epsilon
ADVANCED MATERIALS

ELECTRIFYING THE ROAD TO A GREENER TOMORROW

Epsilon Advanced Materials
Sustainability Report 2023-24

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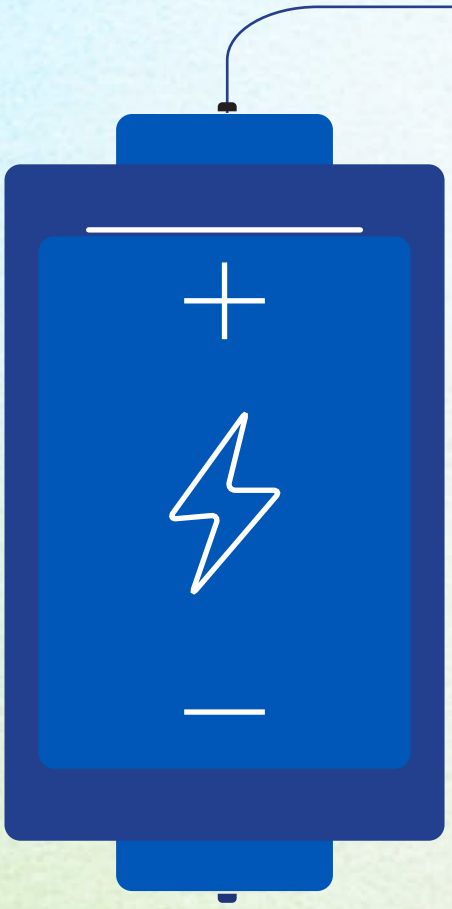
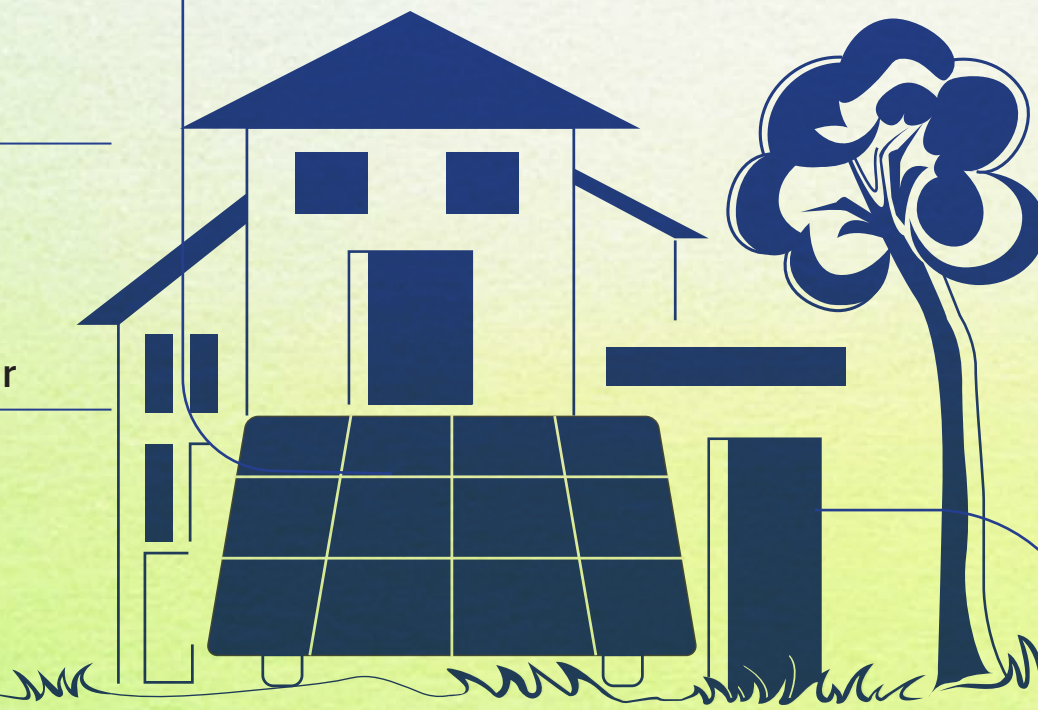




Message from Managing Director

At the heart of our sustainability strategy lies our commitment to minimizing environmental impact, supported by impressive milestones. Our Circular initiatives where energy, water, and by-product recycling have delivered measurable results. This year, we achieved a Zero Liquid Discharge (ZLD) system ensuring 100% of treated wastewater is repurposed on-site, reducing our impact on local water sources. Our 100% energy needs are met through a waste heat recovery power plant, showcasing our commitment to clean energy in action.

Vikram Handa

Managing Director

Epsilon Advanced Materials Pvt. Ltd.

At Epsilon Advanced Materials, sustainability is a core driver of our growth, innovation, and long-term strategy. As we chart the course for clean energy transition, particularly in the Electric Vehicle (EV) ecosystem, our actions today are poised to impact tomorrow's industries and communities profoundly. This first Sustainability Report represents not only a record of what we have achieved but also reflects our roadmap to electrify a greener & sustainable future for all.

Epsilon Advanced Materials was founded with the vision to enable the global EV battery supply chain, ensuring that our products and practices drive real impact. We have embedded sustainable principles across every aspect of our operations—from raw material sourcing to waste minimization, product innovation to circularity—ensuring that our advanced materials actively contribute to the decarbonization of road transport. We aim with our materials to fuel some of the most progressive EV batteries to support global carbon reduction efforts through each ton of sustainable graphite anode material we produce.

Our Karnataka, India facility is a symbol of our commitment to sustainable growth, equipped with state-of-the-art technology designed to support a circular and low-carbon economy. With a goal to reach a production capacity of 100,000 metric tons by 2030, we are strategically positioning ourselves as a global leader in sustainable anode materials, empowering the EV revolution for years to come.

At the heart of our sustainability strategy lies our commitment to minimizing environmental impact, supported by impressive milestones. Our Circular initiatives where energy, water, and by-product recycling have delivered measurable results. This year, we achieved a Zero Liquid Discharge (ZLD) system ensuring 100% of treated wastewater is repurposed on-site, reducing our impact on local water sources. Our 100% energy needs are met through a waste heat recovery power plant, showcasing our commitment to clean energy in action.

Epsilon's journey toward carbon neutrality is grounded in a comprehensive Environmental, Social, and Governance (ESG) framework aligned with global standards. With the Life Cycle Assessments (LCA) of graphite anode material manufactured in India, Finland & US facilities, we are proud to have lowest carbon footprint. Our current digital adoption rate stands at 69%, which by 2025 we aim to go 100% digital to track our operations, allowing real-time insights into energy, water, and waste management to drive productivity, innovation, and transparency.

Our approach to social responsibility goes beyond business, as we remain committed to uplifting the communities we serve. Through CSR initiatives, we have impacted thousands of lives—providing clean water, improving healthcare access, and supporting education across regions where we operate.

Together with our Board of Directors, employees, and valued partners, we are driving meaningful, lasting change for a cleaner, more sustainable world.

Message from Chief Executive Officer

We employ a Zero Liquid Discharge (ZLD) system, ensuring that 100% of the treated wastewater is reused on-site. This approach not only improves production efficiency but also extends the life cycle of batteries, providing a sustainable alternative to conventional practices.

Sunit Kapur

Chief Executive Officer

Epsilon Advanced Materials Pvt. Ltd.

As I reflect on our remarkable journey, I am proud to present Epsilon Advanced Materials' inaugural Sustainability Report, themed "Electrifying the Road to a Greener Tomorrow."

This report reflects our unwavering commitment to sustainability, which is at the core of our mission to develop high-performance battery materials that power the global energy transition. Our dedication to Environmental, Social, and Governance (ESG) principles is a driving force behind our efforts to energize the world with clean and green power.

Epsilon Advanced Materials was founded with a singular vision to be the leading global provider of battery material solutions, where energy is accessible, reliable, and sustainable for all.

Our sustainability approach is guided by our vision and ESG that is most critical for our operations across the value chain. This report demonstrate the achievements that give us a competitive edge, such as our backward integration for raw materials sourcing and a commitment to minimizing environmental impact.

Today, we are India's first fully integrated producer of synthetic graphite anode materials for lithium-ion batteries, a critical component in the EV ecosystem. Our footprint is expanding globally, with presence in India, the U.S., and Europe supplying materials that power a cleaner and sustainable world.

As the world accelerates towards decarbonization, we understand the pivotal role battery materials play in shaping the future of the EV industry. With global electric vehicle (EV) sales expected to reach 40 million annually by 2030 and the energy storage systems (ESS) market projected to grow at a CAGR of 24.5% over the next decade, the need for sustainable and scalable battery solutions is more urgent than ever. Through strategic investments, technical expertise, and continuous innovation, we are committed to meeting this demand in a responsible and sustainable manner.

As a leader in graphite production for anode materials, we recognize the challenges and opportunities that arise in building a battery materials supply chain. By incorporating sustainability at every stage from raw material sourcing to manufacturing we ensure the transition to a greener future.

At Epsilon, sustainability isn't just about numbers it's about responsibility, our commitment to circularity extends to every facet of our operations. By adopting cutting-edge technologies, we optimize energy use, reduce waste, and conserve water across our production processes. We have implemented closed-loop systems that allow us to reuse resources, lower emissions, and minimize environmental impact. 100% of our electricity demand for EAMPL operations are sourced through waste heat recovery plant, significantly reducing our carbon footprint.

We employ a Zero Liquid Discharge (ZLD) system, ensuring that 100% of the treated wastewater is reused on-site. This approach not only improves production efficiency but also extends the life cycle of batteries, providing a sustainable alternative to conventional practices.

This inaugural Sustainability Report marks a significant milestone in our journey. It reflects our progress in ESG practices and sets the stage for greater transparency and accountability. Additionally, our digital adoption rate stands at 69%, reflecting our commitment to leveraging technology for enhanced productivity and innovation.

As we move forward, we remain committed to keeping our stakeholders informed about our advancements in corporate and sustainability goals.

Together, we can build a future powered by innovation, circularity, and clean energy.

Thank you for being a part of our journey.

About the Report

Epsilon Advanced Materials is pleased to present its inaugural report on sustainability, providing stakeholders with insights into our performance beyond financial metrics. The report outlines our core business focus, approach to risk management, and performance, along with the opportunities we are pursuing across Environmental, Social, and Governance (ESG) dimensions.

Reporting Principle and Boundary

This report has been developed in alignment with the Global Reporting Initiative (GRI) Standards: Core option. It covers the period from April 1, 2023, to March 31, 2024, and includes the operational boundary of our Advanced Material facility at the Vijayanagar plant in India. The detailed GRI Content Index, specifying the standards and disclosures referenced in the report, can be found on page 61.

Data Management and Point of Contact

The content of this report has been thoroughly reviewed by our senior management and subsequently approved by the Board of Directors to ensure its accuracy, completeness, and relevance.

We welcome any questions or feedback regarding our FY 2023-24 Sustainability Report and would be happy to address them.

Please feel free to contact us at: info@epsilonam.com

Visit our website for more information : www.epsilonam.com

About Us

Introduction

Since our inception in 2018, Epsilon Advanced Materials has been at the forefront of driving decarbonization through sustainable, high-performance battery materials. Headquartered in Mumbai, India, with a state-of-the-art manufacturing facility in Vijayanagar, Karnataka, we are committed to revolutionizing energy systems with premium-quality battery materials that meet the needs of a rapidly evolving world.

Our focus on sustainability and innovation is central to our mission of supporting a cleaner, greener future. With operations across India, US and Europe and ambitious plans for further growth, we are strategically positioned to shape the global energy landscape.

As the world aims to generate 90% of its energy from renewable sources by 2050, the role of advanced energy storage, particularly Lithium-Ion (Li-ion) batteries has never been more essential. At Epsilon Advanced Materials, we are dedicated to building a diverse and sustainable battery material supply chain, both in India and globally.

With the demand for key minerals expected to increase six times by 2040, achieving net-zero emissions will require advanced solutions. We specialize in producing top-tier Anode material for Li-ion batteries, playing a crucial role in the transition towards a sustainable energy future.

Our Vision

To be the leading global provider of battery material solutions, where energy is accessible, reliable, and sustainable for all.

Our Mission

To develop sustainable and high-performance battery materials that support the global battery industry in energizing the world with clean and green power.

Our Journey

2021

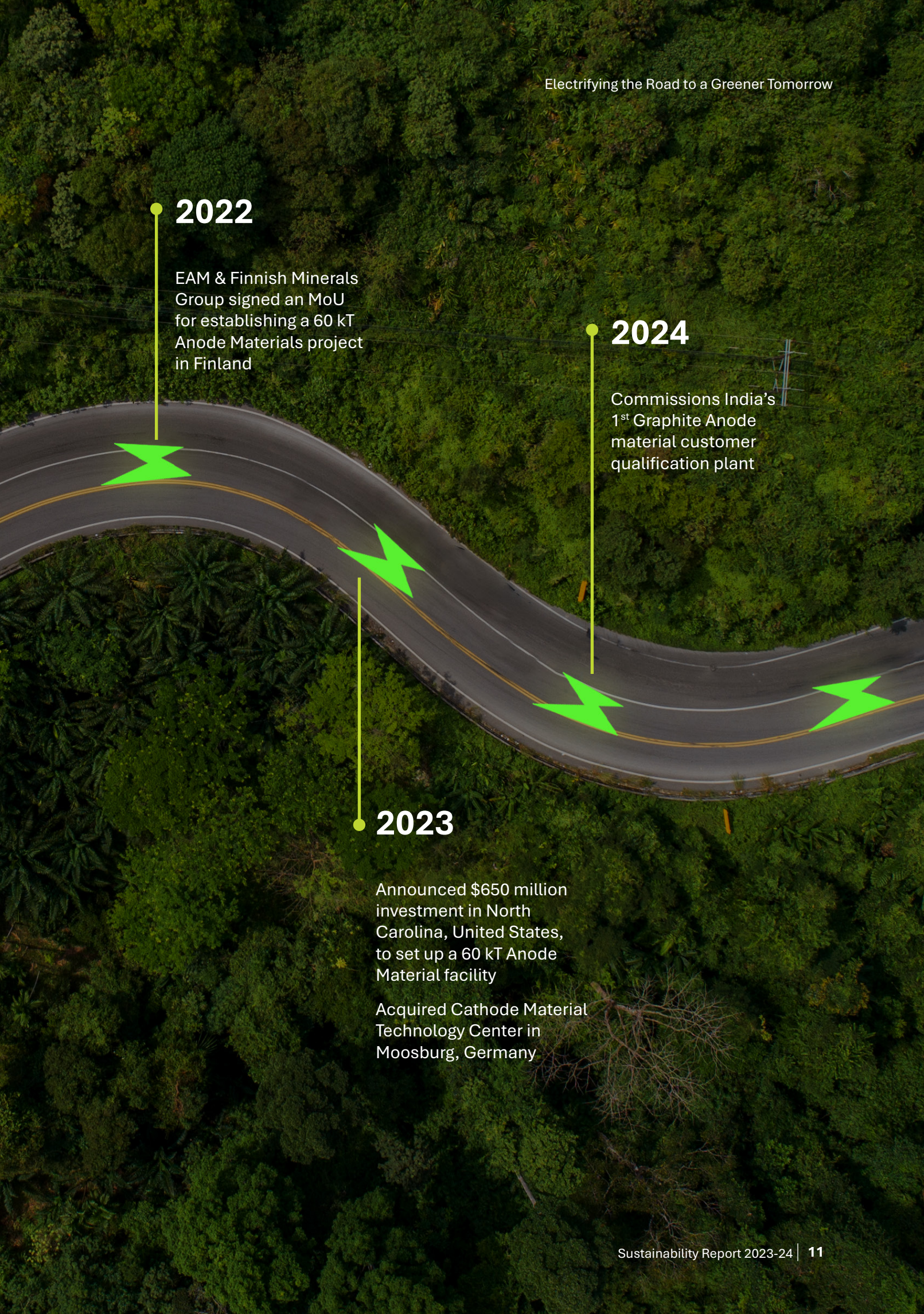
Commissions its 1st pilot plant for Graphite Anode & starts sampling with global customers

2018

Epsilon Advanced Materials (EAM), established as India's 1st sustainable Anode battery materials manufacturer

2020

India's 1st Mesocoke plant & cell and power testing Lab of 2.5 kT capacity commissioned in Vijayanagar



2022

EAM & Finnish Minerals Group signed an MoU for establishing a 60 kT Anode Materials project in Finland

2023

Announced $650 million investment in North Carolina, United States, to set up a 60 kT Anode Material facility

Acquired Cathode Material Technology Center in Moosburg, Germany

2024

Commissions India's 1st Graphite Anode material customer qualification plant

Epsilon Advanced Materials Plant
Vijayanagar, Karnataka

Our Industrialization Plan

ANODE

	INDIA	USA	FINLAND
2023	**1st** Customer Qualification Plant	Announcement of **$650mn** plant in North Carolina, USA	Announcement of **€500mn** plant in the City of Vaasa
2027	**30kTPA** Commissioning	**30kTPA** Commissioning	
2028			**30kTPA** Commissioning
2030	**100kTPA** Commissioning	**60kTPA** Commissioning	**60kTPA** Commissioning

Memberships and Associations

Epsilon Advanced Materials is a proud member of India Energy Storage Alliance (IESA). Our involvement in the IESA Leadership Council underscores our dedication to propelling the energy storage industry forward in India. We are committed to fostering innovation, teamwork, and eco-friendly energy advancements in the sector, we embrace our role in shaping the future of energy storage.

Certifications

Epsilon Advanced Materials proudly upholds the highest standards of quality, environmental management, and occupational health and safety, as evidenced by our certifications in ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018. These certifications reflect our unwavering commitment to excellence in all aspects of our operations. By adhering to these internationally recognized frameworks, we ensure that our products and services consistently meet customer expectations, our environmental impact is responsibly managed, and our workplace remains safe and healthy for all employees.

ISO 9001:2015

Quality Management System

ISO 14001:2015

Environment Management System

ISO 45001:2018

Occupational H&S Management system

Awards and Accolades

We are honored to have received the prestigious awards in recognition of our commitment to innovation, sustainability, and social responsibility

EV Battery Supply Chain Leader of the Year 2024 - Mr. Vikram Handa, Managing Director

Technology Innovation of the Year – Manufacturing and Supply Chain at India Energy Storage Week 2024

Most Sustainable EV Battery Material Provider of the Year 2023 at the EV Charge Leadership Awards

Company of the Year – Battery Components Manufacturing (Anode Material) at the EV Battery Excellence Awards 2024

Company of the Year – Battery Raw Material (Sourcing & Supply) at the EV Battery Excellence Awards 2024

Company of the Year: Research & Development (Materials) at the EV Battery Excellence Awards 2024

Most Socially Responsible Company of the Year and Most Innovative Company of the Year 2024 by Assocham

Industry Events and Participation

At Epsilon Advanced Materials, we believe that engaging in industry events and conferences is vital for fostering innovation and collaboration in the energy sector. By actively participating in these gatherings, we not only showcase our commitment to sustainability and technological advancement but also stay updated on the latest trends, challenges, and opportunities in the industry. Our involvement in various forums facilitates meaningful connections with industry leaders, stakeholders, and like-minded organizations, allowing us to share insights, exchange knowledge, and contribute to the conversation about clean energy solutions. Through these initiatives, Epsilon Advanced Materials is committed to leading the charge toward a sustainable and energizing future.

Advancing Energy Storage: Epsilon Advanced Materials Contribution to the Future of Lithium-Ion Batteries

Mr. Sunit Kapur, CEO of Epsilon Advanced Materials, delivered a compelling presentation on the significance of advanced materials in the enhancement of lithium-ion battery performance at the International Summit on Lithium-Ion Batteries, hosted by the India Energy Storage Alliance (IESA). The event highlighted the pivotal role of the development of advanced materials in the progression of lithium-ion batteries. The material contributes to greater efficiency, extended longevity, and improved environmental sustainability. Such advancements are crucial for extending the boundaries of energy storage technology and catering to the increasing need for dependable and eco-conscious energy options.

India's Role in the Global EV and Battery Supply Chain: Insights from the BloombergNEF India Summit

Epsilon Advanced Materials participated at the BloombergNEF India Summit with key industry figures regarding the transition to clean energy and the reduction of carbon emissions. Mr. Vikram Handa pointed out the necessity for India to invest in state-of-the-art battery technologies, particularly lithium iron phosphate (LFP) batteries, which are known for their safety, rapid charging capabilities, extended range, and resilience at high temperatures at a discussion titled "India's Opportunities in the Global EV and Battery Supply Chain".

Mr. Handa also shed light on the hurdles of acquiring raw materials and stressed the need for collaborative efforts within the industry and supportive policies, similar to the US Inflation Reduction Act, to encourage local production and diminish dependence on imports. The formation of strategic partnerships among cell manufacturers, automotive OEMs, and battery material suppliers was deemed critical for establishing a self-sufficient and sustainable supply chain.

Epsilon Advanced Materials Participates in Strategic Clean Energy Discussion with USIBC

Our Chief Executive Officer, Mr. Sunit Kapur engaged in a significant dialogue organized by the US-India Business Council (USIBC), which centred on the Energy, Environment, and Infrastructure Vertical. The event shed light on the advancements achieved in the bilateral Strategic Clean Energy Partnership (SCEP), with a particular focus on battery materials and energy storage solutions.

The panel discussed on the latest developments in the U.S.-India SCEP and the Renewable Energy Technology Action Platform (RETAP) and key collaborative efforts, including the push for a critical minerals agreement with the United States and the exploration of commercial prospects in storage technologies. The importance of establishing multilateral partnerships between the U.S. and India to propel clean energy initiatives was also underscored.

Path to Elevate India's Manufacturing Landscape for EVs

At the Indian Chemical News NextGen 2024 conference, Mr. Vikram Handa, Managing Director of Epsilon Advanced Materials Group, shared valuable insights on the theme of 'Transforming India into a Global Manufacturing Hub.' He emphasized the vast opportunities presented by the electric vehicle (EV) sector, noting that the increasing demand for EVs has created a significant market for battery materials and batteries, which are reliant on imports from China.

This landscape offers a remarkable opportunity for companies of all sizes to innovate and invest, harnessing the considerable potential of the market.

Mr. Handa underscored the importance of integrating sustainability into innovation, ensuring that products and solutions are not only future proof but also advantageous for individuals and communities.

Epsilon Advanced Materials is leading this transformation by focusing on the production of essential anode materials for EV batteries. With a strong commitment to innovation and sustainability, the company is well-positioned to become a leader in the rapidly evolving battery material supply chain, both domestically and globally.

Epsilon Advanced Materials Advances Its Industrialization Plans in Europe at EIA Hearing in Finland

Epsilon Advanced Materials engaged in the EIA hearing in Vaasa, Finland, marking a significant phase in its strategy to enhance its industrial footprint in Europe. Our participation in the EIA process was pivotal for the initiation of the Nordics' first graphite processing facility, aimed at supplying advanced anode materials to giga factories by leveraging Finland's green energy resources and the company's innovative technology.

The facility was designed to significantly reduce CO_2 emissions, aiming to produce graphite anodes with emissions 79% lower than those produced in China, showcasing Epsilon Advanced Materials' commitment to sustainability. During the discussions in Vaasa, Mr. Vikram Handa shared the company's vision to become a leading supplier of sustainable, high-performance battery materials, thus facilitating broader access to clean energy globally.

The hearing served as a venue for Epsilon Advanced Materials to outline its environmental strategies, detail the progress of project timelines, and discuss approaches to workforce development, including talent acquisition and skill enhancement. These efforts were critical to the company's contribution to Europe's clean energy transition.

Driving Clean Energy Innovation at The Battery Show USA 2024

The Battery Show USA 2024 showcased a successful engagement with industry leaders and innovators driving the future of clean energy solutions. The event featured insightful discussions on the critical role of sustainable anode materials in building a robust battery supply chain for electric vehicles and energy storage systems in the United States. The momentum from these conversations continues to foster collaborations and innovations that will shape the landscape of clean energy in the coming years.

Strengthening Collaborations

At Epsilon Advanced Materials, we are committed to forging robust partnerships with diverse stakeholders to spur innovation and attain collective triumphs. We actively seek partnerships across industries, communities, and supply chains to create synergies that go beyond immediate business objectives. By creating an ecosystem of shared knowledge and resources, we aim to unlock new opportunities that accelerate our sustainability journey and enhance our operational efficiency.

Our collaborative approach focuses on transparency, mutual respect, and long-term value creation. We are partnering with research institutions to develop sustainable battery technologies or engaging with local communities for positive social impact, we prioritize partnerships that support our vision for a cleaner and more resilient future. By integrating diverse perspectives, we not only address current challenges but also future proof our business in a rapidly evolving landscape.

Through these strengthened collaborations, Epsilon Advanced Materials is better equipped to navigate industry shifts, deliver innovative solutions, and contribute meaningfully to a sustainable and decarbonized world .

Community Engagement and Progress

Epsilon Advanced Materials' Vision for Sustainable Manufacturing in North Carolina

Epsilon Advanced Materials hosted community Townhall at Brunswick Community College's Leland Center in Brunswick County, NC. The event brought together local residents and stakeholders to discuss the company's plans for the future. Sunit Kapur, Vijay Pasupathy, and Sandeep Kumar presented Epsilon Advanced Materials' progress on establishing a sustainable, high-performance graphite anode manufacturing plant in North Carolina. The team outlined key aspects of their innovative product line, environmental commitments, project timelines, and plans for talent acquisition, training, and skill development. These initiatives are crucial as Epsilon Advanced Materials leads the clean energy transition in the U.S.

The event saw a full house and was marked by vibrant discussions, showcasing the strong community interest and support. Epsilon Advanced Materials expressed gratitude to the community members and partners for their engagement and meaningful contributions to the dialogue.

Epsilon Advanced Materials believes in the transformative power of community engagement. Our commitment extends beyond business objectives; we aim to foster resilience and inclusivity within the communities we serve. By actively listening to local needs and collaborating with various stakeholders, we create meaningful initiatives that empower individuals and strengthen community bonds. This holistic approach not only enhances the quality of life but also cultivates a sense of shared responsibility for our environment and future. Together, we aspire to build a more equitable and sustainable world, driven by a collective vision of progress and well-being for all.

Stakeholder Engagement

We recognize that meaningful engagement with key stakeholders is critical to ensuring our continued relevance and success as an organization. The insights and comprehensive consultations with our stakeholders are of paramount importance in driving the effective realization of our sustainability objectives.

To facilitate this, we have established structured engagement processes with our employees. These initiatives include the use of internal communication channels through digital platforms, the implementation of robust skill development programs, and global employee engagement initiatives. Through these efforts, we have addressed key topics such as:

- Continuous value creation: Ensuring alignment with organizational goals and fostering employee contributions to sustained value generation.
- Fulfilment of the company's vision: Strengthening our collective commitment to the company's long-term objectives and ensuring that each employee is integral to achieving our mission.
- Professional capacity building: Providing structured opportunities for employees to enhance their capabilities, fostering both individual growth and organizational resilience.
- Talent attraction and retention: Developing a workplace culture that not only attracts top-tier talent but also ensures high levels of employee satisfaction and long-term retention.

These engagements reflect our commitment to nurturing our workforce and ensuring their active role in the accomplishment of our broader sustainability goals.

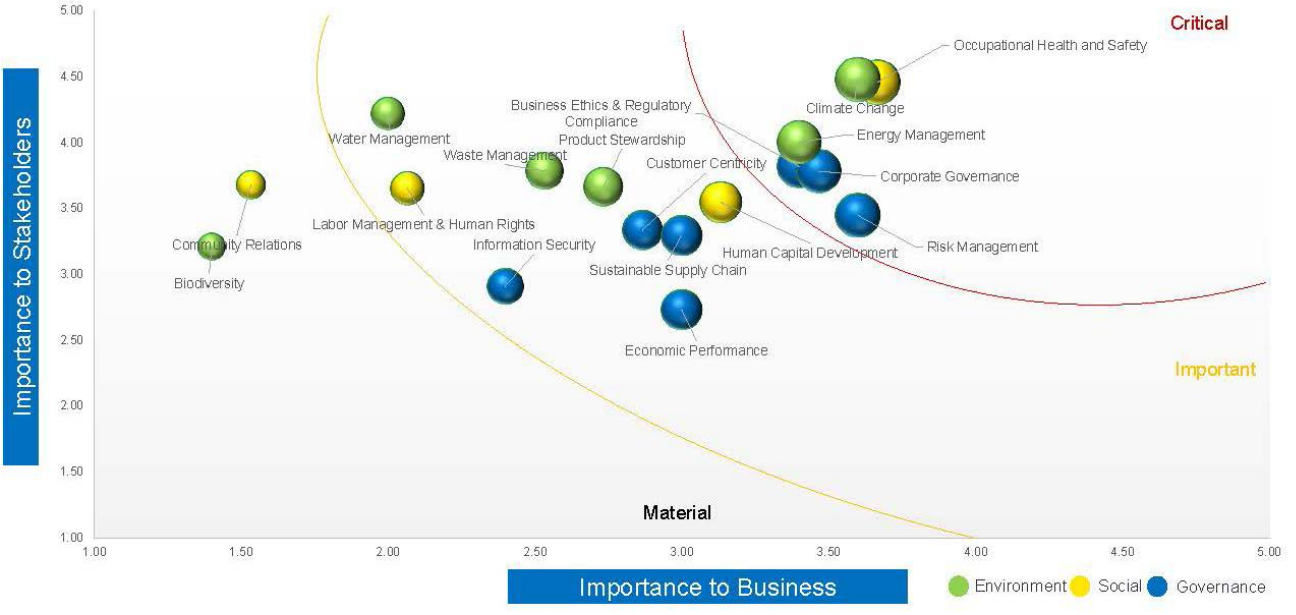
Navigating through Materiality

The insights gained from our stakeholder engagements have been instrumental in informing our materiality assessment. This process enabled us to identify and prioritize key issues that are significant to both Epsilon Advanced Materials and our stakeholders, allowing us to concentrate our efforts and resources on areas of mutual importance.

Materiality Matrix

In 2023, we conducted our first materiality assessment to identify the most crucial sustainability topics for our ongoing journey. This assessment examined both our impact on the environment and people, as well as how these sustainability issues affect Epsilon Advanced Materials as a company.

Additionally, we will keep advancing our policies, processes, and disclosures to align with the key priorities identified in this materiality assessment.



Material Topics

Occupational Health and Safety

Climate Change | Energy Management

Corporate Governance | Risk Management | Business Ethics & Regulatory Compliance

Significant Topics

Human Capital Development | Labor Management & Human Rights | Community Relations

Product Stewardship | Water Management | Waste Management | Biodiversity

Information Security | Sustainable Supply Chain | Customer Centricity | Economic Performance

Pioneering Advanced Technologies and Infrastructure

At Epsilon Advanced Materials, we are dedicated to revolutionizing energy storage through cutting-edge technology and state-of-the-art infrastructure. Our approach is rooted in innovation, sustainability, and performance, ensuring we deliver advanced battery materials that meet global energy demands. With a focus on R&D and manufacturing excellence, we are at the forefront of creating reliable and high-performance energy solutions

R&D Focus

Our R&D facility, located in Vijayanagar, Karnataka, serves as the backbone of our innovation efforts, focusing on battery material research, pilot production, cell fabrication and testing. Our team of dedicated material scientists and engineers is constantly experimenting with new materials, manufacturing techniques, and designs to ensure our solutions remain at the forefront of industry advancements.

By 2025, we are targeting 50 patents and 10 equipment design copyrights to solidify our technological leadership in the battery materials domain.

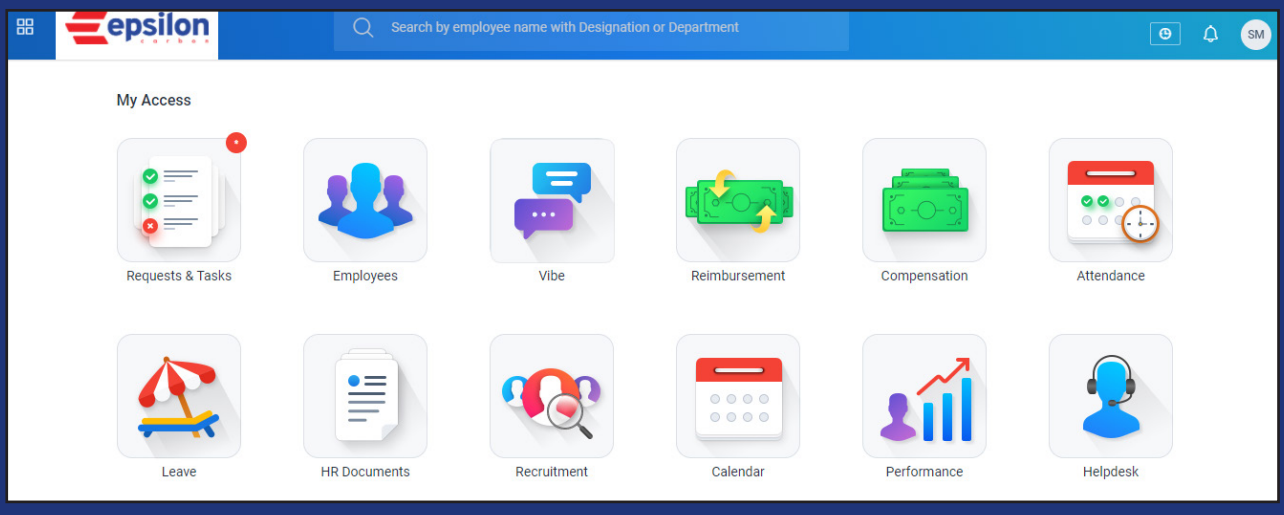
Digital Transformation for Sustainability

In 2023, Epsilon Advanced Materials, in collaboration with its affiliate Epsilon Carbon Private Limited (ECPL), embarked on a pioneering venture by partnering with an external entity under the DART Program. This initiative is aimed at fostering digital advancements that are in line with our core values of sustainability and enhanced operational performance. This partnership is a key part of our approach to leverage cutting-edge technology to fulfil our green and efficiency aspirations.

In response to the urgent environmental issues facing the globe, Epsilon Advanced Materials and Epsilon Carbon have always given precedence to eco-friendly practices. Acknowledging the potential of digital innovation to amplify our green objectives, we launched a suite of digital endeavours in 2023-2024, with the goal of integrating state-of-the-art systems and applications to streamline our processes and diminish our carbon 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.

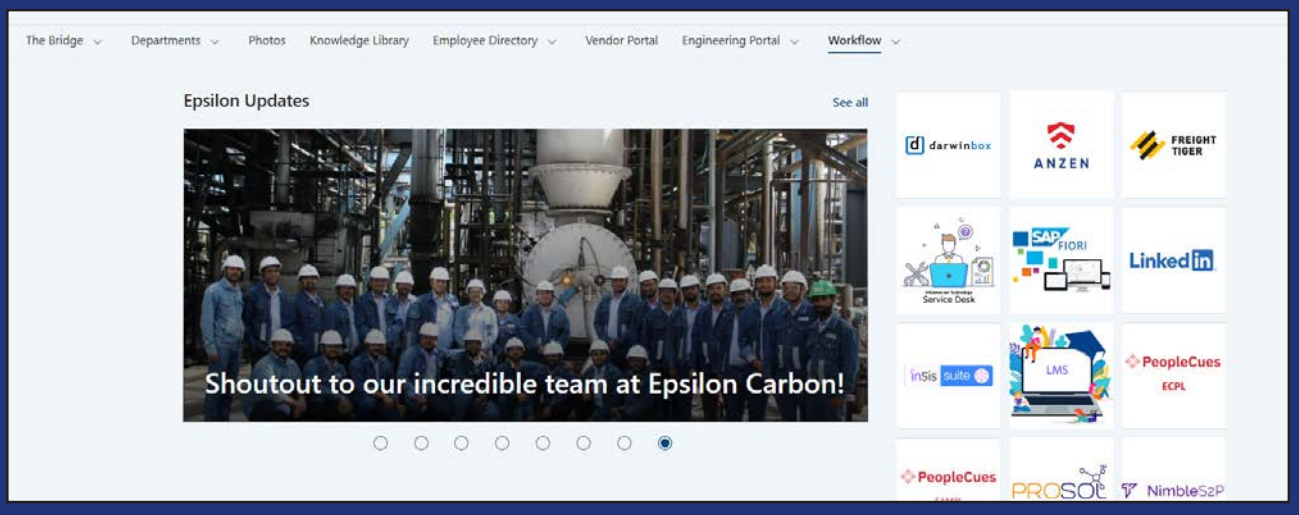


- **Group Financial Consolidation:** SAP Financial Consolidation is utilized to simplify and automate the financial consolidation and reporting process, enabling efficient collection, consolidation, and reporting of financial data across various entities. This ensures adherence to accounting standards 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.

The digital transformation at Epsilon Advanced Materials, in conjunction with Epsilon Carbon, stands as a testament to our unwavering dedication to eco-consciousness. By adopting advanced digital solutions, we are not just enhancing our operational workflows but also charting a course for a more responsible and sustainable future. These initiatives set an industry benchmark for how technology can be harnessed to achieve excellence in both environmental stewardship and operational efficiency.



Manufacturing Excellence

Epsilon Advanced Materials' manufacturing facilities, situated on a sprawling 36.7-acre site in Vijayanagar, Bellary, Karnataka, showcase the company's commitment to quality and sustainability. With a current capacity of 200 MTPA of anode material from the customer qualification plant, the facility upholds the highest standards of production and environmental stewardship, as evidenced by its ISO 9001:2015 certification for Quality Management, ISO 45001:2018 for Occupational Health & Safety and, ISO 14001:2015 certification for Environmental Management.

To bolster India's EV ecosystem, we have signed a Memorandum of Understanding (MoU) with the Government of Karnataka to invest INR 9000 crore in anode material production facility for Lithium-ion batteries. This project aligns with the "Make in India" vision and will support the production of batteries for 10 million EVs.

Additionally, 75% of the workforce employed will be from the local community, fostering regional economic development.

200 MTPA Production Capacity spread across 36.7 acres.

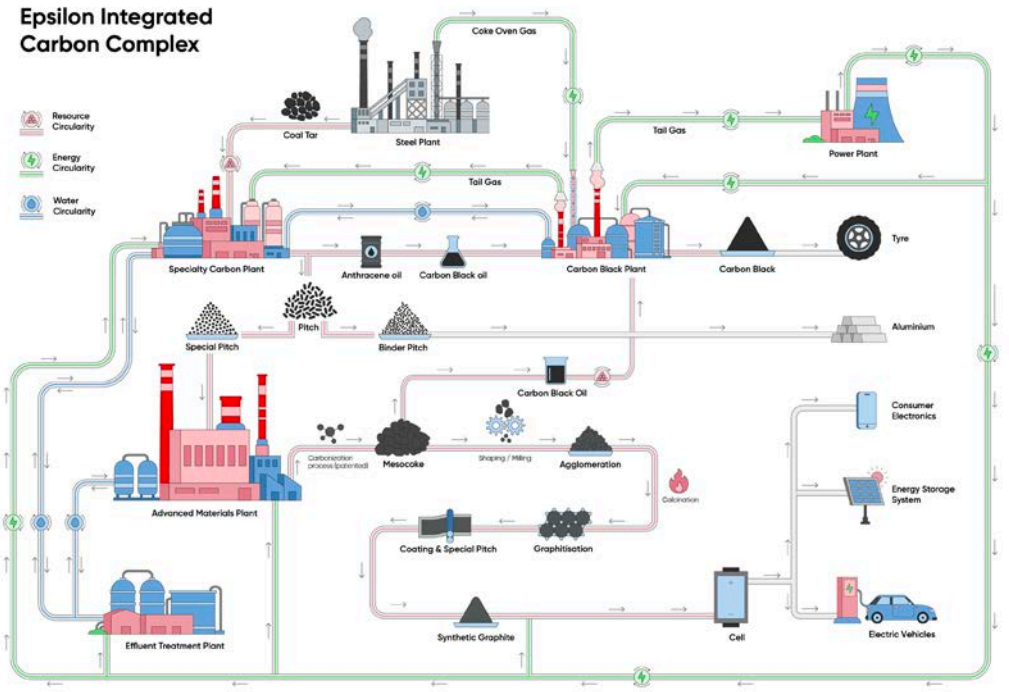
Annual Output- Customer Qualification Plant

100,000 MTPA Production Capacity spread across 400 acres.

Annual Output Target- Commercial Scale Operations

Sustainable Manufacturing Process

Our manufacturing processes prioritize sustainability and resource efficiency. We leverage by-products from the steel manufacturing process as a key raw material, ensuring minimal waste and maximum environmental benefit.



Step-by-Step Process:

Raw Material Utilization

Steel manufacturing by-products are distilled to produce coal tar pitch and a variety of intermediate chemicals

Carbon Black Oil Production

The carbon black oil by-product from coal tar distillation is used as a fuel and feedstock for carbon black production, ensuring minimal waste

Mesocoke Creation

Coal tar pitch is further processed to create mesocoke, a high-performance anode precursor with unique properties for battery applications

Synthetic Graphite Production

Our proprietary multi-stage processes convert mesocoke into high-performance synthetic graphite anode material, specifically designed for Lithium-ion batteries in an eco-friendly manner

Quality Control

Our lab, equipped with advanced powder and cell testing instruments, ensures that all materials are tested rigorously for performance, safety, and efficiency

This circular, multi-stage production process reflects our commitment to reducing environmental impact while delivering top-tier battery materials. By integrating sustainability into our manufacturing processes, Epsilon Advanced Materials is well-positioned to meet the growing demand for cleaner energy solutions.

Epsilon Advanced Materials' relentless focus on advanced technologies and infrastructure has established us as an industry leader in energy storage innovation. Through our R&D efforts and sustainable manufacturing practices, we are committed to driving positive change in the global energy landscape.

Innovating Responsibly

At Epsilon, “Innovating Responsibly” reflects our commitment to creating advanced materials that excel in both performance and sustainability. We employ chemical-free thermal purification and Life Cycle Assessments (LCA) to reduce environmental impact across production stages. Our strengths lie in engineering high-efficiency graphite anodes materials for EVs and energy storage systems, ensuring superior energy density, rapid charging, and compliance with ISO/IEC 17025:2017 standards.

EAMPL’s portfolio of patented innovations, with over 17 patents filed, includes three unique families of anode materials: primary, agglomerated secondary, and tailored natural graphite. These offerings are designed to meet the diverse requirements of global customers, ensuring top-tier quality and competitive cell performance.

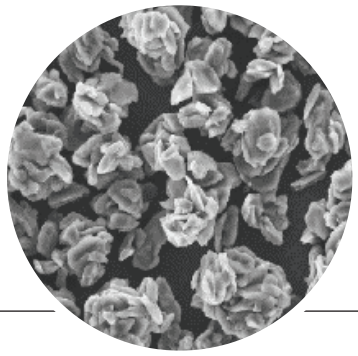
Sustainable Design and Product Stewardship

Epsilon's approach to sustainable design and responsible product management reflects its dedication to advancements in ecological responsibility, and superior product quality. The organization focuses on developing innovative materials specifically designed for the electric vehicles (EVs) and energy storage systems (ESS) industries, with a strong focus on minimizing carbon footprints during the manufacturing process. By complying to global norms like ISO/IEC 17025:2017 and ISO 9001, we ensure that its operations adhere to outstanding standards for excellence, and continuous improvement.

Graphite Anodes for Power Applications

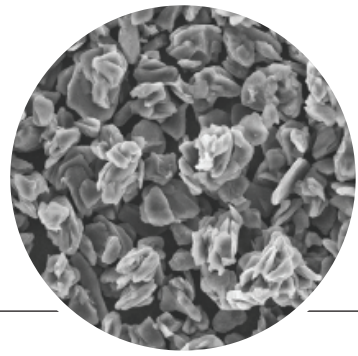
Epsilon Advanced Materials has developed both artificial and natural graphite anode materials specifically engineered to meet the demands of electric vehicles (EVs) and energy storage systems (ESS). These anodes are designed for rapid charging, elevated energy density, and extended range—key features for contemporary EV requirements. Epsilon Advanced Materials proprietary sustainable manufacturing technique utilizes chemical-free thermal purification to ensure maximum energy efficiency and high performance. The product offerings are customizable to meet specific client needs.

Artificial Graphite



EAG 15

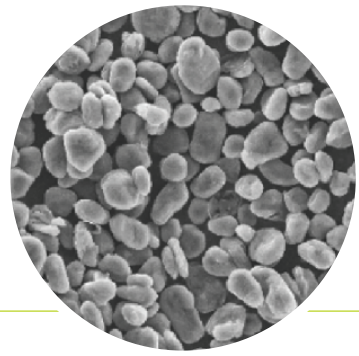
- Discharge capacity: 354±2 mAh/g
- First cycle efficiency (FCE): >93%
- Particle size (D50): 15±2 µm



EAG 15C

- Discharge capacity: 352±2 mAh/g
- FCE: ≥93%
- Particle size (D50): 15±2 µm

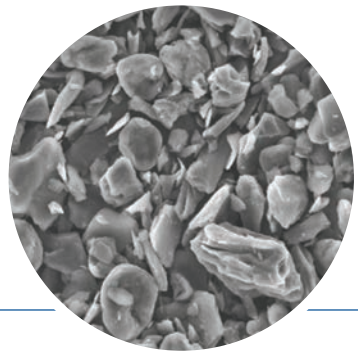
Natural Graphite



EGNG10

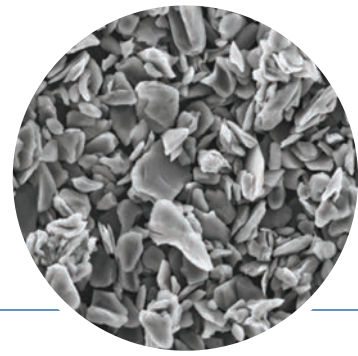
- Discharge capacity: 363±2 mAh/g
- FCE: >92%
- Particle size (D50): 10±2 µm.

Blended Graphite



ESNG10

- Discharge capacity: 359±3 mAh/g
- FCE: >93%
- Particle size (D50): 10±2 µm



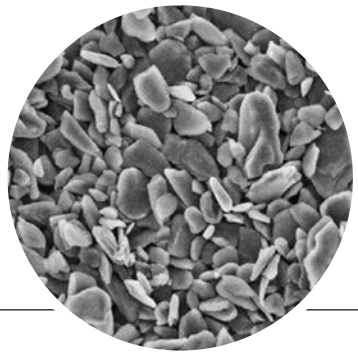
EMAG15

- Discharge capacity: 353±2 mAh/g
- FCE: >93%
- Particle size (D50): 14±2 µm

Graphite Anodes for Energy Storage Applications

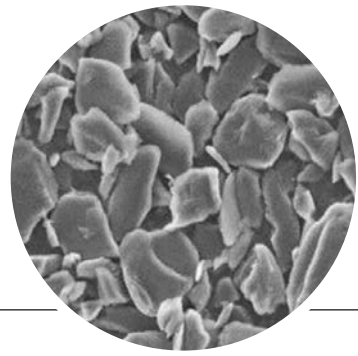
Epsilon Advanced Materials' artificial and natural graphite are engineered to enhance the efficiency and sustainability of Energy Storage Systems. With high electrode density, superior capacity, and enhanced safety, our graphite materials are optimized for advanced energy storage applications, further customizable to meet client specifications.

Artificial Graphite



EMG10

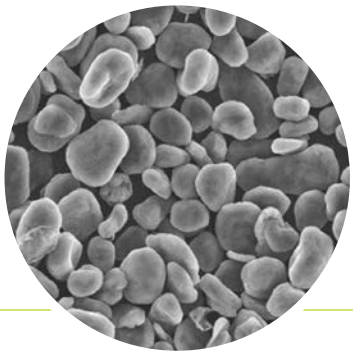
- Discharge capacity: 357±2 mAh/g
- FCE: >93%
- Particle size (D50): 10±2 µm



EMG15

- Discharge capacity: 358±2 mAh/g
- FCE: >93%
- Particle size (D50): 15±2 µm

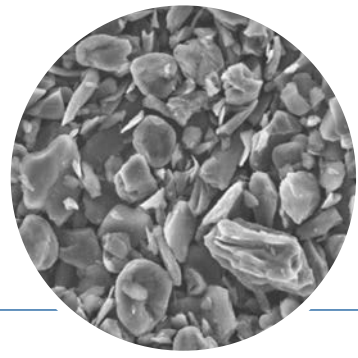
Natural Graphite



EGNG15

- Discharge capacity: 366±2 mAh/g
- FCE: >92%
- Particle size (D50): 15±2 µm

Blended Graphite



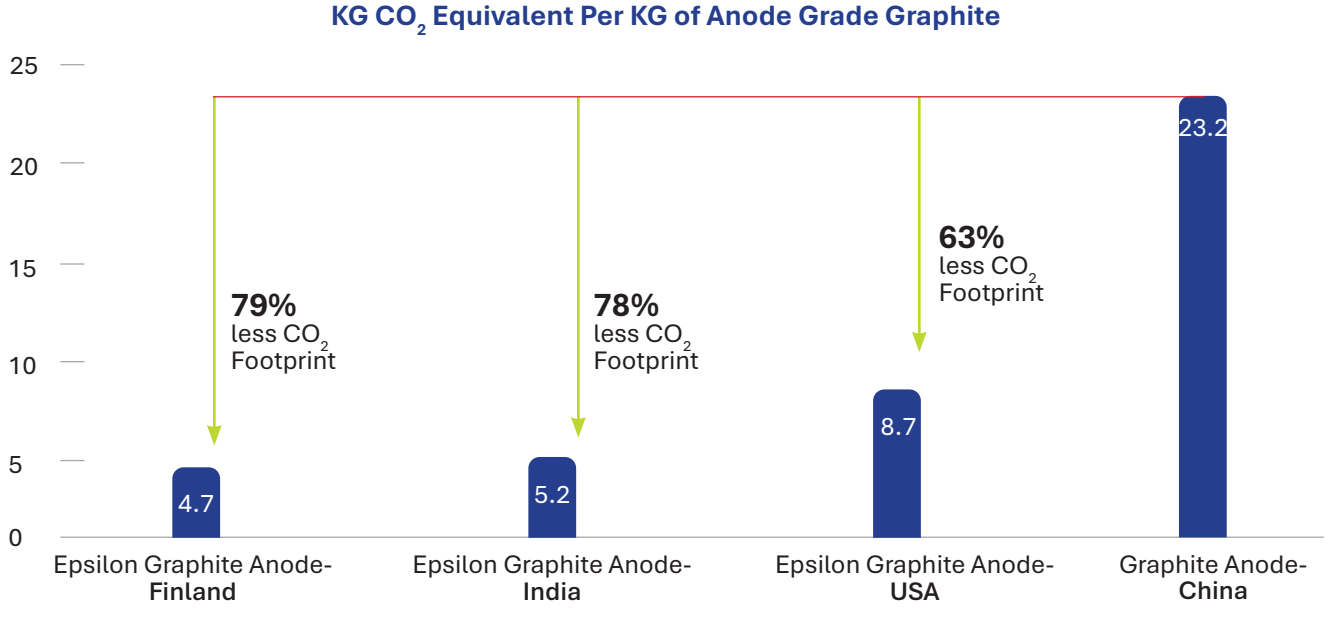
ESNG15

- Discharge capacity: 360±3 mAh/g
- FCE: >93%
- Particle size (D50): 15±2 µm

Commitment to Product Sustainability

Epsilon is steadfast in its commitment to product sustainability, ensuring that each stage of their product lifecycle is optimized for minimal environmental impact, from sourcing materials with lower sulfer content to implementing energy source from waste gas recovery processes and prioritizing recyclability.

We conducted a Life Cycle Assessment (LCA) to evaluate the environmental impacts of synthetic graphite anode production for the lithium-ion battery industry. The assessment covers six key production stages, including precursor production, soft pitch, Zero QI Pitch, bulk mesocoke granules, bulk mesocoke powder, and synthetic graphite anode production. Using data from their 2021-2022 engineering studies, the LCA examines three functional units: bulk mesocoke granules, bulk mesocoke powder, and synthetic graphite anode.



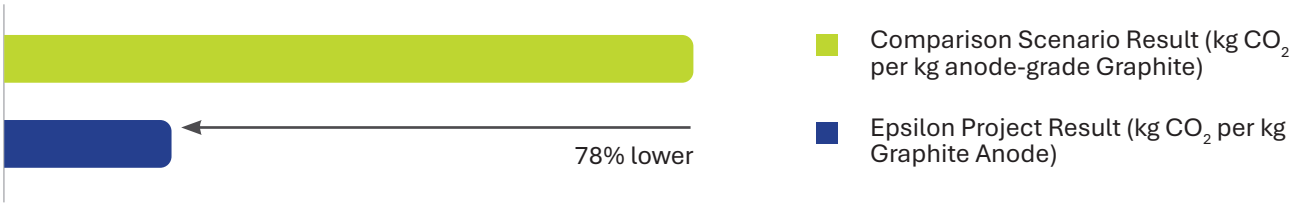
Analysis Result-India

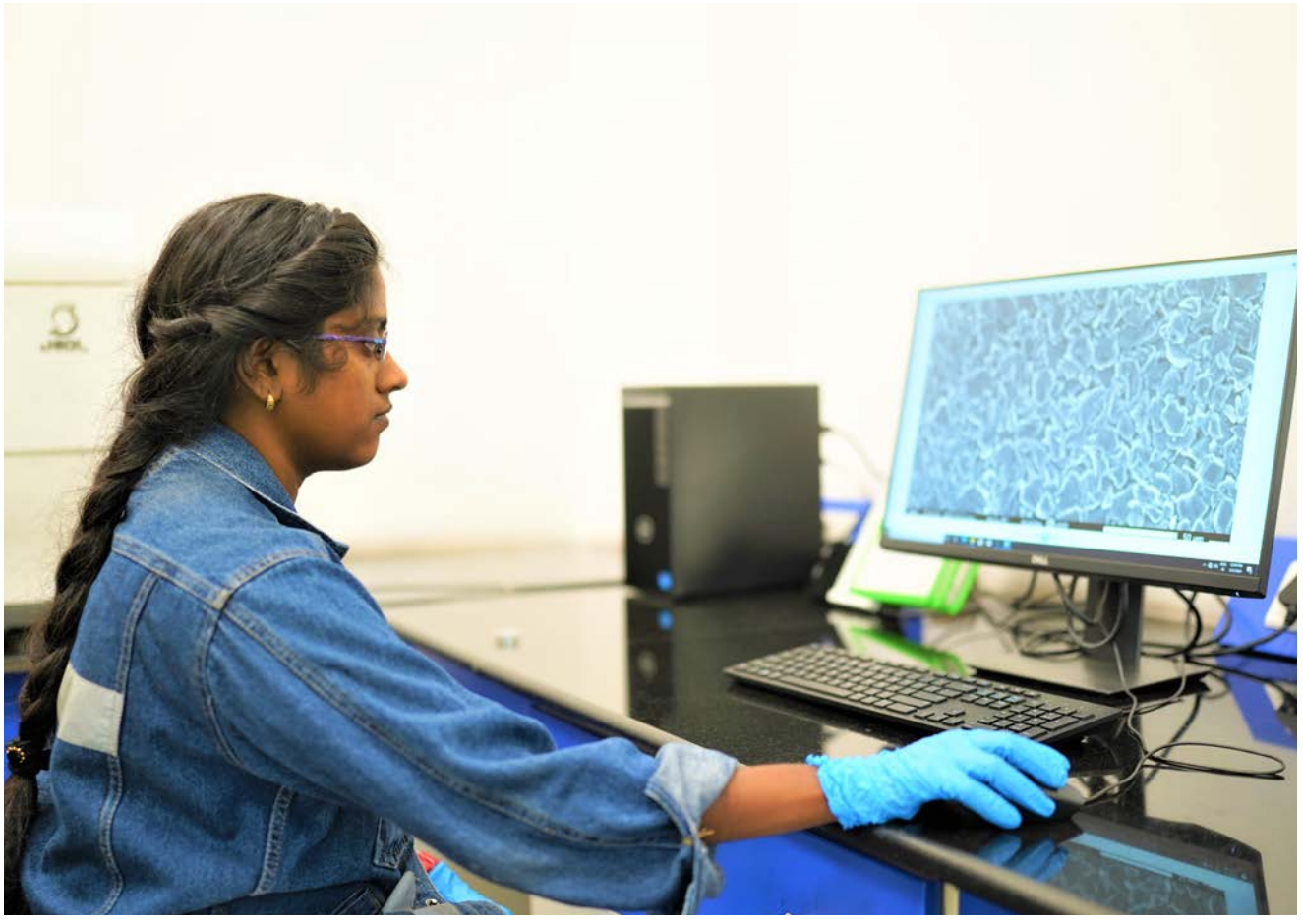
Epsilon conducted a comprehensive environmental impact study on the initial production stages of graphite anodes, drawing on 2022 data. The process, aimed at producing lithium-ion battery components, begins with the creation of a precursor and culminates in the final anode synthesis.

The study, guided by the Environmental Footprint 3.0 framework, indicates a GWP of 5.2 kg CO_2 eq. per kilogram of anode. The energy demands of the graphitization phase and the production of the coal tar precursor are the main environmental load factors. However, the use of Captive Power Plant (CPP) for thermal energy results in environmental benefits, particularly in the reduction of carbon footprint and photochemical ozone creation. This initiative enhances the energy efficiency of the graphite anode production process and significantly lowers the Global Warming Potential (GWP), marking a shift from conventional coal-based energy sources.

Compared to counterparts in China, Epsilon's anode production showcases a reduced ecological footprint. The environmental impacts remain uniform across various categories, with the exception of photochemical ozone, which sees an improvement due to the recycling of waste gases.

Global Warming Potential Impact Comparison Scenario





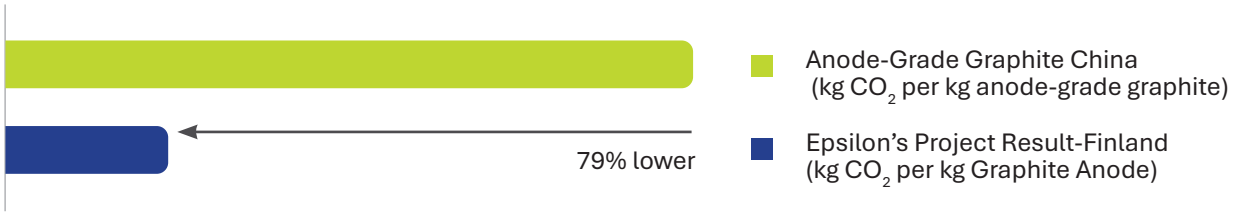
Analysis Result-Finland

Epsilon initiated a cradle-to-gate life cycle assessment focused on the future production of battery-grade graphite anode material at its proposed facility in the GigaVaasa area of Vaasa. The study utilized primary data from Epsilon's detailed mass balance projections for 2024 and supplementary data from the ecoinvent 3.10 database, following the Environmental Footprint (EF) 3.1 methodology and ISO-14067 standards.

The assessment defined the functional unit as one kilogram of graphite, with a purity greater than 99.99%. The environmental impacts were allocated between the graphite and its co-products—such as green petroleum coke fines, pitch oil, graphitized calcined petroleum coke, gypsum, and used crucibles—using a step-wise economic allocation method. A sensitivity analysis with mass allocation was also conducted to assess the impact of the allocation method on climate change results.

The detailed examination of the climate change impact category revealed that the production of graphite has a climate change impact of 4.7 kg CO_2 equivalent per kilogram. The most substantial impact comes from the embodied impacts of the resistor/insulator grade Calcined Petroleum Coke (CPC), contributing 1.8 kg CO_2 eq. per kg SG (38%). The second-largest impact is from the embodied impacts of electricity, contributing 1.0 kg CO_2 eq. per kg SG (22%), despite sourcing from a 100% renewable energy grid. The energy-intensive nature of graphite production is a significant factor in the overall environmental footprint.

Global Warming Potential Impact Comparison Scenario



Analysis Result-USA

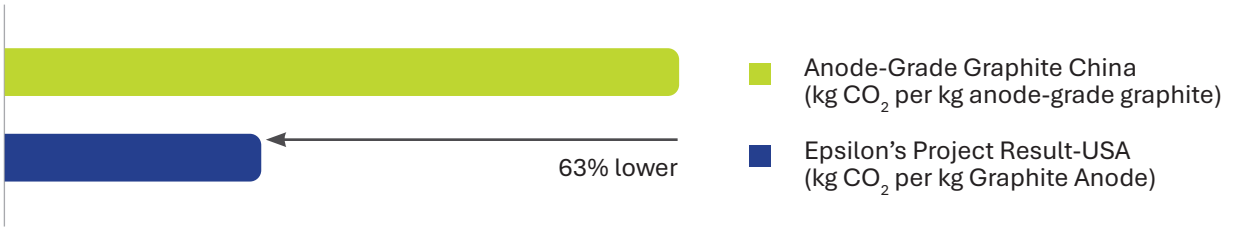
Epsilon's environmental assessment for the projected manufacturing of battery-grade graphite anode material at its intended facility in Brunswick County, North Carolina, focused on the climate change impact from the beginning of production to just before distribution. The study, adhering to the Environmental Footprint (EF) 3.1 guidelines and ISO-14067 standards, established a benchmark of one kilogram of graphite with over 99.99% purity.

The environmental impact assessment allocated burdens between the graphite and its by-products using a step-wise economic allocation method, with a sensitivity analysis conducted through mass allocation to assess the influence on climate change results.

The study highlighted that the climate change impact stands at 8.7 kg CO_2 equivalent per kilogram of graphite. The largest impact is attributed to electricity consumption, with 4.0 kg CO_2 eq. per kg graphite (46%), reflecting both the energy supplied and the energy demands of production. The second largest impact is from the Calcined Petroleum Coke (CPC), at 2.3 kg CO_2 eq. per kg graphite (27%). Additional impacts come from the production of green petroleum coke feedstock (10%) and crucibles (9%).

Overall, the study revealed that if a mass allocation approach were applied, the baseline climate change impact would be reduced to 5.7 kg CO_2 eq. per kg graphite, demonstrating the significance of the allocation method chosen in determining the environmental footprint.

Global Warming Potential Impact Comparison Scenario



Building Lasting Connections with Customers

We envision a future where every customer interaction is impactful. By harnessing innovative technologies and data-driven insights, we strive to build meaningful connections that reflect our customers' unique needs. Our commitment to transparency, personalization, and collaboration enables an ecosystem for lasting relationships, shaping a brighter, sustainable future that embodies our shared values.

Leading the Charge for Environmental Sustainability

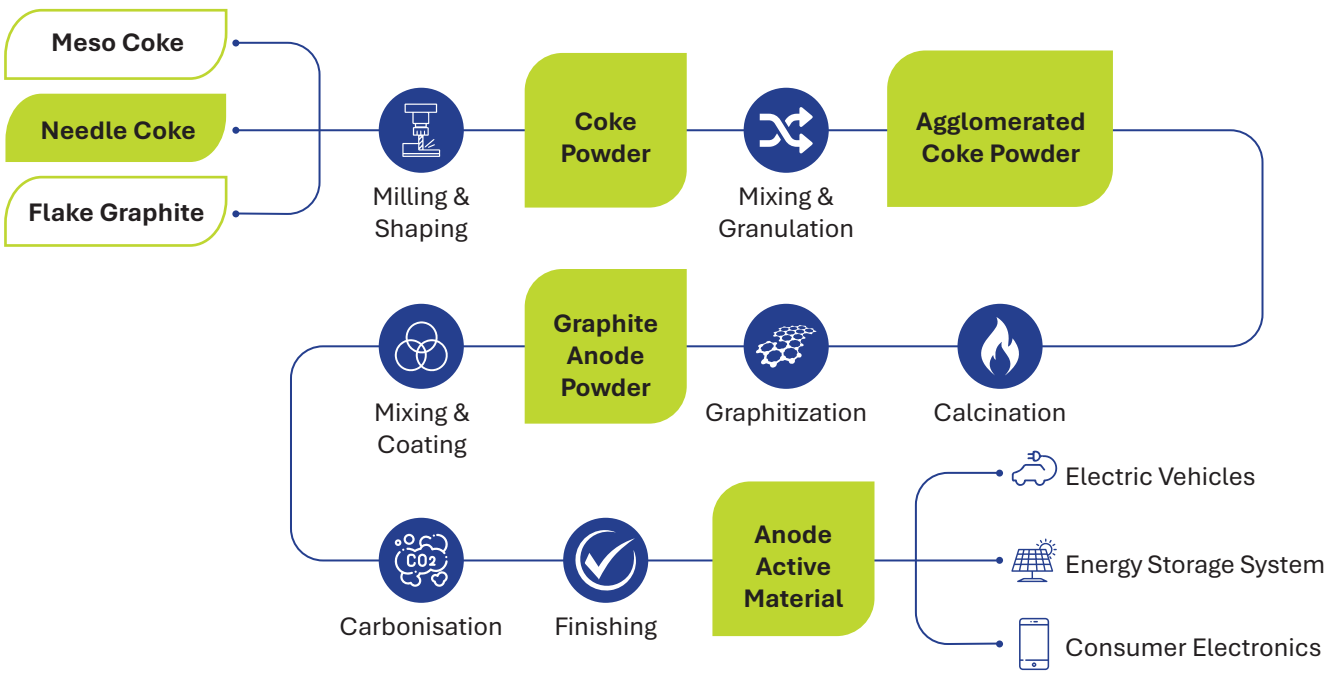
Epsilon Advanced Materials is committed to minimizing the environmental impact of our operations by adopting innovative processes and sustainable practices. Our approach is guided by a purpose-driven business model grounded in ESG principles, focusing on reducing emissions, optimizing resources, and promoting circularity.

Materials

We continuously enhance our technology, materials, chemistry, and design to eliminate negative externalities in our business. Our operations are 100% backward integrated, ensuring full control over the manufacturing process. We prioritize localization in our supply chain, sourcing raw materials from nearby steel industries. By reusing industrial waste, such as by-products from iron and steel production and graphitization processes, we produce high-performance and high-quality battery materials. This approach not only reduces reliance on virgin resources but also transforms waste into valuable raw materials.

Pitch, a product of the specialty carbon unit, is utilized as a key input to produce bulk mesophase or synthetic graphite, which are the primary raw materials for further processing. The conversion process involves several stages, including milling, coating, granulation, and calcination, each contributing to the refinement and enhancement of the raw materials. As a result, two final products are obtained: calcined bulk mesophase coke-coated powder and calcined natural graphite-coated powder, both crucial for high-performance applications.

Graphite Anode Manufacturing Process



Throughout this process, three byproducts are generated: pitch oil, coke powder fines, and bag filter fines. The system is designed to maximize resource efficiency by recovering both pitch oil and bag filter fines, which are reintroduced into the production cycle. Moreover, coke powder fines are not discarded but instead recycled into the process to generate new bulk mesophase. This closed-loop system ensures that all materials are reused or recovered, leading to 100% circularity in the production process.

Energy

Epsilon Advanced Materials has strategically positioned itself as a leader in sustainable energy use, with a comprehensive strategy that emphasizes environmental stewardship. At the core of this strategy is the full utilization of recovered waste gases, which now completely satisfy the energy requirements for EAMPL operations. This not only significantly curtails our carbon footprint but also demonstrates our unwavering commitment to eco-friendly industrial practices.

To strengthen this initiative, ECPL, a partner company, has commissioned a new 17MW Captive Power Plant (CPP) within the Epsilon campus in Bellary, Karnataka. This facility is set to provide Epsilon Advanced Materials with a consistent and efficient power supply. The CPP's capacity to generate an excess of 15 MW of power presents us with an opportunity to access additional energy, potentially lowering energy expenses and ensuring operational continuity. This shared infrastructure exemplifies our collaborative approach to sustainability and operational efficiency.

Furthering our environmental objectives, we have transitioned to fully electrified plant operations and adopted electric vehicles (EVs) for raw material sourcing. This shift has led to a commendable 90% reduction in CO_2 emissions, reinforcing our position as an environmentally responsible entity.

To augment our energy conservation efforts, advanced energy monitoring systems have been installed, and traditional lighting has been replaced with energy-efficient LED technology. These proactive steps are integral to our ongoing commitment to minimize our ecological footprint and promote sustainable business practices.

Emissions

Our goal is to be a key driver of the clean energy transition, ensuring minimal environmental impact and achieving net-zero emissions across our operations and supply chain. We understand the vital role emission reduction plays in building a sustainable future, and we are committed to developing innovative strategies and adopting advanced technologies to lower our carbon footprint. By implementing system that recovers heat from waste gases and improving operational efficiency, we aim to take the lead in emission reduction for a healthier planet. Furthermore, we are in the process of aligning our emission targets with the Science Based Targets initiative (SBTi) to cap global warming at 1.5°C, reaffirming our commitment to climate action.

Epsilon Advanced Materials Commitment to Ozone Layer Protection

The depletion of the ozone layer has had significant negative impacts on ecosystems across the globe. Epsilon Advanced Materials reaffirmed its commitment to adopting practices that contribute to the healing of the ozone layer and the planet. By reducing emissions and promoting sustainability, the company strives to restore environmental balance and create a healthier world for future generations. Through collective efforts, a sustainable future is within reach.

Water

We employ a Zero Liquid Discharge (ZLD) system, ensuring that 100% of the treated wastewater is reused on-site. Our approach goes beyond regulatory compliance; it reflects a proactive stance in fostering a sustainable operational model. This allows us to conserve water resources and reduce environmental impact through efficient water management.

Waste

At Epsilon, we envision a future where waste is not merely managed but entirely transformed. While we are in the early stages of our sustainability journey, we are passionately committed to reimagining our approach to waste reduction. We aspire to develop innovative strategies that prioritize recycling, reusability, and resource efficiency. By fostering a culture of sustainability within our organization and engaging with our stakeholders, we aim to create a roadmap that minimizes waste and maximizes the value of every resource. We are also working towards recycling battery waste, aligning our efforts with industry best practices.

Biodiversity

In the flourishing months of October and November for the year 2023-24, Epsilon Advanced Materials took a significant stride in its commitment to environmental stewardship and sustainability.We undertook a green initiative that saw the cultivation of approximately 1,345 saplings. This biodiversity initiative is a testament to Epsilon Advanced Materials' dedication to nurturing the ecosystem and contributing to the reforestation efforts in the region.

The saplings, carefully selected for their adaptability and positive impact on the local environment, were planted with the aim of creating a more biodiverse and resilient landscape. This initiative not only enhances the natural beauty of the Epsilon area but also serves as a vital step towards offsetting carbon emissions and supporting wildlife habitats.

Our biodiversity project is part of a broader environmental vision that underscores the company's recognition of the critical role that businesses play in conservation and ecological balance. By integrating sustainability into its core operations, Epsilon Advanced Materials is setting a precedent for responsible corporate behavior and fostering a greener future for generations to come.

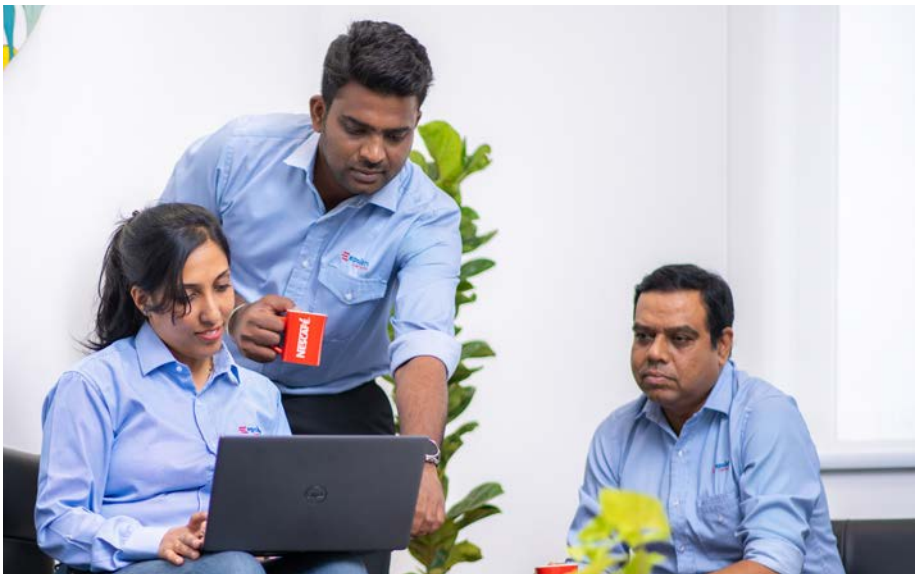
Driving People Culture

We believe that our people are the foundation of our success. Our “Driving People Culture” philosophy reflects our strong commitment to fostering a supportive and inclusive culture where every employee is valued and empowered. We believe that a thriving workforce is essential for driving innovation and achieving our goals.

This dedication extends beyond the workplace, as we recognize our responsibility to the communities in which we operate. By prioritizing the well-being and development of our employees, we create a dynamic environment that nurtures collaboration, creativity, and growth. Together, we are shaping a brighter future, both within our organization and in the communities we serve.

Employees

At Epsilon, we excel through creativity, teamwork, and a unified mission. We champion diversity, ensuring every individual is heard and ideas thrive. Our transparent work culture promotes inquisitiveness and ongoing education, enabling each team member to challenge limits and make a significant impact. We recognize and celebrate all accomplishments, fostering connections that transcend the office.



Diversity and Inclusivity

Our objective is to cultivate a merit-based, diverse, and inclusive workforce by becoming the preferred employer of choice. We provide an exceptional employee experience, comprehensive benefits, and incentives. Regular functional and behavioural training underpins our high-performance ethos through a unique development program. We offer continuous growth and learning opportunities, encompassing a broad range of technical, behavioural, and safety training.

Learning and Development

At Epsilon, we are dedicated to fostering a sustainable, safe, and growth-oriented workplace. Our Learning and Development (L&D) policy reflects our commitment to empowering employees by providing continuous opportunities to expand their skills and knowledge, ensuring they are equipped to thrive in an evolving landscape.

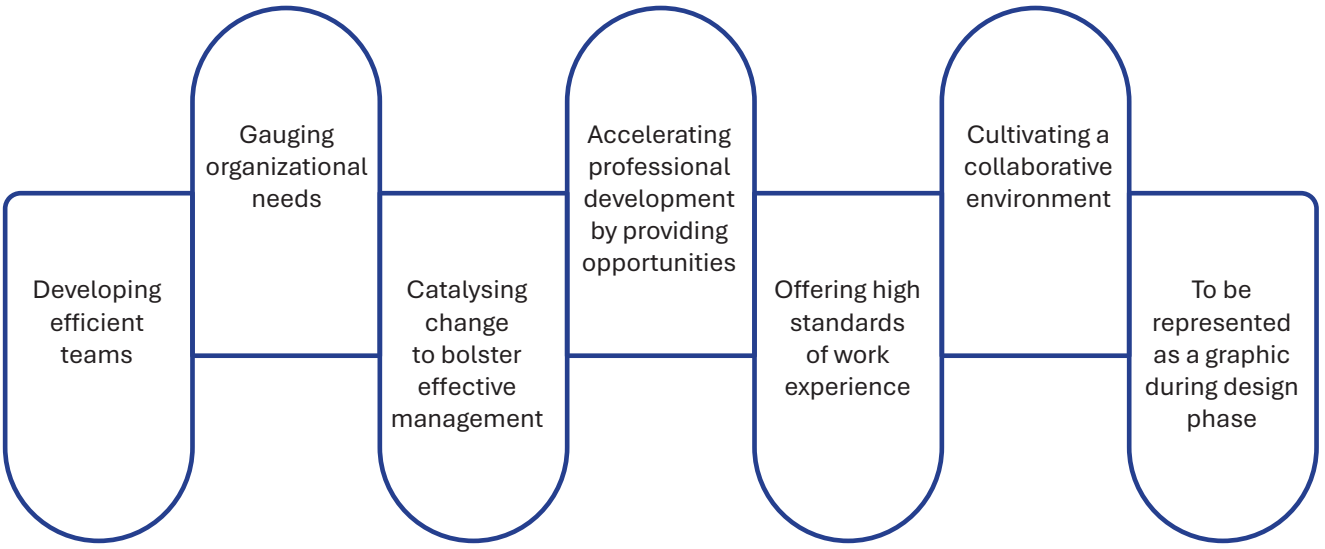
Our team's commitment to continuous learning and professional enhancement has led us to join the esteemed India Energy Storage Alliance (IESA), a key industry body championing the progress of energy storage, sustainable hydrogen, and electric vehicle technologies within India. This strategic partnership unlocks exclusive access to their comprehensive learning management system, boasting an extensive library of over 60 meticulously curated courses and close to 20 insightful recorded webinars. We strongly advocate for our employees to immerse themselves in this wealth of knowledge, selecting and participating in those training programs that resonate with their individual learning journeys and professional aspirations.

Epsilon Elevate 2024 at Indian School of Business, Hyderabad

Epsilon has seen 25 senior executives complete the "Epsilon Elevate - Senior Leadership Development Programme" at the Indian School of Business, reflecting the company's focus on cultivating a strong learning culture. This program equips leaders with critical skills for team guidance, goal setting, and stakeholder management. Emphasizing continuous learning, Epsilon Carbon positions itself for sustained growth and leadership excellence, fostering an environment where high standards are the norm.

Management Development Program 2024 at Indian Institute of Management, Calcutta

L&D Policy Objectives:



With an attrition rate of 11.76%, we maintain a stable and committed team. Our employees benefit from 3.2 training days per year on average, ensuring they are well-equipped with the necessary skills. Additionally, our digital adoption rate stands at 69%, reflecting our commitment to leveraging technology for enhanced productivity and innovation.

Mandatory training informed by industry standards is provided which includes essential updates on industry practices on ethics, risk management and company policies. Code of Conduct and POSH Training including anti-corruption guidelines is provided to every employees. In order to reinforce the understanding and ensure adherence to human rights principles, biannual KYC Refresher courses are taken.

Whistleblower Policy

Our grievance and whistleblower policies aims to enable our employees to disclose any concerns pertaining to processes, personnel, or resources thereby, establishing a comprehensive system and culture of feedback. These policies clearly define specific roles and responsibilities, timelines for resolution of grievances and reporting, and escalation paths. Through this system, every individual regardless of their employment status can access multiple channels to express concerns pertaining but not limited to health, safety, welfare, wage payments and working conditions. With that, equal opportunity is provided to all of our employees and contractors to leverage and utilise these grievance mechanisms.

Human Rights

At Epsilon, the rights of our employees, contractors, partners and other stakeholders are valued very seriously. Adherence to the Universal declaration of Human Rights is reflected in our Business Code of Conduct which is rolled out to all stakeholders associated with our company. We work in tandem with our stakeholders across all locations to effectively mitigate risks and ensure the protection of human rights. Apart from our anti-discrimination policy which covers all aspects of diversity, policies against sexual harassment, retaliation, child labor, forced labour, and human trafficking is also strictly enforced and monitored throughout the organisation.

Workplace Discrimination

Epsilon is deeply committed to cultivating a culture where every employee feels valued and respected. We condemn workplace discrimination and strictly monitor and resolve any instances of workplace discrimination. Employees can report their concerns via a helpdesk feature, built in the Darwinbox cloud platform. Each case is managed and investigated thoroughly by our ethical compliance team, in accordance with all relevant laws and policies.

Talent Attraction and Retention

We are committed to creating an environment where employees can thrive through a culture of continuous learning, enabling steady growth within the company.

Our goal is to be the most desired employer and an effort in that direction is offering a comprehensive benefits package to our employees. This approach ensures that our employees feel valued and supported, which is essential to our strategy for strengthening retention and fostering long-term success. It encompasses group life insurance, health and medical insurance, parental leave, retirement plans, canteen access, residential accommodation within a township which also includes recreational clubs and scenic parks, transportation services and an on-call medical doctor.

We prioritize maternal health, offering 26 weeks of maternity leave to support new mothers in adjusting to their roles and caring for their newborns. To further enhance work-life balance, our female employees also have the option to work from home twice a month.

Our leave and flexible work policies are intended to ensure that personal commitments are achieved along professional responsibilities. A key highlight in that area is our provision of special vacation times and flexible hours. To those requiring reduced hours, part-time work with benefits are allowed. We also ease the lives of working parents by providing childcare support. We also foster community through family events thereby, enhancing employee satisfaction. Employee support groups and networks further create a safe space for communication for employees to address their concerns.

In line with our commitment to fair labour practices, we guarantee a 30-day notice period and ensure minimum wage standards. We place a strong emphasis on employee welfare by providing transportation services, particularly for female employees, and equipping our campus with a medical center. Additionally, a hospital is conveniently located nearby, and we partner with a designated hospital for regular and annual health check-ups to promote the well-being of our workforce.

Epsilon Advanced Materials onboarded 47 Graduate Engineer Trainees, each selected for their potential and innovative mindset. This new cohort represents a wealth of talent and potential that are essential for driving the company's growth and ambitious vision forward. We are dedicated to providing an environment that promotes their growth, offering mentorship, hands-on experience, and collaborative skill-building opportunities.

Occupational Health and Safety

Our Health, Safety, and Environment (HSE) policy, aligned with the principles of the UN Global Compact (UNGC) and the International Labour Organization (ILO), ensures that the well-being of our employees and contractors is a priority. With oversight from the CEO and the Board, we strive to maintain the highest standards of safety and environmental responsibility in all our operations.

Epsilon Advanced Materials has been awarded the ISO 45001:2018 certification by TÜV SÜD South Asia Private Limited for its Occupational Health and Safety Management System. This certification covers the design and manufacturing of synthetic graphite, mesocoke granules, and powder at our facility located at Sandur, Bellary, Karnataka, India.

Our Standard Operating Procedures (SOPs) are designed to identify and record unsafe acts and conditions, prioritizing safety observations, and implementing corrective measures. We also identify internal and external issues, risks, and opportunities to continuously improve our safety performances. We utilize an application-based system for reporting health, safety, transportation, and process safety metrics. This system allows workers to report hazards and unsafe conditions, ensuring a proactive approach to safety management.

Incident investigations are conducted to analyse work-related incidents, identify hazards, assess risks, and determine corrective actions using the hierarchy of controls. Periodic medical examinations are conducted every six months to ensure the health and safety of our employees.

Communication within the organization is structured through a comprehensive communication matrix, which includes daily morning meetings, emails, monthly management review meetings, internal and external training sessions, shift-changeover meetings, circulars, information displays, daily production meetings, operational review meetings, walkthroughs, and other meetings as necessary.

Our internal communication matrix covers various aspects such as HES accidents/incidents, internal quality nonconformance, supplier evaluation, emergency preparedness, training needs, legal requirements updates, monthly production planning, customer specifications, QHSE policy, status of objectives, HES management programs, IMS manual, SOPs, document change management, environmental aspect-impact analysis, internal audit results, monthly operation review, SQEC meeting actions, skill/competence level of employees, and contractor communication.

Externally, we manage communication regarding customer complaints, EHS observations from regulatory bodies, visitor communication, supplier performance, public and interested parties communication, legal agency communication, emergency/accident communication, QHSE policy, and agreements related to working, HR policies, safety, and environment.

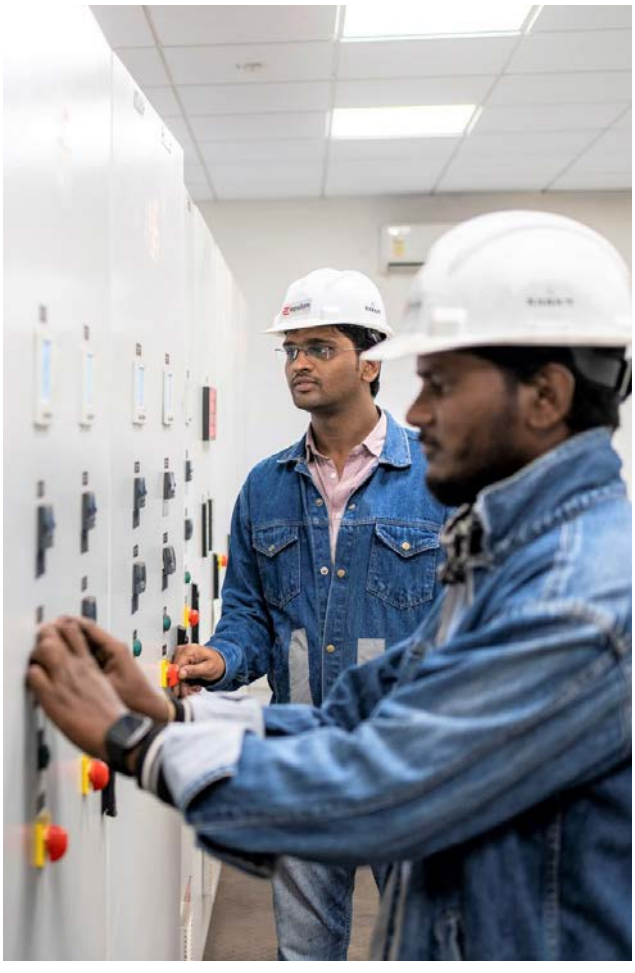
Participation and consultation are integral to our safety culture. We engage health and safety practitioners (HPTs) in safety improvement activities through monthly safety scorecards and quarterly safety committee meetings, including “Safety Week” activities. HPTs and contractors are involved in hazard identification, risk assessment, near-miss findings, and accident investigations. We consult them during quarterly safety committee meetings on changes affecting OH&S matters and manage contractor agreements and controls.

Our HES Committee, comprising equal numbers of management and contractor representatives, meets every two months. Key responsible persons include the Chairman (Location Head), Alternate Chairman (Operations Head), Secretary (HES Head), and Alternate Secretary (HES Manager).

We offer comprehensive occupational health and safety training, including first aid, firefighting, factories act training, management of change, PPE awareness, work at height, confined space awareness, chemical safety, SCBA wearing, electrical safety, process safety, emergency response, environmental awareness, permit to work, and lockout/tagout. Training needs are identified through a TNI matrix, assessed, approved, and followed by HR and departmental HODs. Training is delivered through classroom and practical sessions, sometimes online, and in local languages and English. External trainers provide mandatory training for new site visitors, forklift operators, firefighting, and first aid teams. Training effectiveness is evaluated through post-training examinations.

Our health clinic at residential quarters addresses non-occupational medical issues, with health data managed by the FMO and incorporated into SOPs. We have a robust emergency mitigation plan, including onsite and offsite emergency plans approved by the Director of Factories, covering fire, explosion, earthquake, and bomb threat scenarios. Our OHSMS is based on legal requirements and recognized standards/guidelines.

Epsilon has implemented an Occupational Health and Safety Management System (OHSMS) based on legal



requirements and recognized standards, specifically following IS 3786:2022. This system covers 100% of our employees and workers, all of whom are included in internal audits and external certifications.

We are proud to note that there have been no fatalities during this reporting period. We diligently track injuries, diseases, lost days, and absenteeism. Our hazard identification and risk assessment processes have identified several work-related hazards that pose a risk of high-consequence injury, including pressurized lines, high-pressure steam, fire, bulk storage of flammable materials, electrical faults, rotary equipment, spillage, flammable and toxic residual gases, pressurized flange joints, collisions with plant structures, condensate water, and electrocution.

To mitigate these risks, we have implemented various controls. For rotary equipment, we use machine guarding, inspect tools before use, ensure appropriate PPE usage, and prohibit the use of pneumatic tools without machine guarding. For high-pressure steam hazards, we employ competent and specialized personnel, secure connections and fittings with whiplash arresters, inspect air hoses before use, and assign standby personnel at air manifolds or compressors. Fire hazards are managed by having a standby fire watch, sufficient fire extinguishers, keeping hoses away from hot surfaces or molten slugs, ensuring proper communication between fire watchmen and hole watchers, using metallic platforms, and covering work platforms with fire blankets.

We also address other work-related hazards, such as inhalation of dust and poor body posture, through local exhaust ventilation systems, work rotations, regular workplace monitoring, PPE, training, periodic health checks, and health counselling.

During the reporting period, we identified zero high-potential work-related incidents and zero close calls. We ensure that all data is compiled following IS 3786:2022 standards, methodologies, and assumptions.

Employee Focus and Wellbeing

We prioritize employee engagement and well-being, understanding that a connected, healthy, and motivated team is essential to our success. Our commitment to creating a positive work environment is reflected in our Employee Net Promoter Score (eNPS) of 27.

We are committed to creating a workplace where every employee feels valued and supported. Open communication is encouraged through various channels, ensuring that everyone's voice is heard. Team-building activities and social events help build strong, collaborative relationships among colleagues.

Health and wellness are key priorities. We offer comprehensive health benefits and wellness programs that promote physical and mental health. Regular health screenings and counselling services are available to support our employees' overall wellbeing.

Work-life balance is a key element of our employee well-being strategy. Flexible work arrangements enable employees to manage both their professional and personal lives, while family-friendly policies reinforce our commitment to supporting their diverse needs.

At Epsilon, we are committed to creating a workplace where employees can thrive. By prioritizing engagement and well-being, we strive to build a motivated, connected, and healthy team prepared to drive our company forward.

Epsilon Advanced Materials initiated special yoga sessions at our office and manufacturing facility on the occasion of International Yoga Day. Guided by the expertise of renowned celebrity yoga trainer Rahul Patel and our in-house yoga specialist from the HR department, the sessions offered our employees a valuable chance to unite, de-stress, and prioritize their health.

Emphasizing Wellness at Epsilon Advanced Materials on International Yoga Day

Prioritizing Mental Health: Building a Supportive and Compassionate Workplace at Epsilon

At Epsilon Advanced Materials, we believe that mental health is as important as physical well-being. We are committed to creating a supportive, open, and empowering environment for all employees. By fostering a culture of care and understanding, we aim to break the stigma surrounding mental health and encourage everyone to prioritize their well-being in the workplace.

Community

Epsilon Foundation, the sustainability arm of Epsilon Advanced Materials is dedicated to empowering communities and advancing sustainable development. Our mission is to equip individuals with the necessary resources and opportunities to lead healthier, more productive lives. Through various programs and initiatives, we support communities in developing the skills and capacities required to reach their full potential. We have positively impacted over 4,00,000 lives across 49 villages in three states, focusing on six key areas: health, education, gender equality, community infrastructure, sports promotion, and environmental sustainability.

Our Corporate Social Responsibility (CSR) policy serves as a guide for our efforts in community development, reflecting our dedication to making a positive impact on society. We believe that by aligning our business goals with the needs of the community, we can create lasting, meaningful change.

Key Highlights

2 Total Programs

3986 Total Beneficiaries

4,782,998
Total amount Spent under CER, EGPL

SDG Mapping

SDG 3: Strengthening Health Systems

We have made a substantial impact by enhancing the anaesthesia department at the Vijayanagar Institute of Medical Sciences (VIMS) in Ballari, which performs approximately 15,000 surgeries each year. Our support has enabled the hospital to treat 4,000 patients. The Central Lab has seen a significant rise in patient volume, increasing from 100-125 patients to an average of 250 samples daily, effectively doubling its testing capacity. Additionally, we supplied 12 pieces of ophthalmology equipment, further improving vision care services at VIMS.

SDG 4: Promoting Innovation and Ensuring Equitable Education

Our programs have empowered roughly 1,700 children by introducing smart classrooms in government schools in Kodalu and Chikkanchapur. We have also positively influenced the lives of 300 children through nine Aanganwadis. Moreover, more than 1,000 students have gained access to a modern library.

SDG 5: Advancing Gender Equality

Over 30 rural women in the Bellary district have been trained in providing sanitation services for both public and private sector offices, thereby supporting gender equality and economic empowerment.

SDG 6: Ensuring Clean Water & Sanitation

In FY21, we delivered approximately 12 lakh litres of drinking water to three villages. Through our Safe Drinking Water initiative, we have guaranteed the availability of safe drinking water in the DIZ villages of Chikkanapur, Kodalu, and Anantapur, particularly during periods of water scarcity. For the year 2023-24, we plan to install three RO water purifiers with a total capacity of 42 lakh litres, benefiting around 7,000 individuals with access to clean drinking water.

SDG 7: Promoting Affordable Clean Energy

As part of our clean energy efforts, we installed 130 LED streetlights, which have benefited 8,000 residents across three DIZ villages.

Programs and Focus Areas

Education

In the realm of education, we have upgraded infrastructure in 7 schools across 6 villages and supported over 700 children through 9 Anganwadi centers. Additionally, we established a child-friendly library and awarded Pragati Scholarships to more than 300 children in Bellary and Dehradun. Our initiatives in education include enhancing school infrastructure to create conducive learning environments, providing financial aid through scholarship programs to alleviate family financial burdens and ensure uninterrupted education, promoting children's literature by expanding library collections to foster a love for reading and improve literacy, and introducing STEM labs to facilitate holistic learning and prepare students for future challenges.

Health

In health, our Mobile Health Clinics have served over 60,000 beneficiaries across seven villages. We have installed more than 60 pieces of medical equipment at Public Health Centers, benefiting 120,000 individuals. Our School Health Program has conducted health check-ups for over 4,000 students in eight district villages, and we have provided telemedicine services to more than 15,000 patients across six villages. Additionally, we support 20 elderly individuals at the "Mann Ka Tilak" old age home. Our health initiatives focus on improving healthcare access for underserved populations, particularly women, children, and the elderly, reducing costs while maintaining or enhancing the quality of care and patient satisfaction, promoting preventative care and strengthening the healthcare workforce, and addressing health equity by tackling disparities in healthcare access and regularly evaluating our programs for effectiveness.

Environment

Our environmental efforts include promoting the conservation of natural resources, such as solar energy and forest conservation, while also fostering partnerships and collaborations among stakeholders to achieve shared environmental goals.

Income Generation & Livelihoods

In income generation and livelihoods, we have installed clean drinking water facilities for 2,000 households, benefiting 12,000 community members, and engaged seven schools and six villages in tree plantation and maintenance activities. We provide young people with relevant skills and training to enhance their employability and offer specialized technical and vocational training in the manufacturing sector to align their skills with industry requirements.

Women Empowerment

Furthermore, our commitment to women empowerment includes strengthening efforts to empower women in catchment villages through livelihood solutions, skill development, and training for self-employment and formal job opportunities, all aimed at improving household income.

Through these initiatives, Epsilon Foundation continues to create lasting positive change, helping build a more sustainable and equitable future for communities and individuals.

Detailed Initiatives on Community Engagement

Empowering Healthcare Through Solar Electrification: A Case Study from Kudithini, Metriki, and Vitalapur

Access to reliable electricity is essential for effective healthcare delivery, especially in government hospitals that serve vulnerable populations. However, many of these facilities face significant challenges with frequent power outages, which can disrupt critical medical equipment and compromise patient safety.

To tackle these challenges, a solar electrification project was initiated at the Government Primary Health Centers (PHCs) in Kudithini, Metriki, and Vitalapur. This initiative aims to provide seamless healthcare services to the 114,449 residents who depend on these centers. With an investment of INR 3,866,070, the project has transformed how healthcare is delivered in these communities.

The primary goal of this solar electrification project is to ensure an uninterrupted power supply for vital medical equipment. By harnessing solar energy, these health centers can guarantee continuous electricity flow, minimizing risks during emergencies and enhancing patient care. Additionally, reliable lighting is critical for surgical procedures and examination rooms, significantly improving safety and the overall patient experience.

The implementation of this project involved careful assessment of the energy needs of each PHC, followed by the installation of solar panels tailored to each facility. Skilled technicians ensured that the systems were seamlessly integrated into the existing infrastructure. Once installed, thorough testing was conducted to verify that everything functioned safely and effectively. Staff members were also trained in the operation and maintenance of the solar systems, ensuring long-term sustainability.

The impact of solar electrification has been transformative. Patients now benefit from enhanced safety and improved healthcare delivery, thanks to the reliable power for medical equipment and consistent lighting. The project also contributes to sustainability efforts by reducing reliance on traditional energy sources and lowering the carbon footprint of these facilities.

Ultimately, the solar electrification of government hospitals in Kudithini, Metriki, and Vitalapur not only addresses energy challenges but also empowers local communities. By improving access to reliable healthcare services, this initiative supports better public health outcomes and illustrates the potential of renewable energy in enhancing healthcare infrastructure.

As technology continues to advance and costs decline, solar electrification is set to play a pivotal role in shaping a healthier, more sustainable future for communities everywhere.

Develop and enhancement of civil infrastructure by making student friendly environment.

Established Mini Science Centre (MSC) for the students who is studying in 6th to 08th standard to make learning of Science and Mathematics subjects in an uncomplicated way.

Upgraded Nanhi Kali classroom with wall art as per syllabus of 01st to 03rd standard & did improve seating arrangement.

Construction of a Road with Drainage Beside Chikkantapur School

The construction of a concrete cement (CC) road with proper drainage near the government school in Chikkantapur, with an investment of INR 160,793, aims to improve safety and accessibility for approximately 1,449 daily commuters and students. This project enhances the learning environment by incorporating designated walkways and crosswalks.

Installation of Solar Streetlights

The installation of solar streetlights in Sripura, Chikkanthapur, and Anthapur villages significantly enhances safety for local communities. In Sripura, 40 solar streetlights were installed with an investment of INR 511,000, improving visibility and fostering a sense of safety for the village's 2,000 residents. In Chikkanthapur and Anthapur, Epsilon Advanced Materials installed 40 and 30 solar streetlights, respectively, benefiting over 5,000 residents by enhancing safety and reducing energy costs while promoting sustainable energy solutions.

Development of a Public Park in Sripura Village

The development of a public park in Sripura village, with an investment of INR 2,514,585, aims to create a vibrant community space that encourages social interaction and fosters a sense of belonging. This park features walking trails, bike paths, playground equipment, and open areas for games and sports, promoting physical activity essential for a healthy lifestyle. It serves as a gathering place for residents, enhancing physical fitness for all ages, especially benefiting approximately 300 children and providing companionship for seniors.

Strengthening Education at Government Model Higher Primary School, Kudithini

Epsilon Advanced Materials has made significant strides in enhancing the infrastructure of the Government Model Higher Primary School in Kudithini, Ballari District, as part of its Corporate Social Responsibility (CSR) initiatives for FY 2023-24. The transformed school was inaugurated on February 13, 2024, aiming to provide better quality education for children in this rural area.

This initiative directly benefits over 600 students and teachers, fostering a conducive learning environment that encourages regular attendance and promotes the enrolment of more children in government schools. Education is a key pillar of Epsilon's CSR initiatives, executed in collaboration with the School Development and Management Committee (SDMC).

Key enhancements include:

- **Mini Science Centre (MSC) :** Equipped with 80 exhibits based on over 150 science and math concepts, the MSC aims to simplify complex subjects and enhance learning for students, especially those from less privileged backgrounds.
- **Audiovisual Room :** Installation of K-YAN digital learning aids to enrich the educational experience.
- **Drinking Water Facility :** A purified drinking water RO unit with a capacity of 120 Liters has been established to ensure access to clean water.
- **Healthcare Support :** A first aid box has been provided to address immediate health needs.
- **Upgraded Nanhi Kali Classrooms :** Improvements include wall art aligned with the syllabus for grades 1 to 3, along with round tables and chairs for a better seating arrangement and book storage.
- **Student Benches :** New benches have been provided for student comfort.
- **Sports Equipment :** A variety of sports materials, including chess boards, carrom boards, cricket kits, and athletics equipment, have been supplied to promote physical activity.
- **School Renovation :** The school premises have been renovated with paver blocks and ceramic flooring, plumbing upgrades, roof screeding, aluminium partitions, and landscaping for gardening.

These improvements not only enhance the educational infrastructure but also create a joyful and engaging learning environment for all students.

Glimpse of Government Higher Primary School in Lingadahalli

Tree Plantation and Habitat Restoration at Sanjay Gandhi National Park

The tree plantation initiative at Sanjay Gandhi National Park in Borivali, Mumbai, represents a commitment to environmental sustainability, with an investment of INR 1,000,000. Over 1,300 trees have been planted to absorb CO2 and improve air quality, enhancing public health and contributing to a cleaner environment. This project saw participation from 70 employees, highlighting our dedication to afforestation and habitat restoration.

Village Infrastructure Development

This initiative has positively impacted 4,337 villagers through infrastructure enhancements at the reverse osmosis (RO) units in Anthapur and Vitalapur. Improvements include the installation of concrete beds, water pipeline connections, and wastewater disposal connections to drainage systems, ensuring access to clean and safe drinking water.

Quality Education Initiatives

With a total investment of INR 3,195,754, we have enhanced the educational infrastructure at the Government Model Higher Primary School in Kudithini and allocated INR 795,759 for improvements at the Government Higher Primary School in Lingadahalli. These efforts aim to create better learning environments for students in these communities.

Room to Read Foundation

With an investment of INR 1,917,090, the Room to Read Foundation focuses on enhancing foundational literacy and numeracy (FLN) skills in Bellary District and across Karnataka. This initiative provides essential resources to improve educational outcomes for children.

Livelihood Project: Support for Self-Help Groups

Investing INR 2,790,000 in livelihood projects emphasizes the importance of empowering women through Self-help Groups (SHGs) in rural India. We have provided a reverse osmosis (RO) unit with canteen facilities for women in SHGs located in Lingadahalli, Sulthanpur, and Kodalu, fostering community development and economic growth.

Lifeline Assistance Program

With an investment of INR 2,128,650, the Lifeline Assistance Program addresses the critical role of ambulances in emergency medical services. By donating ambulances to underserved communities, we aim to enhance healthcare accessibility and improve medical outcomes through quick response times.

Health Care Initiatives

With an investment of INR 4,071,441, we have conducted Mobile Health Camps and special health initiatives in DIZ villages through our Mobile Health Unit (MHU), ensuring essential medical care is accessible to underserved populations.

Future Direction

The mission of Epsilon Advanced Materials is to develop sustainable and high-performance battery materials that support the global battery industry in energizing the world with clean and green power.

Our organization has made remarkable progress in innovating the battery sector by adopting sustainable practices in the manufacture of anode graphite materials.

As we expand our operations, we proudly meet 100% of our energy requirements through recovered waste gases, significantly reducing our carbon footprint. Additionally, we have transitioned to fully electrified plants, with our sourcing of raw materials conducted using electric vehicles (EVs), achieving an impressive 90% reduction in CO_2 emissions.

Epsilon Advanced Materials is leading the shift towards a more sustainable and Environment friendly battery supply chain. Our inaugural sustainability report highlights our technological advancements and reduced environmental impact, underscoring our commitment to governance, social responsibility, and transparent communication with stakeholders.

As we continue to grow, our focus remains on promoting responsible electrification, cultivating a diverse and inclusive workplace, and actively influencing the industry through our leadership and collaborative efforts. Epsilon Advanced Materials is committed to contributing to a responsible and sustainable future for all where ESG is seen as an opportunity.

We are marching forward on our way to “Electrifying the Road to a Greener Tomorrow”.

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ENERGIZING THE WORLD

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