



Sustainability Report 2023-2024

Year **4/5** of
our **2025** plan

Motherson
Group

Edition 4



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Sustainability.

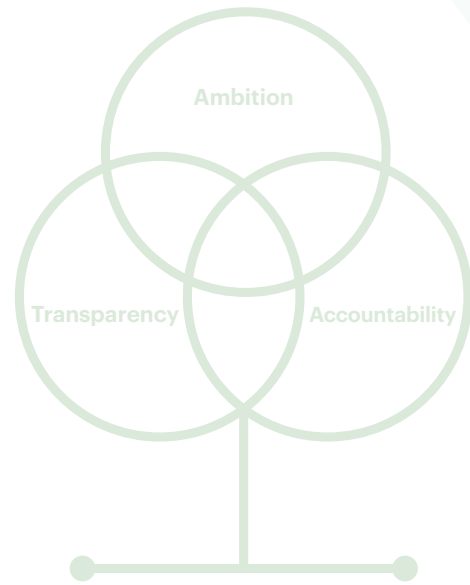
Sustainability is an indispensable pillar for our organisation, serving as the bedrock for long-term value creation, effective stakeholder management, and proactive response to global sustainability challenges.

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.

I am very pleased to present to you our latest sustainability reporting which encapsulates our ongoing efforts and achievements in driving sustainable practices across our organisation. At Motherson, sustainability is a guiding principle permeating every aspect of our operations, from energy and water efficiency to waste reduction, supplier engagement to biodiversity preservation, and diversity, equity, and inclusion to employee engagement. Within Motherson we are very clear that the responsibility for this lies with us all.

As we move forward, our focus remains on being **transparent** about where we are, having clear **ambitions** for where we want to be, and being **accountable** for taking this responsibility. Guided by our stakeholder engagement process and the resulting materiality assessment, our commitment to sustainability extends well beyond compliance; it is ingrained in our DNA, continuously driving us towards a more sustainable and resilient future.



We understand and are committed to addressing all the priorities that are important to us and our stakeholders. This report will discuss only the key elements across the full spectrum of topics under

Environment, Social and Governance (ESG). Aligned with this, the pillars of sustainability to which we are committed and continue to intensify our efforts are:

Planet (Environment):

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

People (Social):

We are dedicated to ensuring well-being and equitable opportunities for all, protecting human rights and providing a just transition for the people of Motherson.

Governance:

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

We are dedicated to integrating sustainable practices within all aspects of our business model and continuously seek to elevate our performance. We acknowledge that uncertainty about the future may continue to present challenges, yet we are committed to maintaining focus on our sustainability strategy. In this sustainability report, we explore and discuss the key elements that contribute to our ambitions and enable our progress towards

our vision of being a globally preferred sustainable solutions provider for our customers.

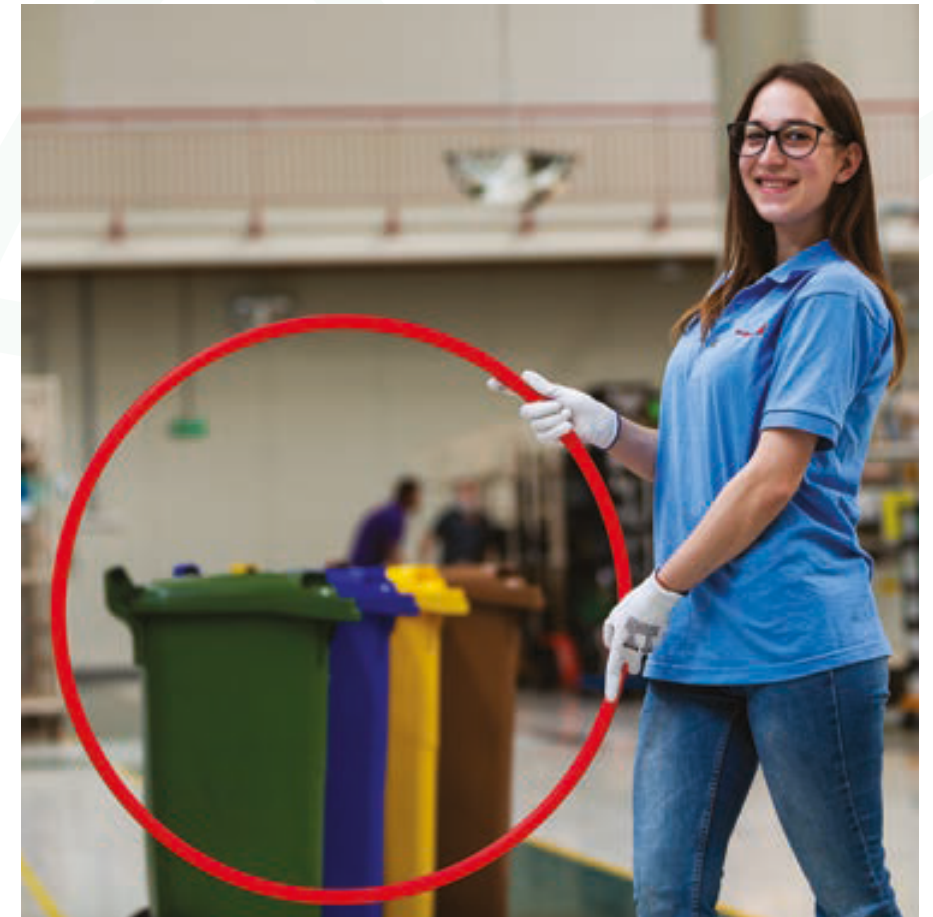
Sincerely,
Barrie Painter
Chief Sustainability Officer
Samvardhana Motherson
International Limited

Materiality

Materiality framework

A key part of our sustainability strategy is conducting materiality assessments. These assessments help us identify and prioritise the sustainability issues that are most important to our stakeholders and our business. By focusing on these critical areas, we align our efforts with the most significant impacts, enabling us to respond to challenges and opportunities effectively. This approach enhances our strategic direction and reinforces our commitment to transparency and accountability in our sustainability journey.

Following on from our previous assessment in 2021, we have renewed our stakeholder engagement and materiality assessment process. As the sustainability landscape evolves, we recognise that the significance of certain topics may have changed.



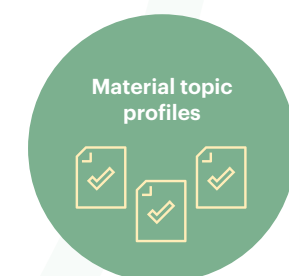
Procedure for materiality analysis



Stakeholder Engagement



Final list of the significant material topics



Input for review of sustainable business strategy and identification of ESG risks and opportunities

Therefore, we seek to re-assess this every two years, with the view to redefining or confirming our priorities and evaluating their potential impact on our operations.

The inputs for our materiality assessment are gathered through a stakeholder engagement process involving a detailed document review of customer and investor expectations, interviews with key contributors, consultation with the Motherson leadership team and distribution of a comprehensive internal company-wide survey.

Materiality priorities

The results of the assessment provide us with a solid foundational understanding of the areas that external stakeholders, such as customers, investors, and the people of Motherson internally deem most significant.

Following on from our previous assessment in 2021, we have renewed our stakeholder engagement and materiality assessment process.

Since 2021 we have seen an increased focus developing towards **Data Privacy and Information Security, Corporate Governance and Strategy, and Employee Well-being**. While these areas have always been important to us, the recent insights from our stakeholders have highlighted their growing significance, prompting us to focus even more on protecting sensitive data, enhancing governance practices, and ensuring the well-being of our employees.

Material topic details

Planet.



Climate and Environmental Action

- Air Quality
- Biodiversity
- Climate Change and Greenhouse Gas Emissions
- Resource Use
- Waste Management
- Water Quality and Pollution

Environmental Innovation and Technology

- Adoption of innovative environmental solutions
- Research and development for green technologies

Product Sustainability and Stewardship

- Circular economy
- Eco-friendly product design
- Eco-labelling and certifications
- Life cycle assessment

People.



Occupational Health and Safety

- **Diversity, Equity and Inclusion**
- Equal pay and gender equity
- Inclusive hiring and promotion practices
- Workforce diversity and representation

Employee Engagement

- Employee autonomy
- Employee growth
- Employee connect

Employee Well-being

- Employee wellness programs
- Mental health support
- Work-life balance initiatives

Human Rights throughout our Operations and Value Chain

- Child and forced labour prevention
- Fair labour practices
- Human rights due diligence
- Human rights policies and compliance
- Labour union relations/freedom of association

Governance.



Corporate Governance & Strategy

- Board Governance and Leadership
- Corporate Governance
- Corporate strategy
- Ethical Business Conduct
- Financial performance
- Public Policy and Advocacy
- Stakeholder Engagement
- Sustainability culture

Data Privacy and Information Security

- **Management Systems**
- Audits and assessments
- Continuous improvement initiatives
- Data transparency and non-financial reporting
- ISO certification

Risk Management and Compliance

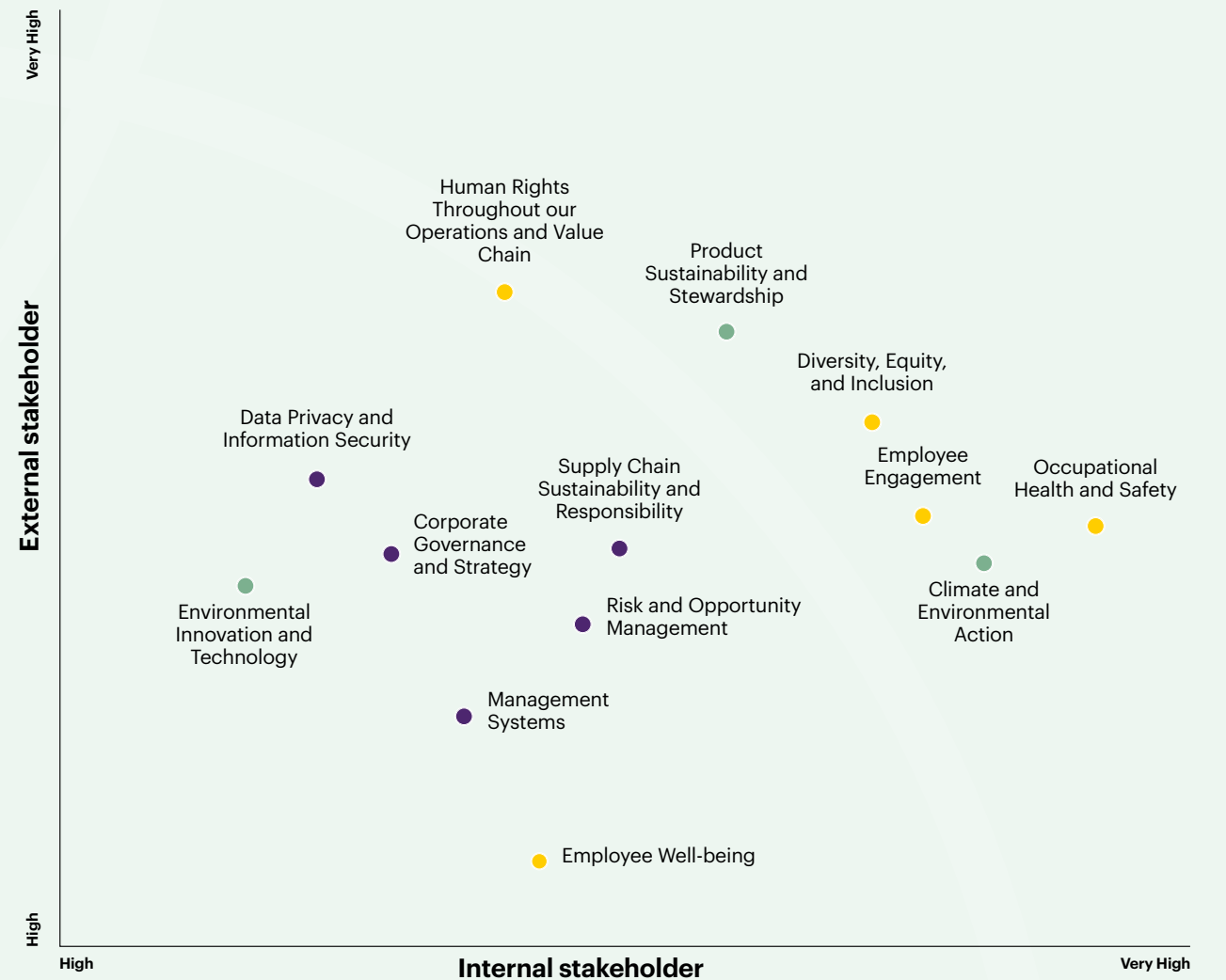
- Materiality assessment and business planning
- Regulatory compliance and monitoring
- Risk management

Supply Chain Sustainability and Responsibility

- Responsible sourcing and supplier assessments
- Supplier code of conduct
- Supply chain transparency
- Sustainable sourcing practices

Sustainability pillars

- Planet
- People
- Governance



Planet.

Preserving our planet for future generations.

In our dedication to sustainability, we acknowledge the critical importance of preserving our planet's natural resources. It is no surprise that our materiality process continues to highlight and prioritise our attention towards the most critical issues.

Climate and environmental action

Climate transition ambition

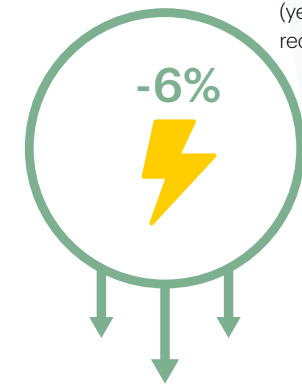
In 2022, we established our climate transition ambition to achieve Carbon Net Zero across our global operations (Scope 1 and 2 emissions) by 2040. We have also communicated that we fully recognise 2030 as a major progress review milestone. Therefore, with a baseline of FY 2022-23 reporting, we believe that a 50% reduction towards our Net Zero ambition should be achievable by 2030, assuming economically viable access to sufficient clean and renewable energy solutions in the countries in which we operate.

During FY 2023-24, our manufacturing units have been developing individual climate transition plans that, when combined from an operating division perspective, provide us with a clear understanding of what could be achieved.

Energy management

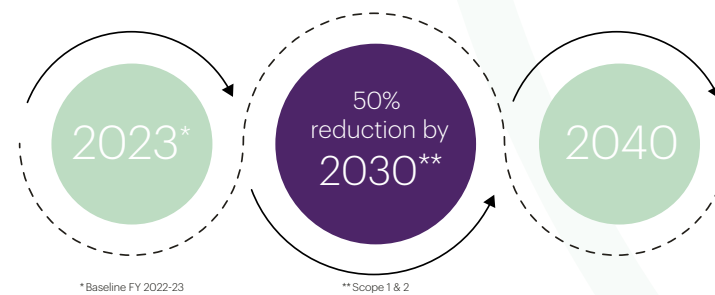
Energy management is crucial to Motherson's sustainability ambitions and climate transition. We are committed to improving all aspects of energy management to minimise our carbon footprint. Our efforts include adopting

FY 2023-24
Energy intensity
(year-on-year reduction)

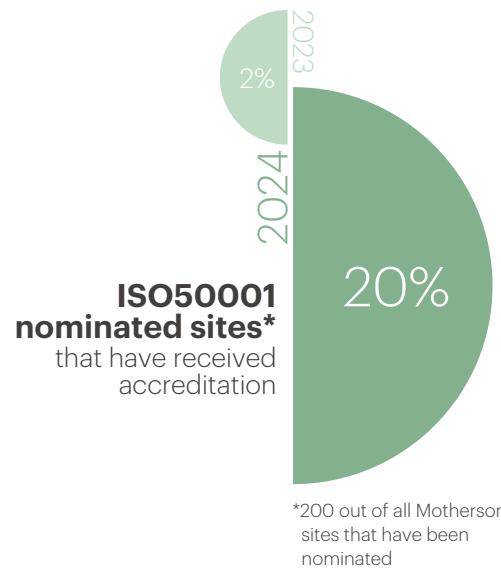


Energy intensity =
Ratio of energy to revenue

Our ambition towards operational Net Zero 2040



renewable energy, improving energy efficiency, upgrading facilities with more efficient technologies, and promoting energy conservation across our global value chain. While contributing to our climate transition, these initiatives can reduce operational costs. Through innovation and continuous improvement, we aim to set industry standards in sustainable energy management. We are aiming to achieve year on year improvements in energy intensity of a comparable magnitude to that of the last two years in support of our climate transition ambition.



Energy management accreditation

Our commitment to achieving ISO50001 energy management accreditation for all our manufacturing sites remains a clear ambition for 2030 and we continue to advance toward this goal. Presently, 20% of our sites identified at our 2023 baseline globally have successfully completed the accreditation. This marks a significant increase from the 2% figure recorded one year ago. Work is underway for the remaining 80% of sites, and substantial progress is anticipated within the next 24 months.



Motherson is committed to achieving ISO50001 energy management accreditation for all our manufacturing sites as part of our ambition for 2030.

Turn Off. Turn Down.

Turn Off Turn Down

“Turn Off Turn Down (TOTD)” is an operational philosophy and mindset firmly embedded into Motherson. It is a commitment to conserve resources wherever possible, reduce our environmental footprint, reduce costs, and promote a sustainable future.

Applying in-house initiatives under the TOTD mindset is an integral element for realising our climate transition plans at every site. It also plays a crucial role in encouraging employee engagement. We believe that the responsibility for sustainability lies with us all as we challenge each and every person in the Motherson family: ‘What can you do today?’

In addition, integrating TOTD evaluations into our standard continuous improvement activities and management reviews unlocks additional avenues for energy use refinement.

Energy surveys

In line with our global energy efficiency aspirations, throughout FY 2023-24, a series of workshop activities have been held across our highest energy consuming regions. These studies have been initiated to highlight the topic of energy efficiency and its direct linkage to improved sustainability within our operations. Led by our network of champions, these sessions have been combined with a programme of on-site energy surveys at some of our largest facilities to highlight the opportunities that exist within each of our sites to reduce energy consumption, and act as a platform for sharing best practices throughout the group. Energy site surveys are a crucial tool in our quest for continuous improvement and team collaboration working towards our Net Zero 2040 ambition.

Our group-wide sites are encouraged to share information and best practices regarding energy usage and efficient process management. Whether small or large, highlighting and indicating achievement from any particular initiative has significant benefits that can be utilised across the group.

Energy site surveys are a crucial tool in our quest for continuous improvement while working towards our Net Zero 2040 ambition.





Through initiatives such as TOTD, we aim to lessen our environmental footprint and contribute to a broader, more sustainable energy framework.

Renewable energy

Our overarching ambition remains steadfast: to minimise energy consumption and transition to renewable energy means when technically feasible and commercially viable, either as purchased energy or from our own solutions. Central to this ambition is our relentless commitment to reducing energy intensity in our operations. By alleviating pressure on supplied energy through initiatives such as TOTD, we aim to lessen our environmental footprint and contribute to a broader, more sustainable energy framework.



Renewable energy transition planning.



Workshops and Surveys

Workshops and surveys are being carried out across the group to promote a culture where conserving water is a priority.



Harvesting Rainwater

We are implementing rainwater harvesting measures across sites to reduce reliance on drawn water supplies by 2030.



Water Saving Measures

We are implementing water saving measures across facilities globally, focusing on consumption in washrooms.

Water

As a global company that operates in areas that are under significant water stress, we are responsible for playing our part in implementing measures to save and conserve water where possible.

In FY 2022-23, we set ourselves the ambitious goal of implementing water preservation initiatives across all our sites by 2030, and we are making good progress with innovative solutions being developed and shared across our group.

Water harvesting, reusing, and recycling water for different purposes, and minimising discharges are key enablers for reducing our water consumption, resulting in an overall reduction in total water consumption intensity by 22% in FY 2023-2024 versus the previous year.

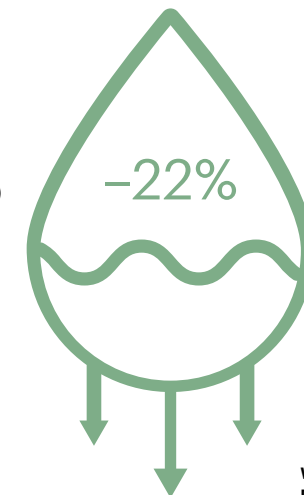
2030 

Water preservation initiatives across all our current facilities by 2030.

We are committed to implementing measures to save and conserve water across all our global facilities.

FY 2023-24

Water consumption intensity (year-on-year reduction)



Water consumption intensity = Ratio of water consumption to revenue

The TOTD initiative not only helps us save energy but also ensures more sustainable water consumption, reducing our overall water intensity and promoting a culture of water conservation.



UNGC Water Pledge

In alignment with global efforts, the United Nations Global Compact (UNGC) has recently initiated a focus on the health of 100 key water basins worldwide, recognising it as a paramount priority for collective action. These targeted water basins encompass major rivers spanning across all continents. The potential ramifications of the failure of such water basins are profound, impacting society and ecology on a substantial scale. Motherson operates within 25 of these areas. As such, our commitment to sustainable practices and responsible stewardship extends to contributing to the safeguarding, health and resilience of these vital water sources, recognising their pivotal role in economic and social ecosystems.

As with energy, the philosophy of **Turn Off Turn Down (TOTD)** and site level surveys conducted throughout the group highlight the importance of water preservation, reducing our water intensity, and promoting a culture where conserving water is equally considered a priority for all.

To know more about the UNGC initiative for these water basins, please go to the link here.

(<https://wateractionhub.org/100basins/>)

Waste segregation and recycling

Whether waste is generated from internal operations, or from single-use inbound or outbound packaging, Motherson is actively working to explore ways to reduce waste and increase circularity.

Considering our internal operations first, Motherson is always alert to opportunities to minimise the amount of waste we produce, and significant efforts are made to ensure that all waste is carefully segregated to maximise the potential

for re-use. Working hand-in-hand with our customers, we are now able to use increasing percentages of recycled plastic in some finished products. Waste that still needs to be disposed of is always sent to authorised recycling outlets where possible, with general disposal to energy recovery or landfill regarded as the last resort.

Our customers' awareness of the importance of waste reduction is now facilitating discussions on reducing single-use plastic packaging. An example of one such

initiative implemented in FY 2023-24 was a customer's agreement to no longer require rearview mirrors to be individually packaged within plastic bubble wrap, as well as being within their protective shipment boxes (re-usable). Following successful trials, and with our customer's support, this one project is removing almost 100,000 plastic bags per annum from the environment.

Our treatment of inbound packaging, which has not been returnable, has historically been to segregate and dispose of it in line with the best recycling practices available at each site. However, with our increased awareness of the environmental impact, there are now many initiatives being taken locally at site level with suppliers to understand what can be done to further eliminate waste.

Motherson is actively working to explore ways to reduce waste and increase circularity across its global operations.



We are developing an action plan to support biodiversity at Motherson, initiating site-specific projects grounded in best practice principles.

Scope 3 emissions

Understanding and importance of Scope 3

Awareness and understanding of Scope 3 activities are crucial for comprehensive environmental management. Scope 3 emissions refer to indirect emissions throughout an organisation's entire value chain, including upstream and downstream activities outside its direct control.

At Motherson, we recognise the importance of comprehensively managing Scope 3 emissions by understanding our organisation's value chain and environmental impacts. To achieve this goal, we are actively enhancing our capabilities in data collection, analysis, and reporting.

We are utilising Life Cycle Analysis and Product Carbon Footprint methodologies to better understand Scope 3 emissions across our entire value chain and, in combination with supplier risk assessment processes, develop strategies to address this. As the highest proportion of our overall environmental footprint is Scope 3 emissions, collaboration with all stakeholders, such as our customers and suppliers across the entire value chain, is essential to address this challenge.

In FY 2023-24, Motherson has improved Scope 3 data collection and used more reliable CO₂ EF to calculate Scope 3 emissions.



Extended Scope 3 data collection category.



Biodiversity

Balancing the needs of society with nature is crucial for a sustainable future for us all. While Motherson's operations by global standards have a relatively small environmental footprint and minimal water consumption, we acknowledge the significant role our entire value chain plays.

Biodiversity site assessments

We have implemented a globally recognised web-based tool that integrates three major biodiversity datasets: the IUCN Red List of Threatened Species, the World Database on Protected Areas, and

the World Database of Key Biodiversity Areas. This tool enables various tasks such as screening potential investments, developing action plans to manage biodiversity impacts, assessing risks associated with supply chains, and reporting corporate biodiversity performance.

We are conducting evaluations of our production sites, identifying any that lie within a 5 km radius of key biodiversity areas, protected areas, and areas where species listed in the IUCN Red List of Threatened Species are found.

We have assessed manufacturing sites across the Motherson group, representing 97% of our global footprint.

In the future, we aim to expand the use of this tool for assessing the biodiversity impact of our key raw material supply chains, incorporating it into the due diligence process of our mergers and acquisitions, and applying it to construction and development projects. We are developing an action plan to support biodiversity enhancement at Motherson, initiating site-specific projects grounded in best practice principles.

Furthermore, we constantly seek new ways to make a positive difference in our communities. We have been involved in various environmental preservation initiatives, such as tree planting, in our locations across the globe. We place great importance on taking action and raising awareness on the importance of biodiversity and environmental protection.



97% of our operational sites have been assessed for their proximity to key biodiversity areas

We are collaborating with our customers and suppliers to better understand Scope 3 emissions across our value chain.



To enhance our awareness and knowledge of Scope 3 emissions we have engaged in a number of activity areas:

- **Education:** Providing training and resources to employees at all levels about Scope 3 emissions, why they matter, and how they can be managed.
- **Communication:** Regularly communicating with stakeholders, including suppliers, customers, and investors, about the importance of addressing Scope 3 emissions and the organisation's efforts to mitigate them.
- **Collaboration:** Collaborating with suppliers and partners to collect data, share best practices, and implement joint initiatives to reduce Scope 3 emissions throughout the value chain.
- **Innovation:** Encouraging innovation and exploring new technologies and solutions to minimise the environmental footprint of products and services across the entire lifecycle.

In order to calculate our Scope 3 footprint, we are focusing on certain key categories:



Business Travel

We collect detailed data on air travel by region and distance to analyse our business travel patterns. Emissions are calculated using the GHG Protocol's distance-based method and 2023 emission conversion factors, ensuring consistent and accurate carbon footprint reporting.



Purchased Goods and Services

Motherison uses a central procurement database enabling purchasing data collation and analytics by category. For key commodities like copper, paint, and resins, we estimate emissions using the GHG Protocol's average-data method, multiplying mass data by relevant emission factors. For non-commodities, we use the spend-based method, estimating emissions by multiplying economic value by emission factors.



Waste generated in Operation

As part of our digitalisation efforts, we use a software tool to collect data on waste generated across all operational units. This initiative records material types, waste classification, and disposal methods. Using the GHG Protocol's average-data method and emission conversion factors, we estimate the environmental impact of our waste management, facilitate emission tracking, and identify opportunities for waste reduction.

Transportation and Distribution Upstream and Downstream



Motherison records spend and distance data in each geographic region for all of its transport needs, whether by road, rail, sea or air. Work is underway to start recording actual fuel consumed by our logistics partners to improve our reporting.



We have deployed a third-party software solution to streamline data collection on waste generated across all operational units.

Product sustainability and stewardship

We are committed to integrating sustainable practices across the entire lifecycle of our products. This involves a comprehensive approach encompassing responsible sourcing of materials, innovative and eco-friendly design, efficient manufacturing processes, and comprehensive end-of-life strategies. We aim to minimise environmental impact while maximising value for our customers and the planet. Through continuous innovation and collaboration, we strive to create products that meet the highest performance and quality standards and contribute to a more sustainable future.

Materials and recycling

In alignment with the increasing demand for post-consumer recycled materials within the automotive industry and EU legislation mandating 25% recycled content in new vehicles by 2030, we are implementing initiatives to enhance the use of recycled materials in our products.

Through our own initiatives and in collaboration with external innovators we aim to make significant strides in shaping a sustainable future for the automotive industry.

One such project, with an organisation collecting plastics from oceans in Southeast Asia and Mexico, has demonstrated the potential of recycled plastics to replace a substantial amount of series materials in large components and paved the way for a more sustainable approach within the automotive industry. After rigorous testing, Motherson successfully produced an instrument panel with a significant percentage of the organisation's material, achieving properties comparable to those of previously used virgin plastics. This breakthrough maintains high product quality yet delivers the opportunity for an impressive environmental impact.



Our commitment to environmental innovation is not just about compliance, but about leading the way to a more sustainable and resilient future.

Sustainable innovation forums

Contributing to our pursuit of becoming a globally preferred sustainable solutions provider, we actively engage in sustainable innovation forums such as Startup Autobahn, where Motherson is a partner member. Within this forum, we take the initiative to participate in events centred around sustainability and host our own such events where, by collaborating with diverse partners and leveraging our extensive business expertise, we can create dynamic environments.

This facilitates opportunities where partners and participants can immerse themselves in engaging activities such as pitches, keynote addresses, workshops, and panel discussions, all focused on sustainability. These events provide valuable networking opportunities and foster insightful exchanges that advance our collective sustainability ambitions.

Environmental innovation and technology

Environmental innovation and cutting-edge technology are at the heart of our commitment to sustainability. In an era of rapid technological advancements and pressing environmental challenges, we are dedicated to harnessing innovation to drive significant ecological benefits. This involves pioneering efforts to develop and implement technologies that reduce our ecological footprint, enhance resource efficiency, and

foster circularity in our operations. From deploying advanced emissions reduction systems and energy-efficient solutions to pioneering eco-friendly product designs and renewable energy integrations, we are continuously exploring new avenues to make a lasting positive impact on the environment. Our commitment to environmental innovation is not just about compliance but about leading the way to a more sustainable and resilient future.





People.

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

At Motherson, our people are our most valuable asset and the foundation of our success. We are deeply committed to fostering a safe, inclusive, and supportive environment where every employee feels genuinely appreciated, respected, and empowered to reach their full potential. This includes protecting their safety and upholding their rights. We strive to ensure that our differences are celebrated, and everyone is equipped with the resources and support they need to thrive at Motherson.

Occupational health and safety

Motherson is dedicated to ensuring a safe working environment across all our global facilities. We continue to conduct regular internal audits to ensure compliance with safety standards, identify potential hazards, and address any concerns. We invest in comprehensive training programmes to equip employees with the necessary skills to work safely. Our incident reporting and investigation procedures encourage prompt reporting and thorough investigation of safety concerns or incidents, with actions taken to prevent future occurrences.

Diversity, Equity and Inclusion (DEI)

Our global footprint spanning 44 countries affords us a significant opportunity to engage with and benefit from colleagues who have diverse values, expertise, and skills, enabling Motherson to develop a culture of cross-regional collaboration.

Our vision and mission for Diversity, Equity, and Inclusion at Motherson:

Vision statement:

We aim to create an environment where every individual, regardless of race, gender, or background, experiences a sense of belonging, empowerment, and opportunity.

Mission statement:

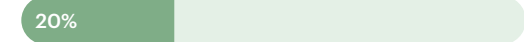
We aim to promote gender equity and foster a culture that supports the professional development of women.

To truly embrace our global nature, we have formally established a Motherson group Diversity, Equity, and Inclusion development team, comprising of individuals from our divisions, global functions and regional offices within our business. With support from our Chief Sustainability Officer, the development team is entrusted with the design and development of the Motherson group Diversity, Equity, and Inclusion initiatives.

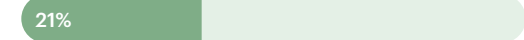
Women in management

(FY 2023-24)

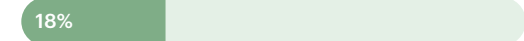
All management positions



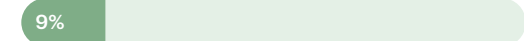
Junior management



Middle management

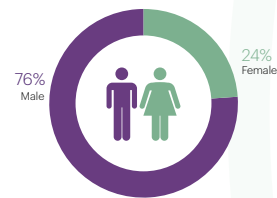


Senior management



Permanent employees

FY 2023-24



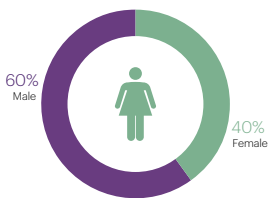
Permanent workers

FY 2023-24



Share of women in total workspace

FY 2023-24



We have identified the enhancement of women's professional development as a key focus area, and therefore it is one of our priorities for group DEI initiatives. We are tracking the number of women in management annually to monitor the effectiveness of our DEI initiatives.



Female Mentorship Programme has been launched

This endeavour is manifested through several initiatives, including:

- Facilitating a number of gender awareness trainings, hosted by third-party experts.
- Establishing internal metrics across the divisions to enable us to better understand gender equity in talent pipelines.
- Championing International Women's Day and openly celebrating the achievements of women within our organisation.

This year, we are proud to introduce the launch of a **Female Mentorship Programme**. This initiative aims to empower women within our organisation to reach their full potential. Currently in its pilot phase in India, the programme has selected mentors and mentees from each business division. This framework provides mentees with valuable knowledge and confidence from their mentors, while mentors enhance their own leadership skills through this collaborative initiative.

We are also exploring various opportunities to enhance DEI further across the business. These include an initiative to establish a Global STEM Scholarship Fund for female candidates and introduce mandatory DEI training for all Motherson employees.

In accordance with our mission statement, our aspiration is to achieve a more equitable distribution of leadership roles between genders, fostering increased female representation in leadership positions.

Our objective is to promote DEI in leadership and increased gender equity in leadership roles.

Training and development

Our Leadership Development Programme is in its 4th year within Europe and is also active in the Americas region. Designed to prepare the future leaders of Motherson, high potential employees are selected to undertake a year long programme, which features training on essential topics such as Motherson philosophy, HR management, finance, sustainability, and operations.

We have been able to make good progress in developing gender balance among the candidates participating in this programme over the last few years, supporting the diversification for future leadership in Motherson.



Women in STEM roles

*STEM (Science, Technology, Engineering, Mathematics)



FY 2023-24

Women in revenue generating functions



FY 2023-24

Women in Leadership Programme

European region



Americas region



Employee engagement

In our commitment to fostering a workplace culture that nurtures both professional growth and personal well-being, we distinguish between two important aspects: employee experience and employee engagement.

We carry out employee engagement surveys encouraging the people of Motherston to give feedback on their experience and views about areas where improvements could be made. It's important for us to hear from our people and use the information they provide to inform future objectives and developments in the business. We are committed to enhancing our employee engagement survey through the standardisation of the process and the adoption of a common methodology.

Our internal employee engagement platform, MotherstonOne, facilitates connections among employees who may be geographically distant or would not typically interact directly. Through bringing the Motherston community together this digital platform has positively contributed to employee engagement. MotherstonOne also provides consistent and reliable information.

Employee engagement survey response rate



Employees classified as 'engaged' and 'actively engaged'



*Not all employees/workers have been surveyed (total 64,000 people were surveyed)

It is the place where employees can stay updated and informed on the latest news in the business. It also provides access to the company's vision, mission and values and our policies.

Employee well-being

The well-being of our colleagues is a key driver of our success. We are dedicated to fostering an environment where physical, mental, and emotional well-being thrives, helping each individual reach their full potential with different programmes in our locations around the world. To further support our approach, we measure employees' sentiments through our regular employee engagement surveys, and we continually work to improve related activities that contribute to employee well-being. In the past year, we implemented a group-level well-being principles statement affirming our dedication to fostering an environment that prioritises the welfare of all our employees.

At Motherston, the well-being of our team members is a key driver of our success.

We are dedicated to fostering an environment where physical, mental, and emotional wellness thrives, helping each individual to reach their full potential.

Our wellness and well-being statement outlines our commitment to:



Human rights throughout our operations and value chain

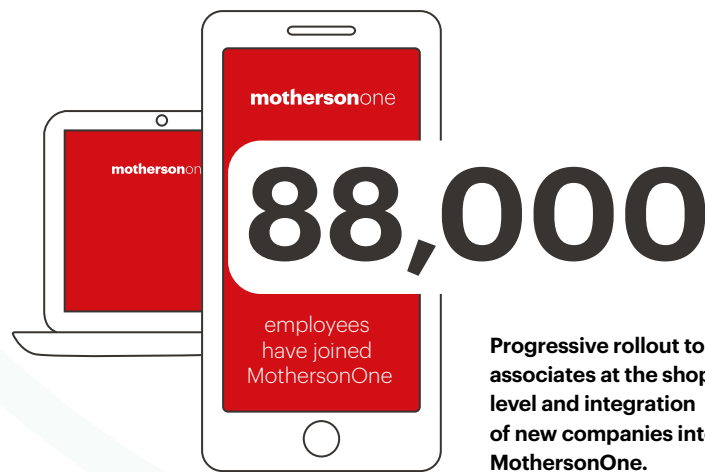
We are committed to upholding human rights across our operations and value chain. By embedding ethical practices and standards, we ensure respect, fairness, and transparency, fostering a culture that prioritises the dignity and well-being of all individuals involved in our business. Our human rights policy is designed to align with international human rights standards, reinforcing our dedication to sustainable and responsible practices.

external organisation to access a comprehensive risk indices database, aligned to the fundamental human rights issues.

This global database assesses the risk of labour rights issues and human rights violations, and we have obtained subscriptions to specific indices tailored to the industry in which we work. This enables us to pinpoint areas of potential risk and closely monitor human rights issues worldwide, informing our regional approaches to human rights.

Human rights due diligence

As part of our commitment to upholding human rights and to strengthen our due diligence in our value chain, we are working with an

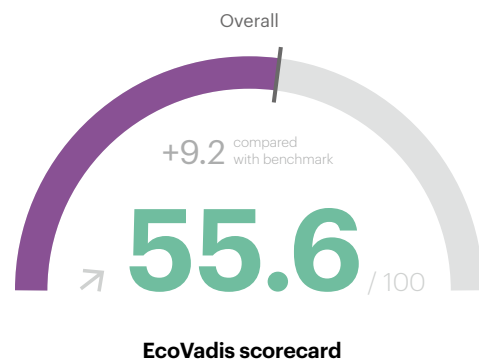


Progressive rollout to associates at the shopfloor level and integration of new companies into MotherstonOne.

Beyond our commitment to upholding Human Rights standards within our own operations, we also acknowledge our responsibility to ensure our suppliers align with these standards as well.

Human rights in value chain

Beyond our commitment to upholding Human Rights standards within our own operations, we also acknowledge our responsibility to understand that our suppliers align with the principles of human rights and the Motherson global policy. Our initiative begins by conducting third-party assessments of each supplier (EcoVadis) to pinpoint areas of strength and areas needing improvement. We have also sent a new code of conduct to all of our suppliers, which includes a number of updates with respect to human rights, establishing an obligation for them to adhere to the fundamental principles, and reinforcing our commitment to ethical practices throughout our supply chain. The suppliers assessed have scored over 55% which is 9.2 above benchmark.



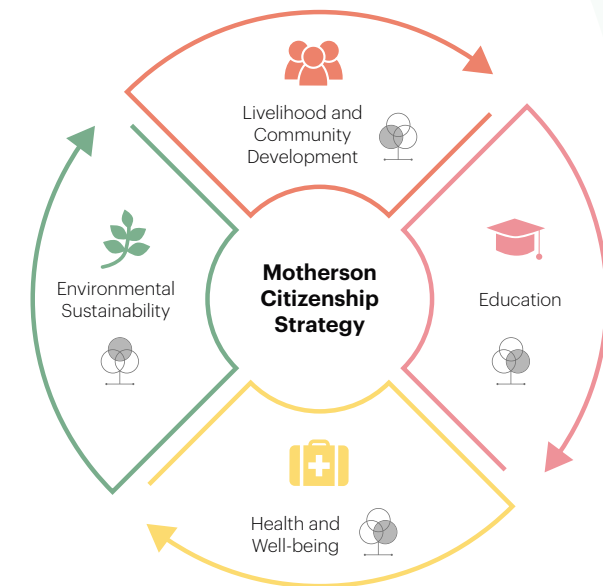
Global citizenship

Global citizenship activities are an intrinsic part of sustainability and are coordinated regionally across the globe. We engage with programmes and initiatives within the communities in which we operate under the scope of our strategy focused in the areas of livelihood and community development, education, health and well-being, and environmental sustainability.

Citizenship mission statement:

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

This mission is ingrained in the culture of Motherson. Our Citizenship Strategy strives to touch lives and leave a lasting, positive impact on people and communities where Motherson is present. Projects are structured to ensure both sustainability and scalability so that they have maximum impact.





Employee development programme

Employee development programmes have been implemented to upgrade and improve employee skills such as leadership programmes, quality circles etc.

In 2023, more than 4000 improvement projects were completed by the 1700 quality circle teams.

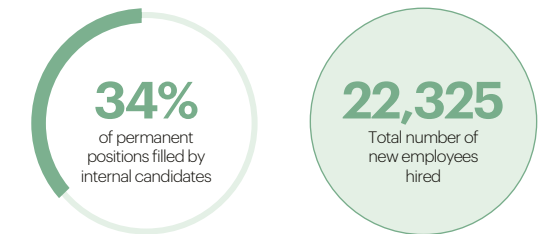
Training

FY 2023-24

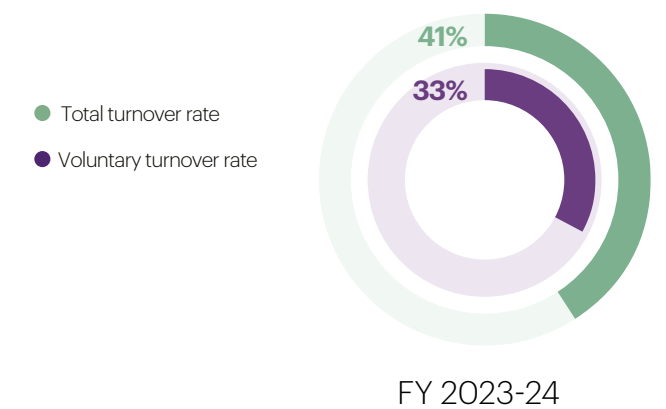


Hiring

FY 2023-24



Turnover



Our people development programmes are designed to provide the skills, knowledge, and experiences necessary for our employees to reach their full potential.





Governance.

Governance as the foundation for progress.

At Motherson, 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 in general.

We have evolved from conventional to sustainable governance, maintaining compliance with a changing regulatory landscape while ensuring we understand our stakeholder requirements and a consolidated view of all material issues at a group level. However, a rapidly changing world requires a focus on transformational governance, where we can adapt to the needs of our stakeholders and be a part of the solution to the challenges facing us all. Our governance structure is set up to facilitate strategic leadership from our Chief Sustainability Officer and a central team that works in collaboration across the operating divisions, global functions, and regional offices, with accountability to the board of directors.

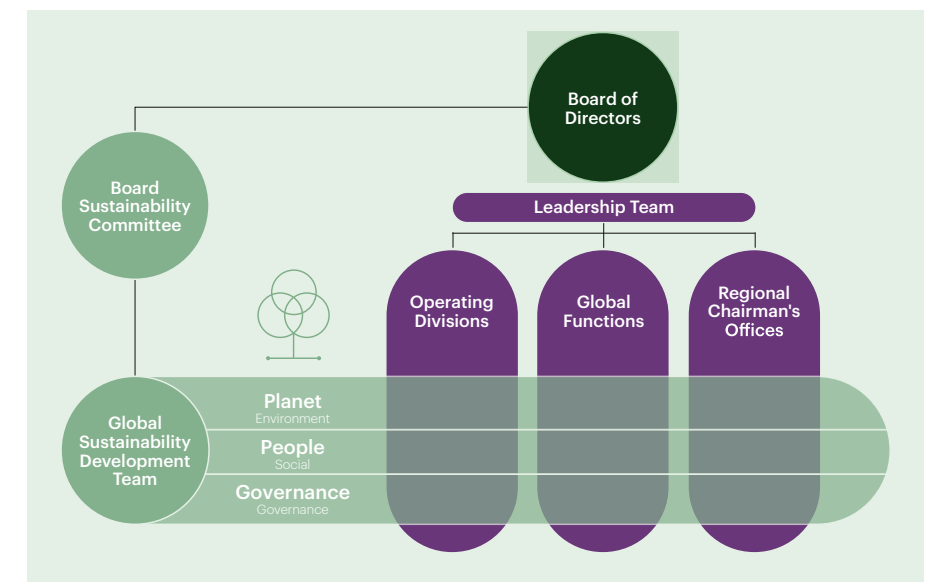
Corporate governance and strategy

Corporate Governance and Strategy are integral to our governance framework, guiding our approach to responsible business conduct. Whilst our business divisions operate with a high degree of autonomy, they all adhere to Motherson's DNA and our group-level principles and policies. This reinforces our

commitment to being true to the Motherson way in maintaining high ethical standards in all that we do.



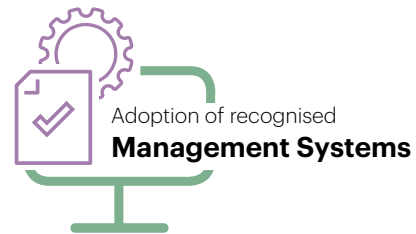
In 2021, we joined the **United Nations Global Compact (UNGC)**, underpinning our commitment to this initiative by integrating its principles within our sustainability frameworks and policies. Our Communication on Progress (COP) submitted in FY 2022-23 to the UNGC achieved 'advanced level' status, underscoring our progress in sustainable development and our commitment to transparency. Although the UNGC no longer directly provides a grading, we continue to report on our progress through their annual questionnaire. This process allows our responses to demonstrate our ongoing commitment to maintaining our advanced-level status and upholding the UNGC principles.



Our consistent efforts in sustainability have been recognised through our continued presence in the Dow Jones Sustainability Index.

Data privacy and information security

Information security and data privacy are priority areas in Motherson. We have implemented an information security management system based on best practices from various international standards and frameworks, such as ISO 27001 and TISAX. By making use of innovative technology solutions, we proactively detect and prevent sophisticated cyber threats in all relevant facets of our technology ecosystem.



Transparency in our reporting for the increasing regulatory landscape around sustainability is essential, with Business Responsibility and Sustainability Reporting (BRSR) applying to our Indian listed entities and the Corporate Sustainability Reporting Directive (CSRD) coming into effect in Europe at the end of this year. Furthermore, we actively engage with sustainability assessment frameworks and rating providers such as CDP and Standard & Poor's Global to support our stakeholders. Our consistent efforts in sustainability have been recognised through our continued presence in the Dow Jones Sustainability Index, underscoring our enduring commitment to integrating sustainability into the business strategies throughout our operations.

The focus remains on supporting the confidentiality, integrity, and availability of business data, and information processing facilities for the uptime of business activities. The privacy management system places emphasis on structured data sets for effectively implementing controls such as data minimisation, encryption, role based restricted access, operating system hardening, privilege access management and more; so that any unauthorised attempt of personal data breach can be prevented.

Management systems

In the realm of governance, we utilise recognised management systems or develop our own solutions to enhance our operational efficiency and sustainability practices. These include industry-leading tools that provide us with invaluable insights enabling informed decision-making and effective navigation of key topics in complex global landscapes. We use a comprehensive third-party sustainability rating platform (EcoVadis) for evaluating our supply chain. This empowers us to assess and seek improvements where necessary in the environmental, social, and ethical performance of our suppliers aligned to the Motherson supply chain code of conduct.

Mergers and acquisition integration

With inorganic growth representing a significant element of Motherson's growth ambition and business plan, our approach to Mergers and Acquisitions (M&A) is an integral part of our governance and strategy. This sets out that newly acquired companies should seamlessly be integrated into the Motherson family, emphasising our core values and strategic priorities, including a strong focus on transparency and accountability when it comes to realising our sustainability ambitions. We believe that integrating new businesses into Motherson allows for an exchange of knowledge, and leveraging of best practices that are beneficial to all.

We run a cybersecurity awareness programme to educate IT users on best practices and provide information on newer attack techniques, to safeguard us against social engineering attacks.

>40,000 
Cyber Security Training Hours



Another external assessment tool we have adopted enables us to identify the potential for human rights risks across our global operational footprint and in our value chain. Alongside updating our Whistle-blower policy, we have standardised the use of an external confidential platform for all stakeholders to securely and anonymously raise any concerns they may have.

Integrating such management systems fortifies our governance framework and underscores our commitment to responsible business practices, improving resilience and transparency, and enabling long-term value creation.

Internal and external assurance

In recognition of the importance of our ESG reporting we have commenced data assurance processes, starting with internal audits and now extending to external partners for FY 2023-24. In our third year of comprehensive global reporting on ESG matters, we are committed to being transparent and accountable with reasonable assurance against the highest priority topics. This aligns with the regulatory Business Responsibility and Sustainability



Reasonable assurance obtained for our ESG practices

Reporting (BRSR) requirements in India and prepares us for future regulatory requirements to enhance sustainability reporting transparency, such as the Corporate Sustainability Reporting Directive (CSRD) from the European Union.

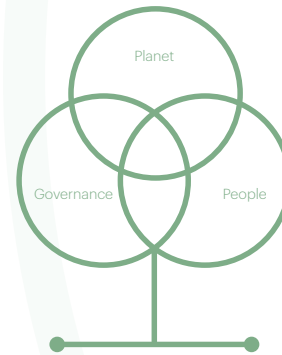


Introduced a confidential whistleblower platform for stakeholders

Sustainability Summits

In 2023, we hosted our inaugural Global Sustainability Summit, underpinning our commitment to sustainability. The event brought together experts and sustainability leaders from across the Motherson group, signifying our integrated and collaborative approach to these critical issues.

We now hold Global Sustainability Summit reviews annually as part of our corporate governance and management process. This year, our progress review on Planet was held in London, dedicated to addressing environmental priorities. Additionally, we conducted a virtual summit progress review on People, focusing on the full spectrum of social sustainability topics. This virtual format ensured the participation of all required stakeholders in a digital setting.



These summits are invaluable platforms for fostering dialogue, raising awareness, and following up on agreed actions and objectives. They are adjusted where necessary to the latest requirements and

re-affirm the way forward, while maintaining alignment with our priority material issues under Planet, People and Governance.

By assembling decision-makers from our diverse divisions and geographical regions, we catalysed discussions that led to actionable solutions to fortify our sustainability practices across the organisation.

Recognising the breadth of sustainability issues, these events play an indispensable role in enabling collaboration towards shared objectives.



Risk management and compliance

Aligned with our governance framework, our systematic approach to risk management and compliance ensures proactive identification, assessment, and mitigation of risks across our strategic and operational endeavours.

Regulatory landscape

As a global organisation operating across 44 countries, we encounter a wide array of compliance matters and regulatory updates that require our attention. Our governance structure is based on our Regional Chairman's Offices (RCO) to give regulatory oversight, with our regional legal teams maintaining proactive vigilance in tracking the most recent developments in the regulatory landscape. This allows us to promptly identify any changes and respond accordingly.

Recent legislative updates, such as the German Supply Chain Due Diligence Act (LkSG) and the Carbon Border Adjustment Mechanism (CBAM), are significant as we navigate the changing regulatory landscape. We diligently adjust our business practices to comply with these regulations and realise opportunities, always striving for leadership in sustainability.

Our systematic approach to risk management and compliance ensures proactive identification, assessment, and mitigation of risks across our strategic and operational endeavours.

Supply chain sustainability and responsibility

We seek to develop a responsible supply chain through the implementation of a supplier code of conduct, and monitoring supplier sustainability performance, which in turn influences sourcing decisions. This also serves to understand adherence to required standards. In 2023, we updated our supplier code of conduct to enhance guidance on sustainability for our suppliers in the terms and conditions, and we expect our suppliers' sustainable values to be aligned with ours.



Value chain engagement and supplier assessment

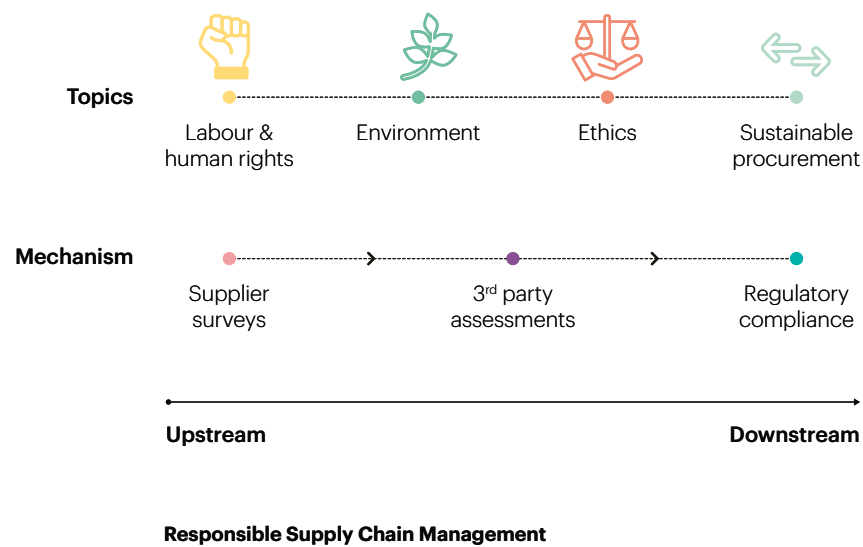
Engaging with our suppliers and stakeholders is integral to Motherson's sustainability journey. To underscore our commitment to promoting sustainability throughout our value chain, we have implemented initiatives such as utilising the EcoVadis rating system for our suppliers. In FY 2023-24, Motherson made significant progress in supplier sustainability risk assessments, evaluating more than 3600 of our suppliers.

We have integrated sustainability criteria into our supplier grading and selection processes. This ensures that environmental and social responsibility are key factors in evaluating and choosing suppliers, aligning with the company's commitment to sustainable business practices.



At Motherson, we are dedicated to fostering supplier collaboration on sustainability. To drive this initiative, we have so far conducted 16 successful webinars and seminars to create greater awareness and encourage our suppliers to engage in sustainability transparency and assessments. These webinars and seminars have seen the participation of suppliers representing approximately 70% of our direct material spend, which is significant progress.

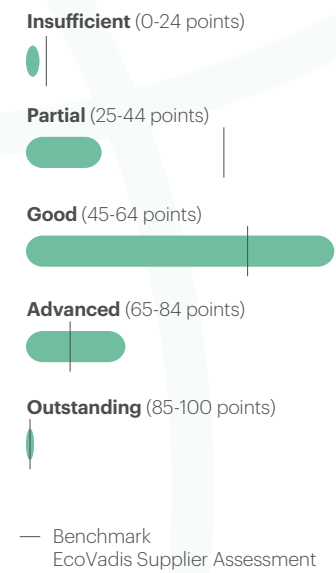
More than 3,600 of Motherson direct material spend suppliers have been assessed for supply chain sustainability risks.



External rating platform
In addition to the supplier sustainability risk assessment process, Motherson has proactively engaged and collaborated with 835 suppliers to evaluate their dedication to sustainable practices and transparency in reporting. More than 80% of these suppliers have enthusiastically responded to the assessment, achieving scores that surpass industry averages. This initiative underscores Motherson's commitment to fostering sustainability across our supply chain, ensuring that our partners uphold high standards of environmental and social responsibility.



Number of partners by Results classification



The suppliers were evaluated across four key sustainability themes:

- Environment:** This theme assesses the suppliers' practices related to environmental management, resource usage, pollution control, and climate change mitigation.
- Labour and human rights:** This area evaluates how suppliers manage labour practices, working conditions, human rights issues, and diversity and inclusion.
- Ethics:** This theme focuses on ethical practices, including anti-corruption measures, fair business practices, and responsible marketing.

Sustainable procurement: This category assesses how suppliers ensure the sustainability of their supply chains, including their policies on sourcing and supplier engagement.

The Sustainability Maturity Index highlights that 84.5% of our assessed partners are at a good or advanced level in sustainable practices. This demonstrates our suppliers' commitment to sustainability and reflects our collective progress toward a more responsible and sustainable supply chain.

We are prioritising engagement with suppliers where there is insufficient data in the EcoVadis rating process, aiming to gain comprehensive evaluations and improved ratings. Initiatives like our planned Supplier Sustainability Day and unified platform training will enhance collaboration and advance sustainability across our supply chain.



Motherson Sustainability.