



Sustainability Report

FY 23-24

Espri Industries & Chemicals



About Us

Espe is a leading pharmaceutical company dedicated to producing high-quality formulations while prioritizing environmental sustainability. Guided by a forward-thinking vision and a deep commitment to corporate responsibility, Espe has embarked on a journey towards sustainability excellence under the leadership of its Directors.

In today's rapidly changing world, the importance of sustainability in business operations cannot be overstated. As the global community faces pressing environmental challenges, Espe recognizes the critical role that corporations play in mitigating climate change, conserving natural resources, and promoting a healthier planet for future generations.

This sustainability report serves as a comprehensive overview of Espe's sustainability efforts, highlighting the company's proactive initiatives, achievements, and future strategies. From renewable energy deployment to tree plantation initiatives, Espe's commitment to sustainability extends across various facets of its operations, reflecting its dedication to balancing business growth with environmental stewardship.

Through this report, Espe aims to showcase its holistic approach to sustainability, emphasizing the integration of environmental, social, and economic considerations into its business practices. By transparently sharing its sustainability journey, Espe hopes to inspire stakeholders, foster collaboration, and drive positive change within the pharmaceutical industry and beyond.

As we navigate the complexities of the modern world, Espe remains steadfast in its commitment to making a meaningful difference, both for the company and the planet. Together, we can build a more sustainable future, where business success goes hand in hand with environmental responsibility.



Executive Summary

Espi Industries & Chemicals Pvt. Ltd. is a pharmaceutical company deeply committed to sustainability and environmental stewardship. Under the visionary leadership of the Directors, Espi has embraced a proactive approach towards sustainability, recognizing the importance of balancing business objectives with environmental responsibility.

A key focus of Espi's sustainability strategy is the deployment of renewable energy sources to meet its energy needs while reducing carbon emissions. In FY 23-24, Espi made significant strides in this direction by prioritizing the installation of solar power plants. This initiative not only aligns with the company's sustainability goals but also contributes to reducing its carbon footprint.


Moreover, Espi's commitment to environmental conservation extends beyond energy initiatives to include tree plantation efforts. In FY 23-24 alone, Espi planted over 217 native trees, resulting in a remarkable CO2 offset potential of 320+ tonnes. Additionally, this initiative led to the rejuvenation of 27,910 sq. ft. of green space, providing numerous environmental benefits.

Furthermore, Espi's tree plantation initiative has had a positive socio-economic impact, with 57 workers benefiting from employment opportunities created by the project. Additionally, Espi's support for local ventures underscores its dedication to fostering sustainable communities and economic development.

Espi exemplifies a holistic approach to sustainability, integrating environmental, social, and economic considerations into its business practices. The Director's visionary leadership and proactive initiatives position Espi as a trailblazer in the pharmaceutical industry, setting a precedent for sustainable growth and responsible corporate citizenship.

Environmental & Social Impact

- **21.9%** renewable energy consumption
- **200 kW** of solar deployed already
- Deploying another **100 kW** solar plant in FY 24-25
- First Indian SME in Pharmaceuticals, Biotechnology and Life Sciences sector to set **SBTi target**
- **217** native trees planted
 - **320+** tonne CO2 offset potential
 - **27,910 sq. ft.** area rejuvenated
 - **57 families** benefitted
 - 15+ local ventures supported
- Rs. **13,36,000** donated to charitable organizations



Environmental Policy and Commitment Recommendations

We hold an unwavering commitment to environmental stewardship and sustainable practices in every facet of our pharmaceutical and manufacturing operations. Our Environmental Policy serves as a cornerstone of our corporate ethos, guiding our actions towards minimizing our environmental footprint, conserving natural resources, and fostering a greener and more sustainable future.

Resource Efficiency:

Central to our Environmental Policy is our pledge to optimize resource utilization throughout our operations. We recognize that efficient resource management is not only essential for reducing costs but also for minimizing environmental impact. Through the implementation of cutting-edge technologies, process optimization, and employee engagement programs, we continuously strive to enhance resource efficiency across all operational areas. By embracing a culture of resource conservation, we aim to reduce waste generation, energy consumption, and water usage, while simultaneously improving operational efficiency and sustainability performance.

Pollution Prevention:


As responsible corporate citizens, we are deeply committed to pollution prevention and environmental conservation. Our Environmental Policy underscores our proactive approach to minimizing the environmental impact of our operations. We employ stringent pollution prevention measures, including the adoption of clean production technologies, the implementation of waste minimization programs, and the utilization of environmentally friendly raw materials and chemicals. By prioritizing pollution prevention, we aim to mitigate air, water, and soil pollution, safeguarding environmental quality and preserving ecosystem health for current and future generations.

Compliance:

Compliance with all relevant environmental laws, regulations, and standards is a non-negotiable aspect of our Environmental Policy. We recognize that regulatory compliance is not only a legal obligation but also an ethical imperative. Our commitment to compliance extends beyond mere adherence to statutory requirements; we aspire to exceed regulatory standards wherever possible, demonstrating our dedication to environmental responsibility and leadership within our industry. Through rigorous monitoring, auditing, and reporting mechanisms, we ensure full compliance with environmental regulations, fostering transparency, accountability, and trust among our stakeholders.

Continuous Improvement:

At Espi, we view environmental sustainability as an ongoing journey of improvement and innovation. Our Environmental Policy emphasizes the importance of continuous improvement in our sustainability practices, encouraging a culture of learning, adaptation, and innovation. We are committed to regularly assessing our environmental performance, setting ambitious sustainability targets, and implementing robust management systems to drive continual progress. By embracing innovation and embracing emerging technologies, we seek to pioneer new approaches to environmental sustainability, driving positive change within our organization and beyond.



Environmental Management System

Espi remains steadfast in its commitment to environmental excellence. By aligning our business objectives with sustainable practices, we aspire to create shared value for our stakeholders while safeguarding the environment for future generations. Together, we strive to be a catalyst for positive environmental change, fostering a more sustainable and resilient future for all.

At Espi Industries & Chemicals, we proudly uphold a steadfast commitment to environmental sustainability, a core value that shapes our business practices and goals. To reinforce this dedication, we have partnered with Sprih, a cutting-edge carbon management platform. This strategic collaboration empowers us to meticulously monitor and manage our energy consumption and greenhouse gas emissions with unparalleled accuracy and efficiency. Our partnership with Sprih not only underscores our dedication to environmental stewardship but also ensures that we remain at the forefront of sustainable industrial practices, benefiting both our business and the planet.

Management Responsibility:

The responsibility for environmental management at Espi rests with our senior management team, who serve as champions for sustainability within the organization. Through their leadership and support, we prioritize environmental objectives and ensure their alignment with our overall business strategy. Our management team is dedicated to driving environmental performance improvements and fostering a culture of environmental responsibility among employees at all levels.

Objectives Setting:

Setting clear and measurable environmental objectives is essential for driving progress and achieving our sustainability targets. With the assistance of Sprih, a carbon management and accounting firm, we have established ambitious emission reduction targets that are scientifically validated and aligned with SBTi and we are the first Indian SME in the Pharmaceuticals, Biotechnology and Life Sciences sector to do so. Sprih's expertise in emissions measurement and monitoring has been invaluable in ensuring the accuracy and reliability of our data, enabling us to set realistic and achievable objectives.

Resource Allocation:

Effective resource allocation is critical for the successful implementation of our environmental objectives. At Espi, we prioritize the allocation of resources, including financial investments, human capital, and technological infrastructure, to support our sustainability initiatives. With Sprih's guidance, we have identified areas where additional resources may be needed to enhance our environmental performance and have allocated resources accordingly. By investing in the necessary tools, technologies, and personnel, we ensure that our environmental goals are pursued with diligence and efficiency.

Monitoring and Reporting:

Regular monitoring and reporting are fundamental aspects of our operations, enabling us to track our progress, identify areas for improvement, and demonstrate accountability to our stakeholders. Through Sprih's support, we have implemented advanced monitoring systems and protocols to accurately measure key environmental performance indicators, such as energy consumption and emissions generation. Their expertise in emissions monitoring and data analysis has enhanced the reliability and comprehensiveness of our environmental reporting, allowing us to make data-driven decisions and communicate transparently with our stakeholders.

Environmental Performance:

Environmental performance is a key indicator of Espi Industries & Chemicals' commitment to sustainability. Through rigorous monitoring and analysis, we assess our environmental impact and implement strategies to reduce our carbon footprint and enhance energy efficiency.

Emission Performance:

Espi tracks and reports on Scope 1 and 2 emissions to comprehensively evaluate our environmental impact. These emissions include direct emissions from our operations (Scope 1) and indirect emissions from purchased energy (Scope 2). By measuring and reporting on these scopes, we gain a holistic understanding of our carbon footprint and identify opportunities for improvement.

	Apr'23 - Mar'24	Apr'22 - Mar'23
Scope 1 Emissions (tCO ₂ e)	223	215
Scope 2 Emissions (tCO ₂ e)	664	791
Scope 3 Emissions (tCO ₂ e) *	-	-
Total Emissions S1 + S2 (tCO₂e)	887	1006

*We will be disclosing our Scope 3 emissions in the coming years.

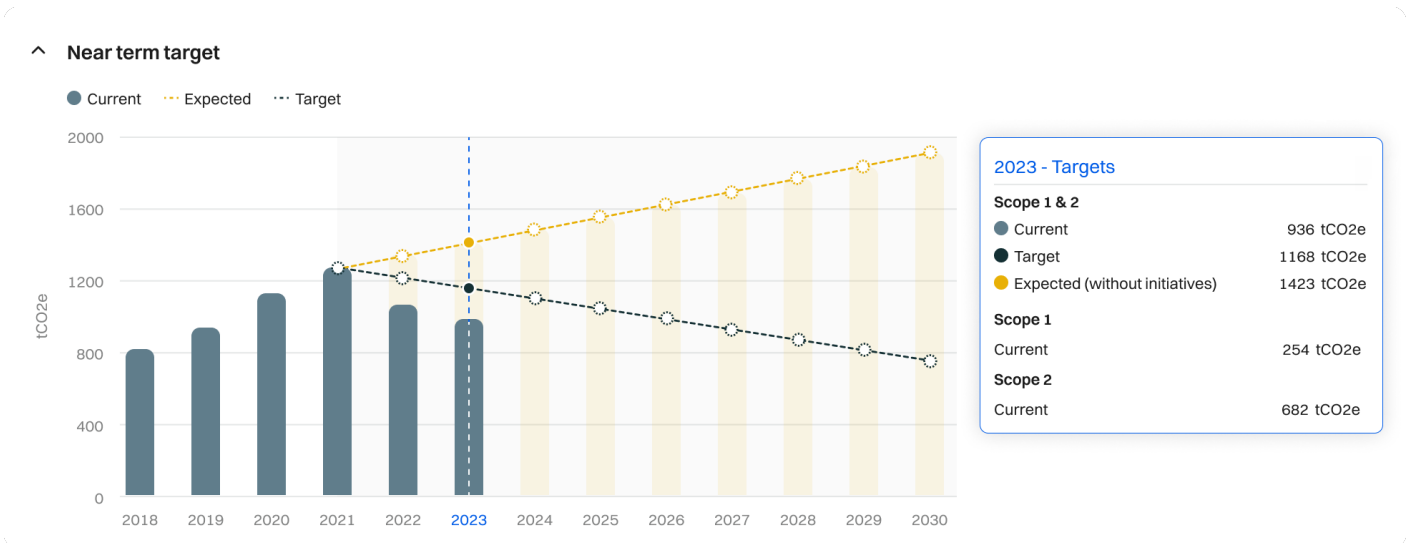
GHG Reduction Strategies

At Espi, we are committed to mitigating our greenhouse gas emissions through a multifaceted approach that encompasses various reduction strategies. These strategies are integral to our sustainability efforts and reflect our proactive stance towards environmental stewardship.

Investment in Renewable Energy Sources: One of our primary strategies for reducing greenhouse gas emissions is investing in renewable energy sources, particularly solar power. By harnessing the power of the sun, we generate clean and renewable electricity to meet a significant portion of our energy needs. This initiative not only reduces our reliance on grid electricity, often sourced from fossil fuels, but also helps us lower our carbon footprint and contribute to the transition towards a more sustainable energy system. Presently, we already have a solar deployment of about 200 kW, and we are planning to deploy an additional 100 kW of solar power in the coming financial year.

Emission Reduction Targets:

Espi Industries & Chemicals Private Limited commits to reduce Scope 1 and Scope 2 GHG emissions 42% by 2030 from a 2021 base year, and to measure and reduce its Scope 3 emissions.



Current State

We are proud to announce that we have successfully achieved the GHG emission reduction target set by the Science Based Targets initiative (SBTi) for the **year 2023**. This significant milestone demonstrates our unwavering commitment to environmental sustainability and underscores our proactive approach to mitigating climate change. Furthermore, our continued progress reaffirms our confidence that we are on the right track to achieve our final GHG emission reduction target by 2030.

Energy Performance

Energy Consumption Analysis:

Espi conducts detailed analysis of energy consumption to identify areas for improvement. By analyzing energy usage patterns and identifying inefficiencies, we can implement targeted strategies to reduce energy consumption and improve overall efficiency.

Renewable Energy Utilization:

As part of our commitment to sustainability, Espi is actively increasing our utilization of renewable energy sources. Through the installation of solar panels and other renewable energy technologies, we aim to reduce our reliance on fossil fuels and transition towards a more sustainable energy mix.

	Apr'23 - Mar'24	Apr'22 - Mar'23
Non-Renewable		
Electricity	9,27,448 kWh	8,64,758 kWh
Fossil Fuel	1,027 GJ	1,477 GJ
Renewable		
Electricity	2,60,750 kWh	2,40,412 kWh
Renewable (%)	21.94%	21.75%

Energy Efficiency Measures

Espi prioritizes energy efficiency measures to minimize energy waste and reduce our environmental impact. These measures include upgrading equipment to more energy-efficient models, implementing energy-saving technologies, and optimizing operational processes to maximize energy efficiency.

Energy Efficiency Initiatives:

We prioritize energy efficiency initiatives across our operations. These initiatives are aimed at optimizing our energy usage and minimizing wastage throughout our facilities. Through the implementation of energy-efficient technologies, equipment upgrades, and operational improvements, we are able to reduce our overall energy consumption while maintaining or even enhancing productivity. By maximizing energy efficiency, we not only reduce greenhouse gas emissions but also realize cost savings and enhance our competitiveness in the market.

Energy Audit and Implementation:

A comprehensive energy audit has been conducted to identify opportunities for further reducing our energy consumption and greenhouse gas emissions. The audit highlighted areas for improvement and provided valuable insights into potential energy-saving measures. Following the audit, we have already implemented major suggestions outlined in the report, and we are witnessing tangible results in the form of reduced electricity bills. This proactive approach to energy management underscores our commitment to continuous improvement and demonstrates our dedication to environmental sustainability.

Energy Reduction Targets

Espi is dedicated to advancing its sustainability efforts through ambitious energy reduction targets. We commit to increasing our renewable energy share, building upon our achievements and progress since the 2022 base year. By expanding our utilization of renewable energy sources, particularly solar power, we aim to not only reduce our reliance on fossil fuels but also contribute significantly to mitigating climate change and fostering a greener planet for generations to come.

^ Near term target: Share of renewable electricity



Current State

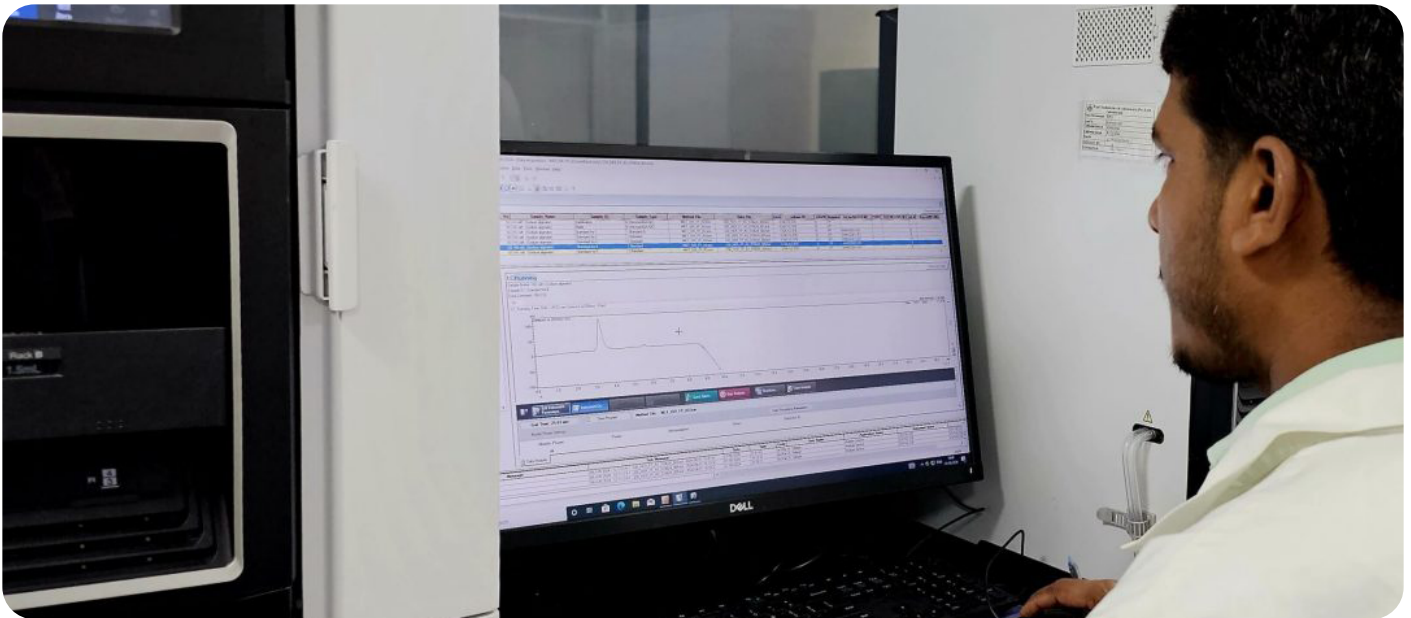
We are pleased to announce that we have successfully achieved our renewable energy target, marking a significant milestone in our sustainability journey. This accomplishment reflects our steadfast commitment to environmental responsibility and underscores our proactive efforts to transition towards cleaner and more sustainable energy sources. With each step forward, we are advancing towards a future powered by renewable energy, driving positive change for our planet and future generations.



Employee Welfare

- **Environment, Health & Safety (EHS):** The well-being of our employees is paramount at Espi. We prioritize Employee Health and Safety (EHS) in accordance with regulatory requirements, implementing robust measures to create a secure working environment for all employees. Their safety is our top priority.
- **Comprehensive Medical Check-ups:** We take a proactive approach to employee health by ensuring that all employees undergo a comprehensive medical check-up annually or once in six months, as required. This reflects our commitment to their health and well-being, fostering a culture of care and support within the organization.
- **Health Insurance Coverage:** At Espi, we recognize the importance of comprehensive healthcare coverage for our employees and their families. This is why we provide health insurance coverage, ensuring that they have access to the medical care they need when it is required the most. This not only enhances their well-being but also provides peace of mind for them and their loved ones.





Social and Governance

In addition to its core operations, the company is dedicated to making a positive impact on society and the environment through various Corporate Social Responsibility (CSR) initiatives. These initiatives are integral to our commitment to sustainable business practices and community development. We believe in fostering a culture of responsibility and accountability within our organization and the broader communities where we operate.

Tree Plantation and Environmental Conservation

As part of its CSR initiatives, Espi Industries & Chemicals has undertaken tree plantation and environmental conservation projects aimed at enhancing green cover and mitigating climate change. The company has planted **217 native trees**, contributing to the rejuvenation of the environment and offsetting over **320 tonnes of CO2** emissions. This initiative has also led to the rejuvenation of 27,910 square feet of land, creating a more sustainable and eco-friendlier ecosystem.

Moreover, Espi's tree plantation efforts have had a positive impact on the local community, benefiting **57 families** who were directly involved in the planting process. Additionally, 224 man-hours were invested in these initiatives, reflecting the company's dedication to environmental conservation and community welfare.

Support for Local Ventures

Espi, through its actions such as tree plantation, has contributed to the growth and sustainability of 15+ local ventures, including nurseries, truck rentals, tractor rentals, and compost suppliers sourced from local farmers. These collaborations not only promote economic development within the community but also foster a spirit of cooperation and mutual support.

Collaboration with 14 Trees Foundation

Espi Industries & Chemicals has also partnered with the **14 Trees Foundation**, an organization dedicated to tree plantation and environmental conservation. Through this collaboration, Espi aims to further its efforts in promoting environmental sustainability and raising awareness about the importance of leading an earth-centric lifestyle. The partnership with 14 Trees Foundation has enabled Espi to contribute to the planting of over 217 native trees, transforming barren patches of land into fertile green ecosystems.

217

native trees
planted

27,910

sq. ft. area
rejuvenated

320+

tonne CO2 offset
potential

57

families benefited

15+

local ventures
supported

224

man hours
invested

Supporting Childhood Development: Nanhe Kadam Initiative

Espi donated Rs. **4,00,000** to Animedh Charitable Trust to support its Nanhe Kadam initiative as part of its CSR initiatives. This contribution included Rs. **26,991** for Training and Capacity Building of Manpower and Rs. **3,73,009** for Operational Expenses, covering essential roles such as the Project Coordinator, Child Development Aide (CDA) salaries, travel expenses, and community health worker fees. The Nanhe Kadam initiative, active since 2017 in Dadra Nagar Haveli, focuses on the comprehensive development of children aged 0 to 6 years, directly benefiting 830 children and reaching an additional 900 through the efforts of Early Childhood Champions across ten villages. Espi's support ensures the sustainability of ACT's impactful activities, including therapy sessions, group monitoring, and home visits, which promote children's language, intellectual, physical, and emotional development. This initiative highlights Espi's commitment to enhancing child development and community health in the region.

Charitable Support for the Asha Kuteer Foundation

Espi contributed Rs. **9,36,000** as part of its CSR initiatives in 2023-2024 to Asha Kuteer Foundation in Ghatkesar, Medchal District, Telangana. The donation specifically supported:

- Orphan Girls Home: Rs. **2,98,716** for education fees, drinking water cans, stationery, and repairs & maintenance.
- Old Age Home: Rs. **2,24,724** for physiotherapy, medical equipment, repairs & maintenance, and salaries for caretakers and helpers.
- Blind Home: Rs. **81,745** for a drinking water cooler and repairs & maintenance.
- All Homes: Rs. **3,30,815** for groceries.

These funds were crucial for maintaining and supporting 82 residents, including orphan girls, visually challenged boys, and elderly individuals. Espi's contribution underscores its dedication to enhancing the lives and well-being of vulnerable communities through targeted support and sustainable initiatives.

UN SDGs Supported

The United Nations Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030. They provide a comprehensive framework for sustainable development, encouraging countries to align their policies and strategies towards achieving these ambitious targets for a better future.

By integrating sustainable practices into their core operations and strategies, Espi contributed to the following SDGs:



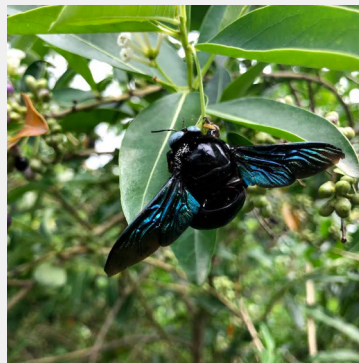
13 CLIMATE ACTION

The foundation runs tree plantation and public awareness campaigns and invites people from different walks of life to support the noble cause. With these initiatives, 14 Trees aims to sensitize everyone to lead a earth-centric lifestyle and contribute towards undoing the global climate change.



15 LIFE ON LAND

14 Trees foundation has planted 100,000+ trees to date and has been successful in transforming completely barren patches of land into a fertile, self-sustaining green ecosystem. The resulting environment has brought back a variety of flora and fauna species and is supporting their growth in multiple ways.



11 SUSTAINABLE CITIES AND COMMUNITIES

Tree plantation activities and waste management workshops are conducted in cities to help move towards a sustainable future.

The foundation is also exploring ways to convert waste into energy and compost, and creating a mini circular ecosystem.





10 REDUCED INEQUALITIES

Equal job opportunities are provided for both males and females, and are encouraged and supported to start their venture.

The foundation appreciates the involvement of each and everyone irrespective of who they are or where they come from.



8 DECENT WORK AND ECONOMIC GROWTH

The 14 Trees foundation employs 150+ people from the surrounding villages and supports over 80 families financially.

14 Trees provides a conducive environment for its workforce which has resulted in a significant improvement in their standard of living.



6 CLEAN WATER AND SANITATION

Rainwater harvesting initiatives across the project site have increased drinking water availability for the local tribal habitants.

The foundation has also put efforts into designing and building eco-friendly toilets.



4 QUALITY EDUCATION

Apart from building a state-of-the-art lab for ecological research, the foundation undertakes multiple research activities and frequent field visits by students and researchers.

It also develops scientific toys using local materials, and organizes creative learning workshops for kids in schools.





17

PARTNERSHIP FOR THE GOALS

The foundation firmly believes that strong collaboration among all stakeholders is a must for achieving even the smallest goals.

It is fortunate to have received expertise and support from local administrative bodies, institutions, corporates, alumni associations, students, volunteers and many others.

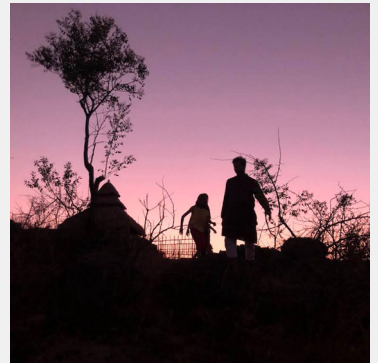


3

GOOD HEALTH AND WELL-BEING

Organic farming methods ensures that the food consumed is free of toxins and rich in nutrition.

Dedicated meditation and yoga spots in the midst of trees and on the hills offer avenues for mindfulness, long hiking and trekking activities to maintain good mental and physical health.





Quality & Compliance

At Espi, our commitment to social responsibility and governance is deeply ingrained in our organizational culture. We prioritize ethical practices, transparency, and accountability in all aspects of our operations, ensuring that we not only meet but exceed the expectations of our stakeholders.

Proven Delivery Model

With over four decades of experience, Espi has established a proven delivery model that emphasizes the highest standards of quality in our products and services. Our track record of reliability and consistency speaks volumes about our dedication to excellence.

Continuous Improvement

We are not content with resting on our laurels; instead, we are dedicated to continuous improvement. Espi actively seeks opportunities to enhance our processes and adapt to evolving pharmaceutical standards, ensuring that we remain at the forefront of quality and innovation.

At Espi Industries & Chemicals, our commitment to environmental and social responsibility, as well as governance, isn't just a matter of rhetoric—it's ingrained in every aspect of our operations.

We've partnered with Sprih, a leading carbon management and accounting firm, to bolster our environmental performance initiatives. Sprih's expertise in emissions measurement and monitoring has been instrumental in helping us accurately gauge our carbon footprint and pinpoint areas where we can make meaningful improvements. Moreover, they've been invaluable in setting up ambitious emission reduction targets and crafting actionable strategies to meet them.

With Sprih by our side, we're confident in our ability to not only meet but exceed our environmental goals. Their support empowers us to forge a path toward a more sustainable future, where our actions speak louder than words.



Forging a better tomorrow,
fueled by unwavering
commitment.



Espi Industries & Chemicals

H. No. M-7/2, Street No. 1,
Kakatiyanagar, Near Kakatiya
Club, Habsiguda, Hyderabad,
Telangana 500007

www.espiindia.com