

# Common Bonds

2013 SUSTAINABILITY REPORT

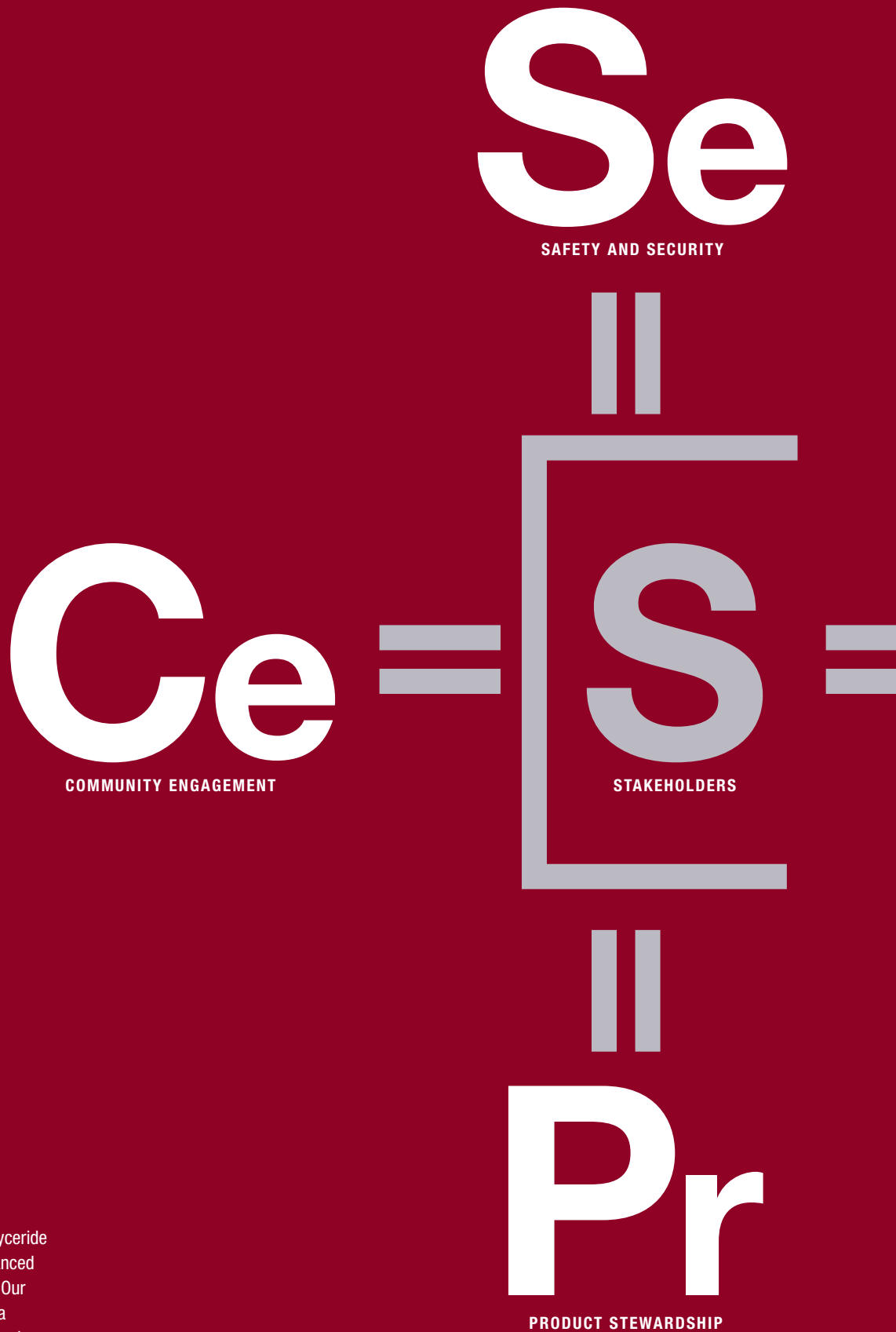
Angela

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## ON THE COVER:

Senior Research Engineer Angela Garibay sketches the formula for a vegetable oil triglyceride molecule in a laboratory at Huntsman's Advanced Technology Center in The Woodlands, Texas. Our vegetable-oil-based surfactants are used in a variety of consumer applications, from personal care products to industrial de-greasers.



# Re

RESOURCE MANAGEMENT



HUNTSMAN



# Er

EMISSIONS REDUCTION

## “Common bonds” has a double meaning when it comes to our commitment to being a sustainable chemical company.

In chemistry, common bonds are created when atoms connect to create molecules. For Huntsman, the interests we share with our stakeholders form common bonds that help us create a sustainable business and meet the needs of our associates, customers, communities and shareholders.

This report shares how we are addressing these common interests to:

- **manage** our use of natural resources,
- **develop** products that minimize environmental, health and safety impacts throughout their life cycles,
- **reduce** waste and emissions,
- **engage** with the communities where we operate for the benefit of all and
- **ensure** the safety and security of our associates and neighbors.

We strive to meet our stakeholders' expectations by responsibly and intentionally managing our risks. In doing so, we provide solutions that benefit people, protect the planet and grow our profits.

# Bonding: Assess Reassure

**A**s an independent director of the corporation and chairman of the Huntsman Audit Committee, my role is to represent the interests of third-party independent shareholders of the company. As such, I and other members of the board of directors take a keen interest in the way the company addresses the financial, operational and environmental, health and safety (EHS) challenges and risks it faces.

Over the past several years, the board has actively engaged with leaders across all Huntsman divisions and major functions to review and understand how they assess, prioritize and work to mitigate risks. We've conducted reviews and commissioned audits of the operational systems and processes of Huntsman's major divisions and functions to assess their compliance. At a corporate level, management has an enterprise risk management program that looks at the fundamental risks the company faces, such as economic and regulatory risks, to ensure the company is protected and ready to respond to changes. With oversight from the board of directors, Huntsman management implemented a corporate-wide process safety program five years ago to systematically identify, examine and mitigate high-risk areas in operations. This proactive approach is helping keep Huntsman's manufacturing facilities safe and products contained in the processes.

Providing oversight to ensure the company adequately addresses the risks it faces is a responsibility the board of directors takes seriously. Through our reviews, we have been reassured that Huntsman management takes these risks seriously and is taking proactive steps to prioritize, reduce and mitigate them.

Ensuring a strong, vibrant and profitable corporation is a common bond we share with all of the company's stakeholders.



**M. Anthony Burns**  
Independent Director and Chair  
of the Audit Committee



# Bonding: Challenges Solutions

**A**s a leading supplier of chemicals, Huntsman is helping provide solutions to some of the world's leading challenges. With a global population expected to reach an estimated 9 billion people by 2040, there is increasing pressure on food, drinking water and energy supplies. Our associates are developing solutions to solve some of these problems – from products that reduce energy use and decrease the strain on our natural resources to those that promote cleaner air and energy conservation. We're also looking internally at ways we can reduce our own environmental footprint, from more efficient manufacturing processes to energy conservation and pollution reduction.

In order to continue to be a sustainable, long-term supplier of chemical products, we also have to address the challenges that threaten our sustainability. That means looking both internally and externally to our stakeholders to identify and address the economic, business, financial, operational and environmental risks we face in order to be a sustainable partner, supplier, customer and employer. Over the pages of this report, you will read how we are addressing five key areas that form a common bond between our license to operate with the interests of our key stakeholders.



Huntsman's Angela Garibay

Our success over the past year is positive proof that a company that focuses on all three legs of sustainability – people, planet and profit – is a sustainable company. We had record earnings and record safety and environmental performance in 2013, including one of the lowest OSHA recordable injury rates in the chemical industry. However, while we celebrate our continued improvement in personal safety, we also grieve the loss of one of our associates in north China, who died last year in a public bus accident while traveling on company business on a highway in Shandong Province. Our thoughts are with his family.

Our continued commitment to the United Nations Global Compact (UNGC) ensures we're representing the highest standards of ethics in our human rights, employment practices, and environmental and anti-corruption efforts.

We will continue to address the issues and challenges that we share with our stakeholders to ensure we have a viable, long-term business that provides innovative products that improve lives and contributes to safer, healthier communities.

Peter R. Huntsman  
President and Chief Executive Officer





## Communication on Progress

### United Nations Global Compact

## Demonstrating our commitment

When we signed the United Nations Global Compact in 2011, we promised to uphold the UNGC's Ten Principles and to make steady progress toward aligning our corporate policies and management systems with those principles. We further committed to sharing that progress with the UNGC office through our annual sustainability report.

Our Business Conduct Guidelines articulate our values, particularly as they relate to human rights, fair labor practices, anti-corruption and the environment. They apply to all Huntsman associates, all over the world, and guide our engagements with all our stakeholders – associates, communities, customers and investors.

During 2013 and early 2014, we implemented and expanded our corporate programs concerning human rights and global privacy, and extended a program addressing corruption risk to include Huntsman logistics vendors. More detail is available at [www.Huntsman.com](http://www.Huntsman.com).

## 2013 CORPORATE ADVANCEMENTS

**Human Rights:** Huntsman's human rights policy demonstrates our commitment to developing a culture that supports internationally recognized standards for human rights and avoids complicity in human rights abuses. We support, demonstrate and promote the protection of human rights around the world and work to ensure individual rights within our area of influence. Our principles support and are consistent with those contained in the Universal Declaration of Human Rights, the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the United Nations Global Compact and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

**Global Privacy:** As a global corporation, Huntsman believes it is imperative to build a privacy-conscious culture that respects the personal privacy needs of our associates, customers and others with whom we do business. We have long respected privacy protection as a member of the European Union and Swiss Safe Harbor Certification programs, which facilitate certain

international personal data transfers between organizations. But because handling and protecting data is a global concern, we have introduced new privacy guidelines that meet or exceed local personal data protection requirements where they exist. These new guidelines provide all associates throughout Huntsman with notice about the collection and use of their personal data and establish handling and protection requirements that apply to the personal data not only of Huntsman associates, but to customers and vendors, as well.

**Anti-Corruption:** As a global manufacturer and transporter of chemicals, Huntsman considers compliance with international laws and regulations governing the movement of shipments across borders a critical priority. In 2009, we initiated a vendor-consolidation program in North America to reduce corruption risk by third-party logistics vendors who conduct business on Huntsman's behalf. In 2013, in line with the Foreign Corrupt Practices Act (FCPA) and UK bribery legislation, the initiative was extended to logistics service providers outside North America.

# Bonding: ListenAct

**A**t Huntsman, we strive to understand our stakeholders' expectations. In short, addressing the risks that threaten the common things we value helps us become a more sustainable business.

This is our fourth sustainability report. In previous reports, we focused on the markets we supply with our sustainable chemical solutions, our business units and how each is addressing society's needs for sustainability, and several of our innovations to meet those needs. In this 2013 report, we look at some of the ways we address risk to ensure we are a sustainable business partner to our many different stakeholders for the years to come.

Through our enterprise risk management process, Huntsman management has identified five fundamental categories of risk that, left unmanaged, might threaten Huntsman's viability. They include strategic and business, financial, operational, information technology and systems, and legal and compliance risks.

Through engagement with our key stakeholder groups, we also strive to understand their concerns and work to address them. Not surprisingly, many of our stakeholders' concerns overlap our own, creating a common bond of understanding and importance. In this sustainability report, we address five areas of common concern where we are devoting our energies to manage risks and ensure we have measures in place to minimize or reduce them.

The first is around **resource management**. This means we conserve natural resources, from our use of renewable feedstocks to our efforts to reduce the amount of water and energy consumed in our manufacturing processes.

Our **product stewardship** means we look at the full life cycle of our products, from how we manage and safely handle raw materials, to product development, manufacturing, transportation and storage issues. These efforts extend into the marketplace to ensure our products can be used safely and responsibly and then disposed of or recycled at the end of their life cycles.

Our **waste and emission reduction** efforts are about trying to eliminate waste from our production processes and minimizing our environmental impact. Reduction of waste typically means greater efficiency and better yield on the resources we are utilizing.

Our **community engagement** speaks to our desire to preserve our moral license to operate by being a good corporate citizen. At the end of the day, we want to develop relationships that are beneficial to both our company and the communities where we operate.

Finally, we focus on safety in two key areas: **personal and process safety**. We have improved our personal safety rates dramatically over the past few years and have implemented a process safety management system to ensure our operations stay online without incident or product release.

By understanding the concerns of all our major stakeholders – associates, customers, communities and investors – we can manage our risks and address the common bonds that benefit us all.



Ron Gerrard  
Corporate Sustainability Officer





Advanced Materials



Performance Products



Textile Effects



HUNTSMAN



Pigments



Polyurethanes



Huntsman Corporation is a publicly traded global manufacturer and marketer of differentiated chemicals with 2013 revenues of over \$11 billion. Our chemical products number in the thousands and are sold worldwide to manufacturers serving a broad and diverse range of consumer and industrial end markets. We operate more than 80 manufacturing and R&D facilities in 30 countries and employ approximately 12,000 associates within our five distinct business divisions.

## OUR FIVE BUSINESS DIVISIONS

### Advanced Materials

We provide engineered solutions for our customers using a wide range of high-performance thermoset chemistries and formulations. Our growing portfolio of specialty resin systems and adhesives serve the aerospace, automotive, coatings, electronics, energy and industrial composite markets.

### Performance Products

We manufacture products primarily based on amines, carbonates, surfactants and maleic anhydride. End uses include epoxy curing agents, oil drilling, agrochemicals, household detergents and personal care products.

### Pigments

We manufacture and market titanium dioxide — a white pigment that provides whiteness, opacity and brightness to thousands of everyday items including paints, plastics, paper, inks, food and personal care products.

### Polyurethanes

We are a global leader in the manufacture of MDI-based polyurethanes used to produce energy-saving insulation; comfort foam for automotive seating, bedding and furniture; adhesives; coatings; elastomers for footwear; and composite wood products.

### Textile Effects

We are a major global solutions provider for textile dyes and chemicals that enhance color and improve performance such as wrinkle resistance, UV-blocking and the ability to repel water and stains in apparel, home and technical textiles.



## 2013 Highlights

**1** Huntsman achieved another personal safety record. With an OSHA recordable injury rate of 0.40, we are 83 percent below the US chemical industry average of 2.30. Sadly, we did report one fatality in China. An associate died in a public bus accident while traveling on company business in Shandong Province.

**2** Huntsman agreed to acquire the Performance Additives and Titanium Dioxide businesses of Rockwood Holdings, Inc.

**3** Pigments commissioned its Greatham feedstock Unit 1 in England and started operations at its fertilizer plant in Calais, France.

**4** Polyurethanes acquired Oxid, based in Houston, Texas, combining specialty polyols with Huntsman MDI to enable greater penetration of the US residential insulation market.



**5** Performance Products broke ground at its plant in Port Neches, Texas, for a new 265 million pound ethylene oxide unit, which is expected to go online in 2015.

**6** Performance Products restructured its European surfactants business to improve earnings and performance in the global home and personal care market.

**7** Huntsman opened a new advanced technology center in Shanghai, China.

# 2013 Key Figures

Field/Performance Indicator	Unit	2013	2012	2011
<b>Economy</b>				
Revenues	\$million	11,079	11,187	11,221
Net Income	\$million	149	373	254
Adjusted EBITDA <sup>1</sup>	\$million	1,213	1,439	1,245
Capital Expenditures <sup>2</sup>	\$million	471	412	327
EHS Capital Expenditures	\$million	92	105	92
Income Tax Expense	\$million	125	169	109
Taxes Other Than Income	\$million	79	87	61
Total Products/Co-Products	million tonnes	8.83	8.93	8.75
Remediation and Closure Reserves <sup>3</sup>	\$million	24	29	36
<b>Environment</b>				
Total Energy	TerraJoules (TJ)	53,376	53,579	54,311
Total Greenhouse Gas (GHG) Emissions	mmt CO <sub>2</sub> e	3.48	3.55	3.58
Total Air Emissions <sup>4</sup> (excl GHG)	tonnes	12,257	13,673	19,007
Total Water Discharge (COD)	tonnes	7,869	8,260	10,256
Total Non-Hazardous Waste	tonnes	917,008	917,415	1,047,591
Total Hazardous Waste	tonnes	165,539	187,713	172,625
<b>Society</b>				
Regular Full-Time Associates		12,032	12,397	12,542
US-Based Associates		2,282	2,269	2,211
Non-US Associates		9,750	10,128	10,331
Contractors <sup>5</sup>		6,818	6,731	6,576
Total Recordable Incident Rate <sup>6</sup> (TRIR)		0.40	0.42	0.46
US Chemical Industry Average		TBD	2.30	2.40
Fatal Work-Related Accidents Associates <sup>7</sup>		1	0	0
Fatal Work-Related Accidents Contractors		0	0	0

1 For a reconciliation, see page 37.

2 Net of reimbursement of \$3 million in 2011.

3 Pursuant to SEC regulations, the company accrues liabilities (reserves) relating to anticipated environmental cleanup obligations, site remediation/reclamation and closure costs, and material monetary sanctions (i.e. enforcement penalties), which are recorded and can be reasonably estimated.

4 Air emissions are releases of volatile organic compounds (VOCs), carbon monoxide (CO), nitrogen oxides (NOx), sulfur oxides (SOx), particulate matter and other contaminants.

5 Number of full-time equivalents based upon annual reported hours worked by contractors in our safety statistics program.

6 The 2013 Bureau of Labor Statistics rate is expected to be published in October/November.

7 Work-related associate fatality, see page 34.

# Corporate Leadership

## 2013 Board of Directors

Huntsman's highest governance body is our board of directors. Seven of its 10 members are independent or "non-executive." As executive chairman of the board, Jon M. Huntsman serves as an executive officer of the company and chairman of the board. As of the issuance of this report, the board was structured as follows:



**Jon M. Huntsman**  
Executive Chairman  
and Director



**Peter R. Huntsman**  
President, Chief Executive  
Officer and Director



**Nolan D. Archibald\***  
Vice Chairman of the  
Board, Chairman of  
the Compensation  
Committee and Lead  
Independent Director



**Dr. Mary C. Beckerle\***  
Director



**M. Anthony Burns\***  
Chairman of the Audit  
Committee and Director



**Dr. Patrick T. Harker\***  
Chairman of the  
Nominating and Corporate  
Governance Committee  
and Director



**Jon M. Huntsman Jr.**  
Director



**Sir Robert J. Margetts\***  
Director



**Wayne A. Reaud\***  
Chairman of the Litigation  
Committee and Director



**Alvin V. Shoemaker\***  
Director

\* Independent

The board appoints members to its independent Audit, Compensation and Governance committees. Each of these committees has a written charter approved by the board and available on the company's website. Independent directors currently comprise in full the membership of each of these three board committees.

### Audit

M. Anthony Burns (*Chair*), Dr. Patrick T. Harker, Alvin V. Shoemaker

### Compensation

Nolan D. Archibald (*Chair*), Wayne A. Reaud, Alvin V. Shoemaker

### Nominating & Corporate Governance

Dr. Patrick T. Harker (*Chair*), M. Anthony Burns, Dr. Mary C. Beckerle

Stockholders and other interested parties are invited to communicate directly and confidentially with the board, the non-management directors, the independent directors or the lead independent director by mail, c/o Corporate Secretary, Huntsman Corporation, 500 Huntsman Way, Salt Lake City, Utah 84108, USA, or by email, [CorporateSecretary@huntsman.com](mailto:CorporateSecretary@huntsman.com).

Stockholders, including Huntsman associates who own company stock, have the opportunity to nominate individuals for election to the board or make proposals to be addressed at the company's annual meeting of stockholders.

# Re

# Resource Management

## In Pursuit of Continuous Improvement

**“Looking at my 32 years in this business, I am proud to work for a company that values life and people, values the environment we live and work in, and that operates on values of high standards and high integrity.”**

**John Prows**

Vice President

Manufacturing Excellence

**H**untsman believes in relentless continuous improvement when it comes to challenging how we use raw materials in our manufacturing processes and in reducing waste from our manufacturing facilities.

Our commitment starts at the top. Our efforts to conserve natural resources encompass millions of small steps we take on a daily basis to ensure our operations are safe, that we're growing through innovation and bringing new solutions to new markets to help solve society's challenges.

Huntsman established a Manufacturing & Engineering Council in 2010 to collaborate and develop strategies and initiatives for operational and engineering excellence, including efforts to reduce waste and improve reliability. Energy, reliability and project process teams are embedded in our five business divisions to drive improvements in reliability and energy efficiency. We have implemented comprehensive manufacturing excellence systems that ensure our manufacturing processes are sustainable and environmentally and socially responsible.

In 2004, our largest energy-consuming division, Performance Products, set very aggressive energy improvement goals. A few years later, recognizing increased legislative and public scrutiny of energy use, the corporation set a goal to reduce energy use by 10 percent over five years. Legislative action to reduce global greenhouse gas emissions has since slowed, but Huntsman continues to explore all viable options for improving our own energy efficiency.

Managing our resources is good for the environment and is also good for business. For example, a new de-ionized water system for our lab at our Charlotte, North Carolina, plant is saving 8,000 gallons of water a day, and efforts at our Geismar, Louisiana, plant to reduce internal steam consumption are saving \$175,000 a year while reducing waste. Huntsman's Advanced Materials manufacturing site in Monthey, Switzerland, operates on hydroelectric power supplied by the Rhone river, while our Performance Products plant in Petfurdo, Hungary, warms its buildings by capturing and recycling waste heat. In both instances, Huntsman is replacing diminishing natural resources (natural gas, coal, etc.) with sustainable energy sources to create cleaner energy with fewer emissions.

# Bonding: EngageEnhance



Huntsman's Duxford site in the UK has found that managing its resources is not only good for the environment, but also a plus for its associates and the financial bottom line.

When the manufacturer of adhesive products for the electrical, wind and aerospace industries went through a major restructuring in 2012, it embarked on a campaign to involve all employees in generating ideas for change and improvement.

— Continued on next page.

(From left) Robert Lunn, Deborah Stone and Peter McDevitt of Huntsman's Advanced Materials manufacturing site in Duxford, England, and Ted Pendlebury of MCL Energy Ltd.



# Re

## RESOURCE MANAGEMENT

As part of Huntsman Advanced Materials' "Project Accelerate" – a division-wide campaign to make sustainable improvements that have successfully turned around the profitability of the division – Duxford looked at ways to improve its environmental performance by reducing its energy usage, waste and emissions.

A major project to replace the 69-year-old site's inefficient, centralized steam boilers with modern steam generators reduced steam consumption despite a doubling of output volumes. This represented a decrease in carbon dioxide (CO<sub>2</sub>) emissions by 1,600 tonnes and a \$137,000 cost savings. "It was a sustainable long-term solution to reduce the site's carbon footprint," says Jason Perry, general manager of MCL Energy Ltd, which installed and operates the new generation system.

Other smaller changes to better manage resources added up to bigger savings and workplace improvements.

- Two waste compactors were added at the site for collecting recyclable and non-recyclable wastes. With associates trained on how to use the compactors, today 70 percent of site waste is recycled or reused.
- Warehouse temperatures, which must be maintained at precise levels for product preservation, are now better controlled to ensure both product quality and comfort for associates. The change reduced warehouse heating oil use and costs by 50 percent.
- To reduce loss of heat from the warehouse, an automated rapid rise door replaced an older manual one, and to reduce power costs, new skylights were installed.



# S

STAKEHOLDER

“It was a sustainable long-term solution to reduce the site's carbon footprint.”

Jason Perry

General Manager, MCL Energy Ltd

- Site water distribution pumps were replaced with more efficient models to reduce energy consumption by 36 percent, for a \$36,000 savings.

As part of Project Accelerate, associates play a key role in making suggestions for improvements.

At Duxford, employees can share their ideas during end-of-shift meetings or through a structured suggestion program.

“The key thing is getting people engaged and moving sustainability toward the hearts and minds of our associates. If you can harness the energy of many people, it is more powerful than spending a lot of money on new equipment,” says Robert Lunn, EHS & Quality Manager.

By implementing a large number of small innovations, the site continues to reduce its impact on the planet, while saving money and improving the work environment for associates.

# Product Stewardship

**Safer Products. Better Business.  
Everyone's Responsibility.**

# Pr

**A**t Huntsman, product stewardship is an integrated process for identifying, managing and minimizing the environmental, health and safety (EHS) impacts at every stage of a product's life cycle.

It starts with product design and development. We believe environmental benefits and positive health and safety features can be designed into our products. Our researchers consider all EHS aspects during product development – from the raw materials involved in a new product or chemical, to how it will be manufactured, transported and stored, to its use by consumers and its eventual final disposition.

We have an internal system of checks and balances to keep product stewardship as a main focus. It includes product stewardship networks in every business and region, as well as at the corporate level. With support from our Product EHS team, they work to identify and manage risks throughout a product's life cycle by looking for ways to reduce waste, reuse, recover material or energy and dispose of products.

As a supplier, we provide ongoing support and up-to-date product information to our customers to help them understand the products we sell, including training in the correct use of our products and information to end-use consumers. Last year, we responded to more than 7,500 product EHS customer requests and visited 85 customer manufacturing facilities globally to conduct industrial hygiene monitoring to help keep workers safe.

To ensure the safe storage, packaging and distribution of our products, we perform storage and distribution risk assessments and audit our logistics providers to ensure the highest EHS standards are maintained. As an example of our commitment to product stewardship, we've worked with other chemical manufacturing companies to develop safe-handling and transportation procedures for MDI, one of the major chemicals we manufacture.

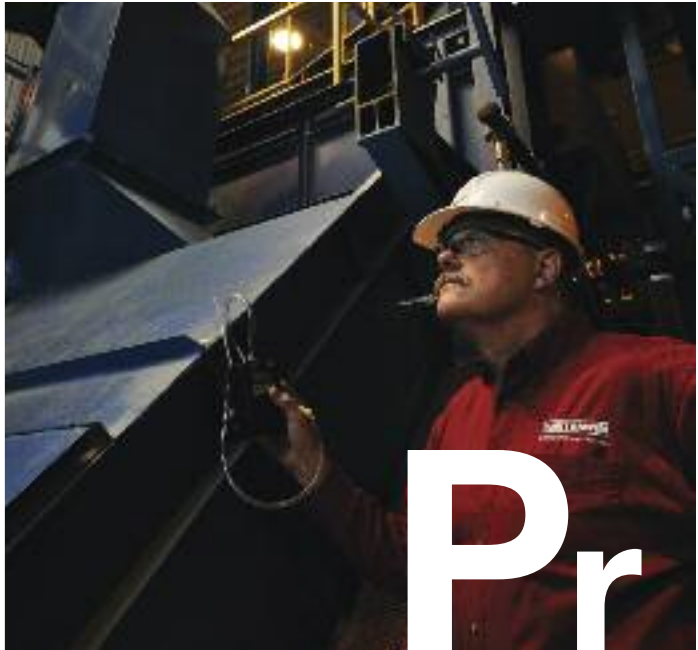
Huntsman's commitment to develop safer and sustainable products creates a competitive edge and enhances public confidence in chemicals. It also keeps our customers and consumers safe and ensures our reputation as a responsible and sustainable company.

**“At Huntsman, making safer products is everyone's responsibility. We have a common objective to minimize the environmental, health and safety impact at every stage of a product's life cycle.”**

Denis Huchette  
Product EHS Manager  
Global Product EHS Center  
of Excellence



Photo left: Huntsman's Mark Hutnik and LP Technical Manager Andy Kiander  
 Photo right: Huntsman Industrial Hygienist Nick Smith



PRODUCT STEWARDSHIP

# Bonding: Partner Prosper

**In the 27 years that Plant Manager Jon Smith has been with Louisiana Pacific (LP), a leading manufacturer of engineered wood building materials, there has been one supplier of the major chemical resin used to make engineered smart siding at his plant in Tomahawk, Wisconsin – Huntsman.**

A true partnership is the best way to describe the relationship between LP Tomahawk and Huntsman as they work together to ensure the safety of workers and protection of the environment, while substantially increasing sales of LP® Smart Side®, an exterior product with a 50-year warranty. The product line has been growing by double digits for the last five years.

Tomahawk is one of 16 LP mills worldwide to which Huntsman Polyurethanes supplies methylene

diphenyl diisocyanate (MDI)-based polyurethane adhesive solutions. Based on available toxicology and epidemiology data, the Occupational Safety and Health Administration (OSHA) has set exposure limits for MDI to ensure the health and safety of workers over their working lifetimes. “Anytime we have a new customer, we work with them to ensure they can safely handle our product,” says Senior Account Representative Mark Hutnik, who has worked with LP sites like Tomahawk for 20 years.

The Tomahawk plant recently underwent a \$16 million expansion to increase its production capacity by 40 percent, and Smith credits Huntsman’s product stewardship efforts with playing a key role in the facility’s success.

Huntsman provides a variety of services to LP, including safety and material handling training, industrial hygiene testing, and design and support of daily air monitoring programs. During the recent expansion at Tomahawk, Huntsman provided design suggestions for air filtration systems. “They care about our safety as much as we care about the safety of our workers,” Smith says.

In 2009, during an industry downturn, Huntsman introduced a new catalyst that enabled the Tomahawk plant to





# S

“They care about our safety as much as we care about the safety of our workers.”

STAKEHOLDER

Jon Smith  
Plant Manager, LP

lower press temperatures and reduce air emissions while keeping production at normal levels, all without significant capital expenditures. Huntsman’s expertise in ongoing maintenance of the plant’s aspiration system also has helped the site reduce operating costs.

The Tomahawk plant was the first LP mill accepted into OSHA’s Voluntary Protection Program (VPP), and Huntsman has assisted with three recertification audits since then, the most recent one earning the plant VPP STAR status. Hutnik was onsite during the audit to answer auditors’ questions about MDI safety issues.

Team Tomahawk has earned 13 Huntsman Gold Seal Awards for proper MDI control, a record for LP mills in North America.

“It’s a true partnership,” Smith says of the relationship. “The volume of MDI that LP buys from Huntsman has grown significantly over the last 10 years. I see that continuing because of the work of people like Mark and Huntsman to supply quality product, invest in our future, partner with us in the development of products and ensure the safety of people who work with the product.”

# Emissions Reduction



## No Harm to People or the Environment

**R**educing our emissions to air, land and water means more than just complying with industry laws and regulations. Environmental stewardship is a pillar of our sustainability program and a serious commitment that goes to the heart of our license to operate.

Huntsman's EHS Vision is to provide innovative solutions that enrich lives and help create a sustainable future, with no harm to people or the environment. While we have our own internal vision and values, there are also strong external forces driving change. Population growth, limited natural resources and more costly fossil fuels, pressure on food and drinking water supplies are all playing a part in defining markets and driving efforts to reduce waste.

As government regulations tighten and consumer interest in sustainable products grows, Huntsman is responding by reducing our own environmental footprint and providing innovative products that help minimize waste.

At our manufacturing sites, we invest in process control equipment, waste collection and other process management systems that help us reduce our environmental footprint. Many of our manufacturing sites have turned waste streams into sustainable products, and we are looking to significantly grow our eco-product sales.

We also manufacture products that help reduce pollution by reducing energy consumption. For example, our Huntsman spray polyurethane foam can reduce energy consumption in homes and commercial buildings by 30 percent. Huntsman Pigments Alteris® infrared reflecting pigments give coatings and polymer products the power to reflect solar energy for greater energy efficiency. And our Avitera® SE dyes significantly reduce water and energy consumption and carbon dioxide (CO<sub>2</sub>) emissions.

**“We have a proud history of environmental improvements in Huntsman and in pioneering pollution management control systems. Our goal is to continuously improve in order to reduce our overall environmental impacts.”**

**Robert Bird**  
Sustainability Manager  
Huntsman Pigments

**“Compliance to environmental regulations is not a burden to the business, but is a competitive advantage at Huntsman.”**

**Stuart Hill**  
EHS Business Partner  
Huntsman Textile Effects



Judge Jeff Branick, Jefferson County, Texas

# S

STAKEHOLDER

“I’m very appreciative of their efforts to not only improve the environment, but also to ensure the safety of their personnel and to dialog with community members...”

Judge Jeff Branick  
Jefferson County Judge

## Bonding: ReduceRevitalize



Jefferson County Judge Jeff Branick remembers growing up in Port Arthur, Texas. “You couldn’t fish in the Sabine-Neches Waterway because of the pollution. And when people heard you were from Jefferson County, they said, ‘Oh, you’re from that smelly place.’ ”

Today, the three-county area surrounding Port Arthur in south Texas is considered an attainment area – one where the air quality is better than mandated national air quality standards. And that’s good for economic development because it means that companies already located in the area, like Huntsman, can expand and new industry can get the necessary federal and state air quality permits needed to move their businesses there.

— Continued on next page.

## EMISSIONS REDUCTION

“Huntsman is a corporate neighbor that is very much appreciated in our area, not only because of its commitment to excellence in its chemical processing and production facilities, but also in its commitment to employees and contractors and the type of environment it supports within its plant fences,” says Branick.

Branick lives about 150 yards from Huntsman’s Performance Products plant fence line in Port Neches, where the company manufactures ethylene oxide, a key raw material used in a variety of industries from agriculture to personal care.

Following Hurricane Rita in 2005, plant leadership decided that in order to keep the Port Neches site running and profitable, it needed to improve plant reliability. The site underwent a major campaign to introduce preventative maintenance and mechanical reliability processes and to improve personal and process safety.

“No one wants to invest in a site that is unsafe and environmentally unsound,” says Senior Environmental Manager Mike Miller.

The site put in new boilers and upgraded boiler capacity to prevent shutdowns that can cause flaring and emissions. Over the past 10 years, the Port Neches plant has reduced emissions of volatile organic compounds (VOC) due to start-ups and shutdowns by 95 percent and last year had the lowest number of reportable environmental events in the plant’s 67-year history.

The improvements have not only been good for the environment, but also for people and profits. In 2013, Huntsman began a \$150 million expansion project at the site that will make the plant the largest manufacturer of ethylene oxide in the US and the second biggest in the

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STAKEHOLDER

“Over the last few years, we’ve made significant emission reductions in this area and last year was the cleanest year ever measured.”

Bob Dickinson

Air Quality Program Director

Southeast Texas Regional Planning Commission



Bob Dickinson of the Southeast Texas Regional Planning Commission and Huntsman’s Mike Miller

world, with a staff of 600 employees and more than 400 contractors.

Huntsman supports an ambient air quality monitoring network that provides additional data above and beyond that required by the Environmental Protection Agency. The company has also joined two other manufacturers in the area to form a citizens’ advisory panel (CAP), which regularly communicates to community representatives about safety and environmental issues.

“Over the last few years, we’ve made significant emission reductions in this area and last year was the cleanest year ever measured,” says Bob Dickinson,

CAP member and program director for air quality with the Southeast Texas Regional Planning Commission. “Huntsman is proactive when it comes to sustainability. They’re in the business to make money, but at the same time, they understand it’s a tremendous responsibility to protect the health, safety and welfare of employees and the folks in the communities around them.”

“I’m very appreciative of their efforts to not only improve the environment, but also to ensure the safety of their personnel and to dialog with community members so we have a working relationship that fosters safety and environmental stewardship,” Branick adds.

# Community Engagement

## A Right and a Privilege



**B**eing a good neighbor in the communities where we live and work is at the core of our corporate values.

By keeping our communities safe and supporting local programs that make our communities stronger, everyone benefits. Huntsman is able to attract and retain the best employees. Our neighbors are safer and communities stronger. And when we work together, we enhance lifestyles, improve education and benefit our environment.

Our community involvement is driven at the local level, where our associates who live and work at Huntsman manufacturing facilities make decisions on how we should invest our time and financial resources. Our associates volunteer in their communities, serving as mentors in public schools, leading scouting and youth programs and volunteering with community nonprofits.

Many of our manufacturing facilities have citizens advisory panels that help us understand and respond to local needs. At our largest Performance Products plant in Port Neches, Texas, we're moving the plant entrance to the west side of the facility based on input from this group. Not only will it reduce traffic hazards for community residents,

it makes good business sense for Huntsman from both logistical and economic standpoints.

At sites around the world we're making a sustainable impact. In Malaysia, volunteers work on turtle conservation. In other areas, such as Colombia and India, we're funding vital community health services. In Germany, our associates recently raised money for community flood relief, and our site in Singapore donated computers to local schools. Wherever we're located, chances are Huntsman associates are supporting local charities, from schools to food banks, and our sites are hosting "open days" to give community residents a first-hand look at our operations.

We also spend millions of dollars each year to support major university programs and outstanding public school programs, recognizing that a strong education system is critical to the quality of our workforce, the strength of our economy and the vitality of our communities.

By supporting our communities, we create a sustainable future for Huntsman, our associates and the community at large.

**"Profit comes along for the ride when you take care of business on a daily basis and part of that is taking care of the community where you live."**

**Dan Kemp**  
Director of Manufacturing  
Huntsman Performance Products  
Port Neches Plant



COMMUNITY ENGAGEMENT

## Bonding: Understand Impact

**Huntsman's Baroda site in western India manufactures intermediates and specialty dyes for the textile industry. Situated in the interior village of the Vadodara district, the surrounding communities are disadvantaged in terms of education, health and overall development.**

When Huntsman Textile Effects acquired the site in 2009, it embarked on a study to determine how it could impact the community in a sustainable and meaningful way. A detailed needs assessment targeted four surrounding villages to learn more about the communities, their schools, health care facilities, and water and sanitation systems.

The findings were dire. Classes were held in inadequate classrooms and there was a large dropout rate affecting the quality of education. They also found healthcare lacking, with a high percentage of infant and maternal mortality rates.

Recognizing that its business relies on a multitude of relationships with stakeholders, including its communities, Huntsman introduced programs to improve education through local schools, Anganwadis (pre-school), and health care for adolescents, mothers and villagers at large.

To enhance the quality of education and health, Huntsman works with local schools and Anganwadis under a program called "Anandi ... Towards Joyful Learning." Anandi takes a holistic approach by



Anganwadi Worker Daxaben Solanki

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STAKEHOLDER

“Huntsman’s support of infrastructure improvements and enhanced educational material has increased the number of children coming to Anganwadi.”

Daxaben Solanki, Anganwadi worker

upgrading infrastructure facilities, drinking water and sanitation facilities and learning methodologies. A rote-learning system was replaced with activity-based learning techniques. Besides providing school supplies for students, Huntsman established an academic achiever awards program to encourage high performance. Teachers were provided with regular training, and school management committees were enhanced to provide ongoing oversight and improvement.

“Huntsman provides continuous support to my school and those in surrounding villages, be it setting up a science lab, providing infrastructure support or giving program inputs,” says Vinodchandra Patel, principal,

Dabhasa Kumar Shala. “We are able to broaden the exposure and perspective of students studying in rural schools with the help of Huntsman.”

“Due to training provided by Huntsman, I am able to conduct pre-school activities effectively with my Anganwadi children. My children are now engaged in art activities, storytelling and most exciting, sports day. Huntsman’s support of infrastructure improvements and enhanced educational material has increased the number of children coming to Anganwadi,” says Daxaben Solanki, Anganwadi worker.

To improve health care, Huntsman supports programs that provide life-skills education and vocation courses

to adolescents that cover such topics as coping with emotions, early marriage, early pregnancy and career planning.

Many of Huntsman’s associates volunteer in the community, distributing school supplies, participating in sports days and other community festivals. They also assist with a program to develop and identify children’s reading and writing competencies.

Over the past four years, Huntsman has reached out to 16 Anganwadis, 32 Anganwadi workers, more than 200 adolescents and women and around 2,000 children – proving that corporate social responsibility is not an event, but a process to improve and enhance lives.

# Safety and Security

## A Tale of Two Concerns

# Se

**K**eeping our associates and our facilities safe is fundamental to our license to operate. Managing our safety risks also keeps our community neighbors secure and helps us create a more sustainable company.

We do this by focusing on two key areas: personal safety and process safety.

We have detailed environmental, health and safety (EHS) procedures in place to protect our associates and to prevent a catastrophic event from occurring at our facilities. Our EHS programs are integrated into the way we do business. Over the past 10 years, our injury/incident rate has improved 90 percent. In 2013, Huntsman again achieved a record low OSHA recordable incident rate of 0.40, nearly 83 percent below the US chemical industry average of 2.30.

In the area of process safety, our focus is to prevent loss of containment of hazardous materials that may be potentially catastrophic. A significant fire at our Port Arthur facility in 2006 was a stark wakeup call on the importance of controlling our process safety hazards. While no one was injured in the incident, the fire underscored the criticality of managing our hazards to protect our associates and our neighbors. Besides creating the potential for injury to people, it took 18 months to rebuild the plant and get it operational.

To make sure it never happened again, with oversight from the board of directors, Huntsman management implemented a corporate-wide process safety initiative to systematically identify, examine and mitigate high-hazard areas in operations. Over the past seven years, we have implemented process safety procedures that govern how process hazards will be managed at our plants.

We formed a corporate EHS committee made up of our five division presidents, other senior officers and our senior EHS vice president. Chaired by CEO Peter Huntsman, this committee meets regularly to review our performance metrics and look for opportunities for improvement.

Part of the process safety journey is understanding our hazards so we can install and maintain adequate controls to manage them. A team of process safety engineers works with manufacturing sites across the globe to help them identify and control our process hazards and to safely operate and maintain our processes. They provide unique technical engineering skills and expertise to make our plants safer. Our process safety journey has seen our total number of environmental releases drop by 92 percent since 2003.

**“We honestly care about people. From Jon Huntsman Sr. on down, there is a sincere core value for people, their safety and health. Yes, we have a formal EHS policy, but our people are very caring and compassionate. We don’t want to see anyone get hurt and we spend a lot of time to prevent that from happening.”**

Liz McDaniel

Vice President, EHS Business Partner, Polyurethanes

**“We have a motto that is widely used throughout Huntsman: ‘Nothing we do is worth getting hurt for.’ That’s a motto we live and breathe. We’ve got to make sure we’re not doing anything to put our people or communities in harm’s way.”**

Greg Oliver

Director, Global Process Safety Center of Excellence





(From left) Huntsman's Mark Wilson and Marek Pawlak, CIA's John Roche, and Huntsman's Gary Watson

## Bonding: InvolveProtect

From the time Huntsman associates arrive at the Pigments manufacturing site in Greatham, England, until the time they leave, one thing is always top of mind – safety.

The site uses chlorine and titanium tetrachloride, two hazardous chemicals, to make titanium dioxide pigments that go into paints and performance plastics. As such, Greatham is among the top 10 high-hazard sites in the United Kingdom.

Excelling in personal safety performance – with an OSHA recordable incident rate of 0.6 in 2013, well below the US chemical industry average of 2.30 – Greatham turned its focus to process safety in 2006. The site adopted a ZERO Harm vision and engaged its associates, contractors and vendors to participate in ongoing continuous improvement programs.

“We work in a high-hazard industry where the consequences can be catastrophic if we get process safety management (PSM) wrong. We must therefore be at the top of our game by operating and maintaining our assets to the highest standards,” says Site Director Gary Conroy.

— Continued on next page.



STAKEHOLDER

“The peer review team that visited the site saw many examples of leading-industry initiatives. It was evident that the management team had been successful in developing a strong safety culture at Greatham where people are keen to play a part.”

John Roche

Head of Responsible Care  
Chemical Industries Association (CIA)



The site conducted interactive education workshops to align all 168 associates in manufacturing roles on the principles, behaviors and personal accountabilities required to achieve PSM excellence.

Each associate committed to a personal PSM improvement goal. Greatham developed key environmental, health and safety (EHS) performance measures, with steering groups established to drive progress against targets. And all members of the site leadership team, who are expected to spend a minimum of one hour each day in the plant engaging with their teams about EHS, lead the ZERO Harm culture.

The safety focus is evident throughout the workday:

- A traffic-light system at the plant entrance signifies the site's daily ZERO Harm status.
- Team safety crosses provide a focal point for conversation at the start of every day, when approximately 300 associates and contractors proactively discuss what they can do to improve the site's safety performance. More than 350 safety improvements are regularly

achieved across the site each month.

- All meetings begin with a "safety share" moment, which encourages people to share any learnings from inside or outside of work.
- Sixty-second safety checks – in which people stop and discuss an activity before proceeding with work – are routine. In one month recently, more than 4,900 of these checks took place across the site.
- If a safety learning event occurs, all site personnel are informed, regardless of the significance, in order to provide a learning opportunity.
- Site ZERO Harm champions proactively support, coach and advise workgroups on EHS topics.

Greatham has a world-leading emergency response center and regularly practices emergency response procedures with local police and other authorities. More than 40 associates trained in emergency response can be assembled at a moment's notice to deal with a safety issue.

Because the site receives hazardous material and then supplies titanium tetrachloride to Huntsman's Pigments

manufacturing facilities in Malaysia, Spain and France, it works with tanker haulers on safe handling and emergency response procedures.

As a result of the ZERO Harm focus, to date more than 600 people have been trained in personal and process safety.

"Our ZERO Harm culture reinforces transparency and responsibility at every level," says Gary Watson, site Environmental, Health, Safety and Quality (EHSQ) manager. "We can have all of the best systems and procedures in the world. However, they are only as good as the people who use them. This is why we have invested in engaging with and educating our people."

In June 2013, the Greatham site was awarded the prestigious UK Chemical Industries Association's (CIA) Responsible Care award, taking the top honor among 40 other companies. And most recently, in July 2014, Greatham received three top honors from the CIA, including awards for resource and manufacturing efficiency, environment and sustainability and the top honor of Company of the Year.

"The peer review team that visited the site saw many examples of leading-industry initiatives. The judges were impressed with the enthusiasm and commitment of the site's ZERO Harm Champion team and their interaction with the wider workforce," says John Roche, Head of Responsible Care, Chemical Industries Association. "Everyone we spoke to during the day amongst production staff, maintenance and warehouse technicians, felt engaged. It was evident that the management team had been successful in developing a strong safety culture at Greatham where people are keen to play a part."



JoAnn Lacheny and Carlton Fairley of Huntsman's Advanced Technology Center in The Woodlands, Texas.

# Data on Performance

**One of the ways we improve our economic, environmental and social performance for the benefit of all our stakeholders is to continuously measure our progress in key areas.**

In this report, Huntsman shares 10 key metrics from the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines for 2013. Our sustainability report generally conforms to the GRI 3.1 guidelines. The list of 10 GRI Standard Disclosures on which we are reporting can be found on Page 38.

Maintaining energy-efficient operations, delivering sustainable products and actively engaging with our communities across the globe help us become a more sustainable company for the benefit of our business, our customers, our communities, our associates and our world. That's why we measure our emissions to the environment, track our safety and health performance and gauge our social and economic impact. Understanding how we measure up in these areas helps us to continuously improve.

**Additional information, performance charts and details can be found on the Huntsman Sustainability page at [www.huntsman.com](http://www.huntsman.com).**

## Report Parameters

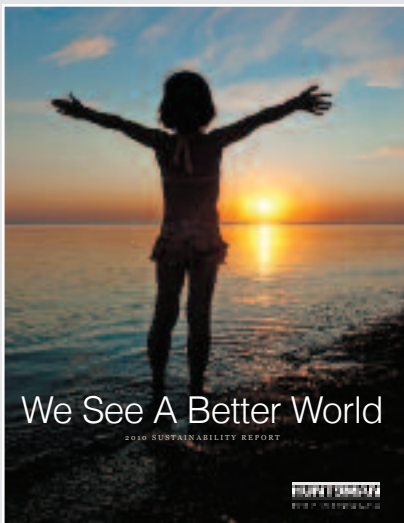
**W**e follow a calendar-year reporting period as we have with previous annual sustainability and EHS (environmental, health and safety) reports. Our most recent report was the 2012 sustainability report, which was published in September 2013.

For this 2013 sustainability report, we consider input from third-party questionnaires, external ratings and general indices, as well as feedback from stakeholders consulted during the year. The metrics and data provided in this report reflect that input and feedback and help us to continue to enhance our reporting and improve our program.

The report includes data related to all Huntsman enterprises where we have operational control (more than 50 percent) and joint ventures where we have

management control. The data reported have been obtained primarily from our financial management reporting systems, various human resources information systems and the Huntsman corporate reporting systems for EHS performance indicators. We are confident in the overall reliability of the data reported, but recognize that some of these data are subject to a certain degree of uncertainty, inherent to limitations associated with measuring, calculating and estimating data.

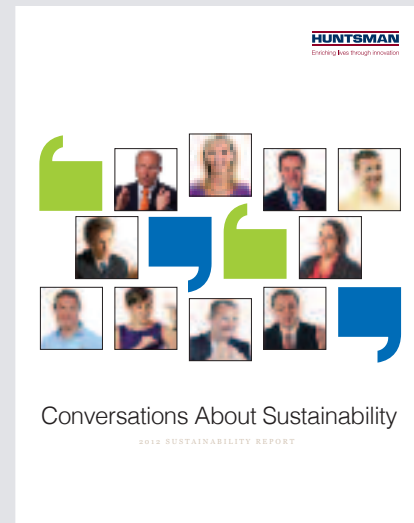
Minor corrections in historic data may be due to data errors or other approved reasons. Each year, energy consumption and environmental emission estimates are recalculated and revised for all years in the annual sustainability report, as attempts are made to improve both the analyses, through the use of better methods or data, and the overall usefulness of the report.



2010



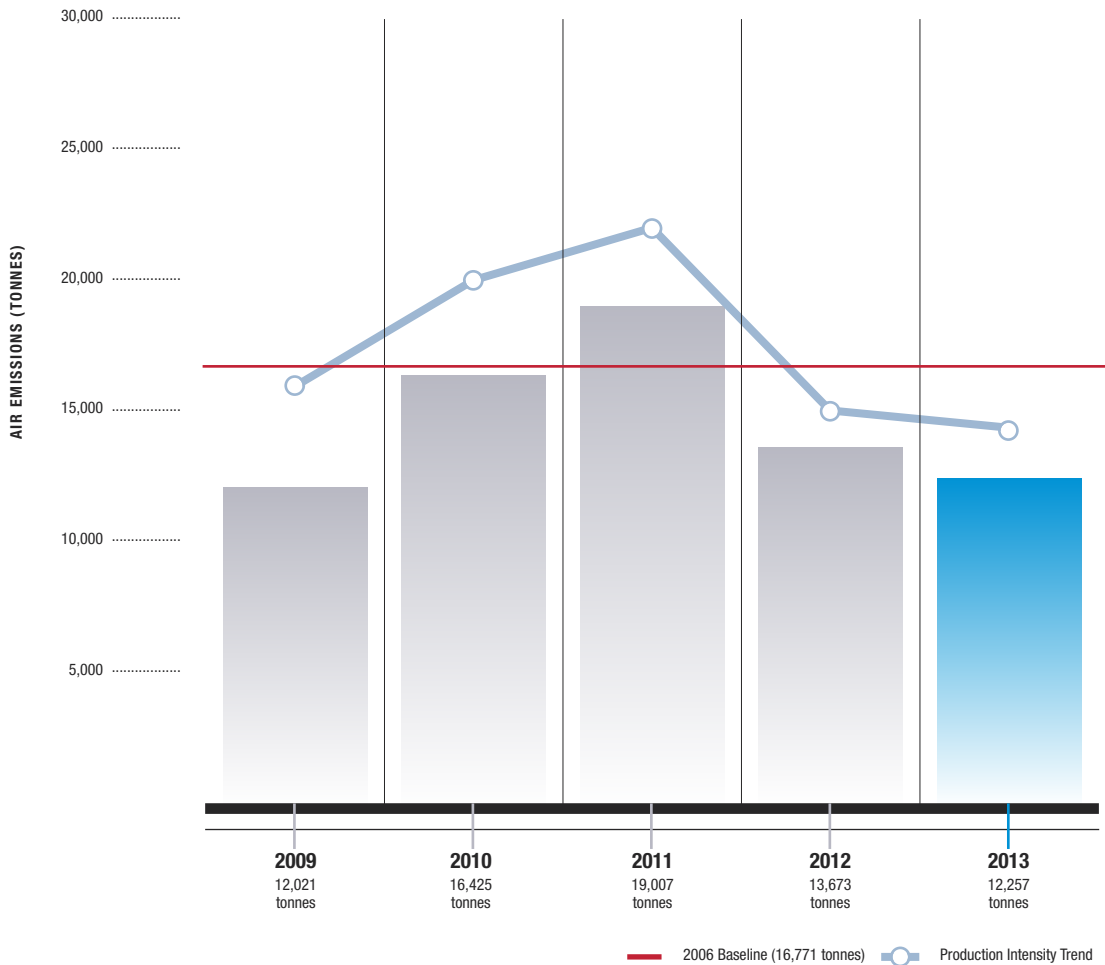
2011



2012

Archived sustainability reports can be found on our website at [www.huntsman.com](http://www.huntsman.com).  
For more information regarding this report or its contents, please contact us at [sustainability@huntsman.com](mailto:sustainability@huntsman.com).

## NON-GHG EMISSIONS TO AIR



### Non-GHG Emissions to Air

#### HOW WE DID

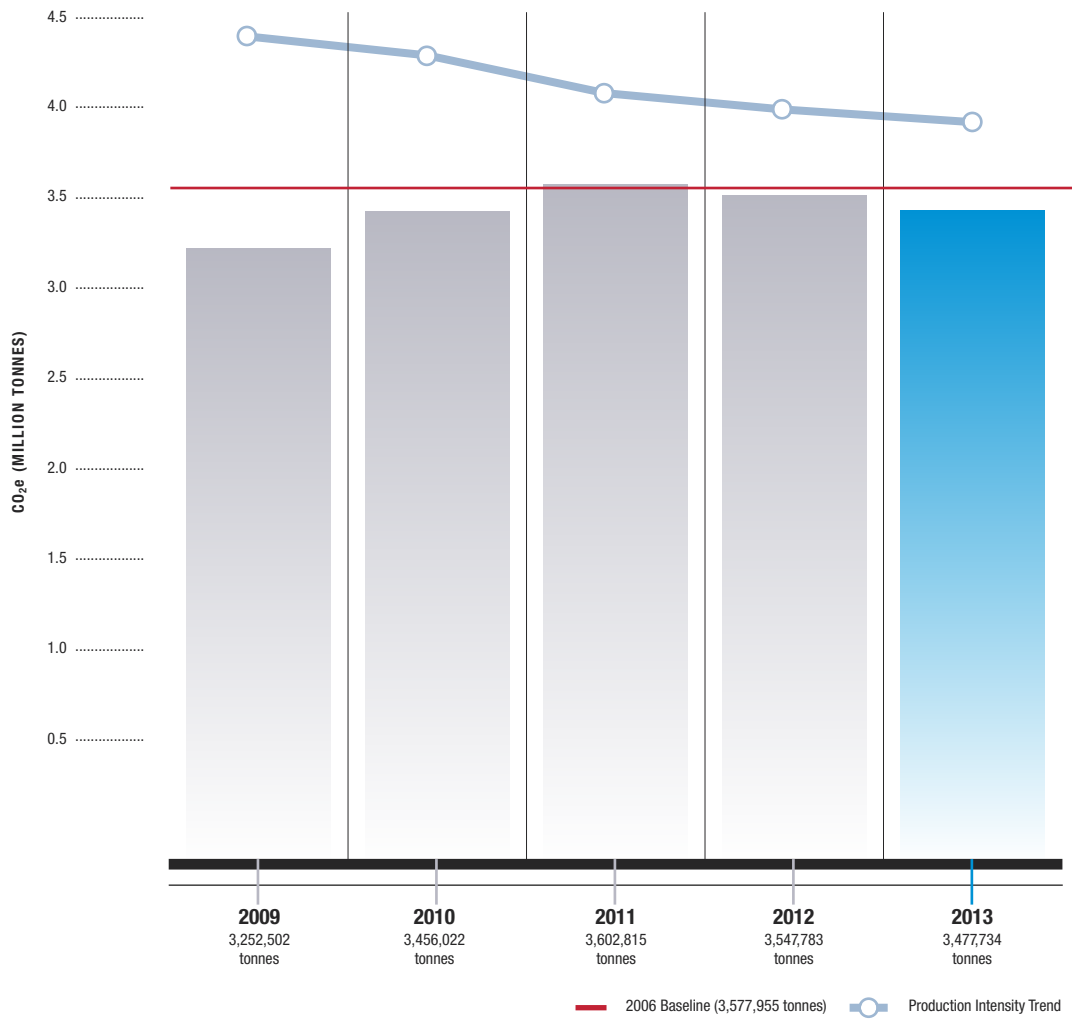
**Total Hazardous Air Pollutant emissions dropped by 6,750 tonnes in 2013 compared to 2011. While some of these reductions are compliance driven, many are the result of Huntsman’s upgrading pollution control equipment, as well. Significant reductions have been achieved in toluene and other VOC emissions.**

Additional impacts are related to the shutdown of inefficient manufacturing and replacement with new equipment and improved process design.

On a routine basis, Huntsman monitors, tracks and reports chemical emissions to the atmosphere – whether specifically permitted, part of routine operations or accidental releases. Air emissions are releases of volatile organic compounds (VOCs), carbon monoxide (CO), nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), particulate matter and other contaminants.<sup>1</sup> Permitted air emissions are typically generated during routine manufacturing operations, volatilization from chemical storage, wastewater treatment and equipment emissions.

1. Greenhouse gases (GHG) are also monitored, but are reported separately. (Please see EN-16 - Greenhouse Gas Emissions, page 28.)

## TOTAL DIRECT AND INDIRECT GHG EMISSIONS BY WEIGHT

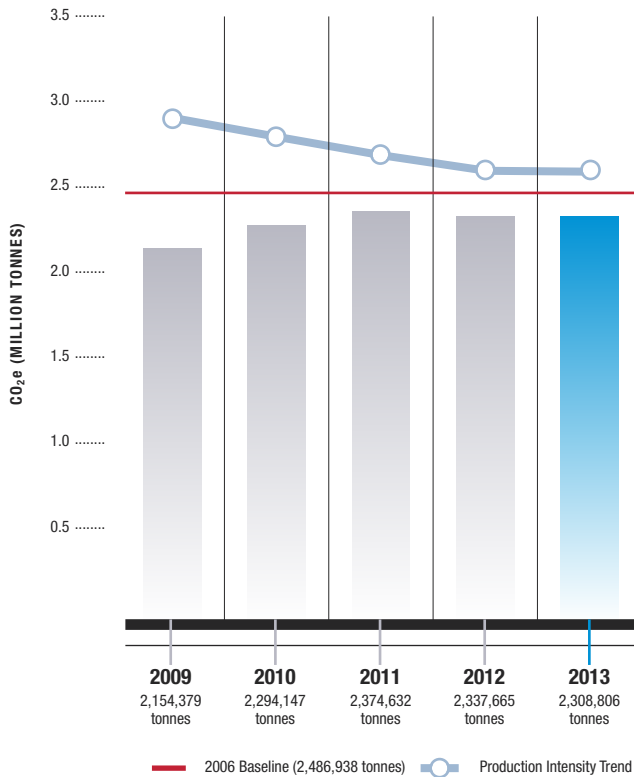


### HOW WE DID

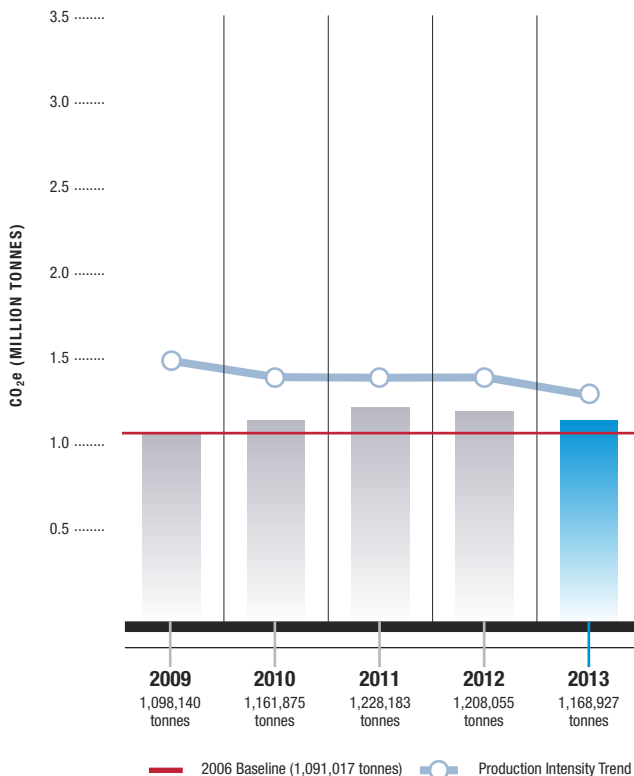
**Our total carbon dioxide (CO<sub>2</sub>e) emissions in 2013 fell even further below our 2006 baseline than in 2012. Our greenhouse gas (GHG) intensity continues a downward trend, indicating we are more efficient and are reducing GHG emissions per tonne of production.**

Huntsman continues to focus on managing its footprint and delivering solutions to help our customers manage theirs. Increased use of renewables-based energy is limited but does impact our trends in a positive manner. We also capture exhaust CO<sub>2</sub> from some sites and sell it into the industrial gas market.

## TOTAL DIRECT GHG EMISSIONS BY WEIGHT



## TOTAL INDIRECT GHG EMISSIONS BY WEIGHT



## Sources of Greenhouse Gas

The combustion of fossil fuels needed to manufacture chemicals and to generate electricity and steam releases carbon dioxide, methane and nitrous oxide — all greenhouse gases. Other GHGs that may be released during chemical processing operations are hydrofluorocarbons (HFC), perfluorocarbons (PFC) and sulphur hexafluoride (SF<sub>6</sub>). These are typically released from manufacturing equipment that uses these chemicals as refrigerants.

## GHG Emissions from Huntsman Manufacturing Facilities Worldwide

Defined by various protocols, Scope 1 emissions are GHG emissions attributable to the combustion of fossil fuels at our sites or non-combustion GHGs emitted from manufacturing processes or refrigeration units. Scope 1 GHG emissions from Huntsman are generally proportional to our direct energy consumption. Scope 2 emissions are associated with the generation of indirect energy and are proportional to our indirect energy consumption (i.e., purchased electricity).<sup>1</sup> Huntsman does not measure or disclose Scope 3 emissions as defined below.

Greenhouse gases are reported in standard units of million metric tonnes of CO<sub>2</sub> equivalents (MMT CO<sub>2</sub>e) to describe the magnitude of GHG emissions or reductions. Therefore, our 2006 baseline year emissions were 3.58 MMT CO<sub>2</sub>e. (Huntsman's baseline of 2006 emissions excludes the Base Chemicals and Polymers division, which was divested in 2006 and 2007.)

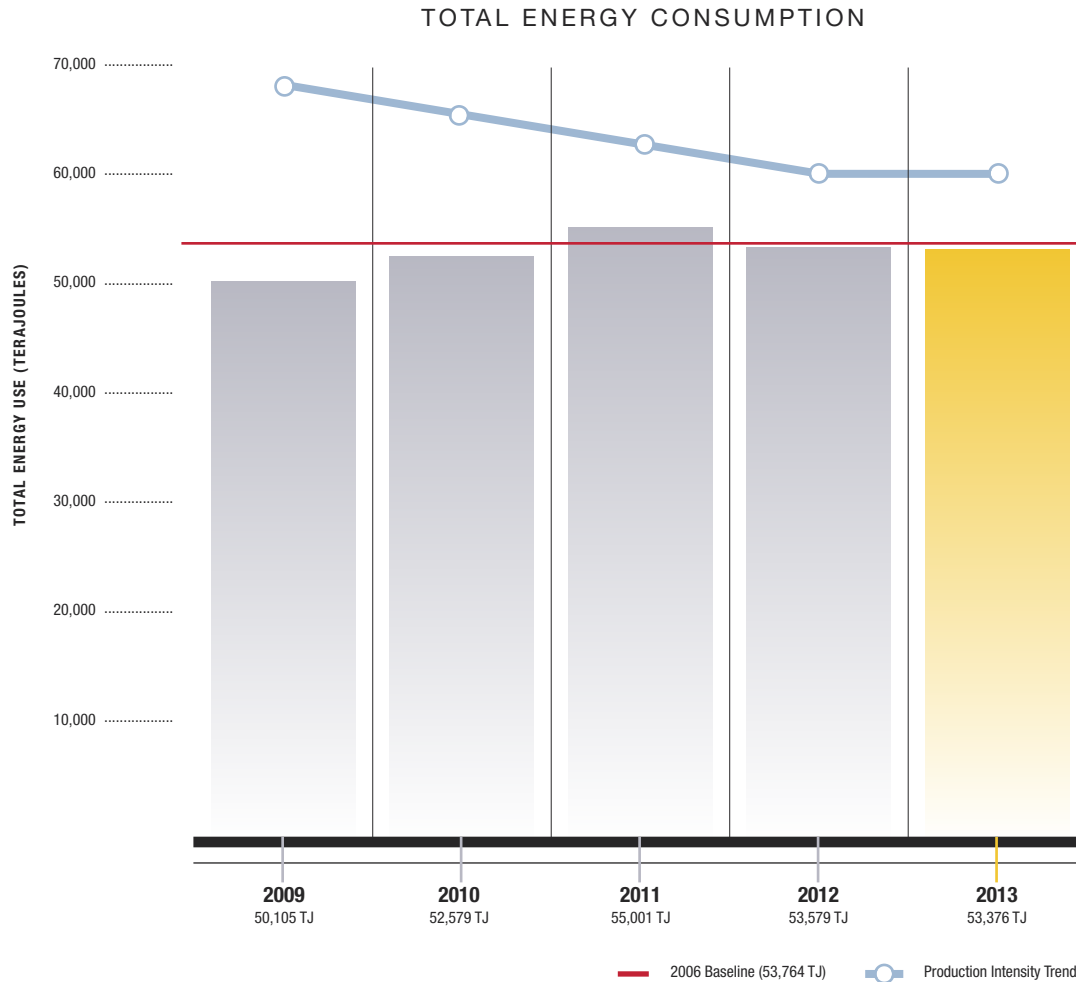
1. The GHG Protocol defines direct and indirect emissions as follows:

- Direct GHG emissions are emissions from sources that are owned or controlled by the reporting entity.
- Indirect GHG emissions are emissions that are a consequence of the activities of the reporting entity, but occur at sources owned or controlled by another entity.

The GHG Protocol further categorizes these direct and indirect emissions into three broad scopes:

- Scope 1: All direct GHG emissions.
- Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat or steam.
- Scope 3: Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g., T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc.

**NOTE:** While we report on absolute emissions, it is useful to consider relative, or normalized, intensity emissions, too. Therefore, our performance graphs include a production intensity trend line that provides a more transparent comparison of indicator trends with fair consideration to production. We calculate production intensity trend by dividing the absolute metric by the tonnage of total production in each year. This helps demonstrate how Huntsman becomes ever more efficient at manufacturing and distributing our products.



#### HOW WE DID

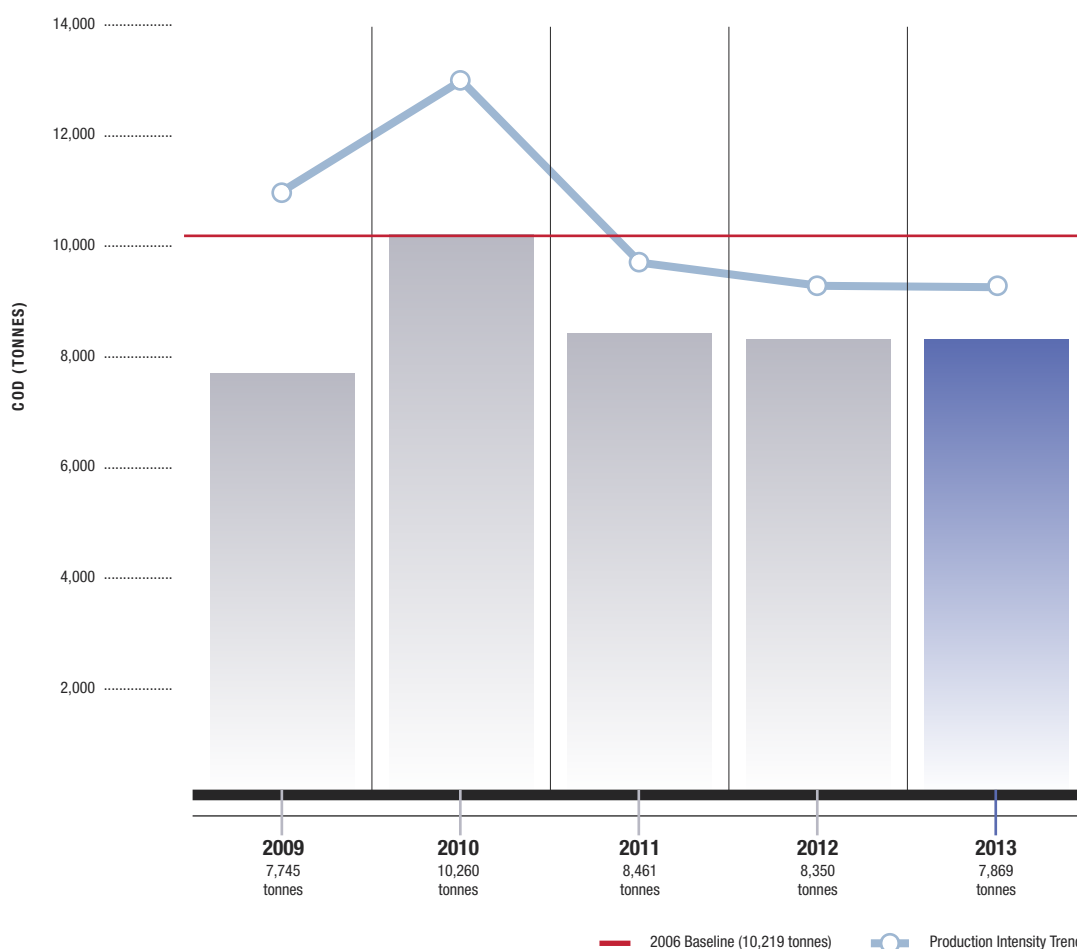
**Total energy use in 2013 was just below our 2006 baseline, while our 2013 production output continued to be greater than it was in 2006. Total energy consumption decreased only slightly in the last year.**

Energy use was impacted by near-record production levels and profitability in 2013. This is the second year since 2009 that our total energy consumption decreased compared to the prior year.

Huntsman has continued to stay competitive by improving the energy efficiency of our operations, thereby reducing our energy impacts and enhancing our financial efficiency. We continue to improve the reliable and economical supply and use of energy at our sites, using efficient technologies to generate steam and electricity, as well as energy-efficient production processes. We have implemented comprehensive energy management plans to help analyze and continuously improve energy efficiency at our plants.



## DISCHARGES TO WATER



### HOW WE DID

**For three consecutive years, chemical oxygen demand (COD) levels continued to drop compared to 2010 levels and are well below our 2006 baseline. Also, relative intensity tracks with our improved COD levels.**

In environmental chemistry, the COD test is commonly used to indirectly measure the amount of organic compounds in water. Most applications of COD determine the amount of organic pollutants found in surface water (e.g., lakes and rivers), making COD a useful measure of water quality.

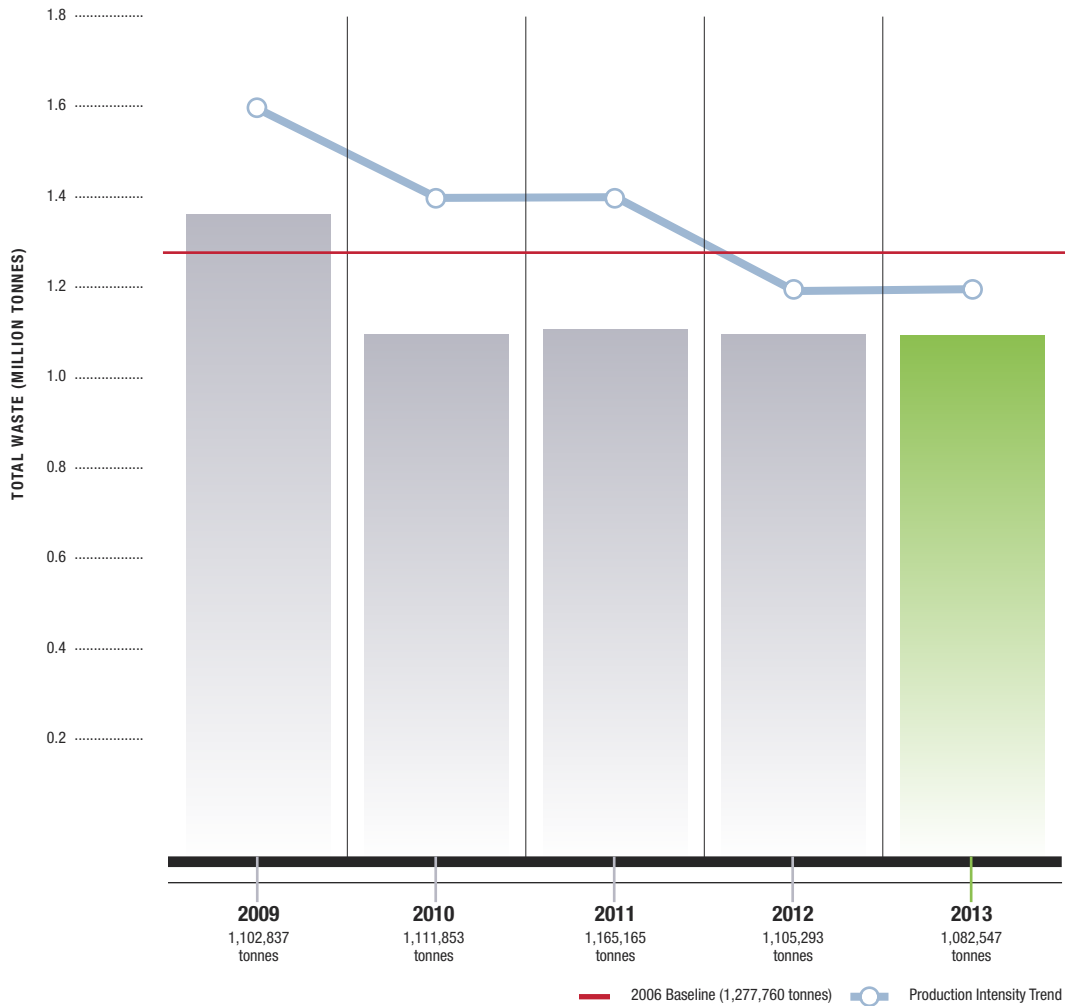
Wastewater quality indicators, such as the biochemical oxygen demand (BOD) and COD, are essentially laboratory tests to determine whether or not a specific wastewater will have a significant adverse effect on fish or aquatic plant life.

Wastewater discharges from Huntsman facilities are routinely monitored and reported in units of COD. The reported discharge levels are measured at the point where the wastewater is discharged from the manufacturing facility, after receiving on-site pre-treatment. In some instances, Huntsman facilities discharge to third-party wastewater treatment plants (municipalities or other chemical companies.) In these cases, subsequent treatment achieves further COD reductions beyond the levels reported by Huntsman.

# Ds

DISCHARGES TO WATER

## TOTAL HAZARDOUS AND NON-HAZARDOUS WASTE BY WEIGHT

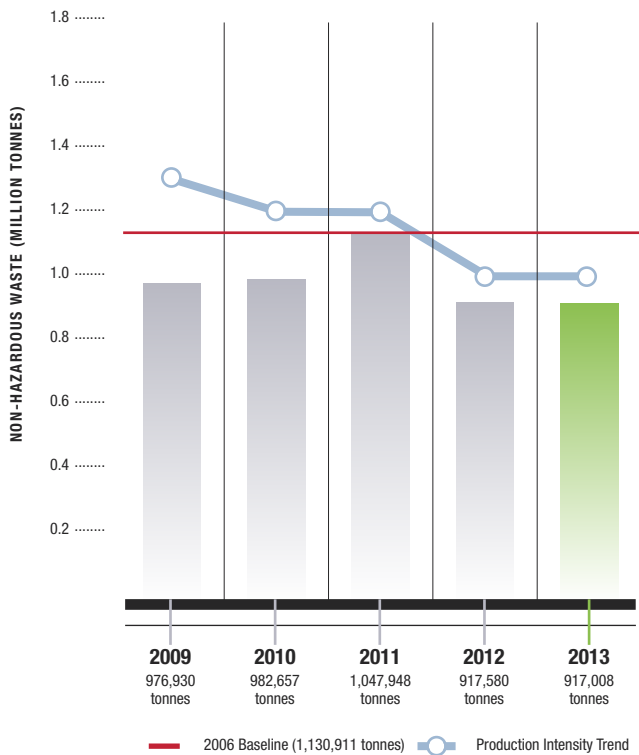


### Total Waste by Type and Disposal Method

Non-hazardous waste and hazardous waste, as defined by local laws, are strictly monitored and reported at each of our manufacturing facilities. They are tracked and reported separately. The reported waste generation includes waste that is sent to off-site landfills, injected into deep underground wells, sent to third-party treatment facilities or reclaimed/reused/recycled (including burned as fuel – waste cogeneration.) This category also includes waste generated during normal operation and maintenance activities.



## NON-HAZARDOUS WASTE BY WEIGHT



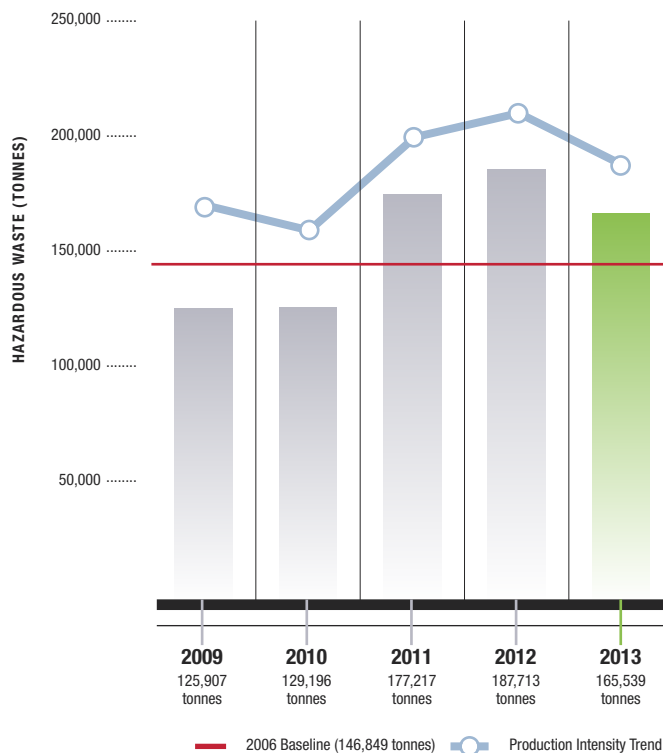
## Non-hazardous Waste

### HOW WE DID

**Disposal of non-hazardous waste continues to be down in 2013 by more than 18 percent below the 2006 baseline, as it was in 2012.**

It is Huntsman corporate policy to prevent and reduce waste. We regularly carry out audits to inspect external waste management plants and ensure that our waste is disposed of correctly. Since our baseline year, the majority of Huntsman's total non-hazardous waste is consistently made up of iron-based salts and gypsum, generated by the Pigments business. Ongoing efforts by our Pigments Division to reduce these wastes and improve environmental performance have been very successful, with sites turning potential waste into co-products with potential beneficial uses. For example, the Pigments Division has secondary sales of iron-based salts and gypsum into water treatment, agriculture and building construction markets.

## HAZARDOUS WASTE BY WEIGHT



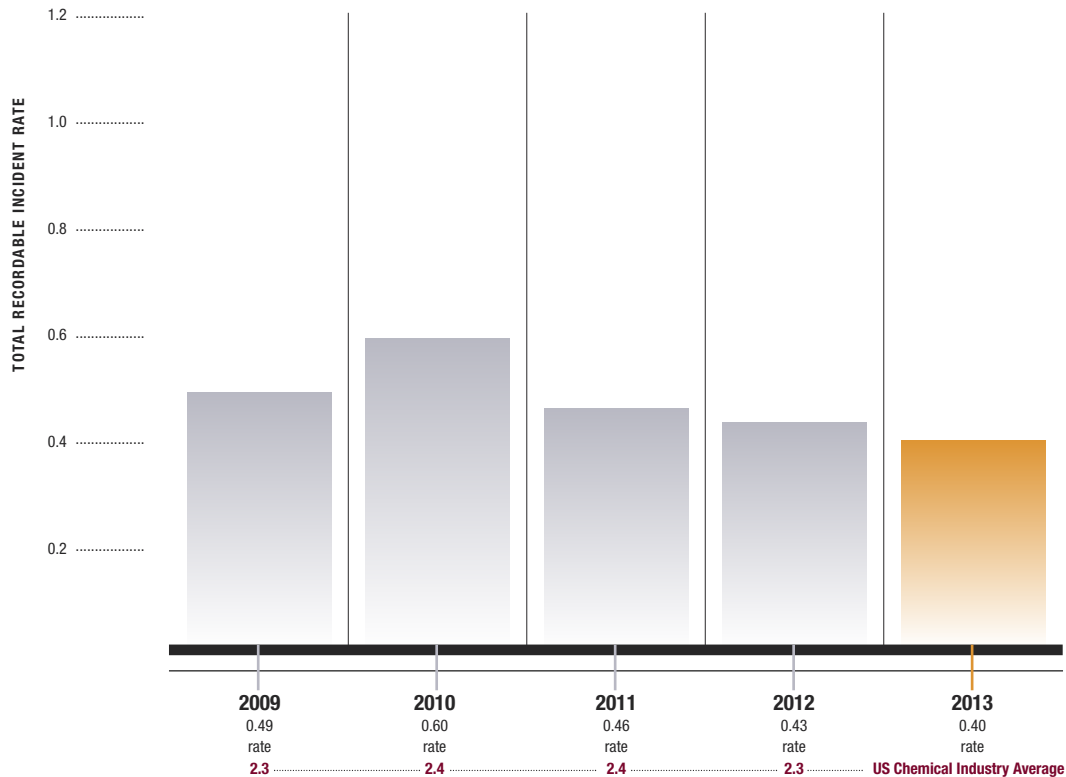
## Hazardous Waste

### HOW WE DID

**Hazardous waste disposal for 2013 was 12 percent lower than in 2012. While this level was 11 percent above the 2006 baseline, it reflects a 22 percent decrease compared to 2012.**

2013 hazardous waste disposal totals were 22 kilotonnes (kt) lower than the 2012 totals. The hazardous waste from Pigments Division reduced by 8 kilotonnes, mainly due to a concerted effort at its plant in Huelva, Spain, to convert hazardous waste into saleable eco-products for the agricultural industry.

## INJURY AND ILLNESS RATE OVER TIME



Incident rates are calculated using the US Occupational Safety and Health Administration (OSHA) formula:  
 Total Recordable Incident Rate = # of Injuries and Illnesses x 200,000 / # of work hours

### Injury and Illness Rate

#### HOW WE DID

**In 2013, Huntsman saw a 7 percent decrease in the number of recordable injuries and a 7 percent decrease in Total Recordable Incident Rate (TRIR). This included a 2 percent decrease in associate TRIR and an 11 percent reduction in contractor TRIR.**

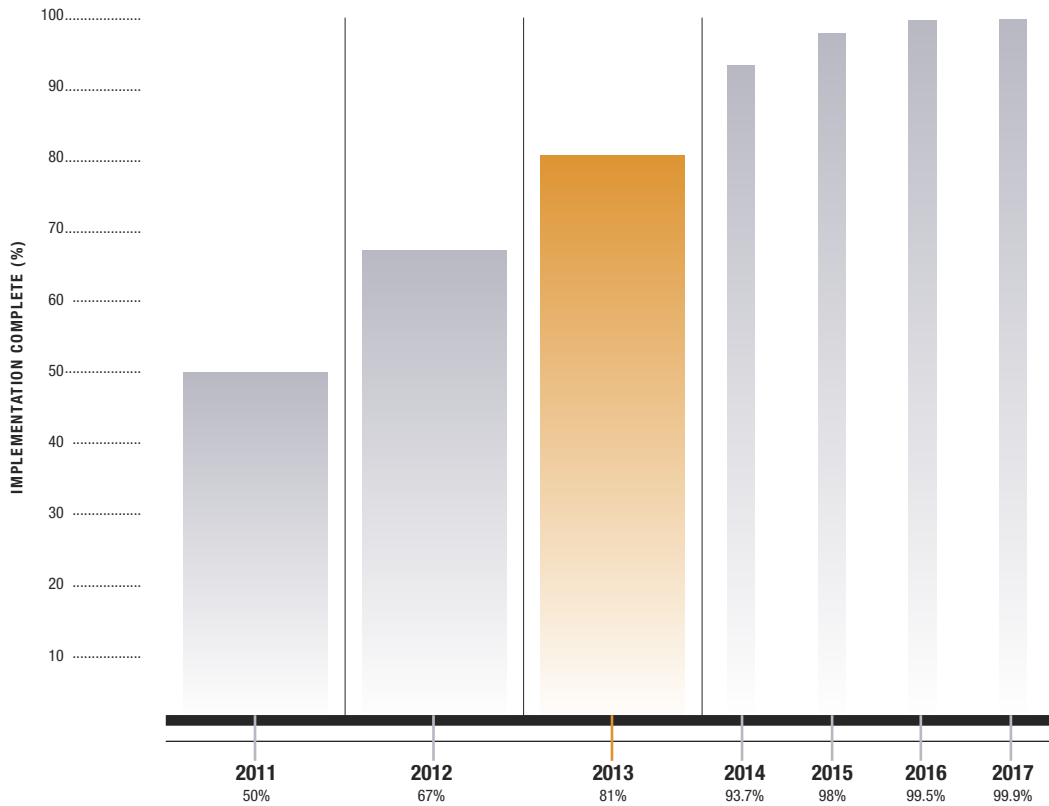
In 2013, Huntsman achieved another record TRIR of 0.40, an improvement of 7 percent from 2012. Sadly, while our TRIR statistics improved, we did lose an associate in north China, who died of injuries sustained in a long-distance public bus accident while traveling on company business in Shandong Province.

In 2014, we will implement a High Potential Incident (HPI) measurement to further reduce workplace injuries and illnesses. The goal of the HPI program is to prevent injuries and illnesses before they occur. Additionally, EHS and Manufacturing and Engineering Council (MEC) conferences will be held across the globe to increase collaboration among our sites, functions and countries.



LA07

## PROCESS SAFETY IMPLEMENTATION RATE



Implementation rates compare number of closed process safety gaps to total number of gaps identified through the process safety procedure gap analysis.

### Process Safety

#### HOW WE DID

**By the end of 2013, company-wide implementation of Huntsman's world-class Process Safety Management standard reached 81 percent completion.**

Process safety has always been a Huntsman core value and an integral part of our global EHS standards. Several years ago, Huntsman's senior leadership embarked on a journey to develop and install a more robust world-class process safety management system across all Huntsman facilities. We are making steady progress with the implementation of this multi-year commitment.

Today, we have a Global Process Safety Center of Excellence staffed by highly skilled and experienced process safety experts in every region where we operate. Guided by this team, in 2013 Huntsman's senior leadership began conducting process safety leadership workshops to ensure all levels of management understand their role in proactively preventing process-related accidents.

# HS

HEALTH & SAFETY



**CORPORATE VALUES**

**Percentage of Associates Receiving Performance Reviews**

LA12

**HOW WE DID**

**In 2013, 99 percent of our 12,032 associates received performance reviews and development discussions.**

In Huntsman, we conduct regular performance reviews and career development discussions with our associates. These are annual, documented and updated when needed.

**Total Training Hours on Policies Concerning Human Rights**

HR03

**HOW WE DID**

**In 2013, 99 percent of Huntsman associates completed, in total, more than 10,000 training hours on policies concerning human rights.**

We expect all of our associates to be aware of and understand the company's core policies and procedures. All new associates are required to complete core compliance training, which includes information on human rights policies and covers regulations on child labor and industrial labor laws. Huntsman associates are periodically required to complete online training on Respect in the Workplace, Code of Business Conduct and the Huntsman Privacy Program.

**Average Hours of Training per Year**

LA10

Huntsman requires newly hired associates to complete core compliance training modules within the first 60 days of employment. In addition, current associates are required to complete refresher training on a regular basis. Core compliance training modules include Respect in the Workplace, Business Conduct Guidelines, Records Management, EHS Protection, Global Anti-Bribery, and the Huntsman Privacy Program, and are offered in both computer-based and instructor-led formats. Additional training beyond the core modules may also be provided depending upon the associate's role and the region of the world. Because of our global nature, we translate our training programs into local languages. At sites with low literacy rates or limited computer access, we conduct instructor-led training in local languages.

**2013 Compliance Training**

Region	Total Hours Completed	Number of Associates	Average Training Hours per Associate
Americas	14,461	2,942	4.92
APAC <sup>1</sup>	15,971	3,687	4.33
EAME <sup>2</sup>	26,826	5,241	5.12
<b>Totals</b>	<b>57,258</b>	<b>11,870</b>	<b>4.82</b>

These compliance training hours are for online, computer-based training.

1. Asia/Pacific

2. Europe/Africa/Middle East

**Total Training Hours in Leadership**

**HOW WE DID**

**In 2013, 86 associates participated in Huntsman's Global Foundation Training program, and 277 participated in team management training.**

Huntsman develops associates who are in or will assume a supervisor or a managerial position in their organization to ensure these associates feel comfortable dealing with employee-related matters, such as setting objectives, coaching, career development plans and time-off approvals. This training is made available in local languages.

## Percentage of Associates Trained in Anti-Corruption

SO03

### HOW WE DID

**In 2013, 99 percent of Huntsman associates received training in anti-corruption.**

Huntsman has zero tolerance for illegal behavior. Our Business Conduct Guidelines (BCG) outline the ethics and values of the company and are shared with all associates. We have an Ethics and Compliance office responsible for implementing policies and procedures to guard against corruption. Compliance managers are located in each region to provide support and training. We offer online ethics and compliance training to associates in their local languages, supplemented by instructor-led training as needed. Huntsman provides many resources to enable associates to report concerns or ask questions, including a confidential reporting service that enables associates to safely report suspected wrongdoing in the workplace or to seek clarification regarding ethical dilemmas. Associates can access this service in their local languages either by phone or online. The guidelines are available in the languages of our associates in print and web-based formats. External stakeholders can access the BCG on the Huntsman corporate web site, [www.huntsman.com](http://www.huntsman.com).

## Percentage of Associates Covered by Collective Bargaining

LA04

### HOW WE DID

**In 2013, 49 percent of Huntsman associates were covered by collective bargaining agreements or works councils, compared to 52 percent in 2012 and 55 percent in 2011.**

The decrease is a result of restructuring efforts by several divisions and functions.

# Es

ECONOMIC SUSTAINABILITY

## Direct Economic Value Generated and Distributed

### HOW WE DID

**For the third consecutive year, we generated revenues of over \$11 billion. Net income for 2013 was \$149 million compared to \$373 million in 2012.**

EC01

Our company achieved impressive earnings this past year, reflecting our ongoing commitment to maximize product quality. The majority of Huntsman Corporation's earnings came from divisions of our business that are inherently less volatile and have higher underlying growth characteristics. Indicative of our confidence in the strong earnings profile of the business, the board authorized a 25 percent increase in the quarterly dividend rate in 2013.

Year Ended December 31, 2013	In millions
Revenues .....	\$ 11,079
Gross Profit .....	\$ 1,753
Interest Expense, Net .....	\$ 190
Net Income .....	\$ 149
Adjusted EBITDA <sup>1</sup> .....	\$ 1,213
Capital Expenditures .....	\$ 471
Total Assets .....	\$ 9,188
Net Debt <sup>2</sup> .....	\$ 3,381

1. For a reconciliation of net income see table below.  
2. Net debt calculated as total debt excluding affiliates less cash.

### Reconciliation of Net Income to Adjusted EBITDA

In millions	2013	2012	2011
<b>Net income</b>	<b>\$ 149</b>	<b>\$ 373</b>	<b>\$ 254</b>
Net income attributable to noncontrolling interests	(21)	(10)	(7)
<b>Net income attributable to Huntsman Corporation</b>	<b>\$ 128</b>	<b>\$ 363</b>	<b>\$ 247</b>
Interest expense, net	190	226	249
Income tax expense from continuing operations	125	169	109
Income tax benefit from discontinued operations	(2)	(3)	(5)
Depreciation and amortization	448	432	439
<b>EBITDA</b>	<b>\$ 889</b>	<b>\$ 1,187</b>	<b>\$ 1,039</b>
Acquisition expenses and purchase accounting inventory adjustments	21	5	5
Loss (gain) on initial consolidation of subsidiaries	-	4	(12)
EBITDA from discontinued operations	5	5	6
Gain on disposition of businesses/assets	-	(3)	(40)
Loss on early extinguishment of debt	51	80	7
Extraordinary gain on the acquisition of a business	-	(2)	(4)
Certain legal settlements and related expense	9	11	46
Amortization of pension and postretirement actuarial losses	74	43	31
Restructuring, impairment and plant closing and transition costs	164	109	167
<b>Adjusted EBITDA</b>	<b>\$ 1,213</b>	<b>\$ 1,439</b>	<b>\$ 1,245</b>

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A publicly held company, Huntsman Corporation's global headquarters are in The Woodlands, Texas, USA. As of December 31, 2013, total common stock outstanding was 240 million shares. For more information, please see the Investor Relations section of our web site, [www.huntsman.com](http://www.huntsman.com).





**HUNTSMAN**

Enriching lives through innovation



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