



Sustainability

Report 2020-2021

Year 1/5 of
our 2025 plan

Motherson
Group

Edition 1

Disclaimer.

This Sustainability Report covers all legal entities under Samvardhana Motherson International Limited and Motherson Sumi Systems Limited.

In this Sustainability Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain future focused statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. Whilst we cannot guarantee these statements will be realised, we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected and readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

"At Motherson, we work to build a company that we can hand over from generation to generation, that operates in a way to help build a sustainable society."

Table of contents.



4 Chapter 1
Foreword from the Chairman and Vice Chairman

10 Chapter 2
Motherson Group overview

14 Chapter 2
Motherson Group footprint
Growing global presence.

16 Chapter 3
Sustainability at Motherson
Proud to be part of a sustainable society.

24 Chapter 4
Industry trends
How Motherson is responding.

26 Chapter 5
Sustainability Materiality Framework
Environment, Social and Governance aspects.

28 Chapter 6
Sustainable environment
Preserving the planet.

30 Chapter 6
Sustainable environment
Motherson climate change policy.

32 Chapter 6
Sustainable environment
Product design and material choice.

36 Chapter 6
Sustainable environment
Manufacturing processes.



38 Chapter 6
Sustainable environment
Logistics.

40 Chapter 7
Social sustainability
Ensuring well-being and opportunities for all.

42 Chapter 7
Social sustainability
Our response to the global pandemic.

46 Chapter 7
Social sustainability
Employees as partners in progress.

52 Chapter 7
Social sustainability
Ensuring the safety of our employees.

54 Chapter 8
Global citizenship
Transforming lives, empowering communities.

56 Chapter 9
Sustainability governance
Fostering long-term growth in an ethical way.

60 Chapter 10
About the report

62 Appendix 1
Stakeholder engagement

63 Appendix 2
RCO contact details

SUSTAINABLE DEVELOPMENT GOALS

Sustainable environment



Social sustainability



Sustainable governance





Dear readers,

Welcome to the first-ever Motherson Sustainability Report. We are at the start of Vision 2025, our sixth five-year plan that will continue to build Motherson for the long-term. In parallel, we are very proud to publish this new report on such an important topic. Before providing an overview of this report, we would like to take a moment to briefly share how sustainability has evolved over the course of our history. This will illustrate why sustainability is important at Motherson.

Sustainability has a history at Motherson

As part of the vision, mission, and values that were established in 1995, we committed to “set[ting] new standards in good global citizenship”. This was a formal statement capturing what we have tried to do intuitively since the company was founded in 1975.

Good global citizenship simply means always taking care of the surroundings of our plants, treating our associates with respect and working hard to create growth opportunities for everyone. It means working with integrity and never compromising on the quality of our products. Our employee retention and the awards our customers have presented to us demonstrate that we have succeeded in practising what we preach.

We formulated such ideas not because it would impress customers but because these concepts helped us to make the right decisions in our everyday work, choices that would build a durable company that could thrive and grow; a company that we all wanted to be part of because of what it stands for and what it means for our customers.



To signal our ESG efforts, we have created a sustainability icon.

and the Communities in which we work and our shared ambitions in the area of sustainability.

01 The icon represents a “tree of growth” symbolising the idea that working on sustainability is a step towards a better planet for all, for the long-term.

02 The three circles represent Environment, Social Policy and Governance (ESG) as well as for the key stakeholders: Investors, Customers

03 The icon is consistent with the Motherson visual style. It uses the circles and connectors from the visual identity and the Motherson red colour. As such, it radiates the Motherson DNA, an important visual signal that our ESG activities are an integral part of Motherson.

Today we call it ESG

Much has changed since then, not only at Motherson but also in the world around us. From a small, India-based company, Motherson has become a diversified global manufacturing specialist and one of the world’s largest and fastest-growing automotive suppliers for OEMs. From a corporate environment where shareholder value once was paramount, the business world has evolved to embrace a much broader spectrum of topics where all aspects categorised under Environment, Social and Governance (ESG) are of primary importance as well.

This is a wonderful development that we wholeheartedly support with the aim of creating a sustainable organisation founded on sincere human values. What does the rise of ESG mean for Motherson today and how do we approach it?

An inside-out approach

During much of our history, Motherson mostly followed an inside-out approach to ESG. For example, when considering potential acquisition targets, an environmental audit is part of our due diligence process, because we invest for the long-term.

We have set-up our own construction company, to enable us to reach the highest standards in environmentally friendly new facilities as Motherson grows. Similarly, in every product we develop and manufacture we want to reduce its environmental impact.

As ESG has gained importance around the world, we must be aware of all the stakeholder expectations from Motherson. This will require greater collaboration with customers, regulatory bodies and our suppliers. For example, to reduce the CO2 impact of a bumper, we cannot simply change the plastic content on our own as it could impact passenger safety; we must consult with our customers.

Different parts of our company may need individualised approaches. For example, the environmental impact of wiring harness products is different to that of modules and polymer products. Thus, performance benchmarks for both may have to differ in the short-term, even though long-term goals might be the same (e.g. carbon neutrality). In other areas, such as equality, formulating and applying consistent standards is more straightforward.

At Motherson, we see all of this as a journey along which we learn and continually work to strengthen our sustainability practices. Currently, global frameworks for reporting ESG activities are under development; we have initiated a programme to define which impacts matter most to us, our customers, investors and employees; and what level of performance is desirable and realistic to achieve for our different businesses. This framework will evolve over time as will the expectations and needs of our stakeholders.

Our ESG Report

We have divided the Sustainability Report into four main sections.

The first part covers our general approach to ESG and how we assess the importance of the various dimensions that we and our stakeholders' value.

The second section is focused on Environment: we look at our operations, the engagement with our supply-chain partners, and how we aim to improve the environmental impact of our products.

In part three we look at the Social dimension: safety, social wellbeing, and community and global citizenship principles. Naturally, we look at how Motherson responded to the COVID-19 pandemic, what we did to protect our people and how working together has made us stronger.

In the final part we reflect on the measures taken in the area of Governance, such as how sustainability is embedded in all that we do.

What will not change, however, is the reason why we work on ESG: to build Motherson for the long-term, so that we can pass the company from generation to generation. For us, this is what "sustainability" means. It is about building a durable company that is a good global citizen in a world we all want to inhabit.

This Sustainability Report is part of our journey towards 2025, and we aim to publish the reports annually.

While sustainability has always been important at Motherson, there is also much we can continue to learn and improve

on. We invite you to join us on this journey, to create a better planet, cultivate social inclusion around the world and embody the highest standards of integrity in our business dealings. We believe this is a noble and necessary cause that will improve lives around the globe. We hope you will walk alongside us on this journey.

Sincerely,

Vivek Chaand Sehgal
Chairman, Motherson

Laksh Vaaman Sehgal
Vice-Chairman, Motherson



Motherson Group Overview.



The Motherson Group is a diversified global manufacturing specialist and one of the world's largest and fastest-growing automotive suppliers for OEMs. Motherson supports its customers from more than 270 facilities across 41 countries, with a team of over 150,000 dedicated professionals. Thanks to the trust of our customers, we recorded revenues of USD 9.8 billion during 2020-21.

Motherson operates as a full system solutions provider for its customers, through **ten major Divisions**. With the support of the customers, these Divisions continue to grow stronger, become more diverse and help Motherson move closer towards our vision of being a globally preferred solutions provider.

01 Wiring Harness

A full service system supplier with complete in-house design, development and manufacturing capability. It is one of the most vertically integrated business divisions with a product range that promotes technological advancement across both the automotive and non-automotive sectors that it supplies to.



02 Vision Systems

Motherson is one of the leading global suppliers of vision systems to the automotive industry and the product range includes interior mirrors, exterior mirrors and camera-based detection which it supplies to almost all major OEMs. Vision Systems is aided by strong vertical integration and provides full-service solutions to its customers.



03 Modules & Polymer Products

Encompasses the largest business line in Motherson. It develops and produces a highly diversified product range from simple plastic parts to highly integrated systems and modules, supplying to OEMs globally. The Division also exhibits capabilities in mould design, tooling and elastomer processing.



04 Precision Metals & Modules

A full system solutions provider for any metal processing, including integration of higher level assembly. It offers an array of products in precision machining; modules like cabins for off-highway vehicles and HVAC systems; body parts and process equipment to a wide spectrum of industries.



05

Technology & Industrial Solutions

Focuses on technology, engineering and manufacturing solutions. It sustains the digital foundation of the group's global operations. It also caters to external clients from different industries globally. This Division has a futuristic approach in understanding industry trends, providing solutions and has also expanded in to healthcare IT solutions and telematics.



06

Lighting & Electronics

A spectrum of businesses that focus on OEM supplies and also does business through direct channels. The product portfolio includes exterior lighting and electronics, passenger car HVAC and compressors, body control module, struts, shock absorbers and products for backward integration. The Division also engages in the area of direct B2B supply.



07

Aerospace

This Division of Motherson brings the current capabilities of the group in areas such as wiring harnesses and plastics — into the aerospace industry by providing integrated solutions. Whilst simultaneously engaged in developing new products in order to increase its foothold in this segment.



08

Logistics Solutions

Aims to bring in efficiency, technology and specialisation in the automotive supply chain. It deals with the logistics of finished vehicles in both the groups' internal supply chain as well as for external customers.



09

Health & Medical

Is driven by its purpose of positively impacting lives globally in helping people to become healthy and stay healthy. The Division works towards realising this by providing products, solutions and services that help people manage and improve their health, and enable access to affordable care of the highest quality.



10

Services

The Division consists of several businesses that engage in direct sales and services to the end customer supporting their manufacturing operations. The business portfolio includes an industrial park; manufacturing engineering, consultation, project management and turnkey supplies to the automotive industry and trading of machine tools and hydraulic products.



Motherhood Group global footprint.

- 1. Argentina
- 2. Brazil
- 3. Mexico
- 4. USA
- 5. Macedonia
- 6. Serbia
- 7. Italy
- 8. Morocco
- 9. Spain
- 10. Portugal
- 11. France
- 12. Jersey
- 13. Ireland
- 14. UK
- 15. Luxembourg
- 16. Netherlands
- 17. Germany
- 18. Czech Republic
- 19. Poland
- 20. Slovakia
- 21. Hungary
- 22. Finland

- 23. Estonia
- 24. Lithuania
- 25. India
- 26. Russia
- 27. China
- 28. Japan
- 29. South Korea
- 30. Thailand
- 31. Philippines
- 32. Singapore
- 33. Indonesia
- 34. Australia
- 35. Sri Lanka
- 36. Mauritius
- 37. UAE
- 38. Croatia
- 39. Cyprus
- 40. Turkey
- 41. South Africa

Proud to be part of **a sustainable society.**

Sustainability has long been part of the DNA of Motherson. It's part of the foundations of our business, our daily working lives, what we are today and what we will be in the future.



Motherson is a global group of businesses developed over many years of growth that can operate independently whilst continuing to collaborate, united with a common approach throughout the group as 'One Motherson'. Operating across the globe means that we consider ourselves to be responsible corporate citizens of the world helping to build a sustainable society that we are proud to be part of.

The scope of sustainability at Motherson

Sustainability has become an important term of reference for wide ranging issues and challenges of significant relevance to all aspects of our daily lives.

What sustainability represents for global commerce and the industrial world is more extensive than many people realise but we all have the responsibility to play our part. Everyone is aware of climate change and the challenges this brings so it is no surprise that the environment and managing the impact of our complete enterprise now and into the future is a significant element within the overall scope of sustainability.

There is much more to consider. The conduct and ethical standards to which we hold ourselves accountable combined with the responsibility we have to all the stakeholders in Motherson and the communities in which we operate, are all fundamental parts of what sustainability truly represents.

Environment, Social and Governance (ESG) is an increasingly common way of categorising the full scope of sustainability in business. Whilst we remain flexible and adaptable to the changing needs and expectations of our stakeholders, formulating our sustainability strategies around ESG makes sense, especially as we continue to be a global solution provider for our customers.

To understand the driving forces of sustainability we need to look no further than the United Nations Sustainable Development Goals (UN SDGs), which provide a comprehensive framework of the key challenges faced by us all. In recognition of this we are ensuring our ambitions, plans and actions are aligned with the relevant SDGs.

Commitment to sustainability

As part of our commitment to being an active contributor for change, Motherson has joined the UN Global Compact, which provides an inspiring source of knowledge, guidance and

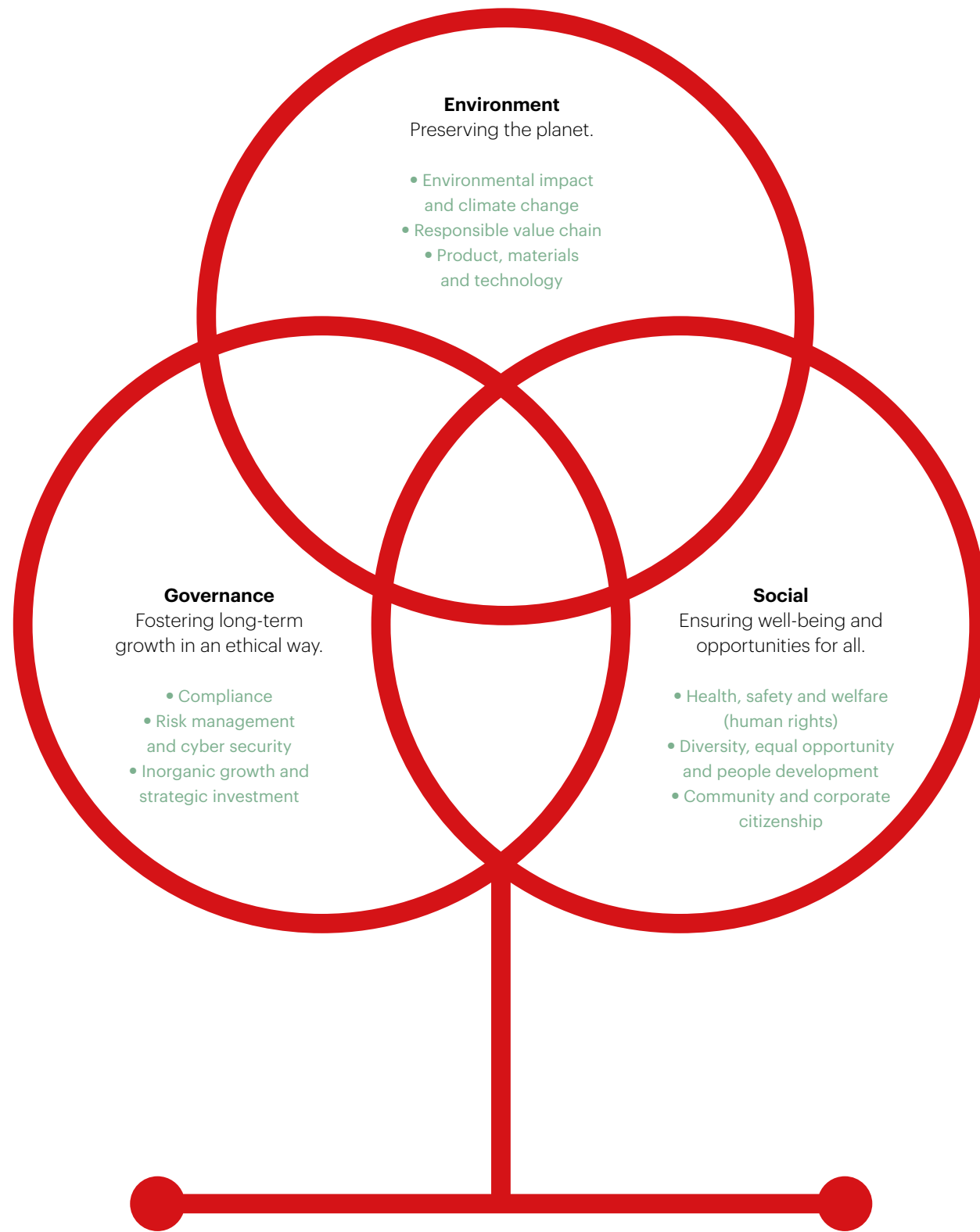
motivation. We are establishing a new group level policy and are actively working to develop a comprehensive climate strategy in alignment with the needs of our stakeholders and in accordance with the Paris Climate Agreement.



Connecting our ambitions to stakeholder needs

In order to fully define and understand the sustainability priorities, we have established a regular review process that maps the needs of all stakeholders in the Motherson group aligned with our own ambitions, providing clarity for all in our goal setting for the future. We benefit from long-standing relationships with an extensive customer base. This provides Motherson with a clear view of customer insights, goals and ambitions aligned to global, societal and industry trends. We are flexible, agile and committed to meeting their needs, adapting to change and evolving to remain a relevant and reliable solution provider for our customers in the years to come, creating a sustainable future for us all.

We benefit from long-standing relationships with an extensive customer base enabling us to gain a good understanding of the market.



Environment
Preserving the planet.

- Environmental impact and climate change
- Responsible value chain
 - Product, materials and technology

Governance
Fostering long-term growth in an ethical way.

- Compliance
- Risk management and cyber security
- Inorganic growth and strategic investment

Social
Ensuring well-being and opportunities for all.

- Health, safety and welfare (human rights)
- Diversity, equal opportunity and people development
- Community and corporate citizenship

Motherson sustainability objectives.



Environment at Motherson

Improving the environmental footprint of our operations and the supply chain is central to our ambitions for a more sustainable future. The continuous improvements we can make with our existing facilities together with the application of the latest technologies and innovative environmental solutions to new infrastructure will be fundamental to our future growth. Progressive digitalisation of the overall business enterprise will drive new levels of business intelligence and efficiency that will support our operations to become more sustainable.

Advanced development activities, applying new technologies and open innovation solutions allows us to enhance our current and new product offerings to the markets and customers we serve for a more

sustainable future, in parallel creating increased value and improved economic circularity.

Social dimension at Motherson

We believe in good corporate citizenship and are continually striving to work in harmony with the environment and positively impact society and the communities which we are proud to be part of. Our employees all over the world are part of the family that is Motherson. This means their health, safety and welfare and that of their families is of paramount importance together with providing equal opportunities for personal development and career progression. We celebrate diversity in Motherson and the benefits that this can bring for us all as a multicultural organisation where we seek to nurture the contribution made collectively and as individuals.

Governance at Motherson

We hold ourselves to high standards of corporate governance with clear ethics applied throughout our businesses and to our supply chain. This is a key element of setting the standards and expectations of conduct to which we ask all our associates to commit and work hard to maintain. The principles we apply to provide incentives and measure progress create collaborative behaviours, where the success of the whole is more important than that of the individual.

As we work to achieve the ambitions laid out in our five-year strategic plan, understanding the potential effects on sustainability in all its dimensions is a key factor in the assessment of inorganic growth opportunities for Vision 2025 and beyond.

We are harnessing the collective power of our global organisation and connecting the dots within a network of customers and external partners. Working towards common goals with shared initiatives, we are raising our standards and striving to set new benchmarks for ourselves and for the industries in which we work.



WE SUPPORT



Proud to be part of the UN Global Compact.

In 2021, Motherson became a signatory of the United Nations Global Compact (UN Global Compact), the world's largest corporate sustainability initiative.

The UN Global Compact encourages businesses to commit to sustainability and take shared responsibility to be a force for good, aligning to ten core principles on human rights, labour standards, environment and anti-corruption. www.unglobalcompact.org.

Motherson is proud to be part of the UN Global Compact which strengthens our long-standing commitment to environmental, social and economic sustainability built on the bedrock of corporate governance. By integrating the ten principles of the UN Global Compact into our daily business practices, Motherson continues to contribute to building a sustainable and equitable world for all.

10 Principles: Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

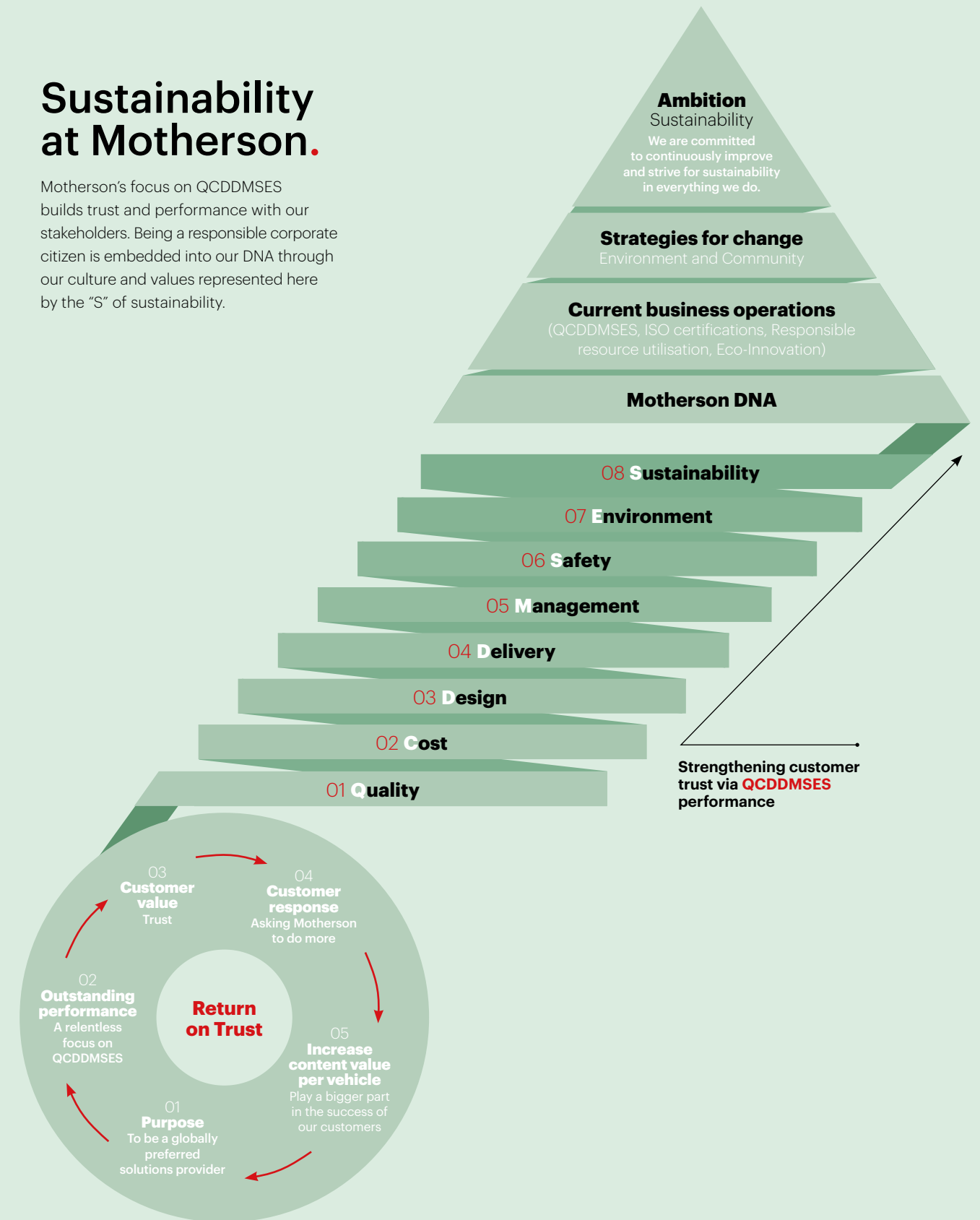
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Sustainability at Motherson.

Motherson's focus on QCDDMSES builds trust and performance with our stakeholders. Being a responsible corporate citizen is embedded into our DNA through our culture and values represented here by the "S" of sustainability.



Industry trends.

The automotive industry is changing rapidly due to both technological developments and world events such as the COVID-19 pandemic. The current major industry trend is sustainability, which is driving increasingly rapid electrification, consumer experience and vehicle connectivity. Shared and autonomous mobility has become less attractive in the wake of the COVID-19 pandemic, as consumers are presently more reluctant to choose public transportation or shared mobility options. However, the desire for individual mobility is now coupled with a growing awareness and interest in sustainability, and therefore an increasing demand for wellbeing solutions such as in-vehicle hygiene technology and hygienic surface materials.

Sustainability, now emerging as a top priority, has been brought into focus by the effect of the pandemic: with mobility reduced during the various lockdowns, many areas recorded improved air quality, demonstrating the clear environmental impact of mobility and emphasising the need for more sustainable solutions going forward. Consumer behaviour already reflects a growing interest in this, with sales of both fully electric and plug-in hybrid vehicles more than doubling in 2020 within Europe and an expected fivefold rise of the Battery Electric Vehicle global production within the next years.

In other trends, with commute times on the rise, automotive interiors have been evolving into living spaces, which in turn has raised consumer expectations. For example, connectivity needs to be available at all times, including in all forms of mobility. There is also a growing preference for interiors with added feature content and high-quality materials and finishes that make the mobility experience as comfortable as possible.

At Motherson, we have established five focus areas based on the priorities of the industry and the needs of our customers: the immersive interior experience, smart-vehicle dynamics, electrification, intelligent manufacturing and sustainability.

Immersive interior experience
The cabin of the future is more intuitive and connected than ever. For example, we're making our interior solutions smarter by turning surfaces into responsive user interfaces. We are also working with natural and sustainable materials to transform vehicles into beautiful living spaces offering passengers the comforts of home while they are on the road.

Smart-vehicle dynamics
We are seamlessly integrating advanced sensors and lighting solutions. In addition to making our parts smarter, we are also making them lighter, reducing drag through active airflow and increasing safety.

Electrification

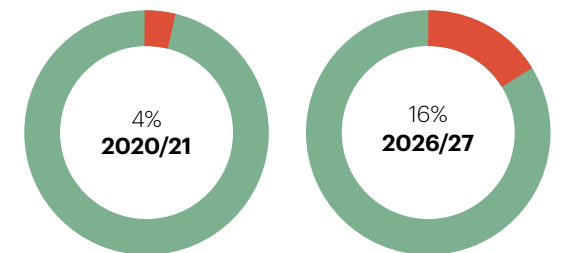
The overall move towards electric mobility with new-energy vehicles is also changing the framework of the automotive landscape, and for Motherson this means new opportunities. Our current products are not compromised in any way by this transition and are actively working with our customers to support the shift toward electrified vehicles with new innovative solutions.

Intelligent manufacturing

As part of our commitment to being on the cutting edge of industry developments, we have already begun integrating intelligent manufacturing in various ways in a number of our factories: autonomous robots that move materials around our factories and robots that work in harmony with our highly skilled employees. Quality inspection that uses artificial intelligence to ensure the high quality and repeatability of the finish of our products. Predictive operations that use smart data analytics and predictive maintenance to ensure the efficiency and reliability of our operations.

Sustainability

To increase the environmental sustainability of our products and our processes, we are using more renewable, natural and lightweight materials. We also seek to integrate sustainability in our engineering and design processes to provide our customers with eco-friendly solutions. We aim for energy-efficient manufacturing processes, and to actively develop our supply chain, sourcing our materials responsibly. We also strive for a safe and inclusive working environment.



● Battery Electric ● ICE / Hybrid
Battery Electric Light Vehicle Share Development
(Source: IHS Market LV Engine Forecast March 2021)

Sustainability Materiality Framework.

Environment

Environmental impact and climate change

Environmentally sustainable operations including building infrastructure and facilities management, energy use, waste management, water consumption, emissions, carbon footprint, etc.

- Minimise and wherever possible eliminate the emission of greenhouse gases.
- Improve energy efficiency in all areas and maximise access to sources of renewable energy.
- Improve water utilisation efficiency and harvesting solutions.
- Minimise and wherever possible eliminate waste focusing on the increasing recycling solutions.
- Focus on climate positive actions and maximising economic circularity.
- Adapt and maintain compliance to evolving regional and country specific environmental goals.
- Develop and implement a comprehensive climate change strategy.

Product, materials and technology

Focus on product design, choice of materials and process technologies to minimise product carbon footprint and their corresponding Life Cycle Impact Assessment (LCA).

- Research, development, technology and open innovation for new solutions to create a positive environmental impact through the entire value chain.
- Implementation of LCA processes, ensuring consistent understanding and application across the group.
- New product and technology solutions aligned to the major industry trend of electrification.
- Increase the application of natural, recycled and recyclable materials in product development.

Responsible value chain

Responsible sourcing of materials; product subcomponents, packaging, (ensuring recyclability wherever possible); inbound, inter-company and outbound logistics

- Implement Product Carbon Footprint (PCF) processes and awareness throughout the value chain.
- Improve energy efficiency use and promote use of renewable energy throughout the supply chain.
- Actively support the implementation of carbon offset initiatives in the value chain.
- Target to avoid the use of conflict minerals and removal of any SOCs from our product lines and processes throughout the value chain.

Social

Community and global citizenship

Setting new standards in good corporate citizenship, by helping to improve the livelihood of communities we are part of and society at large, focusing on their prosperity and well-being to ensure inclusive, long-term development for all.

- To touch lives and create a long-lasting impact on the people and communities. Projects are designed to ensure both sustainability and scalability.
- Work in focus areas of:
 - Livelihood and community development
 - Education
 - Health and well-being.
 - Environmental sustainability.

Diversity, equal opportunities and people development

Respect and appreciate all our employees and partners equally and provide them with the right tools and environment to better themselves.

- Globalise and standardise best practice processes for personal development and career progression opportunities.
- Ensure relevant and targeted training solutions are available to all.
- Standardise and expand global processes and reporting on key focus areas, e.g. diversity and equality.

Health, safety and welfare (human rights)

Protection and support of the employees' occupational health and safety is a fundamental priority. Motherson subscribes to the principle that every human being has the right to be treated with dignity, fairness and respect.

- Achieve ISO 45001 certification across all operating units.
- Continually seek to raise standards to ensure health, safety and welfare.
- Ensure consistent understanding, application and adherence to the group Human Rights Policy and UN Global Compact principles.
- Promote health and well-being initiatives in the group with increased awareness of best practice enabling effective cross fertilisation of actions taken.

Governance

Compliance

Comply with all the laws, regulations and standards that may apply to Motherson by all its stakeholders.

- Proactive adoption and participation in the development of new standards with the objective to provide value for the overall business enterprise and our stakeholders.
- Commitment to meeting the needs of our customers and the communities in which we are a part of society.
- Adapt and maintain compliance to evolving regional and country specific goals and regulations.

Inorganic growth and strategic investment

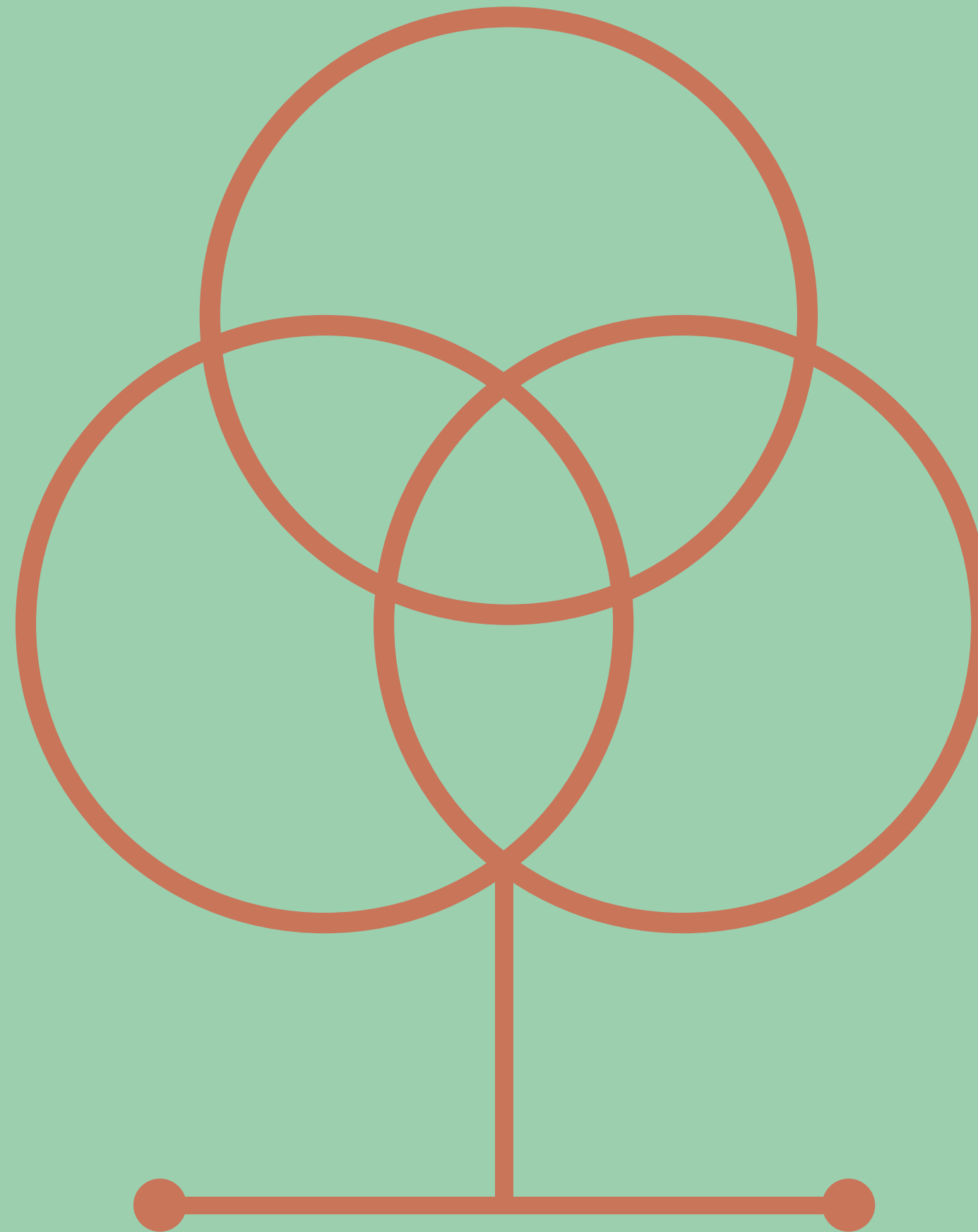
Grow Motherson inorganically with ethical partners that further the vision of the company and fulfil the needs of our stakeholders.

- Actively seek growth into new markets, new products and process with the potential to deliver increasingly sustainable solutions to the industries we work in.
- Develop and implement relevant sustainability assessment criteria into the due diligence processes for inorganic growth, M&A actions.
- Work with a clear strategic intent to position the group to qualify for ethical and sustainable financing solutions.

Risk management and cyber security

Assess the risks to the continuity of the business to create contingencies and mitigate such risks.

- Continuous review and evolution of the group risk management processes to reflect the changing circumstances and priorities within the industries, geographies and societies in which we work.
- Ensure technological advancement, agile countermeasures and mitigation methodologies are applied throughout the business enterprise aligned to the evolving threat and potential implications of cyber security infringements, due to increasing global digitalisation.



Sustainability at Motherson

Environment.

Preserving the planet

• Environmental impact and climate change

• Product, materials and technology

• Responsible value chain



Motherson climate change policy.

The United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Climate Agreement provide the framework of a collective commitment to minimise the effects of global warming. This requires international businesses across all industries to play their part in addressing the challenge. For Motherson and our stakeholders, this is an issue of very high material importance where we have the ambition to make a positive contribution.

In this respect we are actively working to minimise the environmental impact of our operations and supply chain for today and for the future, focusing

on the following areas where specific targets will be developed across the group.

- Minimise and wherever possible eliminate the emission of greenhouse gases.
- Improve energy efficiency in all areas and maximise access to sources of renewable energy.
- Improve water utilisation efficiency and harvesting.
- Minimise and wherever possible eliminate waste focusing on the increased application of recycling solutions.
- Focus on climate positive actions and maximising economic circularity.
- Adapt and maintain compliance to evolving regional and country specific environmental goals.

Climate change strategy

Motherson is working to develop a comprehensive climate change strategy aligned to the needs of all our stakeholder groups, the environments and communities in which we operate, and society as a whole.

This strategy will include but is not exclusively limited to the following key elements.

- Definition of climate and environmental impact reducing specific targets.
- Establish target time frame with major objective realisation milestone in 2030.
- Definition of climate related specific management objectives.
- Implement management objectives, key performance indicator tracking and reporting.
- Establish both internal and external climate action audit processes.
- Climate risk assessment process and impact analysis.
- Product and process roadmap to maximise climate positive portfolio development opportunities.
- Supply chain engagement, analysis and development.
- Manufacturing and infrastructure development.
- Inorganic strategic growth, assessment and due diligence.

Climate related industry trends and emerging transitional opportunities

At Motherson we see transitional opportunities for climate positive actions driven by the industry trends and changing consumer attitudes resulting in the following focus areas.

- Research, development, technology and open innovation for new solutions to create positive environmental impact.
- Industrial excellence and new business enterprise solutions.
- Solutions with natural and environmentally sustainable materials.
- Increased use of recycled and recyclable materials.
- Opportunities for alternative and renewable energy solutions.
- Value added solutions for electrification and new energy vehicles.



Copper recovery
at Acuna Dixie
Wire facility,
Acuna, Mexico.

Sustainable environment.

Across Motherson, we are carefully monitoring all aspects of the environmental footprint of our operations and products. From choice of materials and product design to management of our supplier base, from energy use and waste handling to product delivery, there are great sustainability initiatives taking place in many Divisions. From an accreditation perspective IATF16949 and ISO14001 are standard across the company and with new standards emerging we are actively engaged with additional third-party recognition and affirmation processes, which are in line with the requirements of our customers, our stakeholders, our investors and our own initiatives

Product design and material choice

Our product-design teams across the globe work closely with our customers to deliver exactly what they want, when they want it. Over years of continuous development, our products have been finely tuned to achieve the right combination of manufacturing efficiency, light-weighting, value added feature content and the customer's functional performance specifications. However, the accelerating industry trend towards new-energy vehicles

– both electric and hydrogen-cell, combined with increased sustainability – is creating the opportunity to rethink established product design and material choices, plus bring new solutions.

The automotive industry has the ambition to achieve carbon neutrality well before the 2050 target set by the Paris Climate Agreement and the rate of change is accelerating. This is highly challenging, and with no single solution many smaller steps will need to be taken quickly to reach these sustainability goals.

For our polymer based products, typically between 60% and 70% of the carbon footprint will be generated by the raw materials that we procure – which is known as a Scope 3 emission. All of our main polymer suppliers are actively working on reducing their own carbon footprints through such measures as recycling plastic waste back into the feedstock. But this initiative by itself is not sufficient for achieving carbon neutrality. More environmentally friendly bio-based fillers and thermoplastics will also need to be utilised, which is an area receiving significant attention for the future.

Within the Wiring Harness Division, the different ratio between the carbon footprint of the raw materials and the amount of energy consumed in the assembly process, means that the Scope 3 emissions are even more significant. New materials to improve conductance whilst also achieving weight reduction will need to be introduced as they become commercially viable.

Motherson is working with a number of such innovative new suppliers and most notably in the last year has made great progress connecting with a number of different start-ups. One such example is a company which has a patented process to convert household waste into a thermoplastic resin.

This material has a negative carbon footprint and when used as a bio-filler can offset the overall footprint of the finished part. Early trials are showing great potential.

Plastics is not the only area of innovation that Motherson is working on. As a major supplier of parts to the luxury-car market, premium surface finish materials present another opportunity for introducing eco-friendly products to the market. For example, a number of suppliers are now offering vegan leathers – plant-based substitutes with the look and feel of natural leather and the synthetic alternatives that are already on the market. We have been working with some of them to assess their suitability for automotive applications.

Hand in hand with material choice is product design, as new materials with different properties enable alternative ways of thinking. Not only can established part designs still be improved, as our innovative Eco-mirror design has shown, but new ways of thinking about traditional solutions are highlighting exciting new opportunities. In the electronics sector, conductive ink



technology is now allowing printed electronics to become an alternative to traditional electronic sub-assembly solutions, making it possible for smart surfaces to replace traditional switch controls. These in turn create opportunities for light-weighting, production

simplification, and clean, hygienic surfaces that meet both OEM customer and end user expectations. Motherson is actively working with a number of OEMs to develop concept parts with the potential for future serial production.



Motherson Innovations Laboratory
Stuttgart, Germany



Global Innovation award from Startup
Autobahn powered by Plug and Play

Case Study:
Sustainability at the heart of global innovation

As the automotive industry begins the transition to a more sustainable future, Motherson is working endlessly to find new and innovative solutions that will contribute to a cleaner tomorrow.

Motherson is an Anchor Partner of Start-up Autobahn. For the past three years, we have demonstrated our commitment to the world of open innovation; seeking new technologies and solutions across our entire business enterprise. This reinforces our sustainability quest to seek renewable, environmentally friendly materials and solutions through partnerships.

Through Startup Autobahn powered by Plug and Play,

Motherson has collaborated with many startups and completed a number of proof of concepts. Two sustainability related projects resulted in winning two Startup Autobahn powered by Plug and Play Global Innovation Awards.

Motherson works with startups to track and reduce carbon footprint

During Programme 8 of Startup Autobahn, Motherson worked together with BASF, Porsche, and startup company CircularTree in a joint effort to use blockchain technology to tackle the carbon challenge throughout the supply chain.

The collaboration resulted in identifying the key data capture relating to carbon footprint within each company's processes, and then exchanging that data at each handover point within the supply

chain, in a commercially sensitive manner, supported by CircularTree's scalable and secure blockchain solution CarbonBlock. By allowing for data to be consolidated at pre-determined levels of materiality before onward transmission, the solution allows corporations to understand where their CO2 emissions are highest and therefore focus their efforts to reduce them. This collaboration resulted in the project being awarded the Global Innovation Award for Expo 8.

With a focus on sustainability initiatives, solutions such as Carbonblock, we will be able to accurately capture and reduce our carbon footprint.

Developing sustainable car parts for the future

Since Motherson's introduction to UBQ Materials, a startup that converts household waste to climate-positive material, the group has been running extensive trials on a variety of parts with the intent of implementing innovative, carbon-negative thermoplastic parts into the vehicle. The intent of the collaboration is to create a serial production part.

As a result, Motherson and UBQ Materials were awarded the Global Innovation Award for Programme 10 of Startup Autobahn powered by Plug and Play.

Manufacturing processes

After raw materials, the second-highest contributor to Motherison's carbon footprint is energy consumption (Scope 1 and Scope 2 emissions). Motherison is not only identifying ways in which it can reduce its energy consumption but is also actively engaging with cleaner energy sources. Across the group, initiatives are being implemented that will reduce our operating environmental impact.

- Solar-panel farms for on-site electricity generation have now been installed at a number of Motherison sites, with a combined peak performance output of 4.1 MW. More such installations are planned.
- In FY 20/21 86.500MWh of grid electricity was supplied by renewable sources, approximately 10% of our total consumption and contracts are being negotiated to significantly increase this in the near future.

- All sites across the group have a rolling programme of replacing traditional lighting installations with LED alternatives. Making small changes to compressed air pressures and chiller temperature settings to optimise performance versus electricity consumption are also being implemented.
- The use of solvents is being significantly reduced. Within Modules and Polymers Products Division, almost half of all the paint plants worldwide now are either solely using waterborne paints, or have been adapted to using either waterborne or solvent based paints according to customer specification.

- The latest injection-molding machines can use up to 70% less electricity per mold cycle than previous models, and with a clearly understood age profile across the installed machine base around the group there is a programme of machine refurbishment and replacement in place to significantly reduce our energy footprint in the years to come.

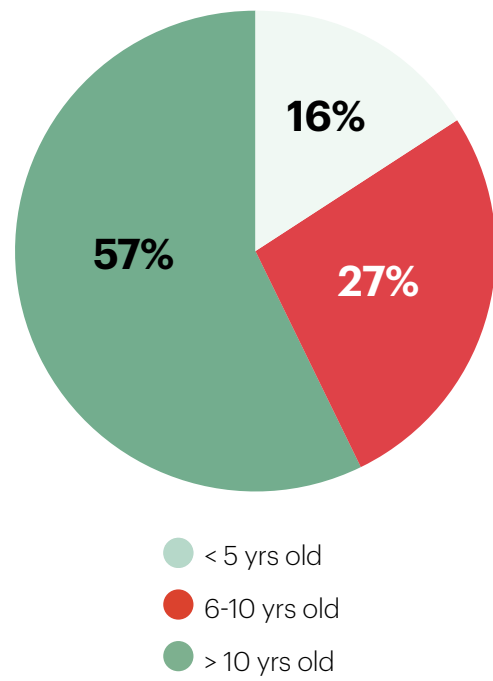
Two other important elements of our sustainability efforts are minimising both water consumption and production waste.

- Waste collection and segregation initiatives mean that 82% of waste generated is recycled, with only 18% going to landfill or incineration.
- Rainwater harvesting and water purification (Sewage Treatment Plants) initiatives to recycle water have been implemented at a number of sites in India.



Modern molding machines in Motherison plant Yancheng, China.

Age profile of injection molding machines





Logistics

Another major contributor to Mother'son's carbon footprint is logistics. Whether it be inbound materials and parts from our supply chain, or the wide-ranging portfolio of finished goods products and modules we ship to our customers, there is significant diversity in their size, weight and shape. The packaging required around these parts and products, the pack density and efficiency of vehicle utilisation per journey, in line with our customers' requirements, all contribute to the footprint. For many years the logistic solutions have relied on fossil fuels, but as alternative solutions are becoming more readily available, the group is exploring their use in order to improve the environmental footprint whilst maintaining high-quality customer service.

- The group is reassessing logistics across the whole company, exploring the possibilities for better load planning and shared vehicle utilisation.

According to a study performed within our Modules and Polymer Products Division, well over 90% of Mother'son's carbon footprint can be accounted for by its Scope 1 and 2 emissions and its raw materials and logistic services requirements within Scope 3.



Compressed natural gas (CNG) powered truck

A number of our sites in India are now using trucks powered by compressed natural gas (CNG). CNG has very low greenhouse gas emissions when compared to diesel; the combustion process is quieter, and carbon dioxide emissions are reduced by approximately 30%.

- In Germany, trials have started with trucks using liquefied petroleum gas (LPG) as a supplement to diesel. As with CNG, LPG significantly reduces emissions.
- Diesel forklift trucks have been replaced by electric ones at a number of our sites across the world, reducing harmful emissions and taking advantage of renewable energy sources where possible.

For many years the logistic solutions have relied on fossil fuels, but as alternative solutions are becoming more available, the group is exploring their use to improve the environmental footprint.

Social.

Ensuring well-being and opportunities for all

- Community and global citizenship
- Diversity, equal opportunities and people development
- Health, safety and welfare (human rights)



Motherson responds to a global pandemic.

Deeper bonds with the workforce, understanding the need for change and a commitment to a higher purpose is helping Motherson steer its way through COVID-19.

COVID-19 has severely impacted the whole world, affecting lives adversely, disrupting business and causing an unprecedented deterioration of the global economy.

From families to communities to nations, from consumers to businesses and whole industries, everyone has been touched by the pandemic. The effect of the virus on global health has been profound, and the financial repercussions on business and the global economy have been just as devastating. The collective journey towards recovery and reinvention is beginning.

With its culture of adaptability, resilience and ingenuity, Motherson has responded effectively to the challenges of the pandemic. Our topmost priority during this time has been and continues to be the protection of our employees, the wider community and our business. However, we are also actively seeking opportunities along the way, not only to address the current needs generated by the pandemic but also to support our customers and improve our future readiness to strengthen Motherson as a whole.

Taking charge

The Motherson workforce has come together as one family in response to the pandemic, working as one to overcome this crisis.

The health and safety of our people is our topmost priority. We have been monitoring the evolving situation and have been modulating our response to best serve our employees at all times. Our Regional Chairman's Offices around the world worked closely



Team of associates disinfecting the workplace at SMP, Galanta, Slovakia.

with local governments and the human resource teams, and business heads ensured the safety of people by implementing COVID regulations across facilities. Plants worldwide have enacted safety measures such as body-temperature checks, intensive sanitation and social distancing. Motherson has formed dedicated teams that — in the absence of a “playbook” for this scenario — have been developing and implementing the necessary safety measures to best protect our people while adhering to country-specific guidelines.

Given the severity of the pandemic, additional measures have been necessary to protect the members of the Motherson family. For example, employees are required to issue self-declarations stating that they have not visited epidemiologically high-risk areas and have not had contact with subjects who tested positive for COVID-19 in the last 14 days.

Other initiatives included an emphasis on cleaning, sanitisation and personal hygiene; staggered staff entry; minimising unnecessary movement within

company premises; and limiting physical meetings, events and training activities, which were conducted online instead.

Complying with social distancing rules required adapting shift patterns, rotas and rosters for both employee well-being and optimum operational efficiency. Regional Standard Operating Procedures (SOPs) were prepared to enforce all safety protocols for maintaining work continuity in accordance with guidelines from regional regulatory bodies and governments as well as those based on IATF requirements.

From the business side, the company has taken several measures including shoring up cash and liquidity, re-aligning operations, responding to changing customer situations, reducing costs, and connecting to various government support programmes. The past year has also been used to improve operations across plants, the result of which will reflect in the upcoming period.

Using technology to ensure continuity

Employee communication and engagement remained at the heart of our approach and is facilitated by technology. To foster a more connected organisation, the company has been using various media to stay connected with the workforce.

Employees who could work remotely have been provided with the infrastructure necessary for smooth and agile collaboration internally within a team as well as between teams.

Innovation and collaboration as a way of life

Motherson utilised its manufacturing capabilities to respond to the sudden and drastic material needs that arose during the crisis. Many of our global facilities produced protective visors including face masks, face shields and ventilators for doctors, firefighters, nurses and medical researchers to meet local surges in demand.

In collaboration with local clinicians, our company in Australia manufactured a clinical face shield made from optical-quality plastic; optimised for comfort, coverage and auditory response.

Also drawing on its expertise in plastic processing, Motherson partnered with a local hospital in Traunreut, Germany, to develop an easily adjustable, lightweight and robust protective visor designed for comfortable, long-term wear.



Wearing innovative face shield developed by Motherson Adelaide, Australia.

Another pioneering innovation was brought to the floor in India in partnership with Addverb Technologies. The company launched the DYNAMO BOT, which can be used for contactless delivery of food, medicine, samples and more to remote quarantine facilities and isolated wards.

This technology not only supports the healthcare community in its battle against COVID-19 but has also inspired unique synergies and solutions that will be useful in the future.

Many products were developed in-house to meet internal needs, such as face shields, masks, sanitising tunnels, touch-free washbasin taps, hands-free door handles, UV chambers, and sanitising stations, among others.

The whole is greater than the sum of its parts

In such unprecedented experiences, we use our strengths as a global family and manufacturing company to make a difference in the lives of our employees and the communities in which we operate. For example, when China was facing a critical shortage in masks, our operation in Dubai used its extensive network to procure these masks and send them to our facilities in China.

All the Divisions of Motherson came together: wiring harness, lighting, elastomers, plastics, IT, logistics, metal processing and paint solutions to collaborate on a solution that would enable the distribution of temperature controlled COVID-19 vaccines to around one billion people.

The “intelligent reefer in a box” is a refrigerated container that can be used to convert an existing trailer into a refrigerated truck. The intelligent reefer in a box is constructed from glass-reinforced plastic, XPS foam and other materials that produce a container that is strong, water-resistant and non-corrosive yet

lightweight and highly insulated. It comes with an app that monitors the temperature range during the entire trip and also detects any tampering or anomalies. Rear-door sensors will send an alert to the app if the vehicle door is opened in transit. This ensures that both the fleet owner and the end customer can see in real-time that temperature requirements are being met.

In short, the intelligent reefer in a box minimises vehicle downtime, service and warranty problems and cost of ownership, a solution that Motherson is proud to be part of.

The company also joined hands with its customer Maruti Suzuki India Limited (MSIL) for the assembly of ventilator sub-assemblies using the Motherson workforce. This helped increase production of this critical care device fivefold in a time of acute need.

Motherson companies are donating Personal Protective Equipment (PPE) kits and food packets to local organisations and surrounding communities, and the group is also trying to organise COVID-19 vaccination sessions to help safeguard employees.

The company has been aiding its employees and their family members by arranging vaccinations, oxygen concentrators and other medical assistance in this unprecedented humanitarian crisis. In addition, we are covering all treatment-related expenses, providing financial support, and exploring possibilities of providing

employment to a family member of the deceased employee as a measure of continuous support from the company.

There has been an increase in the insurance coverage amount for medical treatment of employees and also an increase in the insurance amount of term plan. Family members are also being supported with a one-time payment which is the current gross salary of the deceased employee.



Furthermore, in cooperation with regional authorities, Motherson is continuously trying to provide the best possible assistance and access to medical care for its employees and their family members.

The way forward

As we move from reacting to mitigating the impact of the pandemic, it is clear that the way forward is building resilience and empowering teams guided by purpose, powered by technology and driven by motivation.

Motherson employees are aligned with our goals and vision, which keeps them motivated. Employees at all levels take responsibility for and work towards our shared vision, and decentralisation happens smoothly and contributes to building company resilience. With such dynamics, we will be able to withstand whatever challenges the future might bring.

Future readiness also calls for razing rigid structures and creating plug-and-play systems that can be seamlessly integrated. Motherson is now focused on effective planning and mutual collaboration.

Motherson has always followed its philosophy of “breathing with the market”: taking the pulse of our customers so that our production aligns with demand. Now more than ever, “breathing with the market” is a useful approach to meeting the challenges of tomorrow. Our global Customer Account Management teams have been working in close alignment with customers to keep track of their closing and opening schedules. Continual adaptation, agility, faith, determination and a “never give up” attitude are attributes that will help us steer through these challenging times and will further strengthen our capabilities.

Gone too soon: Mourning those we have lost

At Motherson we mourn those employees we have lost in the past year to COVID-19. This is a huge loss for us. Dreams have been cut short, and bereaved families are trying to cope with grief and irremediable loss. As an homage to our employees who lost their fight against this virus, Motherson is taking responsibility for their families. We are focused on sustaining our extended families.



In cooperation with regional authorities, Motherson is continuously trying to provide the best possible assistance and access to medical care for its employees and their family members.



Employees as partners in progress.

"Vasudhaiva Kutumbakam" is a Sanskrit phrase which means "The world is one family." Motherson embodies this philosophy, and the core of our success lies in the collaborations with our different stakeholders, relationships that are based on trust and mutual respect

- We believe everybody can achieve extraordinary things.
- We stand together.
- We focus on return on trust.

Motherison is a global potpourri of 150,000 employees spread across 41 countries and 5 continents. This naturally brings along an inherent diversity in demographics, geographical background, skills, education and experience. We celebrate the uniqueness of each of our employees, but we are “One Motherison” united by a single vision: to be a globally preferred solutions provider.

Data Points

- We have hired 11,236 employees in FY 2020
- Total permanent women employees 26,451
- Share of women in total workforce 42%
- Share of women in all management positions 7%
- Share of women in junior management positions 6%
- Share of women in top management positions 0.3%
- Share of women in management positions in revenue-generating functions 0.7%
- Share of women in STEM-related positions 1%

Turnover rate

- Voluntary Rate 10%
- Total Turnover rate 14%

Human rights commitment

Motherison is demonstrating its commitment to its corporate human rights responsibilities by acknowledging the following international conventions and declarations:

- The Universal Declaration of Human Rights
- The United Nations (UN) Guiding Principles on Business and Human Rights
- The International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work
- The OECD Guidelines for Multinational Enterprises
- The ten principles of the UN Global Compact

Motherison human rights policy

Motherison subscribes to the principle that every human being has the right to be treated with dignity, fairness and respect, and does not tolerate discrimination or harassment of any kind. Guided by the Motherison values and internal guidelines, we operate in accordance with internally recognised standards on business ethics and human rights as

well as in compliance with local laws on work conditions, age of employment and health and safety.

Employee well-being

People, safety and well-being are what matters most to Motherison. The management team is continuously striving to make a difference in the lives of its employees, by evolving our practices to align with changing circumstances and realities we face in the locations and communities in which we work.

The Covid-19 pandemic presented new challenges for us all and while times have been tough we have adapted to these new realities by evolving our social processes and policies. For example, flexible working hours, home-office arrangements and revised work schedules were introduced with approved secure remote access solutions in place so that the employees could continue to deliver optimum performance. Digitalisation of systems and

processes has also helped employees to stay connected, motivated and focused on overcoming the business challenges.

Case study:

We stand together

We believe that nothing is more inspiring than motivated individuals working together towards a common goal. For example, some of our group companies offer special programmes that provide emotional and health support to pregnant employees. Bringing a new life into the world is a beautiful experience and we try to make the journey as smooth and happy as possible for expectant mothers.

SMR Brazil launched the Mothers, Sons & Daughters Programme, which provides education, stability and support throughout pregnancy by assisting the employees with training and regular check-ups during the pregnancy and following the birth. Last year, 13 employees benefitted from the programme.

Bringing a new life into the world is a beautiful experience and we try to make the journey as smooth and happy as possible for expectant mothers.



The initiative led to a reduction of the women's absenteeism by 28.5% during the year following their return from maternity leave. The extra care provided by this programme and similar such activities at various locations have additional positive outcomes for our employees.

We are proud to be part of our employees' families!

Employee development

Motherison follows the mantra of BY-BY (By Yourself Better Yourself): "Be your own benchmark, set it high and constantly beat it. Even a small improvement every day will take you to whole new levels." Continual improvement in all areas is our way of life, and we aim to add value to the lives of our employees.

Employees are enrolled in skill-development and specific leadership development programmes that are carried out across the Divisions of Motherison. In addition to face-to-face and group training, web-based e-learning platforms have been developed and deployed across the organisation to ensure all employees have access to learning development no matter where they are located.

Data Points

- Average training hours per Full Time Employee (FTE) 18.6

Case study:

Motherison leadership programme

At Motherison, we want to help each employee reach their fullest potential. Leadership development is important for every organisation. At Motherison, we initiated a pilot programme for our leaders that aims to familiarise future leaders of the group with the Motherison philosophy and to acquaint them with all main areas of expertise within the group. The first pilot included 17 participants from Europe who participated in an 18-month training and practical programme that focused on enhancing their knowledge about various aspects of the business and building their leadership skills.

Case study:

Quality Circles

Quality Circles (QC) help resolve work-related problems and improve workplace efficiency. Quality Circles constitute an essential part of growth at

Motherison and has helped in the overall development of numerous employees. Motherison values this approach to problem solving as it cultivates the spirit of teamwork and instils the passion required for problem solving and presenting the best of our work to the world. We have been successfully involving and evolving employees in this movement since 1999.

QCs promote innovative project ideas, implementations and

teamwork. In addition, QCs provide employees with the opportunity to demonstrate their capabilities through collective problem solving. The training not only makes them good problem solvers, but it also prepares them to take on greater responsibilities.

Since QCs focus on problems directly related to their own work area, this reduces difficulties in the workplace and improves the quality of work life.



Motherison annually conducts the Quality Circle Convention, a platform for all Quality Circles from across the world to showcase their ideas and projects. Currently, there are 1,406 Quality Circles actively operating within Motherison that have completed 2,559 quality projects.

The problem solved by one unit is then treated as a best practice that is subsequently adopted by other units, thus having a multiplier effect.

Quality Circles reflect the organisation's commitment to continuous improvement, and we have received numerous recognitions in all competitions in which the teams have participated.

Employee engagement

Internal employee-engagement surveys are also a crucial tool for evaluating employee experience; they are also useful for developing policies to attract, retain and develop the best employees and identifying areas for improvement. Opinions about the company, the workplace and overall employee experience can be very different depending on the individual employee and the different employee groups to which they belong; however, these opinions provide valuable insight into the employee/Motherison relationship and can be used to make improvements that make Motherison an inspiring and satisfying place to work.

Data Points

- Actively engaged employees* 67%

*Employee Engagement Surveys carried out across Divisions

As the world beholds the quality of the products Motherson delivers, we take pride in knowing that this quality is the result of our people synchronising and collaborating at the deepest levels to realise unprecedented growth in the areas of quality, cost, delivery, development, management, safety, environment and sustainability (QCDDMSES).

Safety

Safety is a way of life at Motherson, and we always proactively work to establish a safe environment for our employees in all of our facilities across the globe.

A safe and secure workplace forms the foundation for higher productivity and quality products and services for end customers. We are committed to upholding a culture of safety through safety meetings, committees, commitment boards, awareness sessions, promotional activities, walkthroughs, etc.

We aim toward achieving an accident-free workplace. We have diligently incorporated safety into every level of our operations, seamlessly merging it with the four Ms of manufacturing — man, machine, material and method — in all our processes.

Given the diversity amongst our divisions and the geographies in which we operate, each group company must be aware of and adhere to local safety measures and incident-prevention practices. Units are further expected to offer Environment, Health and Safety (EHS) training as part of the onboarding process and other employee trainings.

Data Points

Lost time injury frequency rates (LTIFR)

- **Employees (n/million hours worked) 0.94**
- **Data coverage (as % of employees) 100%**

Motherson always proactively works to establish a safe environment for our employees in all of our facilities across the globe.

Case study:

In each Division of Motherson, safety is our utmost priority.

One of the entities from Modules and Polymer Products Division has introduced the Golden Rules of Safety, measures that support best practices for creating a safe work environment. The employees of this entity have collectively agreed to uphold these rules in their daily work, a shared commitment that in turn reduces risk for all, advances the goal of zero workplace accidents, and guarantees the company's compliance with all safety regulations and audits. Employees are strongly encouraged to immediately report incidences of non-compliance with these golden rules to avoid accidents and/or near misses and to uphold the culture of safety at Motherson.

Rule 01

I stop machine and prevent restart before intervention: Lock out - Tag out.

Rule 02

I always wear required P.P.E. (Personal Protective Equipment).

Rule 03

I protect myself against a fall while working at height.

Rule 04

I use the authorised cutting tools and protect myself with the appropriate Cut-Resistant-Gloves.

Rule 05

I stay away from areas under suspended loads and stay 3m/10ft from moving vehicles.

Rule 06

I let qualified people perform electrical work.

Rule 07

I perform a risk assessment before high hazard job. (risk of explosion, isolated associate, confined space, etc.)

Rule 08

I only use my mobile devices in a safe area.

Rule 09

I respect speed limits and I wear my seat belt.

Rule 10

I adopt the best ergonomic postures to work.

Case study:

EHS incident-alert notifications

Facilities across the group use the EHS incident-alert notification system, a process for documenting, examining and communicating recordable incidents that occur on-site. Sharing knowledge in this manner ensures that teams across the group can take the necessary action to prevent similar incidents from happening on other sites. In addition to general information about the incident, the incident-alert notifications include explanatory pictures and any available supplemental data from the EHS team.

This process also includes root-cause analysis, which investigates the circumstances that gave rise to potentially unsafe practices and conditions. Each incident alert concludes with an explanation and a list of corrective and preventive actions, names of the individuals responsible as well as target deadlines to ensure that improvements are made on time.

If any industrial injury is reported:

Step 01

Report the incident.

Step 02

Conduct root cause analysis of the incident through simulations and discussions. Also, brainstorm the corrective actions and implement CAPA (corrective action and preventive action) horizontally.

Step 03

Review and follow up to ensure the proper implementation of all corrective measures.



Final visual inspection at Tuscaloosa, USA.

Global citizenship.

The Motherson strategy reflects the group's commitment to the social element in its credo, which was formulated in 1995. This approach is ingrained in the culture of Motherson.

Our strategy aims to touch lives and create a long-lasting impact on the people and communities where Motherson has its footprint. Projects are designed to ensure both sustainability and scalability in the way they affect change.

Our mission statement: To set new standards in good corporate citizenship by helping to improve the livelihood of communities we are a part of and society at large, focusing on their prosperity and well-being to ensure inclusive, long-term development for all.

Programmes at Motherson

Motherson is committed to being a responsible corporate citizen. We strive to be a positive presence in the communities where we operate, and our business practices are shaped by strong moral and ethical standards. We have more than 270 facilities spread globally, and the majority of these locations spearhead initiatives to address the needs of their region, leading to the enhancement of the society and the environment in which they function. Together, we try to make a small difference in the lives of people who matter to us. Through our initiatives we intend to have a measurable, positive impact on society. Based on the foresight of the impact created by our programmes and our intention to work towards global development goals, we have identified key focus areas:

1. Livelihood and

community development

- Imparting special knowledge and employability enhancing vocational skills, especially to youth.
- Supporting charitable institutions that focus on different segments of society and promote general community development.
- Organising fundraising events for specific beneficiaries in the community.
- Developing community infrastructure.
- Organising open-door events to educate the citizens on specific industries and make them aware of potential work opportunities.

2. Education

- General education: academics, performing arts, sports and value education.
- Promoting digital literacy.
- Support in acquiring educational material.
- Creating and maintaining school infrastructure.
- Apprenticeship programmes for vulnerable groups.
- Open-door events for teachers, students and children to introduce them to the manufacturing

process and to raise awareness on career and personal development opportunities.

3. Health and well-being

- Donation of food supplies.
- Support for health facilities (hospitals, health centres, etc.)
- Health-awareness programmes/activities to encourage healthy habits.
- Spread awareness about preventive healthcare.
- Blood-donation and plasma-donation drives.

4. Environmental sustainability

- Promoting reforestation through planting trees.
- Supporting animal-protection campaigns.
- Engaging in waste management and recycling.
- Organising eco-challenges, such as clean-up activities.
- Taking pollution-preventive measures.
- Promoting sustainable and innovative products.

For more details about our various activities, please read our Global Citizenship Report uploaded on the Motherson website.



Transforming lives, empowering communities.

Of all the things occupying Deepak Kumar's mind, becoming a scientist was not among his thoughts. One of eight children, son of a vegetable vendor who struggled daily to put food on the table for his family of 10, 14-year-old Deepak had lost interest in his studies at the Government Junior School in Sunpura, a village 25 kilometres north of Noida, where Motherson has its headquarters. His family hoped that he would take on some work to ease their financial burdens. Facing such day-to-day difficulties, it was difficult for Deepak to see a future for himself.

Making a difference at the grassroots level

Fortunately, the Government Junior School was supported by WASHE (Water, Sanitation, Hygiene & Education), a unique initiative launched in 2017 by Motherson and its implementing partner Vidya & Child. WASHE aims to build and maintain school facilities, to support sanitation and hygiene practices, to provide counselling and to cultivate life skills in students. Through this holistic approach to supporting students, WASHE equips them for a better future, allowing them to thrive and prosper.

“Some of our global citizenship initiatives have been successful at creating meaningful change among the youth and inspired many children to pursue their dream career”.

The programme reached out to Deepak and his parents, identifying Deepak's interests and abilities and discussing with his parents the importance of Deepak remaining in school. Deepak was also enrolled in the Digital Transformation Van (DTV) programme, a collaborative effort between Hewlett-Packard (HP), the NIIT Foundation and Motherson. Aimed at providing digital literacy for students with limited access to technology, the DTV programme provides mobile computer labs for schools that cannot provide permanent on-campus labs; here, students receive help from DTV's full-time faculty. The programme also reaches out to the community at large, providing access to digital resources for all.

Through the support of WASHE and DTV, Deepak found both support and inspiration. He recommitted himself to his studies, and his impressive performance in the annual examination of 2019-20 academic year has given both him and his family the confidence that one day he will become a scientist of repute; he hopes to serve humankind through his inventions. The positive experience that Deepak's family had with WASHE and DTV has led his father to encourage other families to keep their children in school and support their studies, augmenting the positive impact that these programmes are already having.

Though Deepak and his family still face difficulties, with the support of Motherson and its partners, the future looks a little brighter every day.

Sustainability governance.

Fostering long term growth in an ethical way.

• Compliance

• Inorganic growth and strategic investment

• Risk management and cyber security



High standard of business ethics.



Bureau Veritas certification for MSSL, Noida, India.

Effective sustainability governance practices in Motherson constitute the strong foundation on which successful commercial enterprises are built to last. They provide for the stability and sustainability in all that the group does today and its ambitions for the future. Sustainability governance is based on the principles of integrity, transparency, accountability and commitment to values. For more about our sustainability governance, see the MSSL Annual Report 2020-21.

Motherson views its sustainability governance practices as not only to comply with the statutory requirements in letter and spirit, but also to aim at implementing and leveraging up best practices, maximising value and strengthening trust with all stakeholders. Building on these foundations and fundamentals, our sustainability practices help Motherson to produce results that not only meet but exceed the needs and expectations of all our stakeholders.

Sustainability governance and development

The structure of the group currently consists of ten operating divisions containing multiple business units, together with global functions and geographic regional offices known as 'Chairman's Offices' supporting the operating divisions and the group as a whole, under the leadership of a global executive team consisting of multi-disciplined professionals from all areas of the group. There is a focus on strategic issues and setting common direction across the group with an emphasis on collaboration, and operational topics being addressed

mainly within the respective business divisions and units. Under the direction and responsibility of the global executive leadership, all strategies and initiatives taken for sustainability across the entire business enterprise are coordinated by the sustainability development team and put into action together with the management teams and sustainability champions across the business divisions, global functions and Regional Chairman's Offices.

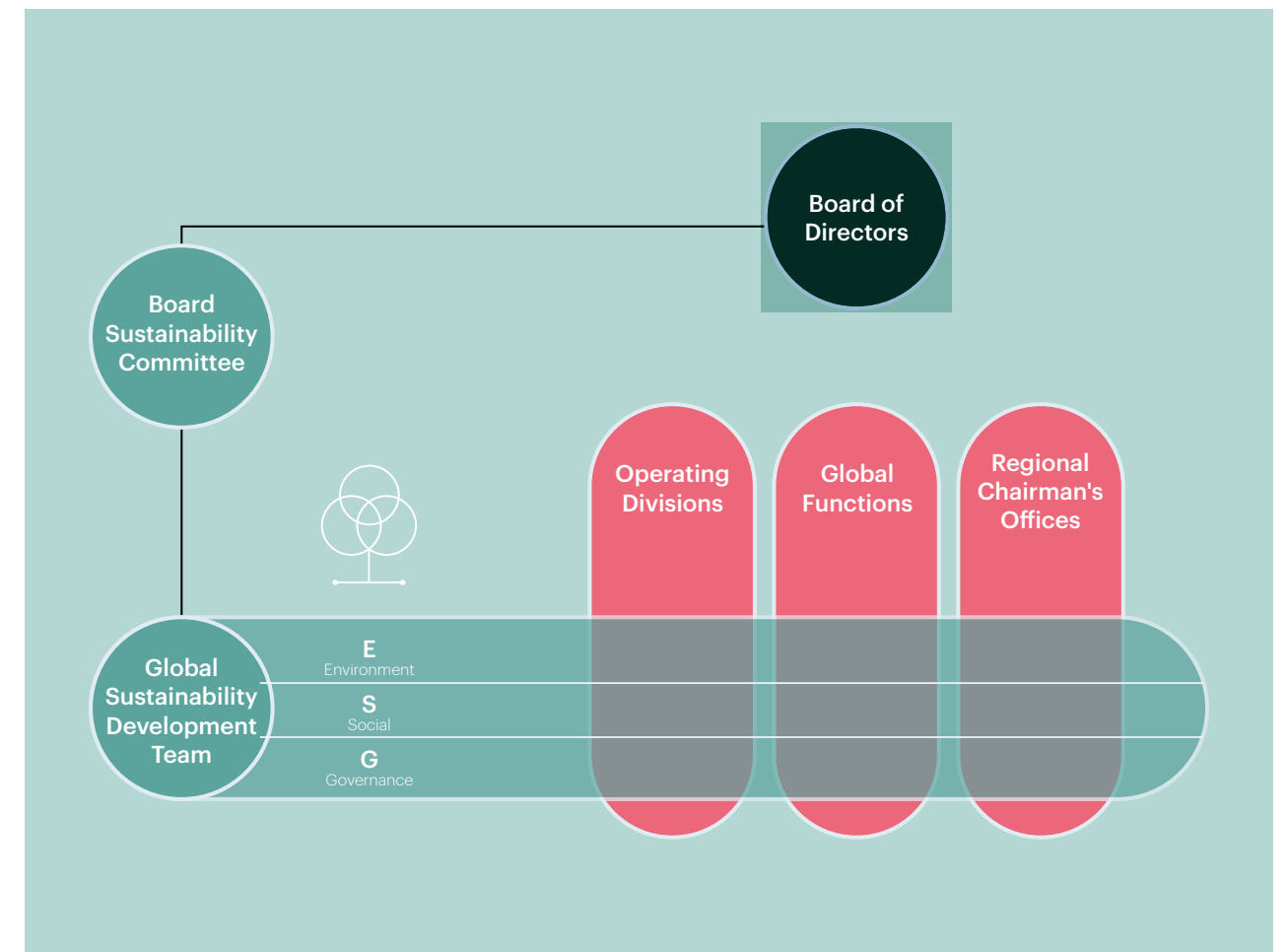
The sustainability development team is responsible to the Board of Directors and a sustainability

committee of the Board that meet a minimum of four times a year on all aspects of sustainability and developments made across the group.

Motherson holds itself to high standards of good sustainability governance with clear business ethics. This is a key element of setting the standards and expectations of conduct for all associates of the group, which they commit to and work hard to maintain.

A philosophy of 'Together we make it happen' runs throughout the group and in line with this approach the executive leadership team and extended group management do not have individual compensation incentives. With these principles applied, the incentives and key performance indicators measuring progress within the group create collaborative behaviours strongly aligned to the DNA of the group. Success of the whole is more important than that of the individual.

Sustainability governance is based on the principles of integrity, transparency, accountability and commitment.



About the Report.

This is our first Sustainability Report, which provides an overview of actions and activities undertaken by the entire Motherson Group from 1 April 2020 to 31 March 2021 to measure progress in the three focus areas of ESG (Environment, Social and Governance).

We strive for transparent, accountable and structured communication with our stakeholders, and this report provides our stakeholders with non-financial information and an explanation of our sustainability strategy. This report also has an extension in the form of a Global Citizenship Report that provides information on our social initiatives in the aforementioned period.

Goals

The report is also inspired by the United Nations Global Compact, which Motherson joined as a signatory participant in 2021. This initiative encourages companies to align their operations with the 10 principles supporting human rights, labour, the environment and anti-corruption. In addition, we pledge to support the UN's 17 Sustainable Development Goals. This report details our progress on the UN Global Compact Ten Principles as well as our contribution and commitment to the relevant UN Sustainable Development Goals.

The report is structured into four main sections:

1. an introductory section presenting the sustainable model adopted by the company, and industry trends;
2. an "Environmental Dimension", which describes our operations and supply chain from the environmental perspective and also includes the environmental impact of Motherson products.
3. a "Social Dimension", which covers aspects of health and safety, employees as partners and activities in communities/ societies as global citizens.
4. a "Governance Section", which talks about governance and compliance policies and activities.

Major Divisions of the group have been actively involved in collecting data for and drafting this first Sustainability Report of Motherson.

The report includes global operations of the group and data of all companies that fall under Motherson Sumi Systems Limited (MSSL) consolidated and Samvardhana Motherson International Limited (SAMIL) consolidated. Reporting does not cover associated companies and

joint ventures or subcontractors and suppliers of goods and services, unless otherwise stated.

This Sustainability Report is published only in digital format and is available online on www.motherson.com.

Your valuable feedback, suggestions and queries about Motherson's sustainability strategy can be emailed to sustainability@motherson.com



"For Motherson, sustainability is about building a durable company that is a good global citizen in a world we all want to inhabit. We invite you to join us on this journey."



Appendix 1 Motherson sustainability stakeholder engagement.

Investors

Stakeholder interests

- Risk mitigation
- Financial stability
- Innovation & Technology
- Governance
- Strategy for sustainable growth
- ESG reporting

Stakeholder engagement

- Investor meetings and presentations - virtual and in-person
- Quarterly financial results
- Securities and Exchange Commission (SEC) filings
- Annual General Meeting
- Annual Report
- Website
- Media interactions
- Direct access to IR & Compliance teams
- Sustainability communications

Customers

Stakeholder interests

- Product safety
- Future product development
- New Energy Vehicles
- Fuel efficiency
- Sustainability in value chain
- Cost, Business continuity and reliability
- Green score cards: quality and deliveries
- Conflict minerals

Stakeholder engagement

- Exhibitors/Technology days
- Website
- Email exchanges
- Customer meetings
- Capability literature
- Products and technology films
- Plant tours
- Awards
- Audits and assessments
- Sustainability communications

Employees

Stakeholder interests

- Freedom of speech
- Development of human resource pool
- Management - Employee relationship
- Human rights
- Job retention
- Workplace health & safety

Stakeholder engagement

- Intranet
- Newsletter
- Events & Internal meets
- Social media channel
- Website
- Safety & Health Committee
- On the Job Training
- Development programs
- Employee engagement activities
- Grievance redressal mechanism

Society

Stakeholder interests

- Employment creation
- Social responsibility
- Management of natural resources
- Environment conservation
- Hazardous waste management

Stakeholder engagement

- Socially responsible programs
- Local community development, nearby to plants & facilities
- Skill training
- Engagement with NGOs
- Partnership with educational institutes
- Supporting regional cultural activities
- Internships
- Family days

Supplier & Business Partners

Stakeholder interests

- Value chain management
- Raw material management
- Sustainable materials
- Waste management
- Business opportunities and partnerships

Stakeholder engagement

- Global procurement team
- Central procurement portal
- Supplier registration portal
- Global contracts
- Technology exchange
- Business Meetings
- Supplier code of conduct
- Co-operation with industry experts
- Memberships in relevant local and global associations

Appendix 2 Regional Chairman's Offices

Motherson has six Regional Chairman's Offices supporting the group globally across geographies.

Regional Chairman's Office South Asia, Middle East and Mauritius

Plot No. 1
Sector 127
Noida Expressway
Noida- 201301
Uttar Pradesh, India

Regional Chairman's Office Europe and Morocco

Am Germanenring 3
63486 Bruchköbel
Germany

Regional Chairman's Office North and South America

1018 Preston Street,
Suite 200, Houston
Texas 77002, United States

Regional Chairman's Office Southeast Asia, Australia, South Africa and South Korea

Unit 4
18-22 Lexia Place
Mulgrave 3170
Victoria, Australia

Regional Chairman's Office China

Unit D, 8th Floor, Building D
No.207 Songhong Road
Changning District
Shanghai, China 200037

Regional Headquarters Japan

4F, BPR Place Nagoya Marunouchi
16-4, 1-chome, Marunouchi
Naka-ku
Nagoya 4600002, Japan

