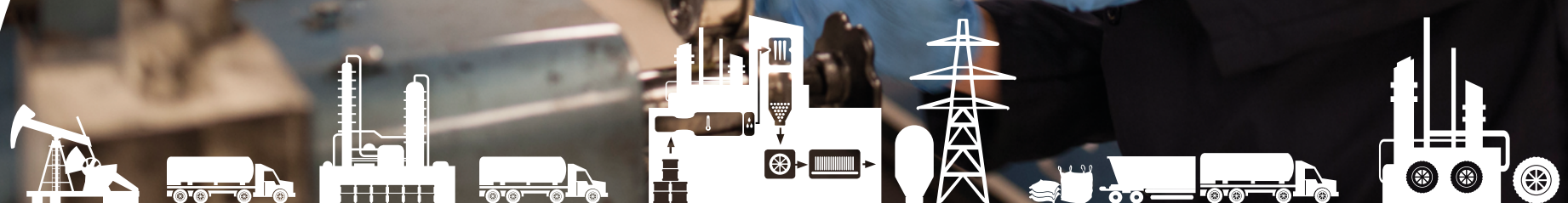




GLOBAL REPORTING INITIATIVE INDEX

BIRLA CARBON 2015

A JOURNEY OF **EXCELLENCE**
ACROSS OUR VALUE CHAIN



GLOBAL REPORTING INITIATIVE (GRI) INDEX IN ACCORDANCE WITH COMPREHENSIVE G4 GUIDELINES

GENERAL STANDARD DISCLOSURES

STRATEGY AND ANALYSIS

| GENERAL STANDARD DISCLOSURES | SOURCE | NOTES | OMISSIONS |
|------------------------------|--|-------|-----------|
| G4-1 | Homepage, Sustainability at Birla Carbon, Interview with CEO and Video interview with COO | | |
| G4-2 | Homepage, Sustainability at Birla Carbon, Interview with CEO and Video interview with COO Our approach Our key issues Targets and progress Governance, Enterprise risk management Ethics and compliance | | |

ORGANIZATIONAL PROFILE

| GENERAL STANDARD DISCLOSURES | SOURCE | NOTES | OMISSIONS |
|------------------------------|---------------------------|--|-----------|
| G4-3 | | Birla Carbon | |
| G4-4 | The story of carbon black | Carbon black manufacturer and supplier | |
| G4-5 | | Mumbai, India | |
| G4-6 | | 14 countries | |
| G4-7 | Governance | Aditya Birla Group | |
| G4-8 | | Markets served are in Europe and Africa, North America, South America, Oceania, South East Asia and Far East | |

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GENERAL STANDARD DISCLOSURES

➔ ORGANIZATIONAL PROFILE

| GENERAL STANDARD DISCLOSURES | SOURCE | NOTES | OMISSIONS |
|------------------------------|---|---|-----------|
| G4-9 | Our vision, Key facts | Total number of employees: 2,545 17 manufacturing sites 3 decanting stations (Belgium decanting station closed in FY2015) 2 technology centers | |
| G4-10 | GRI Index Appendix: Social Data Table | | |
| G4-11 | Ethics and compliance | | |
| G4-12 | Product safety and stewardship Supplier management | | |
| G4-13 | | Closed decanting station in Belgium. | |
| G4-14 | Governance, Enterprise risk management Product responsibility | | |
| G4-15 | Our approach Governance Product safety and stewardship The big questions Product quality Carbon stewardship Environmental compliance Water Customer engagement Employee engagement | | |
| G4-16 | | International Carbon Black Association (ICBA) | |

CONTINUED... ➔

GENERAL STANDARD DISCLOSURES

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

| GENERAL STANDARD DISCLOSURES | SOURCE | NOTES | OMISSIONS |
|------------------------------|---|--|-----------|
| G4-17 | | Our consolidated financial statements include all manufacturing facilities and legal entities worldwide. | |
| G4-18 | Our key issues About our report | | |
| G4-19 | | Material aspects are those with indicators reported against in this index. | |
| G4-20 | About our report, Boundary | | |
| G4-21 | About our report, Boundary | | |
| G4-22 | Targets and progress Carbon stewardship Water | | |
| G4-23 | About our report, Boundary | | |

STAKEHOLDER ENGAGEMENT

| GENERAL STANDARD DISCLOSURES | SOURCE | NOTES | OMISSIONS |
|------------------------------|---|-------|-----------|
| G4-24 | Our key issues | | |
| G4-25 | Our key issues | | |
| G4-26 | Our key issues Governance Ethics and compliance Product safety and stewardship Product quality Carbon stewardship Customer engagement Supplier management Employee engagement | | |
| G4-27 | See above | | |

CONTINUED... ➔

GENERAL STANDARD DISCLOSURES

REPORT PROFILE

| GENERAL STANDARD DISCLOSURES | SOURCE | NOTES | OMISSIONS |
|------------------------------|----------------------------|---|-----------|
| G4-28 | | April 1, 2014 to March 31, 2015 | |
| G4-29 | | FY2014 | |
| G4-30 | | Annual | |
| G4-31 | About our report, Feedback | Dr. Gilles Moninot, Global Sustainability Director birlacarbon.sustainability@adityabirla.com | |
| G4-32 | About our report | In accordance (comprehensive) GRI G4. Birla Carbon engaged Environmental Resources Management (ERM) to partner with us to collect and analyze relevant reporting data. ERM consolidated and quantified performance data and independently checked environmental, health and safety, human resources and community engagement data provided by Birla Carbon. Emission calculations and environmental intensity calculations were based on generally accepted reporting principles and with assumptions noted in each relevant section of this report. ERM's support in the development of this report does not constitute a third-party assurance verification of its contents. | |
| G4-33 | | Where available we use recognized methodologies for measuring and presenting our performance data, and have stated where this is not the case. This includes adhering to the Global Reporting Initiative's guidelines where appropriate. While Birla Carbon has not had its sustainability report independently verified this year, our approach to assurance is reviewed annually. Our Senior Management Team (SMT) must approve any decision to seek external assurance. | |

GOVERNANCE

| GENERAL STANDARD DISCLOSURES | SOURCE | NOTES | OMISSIONS |
|------------------------------|------------------------------|-------|-----------|
| G4-34 | Governance | | |
| G4-35 | Governance | | |
| G4-36 | Our key issues Governance | | |

CONTINUED... ➔

GENERAL STANDARD DISCLOSURES

➔ GOVERNANCE

| GENERAL STANDARD DISCLOSURES | SOURCE | NOTES | OMISSIONS |
|------------------------------|---|---|-----------|
| G4-37 | Governance Customer engagement Employee engagement | | |
| G4-38 | http://www.birlacarbon.com/Webpages/about-us-business-leadership.aspx | Each member of Birla Carbon’s SMT holds an executive position at Birla Carbon and has been in position since the formation of the SMT in 2011. Stakeholders, with the exception of shareholders, are not represented on the SMT currently. The selection process ensures that all candidates possess the necessary knowledge and expertise of economic, environmental and social issues pertinent to Birla Carbon. If conflicts of interest arise, these will be self-declared by the members. | |
| G4-39 | http://www.birlacarbon.com/Webpages/about-us-business-leadership.aspx | | |
| G4-40 | | The process for selecting the officers of the SMT involves working with top search firms to select the most qualified candidates based upon their experience and qualifications. While gender and diversity are important considerations, the selection process ensures that all candidates possess the necessary knowledge and expertise of economic, environmental and social issues pertinent to Birla Carbon. If conflicts of interest arise, these will be self-declared by the members. Stakeholders, with the exception of shareholders, are not consulted during the selection process. For each Birla Carbon entity, the shareholders appoint/reappoint the members of that company’s Board of Directors by either an Annual Shareholders Meeting or a Written Consent in lieu of an Annual Shareholders Meeting (as required by the respective country’s corporate laws). | |
| G4-41 | | All employees, including those in the highest governing body, are required to sign a Code of Conduct which includes the following language: “Each Employee must avoid at all times any interest that might conflict or appear to conflict with the interests of the Company, or that might deprive the Company of the undivided loyalty of the Employee in business dealings. To this end, an Employee should not become involved in any situation that may create a personal interest in the situation, or place the Employee under an obligation that may interfere with his or her primary duty to serve the Company at all times to the best of his or her ability.” Also, each member of the SMT is required to participate in ethics and code of conduct training to assist in identification and handling of conflicts of interest. In the rare event that a potential conflict of interest arises within the SMT, members are required to self-declare the conflict, and are then excused from related discussions. | |

GENERAL STANDARD DISCLOSURES

➔ GOVERNANCE

| GENERAL STANDARD DISCLOSURES | SOURCE | NOTES | OMISSIONS |
|------------------------------|------------------------------|--|--|
| G4-42 | Governance | | |
| G4-43 | Governance | Specific teams within the business responsible for sustainability-related programs will also provide progress updates direct to the SMT. | |
| G4-44 | | Birla Carbon's SMT is evaluated based on the success of the business linked to the 2020 sustainability targets, which cover economic, environmental and social performance. Birla Carbon's Regional Presidents are also assessed on safety objectives for their region, which are linked to their remuneration scheme. These evaluations take place on an annual basis and will be reviewed by the Aditya Birla Group Chairman. No actions have been required in response to these evaluations in FY2015. | |
| G4-45 | Our key issues Governance | | |
| G4-46 | Governance | | |
| G4-47 | Our key issues Governance | | |
| G4-48 | | Chief Legal, Sustainability and Risk Officer, Joe Gaynor, reviews and approves Birla Carbon's sustainability report. | |
| G4-49 | Ethics and compliance | | |
| G4-50 | Ethics and compliance | | |
| G4-51 | | Annual compensation matters for all employees in Job Band 5 and above are linked to the annual incentive plan (AIP) and long-term incentive plans (LTIP) which the Chairman approves. These are tied directly to the business' approved annual operating plan and budget that establishes the relevant performance metrics executives will be measured against annually and the performance of the business during the year gone by. Each executive's personal performance is measured by a rigorous process of performance management throughout the year and linked, where relevant, to economic, environmental and social performance objectives. Compensation in this context includes, but is not limited to, cash or deferred payments, incentive and equity compensation, benefits, perquisites, employment, retention and/or termination/severance agreements and any other programs which would be considered compensation by regulatory authorities. | No further compensation analysis can be provided as it is commercially sensitive in the markets where Birla Carbon operates. |

GENERAL STANDARD DISCLOSURES

➔ GOVERNANCE

| GENERAL STANDARD DISCLOSURES | SOURCE | NOTES | OMISSIONS |
|------------------------------|--------------|---|--|
| G4-52 | | All compensation actions for employees in Job Band 5 and above are subject to the approval of the Chairman of the Aditya Birla Group, assisted by Group Human Resources and the office of the Chief Human Resources Officer (CHRO). The CHRO's office puts together the Compensation proposal for all employees in Job Band 3 and above that includes all the members of the SMT and presents it to the Chief Operating Officer (COO). The COO then forwards the proposals to the Chief Executive Officer (CEO) for his approval, which then is forwarded to the Group Human Resources department. Levels of remuneration are regularly benchmarked against similar positions in related industries through external resources. Remuneration consultants used for this benchmarking have no other relationship with Birla Carbon. | |
| G4-53 | See G4 51–52 | Birla Carbon does not consult external stakeholders on remuneration policies. | |
| G4-54 | | | Due to the size of some Birla Carbon business units and the number of employees, compensation data is classed as business sensitive and cannot be disclosed for confidentiality reasons. |
| G4-55 | | | Due to the size of some Birla Carbon business units and the number of employees, compensation data is classed as business sensitive and cannot be disclosed for confidentiality reasons. |

ETHICS AND INTEGRITY

| GENERAL STANDARD DISCLOSURES | SOURCE | NOTES | OMISSIONS |
|------------------------------|-----------------------|-------|-----------|
| G4-56 | Ethics and compliance | | |
| G4-57 | Ethics and compliance | | |
| G4-58 | Ethics and compliance | | |

CONTINUED... ➔

SPECIFIC STANDARD DISCLOSURES

ECONOMIC

| DMA AND INDICATORS | SOURCE | NOTES | OMISSIONS |
|---|---|-------|---|
| MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS | | | |
| G4-DMA | Our approach Our key issues Governance | | |
| G4-EC7 | Communities | | |
| G4-EC8 | Communities | | |
| MATERIAL ASPECT: PROCUREMENT PRACTICES | | | |
| G4-DMA | Our approach Our key issues Governance Supplier management | | |
| G4-EC9 | | | As Birla Carbon has a decentralized procurement approach, local procurement data is not currently available. Birla Carbon recognizes this is a gap in its procurement management and intends to develop the measurement tools to collect this data over the next 12 months. |

SPECIFIC STANDARD DISCLOSURES

ENVIRONMENTAL

| DMA AND INDICATORS | SOURCE | NOTES | OMISSIONS |
|-----------------------------------|--|--|-----------|
| MATERIAL ASPECT: MATERIALS | | | |
| G4-DMA | Our approach The story of carbon black Our key issues Governance Carbon stewardship Supplier management | | |
| G4-EN1 | GRI Index Appendix: Environmental Data Table | | |
| G4-EN2 | The story of carbon black Carbon stewardship, Sourcing our raw materials | We are unable to use recycled feedstock oil due to its impact on product quality and due to the nature of our production process. | |
| MATERIAL ASPECT: ENERGY | | | |
| G4-DMA | Our approach Our key issues Governance Carbon stewardship Supplier management | | |
| G4-EN3 | GRI Index Appendix: Environmental Data Table | Birla Carbon's energy consumption has been provided in energy intensity values due to the commercial sensitivity of this information in actual values. | |
| G4-EN4 | GRI Index Appendix: Environmental Data Table | Through our product life cycle assessment, Birla Carbon has identified the energy consumption of suppliers and downstream transportation as material, based on where potential energy reductions could be undertaken or influenced by Birla Carbon. | |
| G4-EN5 | | Birla Carbon's energy consumption intensity in FY2015 was 13.78 tonnes of CO ₂ -eq/tonne of carbon black. Our organization-specific metric is carbon black production. All types of energy consumed are included in calculation. Only energy consumed within the organization is included in ratio. | |
| G4-EN6 | Carbon stewardship, Energy: recovery and positivity | Birla Carbon reduced its energy consumption intensity by 1.11 tonnes of CO ₂ -eq/tonne of carbon black in FY2015 as compared to FY2014. All types of energy consumed are included in calculation. | |

CONTINUED... ➔

SPECIFIC STANDARD DISCLOSURES

➔ ENVIRONMENTAL

| DMA AND INDICATORS | SOURCE | NOTES | OMISSIONS |
|-----------------------------------|---|---|---|
| G4-EN7 | Carbon stewardship, Energy: recovery and positivity | | Birla Carbon is working to develop and produce new grades of carbon black which are easier to incorporate into customer manufacturing processes and products. While Birla Carbon's customers may measure the corresponding energy gain in their manufacturing processes, Birla Carbon has no access to this information due to the commercial sensitivity of the rubber, plastic or ink formulations. Each manufacturing process varies and it is outside of Birla Carbon's control to consider in a generic formulation all the factors which affect the energy measurement. |
| MATERIAL ASPECT: WATER | | | |
| G4-DMA | Our approach Our key issues Governance Water Supplier management | | |
| G4-EN8 | GRI Index Appendix: Environmental Data Table | | |
| G4-EN9 | Water | Birla Carbon complies with the relevant local regulations on water withdrawal for each of its manufacturing plants. Birla Carbon is not aware of any significant impacts to water bodies as a result of our water withdrawal practices. | |
| G4-EN10 | GRI Index Appendix: Environmental Data Table | | |
| MATERIAL ASPECT: EMISSIONS | | | |
| G4-DMA | Our approach Our key issues Governance Carbon stewardship Environmental compliance Supplier management | | |
| G4-EN15 | GRI Index Appendix: Environmental Data Table | | |
| G4-EN16 | GRI Index Appendix: Environmental Data Table | | |
| G4-EN17 | GRI Index Appendix: Environmental Data Table | | |

CONTINUED... ➔

SPECIFIC STANDARD DISCLOSURES

➔ ENVIRONMENTAL

| DMA AND INDICATORS | SOURCE | NOTES | OMISSIONS |
|--------------------|--|-------|---|
| G4-EN18 | Targets and progress Carbon stewardship | | Absolute emission intensity data is commercially sensitive. |
| G4-EN19 | Targets and progress Carbon stewardship | | Absolute data for reductions in emissions is commercially sensitive. |
| G4-EN20 | | | Emissions of ozone-depleting substances are deemed immaterial to Birla Carbon due to the nature of its manufacturing processes and scale of its direct CO ₂ emissions. |
| G4-EN21 | | | Emissions of NO _x , SO _x , and other significant air emissions are monitored on a continuous basis at some sites to ensure each manufacturing plant stays within the regulatory limits; however, the overall data is not collected globally. Collection processes for this data will be reviewed over the next 12 months. |

MATERIAL ASPECT: EFFLUENTS AND WASTE

| | | | |
|----------------|---|---|--|
| G4-DMA | Our approach Our key issues Governance Environmental compliance Water Waste Supplier management | | |
| G4-EN22 | GRI Index Appendix: Environmental Data Table | The water treatment method varies between plants but typically includes settling and often times neutralization, pH control, flocculation, clarifying and dechlorination as needed. Any water recycled is used by Birla Carbon. Some Birla Carbon plants were not measuring/estimating the volume of water discharged to the on-site collection pond in FY2014. This has caused previously reported volumes to appear artificially low in comparison to FY2015. | |
| G4-EN23 | GRI Index Appendix: Environmental Data Table | The waste disposal method is determined by Birla Carbon except for landfill disposal which is a default of the waste disposal contractor. Gypsum, a byproduct of flue gas desulfurization systems, is not currently included in the values reported in this indicator. Currently, only one manufacturing plant is equipped with a flue gas desulfurization system. Birla Carbon is seeking options for recycling of this product. | |

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SPECIFIC STANDARD DISCLOSURES

➔ ENVIRONMENTAL

| DMA AND INDICATORS | SOURCE | NOTES | OMISSIONS |
|--|--|--|---|
| G4-EN24 | Targets and progress | Total number of spills: 4 Total volume of spills: approximately 5m ³ One environmental release to air resulted in minor dust issue in a neighboring village. Another environmental release to air impacted a neighboring aluminium company and homes; a penalty was paid for this incident (see EN29). Another environmental release to air resulted in an exceedance of opacity permit limits. One reportable release to soil occurred in FY2015; all released material was recovered. | |
| G4-EN25 | GRI Index Appendix: Environmental Data Table | | |
| G4-EN26 | | | Birla Carbon is not aware of any water bodies or related habitats that are significantly affected by its operations but will review potential measurement processes to verify this over the next 12 months. |
| MATERIAL ASPECT: COMPLIANCE | | | |
| G4-DMA | Our approach Our key issues Governance Environmental compliance | | |
| G4-EN29 | | Birla Carbon paid \$193,799 (USD) in fines in FY2015. | |
| MATERIAL ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS | | | |
| G4-DMA | Our approach Our key issues Governance | | |
| G4-EN34 | | No formal grievances have been raised about environmental impacts in FY2015. | |

SPECIFIC STANDARD DISCLOSURES

SOCIAL: LABOR PRACTICES AND DECENT WORK

| DMA AND INDICATORS | SOURCE | NOTES | OMISSIONS |
|--|--|--|---|
| MATERIAL ASPECT: EMPLOYMENT | | | |
| G4-DMA | Our approach Our key issues Governance Attracting and retaining talent Employee engagement | | |
| G4-LA1 | GRI Index Appendix: Social Data Table | | |
| G4-LA2 | | Benefits are provided to full-time, part-time, and temporary employees in accordance with local laws and regulations. Birla Carbon endeavors to provide full and part-time employees with the same level of benefits where appropriate. | Benefits are managed at a regional level and Birla Carbon does not currently have collection processes in place to measure this at a global level. Birla Carbon will collect this data over the next two years. |
| G4-LA3 | GRI Index Appendix: Social Data Table | | |
| MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY | | | |
| G4-DMA | Our approach Our key issues Governance Health and safety | | |
| G4-LA5 | | 100% of Birla Carbon employees are represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs. Each plant has a health and safety manager who oversees worker safety, while all employees are involved in direct health and safety discussions with their line managers and are responsible for health and safety decisions. | |
| G4-LA6 | GRI Index Appendix: Social Data Table | Occupational Disease Rates are measured and reviewed at an industry level through the International Carbon Black Association (ICBA). Birla Carbon monitors the papers and advice published through the ICBA. | 1. Data is not currently collected by gender; however, Birla Carbon will review this as a potential measure over the next 12 months. 2. Absentee rate is not currently measured across all locations; however, Birla Carbon will review this as a potential measure over the next 12 months. |

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SPECIFIC STANDARD DISCLOSURES

➔ SOCIAL: LABOR PRACTICES AND DECENT WORK

| DMA AND INDICATORS | SOURCE | NOTES | OMISSIONS |
|--------------------|--------|---|-----------|
| G4-LA7 | | Birla Carbon is not aware of any occupational activities within its operations that cause a high incidence or high risk of specific diseases; however, Birla Carbon monitors the research published by the ICBA on Occupational Diseases. | |
| G4-LA8 | | 12 of 17 Birla Carbon sites have formal agreements with trade unions which cover health and safety. On average 100% of relevant health and safety topics are covered by these agreements. | |

MATERIAL ASPECT: TRAINING AND EDUCATION

| | | | |
|----------------|--|--|--|
| G4-DMA | Our approach Our key issues Governance Attracting and retaining talent Employee engagement | | |
| G4-LA9 | GRI Index Appendix: Social Data Table | | |
| G4-LA10 | Attracting and retaining talent Employee engagement | | |
| G4-LA11 | GRI Index Appendix: Social Data Table | | |

SUPPLIER ASSESSMENT AND LABOR PRACTICES

| | | | |
|----------------|--|--|--|
| G4-DMA | Our approach Our key issues Governance Supplier management | | |
| G4-LA14 | Customer and suppliers Supplier management | | |
| G4-LA15 | Ethics and compliance Customer and suppliers Supplier management | | Birla Carbon does not currently conduct impact assessments of our suppliers. We are planning to invite all of our partners and suppliers above a region-specific threshold to uphold the principles of our Code of Ethics. |

CONTINUED... ➔

SPECIFIC STANDARD DISCLOSURES

➔ SOCIAL: LABOR PRACTICES AND DECENT WORK

| DMA AND INDICATORS | SOURCE | NOTES | OMISSIONS |
|--|---|---|-----------|
| MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS | | | |
| G4-DMA | Our approach Our key issues Governance Supplier management | | |
| G4-LA16 | | Nine grievances about labor practices were filed and addressed through formal grievance mechanisms in FY2015. Eight of these grievances were resolved in FY2015. There are no reported labor grievances filed in previous reporting years that were resolved in FY2015. | |

SOCIAL: HUMAN RIGHTS

| DMA AND INDICATORS | SOURCE | NOTES | OMISSIONS |
|------------------------------------|--|---|--|
| MATERIAL ASPECT: INVESTMENT | | | |
| G4-DMA | Our approach Our key issues Governance Ethics and compliance Supplier management | | |
| G4-HR1 | | | Birla Carbon does not currently include human rights clauses in investment agreements. We are planning to invite all of our partners and suppliers above a region-specific threshold to uphold the principles of our Code of Ethics. |
| G4-HR2 | | Around 1,259 hours were spent training employees on human rights policies and procedures in FY2015. 100% of employees were trained on human rights policies and procedures in FY2015. | |

MATERIAL ASPECT: NON-DISCRIMINATION

| | | | |
|---------------|--|--|--|
| G4-DMA | Our approach Our key issues Governance Ethics and compliance Employee engagement | | |
|---------------|--|--|--|

SPECIFIC STANDARD DISCLOSURES

➔ SOCIAL: HUMAN RIGHTS

| DMA AND INDICATORS | SOURCE | NOTES | OMISSIONS |
|--|--|--|--|
| G4-HR3 | | There were no incidents of discrimination in FY2015. | |
| MATERIAL ASPECT: FORCED OR COMPULSORY LABOR | | | |
| G4-DMA | Our approach Our key issues Governance Ethics and compliance Employee engagement | | |
| G4-HR6 | | No operations or suppliers are considered as having significant risk for incidents of forced or compulsory labor. Birla Carbon's Code of Ethics policy prohibits this. | |
| MATERIAL ASPECT: INDIGENOUS RIGHTS | | | |
| G4-DMA | Our approach Our key issues Governance Ethics and compliance | | |
| G4-HR8 | | There were no incidents of violations involving rights of indigenous peoples in FY2015. | |
| MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT | | | |
| G4-DMA | Our approach Our key issues Governance Ethics and compliance Supplier management | | |
| G4-HR10 | | | Birla Carbon does not currently conduct human rights screening of our suppliers. We are planning to invite all of our partners and suppliers above a region-specific threshold to uphold the principles of our Code of Ethics. |
| G4-HR11 | | | Birla Carbon does not currently conduct human rights screening of our suppliers. We are planning to invite all of our partners and suppliers above a region-specific threshold to uphold the principles of our Code of Ethics. |

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SPECIFIC STANDARD DISCLOSURES

➔ SOCIAL: HUMAN RIGHTS

| DMA AND INDICATORS | SOURCE | NOTES | OMISSIONS |
|---|--|--|-----------|
| MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS | | | |
| G4-DMA | Our approach Our key issues Governance Ethics and compliance Employee engagement | | |
| G4-HR12 | | There were no human rights grievances filed in FY2015. | |

SOCIAL: SOCIETY

| DMA AND INDICATORS | SOURCE | NOTES | OMISSIONS |
|---|--|---|-----------|
| MATERIAL ASPECT: LOCAL COMMUNITIES | | | |
| G4-DMA | Our approach Our key issues Governance | | |
| G4-SO1 | | 100% of Birla Carbon manufacturing plants have implemented local community engagement programs including local community development programs and formal local community grievance processes. While a number of Birla Carbon plants are testing ways to measure their community engagement programs, Birla Carbon recognizes this is inconsistent and intends to identify appropriate impact assessment approaches over the next two years with the help of its parent company, the Aditya Birla Group. | |
| G4-SO2 | | 100% of Birla Carbon manufacturing plants would have significant potential negative impacts on local communities if carbon black powder is released in to the local area; however, Birla Carbon has strict controls in place to avoid these impacts from occurring. Refer to G4-EN24 regarding impacts on local communities. | |

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SPECIFIC STANDARD DISCLOSURES

➔ SOCIAL: SOCIETY

| DMA AND INDICATORS | SOURCE | NOTES | OMISSIONS |
|---|---|--|-----------|
| MATERIAL ASPECT: ANTI-CORRUPTION | | | |
| G4-DMA | Our approach Our key issues Governance Ethics and compliance | | |
| G4-SO3 | | 100% of Birla Carbon's plants are analyzed for risk at least every two years by the internal audit department. If compliance issues are discovered, sites may be audited more frequently until findings are corrected. | |
| G4-SO4 | | Birla Carbon has communicated its anti-corruption policies and procedures to 100% of its employees. | |
| G4-SO5 | | There were no confirmed incidents of corruption or actions taken in FY2015. | |
| MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR | | | |
| G4-DMA | Our approach Our key issues Governance Ethics and compliance | | |
| G4-SO7 | Governance and ethics, Our key figures | Birla Carbon has not been involved in any legal actions pending or completed during the reporting period regarding anti-competitive behavior, violations of antitrust, or monopoly legislation. | |
| MATERIAL ASPECT: COMPLIANCE | | | |
| G4-DMA | Our approach Our key issues Governance Ethics and compliance | | |
| G4-SO8 | | Birla Carbon has not received any significant fines or non-monetary sanctions for non-compliance with laws and regulations with the exception of those reported in EN29. | |

SPECIFIC STANDARD DISCLOSURES

SOCIAL: PRODUCT RESPONSIBILITY

| DMA AND INDICATORS | SOURCE | NOTES | OMISSIONS |
|--|---|---|-----------|
| MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY | | | |
| G4-DMA | Our approach Our key issues Governance Product safety and stewardship The big questions | | |
| G4-PR1 | | 100% of products are assessed for health and safety improvements. | |
| G4-PR2 | | There have been no incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of Birla Carbon products in FY2015. | |
| MATERIAL ASPECT: PRODUCT AND SERVICE LABELING | | | |
| G4-DMA | Our approach Our key issues Governance Product safety and stewardship | | |
| G4-PR3 | | Through Safety Data Sheets Birla Carbon's product labeling includes the content and safety guidance on use and disposal of the product. | |
| G4-PR4 | | There have been no incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling in FY2015. | |
| G4-PR5 | Customer engagement | | |
| MATERIAL ASPECT: COMPLIANCE | | | |
| G4-DMA | Our approach Our key issues Governance | | |
| G4-PR9 | | Birla Carbon has not received any significant fines for noncompliance with laws and regulations concerning the provision and use of products and service in FY2015. | |

APPENDIX: DATA

ENVIRONMENTAL DATA

| RAW MATERIALS USED | UNIT | FY2013 | FY2014 | FY2015 |
|--------------------|------------------|-----------|-----------|-----------|
| Natural gas | kNm ³ | 175,444 | 167,151 | 179,461 |
| Oil feedstock | tonnes | 2,460,489 | 2,444,960 | 2,438,409 |

Note: Raw materials are non-renewable and sourced from external suppliers. The data is calculated through direct measurement.

| ENERGY CONSUMPTION INTENSITY | UNIT | FY2013 | FY2014 | FY2015 |
|------------------------------|------------------------------------|-------------|-------------|-------------|
| Total energy consumption | GJ/t _{carbon black} | 14.95 | 14.89 | 13.78 |
| Oil | GJ/t _{carbon black} | 0.02 | 0.03 | 0.02 |
| Natural gas | GJ/t _{carbon black} | 1.59 | 1.76 | 0.66 |
| Electricity consumption | GJ/t _{carbon black} | 7.42 | 7.13 | 6.94 |
| Steam consumption | GJ/t _{carbon black} | 5.93 | 5.98 | 6.15 |
| Electricity sold | GJ/t _{carbon black} | 4.93 | 5.51 | 4.73 |
| Tail gas sold | GJ/t _{carbon black} | 2.34 | 2.41 | 1.74 |
| Hot water sold | GJ/t _{carbon black} | 0.36 | 0.36 | 0.35 |
| Steam sold | GJ/t _{carbon black} | 4.04 | 3.19 | 2.36 |
| NET ENERGY USE | GJ/t_{carbon black} | 3.28 | 3.42 | 4.60 |

Notes:

- Site-specific gross calorific value (GCV) used for natural gas.
- Used conversion factor of 3.841 to convert MWh to MKCal for power.
- Used conversion factor of 780 to convert MWh of steam to MKCal.
- Tail gas conversion factors varied by site.
- Water heating conversion factors varied by site.
- Compressed air conversion factors varied by site.
- Used conversion factor of 4.187 to convert MKCal to GJ.

| ENERGY CONSUMPTION INTENSITY OUTSIDE THE ORGANIZATION | UNIT | FY2013 | FY2014 | FY2015 |
|---|------------------------------|--------|--------|--------|
| Upstream: Extraction, transport, refining and distribution of raw materials | GJ/t _{carbon black} | 21 | 21 | 24 |
| Downstream: Transportation and distribution of products | GJ/t _{carbon black} | 0.90 | 1.0 | 0.89 |

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APPENDIX: DATA

➔ ENVIRONMENTAL DATA

| WATER WITHDRAWAL BY SOURCE | UNIT | FY2013 | FY2014 | FY2015 |
|--|----------------|-------------------|-------------------|-------------------|
| Surface water | m ³ | 7,318,627 | 7,090,908 | 6,581,739 |
| Ground water | m ³ | 3,697,334 | 3,672,874 | 4,347,320 |
| Rainwater and water recycled from other plant operations | m ³ | 655,556 | 1,164,692 | 2,808,987 |
| Wastewater from other organizations | m ³ | 0 | - | 0 |
| Municipal water supplies | m ³ | 3,869,884 | 4,049,910 | 5,151,789 |
| Total | m ³ | 15,541,401 | 15,978,384 | 18,889,835 |

Note: Surface water, ground water, and municipal water volumes are directly measured via metering. Rainwater and water recycled from other plant operations are directly measured via metering at some locations and are estimated at others based on rainfall data for the area.

| WATER RECYCLED AND REUSED | UNIT | FY2013 | FY2014 | FY2015 |
|------------------------------|----------------|---------|-----------|-----------|
| Total volume | m ³ | 655,556 | 1,164,692 | 2,808,987 |
| Total volume as a percentage | % | 4 | 7 | 15 |

Note: Rainwater and water recycled from other plant operations are directly measured via metering at some locations and are estimated at others based on rainfall data for the area.

| GHG EMISSIONS | UNIT | FY2013 | FY2014 | FY2015 |
|---|----------------------|-----------|-----------|-----------|
| DIRECT GHG EMISSIONS (SCOPE 1) | | | | |
| Direct GHG emissions in metric tonnes of CO ₂ equivalent (baseline 2005) | tCO ₂ -eq | 3,328,388 | 3,222,271 | 3,194,666 |

Notes:

Only CO₂ gas is included in the calculation as emissions of other gases are considered negligible in comparison.

FY2005 is taken as the baseline year because this is the first year reliable direct GHG emission data was available for all plants.

| ENERGY INDIRECT GHG EMISSIONS (SCOPE 2) | | | | |
|--|----------------------|---------|---------|---------|
| Gross energy indirect GHG emissions in metric tonnes of CO ₂ equivalent | tCO ₂ -eq | 395,522 | 399,478 | 360,249 |

Notes:

Only CO₂ gas is included in the calculation as emissions of other gases are considered negligible in comparison.

FY2013 is taken as the baseline year because comprehensive and reliable energy data was not available for all plants in previous years.

| OTHER INDIRECT GHG EMISSIONS (SCOPE 3) | | | | |
|--|----------------------|-----------|-----------|-----------|
| Gross other indirect scope 3 GHG emissions | tCO ₂ -eq | 1,248,575 | 1,138,484 | 1,245,552 |

Note: The calculation includes the upstream extraction, transport, refining and distribution of feedstock materials and the downstream distribution to customers.

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APPENDIX: DATA

➔ ENVIRONMENTAL DATA

| TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION | UNIT | FY2013 | FY2014 | FY2015 |
|--|----------------|---------|---------|-----------|
| Sanitary wastewater discharge | m ³ | 93,190 | 133,631 | 128,812 |
| Industrial wastewater discharge to on-site collection pond | m ³ | 7,800 | 77,670 | 3,291,415 |
| Industrial wastewater discharge to natural body of water | m ³ | 409,603 | 467,802 | 142,966 |
| Industrial wastewater discharge to municipal waste water treatment plant | m ³ | 294,761 | 348,723 | 435,931 |

Note: The water treatment method varies between plants but typically includes settling and often times neutralization, pH control, flocculation, clarifying and dechlorination as needed. Any water recycled is used by Birla Carbon. Some Birla Carbon plants were not measuring/estimating the volume of water discharged to the on-site collection pond in FY2014. This has caused previously reported volumes to appear artificially low in comparison to FY2015.

| WEIGHT OF WASTE TRANSPORTED, IMPORTED, EXPORTED, OR TREATED WASTE DEEMED HAZARDOUS | UNIT | FY2013 | FY2014 | FY2015 |
|--|--------|--------|--------|--------|
| Hazardous waste transported | tonnes | 3,162 | 517 | 434 |
| Hazardous waste imported | tonnes | 0 | 0 | 0 |
| Hazardous waste exported | tonnes | 0 | 0 | 0 |
| Hazardous waste treated | tonnes | 86 | 171 | 10 |
| Percentage of hazardous waste shipped internationally | % | 0 | 0 | 0 |

| WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD | UNIT | FY2014 | | FY2015 | |
|---|--------|-----------|---------------|-----------|---------------|
| | | HAZARDOUS | NON-HAZARDOUS | HAZARDOUS | NON-HAZARDOUS |
| Reuse | tonnes | 0 | 0 | 0 | 0 |
| Recycling | tonnes | 3 | 977 | 10 | 2,118 |
| Composting | tonnes | 0 | 0 | 0 | 0 |
| Recovery, including energy recovery | tonnes | 171 | 85 | 0 | 0 |
| Deep well injection | tonnes | 0 | 0 | 0 | 0 |
| Landfill | tonnes | 279 | 9,494 | 106 | 5,036 |
| On-site storage | tonnes | 0 | 0 | 0 | 0 |
| Incineration (mass burn) | tonnes | 64 | 106 | 318 | 76 |

Note: The waste disposal method is determined by Birla Carbon except for landfill disposal which is a default of the waste disposal contractor.

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APPENDIX: DATA

ENVIRONMENTAL DATA

| CONVERSION FACTORS BY REGION (tCO ₂ -eq/GJ) | NORTH AMERICA | | SOUTH AMERICA | EUROPE AND AFRICA | | | | | EAST ASIA | | | INDIA |
|---|---------------|--------|---------------|-------------------|---------|-------|---------|-------|-----------|-------|----------|-------|
| Description | United States | Canada | Brazil | Italy | Hungary | Spain | Germany | Egypt | Korea | China | Thailand | India |
| Power | 0.11 | 0.11 | 0.11 | 0.07 | 0.07 | 0.07 | 0.07 | 0.07 | 0.11 | 0.11 | 0.11 | 0.11 |
| Natural gas | 0.07 | 0.07 | 0.07 | 0.07 | 0.07 | 0.07 | 0.07 | 0.07 | | | | |
| Steam | 0.07 | 0.07 | 0.11 | 0.07 | 0.07 | 0.07 | 0.07 | 0.07 | 0.11 | 0.11 | 0.11 | 0.11 |
| Tail gas | | | 0.07 | | | | | | 0.07 | 0.07 | | |
| Compressed air | | | | | 0.07 | 0.07 | | | | | | |
| Hot water | | | | | | 0.07 | | | | | | |
| District water heating | | | | | | | 0.07 | | | | | |
| Liquid fuel | | | | | | | | | | 0.08 | 0.08 | 0.08 |

| EMISSION FACTORS (EF) FOR FUEL COMBUSTION ¹ | STANDARD EF | LCA EF |
|--|-------------------------|---------------------------|
| Type | (tCO ₂ /MWh) | (tCO ₂ -eq/GJ) |
| Motor gasoline | 0.249 | 0.299 |
| Gas oil, diesel | 0.267 | 0.305 |
| Residual fuel oil | 0.279 | 0.31 |
| Anthracite | 0.354 | 0.393 |
| Other bituminous coal | 0.341 | 0.38 |
| Sub-bituminous coal | 0.346 | 0.385 |
| Lignite | 0.364 | 0.375 |
| Natural gas | 0.202 | 0.237 |
| Municipal wastes (non-biomass) | 0.33 | 0.33 |
| Wood | 0.403 | 0.405 |

¹ Standard CO₂ emission factors (from IPCC, 2006) and CO₂-equivalent LCA emission factors (from ELCD) for most common fuel types.

APPENDIX: DATA

SOCIAL DATA

| EMPLOYEE NUMBERS (FY2015) | FEMALE | MALE | TOTAL |
|--|--------|-------|-------|
| Total workforce | 366 | 3,047 | 3,413 |
| Full time | 300 | 2,230 | 2,530 |
| Part time | 1 | 4 | 5 |
| Temporary | 7 | 3 | 10 |
| Contractors/supervised | 58 | 810 | 868 |
| Employees (non-contractors/non-supervised) | 308 | 2,237 | 2,545 |
| South America | 20 | 217 | 237 |
| South Asia | 44 | 1,237 | 1,281 |
| South East Asia and Far East | 138 | 515 | 653 |
| North America | 78 | 350 | 428 |
| Europe and Africa | 86 | 728 | 814 |
| RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE (FY2015) | FEMALE | MALE | TOTAL |
| Employees entitled to parental leave | 342 | 940 | 1,282 |
| Employees who took parental leave | 14 | 12 | 26 |
| Employees who returned to work | 14 | 11 | 25 |
| Employees in employment 12 months after returning to work | 8 | 4 | 12 |
| Return to work rate of employees who took parental leave | 100% | 92% | 96% |
| Retention rate of employees who took parental leave | 57% | 33% | 46% |

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APPENDIX: DATA

➔ SOCIAL DATA

| EMPLOYEE HIRES AND EMPLOYEE TURNOVER (FY2015) | TOTAL HIRES | HIRE RATE (%) | TOTAL TURNOVER | TURNOVER RATE (%) |
|---|-------------|---------------|----------------|-------------------|
| Age: Under 30 years | 65 | 3 | 44 | 2 |
| Age: 30–50 years | 74 | 3 | 70 | 3 |
| Age: Over 50 years | 6 | 0.2 | 39 | 1.5 |
| Europe and Africa | 29 | 4 | 25 | 3 |
| North America | 37 | 9 | 26 | 6 |
| South Asia | 35 | 6 | 53 | 8 |
| Southeast Asia and Far East | 32 | 6 | 26 | 5 |
| South America | 12 | 5 | 23 | 10 |
| Female | 27 | 1 | 26 | 1 |
| Male | 118 | 5 | 127 | 5 |

| TYPE OF INJURY, RATES OF INJURY AND TOTAL NUMBER OF WORK-RELATED FATALITIES (FY2015) | TYPES OF INJURY | TRIR | LOST TIME CASE | FATALITIES |
|--|---|------|----------------|------------|
| EMPLOYEES | | | | |
| Europe and Africa | Burns to face and hands, back spasms, bruise and contusion | 0.26 | 0.26 | 0 |
| North America | Strained back, hearing shift, jammed finger, fractured ankle, fractured finger, pinched fingers | 1.32 | 0.56 | 0 |
| South Asia | | 0 | 0 | 0 |
| South East Asia and Far East | Burns to face and hands | 0.46 | 0.46 | 0 |
| South America | | 0 | 0 | 0 |

CONTINUED... ➔

APPENDIX: DATA

➔ SOCIAL DATA

| TYPE OF INJURY, RATES OF INJURY AND TOTAL NUMBER OF WORK-RELATED FATALITIES (FY2015) | TYPES OF INJURY | TRIR | LOST TIME CASE | FATALITIES |
|--|---|------|----------------|------------|
| CONTRACTORS | | | | |
| Europe and Africa | Ankle sprain, fractured ankle | 0.21 | 0.21 | 0 |
| North America | | 0 | 0 | 0 |
| South Asia | Fall from height, fractured leg, laceration on finger | 0.95 | 0.71 | 2 |
| South East Asia and Far East | Laceration to fingers | 1.1 | 0 | 0 |
| South America | Laceration to fingers, fractured finger | 0.4 | 0.2 | 0 |

| AVERAGE HOURS OF EMPLOYEE TRAINING (FY2015) | SENIOR MANAGEMENT | MIDDLE MANAGEMENT | PROFESSIONAL | TECHNICAL | ADMINISTRATIVE | PRODUCTION | MAINTENANCE |
|---|-------------------|-------------------|--------------|-----------|----------------|------------|-------------|
| Female | 37 | 41 | 25 | 26 | 30 | 20 | 19 |
| Male | 46 | 46 | 46 | 40 | 23 | 35 | 29 |

| PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS FY2015 | SENIOR MANAGEMENT | MIDDLE MANAGEMENT | PROFESSIONAL | TECHNICAL | ADMINISTRATIVE | PRODUCTION | MAINTENANCE |
|---|-------------------|-------------------|--------------|-----------|----------------|------------|-------------|
| Female | 79 | 83 | 81 | 63 | 79 | 50 | 36 |
| Male | 95 | 95 | 77 | 75 | 80 | 60 | 60 |