

Huntsman International (India) Private Limited

CSR Policy

1. Background

Huntsman International (India) Private Limited (hereby referred to as '**Huntsman**' or '**the Company**') is a subsidiary of Huntsman International LLC which is a global manufacturer and marketer of differentiated chemicals.

The company believes in making the world a better place to live by giving back to the society. It strives to give hope of a better future to the less privileged.

Globally, the company undertakes various initiatives in the field of healthcare, education and disaster relief. Few of the initiatives of the company include scholarships to students, promotion of health and well-being of individuals, Cancer Institute and hospitals, support to the disaster affected and housing for the homeless

The aim to improve quality of life forms the core of the CSR policy of the company and drives it to focus on holistic development of the community where it operates.

2. Title and Applicability

- 2.1 Huntsman has developed this Policy comprising the Company's philosophy for being a conscientious corporate citizen. The Policy lays down the principles and mechanisms for undertaking various programs in accordance with section 135 of the Companies Act 2013, Corporate Social Responsibility (CSR) rules and Schedule VII and is titled as the 'HIPL's CSR Policy' (Policy).
- 2.2 The Policy shall guide the CSR program and activities undertaken by the Company in the communities in which it operates.

3. CSR Vision Statement

Our CSR vision is to be committed to the cause of improving quality of life of people by addressing concerns related to health, education and environment.

4. Validity of CSR Policy

The Board of Directors of the Company ("**Board**") shall review the CSR policy from time to time and may amend it as and when required.

5. CSR Program Areas & Objectives

In order to achieve its goal as a responsible corporate citizen, Huntsman will undertake its CSR activities in and around the areas where it operates. The company has identified five focus areas for intervention in the rural areas which are education, vocational training, healthcare, water and sanitation and environment.

a. Education:

Education is an essential tool for an individual to achieve one's potential and move towards a brighter future. In the rural areas generally there is a lack of awareness regarding the importance of education irrespective of gender. As a result, the enrolment rate in schools is low and drop-out rate of students is high, especially for girls. On the other hand, those who go to schools receive a poor quality of education with minimal

retention of the knowledge acquired there. In order to address these issues, the company intends to conduct various awareness programs to promote the importance of education and strive to break the gender bias therein. It also aims to improve the quality of learning in schools through activity based learning. Besides this, the company will also provide basic material like school bag, notebooks, pencils etc. for going to school to encourage enrolment, provide career counselling and any other activity that promotes education.

b. Vocational Training:

In India, agriculture is a major source of income in rural areas. However, the income from it is unstable and insufficient to survive. In addition, the opportunities to earn from non-agricultural activities are limited. Vocational training in such areas is essential for creating an alternate source of income, especially for girls and women. Adolescent girls often drop out from school to take care of household responsibilities or are married early. Providing vocational training could provide financial independence and empower them to support their family. In order to achieve this, the company will equip individuals with employable skills. The intention is to encourage people to be self-reliant and use the skills to make a living.

c. Health

Awareness regarding health issues is as important as medical care. In rural areas, people have limited access to reliable sources of information regarding good health practices and health issues that affect them. This happens more so in case acquiring knowledge regarding reproductive health, dealing with psychological distress and other related issues. Moreover, these issues are often not discussed openly and/or dealt with professional care leading to false notions. In order to bridge the awareness gap, the company intends to spread awareness about reproductive health, issues related to adolescence including counselling regarding the same.

d. Water and sanitation:

Most village schools in India lack basic infrastructure such as clean and separate sanitation facilities for girls and boys and clean drinking water. This leads to students being susceptible to diseases. As a result, there is a high rate of absenteeism and eventual drop-out of students, especially girls from the schools. Besides this, lack of awareness regarding personal hygiene also makes students vulnerable to diseases. To deal with these issues, the company intends to improve access to sanitation facilities and clean drinking water in village schools. It will undertake programs involving construction of separate sanitation facilities for girls and boys in schools along with access to clean drinking water. Besides this, the company also intends to inculcate awareness about personal hygiene.

e. Environment

Conservation of environment refers to sustainable use of resources by being mindful of the needs for the future. It is essential to do so to maintain an ecological balance and ensure availability of resources for the generations ahead. As part of its environment conservation initiatives, Huntsman wants to promote conservation of natural resources and use of environmental friendly products. The company intends to spread awareness about reducing environmental pollution, plant trees and promote use of environment friendly products.

f. **Any other activities:** The Company may undertake any such activity in compliance with schedule VII which would improve the quality of life of the community at large.

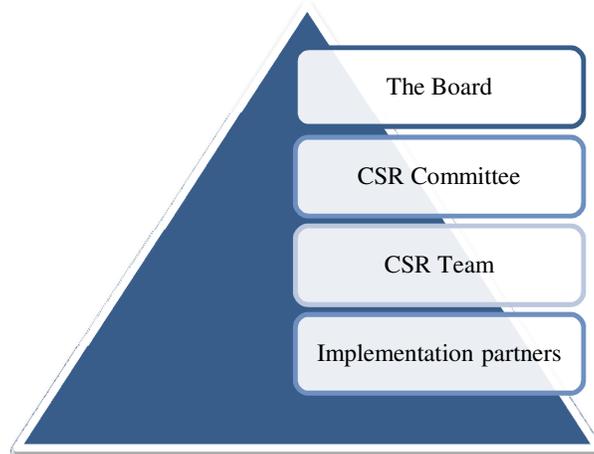
6. CSR Budget

- ❖ The Board shall ensure that in each financial year, the Company spends at least 2% of the average net profit made during the immediate three preceding financial years.
- ❖ The Company may collaborate or pool resources with other organizations or companies to undertake CSR activities.
- ❖ The surplus arising out of the CSR projects or programs shall not form part of the business profit of the company.

7. Implementation process

- ❖ CSR program will be undertaken by the Company within the defined ambit of CSR policy.
- ❖ The time period/duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended impact of the program.
- ❖ The Company will enter into partnerships with the government, business partners and communities to create multiplier effect of its social projects.
- ❖ The mode of implementation of CSR programs will include a combination of direct implementation and implementation through partners such as NGOs, business partners, registered societies etc. The Company will select its partners after appropriate due diligence.
- ❖ The Company will use services of expert agencies, consultancy firms etc. wherever required for carrying out surveys, guidance on project design and implementation, impact assessment surveys etc.

8. CSR Governance Structure



9. Roles and responsibilities

The Board:

The Board will be responsible for:

- ❖ Approval of the CSR Policy of the Company.
- ❖ Ensuring that the projects included in the Policy are undertaken by the Company.
- ❖ Ensuring that the Company spends in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the Policy.
- ❖ Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects.
- ❖ Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount.

CSR Committee:

Composition of the the CSR committee: The composition of the CSR Committee of the Board is as under.

S. No.	Name	Role in the committee
1		
2		
3		

The Board shall have the power to make any change(s) in the constitution of the Committee.

Responsibility of the CSR Committee:

- ❖ Formulate and recommend the CSR Policy to the Board for approval.
- ❖ Review the CSR policy and associated frameworks, processes and practices of the Company from time to time and recommend changes to the board.
- ❖ Recommend CSR projects, which are in line with the activities specified in Schedule VII, to be undertaken by the Company.
- ❖ Ensure that the company takes appropriate measures to undertake and implement CSR projects successfully.
- ❖ Recommend the amount of expenditure to be incurred on CSR projects.
- ❖ Constitute a transparent monitoring mechanism for ensuring implementation of the CSR projects undertaken by the Company.

CSR Team:

Composition of the the CSR team: The composition of the CSR team of the Company is as under.

S. No.	Name	Designation
1		Head, CSR
2		

Responsibility of the CSR Team:

- ❖ On ground assessment of the project(s), coordination with the NGOs and stakeholders.
- ❖ Timely execution and monitoring of the projects.
- ❖ Ensure all background research work and engage with stakeholders either directly or indirectly and prepare project plan for new CSR projects.
- ❖ Plan annual budgets for CSR projects in coordination with the implementing partners and make a proposal to the CSR Committee.
- ❖ Report to the CSR Committee the progress on CSR projects and status of CSR expenditure.
- ❖ Documentation and reporting of all CSR activities of the Company in pursuit of the Companies Act and the CSR Rules.

10. Monitoring and Reporting Framework

Project Monitoring:

The Company will institute a well-defined monitoring and evaluation mechanism to ensure that each CSR program has:

1. Clear objectives developed out of the societal needs that are determined through research.
2. Clear targets, time lines and measurable parameters wherever possible.
3. A progress monitoring and reporting framework that is aligned with the requirements of the section 135 of the Companies Act and the CSR Rules.

The CSR progress monitoring authorities and the frequency of review is given below.

S. No.	CSR Progress Review and Monitoring Authority	Frequency of review
1	Board of Directors	
2	CSR Committee	

The Company will ensure CSR reporting annually in the format recommended in the CSR rules as part of its annual report.