

MOMENTIVE PERFORMANCE MATERIALS (INDIA) PRIVATE LIMITED
POLICY FOR
CORPORATE SOCIAL RESPONSIBILITY

The objective of the Momentive Performance Materials (India) Private Limited (“**Momentive**”) Corporate Social Responsibility (CSR) policy is to:

- a. Ensure an increased commitment to all levels in the organization, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- b. To directly or indirectly take up programmes that benefit communities and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace.
- c. To generate, through its CSR initiatives, a community goodwill for Momentive and help reinforce a positive and socially responsible image of Momentive as a corporate entity.

1. **SCOPE**

- a. The scope of this CSR policy will include the following areas and Momentive may take up CSR initiatives, at its discretion, in respect of one or more of the following:

- 1.1.1 Education;
- 1.1.2 Eradication of hunger and poverty and water supply including drinking water;
- 1.1.3 Social Empowerment;
- 1.1.4 Environment;
- 1.1.5 Rural Development Projects.

- b. The above list is illustrative and not exhaustive. Momentive may consider bringing within the ambit of this CSR policy activities not falling in this list. To the extent practicable, efforts will be made to co-ordinate with similar CSR activities that are taken up by the Central or State Government. All activities under this CSR policy will be environment friendly and socially acceptable to the local people and society.

- c. **Areas**

- 1.1.1 **Education**

Momentive will strive to promote education, including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled, as well as livelihood enhancement projects, and may engage in or contribute towards one or more of the following activities:

- 1.1.1.1 Support to technical/ vocational institutions for their self-development;

- 1.1.1.2 Academic education by way of financial assistance to primary, middle and higher secondary schools;
- 1.1.1.3 Adult literacy especially amongst those persons below the poverty line;
- 1.1.1.4 Awareness programmes on girl education;
- 1.1.1.5 Counseling of parents;
- 1.1.1.6 Special attention on education, training and rehabilitation of mentally and physically challenged children/ persons;
- 1.1.1.7 Spreading legal awareness amongst people and disadvantaged sections of the society about their rights and remedies available;
- 1.1.1.8 Providing fees for a period of one year or more to the poor and meritorious, preferably girl students of schools;
- 1.1.1.9 Providing cycle to needy girl students attending school in remote and distant areas.

1.1.2 Eradication of hunger and poverty and water supply including drinking water

Momentive seeks to eradicate hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water and may engage in or contribute towards one or more of the following activities:

- 1.1.2.1 Providing access to food to vulnerable sections of the populace in a sustained manner;
- 1.1.2.2 Minimising environmental footprint by accessing and salvaging surplus and/or near expiry-date food for disbursement at partner feeding centres and thereby minimising food wastage;
- 1.1.2.3 Creation of food banks in deprived areas so as to foster food security and improved nutrition with special focus on malnourished children and women;
- 1.1.2.4 Contributing to foundations that cater to midday meal programmes for poor children;
- 1.1.2.5 Installation/ repair of hand pumps/ tube wells;
- 1.1.2.6 Digging/ renovation of wells;
- 1.1.2.7 Gainful utilization of waste water for cultivation or any other purpose;
- 1.1.2.8 Development/ construction of water tank/ ponds;
- 1.1.2.9 Rain water harvesting scheme;
- 1.1.2.10 Formation of a task force of volunteers to educate people regarding proper use of drinking water;
- 1.1.2.11 Empowerment to villagers for maintenance of the above facilities for availability of water.

1.1.3 Social Empowerment

With a view to bringing about social empowerment, Momentive may engage in or contribute towards one or more of the following activities:

- 1.1.3.1 Promoting gender equality;
- 1.1.3.2 Empowering women including organizing training programmes for women on different vocational courses;
- 1.1.3.3 Training rural youth for self-employment;
- 1.1.3.4 Providing assistance to villagers having small patch of land to develop farming and other cash crops to make them economically dependent on their available land resources and training may be provided by agricultural experts;
- 1.1.3.5 Construction of homes and hostels for women, especially SC/ ST, girls and orphans;
- 1.1.3.6 Setting up old age homes, day care centres and such other facilities for senior citizens;
- 1.1.3.7 Measures for reducing inequalities faced by socially and economically backward groups.

1.1.4 Environment

Momentive recognizes the need to ensure environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water and may engage in or contribute towards one or more of the following activities:

- 1.1.4.1 Organizing sensitizing programmes on environment management and pollution control;
- 1.1.4.2 Green belt development;
- 1.1.4.3 Afforestation and social forestry;
- 1.1.4.4 Plantation of saplings producing fruit;
- 1.1.4.5 Animal care.

1.1.5 Rural development projects

Momentive may undertake to contribute in a periodic fashion to one or more of the following projects exclusively aimed at development of rural and backward areas:

- 1.1.5.1 Allocating funds towards projects for construction of essential water and sanitation facilities;
- 1.1.5.2 Solid and Liquid Waste Management may be taken in the areas that are in dire need of the same;

- 1.1.5.3 Bringing about an overall improvement in the general quality of life by accelerating sanitation coverage and thereby eliminating the practices such as open defecation, manual scavenging, etc.;
- 1.1.5.4 Contributing to the developmental projects that focus on provision of free housing to the less-privileged sections of the society;
- 1.1.5.5 Collaborating with the national programs to facilitate added social security to beneficiaries under pension schemes, family benefit schemes, maternity benefit schemes, etc.;
- 1.1.5.6 Visualizing and promoting the establishment of model villages in and around the State.

2. FUNDING AND ALLOCATION

- 2.1 For the purpose of achieving its CSR objectives through the implementation of meaningful and sustainable CSR Programmes, Momentive will allocate and spend in each financial year an amount not less than two per cent (2%) of the average net profits of Momentive made during the three (3) immediately preceding financial years, as its annual CSR budget.
- 2.2 Any unspent/ unutilized CSR allocation for a particular financial year will be carried forward to the following financial year *i.e.* the CSR budget will be non-lapsable in nature.
- 2.3 CSR expenditure will include all expenditure, direct and indirect, incurred by Momentive on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programmes will be used for CSR. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

3. IMPLEMENTATION

- 3.1 The investment in CSR will be programme/ project based and for every programme/ project (“**CSR Programme**”) under this CSR Policy, time framed periodic milestones are finalized at the outset.
- 3.2 The time period/ duration over which a particular CSR Programme will be spread, will depend on its nature, extent of coverage and the intended impact of the CSR Programme.
- 3.3 CSR Programmes which involve considerable financial commitment and are undertaken on a timeframe of 2-5 years, are considered as being flagship programmes and accorded enhanced significance.

- 3.4 Initiatives of State Governments, District Administration, Local Administration as well as Central Government Department Agencies, self-help groups etc., are synergized with the initiatives taken by Momentive.
- 3.5 CSR Programmes identified under CSR may be implemented by specialized agencies and the specialized agencies could be made to work singly or in tandem with other agencies. Such specialized agencies could include:
- 3.5.1 Community based organization, whether formal or informal;
 - 3.5.2 Voluntary agencies (NGOs);
 - 3.5.3 Institutes/ Academic Organizations;
 - 3.5.4 Trusts, Mission etc.;
 - 3.5.5 Self-help groups;
 - 3.5.6 Government, Semi Government and autonomous organizations;
 - 3.5.7 Professional Consultancy Organization, etc.
- 3.6 The Board (defined below) may decide to undertake its CSR activities through a registered trust or registered society or a company under Section 8 of the Companies Act, 2013 or otherwise, established by Momentive/ holding/ subsidiary/ associate company; provided that if such trust, society or company is not established by Momentive, Momentive shall ensure that the trust, society or company has an established track record of three years in undertaking similar programs or projects and provided that Momentive has specified the project or programs to be undertaken by these entities, the modalities of utilization of funds and the monitoring and reporting mechanism.

4. GOVERNANCE

- 4.1 Momentive has constituted a Corporate Social Responsibility Committee (“**CSR Committee**”) of the Board of Directors (“**Board**”) which shall at all times consist of a minimum of three (3) directors.
- 4.2 Every year, the CSR Committee will place for the Board’s approval, the CSR Programmes to be carried out during the financial year and the budget thereof. The Board will consider and approve the same with any modification that may be deemed necessary.
- 4.3 Upon such approval, implementation of the CSR Programmes within specified budgets and timeframes will take place and the CSR Committee may assign the task of implementation of the CSR Programmes to the specialized agencies identified for such purpose. In furtherance of the same, Momentive may enter into an agreement with each specialized agency to give effect to their engagement by MPM India.
- 4.4 The specialized agencies, if engaged by MPM India, will carry out the CSR Programmes and report back to the CSR Committee on the progress thereon at such frequency as the CSR Committee may direct.

- 4.5 The CSR Committee will review the implementation of the CSR Programmes on a quarterly basis and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this CSR Policy.
- 4.6 It is the responsibility of the CSR Committee to keep the Board apprised of the status of implementation of the CSR Programmes.
- 4.7 At the end of every financial year, the CSR Committee will prepare a report on the CSR Programmes carried out and submit the same to the Board.
- 4.8 The CSR Committee may conduct impact studies on a periodic basis, through independent professional third parties/ professional institutions, especially on strategic and high value programmes.
- 4.9 Appropriate documentation of the CSR Policy, annual CSR activities, specialized agencies (if engaged by MPM India) and expenditure will be undertaken on a regular basis and the same will be available in the public domain.
- 4.10 CSR initiatives of Momentive will also be reported in the Annual Report of MPM India.

5. MISCELLANEOUS

- 5.1 Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the guidelines on the subject as may be issued by the Government, from time to time.
- 5.2 Momentive reserves the right to review the CSR Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary. Momentive further reserves the right, within the ambit of applicable law, to cancel this CSR Policy.
