



# Dow Chemical International Pvt. Ltd. Corporate Social Responsibility Policy

## 1 Policy brief and Purpose

Operating in a responsible and sustainable manner is important to Dow. While we run our business in line with the expectations of diverse global stakeholders, we also see corporate responsibility as a discipline that helps us manage risks and maximize on the opportunities available to us in a changing world. Our Corporate Social Responsibility (CSR) company policy refers to our responsibility toward our environment. As a company's existence is not solo. It is a part of a bigger system of people, values, other organizations and nature. The objective of social responsibility of the Company is to give back to the world just as it gives to us.

Dow is committed to understanding, monitoring and managing our social, environmental and economic impact to enable us to contribute to society's wider goal of sustainable development. This commitment is deeply ingrained in our core values and we aim to demonstrate these responsibilities through our actions and within our corporate policies.

At Dow, we define Corporate Social Responsibility as follows:

- Conducting business in a socially responsible and ethical manner;
- Protecting the environment and the safety of people;
- Supporting human rights; and
- Engaging, learning from, respecting and supporting the communities and cultures within which we work.

In alignment with our Statement on Business Conduct and Ethics, Dow will ensure that all matters of Corporate Social Responsibility are considered and supported in our operations and administrative matters and are consistent with Dow stakeholders' best interests.

This Policy applies to activities undertaken by or on behalf of Dow Chemical International Pvt. Ltd.

## 2. Objective and Scope

### 2.1. Objective

The main objective of the CSR Policy is to lay down guidelines for Dow Chemical International Private Limited (hereinafter referred to as 'the Company') to make CSR as one of the key focus areas to adhere to Dow's global interest in environment and society that focuses on making a positive contribution to society through effective impact and sustainable development programs.

This Policy covers the proposed CSR activities to be undertaken by the Company and ensuring that they are in line with Schedule VII of the Act as amended from time to time, It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

## 2.2. Scope & Coverage

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company will review the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

## 3. Corporate Social Responsibility (CSR) Committee

### 3.1. Constitution

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of at least two or more Directors.

### 3.2. Functions and Powers of Committee

To effectively implement the objectives of the Company with respect to CSR, the Committee is vested with the following functions and powers:

- a. Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval
- b. Recommend CSR activities that:
  - fall within one or more criteria established under Schedule VII of the Act and in line with the global CSR strategy;
  - Meet the needs of the local communities, thus helping improve the quality of life in the communities where we are based and deepen our relationships with these communities.
  - Create long-term benefits.
  - Meet Dow criteria, and are aligned with Dow's local and global strategy.
  - Encourage employee volunteerism and engage employees to contribute to the communities in which Dow operates.
  - Are sustainable and encourage effective use of Dow technology.
- c. Approve to undertake CSR activities, if necessary, in collaboration NGOs etc., and to separately report the same in line with the CSR Rules.
- d. Recommend the CSR Budget
- e. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules
- f. Create transparent monitoring mechanism for implementation of CSR initiatives in India
- g. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company
- h. h Monitor activities of the NGOs / firms partnering /collaborating in implementation.
- j. Authorize executives of the Company to attend the CSR Committee Meetings, if necessary

### 3.3. Meetings of the Committee

For smooth functioning of the Committee, the members shall meet as below to discuss such matters and to take such decisions as may be necessary;

- a. The CSR Committee shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Committee.
- b. The members of the Committee may mutually agree between them regarding time and place for the said meetings.
- c. The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.
- d. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means as may be convenient.

## 4. CSR Spend

The Companies Act, 2013 prescribes that the companies which meet the criteria specified U/s. Sec. 135 shall allocate certain portion of its annual net profits (calculated as per Sec. 198) during the three immediately preceding financial years to be spent on CSR Activities that fall under the categories specified under Schedule VII of the Act.

### 4.1 CSR Expenditure

Net profit for the purpose of allocation towards CSR means profit more fully described under Rule 2(f) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

### 4.2. Expenditure on CSR capabilities

The Company may build CSR capabilities of their own personnel as well as of their implementing Agencies and such expenditure shall not exceed 5% of the total CSR spend of the Company as stated in the Rules from time to time. Determination of whether a particular expenses fall within this 5% cap can be decided in consultation of the Chief Financial Officer of the Company based on the clarification available from time to time in this regard.

### 4.3. Failure to spend the CSR Money

If the Company fails to spend the required amount in a particular financial year, it is the duty of the Committee to submit a report in writing to the Board of Directors specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors in their Annual Report pertaining to that particular Financial Year.

Surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

## 5. CSR Initiatives

Pursuant to Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

### 5.1. Annual CSR Plan

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines inter alia the following aspects of CSR initiatives of the Company:

- Project Proposals (Including the 3 marquee CSR project of the Company)
- Targeted Beneficiaries and their key needs
- Alignment with Schedule VII Project Goals and milestones
- Activities and Timelines including expected closure dates CSR Budget with projections
- Monitoring mechanism
- Progress reporting and frequency of reports Risks and mitigation strategies
- Any other information as may be required by the CSR Committee

### 5.2. Collaboration

It is expressly allowed under the CSR Rules that the Company may collaborate with any other Company or association formed in this regard subject to approval by CSR Committee, to implement CSR activities and the same shall form a part of the Annual CSR Plan.

### 5.3. Disqualifying Activities for CSR

- a. The CSR Rules disqualifies the CSR projects and programs that are implemented by the Company for benefit of the employees of the Company and their families.
- b. The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report.
- c. Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend.
- d. Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.

### 5.4 Reports

The CSR Committee shall prepare reports that are required to be placed before the Board. The format of the Report shall be the format prescribed under the CSR Rules stated hereunder:

Sl. No.	CSR Project or Activity Identified	Sector which project is covered	Project or Programs 1) Local Areas, 2) Specify the state and district where projects	Budget (Project or Program)	Amount spent on Project or Program a. Direct Expenditure b. Overheads	Cumulative Expenditure	Amount Target Spent Direction Date or through Agency Status!  !was undertaken
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## 6. Reporting and publication of CSR policy

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.

## 7. Policy review and future amendment

The administration of the CSR Policy of the Company and the execution of identified CSR projects, programs and activities under it shall be carried out under the control and overall supervision of Board of Director's.

Further, the Board of Directors may revise/ amend this CSR Policy based on the recommendations of the CSR committee or to bring the same in line with the guidelines or amendments issued from time to time by Government on the subject.