



CARBON TO
COMMITMENT
Paving the Path to a
Sustainable Future

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About the Report

Epsilon Carbon Pvt. Ltd. (henceforth 'Epsilon Carbon', 'ECPL', 'We', 'Our Company') is pleased to present the company's fourth sustainability report. This report which provides extensive insight into our Environment, Social, and Governance (ESG) objectives, as well as the strides we have taken towards these goals during the Indian Financial Year 2023-24.

The report furnishes both qualitative and quantitative information on our performance across a range of sustainability metrics that are integrated into our operational structure. It is presented with transparency and precision, enabling our stakeholders to evaluate and make well-informed choices regarding our company's ability to generate comprehensive and enduring value.



The report is in accordance with the 'core' criteria of the Global Reporting Initiative (GRI) standards.

Reporting Period

The information shared in the report covers our activities for the financial year 2023 -24, commencing April 1, 2023, to March 31, 2024.

Reporting Boundary and Scope

The information in this report focuses on the non-financial aspects of Epsilon Carbon's progress centering on our Vijayanagar facility Carbon Black (CB) phase 1 and Specialty Carbon (SC) operation only, except where noted otherwise. Any financial data contained within this document relates to the overall financial results of the company for the FY 2023-24.

Approach to Materiality

In FY 2021-22, we conducted an in-depth materiality evaluation to determine and rank the issues of greatest significance to our business and stakeholders. This identification was achieved through a methodical approach that involved stakeholder engagement, analysis of industry trends and peer benchmarking, as well as discussions with our senior management. During the reporting period of FY 2023-24, we reassessed the pertinence of these material matters to ensure they remain up to date.

Assurance

The report has undergone a thorough review and received the approval of both the Board of Directors and senior management. Their endorsement ensures that it contains all pertinent information and accurate figures, as well as essential disclosures.

Contact Us

We look forward to our stakeholders' feedback on the report and its contents.
Please contact us at info@epsiloncarbon.com or +91 22 227122800.



Carbon to Commitment: Paving the Path to a Sustainable Future

As a leading global manufacturer of premium grade specialty carbon & carbon black, we are dedicated to promoting sustainability throughout our operations. We deliver top-tier products to companies both in India and globally, utilizing eco-friendly manufacturing processes. Upholding integrity and ethical practices are fundamental to our business, as we work to generate steady value for our stakeholders.

Our company's culture is deeply rooted in sustainability, which is reflected in our comprehensive approach that includes financial stability, adoption of circular economy principles, proactive measures for climate resilience, and a strong commitment to health, safety, and social well-being. Supported by a network of sustainable supply partners, we are optimally positioned to fulfil our customers' needs, while ensuring responsible business conduct that focuses on driving positive impacts for our


materials, and implementing zero liquid discharge measures at our facilities. Epsilon Carbon's commitment to protecting the environment is also reflected in our approach to energy procurement and consumption, which incorporate the principles of circularity, repurposing waste gases from various industries are to fuel a substantial portion of our operations.

On the social front, our initiatives, centered around the community, touch the lives of thousands, enhancing their prospects and enabling them to achieve their dreams of an improved quality of life. Our CSR initiatives are centered in the healthcare, education, sports, and infrastructure development sectors

For us, following a path of sustainable development is more than just a business strategy; it's a continuous pledge to generate enduring impacts. In collaboration



Key Highlights



Environmental

11% Electricity generation from waste recovery of tail gas	3.3% Reduction in energy intensity from baseline year FY 2022-23
10% Reduction in GHG emission intensity	6% Reduction in water use intensity from baseline year FY 2022-23



Social

2 Lakhs lives touched through CSR Initiatives	Zero Loss Time Injury Frequency Rate Sustained
22.3 average hours of training per employee per year	1015 hours spend on training on Human Rights policies



Economic and Governance

0.42% of revenue spend on R&D	2588 cr Revenue Generated
19.4% EBITDA	

Leadership Message



“

We are on course to enhance the carbon black capacity to 215,000 metric tons by Dec 2024, exemplifying our dedication to forward integration and sustainable growth.

”

In an era of rapid evolution and complexity in the global business landscape, the role of sustainability has emerged as an essential and central element in corporate strategy. As we navigate a world shaped by technological advancements, geopolitical shifts, and significant environmental and socio-economic challenges, the imperative for businesses to contribute meaningfully to sustainable development has never been greater. For Epsilon Carbon, this commitment is integral to our values and objectives.

Over the past year, we have advanced steadily on our sustainability journey, to create enduring positive impacts. Our approach to sustainable development is rooted in a commitment to long-term & constructive impact. In the months ahead, we plan to implement a formalized sustainability governance framework to align our Environmental, Social, and Governance (ESG) efforts with our overarching strategic goals. With the support of our stakeholders, we are working towards transforming our sustainability goals into tangible outcomes, setting our sights firmly on achieving our 2025 objectives.

Epsilon Carbon's ambition to lead in the global specialty carbon and carbon black market gained momentum with the establishment of our state-of-the-art carbon black plant in Bellary, with an annual capacity of 200,000 metric tons of specialty carbon and 115,000 metric tons of carbon black. This facility represents a significant milestone in our capacity expansion efforts and exemplifies our dedication to forward integration and sustainable growth. We are now on track to enhance its carbon black capacity to 215,000 metric tons by Dec 2024, reinforcing our commitment to sustainable, forward-looking operations.

Circular production models are central to our value creation strategy, with the 3R principle—Reduce, Recycle, and Reuse—forming the foundation of our processes. By repurposing by-products from one process as inputs for another, we have made notable advances in waste reduction and resource efficiency. Our initiatives, such as reclaiming waste gases for energy and recycling water, underscore our commitment to mitigating environmental impact while optimizing costs and enhancing our competitive advantage.

Our recent Life Cycle Assessment (LCA) of specialty carbon products shows our commitment to sustainability and contributes towards global Net Zero ambitions through circular economy principles. By operating a 17 MW captive power plant fueled by waste hot gases, we reduce emissions and convert otherwise wasted energy into productive power. The assessment results are motivating and environmentally encouraging, as we continually strive to reduce our carbon footprint for a more resilient, circular value chain.

Ethical conduct and social responsibility remain core to our business philosophy. Our efforts to empower our employees and support the communities where we operate have been strengthened this year through various initiatives, including health, safety, and holistic wellbeing programs for our workforce. Through a community-focused CSR approach, we have further expanded our outreach, enhancing healthcare, education, sports, and infrastructure, positively impacting over 200,000 lives this past year.

Customer satisfaction is paramount for us. With strategically located facilities and the adoption of automation and digital technologies, we strive to deliver resilience, responsiveness, and timely service. Technology continues to be a vital tool in advancing operational agility and sustainability at Epsilon Carbon. By integrating sophisticated IT solutions and digitalization across our infrastructure, we enhance our productivity, safeguard our assets, and minimize environmental impact, all while delivering exceptional products to our customers.

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

Best wishes,

Vikram Handa

Managing Director

Epsilon Carbon Pvt. Ltd.

About Us

Founded in 2010, Epsilon Carbon Pvt. Ltd. stands out as a prominent producer of coal tar derivatives in India and prides itself on being the nation's sole company with a secure supply chain of raw materials.

With our headquarters in Mumbai, our business encompasses three main divisions: Specialty Carbon (SC), Carbon Black (CB), and Advanced Material. We are committed to delivering superior quality products tailored to the unique needs of our customers, serving a diverse array of sectors such as aluminium, carbon black, tyres, mechanical rubber goods, graphite, specialty chemicals, construction chemicals, dyes, and pigments, among others. Our goal is to ascend to the forefront of the global carbon and coal tar sector.

The company's production facilities are strategically situated in the vicinity of our raw material sources or customer bases in Karnataka, Chhattisgarh, and Odisha. These facilities prioritize the wellbeing of both people and the environment by integrating circular economy concepts with processes, ensuring sustainable operations that minimize adverse social and environmental impacts.



India's **1st**
Integrated
Carbon Facility

Exports
to **27+**
countries

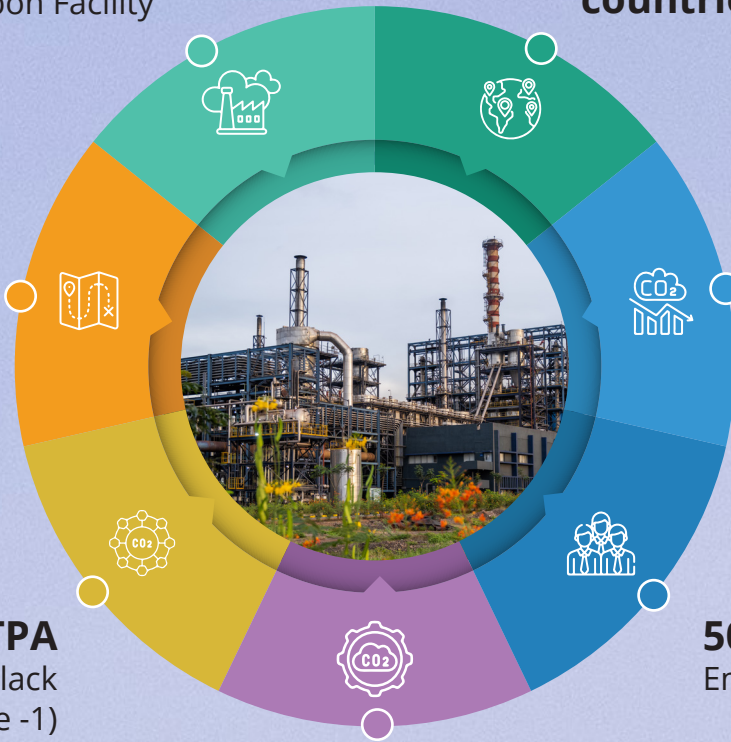
Spread
across **165**
acres

100% ZLD
Compliant
Facility

115,000 TPA
Carbon Black
Capacity (Phase -1)

500+
Employees

200,000 TPA
Specialty Carbon
Capacity



Our Guiding Principles



Our Purpose

Our purpose is to create the building blocks of tomorrow

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



Our Vision

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



Our Mission

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



Our Values



Innovation

We are committed to constant innovation and growth, always seeking new solutions to tackle challenges, improve operations, and drive our company forward. Efficiency and environmental responsibility are the cornerstones of our business practices.



Passion

Fuelled by our daily passion for learning and achievement, we are dedicated to delivering excellence in our core services.



Integrity

We are bold, honest, transparent, trustworthy, and committed to upholding the highest ethical standards.



Collaboration

We embrace the spirit of collaboration by fostering positive and cooperative relationships with all our stakeholders.



Quality
















We constantly seek out opportunities to provide products that surpass customer expectations.

Our Products

By implementing backward and forward integration, we have successfully set up India's most extensive facility specializing in coal tar-based specialty chemicals. This enables us to produce premium-quality products that are customized to meet the unique needs of our customers.

Specialty Carbon

Utilizing coal-tar pitch in our Specialty Carbon process, we deliver an array of high-quality products catering to the needs of clients across various industries, including aluminium, electric vehicles, energy storage, construction, and specialty chemicals.

 Liquid Binder Pitch	 Binder Pitch	 Impregnated Pitch	 Carbon Black Oil
 Light Oil	 Wash Oil	 Anthracene Oil	 Creosote Oil
 Crude Naphthalene	 Refined Naphthalene	 Anthraquinone	 Ortho Cresols*
 Phenol Oil*	 Carbazole*	 M-P, Cresol*	

Industries served:

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

*Products currently under development

Carbon Black

Drawing on our expertise in coal-tar derivatives, we have adopted a forward integration strategy to manufacture a variety of carbon black grades, both hard and soft. These grades are crafted to fulfil the diverse needs within the tire and non-tire industries, serving both the Indian and global markets. Our carbon black offerings provide a spectrum of customizable solutions that surpass the global benchmarks set by ASTM International, guaranteeing exceptional quality and performance.

Products



Tread Grade Carbon Black



Carcass Grade Carbon Black

Industries served:

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

Manufacturing Capabilities

Our Integrated Carbon Complex in Vijayanagar, Karnataka spanning 165 acres boasts production capacity of 200,000 metric tons for Specialty Carbon and 115,000 metric tons for Carbon Black. This plant represents our stride towards attaining a leading position in the global markets for coal tar and carbon black.

Additionally, we are plan to expand carbon black production capacity to 215,000 metric tonnes per year by end of 2024, reinforcing our commitment to forward integration.

Case Study

India's pioneer (first) and only exporter of molten Coal Tar Pitch

In October 2022, Epsilon Carbon Pvt. Ltd. took a strategic step to expand beyond domestic markets by establishing a molten Coal Tar Pitch (CTP) storage facility at Mangalore Port, aimed at penetrating the Middle East market. Selecting Mangalore as our export hub was a calculated move to streamline logistics and enhance our supply chain efficiency.

This expansion came with challenges, notably to meet the desired global quality standards of Middle East aluminium customers and establish a reliable supply chain for molten Coal Tar Pitch (CTP). We adopted a robust approach to overcome these hurdles:

- **Facility Upgrades:** We invested in advanced production and quality management systems.
- **State-of-the-Art Storage:** A cutting-edge storage facility was built at Mangalore Port.
- **Quality Compliance:** Rigorous audits were conducted to meet high standards in quality and social responsibility.

Outcomes:

- We became India's pioneering exporter of molten CTP.
- The Epsilon brand is now recognized as a global supplier of CTP.
- Our customer base has grown, with our global supply strengthened, positioning us to double our production capacity in response to rising demand.
- Approximately 25% (~40 KT) of our production capacity is now exported as molten CTP through Mangalore Port.

In conclusion, our strategic decision to enter the Middle East market has not only diversified our customer portfolio but has also reinforced Epsilon Carbon's position as a global industry leader. Our commitment to quality and sustainability remains the cornerstone of this successful expansion.



Our Presence



Memberships and Associations

We actively contribute to the advancement of the industry by participating in numerous forums as a leading entity in the sector. The key forums to which we contribute are as follows:

 <p>ITA International Tar Association</p>	 <p>CII Confederation of Indian Industry</p>	 <p>ICC Indian Chemical Council</p>
 <p>ASSOCHAM Ideate · Innovate · Impact</p>	 <p>FICCI Federation of Indian Chambers of Commerce and Industry</p>	 <p>MRAI MATERIAL RECYCLING ASSOCIATION OF INDIA Voice of the Indian Recycling Industry</p>
 <p>IESA India Energy Storage Alliance</p>	 <p>TUV NORD</p>	 <p>NABL</p>

Certifications

Our commitment to manufacturing superiority is propelled by our relentless pursuit of obtaining internationally recognized certifications and maintaining adherence to top-tier processes and standards.

 <p>SA 8000 CERTIFICATION</p> <p>SA 8000 and IMS Certification</p>	 <p>Responsible Care OUR COMMITMENT TO SUSTAINABILITY</p> <p>Chemical Responsible Care Management System</p>	 <p>ISO 17025 ACCREDITED LABORATORY</p>
 <p>ISO 9001:2015 CERTIFIED COMPANY</p> <p>Quality Management System</p>	 <p>ISO 27001 Certified</p> <p>Information Security Management</p>	<p>Certification of Accreditation by the National Accreditation Board for Testing and Calibration Laboratories (NABL)</p>
 <p>ISO 14001:2015</p> <p>Environment Management System</p>	 <p>ISO 45001:2018</p> <p>Occupational H&S Management System</p>	 <p>ISO 28000 MANAGEMENT SYSTEM</p> <p>Security Management System for Supply Chains</p>
 <p>IATF 16949:2016 CERTIFIED</p> <p>Automotive Quality Management System</p>	 <p>ISO 50001:2018 International Organization for Standardization</p> <p>Energy Management System</p>	 <p>ecovadis Sustainability Rating</p> <p>SILVER 2023</p> <p>Ecovadis Silver Rating for Sustainability</p>

Awards and Accolades

6 Gold Awards at Quality Circle Forum of India-Safety Month Competition

Silver Renovation category, and breakthrough awards from CII Kaizen Competition 2024

Silver Award at CII – Excellence in Safety

Gold awards for ‘most innovative company’ and ‘most social company’ by the MSME Excellence Awards

Gold award for energy conservation from QCFI Energy Conservation Award

CSR Impact award at the 9th Corporate Social Responsibility Summit and Awards 2023

Silver recognition at CII-Excellence in Digitalization

Gold Workplace OHSE Award from WSO Excellence Awards

Silver Environment Excellence Award from WSO Excellence Awards

Product Innovator of the Year, and Exemplary Performance for Supporting Make in India award at the 3rd edition of India Global Chemicals and Petrochemicals Manufacturing Hub

Sustainability, Energy Efficiency and Environment Management practices at the 2nd Edition of World Safety Organization India (State) Level OHS&E Awards

Epsilon Carbon felicitated by the Indian Chemical Council (ICC) for Excellence in Management of Environment Award

Sustainable Organization Award at the 2nd edition of the Sustainability Summit and Awards 2023 hosted by UBS Forums Pvt. Ltd.

Gold Award at the “Quality Excellence Award” by Apex India Foundation



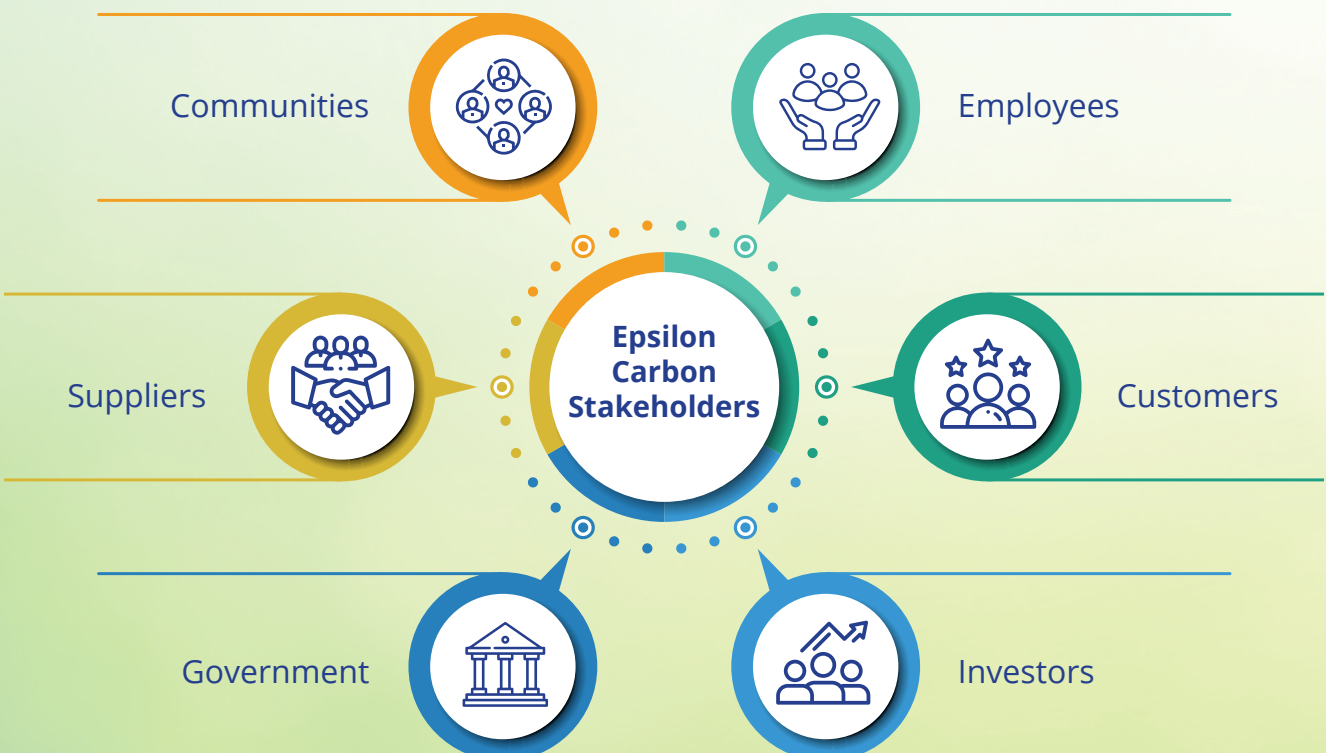
Unlocking Insights through Stakeholder Collaboration

At Epsilon Carbon, we reinforce our role as a responsible corporate entity by consistently engaging with stakeholders, including them as an essential component of our sustainability efforts and decision-making frameworks. Using platforms and communication channels appropriate to different stakeholder groups, our interactions encompass Epsilon Carbon's financial and non-financial progress as well as comprehending stakeholders' perspectives, expectations, and concerns. These interactions not only benefit our stakeholders and the environment, but also contributes to the prosperity of our business.



Stakeholder Engagement

In FY 2022-23, we carried out extensive engagement with stakeholders, selecting them based on their importance and influence on our business.



Engagement Matrix

Employees



Importance

The commitment, expertise, and know-how of our employees are the cornerstones of our ongoing success.

Engagement Channels

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

Frequency

Ongoing

Key Topics / Concerns

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

Customers



Importance

Customer demand fuels sales, and their unique requirements spur enhancements in processes and efficiency, leading to better quality, service, and cost optimization.

Engagement Channels

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

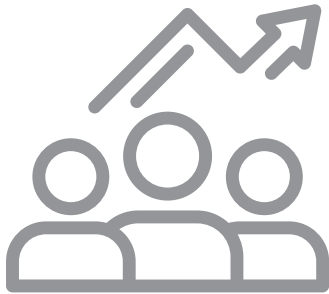
Frequency

Ongoing / as required

Key Topics / Concerns

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

Investors



Importance

Support us in achieving our expansion and growth goals by providing the necessary financial resources.

Engagement Channels

- Quarterly and annual meetings
- Performance Reports
- Board meetings

Frequency

Quarterly

Key Topics / Concerns

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

Government



Importance

Interaction with government entities guarantees the perpetuation of business operations, adherence to legal standards, and the correct understanding of regulatory requirements.

Engagement Channels

- Policy updates and ministry directives
- Compliance reports
- CSR reports

Frequency

Ongoing annually

Key Topics / Concerns

- Environmental compliance
- Local development initiatives
- Taxes and royalties

Supplier



Importance

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.

Engagement Channels

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

Frequency

Annual

Key Topics / Concerns

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

Communities



Importance

Building strong connections with local communities enhances our social license to operate and supports shared prosperity.

Engagement Channels

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

Frequency

Ongoing

Key Topics / Concerns

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

Revisiting Materiality



Environment

- 1 Conserving Biodiversity
- 2 Water Efficiency
- 3 Circularity
- 4 Product Stewardship
- 5 Air Emissions
- 6 Climate Change



Social

- 7 Diversity and Inclusion
- 8 Community Relations
- 9 Talent Acquisition and Development
- 10 Employee Engagement
- 11 Human Rights
- 12 Occupational Health and Safety



Governance

- 13 Technology and Innovation
- 14 Customer Centricity
- 15 Corporate Governance
- 16 Ethics and Transparency
- 17 Economic Performance and Global Presence
- 18 Supply Chain Management and Responsible Sourcing
- 19 Risk Management
- 20 Regulatory Compliance

Priority

- High
- Medium
- Low

Pathways to Progress: Our Commitment to a Sustainable Future

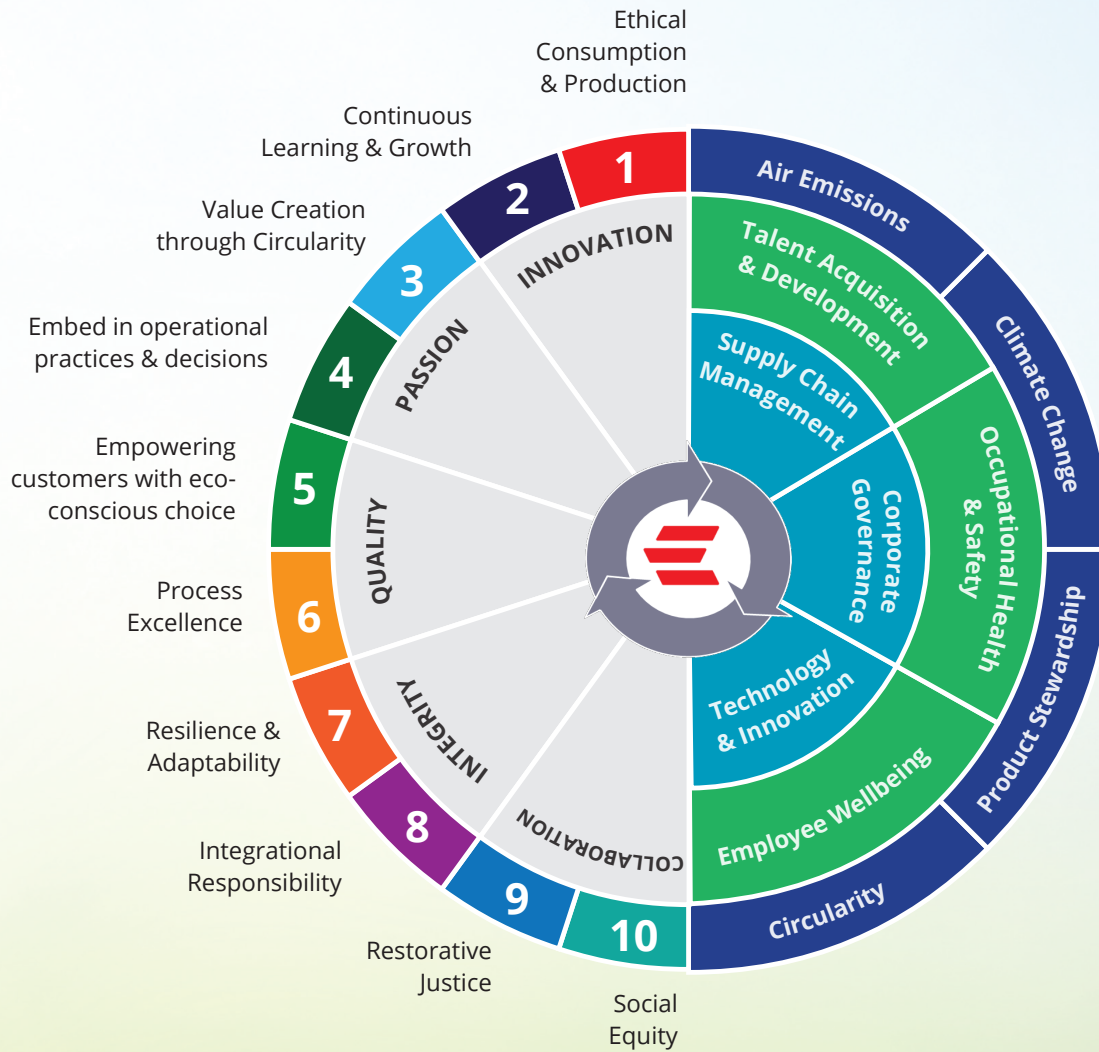


Epsilon Carbon's sustainability strategy is designed to not only mitigate risk but also transform them into drivers of beneficial change. Keeping in view our aims of long-term business expansion, generating value for stakeholders, and enhancing our sustainability journey, we developed a comprehensive sustainability framework in FY 2022-23. With a strong emphasis on circularity, this framework is envisaged to improve our capacity to design and execute strategies that fortify business resilience in the face of growing climate change challenges.

The framework serves as our compass, guiding us as we are navigating the shifting terrain of environmental challenges and setting benchmarks in sustainable practices within our sector. It represents our commitment to harmonizing growth and profitability with environmental stewardship, laying the groundwork for Epsilon Carbon's future as a frontrunner in sustainability.

Sustainability Framework

Our ESG strategy is anchored in our five core values: Innovation, Passion, Quality, Integrity, and Quality, encompassing 10 objectives. These objectives collaborate to offer a comprehensive strategic orientation that propels our efforts in 10 key areas of execution. The strategic blueprint is in harmony with our material concerns, international frameworks and movements, as well as industry motivators, and is crafted to support the United Nations Sustainable Development Goals (SDGs).



Epsilon’s sustainability strategy is aligned with the United Nations Sustainable Development Goals (SDGs)



Performance Snapshot



Environment

Epsilon understands that environmental goals are an ethical imperative for a sustainable future, essential for risk reduction, competitiveness, and meeting global sustainability standards. Climate change poses risks like supply chain disruptions, resource scarcity, and facility damage, making environmental targets crucial for business resilience. Recognizing the finite nature of carbon resources, Epsilon commits to sustainable practices and has set clear environmental objectives to lessen reliance on these resources, ensuring long-term viability and aligning with our strategic vision.

Focus Area	Goals	KPIs	Short Term (2023-25)	Medium Term (2025-30)	Long Term (2030 and beyond)	Progress
Climate Change	Achieve Carbon Neutrality	GHG Emission Intensity	To reduce 20% GHG emission intensity by 2025	To reduce 25% GHG emission intensity by 2030	To reduce 30% GHG emission intensity by 2035	Emission intensity reduced from 0.81(baseline) to 0.73 in FY 24
		Energy Consumption Intensity	To reduce 5% of energy intensity by 2025	To reduce 10% of energy intensity by 2030	To reduce 15% of energy intensity by 2035	Energy intensity reduced from 2.57(baseline) to 2.49 in FY 24
		Scope 3 emission intensity (Alignment of disclosure to TCFD)	To inventorize Scope-3 emissions by 2025 (50%)	To inventorize Scope-3 emissions by 2030 (100%)	To extend Epsilon's disclosures to TCFD requirements and adopt Climate Risk Assessment for the business	Scope 3 emission assessment is under progress
Air Emission	Minimizing Air Emissions	SOx Emission Intensity	To reduce 1% of SOx emission intensity by 2025	To reduce 2% of SOx emission intensity by 2030	To reduce 3% of SOx emission intensity by 2035	SOx emission intensity reduced from 0.21 to 0.209 in FY 24
		NOx Emission Intensity	To reduce 3% of NOx emission intensity by 2025	To reduce 5% of NOx emission intensity by 2030	To reduce 10% of NOx emission intensity by 2035	NOx emission intensity reduced from 0.146 to 0.143 in FY 24
		PM Emission Intensity	To reduce 5% of PM emission intensity by 2025	To reduce 10% of PM emission intensity by 2030	To reduce 15% of PM emission intensity by 2035	PM emission intensity reduced from 0.084 to 0.081 in FY 24



Focus Area	Goals	KPIs	Short Term (2023-25)	Medium Term (2025-30)	Long Term (2030 and beyond)	Progress
Circularity	Transition towards circularity	Waste to Landfill	Reduce waste disposal to landfill by 20% by 2025	Reduce waste disposal to landfill by 50% by 2030	Zero Waste to Landfill by 2035	In progress
		% of energy from waste processing	To achieve 75% energy from waste processing by 2024	To achieve 100% energy from waste processing by 2030		Achieved 83% energy from waste processing
Product Stewardship	Creating superior carbon products	No of products undergoing Carbon Footprint Assessment	To initiate Lifecycle Carbon Footprint Assessment of all existing product by 2025	To initiate Lifecycle Carbon Footprint Assessment of all new product within one year of product launch by 2027		LCA for 3 products conducted
		Recyclability	Production of Recovered Carbon Black (RCB) and Pyrolysis oil from end of tyres			In progress



Social

At Epsilon, we prioritize our employees' development and foster a diverse and inclusive culture with equal opportunities for all. Committed to ethical manufacturing, we ensure our operations respect labour rights and protect communities and the environment. Our dedication to human rights includes comprehensive wellness and healthcare programs for our staff. Health and safety are embedded in our business through a robust HSE policy that guides our strategy and decisions.

Focus Area	Goals	KPIs	Short Term (2023-25)	Medium Term (2025-30)	Long Term (2030 and beyond)	Progress
Occupational Health & Safety	Striving for a Safety-First Work Culture	% workforce attended safety training programs	To achieve and sustain 100% coverage of employees trained in Health and Safety by 2025	To achieve and sustain 100% coverage of contractors trained in Health and Safety by 2027	Onward Sustain performance of employees training in Health and Safety	100% coverage attained
		LTIFR	To sustain zero injuries recordable rate on a YoY basis			Zero injuries sustained
		Occupational health illness			To ensure zero occupational health illness by 2030	Assessment in progress
		IoT, Digital Dashboards, etc	To implement digital solutions to track and report safety metrics by 2025			10 HSE KPIs tracked with the help of digital platforms.





Focus Area	Goals	KPIs	Short Term (2023-25)	Medium Term (2025-30)	Long Term (2030 and beyond)	Progress
Employee Well being	Cultivating an Exceptional Employee Culture	Employee Net Promoters Score (Likelihood of recommending as a place to work)	To attain a favourable rating in the eNPS (Employee Net Promoter Score) survey by the year 2025, with a score exceeding 60	To attain a favourable rating in the eNPS (Employee Net Promoter Score) survey by the year 2027, with a score exceeding 75		Achieved eNPS score of 30
		Employee Wellbeing Index (A composite score that combines various wellbeing indicators to provide an overall picture of employee wellbeing)	To implement a structured and holistic wellness program, covering physical, mental and financial wellbeing by 2025 covering all employees	To develop and roll-out an Employee Wellness Index to quantify the overall employee wellbeing by 2027. And attain 60% score in Employee Wellness Index by 2030	To attain a top quartile score in Employee Wellness Index by 2035	In progress
		Employee participation in community wellness	To initiate "Employee Volunteering Program" aiming 1 hour per employee per year contribution towards community welfare by 2025	To extend "Employee Volunteering Program" by initiating "One Day Leave" culture for community programs by 2030		Initiated 'Kalakruthi' – a program designed for employee volunteering

Focus Area	Goals	KPIs	Short Term (2023-25)	Medium Term (2025-30)	Long Term (2030 and beyond)	Progress
Talent Acquisition and Development	Empowering Employees with Knowledge and Skills	Employee turnover rate (%)	To improve employee turnover rate by 20% from baseline 2022-23 for next 03 consecutive year	To maintain employee turnover rate <10% by 2030	Sustain employee turnover rate less 10% 2030 onward	Improved employee turnover rate by 33% from last year
		% of women employees in overall workforce	To improve the hiring rate of women employees to achieve 10% in the overall workforce by 2025	To improve the hiring rate of women employees to achieve 13% in the overall workforce by 2025		10% target achieved
		Digital Adoption Rate	To attain 25% digital adoption rate for Learning and Development by 2025	To attain 50% digital adoption rate for Learning and Development by 2030		Attained a 80% digital adoption rate
		No of training hours per employee per year across all levels of Epsilon	To empower our employees by committing to provide and achieve 2x Man days of training per employee per year by 2025	To empower our employees by committing to provide and achieve 3x Man days of training per employee per year by 2030	To empower our employees by committing to provide and achieve 5x Man days of training per employee per year by 2035	Achieved more than 2x man days of training per employee, per year





Governance

Our corporate governance structure, founded on integrity and transparency, is designed to uphold the highest ethical standards and foster stakeholder trust. We enforce rigorous governance standards, with a Board characterized by independence and diversity to ensure robust governance practices. Independent committees work on enhancing our governance frameworks. We're also developing a structured sustainability governance framework to guide our ESG initiatives, aiming to contribute to a sustainable future through strategic governance.

Focus Area	Goals	KPIs	Short Term (2023-25)	Medium Term (2025-30)	Long Term (2030 and beyond)	Progress
Supply Chain Management and Responsible Sourcing	Strengthening shared value in Supply Chain	% of suppliers assessed on Code of Conduct	Align the existing Supplier Code of Conduct with set ESG requirements	To assess 70% Critical suppliers on adherence to Epsilon's Supplier Code of Conduct by 2030	To extend assessment to 90% Tier-1 suppliers on adherence to Epsilon's Supplier Code of Conduct by 2035	In progress
			Develop an ESG assessment methodology aligned to UNGC and ILO principles			
			Identify and train critical suppliers			
			Assess 25% critical suppliers on adherence to Epsilon's Supplier Code of Conduct by 2025 (pilot basis)			
		% of Suppliers covered under training and awareness program		To ensure 100% critical suppliers are covered under training and awareness program		56% of suppliers covered

Focus Area	Goals	KPIs	Short Term (2023-25)	Medium Term (2025-30)	Long Term (2030 and beyond)	Progress
Corporate Governance	Inclusive ESG Governance	No of board meetings to monitor and review ESG performance against goals and targets at the Board, ESG Committee and plant levels	To establish a structured monitoring & review mechanism ESG performance			ESG performance was reviewed by the board as part of the annual board meeting
		No of awards presented on ESG	Recognition of employees and management for achievements in set goals and targets in ESG by 2026	Recognition of suppliers and contractors showcasing adherence to Epsilon's ESG aspirations by 2030		In progress
Technology and Innovation	Pioneering transformation through technology	% of annual revenue dedicated to R&D	To achieve 0.5% of annual revenue allotted to R&D activities by 2025	To achieve 2% of annual revenue allotted to R&D activities by 2030	To sustain 2% of annual revenue allotted to R&D activities 2030 onward	0.42% of annual revenue allotted to R&D activities
		Digitization and Industry 4.0	Achieve "Basic" Level of Digital Maturity by 2025	Achieve "Advanced" Level of Digital Maturity by 2030	Achieve "Leading" Level of Digital Maturity by 2035	On our way to achieve 'basic' level of digital maturity



Guiding Excellence: Fostering Strong Governance for Sustainable Success



Fairness



Transparency



Honesty and Integrity



Ethics



Legal compliance

Central to our company's ethos is a dedication to conducting business with fairness, transparency, honesty and integrity, ethics, and legal compliance. Governance at Epsilon Carbon encapsulates principles such as trust, community engagement, innovation, and sustainable expansion, and plays a pivotal role in guiding our path to sustainability. Directed by a capable Board, our governance practices demonstrate our commitment to accountability and responsible business practices, and the utmost level of professional conduct across the business.



Corporate Oversight

Our governance framework outlines policies and practices intended to fulfil our promises of operational superiority, product advancement, and stakeholder value generation. Our approach to governance is informed by Risk Management (RM) tenets and the company's Code of Conduct and considers the ethical and integrity standards expected of us by our stakeholders.

Corporate governance at Epsilon Carbon is not only about adhering to high standards but also about fostering a culture of continuous improvement and innovation. In this spirit, we cultivate an innovative environment that encourages the pursuit of enhancements in our offerings, methodologies, and customer service. By integrating governance with innovation, we ensure that our growth is sustainable and responsible. Collaborating with our associates, workforce, and local communities, we amplify the influence of our efforts and effectively navigate the intricate challenges presented by rapidly changing regulations and dynamic market conditions. The synergy between governance and innovation is what propels us forward, ensuring that we not only meet but exceed the expectations of our stakeholders in all aspects of our business.

Fostering Trust and Confidence

Epsilon Carbon’s governance is led by the Board of Directors, comprising experts with deep knowledge and experience in business strategy, market insights, and stakeholder engagement. They include Independent Directors who ensure impartial decision making. The Board is further supported by ex-officio members who are Executive Directors and members of the company’s senior management, offer significant operational and market insights that inform the course charted for the company. Additionally, the Board occasionally enlists the guidance of external advisors to support its decision making.

The Board of Directors oversees the steering of the company and protects stakeholder interests by ensuring that our growth aligns with strategic goals.

This is enabled by frequent engagements between the Board, senior executives, and stakeholders which allow us to pre-emptively recognize and address business risks and opportunities collaboratively. We strive to implement best practices in corporate governance and adapt these to address dynamic market demands as well as changing regulatory standards.

Board Committees

Several sub-committees assist our Board in delivering its commitments across specific operational and strategic areas. These include the Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and the Prevention of Sexual Harassment (POSH) Committee. These subcommittees meet a minimum of once every quarter to tackle pertinent matters and oversee advancements in responsible practices.

Board Level

Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	POSH Committee	Project Monitoring Committee
Roles & Responsibilities of the Committee				
<p>In the reporting year, we formed an Audit Committee charged with the tasks of proposing the selection of auditors, supervising their autonomy and effectiveness, examining the Company’s financial reports, assessing our ventures and assets, overseeing the allocation of capital acquired from public offerings, and executing any additional responsibilities delegated by the Board.</p>	<p>We established a Nomination and Remuneration Committee tasked with ensuring adherence to the policy guidelines concerning the compensation of Directors, Key Managerial Personnel, and Senior Managerial Personnel. This policy specifies the parameters for evaluating the qualifications, skills, desirable traits, and independence of directors (including both executive and non-executive) within the Company.</p>	<p>Epsilon Carbon has established a CSR Committee 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.</p>	<p>A specialized POSH (Prevention of Sexual Harassment) Committee, comprising a consultant from a non-governmental organization, is tasked with addressing and settling issues and grievances related to sexual harassment at work, in compliance with legal obligations.</p>	<p>The Project Monitoring Committee is tasked with assessing ongoing and proposed projects to ensure they align with the group’s strategic objectives, while tracking performance against budget and timeline. This committee’s purpose is to oversee, evaluate, advise, and approve all group projects.</p>

Committees at the Board level receive backing from executive and plant-level committees, securing comprehensive governance throughout the entire Company.

Executive-level Committees

Numerous committees at the executive level are in place to oversee and reduce risks linked to the business climate, supply chain, and organizational operations. These committees convene on a monthly basis to evaluate plant activities, gauge performance, pinpoint risks and prospects, and provide quarterly updates to the Board.

Plant-Level Committees

Within the plants, specialized committees scrutinize the operations of each department to confirm that they operate effectively and align with set goals. These specialized committees gather monthly and relay their findings to the corresponding executive-level departmental teams, which subsequently report to the CEO

Executive Level

Grievance Committee

Roles & Responsibilities of the Committee

The Grievance Committee is charged with the efficient execution of the Company's grievance procedures and systems. Its duties include conducting in-depth investigations of all complaints, detecting recurring issues or trends, setting deadlines for resolutions, pinpointing opportunities for enhancement, and guaranteeing the swift and effective resolution of grievances.

Plant Level

Employee Engagement Committee

Ideation Committee

Knowledge-sharing Committee

Canteen Committee

Housing Allotment Committee

Roles & Responsibilities of the Committee

The Committee actively reaches out to skilled individuals, planning engagement activities to promote involvement from employees and their families. It coordinates celebratory occasions (such as birthdays and festivals) as well as events and cultural programs for the employees and their family members.

The Committee facilitates dynamic prototyping and ideation workshops, fostering a culture of innovation and boosting employee engagement. It selects and examines topics for creative thinking and execution and launches the Company's rewards program for outstanding ideas.

The Committee cultivates corporate expertise in environmental health and safety (H&S) to safeguard stakeholders and guarantee the provision of high-quality products and services. To support employees, the Committee offers a range of resources, including a digital library platform, expert-led in-plant talks, quarterly external presentations on chosen subjects, and detailed process briefings by specialists.

The Canteen Committee manages operations, ensuring food quality, safety compliance, and employee satisfaction, while also handling vendor relations, staff training, facility upkeep, cost efficiency, and special event catering.

The House Allotment Committee ensures equitable distribution of institutional or government housing, managing policy formulation, application review, allotment, wait-list, grievances, compliance, property oversight, record-keeping, policy revision, and reporting.

ESG Governance

Epsilon Carbon is fully committed to integrating the ESG approach in our business practices and achieving the goals and targets we have set for ourselves as part of our sustainability roadmap. Accordingly, we have formulated a model for ESG governance, which encompasses a three-tier structure comprising our ESG Apex Committee, ESG Steering Committee, and ESG Champions. The ESG Apex Committee reports to the Board. The roles and responsibilities of members in each tier are well defined as are the pathways for regular engagement and reporting.

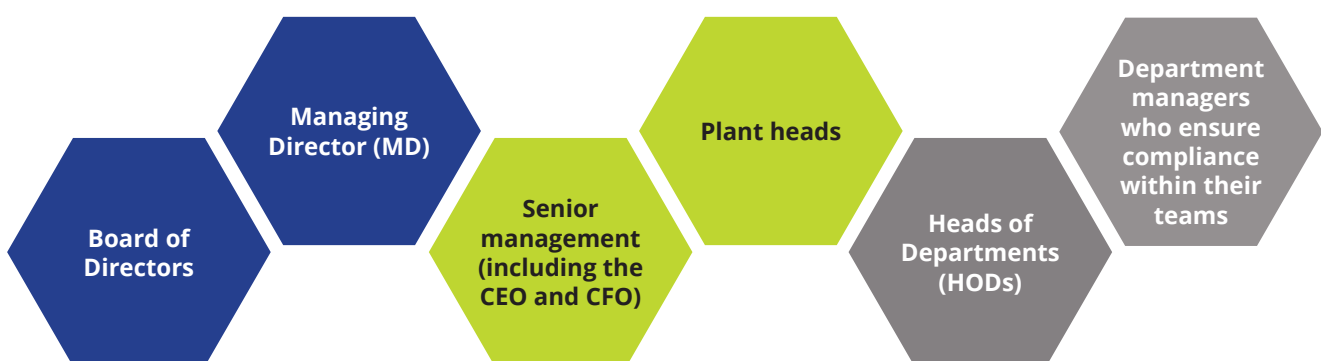
ESG Governance Matrix

<p>ESG Apex Committee Meeting Frequency Quarterly</p> <p>▲</p>	<p>The ESG Apex Committee will advise the Board on the company's policies, strategies and programs related to overall sustainability agenda</p>
<p>ESG Steering Committee Meeting Frequency Quarterly</p> <p>▲</p>	<p>The ESG Steering Committee is responsible for goal-setting, strategy and roadmap development, review and budgeting on matters of ESG</p>
<p>ESG Champions Meeting Frequency Monthly</p>	<p>The ESG Champions will undertake implementation of the initiatives at the ground level, facilities & monitor data, and assist in identifying opportunities in alignment with the ESG targets</p>

Compliance

At Epsilon Carbon, adherence to regulatory standards is fundamental to our organizational ethos. To do this, we employ an extensive checklist to track regulatory adherence in different facets of our operations. Furthermore, annual internal audits are conducted to assess compliance and pinpoint opportunities for enhancement. The results of these audits are reported to the Board of Directors, underscoring our dedication to openness and responsibility.

Compliance Governance



We employ an extensive compliance checklist to track our adherence to regulations in different facets of our operations. Furthermore, we carry out yearly internal audits to evaluate our compliance with necessary standards and pinpoint opportunities for enhancement. The results of these audits are reported to the Board of Directors, underscoring our dedication to openness and responsibility.

Tax Approach

Our tax strategy is designed to avoid interest and penalties while supporting our short and long-term goals, including growth plans, daily operations, and adapting to regulatory changes. We analyse tax incentives during project development, considering both direct and indirect taxes. We assess the impact of tax law changes and comply with regular tax obligations in line with our budget. We monitor tax risks quarterly, review our tax position against our budget, and engage with stakeholders and industry forums on tax policy matters. Our HR team works with Finance to address tax queries.



Quality Management

Our Quality Management System is in accordance with the standards of IATF 16949:2016. The Vijayanagar facility has been acknowledged with a letter of conformity, which has markedly improved our performance in quality, environment, health and safety by employing a risk-based methodology. Furthermore, we have adopted the standards of ISO 50001:2018 (Energy Management Systems), ISO 27001:2013, ISO/IEC 17025:2017, and ISO 28000:2022 into our suite of standards. We are considering the implementation of a business continuity management system (BCMS) aligned with the ISO 22301 standard to effectively handle potential crises through well-prepared emergency, IT contingency, and recovery plans.

Resilient IT System

In order to strengthen our business continuity planning, we have implemented a flexible and reactive IT infrastructure that incorporates advanced solutions to protect our assets, enforce stringent security protocols, and expedite the digital transformation of our processes.

Below, we detail the principal applications that secure our essential operations and enable us to manage difficult circumstances with minimal interruption.

Integration of IT in Business Continuity and Risk Management:



IT Security

Our IT security measures are designed to shield the business from cyber threats and data breaches. We implement IT policies and utilize cloud-based endpoints for our clients, which aid in securing our data within our intranet and protecting any information that is critical to our company.



Digital Signatures

Digital signatures provide a means for employees and management to confirm the accuracy of data as well as the legitimacy of the individual submitting it. For instance, within the SAP system, data is only processed if the accompanying digital signature is verified as valid.



Enterprise Resource Planning (ERP)

An array of interconnected applications, ERP enables the company to gather, store, oversee, and analyze data from various business operations such as production planning, procurement, manufacturing, and service provision. It also facilitates the creation and distribution of precise data for prompt feedback and strategic planning for the future.




Cloud Technology: The Amazon Web Services (AWS) Environment

AWS, as an extensive and continuously developing cloud computing platform, provides remote computing services and a cloud-computing infrastructure accessible over the internet. We utilize AWS to host all our vital services, encompassing our SAP environment, active directory, barcode system, and digital logbook.



Salesforce

The Salesforce customer relationship management (CRM) system, a cloud-based application, assists us in efficiently organizing our sales and marketing activities, as well as interactions with customers and partners/distributors. Salesforce provides our workforce with convenient access to web-based software via the internet, offering a distinctive multi-tenant structure that ensures security and governance concerning user and client authentication, administrative authorizations, data accessibility, and data encryption.



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

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



Digital Logbooks

Our digital logbook system enables employees to access data analytics in real time. It allows staff to track performance through key performance indicators (KPIs), manage energy services, record plant operational activities in the digital logbook, and consolidate different systems. Additionally, the system guarantees the protection of our online data.

Our digital transformation is a testament to Epsilon Carbon's unwavering commitment to sustainability. By integrating cutting-edge digital solutions, we are not only optimizing our operations but also paving the way for a more sustainable and responsible future. Through these initiatives, we are setting a benchmark in the industry for how technology can be leveraged to achieve environmental and operational excellence. During the next financial year we plan to implement additional tools like a financial consolidation and reconciliation platform, legal contract management tool, customer relationship management tool, etc.

Case Study

Digital Transformation for Sustainability



In 2023, we initiated the DART Program to drive digital transformations in partnership with a third-party firm. This partnership is a cornerstone in our strategy to harness technology in achieving our environmental and operational efficiency objectives.

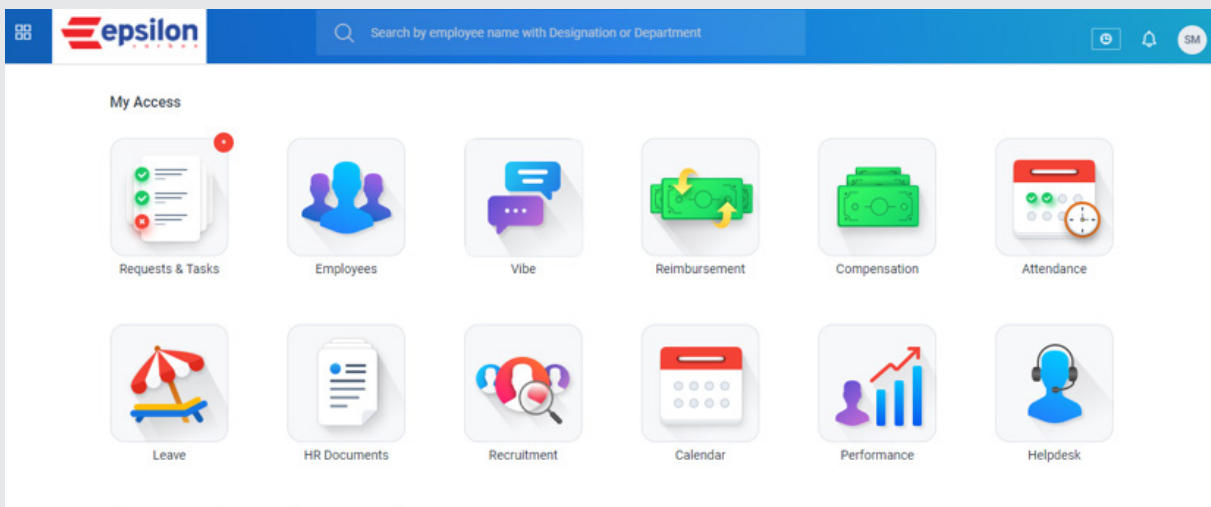
Recognizing the potential of digital technology to propel our sustainability measures, we launched an array of digital initiatives in 2023-2024, aiming to integrate advanced systems and applications that streamline our operations and reduce our environmental footprint.

Our digital transformation encompasses several key initiatives:

- **SAP Foundational Initiatives:** The SAP system is being upgraded to digitalize and connect the procure-to-pay, order-to-cash, record-to-report, and plan-to-produce processes. This transformation will support better resource management, enhance efficiency, and stimulate innovation throughout the organization.
- **SAP System Migration to RISE:** The migration of the SAP system to RISE involves shifting to a cloud-based framework designed to boost business agility and foster innovation. By integrating the SAP Business Technology Platform, this transition enables streamlined processes and provides real-time data insights,

empowering businesses to respond quickly to evolving market demands.

- **Master Data Management Tool:** This cloud-based Master Data Management platform automates the setup process for new customers, suppliers, materials, and service codes, minimizing redundancy and greatly enhancing turnaround time. This efficient system improves operational performance and data precision throughout the organization.
- **360 AP View and Touchless Invoice Processing:** The cloud-based digital platform optimizes the accounts payable process by automating invoice management and approval workflows. By reducing manual data entry and increasing visibility, it helps minimize errors and speeds up processing times, boosting overall operational efficiency.
- **Intelligent Tax Engines for Indirect and Direct Tax:** This platform simplifies both direct and indirect tax processes for calculations and filings, improving accuracy and minimizing manual work. By automating VAT/GST compliance, it ensures accurate reporting and timely submissions. This comprehensive solution enhances tax data visibility, supports informed decision-making, and increases operational efficiency across the organization.



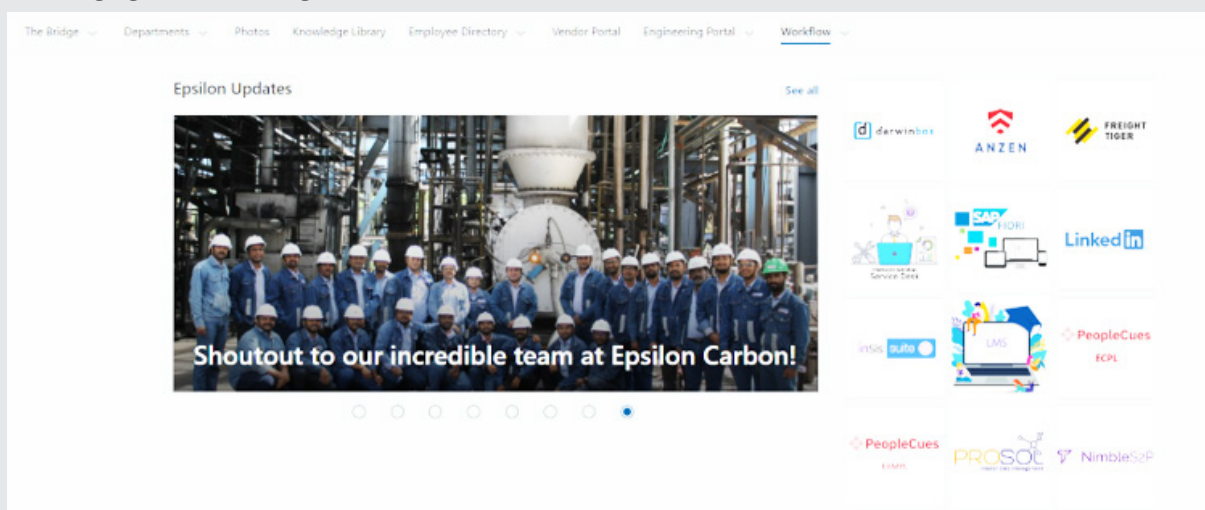
- **Group Financial Consolidation:** SAP Financial Consolidation is utilized to simplify and automate the financial consolidation and reporting process, enabling efficient collection, consolidation, and reporting of financial data across various entities. This ensures adherence to accounting standards and regulatory requirements.
- **Enterprise Asset Management:** SAP Enterprise Asset Management (EAM) is built to oversee physical assets across their entire lifecycle, covering planning, maintenance, and asset optimization to boost operational efficiency and lower costs.
- **Treasury Automation:** SAP Treasury Management is an all-encompassing solution aimed at optimizing an organization's cash management, liquidity, and financial risk. It offers tools for overseeing financial transactions, predicting cash flows, and ensuring regulatory compliance, allowing organizations to improve their financial performance.
- **Spend Optimizer:** SAP Spend Optimizer is a strategic solution developed to improve procurement efficiency and enhance control over organizational expenditures. It offers insights and analytics that assist organizations in managing their spending more effectively, uncovering savings opportunities, and strengthening supplier relationships.
- **Performance and Risk Management Tool:** Our cloud-based ESG platform is utilized for managing and enhancing Environmental,

Social, and Governance (ESG) performance. It streamlines data collection, reporting, and analysis, allowing businesses to align their operations with sustainability objectives and regulatory standards.

To further embed technology into our sustainability journey, we have implemented:

- **Darwinbox:** A cloud-based HR platform that automates HR processes, engages employees, and simplifies operations, contributing to a more sustainable and efficient workforce management.
- **The Bridge (SharePoint online):** Our intranet solution for efficient digital information management, reducing the need for paper and promoting a culture of environmental consciousness.
- **Service Desk:** A cloud-based IT support system that streamlines our IT services, enhancing efficiency and reducing downtime, thereby supporting our sustainability goals.

These endeavours in digital transformation are a testament to Epsilon Carbon's unwavering commitment to sustainability. By leveraging cutting-edge digital solutions, we are not only optimizing our operations but also paving the way for a more sustainable and responsible future. Through these initiatives, we are setting a benchmark in the industry for how technology can be leveraged to achieve environmental and operational excellence.



Financial Performance

Ambitious Growth Plan

Economic value generated and distributed

In the fiscal year 2023-24, our results were aligned with our forecasts and ambitions. Our revenue crossed Rs 2500 crore mark two years in a row, reflecting our strong commitment to growth plans. The solid foundation of our business, propelled by innovative products, outstanding quality, and a dedicated team, has played a crucial role in propelling our growth.

	(Rs. in Crore)		
	2023-24	2022-23	2021-22
Direct Economic Value Generated (A)			
Revenue (through core business segments)	2,568.63	3,003.72	1,782.90
Other Income (through other sources)	19.17	14.59	5.03
Total	2,588	3,018	1,788
Economic Value Distributed (B)			
Operating cost	2,019.98	2,264.85	1,458.20
Personnel expenses (wages+benefits)	116.78	93.63	54.76
Interest Charges	56.91	53.96	47.49
Taxes and royalties (given to various govt. wherever business units are located) - Taxes expenses	98.75	133.51	78.40
Taxes and royalties (given to various govt. wherever business units are located) - Dividend tax paid			0.00
Dividends (payments to capital providers)		3.31	3.31
Donations (political parties/politicians)			0.00
Community development/CSR investments	7.14	4.84	3.18
Total	2,300	2,554	1,645
Economic value added (A-B)	288	464	143

During the reported year, we solidified our position as a key global exporter of solid CT Pitch. Our expertise in integrating operations smoothly, delivering consistent supplies, maintaining high-quality standards, and following the best practices in the industry has established us as frontrunners in manufacturing, supply chain excellence, and sustainable practices. During this year, ECPL also acquired sustainability-linked financing from Standard Chartered Bank with the primary targets being reduction of overall GHG emission intensity and the reduction of disposal of hazardous waste to landfill.

Our initiative to double the Carbon Black production capacity in Karnataka is advancing on schedule, with the goal of boosting our capacity from 115,000 (phase 1) to 215,000 tonnes (with an addition of 100,000 tonnes

in phase 2), expected to reach completion in the first half of 2024. This project will increase our footprint in the domestic market and elevate our competitive edge globally. We expect this venture to generate an annual revenue in the range of Rs. 900-1000 crores, with a production emphasis on specialized grades tailored for high-performance automobile tires.

Looking ahead to the next fiscal year, we are preparing to channel over Rs.1500 crores into various initiatives. These include the establishment of a new carbon derivative complex in Jharsuguda, Odisha, and upgrading the Vijaynagar plant. These strategic investments are projected to lead to a doubling of our revenue by the fiscal year 2025-26.

Strengthening the Value Chain

Our growth is fuelled by a secure, responsive, and sustainable supply chain, boosting customer loyalty and business impact. We prioritize sustainability, working with suppliers who align with our ESG goals, uphold transparency, and comply with ethical standards. Our unique advantage of backward integration leads our sustainability efforts. We leverage our Specialty Carbon and Carbon Black product lines to run a value chain that supports the circular economy, meeting market and customer needs. By sourcing locally, we support community development, minimize disruptions, and reduce environmental impact. In fiscal 2023-24, our procurement was entirely local, investing in suppliers near our facilities.

Grooming Sustainable Product Lines

Our sustainable procurement strategy involves using low-sulphur carbon feedstock, reducing SOx emissions by 90%. We power reactors with cleaner energy like coke-oven and blast furnace gas. Coal Tar from the steel industry is our primary raw material, processed in a closed-loop system for carbon black production. By-products like anthracene oil and coal-tar pitch are recycled for further use. The steel capacity near our new Odisha facility is expected to grow significantly over next 5-6 years which may enable us to further enhance our production capacity. We've secured 80% of our raw material supply through long-term contracts.

Case Study

Sustainable Supply Chain

Transition to Recycled Plastic Pallets

Our company has shifted from using pallets made of virgin plastic to those crafted from recycled plastics. This strategic move not only supports our sustainability objectives but also promotes the principles of a circular economy by giving new life to plastic waste.

Key Benefits

Lower Carbon Emissions: The production of recycled plastic pallets has a significantly lower carbon footprint compared to their virgin plastic

counterparts.

- **Waste Reduction:** Utilizing recycled materials helps divert plastic waste from landfills and the ocean.
- **Resource Conservation:** This initiative reduces the demand for fossil fuels and conserves natural resources.
- **Cost Efficiency:** Recycled materials can be more cost-effective in the long run, with a notable savings of 35% due to the rising costs of virgin plastic.



Responsible Supply Chain Stewardship

We are committed to identifying and engaging with eco-friendly suppliers, partnering with them to expand the impact of our sustainability initiatives. Our procurement, production, distribution, shipping, and recycling practices are strategically crafted to reduce environmental harm.

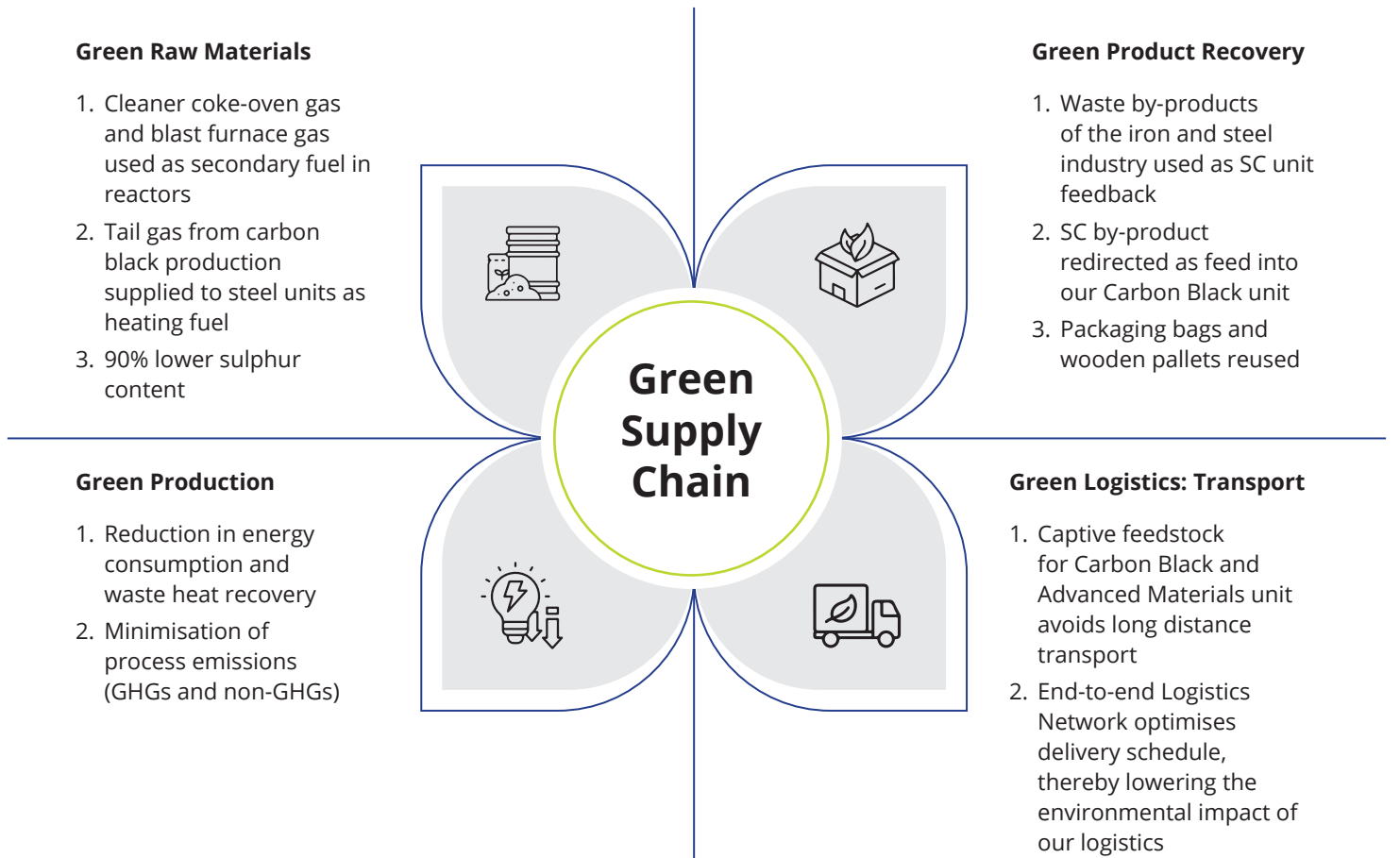
At present, we are in the process of developing an innovative green reverse value chain. This initiative aims to incorporate the recycling of carbon and leftover materials from our manufacturing activities back into the production cycle. Epsilon Carbon is the first company in India to have successfully completed the second stage supervisory audit for ISO 28000:2022 – Supply Chain Security Management System.



Supplier Sustainability Framework

Epsilon Carbon employs supplier sustainability ratings as a key metric in assessing the ESG performance of its suppliers, fostering collaboration to enhance sustainable practices throughout the supply chain—a critical component for companies committed to holistic ESG advancement.



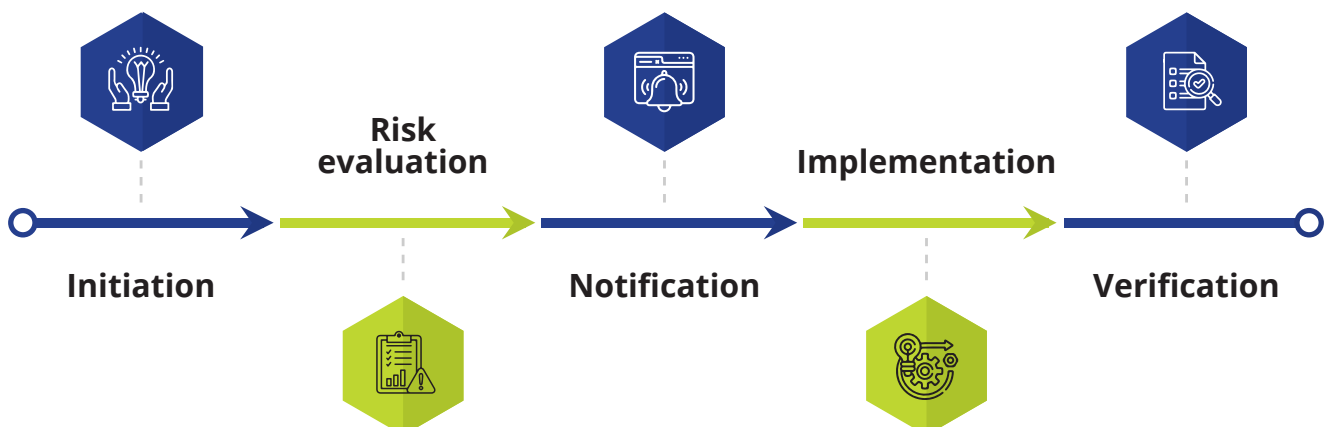


Vendor Risk Assessment

Epsilon Carbon implements stringent risk management practices throughout its entire operation and value chain, maintaining the utmost standards of health, safety, and quality across the lifespan of our products. Our approach mitigates liquidity risks, assists suppliers in pre-emptive risk management, and ensures adherence to fire safety and human safety protocols.

We expect our suppliers to possess certifications such as ISO 9001, ISO 14001, ISO 45001, and IATF 16949, and to comply with our Code of Conduct, which reflects our commitment to ethical and eco-friendly practices.

Our change management process is depicted below:



Monitoring & Performance Evaluation

Epsilon Carbon rigorously pre-qualifies suppliers on environmental, health and safety, social responsibility, anti-corruption, and policy compliance, with ongoing monitoring and contract execution assessments. Plant-level teams review supplier performance against our manual, while major procurement is overseen by our corporate team. Suppliers are evaluated quarterly

on quality, timeliness, HSE compliance, and 4M Change management, with annual audits following our SOPs. Suppliers must document their audits, and non-compliance can lead to penalties or contract termination. This year, 100% of new suppliers were evaluated for environmental and health and safety factors.

Frequency of supplier reviews:

- Monthly: Transport service suppliers
- Quarterly: Manpower service suppliers
- Half-Yearly: Raw material suppliers

Supplier Training and Development

We ensure the safety of all personnel on our premises, including employees, contractors, labourers, and visitors, through regular training. Every three to six months, we conduct workshops on safe working practices for our transporters' representatives, who then train their teams. Drivers also learn about secure material and passenger transport through our digital

logistics platform, Freight Tiger. Operators responsible for essential tasks, such as managing boiler operations, receive targeted training to prepare for instances of potential absenteeism. This strategy is designed to mitigate the impact of workforce shortages and equips operators with a diverse range of skills, allowing them to manage various operations as needed.

Case Study

Sustainable Supply Chain

Supplier Engagement Program

Understanding that sustainability transcends our immediate operations, we have launched a Supplier Engagement program to enhance the environmental practices of our entire supply chain.

Key Initiatives

- **Training Programs:** We provide our suppliers with training on sustainable practices and environmental compliance.
- **Sharing Best Practices:** Success stories and sustainability strategies are shared to encourage innovation within our supplier network.
- **Collaborative Projects:** We undertake joint projects aimed at sustainability, such as reducing packing material weight, to amplify our.



Training Areas:

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

Environmentally Responsible Logistics

Epsilon Carbon is actively engaged in promoting sustainable transportation methods and reducing our logistics carbon footprint to strengthen the environmental impact of our green supply chain initiatives. We maintain yearly agreements with a fleet of tankers and trucks dedicated to our carbon black operations. Smaller trucks are utilized for domestic deliveries of carbon black, whereas tankers are employed for the movement of liquid coal tar. Our logistics processes are streamlined by an integrated platform, Freight Tiger, which ensures the timely and efficient allocation of vehicles.

Our dedication also encompasses environmental conservation. We provide training to our service providers on how to prevent spillages, and we conduct inspections to ensure the quality of vehicles and compliance with safety regulations. Monthly analyses of trips are performed to improve punctuality, and the ratings of transporters are taken into consideration when awarding future contracts.

Consistent with our profound dedication to sustainability, Epsilon Carbon has incorporated an electric truck into our coal tar distribution fleet. This introduction of an electric vehicle marks a substantial stride in our continuous pursuit of eco-friendly initiatives.



Case Study

Sustainable Supply Chain

Reduction in Plastic Liner Thickness

We have reduced the thickness of our plastic liners from 100 microns to 60 microns, demonstrating our commitment to reducing material use and enhancing sustainability.

Key Benefits

Reduced Material Use: The transition to thinner liners has led to a 40% reduction in plastic consumption.

- **Minimized Waste:** Thinner liners mean less waste during production and disposal, aiding our waste reduction efforts.

- **Lower Carbon Footprint:** Manufacturing lighter liners requires less energy, thus reducing greenhouse gas emissions.
- **Cost Efficiency:** Lighter liners result in lower transportation costs and improved logistics.
- **Enhanced Recycling Potential:** The new liners are designed for easier recycling, supporting our circular economy goals.
- **Sustainable Product Performance:** The 60-micron liners maintain our quality standards while being environmentally responsible.



Mapping the Journey of Innovation

Our business strategy and growth are driven by product innovation and stewardship, focusing on sustainable and high-quality products that meet customer needs and environmental responsibilities. We aim to support our clients' sustainable development and contribute to global Net Zero ambitions through circular economy principles. We're developing new Coal Tar Pitch and Carbon Black varieties and premium derivatives like Naphthalene and Phenols to reduce imports and increase revenue. Our projects prioritize sustainable practices, reducing material and energy use, waste, pollution, and emissions.

We conducted an exhaustive Life Cycle Assessment (LCA) that analysed the full lifespan of Carbon products manufactured at our Vijayanagar plant from raw material acquisition to the production stage, on Coal Tar Pitch and its variations. The main aim of this analysis was to improve our internal processes to

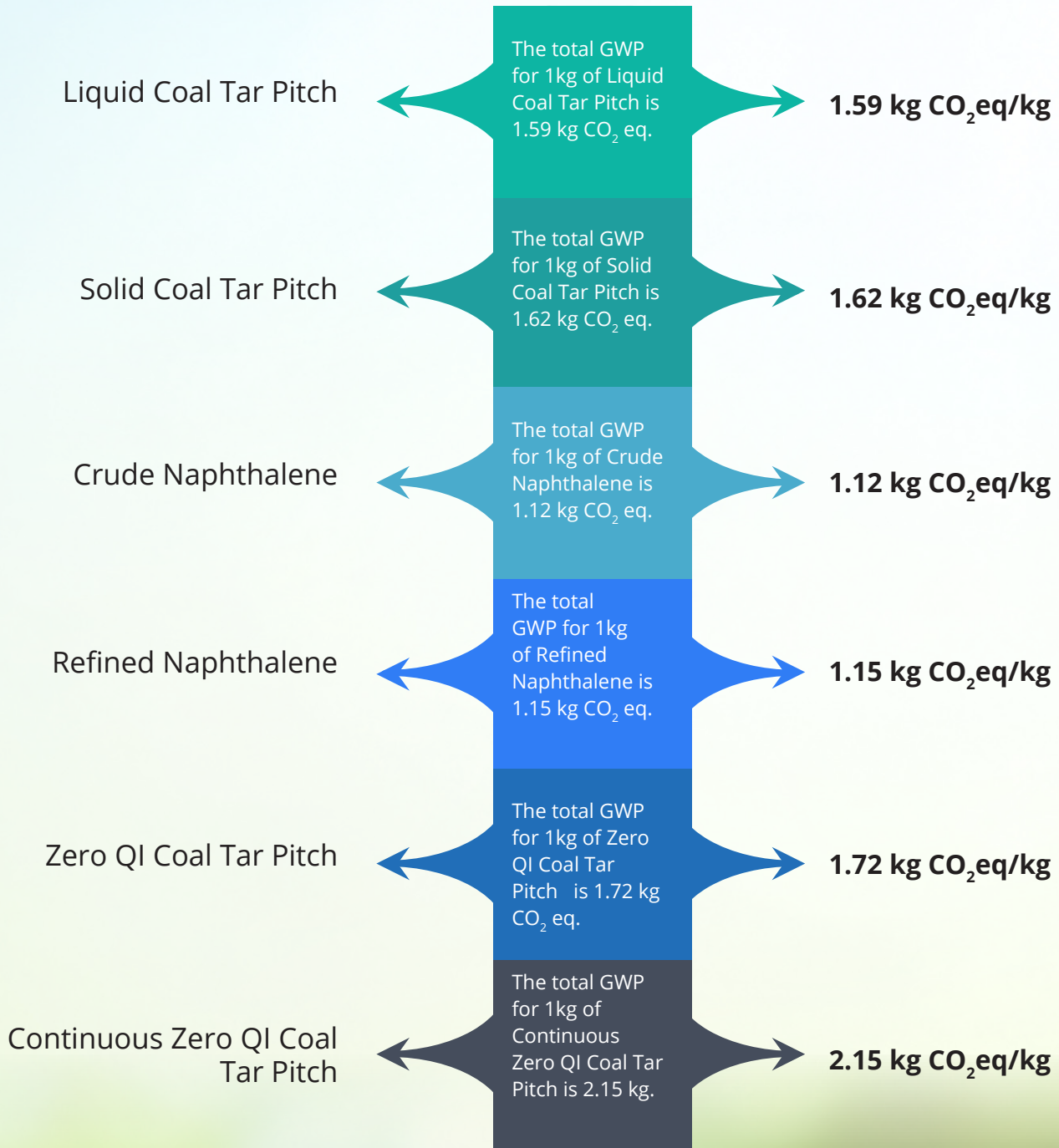
boost the sustainability of our products and to explore the possibilities for a more environmentally friendly product range in the future. The LCA meticulously captured environmental data for the complete lifecycle of the products, in accordance with the international ISO 14040/44 standard and in compliance with EN 15804.

The study was conducted for 3 Coal Tar products (Coal Tar Pitch, Naphthalene and Zero Qi Coal Tar Pitch) with Captive Power Plant (CPP) using waste heat from the Carbon Black Process.

The LCA results provide a benchmark for future enhancements. The findings indicated that the environmental performance of the Zero Qi CTP products is better than conventional CTP products, primarily due to their low sulfur content.



Findings



This LCA serves as a strategic tool for Epsilon Carbon guiding our company toward greener practices and better environmental performance. It underscores Epsilon Carbon's transparent approach to its sustainability commitments.





Automation and Digitization

At Epsilon Carbon, we are proactively adopting automation and digital technologies to boost efficiency and refine our processes and operations. This commitment allows us to provide our customers with superior products and reduce our ecological footprint. The implementation of Distributed Control Systems (DCS) has facilitated automation in our facilities, and we have also incorporated digital solutions to heighten process efficiency. As a key component of our extensive digital transformation initiative, we are partnering with a leading consultant to amplify the effectiveness and impact of our existing and future operations. Our goal is to advance our operations to meet Industry 4.0 standards within the next couple years, guaranteeing ongoing improvement and innovation.

Fostering Long-Term Customer Connections

Our emergence as a leading global supplier of coal tar derivatives and solid Coal Tar Pitch is driven by our commitment to quality, safety, and customer satisfaction, with a strong focus on environmental sustainability and regulatory compliance. We actively engage with customers for feedback and work closely with suppliers to enhance product quality and availability, meeting current and future needs. We strive to prevent negative impacts, improve product performance, and refine our Quality Management System. Our Supplier Quality Assurance Manual and transparent pricing reflect our dedication to customer and supplier relationships.

Customer Relationship Management

Epsilon Carbon's dedication to customers is demonstrated through dependable delivery services, both within the country and internationally. In the fiscal year 2023-24, the absence of product rejections or returns affirmed the robustness of our quality control measures.

Maintaining a reserve inventory acts as a safeguard against potential supply chain interruptions, ensuring a steady provision of goods. We thoroughly investigate any delivery setbacks to avert future incidents. Every member of the Epsilon Carbon team, including those in senior management positions, is wholeheartedly committed to achieving customer satisfaction.



Protecting Our Earth

Advancing Environmental Stewardship

At Epsilon Carbon, we take pride in pioneering the transition from conventional linear resource management approaches to circular models that emphasize sustainability and innovation. Our business model and sustainability strategy are fundamentally built on the principle of circularity, which steers our efforts towards reducing our ecological footprint and enhancing our role as custodians of the environment. Therefore, cutting-edge technology, innovative processing methods, and ethical chemical practices play a crucial role in the production of our high-value carbon products.

Auditing is a pivotal element of our dedication to excellence and ecological responsibility. We enlist the expertise of reputable third-party specialists to carry out comprehensive Life Cycle Assessments (LCAs), which help us to understand and evaluate the environmental impact of our activities, starting from the procurement of raw materials to the end-of-life of our products. We also perform regular internal audits to ensure we uphold recognized certifications such as 5S, ISO 14001:2015, Integrated Management System (IMS), Responsible Care (RC), among others. Furthermore, we participate in external audits according to a set schedule to affirm our practices and benchmarks, as well as to seek opportunities to enhance our environmental monitoring and control measures.



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



Materials Management

Our material management strategies are grounded in a robust framework of processes, innovations, and technologies that facilitate the separation of resource consumption from the generation of value. This approach prioritizes the efficient use of resources and the reduction of waste. Guided by our commitment to circularity, we manufacture products with enhanced resource efficiency, thereby reducing waste and extending the useful life of materials in our processes. Our Corporate Materials policy steers our efforts in sustainable procurement and aids in diminishing our dependence on natural resources throughout the supply chain.

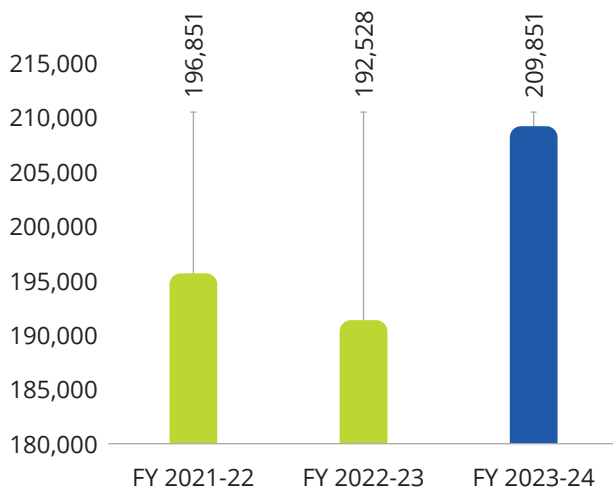
Raw coal tar is among our principal raw materials, and

we are committed to meticulously monitoring and documenting our consumption of raw materials at both the unit and corporate levels. For our Carbon Black and Advanced Materials divisions, we utilize captive feedstock to ensure a consistent and sustainable / circular supply.

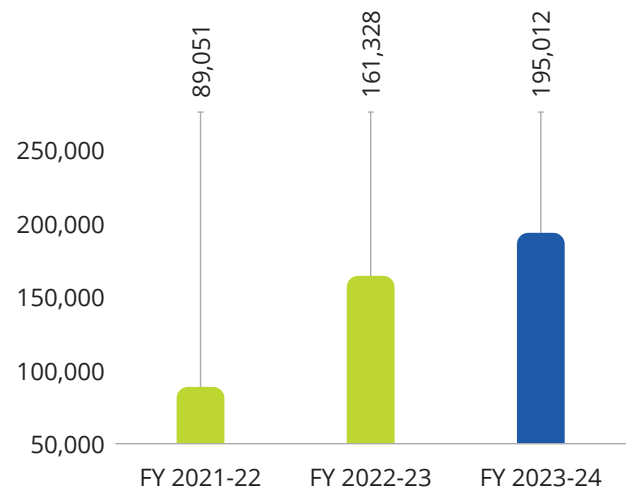
In FY 2023–24, our raw coal-tar consumption by our SC operations increased by 8.9%. This year we have used around 556 MT of Sodium Hydroxide along with Raw Coal Tar.

In FY 2023-24, our primary feed oil consumption by our CT operations saw an increase by 20.9%. This year we have used around 701 MT of Molasses and 4.9 MT of Potassium Nitrate along with the primary feed oil.

Coal Tar Consumption at SC Plant (MT)



Primary Feed Oil Consumption at CB (MT)



Packaging Material

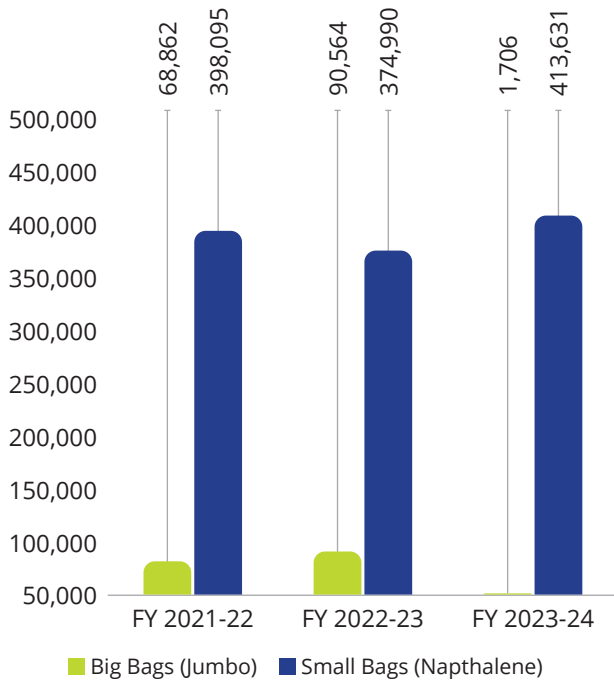
In pursuit of environmental sustainability, we are actively engaged in the assessment and adoption of innovative materials and processes that aim to curtail our packaging usage and lessen its ecological impact. At present, our products are encased in jumbo and naphthalene bags composed entirely of virgin materials, and the nature of our operations result in an extensive use of packaging to ensure the secure transit and delivery of our products to customers domestically and across the globe.

To align our efforts with our environment related commitments, we have instituted a recovery system that repurposes compromised bags for the packaging of alternative materials within our company. We also maintain a rigorous review process for our standard operating procedures to guarantee meticulous handling and storage of our products.

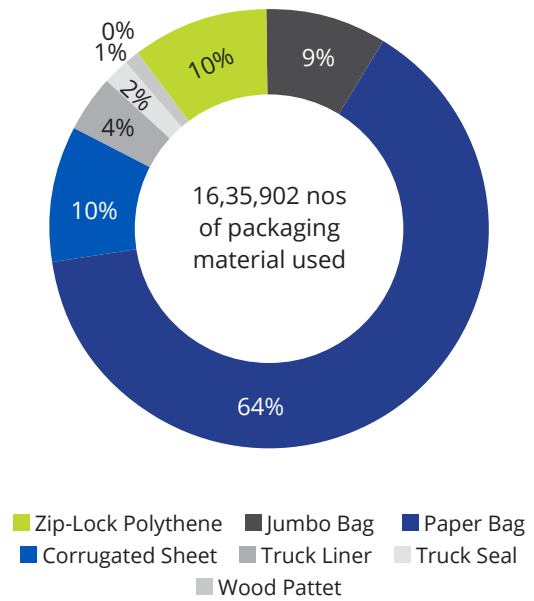
Some examples of initiative undertaken by Epsilon Carbon include the deployment of a QR code tracking system has been instrumental in optimizing the effectiveness of our packaging solutions, curtailing potential spillages, and enhancing the recyclability of our packaging resources. Additionally, our production site in Sambalpur is dedicated to creating Polypropylene (PP) bags that are reused for processing coal-tar pitch internally, thereby playing a significant role in our waste reduction and circular economy efforts. We are also taking proactive steps to prolong the durability of our pallets—whether they be made of wood, plastic, or metal—which are essential for the secure handling and transportation of goods during storage and shipment.

The advanced packaging solutions in the pipeline will not only enable us to comply with rigorous international sustainability standards but also help us streamline our processes.

Packaging Material used at SC



Packaging Material used at CB



Waste Management

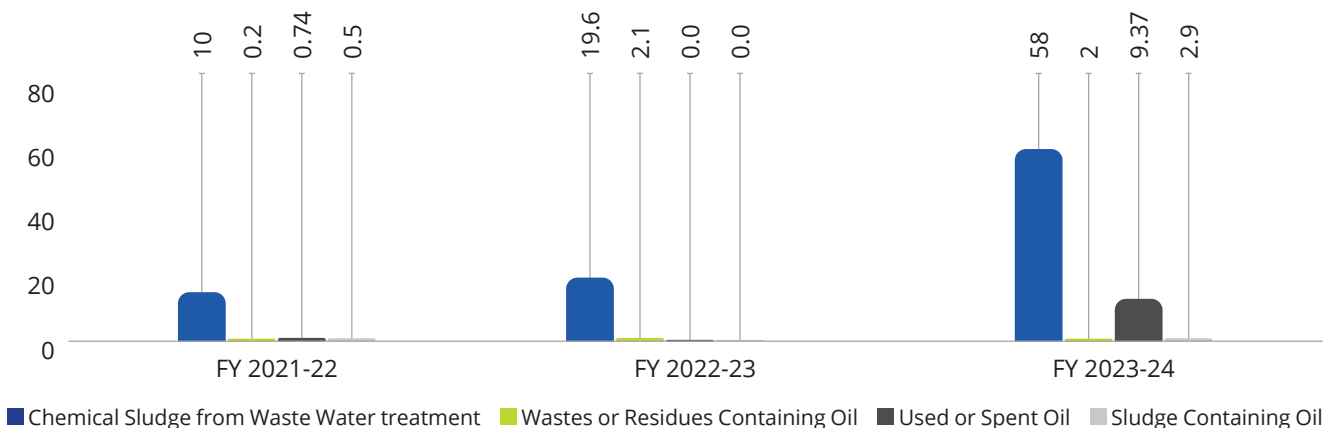
We implement comprehensive waste management strategies that address both hazardous and non-hazardous solid waste. Our closed-loop system enhances resource utilization by repurposing by-products into new product development, thereby reducing waste. This approach is ingrained in our Integrated Management System (IMS) policy, which is designed to minimize waste generation during operations and ensure adherence to Health, Safety, and Environment (HSE) standards.

We handle hazardous waste with stringent safety measures and in compliance with government

regulations, employing technological innovations to decrease its generation during our production processes. Non-hazardous waste is managed responsibly, through recycling while biomedical waste is disposed in accordance with Karnataka State Pollution Control Board (KSPCB) regulations.

In addition to these efforts, we regularly assess existing procedures for the management of food waste and electronic waste (e-waste). We meticulously record our waste management practices, ensuring that we consistently operate within legal limits.

Waste Generation Trend at Epsilon (MT)



Energy Management

Epsilon Carbon is committed to actively addressing climate change by implementing strategies to address energy management across our operations. We focus on adopting technologies that are energy-efficient and produce low carbon emissions.

To supplement our modern infrastructure, we have adopted smart digital technologies to optimize resource usage, leading to significant reductions in energy consumption. By leveraging IoT sensors and analytics, we can better manage consumption and ensure compliance with environmental regulations.

The integration of digital tools improves our ability to track and report on key performance metrics, providing stakeholders with greater transparency regarding our sustainability efforts.

Consistent with our commitment to shift towards more sustainable energy sources, we have established a waste gas recovery plant that fulfills our electricity needs on-site, utilizing tail gas generated from our Carbon Black operations. This circular approach has significantly contributed to our progress toward energy independence.

Epsilon Carbon has been awarded the ISO50001:2018 certification for Energy Management following an extensive assessment by TUV SUD, our external auditing partner. This certification acknowledges our dedication to adopting a thorough and methodical strategy to enhance energy efficiency across our entire supply chain.

Case Study

Epsilon Carbon's Energy Efficiency Initiatives

In line with our commitment to be a responsible business, we have launched several initiatives to enhance energy efficiency and reduce our ecological footprint. These efforts not only contribute to environmental conservation but also offer significant cost savings for our company.

Among our initiatives is the installation of Harmonic Panels based on a thorough harmonic study. These panels reduce energy usage and improve equipment health by addressing power quality issues. As a result of installing and using these, we have achieved energy savings of 311,040 KWH per year and benefited from enhanced equipment longevity and a reduction in nuisance tripping.

A second initiative in optimizing energy consumption is the modification of PAB header pressure control logic. This has resulted in energy savings of 16,200 KWH per year.

Additionally, motion Sensors have been installed in our training hall, eliminating electricity wastage by ensuring lights are used only when necessary. This has led to energy savings of 3,000 KWH per year.

At ECPL, we take pride in our proactive approach to energy management. These initiatives reflect our dedication to sustainability and our responsibility towards the environment. By implementing these

energy-saving measures, we not only reduce our operational costs but also contribute to a greener planet. Our commitment to continuous improvement in energy efficiency is unwavering, and we will keep striving for innovative solutions that align with our sustainability goals.



PAB Header Modification

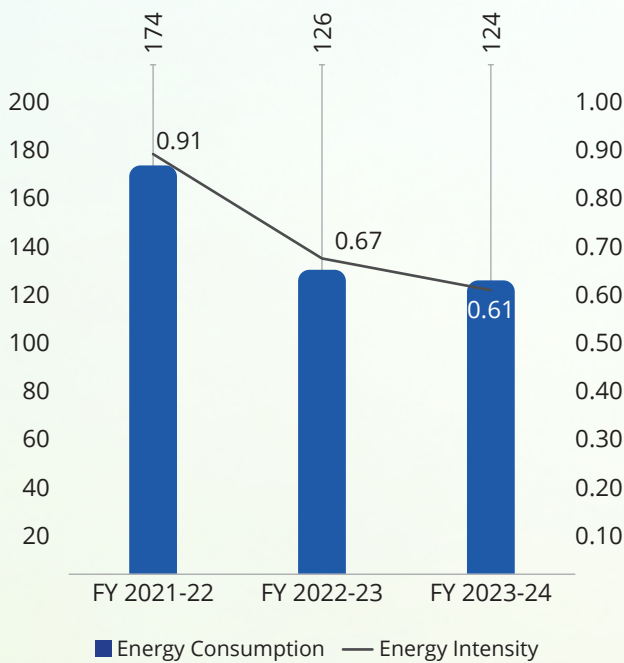
During the reporting year, our SC operations experienced a 1.5% decrease in energy consumption. For the fiscal year 2023–24, our SC unit achieved an energy intensity of 0.61 GJ/MT, a substantial improvement from the 0.67 GJ/MT recorded in the previous fiscal year. This represents an 9.3% decrease in energy intensity for FY 2023–24 when compared to FY 2022–23. Overall, mixed gas fulfils 64.2% of the SC unit's energy requirements, with electrical energy accounting for 35.5%, and the remaining energy supplied by diesel oil.

The baseline for CB was established in FY 2022-23. This reporting year, we have recorded an increase in overall energy use at CB unit by 7.9% with a 12.4% increase in production from last year. In FY 2023–24, we achieved an energy intensity reduction of 4% compared to FY 2022–23.

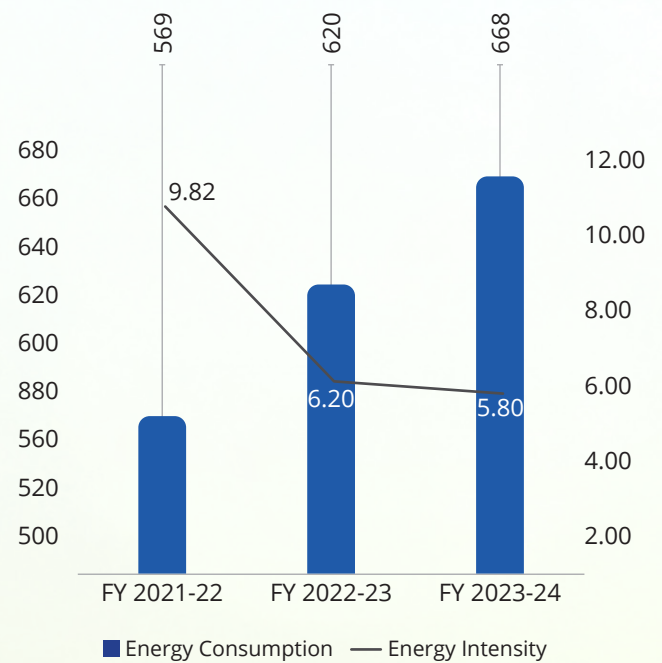
Recovered secondary oil from the SC process constitutes 82% of the energy consumption in the Carbon Black unit. Electrical energy provides 18% of the Carbon Black unit's energy needs.

In FY 2023-24, Our total energy consumption stood at 7,92,785 GJ, where CB contributed 84% and SC share was 16%.

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



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



Emissions

At Epsilon Carbon, we believe in the right to clean air and rigorously monitor and manage our emissions to reduce our environmental footprint. We've led efforts to cut our energy use and carbon footprint by improving energy efficiency, using cleaner fuels, and preferring recycled materials. Our use of low-sulphur feedstock has resulted in SOx and NOx emissions of just 0.3-0.5%, well below the 3% industry average. Additionally, using 'clean' coke oven gas as fuel lowers our emissions, and we reuse gas from our operations to generate steam and electricity in our Captive Power Plant. Epsilon Carbon is actively pursuing the adoption of science-based targets (SBTi) to reduce greenhouse gas emissions, aligning with the 1.5°C global warming threshold and adhering to international accords such as the Paris Agreement, demonstrating a strong and pragmatic dedication to climate change mitigation sought by regulators, consumers, and investors.

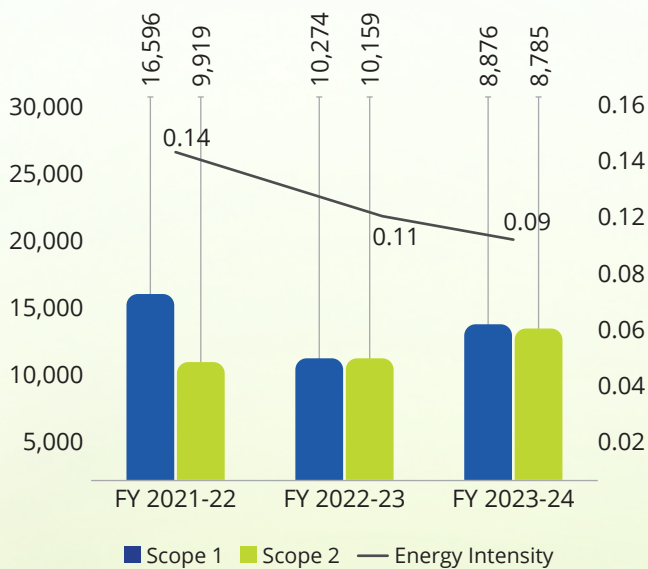
We engage in thorough activities to monitor, document, quantify, mitigate, and disclose Scope 1 and 2 emissions

from our Vijayanagar Plant. By adopting the ISO 14064 standards for greenhouse gas measurements, we ensure that our environmental efforts are both quantifiable and effective.

Emissions Monitoring Measures at Epsilon Carbon

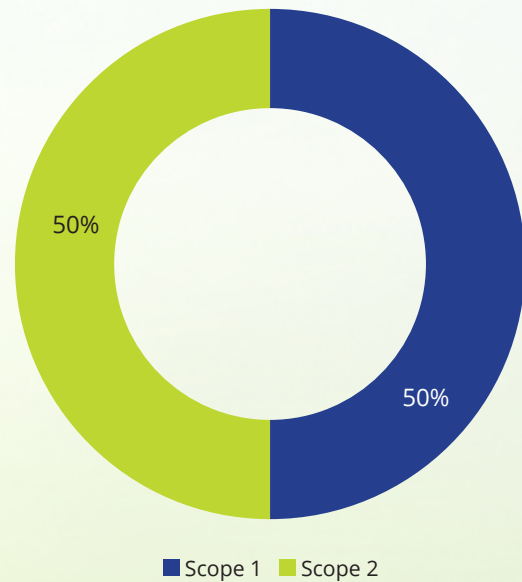
- Process stacks monitoring
- DG Set stacks monitoring
- Ambient Air Quality Monitoring-Plant & Surroundings
- Quantitative Emission data- PM, SOx, NOx, VOC, etc.
- Noise study across plant and DG sets
- Regular monitoring of
 - » Hazardous waste
 - » Effluent treatment plant output
 - » Sewage treatment plant output

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



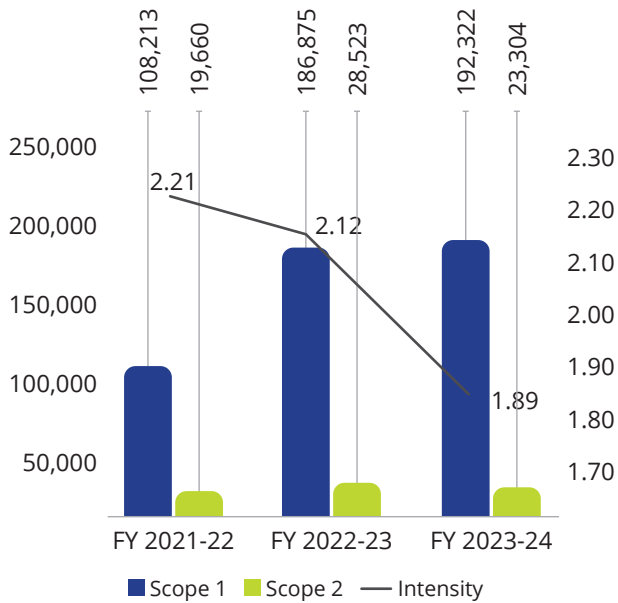
During this reporting year, our total emissions at SC decreased by 13.6%, attributed to a 15.7% reduction in scope 1 emissions, and a 14% reduction in scope 2 emissions, achieved through the implementing waste heat recovery plant and other process improvements.

Scope 1 and Scope 2 Emission by SC in FY 23-24

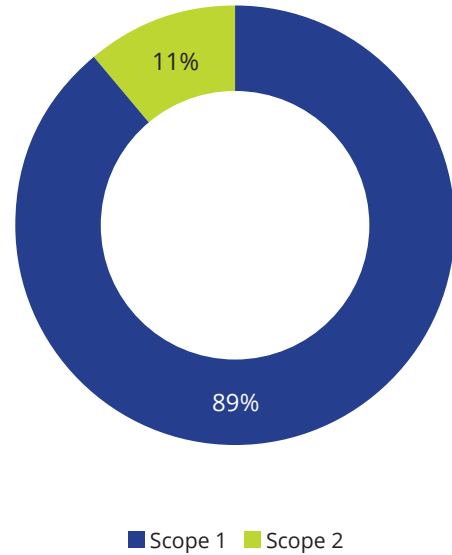


The emission intensity of our SC unit was 0.09 tCO₂e/MT of Production, signifying a noteworthy reduction of 21.6% in intensity.

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



Scope 1 and Scope 2 Emission by CB in FY 23-24



Our Scope 1 emissions rose by 2.9%, primarily driven by a substantial 12.4% increase in production at CB. Notably, our Scope 2 emissions saw a decrease of 18% this year. Additionally, the CB unit registered an intensity of 1.89 tCO₂e/MT of carbon black production, indicating a decrease of 11% from the baseline year FY 2022-23. We are proactively shifting towards the use of alternate fuel options and expanding our reliance on cleaner sources, actions that will lead to additional decreases in our emissions footprint.

In FY 2023-24, Our total GHG emission was 2,33,286 tCO₂/MT, where the contribution of CB and SC was 92% and 8% respectively.

Case Study

Commissioning of Epsilon Carbon's 17 MW Captive Power Plant

ECPL's new captive power plant represents a significant milestone in our journey towards energy self-sufficiency and environmental responsibility. This cutting-edge facility is designed to meet our internal power needs, ensuring a reliable, cost-effective, and sustainable energy supply. By leveraging advanced technology and optimizing performance, the plant helps us reduce our dependence on external energy sources, giving us greater operational control and aiding our sustainable development initiatives.



Environmental Impact and Sustainability Measures

The plant's innovative approach to using tail gas from our CB operation as a fuel source for power generation is a testament to our commitment to ecological stewardship. This shift from flaring to energy production offers numerous environmental benefits:

1. **Reduction in Greenhouse Gas Emissions:** The controlled combustion of tail gas in the power generation process significantly lowers CO₂ emissions compared to conventional flaring methods.
2. **Decrease in Air Pollutants:** By reducing emissions of particulate matter (PM), sulphur oxides (SOx), and nitrogen oxides (NOx), the plant contributes to cleaner air and improved public health.
3. **Energy Recovery and Resource Efficiency:** Harnessing the energy contained in tail gas maximizes energy efficiency and reduces the need for additional fossil fuels.
4. **Circular Economy and Sustainability Goals:** Utilizing tail gas for power generation

exemplifies our commitment to a circular economy, minimizing waste, reducing emissions, and enhancing resource productivity. This initiative also strengthens our Corporate Social Responsibility (CSR) by demonstrating our dedication to smaller environmental footprints and cleaner operations.

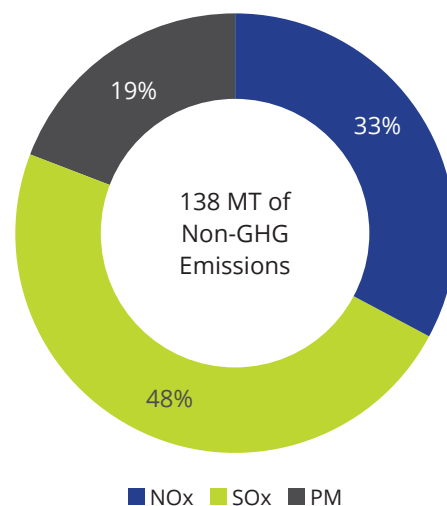
Since its commissioning in February 2024, the plant has resulted in a reduction of emissions by approximately 4,000 tCO₂e. Going forward, the estimated reduction is expected to be around 24,000 tCO₂e annually.

The launch of our captive power plant is a landmark in sustainable energy production and waste management. By transforming tail gas from waste into a valuable resource, we improve operational efficiency and reinforce our commitment to the environment. This project highlights the dual benefits of reducing our carbon footprint while embracing the principles of a circular economy. As we move forward, the plant stands as a key element in our pursuit of energy independence, fully aligned with our vision for a greener, more sustainable future.

Non-GHG Emissions

At Epsilon, managing non-GHG emissions is a fundamental component of our corporate responsibility. Starting from feedstock procurement, we give preference to feedstock that generates lower emissions. Investments in efficiency and the adoption of cleaner technologies are instrumental in reducing pollutants from our process stacks. We maintain strict adherence to environmental regulations to ensure the sustainability of the communities we operate in. Our Vijayanagar Plant utilizes Continuous Emission Monitoring Systems (CEMS) to track emissions of SOx, NOx, CO, and particulate matter, and this is supported by monthly checks of ambient air quality at seven different locations.

In the fiscal year 2023-24, our emissions consistently remained within the compliance thresholds established by the Karnataka State Pollution Control Board (KSPCB) and the Central Pollution Control Board (CPCB). We recycle wash oil solvents and employ specialized scrubbing systems to curtail the release of volatile organic compounds (VOCs).

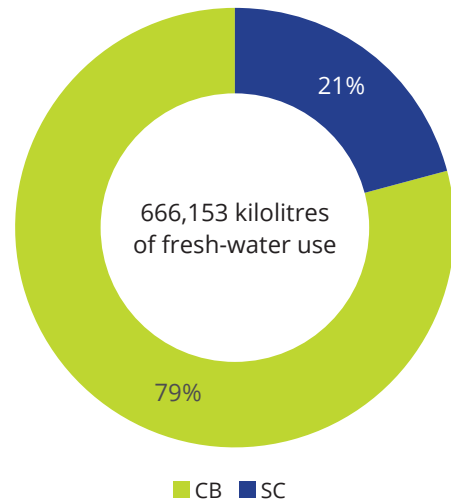


Our circular practices and low-carbon technologies enhance our carbon footprint reduction efforts. Our facility features India's first continuous vacuum distillation unit for a dust-free environment and uses scrubbing systems to capture VOCs during distillation. We've also adopted waste gas from the iron and

steel industry as a fuel for our SC unit, significantly cutting Scope 1 emissions. Our high-efficiency waste heat-recovery boilers optimize utility use and energy efficiency, aligning with our goal to reduce energy consumption and associated emissions. Surplus steam from the Carbon Black unit is recycled across our operations, decreasing our dependence on mixed gas.

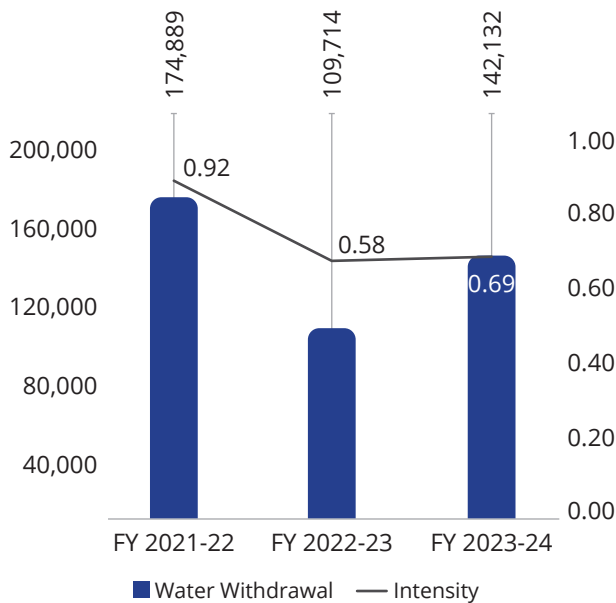
Water Management

Facing the global challenge of dwindling drinkable water supplies, we engage in proactive water management to support conservation. Our operations depend on water, making its effective management vital. We aim to reduce our water footprint and ensure community access to water, setting new standards for responsible water use. Our water is sourced externally for all purposes, and we prioritize recycling and reusing wastewater. Through regular monitoring and recording

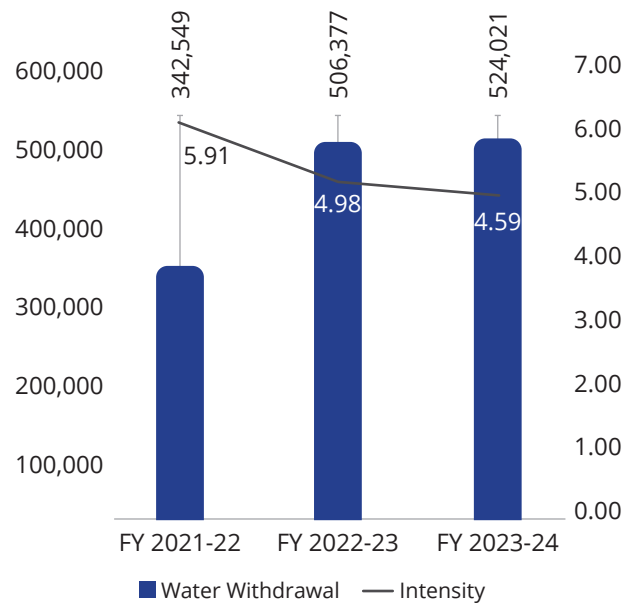


of water usage, we identify conservation opportunities and take actions to preserve local water quality.

Water Withdrawal at SC



Water Withdrawal at CB



During the current financial year, we consumed 666,153 kilolitres of fresh water for our operations, with the Carbon Black (CB) operations comprising 78.7% of the overall water consumption. In the fiscal year 2023-24, our Specialty Carbon (SC) unit observed a 29.5% increase in freshwater use, leading to a 19% increase in water intensity. Additionally, our CB facility saw a 3.5% rise in fresh-water consumption due to heightened

production levels, yet it still managed to achieve a commendable intensity reduction of 7.9%. We have maintained a record of zero non-compliance incidents regarding effluent discharge standards and have successfully utilized 100% of our wastewater at our Vijayanagar plant.

Biodiversity

Restoring ecological balance is key to our ESG efforts, and while our operations don't significantly impact biodiversity, we're committed to conserving and restoring natural habitats. Our Vijayanagar facility, located over 10 km from the Daroji Sloth Bear Sanctuary, conducts environmental impact assessments to identify and implement protective measures for local biodiversity.

We are proactively working on our Corporate Environmental Responsibility (CER) plan centred on reforestation and the preservation of wildlife. Embracing the approach of ecological restoration, we have engaged in planting activities. Our efforts in afforestation have involved cultivating various indigenous tree and shrub species, which contribute to enhancing the soil's moisture retention.

We are committed to fostering greenery not just within our industrial boundaries but also throughout the local town. In partnership with other key players, we have initiated the use of potted plants as road dividers, enhancing the green landscape and the visual charm of the town. The town's governing bodies have been given the charge of maintaining and tending to these plants.

In FY 2023–24, we established a green belt by planting over 600 tree saplings and over 1500 shrubs. We planted 7 varieties of plant and shrub species each. With these newly planted trees, our green belt acts

as an essential carbon sink and is instrumental in preserving the ecological equilibrium of the surrounding regions.

Engaging Stakeholders in Environmental Protection

Cultivating an ethos of environmental awareness is crucial for inspiring and mobilizing our workforce to actively participate in our sustainability endeavours. We observe World Environment Day at various sites to promote understanding of the importance of preserving nature.

We motivate our teams to embrace the 'Reduce, Reuse, & Recycle' mantra in their everyday tasks, fostering a commitment to waste reduction and resource conservation. Ongoing education about environmental matters, their impacts, and regulatory compliance further arms our employees with the knowledge required to make ecologically sound choices.

We also invite key visitors, such as clients, local regulatory representatives, and others, to plant a tree during their time at our facilities.

Through these combined efforts, we strive to heighten environmental consciousness and enable our staff and other stakeholders to take a central role in championing the cause of nature for a more sustainable and verdant future.



Unleashing Human Potential:

Empowering Lives through Strategic Nurture and Support

Our dedication to ethical business conduct is intertwined with our efforts to empower our employees and the communities we serve, expanding their prospects for fulfilling lives. We trust in the strength of collective action and acknowledge the significant contributions our workforce makes to our collective development. By working together with our stakeholders and fostering their inherent capabilities, we generate synergies that have the potential to elevate our joint sustainability endeavours, resulting in concrete and lasting effects.

We take a people-centric approach aimed at promoting inclusive well-being. As a conscientious employer, we provide an equitable work environment, equal chances for advancement, competitive remuneration, and a dynamic culture that encourages learning. By embracing innovation, we cultivate a setting in which everyone can prosper and make a meaningful contribution to the organization. We maintain rigorous standards, celebrate outstanding achievements, appreciate merit, and firmly oppose any form of discrimination. The diversity within our workforce fuels creativity and fortifies the resilience of our business strategies and operational practices. Our steadfast commitment to safety and employee health ensures that our people enjoy well-rounded professional and personal lives, while contributing actively to Epsilon Carbon's sustained growth.

As of the fiscal year 2023–24, our team comprises 523 employees, with the majority stationed at our Vijayanagar facility.



Talent Acquisition and Retention

Our aim is to attract and retain top talent committed to making a lasting impact. We base our hiring on transparency, fairness, and inclusivity, focusing on skilful individuals who align with our values and enhance our culture and workplace quality. The Head of HR and department leaders, mindful of budgets, set the annual recruitment plan. Job openings are posted on our website, job platforms, through referrals, and with culturally attuned recruitment agencies. New hires receive digital tools and orientation to integrate them with our strategic objectives and values, and health screenings are mandatory for all employees.

Total number of new hires by category, gender and age

Categorisation	2021-22			2022-23			2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Associates	83	6	89	103	12	115	108	22	130
Middle Management	21	0	21	26	1	27	41	3	44
Senior Management	12	0	12	10	0	10	17	0	17
Top Management	0	0	0	0	0	0	1	0	1

Age	2021-22			2022-23			2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<30	33	4	37	61	8	69	52	15	67
30-50	77	2	79	76	4	80	109	10	119
>50	6	0	6	3	0	3	6	0	6

Our aspiration is to be the employer of choice, attracting the ideal blend of seasoned professionals and skilled experts. We offer our employees a vibrant culture of ongoing learning that fosters their consistent growth within the organization. Beyond this, we deliver a top-tier, comprehensive employee experience, complemented by a variety of benefits and incentives that extend past monetary compensation, all designed to enhance employee loyalty and retention.

Employee Turnover by gender and age

Overall Employee Turnover Rate	2021-22			2022-23			2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	28.00%	19.00%	27.00%	29.00%	13.00%	30.00%	22.51%	37.33%	23.72%

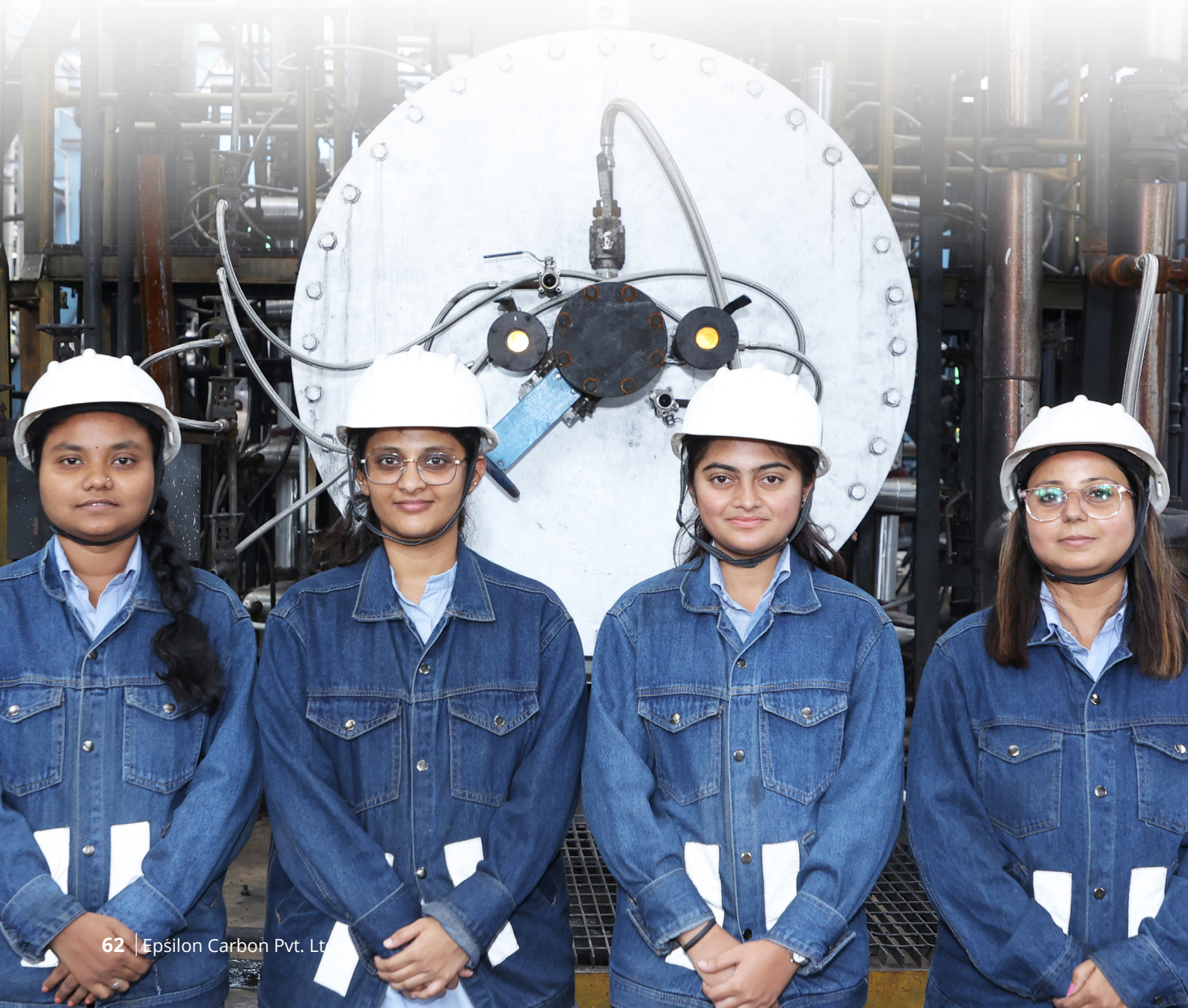
Age	2021-22			2022-23			2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<30	9.09%	0.00%	9.09%	13.11%	62.50%	18.84%	22.86%	22.73%	22.83%
30-50	10.39%	50.00%	60.39%	27.63%	25.00%	52.63%	28.58%	62.07%	23.49%
>50	0.00%	0.00%	0.00%	0.67%	0.00%	0.00%	30.77%	0.00%	30.77%

Diversity and Inclusion

We value diversity as a cornerstone of our vibrant and inclusive culture. Our leadership enforces a Code of Conduct that ensures equal opportunity and prohibits discrimination. We offer fair chances to all employees, celebrating individual talents and supporting personal goals. Our management is committed to promoting diversity, with a special focus on increasing female representation across all levels and committees. We provide flexible work-from-home options for women twice a month and are developing childcare support to enhance work-life balance.

Categorisation	2021-22			2022-23			2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Associates	255	17	272	294	22	316	334	41	375
Middle Management	56	4	60	58	1	59	95	10	105
Senior Management	23	0	23	20	0	20	38	1	39
Top Management	5	0	5	1	0	1	4	0	4
Subsidiary Employee	265	53	318	446	59	505	0	0	0

Presently, we have 52 female employees out of a total workforce of 523. This representation is indicative of our progress in bolstering gender diversity within the company. It remains crucial to persistently advocate for diversity and inclusion to cultivate a more equitable and harmonious workplace.



Human Rights and Freedom of Association

We adhere to the Universal Declaration of Human Rights, ensuring respect for the rights of our employees, contractors, partners, and stakeholders, as outlined in our Business Code of Conduct. We work with stakeholders to mitigate risks and ensure human rights are respected in all operations. Our anti-discrimination policy covers all aspects of diversity, and we have strict policies against sexual harassment, retaliation, child labour, forced labour, and human trafficking. Our workforce receives extensive training in these areas, with 71% participating in 1,015 hours of human rights training this period. We also support our employees' rights to association and collective bargaining without restrictions.



Grievance Mechanism

Our Grievance and Whistleblowing policies provide a robust, multi-faceted system that enables employees to voice concerns regarding processes, personnel, or resources. These policies outline specific roles, responsibilities, escalation paths, and timelines for the resolution of various grievances. All of our full-time staff and contractors are afforded equal opportunity to utilize these grievance mechanisms. Our Grievance Policy guarantees that every individual, irrespective of their employment status, can access a variety of channels to express issues related to health, safety, welfare, wage payments, or working conditions.

We are committed to monitoring and resolving instances of workplace discrimination. Through the Darwinbox cloud platform, employees can submit their concerns via a helpdesk feature. Our Ethical Compliance team is responsible for managing and investigating these reports, ensuring that they are addressed justly and in accordance with relevant laws.

Learning and Development

At Epsilon Carbon, we recognize the critical role that a skilled workforce plays in our prosperity. Our Learning and Development (L&D) policy is a testament to our dedication to consistently equip our employees with the latest skills and knowledge, thereby boosting their competencies. We back our employees' educational endeavours in fields that align with their professional goals and strategically allocate resources to cultivate a proficient and efficient talent base. We are committed to fostering talent at every tier of our organization, from technicians to senior management. All employees have access to an extensive selection of training programs, enabling them to excel in their specific positions.

Our Approach

The Learning and Development (L&D), under the guidance of the HR Head, is dedicated to advancing the skills of our workforce. We conduct assessments to identify needs and evaluate performance to facilitate all-around development. HR ensures that training initiatives

are in sync with our organizational goals. Our training programs encompass in-person sessions, online courses, and policy refreshers available through our intranet portal, Darwinbox.



Build strong and effective teams



Creating a better understanding of organizational needs



Facilitating the effective management and implementation of change



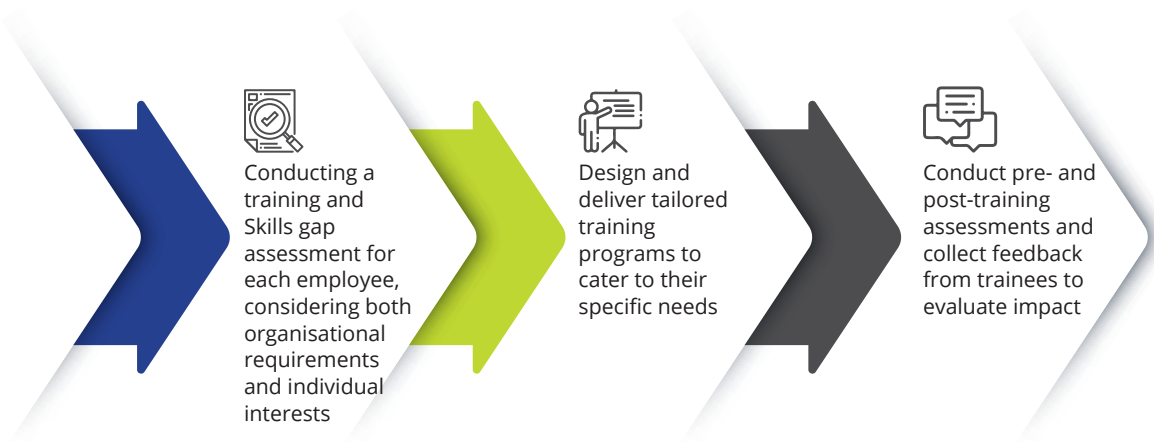
Providing opportunities for professional development



Offering high standards of work experience



Sharing ideas and embodying good practice



Scope of Training Initiatives

Our training programs feature a broad array of internal and external offerings designed to meet diverse skill enhancement requirements.

New hires undergo compulsory training on critical subjects such as Health & Safety, Ethics, Anti-Bribery and Anti-Corruption (ABAC), the Vigil Mechanism, human rights, Prevention of Sexual Harassment (POSH), and IT. We also support ongoing professional development by providing yearly training in various functional and behavioural skills.

We ensure mandatory training that is in line with industry demands, which includes updates on industry practices, ethics, risk management, and our company policies. Every employee receives training on our Code of Conduct, encompassing anti-corruption guidelines. Biannual Know Your Client (KYC) refresher courses are conducted to reinforce the understanding and adherence to human rights principles.

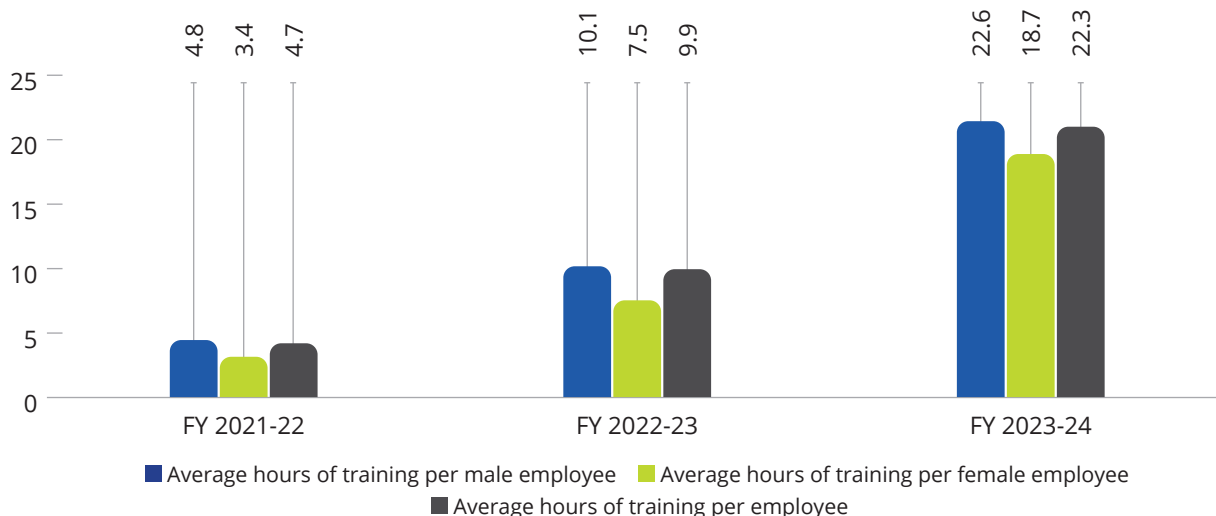
To foster further education and skill advancement, we have a scholarship program that offers financial assistance to qualified employees who are enrolled in

three-year part-time or full-time courses at institutions of their choice.

Acknowledging the importance of accessible education, we also make raining opportunities available to our contract workers. Prior to starting assignments, they engage in classroom sessions to become acquainted with our company's policies, procedures, and specific job training, with an emphasis on ensuring safety in the workplace.

This year, Epsilon reached a new benchmark with an average of 22.3 hours of training per employee annually. This increase in training hours holds the promise of cultivating a more skilled and knowledgeable workforce, which could greatly enhance the company's overall advancement and achievements. The dedication to employee training investment is crucial for preserving a competitive advantage and ensuring that employees possess the latest skills and knowledge, thereby empowering them to execute their duties with heightened proficiency.

Average Training Hours: Overview



Case Study

Building a Culture of Learning and Engagement

At Epsilon Carbon, we are currently in the midst of an exciting transformation. We are focused on revolutionizing workforce engagement by implementing a range of programs that foster talent retention and maintain agility in our rapidly evolving business landscape. We are integrating industry best practices at both local management and organizational levels to ensure our workforce is empowered and prepared for the future.

This financial year, we are proud to have launched several key initiatives as part of our new Learning & Development (L&D) framework:

- Employee Engagement Survey (April 2023):** We measure engagement and create insights, which are crucial to our overall program.
- L&D Framework Implementation (May 2023):** We identify skill gaps among employees and teams, then develop and deliver targeted training to bridge these gaps.
- GET Induction Foundation for Future Program (July 2023):** We initiate a one-year induction program, "Foundation for Future," for our Graduate Engineer Trainees (GETs).
- Talent Assessment - L.E.A.P (August 2023):** We launch the Lead Energize & Accelerate Program, assessing participants on the Epsilon 4E Framework through a Virtual Development Centre.

- EWAP & Wellness Initiatives Launch (October 2023):** We equip our employees with the right guidance and tools for their overall well-being through our Employee Well-Being and Assistance Platform (EWAP).
- Leadership Program & Revised Benefits Policy (January 2024):** We introduce Epsilon Elevate: Leadership Development Journey with ISB and revise our benefits policies post-survey.
- Manager Development Program Launch (March 2024):** We unveil Epsilon Elevate – Manager Development Program with IIM Calcutta & People Business.



Throughout this journey, we have reached several milestones:

- We initiate training discussions with managers to identify functional and behavioural needs for employees.
- We launch quarterly calendars and communicate frequently about our Learning Management System (LMS).
- We introduce E-Learning Modules like Responsible Care on E-Volve.
- We incorporate multiple functional and behavioural modules in our calendar programs.

- We launch the Senior Leadership Development Program with ISB.
- We kick off the Manager Development Program with IIM Calcutta.

At ECPL, we are actively shaping a sustainable and future-ready workforce. Our comprehensive approach to employee engagement and development not only enhances our organizational capabilities but also reflects our commitment to sustainability in human capital management. We are setting a new standard for workforce transformation, one that aligns with our core values and business objectives.

Key Training Programs



Evolve

'EVOLVE', launched at Epsilon's Townhall, is a comprehensive training initiative with online and offline modules for skill enhancement, including behavioural training. It aims to strengthen cognitive skills and career development, with mandatory annual participation for all employees as per our Employee Declaration. The program has received positive feedback, with many employees expressing increased job satisfaction and career fulfilment. EVOLVE supports continuous learning and adaptation in a dynamic business landscape, contributing to our organizational robustness. Key benefits of EVOLVE are:

1. Provides continuous learning opportunities, fostering personal growth, innovation, and risk-taking.
2. Offers mobile access for learning on the go.
3. Tailors learning to employee needs, with courses recommended by CXOs.

4. Delivers a variety of training, from technical to behavioural, quality, safety, and compliance.
5. Allows employees to select courses of interest.
6. Includes compliance training on POSH, ABAC, the Epsilon Code of Conduct, and whistle-blower Policy.

Some key training programs of FY 24 include:

- Manager Development Program
- Behaviour Based Safety
- Battery Cell Technology
- Environmental Governance
- LOTOTO
- Code of Conduct
- Responsible Care
- Anti-bribery Anticorruption
- Measurement System Analysis

Employee Engagement and Wellbeing

Employee engagement is a crucial element of our people strategy because it significantly influences productivity, team spirit, and the broader success of the business. Engaged employees experience deep attachment to their tasks, colleagues, and the company's mission, which translates into greater job contentment, dedication, and a readiness to put in additional effort to meet the company's objectives. We prioritize and integrate the viewpoints, interests, and requirements of our employees and contract workers. Our employee engagement efforts are steered by a multi-channel strategy rooted in our core values of empathy and consideration.

Additionally, ECPL conducted an Employee Net Promoter Score (eNPS) survey to monitor employee engagement and wellbeing with a participation rate of 97.8% and achieved a score of 30. ECPL looks forward to leveraging this momentum to target a top quartile score in the future.

Coffee Sessions with Senior Leadership at Head Office and Vijayanagar Plant

Bi-monthly 'Coffee with Senior Leadership' gatherings provide a casual setting for our SL to engage with colleagues. These laid-back meetings with the SL are characterized by personal connections, shared interest groups, and the social networks that employees create through their interactions with each other in an informal workplace environment.

Fostering Relationships



Employee Benefits

Our comprehensive benefits package encompasses group life insurance, health and medical insurance, parental leave, retirement plans, access to a canteen, residential accommodations within a township that includes recreational clubs and parks, transportation services, and the availability of a medical doctor.



We place a high value on maternal well-being, and as required by law, provide new mothers with 26 weeks of maternity leave to adapt to their new responsibilities and care for their infants. To enhance flexibility and work-life harmony, our female employees are permitted to work from home twice a month. We also follow equitable employment practices, ensuring a 30-day notice period and adherence to minimum wage standards.

2023-24	No. of employees entitled to parental leave	No. of employees that took parental leave	No. of employees who returned to work after leave ended	Return to work rate
Maternity Leave	All full-time women employee	3	1	33%
Paternity Leave	All full-time men employee	11	11	100%

At Epsilon Carbon we are deeply committed to the welfare of our employees. We provide transportation services for female employees and extend it to male employees when necessary. Our campus features a medical centre, and access to a hospital located just ten minutes from our facility for added convenience. Additionally, we have an empanelled designated hospital that facilitates regular health screenings.

Balancing work-life responsibilities

At Epsilon Carbon, we prioritize employee wellbeing and work-life balance for personal and professional growth. Our leave and flexible work policies allow for personal commitments alongside professional responsibilities, offering special vacation times and adaptable hours. Part-time work with benefits caters to those needing reduced hours, and childcare support assists working parents. We foster community through family events, enhancing employee satisfaction and a collaborative work culture. Additionally, employee networks and support groups offer a safe space for communication and addressing concerns.

“Biterite”: Building a healthy and productive workforce

To foster a robust and efficient work environment and to encourage employees to embrace healthy lifestyle habits, we have introduced the Epsilon Wellness Programme, which emphasizes both physical and mental health.

For physical health, we have collaborated with specialists who provide virtual guidance on exercise routines and have arranged for our employees to receive discounts on gym memberships. At the factory level, we initiated “Biterite,” a program dedicated to offering nutritious meal options to our staff. These meals are thoughtfully prepared with the aim of supporting employee fitness and assisting in the management of their BMI levels.



Regarding mental health, we have partnered with a renowned life coach and psychotherapist. to offer confidential counselling on a range of personal and professional issues, such as relationship challenges, stress, and depression. Employees have the flexibility to choose between online or in-person counselling depending on what they find most comfortable.

Additionally, our mentorship programs present significant opportunities for employees to connect with mentors who can offer insights and counsel on attaining a harmonious work-life equilibrium. These mentors are a source of support and empathy, assisting employees in overcoming obstacles and preserving their overall wellbeing.

'Kalakruthi' – Employee Volunteering

Epsilon Carbon launched an employee volunteering program called 'Kalakruthi – Be the change you want to see' which allowed employees to support causes that are close to their heart, though volunteering over the weekends. Employees were given the freedom to choose an activity or because that inspires them, for example planting trees, supporting the underprivileged, etc., and also choose the NGO that they would prefer to partner with. ECPL's CSR team also provided a list of organisations when employees were unsure of which NGOs to support. The goal of this initiative has been to come together as an organisation to make a difference and build a better nation.



Holistic Wellbeing

Epsilon Carbon values employee wellness, integrating physical and mental health into its holistic approach. New hires undergo medical exams, and the work environment is secure and supportive, with smoke-free facilities and on-site medical centres. Subsidized meals and mental health counselling are provided, along with regular health screenings for older and officer-level employees. Comprehensive medical coverage extends to all employees and their families, including retirees. Disability leaves and accident insurance support those affected by serious accidents. Morale is boosted through social and sports events, fostering community spirit. Epsilon Carbon's wellness programs are designed to nurture a caring environment for employees' personal and professional wellbeing.



Enhancing Employee Experience

We are dedicated to harnessing technology to refine our operations and foster a productive and captivating work setting for our esteemed employees. The swift expansion of digitalization throughout our company is enhancing the employee experience and efficiency. Our IT/OT infrastructure effortlessly converts records and documents into digital forms, simplifying communication and elevating the uniformity and calibre of information. The adoption of digital tools and applications encourages a more forthright and clear exchange among our employees and enhances our ability to preserve data. All our essential servers, encompassing our SAP system, active directory, barcode system, and digital logbook, are hosted on Amazon Web Services.

Case Study

Epsilon Carbon's Proactive Approach to Employee Health - WMSD Awareness Workshop

Epsilon Carbon, recognizing the rising prevalence of work-related musculoskeletal disorders (WMSD), took a proactive stance on employee health and wellness.

In order to educate employees on the prevention of WMSD through practical stretching exercises targeting common problem areas, a two-day workshop was conducted, led by Dr. Jatin Kadam (Factory Medical Officer, ECPL) and Mr. Shridhar B (Learning and Development in charge, ECPL), with expert guidance from Dr. Sujith B Patil (MS Ortho) and Dr. Sumalatha (MPTH Ortho) of Jindal Sanjeevani Hospital. The sessions focused on

exercises for the neck, lower back, shoulders, and knees—muscle groups frequently impacted by workplace activities.

The workshop was well-received, with 71 plant employees participating. The simple, equipment free exercises were easily integrated into daily routines, leading to a positive impact on employee health. The interactive Q&A session further enhanced understanding and engagement, marking the initiative as a resounding success in promoting workplace wellness.



Case Study

Employee Centric Sustainability – Wellbeing and Engagement

In the pursuit of sustainability, Epsilon Carbon recognizes that the wellbeing of employees is paramount. In FY 2023-24, our company has implemented a series of programs focusing on the physical, mental, and social aspects of employee wellbeing, aimed at nurturing a supportive and healthy work environment.

Launch of Employee Wellbeing Platform

ECPL unveiled a comprehensive Employee Wellbeing Platform, a digital hub designed to support and empower employees in their health and wellness journeys. The platform offers resources such as personalized health assessments, wellness challenges, and access to professional support, fostering a culture of health awareness and proactive self-care.

International Yoga Day Celebration

Embracing the holistic benefits of yoga, the company celebrated International Yoga Day across all locations. Employees participated in guided yoga sessions, learning techniques to reduce stress, improve concentration, and enhance overall

physical fitness. This initiative highlighted the importance of integrating mindfulness and physical activity into the daily routine.

Online Mental Health Series

Recognizing the critical importance of mental health, ECPL conducted an online series on various mental health topics from October 2023 to March 2024. The series featured expert-led webinars and interactive workshops, providing employees with valuable insights and tools to manage stress, build resilience, and foster a positive mental state.

Engagement Activities: Fun Friday and Festival Celebrations

To strengthen the sense of community and belonging, the company organized regular engagement activities such as Fun Friday events and festival celebrations. These gatherings offered employees a chance to unwind, connect with colleagues, and celebrate cultural diversity. The activities were instrumental in boosting morale, enhancing team cohesion, and creating a vibrant workplace atmosphere.





Occupational Health and Safety

At Epsilon Carbon, safety transcends being a mere priority; it is a fundamental aspect of our corporate ethos. Our steadfast dedication to the welfare of our employees enables us to operate without incidents, creating a protective and supportive environment where our employees can prosper and contribute to a widespread culture of safety.

Health and safety (H&S) considerations are woven into every facet of our business, from our strategic planning and operational processes to our employee engagement programs, annual evaluations, and reward systems. Our comprehensive HSE (Health, Safety, and Environment) policy, which is in line with UNGC and ILO standards, outlines our practices and steers our company's strategic and decision-making approaches. The policy's execution is closely supervised by our CEO

and the Board, ensuring that both employees and contractors consistently comply with its stipulations.

Training and awareness programs are mandatory for all employees and contractors to familiarize them with safety practices and keep them informed about emerging H&S risks and countermeasures. HSE metrics and outcomes are integrated into our employee key result areas (KRAs), making health and safety a collective obligation. H&S indicators also influence the annual variable compensation for our employees, encouraging a communal commitment to upholding a secure and safe workplace.

In addition, we have established a detailed disaster management plan that delineates procedures for emergency response and recovery in the event of industrial incidents.

Our principles

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

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

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

We comply with global Health and Safety (H&S) norms, establishing strong systems that protect our employees and visitors from occupational accidents and diseases. In the current reporting period, we are proud to announce that there were no recordable incidents, signifying a notable enhancement in workplace safety. Consistent with our preventative stance, we have taken assertive steps to reduce risks by implementing the hierarchy of controls, prioritizing the complete elimination of hazards. Owing to these initiatives, we have attained an exceptional zero rate of recordable occupational injuries. This achievement underscores our relentless dedication to the health and safety of our workforce.

Occupational H&S Management System

Our Vijayanagar plant has instituted an Occupational Health & Safety Management System (OHSMS) that offers extensive protection to every one of our

employees and contractors. This system encompasses all pertinent guidelines and regulations at the national, state, and industry-specific levels, guaranteeing adherence to compliance and optimal practices. The Head of HSE, along with a committed team of managers, is responsible for the execution of the OHSMS, with a concentrated emphasis on the safety of processes and personnel.

The OHSMS adheres to the following regulations and standards

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

OHSMS Components



People Management

- Preventive Health Check-ups
- Appraisals and Incentives
- Training and Sensitisation



Operations Management

- Safe Infrastructure, Effective Controls, Corrective/ Preventive Actions
- Disaster Management Plans



Value Chain Management

- Supplier/Vendor Screening
- Engagement and Evaluation



Process Management

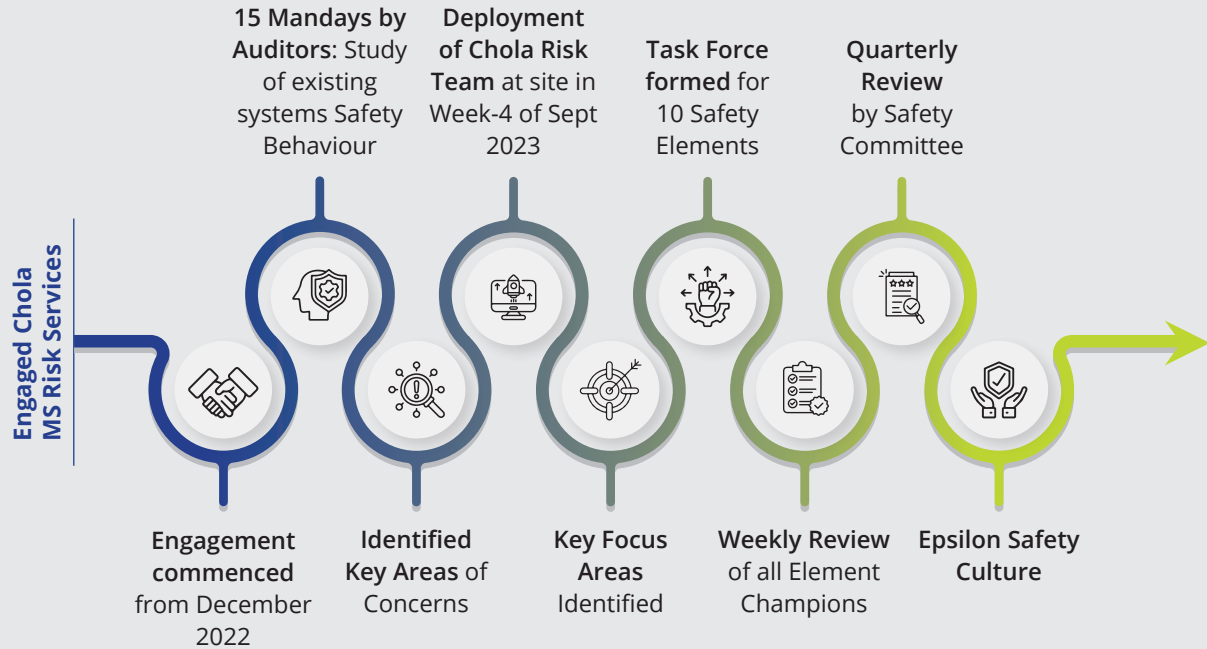
- HIRA – Standards, Systems, Safe Operating Procedures (SoPs), Manuals
- Mechanical and Engineering (M&E) Improvements

We've established a Safety Committee with representatives from all staff levels to regularly review and enhance safety practices, including a forum for employees to discuss workplace hazards. Employees undergo biannual health checkups, and our Occupational Health Centre (OHC) provides immediate care. A robust incident reporting system allows staff to record safety issues, with uniform investigation protocols ensuring consistent follow-up. Safety policies and procedures are accessible on the Darwinbox platform and shop floor, and work can be stopped if safety is compromised.

We require our supply chain to follow health and safety standards and encourage job rotation to avoid fatigue. PPE is available for all on-site personnel, and we've developed safe loading procedures with our partners, incorporating safety into logistics evaluations. Contractors must report injuries for comprehensive incident analysis.

Case Study

Safety Journey with Chola Risk MS



Out of a total of 18 OHS KPIs, we narrowed our focus to the following 10 KPIs:

- HSE Leadership & Commitment
 - Workforce involvement
 - Hazard Identification and Risk Assessment
 - Contractor safety management
 - Work permit system
 - Training, awareness and competence
 - Process safety information
 - Process hazard analysis
 - Management of change and Pre startup safety review
 - Incident investigation and analysis
- Dedicated teams were assigned to drive improvement in each element and more than 90 people were engaged in these activities.

Shown below are our pre and post scores based on an external audit scorecard:



Hazard Identification and Risk Assessment (HIRA)

We employ the Hazard Identification and Risk Assessment (HIRA) framework to pinpoint, specify, and categorize hazards according to their likelihood, occurrence rate, intensity, and impact. Our risk evaluators undergo yearly training on the HIRA framework to proficiently recognize hazards and assess job-related exposure.

Risk Mitigation Strategy

A strategy for risk mitigation is formulated in response to the risks uncovered through the HIRA process, with the aim of reducing workplace hazards and averting injuries.

Industrial Hygiene Programme

Our comprehensive industrial hygiene program encompasses the processes of hazard identification, evaluation, assessment, and communication. It establishes suitable measures to shield employees from physical, chemical, ergonomic, and biological threats. Our employees actively participate in pinpointing hazards and control measures, conducting risk assessments, and analysing potential impacts.

Enhancing Health and Safety

Working at Heights



Significant occupational risks we encounter involve tasks performed at elevated levels and contact with harmful vapours. We have crafted specialized strategies to mitigate these particular dangers.

Process Safety



We meticulously design, build, operate, and upkeep our facilities to proficiently handle process safety, hazards, and risks. This encompasses maintaining secure work environments, facilities, machinery, systems, and procedures to safeguard our employees and labour force.

Lock Out, Tag Out (LOTO)



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

H&S Training and Awareness



It is essential to engage our employees with the organization's H&S commitments and align them through focused and timely education to realize our vision of a workplace free from injuries and accidents. We offer extensive occupational health and safety (H&S) instruction that covers both general and specific topics. Participants are actively involved in Hazard Identification and Risk Assessment (HIRA) activities, learning to spot near-miss events, and acquiring important knowledge about accident probes.

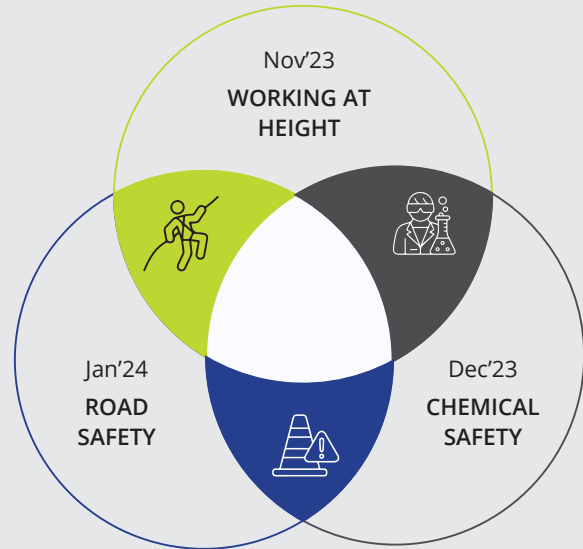
During onboarding, employees must complete HSE safety training, including topics like process safety and PPE standards, to receive Plant Entrance Authorization and appropriate PPE. Contractors and suppliers also undergo safety training and medical checks before facility access, with ongoing weekly and monthly H&S instruction. Regular emergency drills ensure SOP compliance. Our H&S awareness efforts involve cross-functional audits, external reviews, monthly meetings, refresher courses, and updates through emails, with initiatives like 'Safety Week' to educate staff. We prioritize a secure work environment, constantly updating our safety methods and policies, and have partnered with Chola MS for safety training to foster a culture of safety.

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

Case Study

Safety Journey with Chola Risk MS

On March 4th, Epsilon Carbon proudly celebrated National Safety Day, reinforcing our commitment to creating a safe and secure work environment. The day was marked by a series of engaging activities designed to raise awareness and educate our employees on the importance of workplace safety. We commenced with a safety pledge, where employees collectively vowed to prioritize safety protocols and support a culture of caution and prevention. Interactive workshops were conducted, focusing on emergency response procedures, hazard identification, and risk management. Employees also participated in safety drills, which not only tested our preparedness but also highlighted areas for improvement. The day concluded with an award ceremony recognizing individuals and teams who have made significant contributions to enhancing safety measures within our organization. This annual observance not only underscores our ongoing dedication to the well-being of our workforce but also strengthens our resolve to maintain the highest standards of safety year-round.



Other Safety Programmes Implemented:

- Hazard Reporting
- Incident Reporting - Investigation & Tracking Online
- Employee Reward & Recognition (Monthly, Quarterly & Annually)
- Induction of Certified - Incident Investigators, Process Hazard Analysis Experts in the Organization

Monitoring and Evaluation

We conduct routine internal and external evaluations to ensure the ongoing adherence to and efficacy of our H&S policies. Should audits reveal any areas needing enhancement, we promptly arrange for corrective measures. These issues are then incorporated into the Safety Committee's agenda for diligent oversight until fully resolved. Our internal dashboards for safety observations and checklists serve as tools for ongoing surveillance and assessment of our facility's and workforce's safety performance. The Head of HSE conducts monthly reviews of incident/accident data and provides reports covering a range of topics, such as occupational health conditions, safety audit discrepancies, areas for improvement, policy execution status, and audit outcomes. A monthly Safety Score Card is maintained to track our Safety Objectives, and we hold quarterly Safety Committee Meetings to evaluate our progress and plan additional advancements in our safety strategies.

Fostering Strong Community

Epsilon Carbon is deeply dedicated to uplifting the communities around us, focusing on economic, educational, and entrepreneurial growth to foster independence and resilience. Our CSR (Corporate Social Responsibility) and CER (Corporate Environment Responsibility) objectives are in harmony with the United Nations Sustainable Development Goals (SDGs), with a particular focus on good health and wellbeing, economic advancement, the eradication of hunger, access to quality education, development of sustainable cities and communities, climate change and environmental sustainability, provision of clean water and sanitation, and promotion of gender equality.

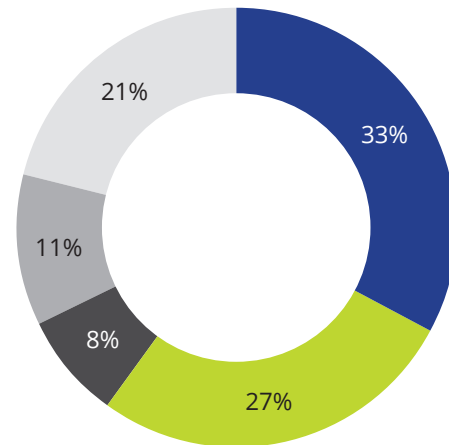
Since the past four years, through our programmes, we broadly cover the population of about 66,000 people in the villages of Chikkanthapur, Kodalu, Anthapur, Kudathini, Vitalapur, Lingadahalli, Koracharatti, Marutla, Sulthanpur and Metriki (Vijayanagar, Ballari, Karnataka) in the vicinity of our operations, and more than 3,00,000 children in our support to the Department of School Education and Literacy (DoSEL), Karnataka, in strengthening the availability of children’s literature at state level. Our programmes have also benefitted about 1,700 people in the village of Sripura (Jharsuguda, Odisha) and about 20,000 in other locations through a diversified set of initiatives. In all, we have reached about 400,000 people through our projects catering to education, children, health, clean drinking water, village infrastructure, public park facilities, clean energy through solar rooftop and streetlights, avenue plantation, skill development, livelihoods, women empowerment, and initiatives for the senior citizens and persons with disabilities.

Efficient Implementation Approach: Turning Vision into Reality

Our CSR strategy is community-driven and development-oriented, informed by a deep understanding of local needs and available resources. We begin with detailed community assessments and stakeholder consultations to identify priorities and tailor our initiatives. Selecting the right partners for project execution is essential, and we rigorously vet them for capability and commitment. Our employees also actively participate in local social events, fostering a relationship of mutual respect and understanding with the communities around our operations.

In FY2023-24, we strengthened our CSR projects in the healthcare, education, sports, and infrastructure development sectors. These initiatives have positively impacted over 1.9 lakh people. This year our CSR spent

on local community development programs based on local communities’ needs was Rs. 6.35 Cr. are as follows:



■ Healthcare ■ Education and Children ■ Skill Development and Income - Generation ■ Environmental Sustainability ■ Others

We prioritize enhancing educational infrastructure by upgrading amenities, supplying drinking water, and introducing digital classrooms, impacting over 5,000 students in four Direct Impact Zone villages. Our Mobile Health Clinic has improved healthcare for over 40,000 people in eight villages. We also focus on animal welfare, ecological balance through reforestation, wildlife preservation, and support women’s empowerment, sports facilities, village lighting, livelihood programs, disaster relief, and waste management.

Our CSR Interventions for a Better World

We engage closely with communities to strengthen their economic, health, and educational foundations. Our main objective is to foster their independence and self-reliance. Our programs are designed to elevate lives and bring about enduring, sustainable transformations. By offering resources, education, and mentorship, we empower people and groups to seize new opportunities and refine their abilities. Education is a cornerstone of our initiatives, as we view it as a potent agent for change and advancement. We also proactively work to develop medical facilities, providing vital health support to the communities we serve. Ensuring access to quality healthcare is crucial for overall well-being, and we are dedicated to closing the gap to make sure everyone can receive the healthcare they need. By integrating these efforts, we aim to generate a comprehensive and lasting effect on the well-being of individuals and families. In collaboration with our partners, we endeavour to build resilient communities that can flourish and overcome obstacles.

Mobile Health Clinic (MHC) Initiative by Epsilon Foundation

Epsilon Carbon initiated a mobile health clinic, in collaboration with Help Age India, aimed at delivering healthcare services to communities in need across seven villages in the Sandur Taluk of the Ballari District- Sulthanpur, Chikkanthapur, Kodalu, Anthapur, Marutla, Koracharatti, and Lingdahalli. Equipped with a team of doctors and nurses, the clinic provided primary healthcare, mental health support, and health education. The mobile nature of the clinic enabled it to serve multiple locations, addressing the health needs of women, children, and the elderly. The services rendered included medical diagnosis, treatment, lab tests, medical documentation, and complimentary medicines, and has impacted over 40,000 beneficiaries. Additionally, the Mobile Health Clinic initiative included

referrals and connections to hospitals for further medical care.

From July 15th, 2023 to February 28th, 2024, the MHC conducted a total of 706 health camps, including general health checkups, gynaecologist camps, children’s health checkups, diabetes screening and treatment camps, home visits for bedridden patients, and awareness creation. The initiative reached 40,250 beneficiaries, showing the significant impact of the Mobile Health Clinic in addressing healthcare needs in the community.

The Epsilon Mobile Health Clinic initiative exemplifies the company’s commitment to promoting community health and well-being through innovative and sustainable interventions. By bringing healthcare services directly to the doorstep of the community, Epsilon Carbon aims to improve health outcomes and enhance the quality of life for residents in remote areas.



Model Child-friendly Library, DIET Ballari

In collaboration with Room to Read India, the Epsilon Foundation is aiding the Department of School Education and Literacy, Government of Karnataka (DoSEL, GoK), in enhancing the selection of children’s books at the state level and bolstering the capabilities of state officials and educators in utilizing children’s literature to cultivate reading habits in children.

The project is structured around three key areas:

- Improving the system and capabilities of the Department of School Education and Literacy (DoSEL) to consistently curate and generate high-quality collections of children’s literature for school libraries.

- Developing the skills of educators to encourage and nurture reading habits among children.
- Advancing the District Institute of Education and Training (DIET) in Ballari to become a centre of excellence in recognizing and understanding the elements of quality children’s literature in the realm of foundational literacy.

The aim of the project activities is to effect change across the entire state, rather than being confined to a single district. The District Institute of Education and Training (DIET) Ballari is responsible for advancing and executing quality initiatives within the district and will assume a pivotal role in enhancing the expertise of teachers and educators on the various facets of

children's literature and the reading activities to be conducted in schools. The 'model child-friendly library' will be central to showcasing the following elements during teacher training:

- The ideal setting for fostering a learning environment.
- A diverse collection of quality children's literature, encompassing different genres, themes, reading levels, and formats such as big books, standard books, and reading cards.
- Creative methods for displaying books and showcasing children's work from post-reading activities.
- Effective management of a child-friendly library.

This space serves as a practical workshop for all capacity-building initiatives related to children's literature and reading habits led by DIET Ballari.



Pragati Scholarship

The Epsilon Foundation's Pragati Scholarship Program, launched in Vijayanagar and Ballari is designed to uplift students from the surrounding community by offering them financial assistance for educational pursuits. The program is the Foundation's effort to encourage and drive students towards achieving their academic ambitions and realizing their full potential. The Pragati Scholarship Program has made a meaningful difference in the lives of students within the Direct Impact Zone of the Epsilon Company in Ballari district. A total of 115 students in the 11th and 12th grades have reaped the benefits of the scholarship, which has opened doors to quality education and supported them in following their dreams.



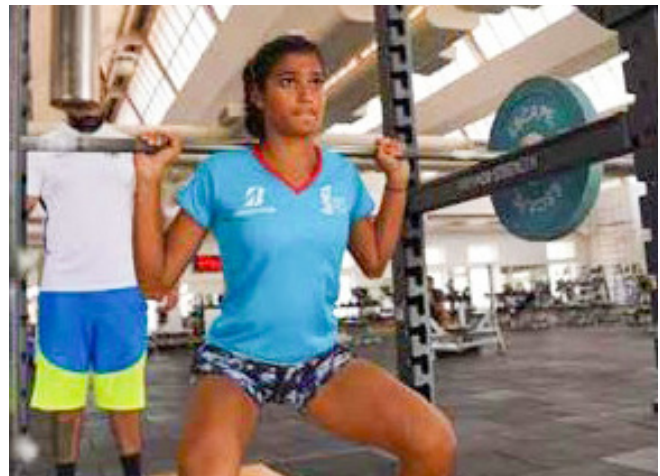
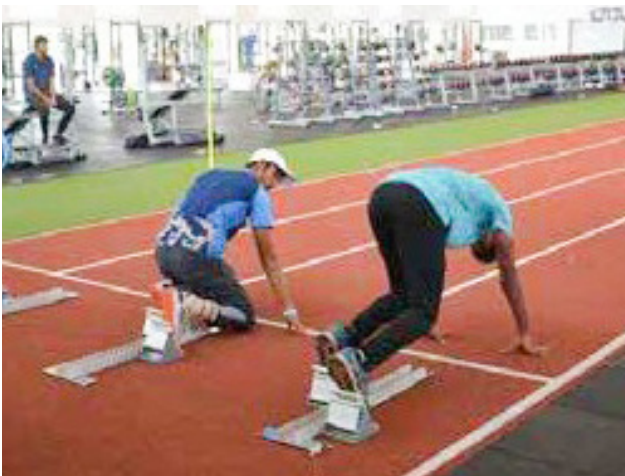
Supporting Indian Athletes' Olympic Dream Partnership with Inspire Institute of Sport (IIS)

The Epsilon Foundation has established a collaborative relationship with the Inspire Institute of Sport (IIS) to aid Indian athletes on their path to Olympic glory. The Inspire Institute of Sport stands as India's first privately funded High-Performance Training Institute, committed to the development of young talent in various Olympic

sports. Situated in Vijayanagar, Karnataka, the institute specializes in coaching athletes in athletics, boxing, judo, swimming, and wrestling. The alliance between Epsilon Carbon and the Inspire Institute of Sport has made a substantial contribution to the aspirations of Indian athletes aiming for the Olympics. Through the provision of top-tier training amenities, expert coaching, and financial assistance, this partnership has enabled athletes to chase their ambitions and carry the Indian flag on the international sports arena.

To back this initiative, Epsilon Carbon offers financial aid to IIS for the improvement of training amenities, acquisition of specialized gear, and comprehensive development of athletes. We work together to upgrade training infrastructure and establish a setting that is favourable for high-performance training. We also enable the sharing of coaching insights and skills between Epsilon Carbon experts and IIS coaching staff to promote the growth of athletes. Additionally, we provide athletes with nutritional advice and support to help them stay in prime physical shape and maximize their performance.

Our partnership with the Inspire Institute of Sport highlights our dedication to nurturing Indian athletes and fostering a culture of sporting achievement within the nation. Through this alliance, Epsilon Carbon seeks to play a role in India's athletic triumphs and motivate upcoming generations of sports talent to aim for Olympic distinction.



Solar electrification of Govt Hospitals at Kudithini, Metriki, Vitalapur

Public healthcare facilities, particularly those serving vulnerable communities, often grapple with the issue of consistent electricity supply. Frequent power disruptions can interfere with critical medical devices, putting patient well-being at risk and obstructing the provision of healthcare services. The adoption of solar power stands as a robust remedy, designed to overcome these obstacles and elevate healthcare outcomes. We have implemented solar panel installations at Government Primary Health Centres (PHCs) in Kudithini, Metriki, and Vitalapur, ensuring the continuous delivery of primary healthcare services to the 114,449 residents who depend on these PHCs.

1. Continuous Electricity for Essential Medical Equipment: The integration of solar energy ensures an uninterrupted electricity supply, crucial for the operation of life-saving medical equipment. This

reliable power source is instrumental in mitigating risks during critical situations and represents a significant advancement for Government PHCs. It addresses the prevalent energy issues, elevates the standard of healthcare, and supports environmental sustainability.

2. Steady and Dependable Illumination: Adequate lighting is vital for surgical operations, patient examinations, and care in wards. Solar-powered systems offer a dependable source of light, improving safety and the overall healthcare environment. With these goals achieved, solar energy enables hospitals to provide superior healthcare services, bolster patient safety, and contribute to an eco-friendlier future. As solar technology continues to evolve and become more cost-effective, it is set to play a crucial role in healthcare infrastructure, leading the way to a healthier, more sustainable planet.

Community Development in Sripura Village

In Sripura village, we have implemented the following initiatives:

- The installation of 40 solar street lights in significantly enhances safety for its 2000 inhabitants. Solar street lights brighten previously unlit areas, fostering a more secure environment by reducing the potential for accidents and deterring criminal activity.
- We have established communal parks that serve as hubs for social engagement and community bonding. These parks are inclusive areas that enable residents to come together and interact, enhancing community spirit. With facilities such as walking paths, cycling routes, playgrounds, and open areas for various recreational activities, the parks are conducive to promoting an active lifestyle. They encourage regular physical exercise, contributing to the overall fitness and well-being of the community. These shared spaces offer a welcoming environment where individuals from diverse backgrounds can connect, converse, and forge new friendships. The parks provide a pleasant setting where 300 children can play and interact safely, and seniors can find companionship and enjoyment.



Tree plantation in Sanjay Gandhi National Park (SGNP) Mumbai

We undertook a tree plantation and habitat restoration initiative at Sanjay Gandhi National Park in Borivali, Mumbai. Planting trees is a vital step in combating climate change, as they sequester CO₂ and help diminish the impact of global warming. The addition of trees to the landscape aids in curbing greenhouse gas emissions, paving the way for a more sustainable and resilient ecosystem for the generations to come. Trees act as natural air purifiers, absorbing contaminants and enhancing air quality, while also filtering and cleansing water bodies. These actions are beneficial to public health and contribute to a more pristine natural environment. Over 1300 trees were planted in Borivali National Park, with the enthusiastic participation of 70 employees who volunteered for this green initiative.



Infrastructure Development

The Village Infrastructure Development initiative has positively impacted the lives of 4,337 villagers by enhancing essential services and facilities.

- In Anthapur, we have installed a Reverse Osmosis (RO) unit, complete with a reinforced concrete bed for stability, extended water pipeline connections for efficient RO operation, and proper wastewater disposal systems linked to the existing drainage. Additionally, we have secured the RO unit with chain-link fencing and installed drainage covers nearby for added safety and cleanliness.
- Similarly, in Vitalapur, we have established an RO unit set upon a concrete bed, with water pipelines connected from a common point to the RO unit, ensuring a reliable supply of clean water. The unit also includes a wastewater connection to the drainage system, maintaining hygiene and preventing waterlogging.

These enhancements in both villages not only provide access to clean drinking water but also improve the overall infrastructure, contributing to the well-being and quality of life for the residents.



Concrete Road Construction

The development of a concrete cement (CC) road complete with an adjacent drainage system near the Government School in Chikkantapur transcends a mere infrastructure upgrade; it represents a significant investment in the community's prosperity and the future of its young learners. This project tackles numerous essential issues, delivering a safer, more hygienic, and conducive educational setting.

The inclusion of designated walkways and crosswalks along the CC road is a deliberate measure to ensure the safety of pedestrians, particularly students, by reducing the likelihood of traffic-related accidents. Moreover, the integrated drainage system prevents water

accumulation, promoting better health and sanitation around the school premises.

This road construction initiative yields extensive advantages, from enhancing safety and public health to improving the academic atmosphere and nurturing a sense of community solidarity. By focusing on such critical infrastructure improvements, we are fostering an environment conducive to the educational and personal growth of children, thereby contributing to a more promising future for the entire village. The project has proven beneficial to 1,449 daily travellers, including the students of the village, who now enjoy a more secure and accessible route to their destinations.



Sustainability Outlook

In conclusion, ECPL's journey towards a sustainable future is marked by a deep integration of ESG principles into the core of our business strategy, ensuring alignment with national and global sustainability goals. We recognize the imperative to evolve our approach to sustainability, and this evolution is guided by our unwavering commitment to our goal. Innovation and cutting-edge technology are the cornerstones of our approach, enabling us to meet our stakeholder commitments and safeguard the environment.

Our roadmap to sustainability is clear and focused, with specific milestones set for the end of this decade. Central to our strategy is the pursuit of circularity, aiming for resource-neutral operations through optimized resource use, innovative recycling methods, and the promotion of circular economy practices. We are actively transitioning to clean energy sources and intensifying the adoption of environment friendly technologies. Our ongoing investment in research and development is targeted at innovate products that are both carbon-efficient and highly effective.

We envision a future where our products, operations, and supply chain exist in harmony with the planet, contributing to a sustainable world for all. Our employees remain at the heart of our mission, continually benefiting from top-tier learning and development opportunities that empower them to excel and fulfil their potential. We are steadfast in our commitment to human rights, diversity, inclusion, and ensuring the health and safety of our workforce.

ECPL's inherent culture of giving back to society is stronger than ever, with our community support initiatives expanding in proportion to our company's growth. Ethical conduct, stakeholder communication, and rigorous reviews are the pillars of our business integrity. Through independent audits and a commitment to accountability and transparency, we foster trust and confidence among our stakeholders.

As we look to the future, ECPL's unwavering dedication to these principles will guide our actions and ensure that we remain on the path to a brighter, more sustainable tomorrow.



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