

**CORPORATE SOCIAL RESPONSIBILITY POLICY**  
**OF**  
**DOW CHEMICAL INTERNATIONAL PRIVATE LIMITED**  
**(CIN - U24239MH1998PTC113551)**

## **1. Introduction**

As per the provisions of the Companies Act, 2013 (the “Act”) every company qualifying the prescribed threshold shall comply with the applicable Corporate Social Responsibility (“CSR”) provisions including formulation of CSR policy.

Dow Chemical International Private Limited (“DCIPL” or “Dow India”) meets the prescribed threshold and hence, this CSR policy has been prepared pursuant to provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility policy) Rules, 2014 (“CSR Rules”) and Schedule VII of the Act including any amendment(s) thereto or re-enactment(s) thereof, and in alignment with the belief and vision of the Company.

## **2. Policy brief and Purpose**

Operating in a responsible and sustainable manner is important to Dow India. Our CSR policy refers to our responsibility towards our communities in and around our areas of operations. The objective of social responsibility of the Company is to give back to the society just as it gives to us.

Dow India 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 India, we define CSR as follows:

- Supporting communities; and
- Engaging, learning, respecting and supporting the communities and cultures within which we work.

This Policy applies to CSR activities undertaken by or on behalf of Dow India.

## **3. Objective and Scope**

### **3.1. Objective**

The main objective of the CSR Policy is to lay down guidelines for Dow India to make CSR as one of the key focus areas to make positive contribution to society through effective impact and sustainable development programs in the areas of education, health, women empowerment and community development. This Policy covers the proposed CSR activities to be undertaken by Dow India 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.

### **3.2. 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 Act as amended from time to time.

## **4. CSR Governance**

### **4.1. CSR Committee**

- 4.1.1. The current members of the CSR Committee of the Company are stated in Annexure A.
- 4.1.2. The CSR Committee shall recommend/ approve the necessary matters at a meeting or through resolution by circulation, in compliance with the Act. The quorum for a meeting of the CSR Committee shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two directors, whichever is greater.

### **4.2. Functions and Powers of CSR Committee**

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

- 4.2.1. Formulate/amend and recommend to the Board, CSR policy of the Company, as may be required from time to time;
- 4.2.2. Formulate and recommend to the Board, an Annual Action Plan for each financial year including amendments, as may be required from time to time, in pursuance of the CSR policy of the Company;
- 4.2.3. Recommend to the Board the activities to be undertaken by the Company, in areas or subject, specified in Schedule VII to the Act read with various circulars, notifications, FAQs, issued by the Ministry of Corporate Affairs ("MCA") from time to time and in line with the global CSR strategy of the Company, including but not limited to:
  - 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;
  - meet Dow India's criteria, and are aligned with strategy;
  - encourage employee volunteerism and engage employees to contribute to the communities in which Dow India operates; and
  - sustainable and encourage effective use of technology to support communities.
- 4.2.4. Formulate a robust monitoring mechanism to ensure proper implementation of approved CSR projects and modalities of utilisation of CSR funds allocated to the projects/ programs/ activities;
- 4.2.5. Conduct need based assessments before the commencement of the project;
- 4.2.6. Monitor the implementation of the CSR policy of the Company from time to time; and consider any other matter/ requirement as may be considered expedient by the members of the CSR Committee in furtherance of and to comply with the CSR policy of the Company.

### **4.3. Role of the Board of Directors:**

In context of the CSR policy, the Board of Directors shall, upon recommendation of the CSR Committee (wherever required):

- 4.3.1. Approve the CSR policy for Dow India and disclose contents of such policy in its report and also place the policy along with other requisite information on the Company's website, if any, in such manner as may be prescribed;
- 4.3.2. Approve the Annual Action Plan, in pursuance of the CSR policy of the Company;
- 4.3.3. Ensure that the prescribed amount is spent on the activities as are included in CSR policy of Dow India are undertaken by the Company, and the amount unspent, if any, is dealt with in the manner prescribed under the Act;
- 4.3.4. Monitor the implementation of the annual and on-going project(s) with reference to the approved timelines and year-wise allocation and to make modifications, if any, for smooth implementation of the project(s) within the overall permissible time period;
- 4.3.5. Engage implementing agency and/ or international organisation(s) in compliance with the Act;

- 4.3.6. Satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it; and
- 4.3.7. Any other matter/ requirement as may be recommended by the CSR Committee.

## **5. CSR EXPENDITURE**

- 5.1. In every financial year, the Company shall, with the recommendation of its CSR Committee and approval of its Board of Directors, approve an Annual Action Plan for CSR activities / projects for the financial year. The Annual Action Plan will be a budgetary allocation of at least two percent (2%) of the average net profits as computed under Section 198 of the Act, during the three (3) years immediately preceding the current financial year.
- 5.2. The Board shall also ensure that administrative overheads shall not exceed five percent (5%) of total CSR expenditure of the Company for the financial year;
- 5.3. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company and shall be ploughed back into the same project(s) or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy of the Company and Annual Action Plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six (6) months of the expiry of the financial year;
- 5.4. Where the Company spends an amount in excess of CSR expenditure required under the Act, subject to passing of a resolution by the Board of Directors of the Company, such excess amount, excluding surplus arising, can be set-off against the CSR spends up to immediate succeeding three (3) financial years;
- 5.5. The Company will report reasons, if it fails to spend the allocated CSR budget for each financial year and unless the unspent amount relates to any ongoing project(s), transfer the unspent amount to a Fund specified in Schedule VII of the Act, within a period of six (6) months of the expiry of the financial year;
- 5.6. Any amount remaining unspent pursuant to any ongoing project(s), undertaken by the Company, shall be transferred by the Company within a period of thirty (30) days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility policy within a period of three (3) financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII of the Act, within a period of thirty (30) days from the date of completion of the third financial year;.
- 5.7. Tax treatment of CSR spend shall be in accordance with the Income Tax Act, 1961 read with the Finance Act as may be notified by the Central Board of Direct Taxes, from time to time.

The CSR Committee and Board should ensure that CSR fund should be disbursed to implementing agencies, partially or wholly, in such a manner so that they can be entirely utilised by them on the identified CSR activities during the financial year.

## **6. CSR activity areas/ scope**

- 6.1. The CSR activities shall be undertaken by the Company, as per its stated CSR policy, as projects or programs or activities (either new or ongoing), excluding the activities undertaken in pursuance of its normal course of business;
- 6.2. CSR projects or programs or activities undertaken by Dow India in India only shall amount to expenditure towards CSR activities. The CSR projects or programs or activities that benefit only the employees of the Company and their family members shall not be considered as CSR activities in accordance with Section 135 of the Act. However, any activity which is not designed to benefit employees solely, but the public at large, and if the employees and their family members are incidental beneficiaries, then, such activity would not be considered as "activity benefitting employees" and will qualify as eligible CSR activity.

## **7. Implementation and Monitoring**

### **7.1. Implementation:**

- 7.1.1. The CSR Committee will prepare and submit to the Board, each year, an Annual Action Plan. All the guiding principles as required to be followed for implementing and monitoring the CSR Activities shall also be followed while formulating the Annual Action Plan. The Annual Action plan shall be simple, action oriented, measurable, relevant and time bound.
- 7.1.2. The Board will approve the Annual Action Plan as recommended by the CSR Committee for it to be effective and uploaded on the Company's website, if applicable.
- 7.1.3. The Board could alter the Annual Action Plan during the financial year, as per the recommendation of CSR Committee and reasonable justification to that effect.
- 7.1.4. The Company may undertake CSR activities through itself, eligible implementing agencies or in collaboration with one or more companies as prescribed under the Act.

The Company may also collaborate with other companies for undertaking project/s or program/s related to CSR activities in such a manner that the CSR Committee of respective companies can report separately on such projects or programs in accordance with the Act.

- 7.1.5. Any deviations/ changes to the Annual Action Plan/ Budgets approved by the Board will need to be reviewed by the CSR Committee and Board prior to it being undertaken.

### **7.2. Monitoring:**

- 7.2.1. The Company will institute a well-defined monitoring and evaluation mechanism to ensure that each CSR project has:
  - Clear objectives developed out of the social/environmental/sustainability needs that are determined through baseline studies and research;
  - Clear targets, timelines and measurable parameters wherever possible;
  - A progress monitoring and reporting framework that is aligned with the requirements of Section 135 read with Schedule VII of the Act.
- 7.2.2. The CSR Committee and/or the Board of directors of the Company will monitor the progress of the CSR Programs conducted by the Company at a pre-defined frequency based on the identified key performance indicators. Monitoring mechanisms should have periodic feedbacks with recourse to mid-course correction in implementation, whenever required.
- 7.2.3. The Board shall satisfy itself regarding the utilisation of funds disbursed for CSR project/s annually and the CFO and/or the person responsible for financial management of the Company shall, in each financial year, certify that the funds allocated for meeting the CSR expenditure of the Company has been administered in the areas or project/s as required by the Board of Directors of the Company. The Company may require that the implementing agencies of the CSR project/s provide utilization report or any other document confirming the utilization/ status.
- 7.2.4. The CSR Committee may also submit the reports to the Board of Directors for its information, consideration and necessary directions.

## **8. Reporting and Disclosure**

### **8.1. Annual Reporting:**

The Board's Report of Dow India shall include an annual report on CSR containing particulars as specified in the CSR Rules.

## **8.2. Company's Website:**

Dow India shall disclose the composition of its CSR Committee, its CSR policy and the details of projects approved in the financial year and projects executed during that particular financial year.

## **9. Policy review and future amendment**

The administration of the CSR Policy of Dow India and the execution of the identified CSR projects, programmes and activities under it shall be carried out under the control and overall supervision of Board of Directors of Dow India in consultation with its CSR Committee.

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.

## ANNEXURE A

### Composition of CSR Committee

S No	Name of Member	Designation	Type of Directorship
1	Mr. Siddhartha Ghosal	Chairperson of the Committee	Director
2	Mr. Subhash Mukadam	Member	Director
3	Mr. Vipul Babu	Member	Director

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