



# Sustainability Report 2022-2023

Year **3/5** of  
our **2025** plan

**Edition 3**

Motherson  
Group



# Sustainability.

Last year marked a significant milestone for the Motherson group as we updated our vision for the first time since 1995. As part of this update, we added a strong commitment to sustainability: 'To be a globally preferred sustainable solutions provider.'

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. Over the past few years, we have navigated a complex landscape characterised by challenging geopolitical dynamics and global economic uncertainties. These circumstances have further catalysed our continued efforts towards sustainability. We remain resolute in our dedication to achieving our sustainability objectives in the areas of Planet, People, and Governance.

- Planet:** Preserving the planet, protecting our environment, and using resources responsibly.
- People:** Ensuring well-being and opportunity for all.
- Governance:** Fostering long-term growth in an ethical manner.



At the heart of everything we do is our commitment to being transparent about our environmental and social impact and accountable for the actions we take going forward. This approach demonstrates that we take our responsibilities seriously and builds trust with our stakeholders. Our sustainability initiatives are a vital part of this approach together with an unwavering commitment to create a positive impact, reduce our environmental footprint, create a more diverse and inclusive workplace, and uphold the highest standards of governance and ethics in all that we do.

Sustainability goes hand in hand with our ambition for growth and achieving our long-term goals.

#### Fortifying our commitment to Sustainability

At Motherson, we are firmly committed to embracing sustainable business practices and continuously improving our performance across the environmental, social, and governance (ESG) sustainability framework. To guide our efforts, we have aligned our ambitions, plans, and actions with the United Nations Sustainable Development Goals (SDGs).

Since 2021, Motherson has joined the United Nations Global Compact (UNGC), corporate responsibility initiative, and has committed to firmly uphold its principles by

integrating them into our sustainability policies and initiatives. This alignment allows us to contribute meaningfully to the UN's Sustainable Development Goals and ensure our actions align with internationally recognised standards. In 2022, our UNGC Communication on Progress achieved 'advanced level' status – a testament to our progress within sustainable development and further demonstrates our commitment to transparency and sustainability.

In 2022, Samvardhana Motherson International Limited has retained its inclusion in the Dow Jones Sustainability Index, reflecting our ongoing efforts to drive sustainability throughout our operations. In

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addition to these external recognitions, Motherson has also obtained various ISO certifications, demonstrating our adherence to internationally recognised standards.

We actively participate in many sustainability assessments and rating frameworks as required by our stakeholders, such as CDP and Eco Vadis, and we align ourselves with reporting standards wherever possible such as the Global Reporting Initiative (GRI). Moreover, we embrace the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and have integrated this into our global risk and opportunity management process.

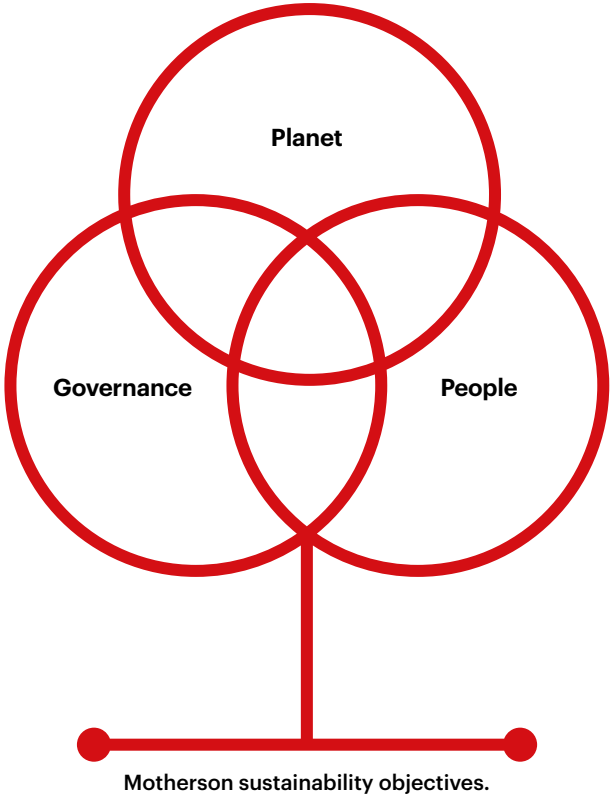


# Materiality framework

The foundation of our sustainability approach is the materiality framework we developed in 2021 (see the diagram on the following page).

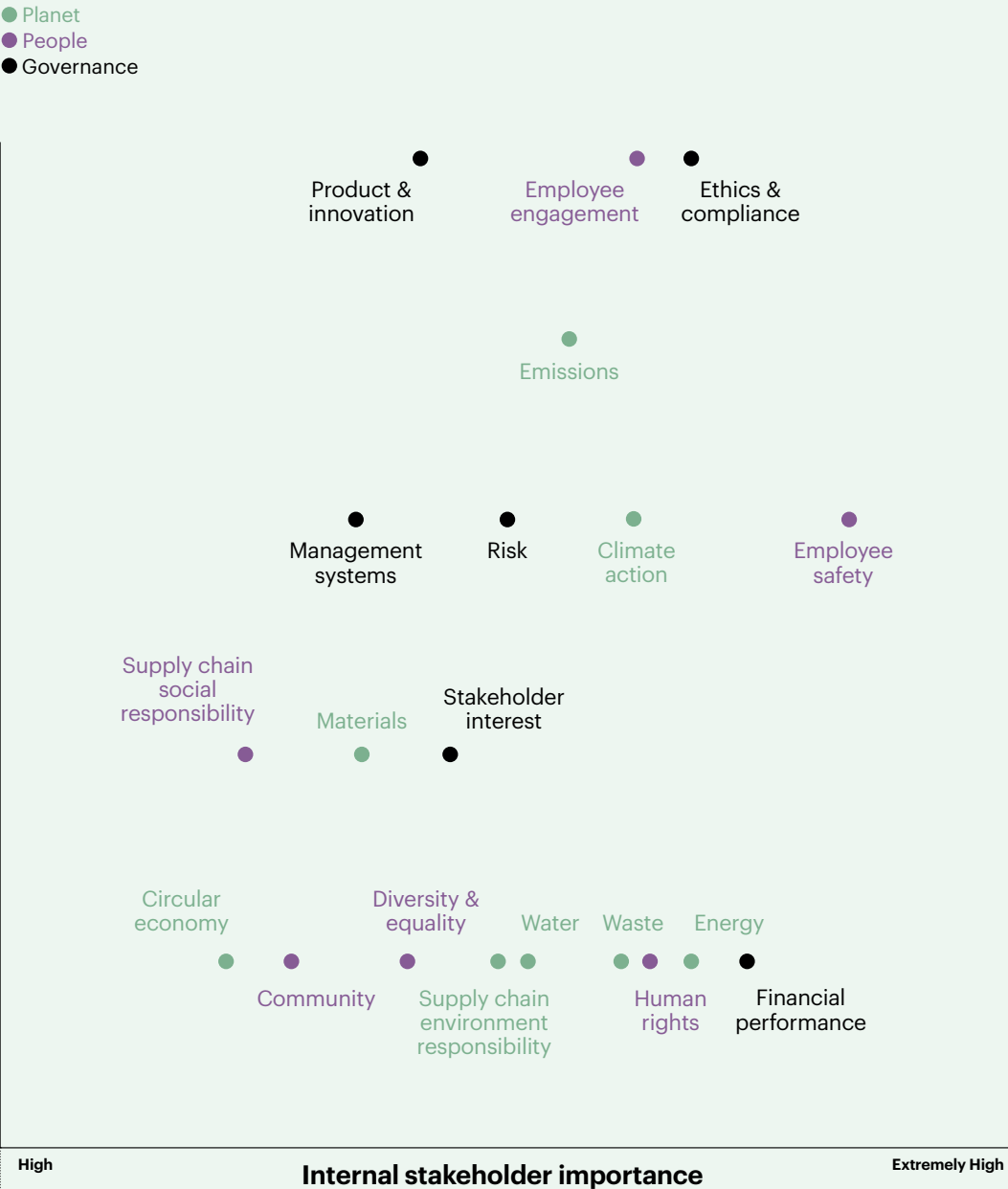
This framework serves as the foundation for our sustainability policies and practices, and its formulation was driven by valuable feedback from all our stakeholders, including employees, shareholders, customers, suppliers, and communities. By actively engaging with our stakeholders, we have identified the key priorities that shape our sustainability agenda. Each element within the materiality framework is colour-coded to indicate its alignment with one of our three focal areas: Planet, People, and Governance.

By establishing our sustainability approach on this robust materiality framework, we are confident that our actions are aligned with the needs and expectations of our stakeholders while addressing the most material issues for both our business and the broader society.



- Planet**  
**Preserving the planet.**
  - Environmental impact and climate change
  - Product, materials and technology
  - Responsible value chain
- People**  
**Ensuring well-being and opportunities for all.**
  - Human Rights
  - Diversity & Equality
  - Employee Safety
  - Employee Engagement
  - Community
- Governance**  
**Fostering long-term growth in an ethical way.**
  - Ethics & Compliance
  - Financial Performance
  - Risk & Management systems

## Materiality Matrix



# Overview of our progress

With respect to the “Planet” dimension, the most significant step forward has been establishing our ambition to be Carbon Net Zero across all our current global operations by 2040.

The challenge of pursuing such an important aim is generating extra momentum in our environmental initiatives, inspiring new developments such as integrating the principles of circular economy in our operations, transitioning to renewable and low carbon energy, improving our energy efficiency and implementing carbon offset programmes. As a result, we have established 2030 as a major review milestone of our progress towards ambition 2040.

People have been at the heart of Motherson since its founding, and we have grown our efforts to improve the lives of all those around us over this past year. We have made notable strides in fostering diversity and inclusion, bolstering employee welfare through various initiatives,

To delve deeper into our progress with respect to the “Planet”, please refer to the dedicated article on this topic on pg. 46-53.

For a comprehensive overview of our endeavours in the “People” domain, kindly refer to the dedicated article on page pg. 54-63.

Please see the “Governance” article on pg. 64-71 to read more about our progress in this area.

including training and development programmes, stringent health and safety standards, and employee-engagement activities. We continue to promote upholding human rights in all our operations and value chain. We have also continued to give back to our communities through various Citizenship initiatives in our focus areas of Livelihood and Community Development, Education, Health and Well-being and Environmental Sustainability.

Concerning Governance, we continuously evolve our frame - works with global developments, promoting core values such as transparency, honesty, and integrity.

In the past year, our primary focus has been strengthening our compliance processes with all local, national, and international laws and improving communication with our stakeholders. Embracing risk management as a catalyst for identifying opportunities has been a transformative shift in our perspective.

## Motherson’s first-ever Global Sustainability Summit 2023

Motherson’s first-ever Global Sustainability Summit 2023 was held in Morocco, Marrakesh. The event brought together participants, including experts, leaders and champions in sustainability from our different business divisions worldwide.

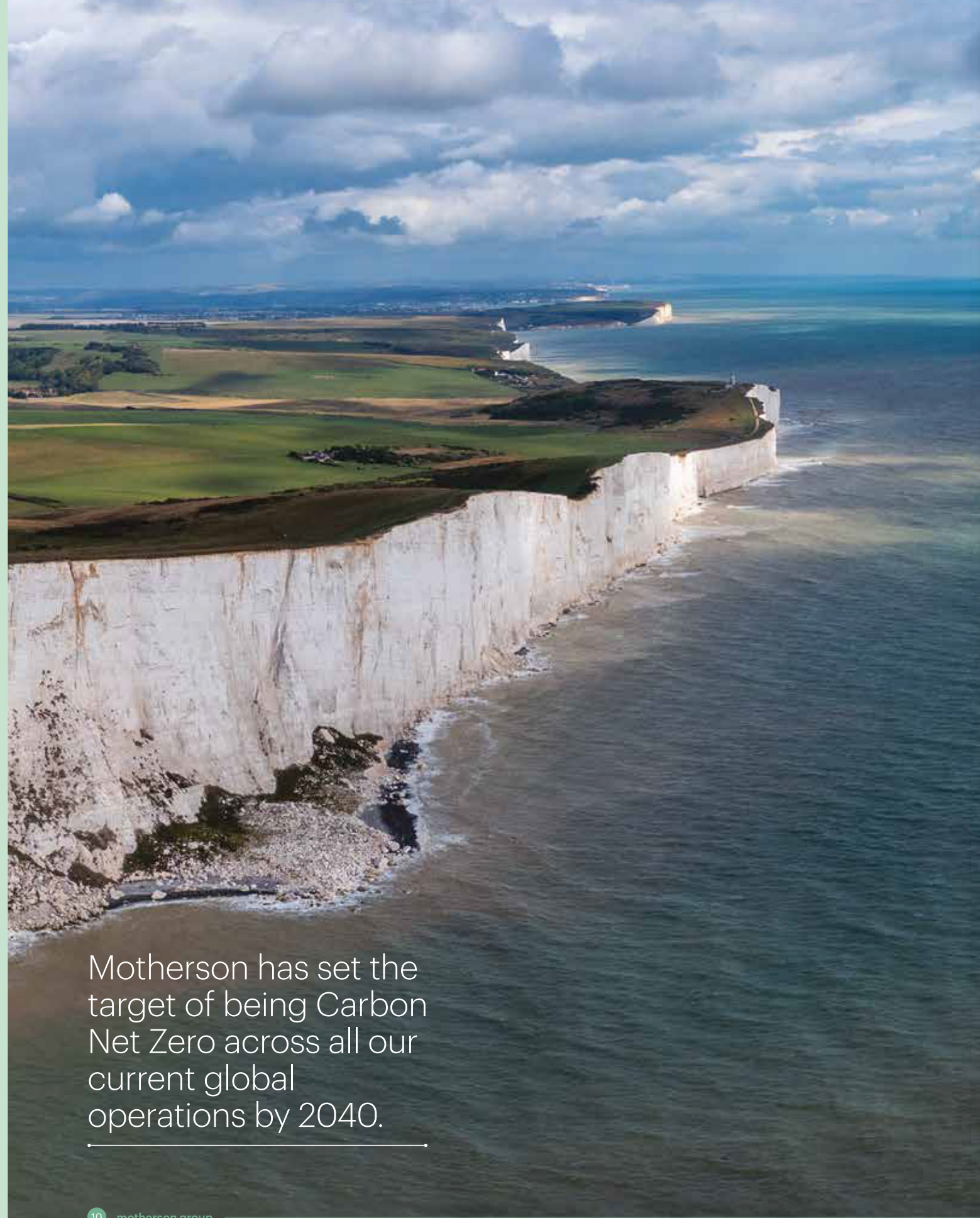
The Summit’s focus was ‘Embracing accountability, and transparency drives our ambition for sustainable growth.’ Discussions were centred around the way forward on stakeholder engagement, expectations, planet sustainability, people sustainability, and governance.

The Summit was a carbon-neutral event, aligning with our ambitious goal of becoming Carbon Net Zero across our current global operations by 2040. We offset the carbon emissions generated by participant travel and stay at the event through a verified offsetting project for a wind farm in India. In addition, we pledged our support to a citizenship initiative in Morocco, where the event was held, by donating to the High Atlas Foundation to build a clean drinking water system for rural communities on behalf of all participants. All materials for the summit event, including a sustainable initiatives expo, were donated to Maison d’Enfants Lalla Hasnaa. This association supports children in difficult situations.

We are excited to see the positive impact of the Summit on our business and the world.

We have established 2030 as a major review milestone of our progress towards the Carbon Net Zero ambition by 2040.





Motherson has set the target of being Carbon Net Zero across all our current global operations by 2040.

# Planet.

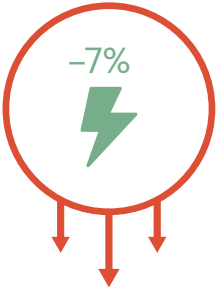
As a responsible global corporate citizen, at Motherson we fully recognise our obligation to make operations more sustainable and to do our part in preserving this great planet for future generations.

In FY23, we have made significant progress as we built momentum on our sustainability journey. In June 2022, at a meeting attended by more than 200 of the most senior managers from across the group, the chairman underlined the important update to our longstanding vision statement, making it our mission to be “a customers preferred sustainable solutions provider”, along with restating our commitment to support our customers with their targets while affirming our own group ambition.

Motherson has set the target of being Carbon Net Zero across all our current global operations by 2040.

Although this is a medium to long term ambition aligned with our stakeholders and originating from the Paris Climate Agreement objectives, in the short term, a number of global geopolitical developments and continuing headwinds have put significant pressure on companies worldwide. While managing these challenges can easily become a priority over longer-term sustainability goals, Motherson has not lost its focus on its environmental initiatives.

In FY 2022-23, we have seen an overall increase in revenue and in parallel our environmental data is showing improvements which we aim to be able to continue in the years ahead.



Energy intensity reduced by 7%

The following section provides an overview of our progress in the key areas that are of material environmental importance for Motherson: what we would refer to as ‘Planet sustainability’.

### Overview of our progress

#### Our roadmap for the journey towards Net Zero

Since setting our ambition of reaching Carbon Net Zero across our current global operations by 2040 we have been focussing on the ways to decrease direct Scope 1 and 2 emissions as per the Greenhouse Gas Protocol.

#### Energy

Over the last 12 months, there has been a significant increase in the level of awareness around our use of energy, the efficiency with which we use it, and the level of emissions associated with it. In FY 2022-23, we have seen an overall increase in revenue and in parallel our environmental data is showing improvements which we aim to continue in the years ahead.

Behind this initial progress are a number of strategic initiatives undertaken that should continue to deliver further year-on-year reductions in our energy intensity:

**Energy management:** The group has set the objective to achieve ISO 50001 certification (International standard for energy consumption improvement and efficiency) across our manufacturing units before 2030, and divisional implementation plans are being developed and deployed to achieve this. During FY23, five sites across the group have already been accredited to this standard.

**Energy site surveys:** With the initial help of external consultants, a number of sites in Europe and India, covering facilities in both Vision Systems and Modules and Polymer Products divisions, have now completed site energy surveys, and in each case, significant opportunities have been identified to save energy and improve costs. Implementation plans are being



internal communications platform designed to showcase best practices. Initiatives already shared range from changing ways of working, using newer, more efficient technologies in production processes, through to refurbishment of older machines with more energy efficient parts, and replacing older machines where necessary with the latest available equipment.

**Climate transition plans**

Across all our business divisions, climate transition plans are being developed at the operating unit level, which prioritise reductions in Scope 1 and 2 emissions. These plans help chart each site's progress towards decarbonisation. These plans are site and country-specific, taking into account both geographical and local factors, as well as stakeholders' requirements. When aggregated together across all sites within each division, these plans support the group's overall ambition of Net Zero by 2040. The main elements of such plans are energy and their associated emissions, and ultimately then identify the amount of residual emissions which will require carbon offsetting. The plans are dynamic in responding both to progress being made, as well as to any changing requirements from customers, and will continue to evolve. Furthermore, they will be expanded over the next two years to incorporate the major elements of emissions related to Scope 3 as well. These plans together form the basis of monitoring and driving our roadmap to support our stakeholders' requirements, and achieve Net Zero in 2040, with a major milestone review in 2030.

drawn up and additional surveys in other geographical centres where Motherson operates are being arranged.

**Self-assessment:** Alongside the consultants, each site survey event has been attended by multiple representatives from our operating divisions who have taken on the learning of measurement and assessment techniques. Through adopting a train-the-trainer methodology, we are growing the capability

to self-assess, enabling the dissemination of this knowledge to all operating units and increasing our rate of improvement.

**Best practice sharing and leveraging:** Energy saving initiatives are now shared across the group using an



**Water intensity reduced by 11%**

All sites have a role to play in this, not just the manufacturing units. Across Motherson, there are many purely administrative facilities or technical centres which do not have the same machinery energy intensity issues faced by a manufacturing site. Improvements can nonetheless be made and all sites, and transitioning the non-manufacturing facilities to net carbon neutrality at the earliest opportunity is also a clear objective we are working towards.

**Water**

Motherson recognises that water stress is becoming a significant issue. Whilst widely understood in India, it is less well understood in other parts of the world where we are present, but is undoubtedly a growing concern. Although we are currently not a heavy consumer of water in our operations, we recognise that water stress is a wider issue for the communities in which we operate and therefore we need to minimise our environmental footprint in this respect. We have therefore decided to work on water preservation initiatives, and progress is already being made in this respect, which is evident in our environmental operational data. Examples of initiatives undertaken so far range from adding simple aerators to washroom basin taps to collecting water condensation from cooling towers for use as irrigation water, to significant investment in water collection and treatment plants. As an overall group, we have decided to focus on implementing water preservation initiatives such as reducing consumption, and implementing harvesting solutions wherever feasible across our current global operations by 2030.



**Water preservation initiatives across all our current facilities by 2030.**

We aim to implement water preservation measures at all our facilities across our current global operations by 2030.

**Waste**

Across the world, the waste handling infrastructure in the countries in which we operate varies significantly, and historically, the manner in which we treat our waste at the site level has been aligned with local legislation and recycling capabilities. The focus on minimising waste is nothing new. Along with the segregation of residual waste that our sites generate, we aim for continuous improvement and sharing of best practices. For some commodities, such as copper, which has a significant resale value, we have always diligently monitored our waste generation and ensured that such waste is recycled. For other materials, such as plastics, or natural materials, the infrastructure to facilitate recycling is still developing. To reduce the amount of waste from packaging, both that we receive as well as use, initiatives are underway to review what can be achieved to eliminate single-use packaging or how pack density can be increased. Within the group, we have set up an internal centre of excellence for packaging to help the business divisions reassess and reduce their packaging needs. We continue to follow the principles of Reduce, Recover, Recycle, and Re-use, and wherever possible endeavour to dispose of our waste in a way that serves as an input to the circular economy.

**Product innovation**

We continue to drive innovation to meet our customers' needs for more sustainable product solutions. This can be in the form of developing light-weight products, increased use of recycled materials, or by creating products that create a positive environmental impact during their life cycle and enable end-of-life disassembly and recycling.

Whatever the challenge, the customer's technical specification must always be adhered to, and finding more sustainable alternatives to long-standing, well-established materials is an objective that requires cooperation throughout the value chain and is not easy to achieve.

That said, interesting developments are happening, and progress is being made. Many of our polymer suppliers now offer automotive approved resin grades with increased levels of recycled content within, but this can often come with a price premium. We have also achieved success in meeting OEM specifications with products that incorporate post-consumer waste, but challenges lie ahead in establishing a commercially viable, and reliable supply chain for these raw materials.

Motherson has made extensive progress during FY23 in compiling a library of knowledge across its manufacturing sites on Scope 1 and 2 operational emissions.

One such challenge set by a customer saw us successfully recycle workers' old overalls to recover the natural fibres, and then use these fibres as a biofiller in an injected moulded product. However, the requirements to create a stable and reliable supply chain for such feedstocks to support an active production program is currently a barrier to further implementation.

Product LCAs (Life Cycle Analysis)

A key element in understanding the benefit of any product development initiative is to understand how the product's environmental footprint compares to the preceding product and that it is developing in a positive direction to be more sustainable. This is done by calculating the LCA. A full and complete LCA for one of Motherson's products is extremely complex. The challenge faced by our customers when supplied with LCA numbers from any of their Tier 1 suppliers, has been to understand the basis of the calculations provided to them, and the assumptions that have to be made in the absence of sufficient product or material specific supporting data. This is a challenge that faces us all, in particular regarding Scope 3 emissions, so to facilitate better understanding and to set priorities, our customers have initially been asking just for very specific information on energy and materials. During FY23 we have started to see an increased level of customer focus towards the use of third-party software platforms to enable a more complete analysis and provide transparency of this information.



Life Cycle Analysis



Motherson has made extensive progress during FY23 in compiling a library of knowledge across its manufacturing sites on Scope 1 and 2 operational emissions and has an active dialogue with its key material suppliers to understand more accurately the inputs to our Scope 3 emissions. Motherson is committed to supporting our customers in providing the information that they require to make informed decisions and will work with them to improve the quality and transparency of data through FY24 and beyond.



Increased supplier evaluation

Supply chain management

Motherson has always proactively managed its supplier base around the key elements of quality, cost, delivery and financial stability, and during FY23, this management activity was extended to include sustainability.

Over 6,000 suppliers of direct materials have now been included in our Supplier Performance Evaluation System, and this engagement will further develop during FY24 to include risk assessment and due diligence as required by relevant legislation.

Our suppliers are key partners to support us, and in turn our customers, in the drive to reduce our carbon footprints to Net Zero and to maximise the opportunity for material circularity. All of our major polymer suppliers already have active established programmes to produce resin grades with recycled material and Motherson will continue to work with them and the OEMs to develop the right application technologies to maximise their potential for use. Beyond polymers, Motherson is also working with suppliers of other materials, such as natural fibre-based matting, where offcuts and spoilage would historically have gone to landfill or energy recovery, to find ways where this waste can be recovered and reused as primary production material again.

All of our major polymer suppliers already have active established programmes to produce resin grades with recycled materials.

Emissions

The energy crisis and resulting cost inflation and volatility we have seen in 2022 has restricted our ability to adopt greater levels of green energy tariffs. However, in the medium term the move to renewable electricity contracts remains a key building block in our climate transition towards Net Zero and will be readdressed once the energy market is seen to be stabilising again and the availability of commercially viable renewable and low carbon energy solutions improves.

Like most manufacturing companies, by far the largest element of Motherson's footprint is in Scope 3 emissions. The core business areas of creating wire harnesses, and of moulding plastics, are relatively easy to understand. But as a Tier 1 delivering finished assemblies to our customers, whether they be door cards, front end modules, or wire harnesses with electronic assemblies included, it means that we have a very significant spend on such sub-assemblies and bought in parts from third parties. In particular electronics and electrical related components form a high proportion of that spend, and these products have a carbon footprint CO<sub>2</sub>e per kg far higher than polymers or copper.

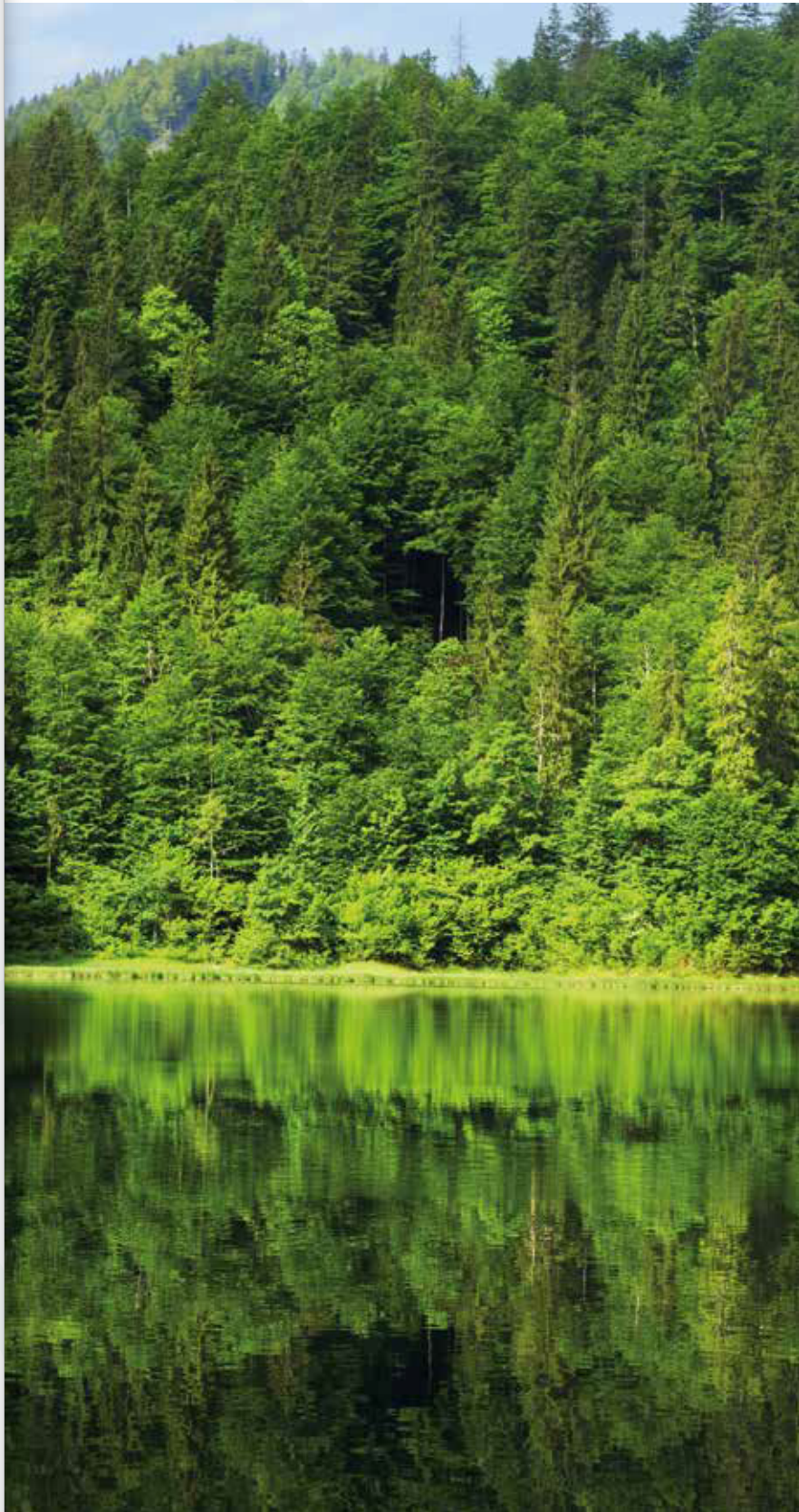
In addition to direct material spend, the two other key classifications within Scope 3 as prescribed by the GHG protocol that Motherson is initially focussed on are logistics and business travel. Extensive and accurate data is now collected for our logistics operations globally covering both inbound and outbound

transport, across air, sea, road and rail modes, combined with recording the number of air miles travelled for business trips, we are gaining higher confidence in the data regarding emissions in these categories. However, for the direct materials, we are using the spend based approach as per GHG protocol guidelines, along with Ecoinvent secondary data, to begin to understand the true size of our Scope 3 footprint overall.



Improved Scope 3 data collection

For the first time, Motherson has been able to make a calculated estimate of its Scope 3 emissions.



Increased biodiversity awareness

Biodiversity

Balancing our relationship with nature is becoming seen as increasingly important to create a sustainable world for future generations. Although Motherson's own operations may have a relatively low environmental impact from the size of their physical footprint, or low consumption of water, it is recognised that the value chain that we are part of has a much bigger role to play.

Across all of its global locations, Motherson sites are actively encouraged to work with local communities to support nature. Alongside activities such as tree planting, or caring for the local environment around our facilities, Motherson is also actively exploring what steps it may take at its own premises and as part of any future footprint expansion plans. This year a pilot project has been run at our European regional corporate (Chairman's) office, Germany (Bruchobel) where in addition to a living roof that has been there for some years, a wildflower meadow has been created in the garden area, and beehives installed onto the site. At our South Asia regional corporate (Chairman's) office, India (Noida) and following an earlier trial at our South East-Asia regional corporate (Chairman's) office, Australia (Melbourne), we have now installed composting bins to efficiently recycle organic material back into compost.

Looking ahead to FY24, we will continue to review what opportunities we have at our operational sites, and all future building refurbishments and developments will have the lens of sustainability much more closely applied to the proposed designs and construction techniques.

# People.

Taking care of our people and the communities in which we work has always been a top priority for Motherson. We endeavour to provide sustainable development opportunities for our people, fostering a supportive environment where they can thrive and reach their full potential. We also strive to uplift and support the communities where we are present.

We recognise that our success as a company is intertwined with the growth and well-being of our people, creating a symbiotic relationship where their development enables our own.

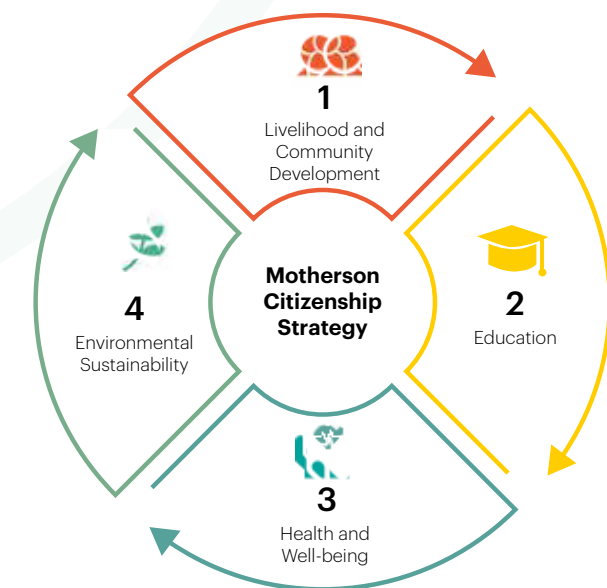
We are committed to upholding human rights, embracing diversity, fostering an inclusive culture, and providing equal opportunities for professional development and career growth to ensure our people thrive. We actively promote employee engagement, seeking their input and valuing their perspectives to drive our collective success.

Health and safety are paramount to us, extending to our employees and the communities in which we operate. We have robust policies and practices in place to ensure the well-being of all our people, prioritising their safety and creating a secure working environment. As we reflect on our progress, we highlight our achievements in diversity and inclusion, employee engagement, and social outreach.

In addition to our focus on the people of Motherson, we are equally committed to positively impacting the communities in

which we operate. We engage in social outreach programmes tailored to address the specific needs of these communities and strive to make a lasting difference through our global citizenship initiatives, which are focussed on education, healthcare, environmental conservation, and other social causes.

We cultivate an environment that enables all our employees to thrive and grow.



We understand that our sustainability journey is ongoing, so we remain committed to evolving and adapting to meet new challenges while upholding our core values and driving positive change for our people and their communities.

### Prioritising safety and employee well-being

Motherson is steadfast in our dedication to ensuring a safe working environment for our people across all our facilities globally.

### Safety

We conduct regular internal audits to ensure compliance with all safety standards, identify potential hazards or improvement areas, and immediately address any concerns raised.

Motherson invests in comprehensive training programmes to equip employees with the necessary knowledge and skills to work safely, such as induction training for new

employees, regular refresher courses, and specialised training for specific tasks or equipment.

Further, Motherson has robust incident reporting and investigation procedures in place. We encourage employees to report any safety concerns or incidents promptly, ensuring that thorough investigations are conducted, and appropriate actions are taken to prevent future occurrences.

We maintain an uncompromising commitment to the highest safety standards and have zero tolerance for any actions or conditions that do not meet these standards.



### Well-being

At Motherson, we are very aware of the need to address the holistic well-being of our employees. We are, therefore, launching various initiatives that encompass mental health and well-being to complement our work in career development, and employee engagement, creating a comprehensive approach to caring for our people. Globally, this will continue to raise awareness, reduce stigma, and provide support through employee assistance programmes (EAPs), counselling services, stress management workshops, and flexible work arrangements where possible to support work-life balance.

### Employee engagement

This is essential in creating a feeling of belonging and promoting job satisfaction and overall well-being while improving productivity. We have implemented strategies



chapter 11 sustainability

and continually seek new initiatives to promote a positive and inclusive work environment where employees feel valued and motivated. This includes regular communication channels, feedback mechanisms,

recognition programmes, team-building activities, and opportunities for employees to contribute to decision-making processes.

Furthermore, a global working group has been set up to standardise and optimise how we conduct engagement surveys with our people and consistently follow up on any issues raised through this process.

To facilitate the well-being and connectedness of our employees, in 2022-23, we introduced MothersonOne, a common global communications and employee interaction digital platform that is progressively being rolled out to all the people of Motherson and is already reaching **approximately 45% coverage in the first 6 months since its launch**. This serves as a centralised hub, connecting all members of the Motherson family globally. Employees can access various features and tools through the platform to enhance their organisational experience. These include HR surveys, daily task management tools, communication channels, and polls, allowing for efficient and effective collaboration and communication. Additionally, the Motherson Way section of the platform provides a dedicated space for sharing significant anniversaries and recognition, enabling employees to reach out and support one another on a global scale.





### Training and development

At Motherson, we recognise that our employees' personal and professional development is crucial for their growth and driving our overall success. We offer a range of programmes and initiatives designed to support our employees as they pursue their goals and aspirations.

Motherson is committed to fostering a culture where the opportunity for learning and development is available to all. We provide various ways for employees to enhance their skills, acquire new knowledge, and advance their careers, such as subject focus and diverse training programmes, workshops, mentorship initiatives, overall leadership development programmes, and access to online learning platforms. We understand that feedback is

essential to development; therefore, we believe in a culture of openness, regular dialogue on performance, and enabling our team members to improve and achieve growth and career development continuously.

As part of the sustainability vision for our people, Motherson is also implementing initiatives that address succession planning, support upward mobility within the group, provide leadership preparation for our employees, and career planning. Through these and many such opportunities for personal and professional development, we contribute to their success and drive the sustainable growth of Motherson as a whole.

### Diversity and inclusion – equal opportunity for all

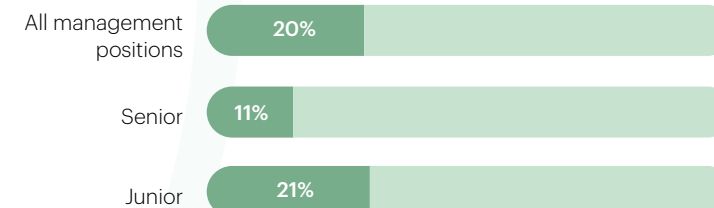
Motherson is dedicated to fostering and nurturing diversity and inclusivity across its operations and providing equal opportunity for all. Our company strives to create an inclusive environment where differences are celebrated, and our business practices are free from bias and discrimination. Our Inclusion and Diversity Policy reflects this commitment, establishing a “Zero Tolerance” approach to workplace discrimination.

At Motherson, we are firmly committed to maintaining a culture that welcomes individuals from diverse backgrounds, ethnicities, and genders that actively supports and encourages their professional development. This commitment

aligns us with the United Nations Global Compact (UNGC) principles. We continuously strive to ensure equal opportunities are provided for all employees. Our inclusive work environment is guided by fairness, respect, and open communication, enabling us to leverage each individual's unique strengths and talents.

We are introducing new strategies and initiatives for increasing gender equity at Motherson, starting with gender awareness and unconscious-bias training.

### Women in management



In science, technology, engineering, and mathematics (STEM), we are committed to empowering women with the plan to establish a global scholarship fund for women. The objective is for Motherson to be viewed as an employer of choice, presenting career opportunities for women in this area and enabling the significant value that can be brought to the group.

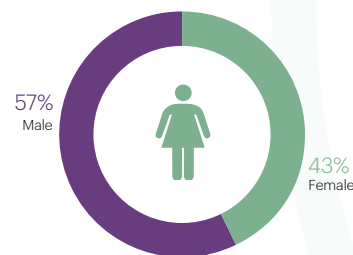
Permanent employees



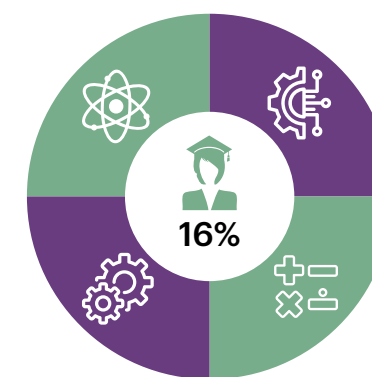
Permanent workers



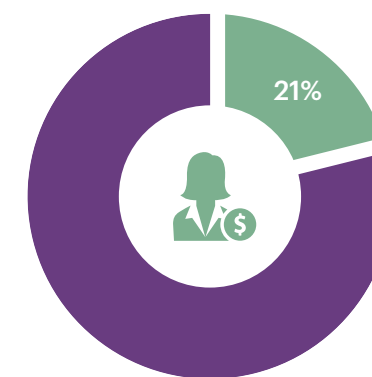
Share of women in total workspace

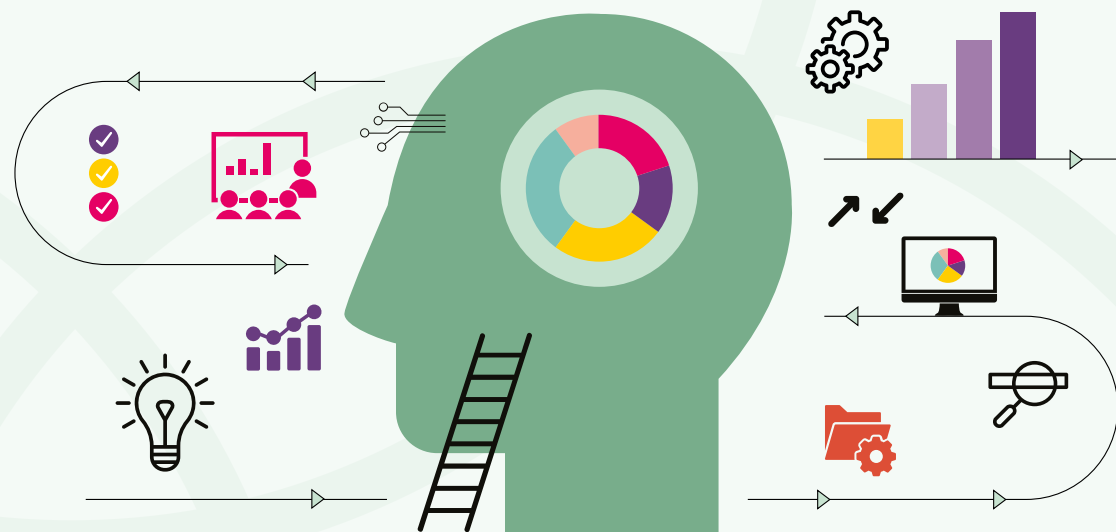


Women participation in STEM



Women in revenue generating functions





Initiated in Europe, followed by a progressive roll out to other regions'

\*There was no programme in FY 2021 due to the coronavirus outbreak.

Motherson is committed to fostering a culture where the opportunity for learning and development is available to all. We offer a range of programmes to support our employees as they pursue their goals and aspirations.



### Protecting human rights

Motherson has consistently prioritised protecting and promoting human rights as a fundamental aspect of our business.

### Commitment to compliance

Motherson is steadfastly committed to upholding human rights in all geographies we operate. We are committed to complying with all local, national, and international human rights laws and the principles outlined in the United Nations Global Compact. We also work towards fostering awareness and engagement throughout our value chain.

### Monitoring our value chain

Beyond our facilities, we actively engage with our suppliers to ensure human rights are respected throughout our entire value chain. Through ongoing dialogues, we establish a mutual understanding with our suppliers to set standards in line with Motherson's human rights expectations. We also conduct regular audits of our suppliers to evaluate compliance with our internal policies and expectations and all relevant laws and regulations.

### Raising awareness

Education and open communication channels are critical components in our approach to upholding human rights. Numerous awareness campaigns conducted across the group aim to empower employees with knowledge about their rights and the international laws, regulations, and guidelines surrounding human rights. This equips employees to align their conduct with internal and external expectations, identify potential violations, and address human rights concerns promptly.

### Open channels for reporting

At all our global facilities, we have established open channels for employees to safely report any concerns related to human rights violations. We are dedicated to promptly addressing and devising solutions for all issues raised. This commitment ensures that employees feel empowered to contribute to a culture of respect for human rights within our organisation.



\*Proportion of total spend

### Global Citizenship – Reaching out to our communities

Motherson understands the invaluable role played by the communities where we operate. As part of our commitment to being a responsible corporate citizen, we actively engage in community-outreach programmes as part of our overall global citizenship policy to bring about positive change and improve the lives of individuals.

Aligned with our mission statement, “To set new standards in good corporate citizenship by helping to improve the livelihood of communities we are a part of and society at large, focussing on their prosperity and well-being to ensure inclusive, long-term development for all”, our community-outreach efforts are tailored to address the specific needs and challenges faced by each local community where we operate.

### Addressing livelihood and community development

We believe in empowering communities by supporting projects that uplift the underserved, contribute to employment opportunities, and foster overall community development. By focussing on livelihood enhancement, we aim to create sustainable change and improve the quality of life for community members.

### Promoting education

Education is a crucial pillar of our community outreach initiatives. We actively support programmes and projects that enhance literacy rates, provide access to quality education, and promote skill development. Through these efforts, we aim to empower individuals and unlock their potential for a brighter future.

### Ensuring health and well-being

The well-being of community members is a priority for us. We engage in initiatives that promote access to healthcare, raise awareness about preventive measures, and support programmes addressing critical health

We actively engage in community-outreach programmes as part of our overall Global Citizenship Policy to bring about positive change and improve the lives of individuals.

motherson

## Global Citizenship Report

2022-2023



Proud to be part of samvardhana motherson

issues. By investing in health and well-being, we contribute to the overall development of communities.

### Environmental sustainability

Recognising the importance of environmental stewardship, we integrate sustainable practices into our community-outreach initiatives. We support projects that promote environmental conservation, energy efficiency, waste management, and renewable energy. We aim to contribute to a greener future for communities and future generations.

### Collaboration and continuous improvement

To ensure the success of our community outreach programmes, we actively collaborate with local stakeholders, NGOs, and government bodies. By leveraging partnerships, we maximise our impact and drive sustainable change.



By being accountable, transparent, and having the ambition to make a positive impact, we are strengthening our ability to give back and develop a better future for all.

For more information on our Citizenship Initiatives and their alignment with UN SDGs, read our Global Citizenship Report 2022-23 on [www.motherson.com](http://www.motherson.com). As responsible corporate citizens, we are even more excited about future progress.

### Conclusion

People have always been at the heart of Motherson, from our employees and their families, to our customers and the members of the communities where we have our footprint. The growth of the Motherson family means more opportunities to improve lives across the globe, and by being accountable, transparent, and having the ambition to make a positive impact, we are strengthening our ability to give back and help develop a better future for all.

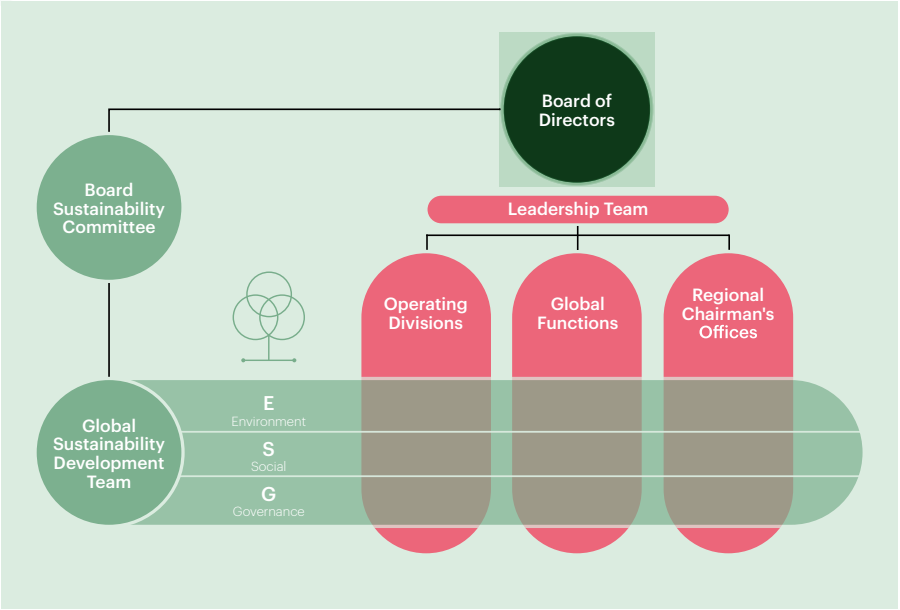
# Governance.

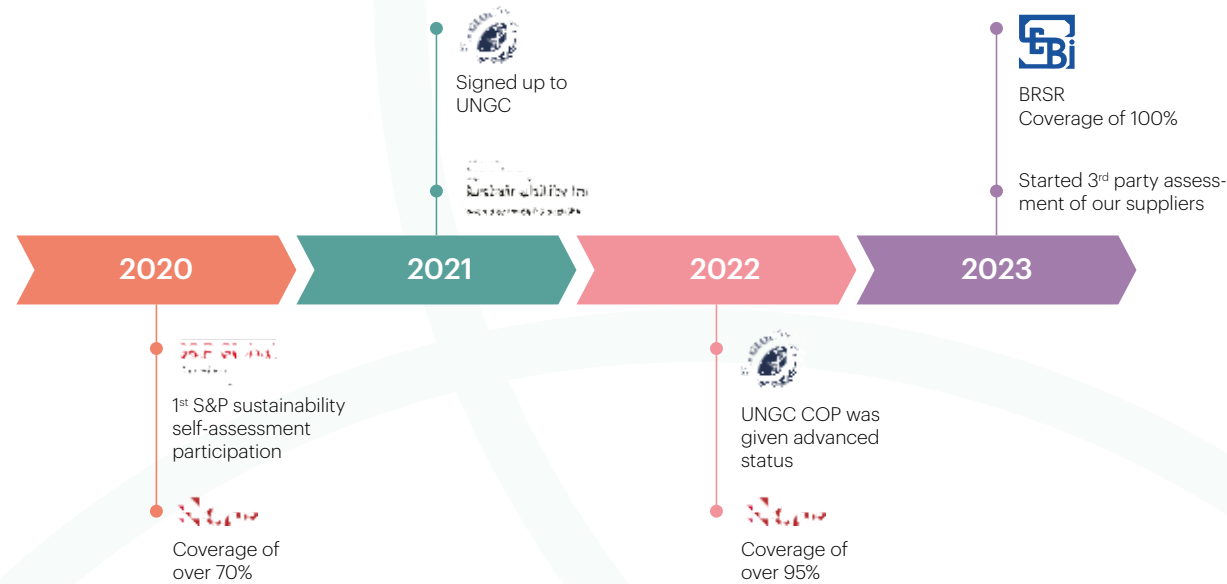
At Motherson, governance is the foundation on which all our sustainability actions are built. We seek to continuously evolve our governance structure and practices to meet the changing needs of the industries in which we work and society in general.

Motherson has evolved from conventional governance to sustainable governance, maintaining compliance with regulatory changes and a consolidated view of all key issues at a group level. However, a rapidly changing world requires a focus on transformational governance, where we can adapt to the needs and be a part of the solution to the challenges facing us all.

Our governance organisational structure is designed to support the continuous development of sustainability. The board of directors comprises individuals with diverse expertise and backgrounds who oversee the company's strategy with a sub-committee of the board dedicated to sustainability.

The global leadership team for the group has been enhanced with the appointment from within Motherson of a chief sustainability officer responsible for the group's sustainability strategy development, objectives, and ambitions. Interacting regularly with the sub-committee of the board for sustainability-related decision-making ensures alignment and integration with the overall business objectives.





This section explores the various governance parameters that underpin Motherson's sustainability strategy and practices. It emphasises the company's commitment to integrating all aspects of sustainability across the entire enterprise, ensuring transparency, accountability, inclusivity, and ethical conduct.

Our governance framework is based on three key areas that are materially important and go hand in hand with the group's financial performance while fostering sustainability throughout the organisation: Ethics and compliance, risk and opportunity management, and efficient management systems.

**Ethics and compliance**

Motherson maintains high ethical standards through a comprehensive code of conduct, global policies, and principles statements. Employees are provided with training and awareness programmes to uphold these principles, and through our structure of regional corporate (Chairman's) offices, we are able to oversee compliance and follow a redressal mechanism for any complaints or issues raised. Whistleblower

protection mechanisms are in place to encourage reporting of any potentially unethical practices, ensuring a culture of integrity throughout the organisation.

We demonstrate **transparency** through comprehensive sustainability reporting and disclosure practices. The company actively engages with stakeholders and communicates sustainability efforts with clear transparency and accountability.

Transparent communication with all our stakeholders is a priority for us. To that end, we are actively engaged in various reporting frameworks, whether for our customers, our investors, regulators or because we have chosen to adopt and live by the principles of international standards, such as the United Nations Global Compact, and the associated Communication on Progress.

In 2021, Motherson joined the United Nations Global Compact (UNGC). As a signatory, we officially



commit to uphold the Ten Principles pertaining to human rights, labour rights, environment and anti-corruption. As part of our commitment we are accountable to monitor, measure, and share our progress via the UNGC's annual Communication on Progress (CoP). Please read our UNGC's annual Communication on Progress (CoP) on [www.motherson.com](http://www.motherson.com).

Such transparency helps inform all our stakeholders where we stand



in our journey toward greater sustainability and builds trust with all those whose lives we touch, which is critical for the success of our business.

The Motherson Code of Conduct further supports our commitment to openness, a broad foundation of ethical and behavioural expectations for all employees containing several transparency and accountability principles and referencing global policies. Policies referenced within the sustainability section of this report can be viewed at [www.motherson.com/company/group-policies](http://www.motherson.com/company/group-policies).

Motherson maintains a **zero-tolerance policy towards corruption**. The company has

implemented anti-corruption policies and procedures, including anti-bribery controls and due diligence processes. Mechanisms for preventing and detecting corruption are in place, and reports are thoroughly investigated to ensure compliance with anti-corruption regulations.

One of the group's priority areas is **data privacy and information security**. The company adheres to data privacy policies and regulatory requirements, implementing robust information security controls. Stakeholder data is protected through strict protocols and measures to safeguard confidentiality and integrity. An extension of this aspect is the protection of our intellectual property. The company has robust

intellectual property policies and management practices in place. Patent filings and protection strategies safeguard innovations, and Motherson actively defends its intellectual property rights when necessary.

Motherson maintains compliance with sustainability regulations, tracking changes and ensuring timely adherence. The company engages with regulatory authorities and industry associations to stay informed and prepared for upcoming regulations and incorporate best practices. Adherence to industry standards and certifications demonstrates Motherson's commitment to regulatory compliance.

Motherson maintains a **responsible supply chain** through a supplier code of conduct and due diligence processes. Supplier performance regarding sustainability criteria is now monitored and impacts supplier selection decision-making, with regular audits to ensure adherence to sustainability standards. Collaboration with suppliers promotes sustainable supply chains.

### Risk and opportunity management

Internal audits and continuous improvement efforts strengthen sustainability governance, supported by crisis management procedures to enhance resilience. The risk management approach at Motherson acknowledges that risks bring opportunities and leverages a materiality framework to identify key sustainability issues and associated risks and opportunities.

In FY 2021-22, Motherson conducted a materiality assessment and identified the most salient issues for the group based on input from key stakeholders across all business divisions, resulting in a materiality matrix that provides us with an opportunity to analyse risks and opportunities associated with sustainable development. We will conduct another stakeholder engagement and materiality assessment in October 2023 to update this matrix and evaluate our current position in our sustainability journey.

Motherson implemented a robust risk management framework integrating the assessment and mitigation actions for environmental, social, and governance risks. This has now evolved to view each topic material to the business in the context of both a potential risk and opportunity. A central risk register is maintained with ESG criteria incorporated, and then each operating unit conducts a self-assessment, which is subsequently reviewed at an operating division level and then at a consolidated group level.

The risk register includes ESG-related factors and inputs from the group materiality assessment process, the UN SDGs, stakeholder engagement and the climate-related issues identified from the Task Force on Climate-Related Financial Disclosures (TCFD) review process.

More information on this topic can be found in the BRSR section of this annual report.

By being proactive in our approach to risk and opportunity management, we can minimise the impact of future challenges on our operations and continue to deliver value to our stakeholders. Moreover, we can discover new avenues for innovation and improvement in our operations. The right approach to risk and opportunity management will enable us to determine the best strategies for achieving our sustainability aims. It will pave the road toward sustainable growth.

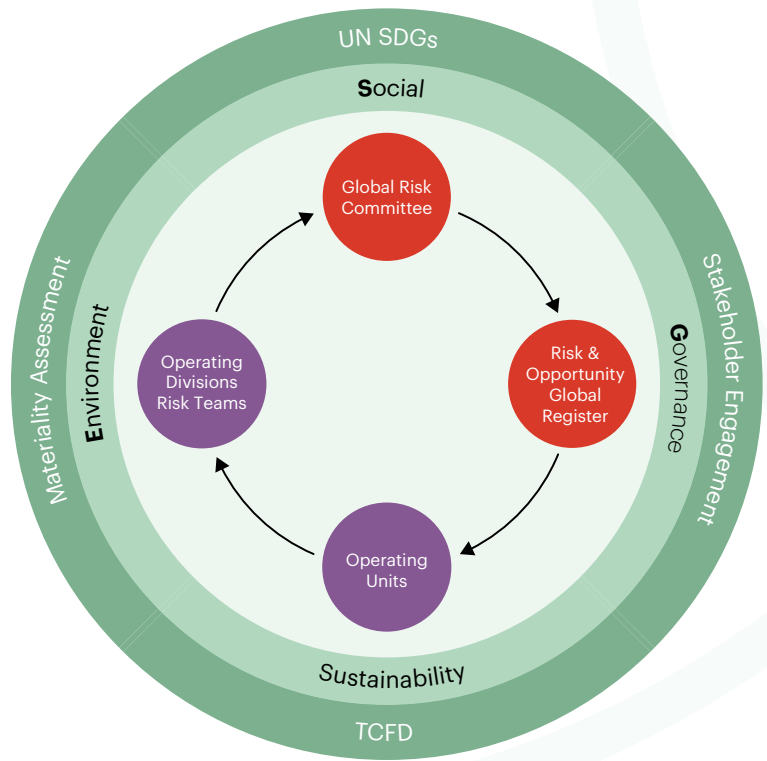
### Case Study

In order to ensure comprehensive sustainability practices across its supply chain, the company has taken a proactive step by contracting the services of Eco Vadis, a renowned and universal sustainability-ratings provider. This strategic decision aims to conduct a thorough supply-chain risk assessment at Motherson, specifically targeting our top 6,000 suppliers.

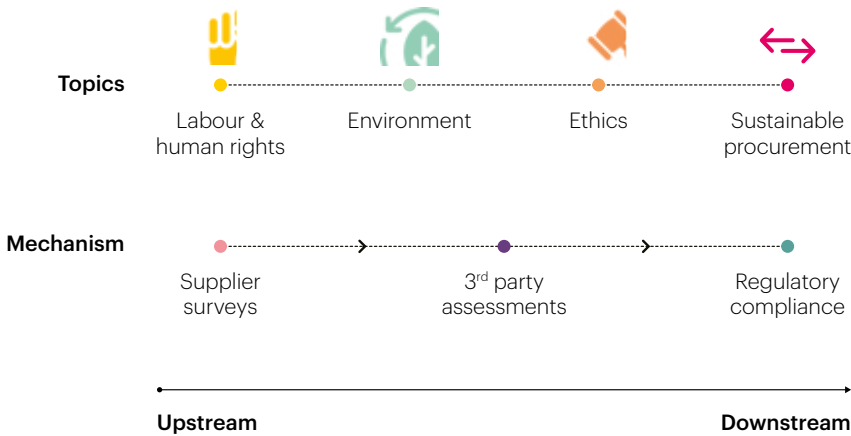
By engaging Eco Vadis, the company demonstrates its commitment to responsible sourcing and sustainable business practices. The decision to assess the top 6,000 suppliers indicates the company's recognition of the critical role that suppliers play in shaping its overall sustainability performance. By focussing on these key suppliers, the company can effectively target and address potential sustainability risks and opportunities in its supply chain, allowing for better-informed decision-making and risk mitigation strategies.

### Overview of our progress

Among the significant recent developments in our governance is the incorporation of due-diligence management practices within our supply chain to enable compliance with new sustainability regulations and standards throughout all our



**Risk and Opportunity Management Strategy**



### Responsible Supply Chain Management

facilities. To strengthen accountability, we have established clear sustainability-related policies for the group and have made them available to the public. We have also developed a sound framework for determining how our operations can be integrated to facilitate the implementation of consistent and well-structured governance practices. These measures form part of the foundation of our long-term perspective on sustainability, a vision that extends well beyond the next five years. We will be guided on this journey by our Global Leadership Team, a group of professionals from across Motherson who will provide direction and leadership and manage the deployment of all sustainability-related strategies and initiatives.

We are also pursuing third-party assessment and assurance for group-level carbon footprint reporting. Motherson is in the process of adopting international sustainability reporting standards such as the Task Force on Climate-Related Financial Disclosures (TCFD) and the upcoming Task Force on Nature-Related Financial Disclosures (TNFD), as well as affiliating



with key external frameworks and organisations. We also plan to comply with new regulations, such as the EU Corporate Sustainability Reporting Directive (CSRD), which comes into effect in parts of Europe by 2024.

**Standards, accreditation, and assurance:**  
**Aligned with all significant governance frameworks**

Motherson adopts recognised sustainability standards and frameworks to guide its practices. External assurance and verification processes provide credibility to sustainability disclosures. Recognitions and certifications further validate Motherson's sustainability efforts.

Motherson voluntarily published the Business Responsibility and Sustainability Report (BRSR) for the fiscal year 2021-22 to further enhance disclosure practices and stakeholder relationships. The BRSR reporting framework promotes consistency, transparency, and better decision-making regarding sustainability issues. It also leads to the development of new and improved policies.

Additionally, Motherson is preparing to implement the Corporate Sustainability Reporting Directive (CSRD) in certain parts of Europe. This directive focusses on due diligence and supply-chain measures to enhance sustainability practices.

Overall, Motherson actively engages in various sustainability initiatives and frameworks to measure, improve, and report its sustainability efforts while promoting transparency and accountability.

Motherson is preparing to implement the Corporate Sustainability Reporting Directive (CSRD).

**Coordinating our efforts**

With facilities in 41 countries across the globe, the success of our sustainability effort largely hinges on coordination and cooperation across the group. Our Sustainability Development Team is aided by a network of Sustainability Champions from our operating divisions, the regional corporate (Chairman's) offices (RCOs), and other key leaders to ensure our philosophies, values, aims, and expectations are upheld in all our

units. Additionally, a Sustainability Intelligence System (SIS) has been developed within the group to serve as a hub for all sustainability-related material, including collating sustainability metrics from other Motherson data recording systems. This centralised organisation system lays a solid foundation for long-term progress toward our sustainability goals.



**Our ambitions**

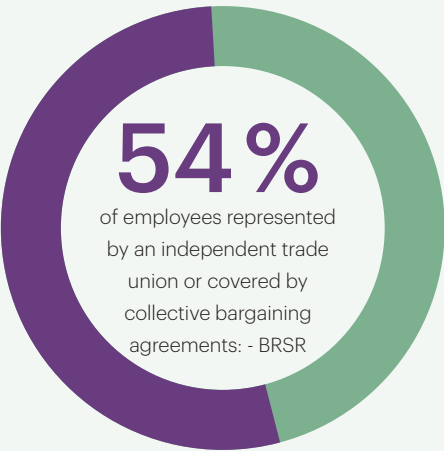
One of our main aims for the near future is transforming our overall approach to risk management by reframing it, both in theory and practice as 'Risk and Opportunity'. We believe that the best means of achieving our ambitious goals for innovation and growth is not just mitigating risk, but actively embracing it and the opportunities it yields. At Motherson, our goal is to thrive and make a difference in all circumstances, reflected in the shift in mindset embodied in 'Risk and Opportunity'.

Another important upcoming project is the complete integration of TCFD and TNFD, followed by improvements to our due-diligence process in alignment with forthcoming regulations. We also have concrete plans for implementing a tracking mechanism for policy review and deployment, providing oversight that will help ensure that our

sustainability policies are effectively communicated and observed across the group.

In addition, there are plans to codify our management objectives to reinforce internal accountability and strengthen our leadership, which becomes increasingly important as we grow. Finally, we are eager to begin the process of adopting transformational governance.

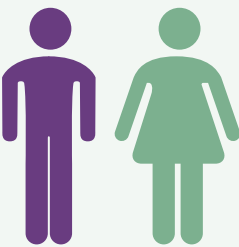
01 Diversity and inclusion



02 Training



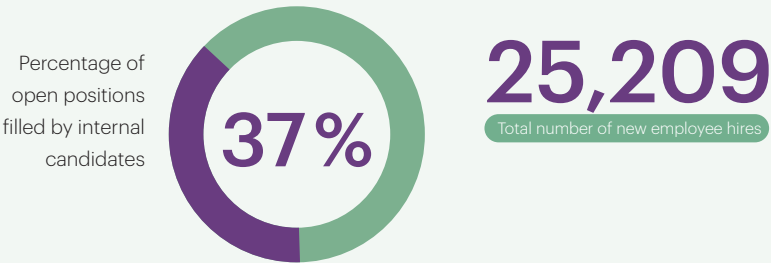
03 Employee Development Programs



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

In CY 2022, more than 4031 improvement projects were completed by the 1599 quality circle teams.

04 Hiring



05 Performance appraisal programme

- “Performance Management: Covered by Objectives” appraisal programme is centred around setting and evaluating individual employee objectives.
- These objectives are aligned with the organization’s strategic goals, allowing employees to see how their individual efforts contribute to the broader mission.
- Reporting Managers provide regular feedback, monitor progress, and assess performance.
- Performance Management is done through Multidimensional Performance Appraisal wherein we evaluate employees on a range of competencies, skills, and behaviours that are relevant to their role and the organization.

This approach helps ensure that employees are focused on tasks that align with organizational priorities, promoting accountability

06 Turnover



Our Vision:  
**To be a globally preferred sustainable solutions provider.**



Mother's Sustainability.