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WATER RESOURCE MANAGEMENT POLICY OF HEG GRAPHITE LIMITED

BACKGROUND

Water availability in a region is determined not only by topography, vegetation cover, soil, and geology, but also by the extent of climate change in the area. Climate change has a number of negative consequences, including erratic or insufficient rainfall, floods, reduction in the temporal spread of rain, drought, and soil erosion. Rainfall runoff and insufficient groundwater recharge have resulted in a water shortage in several regions of the country for drinking and agricultural purposes.

In all of our facilities, we support the sustainable management of water resources. We are working to improve our understanding of water-related risks, set meaningful goals, improve our water efficiency, and advance innovative water solutions. We make our efforts transparent by disclosing our water footprints, water-related risks, and water governance in our annual integrated reports, which are based on GRI standards.

The Company has approved this "Water Resource Management Policy" in order to uphold its commitment.

OBJECTIVE

As part of our efforts to deliver our Sustainability Vision, we at HEG Graphite Limited ('The Company') have established this Policy to demonstrate our commitment to energy conservation through:

- Careful sourcing of water;
- Efficient and innovative water use and management.

DEFINITIONS

- 'Company' shall mean HEG Graphite Limited.
- 'Board' shall mean Board of Directors of the Company
- 'Members' shall mean shareholders of the Company who hold shares of the Company.
- 'Policy' shall mean Water Resource Management Policy.

POLICY STATEMENT

As India's leading graphite electrode manufacturer, we have always been committed to positively impacting the environment. All of the Company's activities use water to some extent and as we have always tried to manage water resources as much as possible, we recognize that we have moral, social and economic duty to do much more.

In pursuance of our stated commitments, Company will endeavor to:

- Reduce water demand through increasing process efficiency in the water usage;
- Undertake thorough assessment across all our sites to determine how much water is used, how it is used, and identify the sources of water;
- Develop programs for each plant to evaluate the effects that our water use has on the

larger community in which we operate, working with local stakeholders to achieve this;
- Identify alternate water sources that may lessen the adverse effects of our water demands on the larger society;
- Examine and evaluate existing opportunities to minimize water use on our sites;
- Explore opportunities to re-use water within our processes;
- Regular monitoring of the amount of water we are consuming on regular basis to see how we are progressing, and reporting on this progress to our stakeholders;
- Integrating water resource considerations into the operations lifecycle, products and services (i.e., design, supply chain, operations, customer interfaces, maintenance and decommissioning) to avoid, mitigate or improve water use impacts;
- In order to set phase-wise goals and targets, company will select internal and external stakeholders (such as employees, suppliers, opinion leaders, media, community, district administration, and various State Governments) who outline their water-related expectations;
- Examine and evaluate existing opportunities to reuse and recycle water within our processes and across our sites;
- Collaborate with our suppliers and clients to identify potential opportunities to reduce water use in our manufacturing processes, supply chains, and products;
- Train our employees on the causes and consequences of excessive water use so that they can, with our assistance, reduce their own impacts at work and at home;
- Encourage research and development of new and innovative technologies within our industries/entities that will contribute to water-use reductions;
- Establish and publicly communicate through code of conduct, the minimum requirements we have for our vendors and business partners in dealing with water scarcity.
- Monitoring and controlling pollutants discharged into water bodies.
- Promoting proper waste disposal and wastewater treatment.
- Enforcing environmental regulations to prevent water contamination.
- Supporting educational programs on water conservation and pollution prevention.

OBLIGATIONS UNDER THIS POLICY

We are also committed to our statutory and voluntary obligations relating to water resource management which includes all local and national statutory regulations relating to water sourcing and use. The achievement of our goals, the implementation of improvements to achieve them, and the fulfillment of our compliance obligations will be managed through the Sustainability Framework, which the Company is committed to implement and maintain across all of our sites.

Date of approval of the Board:- August 10, 2026