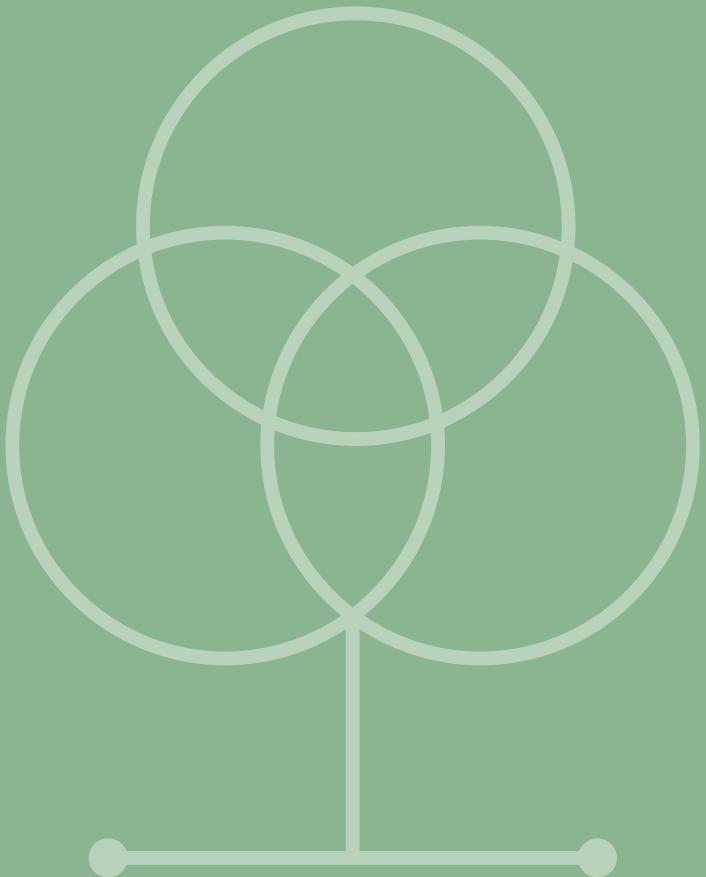


# Sustainability Report 2024-2025



Year 5/5 of  
our **2025** plan  
**Edition 5**

Motherson  
Group



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# Sustainability.

Sustainability is an indispensable pillar for our organisation, serving as the bedrock for long-term value creation for all our stakeholders as an ethical and proactive response to global sustainability challenges faced by us all.

By integrating sustainable practices into every facet of our operations, we strive to minimise our environmental footprint, foster social responsibility, and move towards transformational governance. This holistic approach to sustainability not only mitigates risks but also unlocks new opportunities, driving innovation, and strengthening our competitive advantage in an ever-evolving global landscape. We are committed to being a catalyst for positive change and a leader in building a more sustainable future for all.



## A letter from our Chief Sustainability Officer.

Welcome to this year's update on Motherson's sustainability journey. I am very pleased to be able to share with you an extensive amount of information through this report on the continued and meaningful progress we have made as we embed sustainability into every aspect of our operations and supply chain. 2024-2025 marked the conclusion of our 'Vision 2025' 5-year plan, providing an opportunity to reflect on our achievements, challenges, and the path ahead as we progress with our next strategy plan to 2030 and beyond.

At the heart of our environmental strategy is a climate transition plan where we have a clear ambition: to achieve net zero emissions across our own operations (Scope 1 and 2) by 2040. We are also working to address indirect emissions (Scope 3), particularly from purchased goods and services in our supply chain, which account for the majority of our overall carbon footprint. In accordance with the Paris Climate Agreement, we are committed to addressing this by 2050. Having such long-term strategic

ambitions shapes behaviours in our daily working lives and ensures that sustainability is central to our business decisions.

Over the past five years, Motherson has achieved remarkable growth, broadening and reinforcing its global presence while significantly expanding its facilities and workforce. With this growth comes a greater responsibility to our people, customers, investors, the communities in which we operate, and all our stakeholders. Throughout the organisation, we have deepened our commitment to sustainability, fostering greater awareness and understanding, to ensure it remains an integral part of how we do business.

Our commitment remains unchanged: to be transparent about where we are and what progress we have made, be ambitious in what we want to achieve, and be accountable for our actions. As part of this, we continue to strengthen our approach to manage ESG risks and opportunities, aligning with the Task Force on Climate-related Financial Disclosures (TCFD), regarding climate transition scenarios. This helps us better understand the potential impact of climate change on our operations and enhances the transparency of our reporting.

As we enter the next phase of our sustainability journey with the new Motherson 5-year plan, 'Vision 2030', we continue to work with passion to fulfill our vision of being a globally preferred sustainable solutions provider.

In this report, we highlight the tangible steps being taken to drive impact across environmental, social, and governance (ESG) dimensions. Sustainability is a collective effort, and with the engagement of all of our stakeholders, we continue to build a more resilient and responsible future.

Sincerely,  
**Barrie Painter**  
 Chief Sustainability Officer  
 Samvardhana Motherson  
 International Limited



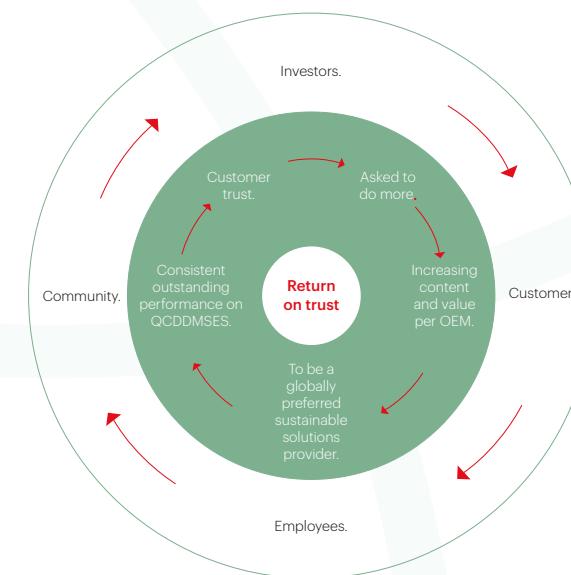
We aim to achieve net zero in our operations by 2040, and carbon neutrality in our supply chain by 2050 - with every step guided by these long-term ambitions.

## Our sustainability journey.

2025 marks five years since Motherson formally began its sustainability journey. While the principles of sustainability have long been part of who we are, this milestone reflects the progress we have made through a more focused and deliberate commitment to becoming a globally preferred sustainable solutions provider. Our efforts have focused on energy efficiency, emissions reduction, water preservation, fostering circularity, and enhancing our social impact, with sustainability now being an integral part of our enterprise.

In 2024, Motherson was featured in TIME magazine's list of the World's Best Companies, acknowledged for our achievements in employee satisfaction, revenue growth, and sustainable practices. This recognition reinforces our dedication to building a more sustainable future for the people of Motherson and all our stakeholders. We are very proud of this accolade as it endorses our dedication to the Motherson Purpose Statement.

Sustainability is now an integral part of how we work everyday, helping us to create a lasting value for all who trust us.



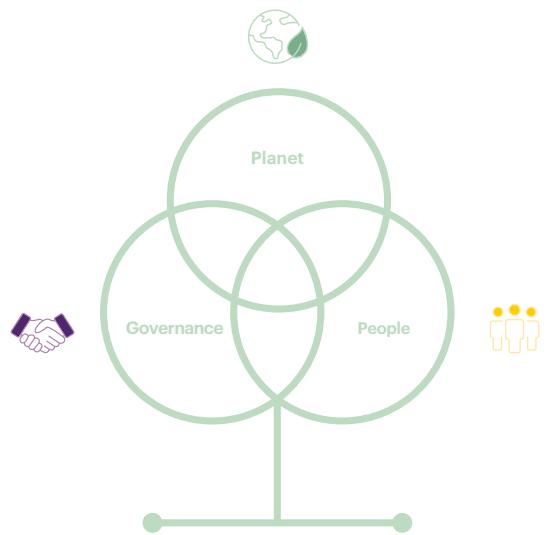
**Creating value for all our stakeholders.**

Central to all that we do is the philosophy of the Motherson Chakra, the value creation wheel, based on the principle of return on trust. This drives our intent to create long-term value for our customers, shareholders, investors, partners, the people of Motherson, and the communities in which we operate, where we aim to be increasingly trusted to do more. With the Environment, Social and Governance (ESG) domains of sustainability embedded in all that we do, our intent to continually earn the trust of our stakeholders by understanding and addressing the material sustainability topics is fundamental to how we operate and grow.

## Purpose of our sustainability report.

Our sustainability report reflects our commitment to transparency, accountability, and driving continuous progress towards our ambitions. This report provides a comprehensive overview of our efforts and achievements, focusing on our material priorities. By sharing details on the progress we have made, the challenges we face, and our ambitions for the future, we aim to foster trust, demonstrate responsible business practices, and drive meaningful impact. Through this open approach, we strengthen our engagement with stakeholders and reinforce our dedication to creating a more sustainable future.

We grow by earning trust, chasing seemingly impossible goals, and creating lasting opportunities for our people.



### Planet:

We are committed to helping preserve the planet through environmental stewardship, conserving resources, and reducing our ecological impact.

### People:

We are dedicated to supporting the well-being of all, upholding human rights, and promoting equitable opportunities for the people of Motherson.

### Governance:

Fostering long-term growth in an ethical way, evolving from compliance to transformational governance.

## Materiality framework.

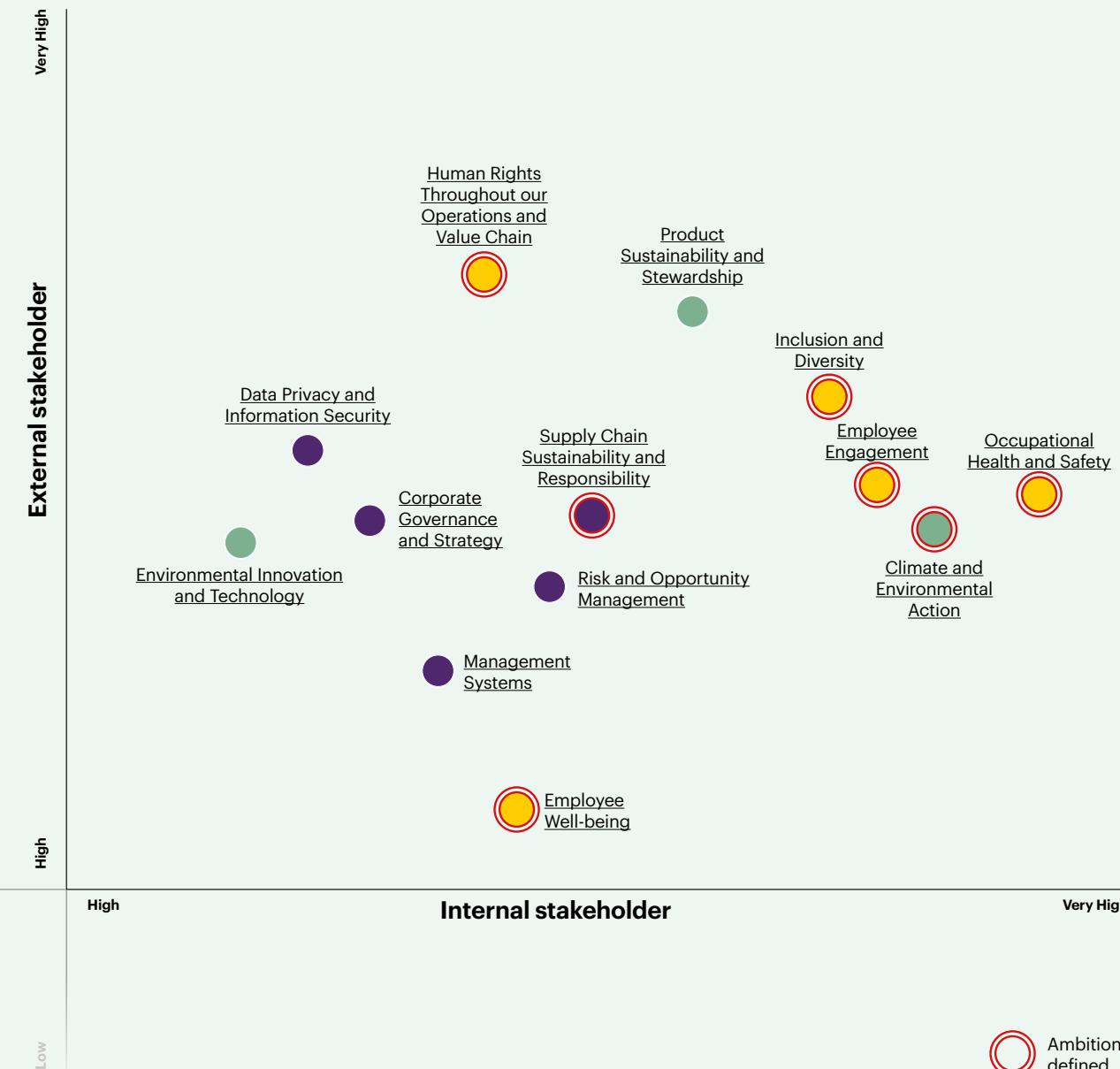
Materiality remains central to our sustainability strategy. It ensures that we focus on the ESG priorities (people, planet, governance) we have identified as most important to our stakeholders and ourselves. These priorities continue to guide our efforts as we address the challenges and identify opportunities across our operations.

We will maintain a two-year reassessment cycle, with the next full review planned for 2025-2026. These defined priorities provide a solid foundation for our actions and reporting.



## Sustainability pillars

- Planet
- People
- Governance



Material topic	Detail	Relevant SDGs	
Planet	Climate and Environmental Action	Reduce emissions, manage waste, and protect air and water quality.	
	Environmental Innovation and Technology	Focuses on developing solutions like green tech and renewable energy to drive long-term impact.	
	Product Sustainability and Stewardship	Incorporates circular economy principles, eco-friendly design, and lifecycle assessments to minimise environmental footprints across our product lifecycle.	
People	Occupational Health and Safety	Ensuring our employees work in a safe, secure, and supportive environment.	 
	Inclusion and Diversity	Driving equal opportunities, an inclusive environment, and fair representation.	  
	Employee Engagement	Foster a culture of open communication, ownership, and connection.	
	Employee Well-being	Building a resilient, motivated workforce through wellness programmes, autonomy, and work-life balance.	 
	Human Rights in Operations and Value Chain	Reflects our zero-tolerance stance on forced labour while ensuring compliance with international labour rights and ethical sourcing practices.	   
Governance	Corporate Governance and Strategy	Defines our leadership principles, strategic direction, and sustainability integration.	   
	Data Privacy and Information Security	Safeguards stakeholder trust and ensures regulatory compliance in a digital world.	 
	Management Systems	Guide continuous improvement through audits, assessments, and standardised frameworks such as ISO.	  
	Risk Management and Compliance	Ensures proactive identification, monitoring, and mitigation of PPG risks.	    
	Supply Chain Sustainability and Responsibility	Reinforces ethical sourcing, traceability, and supplier accountability.	    





# Planet.

Preserving our planet for future generations.

At Motherson, preserving the planet for future generations is a core commitment that underpins our approach to sustainability. Guided by the needs of our stakeholders, along with our own purpose and vision, we focus on the environmental issues that are materially important to our business and the wider world.

## Climate and environmental action

We acknowledge the pressing global challenge posed by the triple planetary crisis, climate change, biodiversity loss, and pollution, and we understand the responsibility we all share in addressing it. These interconnected challenges threaten ecosystems, human well-being and the long-term resilience of the planet. As highlighted by our environmental and climate-change policy, environmental responsibility is now integral to all our operations. We continually raise awareness among our people and partners and support initiatives that can reduce emissions, protect nature, and minimise waste.

We are committed to clearly communicating our environmental and greenhouse gas reduction goals, and providing guidance across our value chain to support our supplier partners in aligning with our long-term objectives. Furthermore, sustainability training and awareness programmes are regularly held across all levels of the organisation to continually build our culture of sustainability, as the responsibility lies with us all.

## Greenhouse gas emissions

We aim to reduce Scope 1 and 2 greenhouse gas emissions across Motherson manufacturing facilities as part of our broader sustainability ambitions. This includes adopting significant renewable and low carbon energy sources and launching campaigns to improve our overall energy efficiency.

To prioritise actions within our operations we have identified the key geographical regions that are the highest contributors to our global CO<sub>2</sub>e footprint. By analysing these areas and leveraging the combined strength of a multi-divisional approach, we aim to effectively reduce our carbon footprint in both a methodical and strategic manner.

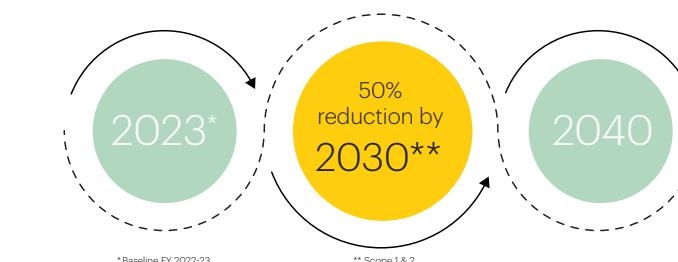
One of our key initiatives is conducting energy site surveys every year at each of our manufacturing facilities. These surveys are led by each of our operating divisions and are undertaken to identify opportunities for improved energy efficiency and cost savings. The surveys focus on areas such as electricity and gas usage, compressed air, cooling systems and machine running times. This undertaking forms part of our Turn Off Turn Down (TOTD) initiative, which encourages simple actions such as switching to standby or low energy modes, or fully powering down equipment when not in use, to avoid energy waste.

We aim to improve emissions intensity every year as a ratio of our sales revenue, with targets being set at all operating sites, monitoring progress through the implementation of energy-saving initiatives and improvements.

## Scope 1&2 Emissions Tonnes CO<sub>2</sub>e

626,465T

## Our ambition towards operational Net Zero 2040



### Scope 3 Emissions

Furthermore, we are highly aware that understanding the carbon reduction actions of our value chain partners is a core and critical element of addressing our overall carbon footprint. We are therefore working to establish effective climate transition planning around our Scope 3 emissions. Interacting directly with suppliers, building strong working relationships, focusing on sustainable supply solutions, and incorporating product development and material roadmaps to improve the product carbon footprint (PCF) are key elements in the successful management of our future sustainability ambitions.

Copper and engineering-grade polymers are the key predominant materials used in the Motherson product portfolio. Understanding future trends in raw material sourcing and the availability of feedstock, together with awareness of next-generation material needs, all drive and contribute to the development of more sustainable products for the future. This is specifically relevant to enable the transition to a greater level of reclaimed and recycled material use where technically feasible.

To undertake such measures, transition plans are being established for our material priorities, aligned with our customer needs. Progress reviews will take place over the next five years as part of our Vision 2030 plan.

Raw materials are by far the most significant contributor to our Scope 3 footprint, but we are also actively working in other areas. We are progressively adopting and evaluating logistics and transportation solutions which aim to minimise environmental impact: something that is relevant to both product and materials transportation, as well as the further dimension of employee commuting.

Naturally, as a global company, business travel is essential. However, we are committed to reducing our Scope 3 emissions and meeting our sustainability ambitions. When face-to-face meetings are necessary, we promote the use of low-carbon travel solutions and increasingly seek to apply offsets to achieve carbon neutrality. Moreover, whenever technically possible, we use standard digital and virtual working practices to



ensure high levels of connectivity and collaboration whilst managing our overall carbon footprint.

### Energy management

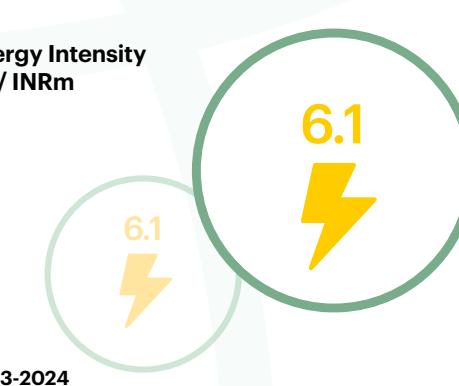
We continuously work to improve the Motherson path to net zero through efficient energy management, process efficiency, the adoption of renewable energy resources, equipment upgrades,

and the use of technology to optimise our operations. We aim to achieve sustained improvements in our energy intensity as a ratio of sales and are reviewing further measurables as a ratio of output.

However, while this was achieved in 2023-2024, due to significant inorganic growth and a period of consolidation in 2024-2025, our overall energy intensity remained unchanged.

By implementing improvements throughout the Motherson organisation, we are making significant progress in our

#### Energy Intensity GJ / INRm



**2024-2025**  
Energy intensity remained stable

commitment to achieve excellence in energy management. Facility upgrades with more energy-efficient technologies and a strong focus on energy conservation throughout our global value chain play a key role in this progression.

A notable example of our recent energy management measures is our plant in Medina, Spain, where a newly established solar farm now supplies renewable energy to the site. This installation is expected to meet approximately 25% of the plant's electricity needs, supporting our efforts to reduce CO<sub>2</sub>e emissions in line with our overall net zero and sustainability ambitions.

Based on such positive outcomes, we are actively exploring similar solar initiatives for our facilities in other regions around the globe.

Furthermore, we are also proud of the external acknowledgements received by our facilities for their continued focus on energy efficiency. Our dedication to mindful energy use is widely recognised, with several of our facilities having now received prestigious awards from independent assessors.

For the fourth consecutive year, one of our sites in India has been honoured with a Certificate of Merit at the National Energy Conservation Awards. These awards, organised by the Bureau of Energy Efficiency (BEE) and the Government of India, celebrate our facility's consistent efforts in energy conservation and its commitment to sustainable practices.

By sharing our progress, challenges faced, and our future goals, we aim to build trust and show our commitment to responsible growth.

Through the adoption of innovative energy-saving technologies and the promotion of eco-friendly initiatives, the facility continues to set a high standard for energy efficiency, actively contributing to India's environmental goals and reinforcing our global sustainability efforts.

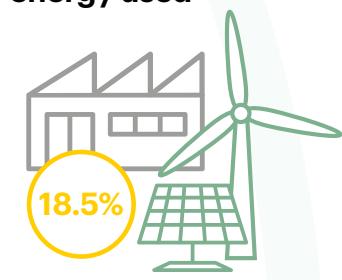
An additional Motherson facility in India has also been honoured with the receipt of "Excellent Energy Efficient Unit" award by the Confederation of Indian Industry (CII) at the National Award for Excellence in Energy Management 2024.

This recognition followed a rigorous evaluation of the site's specific energy consumption performance, the site's overall reduction in energy intensity, and a review of energy-saving projects. These energy management actions are further underpinned by the site's adoption of ISO 50001 standards, and the use of renewable energy sources, helping to reduce overall greenhouse gas (GHG) emissions.



Solar farm in Medina, Spain.

#### Amount of renewable energy used



In Brazil, one of our sites has been awarded first place in the category of Energy Efficiency Excellence, reflecting our ongoing commitment to innovation and efficiency in our operations. The Tractian Maintenance Day (TMD) Award is an accolade promoted by Tractian, an organisation specialising in predictive maintenance solutions and is highly respected within the industry, recognising companies that excel in applying industry 4.0 methodologies. The award encourages the adoption of advanced technologies and promotes digital transformation, contributing to continuous improvement. The award has been achieved based on the recognition for speed of implementation and deployment of energy efficiency solutions. These examples of achievement reflect the dedication of our teams across regions and underscore our wider commitment to advancing sustainability and energy efficiency throughout our global operations.

#### Management system to monitor energy use

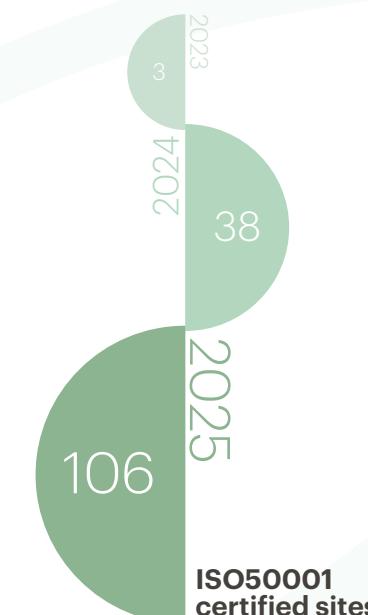
To improve efficiency and data collection accuracy, we are in the process of a phased implementation launch of a real-time energy monitoring system. Developed in-house, this system is scheduled to be deployed progressively to all manufacturing units as soon as possible in the coming years.

At sites where the system has already been implemented, all energy meters are digitally connected, allowing data to feed directly into our proprietary software. This software automatically processes the information and displays the output via a centralised dashboard for tracking and evaluation purposes.

The development of this in-house turnkey solution has been devised in collaboration with relevant key personnel, including energy management teams, facility managers, and IT specialists, to ensure comprehensive data gathering. The system enables sites to track their energy usage in real time, identify areas of inefficiency, and support targeted improvement efforts. The system also assists with enhanced automation applications, reducing manual workloads and enabling remote monitoring capabilities.

The system is presently live in over 50 Motherson Group locations. Another 50 sites are in the advanced

We are making steady progress towards energy management excellence through improvements across the organisation.



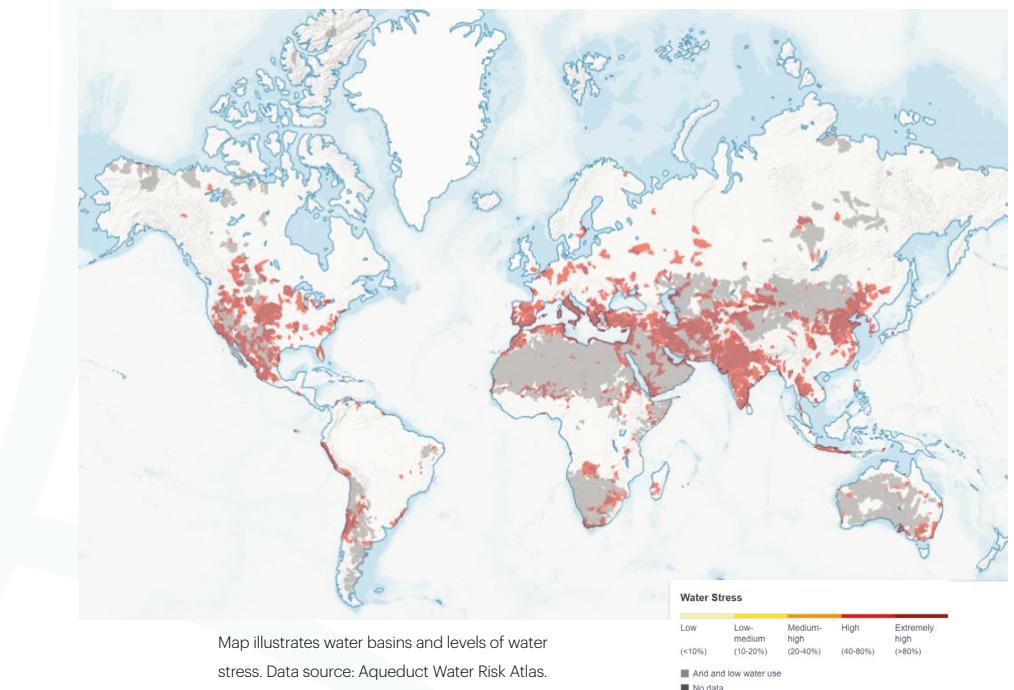
stages of implementation. To date, the strong and positive results from the implementation of this dedicated real-time monitoring system is helping to accelerate its adoption and installation across the organisation.

These initiatives not only contribute to our overall climate objectives but also offer long-term financial benefits by lowering operational costs via efficiency gains.

#### Energy management certification

As highlighted, improving energy efficiency is a key pillar of our broader environmental strategy. We are committed to embedding robust energy management practices across all of our operations as part of our long-term Net Zero ambitions. Progress is already underway, with multiple sites and divisions within the Motherson group making significant strides. To date, over 100 of our sites have now been

ISO 50001-certified, a significant milestone in our ongoing energy management journey. Currently, Motherson is on track to achieve ISO 50001 certification and compliance at all manufacturing sites (based on a 2023 operational footprint) by the end of 2030. This objective is in line with our ambition to drive continuous improvement in energy management across all sites and divisions globally.



Map illustrates water basins and levels of water stress. Data source: Aqueduct Water Risk Atlas.

#### Water management

Water is becoming an increasingly important topic as more regions around the world face growing levels of water stress. At Motherson, we are taking decisive action to manage our water use responsibly and reduce our impact on local water resources. Motherson is committed to responsible water management across our operations to ensure that our usage of this key global resource is both considered and mindful.

Through continuous improvements in water use, treatment and recirculation, we aim to minimise and progressively reduce our discharges towards zero, ensuring compliance with all regulations, whilst promoting sustainable practices, both internally and also through the value chain. We continue to explore solutions, working with service providers to reduce our reliance on freshwater sources and therefore minimise our overall environmental impact.

#### Water stress exposure across operational sites

Out of a total of 332 operational sites across the globe, 177 sites (53%) are located in regions classified as experiencing high or extremely high water stress. This includes:

- 151 sites in areas of extremely high water stress
- 26 sites in areas of high water stress

This indicates that over half of our global operations are exposed to significant water-related risks.

Operations located in regions facing High Water Stress are spread across the following countries: Australia, Brazil, China, France, India, Indonesia, Italy, Mexico, Morocco, Philippines, Portugal, South Africa, Spain, Sri Lanka, Thailand, Tunisia, United Arab Emirates, and Vietnam.

#### UNGC Water pledge

In alignment with global sustainability efforts, the United Nations Global Compact (UNGC) continues to prioritise the health of 100 key water basins worldwide, recognising these areas as critical to the well-being of communities and ecosystems. These basins, which include major rivers across all continents, remain central to global collective action. As Motherson operates in 26 of these identified water basins, our commitment remains firm: to support the long-term health, resilience, and sustainability of these vital water sources, acknowledging their essential role in both environmental stability and socio-economic development.

Over 2024 and 2025, we have set our focus on a series of simple yet effective initiatives to reduce water consumption across our manufacturing sites. These



We are committed to using water responsibly across our operations, with care and consideration for local needs.

measures include installing time-controlled taps and water pressure regulators, adjusting toilet flushing volumes, and using non-potable water in processes where drinking-quality water is not required. Such actions are specifically applied, as we are aware that as a global company operating in water-stressed regions, prioritising water conservation is a fundamental need. By directly reducing our water intensity, we aim to demonstrate our commitment to the continuous improvement of sustainable water management across all of our operations.

Furthermore, we are continuing to expand our efforts with additional water-saving solutions. For example, at our plant in Jaguariúna, Brazil, water is routinely used during weekly tests to cool the diesel engine of the fire pump. Previously, this water went to waste, but a new system has now been introduced to capture and then reuse this water.

In addition, we are also working on methods to standardise the collection and reuse of condensate from air conditioning units across our sites. A strong example comes from our Sanand plant, India, where two 2,000-litre tanks have been installed to capture condensate from the cooling coil of the air supply unit. This recovered water is now being used for cleaning paint jigs. We have estimated a saving of 2,800 litres of fresh water every day as a direct result of the

## Turn Off. Turn Down.

implementation of this initiative alone. Based upon such measurable improvements as these, we continue to promote best-practice water use initiatives to minimise consumption and withdrawal across all of our facilities.

Building on this and looking further ahead, our ambition is to expand rainwater harvesting actions at Motherson owned manufacturing sites wherever technically feasible by 2030. In addition, we are also working towards the ambition of achieving zero discharge, initially prioritising sites within highly water stressed areas. This model has already been successfully used in some of our sites, particularly in India, where water is continually treated and reused. To support and attain these ambitions, we are creating regional water working groups and water champions to drive and manage water saving initiatives with

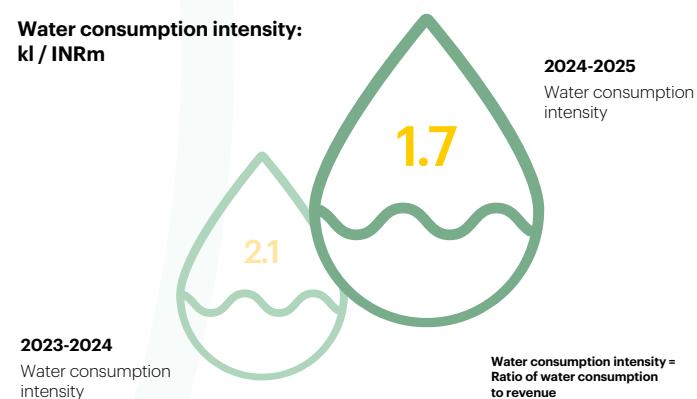
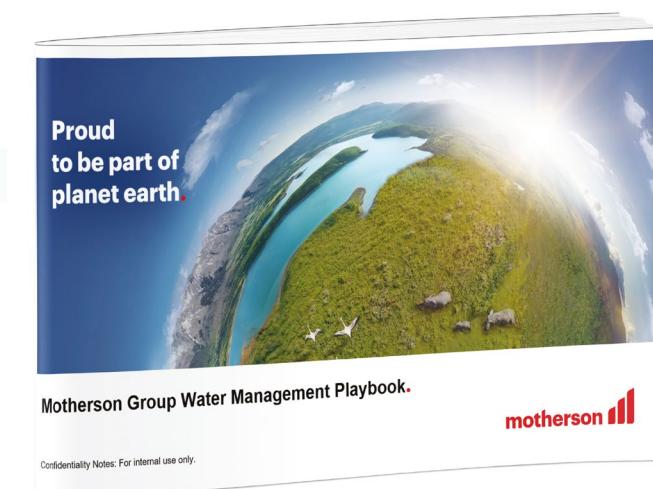
the objective of embedding water conservation into our culture of continuous improvement.

To broaden the implementation of best practice activities, we have now expanded our in-house TOTD initiative (originally designed to promote energy conservation) to include practical, site-wide messages on water-saving behaviours. This approach enables the Motherson Group to apply standard methodologies and working practices consistently across multiple disciplines. Accordingly, the new Water Management Playbook, as an extension of TOTD, helps working groups collectively support more sustainable water use across all areas of our business in a concise and considered way.

In addition to our best practice updates and to assist in climate risk management related to water, we have also commenced using a

**203** 

Water preservation initiatives across all our current facilities by 2030.

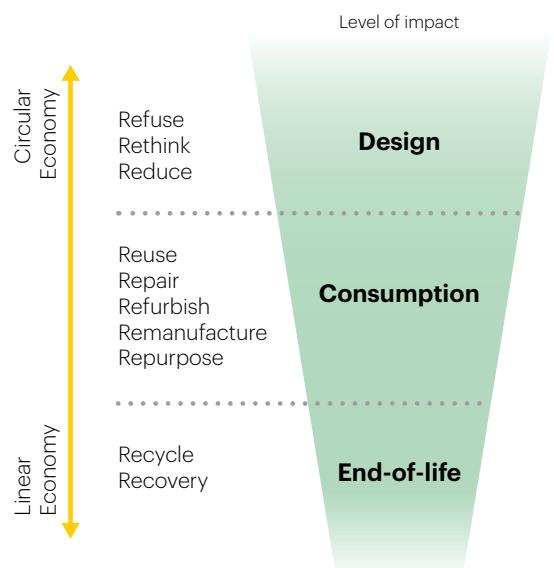


global water risk mapping tool to help identify potential challenges, such as water scarcity, quality issues, and regulatory pressures, at our site regions. Utilising this tool allows us to focus our efforts where they are most needed and take proactive steps to strengthen long-term water resilience. In addition to water saving measures adopted throughout Motherson, we have also improved our metered water measurement at sites. This change has led to improved water data collection and overall reporting accuracy compared to previous years, resulting in a more accurate calculation of water consumption intensity.

### Waste management Working to close the loop on waste

Effective waste management is a crucial part of Motherson's sustainability strategy, helping to reduce environmental impact and improve resource efficiency across our operations. As we work towards a circular economy approach, we are dedicated to minimising waste generation, improving recycling

### 10 Rs of Circular Economy



efforts, and reducing landfill dependency. To meet these obligations, we are continuously improving our waste management processes, maintaining accurate records and ensuring responsible practices.

We aim to reduce environmental impact whilst protecting resources and contributing to a more sustainable future for all.

Our roadmap to achieving zero landfill is progressing steadily, with clear ambitions guiding our efforts. These include recycling 100% of indefinitely recyclable materials by 2026; eliminating non-recyclable packaging where technically feasible by 2027; and eliminating single use plastics by 2028, while continually developing in-house expertise to enhance waste management practices across Motherson. In addition, we expect to significantly reduce both hazardous and general non-hazardous waste and improve our understanding of contractor waste handling practices. This is an essential element in ensuring responsible waste recycling and disposal throughout our supply chain.

Our approach to waste management is guided by the principles of the 10 R framework, a hierarchy of circular strategies that go beyond traditional recycling to support more sustainable resource use. While we currently focus on key elements such as Reduce, Reuse, and Recycle, we are progressively adopting the broader framework, which also includes Refuse, Rethink, Repair, Refurbish, Remanufacture, Repurpose, and Recover.

For example, where technically feasible and in line with meeting customers' quality and engineering specification requirements, Motherson endeavours to reduce the use of raw or virgin materials whilst exploring the use of recycled alternative content in product manufacturing.

Another example is that by providing spare parts as per customer contracts for an extended period of time, we enable the repair of vehicle exterior and interior trim, thereby supporting longer product lifecycles and helping to reduce waste. At our facilities, materials that can be recycled are carefully sorted and separated prior to being transferred off-site to external waste contractors, for reclaim, reuse and repurposing. This partnership ensures that waste is managed responsibly,

maximising resource efficiency. Where appropriate, non-recyclable waste is used by third parties to generate energy, further contributing to our goal of minimising the need for landfill.

By embedding this mindset and fostering a culture of sustainability, these sites are actively supporting our broader environmental objectives and long-term ambitions. This same philosophy applies throughout the value chain, therefore working towards meeting future End-of-Life Vehicle (ELV) Directive.

Several of our sites in the Iberian Peninsula are leading the way in sustainable waste management, demonstrating the positive outcome of targeted training and a strong commitment to reducing environmental impact. Through comprehensive guidance on proper waste segregation, our sites are empowered to accurately identify and sort various waste streams, ranging from production materials, to canteen waste. This activity has led to marked improvements in recycling rates, reduced contamination, and greater overall efficiency in waste handling.

To build on this progress, we are enhancing our systems to improve recycling rates and ensure more effective waste separation. These insights will help us evaluate the effectiveness of the training in practice and highlight opportunities for further improvement or support.

In parallel, a number of our operational sites are setting strong examples by eliminating the need for landfill disposal. By carefully segregating all types of waste and ensuring materials are either recycled, repurposed, or otherwise responsibly managed, they have made meaningful strides toward more circular operations. In addition, many sites have also implemented reuse



initiatives, such as returning packaging materials to suppliers for repeated use, further reducing waste and supporting closed-loop practices.



Across the group, Motherson achieved an impressive overall recycling rate of 71.2% with 0.9% of waste reused on site, 17.5% sent to incineration and only 10.4% going to landfill. Some types of waste have always been problematic and have typically gone to landfills, but we are challenging ourselves to explore new opportunities and find alternatives. One such type of waste is the scrap of thermoset polymer material from the moulding and surface coating process.

The solution and opportunity identified by some of our Indian sites is to partner with the cement manufacturing industry. The thermoset scrap is now used in the co-processing of cement manufacturing. It is used as fuel, within 'Energy Generation', with the resulting residue added to the clinker material – therefore actively avoiding landfill and assisting in offsetting some of the natural material traditionally used by this process.

By guiding our teams on better waste segregation, we've improved recycling, reduced contamination, and made waste handling more efficient.



#### Hazardous substances commitment

Motherson is actively working to withdraw harmful and hazardous substances throughout the value chain and within our own operations. Our expectation is that all products are in compliance with the provisions of the REACH Regulation and RoHS Directives. This includes all chemicals and hazardous substance materials that pose a risk when released into the environment. Moreover, this also extends to the management of their transport, storage, use or reuse, including disposal, in a way that avoids risks to the environment and employees.

Furthermore, a key objective, when technically feasible, is to source viable substitutes for any potentially environmentally harmful and hazardous materials, even when not directed by regulations.

#### Biodiversity

Motherson promotes the

conservation of natural habitats, and forests, as well as sympathetic land use within its own operations and throughout the value chain. Our aim is to prevent deforestation and achieve a positive net gain.

As part of our environmental responsibility outlook, Motherson is expanding the use of the



**100%** of our operational sites have been assessed for their proximity to key biodiversity areas

internationally recognised Integrated Biodiversity Assessment Tool (IBAT) across the organisation. This tool provides reliable, science-based data to help assess potential biodiversity impacts. Going forward, the tool will be used by Motherson supplier management teams to evaluate key value chains and by project teams to assess biodiversity risks associated with new build and expansion projects.

To support this, we have established a global biodiversity working group and have embedded biodiversity scoring criteria into our management systems. These tools enable our teams to make informed structured assessments and help identify opportunities for improvement at the site level.

Initial assessments have focused on identifying locations near protected areas or key biodiversity zones. IBAT's threat and restoration scores help us prioritise action, highlighting current pressures and potential for ecological recovery. Sites with high scores, or those in sensitive areas, are categorised as high priority for potential corrective actions.

At these high priority sites, local biodiversity working groups will be nominated and supported through country-specific training. These teams lead efforts to reduce risks both on-site and in nearby areas, contributing to global biodiversity targets while also delivering benefits for local communities. Our efforts are focused on supporting thriving ecosystems, which in turn promote clean air and water, protect against flooding, and enhance the quality of life for the local community.

#### Biodiversity net gain

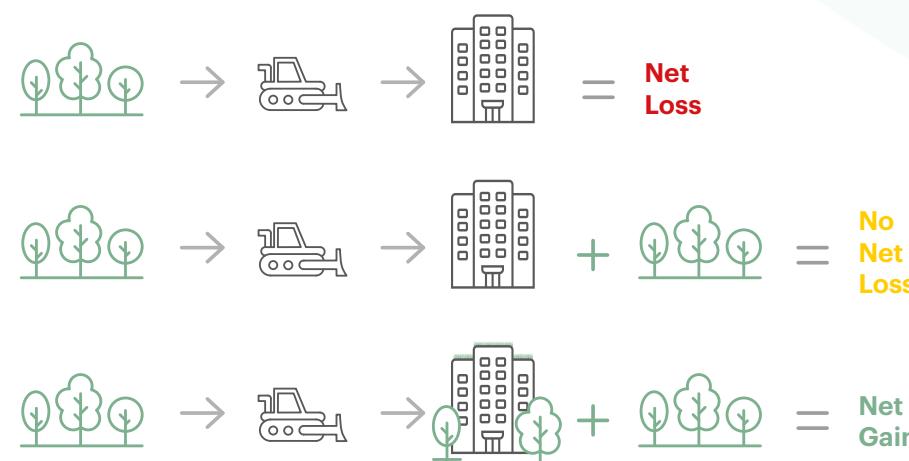
We are also committed to delivering a positive impact, not just limiting harm, through biodiversity net gain, a principle where development projects aim to leave the natural environment in a measurably better state than it was before.

A clear example of this approach is the project at one of our sites in India. Located on previously disused, barren scrubland, the site was assessed using IBAT and found to have the potential to support up to 5,000 trees, if it had been a native forest. In response, the site

management team has vowed to plant this number of trees to enhance ecological value, with 200 trees already in the ground, the project is now well underway.

Beyond tree planting, the local team undertook a detailed, science-led assessment using IBAT's STAR threat abatement and restoration scores, along with data on declining species. The study included local flora and fauna, assessed extinction risks, and investigated the causes of population decline. According to the outcome of this study, one such native plant species, Pipewort (*Eriocaulon aquaticum*), was identified as being at risk due to habitat changes, including low water levels and wetland disturbance. In response, the team planned conservation actions, including wetland restoration and the construction of a 252-kilolitre rainwater-fed pond. This initiative is targeted for implementation during 2025/2026. Through IBAT, a broader biodiversity action plan was also developed, focusing on creating space for wildlife, preventing the spread of invasive species, supporting urban biodiversity, and promoting sustainable practices.

A further example of taking meaningful action to support biodiversity, draws focus towards one of our sites in Mexico. To enhance regional biodiversity, the team has pledged to plant native trees annually, backed by a local initiative aimed at improving the surroundings and nearby protected areas. This year, 500 trees were planted in La Malinche, a designated protected area.



## Our teams are restoring habitats and planting native species to support local biodiversity.

These trees help to restore the ecosystem, promote greater biodiversity, and increase green coverage within the region.

Employee involvement is central to these efforts. Site teams are encouraged to take ownership of biodiversity initiatives through awareness campaigns, training, and hands-on activities such as planting and habitat creation. This not only strengthens the impact of our projects but also builds environmental awareness and pride among our workforce.

Together, these efforts reflect Motherson's long-term commitment to biodiversity and sustainable development. By protecting and

restoring ecosystems, we contribute to a healthier planet and support the well-being of the communities we are part of. A key element in this process is our adherence to environmental regulations. These regulations form the cornerstone of our sustainability practices. We take all necessary measures within our facilities to prevent pollution and minimise the risk of environmental violations. On the rare occasion that an incident does occur, we are transparent in reporting the details, including any fines and the corrective actions taken. We are pleased to share that, during the last financial year, no significant environmental violations, incidents or fines have occurred across any Motherson sites.

### Scope 3 decarbonisation through value chain

At Motherson, we actively address Scope 3 emissions as a core part of our sustainability strategy. Motherson aims to achieve Scope 3 carbon neutrality by 2050, in alignment with the Paris Climate Agreement and the goal to limit global warming to 1.5°C. As a signatory to the UNGC, we are committed to responsible environmental practices and support SDG 13: Climate Action.

We recognise that Scope 3 emissions represent a significant part of our value chain impact. Scope 3 emissions occur across our value chain, both upstream and downstream, and for 2024-2025 amount to 9914,985 tCO<sub>2</sub>e, representing more than 90% of our total GHG emissions. This highlights the critical importance of looking



More than 90% of our GHG emissions are associated with Scope 3 categories

beyond our direct operations to fully understand and manage our environmental footprint. We actively work to identify and address emission hotspots, collaborating with both internal and external stakeholders to advance decarbonisation efforts across Scope 3 categories.

To strengthen awareness and knowledge of Scope 3 improvement activities, we have initiated and continue to pursue several key engagement initiatives.

We hosted a comprehensive Supplier Engagement Event with more than 2000 suppliers participating, which served as a critical platform to deepen collaboration on sustainability topics. The event engaged with suppliers from around the world and focused on several priority areas, including:

- The evolving regulatory landscape and its implications for supply-chain partners.
- The growing importance of value-chain sustainability and climate resilience.
- Awareness-building around environmental stewardship, social responsibility, biodiversity protection, and water conservation.

Through these initiatives, we aim to empower our suppliers and other value-chain partners with the knowledge and shared commitment necessary to collectively advance sustainability goals.

### Motherson Scope 3 inventory boundaries



Purchased Goods and Services

### Category 1: Purchased goods and services

Motherson uses a centralised procurement database to collate and analyse purchasing data by category, enabling more accurate Scope 3 assessments. For key

commodities such as copper, paint, and resins, we apply the GHG Protocol's average-data method, estimating emissions by multiplying material mass by relevant primary emission factors.

For non-commodities, we use the spend-based method, calculating emissions based on the economic value and secondary emission

factors. This combined approach ensures comprehensive and consistent Scope 3 reporting across our procurement activities. For Motherson, emissions from Category 1: purchased goods and services represent more than 85% of our total Scope 3 emissions.



Capital Goods

### Category 2: Capital goods

Motherson uses a centralised system to pre-approve all major capital goods purchases, with each transaction recorded in a central database. This enables accurate tracking of all major capital goods acquired within the reporting year. We calculate the associated emissions using the spend-based method, applying relevant secondary emission factors in line with established Scope 3 methodologies.

### Transportation and Distribution Upstream and Downstream



### Category 4 & 9: Transportation and distribution (upstream and downstream)

Motherson tracks spend and distance data across all geographic regions for all transportation modes, including road, rail, sea, and air, covering both upstream and downstream logistics. We currently apply a hybrid calculation method, combining distance-based and spend-based approaches to ensure a comprehensive and reliable assessment of transportation-related Scope 3 emissions.



## Waste generated in Operation



## Category 5: Waste generated in operations

We have partnered with a third-party solutions provider to facilitate centralised data collection from every operational site. This system enables us to capture, track, and monitor waste generated across our operations in a detailed and consistent manner. The data is collected at a granular level, covering key categories such as material types, waste classifications, and disposal methods. By using the GHG Protocol average-data method and applying the appropriate secondary emission factors, we estimate the environmental impact of our waste. This process not only improves our ability to track waste-related emissions but also helps us identify practical opportunities to reduce, recycle, and better manage waste across our sites.



## Business Travel

## Category 6: Business travel

We track all business-related air travel across the different regions where we operate. All air travel is approved through an internal system. For every trip, we record the distance travelled so we can better understand our business travel patterns. To measure the environmental impact of this travel, we calculate the carbon emissions using the GHG Protocol distance-based method. We also use the latest 2024 emission conversion factors to ensure our reporting is accurate, consistent, and aligned with international standards.

## Category 7: Employee commuting

This year, Motherson has included Category 7: Employee Commuting Emissions in its Scope 3 calculation. In locations where Motherson has organised daily transportation for workers to commute to the plants, we have applied the fuel-based method for carbon calculation. For the remaining locations, we have used the average-data method, applying standardised emission factors. Assumptions on employee commuting patterns have been made based on industry benchmarks and national commuting patterns. All workers and employees, including temporary and contract workers have been included in this estimation. These insights will guide our ongoing efforts to reduce Scope 3 emissions.

## Product sustainability and stewardship

As part of our engagement with responsible innovation, Motherson is continuously exploring ways to reduce the environmental impact of the products we design and manufacture. Our approach to product sustainability focuses on advancing material circularity, improving energy and resource efficiency, and enabling easier recycling at end-of-life. Through close collaboration with partners across the value chain, we are developing new solutions that strike a balance between performance,

quality, and environmental responsibility. The following projects illustrate our progress in integrating sustainability principles into product development and design.

### Using Post-Consumer Recycled (PCR) materials in automotive interiors

Building on our collaborative efforts to support circularity in the automotive sector, Motherson has advanced a project focused on incorporating post consumer recycled (PCR) content, specifically from bottle caps, into the production of automotive interior carriers. This initiative supports the circular economy and contributes to reducing the overall CO<sub>2</sub>e footprint of vehicle components.

Initially launched in 2021 as a pre-development collaboration, the project has delivered promising results. Following successful validation, it has now been selected for serial production in a vehicle programme using polypropylene (PP) with 28% polyethylene terephthalate (PET) PCR content.

This marks a significant step towards integrating recycled materials into mainstream automotive manufacturing without compromising quality or performance.

### Innovating for lightweight and recyclable design

Reducing emissions through lightweight construction is a key enabler of sustainable mobility. In line with this objective, Motherson has collaborated on a pre-development project exploring an innovative door panel concept based on expanded



polypropylene (EPP) foam technology. The design achieves a 38% weight reduction compared to conventional components, therefore contributing to lower vehicle emissions throughout the product lifecycle.

The concept incorporates serial geometries from the target vehicle and features removable decorative elements, making it easier to disassemble and recycle at end-of-life. Initial laboratory testing and prototype trials have shown encouraging results, both in terms of performance and environmental potential. However, the cost implications of the unconventional manufacturing process remain a key consideration and are closely tied to the strategic direction of original equipment manufacturers.

### Environmental innovation, technology and raw materials

We are continuously exploring and embracing environmental innovation and technology with an open mind. We actively monitor emerging solutions and approaches that could support our sustainability

goals, particularly in materials and production processes. However, we also recognise the practical limitations that exist today, especially when it comes to feedstock availability for engineering-grade polymers. While we remain optimistic about future developments, we recognise the need to strike a balance between innovation with material performance, compliance, and supply-chain realities.

In shaping our approach, we are increasingly referring to the 10 R framework as a guide for more sustainable decision-making across the product lifecycle. While we have not yet explored all ten principles in depth, they provide a useful lens for identifying opportunities to reduce environmental impact and support circularity.

As part of our ongoing efforts to close the loop in our operations, we have also invested in technology designed to recover and prepare production waste for potential reuse. By enabling a more efficient and reliable reuse pathway, these systems are helping us reduce our

dependency on virgin resources and move closer to circular production models. Taking this into account, where technically feasible and in line with meeting customers' quality and engineering specification requirements. Motherson endeavours to reduce its use of virgin raw materials by utilising recycled alternative content to facilitate future product manufacturing. The same philosophy applies throughout the value chain, thereby working towards meeting future end-of-life vehicle requirements and directives.

### Collaboration for circularity in automotive

Motherson is also actively participating in open innovation initiatives to streamline innovation across the value chain, primarily in collaboration with partners such as Plug and Play. This initiative leverages Plug and Play's ecosystem to foster collaboration between leading corporations, OEMs, Tier-1s and start-ups in the mobility industry, with a shared mission to advance the circular economy. Recent project scopes have explored the potential increase in the use of recycled materials and improving material recovery, while maintaining the high-quality standards expected throughout the industry.

The core objective is to increase transparency regarding the challenges of closed-loop recycling and to co-create potential solutions by strengthening collaboration and understanding across the value chain. All findings will be presented in a visual demonstrator, offering a clear, tangible representation of the project's progress.

Motherson's dedication to sustainable innovation has been recognised with sustainability awards at Plug and Play for two consecutive years. In 2024, we were honoured for our collaboration with Tide Ocean, exploring the use of ocean-bound plastic to create vehicle parts, a project that demonstrates how we can turn environmental challenges into practical solutions. This year, we were awarded for our new partnership with a specialist in next-generation, plant-based alternatives to traditional leather. Their advanced material offers a high-performance, low-impact solution that supports our goal of reducing reliance on animal-derived products. This collaboration is part of our broader effort to lower our environmental footprint while maintaining the quality and durability expected in our products.



# People.

## Taking care of our people and the communities in which we operate

Our people are at the heart of everything we do. Their skills, passion, and commitment drive our success and shape our culture. We are focused on creating a safe, inclusive, and empowering environment where individuals can grow, contribute meaningfully, and thrive. This section highlights our approach to the most materially important topics under the social domain of sustainability.

### Occupational health and safety

The health, safety, physical and mental well-being of our people are our highest priorities. Across all of our global operations, we are dedicated to maintaining healthy workplaces where our people are safe and can be productive, which is deeply embedded in every facet of our organisation.

As part of our responsibility as a global employer, Motherson has established a comprehensive Occupational Health and Safety Principles Statement to protect and promote the well-being of all our people.

Motherson is committed to providing a safe, healthy, and supportive working environment across all our sites, including subsidiaries, joint ventures, and partners. We promote mental, physical, and social health,

continually strive to prevent workplace risks, and encourage open communication.

Our standards apply to all employees, contractors, and visitors to our sites and are aligned with local regulations and international norms. We continuously improve our systems through training, monitoring, and collaboration with stakeholders, ensuring measurable progress and long-term impact.

Our approach to occupational health and safety is guided by our 'Safety First' philosophy, which

places proactive risk prevention and continuous improvement at the centre of our operations. As part of all our projects, we conduct regular, comprehensive risk assessments to identify and mitigate potential hazards before they arise. This is supported by international standards and external evaluations that help us ensure accountability and align with global best practices. Our safety culture is further strengthened by annual initiatives such as our global safety month campaign, which engages employees at every level through activities, workshops, and awareness programmes designed to ensure continuous safety awareness, and behaviour. This campaign reinforces safe working practices with a shared commitment to safety across all sites.

Training plays a vital role in embedding our safety culture across all levels of the organisation. We provide regular training to ensure that everyone is equipped with the knowledge and skills required to work safely and respond effectively to potential risks. This includes onboarding sessions for new employees, refresher training, and specialised training for any higher-risk activities. In addition, safety walks are conducted routinely by site leaders together with the health and safety teams. These structured activities serve as an opportunity to observe working conditions, engage directly with employees, reinforce safe behaviours, and identify areas for improvement. Together, these

**>127,000**  
Employees undertaken  
Health & Safety Training



## Women in management

2024-2025

All management positions

17 %

Senior management

15 %

Middle management

16 %

Junior management

18 %



## Women in STEM roles

STEM (Science, Technology, Engineering, Mathematics)

17%

2024-25

## Women in revenue generating functions

19%

2024-25

Through such initiatives, we aim to enhance gender balance in our talent pipeline and succession planning, thereby increasing representation across all regions. To support this ambition, we are also creating increased knowledge and awareness through consistent training on topics such as unconscious bias. These efforts are part of our broader commitment to fostering an inclusive environment, one where all our people feel valued, respected, and empowered. We believe that when employees feel included and supported, they are happier, more engaged, and more likely to contribute their ideas and drive meaningful progress together.

One highlight within 2024-2025 was our recognition of the World Day for Cultural Diversity for Dialogue and Development, alongside our ongoing monthly spotlight series celebrating the achievements of different countries across our global network. We also ran a campaign for the International Day of Women and Girls in Science, where women in STEM across the organisation shared their personal journeys and offered advice to others in the field, helping to inspire and empower future generations. These initiatives not only raise awareness but also reinforce the strength we draw from our diverse and inclusive team.

Physical Vitality



Mental Well-being



Work-Life Harmony



Social Connection



Growth and Development



Supportive Leadership



**Our Wellness and Well-being Commitment**

We are continuing to raise awareness and share best practices from sites that have successfully implemented initiatives to enhance inclusion. An example comes from one of our sites in Spain, which has taken thoughtful steps to improve accessibility for individuals who are differently abled. As part of this effort, existing signage and zone markings within the factory have been further enhanced to better support a wider range of accessibility needs. In addition, onsite psychologists are available to provide support to employees. Notably, around 75% of the workforce at this site is made up of individuals who are classified as differently abled. It is a strong

example of an inclusive workspace layout in practice, and we look forward to learning from this approach and exploring how similar measures might be introduced at other sites in the future.

### Employee well-being

Supporting the well-being of our people is essential to building a resilient and engaged workforce. At Motherson, we take a holistic approach that prioritises physical, mental, and social well-being. Through a range of programmes, resources, and local initiatives, we aim to create a healthy and supportive environment where our people can thrive both at work and beyond.

As part of our ongoing commitment to the well-being of our people, we are proud to highlight the implementation and continued expansion of our global Mental Health First Aiders network. This initiative reflects our dedication to creating a safe, supportive, and inclusive environment.

The programme has already been successfully introduced at several of our sites within the Vision Systems division. Building on this strong foundation, we are now focused on extending this initiative across the entire organisation, ensuring that more employees have access to trained mental health support in the workplace.

Our Mental Health First Aiders complete internationally recognised training to identify early signs of mental health challenges and provide initial support in a non-judgemental, confidential manner, much like physical first aid. Through a two-day course with practical and interactive elements, they gain the skills and confidence

to assist colleagues in distress and guide them towards professional help. Their presence supports a culture of empathy, trust, and early intervention, reinforcing our commitment to well-being across the organisation.

This initiative forms part of our broader approach to well-being, which was reinforced through the launch of our well-being statement on World Mental Health Day in December 2024. Since then, we have continued to strengthen an ethos that prioritises wellness. Motherson plants around the world actively supported the statement's launch, raising awareness and hosting events to highlight its importance and impact.

As part of our wider commitment to supporting the well-being of the people of Motherson, we first introduced the Mothers, Sons and Daughters programme in our 2020–2021 Sustainability Report as a meaningful initiative to support employees through key life stages. Launched initially at a plant in Brazil in 2019, the programme has since been successfully rolled out at sites in the United Kingdom in January 2024 and Hungary in April 2024, with plans underway to expand it globally.

The programme provides mothers with support during pregnancy and flexibility for their transition back to work, offering essential guidance, resources, and a supportive network. Similarly, it provides expectant and new mothers and fathers with practical information and guidance to support them through the transition into parenthood. By addressing the needs of employees during this significant life change, the programme reinforces our commitment to fostering a family-friendly workplace culture and promoting the holistic well-being of our people.



**motherson**   
**Active.**



We have also introduced MothersonActive, a global initiative dedicated to promoting the physical and mental well-being of our employees. This platform encourages individuals to engage in exercise that suits their personal preferences and lifestyles while also offering a space to share progress and achievements. Through MothersonActive, we aim to foster a supportive community where employees can motivate each other and participate in challenges. By prioritising overall well-being, MothersonActive plays a key role in enhancing employee health and creating a positive, connected workplace.

When people feel well, both physically and mentally, they're more likely to be energised, focused and engaged in their work. Well-being is not just a benefit; it's a foundation for strong employee engagement. That's why our efforts to support health and wellness feed directly into our broader commitment to creating a workplace where people feel valued, connected and motivated to contribute.

#### Employee engagement

Our people are at the heart of Motherson, driving success through innovation and action. We prioritise their thoughts and experiences, which is why we continue to expand our employee engagement survey. This survey empowers employees to voice concerns, suggest improvements, and share positive experiences. To gain deeper insights and translate feedback into meaningful action, we have set the ambition to distribute the survey every two years, with resulting actions and success measurement reporting to be made annually by the end of 2025.

#### Employee engagement survey response rate

**55%** 

#### Employee classified as 'engaged' and 'actively engaged'

**77%** 

This marked the first survey conducted across the entire group and the first engagement survey for a significant number of colleagues. 137913 people were surveyed in total.

With Motherson's extensive presence across over 44 countries and our dynamic growth through mergers and acquisitions, reaching everyone within the organisation with our employee engagement survey has presented challenges. We have the ambition to ensure that 100% of our employees are able to access our employee engagement survey by 2027.

As part of our ongoing efforts to strengthen employee engagement, we continue to organise Family Days at our plants around the world. These events offer the people of Motherson the opportunity to come together with their colleagues and families, participating in a range of activities that foster a sense of belonging, strengthen interpersonal connections, and contribute to a positive and inclusive workplace culture.





### Training and development

As part of our commitment to employee engagement and continuous growth, we have successfully expanded our leadership development programme across all regions. This initiative is designed to equip employees with the skills, knowledge, and confidence needed to advance their careers and take on new challenges. Aligned with our well-being statement, the programme supports holistic growth by fostering leadership capabilities alongside personal development.

Building on the success of the Female Mentorship (LEAP) programme in India, we have launched a new mentorship initiative in Europe to support the development of future leaders across the region. This programme pairs mentees with experienced leaders from a variety of functions and countries, encouraging cross-cultural exchange and offering valuable opportunities for professional development. We look forward to seeing how this initiative further strengthens leadership across the group.

### Embedding sustainability into company DNA

At Motherson, our commitment to continuous learning and employee growth extends beyond traditional training programmes to include initiatives that foster innovation and sustainability awareness across all levels of the organisation. Our highly successful Quality Circle initiative exemplifies this approach by bringing

### Training 2024-2025

16

9,963.82

● Average training hours per FTE  
● Average amount (INR) spent per FTE on training and development

### Quotes from participants in the leadership programme:

#### Shashwath Nayak, Manager, Risk Engineering,

"Being part of the Leadership Programme has been an incredible journey, and I'm grateful to have had the opportunity. Learning from expert trainers, both internal and external, has helped me identify my strengths and areas of growth. What makes the programme even more special is the opportunity to be part of a carefully handpicked group of colleagues from across the continent, each one just as passionate, about learning, tackling bigger challenges, and continuously improving by pushing their limits."

#### Elena Rosa, Senior Manager, CME Purchasing,

"The Leadership Programme was the best experience of my career. Being out of my comfort zone allowed me to grow personally and professionally. It gave me visibility that allowed me to move from my previous role to a new one that is more challenging and where I am learning every day. I built a network that helps me today, and it brought me a new family, my programme colleagues, with whom I keep in touch and meet from time to time. Language and culture are not a barrier but an opportunity to learn."

employees from around the world together to share ideas focused on cost savings, quality improvements, and sustainability.

While sustainability was not always a primary focus in earlier

submissions, there has been a significant shift. Today, many Quality Circle projects highlight clear environmental benefits, reflecting how our people are integrating sustainability into their problem-solving mindset. To support and

### Hiring 2024-2025

23%

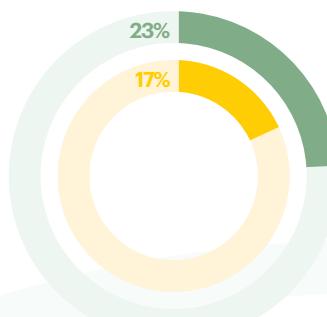
of permanent positions filled by internal candidates

17,336

Total number of new employees hired

### Turnover

- Total turnover rate
- Voluntary turnover rate



2024-2025

Our commitment to human rights is reinforced through our Human Rights Policy and Supplier Code of Conduct.

play a critical role in assessing and supporting human rights standards across our value chain.

The Human Rights Officers will play a key role in supporting compliance with the German Supply Chain Due Diligence Act and the forthcoming EU Corporate Sustainability Due Diligence Directive (CSDDD). Their responsibilities include identifying and assessing human rights risks, supporting the implementation of preventative and remedial measures, and promoting awareness through training and engagement. This network will help strengthen our due diligence processes and ensure that respect for human rights is embedded in our daily operations and supply chains.



encourage this trend, we have introduced a dedicated sustainability award within the programme. This recognition not only celebrates eco-friendly innovations but also reinforces the importance of embedding sustainability into daily operational thinking.

The Quality Circle initiative is a powerful example of how training and development at Motherson goes hand-in-hand with building a culture of collaboration, innovation, and environmental responsibility, empowering our people to drive meaningful change and contribute to our collective sustainability goals.

### Human rights throughout our operations and value chain

We are strengthening our commitment to upholding human rights throughout our operations and value chain. We have increased the number of human rights officers; our ambition is now to have a dedicated officer in every division by the end of 2025. These officers

Our commitment to human rights is reinforced through our Human Rights Policy and Supplier Code of Conduct, which set clear expectations for ethical behaviour and respect for human rights across all areas of our business, including our suppliers and partners. These underpin our efforts to ensure responsible practices throughout the value chain.

In addition, we continue to raise awareness through Human Rights Day campaigns and actively evaluate the impact of these initiatives to ensure they foster meaningful change. We are also expanding training on our Human Rights Policy to ensure all associates understand their rights and responsibilities. Our ongoing internal whistleblowing training reinforces the use of NAVEX EthicsPoint, a secure, internationally recognised platform designed to support ethical conduct across our organisation. This publicly available system provides a safe and anonymous channel through which employees and external stakeholders can report concerns or potential violations of company policies, laws, or ethical standards.

Available 24 hours a day, 7 days a week, NAVEX EthicsPoint ensures continuous access, regardless of time zone or location. Its robust design allows users to submit reports online or via a dedicated call centre, helping to maintain confidentiality and trust throughout the process.

When a report is submitted, a case ticket is generated, enabling the whistleblower to track progress and engage in two-way anonymous communication through the platform. This transparent yet protected process encourages openness while safeguarding the whistleblower's identity.

Each report is handled with care: an appointed Ombudsman or Investigation Team conducts a thorough and impartial investigation. Findings are then escalated to the Audit Committee or Board for further review. Where applicable and in line with local legal requirements, cases may also be referred to relevant authorities or regulators to ensure appropriate resolution.

## We aim to support our communities in meaningful ways and contribute to a better future for all.

NAVEX EthicsPoint remains a critical part of our commitment to a culture of respect, integrity, and accountability, providing a trusted, global standard for ethical reporting and whistleblower protection.

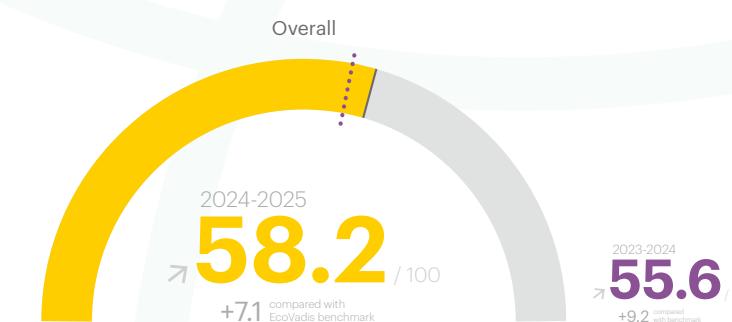
### Human rights in our value chain

Suppliers are assessed through EcoVadis on labour and human rights practices using a comprehensive framework based on international standards such as

the UNGC and ILO Conventions. The assessment covers key areas, including employee health and safety, fair working conditions, prevention of child and forced labour, diversity and non-discrimination, social dialogue, and human rights in the supply chain. Suppliers are rated based on the strength of their policies, the implementation of concrete actions, and the achievement of the measurable results. A strong performance requires documented evidence of commitment, active risk mitigation, and continuous improvement in labour and human rights practices. The suppliers assessed have received an average score of 58.2 on a scale where 0 is the lowest and 100 is the highest possible score. This score represents 7.1 points higher than the benchmark set by EcoVadis against all companies rated by them.

### Global citizenship

Our commitment to global citizenship has long been an integral part of our organisation. We continue to focus on making



a positive contribution to the communities where we operate, ensuring our growth supports local development and strengthens community resilience. Across all our locations, we aim to foster inclusive opportunities, respect cultural diversity, and support initiatives that enhance education, health, and environmental sustainability.

By embedding these principles into our everyday actions, we strive to build lasting, meaningful partnerships with our communities, creating shared value and helping to shape a more sustainable future for all.

One example of our community-focused initiatives is in Mexico, where an estimated 57% of the population lacks reliable access to safe water. In response, Motherson has partnered with a local organisation dedicated to implementing rainwater harvesting and storage systems in underserved regions. Over the past 17 years, this initiative has benefited more than 30,000 people by providing access to clean water and significantly improving their quality of life. In

addition to meeting immediate water needs, the project helps reduce the risk of respiratory and gastrointestinal illnesses, supports better water management, and strengthens the resilience of local communities.

To further this commitment, in addition to existing committees we have established a Charity and Social Responsibility Committee in 2024 covering the European region, with ambitions to expand this initiative into the Americas. This committee plays a vital role in coordinating our community engagement efforts and driving impactful social initiatives aligned with our values. In 2024-2025, they carried out 442 initiatives, demonstrating our ongoing dedication to making a positive difference in the communities where we operate.

Committed to working collaboratively to create lasting, positive change.



One of our teams in Europe was recently recognised with the Heart on the Palm award by the Nitra Volunteering Centre. This award celebrates individuals and groups who dedicate their time and efforts to volunteer work without financial remuneration for the benefit of others. It honours contributions across areas such as social inclusion, community development, environmental protection, education, and culture. The recognition reflects the team's dedication of time, skills, and energy to support others, an inspiring example of how our people bring our values to life through their commitment to the community.

For more information on our citizenship initiatives and their alignment with UN SDGs, read our Global Citizenship Report 2024-25 on [www.motherson.com](http://www.motherson.com)



# Governance.

## Governance is the foundation for progress.

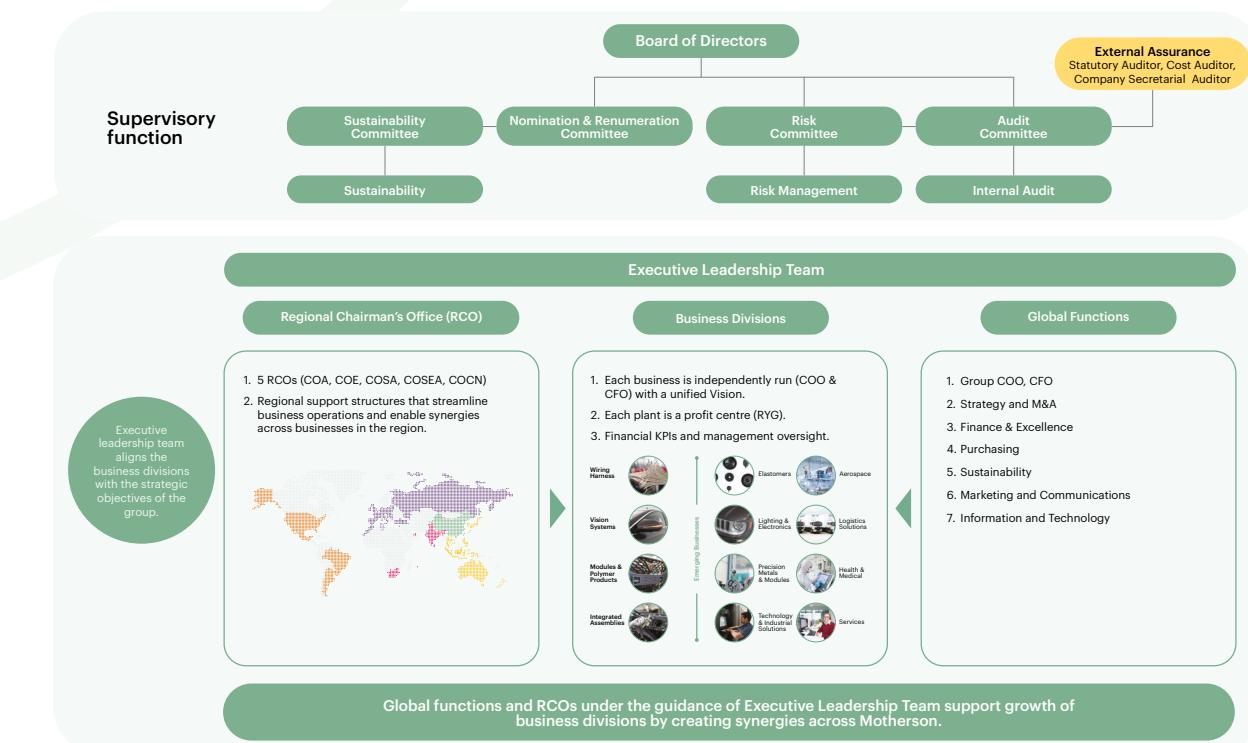
Governance is the foundation on which all our sustainability actions are built. We seek to continuously evolve our governance structure and practices to meet the changing needs of the industries in which we work and society as a whole.

### Corporate governance and strategy

As a global manufacturing specialist, Motherson is committed to upholding the highest standards of corporate governance. With ambitious strategic growth plans, our governance framework fosters transparency, strengthens accountability, and enables

informed and agile decision-making across diverse markets. Corporate governance at our company is designed to align the interests of shareholders, the Board, executive management, employees, and external stakeholders, ensuring that our actions are ethical, value driven and strategically sound.

We believe that strong governance drives long-term value creation, risk mitigation, and operational excellence. As we scale our presence and deepen our global impact, our governance structures and policies will continue to evolve to support innovation and technological advancement, resilience, and responsible leadership across all levels of the organisation.



Our organisational structure is built on accountability and effective collaboration. The Motherson Board of Directors operates in a supervisory function, providing strategic oversight and ensuring robust governance practices. The Motherson Executive Leadership Team drives the execution of the company's vision and strategy, leading the charge on growth, innovation, and performance. While the Motherson business divisions and their individual units are dedicated to managing the operations, each is responsible for building trust with their customers and delivering results in their respective industries and markets. Together, we form an integrated ecosystem that is collectively accountable to our external stakeholders.

We are firmly committed to transparency, complying with regulatory requirements and applying global best practices. Many of our disclosures are externally assured, reinforcing the trust placed in Motherson by customers, investors, partners, regulators, and the communities we serve.

At Motherson, strong governance is fundamental to our sustainability strategy and underpins the issues that are materially important to our business and our stakeholders. We are committed to responsible leadership and ethical business conduct, ensuring that environmental, social, and governance (ESG) principles are embedded in our decision-making processes. This approach supports the long-term resilience of our business and helps us address the issues that matter most to our stakeholders.

To ensure sustainability remains a core focus, Motherson has established a dedicated Sustainability Committee of the board that oversees the ESG -material topics and supports alignment with our broader governance framework. The committee provides strategic guidance, ensuring our efforts are aligned with our long-term business objectives. Through this oversight, we enhance our resilience and continue to create long-term value for our stakeholders.



## We are committed to responsible leadership with ESG principles embedded in our decisions.

### Standardised ESG data collection platform

We have introduced a standardised platform to collect ESG data consistently across the entire group. This data is used to enhance operational efficiency and is integrated into the operational key performance indicators and appraisal processes for many key business areas. Across the Motherson Group, we place a strong focus on Quality, Cost, Delivery, Development, Management, Safety, Environment, and Sustainability (QCDDMSES) as core domains for measuring the performance of our plants. These KPIs are integrated into management objectives and performance appraisals throughout each business division.

### Constructive engagement without political influence

Motherson does not seek to influence public or government policy making and decisions, however, we recognise the value of constructive dialogue and collaboration within industry forums. As such, we are open to participating in key global forums and relevant initiatives, such as the United Nations Global Compact (UNGC), where, as a signatory, we support responsible business practices and can contribute to collective action.

### Anti-corruption commitment

We are committed to conducting our business with integrity, transparency, and in full compliance with applicable anti-corruption laws

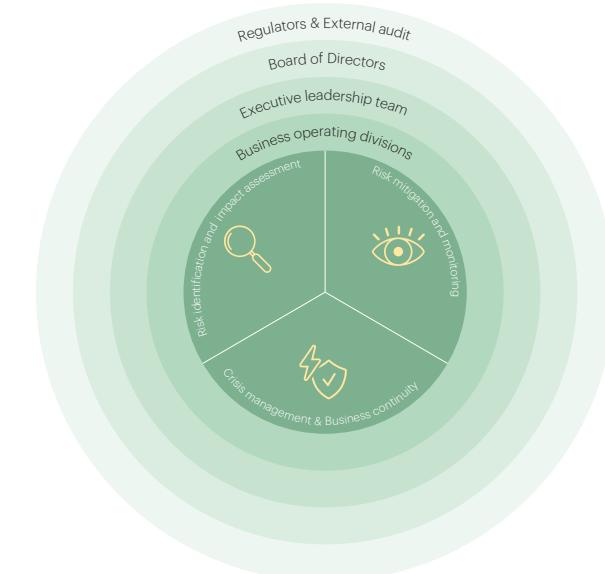
and regulations. We maintain a zero-tolerance policy towards bribery, fraud, and any form of corrupt behaviour. Through internal controls, employee training, and clear policies, we strive to prevent corruption in all aspects of our operations and uphold the highest ethical standards in our dealings with all stakeholders.

### Risk management and compliance

We take a proactive and integrated approach to identifying, assessing, and mitigating risks across all areas of our business, with a strong emphasis on climate-and sustainability related risks. The Motherson risk management

framework is embedded into strategic planning and operational decision-making processes, enabling us to anticipate potential disruptions, protect value, and enhance resilience in a fast-changing global environment. Climate-related risks, such as physical risks from extreme weather events and transition risks linked to stricter regulations, market changes, are regularly reviewed and addressed through scenario planning and adaptation strategies.

We continuously monitor the evolving regulatory landscape and engage with external partners to ensure our practices remain current, credible, and aligned with global best practices. We are also committed to the National Guidelines on Responsible Business Conduct (NGRBC), a framework established by the Government of India to guide businesses in operating responsibly across environmental, social, and governance dimensions.



## Risk governance

In line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have strengthened our climate governance, risk management, and reporting processes to align with our ambition. We have incorporated climate scenario planning to assess how various climate outcomes could affect our strategic goals. Our Board of Directors provides oversight of climate-related risks and opportunities, with executive leadership accountability embedded across relevant business functions. At Motherson, we are disclosing climate-related metrics, including Scope 1, 2, and 3 Greenhouse Gas (GHG) emissions, and have set our own science-based reduction targets. Although not approved by the Science Based Targeting Initiative (SBTi), these targets are guided by the Corporate Net Zero Standards. These efforts support our ambition to achieve Net Zero emissions across our operations by 2040.

## We take a proactive, integrated approach to managing risks, particularly those linked to climate and sustainability.



To evaluate long-term business resilience, our climate scenario analyses use reference pathways, such as the International Energy Agency's (IEA) Net Zero Economy (NZE) 2050 scenario. This helps us understand the potential implications of various climate futures on our operations, product mix, capital allocation, and supply chain. Scenario planning directly informs our strategic decision-making, ensuring we remain adaptive, competitive, and aligned with a Net Zero future. For instance, under the NZE 2050 scenario, we anticipate a greater need for low carbon mobility coupled with

increased demand for lightweight solutions and recycled materials, together with stricter emissions and materials regulations. The insights gained can form our strategies for the future to meet these challenges.

### Management systems – digitalisation of ESG

At Motherson, we are committed to continuous improvement in our management systems to ensure we can manage the complexity of ESG data and be consistently transparent and accountable for our financial and non-financial performance across all operations. This includes clearly defined policies, data analytics, measurable objectives, and integrated risk management frameworks. We work to adopt global standards and seek ISO accreditation where possible and remain aligned with our commitment to the principles of the UNGC.

In addition to independent external third party assurance on key elements of our sustainability disclosures, we are progressively deploying internal audits for non-financial reporting at the core of our sustainability approach. Each site submits detailed sustainability data into a third-party software platform, which is then analysed using our internal systems. This allows us to monitor performance, assess compliance, and identify areas for continuous improvement across the organisation. To further strengthen our governance framework, we seek new digital solutions to address key organisational challenges. These tools and systems support critical



domains such as compliance, risk management, ethical reporting, and environmental monitoring. By applying consistent methodologies across these areas, we ensure a reliable and accountable approach to governance throughout the business.

We aim to pilot new projects focused on internal carbon pricing. This pilot project will help us test and refine our approach, with the goal of supporting more informed decision-making, investment planning, and long-term climate strategies across all regions.

### Data privacy and information security: cybersecurity

In today's rapidly evolving digital landscape and against the backdrop of a global surge in cyber attacks, safeguarding data integrity and protecting against cyber threats are critical imperatives for sustainable business operations. As cyber criminals become more sophisticated and threats more pervasive, we, at Motherson are committed to implementing multilayered cybersecurity measures that integrate advanced threat detection, protection, comprehensive risk management, and continuous monitoring frameworks. Our approach encompasses cutting-edge

technologies from leading cybersecurity vendor ecosystems, proactive incident response systems, and adaptive security architecture to effectively address emerging threats. By prioritising data privacy, ensuring regulatory compliance, and fostering a culture of vigilance across all levels of the organisation, we reinforce our unwavering dedication to the security of our stakeholders' information and the resilience of our digital infrastructure.

To support our people in recognising and reporting threats, we have introduced a streamlined solution that makes it incredibly simple to flag suspicious emails as phishing directly to IT. This intuitive tool not only improves response times but also heightens overall awareness of

potential threats. In parallel, we have strengthened our global training programme, requiring Motherson employees to complete two focused IT security trainings per month. This consistent learning rhythm helps build strong cyber hygiene habits and supports our collective defence against evolving digital risks.

#### Building a responsible and sustainable supply chain

We recognise that sustainability and responsibility within our supply chain are critical aspects to

achieving our broader ESG ambitions. At Motherson, we are committed to providing greater clarity on our sustainability requirements by strengthening our engagement with suppliers, fostering mutual learning as we progress together. To achieve this aim, sustainability reviews are now integrated into our regular supplier audits, therefore actively working to ensure that all suppliers meet clearly defined sustainability standards.

#### Value chain engagement and supplier assessment

To establish the level of ESG clarity in our value chain, suppliers accounting for 80% of our total spend have now been onboarded to the EcoVadis IQ platform. Utilising this industry-recognised platform, allows Motherson to perform active ESG vulnerability screening based on industry, region, and company size. Furthermore, suppliers representing the top 46% of our global direct spend are invited to complete a detailed evidence-based sustainability assessment via the EcoVadis platform focusing across four key



More than  
**11,000**  
of Motherson suppliers  
have been screened  
for supply chain  
sustainability risk

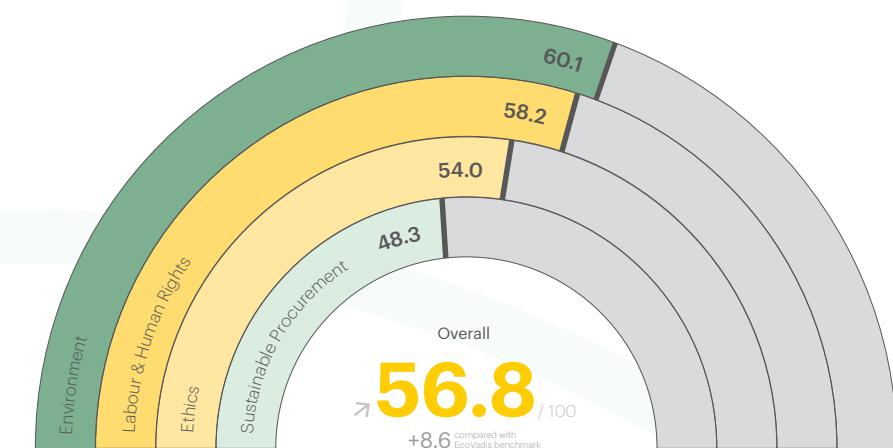
themes; Environment, Labour and Human Rights, Ethics, and Sustainable procurement.

Upon completion of the assessment, each supplier receives a scorecard reflecting their sustainability performance within each key theme, plus an overall score. The EcoVadis rating methodology assesses the effectiveness of a company's sustainability management system by evaluating its policies, practices, and performance, based on the supporting evidence submitted by the company.

Motherson's expectation is that suppliers must achieve a minimum 'Good' rating which requires scoring above 45 points. Any suppliers falling outside of this range will require additional ESG focus and corrective action plans.

Presently, the average outcome of those assessed, have received an overall score of 56.8. This score is 8.6 points higher than the average among companies rated by EcoVadis.

Broader analysis, however, reveals that over 84% of the assessed Motherson suppliers have achieved scores placing them in the 'Good,' 'Advanced,' or 'Outstanding' categories. This demonstrates strong overall supplier performance and commitment to sustainable practices.



#### Number of partners by Results classification

##### Insufficient (0-24 points)

0.9 %

##### Partial (25-44 points)

14.3 %

##### Good (45-64 points)

58.9 %

##### Advanced (65-84 points)

23.5 %

##### Outstanding (85-100 points)

0.6 %

— Benchmark  
EcoVadis Supplier Assessment

#### Value chain engagement

At Motherson, we adopt various supplier engagement strategies to work closely with our partners. Our focus is to continuously support suppliers in improving their sustainability practices, enhancing their sustainability ratings, and aligning long-term goals with the sustainability ambitions of Motherson.



Launch of dedicated  
**Supplier Portal**

To facilitate more effective communication and collaboration, we launched the Motherson Supplier Portal, a dedicated platform that provides regular sustainability updates, training opportunities, and essential information to help our suppliers stay aligned with our sustainability goals. The portal also serves as a key tool for strengthening relationships across our supply chain.

A major highlight of the year was the successful hosting of our Global Supplier Week, which attracted participation from over 2,000 suppliers worldwide. This event served as a cornerstone in reinforcing supplier partnerships, improving collaboration, and aligning our supply chain with Motherson's long-term strategic and sustainability objectives.

Furthermore, to reflect our evolving sustainability commitments we have amended our supplier code of conduct accordingly. Presently, approximately 46% of our global spend suppliers are formally aligned with the updated sustainability principles outlined in the latest Code of Conduct release. The expectation is that the balance will comply in due course in line with new business awards.

In parallel, we have taken meaningful steps to enhance our Scope 3 emissions reporting by clearly defining reporting scopes and boundaries. This improvement will enable greater transparency and accuracy in measuring and managing the environmental impact across our value chain.



We are also actively working with external stakeholders to invest in a common Life Cycle Assessment (LCA) tool which will provide comprehensive impact analysis and value-chain mapping to better identify sustainability risks and opportunities. These initiatives are strategically aligned with our commitment to PPG principles, helping to ensure that sustainability is embedded throughout the entire value chain.

We remain dedicated to further enhancing our performance and continuing to strengthen our commitment to long-term sustainability.

Our long-term climate strategies across all divisions of Motherson have yielded improved outcomes, with an average CDP score of 'B' for both climate and water. This represents evident progress and was achieved one year ahead of our original target.

#### Sustainability metrics and reporting

2025 marks a key milestone in our sustainability journey as we begin publicly disclosing the Motherson divisional Carbon Disclosure Project (CDP) submissions. Previously submitted confidentially, our decision to make these disclosures public reflects our strengthened commitment to transparency and accountability in environmental reporting.

We are actively exploring the adoption of emerging sustainability and climate-related reporting standards as part of our ongoing commitment to responsible business practices. Many of our current efforts already align with these evolving expectations. For

We are proud to have maintained our position on the Dow Jones Sustainability Index (DJSI) for emerging markets for the fourth consecutive year. This achievement reflects our ongoing commitment to strong environmental, social, and governance practices even during a period of rapid expansion. Our continued membership in the DJSI strengthens our sustainability efforts and reinforces confidence in our long-term strategy and dedication to responsible business growth.

In line with our commitment to responsible business, we are proud signatories of the United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative. The UNGC encourages companies to align their strategies and operations with universal principles on human rights, labour, environment, and anti-corruption, and to take actions that advance broader societal goals such as the UN Sustainable Development Goals (SDGs).

By supporting these principles, we aim to deepen our positive impact, strengthen accountability, and collaborate more effectively with stakeholders to drive meaningful progress toward a more sustainable and inclusive future.

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#### Policies

The Motherson sustainability policies form the foundation for responsible and consistent decision-making across all areas of our business. They set clear expectations and ensure ESG considerations are embedded throughout our operations. These policies are regularly reviewed and updated to keep pace with evolving standards and stakeholder expectations.

We have implemented these policies across the organisation, supported by awareness activities and targeted training where needed.

- Wellness and Well-being Statement
- Anti- Bribery, Gifts, Meals and Entertainment Policy
- Code of Conduct for Directors
- Code of Conduct for Employees
- Corporate Social Responsibility
- Data Protection Policy
- Global Citizenship Policy
- Group Environment and Climate Change Policy
- Human Rights Policy
- Inclusion and Diversity Policy
- Occupational Health and Safety Principles Statement
- Prevention of Harassment Policy
- Supplier Code of Conduct
- Whistleblower Policy





The responsibility lies with us all.



Motherson Sustainability.

Proud to be part of.

[www.motherson.com](http://www.motherson.com)