epsilon
CARBON

Carbon Conscious Value Chain

Epsilon Carbon Private Limited

SUSTAINABILITY REPORT 2024-25

Contents

Our Sustainability Report has been prepared with reference to the Global Reporting Initiative (GRI) 2021 Standards, the Sustainability Accounting Standards Board (SASB) framework, and the United Nations Sustainable Development Goals (UN SDGs).

About the Report

Epsilon Carbon Private Limited (hereinafter referred to as 'Epsilon Carbon,' 'ECPL,' 'We,' or 'Company') is committed to integrating environmental, social, and governance (ESG) principles throughout its operations, championing sustainable development and ethical business conduct.

Our Approach to Reporting

With the release of our 5th Sustainability Report, we reaffirm our dedication to advancing responsible growth and delivering long-term value to our stakeholders and the communities we serve. Our Sustainability Report has been prepared with reference to the Global Reporting Initiative (GRI) 2021 Standards, the Sustainability Accounting Standards Board (SASB) framework, and the United Nations Sustainable Development Goals (UN SDGs). This report provides a comprehensive overview of our achievements, ongoing initiatives, and aspirations as we navigate our path towards a more sustainable world. Our dedication to transparency, accountability, and continual improvement remains at the forefront of all our endeavors.

Reporting Boundary and Scope

This report covers the operational performance of Epsilon Carbon Private Limited's Vijayanagar facility, which includes Carbon Black (CB-1) and Specialty Carbon (SC) operation. Unless stated otherwise, the content herein primarily pertains to this location. This report excludes the other leased offices of Epsilon Carbon located in Delhi, Mumbai, Bengaluru, and Chennai.

Reporting Period

Rooted in transparency, we provide annual updates on our sustainability performance. This report presents information from April 1, 2024, to March 31, 2025.

Restatements of Information

The calculation methodology has been adopted as per the approach used by TUV India Private Limited during the FY'25 assurance process, and the same has been incorporated into the calculations for previous years, including the baseline year.

Digital Version

> This report provides a comprehensive overview of our achievements, ongoing initiatives, and aspirations as we navigate our path towards a more sustainable world.

Assurance

Epsilon Carbon has undertaken Limited Assurance, conducted by TUV India Private Limited, for specific environmental performance indicators at its Vijayanagar Plant (SC and CB-1 operations). The assurance covers GHG emissions intensity for Scope 1 and Scope 2, measured in MT of CO_2 equivalent per MT of product (tCO_2e/MT), and hazardous waste disposal, assessed as the percentage of hazardous waste diverted from landfill. The reporting of GHG emissions follows the GHG Protocol, and the assurance engagement has been conducted in accordance with ISAE 3410 (for greenhouse gas statements) and ISAE 3000 (Revised). The hazardous waste disposal metric is assured under ISAE 3000.

Responsibility Statement

The management affirms that Epsilon Carbon's FY'25 Sustainability Report offers a thorough account of all material topics central to the company's operations and strategic priorities. It underscores our dedication to transparency, responsiveness to stakeholders, and sustainable value creation. Key issues have been identified through active stakeholder engagement, ensuring the report remains relevant, balanced , and aligned with stakeholder expectations.

Feedback

Your valuable insights and feedback on this report would help us to strengthen our future reporting initiatives. Your inputs may be communicated to

sustainabilityoffice@epsiloncarbon.com and +91 22 227122800.

Forward-Looking Statements

This report includes forward-looking statements that represent Epsilon Carbon's expectations concerning future performance, strategic initiatives, and sustainability objectives. While these projections are grounded in reasonable assumptions and historical trends, they remain subject to inherent risks, uncertainties, and external influences such as market fluctuations, regulatory shifts, and industry developments. Actual results may vary significantly. Epsilon Carbon assumes no obligation to publicly revise or update these statements considering future events or new information.

> Key issues have been identified through active stakeholder engagement, ensuring the report remains relevant, balanced , and aligned with stakeholder expectations.

Carbon-Conscious Value Chain

At Epsilon Carbon, sustainability is embedded in our operations and strategic vision. We are partnering across the value chain and have adopted a carbon-conscious approach to reduce our overall environmental impact.

Epsilon Carbon is focused on promoting sustainable transportation methods and minimising logistics carbon footprint to enhance the environmental impact of our sustainable supply chain. By leveraging innovative technologies and sustainable practices, we aim to transform our operations to become eco-friendly and resilient, contributing significantly to global efforts in addressing minimising environmental impacts. Our approach is holistic, encompassing emissions reduction, resource efficiency, waste management, and energy management as core elements of our strategy.

We prioritise engaging with eco-conscious suppliers, partnering with them to enhance the impact of our sustainability initiatives. Our procurement, production, distribution, shipping, and recycling practices are strategically designed to lower the environmental impact and support long-term sustainability. Our supplier sustainability framework embodies our commitment to a Sustainable Supply Chain, reinforcing ethical compliance and sustainable practices at every operational level. Our theme is guided by strong social and governance principles that promote ethical, inclusive, and transparent operations. We prioritise workforce well-being and community engagement through structured programs and responsible practices. Our governance framework emphasises accountability, regulatory compliance, and stakeholder collaboration.

We prioritise engaging with eco-conscious suppliers, partnering with them to enhance the impact of our sustainability initiatives.

Building a Carbon Conscious Value Chain is integral to our ESG strategy, aligning with our core values of innovation, passion, quality, integrity, and collaboration.

By integrating ESG-aligned decision-making and sustainable sourcing, we continue to build resilience and integrity across our operations, reinforcing our commitment to carbon-conscious growth. Through transparent reporting and continuous improvement, we intend to highlight our carbon-conscious initiatives and demonstrate their significant impact on both local and global scales. Epsilon Carbon enforces risk management practices across its entire operation and value chain, upholding the utmost standards of health, safety, and quality throughout the lifespan of our products. We uphold a culture of safety across our premises through continuous training and awareness initiatives. Our strategic blueprint addresses material concerns efficiently within a framework that encourages sustainable growth. By nurturing a carbon-conscious mindset throughout our value chain, Epsilon Carbon drives meaningful change, builds trust among stakeholders, and contributes to a more sustainable and equitable future.

Epsilon Carbon enforces risk management practices across its entire operation and value chain, upholding the utmost standards of health, safety, and quality throughout the lifespan of our products.

From the Managing Director's Desk

It gives me great pleasure to present the Sustainability Report of Epsilon Carbon Private Limited for FY'25, demonstrating the effectiveness of our commitment to sustainable development. Epsilon Carbon has built a reputation for consistent innovation, responsible business conduct, and a growing focus on environmental and social responsibility

Since inception, sustainability has not merely been a goal it has been a guiding principle that shapes and drives our purpose and mission. We believe that our success is intrinsically linked to the health of our planet and the prosperity of our communities. Guided by our core values of innovation, passion, quality, integrity, and collaboration, we have embedded sustainability across our corporate strategy, from research and development to product portfolio management and organisational culture.

Our journey began with Specialty Carbon, expanded into Carbon Black, and now continues with the launch of new sustainable solutions. We focus not only on the products we create, but on the purpose, they serve and the value they deliver. As we navigate a world shaped by rapid technological advancements, shifting geopolitics, and pressing environmental and socio-economic challenges, the imperative for responsible business has never been greater.

We are committed to strengthening our innovation efforts, driven by what our customers truly value. With the unique positioning of Epsilon Carbon among market players, we aim to expand our capacity to fulfil customer demands. This can be achieved through our Carbon Black business, which is at a stage that offers opportunities for R&D, and our Specialty Carbon business, which is a value-added product.

As we navigate a world shaped by rapid technological advancements, shifting geopolitics, and pressing environmental and socio-economic challenges, the imperative for responsible business has never been greater.

Furthering our commitment, we are building a fully integrated tyre recycling plant in Karnataka, set to be operational by FY'27. This facility will recycle 30,000 MT of tyres annually, generating 9,500 MT of rCB and 12,000 MT of TDO turning the concept of a circular economy into a tangible reality.

Circular production is central to our decarbonisation and value creation strategy. The 3R principle Reduce, Reuse, Recycle forms the foundation of our processes. By repurposing by-products from one process as inputs for another, we have significantly enhanced resource efficiency. Initiatives such as recycling water, reclaiming waste gases for energy, and introducing electric tankers for material movement underscores our commitment to minimising environmental impact while optimising operational costs.

This fiscal year, we recovered 68% of energy through waste heat recovery system (CPP), and by eliminating coal as a fuel source, we have taken a decisive step toward sustainable innovation and environmental responsibility. Our Scope 2 emissions decreased by 90.87%, and we have completed Scope 3 inventory to identify further improvement areas.

Being customer-centric, helps us to learn from our customers and our own findings. With strategically located facilities and the integration of automation and digital technologies, we continue to deliver resilience, responsiveness, and precision in every service we deliver. Technology is a vital enabler of operational agility and sustainability at Epsilon Carbon. Through advanced IT solutions and digitalisation, we enhance productivity, safeguard assets, and reduce our environmental footprint.

Epsilon Carbon is committed to collaborating with carbon-conscious stakeholders to drive sustainable value creation. As part of our ESG journey, we are actively establishing our own footprint by conducting Life Cycle Assessments (LCA) of our products. Our transition from reactive measures to a proactive sustainability strategy reflects a deepening commitment to long-term impact and strategic foresight one that listens, learns, and leads. We are strengthening our Learning Management System to foster innovative thinking and deepen customer relationships by fulfiling their sustainability goals.

Ethical conduct and social responsibility remain at the heart of our business philosophy. This year, we expanded our employee wellbeing programs and community outreach through impactful CSR initiatives in healthcare, education, sports, and infrastructure positively touching over 167,000+ lives.

Our journey is powered by enduring partnerships and the strategic guidance of our Board. I extend my heartfelt gratitude to our Board of Directors and all stakeholders for their unwavering trust and support. Together, we look forward to scaling new heights of sustainable growth, creating lasting value, and contributing meaningfully to the communities we serve.

Vikram Handa
Managing Director

From the CEO's Desk

Epsilon Carbon commenced its operations, with a clear mission: to create value from industrial waste. Today, we produce high-performance carbon derivatives, primarily Carbon Black for the tyre and plastics industry, and Specialty Carbon products like coal tar pitch for aluminium smelters.

Our integrated facility in Vijayanagar, Karnataka is a hub of innovation, housing both product lines to meet the evolving needs of global industries.

Carbon Black is everywhere from tyres to mobile phones, from inks to plastics. It gives strength to rubber, color to polymers, and conductivity to electronics. Our Specialty Carbon products serve critical sectors like aluminium, pharmaceuticals, and agrochemicals. But what sets us apart is how we make them.

Globally, the carbon black industry is evolving. The market is expected to grow from $28.86 billion in 2025 to $40.10 billion by 2032, driven by demand for high-purity, low-footprint chemistries. Epsilon Carbon is already ahead of the curve using Coke Oven Gas (COG), Anthracene Oil (ATO), co-processing solid waste in cement kilns, and exploring electric vehicles for material movement, despite lack of robust electrical charging infrastructure.

At Epsilon Carbon, sustainability is not just embedded in manufacturing, it runs across the entire value chain. We use coal tar, a by-product from steel plants, as our primary raw material. Every sub-product is either reused internally or sold as a valuable input to other industries. Our energy circularity model ensures that we are 100% self-reliant, using flue gases from our Carbon Black reactors to power our captive power plant. As part of our commitment to responsible water use, we have achieved Zero Liquid Discharge (ZLD), recycling every drop for reuse across our site.

We are also innovating in low-emission logistics. We aim to transition from diesel to LNG for our coal tar tankers transitioning from diesel While electric vehicles remain aspirational due to infrastructure constraints, LNG offers a significant reduction in CO_2, NOx, and particulate emissions.

Our Specialty Carbon products serve critical sectors like aluminium, pharmaceuticals, and agrochemicals. ***But what sets us apart is how we make them.***

In FY'27, we will unveil our Jharsuguda plant in Odisha, a next-gen facility modeled on our Specialty Carbon plant but designed for even higher yield and lower emissions. It will use Blast Furnace Gas from nearby steel plants instead of virgin fuel and integrate biomass a high-capex but low-carbon solution that reduces environmental impact.

We are also expanding our footprint, ***with 200,000+ tons of carbon black and 300,000+ tons of coal tar distillation capacity***, we are building a greenfield site in Odisha for specialty carbon products like coal tar pitch, naphthalene, carbazole, and anthraquinone.

We are also pushing boundaries in packaging circularity. Our powder-grade Carbon Black will use plastic bags containing 30% recycled plastic, eliminating virgin plastic.

We are also planning to become India's first carbon black producer with an in-house tyre recycling unit, enabling full-loop recovery and reuse. This complements our expansion into specialty carbon black and downstream products.

But none of this is possible without our people. Manufacturing remains underrepresented in career choices among younger generations, with many Gen Z professionals gravitating toward tech-driven or corporate roles. At Epsilon Carbon, we are actively challenging that perception. In the current landscape, attracting and retaining talent is increasingly difficult, and to tackle this we are investing in immersive on-the-job training, competitive compensation, and digital upskilling to build a workforce that is skilled, future-ready and proud to be part of industrial transformation.

Safety is central to our culture. From process design to plant operations, we prioritise hazard control, emergency preparedness, and continuous safety training. Our facilities are equipped with advanced monitoring systems, and we conduct regular internal audits to ensure compliance with global safety standards.

Quality and compliance are non-negotiable at Epsilon Carbon. We hold ISO certifications as a baseline, and are proud to have achieved Responsible Care, ISCC, and EcoVadis Silver, placing us among the top-performing companies globally. Our quality assurance begins with understanding customer needs and extends through every stage of production, right up to dispatch. We are rigorous, responsive, and committed to continuous improvement.

We are also expanding our footprint, with 200,000+ tons of carbon black and 300,000+ tons of coal tar distillation capacity, we are building a greenfield site in Odisha for specialty carbon products like coal tar pitch, naphthalene, carbazole, and anthraquinone. Internationally, we export to over 20 countries, including the Middle East, Europe, and the Americas. Our strategy is clear: Make in Bharat, sell to the world and are fully aligned with India's Atmanirbhar Bharat vision. A pivotal moment in our journey was becoming the first Indian company to export liquid pitch to the Middle East, opening new markets and enabling India to compete globally. At Epsilon Carbon, we do not just manufacture products but manufacture possibilities. And we do it with integrity, innovation, and impact.

Gaurav Mathur
Chief Executive Officer

Embedding Sustainability, Advancing Accountability

Our fifth Sustainability Report is a reflection of our continued commitment to building a business that preserves the present and protects the future. This year, we have made meaningful progress on new initiatives while keeping the promises and priorities we have set in previous years.

From inception, Epsilon Carbon 's business model has been circular by design. We source coal tar a by-product from steel manufacturing as our primary raw material, enabling us to reduce upstream emissions while supporting decarbonisation in one of the world's hardest-to-abate sectors. This alignment with resource efficiency principles supports India's national climate commitments and reflects our role in advancing low-carbon industrial ecosystems.

In FY'25, we deepened our focus on energy efficiency, implementing targeted engineering interventions across our facilities. These included motor downgrading, Variable Frequency Drive (VFD) installations, and automation upgrades each designed to optimise load profiles, reduce idle consumption, and improve process control. These initiatives, supported by rigorous energy audits and performance tracking, have yielded measurable reductions in energy intensity and contributed to our broader decarbonisation goals.
Our captive power plant (CPP), fuelled by flue gases from the Carbon Black process, enabled substantial reductions in Scope 2 emissions. This reflects our commitment to circular energy systems and operational resilience.

This year, Epsilon Carbon has taken a deliberate step forward in its emissions accountability by initiating Scope 3 emissions reporting. These indirect emissions, spanning nine categories include categories like purchased goods and services and transportation and distribution.

From inception, ***Epsilon Carbon 's business model has been circular by design.*** We source coal tar a by-product from steel manufacturing as our primary raw material, enabling us to reduce upstream emissions while supporting decarbonisation in one of the world's hardest-to-abate sectors.

Addressing them is essential if we are to build a credible decarbonisation pathway. The decision to centre this year's report around the theme Carbon-Conscious Value Chain, signals a shift in focus: from internal efficiency to the responsibility across our ecosystem.
We recognise that meaningful climate action requires engagement beyond our operational boundaries to include sourcing, packaging, transport, and supplier practices.

Epsilon Carbon is SA8000 certified, reflecting our commitment to ethical labour practices and social accountability. Supplier engagement remains a key focus area, especially as we work to align our value chain with evolving ESG regulations and voluntary standards.
Where suppliers lack ESG readiness, our approach is not punitive we prioritise awareness-building and capacity development, supporting them in establishing foundational practices through collaboration rather than enforcement.
Our human rights policy prohibits child labour, forced labour, and discrimination, in line with international human rights frameworks. We continue to strengthen grievance mechanisms and ensure inclusive, transparent, and rights-respecting operations.

Operationally, we are looking forward to embedding circularity into packaging by reducing virgin plastic use. These interventions are part of a broader effort to reduce lifecycle emissions and improve material efficiency. In FY'25, we diverted 55.55% of hazardous waste from landfill through co-processing in cement plants.
We recognise that technology alone cannot drive transformation, people must be at the centre. In FY'25, we expanded our training and development programs, with a focus on ESG literacy, process safety, and digital capability building. Through our succession

This year, Epsilon Carbon has taken a deliberate step forward in its emissions accountability by ***initiating Scope 3 emissions reporting.***

In FY'25, Epsilon Carbon recorded

0 fatalities and 0.2 LTIFR

planning frameworks, we ensure leadership continuity and knowledge transfer, particularly in core manufacturing roles. We are also advancing internal targets to improve gender diversity across all levels, from the shop floor to leadership and governance. In FY'25, our employee gender diversity stood at 9.82% and we remain committed to driving inclusive representation through structured hiring, onboarding, and leadership development initiatives.

Safety remains a non-negotiable pillar. In FY'25, Epsilon Carbon recorded 0 fatalities and 0.2 LTIFR, a reflection of our proactive safety culture and adherence to global occupational health standards.

Our ESG governance structure ensures oversight and accountability across operations. Leveraging digital platforms like Updapt-ESG data management tool, we enable real-time tracking and reporting of key ESG metrics, supporting transparent disclosures and informed decision-making for stakeholders. This digital integration enhances transparency, responsiveness, and compliance readiness.

We have voluntarily conducted Life Cycle Assessments (LCA) for select products and are working towards full product coverage. Innovations like Terra Black, our recovered carbon black made from end-of-life tyres, and the development of Zero-Qi pitch exemplifies internal by-product valorisation, enabling closed-loop material reuse and enhancing sustainability in EV battery applications. Through the Epsilon Foundation, our CSR efforts are focused on five thematic areas: healthcare, education, livelihoods, elderly care, and environment. We are transitioning to needs-based assessments to ensure that community investments are targeted, inclusive, and aligned with local development priorities.

In FY'25, ***we diverted 55.55% of hazardous waste*** from landfill through co-processing in cement plants.

We have earned certifications including ISCC PLUS, EcoVadis Silver, and ISO standards (45001, 14001, 50001, 27001), which validate our systems and reinforce our commitment to continuous improvement.

Innovations like ***Terra Black, our recovered carbon black made from end-of-life tyres,*** and the development of Zero-Qi pitch exemplifies internal by-product valorisation, enabling closed-loop material reuse and enhancing sustainability in EV battery applications.

As we track progress toward our 2025 sustainability goals, we remain focused on measurable outcomes, stakeholder engagement, and transparent reporting. Looking ahead, our focus is clear: to build an industrial ecosystem that is resilient, regenerative, and rights-respecting. We remain committed to aligning our strategy with national and international ESG standards and frameworks, and to advancing sustainability in a way that is inclusive, science-based, and globally credible.

Abhishek Gupta
Corporate Head
Environment and Sustainability

About Epsilon Carbon

Epsilon Carbon Private Limited, established in 2010, is a privately owned company with the ambition to become the preferred partner in the global carbon derivatives market. As a leading manufacturer of coal tar derivatives, we are committed to delivering top-quality products sourced from steel industry by-products, ensuring a reliable value chain and seamless supply. Headquartered in Mumbai, Maharashtra, Epsilon Carbon boasts India's first fully integrated carbon black facility, spanning 165 acres in Karnataka.

Our operations are fully integrated, supported by dedicated raw material sources, and strategically positioned manufacturing units in Karnataka. Epsilon Carbon aims to be a global player in carbon black (CB) and coal tar (SC) derivatives. Our Carbon Black facility has an annual production capacity of 215,000 TPA (after recent expansion), while our Specialty Carbon (Coal Tar Distillation) facility produces 320,000 TPA. Guided by core values of safety, sustainability, innovation, and integrity, we produce a diverse range of carbon derivative, including impregnated pitch, binder pitch, carbon black oil, anthracene oil, and naphthalene. We serve industries such as Aluminium, Tyre, Graphite, Specialty Chemicals, Dyes, and Pigments, with a growing client base in 26 countries.

Specialising in both reinforcing and tread grades of hard carbon black, our products are extensively used in tyre treads and mechanical rubber goods. Our 200, and 300 series

We recently commissioned a state-of-the-art 100,000 TPA Carbon Black plant in Vijayanagar, marking our first step toward global industry leadership, with total capacity of 215,000 TPA in 2025.

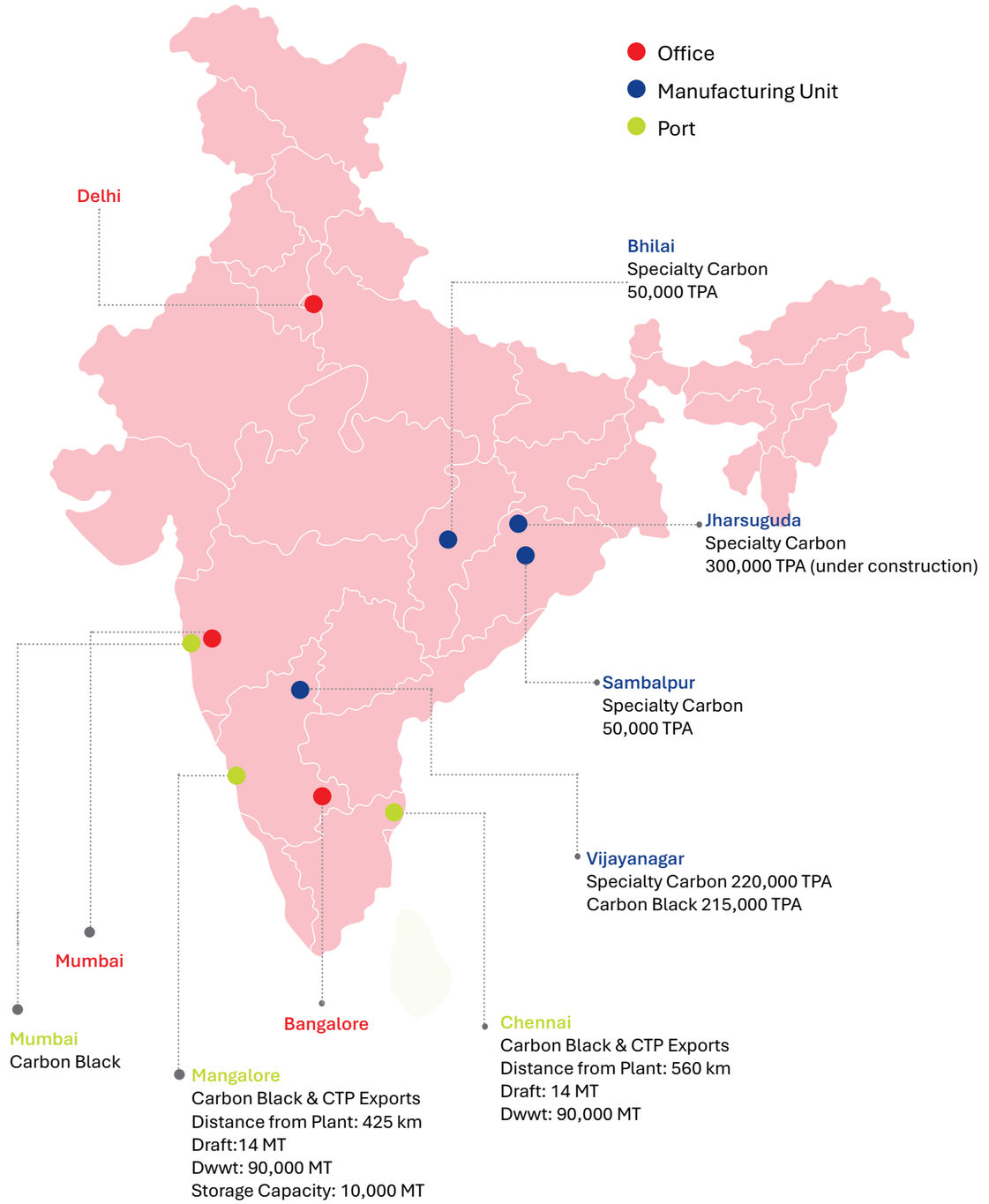
reinforcing grades suit automobile tyre sidewalls and inner liners, while the 500, and 600 series semi-reinforcing grades cater to general rubber goods.

Led by a team of seasoned professionals, our company enhances operational efficiency while addressing environmental and social priorities. We recently commissioned an additional capacity of 100,000 TPA state-of-the-art backward-integrated Carbon Black plant in Vijayanagar, with one of the worlds largest reactors delivering high efficiency.

As India's sole backward-integrated manufacturer with a dedicated raw material source, Epsilon Carbon is a leading name in coal tar chemicals. Our strategic location in Karnataka bolsters our goal to serve the carbon and coal tar industry worldwide. Through forward integration, our capacity will expand to 300,000 TPA in the second phase, further solidifying our position in the global market.

Our Geographical Footprints

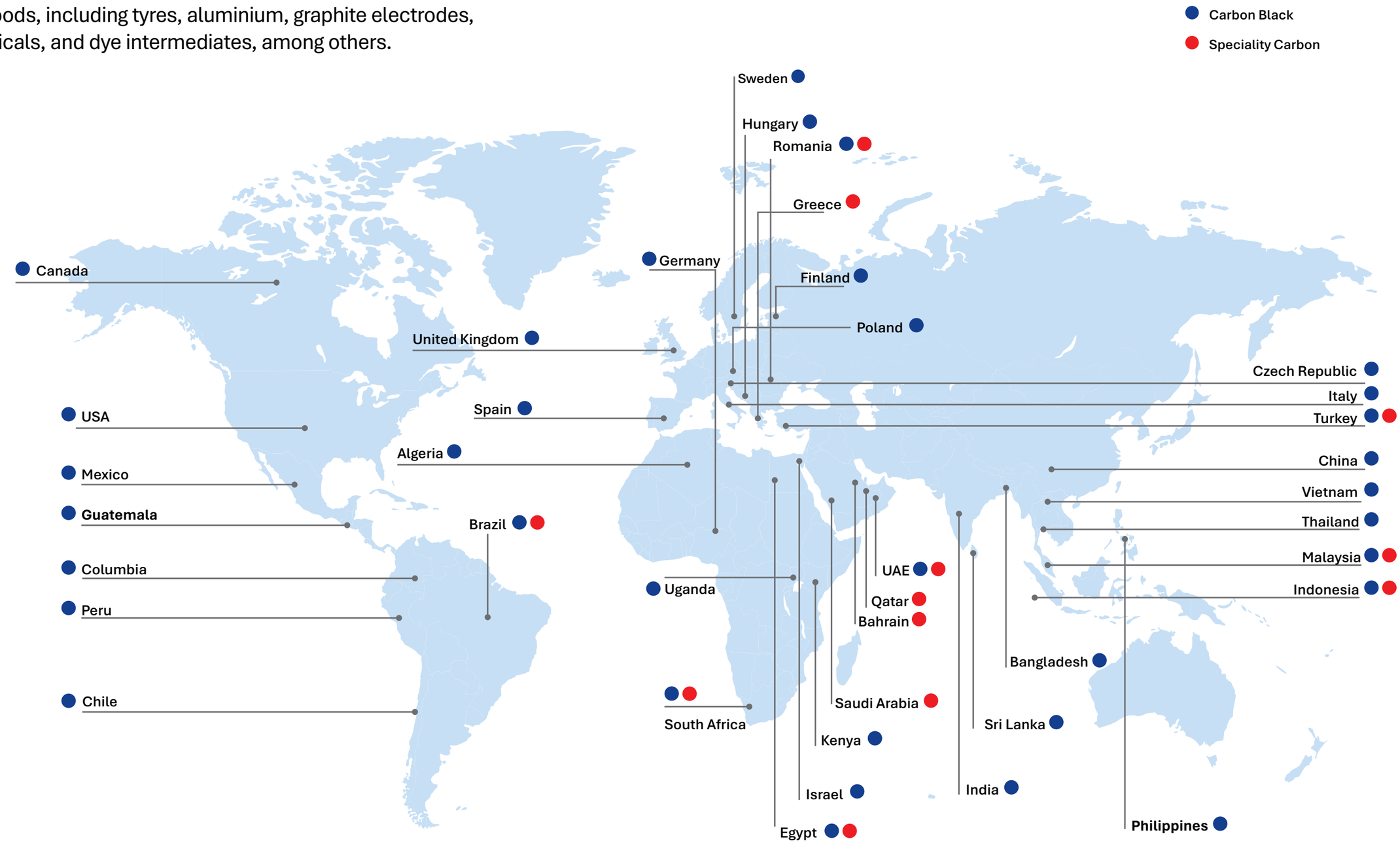
With a vision cantered on sustainability, we operate four manufacturing facilities, four ports, and three offices to effectively manage relationships, mitigate risks, drive innovation, and achieve sustainable outcomes. We foster collaboration and build trust to ensure the success of these initiatives.



Note: Map not to scale; locations are approximate.

Markets We Serve

Our high-quality carbon products meet the demands of future global industries. Our coal tar derivatives and carbon black are utilised across a diverse array of manufactured goods, including tyres, aluminium, graphite electrodes, construction chemicals, and dye intermediates, among others.



Our Foundational Beliefs

Our purpose is to craft the building blocks of tomorrow. With a young, bold, and ambitious team, we are driven by an unwavering pursuit of excellence in the products we offer. With our dynamic and passionate team, we are committed to pushing the boundaries of possibility and establishing new benchmarks of excellence within our industry.

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.

With our dynamic and passionate team, we are committed to ***pushing the boundaries*** of possibility and establishing new benchmarks of excellence within our industry.

Our Vision and Mission

Vision

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

Mission

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

Our Product Portfolio

At Epsilon Carbon, we have established an extensive range of products in Specialty Carbon and Carbon Black. This achievement is the result of backward and forward integration, enabling us to produce premium-quality products tailored to meet the specific needs of our customers.

Specialty Carbon

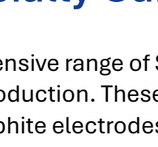
Our extensive range of Specialty Carbon derivatives is sourced from coal tar, a valuable by-product of steel production. These Specialty Carbon products are essential to industries like aluminium production and graphite electrodes, driving crucial industrial advancements.

Liquid Binder Pitch

Used for manufacturing prebaked and Soderberg anodes, carbon paste and special graphite

Light Oil

Light oil used in extraction of crude naphthalene, refining of crude anthracene oil

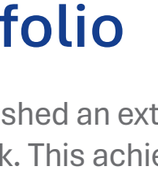


Anthracene Oil

Offers an excellent carbon index and high calorific value for carbon black production, also used in the manufacturing of carbazole and pure anthracene

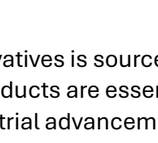
Binder Pitch

Used for manufacturing pre-baked and soderberg anodes in the aluminum and graphite industry



Wash Oil

Used for absorption of light oil components from coke oven gas

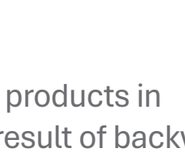


Creosote Oil

Used as a wood preservative and an important component in manufacture of phenol and cresylic acid based resins

Impregnated Pitch

Used into graphite electrodes to reduce porosity and enhance strength, oxidation resistance and conductivity



Carbon Black Oil

Used as feedstock oil for production of carbon black

Crude Naphthalene

Used in dyes, construction chemicals, leather chemicals, pharmaceuticals, and as a precursor for various other chemicals

Ortho Cresols*

Used as tanning agents and in manufacturing Lysol, agrochemicals, cleaners, paints, and glues

M-P Cresol*

Used in agricultural chemical intermediates and wire enamels

Refined Naphthalene

Used in textiles, dyes, chemicals, food colors, & pharmaceutical industry

Anthraquinone

Used in the textile industry, as catalysts in wood pulp production, colorants in medical applications, including laxatives and anti-inflammatory agents

Phenol Oil*

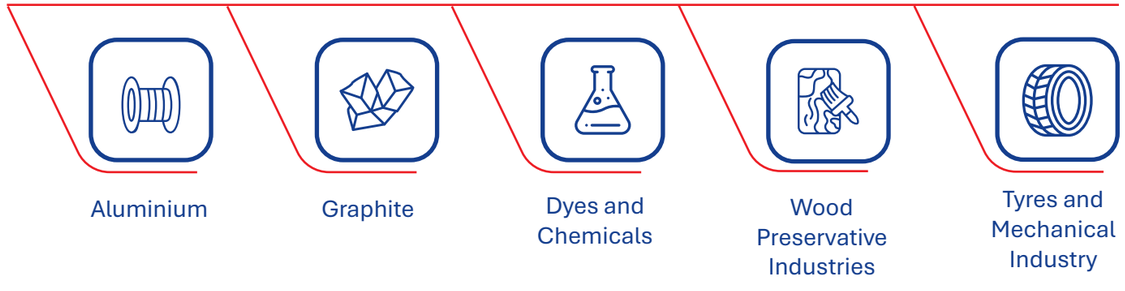
Used as disinfectants, in creosote for wood preservation, and as a component in phenol-formaldehyde resins

Carbazole*

Used in photo-sensitive photographic plates, rubber antioxidants, pigments and fluorescence materials

These Specialty Carbon products are essential to industries like aluminium production and graphite electrodes, driving crucial industrial advancements.

Industry Served- Specialty Carbon



**Products currently under development.*

Carbon Black

Carbon black plays a crucial role in enhancing rubber products and tyre performance, reinforcing treads to withstand wear and tear. Our solutions address a wide range of needs, from extending product lifespan to improving grip and fuel efficiency.

Our Carbon Black offerings come in two varieties: Hard Grade and Soft Grade. Hard grade carbon black serves as a highly cost-effective rubber reinforcing agent for tyre components, especially treads. On the other hand, soft grade carbon black is predominantly used in the sidewalls and inner liners of automobile tyres and extends its utility to other automotive parts like sealing systems, hoses, and anti-vibration components.

We can customise these products to optimise quality and performance for tyre and non-tyre applications.

Hard Black

N234 N330 N375

N220 N326 N339 Rho 3*

Soft Black

N550 N660 Rho--5 Rho-6

**Products currently under development*

Industry Served- Specialty Carbon

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

Our Memberships and Associations

As a leading entity in the industry, we actively contribute to the advancement of the industry by participating in numerous forums. The key forums to which we contribute include:

- International Tar Association
- Confederation of Indian Industry (CII)
- Indian Chemical Council
- ASSOCHAM
- Federation of Indian Chambers of Commerce and Industries (FICCI)
- Material Recycling Association of India
- National Accreditation Board for Testing and Calibration Laboratories (NABL)

Our Accreditations and Certifications

Epsilon Carbon guarantees that our products adhere to high-quality standards and regulatory requirements, with a strong emphasis on health and safety. Our efforts are certified by leading agencies in the chemical industry, which are as follows:

ECOVADIS

Sustainability Rating - Silver 2025

International Sustainability and Carbon Certification

Responsible Care

Excellence in EHS&S Performance

REACH Compliance

Product Compliance with EU Regulations

SA 8000: 2014

Social Accountability

We are proud to be certified under the following ISO standards:

- ISO 14001:2015 – International Environment Management System
- ISO 9001:2015 – Quality Management System
- ISO 45001:2018 – Occupational Health & Safety Management System
- ISO 50001:2018 – Energy Management System
- ISO 28000:2022 – Supply Chain Security Management System
- ISO 27001:2013 – Information Security Management System
- ISO / IEC 17025:2017 – Competence of Testing & Calibration Laboratories

Our Awards and Accolades

Demonstrating its leadership in the carbon derivatives market and commitment to sustainability, Epsilon Carbon has earned the following awards and accolades during the financial year:

OHSSAI Safety Award at the Annual HSE Excellence & Sustainability Awards, FY'25

Smart CX Champion –Sales and Service award at the SAP NOW AI Tour event in Mumbai FY'25

9th Apex India Excellence Awards 2024, held alongside the Apex India Conference on ESG & Sustainability

Epsilon Foundation wins Health category award for 'Project Second Chance' at India CSR & Sustainability Conclave FY'25

Excellence in Environment Management Award at the CII-ITC Centre of Excellence for Sustainable Development FY'25

Best CSR Project of the Year 2024 at UBS Forums

Triple A Treasurie Award 2025 by The Asset for the Best ESG Solution

Silver Medal at the 11th National Awards for Manufacturing Competitiveness (NAMC) 2025, by the International Research Institute for Manufacturing (IRIM)

Best CSR Project of the Year 2024 for Women Empowerment at the Indian Corporate Social Responsibility Awards

Silver Award for Digitalisation and AI in Quality Improvement at CII FY'25

Gold and Silver Awards for Workplace OHS&E and Environmental Excellence at the World Safety Organisation Awards 2024

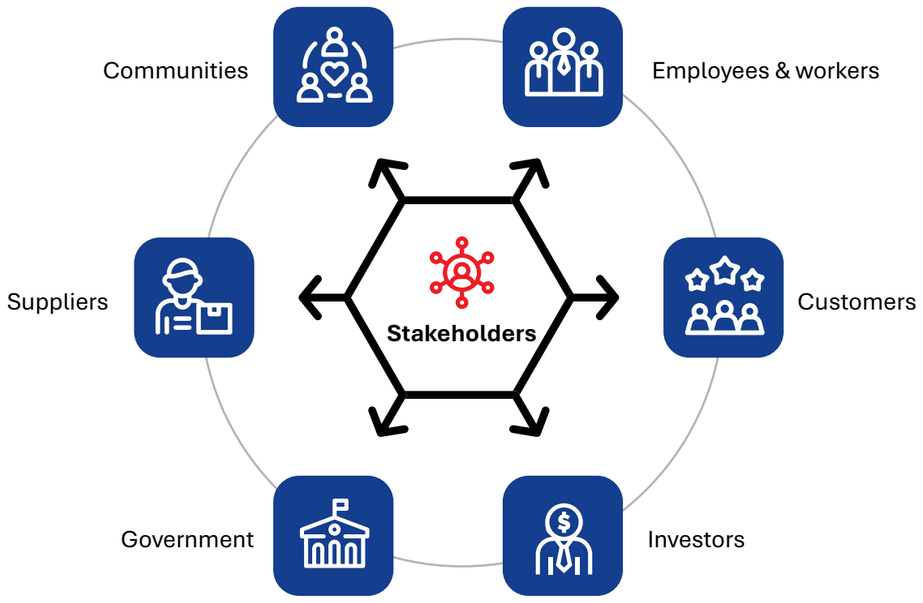
Stakeholder Engagement

Stakeholder engagement is a cornerstone of our organisational success and sustainability efforts. Through proactive and meaningful dialogue, we gain invaluable insights into stakeholder priorities, concerns, and aspirations, which guide our decision-making processes and strategic initiatives.

This interaction not only enhances our ability to anticipate and navigate potential challenges but also cultivates trust and collaboration, thereby enabling innovative solutions and mutual value creation. The outcome of robust stakeholder engagement is a more resilient and agile organisation, adept at adapting to evolving circumstances while pursuing sustainable growth. By forging strong, collaborative relationships, we ensure that our initiatives resonate with stakeholder needs, thereby contributing positively to both the communities and ecosystems in which we operate.

Approach to Stakeholder Engagement

Identifying stakeholders is a pivotal foundation for building an impactful engagement strategy. This process involves meticulous analysis of our business activities, including our geographical footprint, industry influence, and regulatory framework. This helps us recognise all the stakeholder groups and individuals who are impacted and influenced by our operations. These stakeholders include employees, workers, customers, suppliers, investors, local communities, and government agencies. In FY'22, we carried out extensive engagement with stakeholders, selecting them based on their importance and influence on our business.



Stakeholder Mapping Matrix

By delving into their unique interests and levels of influence, we construct a comprehensive and dynamic stakeholder map, capturing the multifaceted perspectives and their relative significance to our organisation. This structured examination enables us to prioritise engagement efforts, ensuring tailored communication strategies that foster robust, collaborative relationships. Through such thoughtful identification, we underpin our commitment to sustainability and responsible business practices, adeptly navigating and harmonising diverse stakeholder needs.

Stakeholder Group	Importance	Engagement Channel	Frequency of Engagement	Key topics/ Concerns
Employees and Workers	The commitment, expertise, and know-how of our employees are the cornerstones of our ongoing success.	› Meetings › Town halls › Training sessions › Surveys › Open-house sessions › Complaints and suggestion boxes › Grievance-redressal mechanisms › Annual performance appraisals › Coffee Chats with CXOs	Ongoing	› Fair benefits and compensation › Business performance › Occupational H&S › Training and development › Organisational culture › Performance feedback
Customers	Customer demand fuels sales, and their unique requirements spur enhancements in processes and efficiency, leading to better quality, service, and cost optimisation.	› Customer satisfaction surveys › Meetings Corporate events › Site visits	Ongoing/as required	› Product Quality › Product Innovation › Lifecycle environment performance › Pricing
Investors	Support us in achieving our expansion and growth goals by providing the necessary financial resources.	› Meetings › Performance Reports	Quarterly	› Financial and non-financial performance › Corporate governance › Risk Management

Stakeholder Mapping Matrix (continued)

Stakeholder Group	Importance	Engagement Channel	Frequency of Engagement	Key topics/ Concerns
Government	Interaction with government entities guarantees the perpetuation of business operations, adherence to legal standards, and the correct understanding of regulatory requirements.	› Policy updates and ministry directives › Compliance reports › CSR reports	Ongoing/ Annually	› Environmental compliance › Local development initiatives › Taxes and royalties
Suppliers	Suppliers play a vital role in integrating sustainability throughout the value chain and ensuring smooth operations by maintaining an uninterrupted supply of raw materials, preventing business disruptions.	› Supplier evaluation › Meetings › Supplier audits	Annually	› On-time payments › Suppliers' ESG performance › Supplier Code of Conduct
Communities	Building strong connections with local communities enhances our social license to operate and supports shared prosperity.	› Informal on-site interactions › Needs assessment surveys › CSR reports › Stakeholder engagement surveys	Ongoing	› Local employment › Social reforms › Livelihoods and economy › Skill development initiatives for women

Stakeholder Grievance Mechanism

Epsilon Carbon offers a clear channel for all stakeholders to report grievances, supporting transparency and fair resolutions. Our employees and workers can utilise our internal grievance redressal mechanism, while suppliers can raise concerns through the escalation matrix outlined in our Supplier Code of Conduct. Customer-related grievances are efficiently handled and streamlined with the assistance of our QA team.

info@epsiloncarbon.com

Impact Materiality

Epsilon Carbon embarked on an extensive materiality assessment during FY'22. In the reporting period of FY'25, we meticulously reassessed the salience of these material matters to ensure their alignment with contemporary priorities, striving to maintain their relevance.

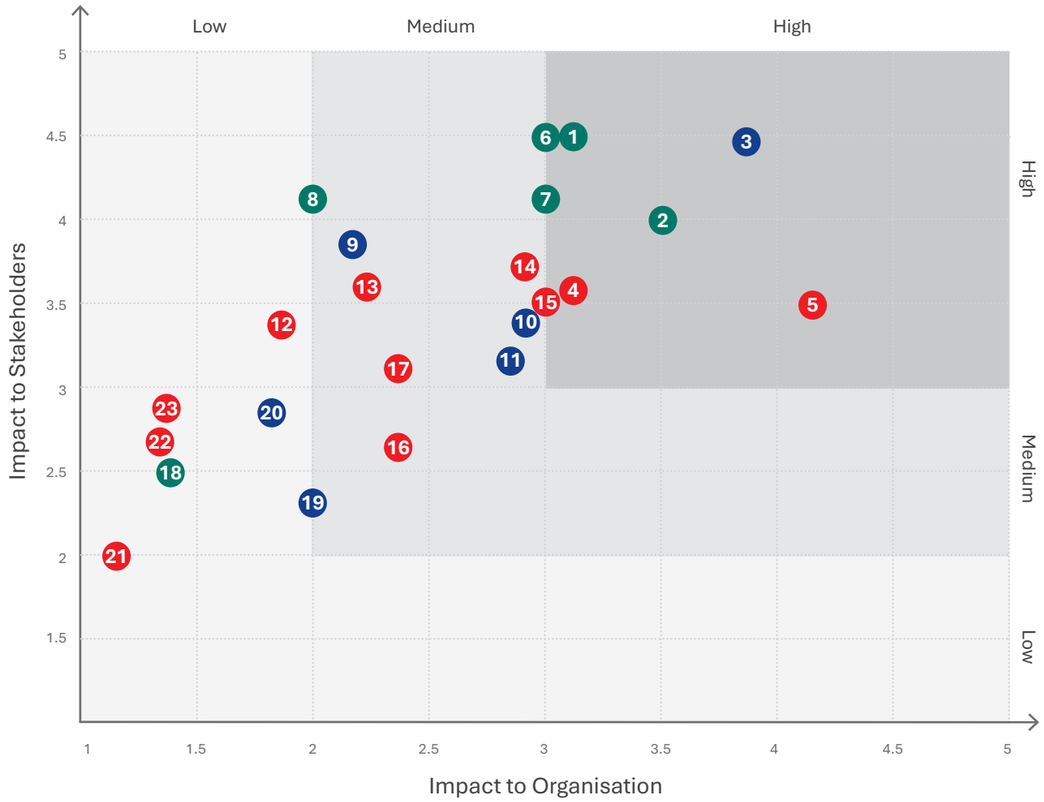
Approach to Materiality

At Epsilon Carbon, materiality serves as a critical framework for identifying and assessing the most significant positive and negative outcomes of our operations across governance, environmental, and social dimensions. We focus on understanding how our activities affect stakeholders and ecosystems, considering both actual and potential impacts. This involves prioritising matters that extend beyond traditional financial metrics, encompassing how our business influences our surroundings and the society. By thoroughly evaluating these impacts, Epsilon Carbon can strategically address areas of concern, engage stakeholders effectively, and drive meaningful changes that align with sustainability goals. Our commitment to materiality enhances transparency and accountability, ensuring we are attuned to evolving dynamics and dedicated to fostering a responsible and sustainable business model.

Our commitment to materiality ***enhances transparency and accountability,*** ensuring we are attuned to evolving dynamics and dedicated to fostering a responsible and sustainable business model.

Materiality Matrix

At Epsilon Carbon, we have identified 21 material topics that are critical to our organisation, thoughtfully categorised based on their high, medium, and low impact on both our stakeholders and business operations. These topics were re-evaluated in FY'25, resulting in several changes compared to the outcomes of our initial assessment conducted in FY'22.



- 1 Air emissions
- 2 Climate Change
- 3 Occupational Health & Safety
- 4 Supply Chain Management & Responsible Sourcing
- 5 Regulatory Compliance
- 6 Product Stewardship
- 7 Circularity
- 8 Water Efficiency
- 9 Human Rights
- 10 Employee Engagement
- 11 Talent Acquisition & Development
- 12 Risk Management
- 13 Customer Centricity
- 14 Corporate Governance
- 15 Technology & Innovation
- 16 Economic Performance & Global Presence
- 17 Ethics & Transparency
- 18 Conserving Biodiversity
- 19 Diversity & Inclusion
- 20 Community Relations
- 21 Policy Influence
- 22 Data Privacy
- 23 Information Security & Cybersecurity

● Environmental ● Social ● Governance ● High ● Medium ● Low

Epsilon Carbon has identified the following high-priority material topics as central to its sustainability strategy:

Circularity
Enhancing resource efficiency through reuse, recycling, and sustainable product life cycles.

Climate Change
Mitigating emissions and strengthening resilience to climate-related risks through proactive measures.

Occupational Health & Safety
Promoting a safe and healthy workplace by minimizing risks and fostering employee well-being.

Supply Chain Management & Responsible Sourcing
Ensuring ethical, transparent, and sustainable sourcing practices across the value chain.

Regulatory Compliance
Upholding all relevant laws, standards, and regulations to ensure operational integrity and accountability.

Illuminating Our Impact: A Transparent Approach to Sustainability

At Epsilon Carbon, our commitment to sustainability is anchored in transparency, guided by a robust framework integrating environmental, social, and governance (ESG) criteria into every aspect of our operations. Coupled with our dedication to incorporating the United Nations Sustainable Development Goals (UNSDGs), this framework enables us to illuminate the full scope of our impact, offering stakeholders a clear and comprehensive view of our performance in key areas.

We consistently track and report ESG metrics, encompassing resource utilisation, emissions reduction, social equity, and governance practices, ensuring alignment with global sustainability objectives. Amid the ever-evolving landscape, we relentlessly pursue innovation, exploring cutting-edge technologies and approaches to enhance our sustainability practices and drive positive change.

By integrating the UNSDGs, we strive to address global challenges with local actions, fostering a culture of accountability and continuous improvement that aims to exceed stakeholder expectations. Our transparent approach to sustainability is designed to build trust, support informed decision-making, and contribute meaningfully to a more sustainable and equitable future for all.

Sustainability Framework

Epsilon Carbon's ESG strategy is underpinned by five core values: innovation, passion, quality, integrity, and collaboration which together encompass ten strategic objectives. These objectives provide a comprehensive framework that drives our efforts across ten key areas of execution.

Key Objectives

1. Ethical Consumption & Production
2. Continuous Learning & Growth
3. Value Creation through Circularity
4. Embed in operational practices & decisions
5. Empowering customers with eco-conscious choice
6. Process Excellence
7. Resilience & Adaptability
8. Integrational Responsibility
9. Restorative Justice
10. Social Equity

Key Areas of Execution

1. Air Emission
2. Climate Change
3. Product Stewardship
4. Circularity
5. Talent Acquisition and Development
6. Occupational Health & Safety
7. Employee Well-being
8. Supply Chain Management
9. Corporate Governance
10. Technology and Innovation

Our strategic blueprint is carefully aligned with our material concerns, international frameworks, and industry motivators, serving as a roadmap to support the United Nations Sustainable Development Goals (SDGs).

By integrating these core values, the strategy not only addresses immediate business imperatives but also positions Epsilon Carbon to contribute positively to global sustainability challenges. This harmonious approach ensures that our actions are both locally relevant and globally impactful, fostering sustainable growth and responsible business practices throughout our operations.

Epsilon Carbon's commitments, intricately tied to its sustainability strategy, are seamlessly aligned with the United Nations Sustainable Development Goals (SDGs), offering a comprehensive and holistic perspective of the organisation's mission and values.

UN SDGs	Commitments
5 GENDER EQUALITY	Promotion and career development of women
	Fight against discrimination
6 CLEAN WATER AND SANITATION	Efficiency in water use
7 AFFORDABLE AND CLEAN ENERGY	On-site production of energy from waste recovery
8 DECENT WORK AND ECONOMIC GROWTH	Respect for and promotion of international principles relating to human rights and labour law throughout the value chain
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Continuous capacity expansion and technological advancement in the production line with digital upgrades
10 REDUCED INEQUALITIES	Fight against discrimination
	Development of local societal actions

UN SDGs	Commitments
11 SUSTAINABLE CITIES AND COMMUNITIES	Goals to improve Air quality
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Sustainable waste management and circular economy
13 CLIMATE ACTION	Reduction of Epsilon's greenhouse gas emissions to reduce operational CO2 intensity by 30% by 2035
15 LIFE ON LAND	Plantation drive to create a green belt with more than 2100 sapling plantation (FY'25 – 2,271 saplings planted)
17 PARTNERSHIPS FOR THE GOALS	Partnerships for sustainable innovation with key players in the industrial and technological Ecosystem

SUSTAINABLE DEVELOPMENT GOALS

Unveiling Our ESG Journey

As Epsilon advances in its sustainability journey, this chapter presents our ESG performance in relation to the established goals and targets.

Focus Area	Goals	KPI	Progress in FY'25
Environment			
Climate Change	Achieve Carbon Neutrality	Energy Consumption Intensity (GJ/MT)	**19% reduction achieved in comparison to baseline**
		GHG Emission Intensity (tCO2e/MT)	**0.60% increase in comparison to baseline**
		Scope 3 emission intensity (Alignment of disclosure to TCFD)	**Scope 3 GHG emissions Inventory for 9 categories completed (More than 50%)**
Air Emission	Minimising Air Emissions	SOx Emission Intensity (KG/MT)	**16% reduction in comparison to baseline**
		NOx Emission Intensity (KG/MT)	**18% reduction in comparison to baseline**
		PM Emission Intensity (KG/MT)	**17% reduction in comparison to baseline**
Circularity	Transition Towards Circularity	Waste to Landfill	**55.55% Hazardous Waste diverted from landfill**
		% of energy from waste processing (from CPP)	**68%**
Product Stewardship	Creating superior carbon products	No. of products undergoing Carbon Footprint Assessment	**LCA for CB & SC products have been completed**
		Recyclability	**In Progress**

Focus Area	Goals	KPI	Progress in FY'25
Social			
Occupational Health & Safety	Striving for a Safety-First Work Culture	% workforce attended safety training programs	**100%**
		LTIFR	**0.2**
		Occupational health illness	**NIL**
		IoT, Digital Dashboards, etc	**10 HSE KPIs tracked with the help of digital platforms**
Employee Well being	Cultivating an Exceptional Employee Culture	Employee Net Promoters Score (Likelihood of recommending as a place to work)	**28**
		Employee Wellbeing Index (A composite score that combines various wellbeing indicators to provide an overall picture of employee wellbeing)	**56**
		Employee participation in community wellness	**1.37 hours per employee per year**
Talent Acquisition and Development	Empowering Employees with Knowledge and Skills	Employee turnover rate (%)	**20.75%**
		% of women employees in overall workforce	**9.82%**
		Digital Adoption Rate	**43.40%**
		No. of training hours per employee per year across all levels of Epsilon	**Achieved 3 man days of training per employee, per year**

Focus Area	Goals	KPI	Progress in FY'25
Governance			
Supply Chain Management and Responsible Sourcing	Strengthening shared value in Supply Chain	% of suppliers assessed on Code of Conduct	**100%**
		% of suppliers covered under training and awareness program	**100%**
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	**ESG performance was reviewed by the board in every board meetings**
		No. of awards presented on ESG	**6**
Technology and Innovation	Pioneering transformation through technology	% of annual revenue dedicated to R&D	**0.62%**
		Digitisation and Industry 4.0	**Achieved Basic level of Digital Maturity**

Ethical Leadership Foundations of Corporate Governance

Material Issues Impacted

- Regulatory Compliance
- Risk Management
- Corporate Governance
- Ethics & Transparency

Guiding Policies & Management Systems

- **Code of Conduct**
- **Anti-Bribery Policy**
- **Remuneration Policy**
- **Whistleblower Policy**
- **POSH**

In this chapter

At Epsilon Carbon, our corporate governance is more than a framework; it's a strategic engine that powers excellence, innovation, and accountability across all facets of our business. We are guided by forward-looking policies, robust risk management principles, and an unwavering commitment to our Code of Conduct, ensuring we uphold the highest ethical and integrity standards expected by our stakeholders.

Governance here is not just about compliance; it's about cultivating a dynamic culture of continuous improvement. At Epsilon Carbon, our supplier Code of Conduct and rigorous assessment protocols create a symbiotic relationship between governance and the value chain ensuring that each link not only aligns with our ethical standards but actively strengthens our accountability, sustainability, and operational resilience across the enterprise.

Our collaborative ethos drives us to engage meaningfully with our workforce, communities, and value chain partners. This synergy empowers us to navigate intricate regulations and market disruptions with agility and insight.

At Epsilon Carbon, ***our supplier Code of Conduct and rigorous assessment protocols create a symbiotic relationship between governance and the value chain*** ensuring that each link not only aligns with our ethical standards but actively strengthens our accountability, sustainability, and operational resilience across the enterprise.

Our Philosophy

Our commitment to fairness, transparency, honesty, integrity, ethics, and legal compliance forms the foundation of our business conduct. At Epsilon Carbon, governance embodies principles of trust, community engagement, innovation, and sustainable growth, essential for guiding our sustainability efforts. Led by a capable Board, our governance practices affirm our dedication to accountability and responsible operations, ensuring professionalism across all aspects of our business.

Fairness

We ensure equal opportunity and respectful treatment for all stakeholders in every decision we make

Transparency

We share information openly and honestly, fostering trust through clear communication.

Honesty & Integrity

We do what's right, even when no one's watching, anchored in truth and strong moral principles.

Ethics

We uphold the highest standards of conduct, guided by responsibility, accountability, and conscience.

Legal Compliance

We operate within the bounds of law, proactively adhering to all relevant regulations and standards.

Our Governance Structure

Epsilon Carbon upholds a robust governance structure anchored in transparency, accountability, and ethical decision-making. Our steadfast leadership drives strategic alignment across all levels, ensuring resilience in a dynamic business environment. Together, governance and leadership foster a culture of integrity, innovation, and sustainable growth.

The Company is governed by the Board of Directors, which serves as the highest governing authority and is chaired by a Non-Executive Director. The Board comprises ten members, including a Managing Director, an Executive Director & CEO, an Executive Director & CFO, one Executive Woman Director, and six Non-Executive Directors. The average tenure of our Non-Executive Directors is two years.

The following is the overview of the composition of our Board of Directors:

Mr. Nirmal Kumar Jain
Chairman and Non-Executive Director

Mr. Vikram Handa
Managing Director

Mrs. Tarini Jindal Handa
Executive Director

Mr. Vinod Kumar Handa
Non-Executive Director

Mr. Gaurav Mathur
Executive Director and CEO

Mr. Pavan Trivedi
Executive Director and CFO

Mr. Ratan Kumar Shah
Non-Executive Director

Mr. Lokendra Jain
Non-Executive Director

Mr. Bimal Lalitsingh Goculdas
Non-Executive Director

Mr. Sunil Goyal
Non-Executive Director

Epsilon Carbon's governance is steered by a highly experienced Board of Directors, whose collective expertise spans governance, financial acumen, business strategy, marketing, mergers and acquisitions, legal affairs, capital structuring, chemical engineering, safety, infrastructure investments, management consultancy, and operational planning.

Board Committees

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Safety Committee
- Projects Monitoring Committee
- Finance Committee

Board Level Committees

Board-level committees play a critical role in enhancing oversight, ensuring focused attention on key strategic and risk areas. They enable informed decision-making by leveraging specialised expertise in areas like audit, sustainability, and remuneration. Such committees strengthen corporate governance by promoting transparency, accountability, and long-term stakeholder value.

To ensure robust oversight and sound governance, the Company has established several Board Committees, including the Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Audit Committee, Finance Committee, Project Monitoring Committee, Safety Committee, and the Prevention of Sexual Harassment (POSH) Committee. These Committees are supported by a highly competent team of Key Managerial Personnel (KMPs). These subcommittees convene at least once every quarter to address critical issues and monitor progress in advancing responsible and sustainable business practices.

The specific responsibilities entrusted to each Committee are outlined below.

Audit Committee

The Audit Committee is entrusted with key responsibilities, including recommending the appointment of auditors, ensuring their independence and effectiveness, and reviewing the Company's financial reports. It also evaluates the performance of ventures and assets, oversees the allocation of capital raised through public offerings, and carries out any additional duties delegated by the Board of Directors.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for ensuring compliance with policy guidelines related to the compensation of Directors, Key Managerial Personnel, and Senior Management. The Committee defines the parameters for evaluating qualifications, competencies, and desirable attributes, as well as the independence of both executive and non-executive directors within the Company.

Corporate Social Responsibility Committee

CSR Committee has been established as mandated by Section 135 of the Companies Act 2013. This Committee is responsible for managing the Company's CSR policy, performing routine evaluations, and submitting the yearly CSR strategy and financial plans to the Board for endorsement.

POSH Committee

A dedicated POSH (Prevention of Sexual Harassment) Committee has been constituted, including an external consultant from a recognised non-governmental organisation. The Committee is responsible for addressing and resolving complaints and grievances related to sexual harassment in the workplace, in strict adherence to applicable legal requirements.

Projects Monitoring Committee

The Project Monitoring Committee is responsible for evaluating ongoing and proposed projects to ensure alignment with the Group's strategic objectives. It monitors performance against defined budgets and timelines, and serves to oversee, assess, provide guidance, and approve all projects undertaken across the Group.

Safety Apex Committee

The Safety Apex Committee, led by senior corporate leadership and chaired by the Project Sponsor, ensures strategic alignment and resource allocation. This committee convenes quarterly for pre-board safety meetings attended by Independent Directors and Board representatives, during which the Head of Safety presents performance updates and risk mitigation strategies.

Executive-level and Plant-level Committees

Executive and plant-level committees ensure seamless alignment between strategic goals and operational execution. They facilitate agile decision-making, foster cross-functional collaboration, and address ground-level challenges proactively.

A. Executive-level Committees

Several executive-level committees are established to proactively oversee and mitigate risks associated with the business environment, supply chain, and organisational operations. These committees meet monthly to review plant activities, assess performance, identify risks and opportunities, and ensure strategic alignment. Quarterly, they present comprehensive updates to the Board, reinforcing transparency and informed governance.

These Committees e*nhance accountability, drive performance, and support continuous improvement* across the organisation.

Grievance Redressal Committee

The Grievance Redressal Committee is entrusted with overseeing the company's grievance procedures and systems to ensure fair and effective resolution. Its responsibilities include conducting thorough investigations of all complaints, identifying recurring patterns or systemic issues, and establishing clear timelines for resolution. The committee also seeks opportunities for continuous improvement and ensures timely, efficient redressal of grievances across the organisation.

B. Plant-level Committees

Within the plants, specialised committees closely monitor departmental operations to ensure they function efficiently and are aligned with defined objectives. These committees convene monthly and collaborate with their respective executive-level counterparts to share insights and drive improvements. Findings and recommendations are escalated through the executive teams and ultimately reported to the CEO, ensuring cohesive oversight and strategic continuity.

Employee Engagement Committee

The Employee Engagement Committee proactively engages with talented individuals by organising activities that encourage participation from employees and their families. It plans and coordinates celebrations such as birthdays, festivals, and other special occasions to foster a sense of community and belonging. Additionally, the Committee hosts events and cultural programs that strengthen employee morale and promote family involvement.

Ideation Committee

The Ideation Committee organises dynamic prototyping and ideation workshops to cultivate a culture of innovation and enhance employee engagement. It identifies and explores key themes for creative thinking and practical implementation across the organisation. To recognise and encourage ingenuity, the Committee also manages the Company's rewards program for exceptional ideas.

Knowledge Sharing Committee

The Knowledge Sharing Committee strengthens corporate expertise in environmental health and safety (H&S) to protect stakeholders and ensure the delivery of high-quality products and services. To empower employees, it offers a diverse range of resources, including a digital library platform, expert-led in-plant sessions, and quarterly external presentations on curated topics. Additionally, the Committee facilitates in-depth briefings by specialists to promote awareness, compliance, and continuous learning.

Canteen Committee

The Canteen Committee oversees daily operations to ensure high standards of food quality, safety compliance, and employee satisfaction. It manages vendor relationships, staff training, and the maintenance of canteen facilities to uphold a seamless dining experience. The Committee also coordinates cost-efficient catering services for special events and celebrations within the organisation.

Housing Allotment Committee

The House Allotment Committee ensures fair and transparent distribution of institutional or government housing through structured policy management. Its responsibilities include reviewing applications, managing allotments and waitlists, addressing grievances, and ensuring regulatory compliance. The Committee also oversees property administration, maintains accurate records, revises policies as needed, and provides regular reports for governance.

> **These committees convene monthly and collaborate with their respective executive-level counterparts *to share insights and drive improvements.***

ESG Governance Framework

Epsilon Carbon remains steadfast in its commitment to integrating Environmental, Social, and Governance (ESG) principles across all facets of its operations. As part of our sustainability roadmap, we have set ambitious goals and targets and are actively aligning our business practices to achieve them.

To ensure effective oversight and implementation, we have instituted a structured ESG governance model comprising three distinct tiers:

ESG Apex Committee

The ESG Apex Committee serves as a strategic advisory body to the Board, providing guidance on the company's policies, strategies, and programs aligned with its overarching sustainability agenda.

ESG Steering Committee

The ESG Steering Committee is responsible for setting ESG goals, developing strategies and roadmaps, conducting periodic reviews, and overseeing budgeting for all ESG-related initiatives. A monthly ESG review meeting is held, bringing together all CXOs, including the ESG Head, CEO, and Managing Director, to assess progress and align on strategic priorities.

ESG Champions

The ESG Champions are tasked with implementing initiatives at the operational level across facilities, monitoring relevant data, and supporting the identification of opportunities that align with the company's ESG targets.

Quarterly meet Monthly meet

The ESG Apex Committee reports directly to the Board of Directors, ensuring that environmental, social, and governance considerations are embedded in strategic decision-making at the highest level. The governance framework is structured across multiple tiers, each with clearly defined roles and responsibilities that promote regular engagement, cross-functional collaboration, and transparent reporting. This structure empowers the organisation to drive meaningful progress on ESG initiatives while maintaining accountability and alignment with its long-term sustainability vision. The Board is briefed quarterly on ESG-related initiatives, key regulatory developments, and the company's performance against sustainability goals. Supporting this framework, the ESG Steering Committee comprising departmental heads oversees strategic planning and execution. At the operational level, ESG Champions, made up of functional team members, are responsible for ground-level implementation and monitoring.

The ESG agenda is reviewed monthly by the Managing Director in the presence of all Presidents and Business Heads, reinforcing leadership commitment and cross-functional alignment.

Approach to Corporate Governance

At Epsilon Carbon, governance is not merely a compliance exercise; it is a strategic enabler that drives operational excellence, product innovation, and stakeholder value creation. Our governance framework is built on the principles of transparency, accountability, and ethical conduct, and is guided by our Code of Conduct and robust Risk Management practices.

We believe that strong governance must evolve alongside the business. Accordingly, we foster a culture of continuous improvement and innovation, encouraging forward-thinking approaches across our operations, methodologies, and customer engagement. By integrating governance with innovation, we ensure that our growth remains both sustainable and responsible.

Collaboration is central to our governance philosophy. We actively engage with our workforce, value chain partners, and local communities to amplify the influence of our efforts and effectively navigate the complex challenges posed by evolving regulations and dynamic market conditions.

Epsilon Carbon is committed to upholding the highest standards of integrity, transparency, and accountability across all levels of the organisation. Our governance framework is supported by key policies that reinforce ethical conduct and foster a safe, inclusive, and compliant workplace.

Code of Conduct

Integrity is a foundational value at Epsilon. Our Code of Conduct outlines clear behavioural expectations and ethical standards for all employees. It serves as a guiding framework to promote fairness, respect, and accountability, ensuring a workplace culture rooted in trust and equity.

Anti-Bribery Policy

Epsilon maintains a zero-tolerance stance on bribery and corruption. Our Anti-Bribery Policy sets forth strict guidelines prohibiting employees and representatives from engaging in any form of bribery, extortion, or corrupt practices with government officials or third parties. Any violation of this policy is treated as a serious breach of trust and may result in disciplinary action, reinforcing our commitment to ethical business conduct. In FY'25, there have been no instances of bribery or corruption across our operations. All business activities are systematically assessed for corruption-related risks. Furthermore, all employees, workers, and business partners are regularly sensitised to the vision and requirements of our anti-corruption policy, reinforcing our commitment to ethical conduct and transparency.

In FY'25, there were *no reported instances of conflict of interest, anti-competitive behaviour, antitrust violations, or monopolistic practices.*

Remuneration Policy

The Company has constituted a Nomination and Remuneration Committee (NRC) responsible for recommending appointments to the highest governance body and its sub-committees. The NRC Committee recommends all remuneration of KMP and Directors to Board. The Committee operates under a defined policy framework. The objectives and purpose of this policy are as follows:

- To establish criteria for evaluating qualifications, competencies, positive attributes, and independence for the appointment of Directors whether executive, non-executive, or independent.
- To recommend a comprehensive remuneration policy for Directors, Key Managerial Personnel (KMP), and Senior Management to the Board of Directors.

Conflict of Interest

At the start of each financial year, all Directors are required to submit a declaration of their interests in accordance with the applicable provisions of the Companies Act. This process facilitates transparent related party disclosures and helps prevent any potential conflicts of interest. In FY'25, there were no reported instances of conflict of interest, anti-competitive behaviour, antitrust violations, or monopolistic practices. We remain committed to upholding fair business conduct and ensuring compliance with all relevant regulatory standards.

Whistleblower Policy

Epsilon's Whistleblower Policy provides a structured mechanism for all stakeholders including employees, contractors, shareholders, vendors, and others to report any illegal, unethical, or non-compliant activities that may compromise public interest or shareholder value. The policy encourages a culture of transparency and empowers individuals to speak up without fear of retaliation, thereby strengthening corporate governance.

POSH (Prevention of Sexual Harassment)

In alignment with the Prevention of Sexual Harassment of Women at Workplace (POSH) Act, Epsilon has instituted comprehensive policies for the prevention, prohibition, and redressal of sexual harassment. We continuously review and enhance our POSH framework, including awareness programs and compliance procedures, to ensure a safe, respectful, and professionally enriching environment for women.

Compliance Management

At Epsilon Carbon, adherence to regulatory standards is a cornerstone of our organisational ethos. We maintain a robust and extensive compliance checklist to monitor regulatory adherence across diverse facets of our operations. To strengthen this framework, we conduct annual internal audits that assess compliance levels and identify areas for improvement. The outcomes of these audits are reported to the Board of Directors, reinforcing our commitment to transparency and accountability.

To streamline compliance management, Epsilon Carbon has adopted Lawrbit, a centralised dashboard platform that serves as a comprehensive repository for tracking regulatory obligations. This digital tool enhances visibility, simplifies monitoring, and strengthens our overall compliance infrastructure.

In addition to these measures, we employ an expansive compliance checklist tailored to various operational domains, ensuring that regulatory adherence is consistently tracked across all business units. These efforts reflect our proactive approach to governance and our dedication to maintaining the highest standards of responsible business conduct.

Financial Stewardship: Aligning Economic Success with Sustainability

Epsilon Carbon continues to maintain its position as a global exporter of Carbon Black and Solid Coal Tar (CT) Pitch. Our reputation is built on operational excellence—characterised by seamless process integration, reliable supply chain performance, rigorous quality assurance, and adherence to global best practices. These strengths have positioned us as front runners in manufacturing efficiency, supply chain resilience, and sustainable industrial practices.

Aligned with our climate action commitments, we have secured sustainability-linked financing from Standard Chartered Bank. This initiative is designed to drive measurable environmental improvements, specifically by reducing our overall greenhouse gas (GHG) emission intensity and minimising the disposal of hazardous waste to landfills. It reflects our strategic focus on responsible growth and long-term environmental stewardship.

In FY'25, our results were aligned with our long-term strategic focus and ambitions. This resilience was driven by a robust product portfolio, unwavering commitment to quality, and the relentless efforts of our dedicated team.

With innovation at the core of our operations, we are well-positioned to capitalise on emerging opportunities and *deliver sustainable value across our stakeholder ecosystem.*

Direct Economic Value Generated (A) (in Crore ₹) *	FY 24	FY 25
Revenue (through core business segments)	2,559.14	2,666.04
Other Income (through other sources)	19.16	26.84
Total	2,578.30	2692.88
Economic Value Distributed (B) (in Crore ₹)		
Operating cost	2,008.47	2,137.69
Personal Expenses (Wages + Benefits)	120.67	121.75
Interest Charges	56.91	93.91
Taxes and royalties (given to various govt. wherever business units are located) - Taxes expenses	98.75	81.08
Dividends (payments to capital providers)	-	-
Donations (political parties/politicians)	-	-
Community development/CSR investments	7.14	10.19
Total	2,291.94	2,444.62
Economic value retained (in Crore ₹)	**286.36**	**248.26**
EBITDA (in Crore ₹)	**503.00**	**519.50**

Epsilon Carbon provides gratuity benefits to employees as part of its retirement and pension obligations. ***As of FY'25, the estimated value of these liabilities stands at ₹5.78 crore.***

**The economic values published in last year's Sustainability Report have been revised due to updates in reporting methodology. In alignment with the GRI Standards, certain line items have been consolidated and reclassified to reflect standardised definitions and reporting boundaries.*

Tax Approach

Epsilon Carbon's tax strategy is designed to ensure full compliance with applicable tax laws, both in letter and spirit while supporting the company's short- and long-term objectives, including growth plans, operational efficiency, and adaptability to evolving regulatory frameworks.

We proactively manage our tax obligations to avoid interest and penalties, and we evaluate tax incentives during project development, considering both direct and indirect tax implications. The impact of tax law changes is regularly assessed, and compliance with routine tax obligations is aligned with our financial planning and budgeting processes.

Our tax risks are monitored on a quarterly basis, with regular reviews of our tax position against budget forecasts. We actively engage with stakeholders and participate in industry forums to stay informed on tax policy developments. The HR and Finance teams collaborate to address employee-related tax queries, ensuring clarity and compliance across functions.

Our tax strategy is formulated by the Taxation Department and is discussed and deliberated among senior leadership. The Head of Taxation is accountable for implementing the strategy and conducts regular consultations with the CFO to ensure alignment and oversight.
We have implemented a compliance management tool (Lawrbit) to track regulatory obligations and ensure timely adherence.

The company undergoes statutory tax audits under ***Section 44AB of the Income Tax Act (Form 3CD),*** **which involve detailed disclosures and reconciliations.**

Periodic reviews of financial statements and specific transactions are conducted to evaluate tax implications and maintain strategic alignment. The company also undergoes statutory tax audits under Section 44AB of the Income Tax Act (Form 3CD), which involve detailed disclosures and reconciliations.

Epsilon Carbon maintains transparency with tax authorities and internal stakeholders, addressing concerns through ethical practices and clear communication. We provide practical, tax-compliant solutions that foster trust and uphold our commitment to integrity. Our governance framework includes policies such as anti-corruption and whistleblower mechanisms to report unethical practices, including those related to taxation. We also leverage tax incentives that promote sustainability and innovation, aligning our tax practices with broader business goals and responsible development.

Environmental Stewardship

Material Issues Impacted

- Climate change
- Circularity
- Air emissions
- Water efficiency
- Product stewardship
- Conserving biodiversity

Guiding Policies & Management Systems

- Health, Environment & Safety Policy
- Corporate Energy Management Policy
- Responsible Care Policy
- ISO 14001:2015
- ISO 50001:2018
- ISCC Plus

Coal-free Plant

Zero Liquid Discharge (ZLD) Plant

68%
Waste Heat Recovered

55.55%
HZ Waste Diversion Rate

90.87%
decrease in Scope 2 emissions from FY'24

Land-fill reduced to 44.45% from 100%

In this chapter

Environmental Management

At Epsilon Carbon, we are committed to responsible environmental management, integrating safe chemical practices and sustainable resource utilisation across all manufacturing and associated systems. Since inception, we have prioritised minimising our ecological footprint by anchoring our sustainability strategy in the principles of circularity.

This commitment is evidenced through continuous efforts in the valorisation of waste streams i.e., the transformation of byproducts and residues into valuable resources. These efforts are complemented by stringent Life Cycle Assessments (LCA), which provide a holistic view of the environmental impact of both our existing and new products, from raw material extraction to end-of-life. Guided by a conscious culture of innovation, our R&D experts strategically embed sustainability into the design phase of our offerings. This vision enables us to continually push boundaries and set new benchmarks for environmentally responsible production.

Guided by a conscious culture of innovation, our R&D experts strategically embed ***sustainability into the design*** phase of our offerings.

Environmental Compliance

We adhere to all pertinent environmental regulations governing our operations and actively implement the precautionary principle to safeguard against potential negative environmental impacts. Our integrated approach to environmental and energy management is evidenced by the ISO 14001 and ISO 50001 certifications earned by our Vijayanagar facility. These certifications reflect our dedication to robust environmental management systems and optimised energy performance. All operations are guided by our comprehensive Health, Environment & Safety (HES) policy, which integrates seamlessly with global tenets of continuous development, quality management, and the Responsible Care initiative. Committed to pollution prevention, waste minimisation, and the efficient consumption of natural resources, our leadership team is steadfast in its support for this policy and fully accountable for its execution, ensuring a collective drive towards reduced environmental impact.

Zero Environmental Non-Conformances in FY'25

Our integrated approach to environmental and energy management is evidenced by *the ISO 14001 and ISO 50001 certifications* earned by our Vijayanagar facility.

Materials Management

At Epsilon Carbon, materials management is central to our operational efficiency and product innovation. Leveraging India's most extensive coal tar-based specialty chemical infrastructure, we source a diverse range of raw materials including Coal Tar, Carbon Black Feed Stock, Anthracene Oil, Carbon Black Oil (CBO), Raw Molasses, and Heavy Creosote Oil to produce high-performance carbon products. These inputs support both our Specialty Carbon and Carbon Black portfolios, which cater to industries such as aluminium, energy storage, electric vehicles, and mechanical rubber goods. Our backward and forward integration strategy enables us to optimise material flows, reduce dependency on external sources, and ensure consistent quality across product grades. Regular assessments and process audits help us manage hazardous and non-hazardous materials responsibly, while exploring opportunities for waste-to-resource conversion and energy recovery from byproducts. This integrated approach supports our broader goals of carbon-conscious manufacturing and circularity in operations.

In addition to core feedstocks, we utilise ***Potassium Carbonate, Potassium Nitrate, Sulfuric Acid, Caustic, and High-Speed Diesel*** in controlled processes that prioritise safety, quality, and environmental compliance.

Energy Management

We recognise efficient energy management as a key strategic lever for improving operational performance and meeting our environmental goals. In alignment with ISO 50001:2018 Energy Management System (EnMS), we have formulated a comprehensive ‘Corporate Energy Management Policy’ which highlights our commitment to reduce our energy consumption.

We recognise efficient energy management as a key strategic lever for improving operational performance and meeting our environmental goals. In alignment with ISO 50001:2018 Energy Management System (EnMS), we have formulated a comprehensive ‘Corporate Energy Management Policy’ which highlights our commitment to reduce our energy consumption. We regularly monitor, review, and improve energy performance through proven industrial practices advanced technologies and internal energy audits. By integrating IoT-based sensors, smart analytics, and automated control systems, we employ a rigorous, data-driven methodology to optimise energy consumption in real time. We are committed to achieving annual reduction in total energy usage, promoting life cycle thinking during system design and upgrades, and enhancing awareness across the organisation through targeted training. Our approach integrates regulatory compliance,

Self-Generated Heat: **250,402 GJ** of energy recovered from waste heat and used in CPP

Emissions Avoided: **50,567.28 tCO_2e**

stakeholder priorities, and shift towards recovered energy while driving continuous efficiency improvements across every facet of our operations.

Carbon black manufacturing is inherently energy-intensive due to the high-temperature thermal decomposition or partial combustion of hydrocarbon feedstocks. We address this challenge through a strategically blended energy portfolio, balancing conventional sources with waste-derived energy streams. Conventional energy sources include High Speed Diesel (HSD), primarily utilised in production processes within the Carbon Black (CB) plant and Specialty Carbon (SC) operations. We significantly offset this dependency by integrating cleaner alternatives such as Anthracene oil (by-product of our own SC processes), where as mixed gas and Coke Oven Gas (COG) which are sourced from adjacent steel plant underscoring the company’s emphasis on industrial symbiosis and resource optimisation. Following combustion in the carbon black (CB) production process, water spray is injected to effectively quench the reaction.

The resulting mixture of carbon black and gas is then separated using high-efficiency bag collectors, isolating the fine carbon particles from the lean tail gas. This tail gas which is a byproduct of the CB production process is pivotal to Epsilon Carbon’ circular economy strategy, where it undergoes transformative utilisation:

Captive Power Generation

Tail gas powers a 17MW captive power plant (a waste heat recovery plant) providing electricity to our entire operations. This internal waste heat recovery plant has significantly reduced reliance on purchased electricity.

Process Heat & Steam Generation

Tail gas is utilised as a primary fuel source for the thermal cracking reaction and for generating process steam, both of which are essential to carbon black production. This dual application significantly reduces reliance on liquid hydrocarbons like HSD and enhances energy self-sufficiency across operations.

Tail Gas Utilisation
Turning by-products into energy streams

Fuelling Distillation

Also the work is in progress to heat the distillation column of SC plant by using tail gas to reduce the dependency on fossil fuel.

Drying of Carbon Black:

In the final stage, tail gas is used to fuel rotary drum dryers for carbon black, providing consistent high-temperature conditions required for effective moisture removal

In FY'25, our total energy consumption stood at 621,532 GJ reflecting a 21.59% reduction compared to FY'24. This decline highlights the effectiveness of targeted efficiency initiatives and strategic fuel-switching efforts.

Coal-free Plant

We are proud to operate as a coal-free facility, with a business model entirely rooted in circular economy principles. Our operations derive value from industrial by-products primarily coal tar from steel plants, which we distil into high-value products. In our Carbon Black (CB) operations, flue gases generated during production are harnessed to power the plant, enhancing energy efficiency and minimising waste. By-products such as Anthracene oil are also reintegrated into the CB production process, reinforcing our commitment to resource optimisation.

By utilising Coke Oven Gas instead of Coking coal in our CB and SC operations we have been able to avoid 30,883 tCO_2e emissions annually.

- Corporate Head, Environment and Sustainability

Energy Intensity

During FY'25, Epsilon Carbon achieved a consolidated energy intensity of 2.07 GJ/MT, marking a 16.53% reduction compared to the previous FY. This notable improvement was primarily driven by efficiency gains in the CB unit, which recorded a 23.97% decrease in energy intensity. The reduction in the CB unit's energy intensity reflects targeted interventions in process optimisation, fuel blending strategies, and enhanced heat recovery systems. By utilising COG, a cleaner, waste-derived fuel sourced from the adjacent steel plant over conventional fuels like HSD, we significantly reduce our reliance on high-emission energy sources. Additionally, improvements in combustion control, quenching efficiency, and tail gas utilisation contribute to lower thermal losses and better energy conversion rates. In contrast, the SC unit maintained a relatively stable energy profile, with a marginal increase of 3.33% due to process changes associated with product customisation and maintenance requirements.

During FY'25, Epsilon Carbon achieved a consolidated *energy intensity of 2.07 GJ/MT, marking a 16.53% reduction* compared to the previous FY.

Energy Audits

We conduct routine internal energy audits to identify inefficiencies across plant systems e.g., air leaks and suboptimal pressure settings. These assessments form the basis for actionable energy optimisation strategies tailored to operational needs. A dedicated Energy Management System (EnMS) team is responsible for developing a comprehensive energy plan rooted in audit findings. The EnMS team works in close coordination with operations and maintenance teams to implement and track energy savings metrics to ensure improvements are measurable and sustained over time.

A dedicated Energy Management System (EnMS) team is *responsible for developing a comprehensive energy plan rooted in audit findings.*

As energy efficiency becomes a defining benchmark for industrial performance, Epsilon Carbon is proactively raising the bar. We conduct regular follow-up audits to evaluate the impact of past interventions, monitor progress, and uncover new opportunities for optimisation. These audits are central to our continuous improvement strategy, ensuring we stay ahead of evolving standards while contributing to resource-conscious growth. Across the carbon black sector, peers are adopting similar approaches by leveraging waste heat recovery, captive power, and process automation to reduce energy intensity.

- Head, Electrical

Our Structured Approach to Energy Management and Optimisation

01

Data Gathering and Analysis

Historical and real-time energy data collected and analysed to identify lagging areas

02

Plant-Wide Site Inspection

Qualified personnel conduct thorough on-site assessments of all energy-consuming systems such as lighting, HVAC, motors, and insulation

03

Energy Performance Benchmarking

Baseline energy consumption benchmarks are established

04

Loss Area Identification & Optimisation

Specific areas of energy loss identified and optimised to reduce energy consumption

Through the implementation of EnMS, in FY'25 we focused on three key strategic areas for continuous improvement:

Initiatives Undertaken in FY'25	Investment (₹)	Savings (kWh)	Reduced emissions (tCO2e)
Motor rightsizing	700,000+	1,648,080	1,450
VFD installations	1,420,000+	187,718	165
Automation upgrades & process optimisation	1,660,000+	964,130	848
Total	**3,780,000+**	**2,799,928**	**2,463**

Case Study

Energy optimisation initiatives at Epsilon Carbon

Guided by ISO 50001 certified Energy Management System (EnMS), Epsilon Carbon achieved significant strides in energy performance during FY'25 by implementing a series of data-driven optimisation initiatives. These efforts targeted key areas within the plant, delivering substantial energy savings and reinforcing our commitment to operational efficiency and sustainability.
One significant initiative focused on motor rightsizing. The EnMS software meticulously monitored motor operations, highlighting several instances where motors were consistently running below their optimal load points, leading to measurable inefficiencies and excess energy consumption. Acting on these precise insights, we proactively implemented a motor downgrading program. This involved replacing five oversized high-capacity motors, such as 75 kW units, with more appropriately sized 55 kW motors. These adjustments were executed without any compromise to production output or process stability.

Following this, we strategically deployed Variable Frequency Drives (VFDs) across pumping and fan systems, enabling dynamic speed control based on real-time process needs. This transition from fixed-speed operation to intelligent modulation minimised unnecessary power draw, especially during partial load conditions.

Beyond component-level optimisations, we also undertook Automation, Process & Equipment Improvements where several legacy systems were upgraded with auto logic to replace manual intervention. These refinements, such as in feed pump and valve operations, optimised pressure and flow control while eliminating inefficiencies caused by human dependency. Complementing these changes, we also invested in power factor automation and deployed harmonic filtration solutions across key electrical panels.
These measures helped stabilise system performance, mitigate equipment disruptions, and ensure more consistent load management across the plant infrastructure.

We strategically deployed Variable Frequency Drives (VFDs) across pumping and fan systems, ***enabling dynamic speed control based on real-time process needs.***

GHG Emissions Management

Epsilon Carbon acknowledges the growing importance of decarbonisation across the chemical sector and is committed to aligning its operations with evolving global and national climate regulations. Our emissions management strategy is designed to closely reflect the expectations set forth in international frameworks such as the GHG Protocol, and national ambitions including India's pledge to achieve net-zero by 2070.

As a leading manufacturer of carbon black and specialty carbon, materials that are both energy-intensive and integral to downstream applications, we recognise our responsibility to monitor, disclose, and continually improve our GHG performance. In FY'25, key operational shifts in energy sourcing, process efficiency, and captive power integration have informed our Scope 1 and Scope 2 performance metrics.

Greenhouse Gas (GHG) Emissions

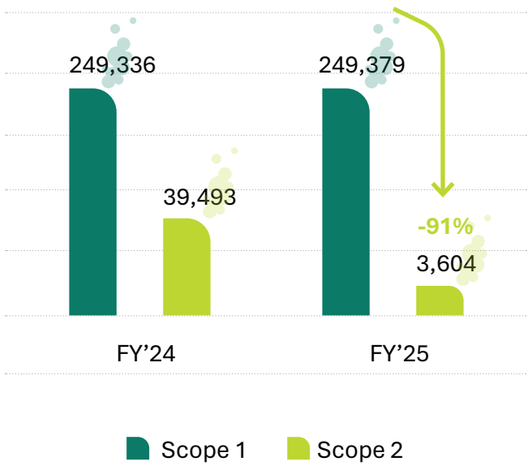
Scope 1 Emissions

Scope 1 emissions are generated from on-site fuel combustion tied to our carbon black and specialty carbon production lines. During FY'25, Scope 1 emissions from the Carbon Black (CB) unit remained stable with a 0.68% increase in comparison to FY'24.

In contrast, the Specialty Carbon (SC) unit achieved a 17.96% reduction in Scope 1 emissions through process optimisation and enhanced use of waste-derived fuels. Throughout both CB and SC units, we utilise waste gases like mixed gas and COG. This enables significant avoidance of virgin fuel use and circular resource integration.

Our total GHG intensity (Scope 1+2) for FY'25 was 0.845 tCO_2e/MT which is a *6.68% decrease from FY'24.*

Scope 1 & 2 Emissions FY'25 (MT CO2e)



Scope 2 Emissions

Scope 2 emissions refer to indirect greenhouse gas emissions from the consumption of purchased electricity, steam, heating, or cooling. For Epsilon Carbon, these emissions are associated with electricity sourced from adjacent steel plant to meet operational energy requirements. Additionally, Epsilon Carbon operates a 17 MW captive power plant fuelled by lean tail gas, a process by-product from carbon black manufacturing. In FY'25, utilisation of tail gas in CPP led to substantial reductions in Scope 2 emissions. The CB unit achieved an 91.05% reduction in Scope 2 emissions compared to FY'24, while the SC unit recorded a 90.39% decrease, driven by enhanced reliance on captive power generation. Emission estimations were derived using steel plant specific emission factors for plant operations. All calculations adhere to Scope 2 accounting methodologies outlined in the GHG Protocol.

Our total GHG intensity (Scope 1+2) for FY'25 was 0.845 tCO_2e/MT which is a 6.68% decrease from FY'24.

As the urgency of climate change intensifies, reducing greenhouse gas emissions has become a core imperative for responsible businesses. In FY'25, we committed to eliminating Scope 2 emissions as part of our broader decarbonisation strategy. By generating electricity through our in-house captive power plant (CPP), fueled by waste gases from production, and limiting external sourcing to emergency use only, we achieved an 90.87% reduction in Scope 2 emissions.

– President,
Specialty Carbon Operations

Scope 3 Emissions

As part of our commitment to transparent emissions accounting, we initiated reporting of Scope 3 emissions, which encompass indirect emissions occurring across the value chain. In FY'25, a comprehensive Scope 3 category screening was conducted to identify emission sources relevant to Epsilon Carbon's operations. This assessment identified nine applicable Scope 3 categories, in line with the GHG Protocol classification. Among these, Category 1: Purchased Goods and Services was the dominant contributor, accounting for approximately 90.71% of total Scope 3 emissions. These emissions primarily stem from the procurement of raw materials most notably coal tar and packaging inputs.

In FY'25, the total gross Scope 3 GHG emissions amounted to **161,526.62** tonnes CO_2e, with:

Scope 3	FY'25 (tC02e)
Upstream Emissions	153,752.82
Downstream Emissions	7,772.80
Total Emisisons	**161,525.62**

Case Study

Epsilon Carbon accelerates low-carbon logistics with electric truck fleet

We have strengthened our commitment to climate action by expanding our electric vehicle fleet and simultaneously exploring alternative low-emission logistics solutions. As of FY'25, we have deployed a total of six heavy-duty electric trucks for coal tar transportation, becoming the first company in India's carbon black sector to integrate EVs into raw material logistics. Each truck is equipped with a 258-kWh battery and offers a range of 185 km, ensuring operational efficiency while significantly lowering the carbon footprint.

Compared to diesel-fuelled trucks, this transition has enabled us to abate approximately 42 tCO2e emissions annually , as the EVs are charged using electricity generated by our captive power plant (CPP), which runs on process-derived tail gas resulting in near-zero emissions from vehicle charging.

In parallel, we are actively exploring the use of LNG-powered tankers and containerised logistics to further decarbonise material movement.

Air Emissions

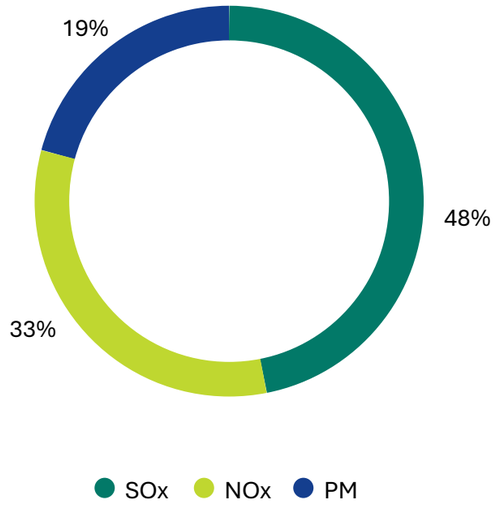
Our Vijayanagar plant operates in a highly regulated chemical manufacturing sector and follows all statutory requirements prescribed by the Karnataka State Pollution Control Board (KSPCB) for air emissions control.

We use low-sulphur content fuels in its production processes which reduce emissions of sulphur oxides (SOx). In addition, Continuous Emissions Monitoring Systems (CEMS) have been installed across critical process stacks to track parameters such as nitrogen oxides (NOx), sulphur oxides (SOx), particulate matter (PM), and carbon monoxide (CO) in real time. All monitored parameters are maintained within regulatory limits, ensuring full compliance with applicable norms. Our overall air emissions for FY'25 were 128.57 MT with SOx accounting for 61.11 MT, followed by NOx at 42.77MT and PM at 24.69 MT. Additionally, no refrigerant refilling activities took place during the reporting period; therefore, there were no emissions of ozone-depleting substances.

Emissions Monitoring Framework

- **Continuous Emissions Monitoring Systems (CEMS)**
- **Air emissions minitoring from DG sets**
- **Ambient air quality monitoring across plant and surrounding areas**
- **Quantitative tracking of SOx, NOx, PM and VOCs**

Emissions Monitoring Framework



Our overall air emissions for FY'25 were *128.57 MT with SOx accounting for 61.11 MT, followed by NOx at 42.77MT and PM at 24.69 MT.*

Case Study

Advanced VOC mitigation and emission control at Epsilon Carbon

Coal tar distillation involves high-temperature treatment that releases a complex mixture of Volatile Organic Compounds (VOCs) posing significant environmental and regulatory challenges. VOCs are typically emitted during both the distillation process and storage tank operations. We operate India's first continuous vacuum distillation facility for coal tar, engineered to deliver high process efficiency while maintaining a controlled, dust-free environment. This helps in significantly reducing particulate emissions at the source.

To address this, we implemented a comprehensive air pollution control strategy that integrates multiple layers of emission management:

- Dedicated VOC scrubbing systems are installed across all sections of the distillation plant. These are designed as packed towers with random packing media, enabling high-efficiency absorption of organic vapours.
- Storage tanks, despite operating below critical boiling points, are proactively connected to scrubbers to eliminate fugitive emissions during loading and unloading.
- Wash oil, a proven solvent in steel industries, is used for VOC absorption. Once saturated, it is recycled within the process and replaced with fresh solvent to maintain optimal performance.
- Bag filters are deployed to capture particulate matter, complementing the dust-free design of the distillation facility.
- Continuous Emission Monitoring Systems (CEMS) are installed and digitally linked to Pollution Control Board networks, enabling real-time compliance and transparency.

In FY'25, we have reduced our air emissions by 6.83% in comparison to FY'24.

Water Management

Water is an increasingly scarce and unevenly distributed resource, with global demand rising steadily over the past decades. According to the 2024 UN World Water Development Report, nearly half of the world's population experiences severe water scarcity for at least part of the year , and over 600 million people in India face high to extreme water stress due to declining groundwater levels and overextraction of surface water sources.

Epsilon Carbon does not use any groundwater in its operations and has adopted a circular approach to water stewardship, ensuring responsible sourcing, zero discharge, and continuous optimisation across its operations.

Our primary source of water is third party water. The CB unit and CPP account for majority of water usage (84%), while within the SC plant, cooling towers are the primary source of water use (16%). Our water consumption for FY'25 stood at 666,114 kL which is a 0.59% decrease from FY'24.

In FY'25, reinforcing our commitment to responsible water stewardship, we undertook a desk-based water risk assessment to determine the vulnerability of its operational sites to water stress. The assessment adhered to methodologies prescribed by the Central Ground Water Authority (CGWA) and the Central Ground Water Board (CGWB), which evaluate India's groundwater dynamics including annual recharge rates, extractable resources, and withdrawal volumes. Based on these parameters, regions are categorised as Safe, Semi-critical, Critical, or Over-exploited, depending on the stage of groundwater extraction. Our facility was classified within the "Safe" zone, indicating sustainable groundwater use and minimal risk of resource depletion.

Our water consumption for FY'25 stood ***at 666,114 kL which is a 0.59% decrease from FY'24.***

Our water conservation strategy is anchored in its Zero Liquid Discharge (ZLD) system, ensuring that no industrial effluent is released into the environment. As a ZLD facility, our water withdrawal equals consumption with all wastewater generated across operations being treated through in-house Effluent Treatment Plants (ETPs) and a common Sewage Treatment Plant (STP), enabling safe and efficient reuse across multiple applications.

In FY'25, the SC unit reused 33,102 kL and the Carbon Black (CB) unit reused 8,408 kL of water ,significantly reducing freshwater dependency. To further optimise water use, we have implemented a condensate recovery system at the SC plant. This system captures steam condensate and reuses it in cooling tower operations, enhancing thermal efficiency and reducing water consumption. In FY'25, we reused 13,595 kL of recovered condensate water in our operations. Complementing these efforts, we have also adopted rooftop rainwater harvesting at its CB warehouse. Rainwater is collected via a dedicated gutter system and stored in an underground sump, which is then used for landscape irrigation, further minimising reliance on external water sources.

To monitor and reduce water usage, we have installed electromagnetic flowmeters across key nodes and consolidated real-time data onto a centralised desktop platform. This system enables the identification of high-consumption zones and leakage points, allowing the Capex team to design and implement reduction initiatives.

Case Study

Sludge reduction and cost optimisation in effluent treatment

Sludge reduction and cost optimisation in effluent treatment In line with Epsilon Carbon's commitment to water stewardship, a targeted intervention was implemented to reduce sludge generation from the Effluent Treatment Plant (ETP). Through process optimisation and chemical substitution, we successfully reduced ETP sludge generation from 5 MT to 2 MT per month, resulting in significant cost savings and improved waste management.

The existing ETP process relied on conventional dosing agents such as lime, dolomite, soda ash, and poly, which contributed to high sludge volumes and elevated disposal costs. Monthly sludge generation stood at 5 MT, incurring substantial expenses across disposal, manpower, packing, and system operations. We transitioned to a more efficient chemical treatment regime which streamlined the treatment process, reduced solid waste generation, and enhanced overall system performance. Through targeted process improvements, we have reduced our annual sludge output by 60%, contributing to both environmental sustainability and operational savings.

> Through targeted process improvements, we have reduced ***our annual sludge output by 60%,*** contributing to both environmental sustainability and operational savings.

Waste Management

Epsilon Carbon operates a structured and compliance-driven waste management framework, underpinned by its Integrated Management System (IMS) and Health, Safety, and Environment (HSE) protocols. This framework addresses both hazardous and non-hazardous solid waste through targeted interventions that prioritise reduction, segregation at source, safe handling, and resource recovery.

Biomedical and electronic waste streams are managed in accordance with Karnataka State Pollution Control Board (KSPCB) norms and national e-waste handling regulations. Our closed-loop approach enhances resource utilisation by repurposing production by-products into new product development, thereby minimising landfill dependency and reducing overall waste footprint. Existing procedures for food and e-waste management are routinely assessed for optimisation and legal compliance.

> Non-hazardous waste, consisting of plastics and wooden pallets, was ***recycled at a rate of 99.99%,*** with only a negligible fraction sent to landfill.

In FY'25, Epsilon Carbon managed a total of 1,420 metric tonnes (MT) of solid waste, comprising 83% non-hazardous and 17% hazardous categories. Of the hazardous waste, 55.55% was directed to cement plants for co-processing, thereby contributing to resource recovery. The remaining 44.45% was disposed through authorised landfill and incineration facilities, in compliance with regulatory standards. Non-hazardous waste, consisting of plastics and wooden pallets, was recycled at a rate of 99.99%, with only a negligible fraction sent to landfill.

> Of the hazardous waste, 55.55% was directed to cement plants for co-processing, thereby contributing to resource recovery. ***The remaining 44.45% was disposed through authorised landfill and incineration facilities,*** in compliance with regulatory standards.

This outcome reflects our commitment to circularity and responsible waste stewardship across our operations. Waste management tracking is digitised through the SAP system, which enables real-time monitoring and audit readiness. For hazardous waste, disposal approvals are initiated by designated SPOCs, and for non-hazardous waste, the Scrap Committee prepares a formal note that is routed for cross-functional review. Final approval is granted by the Finance Head, HR Head, Procurement Head, Location Head, and Environment Department Head, ensuring regulatory and operational accountability.

Product Stewardship

At Epsilon Carbon, product stewardship is a strategic pillar that guides the development, use, and end-of-life management of our products with a strong emphasis on sustainability, circularity, and regulatory alignment.

Epsilon Carbon's Zero-QI Pitch project, exemplifies our commitment to closed-loop systems and material efficiency. In this initiative, pitch oil generated during the production of synthetic graphite used in electric vehicle (EV) battery anodes is repurposed as feedstock for conductive black, a precursor material for the same application. This internal valorisation of by-products not only reduces waste but also enhances the sustainability profile of Epsilon Carbon's advanced carbon materials, particularly in the fast-growing energy storage sector. We adhere to the Responsible Care® program, a global initiative led in India by the Indian Chemical Council (ICC). Epsilon Carbon holds Responsible Care certification, affirming our commitment to safe, ethical, and sustainable chemical manufacturing. This certification reflects our proactive approach to environmental protection, stakeholder engagement, and continuous improvement across all stages of the product lifecycle. In alignment with national sustainability mandates, Epsilon Carbon is also actively engaged in Extended Producer Responsibility (EPR) for packaging waste, ensuring that post-consumer materials are responsibly managed through recovery and recycling mechanisms. This reflects Epsilon Carbon's commitment to full lifecycle accountability and supports India's regulatory framework for sustainable packaging.

Zero Incidents

of non-compliance concerning product labelling & marketing communications.

We adhere to the ***Responsible Care® program, a global initiative led in India by the Indian Chemical Council (ICC).*** Epsilon Carbon holds Responsible Care certification, affirming our commitment to safe, ethical, and sustainable chemical manufacturing.

Biodiversity

At our Vijayanagar plant, we have developed a green belt to promote biodiversity, enhance the local ecosystem, and improve air quality. This initiative reflects our commitment to environmental stewardship and creating a healthier, greener industrial landscape.

The plantation includes native and adaptive species selected for their ecological resilience and ability to support pollinators, birds, and small fauna. By integrating green infrastructure into our site planning, we aim to mitigate dust and noise, regulate microclimate conditions, and contribute to long-term soil health. The green belt also serves as a natural buffer between operational zones and surrounding communities, reinforcing our commitment to responsible land use and stakeholder well-being. Notably, the entire green belt is maintained using recycled water sourced from our on-site Sewage Treatment Plant (STP).

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People and Purpose: Our Commitment to Social Wellbeing

Material Issues Impacted

- Diversity and Inclusion
- Talent Acquisition and Development
- Employee Engagement
- Human Rights

Guiding Policies & Management Systems

- Code of Conduct
- Social Accountability (SA8000) Policy
- Labour and Human Rights Policy
- Whistleblower Policy
- POSH

1,171
workforce strength
(Employees + Contract workers)

23.4
Average training hours per employee

9.82%
women diversity
(Employees)

100%
of employees received performance development review

10%
women diversity in Board

0 complaints recorded on PoSH, Human Rights and Non-discrimination in FY'25

In this chapter

Human Capital Management Strategy

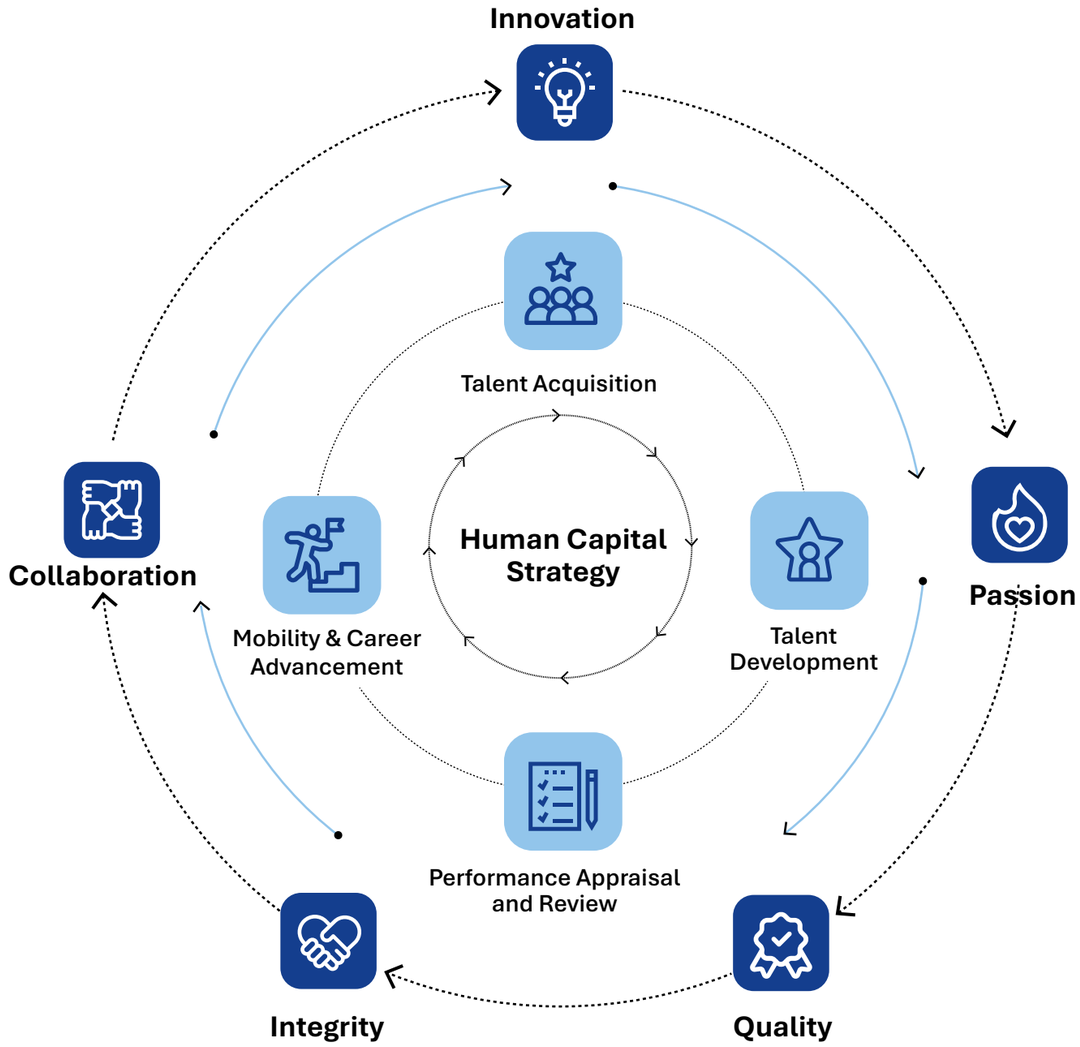
At Epsilon Carbon, the strength of our business lies in the dedication and expertise of our workforce across manufacturing plants, R&D centres, and corporate offices. As a leading producer of carbon black and specialty carbon solutions, our operations demand precision, resilience, and innovation qualities our employees bring to life every day.

Whether operating high-temperature reactors, managing complex logistics, or driving digital transformation, our people are the foundation of our success. We strive to be the employer of choice in the specialty chemicals sector by nurturing a diverse, inclusive, and future-ready workforce. Our human capital strategy is built on four pillars which embody Epsilon Carbon's values.

We uphold a zero-tolerance policy for discrimination and are committed to equal opportunity across all employment practices, including hiring, training, promotion, compensation, and separation. We ensure that all job announcements and postings do not specify any gender, race or other personal characteristics. Our Code of Conduct and Human Rights Policy reinforce our commitment to ethical employment, dignity at work, and protection against retaliation.

We offer competitive and equitable compensation, health, welfare, and retirement benefits to all full-time employees and eligible dependents, with flexibility to accommodate individual and family needs. Compensation is based solely on role requirements, experience, and market benchmarks. Gender plays no role in salary decisions. Each band includes a defined minimum for new hires which is tailored to reflect individual qualifications and ensure internal equity. We recognise the unique demands of industrial roles and are committed to supporting employees through life transitions. This includes maternity, paternity, and adoption leave policies, mental health support, and structured return-to-work programs especially critical in plant-based environments.

Our Code of Conduct and Human Rights Policy reinforce our commitment to ***ethical employment, dignity at work, and protection against retaliation.***



It is through the dedication, expertise, and integrity of our workforce that Epsilon Carbon has rapidly emerged as a trusted leader in the carbon black industry. The trust we earn from customers, suppliers, and partners is a direct reflection of our employees' capabilities and commitment to excellence. Their contributions continue to define our brand, drive innovation, and differentiate us in a dynamic and competitive marketplace.

- Chief Human Resources Officer

Workforce Diversity

	FY'24			FY'25		
Category	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Associates	334	41	375	367	44	411
Middle Management	95	10	105	91	8	99
Senior Management	38	1	39	42	2	44
Top Management	4	0	4	8	0	8
Total employees	471	52	523	508	54	562
Total workers*	-	-	-	**553**	**56**	**609**
Total workforce	471	52	523	1,061	110	1,171

**New disclosed KPI*

Attracting and Retaining Purpose-Driven Talent

We are proud to be an equal opportunity employer. Our recruitment practices are anchored in fairness, transparency, and meritocracy, ensuring that candidates are evaluated solely on their potential and alignment with Epsilon Carbon's values. We remain committed to eliminating bias and fostering diversity across all levels of the organisation. In FY'25, our employee turnover rate stood at 20.75%, prompting a strategic review of our talent acquisition and employee experience frameworks. While retention continues to be an area of focus, we have taken meaningful steps to strengthen early engagement and workplace belonging. Our onboarding process has been redesigned to offer a more structured and supportive experience, including a two-week orientation program, personalised joining kits, and a buddy scheme to ease integration and address initial queries. These enhancements have laid the foundation for a more inclusive and purpose-driven culture. Although challenges remain, we are encouraged by early signs of progress and remain committed to continuously improving the employee experience.

To support employee relocation and community integration, we offer township accommodation at subsidised rates. For employees with young children, school fee subsidies are provided up to Grade 3 at JVM, reinforcing our commitment to family welfare and education. Our Car Lease Policy and Electric Vehicle Sponsorship Program promote mobility and sustainability, while the Employee Referral Policy incentivises internal talent to contribute to our recruitment pipeline.

To streamline workforce operations, we have adopted Darwinbox, a comprehensive Human Capital Management (HCM) platform. Darwinbox supports Core HR, Recruitment, Workforce Management, and Employee Experience modules.

> For employees with young children, ***school fee subsidies are provided up to Grade 3 at JVM***, reinforcing our commitment to family welfare and education.

	FY'24				FY'25			
Age Group	**Male**	**Female**	**Total**	**Cohort-wise female diversity (%)**	**Male**	**Female**	**Total**	**Cohort-wise female diversity (%)**
30 - 50	109	10	119	8.40	83	7	90	7.78
< 30	52	15	67	22.39	55	12	67	17.91
>50	6	0	6	0	4	0	4	0
Total	**167**	**25**	**192**	**13.02**	**142**	**19**	**161**	**11.8**

Building Skills for Today and Tomorrow

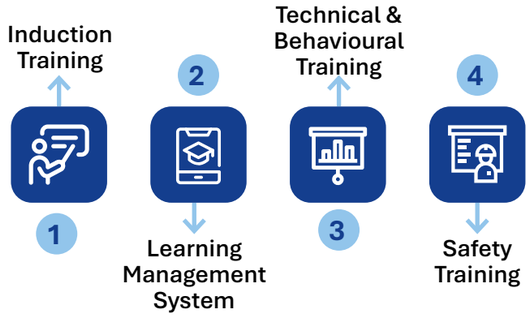
In a rapidly evolving industrial landscape, equipping employees with the right skills, knowledge, and tools is essential to sustaining operational excellence and preparing for the future. Our approach to learning and development (L&D) is designed to empower individuals at every stage of their career, enabling them to grow with purpose and contribute meaningfully to the organisation's success. Every employee is required to complete a minimum of two learning interventions annually, totalling at least 16 hours. These interventions span behavioural development led by line managers and CXOs, safety training at the organisational level, and functional training designed in consultation with business leaders. A centralised training calendar ensures timely execution, and the Training & Development team monitors implementation to ensure completion before year-end.

We offer a comprehensive suite of learning opportunities that span in-person and virtual formats, targeted leadership programs, role-specific training, and structured career planning support. These initiatives are anchored in a centralised Learning Management System (LMS), which has transformed the way employees' access, engage with, and track their development.

In alignment with our ESG commitments, we conduct internal sessions for employees and stakeholders on ESG standards and frameworks. These sessions build awareness and operational understanding of key sustainability principles. ESG goals are defined and integrated into individual KRAs. Progress is reviewed monthly by the CXO and MD level, and relevant committees, reinforcing our commitment to transparency and accountability.

- Corporate Head
Environment and Sustainability

Our learning architecture is built on four strategic pillars:



Induction Training: Every new joiner undergoes a 10-day virtual induction program focused on the Carbon Black industry. It also includes role-specific modules tailored to both shopfloor and office-based functions, helping freshers integrate quickly and confidently.

Technical & Behavioural Training: We offer a range of technical and behavioural training programs that build functional expertise and leadership capabilities. These are aligned with our competency framework to ensure relevance and impact.

Safety Trainings: Safety remains a non-negotiable priority. All our employees and workers are required to undergo mandatory safety training programs, reinforcing our commitment to regulatory compliance, risk mitigation, and workplace wellbeing. These programs are regularly updated to reflect evolving standards and operational learnings.

Learning Management System: Our LMS enables structured, scalable, and trackable learning across the organisation. It supports blended formats, certification tracking, and analytics to measure training effectiveness. All learning initiatives are reviewed periodically, with feedback gathered through post-training evaluations and employee surveys to inform continuous improvement. We invest in the continuous development of our workforce through structured learning programs, competency-based training, and formal education support.

Our training framework is informed by a robust Training Needs Analysis (TNA) process, which includes:

1. Regular performance reviews to identify skill gaps
2. Job analysis and competency mapping
3. Periodic skill assessments and employee feedback
4. Monitoring of industry trends and future skill requirements

We also support formal education through our Training & Education Support Policy, enabling employees to pursue degree programs and certifications relevant to their roles. The HR department administers this policy to ensure alignment with individual development goals and organisational priorities.

13, 486 hours
of training imparted

30.1
Avg. hours of training per female employee

23.2
Avg. hours of training per male employee

We also ***support formal education through our Training & Education Support Policy,*** enabling employees to pursue degree programs and certifications relevant to their roles.

Performance Management

Our performance management system is designed to foster transparency, accountability, and continuous improvement. Each employee is assigned Objectives and Key Results (OKRs) that are cascaded from company-wide goals, ensuring strategic alignment across all levels. Employees are encouraged to define specific, measurable, and time-bound objectives. Performance is evaluated on a half-yearly and annual basis through a structured multi-level review process. Final ratings are documented and communicated through formal appraisal letters, which may include changes in compensation or role.

1. Final review by CXOs, CHRO, and Business Heads
2. Departmental review (L2) by Heads of Department or Location Heads
3. Initial rating (L1) by reporting managers
4. Self-assessment by employees with supporting documentation

100% employees

receive regular performance and career development reviews

Preparing Future Leaders for Strategic Continuity Through Succession Planning

To institutionalise leadership development, we launched the LEAP Program (Lead, Energise, and Accelerate Performance). This initiative is designed to help participants understand their leadership effectiveness, identify strengths, and assess readiness for future roles. The program includes:

- Identification of core leadership competencies
- Development of a competency framework aligned with business needs
- Mapping and assessment of competencies through a Development Centre (DC) process

Case Study

Epsilon Carbon's Elevate Leadership Program

In line with our commitment to leadership development, 27 senior executives enrolled in the Epsilon Elevate: Senior Leadership Development Programme at the Indian School of Business. This initiative equips leaders to set strategic goals, mentor teams, and manage diverse stakeholders in a dynamic business environment. Simultaneously, 29 managers participated in the Epsilon Elevate: Managerial Development Program at the Indian Institute of Management, Calcutta. The program focuses on enhancing self-leadership, adaptability, stakeholder engagement, and cross-functional collaboration preparing our managers to lead Epsilon Carbon into its next phase of growth.

56 senior executives

and managers enrolled in Epsilon Elevate Leadership Program

Employee Engagement and Well-being

We recognise the importance of supporting employees through key life transitions, including parenthood. In line with the Maternity Benefit Act, 2017, expectant mothers are entitled to 26 weeks of maternity leave. New fathers receive five days of paternity leave, while employees adopting a child are granted twelve days of adoption leave. In FY'25, 29 male employees availed paternity leave, all of whom returned to work upon completion, reflecting a 100% return-to-work rate. While retention rate is not currently tracked, we are committed to enhancing our monitoring mechanisms and will begin tracking retention outcomes going forward.

Our HR policies are designed to support every aspect of employee life. Female employees are offered the flexibility to work from home for two days per month, supporting both professional engagement and personal responsibilities. To support work-life balance and recognie additional efforts, employees who work beyond regular hours accrue Compensatory Off (C-Off) days. General shift employees are entitled to the second and third Saturdays off each month.

In FY'25, ***29 male employees availed paternity leave, all of whom returned to work upon completion,*** reflecting a 100% return-to-work rate.

To encourage athletic pursuits, we provide sports leave, five days for national-level participation and ten days for international-level competitions. Our insurance coverage extends to employees, spouses, parents, and up to two children, while all employees are covered under a Group Personal Accident Insurance (GPA) policy with a sum insured of ₹1.5 Crore, regardless of designation. We recognise that employees seek more than just professional growth, they value connection, recognition, and enjoyment in the workplace. Initiatives such as Sports Day, Family Day, and other cultural activities are regularly organised to foster camaraderie, boost morale, and reinforce a positive organisational culture.

Our Employee Wellbeing and Assistance Platform enables employees to connect with counsellors, psychologists, dieticians, and other professionals, supporting both physical and mental health needs. This is complemented

Our insurance coverage extends to employees, spouses, parents, and up to two children, ***while all employees are covered under a Group Personal Accident Insurance (GPA) policy with a sum insured of ₹1.5 Crore, regardless of designation.***

by flexible work arrangements and nutritious food options curated by certified nutritionists. Additionally, our township living model offering proximity to schools, healthcare, and recreational facilities fosters a sense of community and helps reduce commuting stress.

Every year, we conduct a comprehensive employee wellbeing survey alongside the Employee Net Promoter Score (eNPS) assessment. These tools capture feedback on engagement, health, inclusivity, leadership, and growth opportunities. Findings from these surveys are reviewed by senior leadership and translated into targeted interventions, whether it is refining policies, enhancing communication, improving infrastructure, or launching new engagement initiatives. By tracking year-on-year progress, we are able to measure the impact of our actions and continuously evolve our people strategy in line with employee expectations and organisational goals.

In FY'25, the Employee Wellbeing Index was recorded at 56, marking its first appearance in the engagement feedback metrics. Meanwhile, the Employee Net Promoter Score (eNPS) for FY'25 stood at 28.

100% of our employees

are covered under key benefit provisions, including, life insurance, healthcare, parental leave & retirement support.

Human Rights and Labour Practices

At Epsilon Carbon, respect for human rights is foundational to how we operate. Guided by the Universal Declaration of Human Rights and the International Labour Organisation (ILO) conventions, we uphold ethical labour practices across all our carbon black and specialty chemical operations. Our Supplier Code of Conduct, Labour and Human Rights Policy, and Social Accountability Policy form the backbone of our commitment to dignity at work, non-discrimination, and safe working conditions. Our Vijayanagar plant is certified under the SA8000:2014 management system for social accountability. We maintain strict policies against child labour, forced labour, sexual harassment, retaliation, and human trafficking. Epsilon Carbon does not employ anyone under the age of 18. All employees are made aware of our child labour policy and remediation procedures during induction and through refresher courses.

We maintain ***strict policies against child labour, forced labour, sexual harassment, retaliation, and human trafficking.***

We extend our human rights commitments to our supply chain. All service agreements and contracts include human rights clauses, and suppliers are inducted into our Code of Conduct, which incorporates SA8000 standards and the Universal Declaration of Human Rights. Biannual Know Your Client (KYC) refresher courses reinforce understanding and adherence to these principles. We ensure that all security personnel deployed at our facilities receive comprehensive training on key human rights issues, including the prevention of child labour, forced labour, and human trafficking. This training is designed to build awareness, reinforce ethical conduct, and align with our broader commitment to responsible business practices.

FY'25

Category	Number of security personnel			Number of security personnel who received training on human rights policies			Percentage of security personnel who received HuR training*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
On-roll	6	0	6	6	0	6	100%	0%	100%
Third party	43	2	45	43	2	45	100%	100%	100%

**New disclosed KPI*

Freedom of Association and Collective Bargaining

While Epsilon Carbon values collective bargaining as a pillar of inclusive engagement, none of our employees are unionised as of FY'25. All new and existing employees including migrant workers, managers, and supervisors receive training on freedom of association and collective bargaining, aligned with international standards and local laws. Every worker at Epsilon Carbon has the right to freely join or form a union of their choice, and we strictly prohibit any form of discrimination, retaliation, or adverse treatment based on union membership or participation in collective activities.

Grievance Mechanism

We maintain a robust grievance and whistleblowing system that allows employees and contractors to raise workplace and welfare concerns. Our Parivartan platform integrates multiple channels for confidential, timely issue resolution, with the Ethical Compliance team overseeing investigations to ensure fair outcomes aligned with laws and company policies.

Grievance Resolution

Employees and workers can confidentially report concerns at
vigil@epsiloncarbon.com
without fear of retaliation

Occupational Health & Safety

Material Issue Impacted

- Occupational Health & Safety

Guiding Policies & Management Systems

- Health, Environment & Safety Policy
- ISO 45001:2018
- Responsible Care
- SA 8000

0 Fatalities

0 OSHA Incident Rate

0.2 LTIFR

30,500+

Man-hours of safety training imparted*

**3,500+ Man-hours (management staff) & 27,000+ Man-hours (contract workers)*

In this chapter

Safety at Epsilon Carbon

At Epsilon Carbon, safety is a shared responsibility, deeply embedded in our operations and exemplified by active participation across all levels of the organisation. The CEO and Board collectively hold accountability for establishing and enforcing policies, procedures, and safeguards to ensure safety is embedded across all operations.

Our foremost objective is to ensure that every individual whether a permanent or contract employee, client, supplier, vendor, or visitor returns home safely each day. This commitment is driven by our comprehensive Health, Environment, and Safety (HES) policy, aligned with UNGC and ILO standards. It is supported by robust Standard Operating Procedures (SOPs) and an Occupational Health and Safety Management System (OHSMS) that covers 100% of our plant operations. Mandatory, refresher training and awareness programs are conducted for all employees and contractors to promote continuous improvement in safety practices and timely dissemination of information on emerging risks and mitigation strategies.

Carbon black exhibits an exothermic reaction when exposed to strong oxidising agents. To mitigate risks associated with such hazards, we have implemented a comprehensive disaster management framework outlining clear protocols for emergency response and post-incident recovery.

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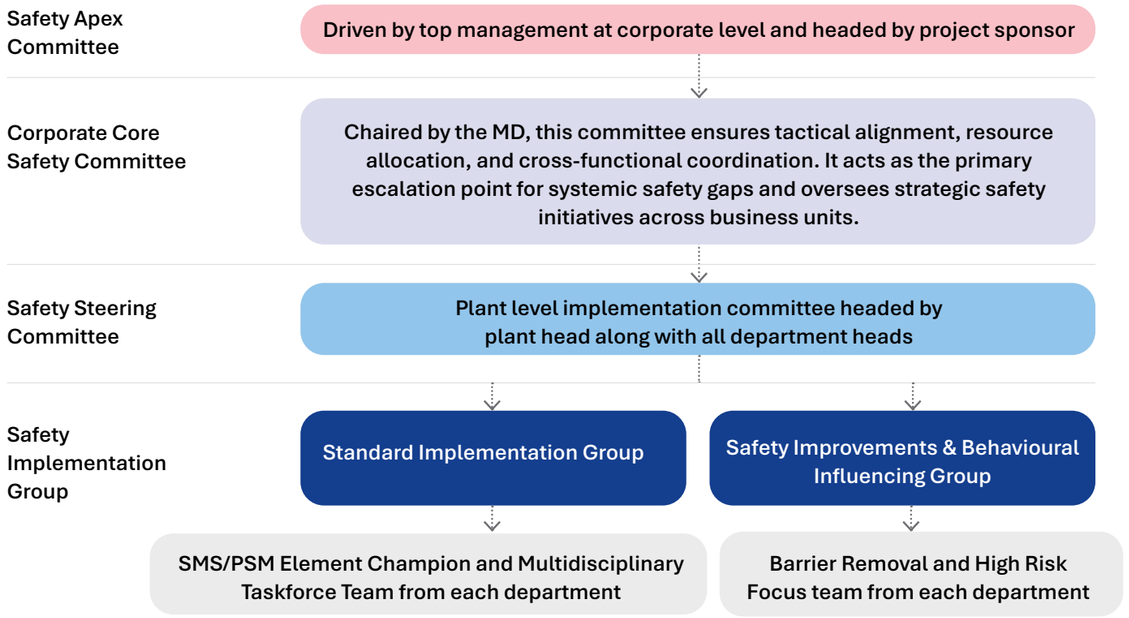
Safety Governance

Safety is governed through a multi-tiered structure that integrates strategic oversight, operational execution, and cultural transformation. The Safety Apex Committee, led by senior corporate leadership and chaired by the Project Sponsor, ensures strategic alignment and resource allocation. This committee convenes quarterly for pre-board safety meetings attended by Independent Directors and Board representatives, during which the Head of Safety presents performance updates and risk mitigation strategies. Complementing this structure is the Corporate Core Safety Committee, chaired by the Managing Director, which drives tactical alignment, resource deployment, and cross-functional coordination. Operational control is vested in the Safety Steering Committee, comprising the Plant Head and departmental HODs, who are responsible for enforcing safety protocols at the site level. This body supervises adherence to standard operating procedures (SOPs), coordinates with cross-functional implementation groups, and escalates systemic gaps to the Apex Committee for resolution. Supporting implementation are two Safety Implementation Groups. The Standard Implementation Group is tasked with deploying SOPs, safety checklists, and technical protocols. It consists of 'Safety Management System (SMS) / Process Safety Management (PSM) Element Champions' and cross-functional team members from various departments. The 'Safety Improvements & Behavioural Influencing Group' is oriented toward behavioural transformation, promotes proactive hazard identification and improved risk communication. It includes specialised Barrier Removal Teams and High-Risk Focus Teams. The Safety Element / Taskforce Champions are responsible for safety execution across key pillars such as HIRA, Permit-to-Work systems, PPE compliance, contractor safety, and workforce training under the supervision of department heads (e.g., Procurement, Utilities). These champions lead targeted initiatives and ensure daily accountability for safety practices.

Safety Governance Structure at Epsilon Carbon



Occupational Health & Safety Management System

At our Vijayanagar facility, a comprehensive Occupational Health & Safety Management System (OHSMS) is in place to safeguard both employees and contractors. This framework integrates relevant national, state, and industry-specific mandates, ensuring full regulatory compliance and promoting high safety standards. Oversight is provided by the Head of HSE and a dedicated team, with focused attention on operational and workforce safety. The system aligns with key protocols including the Occupational Safety, Health and Working Conditions Code 2020, the Corporate HSE Risk and Emergency Management Standard, and the Safe System of Work (SSoW).

People Management

- Preventive Health Checkups
- Appraisals & Incentives
- Training & Sensitisation

Operations Management

- Safe Infrastructure, Effective Contols & CAPA
- Disaster Management Plan

Value Chain Management

- Supplier/Vendor Screening
- Engagement & Evaluation

Process Management

- HIRA, Standards, SOPs & Manuals
- Mechanical & Engineering Improvements (M&E)

Safety Management

The production of carbon black and specialty carbon involves complex industrial processes that may present certain operational and safety risks, which are managed through appropriate safety and compliance measures. In FY'25, incident analysis revealed that most safety events originated from process-related risks and near misses during both routine and non-routine operations. In FY'25, we achieved an 83% reduction in near misses compared to FY'24, while process incidents increased during the same period.

To systematically evaluate and mitigate these hazards, we have adopted an integrated framework combining Safety Management Systems (SMS) and Process Safety Management (PSM). This approach emphasises proactive Hazard Identification, Risk Assessment, and Risk Control (HIRARC), supported by strict adherence to Process Safety Information (PSI) protocols across all operational units. As part of the PSM framework, Layer of Protection Analysis (LOPA) is employed as a semi-quantitative tool to assess and manage risk levels. Safety performance is tracked through a monthly Safety Scorecard to ensure continuous improvement.

In FY'25, incident analysis revealed that most safety events originated from process-related risks and near misses during both routine and non-routine operations. ***In FY'25, we achieved an 83% reduction in near misses compared to FY'24, while process incidents increased during the same period.***

Both SMS and PSM are structured around 18 core elements, each assigned to designated department heads with clearly defined ownership.

Implementation is driven by a dedicated taskforce of 10-12 members, responsible for day-to-day execution and oversight of key safety components, including:

1. HIRARC and risk mitigation planning
2. Permit-to-Work (PTW) systems
3. Personal Protective Equipment (PPE) compliance
4. Workforce safety training and competency development

Process safety remains a strategic priority, with robust systems in place to prevent and manage operational hazards. The Lock Out Tag Out (LOTO) protocol has proven highly effective in eliminating process safety incidents during maintenance and intervention activities. We conduct comprehensive Process Safety Gap Assessments which inform targeted safety enhancements and interventions like:

- Deployment of automation technologies
- Installation of advanced gas detection systems
- Implementation of chemical leak detection solutions

To ensure continuous risk evaluation, Process Hazard Analysis (PHA) is routinely performed across plant operations. Additionally, Pre-Startup Safety Reviews (PSSR) are mandated for all plant startups to verify readiness and compliance with safety protocols. Timely and accurate Process Safety Information (PSI) is maintained to support safe operating procedures, which are regularly reviewed and updated to reflect evolving safety standards and regulatory requirements.

Safety Management System

HIRARC

Evaluation of risks such as inadequate machine guarding, working at geiht, electrical hazards, gas clyinder storage, exposure to hot surfaces

Work Permit System

- Improve field level compliance of the work permit system
- Certification program for Permit Issuers and Receivers.
- Work Permit Audit & Rationg system (WOPAR)

Occupational Health & Safety

- Qualitative and quantitative exposure assessment
- Occupational diseases w.r.t to be occupational health monitoring plan estabilshment

Training Awareness & Competece

Competency matrix as per Process Safety Competency

Contractor Safety Management

- 5-Tier CSM approach
- Contractor saftey training
- Contractor Incubtation Cntre

Hazard Identification and Risk Assessment (HIRA)

HIRA is conducted through the Hazard Identification Risk Assessment and Risk Control (HIRARC) framework, which categorises risks based on likelihood, frequency, intensity, and impact. Risk evaluators undergo annual training to ensure methodological rigor and consistency. Observations are logged proactively via the ANZEN Portal, which enables employees and contractors to report near misses and incidents. Contractors who may not have direct access to the portal can report observations through their safety heads, who input the data on their behalf. This inclusive reporting mechanism ensures that all voices are heard, regardless of employment status or digital access. To further strengthen proactive safety culture, we analyse safety observations monthly to identify high-risk areas such as electrical hazards or working at height. These insights inform the Monthly Safety Theme System, which drives targeted interventions. For instance, during monsoon months, electrical safety becomes the focus, prompting audits, equipment inspections for rainproofing, and weekly training sessions every Friday. Similarly, when working-at-height risks are elevated, safety harness inspections, lifeline usage demonstrations, and refresher trainings are conducted.

> We analyse safety observations monthly to ***identify high-risk areas such as electrical hazards or working at height.***

Incident reporting and corrective actions are managed through the ANZEN Portal, which enables real-time tracking of safety observations. A dedicated taskforce investigates incidents, conducts root cause analyses, and ensures the implementation of Corrective and Preventive Actions (CAPA). Safety performance is reported quarterly by the Safety Head to the Board, ensuring transparency and continuous oversight. Continuous improvement is embedded into Epsilon Carbon's safety philosophy. The Internal Audit Department conducts routine inspections as per a defined schedule, with findings reviewed by the Plant-Level Steering Committee and the Management-Level Apex Committee. This ensures that corrective actions are implemented and the OHS Management System is continually refined.

Road Safety

Epsilon Carbon ensures safe and reliable commuting by providing transportation facilities for employees and contractors working at the Vijayanagar plant. All company-operated buses are equipped with speed monitoring systems, and drivers are trained to adhere to a maximum speed limit of 60 km/hr. To further enhance safety, highway travel is strictly prohibited between 10:00 PM and 5:00 AM. For outbound logistics, we conduct comprehensive road safety assessments and route mapping for all product deliveries, supported by real-time tracking systems. As part of our commitment to driver welfare, we are planning to develop dedicated rest infrastructure including restrooms, bath houses, and bunk bed facilities to promote safe and restorative breaks during long-haul transport operations.

Training and Competency Development

All employees and contractors receive mandatory onboarding training, followed by periodic job-specific and refresher sessions to maintain safety competence. The Training and Competency Taskforce aligns Training Needs Identification (TNI) with operational risks and job roles. Weekly theme-based sessions, behavioural safety programs, and targeted modules further reinforce a safety-conscious culture. We have also initiated a Behavioural Science-Based Safety Program, supported by observers, analysts, and implementation teams to ensure long-term cultural change.

Contractor safety is managed through a structured system that includes onboarding via the Contractor Incubation Centre (CIC), monthly Contractor Owner Meetings, and performance evaluations. Contractors are scored based on safety performance, and those falling below acceptable thresholds are restricted from further engagement until corrective actions are taken. Feedback is provided regularly, and high-performing contractors are recognised through a reward system that reinforces safe behaviour.

To ensure chemical safety, regulatory compliance, and transparent hazard communication, Epsilon Carbon has implemented a comprehensive system encompassing Global Product Strategy (GPS) sheets, Safety Data Sheets (SDS), and alignment with international frameworks such as the Globally Harmonised System (GHS) and REACH. GPS sheets, available on our company website, provide standardised summaries of product safety information, including general statements, chemical identity, intended use and application, physical and chemical properties, health and environmental effects, exposure scenarios, and risk management recommendations. These recommendations cover organisational controls, personal protective equipment for eye, face, skin, and respiratory protection, as well as engineering controls. Safety Data Sheets (SDS), mandated for all hazardous substances, are readily accessible at points of use and integrated into employee and contractor training modules to promote safe handling, storage, and emergency response.

All safety signage, training materials, and briefings are delivered *in local languages to ensure that language is never a barrier to understanding or compliance.*

To strategically embed a commitment to safety, comprehensive HSE metrics and the attainment of key safety targets have been integrated directly into the Key Responsibility Areas (KRAs) of all employees. This approach links safety performance to annual variable compensation. This ensures that safety is not merely a compliance check but a fundamental driver of individual and collective performance.

- Safety Head

Occupational Health Management

Occupational health is a foundational pillar of our safety strategy, designed to protect workers from both immediate and long-term health risks associated with industrial operations. The company adopts a proactive and data-driven approach to workplace health, combining rigorous exposure assessments, targeted medical surveillance, and continuous health support through its 24X7 Occupational Health Centre (OHC). At the Vijayanagar facility, an industrial hygienist-led assessment evaluated risks from respirable particulates, VOCs, and heat stress. Findings confirmed exposure levels were within permissible limits and informed updates to safety protocols, including enhanced respiratory gear for furnace operators and maintenance technicians.

To address ergonomic risks, awareness sessions were conducted for warehouse and logistics staff, focusing on posture, lifting techniques, and early symptom recognition resulting in a measurable decline in related complaints. Medical surveillance is conducted biannually for all employees and contractors, including audiometric and spirometric testing to monitor hearing and lung function. Autography is also used to assess respiratory health. The OHC, staffed by qualified medical officers and paramedics, provides outpatient services, emergency care, and consultations, ensuring uninterrupted access to medical support.

In FY'25, Epsilon Carbon expanded its health initiatives through preventive camps covering eye health, bone density, breast cancer, and lung function promoting early detection and awareness of lifestyle-related risks. Recognising the importance of mental well-being, Epsilon Carbon has embedded psychological health into its occupational framework. Regular health talks and awareness sessions both online and offline cover stress management, sleep hygiene, and emotional resilience. In partnership with Silver Oak Health, we launched the Employee Well-being Assistance Program, a confidential digital platform offering mental health support and counselling to all employees.

Grievance Redressal

Grievance redressal is a critical component of Epsilon Carbon's safety ecosystem. The company maintains a strict non-retaliation policy, ensuring that employees and contractors are never reprised for raising safety concerns. Grievances and safety observations can be submitted anonymously through suggestion boxes which are placed all around the site or openly via the ANZEN Portal. Contractors may report issues through their safety heads, who log them into the system. All grievances are addressed promptly, with corrective actions tracked and communicated transparently, reinforcing trust and psychological safety across the workforce. Our integrated safety framework, supported by data-driven insights, inclusive training programs, and transparent grievance mechanisms, has led to measurable improvements in both safety performance and cultural transformation. We remain steadfast in our commitment to responsible industrial practices and continue to build a resilient, inclusive, and safety-conscious workforce.

Safety Performance Dashboard

Metric	FY'24		FY'25	
	Employees	**Contractors**	**Employees**	**Contractors**
Health & Safety Incidents				
Total Man-hours worked	1,035,232	2,971,888	1,536,704	3,385,152
Number of Fatalities	0	0	0	0
Number of Lost Time Injuries	0	0	0	1
LTIFR (Lost Time Injury Frequency Rate)	0		0.2	
Process Safety Incidents				
Process Safety Incidents	10		24	
Process Safety Near Misses	0		0	
Transport Incidents				
Distribution Incidents	0		3	
Significant Distribution Incidents	0		0	

Our integrated safety framework, supported by data-driven insights, inclusive training programs, and transparent grievance mechanisms, has led to measurable improvements in both safety performance and cultural transformation. *We remain steadfast in our commitment to responsible industrial practices and continue to build a resilient, inclusive, and safety-conscious workforce.*

Community

Material Issue Impacted

Community Relations

Guiding Policies & Management Systems

Corporate Social Responsibility (CSR) Policy

5 Thematic Areas

165,000+

beneficiaries impacted in FY'25

₹83,543,983

invested in community

In this chapter

Epsilon Carbon, through the Epsilon Foundation, remains deeply committed to uplifting the communities around its operations by expanding access to education, improving healthcare, enabling sustainable livelihoods, and empowering vulnerable groups. Our Corporate Social Responsibility (CSR) and Corporate Environmental Responsibility (CER) initiatives are strategically aligned with the United Nations Sustainable Development Goals (SDGs), reflecting our dedication to creating long-term social and environmental impact.

We focus our efforts on four priority areas: education and skill-building, health and well-being, livelihood promotion including artisan empowerment, and environmental sustainability. These interventions are designed to build resilient, inclusive ecosystems that benefit both people and the planet. At the heart of our approach lies the principle of sustainability, meeting the needs of the present without compromising the ability of future

generations to meet their own. By balancing economic progress, social development, and environmental stewardship, we strive to minimise negative impacts, promote equity and inclusivity, and ensure lasting community well-being.

Community engagement is a cornerstone of our CSR philosophy. We co-create initiatives through need assessments, village-level consultations, and partnerships with local organisations and government agencies. This participatory approach ensures that our programs are relevant, impactful, and aligned with the priorities of the communities we serve.

Our CSR Strategy

At Epsilon Carbon, we believe industrial growth and community development must go hand in hand. Our CSR strategy is built on the principle of creating long-term value for society while fostering sustainable progress in regions where we operate. We prioritise the well-being of employees, their families, and communities in our Direct Impact Zones (DIZ), with focused investments in education, health, livelihoods, elder care, and environment. Our CSR Committee plays a central role in ensuring that these initiatives are responsibly designed, effectively monitored, and aligned with both national development priorities and the UN SDGs.

Our approach is guided by five principles:

Trustworthy

acting with transparency and sensitivity in all community engagements.

Integrity

upholding ethical values and responsible systems in every decision.

Engaging

co-creating solutions with communities and local partners.

Challenging

fostering innovation and bold ideas that address pressing social and environmental needs.

Positive

inspiring change through optimism, collaboration, and impact-driven action.

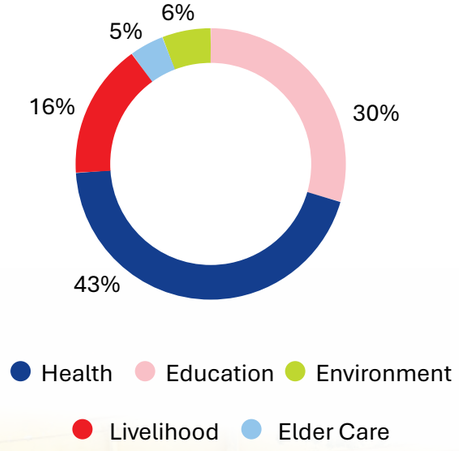
Together, these principles shape a CSR strategy that not only addresses immediate needs but also builds resilience, inclusivity, and sustainable development for future generations.

Our CSR Commitments

1. To enrich the quality of life by enhancing the skill and employability of all stakeholders in its area of operation
2. To create positive base and contribute constructively on a range of issues to benefit the larger society
3. To encourage a non discriminatory, and equal opportunity policy for all itsemployees, partners and stake holders to a create safe, harmonious and an eco-sensitive society
4. To maintain the quality work and business ethics to safe guard the environment
5. To promote gender balance, women empowerment and strengthen the weaker sections of the society and more appropriately the girl child
5. To comply with all public and statutory, and legal mandates form time to time and ensure smooth functioning
5. To the belief that an industry cannot stand up successfully without due consideration to good and meaningful public relations

At Epsilon Carbon, our approach to sustainable development is rooted in deep community engagement and long-term impact. Guided by our CSR philosophy, we focus on five core pillars education, health, livelihood, elder care, and environment that reflect both urgent local needs and our broader vision for inclusive growth. Each initiative is delivered in close collaboration with trusted partners and aligned with national priorities and the UN SDGs. Together, these efforts form a cohesive strategy to uplift communities, promote resilience, and drive meaningful change beyond our operational boundaries. The following sections detail our work across these pillars.

CSR Spent Across Key Thematic Areas



Education

Epsilon Foundation's education initiatives are anchored in three pillars: access and equity (scholarships, infrastructure, digital inclusion), quality learning (teacher training, pedagogy, experiential models), and holistic development (life skills, vocational training, inclusion).

Inclusive Education with West Wind Foundation

supporting long-term care and learning for visually impaired children and children with disabilities, reaching **850+ beneficiaries**.

Pragati & Vinod Handa Scholarships

enabling **700+ students** across Ballari and Dehradun to pursue education with dignity and aspiration.

Room to Read (Karnataka)

strengthening foundational literacy and gender equality for **40,000 children**, with **120,000 lives** impacted.

Sports Infrastructure at Utkal Gaurav School

multipurpose court and cricket pitch benefiting **960 lives.**

Museum of Solutions (MuSo) STEAM Initiative

STEAM-based learning for **12,070 children** in Mumbai.

Impact

Over 130,000 lives touched through education in FY'25.

Case Study

Empowering Young Minds through Literacy and Gender Equality

In collaboration with Room to Read, the Epsilon Foundation launched a transformative education initiative in Karnataka, focused on strengthening foundational literacy and advancing gender equality from an early age. Central to the program are vibrant, child-friendly libraries filled with culturally relevant books designed to spark imagination and curiosity among young learners. Educators are equipped with training in age-appropriate, engaging reading techniques that make learning both joyful and inclusive.

For adolescent girls, the initiative extends beyond academics providing mentorship, life skills training, and emotional support that foster self-confidence, improve school retention, and help avoiding marriages before completion of legal age.

By nurturing both intellectual and personal growth, the program empowers girls to take charge of their futures. Students have benefited from enhanced reading fluency, improved attendance, and a renewed enthusiasm for learning making this initiative a cornerstone of Epsilon Foundation's commitment to inclusive and impactful education.

Direct beneficiaries

40,000

Indirect beneficiaries

80,000

Total lives impacted

120,000

Case Study

Igniting Curiosity, Inspiring Change: MUSO STEM Initiative

To make learning truly transformative, Epsilon Foundation through its MUSO STEM-based experiential learning initiative at the Museum of Solutions in Mumbai has partnered with JSW Foundation to bring STEM education (Science, Technology, Engineering, Arts, and Mathematics) to life for underprivileged children.

In collaboration with 30 NGOs and schools, the initiative has empowered children to engage with interactive exhibits and hands-on learning experiences that ignite curiosity, foster creativity, and inspire a lifelong love for discovery.

Direct beneficiaries

10,070

Indirect beneficiaries

2,000

Total lives impacted

12,070

Health

Our health initiatives strengthen healthcare delivery, improve access in rural areas, and restore dignity through specialised care.

Sanjeevani Hospital (Bellary)

supporting long-term care and learning for visually impaired children and children with disabilities, reaching **850+ beneficiaries**.

Tulsi Telehealth (Uttarakhand)

enabling **700+ students** across Ballari and Dehradun to pursue education with dignity and aspiration.

Cancer Patients Aid Association

strengthening foundational literacy and gender equality for **40,000 children**, with **120,000 lives** impacted.

New Face Charitable Trust

multipurpose court and cricket pitch benefiting **960 lives.**

Impact

Nearly 57,000 lives reached through healthcare in FY'25.

Case Study

JSW Foundation – Sanjeevani Hospital: Maternity and Burns Ward

In collaboration with Jindal Sanjeevani Multi Specialty Hospital (JSMSH), Epsilon Carbon has supported the establishment of a state-of-the-art 26-bed Mother & Child Care Unit and a dedicated 6-bed Burns Unit. This initiative is designed to enhance maternal and paediatric health outcomes in the region and is staffed with a full-time plastic surgeon to ensure specialised care.

The facility comprises:

- A 10-bed maternity ward with a dedicated labour operating theatre
- A 6-bed Neonatal Intensive Care Unit (NICU)
- A 10-bed Paediatric Intensive Care Unit (PICU), with planned expansion to 30 beds

This unit is projected to facilitate approximately 1,500 safe deliveries annually, while providing care for over 1,000 neonates and 2,000 paediatric patients. To date, 277 safe deliveries have been successfully conducted, and the hospital continues to deliver critical paediatric care alongside life-saving treatment for more than 100 burn patients. This initiative marks a significant step toward strengthening healthcare infrastructure and improving access to quality medical services for vulnerable populations.

Direct beneficiaries	Indirect beneficiaries	Total lives impacted
377	1,500	1,500

In collaboration with Village Ways Charitable Trust, we have significantly strengthened rural healthcare delivery in the remote hill villages of Uttarakhand. Through the launch of the Tulsi Telehealth initiative, the program has bridged critical gaps in medical access by leveraging digital connectivity to provide timely consultations, diagnoses, and follow-ups. This innovative approach has reached over 35,000 individuals, improved health outcomes and enhancing community resilience. The initiative has notably transformed services across three Public Health Centers in Nainital, setting a precedent for scalable, tech-enabled healthcare in underserved regions. Through this initiative Epsilon Carbon has impacted 20,472 lives in total

In partnership with the Cancer Patients Aid Association, we supported 30 low-income cancer patients with emergency financial aid covering diagnostics and treatment, addressing the critical issue of care discontinuation due to financial hardship and reinforcing our commitment to equitable healthcare.

Through our collaboration with the New Face Charitable Trust, we enabled transformative reconstructive surgeries for individuals with complex facial deformities across underserved communities. Each patient received holistic care, including psychological support, helping over 1,000 people reclaim dignity, confidence, and social inclusion.

I feel like I have been given a second chance. For the first time in years, I can look after my family instead of them looking after me.

- Seema Devi, 46 yrs old, diabetes patient

Livelihood

We empower artisans, women, and creative entrepreneurs through skill development, circular economy practices, and market linkages.

Aequo Galerie	I Was A Sari	200 Million Artisans
350 artisans trained in traditional crafts for global markets.	**60 women artisans** trained in sustainable fashion, extending the impact of a **800+ women movement.**	**320 artisans** supported by providing market access, preserving traditional crafts, and integrating more effectively into the formal economy.

Impact

730+ livelihoods directly strengthened in FY'25.

Case Study

Empowering Women through Sustainable Fashion 2nd Innings (I Was A Sari)

In collaboration with Jindal Sanjeevani Multi Specialty Hospital (JSMSH), Epsilon Carbon has supported the establishment of a state-of-the-art 26-bed Mother & Child Care Unit and a dedicated 6-bed Burns Unit. This initiative is designed to enhance maternal and paediatric health outcomes in the region and is staffed with a full-time plastic surgeon to ensure specialised care.

Through the 'I Was A Sari' initiative:

- Over 2 million square metres of fabric have been upcycled since inception
- 60% of women secured their first-ever job
- 55% of participants found employment after recently migrating from rural villages
- 50% of women joined the workforce after dropping out of school by age 15
- 40% of artisans are working while also serving as primary caregivers for three or more children

Through this collaboration, we supported the transformation of 60 underprivileged women in Mumbai into skilled artisans. These women were trained to upcycle discarded textiles into market-ready fashion products promoting circular design, reducing textile waste, and creating dignified livelihoods.

Direct beneficiaries	Indirect beneficiaries	Total lives impacted
10 women trained and employed	**50 supported through extended networks and community engagement**	**60 women artisans**

Elder Care

Our commitment to inclusive development extends to vulnerable elderly populations who often face abandonment, hunger, and isolation. In FY'25, we partnered with the NGO Wishes and Blessings to support the Mann Ka Tilak Home for Abandoned Elderly in Delhi NCR. This initiative provides daily cooked meals, medical care, and emotional support to undernourished and homeless senior citizens, restoring dignity and creating a sense of belonging in their later years.

The program was selected for its strong alignment with our values of compassion, equity, and grassroots impact. With a proven model of structured elder care, Wishes and Blessings addresses both physical and emotional well-being through consistent engagement, community activities, and personalised support. Through this initiative we directly impacted 16 elderly individuals, with 50 more indirectly benefiting through extended outreach.

Impact

66 lives supported with dignity and compassion.

In my old age, I thought I had nothing left, but here I have found peace, friends, and purpose.

- Madan Uncle, resident at Mann Ka Tilak

Environment Conservation

Through our environmental CSR initiatives, we aim to restore ecosystems, empower communities, and create long-term impact where it matters most. In FY'25, Epsilon Carbon advanced three high-impact environmental CSR initiatives focused on marine conservation, community sanitation, and biodiversity education. We are proud to partner with the TREE Foundation in Odisha to advance marine turtle conservation and drive meaningful community engagement, impacting over 7,000 lives. In parallel, we collaborated with the Sambhav Foundation in Karnataka to promote hygiene and sanitation across underserved communities. Through cleanliness drives, waste segregation campaigns, and the training of local hygiene champions, we've reached more than 1,000 individuals, fostering behaviour change and public health awareness aligned with Swachh Bharat goals.

Impact

8,000+ people engaged in environmental stewardship.

Case Study

Protecting Sea Turtles, Empowering Communities

India's eastern coastline is home to some of the world's most fragile marine ecosystems including nesting grounds for endangered sea turtles. In partnership with the TREE Foundation, Epsilon Carbon launched a flagship marine conservation initiative that not only safeguards biodiversity but also creates sustainable livelihoods for coastal youth. At the heart of the program is the Turtle Protection Force a dedicated group of trained young individuals who are equipped to protect nesting beaches, manage hatcheries, and ensure the safe release of turtle hatchlings into the sea. Their work directly improves survival rates for endangered species while restoring ecological balance. The initiative reaches deep into local communities through school-based marine education, eco-awareness campaigns, and community engagement sessions. By nurturing environmental responsibility from a young age, the program builds a culture of stewardship that extends beyond conservation into everyday life.

Direct beneficiaries	Indirect beneficiaries	Total lives impacted
2,543 youth and community members trained and engaged	**Over 5,000 individuals reached through education and outreach**	**7,000+**

Digitally Empowered Sustainability: Strategic IT Roadmap

Epsilon Carbon is on a transformative journey to become a digitally enabled organisation, leveraging technology as a strategic enabler of sustainability, operational excellence, and innovation. The IT department's vision is clear: To become a strategic business partner by delivering high-value IT solutions at optimised cost.

Epsilon Carbon is committed to sustainable digital transformation, prioritising solutions that deliver measurable ROI while driving environmental and operational impact.

To achieve this, the 5-year strategy of Epsilon Carbon focuses on:

Cloud-first approach

Migrating core systems to the cloud to enhance scalability, agility, and resilience.

Closing the tech adoption gap

Accelerating the pace of digital adoption to match the rapid evolution of technology.

Partnering for innovation

Collaborating with boutique digital players to learn and adopt best-in-class solutions.

Our key enablers for digital and sustainable transformation are anchored in four pillars:

People

Focused upskilling in emerging areas such as artificial intelligence, data analytics, and cybersecurity is empowering teams to lead innovation.

Process

Lean and automated workflows are streamlining operations, enhancing agility, and reducing inefficiencies.

Technology

Advanced platforms including SAP RISE, C4C, SAC, AI solutions, and a comprehensive cybersecurity stack are driving integration, intelligence, and resilience across the enterprise.

Governance

A dedicated steering committee actively monitors progress, ensuring strategic alignment and accountability throughout the transformation journey.

Data & Process Digitisation

A robust Master Data Management system serves as the backbone of all transactional data at Epsilon Carbon, ensuring accuracy, consistency, and accountability through structured stakeholder reviews and approvals. With this strategic intent, Epsilon has digitally integrated data across its systems using automated workflows, enabling seamless SAP integration and enhancing operational efficiency. This approach not only strengthens data governance but also provides a critical edge in driving sustainable digital transformation across the organisation.

Automated Workflows

Capitalisation Process

Automated within the Enterprise Management System (SAP)

Tax Computation

Fully digitised for accuracy and compliance

Contractor Review & Renewal

Digitised workflows streamline approvals and renewals

Through Digital Acceleration & Rapid Transformation (DART), Epsilon Carbon is shaping the future with cutting-edge digital transformation initiatives that are redefining core business functions including HR, Finance & Taxation, and Supply Chain. These advancements are driving operational excellence, fostering innovation, and positioning the company for agile, data-driven growth. Epsilon Carbon has implemented a suite of digital solutions to enhance employee experience and operational efficiency which are as follows:

DART in Human Resources

Digital On-boarding

Effective digital onboarding is essential for embedding new employees into Epsilon Carbon's culture, values, and strategic vision. It enhances engagement, streamlines integration, and empowers employees from day one. Our solution is built to be efficient, cost-effective, accessible, engaging, and future-ready delivering a seamless experience that lays the groundwork for long-term success and sustained employee growth.

Travel and Expense Management

Epsilon Carbon implemented the DarwinBox HRMS Travel & Expense module, streamlining travel operations and enhancing support for travel managers. The system improved expense visibility, accelerated approval workflows, enabled data-driven decision-making, and significantly reduced processing costs. Beyond operational efficiency, it also played a strategic role in identifying high-potential talent, offering actionable insights for leadership development, and fostering deeper employee engagement through learning, inclusion, and active involvement.

Listening Technology

Listening technology plays a pivotal role in transforming HR practices by enabling the collection of meaningful insights through surveys, polls, and data analysis. At Epsilon Carbon, we leverage tools like the HC survey to assess employee engagement and gather actionable feedback. Our Employee Wellness Index survey captures comprehensive data on physical, mental, and social wellbeing, while our grievance redressal platform, Parivartana, facilitates transparent and efficient resolution of employee concerns. These initiatives not only support accurate talent placement and positive coaching but also foster collaboration, enhance self-awareness, and empower leaders to address organisational challenges with clarity and empathy.

Digital Performance Management

Digital Performance Management (DPM) is a powerful tool that drives operational excellence by optimising application performance through the monitoring of responsiveness, user engagement, conversion rates, and other critical business metrics. It fosters a culture of transparency and continuous improvement by enabling real-time feedback, setting clear and measurable goals, and streamlining performance reviews. With its ability to deliver instant reporting and actionable insights, DPM not only saves valuable time but also empowers leaders to make informed decisions that enhance productivity and business outcomes.

DART in Finance and Taxation

360°Accounts Payable View & Touchless Invoice Processing

Epsilon Carbon has significantly strengthened its financial operations through enhanced transparency and automation-driven efficiency. By optimising e-invoicing and accelerating invoice accounting, the company ensures timely supplier payments and seamless compliance. Key features such as E-Invoice and Tax Compliance via the vendor portal, a Real-Time Supplier Dashboard for tracking, Automated Upstream Processes, Touchless 3-Way Matching, and Rule-Based Invoice Processing contribute to a streamlined workflow. These capabilities are further supported by end-to-end digital integration, enabling seamless accounting and improved decision-making across the procurement and finance ecosystem.

Master Data Management

Epsilon Carbon is integrating Codasol's Master Data Management (MDM) solution with SAP to digitalise its procurement processes, standardise data formats, eliminate duplication, and strengthen financial control. This strategic move is aimed at driving cost efficiency and enabling smarter, data-driven decision-making across the organisation. The implementation followed a structured approach beginning with the identification of duplicate entries and master data formats, followed by a thorough evaluation of available solutions. After finalising the optimal system and completing contractual agreements, a successful proof of concept was executed, paving the way for full-scale deployment and long-term scalability.

Intelligent Tax Engine

The tax automation engine streamlines both indirect and direct taxation processes, delivering greater accuracy, efficiency, and compliance. For indirect tax, it automates GST determination, reduces manual intervention, and boosts productivity by simplifying reconciliation. Key features include automated tax code defaulting, system-enabled checks for purchase orders and invoices, master data validation, vendor follow-ups, centralised tax operations, and auto-preparation of GSTR filings. On the direct tax front, the engine minimises manual effort and accelerates tax balance sheet preparation and reporting. It automates data extraction, tax provisioning, and effective tax rate (ETR) calculations, while offering tools like one-time master data validation and system alerts for multi-service vendor inconsistencies, ensuring robust compliance and operational clarity.

Treasury Automation

Treasury automation significantly enhances operational efficiency by accelerating cycle times and providing full lifecycle visibility into Letters of Credit (LC), Bank Guarantees (BG), and financial deals. It enables system-driven processes for interest calculation, hedging strategies, and risk analysis reducing manual effort, improving accuracy, and empowering smarter financial decision-making across the enterprise.

DART in Finance and Taxation (continued...)

Spend Optimiser

The Spend Optimiser enhances performance by reducing price variability and improving sourcing efficiency through strategic demand rationalisation and contract harmonisation. It leverages data-driven insights to align purchase orders with existing contracts, enabling smarter negotiations and tighter cost control.

By streamlining procurement workflows and uncovering hidden inefficiencies, it empowers organisations to make more informed, value-focused purchasing decisions.

DART in Supply Chain Management

The integration of the Transport Management System (TMS) with SAP and Warehouse Management System (WMS) eliminates bottlenecks across gate-to-gate transportation, enabling seamless logistics operations.

Smart contracting within TMS, combined with an automated e-proof of delivery system, enhances accountability and reduces manual effort. The platform provides access to a broader transporter base, simplifies rate negotiations, and offers an intuitive interface for customers to track deliveries in real time.

This results in lower freight costs, optimised vehicle planning, improved visibility for stakeholders, and streamlined auction and contract management, driving efficiency and transparency across the supply chain.

Epsilon Carbon has implemented a suite of digital *solutions to enhance employee experience and operational efficiency.*

Strengthening the Digital Core

Epsilon Carbon is also reinforcing its digital backbone through focused efforts in cybersecurity, innovation, and scalable infrastructure:

A comprehensive Cyber Maturity Assessment has been launched, supported by a strategic three-year roadmap aimed at achieving a benchmark score of 3.0 on par with leading manufacturing firms.

Targeted training and awareness programs are being introduced to upskill internal teams, while operational tasks are being outsourced to free up capacity for innovation and AI adoption.

To support scalable growth, Epsilon Carbon is expanding its digital infrastructure with:

- Deployment of an Energy Management System (EnMS) at the upcoming CB II facility
- Implementation of SAP Group Reporting within the current fiscal year for consolidated financial insights

Combating Cyber Security Threats

ISO 27001 reinforces Epsilon Carbon's commitment to information security, risk management, and compliance. As a global ISMS standard, it offers a structured approach to managing risks to data confidentiality, integrity, and availability. Its adoption ensures strong controls to protect against cyber threats, phishing, internal vulnerabilities, and disruptions. Aligning with ISO 27001 builds stakeholder trust and showcases Epsilon Carbon's proactive stance on securing digital assets in a connected, data-driven world.

Aligning with ISO 27001 builds stakeholder trust and showcases *Epsilon Carbon's proactive stance on securing digital assets in a connected, data-driven world.*

Connected and Committed: Strengthening Value Chain and Customer Bonds

Epsilon Carbon builds strong supplier and customer partnerships to ensure a resilient, sustainable supply chain. By enhancing connectivity and transparency, we drive mutual growth and operational efficiency while aligning with sustainability goals. Our Specialty Carbon and Carbon Black products enable a circular value chain, and local sourcing supports communities, minimises disruptions, and reduces environmental impact.

In FY'25, Epsilon Carbon allocated 65% of its procurement budget for major operational sites to local suppliers. This strategic focus highlights the company's commitment to sourcing goods and services from within the surrounding regions, reinforcing its support for local economies and strengthening community-based supply networks.

Supply Chain Management

Epsilon Carbon upholds sustainability by collaborating with value chain partners to prevent human rights and environmental risks. Our Green Supply Chain framework spans green raw materials, production, recovery, and logistics to minimise impact and boost efficiency. We enhance safety and compliance with training, inspections, and performance-based contracts. Additionally, six electric vehicles transport carbon black raw material from JSW to our facility, further cutting emissions.

Green Raw Materials

- Cleaner coke-oven gas and blast furnance gas used as secondary fuel in reactors
- Tail gas from carbon black is used in our in-house captive power plant (17MW)
- 90% lower sulphur content

Green Production

- Reduction in energy consumption and waste heat recovery
- Minimsation of process emissions (GHGs and non-GHGs)

Green Supply Chain

Green Logistics Trasnaport

- Captive feedstock for Carbon Black and Advanced Materials unit avoids long distance transport
- End-to-end Logistics Network optimises delivery schedule, thereby lowering the enovironmental impact of our logistics

Green Production Recovery

- Waste by-products of the iron and steel industry used as SC unit feedback
- SC by-product redirected as feed into our Carbon Black unit packaging bags and wooden pallets reused

Through these initiatives, Epsilon Carbon is diverting approximately 89.6 MT of plastic annually from virgin production by incorporating recycled materials into its operations. This not only contributes meaningfully to carbon footprint reduction, but also reinforces our commitment to resource efficiency and promotes circularity across our supply chain practices.

Epsilon Carbon is striving to pioneer sustainable logistics by integrating recycled polymers into packaging and introducing recycled plastic pallets across operations. These initiatives reinforce our commitment to circularity and waste reduction. Moving forward, we aim to scale these innovations, setting new benchmarks for responsible sourcing and eco-efficient supply chains.

Supplier Sustainability Framework

Epsilon Carbon's supplier sustainability framework is key to our strategy of partnering with eco-friendly suppliers to amplify the impact of our sustainability initiatives. Our practices in procurement, production, distribution, shipping, and recycling are specifically designed to minimise environmental impact and align with our broader sustainability objectives, promoting responsible resource management.

Key components of Epsilon Carbon's comprehensive supplier sustainability framework include:

Prequalification Assessment

Supplier Code of Conduct

Supplier Risk Assessment

SA8000 Self Assessment

Prequalification Assessment

Epsilon Carbon enforces rigorous supplier pre-qualification covering environmental, health and safety (EHS), social responsibility, anti-corruption, and compliance standards, with ongoing assessments post-contract. A specialised OHS questionnaire evaluates contractors' commitment to safety, requiring compliance declarations and addressing environmental policies and training. Based on responses, contractors qualify for registration, ensuring alignment with our sustainability and safety standards.

Supplier Code of Conduct

All suppliers must comply with Epsilon Carbon's Supplier Code of Conduct, aligned with global standards, SDGs, and Supply Chain Sustainability Guidelines. The Code mandates ethical practices, human rights protection, fair labour, safe workplaces (ISO 45001), and environmental stewardship (ISO 14001). Suppliers must prevent forced labour, child labour, and discrimination, ensure fair wages, respect union rights, and maintain safe, healthy working conditions. Environmental responsibility includes minimising impacts, managing hazardous materials, conserving resources, and complying with permits. Suppliers must also uphold business integrity, anti-bribery laws, intellectual property rights, and responsible sourcing.

Suppliers must also uphold *business integrity, anti-bribery laws, intellectual property rights, and responsible sourcing.*

To ensure compliance, we set performance targets, conduct regular assessments, and provide training for managers and workers. A grievance mechanism allows workers to report violations safely, while periodic self-evaluations and inspections drive continuous improvement across legal, environmental, and ethical parameters.

Environment

- Environmental permits and reporting
- Pollution prevention and resource reduction
- Hazardous substances
- Solid waste
- Air emissions
- Materials restrictions and product content
- Water management
- Energy Consumption, Climate Change and Greenhouse Gas Emissions

Social

- Occupational Safety
- Emergency Preparedness
- Occupational Injury and Illness
- Industrial Hygiene
- Physically Demanding Work
- Machine Safeguarding
- Sanitation, Food, and Housing
- Health and Safety Communication

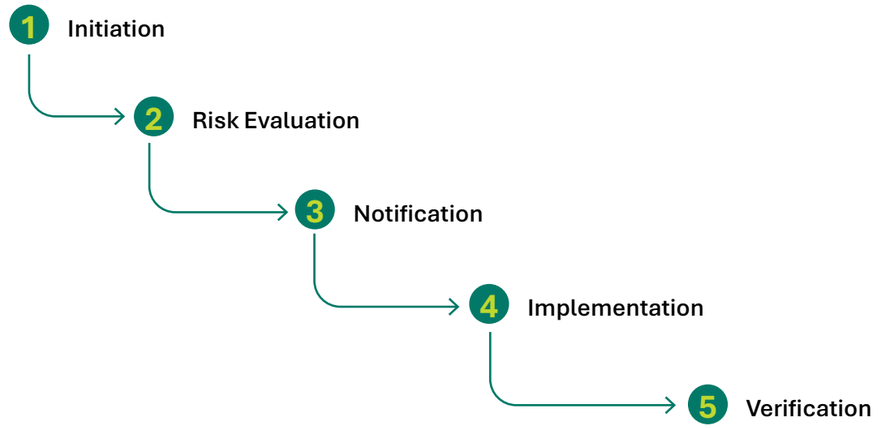
Governance

- Business Integrity, Anti-bribery, and Anti-corruption
- Conflict of Interest.
- Disclosure of Information
- Intellectual Property
- Fair Business, Advertising and Competition
- Protection of Identity and Non-Retaliation
- Privacy
- Responsible Sourcing of Minerals

Supplier Risk Assessment

Epsilon Carbon applies robust risk management across operations and the value chain, ensuring top standards of health, safety, and quality throughout the product lifecycle. Our strategy addresses liquidity risks, supports suppliers in proactive risk control, and ensures compliance with fire and human safety protocols through year-round monitoring.

Risk assessment follows a five-step process:



Epsilon Carbon has classified supplier-related risks into the following categories:

Financial Stability

Criteria include credit rating, solvency, and payment history to ensure suppliers are financially sound and reliable in fulfiling obligations.

Supply Chain Risk

Factors include geographic location and exposure to political or environmental risks, considering the potential impact these could have on supply continuity and stability.

Operational Risk

Evaluated based on capacity, lead time, and quality control processes to identify potential disruptions in supply chain and production efficiencies.

Cybersecurity & IT

Assessed through data protection measures, system integration capabilities, and vulnerability management to safeguard against cybersecurity threats.

Quality Assurance

Evaluated based on capacity, lead time, and quality control processes to identify potential disruptions in supply chain and production efficiencies.

Delivery Performance

Criteria include on-time delivery percentages, backlog levels, and responsiveness to orders, ensuring suppliers meet expected delivery standards efficiently.

Compliance & Legal

Criteria involve regulatory compliance, adherence to ethical practices, and meeting environmental standards, assuring suppliers operate legally and ethically.

Reputation & Corporate Social Responsibility (CSR)

Evaluated based on media coverage, sustainability initiatives, and community impact, focusing on the supplier's public image and commitment to social responsibility.

These criteria help Epsilon Carbon systematically evaluate and mitigate risks associated with its suppliers, contributing to a resilient and responsible supply chain.

Supplier performance is reviewed regularly by plant and corporate teams on quality, timeliness, and HSE compliance. Annual audits require documented evidence, with non-compliance leading to penalties or termination. Critical suppliers undergo audits on environmental, social, financial, and process parameters. Those falling short receive targeted training to address gaps and improve performance.

Notably, this year saw 100% of new suppliers evaluated for environmental and health and safety considerations. No significant actual or potential negative environmental and social impacts were identified in the assessed supply chain.

Case Study

Implementing SA 8000: Awakening our suppliers

SA 8000 is a key social certification promoting ethical and responsible workplace practices. Epsilon Carbon upholds these principles by complying with labour laws and extending them across the supply chain through a Self-Assessment Questionnaire. This tool evaluates suppliers on health and fire safety, labour rights (no child or forced labour, anti-discrimination, freedom of association), working conditions, and compliance with environmental laws. Suppliers submit annual declarations, and all have participated in completing the questionnaire, fostering awareness and commitment to ethical practices while promoting trust and transparency within the value chain.

Indicators	Target FY'26	Status Quo FY'25
% of targeted suppliers who signed the Supplier Code of Conduct	Maintain 100% compliance and conduct periodic reviews	**95% suppliers are compliant**
% of targeted suppliers with contracts including ESG clauses	Achieve ≥80% compliance via supplier engagement and contract updates	**53% suppliers are compliant**
% of targeted suppliers covered by sustainability assessments	Achieve ≥70% coverage through structured assessment program	**42% suppliers are covered**
% of targeted suppliers covered by sustainability on-site audits	Achieve ≥70% coverage by expanding audit scope	**42% suppliers are covered**
Number of buyers trained on sustainable procurement	Train all procurement personnel annually	**All buyers are trained**
Number of suppliers engaged in corrective actions or capacity building	Engage ≥14/19 suppliers (74%) in corrective actions or capacity building	**8 out of 19 suppliers are engaged**
Other key sustainable procurement initiatives	Expand recycled content procurement and promote circular economy practices	**Circular procurement initiatives:** › **Truck liners & jumbo bag covers (25% RP)** › **Jumbo bags (30% RP)** › **Plastic pallets (80% RP)** › **One-time recycled plastic pallets**

Supplier Engagement and Capacity Building

Supply chain training is vital for efficiency, safety, and compliance, reducing risks and ensuring adaptability to changing demands. Epsilon Carbon's Supplier Engagement Program strengthens supplier capabilities through training, sharing best practices, and promoting sustainability strategies. By fostering collaboration and dialogue, the program drives innovation and joint projects that advance our sustainability goals. Epsilon Carbon has developed a comprehensive training program for its suppliers, covering a wide range of essential topics:

Epsilon Carbon's supplier training covers operational standards, product knowledge, equipment handling, and customer requirements, while promoting best practices, quality tools, and cost optimisation. It includes 5S methods, abnormality handling, and HSE training to ensure safety and efficiency, building a skilled, adaptable supply chain.

We enforce a Supplier Code of Conduct, conduct capacity-building workshops, and require suppliers to comply while obtaining certifications such as ISO 9001, ISO 14001, ISO 45001, IATF 16949, ISO 50001, ISO 27001, ISO 28000, Responsible Care, and SA8000. Through careful supplier selection, Epsilon Carbon strengthens sustainability and quality across the value chain. Our bottom-up approach identifies risks and opportunities, promotes decentralised decision-making, and fosters collaboration. Robust procurement frameworks include supplier evaluations, audits, and sustainability metrics, mitigating risks and driving ethical sourcing. By staying aligned with evolving trends and maintaining open dialogue, we continuously adapt procurement policies to remain relevant.

Customer Relationship Management

Epsilon Carbon's commitment to its customers is evident through reliable delivery services backed by stringent quality control measures. By maintaining a reserve inventory, we ensure continuity in supply and safeguard against potential disruptions in the supply chain. Any delivery setbacks are meticulously analysed to prevent recurrence, reinforcing our dedication to seamless service. Every team member at Epsilon Carbon, including senior management, is fully committed to achieving the highest levels of customer satisfaction.

The grievance mechanism for customers has been effective, and customers have expressed appreciation for product quality. Complaints are initially raised to the respective salesperson, keeping all relevant parties informed. The sales team reviews the complaint and shares it with the Quality Assurance (QA) team, which follows a defined timeline for responding based on the complaint category. The QA team has established a process flow for handling customer complaints, culminating in complaint closure with corrective actions shared with the customer via a Detailed Action Report (DAR). Complaint categories include - Product-related issues (parameters of product specifications), Packaging, and Clerical errors. Epsilon Carbon is currently digitising the customer complaint process using Customer Relationship Management (CRM), as it is currently handled manually.

Our Global Product Strategy (GPS), MSDS, and product data sheet, which cover necessary information regarding the product safety and usage, are easily accessible to customers. The MSDS also provides details on the disposal of products and their packaging (HDPE and Paper) in accordance with regulatory requirements. Any service disruptions are duly communicated via email or phone calls. Epsilon Carbon ensures that health and safety impacts for all significant product categories are thoroughly assessed.

100% of our products undergo thorough assessments for health and safety impacts. During FY'25, there were no incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of our products.

As an ISO 27001 certified company, Epsilon Carbon is committed to safeguarding customer privacy and preventing data loss. In FY'25, we received no substantiated complaints regarding breaches of customer privacy, underscoring our dedication to maintaining the highest standards of data protection. Epsilon Carbon is a company that exemplifies a customer-centric approach by prioritising the needs and satisfaction of its clients in every aspect of its operations. The company is committed to listening to customer feedback, understanding and anticipating their requirements, and delivering exceptional products and services tailored to those needs. Epsilon Carbon fosters a culture of empathy and responsiveness, ensuring that employees across all levels are empowered to prioritise customer welfare. By maintaining open communication channels and consistently applying insights from customer interactions, we build strong, lasting relationships and brand loyalty, driving competitive advantage and sustainable growth.

GRI Content Index

Statement of use	Epsilon Carbon has reported the information cited in this GRI content index for the period 1st April 2024 to 31st March 2025 with reference to the GRI Standards.
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List of Abbreviations

Abbreviation	Full form
ATO	Anthracene Oil
CB	Carbon Black
CBFS	Carbon Black Feedstock
CEO	Chief Executive Officer
CER	Corporate Environmental Responsibility
CFO	Chief Financial Officer
CGWA	Central Ground Water Authority
CGWB	Central Ground Water Board
CHRO	Chief Human Resources Officer
COG	Coke Oven gas
CPP	Captive Power Plant
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
CXOs	C-suite officers
DART	Digital Acceleration & Rapid Transformation
ELTs	End of Life Tyres
EnMS	Environmental Management System
eNPS	Employee Net Promoter Score
ESG	Environment, Social, Governance
ETP	Effluent Treatment Plant
EV	Electric Vehicle
FY	Financial Year
GHG	Greenhouse Gas
GJ	Gigajoule
GPS	Global Product Strategy
GRI	Global Reporting Initiative
HCM	Human Capital Management
HES	Health, Environment & Safety
HIRA	Hazard Identification Risk Assessment
HOD	Head of Department
HRMS	Human Resource Management System
HSD	High Speed Diesel
HSE	Health, Safety, Environment
ILO	International Labour Organisation
IMS	Integrated Management System
ISAE	International Standard on Assurance Engagements
ISCC	International Sustainability and Carbon Certification
ISMS	Information Security Management System
ISO	International Organization for Standardization
kL	Kilolitre
KMPs	Key Management Personnels
KPI	Key Performance Indicator
KSPCB	Karnataka State Pollution Control Board
KYC	Know Your Client
L&D	Learning & Development
LCA	Life Cycle Assessment
LEAP	Lead Energise and Accelerate Performance
LMS	Learning Management System
LNG	Liquified Natural Gas

Abbreviation	Full form
LOPA	Layer of Protection Analysis
MD	Managing Director
MT	Metric Tonne
NGO	Non-Governmental Organisation
NOx	Nitrogen Oxides
NRC	Nomination & Remuneration Committee
OHC	Occupational Health Centre
OHSMS	Occupational Health Safety Management System
PM	Particulate Matter
PMS	Process Safety Management System
POSH	Prevention of Sexual Harassment
PPE	Personal Protective Equipment
QA	Quality Assurance
R&D	Research & Development
rCB	Recovered Carbon Black
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
SAP	System Applications and Products
SASB	Sustainability Accountability Standards Board
SC	Specialty Carbon
SMS	Safety Management System
SOP	Standard Operating Procedure
SOx	Sulphur Oxides
STP	Sewage Treatment Plant
TDO	Tyre-Derived Oil

Abbreviation	Full form
TDS	Total Dissolved Solids
TMS	Transport Management System
UN SDG	United Nations Sustainable Development Goals
UNGC	United Nations Global Compact
VFD	Variable Frequency Drive
VOC	Volatile Organic Compounds
WMS	Warehouse Management System
ZLD	Zero Liquid Discharge

INDEPENDENT ASSURANCE STATEMENT

Introduction and Engagement

'Epsilon Carbon Private Limited' (hereafter ECPL) commissioned TUV India Private Limited (TUVI) to conduct the independent assurance of non-financial information disclosed in ECPL's hazardous waste and GHG data worksheet (hereinafter 'the Report'). This engagement was comprised of a "limited level of assurance" for reporting year **01st April 2024 to 31st March 2025**. While performing this assurance, TUVI referred to the GRI, ISAE 3000 (revised), ISO 14064-1, GHG protocol, ISAE 3410 (GHGs) and TUV methodology. The onsite verification was conducted at ECPL Toranagallu facility during June 2025.

Management's Responsibility

'ECPL's management is responsible for the accurate preparation of all information/data disclosures in the Report in accordance with the criteria stated in the GRI, ISO 14064-1, ISAE 3000 (revised), ISAE 3410 (GHGs), GHG Protocol and TUV methodology. This responsibility includes identifying relevant energy, waste and GHG inventory, monitoring, quality control (QA/ QC) measures for data accuracy, data aggregation, calculation, and data disclosure. 'ECPL' is responsible for designing, implementing, and maintaining systems and processes relevant for preparing the Report in such a way that it is free of intended or unintended – material misstatements. TUVI undertook the assurance engagement in accordance with the terms of the contract.

Scope, Boundary and Limitations of Assurance

The scope of the assurance includes the verification of the hazardous waste diversion and GHG emissions data. In particular, the assurance engagement included the following:

i. Standards, and the quality of information presented in the Report over the reporting period;
ii. Review of the initiatives, practices and performance of ECPL over reporting period;
iii. Review of the disclosures made in the Report against the requirements of the GRI, ISO 14064-1, ISAE 3000 (revised), ISAE 3410 (GHGs), GHG Protocol and TUVI methodology with the agreed level of assurance;
iv. Verification of the application of the input parameters, associated emission factors, and principles of calculation as mentioned in GRI, ISO 14064-1, ISAE 3000 (revised), ISAE 3410 (GHGs), GHG protocol and TUVI methodology;
v. Verification of quality of hazardous waste diversion and GHG information, presented in Report over the reporting period

The company applies the operational control approach. Below operational site is considered as part of boundary (excluding corporate office) for verification of hazardous waste diversion and GHG emissions data.

Epsilon Carbon Private Limited, T4 Building, Plot No. 08, Vidyanagar, JSW Township, Toranagallu, Musinayakanahalli, Karnataka 583123

Limitation and Assumption

This Independent Assurance Statement is limited to the data disclosed to the verification Team and does not endorse any environmental claims (related to the product, manufacturing process, packaging, disposal of product etc.) as well as advertisements by the reporting organization. TUVI does not permit use of this statement for Greenwashing or misleading environmental claims. In addition, below limitations are part of the "Limited" Assurance Statement.

Our engagement did not include an assessment of the adequacy or effectiveness of ECPL's strategy or management of hazardous waste diversion and GHG-related issues. During the assurance process, TUVI did not come across limitations to the scope of the agreed assurance engagement. No external stakeholders were interviewed as a part of this engagement.

Exclusions List

i. The assurance is limited to the reported hazardous waste diversion and Scope 1, Scope 2 GHG emissions for the manufacturing facility located at Toranagallu.
ii. The refrigerants consumption was not monitored for the reporting period and is excluded from GHG inventory.
iii. Corporate office and branch offices data is excluded and does not form part of this assurance.

Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, concentrating on verification efforts on the source of information and data with the agreed level of assurance. In doing so:

i. Agreement on the assurance level, objectives, criteria, organizational scope, relevance, and materiality thresholds;
ii. TUVI verified the GHG emissions, hazardous waste data and assessed the robustness of the data management system, information flow, and controls;
iii. TUVI examined and reviewed the documents, data and other information made available by ECPL for the reported disclosures including the Management Approach and performance disclosure;
iv. TUVI conducted interviews with key representatives, including data owners and decision makers of 'ECPL';
v. TUVI verified sample-based checks of the processes for generating, gathering, and managing the quantitative data and qualitative information included in the hazardous waste and GHG emissions data for the reporting period;
vi. TUVI assessed the internal quality assurance procedures and results.

The scope of verification comprised of the assessment of reported data captured in excel worksheets, log sheets, bills and processes along with exhaustive interviews with members of management and ESG team (persons responsible for data collection and processing) at manufacturing facility. Below Emission Factors were utilized by ECPL.

Source:

Activity	Unit	Value of emission factor	Source
Scope - 1: Direct GHG emissions			
Diesel	$kgCO_2/GJ$	74.345	IPCC Guidelines
Mixed Gas	$kgCO_2$	0.8875	Based On Test Reports
Coke Oven Gas	$kgCO_2$	0.7813	Based On Test Reports
Tail Gas	$kgCO_2$	0.3306	Based On Test Reports
Scope - 2: Indirect GHG emissions from imported energy			
Electricity usage	$kgCO_2/MWh$	0.88	JSW Emission Factor*

**The TÜVI assessment team was not engaged in the independent verification of the electricity emission factor as referenced in the table above. The emission factor, as provided by JSW, was supported by an email correspondence from JSW to ECPL, which was submitted by the ECPL as part of the supporting documentation assessment.*

Action Plan

The following are the opportunities for improvement reported to ECPL.

i. ECPL may strengthen its internal reporting by adopting an existing smart cloud-based data management system and complementing it with periodic internal data and performance reviews.
ii. ECPL shall establish a consistent approach for accounting and tracking key environmental parameters, including GHG emissions from currently excluded sources such as refrigerants and office facilities, to ensure alignment with the principles of completeness and transparency outlined in the GHG Protocol.
iii. ECPL shall increase periodicity of analysis of mixed gas, Coke oven gas and tail gas parameters to ensure more accurate accounting of GHG emissions.

Conclusions

In our opinion, the data pertaining to GHG emissions and hazardous waste are reported along with referenced information providing a fair representation of the performance disclosures adequately. During the verification we have performed nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement is not prepared, w.r.t. scope of engagement.

GHG Emissions & Waste data: 'ECPL', Toranagallu plant has reported the following data for the reporting period.

Parameter	ECPL, Speciality Carbon (SC)	ECPL, Carbon Black (CB)	Overall ECPL (SC+CB)
Direct (Scope 1) GHG emissions in metric tons of CO_2 eq	7281	242098	249379
Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 eq	1038	2566	3604
Total GHG emissions (Scope 1+ Scope 2) in metric tons of CO_2 eq	8319**	244664**	252983**

Parameter	ECPL, Speciality Carbon (SC)	ECPL, Carbon Black (CB)	Overall ECPL (SC+CB)
Total Production (MT)	185746.48	113633.05	299379.53
GHG emissions intensity ratio (tCO_2 eq/ton of production) based on Scope 1 and 2 emissions	**0.045**	**2.153**	**0.845**
ECPL Total amount of Hazardous waste disposed (MT)	234.71		
ECPL Total amount of Hazardous waste diversion (MT)	130.39		
ECPL Total Hazardous Waste Disposed - Landfill / Incineration (MT)	104.32		
Hazardous Waste Diversion (%)	**55.55**		

***In accordance with applicable GHG accounting and verification standards, a materiality threshold of 5% has been applied to the total reported greenhouse gas (GHG) emissions. This means that any aggregate errors, omissions, or misstatements in the GHG emissions data exceeding 5% of the total reported emissions are considered material and could affect the reliability of the GHG statement. The verification process has assessed all identified discrepancies against this threshold to determine whether the GHG assertion is materially correct and a fair representation of the organization's emissions. The materiality threshold of 5 % was not breached.*

Notes:

i. *CO2 extinguisher refilling is NIL for the applied reporting period. Self-declaration issued by ECPL.*
ii. *In the absence of a tail gas flow meter, the reported quantity of tail gas is based on estimation (calculated as: existing air flow (in Nm^3) x run hours x 1.9).*
iii. *Corporate office & branch offices data is not a part of above reported waste diversion and GHG intensity, as it is a leased property.*
iv. *Waste: The data of total waste recovered through recycling or other recovery operations or total waste disposed by nature of disposal method could be assessed based on interviews and sample records as presented during the onsite visit.*
v. *Diesel consumption by the ambulance and fire tender has been allocated equally (50% each) to the SC and CB business units, as these are shared services and reflected accordingly in their respective GHG accounts.*
vi. *The provided GHG intensity is calculated based on Scope 1 and Scope 2 emissions only. The emissions on account of guest house is not part of the assurance.*

The reported GHG intensity is calculated under the principles outlined in ISO 14064-1:2018 for organizational-level GHG inventories and considers emissions from Scope 1 (direct GHG emissions from sources owned or controlled by the organization, such as on-site fuel combustion and process activities) and Scope 2 (indirect GHG emissions from the consumption of purchased electricity). The calculation boundary is limited to the manufacturing facility's operational control. It does not include Scope 3 emissions as defined by the GHG Protocol Corporate Standard or ISO 14064-1, such as upstream and downstream value chain activities. Furthermore, this intensity figure does not encompass product-level carbon footprint calculations as per ISO 14067:2018 (Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification), nor does it account for life cycle assessment (LCA) impacts described under ISO 14040/14044 or embodied carbon within raw materials and components. Therefore, the reported intensity strictly reflects operational energy use and process-related emissions, excluding embedded and indirect climate impacts across the value chain.

TUVI did not perform any assurance of procedures on the prospective information, such as targets, expectations, and ambitions. Consequently, TUVI draws no conclusion on the prospective information. This assurance statement has been prepared in accordance with the terms of our engagement. In accordance with the ISAE 3000 (revised) requirements read in conjunction with ISAE 3410, the below principles were adhered.

Independence: TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. It is confirmed that the Assurance Team is selected to avoid situations of self-interest, self-review, advocacy, and familiarity. The Assessment Team was safeguarded from any type of intimidation.

Quality control: The Assurance Team complies with the Code of Ethics for Professional Accountants issued by the IESBA, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In accordance with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement. The intended users of this assurance statement are the management of 'ECPL'. The management of the 'ECPL' is responsible for the information provided in the Report as well as the process of collecting; analyzing and reporting the information as presented in the worksheet. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes environmental performance as disclosed by 'ECPL' in the Report. This assurance engagement is based on the assumption that the data and the information provided to TUVI are complete and true.

TUV's Competence and Independence

TUVI is an independent, neutral, third-party providing carbon services, with qualified environmental and Greenhouse gas (GHG) verifier. TUVI states its independence and impartiality with regard to this assurance engagement. In the reporting year, TUVI did not work with 'ECPL' on any engagement that could compromise the independence or impartiality of our findings, conclusions. TUVI was not involved in the preparation of any statements or data included in the Report, with the exception of this Assurance Statement. TUVI maintains complete impartiality towards any people interviewed during the assurance engagement. The sole responsibility for the preparation and content of the Report lies with 'ECPL'. TUVI did not interact with 'ECPL' or its stakeholders in any prior engagements which could impair the impartiality of the results and recommendations made in this statement.

For and on behalf of TUV India Private Limited
Date: 21/08/2025

Assurance Statement no: 8123801702

Notes

Notes

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