role by meeting 45% of the pitch demand for the country's aluminium industry.

As part of our expansion plans, we have established a new state-of-the-art carbon black plant in Bellary, which has a capacity of 115,000 TPA. This facility marks our initial steps towards becoming a global leader in the coal tar and carbon black industries. Furthermore, we envision the next phase of expansion, increasing the capacity of our carbon black plant to 300,000 TPA as we continue our forward integration efforts.

Our Geographical Footprint

25+

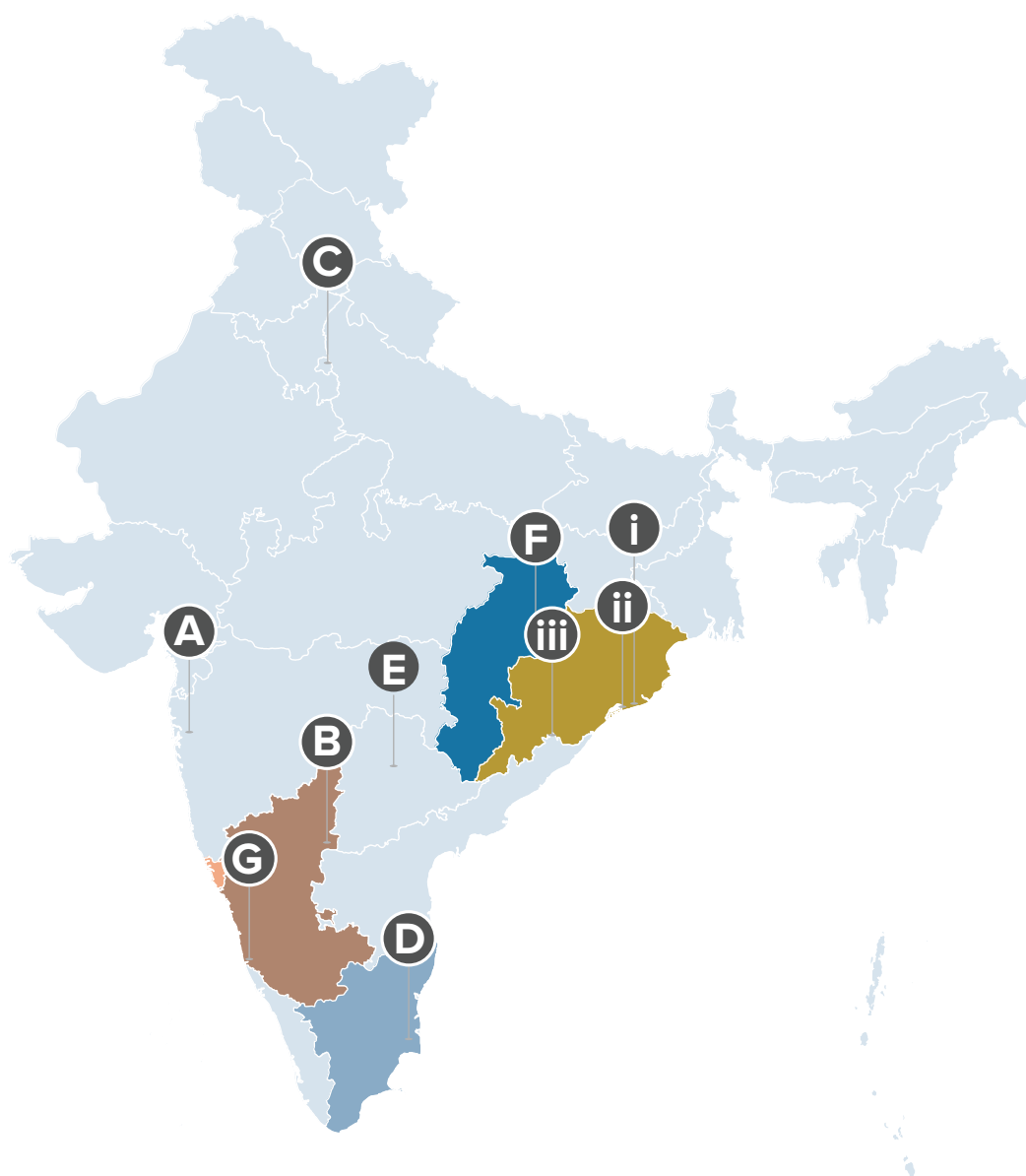
COUNTRIES / MARKET PRESENCE

05

MANUFACTURING PLANTS IN INDIA

04

OFFICES IN INDIA



- A** Mumbai Head Office
- B** Vijayanagar, Karnataka Integrated Carbon Complex
- C** Delhi Regional Office
- D** Chennai Regional Office
- E** Hyderabad Regional Office
- F** Bhilai Specialty Carbon
- G** Mangalore Port Liquid CT Pitch
- i** Paradeep Carbon Black
- ii** Sambhalpur Pitch Melting
- iii** Jharsugda Integrated Complex-II

Memberships and Associations

As an industry leader, we play an active role in furthering the sector's progress as part of various forums.

International Tar Association (ITA)	Confederation of Indian Industry (CII)	Indian Chemical Council (ICC)
The Associated Chamber of Commerce and Industry of India (ASSOCHAM)	Federation of Indian Chambers of Commerce and Industry (FICCI)	Material Recycling Association of India (MRAI)
India Energy Storage Alliance (IESA)	TUV Nord	National Accreditation Board for Testing and Calibration Laboratories (NABL)

Certifications

Our focus on manufacturing excellence is driven by our unwavering efforts to secure globally recognised certifications and adhere to best-in-class processes and standards.

	Responsible Care Chemical Responsible Care Management System	ISO 17025: 2017 Certification of Accreditation by the National Accreditation Board for Testing and Calibration Laboratories (NABL)
ISO 9001: 2015 Quality Management System	ISO 27001: 2013 Information Security Management	
ISO 14001: 2015 Environment Management System	ISO 45001: 2018 Occupational H&S Management system	ISO 28000: 2022 Security Management System for Supply Chains
IATF 16949: 2016 Automotive Quality Management System	ISO 50001: 2018 Energy Management System	Ecovadis Certification Ecovadis Silver rating for Sustainability

Awards and Accolades

ECPL Awards:

- “Product innovator of the year” from FICCI Chemicals and Petrochemicals Awards 2022.
- “Excellence in Export” from FICCI Chemicals and Petrochemicals Awards 2022.
- “Excellence in Environmental Management” Award from CII-ITC Sustainability Awards 2022.
- Silver Rating in Ecovadis Sustainability Rating.
- Gold Medal in six sigma large company categories award from CII.
- Gold Medal in Customer Excellence using six sigma categories from CII.
- Gold Award in Apex India Green Leaf Awards 2022 for “Energy Efficiency” Category.
- Gold Award in Apex India Green Leaf Awards 2022 for “Green Belt Development”.
- “CSR Project of the Year” award at the 7th Corporate Social Responsibility Summit & Awards 2023
- Excellence in Energy Management at the 3rd Edition of CSR and Sustainability Awards organized by ASSOCHAM



EAMPL Awards:

- Epsilon Advanced Materials Pvt. Ltd. is recognized as the “India Energy Storage Alliance (IESA) Emerging Company of the Year Energy Storage Supply Chain 2022”.
- Most Sustainable EV Battery Material Provider of the Year at EV Charge Leadership Awards 2023
- Visionary of the Year under Business Leadership Award category at EV Charge Leadership Awards 2023
- EMobility+ Awards EAMPL Company of the Year award for EV Manufacturing Facility, 2023
- The EV STATE SUMMIT MAHARASHTRA Leadership Award was presented to Epsilon Advanced Materials, held in Pune
- EV STATE SUMMIT TAMIL NADU Leadership Award was presented to Epsilon Advanced Materials, held at Chennai



Redefining Value Creation: Circularity at Epsilon Carbon

At Epsilon Carbon, we are stewarding the adoption of the 3R principle of a circular economy -- Reduce, Recycle and Reuse. Embracing circularity not only makes our operations sustainable but gives our business an edge with cost efficiency and seamless sourcing.

Our value creation strategy is inherently designed to generate sustainable value through circular production systems that recycle and reuse outputs from one process in another. This approach reduces waste and improves our competitiveness by decoupling value creation from resource consumption. By employing advanced chemistry and design principles, we have successfully established a seamless cycle of interconnected operations with minimal wastage and a lower environmental footprint.



Coal Tar

We reuse Coal Tar, a by-product of the steel industry, to produce Coal Tar Pitch and a range of intermediate chemicals.



Carbon Black oil

We reuse Carbon Black Oil, a by-product of our operations as a fuel and feedstock for Carbon Black production. Compared to conventional feedstock with 3% sulfur content, our Carbon Black feedstock has a significantly lower sulfur content of 0.3%, helping us reduce our environmental footprint. Additionally, using in-house feedstock for our production process lowers our Scope 3 emissions related to the sourcing and transportation of raw materials.



Graphite Anode

A patent-pending, environmentally-friendly process expands our capabilities to produce high-performance graphite anode material for Lithium-ion Batteries. This groundbreaking technology helps us manufacture graphite anode material within our 100% backward-integrated plant.



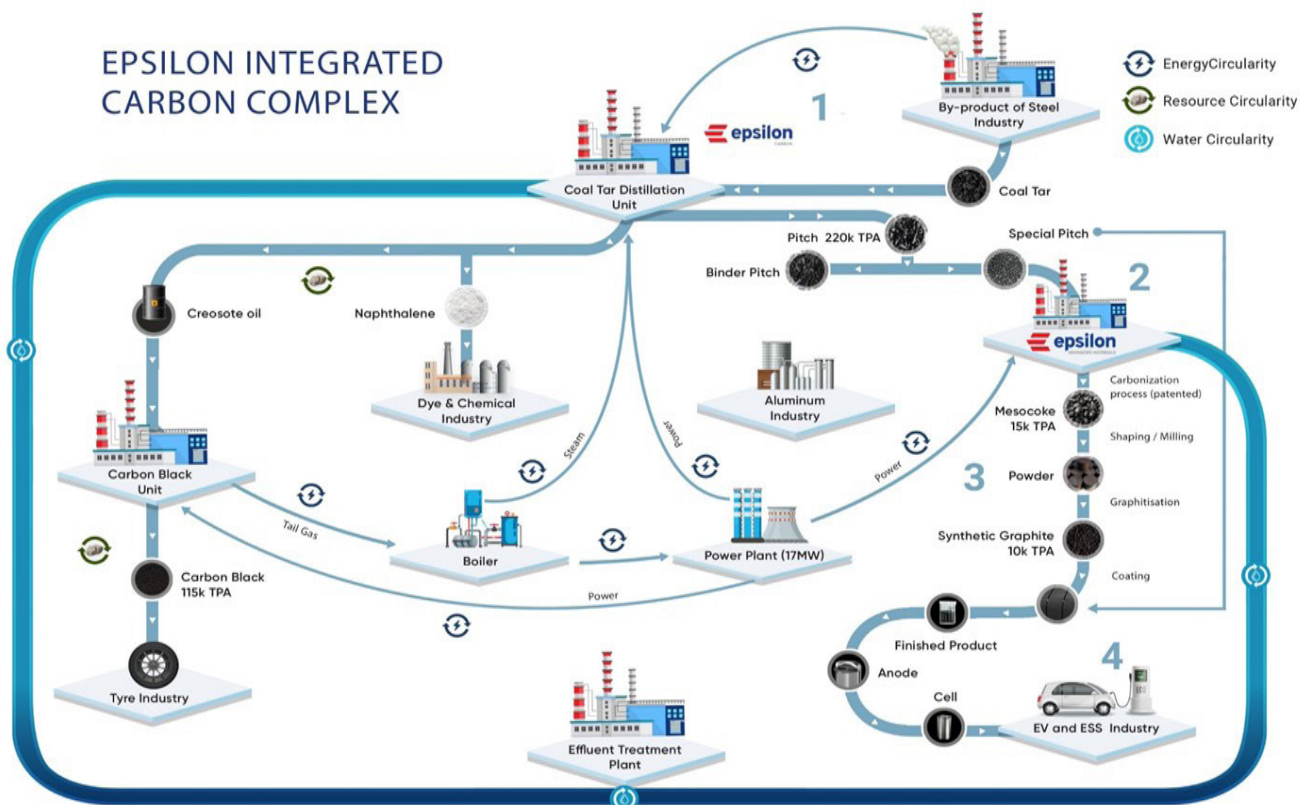
Recovered Waste Gases

About 84% of our energy requirements for Specialty Carbon production are met through recovered waste gases, such as Blast Furnace Gas and Coke Oven Gas, procured from the steel industry in our vicinity.

Recycling and Reusing Wastewater

Furthermore, we have implemented measures to treat and reuse wastewater generated in our operations in an effluent treatment plant (ETP), ensuring Zero Liquid Discharge (ZLD).

Circular Process to Optimise Efficiencies and Resource Consumption



Discovering clarity through essential focus points

At Epsilon Carbon, we engage with our stakeholders through several platforms and channels to make them a critical part of our sustainability endeavours that positively impact our people and the planet. While helping our business to thrive.

Stakeholder Engagement

We conducted a comprehensive engagement exercise in FY 2022-23 with stakeholders identified based on their priority and level of impact on our business. By integrating their views into our operations, we create positive outcomes that benefit not only our stakeholders but also the society and environment.



Engagement Matrix

We strengthen our corporate citizenship by maintaining regular communication with our stakeholders to gain a deep understanding of their concerns and expectations and incorporate their feedback into our decision-making processes.



Employees

Importance
Our employees' determination, skills and knowledge ensure our continued success.

Engagement Channels

- Meetings
- Town halls
- Training sessions
- Surveys
- Open-house sessions
- Complaints and suggestion boxes
- Grievance-redressal mechanisms
- Annual performance appraisals
- Coffee chats with CXOs

Frequency
Ongoing

Key Topics / Concerns

- Fair benefits and compensation
- Business performance
- Occupational H&S
- Training and development
- Organisational culture
- Performance feedback



Customers

Importance

Customers drive sales, and their specific needs propel process and efficiency improvements to improve quality, service and optimise costs.



Engagement Channels

- Customer satisfaction surveys
- Meetings
- Corporate events
- Site visits

Frequency

Ongoing / As required

Key Topics / Concerns

- Product Quality
- Product Innovation
- Lifecycle environment performance
- Pricing



Investors

Importance

Enable us to realise our expansion and growth aspirations by providing financial resources.



Engagement Channels

- Quarterly and annual meetings
- Performance Reports
- Board meetings

Frequency

Quarterly Annual

Key Topics / Concerns

- Financial and non-financial performance
- Corporate governance
- Risk Management



Government

Importance

Engaging with the government ensures business continuity, compliance and the accurate interpretation of regulations.



Engagement Channels

- Policy updates and ministry directives
- Mandatory filings with regulators, including the Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI)
- Compliance reports
- CSR reports

Frequency

Ongoing Annual

Key Topics / Concerns

- Environmental compliance
- Local development initiatives
- Taxes and royalties



Suppliers

Importance

Suppliers are critical to embedding sustainability across the value chain and avoiding business disruptions through the seamless supply of raw materials.



Engagement Channels

- Supplier evaluation
- Meetings
- Stakeholder engagement surveys
- Supplier audits

Frequency

Annual

Key Topics / Concerns

- On-time payments
- Suppliers' ESG performance
- Supplier Code of Conduct



Communities

Importance

Fostering positive relations with local communities strengthens our social acceptance to operate and promotes inclusive growth.

Engagement Channels

- Public hearings
- Informal on-site interactions
- Needs assessment surveys
- CSR reports
- Stakeholder engagement surveys

Frequency

Ongoing

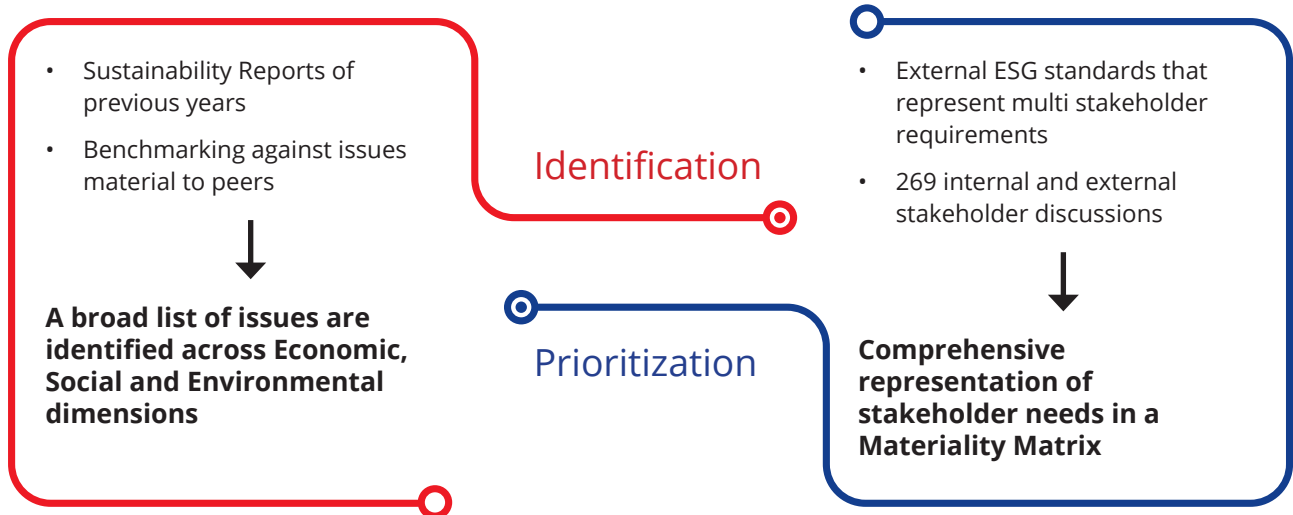
Key Topics / Concerns

- Local employment
- Social reforms
- Livelihoods and economy
- Skill development initiatives for women

Materiality

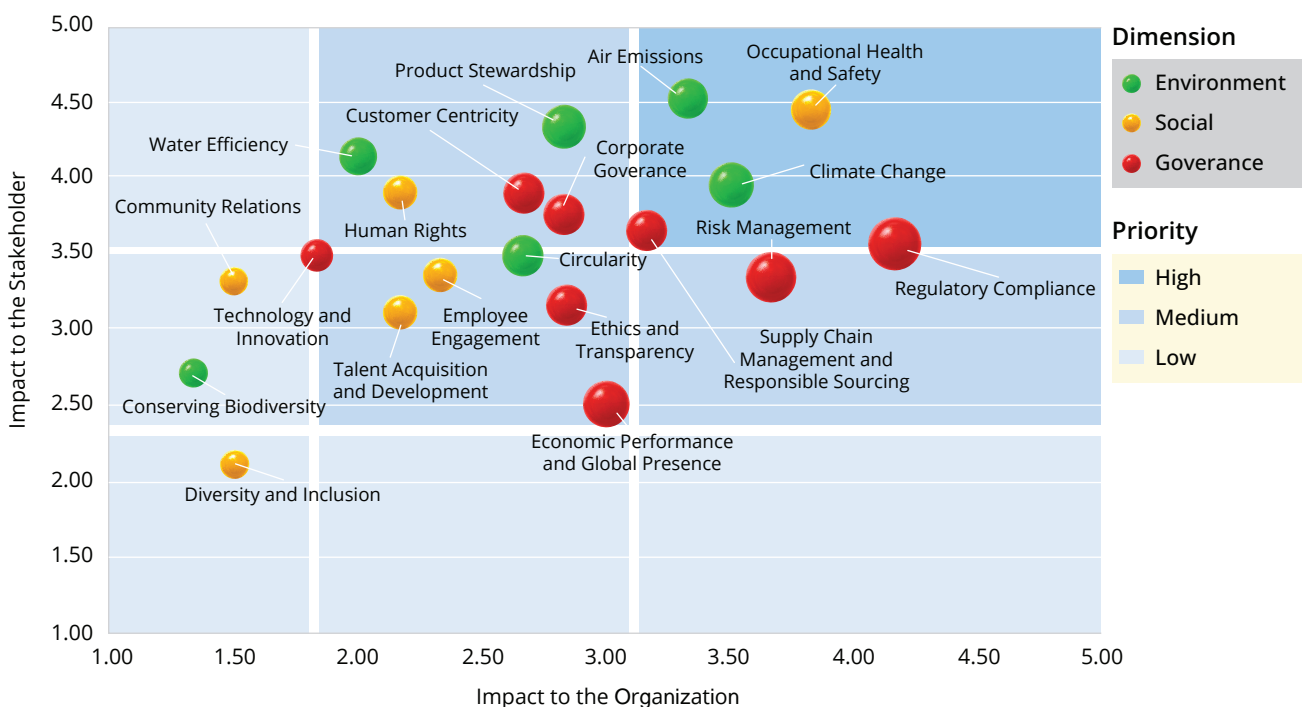
The diverse perspectives of our stakeholders provide valuable insights that help shape our strategies and initiatives. In FY 2020-21, we conducted a detailed materiality assessment to identify ESG parameters that are most impactful for our stakeholders and business. This assessment involved a structured evaluation of various ESG parameters relevant to our Company, drawing on sectoral trends, GRI standards, peer reviews, and discussions with Senior Management.

In FY 2022-23, we revisited the materiality exercise through a two step process depicted below.



Through this assessment, we prioritized 12 key material issues from a universe of 20 such topics considering their significance to our business, stakeholders and prevailing market conditions that form the basis of our ESG strategy.

Materiality Matrix



Material Topics



Ethics and Transparency

<p>Description: Our Company’s policies, guidelines, and practices are permeated with ethics, values-based conduct, and good governance practices. In addition, to sensitize and train our employees in ethical business practices, our Code of conduct establishes standards for responsible and ethical behavior.</p>	<p>GRI Topic: Ethics and Integrity; Governance</p>	<p>SDG Linkage:</p> 
---	---	--


Regulatory Compliance

<p>Description: Regulatory compliance is a requirement for all aspects of our business operations, and it is incorporated into our policies, procedures, manuals, and other guidelines. Every year, we conduct anti-corruption, anti-bribery, and anti-competitive practices training and the policies are communicated to all our employees and other stakeholders. Any suspected instances of unethical behavior or violation of the Code of Conduct or fraud can be reported through our vigil mechanism based on the whistleblower policy.</p>	<p>GRI Topic: Regulatory Compliance, Ethics, and Integrity; Governance</p>	<p>SDG Linkage:</p> 
---	---	--

Occupational Health & Safety

<p>Description: Ensuring Occupational Health and Safety (OHS) is one of our core values. We are committed to zero injuries across our operations. Our HES policy guides our OHS-related activities. Our Board oversees the implementation of the HES policy that is taken forward by the CEO. Dedicated teams undertake measures to integrate the OHS system into our corporate culture.</p>	<p>GRI Topic: Health and Safety</p>	<p>SDG Linkage:</p>  
---	--	--




Air and Greenhouse Gas (GHG) Emissions/Climate Change

<p>Description: Given our energy-intensive manufacturing, we began GHG inventory in FY 2019–20. Energy use primarily drives our Scope 1 and 2 emissions. We’re boosting renewables and energy-efficient tech to cut our footprint. Scope 3 is being addressed, and process changes manage non-GHG emissions.</p>	<p>GRI Topic: Emissions</p>	<p>SDG Linkage: </p>
---	--	--

Risk Management

<p>Description: Our Risk Management framework detects and addresses risks impacting quality, innovation, supply, and reputation. Guided by our RM policy, we ensure stable growth. It demands proactive risk reporting, evaluation, and resolution. Our business continuity strategy tackles value chain sustainability risks like material availability, water scarcity, climate regulations, and disasters.</p>	<p>GRI Topic: Governance</p>	<p>SDG Linkage:</p>
--	---	----------------------------

Employee Wellbeing

<p>Description: Our approach to employee wellbeing ensures that we understand and consider their perspectives, interests, and needs in our decision-making process. A strategically designed multichannel engagement approach allows us to maintain transparency with our employees and promote a two-way communication, feedback-focused culture to enhance performance. As an equal opportunity employer, the principle of no discrimination is embedded in our Code of Conduct that is overseen by our top management.</p>	<p>GRI Topic: Employment, Non Discrimination, Labour Relations</p>	<p>SDG Linkage:   </p>
---	---	--


Financial Performance and Growth

<p>Description:</p> <p>Good financial performance is crucial for the creation and distribution of economic, social, and environmental value. Our financial performance is a manifestation of our commitment to our stakeholders to generate value for them. We consistently aim for a sustained growth trajectory by aligning our business models, strategy, and operations. An independent accounting firm audits our annual financial statements.</p>	<p>GRI Topic:</p> <p>Economic Performance</p>	<p>SDG Linkage:</p> 
--	--	--

Product Innovation and Product Stewardship

<p>Description:</p> <p>Sustainable product innovation is the key component of our long-term growth strategy. Our research and development endeavours aim to improve product quality and lessen environmental impacts throughout their lifecycle. We initiated the life cycle assessment of our key products to analyze the environmental impact of the product. This is followed by risk-based categorization of new and existing products to improve product safety and environmental stewardship.</p> <p>We comply with REACH requirements for our products.</p>	<p>GRI Topic:</p> <p>Environment</p>	<p>SDG Linkage:</p> 
---	---	--


Supply Chain and Responsible Sourcing

<p>Description:</p> <p>A green supply chain is crucial for eco-conscious businesses. Choosing responsible suppliers reduces impact and aligns with ethical values. Our aim is to improve reputation, cut risks, and support a sustainable global economy. Epsilon Carbon requires ISO-certified QMS and environmental compliance from suppliers, along with IATF 16949 certification.</p>	<p>GRI Topic:</p> <p>Supplier Environmental Assessment</p>	<p>SDG Linkage:</p> 
--	---	--


Talent Acquisition and Development

<p>Description: Talent acquisition and development are vital for success. Hiring aligned individuals and fostering skills boost capabilities, motivation, and competitiveness. Investing in talent fuels growth, innovation, and sustainability, enhancing employee growth is key for global competitiveness and aspirations.</p>	<p>GRI Topic: Employment</p>	<p>SDG Linkage:</p> 
--	---	--

Circularity

<p>Description: Circularity minimizes waste, maximizing resource value through a closed-loop system of reusing, repairing, and recycling. This approach conserves resources, reduces environmental impact, and supports sustainable development with lower carbon emissions. At Epsilon, our strategy generates sustainable value via circular production, recycling outputs for reduced waste and improved competitiveness. Advanced chemistry enables interconnected operations with minimal wastage.</p>	<p>GRI Topic: Waste</p>	<p>SDG Linkage:</p> 
--	------------------------------------	--

Corporate Governance

<p>Description: Epsilon is committed to upholding the highest standards of integrity and behavior, ensuring compliance with laws and internal regulations. We value diversity in our workforce for its versatility and range of expertise. Our board comprises a balanced blend of independent and non-independent directors, facilitating meaningful and unbiased contributions.</p>	<p>GRI Topic: Governance</p>	<p>SDG Linkage:</p> 
--	---	--

Sustainable steps forward: Our journey towards a better future

In Fiscal Year 2022-23, Epsilon Carbon pioneered the development of a comprehensive sustainability framework. This initiative was designed to steer the long-term growth trajectory of our organization, with an emphasis on cultivating sustainable value for all our stakeholders and transitioning towards a greener future. This sustainability framework, with an intrinsic focus on circularity, is expected to enhance our ability to structure and implement measures that boost business resilience against the escalating threats of climate change. Our approach goes beyond merely

mitigating risks, instead leveraging them as catalysts for positive change.

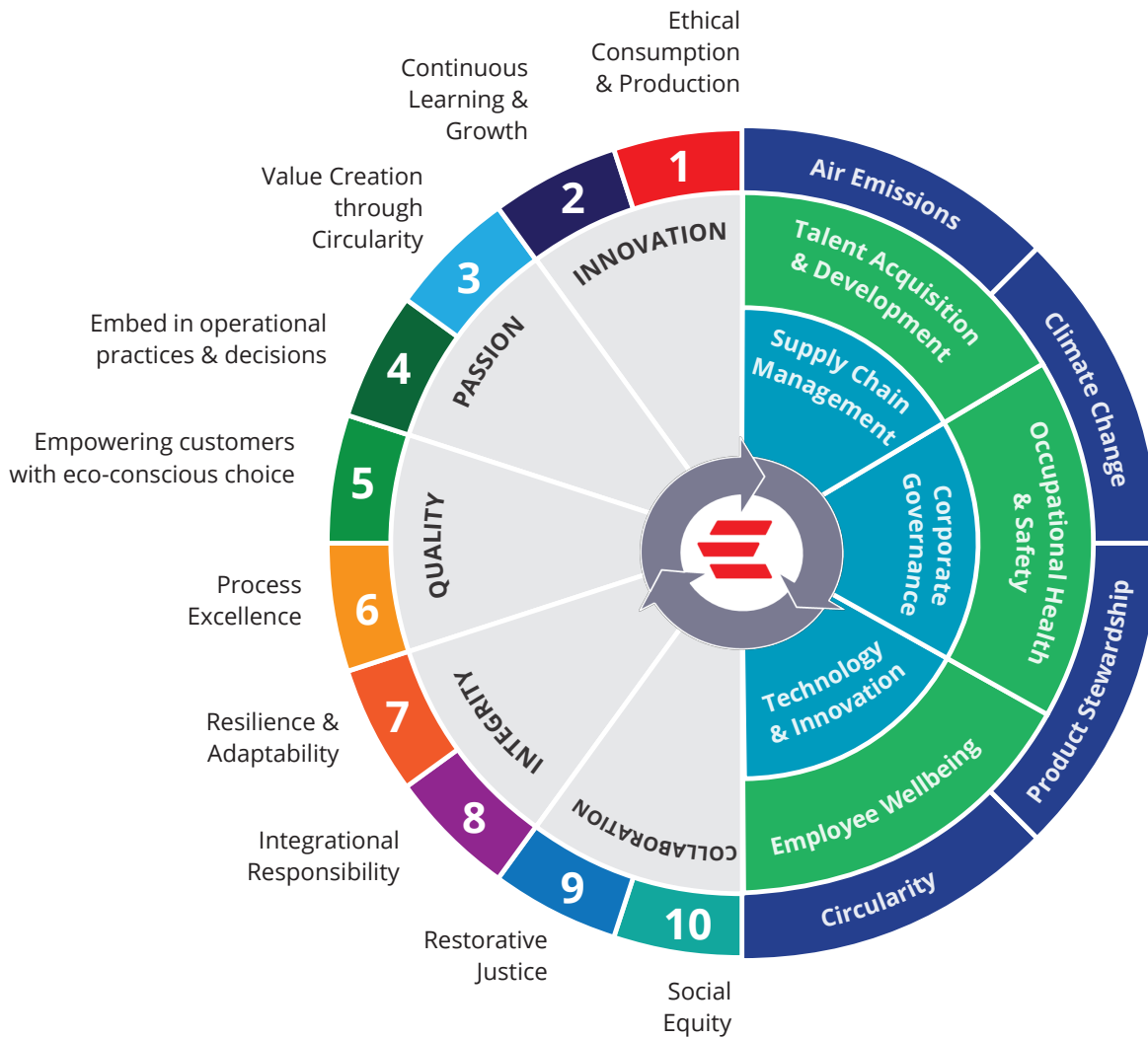
The framework functions as our guiding principle for not only adapting to the evolving landscape of environmental challenges but also in leading the way for sustainable practices within our industry. It signifies our dedication to balance growth and profitability with the urgency of ecological responsibility, setting the stage for Epsilon Carbon's future as a leader in sustainability.



Sustainability Framework

Our ESG strategy is built on the foundation of our five values: Innovation, Passion, Quality, Integrity and Quality with 10 objectives.

The objectives work in synergy to provide an overarching strategic direction that drives our endeavours across 10 execution focus areas. The strategic framework aligns with our material issues, global frameworks and trends, and industry drivers and is designed to contribute to United Nations Sustainable Development Goals (SDGs).



Vision
To be a market leader and trusted provider of a range of innovative, quality carbon products

Mission
To support global industries with an assured supply of quality carbon products, using environmentally friendly processes, adhering to ethical standards, and to create value for our stakeholders and community



Strategic Focus Areas

The framework outlines specific execution focus areas to accelerate our progress towards a carbon-neutral future and deepen the impact of our environmental, social and governance initiatives.

Focus Area	Scope
Air Emissions	<p>Monitoring and managing emissions are critical to our strategy of minimizing the environmental impact of our operations and ambient pollution. To achieve this, we implement various measures such as improving energy efficiency, adopting cleaner fuels, and substituting virgin raw materials with recycled alternatives. By using feedstock with lower sulphur content, we have successfully lowered our SOx and NOx emissions to just 0.3-0.5%, significantly below the industry average of 3%. Additionally, the use of 'clean' coke oven gas with reduced sulphur content as a secondary fuel and reusing the gas from our processes to generate steam and electricity in our Captive Power Plant helps us reduce emissions further.</p> <p><i>To know more about our efforts to minimise emissions, refer to page 77 of this report.</i></p>
Climate Change	<p>Epsilon Carbon is deeply committed to sustainability, and building and managing a responsive supply chain to effectively tackle the challenges arising from climate change, aligned with the 2030 Agenda for Sustainable Development and the Paris Agreement. Our sustainability strategy and robust risk management framework help us proactively identify and implement future-fit measures to enhance our resilience against climate change-related physical and transitional risks. We are investing in circular solutions and low-carbon technologies to actively reduce our GHG footprint and contribute to fighting the growing challenges of climate change.</p> <p><i>To know more about our initiatives to enhance resilience to climate change, refer to page 74 of this report.</i></p>
Product Stewardship	<p>Product innovation and stewardship are central to our growth and sustainability strategy. Our products are designed to help our customers run sustainable businesses and align with national and global initiatives towards a Net Zero future. We focus on minimizing material consumption, energy usage, and reliance on virgin natural resources to reduce land contamination, environmental harm, and greenhouse gas emissions.</p> <p><i>To know more about our product stewardship, refer to page 60 of this report.</i></p>
Circularity	<p>Our business model and sustainability strategy are firmly built on the principle of circularity, which drives us to take actions that aim to reduce environmental impact and enhance our stewardship efforts. ECPL is the world's only company with 100% backward integration, encompassing the entire process from raw coal tar to synthetic graphite.</p> <p>Embedding advanced technology solutions, process innovations and sustainable chemistry practices help expand circular principles across the lifecycle of our products.</p> <p><i>To know more about circularity across Epsilon carbon, refer to page 70 of this report.</i></p>

Focus Area	Scope
Talent Acquisition and Development	<p>Empowering our employees is a cornerstone of our people's strategy. We nurture employee skills and competences to drive shared organisational objectives. With their skills, attitude and sensitivity, employees enable the Company to develop, grow and contribute to the creation of a transparent and valuable relationship with its stakeholders.</p> <p><i>To know more about our community development activities, refer to page 90 of this report.</i></p>
Employee wellbeing	<p>Ensuring employee wellness is critical to the continued growth and disruption-free functioning of our business. Our holistic endeavours focus on addressing the physical and mental health of our workforce. We provide our employees a secure and nurturing workspace that promotes their health, personal growth, and overall wellbeing.</p> <p><i>To know more about employee wellbeing at Epsilon Carbon, refer to page 97 of this report.</i></p>
Occupational Health and Safety (OHS)	<p>We have seamlessly integrated health and safety (H&S) considerations into every aspect of our business, spanning strategy, processes, employee engagement, annual appraisals, and compensation and incentive structures. A comprehensive HSE (Health, Safety, and Environment) policy outlines our practices and steers our organizational strategy and decision-making processes. The implementation of this policy is closely overseen by our CEO and the Board, ensuring that all our employees and contractors strictly adhere to the requirements at all times.</p> <p><i>To know more about OHS practices at Epsilon Carbon, refer to page 101 of this report.</i></p>
Supply Chain Management and Responsible Sourcing	<p>A secure, responsive, and sustainable supply chain powers our growth and strengthens customer loyalty business impact. We ensure that our suppliers share our ESG (Environmental, Social, and Governance) objectives, maintain transparency, lead with ethics, and adhere to regulations.</p> <p>We have established a transparent procurement policy and process that offer fair terms to all eligible suppliers. Our supplier selection criteria encompass ESG performance, contract management, legal considerations, social responsibility, health and safety, amongst other factors.</p> <p><i>To know more about our supply chain management and responsible sourcing initiatives, refer to page 55 of this report.</i></p>
Corporate Governance	<p>Enhancing the organization's credibility and fostering stakeholder trust relies on transparent governance and business management. Upholding ethics and integrity ensures robust standards, while embracing accountability, including top-down responsibility, drives excellence in performance.</p> <p><i>To know more about our customer-facing initiatives, refer to page 42 of this report.</i></p>

Goals and Targets


ENVIRONMENT

Epsilon believes that adopting environmental goals is more than a strategic decision, it is a responsible choice for a better tomorrow. It can help mitigate risks, enhance competitiveness, and position the company in a world increasingly focused on sustainability and environmental responsibility. Climate change and environmental degradation pose significant risks to businesses. These risks can include supply chain disruptions due to extreme weather events, increased costs associated with resource scarcity, and potential damage to facilities from environmental disasters.

Environmental goals can help mitigate these risks by promoting resilience and preparedness.

The finite availability of carbon-based resources requires a transition towards sustainable manufacturing methods. Epsilon aims to secure its long-term sustainability by establishing environmental objectives, which will lead to a decreased reliance on non-renewable resources. As an initial action, we have established objectives and milestones to solidify our promises and vision.

Focus Area	Goals	KPI	Short Term (2023-25)	Medium Term (2025-30)	Long Term (2030 and beyond)
<p>Climate Change</p>	Achieve Carbon Neutrality	GHG Emission Intensity	To reduce 20% GHG emission intensity by 2025	To reduce 25% GHG emission intensity by 2030	To reduce 30% GHG emission intensity by 2035
		Energy Consumption Intensity	To reduce 5% of energy intensity by 2025	To reduce 10% of energy intensity by 2030	To reduce 15% of energy intensity by 2035
		Scope 3 emission intensity (Alignment of disclosure to TCFD)	To inventorize Scope-3 emissions by 2025 (50%)	To inventorize Scope-3 emissions by 2025 (100%)	To extend Epsilon's disclosures to TCFD requirements and adopt Climate Risk Assessment for the business
<p>Air Emissions</p>	Minimizing Air Emissions	SOx Emission Intensity	To reduce 1% of SOx emission intensity by 2025	To reduce 2% of SOx emission intensity by 2030	To reduce 3% of SOx emission intensity by 2035
		NOx Emission Intensity	To reduce 3% of NOx emission intensity by 2025	To reduce 5% of NOx emission intensity by 2030	To reduce 10% of NOx emission intensity by 2035
		PM Emission Intensity	To reduce 5% of PM emission intensity by 2025	To reduce 10% of PM emission intensity by 2030	To reduce 15% of PM emission intensity by 2035
<p>Circularity</p>	Transition towards circularity	Waste to Landfill	Reduce waste disposal to landfill by 20% by 2025	Reduce waste disposal to landfill by 50% by 2030	Zero Waste to Landfill by 2035
		% of energy from waste processing	To achieve 75% energy from waste processing by 2024	To achieve 100% energy from waste processing by 2030	


 Product Stewardship	Creating superior carbon products	No of products undergoing Carbon Footprint Assessment	To initiate Lifecycle Carbon Footprint Assessment of all existing product by 2025	To initiate Lifecycle Carbon Footprint Assessment of all new product within one year of product launch by 2027	
		Recyclability	Production of Recovered Carbon Black (RCB) and Pyrolysis oil from end of tyres		



SOCIAL

At Epsilon, we prioritize the growth and development of our employees, recognizing their pivotal role in driving the company's overall performance. To this end, we place great emphasis on fostering diversity and inclusion within our organization and the wider community, ensuring that everyone has equal opportunities, regardless of factors like gender, race, ethnicity, or any other considerations. We are committed to ethical manufacturing practices, ensuring that labour is not exploited and communities or the environment are not harmed during our product production processes. Moreover,

we unwaveringly uphold human rights principles and offer various initiatives to support physical and mental well-being, including workplace wellness programs and access to healthcare services. Health and safety (H&S) are fundamental aspects ingrained throughout every facet of our business operations. Our commitment to a strong HSE (Health, Safety, and Environment) policy is manifested in the comprehensive practices it outlines, which not only inform but also steer our organizational strategy and guide our decision-making processes.

Focus Area	Goals	KPI	Short Term (2023-25)	Medium Term (2025-30)	Long Term (2030 and beyond)
 Occupational Health & Safety	Striving for a Safety-First Work Culture	% workforce attended safety training programs	To achieve and sustain 100% coverage of employees trained in Health and Safety by 2025	To achieve and sustain 100% coverage of contractors trained in Health and Safety by 2027	Onward Sustain performance of employees training in Health and Safety
		LTIFR	To sustain zero injuries recordable rate on a YoY basis	-	-
		Occupational health illness	-		To ensure zero occupational health illness by 2030
		IoT, Digital Dashboards, etc	To implement digital solutions to track and report safety metrics by 2025		

<p>Employee Well being</p>	Cultivating an Exceptional Employee Culture	Employee Net Promoters Score (Likelihood of recommending as a place to work)	To attain a favourable rating in the eNPS (Employee Net Promoter Score) survey by the year 2025, with a score exceeding 60	To attain a favourable rating in the eNPS (Employee Net Promoter Score) survey by the year 2027, with a score exceeding 75	
		Employee Wellbeing Index (A composite score that combines various wellbeing indicators to provide an overall picture of employee wellbeing)	To implement a structured and holistic wellness program, covering physical, mental and financial wellbeing by 2025 covering all employees	To develop and roll-out an Employee Wellness Index to quantify the overall employee wellbeing by 2027	To attain a top quartile score in Employee Wellness Index by 2035
		Employee participation in community wellness	To initiate “Employee Volunteering Program” aiming 1 hour per employee per year contribution towards community welfare by 2025	And attain 60% score in Employee Wellness Index by 2030	To extend “Employee Volunteering Program” by initiating “One Day Leave” culture for community programs by 2030
<p>Talent Acquisition and Development</p>	Empowering Employees with Knowledge and Skills	Employee turnover rate (%)	To improve employee turnover rate by 20% from baseline 2022-23 for next 03 consecutive year	To maintain employee turnover rate <10% by 2030	Sustain employee turnover rate less 10% 2030 onward
		% of women employees in overall workforce	To improve the hiring rate of women employees to achieve 10% in the overall workforce by 2025	To improve the hiring rate of women employees to achieve 13% in the overall workforce by 2025	
		Digital Adoption Rate	To attain 25% digital adoption rate for Learning and Development by 2025	To attain 50% digital adoption rate for Learning and Development by 2030	
		No of training hours per employee per year across all levels of Epsilon	To empower our employees by committing to provide and achieve 2x Man days of training per employee per year by 2025	To empower our employees by committing to provide and achieve 3x Man days of training per employee per year by 2030	To empower our employees by committing to provide and achieve 5x Man days of training per employee per year by 2035




GOVERNANCE



Our corporate governance framework mirrors our core values, organizational culture, policies, and interactions with our stakeholders. Integrity and transparency are the bedrock of our corporate governance philosophy. Given their paramount importance, we are committed to upholding these principles to ensure the highest standards of conduct and performance, ultimately earning, and maintaining the trust of our stakeholders.

We consistently implement the most rigorous standards of corporate governance across all aspects of our business operations. A robust, independent,

and diverse leadership within our Board fosters and upholds effective corporate governance practices across the entire organization. Independent Board committees are tasked with evaluating and shaping industry-leading governance protocols.

To elaborate further, we are establishing a structured sustainability governance framework. This framework will provide guidance and direction for our Environmental, Social, and Governance (ESG) initiatives, aligning them with our mission and vision. By doing so, we aim to contribute to a brighter and more sustainable future.

Focus Area	Goals	KPI	Short Term (2023-25)	Medium Term (2025-30)	Long Term (2030 and beyond)
 <p>Supply Chain Management and Responsible Sourcing</p>	Strengthening shared value in Supply Chain	% of suppliers assessed on Code of Conduct	Align the existing Supplier Code of Conduct with set ESG requirements	To assess 70% Critical suppliers on adherence to Epsilon's Supplier Code of Conduct by 2030	To extend assessment to 90% Tier-1 suppliers on adherence to Epsilon's Supplier Code of Conduct by 2035
			Develop an ESG assessment methodology aligned to UNGC and ILO principles		
Identify and train critical suppliers					
Assess 25% critical suppliers on adherence to Epsilon's Supplier Code of Conduct by 2025 (pilot basis)					
		% of Suppliers covered under training and awareness program		To ensure 100% critical suppliers are covered under training and awareness program	

 Corporate Governance	Inclusive ESG Governance	No of board meetings to monitor and review ESG performance against goals and targets at the Board, ESG Committee and plant levels	To establish a structured monitoring & review mechanism ESG performance.	-	-
		No of awards presented on ESG	Recognition of employees and management for achievements in set goals and targets in ESG by 2026	Recognition of suppliers and contractors showcasing adherence to Epsilon's ESG aspirations by 2030	-
 Technology and Innovation	Pioneering transformation through technology	% of annual revenue dedicated to R&D	To achieve 0.5% of annual revenue allotted to R&D activities by 2025	To achieve 2% of annual revenue allotted to R&D activities by 2030	To sustain 2% of annual revenue allotted to R&D activities 2030 onward
		Digitization and Industry 4.0	Achieve "Basic" Level of Digital Maturity by 2025	Achieve "Advanced" Level of Digital Maturity by 2030	Achieve "Leading" Level of Digital Maturity by 2035



Steering success: Nurturing effective governance for sustainable growth

At Epsilon Carbon, our robust governance model plays a crucial role in steering our sustainability journey by embedding the core values of trust, integrity, community building, innovation, and responsible growth. Led by an empowered Board, the model ensures that we stay accountable and conduct business with ethics, transparency and fairness led by the highest standards of professionalism.

The policies and practices enumerated in our governance framework are designed to help us deliver on commitments to operational excellence, product innovation and value creation for our stakeholders. Our governance strategy is guided by Risk Management (RM) principles and our Code of Conduct. It also considers stakeholder expectations of ethics and integrity and helps us run disruption-free operations that comply with legal, social, environmental and ethical requirements.



Corporate Governance

At the heart of our Company culture lies a commitment to operate with honesty, transparency, and respect for all stakeholders. We foster a culture of innovation to seek new ways to improve our products, processes, and services. Collaborating with our partners, employees, and communities expands the reach and impact of our endeavours and helps us address the complex challenges of ever-evolving regulatory and market demands.



Our Corporate Governance model inculcates these five key features within business decisions across all our business activities-



Building Trust and Confidence

Our Governance Framework is designed to ensure effective oversight and informed decision-making. At the helm of our governance structure is our Board of Directors, comprising of leaders with extensive sectoral and functional expertise in business strategy, market understanding, and stakeholder management. When necessary, the Board seeks advice from external consultants to ensure informed decision-making. To strengthen objectivity, diversity and expertise of our Board, we have inducted Independent Directors. Chaired by our Managing Director, the Board also includes ex-officio members who contribute valuable perspectives.

The Board of Directors holds the ultimate responsibility for the Company's governance. The

Board also monitors managerial conduct and safeguards the interests of our stakeholders by upholding the highest standards of corporate governance.

Regular interactions amongst the Board, senior management, and stakeholders are integral to helping us proactively identify and mitigate risks related to our business through collaborative approaches. We continuously upgrade our corporate governance policies and disclosures to align with the evolving aspirations and expectations of our stakeholders, market conditions and regulatory norms.

Board Committees

Several sub-committees assist our Board in delivering on its commitments across specific functional and strategic areas. These include the Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and the Prevention of Sexual Harassment (POSH) Committee. These sub-

committees convene at least once every quarter to address relevant issues and monitor progress on responsible practices. Board-level Committees are supported by executive and plant-level Committees to ensure effective governance across all levels of the Company.

Executive-level Committees

We have several executive-level committees to monitor and mitigate risks associated with the business environment, supply chain, and company operations. These committees meet monthly to review plant operations, assess performance, identify risks and opportunities, and report to the Board on a quarterly basis.

Plant-Level Committees

At the plant level, functional committees review departmental operations, ensuring they are run efficiently and in line with defined objectives. These functional committees convene every month and report to the respective executive-level department teams, which in turn report to the CEO.

Board Level

Name of the Committee	Roles & Responsibilities of the Committee
Audit Committee	We established an Audit Committee in the reporting year with the responsibility of recommending the appointment of auditors, overseeing their independence and performance, reviewing the Company's financial statements, evaluating our undertakings and assets, monitoring the utilisation of funds raised through public offers, and fulfilling any other duties assigned by the Board.
Nomination and Remuneration Committee	We formed a Nomination and Remuneration Committee to oversee the implementation of the policy's provisions related to the remuneration of Directors, Key Managerial Personnel, and Senior Managerial Personnel. The policy outlines the criteria for assessing the qualifications, competencies, positive attributes, and independence of appointed directors (both executive and non-executive) within the Company.
Corporate Social Responsibility Committee	Epsilon Carbon has formed a CSR Committee in accordance with Section 135 of the Companies Act 2013. The Committee oversees the Company's CSR policy, conducts regular reviews, and presents the annual CSR plan and budgets to the Board for approval.
POSH Committee	A dedicated POSH Committee, which includes an advisor from an NGO, is responsible for addressing and resolving concerns and complaints regarding sexual harassment in the workplace, adhering to statutory requirements.

Executive Level

Name of the Committee	Roles & Responsibilities of the Committee
Grievance Committee	The Grievance Committee is responsible for effectively implementing the Company's grievance process and mechanisms. This involves thoroughly examining all grievances, identifying patterns or trends, establishing timeframes for resolution, identifying areas for improvement, and ensuring that grievances are promptly addressed and resolved.

Plant Level

Name of the Committee	Roles & Responsibilities of the Committee
Employee Engagement Committee	The Committee engages and connects with talented individuals, mapping out engagement activities to ensure participation by employees and their families. The Committee organises celebrations (on birthdays, festivals, etc.) and events and cultural programmes for employees and their families.
Ideation Committee	The Committee conducts interactive prototyping and brainstorming sessions, propagating innovative thinking and encouraging increased employee participation. The Committee identifies and scrutinises themes for ideation and implementation and initiates the Company rewards programme for selected ideas.
Knowledge-sharing Committee	The Committee builds organisational knowledge on environmental H&S to protect stakeholders and ensure the delivery of quality products and services. The Committee provides the following to employees: a digital library platform; in-plant speeches by experts; quarterly external speeches on selected topics; and process briefings by experts.

Compliance

At Epsilon Carbon, complying with regulatory requirements is a core attribute of our organisational culture and an essential standard we uphold. Every employee is responsible for complying with the relevant laws and regulations pertaining to their respective roles and functions.

Compliance Governance



A comprehensive compliance checklist is used to monitor our compliance status across various aspects of our operations. Additionally, we conduct internal audits annually to assess our adherence to the required standards and identify areas of improvement. The findings from these audits are presented to the Board of Directors, demonstrating our commitment to transparency and accountability.

Code of Conduct

Epsilon has implemented a thorough Code of Conduct that adheres to the principles of the UNGC. This document sets forth the minimal expectations for professional conduct for all individuals affiliated with Epsilon, including members of the ECPL Group. This includes employees, regardless of their category or employment status (core, contract, retainer, consultant, or any other) as well as the Board. Our suppliers, service providers, agents, and channel partners (dealers, distributors, and others) are also mandated to abide by this Code of Conduct and other relevant policies to help us maintain a transparent, ethical and accountable value chain.

The Code of Conduct serves as a crucial point of reference, outlining the ethical principles and

guidelines that form the foundation of our company culture. All our employees undergo training to understand the Code of Conduct and the relevant requirements for their roles.

The Department Heads (HODs) play a pivotal role in ensuring employees adhere to the Code of Conduct, working with the HR team. Together, they oversee, guide, and monitor the active implementation of ethical business practices throughout the organisation. This includes conducting incident reviews and providing regular quarterly reports to the Board, outlining the progress made in upholding these practices.

Vigil Mechanism and Whistle-blower Policy

A robust Vigil Mechanism and Whistle-blower Policy that empowers employees and directors to report any suspected instances of unethical behaviour, fraud, violations of the Code of Conduct, or financial negligence or manipulation. This policy aligns with the provisions outlined in Section 177 (9–10) of the Companies Act 2013 and covers the whistle-blower mechanism aspect of the SEBI Listing Agreement.

Our Vigil Mechanism and Whistle-blower Policy ensure that any deviations from company policies and systems are addressed in a fair and unbiased manner. A confidential reporting system protects the complainant's identity, preventing any form of

victimisation. This encourages a safe and supportive work environment where employees feel comfortable reporting potential or existing violations of company policies and applicable laws. The management team undertakes various measures to improve employee awareness of ethical business conduct and associated policies, including training sessions, workshops, and communication campaigns.

A dedicated Whistle-blower and Ethics Officer conducts thorough investigations of reported incidents and raises any substantiated concerns with the CEO for appropriate action and resolution.

Conflict of Interest and Anti-Bribery Policy

Our anti-bribery policy plays a critical role in guiding our employees when faced with situations that pose potential conflicts of interest between their personal affairs and the Company's best interests. This policy firmly upholds our unwavering stance against any form of bribery or corruption, regardless of whether it involves our employees, agents, representatives, joint-venture partners, suppliers, contractors, or sub-contractors. As a fundamental principle, we strictly forbid our employees from engaging in any acts of

bribery or corruption when conducting business on behalf of the Company.

Furthermore, our employees are explicitly prohibited from offering any improper financial or non-financial advantages, whether directly or indirectly, to gain, retain, influence, or secure business advantages for the Company. We reinforce these policies to our management, employees, and other stakeholders through regular communications.

Other Policies

In addition to the comprehensive Code of Conduct, Epsilon Carbon has instituted various other practices and policies reinforcing our commitment to responsible business conduct. These include policies addressing non-discrimination, child labour, diversity, grievance handling, and prevention of sexual harassment (POSH),

as well as policies relating to conduct, compliance and discipline such as Nomination and Remuneration policy, Human Resource policy, Compensation policy, IT policy, Corporate energy policy, HES policy, Quality policy and Security policy among others.

Our Tax Strategy

Led by our principle of no interest and no penalty, we have developed a tax strategy cognizant of our short and long-term goals. It takes into account our growth plans, operational business strategies, and changes in regulatory norms.

During the initial phase of our expansion plan, we thoroughly evaluate the tax benefits available to us before, during, and after project execution. This assessment considers both indirect and direct taxes, as well as other state taxes. We carefully assess the suitability of opting for taxation amendments and determine whether to utilise available options or forgo them. Our short-term tax strategy involves quarterly, and monthly compliance based on projected budgeted

business activities. We also assess actual taxation based on our budget and closely monitor taxation-related risks on a quarterly basis, taking into account the Company's actual performance and future business prospects.

Our stakeholders can approach our HR team for the resolution of tax-related queries. The HR team works closely with the Finance team to address individual concerns. We actively participate in industry meets to advocate for policy reforms related to taxation. Additionally, we interact with our stakeholders to gather their feedback and insights on various tax-related matters of significance to them.

Risk Management

We have designed and deployed a robust and agile framework to identify and mitigate risks on time, enabling us to prevent business disruptions and scale operations seamlessly. Risk management practices are integrated into every aspect of our operations so we

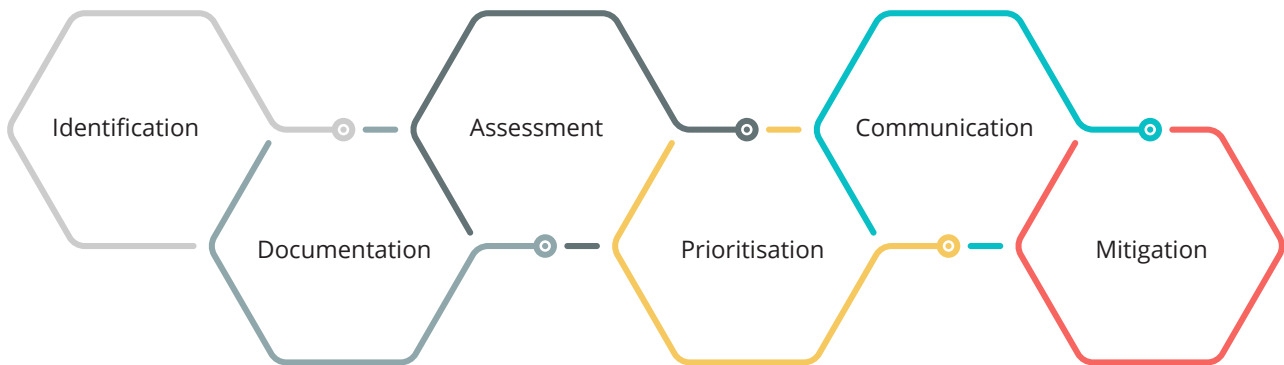
can effectively manage uncertainties and strengthen the foundations of our sustainable business. Our focus on risk management and product stewardship deepens our customer partnerships and expands business opportunities.

Enterprise Risk Management (ERM) Framework

Our Enterprise Risk Management framework involves a systematic process that helps us address risks to enhance our resilience and make informed decisions so we can protect our brand and reputation and

meet customer expectations of quality products and timely delivery. A robust risk management (RM) policy that serves as a guiding framework for our business strategies and decisions.

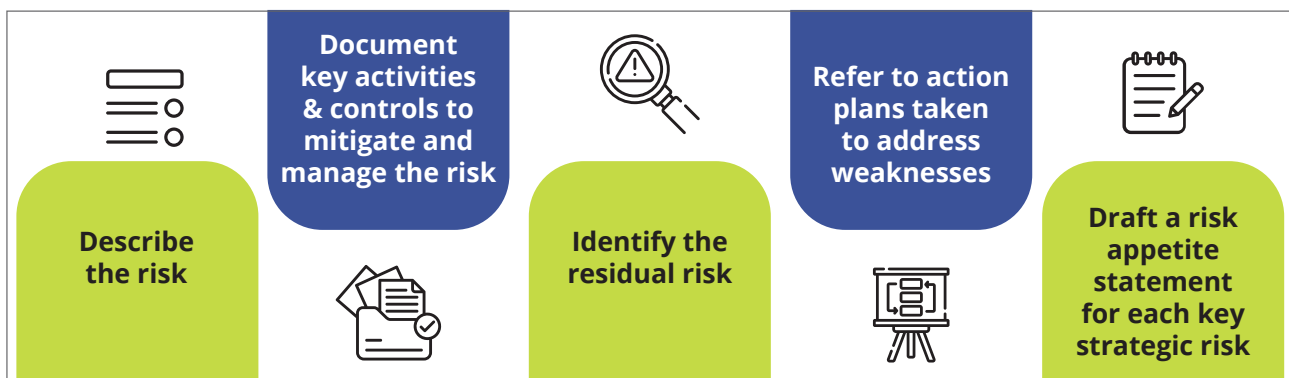
ERM process



We regularly review the risks identified and ensure that appropriate mechanisms are in place to manage and mitigate them. The Board of Directors oversee the implementation of our risk management framework and progress on actions to address them. The Board conducts annual reviews to assess the effectiveness of the ERM framework. We also undertake regular internal and external audits of our risk management controls.

Risk management processes underline our business lifecycle end-to-end. We consistently recognise and assess uncertainties, as well as devise, execute, and monitor risk mitigation strategies. Our risk categories are structured in a hierarchical chain of evaluation, ensuring thorough review at each level.

The expected outputs from our Enterprise Reporting under implementation



A dedicated risk management team consisting of our Managing Director, Chief Executive Officer (CEO), and Chief Financial Officer (CFO) are responsible for formulating and implementing related plans, including the identification, management, and

reporting of material business risks. The team monitors performance, oversees the analysis, review, and approval of the risks relevant to our business, and guides the implementation of related practices and control mechanisms.

Risk Matrix

Following a comprehensive assessment, we have identified 180 potential risks related to seven operational areas pertinent to our industry and business. We have established a comprehensive risk-and-opportunities register across various categories,

including quality, process, instrumentation, electrical, mechanical, production and general risks. This register serves as a repository for the identified risks and associated opportunities.

Type of Risk	Description	Mitigation Measures
Operational Risks	Risks relating to continuous plant operations, availability of vehicles for material movement, volatility in raw material prices, supply chain issues, timely delivery to customers, business support activities, information security, physical security, business disruptions, breakdowns in internal controls, and corporate governance.	Internal controls help us identify, assess, and address operational risks. We have divided our operations into distinct primary business processes and supporting sub-processes, each with designated process owners. The process owners are responsible for identifying, reporting, and taking action on risks in their respective areas. Regular risk and control self-assessments are conducted for each key process. During these assessments, process owners and relevant personnel proactively identify potential risk exposures or threats that could impact the efficient functioning of the process. They also evaluate the effectiveness of the risk mitigation strategies in place.
HR Risks	A type of operational risk that includes risks related to high attrition, employee dissatisfaction, poor employee efficiency, the non-availability of competent personnel, and labour shortages.	Potential risks are evaluated based on their significance and likelihood of occurrence. Our operational risk monitoring system focuses on key performance measures, including volume, turnover, dispatch, delays, and errors.
Business Environment Risks	Foreign exchange risk, interest rate risk, and commodity prices and market risks	
Environment and Climate Change Risks	Natural calamities, HSE risks, and transitional and physical climate change risks.	
Regulatory and Compliance Risks	Includes the risks of legal or regulatory sanctions, material financial loss, or loss of reputation due to failure to comply with laws, rules, and standards.	The Board of Directors monitors our overall compliance risk performance. The senior management implements related mitigation actions and ensures integrity and ethical standards are followed. At the plant and head-office levels, relevant departments supervise, coordinate, and advise senior management and the Board of Directors on compliance and integrity risks, including reputational risks. We use a comprehensive checklist to track compliance requirements and corresponding deadlines and ensure we meet them. Additionally, we conduct regular internal and external compliance audits to verify our adherence to legal obligations.

Type of Risk	Description	Mitigation Measures
Liquidity Risks	The risk of incurring loss due to an inability to meet payment obligations within a specific time frame.	<p>The day-to-day management and monitoring of our liquidity position and compliance with exposure limits are entrusted to our dedicated Treasury and Risk Management team. The team adopts industry benchmarked techniques to control and measure our net funding requirements. They are also responsible for monitoring the progress of our funding and liquidity position and taking informed decisions regarding liquidity risk management. Our Chief Financial Officer (CFO) evaluates current and future liquidity balances based on various scenarios.</p> <p>The Board receives regular updates on our liquidity position and performance against authorised limits and targets. Recognising the importance of mitigating liquidity-related risks, we have developed a comprehensive financial strategy and a backup plan.</p>



Business Continuity and Contingency Planning

We have a well-structured contingency plan to address residual risks even after implementing control mechanisms. We have identified approximately 50 potential contingency elements and developed comprehensive plans that outline specific duties, permissions, and communication/documentation requirements to manage them.

The risk strategy undergoes a thorough review by the Operations Head and subsequently receives approval from the highest authority at each location. We update plans to incorporate major or minor disruptions and abnormalities not previously covered within three working days following an incident. Regular mock drills enable us to test the efficacy of our contingency plan and be better prepared for any actual incidents.

After an incident occurs, or at least once a year, a cross-functional team (CFT) led by the respective location and functional heads conducts a comprehensive review of

our contingency plan. This proactive approach enables us to reinforce and update our systems in accordance with international standards and certification requirements, ensuring continuous improvement in our operational resilience.

Our Quality Management System complies with the requirements of IATF 16949:2016. The Vijayanagar facility has already received a letter of conformity, which has significantly enhanced our quality, environment, and health and safety performance through a risk-based approach. Additionally, we have incorporated the requirements of ISO 50001:2018 (Energy Management Systems), ISO 27001:2013, ISO/IEC 17025:2017 and ISO 28000:2022 to our list of standards. We propose establishing a business continuity management system (BCMS) based on the ISO 22301 standard to manage potential crises with practical emergency plans effectively, IT emergency concepts, and recovery plans.



IT Infrastructure for Business Continuity

To enhance the resilience of our business continuity preparedness, we have deployed a scalable and responsive IT infrastructure built with cutting-edge solutions to safeguard our assets, deploy high-level security measures, and accelerate the digitisation of our operations.

The key applications that protect our mission-critical operations and help us navigate challenging situations with minimal disruption are outlined below.

Integration of IT in Business Continuity and Risk Management

IT Security

Our IT security initiatives ensure that the business is safeguarded from attackers and data leaks. We enforce IT policies and cloud-based endpoints for our clients. These help us protect our data on our intranet and safeguard any data that is a niche to our company.

Enterprise Resource Planning (ERP)

A suite of integrated applications, ERP helps the company to collect, store, manage, and interpret data from many business activities, including production planning, purchasing, manufacturing, and service delivery. It also allows us to develop and share accurate data for timely feedback and future planning.

Salesforce

A piece of cloud-based software, the Salesforce customer relationship management (CRM) system helps us to effectively streamline our sales, marketing operations, and dealings with customers and partners/distributors. Salesforce offers our employees easy access to webbased software over the internet, helping us to provide a unique multitenant architecture and giving us security and control over user and client authentication, admin permissions, data access, and encryption.

Digital Logbooks

Our digital logbook system allows employees to gain real-time access to data analytics. Employees can monitor performance using KPIs, provide energy management services, enter plant operation activities on the digital logbook, and integrate various systems. The system also ensures that we safeguard our online data.

Digital Signatures

Digital signatures allow employees and management to verify both data integrity and the authenticity of the submitter of the data. For example, data is processed in the SAP backend only if the signature is valid.

Cloud Technology: The Amazon Web Services (AWS) Environment

As a comprehensive, evolving cloud computing platform, AWS offers remote computing services and an internet-wide cloud-computing infrastructure. We host all our critical services with AWS, including our SAP environment, active directory, barcode system, and digital logbook.

Others include Master Data Management, 360° Account Payables View and touchless invoice processing, Treasury Automation, Intelligent tax Engine

Direct and Indirect tax, Enterprise Asset Management, Spend Optimizer and Contract Compliance, ESG performance and risk management tool.





Economic Resilience: Navigating challenges, driving performance

Economic value generated and distributed

In FY 2022-23, our performance aligned with our projections and aspirations. We celebrated a significant milestone by surpassing the Rs. 3000 crore mark in our topline, achieving an impressive 23% EBITDA. This remarkable growth represents a 65% increase in our topline compared to the previous year, showcasing the continuous success and expansion of our business. Our robust and sustainable business model fuelled by product innovation and exceptional quality and a committed workforce has been instrumental in driving our growth.

Economic Performance (Rs. in Crore)

Direct Economic Value Generated (A)	2020-21	2021-22	2022-23
Revenue (through core business segments)	745.06	1,782.90	3,003.72
Other Income (through other sources)	1.87	5.03	14.59
Total	747	1,788	3,018
Economic Value Distributed (B)			
Operating cost	590.11	1,458.20	2,264.85
Personnel expenses (wages + benefits)	27.68	54.76	93.63
Interest Charges	17.09	47.49	53.96
Taxes and royalties (given to various govt. wherever business units are located) - Taxes expenses	39.03	78.40	133.51
Taxes and royalties (given to various govt. wherever business units are located) -	0.00	0.00	0.00
Dividends (payments to capital providers)	0.00	3.31	3.31
Donations (political parties/politicians)	0.00	0.00	0.00
Community development/CSR investments	0.91	3.18	4.84
Total	675	1,645	2,554
Economic value added (A-B)	72	143	464

In the reporting year, we emerged as a major global exporter of solid CT Pitch. Additionally, our products are consumed by 40% of the aluminium segment in India. Our ability to integrate operations seamlessly, provide uninterrupted supplies, ensure superior quality, and adhere to industry best practices has positioned us as leaders in manufacturing, supply chain management, and sustainability.

We made strategic investments exceeding Rs. 525 crores in various projects in FY 2022-23. These investments focused on expanding our production capacities and developing a township for our employees and their families.

In collaboration with edible oil refiner Sri Anagha Refineries, we are constructing molten pitch storage tanks with a capacity of 10,000 metric tons at Mangalore port, India's first 'liquid CT Pitch port' for exports. The facility is expected to be operational before the end of Q1 FY 2023-24, and we anticipate approximately 3 lakh MT of exports in the next five years, contributing over Rs. 2000 crores to our topline.

We are progressing well with our Rs. 550 crore project in Karnataka, aimed at adding 1,15,000 to 2,00,000 tonnes of capacity. The project, is estimated to be completed by the first half of 2024, will nearly double our Carbon Black capacity, granting us a significant share of the domestic market and enhancing our competitiveness in the international market. We anticipate an annual revenue of approximately Rs. 900-1000 crores from this project, which will focus on producing niche grades for high-performance automobile tires.

With the anticipated expansion of the aluminium business and the reduced availability of CT Pitch from China, we are strategically investing in a 500 KTPA Coal Tar distillation plant at our second site in India. Additionally, we are establishing a state-of-the-art Specialty Chemicals complex to cater to various industrial applications beyond the aluminium industry.

For the upcoming fiscal year, we plan to invest more than Rs. 1200 crores in projects such as setting up a new carbon derivative complex in Jharsuguda, Odisha, increasing the capacity of our carbon black and captive power plant at Vijayanagar, and constructing another new township, among others. These investments are expected to double our topline by FY 2025-26.

Transforming the value chain

A secure, responsive and sustainable supply chain has powered our consistent growth and enabled us to deepen customer loyalty and business impact. Our commitment to sustainability extends to our suppliers who are aligned with our ESG goals, operate with transparency and ethics and stay compliant. Our unique advantage of having a full backward integration sets us ahead in our sustainability journey. EAMPL is the only company with 100% backward integration - from raw coal tar to synthetic graphite- globally.

We leverage the synergies between our three product lines: Specialty Carbon, Carbon Black and Anode Materials, to run a responsible value chain underlined by the principles of a circular economy to meet the evolving demands of the market and our customers. We focus on employing local suppliers to broaden opportunities for communities around our operations which helps us avoid supply chain breakdowns and disruptions and minimises our environmental footprint. In FY 2022–23, 100% of our supplier base is local. 100% of our procurement spend went to local suppliers in the same period.

Managing Green Product Lines

Sourcing raw materials through green pathways underlines our sustainability endeavours. Our carbon feedstock has a 90% lower sulphur content than traditional feedstock reducing our sulphur oxide (SOx) emissions, and our reactors use cleaner fuels (coke-oven gas and blast furnace gas).

Coal Tar, a by-product of the steel industry and a waste product of the coke oven is the primary raw material for our processes. A closed-loop system produces carbon black, with the product being recovered through filtration before being transported as loose black for densification. We reuse the primary raw material effectively due to our well-integrated system process. Anthracene oil and coal-tar pitch, by-products

of our Specialty Carbon process, are reprocessed as vital feedstock for creating carbon black and anode material, respectively.

The steel production capacity in Odisha is anticipated to experience remarkable growth, rising from 33 million metric tons to 100 million metric tons by 2030. As a result of this expansion, the supply of coal tar will increase exponentially. To capitalize on the augmented availability of raw materials in the region, we propose enhancing our production capacity in Odisha by 500,000 metric tonnes. Moreover, 80% of our raw material requirements are already secured through long-term agreements with strategic partners and suppliers.

Sustainable Supply Chain Management

We actively seek and appoint green suppliers and collaborate with them to expand the impact of our sustainability efforts. Our sourcing, manufacturing, distribution, shipping, and remanufacturing/recycling processes are designed to minimise any negative environmental impact.

We are currently in the developmental phase of a new green reverse value chain that will integrate the reuse of carbon and residual materials generated by our manufacturing processes back into the production lifecycle.

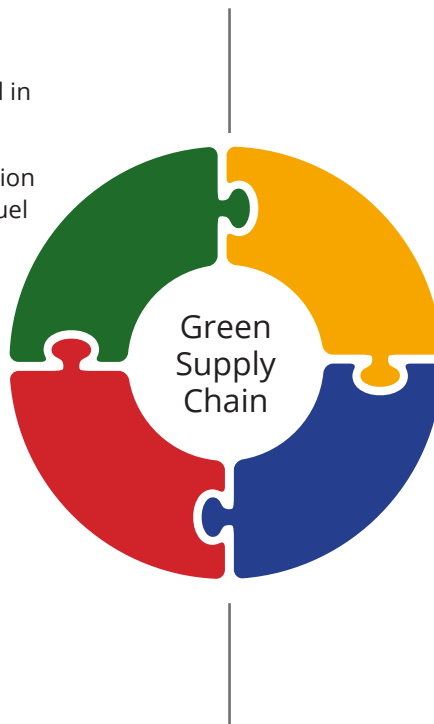
Epsilon Carbon is the first company in India to have successfully completed the second stage supervisory audit for ISO 28000:2022 – Supply Chain Security Management System.

Our Supplier Sustainability Framework



Green Raw Materials

1. Cleaner coke-oven gas and blast furnace gas used as secondary fuel in reactors
2. Tail gas from carbon black production supplied to steel units as heating fuel
3. 90% lower sulphur content



Green Product Recovery

1. Waste by-products of the iron and steel industry used as SC unit feedstock
2. SC by-product redirected as feed into our Carbon Black unit
3. Packaging bags and wooden pallets reused

Green Logistics: Transport

1. Captive feedstock for Carbon Black and Advanced Materials unit avoids long distance transport
2. End-to-end logistics network optimises delivery schedule, thereby lowering the environmental impact of our logistics

Green Production

1. Reduction in energy consumption and waste heat recovery
2. Minimisation of process emissions (GHGs and non-GHGs)

Supply Chain Governance

We have developed a transparent procurement policy and process with fair terms. This covers supplier selection criteria which include their ESG performance, contract management, legal considerations, and other relevant factors that guide our supplier engagements.

The Head of Commercial Management and Materials

oversees supplier compliance with our HSE system and is responsible for conducting supplier audits, managing the outsourcing process, and considering HSE factors when purchasing new machinery and production consumables.

The Senior HSE Manager

handles induction training for contractors and their employees.

The Logistics Manager is tasked with ensuring safety in logistics.

The HSE Officer is responsible for ensuring compliance with procedural standards.

An on-site doctor conducts half-yearly medical examinations of the workers.

The Legal Officer oversees all matters relating to the Contract Labour (Regulation and Abolition) Act 1970, the Contract Labour (Regulation and Abolition) Central Rules 1971, Amendment to the Contract Labour (Regulation and Abolition) Central Rules 2017, the Workmen's Compensation Act 1923,

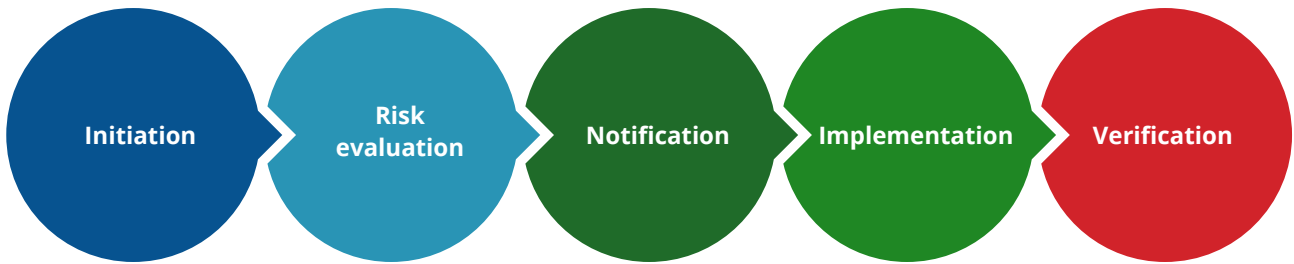
The Workmen's Compensation (Amendment) Act 2000 and Act No. 46 of 2000.

Supplier Risk Management

Epsilon Carbon enforces robust risk management policies across our operations and value chain, upholding the highest health, safety, and quality standards throughout our product lifecycle. Our strategy addresses liquidity risks, supports suppliers in proactive risk management, and ensures compliance with fire and human safety protocols.

Suppliers are expected to meet ISO 9001, ISO 14001, ISO 45001, and IATF 16949 certification, with adherence to our Code of Conduct reflecting our ethical and environmentally responsible values. Additionally, a 4M change management process is required for all aspects, with monthly reporting on adherence.

Change Management Process



Monitoring & Performance Evaluation

Epsilon Carbon prioritizes pre-qualification due diligence in environmental, health and safety, social responsibility, anti-corruption, and policy compliance for suppliers. This diligence is maintained throughout monitoring, including contract execution. Our plant-level team evaluates supplier performance and quality in line with our manual. The corporate team handles significant procurement decisions. Quarterly evaluations encompass quality, delivery, HSE compliance, and 4M Change.

Yearly audits follow our SOPs, conducted on-site or through self-assessment. Suppliers must document

their internal audit process. Repeated non-compliance may lead to penalties or contract termination. 100% of new suppliers were assessed for environmental and H&S aspects this year.

Frequency of Supplier Review

Monthly: Transport service suppliers

Quarterly: Manpower service suppliers

Half-Yearly: Raw material suppliers

Skill Development Approach at Supplier Organisations

Our suppliers are encouraged to develop systems that assess and enhance the skills of their workers, aiming to maintain and upgrade their performance and effectiveness and keep them safe. They are guided to define specific methods and frequency of training to ensure their workers are equipped to manage their tasks competently.

Suppliers must have structured training calendars covering all employees. These training plans are audited by Epsilon Carbon at period intervals to ensure workers gain proficiency to operate, inspect and test various tools and machinery. Suppliers can further assess their workers' skills by developing skill charts for each individual. These skill charts serve as a verification system, ensuring that workers are assigned tasks where they can demonstrate maximum efficiency and productivity.

Supplier training and development

We offer adequate and relevant training to ensure the health and safety of all who access and operate within our facilities, including employees, contractors, workers and visitors. Training and skill development

sessions on safe work practices are conducted for transporter representatives every three to six months. These representatives are expected to cascade these learnings to drivers, helpers, and other employees at the transportation partner's organisation.

Drivers are also trained on the safe transportation of materials and people through the in-house digital logistics platform, Freight Tiger.

Training Areas

- Operational Standards
- Product Knowledge
- Handling Equipment
- Customer Requirements
- Working Practice Training
- Quality Improvement Tools
- 5S Visualisation Method
- Abnormality Handling
- HSE Training
- Cost Reduction

Specialised training is provided to operators of critical operations, such as boiler operations, to accommodate potential absenteeism. This approach helps address workforce shortages and enables operators to develop a versatile skill set and handle multiple operations when necessary.

We hosted our inaugural **'Vendor Meet' in 2023** aimed at exploring synergies for mutual growth. The event witnessed enthusiastic participation from both vendors and Epsilon leaders, leading to an evening filled with insightful discussions, showcasing vendor capabilities, and outlining expansion plans for Epsilon.



The highlight of the evening was the awards ceremony, during which we honoured our distinguished vendor partners for their exceptional work and efforts in fostering strong partnerships. The event successfully fostered unity among our partners and set a positive tone for our collective progress in the future.

Sustainable Logistics and Transportation

Epsilon Carbon actively promotes eco-friendly transportation and minimizes our logistics carbon footprint to bolster our green supply chain impact.

We hold annual contracts with a fleet of tankers and trucks for our carbon black business. Smaller trucks serve domestic carbon black deliveries, while tankers transport liquid coal tar. An integrated portal, Freight Tiger, optimizes our logistics process, ensuring timely and efficient provisioning of vehicles.

Our commitment extends to environmental stewardship. Service providers are trained on spillage prevention, and inspections verify vehicle quality and adherence to regulations. Monthly trip analysis enhances on-time performance, and transporter ratings influence future contract awards.

In alignment with our deep-rooted commitment to prioritising sustainability, Epsilon Carbon introduced an Electric truck for coal tar supply. The addition of this electric vehicle represents a significant step forward in our ongoing efforts to promote environmental-friendly practices.



Digital tracking of finished goods

Trackability, error proofing, 24 x 7 inventory check, accurate dispatching, improved customer satisfaction

Loading carbon black paper bags in trucks with stretch-wrapped bags on pallet

Controlled damage, less manpower, vehicles, and time required, improved ease of handling

Recycling Presswood pallets for carbon black exports

Minimal use of natural resources, costs saved, quality maintained

Recycling incoming export wooden pallets for Carbon Black paper bag dispatches

Reduced consumption of natural resources, decreased costs

Infusing Sustainability in Our Logistics Value Chain

Transition to railway transportation for shipping liquid coal tar

Ensures faster movement of product, saves on cost and diesel consumption

The use of railway rakes to ship coal tar from our Vijaynagar facility is in progress

Recycling high-density polyethylene (HDPE)/PP bags used to pack coal-tar pitch (for inter-unit transfer)

Reduced disposal of plastic

Charting the Path of Innovation

Product innovation and stewardship are core to our business strategy and growth plans. It guides our endeavours to create sustainable and high-quality products that meet customer needs and help us deliver on our environmental responsibilities.

We are dedicated to designing and providing products that help our customers grow sustainably and contribute to achieving national and global agendas to move towards a Net Zero future leveraging circular principles.

Our diverse product portfolio includes over 20 offerings such as anthracene oil, binder pitch, carbon black oil, industrial naphthalene, impregnated pitch, phenol oil, and refined naphthalene.

We are innovating new grades of Coal Tar Pitch and Carbon Black to focus on producing high-quality Carbon derivative products, such as Naphthalene, Indene, Anthracene, Phenols and Cresols. These products will substitute imports in India and have the potential to increase our business revenue significantly.

Our efforts are centered around ensuring that both new and existing projects strengthen the adoption of sustainable practices through innovation and process transformation. We are focused on reducing material consumption, energy usage, and usage of virgin natural resources to minimize waste, contamination, environmental damage and greenhouse gas emissions.

Sustainability through synergistic partnership at Vijaynagar Plant

At Epsilon Carbon, we have strategically located our operations alongside JSW's steel operations in Vijaynagar. This co-location has facilitated numerous cross-synergies between the two entities, enabling us to enhance sustainability across our Bulk Mesocoke operations and upcoming graphitization project.

Bulk Mesocoke operations:

- **Electricity-based Operations:** Our processes run on electricity, eliminating the usage of fuel oil or coal, reducing carbon emissions and environmental impact.

- **Utilizing Waste Gases:** We harness the waste gases produced by JSW's Integrated Steel plant and our own Carbon Black lean gas to generate power for our operations.
- **Proximity to Raw Materials:** The strategic location of our plant near raw material sources has proven beneficial in reducing transportation-related emissions. This proximity enables streamlined logistics and decreases the overall carbon footprint associated with material procurement.
- **Integration and Energy Sharing:** Our operations are well-integrated with other facilities within their network. This integration facilitates the sharing of utilities, particularly steam, resulting in significant energy savings and enhanced operational efficiency.
- **Lower Sulphur Feedstock:** We ensure a reduced environmental impact by employing feedstock with sulphur content below 0.3%.

Upcoming Graphitization Project:

- **Renewable Power Usage:** Our forthcoming graphitization project at Vijaynagar will benefit from a long-term agreement with JSW Energy that will enable us to source 90% renewable power generated from solar and wind sources to run our operations.
- **Comparative Advantage:** The graphitization project aims to achieve up to 78% reduction in CO₂ footprint compared to Chinese Synthetic Graphite products.



Epsilon Carbon's Breakthrough at National Rubber Conference, 2022, Gurugram-NCR

At the National Rubber Conference, 2022, held in Gurugram, the Epsilon Carbon team unveiled their ground-breaking RHO series product line, setting a new standard for specialty carbon blacks and strengthening our position as pioneers in the industry. The innovative products, including RHO 3, RHO 5, and RHO 6, are manufactured using stringently controlled process parameters and state-of-the-art reactor technology. This enhances the products' core properties, offering significant advantages over conventional ASTM blacks of the corresponding series.

RHO 3 - A grade engineered to cater to applications aligned with ASTM N300 carbon series, particularly those demanding low PAH content. The black variant is highly recommended for various industrial rubber products and masterbatches, including conveyor belts, solid tires, and other applications that require moderate abrasion resistance.

RHO 5 - The specially designed RHO 5 boasts remarkably low impurities (grit) and exhibits excellent dispersibility, resulting in a high level of mixing efficiency. The unique morphological characteristics of this grade enable it to offer high loading capacity, making it ideal for high-speed processing. RHO 5 is recommended for automotive weather stripping, door seals, hoses, and moulded rubber parts.

RHO 6 - With its low surface area and medium-high structure, the special carbon black morphology of RHO 6 ensures excellent dispersion capabilities even at relatively high carbon black loading levels. RHO 6 is recommended for automotive coolants, hydraulic and industrial hoses, tubes, and plastic masterbatches, where it outperforms conventional options.

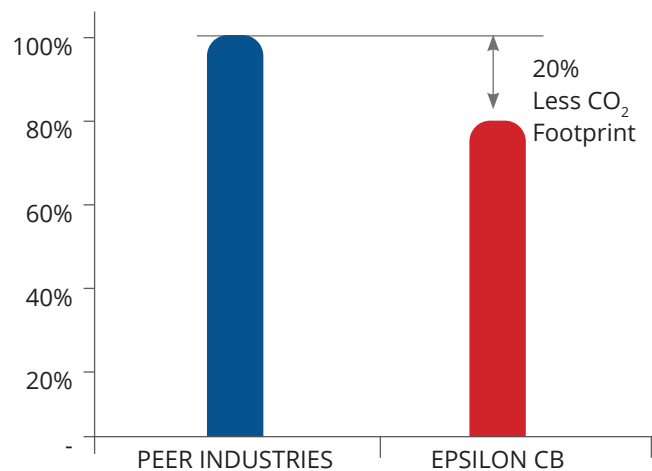
Product Life Cycle Assessment

Carbon Black:

Our team undertook a comprehensive Life Cycle Assessment (LCA) encompassing the entire lifecycle of our Carbon products, from sourcing to the manufacturing phase covering two of our key products: Carbon Black and Recovered Carbon Black, both produced at our Vijayanagar facility. The primary objective of this study was to enhance our internal capabilities for enhancing product sustainability vis-à-vis the future potential of a greener portfolio. The LCA study diligently reported environmental data for the entire life cycle of the products, adhering to the rigorous international standard ISO 14040/44 and complying with EN 15804.

Findings

CO₂ Footprint per Ton of Product



- The total GWP for 1kg of Tread CB using a proportion of renewable energy stands at 3.32 kg CO₂ eq.
- The total GWP for 1kg of carbon black for Carcass with a share of renewable energy is 2.92 kg CO₂ eq.
- The total GWP for 1kg of Recovered CB with energy sourced from the grid is 1.72 kg CO₂ eq.

The GWP for Carbon Black in FY2021-22 was estimated to be 2.19 tCO₂eq/MT (based on Scope 1 & 2 intensity.)

Innovation and Quality Control

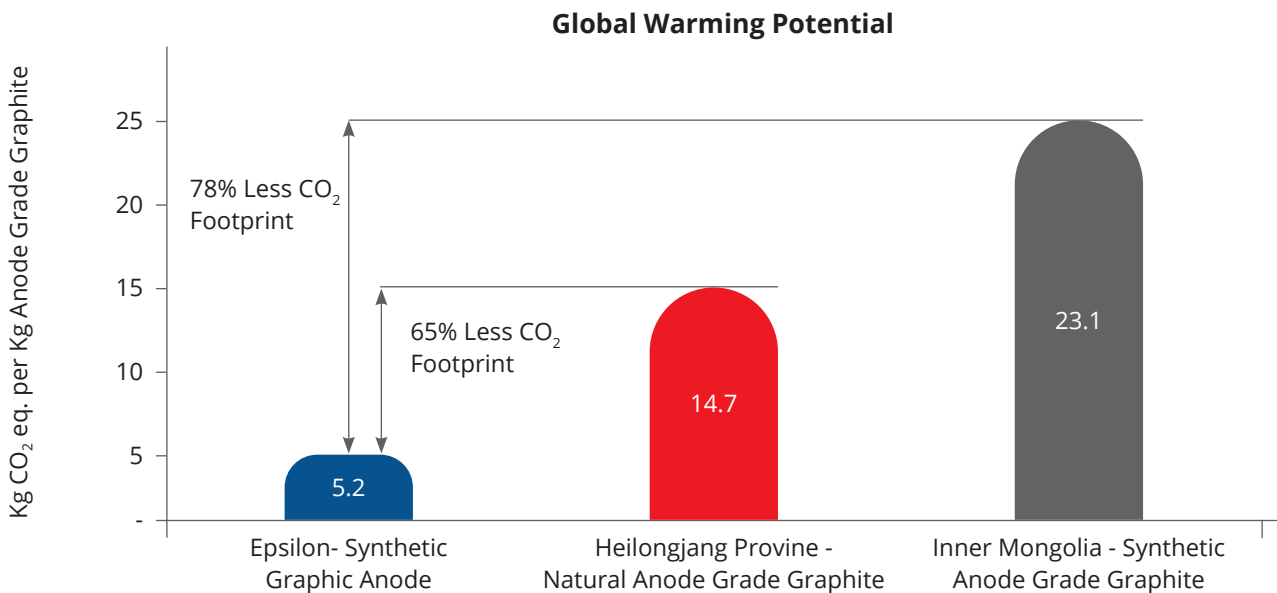
By diligently monitoring our product stewardship information and conducting comprehensive Quality Control (QC) checks, we strive to ensure that our products meet the highest quality standards while minimizing any negative environmental impacts.

The responsibility for QC and research and development (R&D) lies with our dedicated R&D managers. They ensure our products adhere to the highest quality standards and periodically review our product stewardship information. This information is shared with relevant departments and heads to study the findings, address gaps and, if necessary, send it to higher authorities for further review and action.

EAMPL

We commissioned Minviro Ltd. to conduct a life cycle assessment of the production of synthetic graphite at the Epsilon Graphite Ltd. plant in Vijaynagar. The assessment was conducted to help us develop and improve the project and utilised the best available data extracted from detailed engineering studies conducted between 2021 and 2022.

By analyzing every stage of synthetic graphite production, from raw material acquisition to manufacturing processes and final use, we aim to identify environmental impacts and areas where we can enhance sustainability and efficiency. The insights gained from this assessment will play a crucial role in our long-term strategic planning for sustainable growth.



Findings

Our findings revealed that the Global Warming Potential (GWP) associated with producing one kilogram of synthetic graphite anode is 5.2 kg CO₂ eq. The key contributors to this GWP impact are the electricity consumption sourced from the Karnataka grid during the graphitization stage and the use of coking coal for coal tar precursor production.

However, it is important to note that credits were awarded to the heat sources at each stage. These credits were granted due to the utilisation of captured waste gas, which comprises a mixture of blast furnace gas and mixed tail gas, as a heat source in the production process. By employing this captured waste gas to generate heat, we effectively reduce the overall environmental impact.

Automation and Digitization

We are actively embracing automation and digitisation to enhance efficiency and optimise our processes and operations, enabling us to deliver high-quality products to our customers while minimizing our environmental impact. Implementing Distributed Control Systems (DCS) has enabled automation within our plants, while digital solutions have been integrated to improve process efficiency. As part of our broader organizational digitisation program, we are collaborating with a top consultant to enhance the outcome and impact of our current operations and future projects. We aim to elevate our operations to Industry 4.0 standards within the next 2-3 years, ensuring continued progress and innovation.

Product Safety

Ensuring the safety and quality of our products is paramount. We continuously improve product quality to eliminate any health and safety risks for our customers. Our products are accompanied by material safety data sheets (MSDS) detailing product components and packaging information. These MSDS documents are regularly updated and maintained to provide comprehensive information on product handling, distribution, and disposal. These documents offer our end users critical information regarding the safe handling, proper distribution, and responsible disposal of our products.

Product Safety and Conformity Representative (PSCR) Training at Vijaynagar

Safety and regulatory compliance lie at the heart of Epsilon's values, driving our commitment to establishing a world-class safety structure aligned with global standards. Particularly in the automotive sector, ensuring the safety and conformity of products is a paramount responsibility for every organisation throughout the supply chain. Therefore, it is imperative to adhere to the safety expectations of stakeholders and uphold product integrity following the respective countries' legislation.

To meet these demands and maintain a robust safety framework, we recently conducted comprehensive training to equip our technical team members with a thorough understanding of product safety and conformity. This training was designed incorporating the world's best practices in the industry. Known as PSCR (Product Safety and Conformity Representative) training, it serves as the first step towards appointing PSCRs within our organisation.

The appointment of PSCRs will strengthen safety norms across our operations.

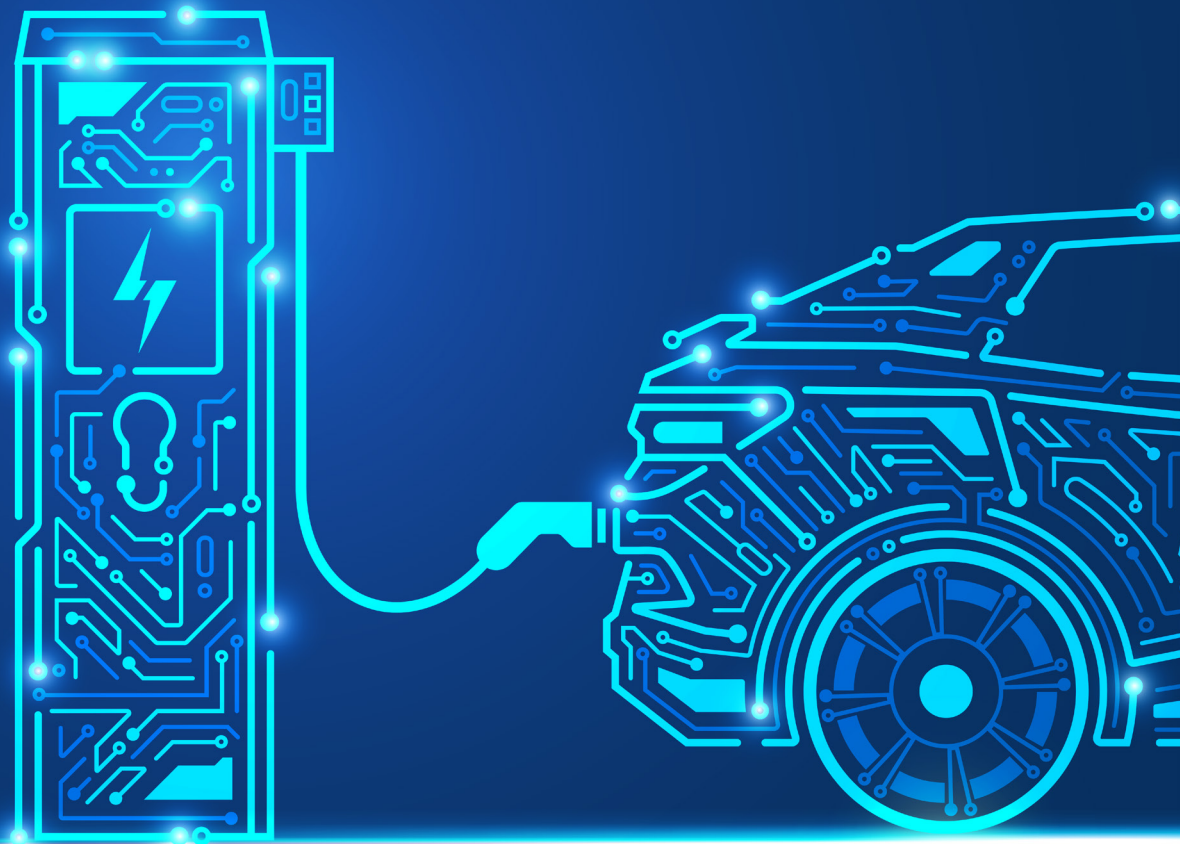


Pioneering EV Opportunities in India and Global Markets

Epsilon Advance Material (EAMPL) is committed to meeting the growing needs of the EV market, contributing to the transition towards sustainable and efficient energy solutions. We pioneered setting up manufacturing capacities for battery storage materials in India. Today, we are well-positioned to cater to the needs of the rapidly expanding Electric Vehicle (EV) market in India and globally. Our innovative furnace design, protected by a pending patent, allows us to convert coal tar into bulk mesophase coke, which is then graphitized for use as the graphite anode. High-capacity anode materials are crucial for the development of high energy density batteries. Through our dedicated

R&D efforts, we successfully implemented this technology commercially in 2020.

Presently, Chinese producers cater to approximately 85% of the global anode demand, including a substantial share in India. However, with the global LiB market projected to grow from USD 36.9 billion in 2020 to USD 193.13 billion in 2028, there is an opportunity for us to make a significant impact. We are fully prepared to exponentially scale up our production capabilities to meet the LiB (Lithium Battery) industry needs in India and worldwide.

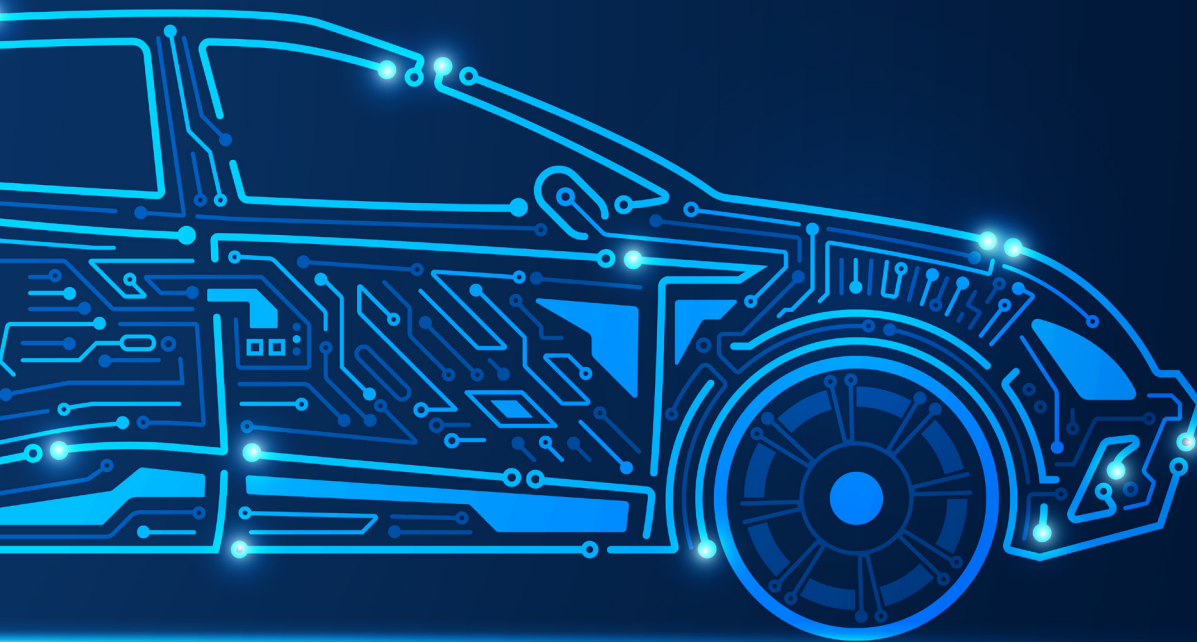


Strategic Investments to Accelerate Adoption of Green Mobility in India and USA

In FY 2022-23, EAMPL signed a Memorandum of Understanding (MoU) with the Government of Karnataka to invest approximately INR 9000 crore (\$1.1 billion) to set up a battery material manufacturing plant in the state over 10 years.

As part of the agreement, EAMPL will establish an anode material production plant. The project is expected to create significant direct and indirect employment opportunities. The collaboration for the anode material production plant is geared towards fostering a sustainable EV ecosystem in the state, which already hosts 45 plus EV start-ups, 400 R&D centers, and an upcoming EV cluster. Additionally, EAMPL will construct an R&D facility dedicated to developing high-performance graphite anodes that offer enhanced durability and fast charging capabilities for electric vehicles. Currently, more than 90% of graphite anodes are manufactured in China. Epsilon Advanced Materials aims to contribute to India's energy transition journey by making this significant investment in Karnataka.

We have also announced an investment of US\$ 650 Million to establish a facility to manufacture EV battery components in the USA. Currently, this synthetic graphite anode processing facility is the largest Indian investment in the US EV battery industry.



Building lasting connections with customers

Prioritizing the delivery of quality and safe products on time to our customers and continuously improving their experience with Epsilon Carbon has powered our rise to becoming one of India's leading providers of Coal Tar (CT) derivatives and the largest exporter of solid CT Pitch globally. We have an unwavering focus on enhancing customer satisfaction with a focus on environmental sustainability, compliance, and privacy protection.

To stay abreast of our customers' evolving needs, we engage with them, garner their feedback, and address any challenges or issues they may face with

our products. Our suppliers play a key role in helping us meet customer expectations. We work with them closely to scale the impact of efforts to improve product quality and availability to meet the current and future needs of our customers. We strive to reduce and prevent undesirable consequences, improve product performance, and enhance the effectiveness of our Quality Management System (QMS). Our Supplier Quality Assurance Manual is designed to meet the specific requirements of our customers. Our pricing policies are transparent and benchmarked against global indices, reflecting our commitment to our vendors and customers.



Embracing Customers as Partners

Our enduring customer relationships are built on delivering high-quality, low-carbon products. We've set industry standards for reduced emissions, including sulphur, nitrogen oxides, and CO₂ from our Carbon Black unit. Consistent manufacturing, high Cpk value, on-time delivery, and cost-effectiveness are our hallmarks. Automation ensures efficient logistics and transparent operations, benefiting customers.

Stakeholder input guides product design modifications, ensuring compliance with environmental and legal standards. EU REACH and standard MSDS compliance are central to our practices. Privacy protection is paramount, and we have a clean record with no privacy or data breach concerns.

Throughout the year, no complaints related to non-compliance, compromised health and safety, or data breaches were reported.

Customer Engagement

Understanding buyer needs and feedback is pivotal for expanding our market presence and nurturing loyalty. Reliability in delivery, both domestically and globally,

underscores our customer commitment. Analyzing feedback guides improvements. In FY 2022-23, no rejections or returns occurred, validating our quality processes.

Buffer stock safeguards against disruptions, ensuring uninterrupted supply. Delivery delays are investigated to prevent recurrence. Every Epsilon Carbon employee, including senior management, is dedicated to customer satisfaction

Responsible Marketing and Product Labelling

Responsible marketing and labelling practices are integral to our commitment to ethical and transparent business conduct. Accurate labelling and appropriate packaging of products enhance the safety of usage, reassure our customers of our product quality and protect our brand reputation. Clear labelling also provides our end users with valuable information regarding the components used in our products and the meticulous care we take in meeting their requirements.



Preserving Our Planet: Championing Environmental Stewardship

At Epsilon Carbon, we are proud to lead the way in embracing the paradigm shift from traditional linear resource management models to circular models that prioritise sustainability and innovation. “Restoring Ecosystems” is the goal of our ESG strategy and initiatives to create a lasting positive impact by conserving resources, minimizing waste and generating sustained stakeholder value.

Material Topics

Climate Change

Air Emission

Circularity

Product Stewardship


Contribution to UN SDGs



Circularity is the cornerstone of our business model and sustainability strategy that guides our actions to lower environmental impact and strengthen our stewardship. Integrating advanced technology, innovative process design, and responsible chemistry practices are key to manufacturing our value-added carbon products.

Auditing measures form a cornerstone of our commitment to excellence and sustainability. We engage recognized third-party experts to conduct comprehensive Life Cycle Assessments (LCAs) to measure and assess our environmental performance.

These assessments provide us with valuable insights into the environmental impact of our operations, from raw material sourcing to product disposal. We conduct periodic self-audits to ensure continued adherence to our accredited certifications, such as 5S, ISO 14001:2015, Integrated Management System (IMS), Responsible Care (RC), and more. Additionally, we undergo external audits based on a predetermined calendar to validate our practices and standards and gather insights on improving our monitoring and control measures.



Responsible Care[®]
OUR COMMITMENT TO SUSTAINABILITY

In recognition of our unwavering commitment to achieving excellence in Environmental, Health, Safety, and Security (EHS&S) performance, the Indian Chemical Council has granted us permission to use the RC logo as a testament to our achievements.

Materials Management

Our material strategies are built upon a foundation of processes, innovations, and technologies that enable the decoupling of resource use from value creation. It focuses on resource efficiency and waste minimisation. Led by our circular approach, we can produce finished goods with greater resource efficiency, minimizing waste and maximizing the lifespan of materials within our operations. Our Corporate Materials policy guides

our sustainable procurement practices while reducing our reliance on natural resources within the supply chain.

One of our key raw materials is raw coal tar, and we maintain a diligent focus on measuring and tracking our raw material consumption at both unit and corporate levels. We use captive feedstock for our Carbon Black and Advanced Materials operations.

Circularity of Raw Materials

Specialty Carbon

We source coal tar, the primary feedstock for Specialty Carbon (SC), from JSW Steel Ltd. Coal tar is a by-product of iron and steel production. A long-term supply contract ensures we have a reliable and consistent source of raw coal tar, setting us apart by providing a captive and strategic single source for our raw material needs.

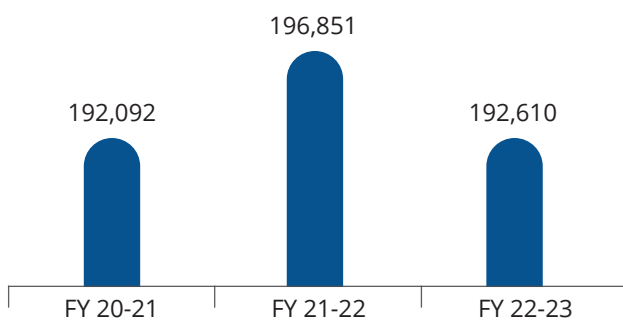
Carbon Black

Anthracene oil produced in the SC manufacturing process is reused as feedstock in our carbon black production process. What sets our carbon black feedstock apart is its high purity, with only 0.3% Sulphur content compared to the conventional feedstock used in India, which typically contains 3% Sulphur leading to reduced process emissions.

Advanced Carbon Unit

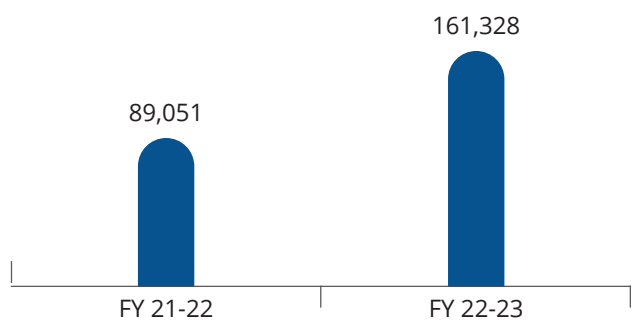
Our innovative furnace design, pending patent, allows us to convert coal tar sourced from the SC unit into bulk mesophase coke. This is then graphitized and used as graphite Anode for Lithium batteries. The 100% backward integration gives us full control over the entire supply chain, ensuring efficiency and quality throughout the process.

Coal Tar Consumption at SC Plant (MT)



In FY 2022–23, our raw coal-tar consumption by our SC operations slightly decreased (by 2.15%). This year we have used around 369 MT of Sodium Hydroxide along with Raw Coal Tar

Primary Oil Consumption at CB (MT)



In FY 2021–22, baseline data on Primary feed oil consumption by our Carbon Black unit was placed at 89,051 MT, this year we recorded an increase in the consumption of primary feed oil by 81.2%. This year we have used around 518 MT of Molasses and 10,720 MT of Potassium Nitrate along with the primary feed oil.

Baseline data for our Advanced Materials unit will be reported in subsequent years

Packaging Material

We use a significant amount of packaging material for the safe transportation and delivery of our products to customers in India and other global markets. However, we continuously evaluate materials innovation, circularity and process transformation-led solutions to reduce the amount of packaging we use and minimise the associated environmental footprint. Currently, our finished goods are packed in jumbo and naphthalene bags made from 100% virgin material. However, we are actively exploring alternative options and aim to incorporate recyclable components into our packaging materials in the future.

Our standard operating procedures (SOPs) are reviewed and revised to ensure proper handling and storage. Furthermore, we have implemented a system

to reclaim and repurpose damaged bags, using them to package other materials for internal use. A QR code system allows us to track the efficacy of packaging materials, reduce the risk of spillage and facilitate the reuse of packaging materials.

Our facility in Sambalpur produces reused Polypropylene (PP) bags. These bags are specifically utilised for the internal processing of coal-tar pitch, further contributing to waste reduction and circularity within our operations.

We are undertaking several steps to maximise the lifespan of our pallets made of wood, plastics or metal used to support and transport goods during storage and transportation.

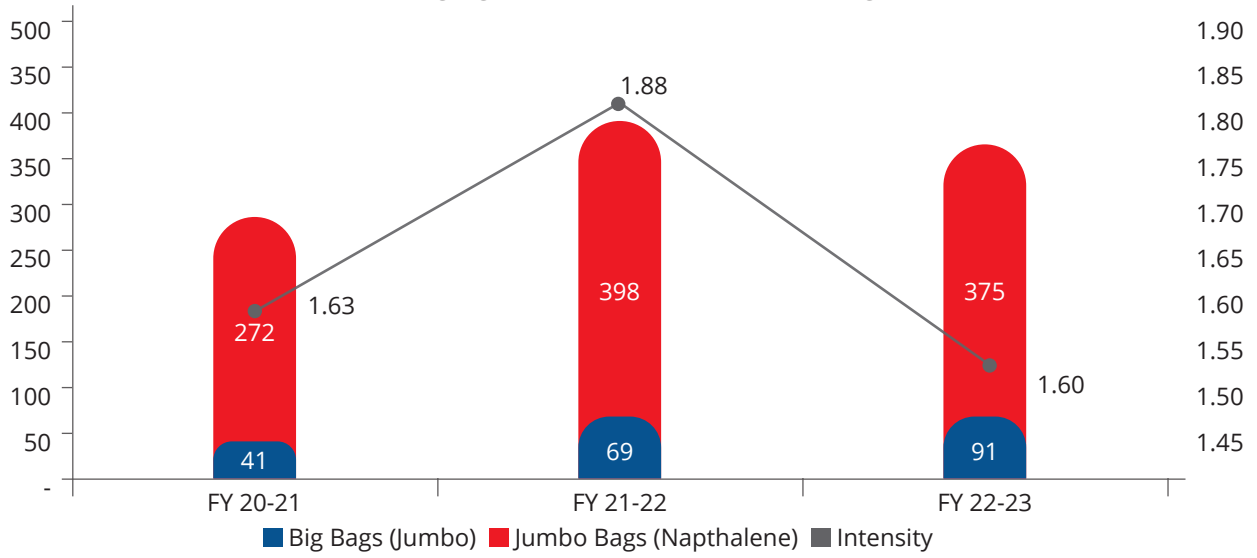
Wooden pallets are frequently repaired, repurposed and reused to store packages in the warehouse.

We are exploring using press-wood pallets made from recycled wood waste or sustainable forestry resources as an alternative option for domestic and international carbon black supplies.

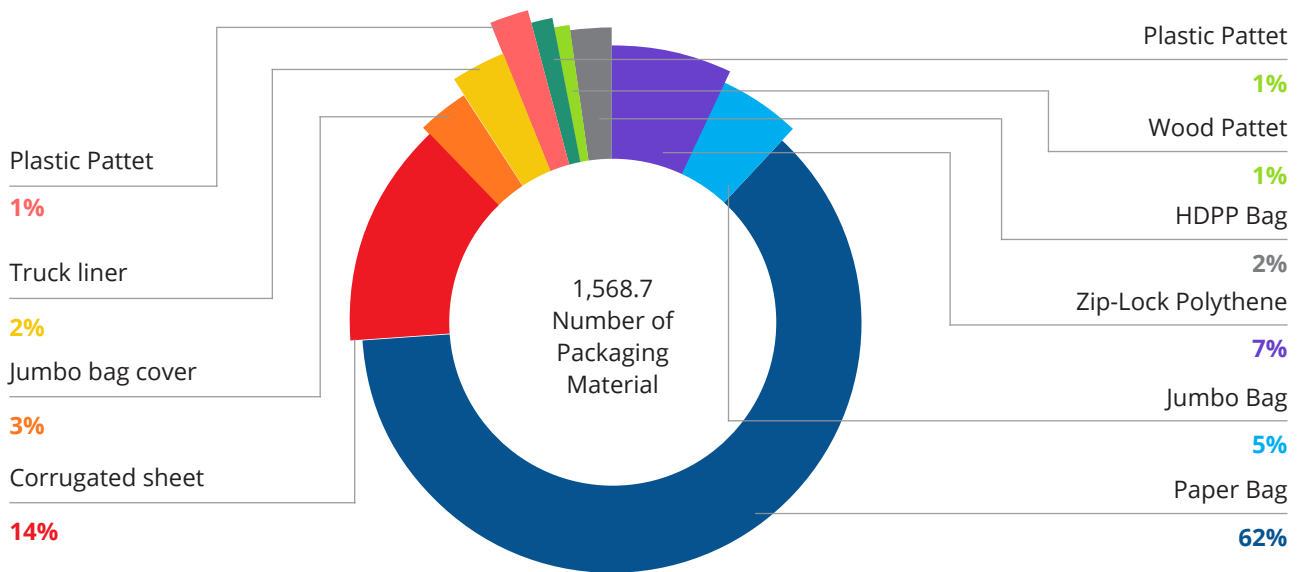
We reuse plastic pallets for storage in our SC and Carbon Black units.



Packaging Material used at SC ('000 bags)



Packaging Material used at CB ('000 bags)



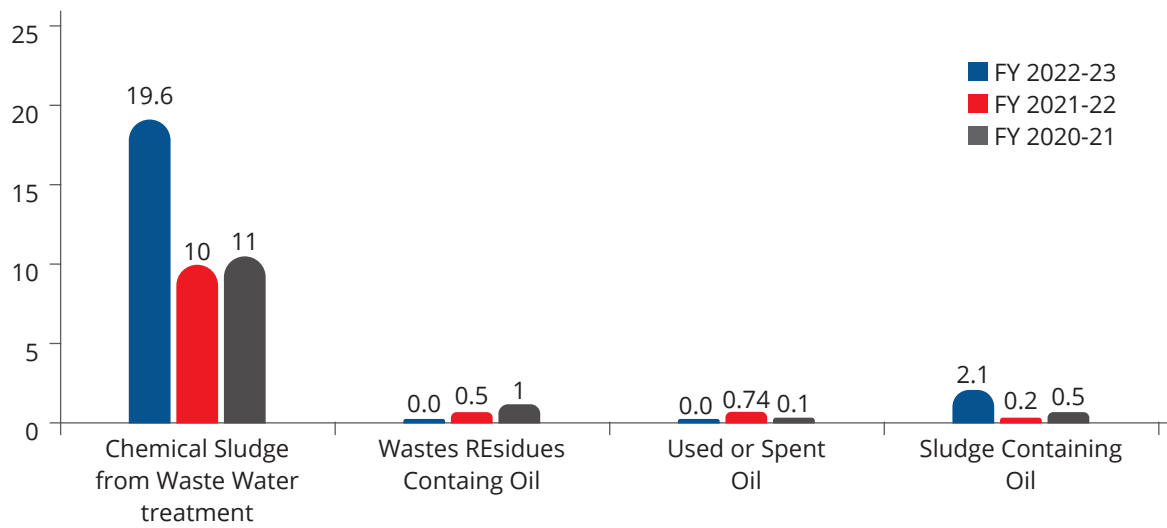
Waste Management

We prioritize waste reduction through comprehensive management processes, focusing on hazardous and non-hazardous solid waste. Our closed-loop system optimizes resource efficiency, redirecting by-products for new product development and minimizing waste. This commitment is embedded in our Integrated Management System (IMS) policy, ensuring minimal operational waste generation and compliance with HSE requirements.

Hazardous waste adheres to strict safety precautions and Government regulations. Technological solutions lower hazardous waste production. Non-hazardous waste is responsibly managed, with containers recycled and biomedical waste handled per KSPCB regulations.

Additionally, we regularly monitor our food waste and electronic waste (e-waste). We diligently maintain waste records, consistently staying well within permitted limits.

Waste Generation Trend at Epsilon (MT)



Energy Management

Our energy usage and management approach are guided by our commitment to circularity and aligned with globally benchmarked standards. We have established an Energy Management team within our plant to take proactive measures to conserve energy throughout our operations. The team analyses energy consumption data patterns to identify areas within our facility that use significant amounts of energy. The team implements targeted energy conservation strategies to minimize wastage and enhance overall energy efficiency. We have implemented Industry 4.0 technologies to leverage advanced digital solutions and automation to improve operational efficiency, productivity, and competitiveness.

In line with our focus on transitioning to cleaner energy, we have entered a partnership with JSW Energy to source solar and wind power to run our processes.

Looking ahead, we propose to commission a 17MW Captive Power plant that utilises waste gas released from the Carbon Black plant, which could lead to reducing carbon emissions of 84 Tons per day. This initiative aims to harness the potential of waste gas to generate power, contributing to both energy efficiency and environmental sustainability.

Understanding the criticality of energy conservation, we will undertake third-party audits to assess our energy usage and identify opportunities for improvement. Additionally, we will implement an Online Energy Monitoring system to monitor and

analyse energy consumption in real-time so we can make informed decisions on optimizing usage across our operations.

Energy Consumption

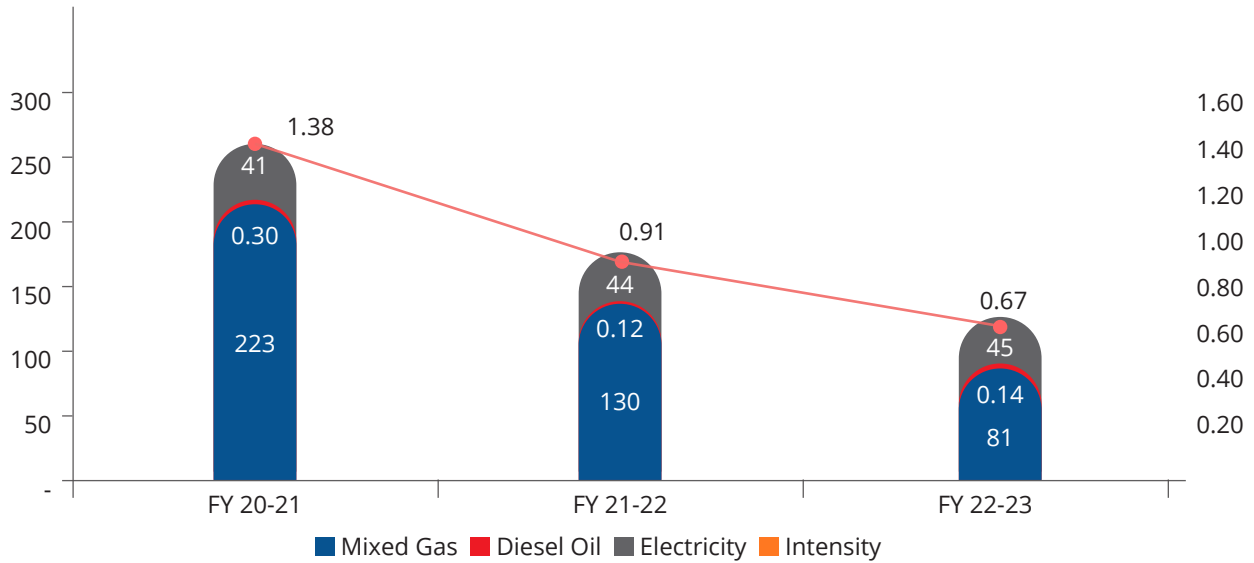
We have implemented several initiatives to optimise our energy usage and reduce our environmental footprint. One such initiative is the integration of a steam network between two plants, which enables efficient sharing and distribution of steam for use and conserve fuel. We have discontinued a steam and thermic fluid boiler, resulting in significant energy savings. Additionally, we have implemented an advanced Distributed Control System (DCS) in our carbon black plant for more efficient operations and optimizing energy consumption. Implementing various low-energy and low-carbon technologies is also helping us improve the energy efficiency of our units.

The introduction of a Variable Frequency Drive (VFD) for approximately 80% of our process motors ensures that energy is used only when required through a smart motor control system. Additionally, we have installed a new Air Preheater (APH) in our carbon black plant, which improves heat transfer efficiency and reduces energy consumption. We have also invested in an additional process boiler to efficiently generate and utilise steam as per design requirements and reduce dependency on fossil fuel to power the operation. We are actively exploring ways to integrate renewable energy into our operations.

Epsilon Carbon received the ISO50001:2018 certification for Energy Management, following a thorough evaluation conducted by TUV SUD, our external auditing partner. This certification is a recognition of our commitment to implementing a comprehensive and systematic approach to energy efficiency throughout our supply chain.



Energy Consumption (TJ) and Intensity (GJ/MT) at SC



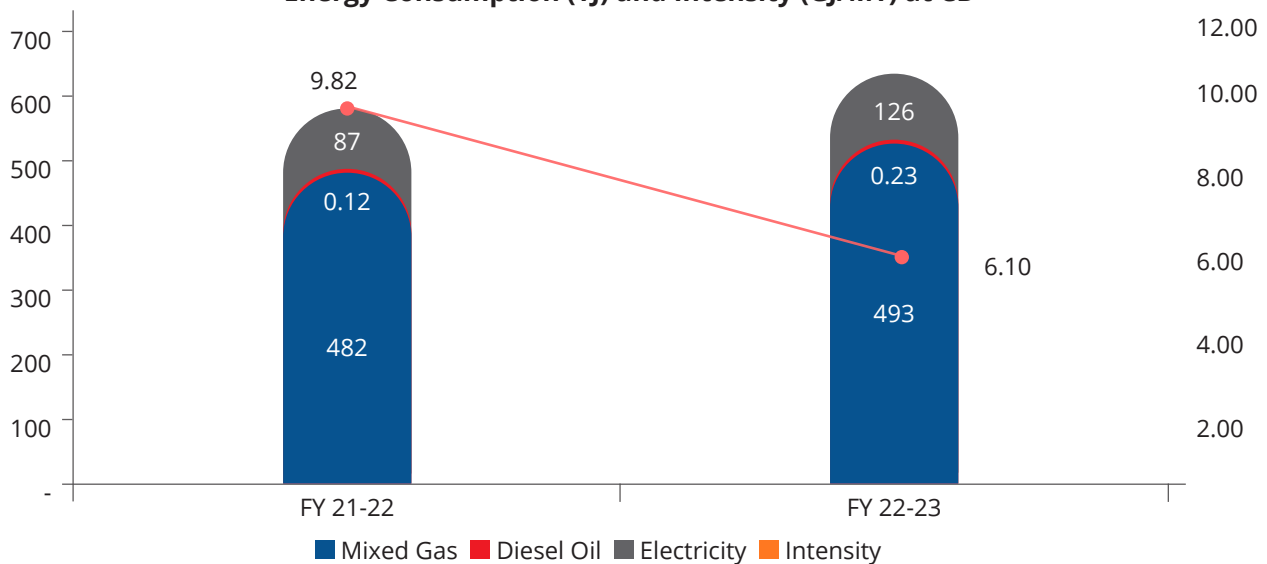
In the reporting year, we have reduced our energy consumption at SC by 27.4%. The reduction in energy use is a direct result of various energy efficiency projects that utilize shared resources.

In FY 2022-23, we were able to achieve an energy intensity for our SC unit of 0.67 GJ/MT, from 0.91 GJ/MT in the previous year. We saw a 26.5% reduction in

energy intensity in FY 2022-23 compared to FY 2021-22, and 51.4% reduction compared to baseline year.

In total, 64.4% of the SC unit's energy demand is supplied by mixed gas, while 35.5% is sourced from electrical energy, and the remainder is obtained from diesel oil.

Energy Consumption (TJ) and Intensity (GJ/MT) at CB



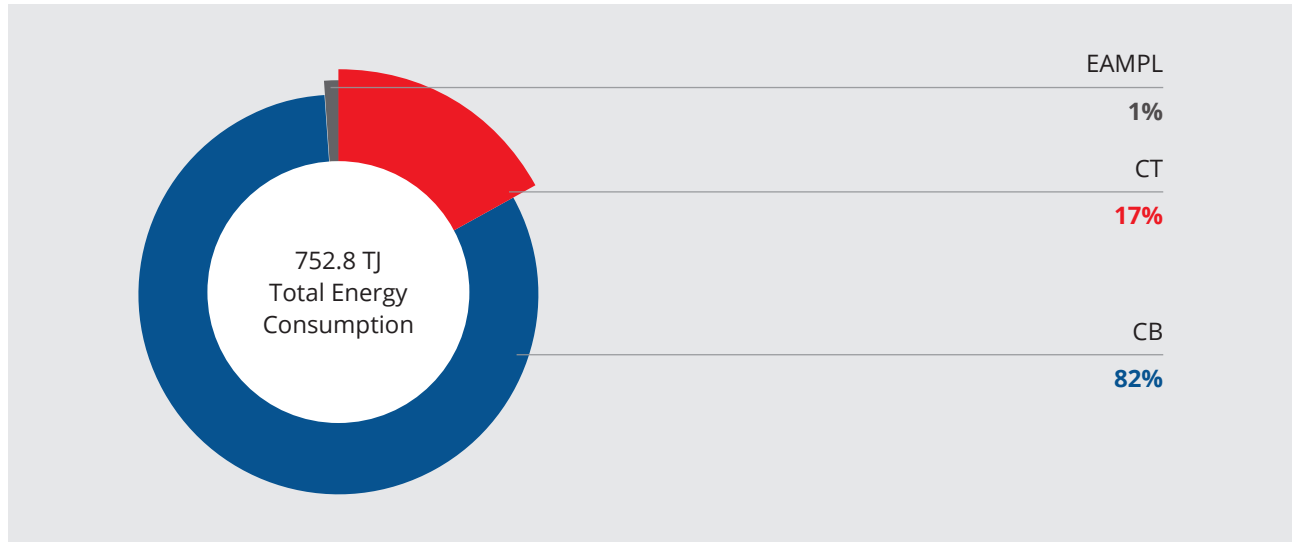
The baseline for CB was established in FY 2021-22. This reporting year, we have recorded an increase in overall energy use at CB unit by 8.9% despite a significant production increase of 75.5% at CB.

In FY 2022-23, we achieved an energy intensity reduction of 37.9% compared to FY 2021-22.

Secondary oil recovered from SC accounts for 79.6% of the energy used by the Carbon Black unit, while 20.3% of CB energy is derived from electrical energy, and the remaining portion is sourced from diesel oil. Our Advanced Material unit is 100% electrified, so there

is no requirement for fossil-fuel or furnace oil for the generation of energy. The baseline for our advanced material unit is established this year, we have consumed 6.9 TJ of electrical energy and our intensity baseline is 6.21 GJ/MT.

Unit Wise Energy Consumption (TJ)



In FY 2022-23, 82.3% of our energy consumption was reported from the CB unit and 16.8% was from the Carbon Black unit the remaining 0.9% was utilized by our Advanced Material unit.



Circularity for Energy Management

As part of our circular energy management approach, we identify and implement solutions to promote energy recovery across our processes. We source waste gases from a nearby iron and steel facility, specifically blast furnace gas (BFG) and coke-oven gas (COG). Instead of being released into the atmosphere as by-products, these gases are now utilised as an alternative to coal-based energy for thermal and electrical generation within our plant premises. Two high-waste heat-recovery boilers help our facilities reduce utility usage and ensure energy efficiency.

Currently, our Specialty Carbon unit benefits from the use of waste gases. Additionally, our Carbon Black unit has adopted modern equipment to increase production while minimizing its environmental footprint. We are transitioning to cleaner fuel options such as coke-oven gas to enhance our sustainability efforts further. Moreover, the tail gas produced as a by-product of our carbon black operations is effectively utilised for drying purposes. We are also in the process of harnessing this tail gas to generate electricity for our Specialty Carbon unit and Advanced Materials units.

Emissions

At Epsilon, we firmly believe that clean air is a fundamental right for everyone. Monitoring and managing our emissions are a critical aspect of our holistic approach to mitigating our environmental footprint. We have been at the forefront of efforts to reduce our energy and carbon footprint through our evolution as a company. Measures to enhance energy efficiency, utilise cleaner fuels, and embrace the substitution of virgin raw materials with recycled alternatives are some of the ways we manage our emissions. We use feedstock with lower sulphur content, resulting in our SO_x and NO_x emissions being 0.3-0.5%, lower than the industry average of 3%. Employing 'clean' coke oven gas with reduced sulphur content as a secondary fuel further lowers our emissions. Gas generated during our process is reused to generate steam and electricity in our Captive Power Plant. As a result, our Carbon Black product has a footprint of close to 20% lower than our domestic peers. Our value-added Anode material has nearly 78% lower CO₂ footprint than similar products made in China.

We undertake comprehensive efforts to monitor, track, measure, reduce, and report Scope 1 and 2 emissions from our Vijaynagar Plant. Implementing ISO 14064 standards for GHG measurements ensures that our actions are measured and impactful. In line with our continuous improvement philosophy, we have set an emission baseline for our Advanced Material unit this year and started tracking Scope 3 emissions.

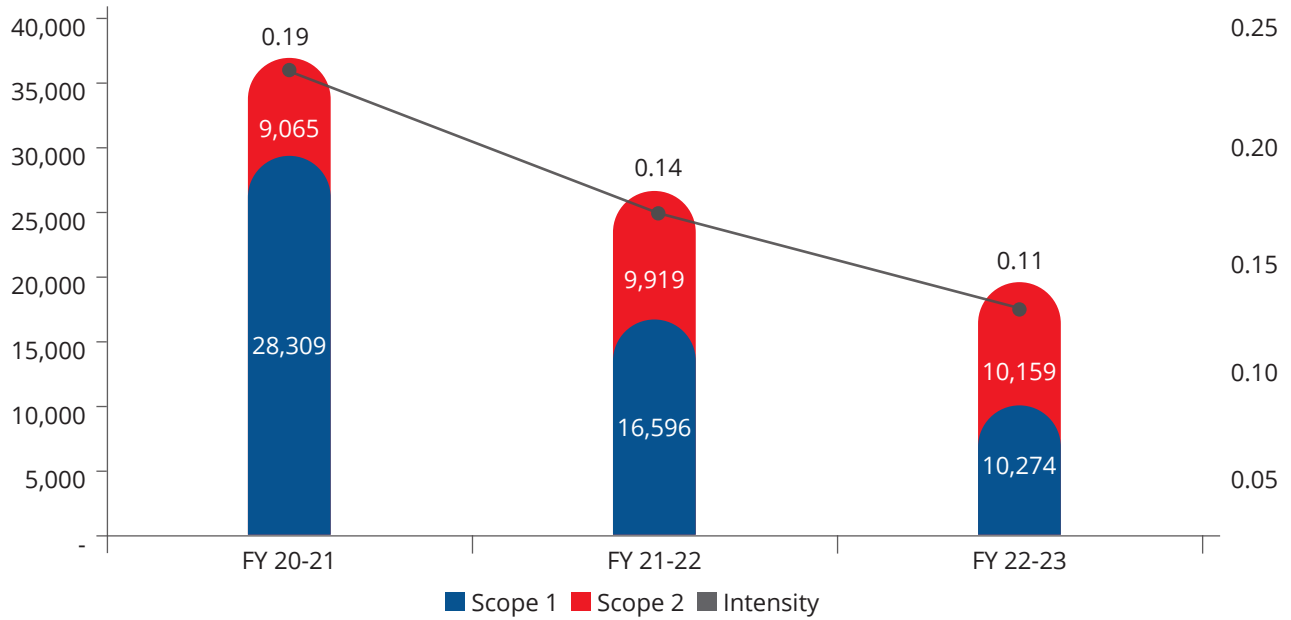
Emissions Monitoring Measures at Epsilon Carbon

- Process stacks monitoring
- DG Set stacks monitoring
- Ambient Air Quality Monitoring-Plant & Surroundings
- Quantitative Emission data- PM, SO_x, NO_x, VOC, etc.
- Noise study across plant and DG sets
- Regular emission tests on
 - ✓ Hazardous waste
 - ✓ Effluent treatment plant output
 - ✓ Sewage treatment plant output



Specialty Carbon

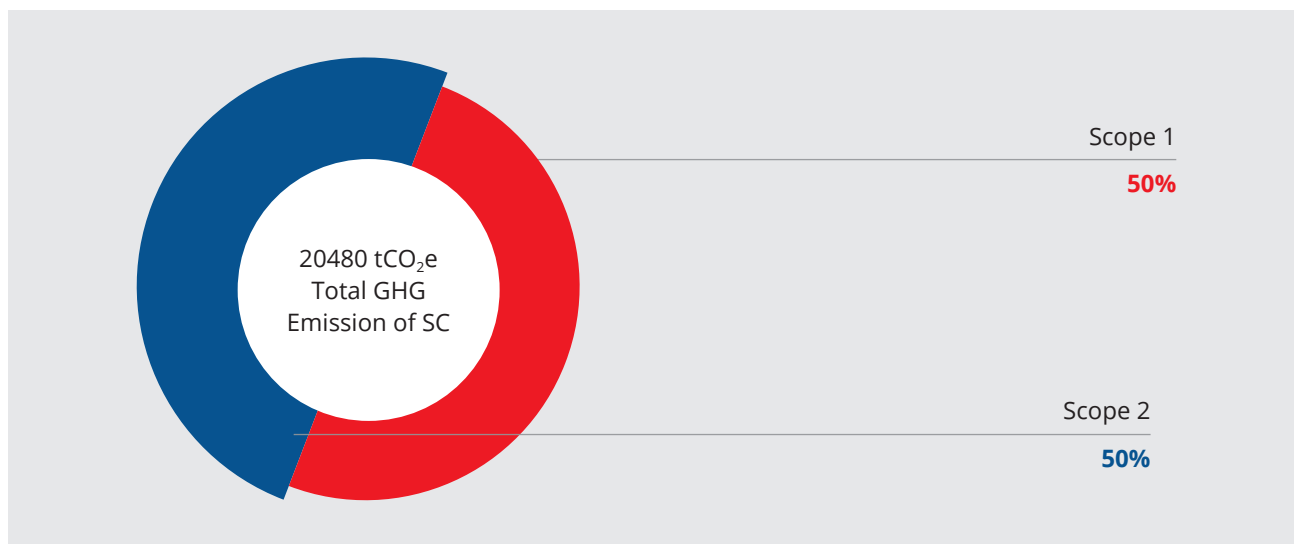
GHG Emission Trend (tCO₂e) and Emission Intensity (tCO₂e/MT)



During this reporting year, our overall GHG emissions at SC decreased by 22.9%, primarily attributed to a 38% reduction in scope 1 emissions achieved through the implementation of technological interventions and process improvements. We observed a slight increase in scope 2 emissions.

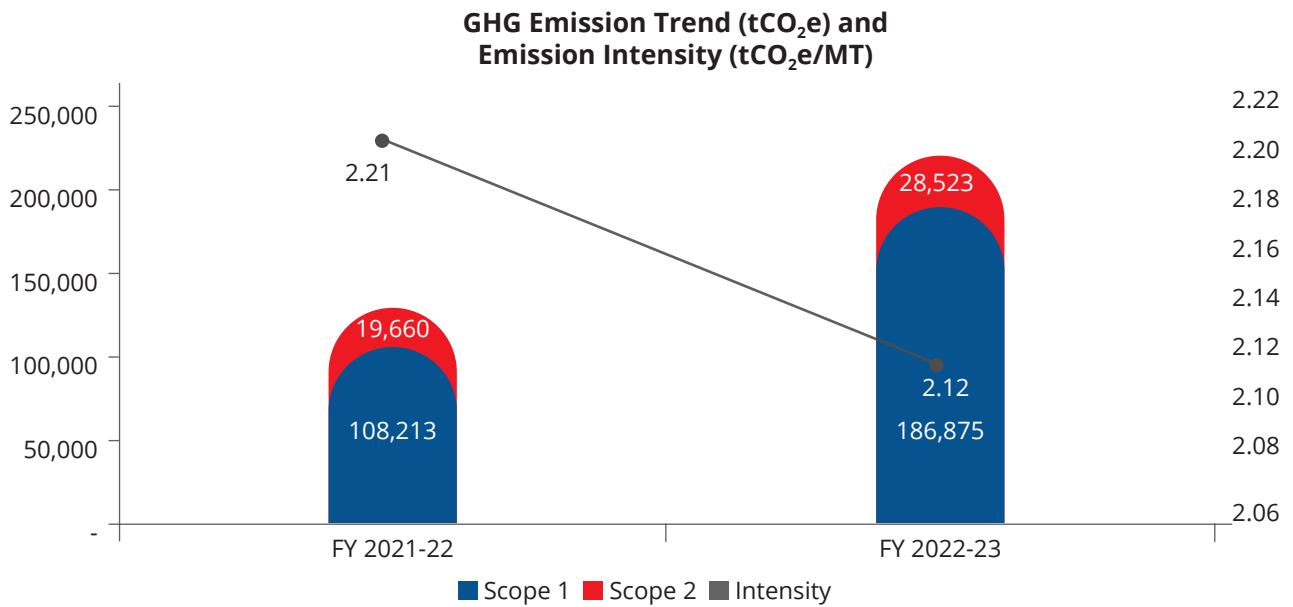
The emission intensity of our SC unit was 0.11 tCO₂e/MT of Production, signifying a noteworthy reduction of 22% in intensity.

Scope 1 and Scope 2 Emission by SC in FY 22-23



This year, both scope 1 and scope 2 emissions at SC accounted for 50% each of the total emissions.

Carbon Black

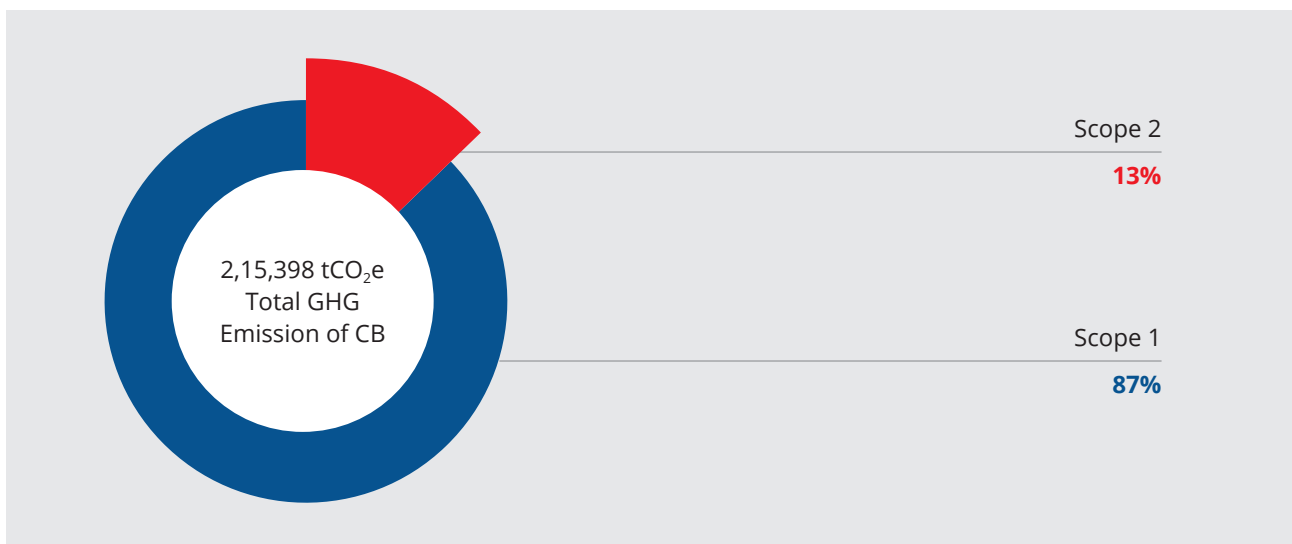


Our Scope 1 emissions rose significantly by 72.7%, primarily driven by a substantial 75.3% increase in production at CB. Additionally, our Scope 2 emissions also saw a rise of 45% this year. Conversely, the CB unit registered an intensity of 2.12 tCO₂e/MT of carbon black production, indicating a decrease of 3.9% from the baseline year FY 2021-22. Furthermore, this year,

we set a baseline for our Advanced Material unit at 1.41 tCO₂e/MT of anode production.

We are actively transitioning to cleaner fuels and increasing our use of renewable power, which will contribute to further reductions in our emissions footprint

Scope 1 and Scope 2 Emission by CB in FY 22-23

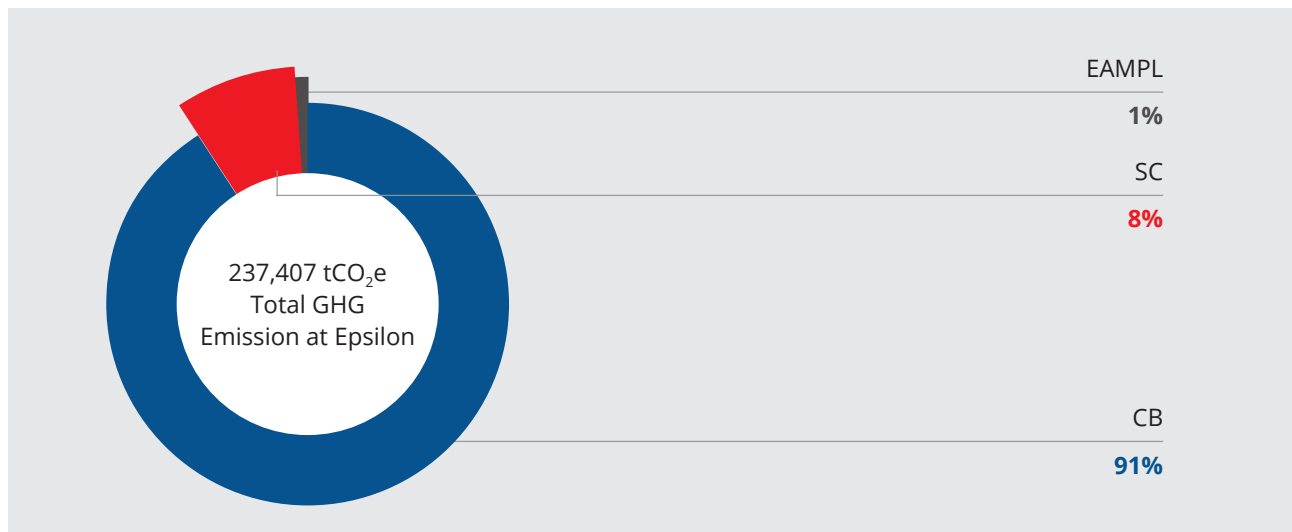


Advanced Material

Our Advanced Materials unit is fully electrified; hence scope 1 emission is not associated to its operations. We are currently gathering baseline data for its GHG performance. This year, the scope 2 emission at this unit was 1,577 tCO₂e. This data will play a crucial role in setting our future targets for sustainability and emissions reduction.

Total GHG Emission in FY 2022-23

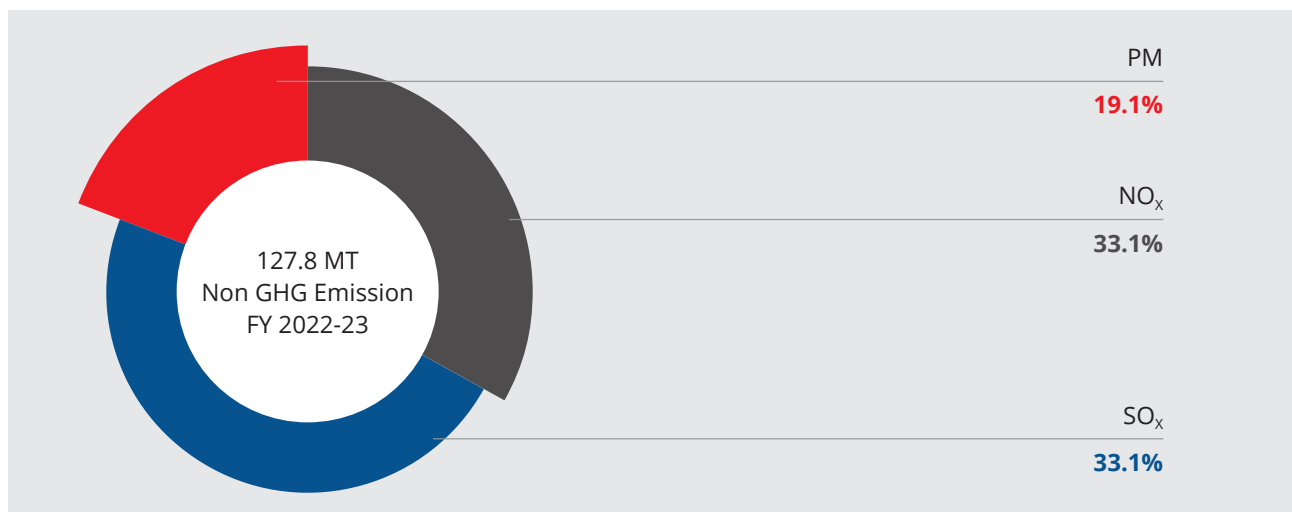
In FY 2022–23, 90.7% of our reported GHG emissions were from the Carbon Black unit, 8.6% were from the Specialty Chemicals, while the rest were from the Advanced Material unit. For the Carbon Black unit, we are in the progress of switching from secondary oil to coke-oven gas, which is a cleaner fuel than secondary oil. Once implemented, it will reduce our direct emissions significantly (by 5,000 tCO₂e).



Non GHG Emission

Non-GHG emissions management is a core aspect of our corporate responsibility at Epsilon. From procurement, we prioritize low-emission feedstock, while efficiency investments and cleaner technology reduce process stack pollutants. Full compliance with environmental regulations is ensured for a sustainable community. Our Vijaynagar Plant deploys

CEMS to monitor SO₂, NO_x, CO, and PM emissions, complemented by monthly ambient air quality checks at seven sites. FY 2021-22 emissions were consistently within compliance limits set by KSPCB and CPCB. Wash oil solvents are recycled, and dedicated scrubbing minimizes VOC release.



Circularity to Manage Emissions

Investing in circular solutions and cutting-edge low-carbon technologies is scaling the impact of our efforts to minimize our carbon footprint.

We have the only one-of-its-kind 100% backward integrated coal tar distillation plant in India strategically situated near the steel plants in Odisha. This offers us the unique advantage of sourcing our primary raw material, coal tar, a by-product of the steel industry. The proximity allows us to avoid long-distance transportation of raw materials, leading to a notable reduction in our carbon footprint at the input stage.

Our facility is India's first continuous vacuum distillation plant, contributing to a dust-free environment. Scrubbing systems in each section of the distillation plant help us combat air pollution by efficiently absorbing traces of VOCs (Volatile Organic Compounds). The scrubbing towers are equipped with random packing to enhance VOC absorption, thus preventing their release into the air.

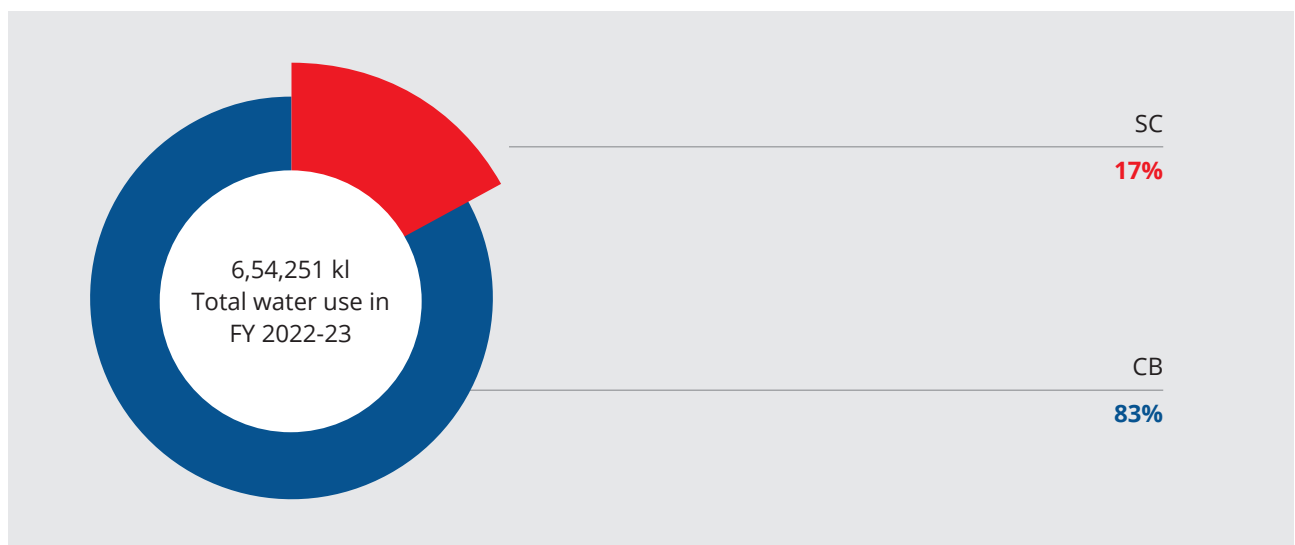
Our innovative approach of utilizing waste gas from the iron and steel industry as fuel for our SC unit has significantly decreased our Scope 1 emission. We have implemented two high-waste heat-recovery boilers. These boilers play a crucial role in optimizing utility usage and enhancing overall energy efficiency, aligning us with our goal to reduce energy consumption and associated emissions. We also reuse excess steam from the Carbon Black across our manufacturing processes to minimize mixed-gas consumption.



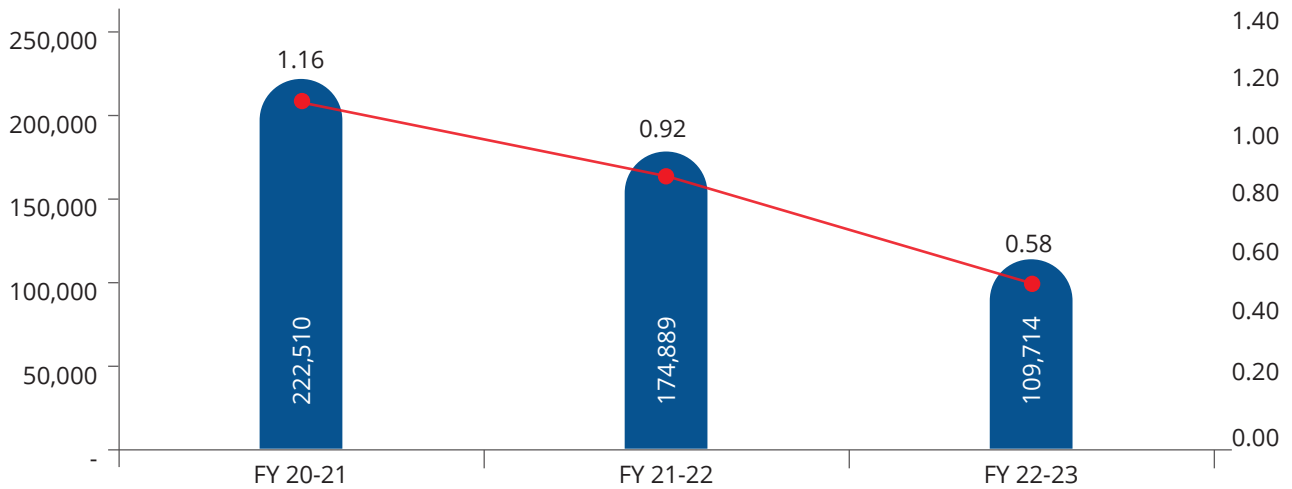
Water Management

The growing scarcity of potable water is impacting millions of lives globally. We embrace water management steps proactively to contribute to the collective efforts of water conservation. Given the water-intensive nature of our facilities and processing operations, efficient water management is paramount. We strive to reduce our water footprint while ensuring equitable access for the communities around our operational boundaries and set new standards for responsible water stewardship.

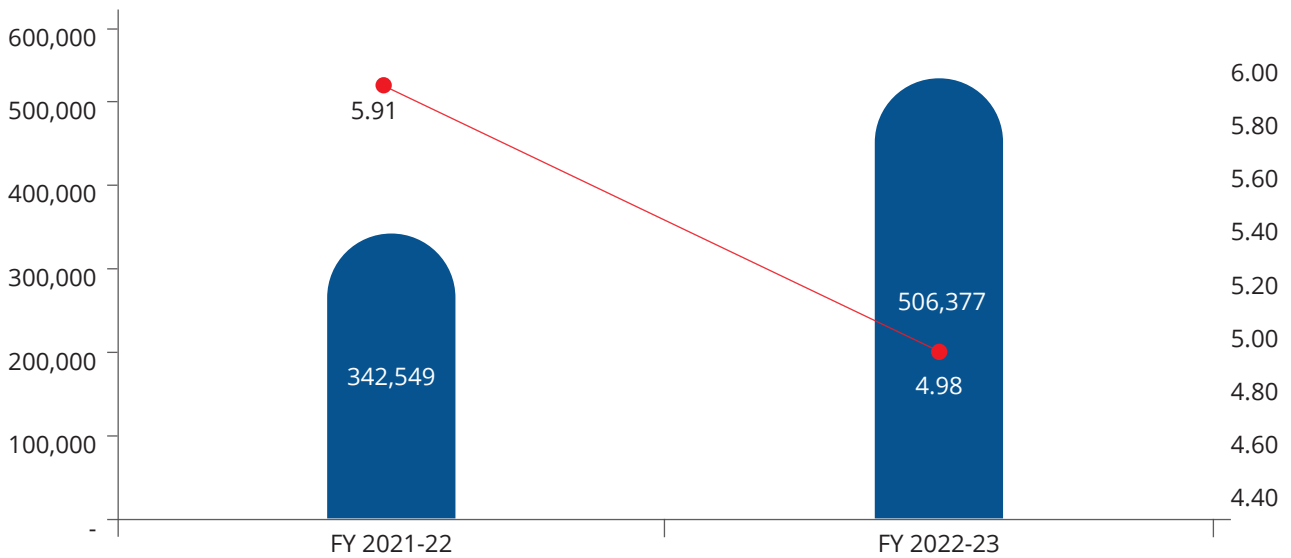
Our water requirements are primarily met entirely through third-party sources for both domestic and operational needs. The judicious use of water is a key focus of our processes, and we actively promote the recycling and reuse of wastewater. Monitoring and measuring water usage regularly enables us to identify areas of improvement and adopt relevant water-abatement techniques to preserve the integrity of nearby water bodies.



Water Withdrawal at SC



Water Withdrawal at CB



In the current fiscal year, we utilized 6,54,251 kl of fresh water for our operations, with CB operations accounting for 77.4% of the total water usage. During FY 2022-23, our SC unit achieved a remarkable 37.3% reduction in freshwater consumption, resulting in a 36.5% intensity reduction. In contrast, our CB

plant experienced a 47.8% increase in freshwater usage, attributed to increased production; however, it achieved a positive intensity reduction of 15.7%. We have had zero incidents of non-compliance with discharge limits and have used 100% of our wastewater at our Vijaynagar facility

Water Security

Our Vijaynagar facility is located in a water-stressed area. This makes it even more imperative for us to implement measures to reduce consumption and ensure water security for our company and the nearby communities. We use the WRI Aqueduct Tool that helps companies, governments, and civil society understand and respond to water risks. Using the tool, we track the annual water stress levels in the region where we are located. Tracking our water use and withdrawal data allows us to comprehensively assess our water

footprint and take appropriate measures to manage our consumption.

In line with our focus on circularity, we undertake measures to replenish groundwater through rainwater-harvesting systems at our Vijaynagar plant. To ensure the clarity and quality of our water sources, we diligently monitor groundwater quality through a piezo well and conduct regular drain-water sampling.



Circularity for Water Management

At Epsilon Carbon, we prioritise the use of recycled water for all permissible purposes. Freshwater consumption is encouraged only if recycled water is not permitted for the activity, the quantity is insufficient, or the quality does not meet acceptable standards. Our wastewater treatment processes strictly adhere to environmental norms and regulations, ensuring the highest quality of treated water.

The Vijaynagar facility has an Effluent Treatment Plant (ETP) that operates in line with the guidelines set by the Karnataka State Pollution Control Board (KSPCB) to maintain compliance. Rigorous standard tests are conducted to verify that the treated water meets all prescribed norms, safeguarding the environment and surrounding communities.

We employ a Multiple-Effect Evaporator (MEE) system that treats the concentrated sludge from the ETP unit

and recovers reusable water. The recovered water is used in the facility's cooling towers and for horticultural activities like developing green belts and fostering greener surroundings to impact the local ecosystem positively.

The facility also houses a state-of-the-art on-site sewage treatment plant (STP) with a capacity of 70 kilolitres per day (KLD) to treat wastewater generated from domestic usage. The STP is equipped with advanced electro-mechanical equipment, including magnetic filters. These filters prevent iron particles from contaminating the refined naphthalene, resulting in a pristine end product with reduced black particles. The treated wastewater is reused for gardening, road washing to contain air pollution and other activities.

Biodiversity

Our commitment to restoring ecological balance is at the core of our Environmental, Social, and Governance (ESG) efforts. While our operations do not negatively impact biodiversity, we take proactive measures to conserve and restore ecosystems. Our processes do not significantly impact nearby flora and fauna, and our efforts are focused on protecting the natural environment.

The Daroji Sloth Bear Sanctuary, located more than 10 km from our operational unit, is an area of high biodiversity value. A detailed environmental impact assessment for our Vijaynagar facility allows us to identify opportunities to enhance local biodiversity and prevent any harm proactively to flora and fauna.

We have adopted a five-year CER (Corporate Environmental Responsibility) plan in FY 2020–21 that focuses on afforestation and wildlife conservation. We have adopted the strategy of ecological restoration by plantations. Our plantation endeavours have seen us grow several species of trees and shrubs native to the region and improve soil moisture. We allocated Rs. 3.2 Crores as our CER budget for FY 2022-23.

Beyond our industrial premises, we extend our efforts to promote green spaces in the town. A collaborative project with other stakeholders has seen us use potted plants as road dividers to promote greenery and improve the town's aesthetic appeal. Epsilon Carbon has allocated a five-year budget of INR1.5 crores towards this project. The town authorities have been entrusted with the responsibility of nurturing and caring for the plants.

We have developed a stretch of 14.53 km (starting from Sultanpur road opposite to KPCL & covering Chikkantapur, Kodalu, Dodda-Antapur villages) of green belt in FY 2022–23, planting 4270 tree saplings. With an 80% survival rate for these plantations, our green belt serves as a vital carbon sink and plays a key role in maintaining nearby areas' environmental balance.

Total length of Plantation: **14.53 km**
Saplings Planted: **4270**
Rate of Survival: **80%**



Engaging stakeholders in environmental protection

Fostering a culture of environmental consciousness is key to engaging and motivating our people to contribute actively to our sustainability mission. We celebrate World Environment Day across locations, raising awareness about the significance of nature conservation.

Our teams are encouraged to adopt the principles of 'Reduce, Reuse & Recycle' in their daily operations, instilling a sense of responsibility towards minimizing waste and conserving resources. Continual knowledge sharing on environmental aspects, impacts, and

compliances further equips our workforce with the necessary insights to make informed decisions.

Important visitors, including customers, representatives of local statutory bodies and others, are encouraged to plant a tree at our facility as part of their visit.

Through these collective endeavours, we aim to enhance awareness and empower our people and other stakeholders to play a pivotal role in protecting nature for a better, greener future.



Tree Plantation drive at Epsilon



Transforming Human Potential: Empowering Lives through Nurture and Support

Our commitment to responsible business practices goes hand in hand with empowering our people and communities and broadening opportunities for them to build satisfying lives. We believe in the power of collaboration and recognise the role our people play in our holistic growth. Collaborating with our stakeholders and nurturing their intrinsic strengths creates synergies that can transform our shared sustainability mission to craft tangible and enduring impacts.

Material Topics

Community Relations

Occupational Health & Safety

Employee Wellbeing

Contribution to UN SDGs



Our approach centers on people, fostering a sustainable future and inclusive wellbeing. As a responsible employer, we offer fair workspaces, equal opportunities, industry-standard compensation, and a culture of learning. Embracing innovation, we create an environment where all thrive and impact the company. We uphold high standards, celebrate excellence, value merit, and reject discrimination. Our diverse workforce drives innovation and resilience in our business models and operations. Our unwavering focus on safe working practices and employee health ensures that our people lead holistic professional and personal lives while actively shaping a sustainable future for all.

As of FY 2022–23, we have 396 permanent employees and 505 contract workers. A majority of our workforce is based at our Vijaynagar facility.



Talent Acquisition and Retention

We aim to reach our ambitious goals by attracting and retaining aligned talent committed to creating lasting impact. Our practices prioritize transparency, fairness, and inclusivity throughout the employee journey. We focus on recruiting individuals who possess the necessary skills to improve our operational efficiency and extend our reach. Our focus on recruiting those who share our values and mindset bolsters our corporate culture and workplace excellence. The HR Head calculates annual hires through a collaborative plan with department heads and budget considerations. Jobs are posted on our website, job portals, and referrals are encouraged. We also collaborate with placement consultants and value cultural alignment. To ensure our new hires have a seamless onboarding process, we offer them a range of easy-to-use digital tools and conduct sessions to brief them about our business, priorities and values. All employees also undergo medical health check-ups.

Total number of new hires by category, gender, region and age

By Category	2020-21			2021-22			2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Associates (L1 - L10) (H1-F2)	151	13	164	83	6	89	104	11	115
Middle Management (L11 - L13) (E1-D1)	22	0	22	21	0	21	26	1	27
Senior Management (L14 - L17) (D2 - B1)	5	0	5	12	0	12	10	0	10
Subsidiary Employee	146	9	155	0	0	0	0	0	0

By Age	2020-21			2021-22			2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<30	78	12	90	33	4	37	61	8	69
30-50	99	1	100	77	2	79	76	4	80
>50	1	0	1	6	0	6	3	0	3

We aim to become the preferred employer of choice so we can onboard the optimal mix of experience and expertise. In addition to offering our employees a rich culture of continuous learning* that helps them grow steadily within the company, we provide a best-in-class, holistic employee experience as well as a range of benefits and incentives beyond compensation to strengthen retention.

*Please refer to the chapter on learning and development on page 93 to know more.

Rate of Employee Turnover by category, gender, region and age

Overall Employee Turnover	2020-21			2021-22			2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	14.00%	11.00%	14.00%	28.00%	19.00%	27.00%	29%	13%	30%
Rate of employees leaving the Org within 1 year	2020-21			2021-22			2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	12.00%	15.00%	13.00%	9.00%	17.00%	10.00%	12.00%	0	11.18%

By Age	2020-21			2021-22			2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<30	10.77%	3.08%	13.85%	9.09%	0.00%	9.09%	13.11%	62.50%	18.84%
30-50	12.31%	1.54%	13.85%	10.39%	50.00%	60.39%	27.63%	25.00%	52.63%
>50	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.67%	0.00%	0.00%

Diversity and Inclusion

Fostering diversity enhances our culture and empowers a thriving workforce within an inclusive environment. Our Code of Conduct, overseen by senior management, underscores our equal opportunity stance and intolerance for discrimination. We're committed to offering unbiased opportunities to all employees, regardless of gender, background, or beliefs. We value individual abilities and ensure ample chances for talent expression and goal attainment. Our management team and committee members actively engage in activities to promote diversity. We have a targeted focus on increasing the share of women in the workforce across all levels and in committees. We offer female employees the option to work from home twice a month, enabling them to maintain a healthy work-life integration and are planning on instituting a childcare system.



Employee Diversity by Category and Gender

By Category	2020-21		2021-22		2022-23	
	Male	Female	Male	Female	Male	Female
Associates (L1 - L10)	273	18	255	17	294	22
Middle Management (L11 - L13)	47	0	56	4	58	1
Senior Management (L14 - L17)	21	0	28	0	21	0
Subsidiary Employee	945	11	265	53	446	59

Over the specified categories, there has been an 11% rise in the representation of female employees within the organization. Currently, there are 82 female employees out of a total of 901 employees from the above-mentioned categories. This increase signifies

a positive step towards enhancing gender diversity within the company. It is important to continue promoting diversity and inclusivity to foster a more balanced and equitable work environment.

Human Rights and Freedom of Association

We adhere to the principles of human rights outlined in the Universal Declaration of Human Rights. This commitment applies to workers, contractors, partners, and stakeholders per our Business Code of Conduct. We engage stakeholders to pinpoint risk areas and actively endorse human rights respect in all operations.

We reject discrimination based on race, color, religion, disability, age, gender identity, sexual orientation, appearance, politics, veteran or marital status. This policy spans employees, contractors, clients, and vendors.

We maintain a strict stance against sexual harassment and retaliation. Our employees are empowered

to report misconduct without fear. Committed to human rights, we prevent child labor, forced labor, and trafficking. Our personnel are well-trained in our policies and security guidelines. During this reporting year, a significant 70% of our employees actively participated in training sessions on Human Rights policies, amounting to a total of 569 hours of dedicated learning and development. This commitment to training demonstrates our dedication to fostering a workplace environment that upholds and respects human rights principles and values.

We fully respect our employees' and workers' rights to exercise freedom of association and participate in collective bargaining without any restrictions.



Grievance Mechanism

Our Grievance and Whistleblowing policies offer a strong multichannel process for employees to report issues about processes, people, or resources. These policies detail roles, responsibilities, escalation, and timely closure for various grievances. All our full-time employees and contractors have equal access to grievance procedures. Our Grievance Policy ensures that everyone, regardless of their employment status, has access to multiple channels to raise concerns regarding health, safety, welfare, payment of wages, or working conditions.

We emphasize tracking and addressing workplace discrimination. Using the Darwinbox cloud platform, employees can report concerns via the helpdesk. Our Ethical Compliance team handles and investigates these reports, ensuring fairness and resolution in line with legislation.



Learning and Development

At Epsilon Carbon, we understand that a well-trained workforce is essential for our success. Our Learning and Development (L&D) policy reflects our commitment to continually empowering employees with new skills and knowledge to enhance their capabilities. We support our employees' academic pursuits in areas of professional aspirations and invest resources strategically to build a highly competent and productive talent pool. We invest in nurturing talent across all levels - from technicians to top managers- all employees benefit from a wide range of training courses, empowering them to thrive in their respective roles.

Our Approach

Our L&D department led by the HR Head ensures workforce skill enhancement. Needs are assessed, and performance evaluated for comprehensive development. HR aligns training with objectives. Our training includes in-class, online, and policy refresher sessions on our intranet portal, Darwinbox.

L&D Policy Focus

 <p>Building strong and effective teams</p>	 <p>Providing opportunities for professional development</p>
 <p>Creating a better understanding of organizational needs</p>	 <p>Offering high standards of work experience</p>
 <p>Facilitating the effective management and implementation of change</p>	 <p>Sharing ideas and embodying good practice</p>

Our training framework is developed through a structured process.



Scope of Training Initiatives

Our training initiatives encompass a diverse mix of internal and external programs that cater to various skill development needs.

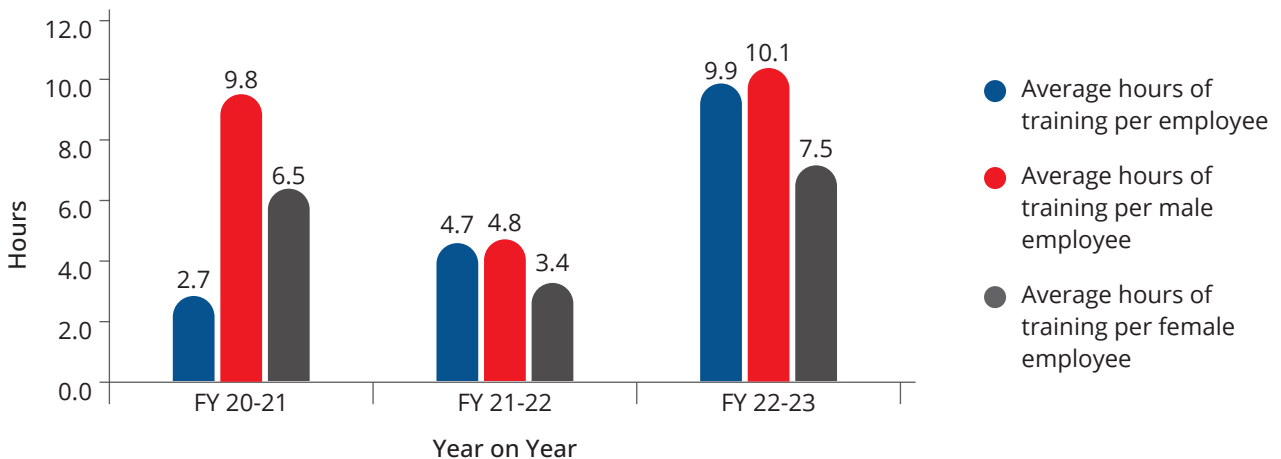
Onboarding includes mandatory training on essential topics such as Health & Safety, ethics, ABAC and the Vigil Mechanism, human rights, POSH, and IT. Additionally, we promote continuous learning by providing annual training on various functional and behavioural competencies.

We provide mandatory training aligned with industry needs, covering industry updates, ethics, risk management, and our policies. All employees undergo Code of Conduct training, including anti-corruption policies. Biannual KYC refresher sessions reinforce human rights principles understanding and compliance. To encourage higher education and skill development, we offer a scholarship system that extends financial support to eligible employees pursuing three-year part- or full-time programs at their preferred educational institutions.

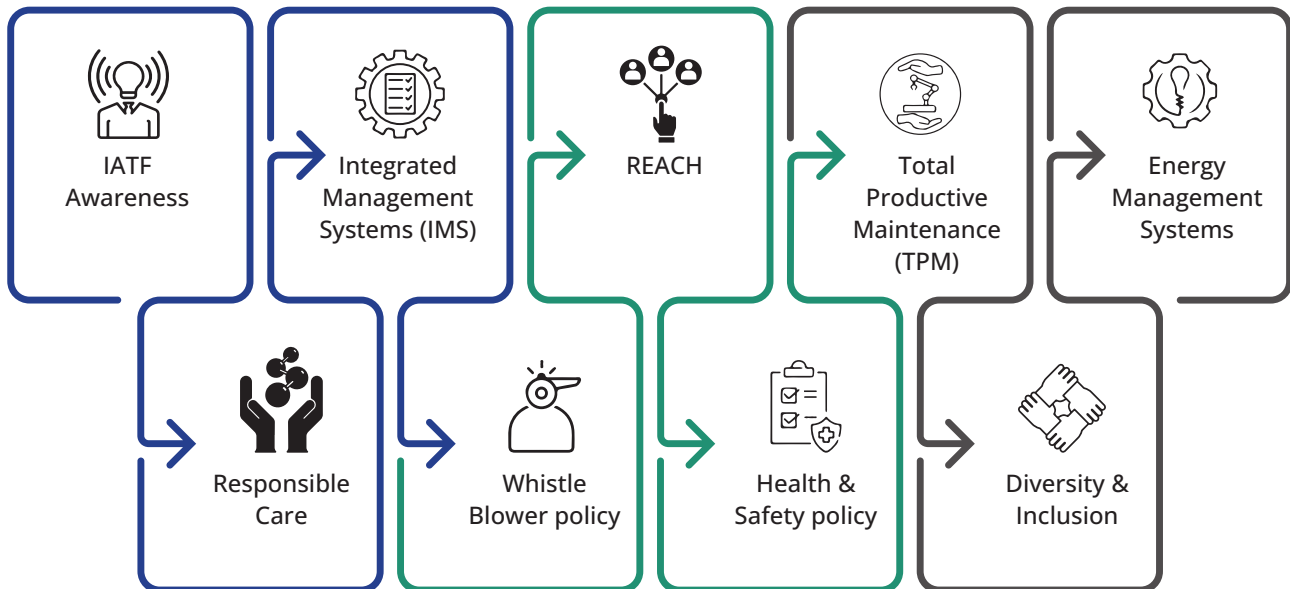
Recognizing the significance of inclusive learning, we extend these opportunities to our contract workers as well. Before commencing work, they participate in in-class sessions to familiarise themselves with our policies, procedures, and job-specific training, prioritizing workplace safety.

During this year, Epsilon experienced a new milestone of 9.9 average hours of training per employee per year. The surge in training hours has the potential to result in a more proficient and well-informed workforce, which in turn could significantly contribute to the overall progress and success of the company. The commitment to investing in employee training is vital for maintaining a competitive edge and ensuring that employees are equipped with up-to-date skills and knowledge, enabling them to perform their roles with greater effectiveness.

Average Training Hours: Snapshot



Key Training Programmes



Training Hours by category and gender

	2020-21		2021-22		2022-23	
	Male	Female	Male	Female	Male	Female
Associates	2950	189	3,066	250	5,642	418
Middle Management	197	0	720	24	928	16
Senior Management	190	0	152	0	366.5	0
Sub-Contractors	0	0	0	0	1338	177




EVOLVE

'EVOLVE', a curated bouquet of various online and offline training modules, was launched at the Epsilon Townhall Meeting in FY 2022-23. This new initiative ranges from scaling training programmes to strengthen skills to behavioral trainings and more. EVOLVE aims to bolster cognitive functioning and contribute to the professional development of our employees. As part of our Employee Declaration, every team member undergoes EVOLVE e-learning annually, ensuring everyone can access valuable learning opportunities.

The feedback from our employees has been overwhelmingly positive, with many expressing increased job satisfaction and a sense of fulfilment in their careers at Epsilon. Through EVOLVE, we empower our workforce to evolve and thrive in a dynamic and ever-changing business landscape, making us a stronger and more resilient organisation.

Benefits of Evolve




Ensures opportunities for learning

- Learners upgrade their awareness of interpersonal growth.
- The platform helps learners to map their strengths and encourages Innovation and risk acceptance




Enables Learn on the Go (LOGO)

- Learners are given the opportunity to explore courses on their smartphones and tablets




Identifies learning needs

- Employees' learning needs have been identified and courses recommended by the CXOs




Offers diverse learning options

- The platform offers both technical courses and behavioural, quality, safety, and compliance training.



Curates courses

- The platform allows employees to scroll through various courses of Interest



Provides compliance training

- The platform provides training in the Prevention of Sexual Harassment (POSH), anti-bribery and corruption (ABAC) and the Epsilon Code of Conduct and Whistleblowing Policy



Employee Engagement and Wellbeing

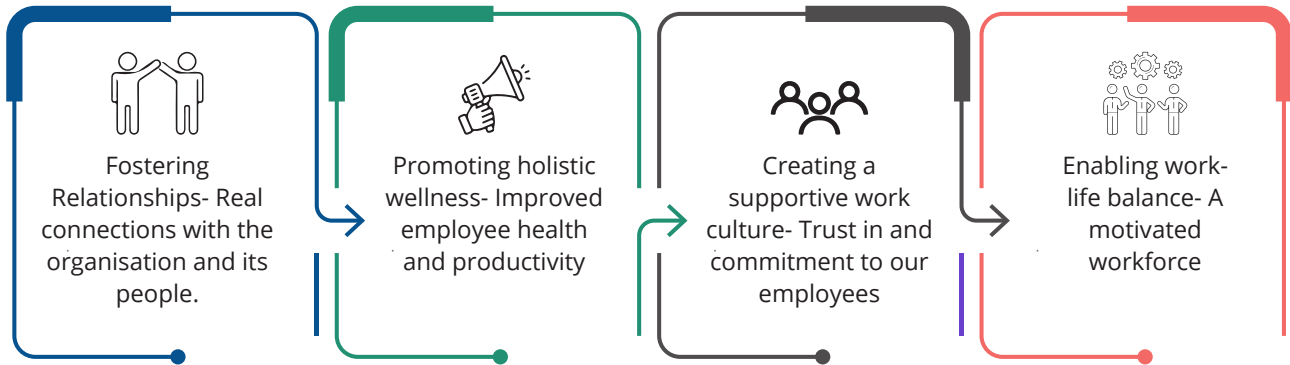
Employee engagement is a key aspect of our people strategy as it directly impacts productivity, morale, and overall business performance. When employees are engaged, they feel a strong sense of connection to their work, their team, and our mission leading to increased job satisfaction and commitment and a willingness to go the extra mile to achieve organizational goals. We value and incorporate our employees' and contract workers' perspectives, interests and needs. A multichannel approach built on our values of empathy and care guides our employee engagement initiatives.



Coffee Sessions with CEO at Head Office - Vijaynagar plant

Twice a month, 'Coffee with CEO' sessions offer an informal platform for our CEO to interact with our colleagues. Such informal sessions with CEO are defined by personal relationships, communities of common interests, and social networks formed by employees when they interact with one another in the workplace in an informal setting.

Fostering Relationships



Employee Benefits

Our standard benefits package includes group life insurance, healthcare medical insurance, parental leave, retirement provisions, access to a canteen facility, township accommodation with recreational clubs and parks, transportation facilities, and access to a medical doctor.

We prioritize maternal health, offering 26 weeks of maternity leave for new mothers to adjust to their roles and care for newborns. Our female employees can work from home twice monthly for flexibility and work-life balance. Committed to fair labor, we guarantee a 30-day notice period and minimum wages at Epsilon Carbon. Furthermore, Epsilon places a strong emphasis on the welfare of its workforce. We offer transportation services to female employees and to male employees as required. Additionally, our campus is equipped with a medical center, and there is a hospital conveniently located just ten minutes away from the premises. Moreover, we have a designated hospital on our panel for conducting regular and annual health check-ups.





Balancing work-life responsibilities

At Epsilon Carbon, we prioritise the wellbeing of our employees and understand that a balanced life is essential for both personal and professional growth.

Our leave and flexi-work policies allow employees to take time off when needed, ensuring they can prioritise personal commitments without compromising work responsibilities. Additionally, we offer special vacation breaks and flexible working hours, allowing our employees to adapt their schedules to fit their individual needs.

For those seeking more flexibility, we provide the option to work part-time with benefits, catering to employees who may require reduced hours for personal reasons. Childcare assistance is also available to support working parents in managing their family responsibilities.

In addition to these policies, we regularly sponsor family events and activities, fostering a sense of community and bonding among our employees and their families. This supportive environment not only enhances employee satisfaction but also creates a more collaborative and harmonious workplace.

Employee networks and support groups have been set up, which help strengthen connections within and outside the workplace and offer a safe space to exchange information and share queries.



“Biterite”: Building a healthy and productive workforce

For building a healthy and productive work-culture and assisting employees to adapt on healthy lifestyle practices, we have launched the Epsilon Wellness Programme focusing on physical and mental wellbeing.

Physical Wellbeing: We have partnered with experts who provide online guidance for exercising and offer our employees benefits on gym membership. At a factory level, we launched “Biterite”, focusing on providing healthy meals to employees. This meal is specifically crafted and designed keeping employee fitness in mind and to help them maintain their BMI levels.

Mental Wellbeing: We partnered with renowned life coach and psychotherapist Dr. Reeva Budhiraja, for services include counselling on personal and professional concerns like relationship issues, stress, depression. These consultations are completely confidential. Employees have the option of accessing online or offline counselling subject to their comfort.

Furthermore, our mentorship programmes offer valuable opportunities for employees to engage with mentors who can provide guidance and advice on achieving work-life balance. These mentors offer support and understanding, helping employees navigate challenges and maintain their wellbeing.



TGIF: A Kalakruthi initiative

All work and no play makes Jack a dull boy!

Maintaining a healthy work-life balance is crucial for employee well-being and job satisfaction. Epsilon Carbon regularly organises TGIF (Thank God, It's Friday) events as part of its Kalakruthi initiative. These events promote employee engagement and foster a positive workplace culture. The organizing committee designs, measures, and evaluates proactive workplace practices that attract and retain talented individuals, equipping them with the skills and competencies necessary for business growth and sustainability.

Holistic Wellbeing

At Epsilon Carbon, we place a strong emphasis on employee wellness, which is an integral part of our Employee Value Proposition framework. Our approach to employee wellness is comprehensive, encompassing both physical and mental health aspects to ensure the wellbeing of our workforce. Right from the beginning, we prioritise employee wellness, starting with a thorough medical check-up during the onboarding process. Our employees are provided with a safe and nurturing workspace that fosters their health, personal growth, and overall wellbeing. To maintain a healthy environment, all our premises are designated as non-smoking areas, and we have medical health centers on our plant premises to support the health needs of our employees and contract workers.

Healthy eating options are readily available at our plant's canteen, offered at subsidised rates to encourage better nutrition among our employees. We also offer counselling services to extend support to employees dealing with mental health challenges.

For our employees over 40 years of age, we provide annual health check-ups, and it is mandatory for employees above the 'officer' level to participate in biennial health assessments. Our Medclaim policy ensures that all our employees, both current and retired, and their dependents receive adequate medical coverage.

In addition to physical health support, we extend special disability leave to employees who have experienced unfortunate accidents and require hospitalisation. Our group personal accident policy further assists dependent family members in the event of death or disability due to an accident.

To enhance employee morale, satisfaction, and motivation, we regularly organise recreational activities

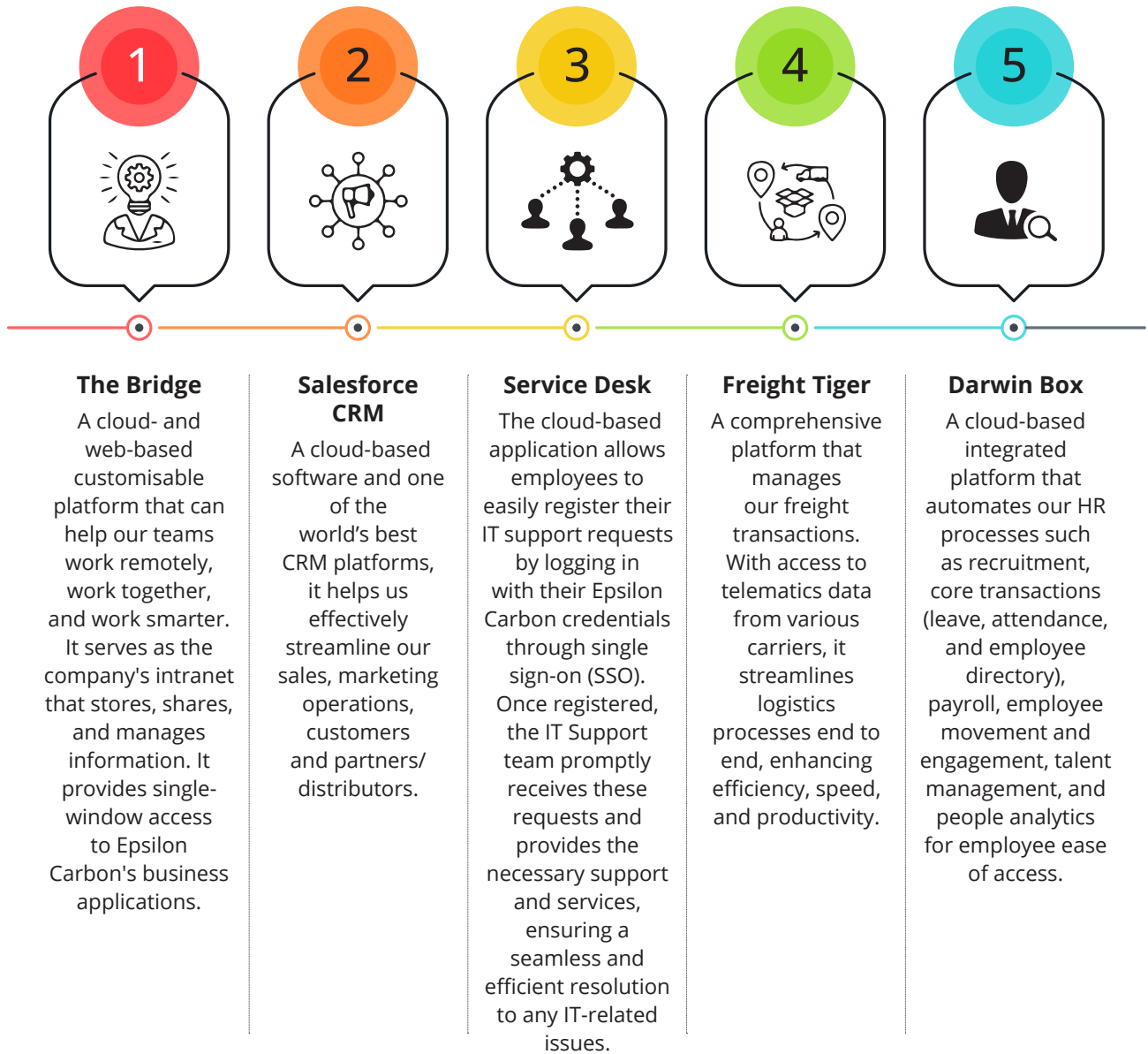
like birthday celebrations and sports events. These engaging activities take place at our townships, fostering close bonds among Epsilon Carbon families and promoting a sense of community.

At Epsilon Carbon, we are committed to ensuring the overall wellbeing of our employees and their families. Our employee wellness initiatives are designed to create a nurturing and supportive environment, enabling our employees to thrive both personally and professionally.



Enhancing Employee Experience

We are committed to leveraging technology to optimise our processes and create an efficient and engaging work environment for our valued employees. The rapid proliferation of digitalisation across our organisation is improving employee experience and productivity. Our IT/OT system seamlessly integrates records and files into digital formats, streamlining communication and improving information consistency and quality. Using digital platforms and applications fosters more open and transparent dialogue among our employees and improve data retention capabilities. All our critical servers are hosted on Amazon Web Services, including our SAP environment, active directory, barcode system, and digital logbook.



Result Orientation Manager's Workshop

A Result Orientation Manager Workshop was organized by the Learning & Development team for Epsilon managers to prepare them for future leadership goals. The workshop engaged participants through various multimedia tools, including videos, chat, Q&A, break-out sessions, and polls to systematically enhance their competencies and leadership potential through immersive learning experiences.

Occupational Health and Safety

At Epsilon Carbon, safety is not just a priority; it is an integral part of our organisational DNA. Our unwavering commitment to employee wellbeing allows us to run incident-free operations and offer a safe and secure workspace where our employees can thrive and promote a pervasive safety culture.

Health and safety (H&S) considerations are integrated into every business parameter, including our strategy, processes, employee engagement framework, annual appraisals, and compensation and incentive structures. A robust HSE (Health, Safety, and Environment) policy aligned with UNGC and ILO principles details our practices and guides our organisational strategy and decision-making processes. Our CEO and the Board oversee the policy's implementation and ensure our employees and contractors adhere to the requirements at all times.

We continuously monitor our H&S performance to assess its effectiveness and adopt measures to enhance operational safety and mitigate potential hazards and process and product risks. All our employees and contractors undergo training and sensitisation programmes to understand the practices and stay abreast of evolving H&S risks and mitigation measures. HSE parameters and performance have been incorporated into our employee key result areas (KRAs) to make health and safety a shared responsibility. H&S-related metrics impact our employees' annual variable pay component, incentivizing a collective focus on maintaining a safe and secure work environment.

Additionally, we have a documented disaster management plan for industrial incidents that provides guidelines for emergency response and recovery.



Our principles

Ensure the health, well-being, and safety of our employees and communities and protect our environment

Acknowledge the skills and involvement of our employees and fulfil the needs of our company and our customers

Provide all necessary facilities and resources and offer transparent communication to achieve our vision



We adhere to international Health and Safety (H&S) standards, implementing robust systems that safeguard our employees and visitors from work-related accidents and illnesses. During this reporting year, we are pleased to report that there were no recordable incidents recorded, indicating a commendable improvement in workplace safety. In line with our proactive approach, we have taken decisive actions to minimize hazards by applying the hierarchy of controls, with top priority given to eliminating hazards altogether. As a result of these measures, we have achieved a remarkable zero rate of recordable work-related injuries, a significant improvement from the previous financial year 2021-22, where the rate of recordable work-related injuries stood at 0.25. This accomplishment reflects our unwavering commitment to ensuring the wellbeing and safety of our employees.



Epsilon Employees take the LiFE pledge to follow environment friendly lifestyle

In line with the Lifestyle for Environment (LiFE) initiative, a national level programme initiated by the Honourable Prime Minister of India, Epsilon employees took the pledge to follow an environment friendly lifestyle by including small changes in their daily routines. Mission LiFE seeks to channel the efforts of individuals and communities into a global mass movement of positive behavioural change. The pledge was organised at our Bellary plant, in the presence of government of India authorities.

At Epsilon, we are already working to bring about a change by inculcating various practices like including millets and nutria-cereals in diet (Bite-Rite), Recycling and Reusing water (Zero liquid discharge facility), using non-plastic cutlery in our canteens, focusing on afforestation, and developing green belt, and lot more. We look forward to contributing to turning LiFe into an India-led mass movement that sets an example for the world.



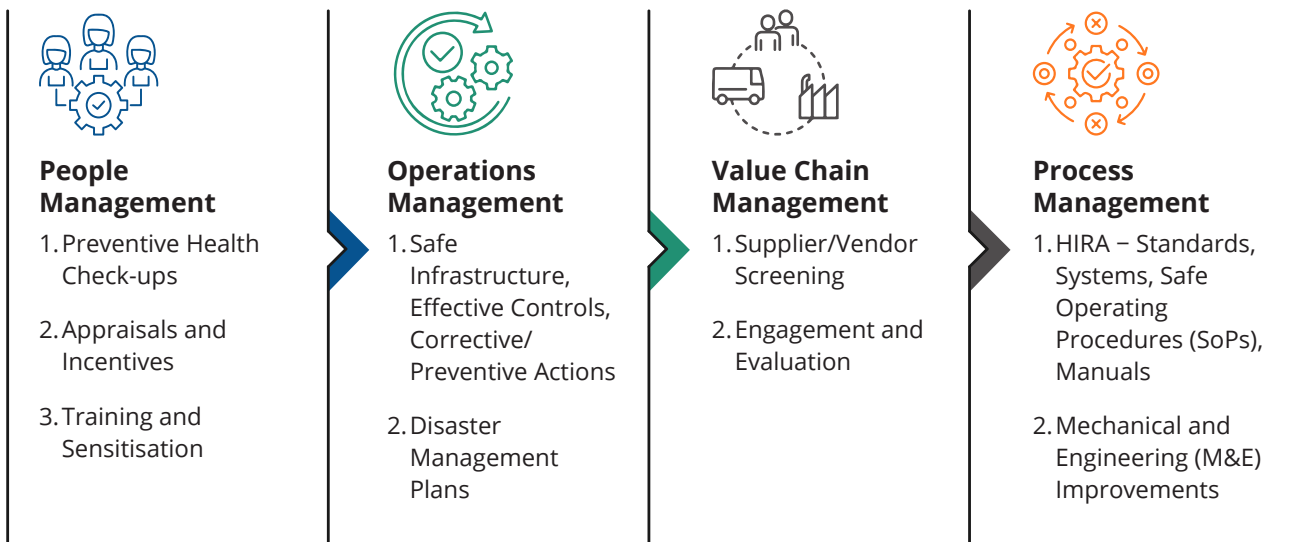
Occupational H&S Management System

An Occupational H&S Management System (OHSMS) has been implemented at our Vijaynagar plant that provides comprehensive protection to all our employees and contractors. This system integrates all relevant national, state, and sector-specific guidelines and regulations, ensuring compliance and best practices. The Head of HSE and a team of dedicated managers oversee the OHSMS implementation, focusing on process and people safety.

The OHSMS adheres to the following regulations and standards

- Occupational Safety, Health, and Working Conditions Code 2020
- Corporate HSE Risk and Emergency Management Standard
- Safe System of Work (SSoW)

OHSMS Components-



To encourage open dialogue and foster a culture of continuous improvement, we have established a Safety Committee comprising a balanced representation of management and non-management employees. This Committee meets regularly to discuss safety performance and evaluate ways of enhancing performance. A workers' forum within these meetings provides workers a platform to raise and address work-related hazards, fostering a collaborative approach to safety.

Our employees undergo thorough medical examinations every six months. This proactive approach enables us to detect and address any potential occupational illnesses promptly and provide the necessary support when required. Both employees and contract workers have walk-in access to our Occupational Health Center (OHC), where they can receive first aid and hospitalization if needed.

Furthermore, we maintain a robust incident reporting system to prioritise workplace safety. Our employees and workers can communicate work-related incidents, accidents, near misses, and unsafe conditions

through an incident register. We encourage everyone to thoroughly familiarise themselves with our H&S policies and promptly report any potential health hazards in their work environments. The investigation procedures for employee and contract worker incidents are standardized, ensuring consistent and thorough assessments. A dedicated investigation team utilises worker participation documents to analyse incidents, identifying associated risks and root causes. Based on their findings, we implement necessary corrective and preventive actions

Essential policies and procedural papers, including the HSE policy, emergency response manuals, and standard operating procedures, are displayed prominently on the Darwinbox platform and on the shop floor. Both employees and contractors have the authority to halt work if they identify any unsafe working conditions or environments lacking the necessary protection.

We expect our suppliers, service providers, contractors, agents, and distributors to adhere to acceptable health, safety, and environmental (HSE) requirements, first-aid

measures and compliance with safety protocols across their operations. We encourage job rotation to avoid fatigue among workers. Visitors and contract workers are provided Personal Protective Equipment (PPE) where necessary. To enhance safety throughout our value chain, we have collaborated with our partners to establish a protective system for loading and unloading operations. Additionally, we have incorporated specific criteria for safe material delivery into our framework for ranking logistics service providers. Our contractors are required to report any workplace injuries, along with all relevant details, to facilitate comprehensive incident investigations.

Implementing the H&S Framework

At Epsilon Carbon, we effectively implement our H&S practices through a structured approach creating a workplace environment focused on safety, risk reduction, and ensuring the well-being of our employees, contractors and visitors. We strive to achieve a zero-injury workplace free of accidents by advocating incorporating safe practices into daily work routines. We equip our employees to deliver on their H&S responsibilities through ongoing training and capacity-building tools.

Hazard Identification and Risk Assessment (HIRA)

We use the HIRA framework to identify, define, and classify hazards based on probability, frequency, severity, and potency. Our risk assessors receive annual training on the HIRA framework to identify hazards and evaluate job exposure effectively.

Risk Mitigation Strategy

A risk mitigation strategy is developed to address risks identified as part of HIRA to minimise workplace hazards and prevent injuries.

Industrial Hygiene Programme

Our extensive industrial hygiene programme covers risk identification, evaluation, assessment, and communication. It provides appropriate controls to protect employees from physical, chemical, ergonomic, and biological dangers. Our employees play an active role identification of hazards and control measures, risk assessment, and impact analysis.

Key Practices to Enhance Health and Safety

Working at Heights

A key workplace hazard we face includes working at heights and exposure to toxic fumes. We have developed targeted measures to address these specific hazards.

Process Safety

We design, construct, operate, and maintain facilities to manage process safety, hazards, and risks effectively. This includes ensuring safe workplaces, facilities, machines, systems, and processes to protect our employees and workers.

Lock Out, Tag Out (LOTO)

Adopting the LOTO technique helps prevent machines from accidental start-up and improves equipment safety.

H&S Training and Awareness

Engaging and aligning our employees to the organisation's H&S commitments through targeted and timely training is critical to achieving our goal of a zero-injury and accident workplace. We provide comprehensive occupational health and safety (H&S) training, which includes both generic and specific elements. Trainees actively participate in Hazard Identification and Risk Assessment (HIRA) exercises, learn how to identify near-miss incidents, and gain valuable insights into accident investigations.

During onboarding, employees must obtain Plant Entrance Authorisation, which is only granted after the completion of our HSE department's comprehensive safety training. This training encompasses various aspects, such as process safety, environmental considerations, health guidelines, and metrics related to personal protective equipment (PPE). Employees receive the necessary PPE to ensure their safety while performing their tasks at this stage.

Before entering our premises, all contractors, suppliers, and contract workers are required to undergo safety training and a medical examination. After completing these prerequisites, Epsilon Carbon provides them with further safety instructions and necessary protective gear. Throughout their engagement with Epsilon, contract workers receive weekly and monthly H&S training, reflecting our unwavering dedication to their safety throughout their tenure with us.

We regularly run simulated emergency drills to check readiness and adherence to Standard Operating Procedures (SoPs).

We actively promote awareness and understanding of H&S practices through cross-functional team audits, external audits, safety reviews, monthly meetings, refresher training sessions, and regular communication through mailers. Celebrations like 'Safety Week' reinforce the importance of workplace safety and offers a platform to raise awareness and educate employees.

Building a safe workplace key to our people practices. We consistently refine and introduce new procedures and policies to adhere to the highest safety standards.

We have also tied up with Chola MS for safety implementations and conduct various training sessions to deepen a culture of safety.



The effectiveness of our training programmes is periodically evaluated through pre and post-learning to assess the effectiveness of knowledge and skills received by employees.

Monitoring and Evaluation

Regular internal and external audits track ongoing compliance and effectiveness of our H&S policies. If any scope for improvement is identified during audits, corrective actions are scheduled, and the Safety Committee takes these matters into their agenda, closely monitoring the closure of these actions.

We utilise internal dashboards for safety observations and checklists to continuously monitor and measure our plant and people's safety performance. Every month, the Head of HSE reviews incidents/accidents statistics and reports on various aspects, including occupational illnesses, safety audit gaps, improvement areas, policy implementation status, and audits.

We maintain a monthly Safety Score Card outlining our Safety Objectives and conduct quarterly Safety Committee Meetings to discuss progress and strategies for further enhancements.

Fostering Strong Community

Epsilon Carbon is deeply committed to empowering and improving the lives of the people of the communities surrounding us, in both villages and cities. We focus on enhancing the economic, educational, and entrepreneurial foundations of society, with a strong emphasis on fostering self-sufficiency. By investing in their growth and potential, we aim to create lasting positive impacts and contribute to building stronger, more resilient societies.

We take forward our social development endeavours through our Corporate Social Responsibility (CSR)

and Corporate Environmental Responsibility (CER) initiatives in line with Section 135 of the Companies Act 2013 independently or in collaboration with Non-Governmental Organizations. Our CSR policy serves as a roadmap for our community development objectives. With a clear focus on positively impacting and uplifting communities within the direct impact zone (DIZ) villages where we operate, our initiatives aim to make a meaningful difference in the lives of the people we serve.

Our CSR and CER goals are aligned with the United

Nations' SDGs for Good Health & Wellbeing, and economic growth, zero hunger, quality education, sustainable cities and communities, clean water and sanitation, gender equality. We have benefitted over 4 Lakh lives in the last 4 years.

A Board level Committee governs and reviews the Annual CSR Plan and periodically monitors the progress of the programmes. Our HR and Public Relations team continuously engage with local communities to resolve their grievances, should there be any.

Efficient Implementation Approach: Turning Vision into Reality

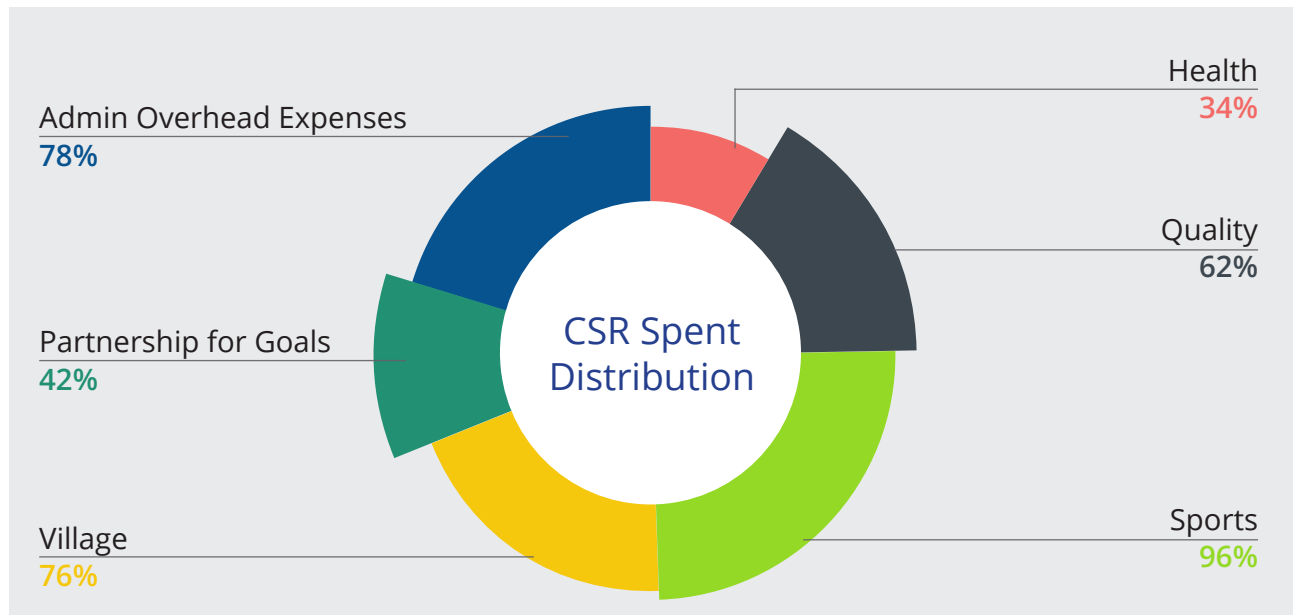
Our CSR implementation approach is rooted in a needs-driven, community-centric, and development-oriented philosophy. With a clear understanding of the communities' needs and available resources, we design CSR projects that are evidence-based and responsive to the identified challenges.

Our journey begins with comprehensive community assessments, which enable us to understand the

unique needs and aspirations of the communities we serve. Through participative, bottom-up, and consultative interactions with stakeholders, we gain valuable insights and feedback to shape our initiatives in alignment with their priorities.

Selecting the right implementation partners is paramount to us, and we undertake extensive due diligence to ensure that capable and committed individuals or organisations carry out our projects within the communities. In addition, our employees actively participate in various social events organised by the local communities near our operational sites, fostering a sense of connection and mutual understanding.

In FY2022-23, we strengthened our CSR projects in the healthcare, education, sports, and infrastructure development sectors. These initiatives have positively impacted over 3 lakh people. This year our CSR spent on local community development programs based on local communities' needs was Rs. 2.86 Cr. are as follows:



We continue to strengthen educational infrastructure and support quality education in the areas we serve. Our efforts include providing basic amenities, drinking water facilities, and digital classrooms to enhance the learning experience. Through our initiatives, we have upgraded teaching and learning facilities in four Direct Impact Zone villages, establishing model libraries that have benefited over five thousand students.

Preventive healthcare is another key focus area, and we are proud of our Mobile Health Clinic initiative,

which has positively impacted 32,000 individuals in eight villages. Looking ahead, we aim to extend our support to Women's Self-Help Groups within the vicinity, empowering them with livelihood interventions.

We also support activities towards animal welfare and maintaining ecological balance. Through our contributions to afforestation and wildlife conservation, we strive to restore and protect our natural environment. We have also made significant

contributions to women empowerment, sports development, village street lighting, livelihood programs, relief funds, solid waste management initiatives, and various other projects that uplift and benefit the communities we serve.

Our dedication to sustainability and social responsibility has earned recognition from prominent rating agencies. As a Responsible Care logo holder and Eco Vadis - Silver Rated company, we stand as a testament to our commitment to creating a positive and lasting impact on society and the environment.

Our CSR Interventions for a Better World

We actively collaborate with communities to bolster their economic, health and educational underpinnings. Our primary focus lies in empowering them to become self-sufficient and self-reliant. Through our initiatives,

we aim to uplift lives and create sustainable changes that have a lasting impact. By providing resources, training, and guidance, we enable individuals and groups to explore new opportunities and enhance their skills. Education plays a vital role in our efforts, as we believe it is a powerful tool for transformation and growth. Additionally, we have taken a proactive approach in establishing medical infrastructures to provide essential medical and health support to the communities we work with. Access to proper healthcare is fundamental to overall well-being, and we are committed to bridging the gap and ensuring that quality medical services are accessible to all. By combining these efforts, we strive to create a holistic and sustainable impact on the well-being of individuals and families. Together with our partners, we strive to build stronger communities that thrive and prosper in the face of challenges.

Strengthening the nation through Education

At Epsilon, we firmly believe that education should be a joyful and enriching experience for students. On January 06, 2023, we inaugurated a newly transformed government higher primary school in Chikkanthapur village, located in the Ballari district. This impactful project has been carefully designed to elevate the quality of education for children in five government schools spread across four villages. We aim to provide

a better learning environment through upgraded infrastructure and enhanced study materials in these institutions.

With this initiative, we aspire to positively impact the lives of 1450 students and teachers, creating an encouraging and supportive atmosphere that motivates children to attend school with enthusiasm.



Strengthening infrastructure in Government Schools



- Mini Science Centre (MSC) with 80 exhibits/models based on 150+ Science and Maths concepts for enhanced learning and understanding, particularly benefiting students from less privileged backgrounds.
- Audio-visual room equipped with computers, projectors, and teaching materials for interactive learning experiences.
- Library setup with a collection of reading books and steel stacks facility for easy access to educational resources.
- Installation of 100-litre RO units for drinking water facility at each school to ensure access to clean and safe water.
- Provision of First Aid Boxes to promote health care and safety within the school premises.
- Upgraded Nanhi Kali classrooms with wall art,

arranged seating, and book storage stacks to create a conducive learning environment.

- Provided benches and furniture to schools for improved seating and classroom infrastructure.
- Supplied sports materials, including chess boards, carrom boards, cricket kits, throw balls, javelin throws, discus throws, shotputs, high jump pools, long jump pools, rubber rings, badminton equipment, drum sets, and wireless microphone sets.
- Renovation and refurbishment of school premises with paver blocks and ceramic flooring, compound wall fencing, construction of hand wash basins and utensil wash areas, plumbing and electrical works, aluminium partitions, and repair of doors and windows to create a student-friendly environment.



Bringing Epsilon's Mobile Health Clinic to the doorstep of underserved communities



Epsilon Carbon launched a mobile health clinic with the objective of providing accessible healthcare services to underserved communities in seven villages of Sandur Taluk, Ballari District. The clinic, staffed with doctors and nurses, offered primary care, mental health services, and health education to patients. The mobile setup allowed the clinic to reach various locations, catering to the healthcare needs of women, children, and elderly individuals. Services provided included diagnosis, treatment, laboratory investigations, medical reports, and free medication. Referral and linkage services to hospitals were also offered under the Mobile Health Clinic initiative.



Contribution to Civil Works

EPCL also contributed to civil works by resolving water logging issues and by providing water reliefs during the scorch summers. The civil works initiatives successfully alleviated water logging in Sultanpur village, enhancing the living conditions of its residents and facilitating agricultural activities for local farmers. Since villages like Kodalu, Chikantapur, and D.Antapur, are entirely reliant on groundwater, and face severe water shortages, EPCL's water relief initiative was extremely successful.

Epsilon sponsored rural girl's kabaddi team wins the District level tournament

On Women's Day, we sponsored the rural girls' team at the District Level Pro-Kabaddi tournament in Ballari. Among more than 10 participating teams from different talukas, the girls' team sponsored by Epsilon achieved an impressive first position in the tournament. It is heartening to witness young girls pursuing sports and realising their dreams through promising careers in the field. At Epsilon, we are thrilled to be a part of this journey and continue our commitment to empowering and supporting women in their pursuits.



Maternity healthcare camp for rural women near the Vijaynagar plant



During this Women's Day celebration, we took the opportunity to support and celebrate the integral expression of motherhood in a woman's life. We organised an awareness, check-up, and treatment camp for pregnant women and lactating mothers in Sulthanpur, Chikkanthapur, and Kodalu villages near our Vijaynagar plant.

The camp was led by Dr. Premalatha, an experienced Gynaecologist, who interacted with 72 rural women, discussing common challenges faced during pregnancy and after delivery. Dr. Premalatha also shared

best practices regarding food habits and daily exercises to promote healthier pregnancies. The health camp provided Vitamin, calcium tablets, and nutrition powder, essential for pregnant and lactating women to prevent anaemia and related challenges.

Our specialised health camps ensure that rural women receive a minimum of three check-ups during pregnancy, as well as after delivery, ensuring the safety and well-being of both mother and child. Through such initiatives, we strive to support and empower women in their journey of motherhood.

Transformative Impact Through Library Modernization

In collaboration with the Zila Panchayat of Ballari, ECPL initiated a transformative project to upgrade public libraries, greatly benefiting the community. This comprehensive effort involved expanding and renovating library buildings, installing durable Kadapa stone flooring, adorning walls with culturally relevant motifs, and providing ergonomic furniture. The libraries now boast aluminum partitions, versatile book stacks, drinking water filtration, computer facilities with UPS backup, dedicated computer tables, and improved lighting and electrical systems. In 2019, management of 5623 rural libraries was handed over to the RDPR department for sustainable governance.

Before this initiative, the CSR villages faced a critical challenge: limited access to reading materials for schoolchildren, severely affecting their reading skills. Assessment results revealed that only 15% of class

V students could fluently read Kannada, and just 5% in English. None of the CSR villages had functional libraries, further hindering access to reading materials beyond textbooks. However, the refurbished public libraries now provide well-equipped reading spaces for rural children, offering the resources needed to enhance their reading abilities. This collaborative endeavor has effectively empowered communities by fostering literacy and knowledge dissemination.



Brightening Kudithini: ECPL's LED Street Lighting CSR Initiative



In response to a formal request from the Kudithini Town Officer, ECPL has significantly improved the town's infrastructure by supplying and installing 1000 LED street lights, including casings and fittings. Key highlights of this CSR initiative include:

- **Substantial Contribution:** ECPL provided 80% of the total 1250 street lights (1000 units of 30-watt and 250 units of 100-watt). These LED lights now illuminate all internal roads in Kudithini.

- **Transformation:** Previously, only 40% of Kudithini's street lights were operational. ECPL's initiative has completely illuminated the town, enhancing safety and aesthetics.

The introduction of LED street lights has earned praise from Kudithini's residents, reflecting ECPL's commitment to enhancing urban infrastructure and the overall quality of life in the community.

Enhancement of the Anesthesia Department at VIMS Bellary

The Vijayanagar Institute of Medical Sciences in Bellary operates as a 680-bed teaching hospital, serving a significant number of patients from neighbouring districts as well as the states of Andhra Pradesh and Telangana. The hospital's anaesthesia department identified a pressing need for critical and upgraded equipment to ensure the delivery of high-quality healthcare services to patients and to facilitate the training of medical students using state-of-the-art devices. To address

this need, the hospital reached out to the district administration, which, in turn, requested support from ECPL. The anaesthesia department furnished a list of the required equipment, which was subsequently procured and installed with funding provided by ECPL as part of its Corporate Social Responsibility (CSR) initiatives. Additionally, ECPL provided financial support to VIMS Bellari for the installation of specialized diagnostic equipment in the Central Laboratory.

Strengthening Diagnostic Capacity: ECPL's Support for VIMS Bellary

In collaboration with M/s Manjunath Enterprises, Hospet, VIMS Bellari undertook a substantial effort to enhance its diagnostic capabilities. This joint project included the installation of vital diagnostic equipment at the Central Laboratory for a five-year term, with a monthly reagent procurement requirement exceeding Rs. 5 lakhs. ECPL played a pivotal role by providing funding for the reagents over a 16-month period, totaling Rs. 80 lakhs.

ECPL's support significantly enhanced patient care efficiency. The laboratory, which previously served 100-125 patients, now handles an average of 320 patients, with ECPL contributing Rs. 5 lakhs per month towards the total monthly reagent expense of Rs. 16 lakhs. This collaborative effort has substantially improved diagnostic capabilities and healthcare services in the region.



Enhancing Healthcare Access: ECPL's Medical Equipment Donation

In response to a request from the Deputy Commissioner of Bellary District, ECPL generously donated essential medical equipment to six general hospitals within the district. These medical facilities, including taluka-level government hospitals and the Bellary district hospital, received critical medical equipment as specified by the district health department. This significant contribution aims to empower government hospitals to deliver high-quality medical services to the rural population.

The overarching objective of this project is to ensure that patients seeking medical attention at both district and taluka hospitals receive superior healthcare services. By providing these hospitals with the necessary medical equipment, ECPL is actively supporting the enhancement of healthcare access and the overall well-being of the local community.

ECPL's Contribution: Bridging Teacher Shortages in Government Schools

Responding to requests from school heads and School Management Committees, ECPL had provided guest teachers to alleviate this shortage. Karnataka grapples with a severe teacher shortage, with 13% of primary level positions and 27% of post-primary positions vacant as of May 2022.

ECPL's provision of guest teachers in CSR villages had a positive impact, effectively filling the learning gap caused by the absence of permanent teachers. Their commendable performance underscores the value of this practice in improving educational outcomes.



A guest teacher taking class at GUPS, Kodalu



The digital learning material from CLT provided by ECPL being demonstrated at D.Antapur school

Advancing Education: ECPL's Smart Classrooms in Government Schools



ECPL's Smart Classroom initiative equips select government schools with a comprehensive kit, including a 43" LED TV, educational content for students in grades VI-VIII (covering English Grammar, Mathematics, and Science, courtesy of Children's Love Castles Trust), and solar panels with batteries to power the TV. These smart classrooms have garnered high praise from students, teachers, parents, and school management committees. They enhance retention, foster better understanding of core concepts, and captivate students' attention.

Enhancing WATSAN Infrastructure in Schools

In response to requests from school management and School Management Committees (SMCs), ECPL has also undertaken significant Water, Sanitation, and Hygiene (WATSAN) infrastructure projects in schools.

ECPL's Impact on Anganwadis: Enhancing Child Development

ECPL has transformed three Anganwadis, optimizing their services for children, pregnant women, and lactating mothers.

- **Child-Centric Transformation:** ECPL revitalized these spaces by aesthetically painting the premises with engaging motifs, including the national flag, shapes, Anganwadi logos, vehicles, and more. This colorful environment not only stimulates learning but also enhances retention and engagement.
- **Maintenance Improvements:** Addressing seepage issues, ECPL ensured the buildings remain dry and well-maintained. Barbed wire fencing was installed to deter unauthorized access.
- **Enhanced Learning:** The introduction of LED TVs and digital learning materials has enriched the educational experience, allowing children to continue learning independently.
- **Facility Upgrades:** ECPL provided additional fans, lights, running water, tiles, and essential materials, boosting the centers' functionality and staff productivity.
- **Water and Gas Facilities:** Water filters ensure clean drinking water, while a more efficient gas oven replaced a non-functional one.
- **Garden and Outdoor Activities:** The addition of an ICDS garden and outdoor games fosters physical activity and a cleaner environment.



Transforming Nanhi Kalli Classrooms for Joyful Learning

Nanhi Kalli, or "Joyful Learning," a program introduced in government schools across Karnataka for students in classes 1-3, focuses on making learning a joyful experience through child-centered, activity-based methodologies. This approach includes innovative teaching and learning methods, creating an engaging classroom environment.

ECPL has supported this endeavor by:

- Wall Painting: Aesthetic classroom motifs now adorn the walls, featuring word identification, Kannada alphabets, number trees, ascending and descending orders, math calculations, Kannada rhymes, months, tables, and depictions of animals, birds, fruits, vegetables, vehicles, flowers, colors, shapes, and body parts.
- Furniture: Ergonomically designed and colorful furniture for Nanhi Kalli classrooms.

In 2019, ECPL initiated wall painting in three rooms, benefiting 30-40 students at the time. The current student strength has grown to 115, necessitating four operational Nanhi Kalli classrooms, two of which feature wall paintings. These vibrant classrooms also contribute to improved attendance and create an inviting atmosphere conducive to effective learning.



Empowering Sanitation and Hygiene Entrepreneurs (SHEs)

Through collaboration with Sambhav Foundation, LabourNet launched the SHE program with the aim of training and mobilizing 20 individuals as Sanitation and Hygiene Entrepreneurs (SHEs). This pioneering initiative prioritized the empowerment of women and youth, equipping them to achieve self-sufficiency by participating in sanitation and hygiene entrepreneurship.

Key Program Achievements:

- Conducted a comprehensive 6-hour online training program for enrolled participants.

- Awarded certifications endorsed by the Commonwealth of Learning and the National Skill Development Corporation (NSDC).
- Provided essential handholding and mentorship support for a period of six months to ensure the long-term viability of their entrepreneurial endeavors.

Despite the formidable challenges presented by the Covid-19 pandemic, the project not only met but exceeded its objective by training and mobilizing 11 women and 18 youth as SHEs.

Sustainability Outlook

As we progress on the path of sustainability, we steadfastly integrate principles of sustainability and Environmental, Social, and Governance (ESG) into every facet of our operations to align with both national and global ambitions. Addressing the growing need for sustainable solutions necessitates a shift in our perspective on sustainability. Our comprehensive ESG framework emphasizes strong governance, transparency, and a supportive atmosphere, upholding our ethical values even in the face of changing external factors.

Our forward journey centers on strong dedication to circularity. We're committed to achieving resource-neutral operations by optimizing usage, innovating recycling, and promoting circular economy principles. Transitioning to renewables, we'll intensify clean energy tech adoption. We'll persist in Research & Development, aiming for products with minimal carbon footprint and top efficiency. Our vision is a sustainable future where products, operations, and supply chain align harmoniously with the planet.

We're devoted to nurturing an inclusive, diverse workplace that values each employee's unique

perspectives and talents. Through ongoing training, we'll enable them to excel and foster a culture of continuous learning. Human rights are paramount across our operations and supply chain. Prioritizing health and safety, we'll uphold rigorous protocols, provide comprehensive health benefits, and promote zero incidents. Our dedication to well-being encompasses mental and emotional support, promoting work-life balance and happiness. This drives an environment of respect, equal opportunities, growth, and fulfillment for all stakeholders.

We are committed to upholding ethical conduct in business and communication with stakeholders. Our rigorous review and monitoring processes ensure regular assessment of our performance against set goals. Independent audits identify improvements and deviations, leading to corrective actions. Accountability and transparency drive positive change, trust-building, and stakeholder confidence. Our resolute dedication to accountability and transparency will keep us on track toward a brighter future.



Index

GRI DISCLOSURE	DESCRIPTION	PAGE NO.
Organisational Profile		
102-1	Name of the organisation.	11
102-2	Activities, brands, products, and service	13-14
102-3	Location of headquarters	15
102-4	Location of operations	15
102-5	Ownership and legal form	11
102-6	Market Served	15
102-7	Scale of the organisation	14
102-8	Information on employees and other workers	90
102-9	Supply chain	55
Strategy		
102-13	Membership of associations	16
102-14	Statement from senior decision-maker	06-09
102-15	Key impacts risks and opportunities	32-33
Ethics and integrity		
102-16	Values principles standards and norms of behaviour	12
102-17	Mechanisms for advice and concerns about ethics	45
Governance		
102-18	Governance structure	42
102-19	Delegating authority	43
102-20	Executive-level responsibility for economic, environment and societal topics	44
102-21	Consulting stakeholders on economic, environment and societal topics	21
102-22	Composition of the highest governance body and its committees	44
102-23	Chair of the highest governance body	44
102-24	Nominating and selecting the highest governance body	45
102-25	Conflicts of interest	46
102-26	Role of highest governance body in setting purpose, values, and strategy	45
102-27	Collective knowledge of highest governance body	45
102-29	Identifying and managing economic, environmental, and social impacts	25
102-30	Effectiveness of risk management processes	47
102-31	Review of economic, environmental, and social topics	25
102-32	Highest governance body's role in sustainability reporting	45
102-33	Communicating critical concerns	25
102-34	Nature and total number of critical concerns	32
102-35	Remuneration policies	46
102-40	List of stakeholder groups	20

GRI DISCLOSURE	DESCRIPTION	PAGE NO.
102-42	Identifying and selecting stakeholders	20
102-43	Approach to stakeholder engagement	21
102-44	Key topics and concerns raised	32
102-45	Entities included in the consolidated financial statements	05
102-46	Defining report content and topic Boundaries	05
102-47	List of material topics	25
102-50	Reporting period	05
102-51	Date of most recent report	05
102-52	Reporting cycle	05
102-53	Contact point for questions regarding the report Claims of reporting in accordance with the GRI	05
102-54	Standards	05
102-55	GRI content index	116
Economic Performance		
201-1	Direct economic value generated and distributed	54
201-2	Defined benefit plan obligations and other retirement plans	97
Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	54
203-2	Significant indirect economic impacts	54
Anti-Corruption		
206-1	Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	46
Tax		
207-1	Approach to tax	46
207-2	Tax governance, control, and risk management	46
207-3	Stakeholder engagement and management of concerns related to tax	46
Environment - Materials		
301-1	Materials used by weight or volume	70
301-2	Recycled input materials used	70
301-3	Reclaimed products and their packaging materials	71
Energy		
302-1	Energy consumption within the organisation	75
302-2	Energy intensity	75
302-4	Reduction of energy consumption	75

GRI DISCLOSURE	DESCRIPTION	PAGE NO.
302-5	Reductions in energy requirements of products and services	75
Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	85
304-2	Significant impacts of activities, products, and services on biodiversity	85
304-3	Habitats protected or restored	85
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	85
Emissions		
305-1	Direct (Scope 1) GHG emissions	78-79
305-2	Indirect (Scope 2) GHG emissions	78-79
305-4	GHG emissions intensity	78-79
305-5	Reduction of GHG emissions	78-79
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	80
Water Management		
303-3	Water Withdrawal	83
303-4	Water Discharge	83
303-5	Water Consumption	83
Effluents and Waste		
306-3	Waste Generated	73
306-4	Waste Diverted from Disposal	73
306-5	Waste Directed to Disposal	73
Product Responsibility		
417-1	Requirements for product and service information and labelling	63
417-2	Incidents of non-compliance concerning product and service information and labelling	63
Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	68-87
Supplier Assessment		
414-1	New suppliers that were screened using social criteria	55
308-1	New suppliers that were screened using environmental criteria	55
Social- Employment		
401-1	New employee hires and employee turnover	90

GRI DISCLOSURE	DESCRIPTION	PAGE NO.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	97
401-3	Parental leave	97
Occupational Health and Safety		
403-1	Occupational health and safety management system	101
403-2	Hazard identification, risk assessment and incident investigation	104
403-3	Occupational health services	101
403-4	Worker participation, consultation, and communication on occupational health and safety	101
403-6	Promotion of worker health	101
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	101
403-9	Work-related injuries	102
Training and Education		
103-1	Explanation of the material topic and its Boundary	26-29
103-2	The management approach and its components	93
103-3	Evaluation of the management approach	93
404-1	Average hours of training per year per employee	94
404-2	Programs for upgrading employee skills and transition assistance programs	94
404-3	Percentage of employees receiving regular performance and career development reviews	94
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	3,91
Human Rights Assessment		
412-1	Operations that have been subject to human rights reviews or impact assessments	92
412-2	Employee training on human rights policies or procedures	92
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	105
Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	66

SASB INDEX

Greenhouse Gas Emissions		
RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	78-79
RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and analysis of performance against those targets	34
Air Quality		
RT-CH-120a.1	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SO2, (3) volatile organic compounds (VOCs), (4) hazardous air pollutants (HAPs)	80
Energy Management		
RT-CH-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	75
Water Management		
RT-CH-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	83
RT-CH-140a.2	Number of incidents of noncompliance associated with water quality permits, standards, and regulations	83
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	83
Hazardous Waste Management		
RT-CH-150a.1	Amount of hazardous waste generated; percentage recycled	73
Community Relations		
RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	105
Workforce Health and Safety		
RT-CH-320a.1	(1) TRIR and (2) fatality rate for (a) direct employees and (b) contract employees	102
RT-CH-320a.2	Description of efforts to assess, monitor and reduce exposure of employees and contract workers to long-term (chronic) health risks	102
Management of the Legal and Regulatory Environment		
RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	03





Epsilon Carbon Private Limited

Plot No. 46, Upadrastha House,
Dr. V.B. Gandhi Marg, Kala Ghoda, Fort, Mumbai 400001
Telephone: +91 022 22712800
Email : info@epsiloncarbon.com