CARBON FOOTPRINT STATEMENT

As one of the world’s leading carbon black manufacturing companies, Birla Carbon and its affiliate companies create products that contribute to an enhanced standard of living for people throughout the world.

Birla Carbon uses a “cradle to customer gate” Life Cycle Assessment (LCA) to quantify our carbon footprint and identify actions we can take to reduce our overall carbon footprint. The LCA evaluates carbon impacts from feedstock extraction (cradle) to delivery of our carbon black product to customers (customer gate). We recognize the importance of collaborating with our business partners in order to reduce the carbon footprint over a product’s life cycle. We are disclosing the following information to assist our business partners in quantifying their Scope 3 emissions and the carbon footprint of their own value chain.

| FY2017 Global Weighted Average Carbon Footprint Intensity for Birla Carbon | 2.4 tonne CO₂-eq/tonne of carbon black |

Joseph M Gaynor, Jr.
Chief Legal, Sustainability and Risk Officer

Notes on the calculation of Global Average Carbon Footprint:

- The LCA study was conducted in accordance with ISO 14040 and ISO14044 requirements.
- Data required for the LCA was obtained directly from Birla Carbon’s manufacturing plants, ecoinvent (v3), and the Greenhouse Gas, Regulated Emissions, and Energy Use Transportation (GREET) Model (2013).
- The LCA evaluates all Scope 1 and 2 impacts in accordance with the Greenhouse Gas Reporting Protocol.
- The LCA evaluates the following Scope 3 impacts in accordance with the Greenhouse Gas Reporting Protocol:
  - Purchased goods and services (partial coverage; includes upstream emissions from extraction, transport, refining, and distribution of feedstock material; excludes other purchased goods and services as these are considered to be immaterial).
  - Fuel and energy related activities (partial coverage; includes upstream emissions of purchased fuels; excludes upstream emissions of purchased electricity and transmission and distribution losses).
  - Upstream transportation and distribution
  - Downstream transportation and distribution

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