

# CORPORATE SOCIAL RESPONSIBILITY POLICY

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# CORPORATE SOCIAL RESPONSIBILITY POLICY

CLARIANT CHEMICALS (INDIA) LTD  
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CORPORATE SOCIAL RESPONSIBILITY  
POLICY (CSR)

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## Purpose

Clariant in India takes responsibility for public welfare and the common good of the people. Clariant commits itself to ethical and sustainable operation and development in all business activities according to Responsible Care®, Clariant's code of conduct and as per section 135 of the Companies Act, 2013 and applicable Rules.

This CSR engagement is an integral component of Clariant's corporate philosophy.

## Scope

Following activities are considered in CSR:

- Sponsorships;
- Charitable donations/Others without consideration;
- Gifts and hospitality are not in the scope of this policy.

Activity types are categorized in terms of their contribution cost type, motive, key performance indicator (KPI) and focus area.

Contribution cost types are defined as:  
(a) Monetary (b) In-kind (c) Time;  
(d) Management Costs

## Corporate Social Responsibility (CSR) Classification

The following two criteria to be fulfilled:

- The activity type is intended on voluntary basis; and
- The activity type is charitable in terms of the definition by this policy.

Charitable means the activity has to support an organization that has a clear charitable and/or social purpose. Each CSR has to aim at the public welfare and common good and ensure it is beyond Clariant's core business activities, includes donations for social welfare or cultural activities in the neighborhood that the site is operating in.

All activities that do not fall under CSR follow the standard procedures set forth by the management. Preference for CSR Projects will be given, closer to the respective Sites and offices.

## Mandatory requirements

CSR contributions in all scope of activities must comply with the following:

- No contribution to be promised offered or made to secure inappropriate competitive advantage for Clariant or for other improper purpose e.g. no bribery.
- All contributions must be clear and visible. The reason and purpose must be justifiable and documented.
- No contribution to individuals or organizations whose goals can damage Clariant's reputation.
- No contributions to private accounts

### **Approval process**

CSR Projects up to INR 5 Lacs will be approved by Vice Chairman and Managing Director and anything above will be approved by the Board Members. All monetary expenses defined in the policy to be allocated to identified cost center only. For all projects it is mandatory to fill the formal application form. The same will be tracked and maintained.

### **Governance**

- Every year the CSR committee will place for the Board's approval the CSR projects to be carried out during the financial year and the specified budgets thereof.
- The assigned teams will carry out/implement the approved projects.
- The CSR Team will then update the Board on the status of the implementation once in 6 months.
- At the end of every financial year, the Regional Sustainability and Regulatory Affairs (RSRA) /CSR team will submit report to the Board.

### **Execution**

The Regional Sustainability and Regulatory Affairs (RSRA) function executes the CSR Management process at the Regional and Country level.

The execution of an approved CSR activity lies with the requester after approval.

### **Activities to be considered:**

- Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and availability of safe drinking water.
- Rural development projects.
- Promoting gender equality and empowering women
- To ensure environmental sustainability, eco balance, conservation, animal welfare, forestry etc.
- Promoting education, special education - Employment enhancing vocational skills among children, women, elderly and differently abled.

Training to promote rural sports, nationally recognized sports,

Para Olympic and Olympic sport.

Contribution to Prime Ministers National relief fund or by Central or State Government for socio-economic development and relief and welfare of schedule caste and tribes, minorities and women.

The Vice-Chairman & Managing Director shall be responsible for intimating to the CSR Committee/ Board of Directors from time to time, feedback about the implementation of the Policy.

The Board of Directors shall have the right to change/amend the policy from time to time at its sole discretion and / or in pursuance of any amendments made by the prescribed authorities.

### **Annual reporting**

The RSRA function will collect, collate and document all requests at the Regional and Country level and submit for the annual reporting.

This CSR Policy will be effective wef. July 1, 2014.