



SUSTAINABILITY POLICY

MOTHERSON SUMI WIRING INDIA LIMITED

Adopted by the Board of Directors on January 28, 2022

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Version 01

MOTHERSON GROUP'S SUSTAINABILITY POLICY

1. Mission statement / Purpose

MotherSON's vision is to be a globally preferred solutions provider. In our endeavour to achieve the said vision, MotherSON wishes **to set new standards in good corporate citizenship, by helping to improve the livelihood of communities we are a part of and society at large, focusing on their prosperity and well-being to ensure inclusive, long-term sustainable social growth and development for all.** "MotherSON" or ("MotherSON Group") includes all the direct and indirect subsidiaries, associate companies, group companies, partnerships and joint ventures of Samvardhana MotherSON International Limited and MotherSON Sumi Wiring India Limited.

The United Nations Global Compact ("UNGC") is a non-binding United Nations pact to encourage businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. UNGC provides a principle based framework for businesses, stating ten principles for human rights, labor, environment and anti-corruption.

UNGC has also developed 17 Sustainable Development Goals (SDGs) for achieving transformational change by 2030. The SDGs deal with no poverty, zero hunger, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry innovation and infrastructure, reduced inequalities, sustainable cities and communities, responsible consumption and production, climate action, life below water, life on land, peace and justice strong institutions and partnerships for the goals.

For the purposes of incorporating the SDGs into MotherSON strategies, policies, procedures and establishing a culture of integrity, MotherSON has framed this sustainability policy ("**Policy**") with following objectives to:

- (a) be committed towards sustainability and progress to its employees, investors, customers, peers, partners, suppliers and all stakeholders on UNGC platform. It will promote an action on sustainability within the Group.
- (b) increase trust from all stakeholders and from an employer branding perspective to the prospective talent by demonstrating MotherSON's commitment to sustainability.

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- (c) establish universal principles of sustainability within Motherson that are not specific to any one industry forming part of its platform for growth and diversification in the group.

The purpose of this Policy is to show with transparency to all our stakeholders the way Motherson proposes to contribute to the community by supporting the SDGs.

2. Scope

This Policy applies to all Motherson Group companies. It serves as a guide to all Motherson entities to understand the scope of work in terms of SDG.

3. Ethics and Compliance

Motherson Group companies and their employees are committed to conducting their business affairs with honesty, integrity and in full compliance with all applicable laws.

When dealing with SDG activities, Motherson Group companies and employees are expected to comply with local legislation, international recommendations and standards as well as group-wide and company-specific internal guidelines such as values, policies, guidelines, processes and operating procedures.

As per the code of conduct and not only limited to SDG, Motherson does not support any political party of any jurisdiction and does not have any political affiliation. Therefore, no funds or assets of the group shall be used to aid any such national, state or local political parties or committees or affiliations.

Donations to charity and other monetary participation are to be made with discretion and prior approval. Dealings with SDG related stakeholders and partners are subject to the requirement of high ethical principles and all decisions must withstand public scrutiny.

4. Our Approach to UN Sustainable Development Goals (SDGs)

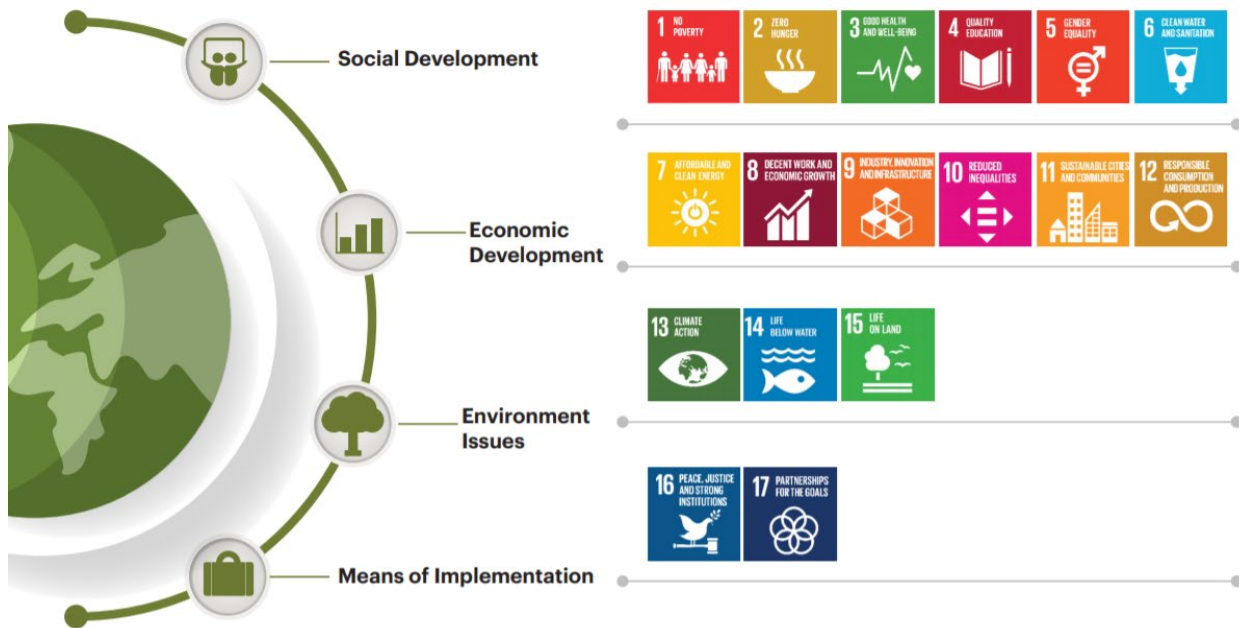
Through these initiatives, we intend to have a measurable positive impact on society. We aim to contribute to the SDGs by encouraging our entities to have a

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defined purpose for all activities that contribute towards them. Only by having a purpose and target, we can make a change and have a real impact on society.

SDGs were established in 2015 as part of the new Sustainable Development Agenda 2030, which comprises 169 Targets and 230 indicators and needs to be achieved by 2030. The goals were set to promote prosperity while protecting the planet and address a range of social needs, including education, health, social protection and job opportunities while tackling climate change and environmental protection. These goals can be achieved only with the active and joint participation of the public and private sectors, as well as equal involvement of the civil society and individuals.

The SDGs are divided under four pillars: *Social Development, Economic Development, Environment Issues and Means of Implementation.*



4.1. Motherson's Focus Areas

At Motherson we have identified the SDGs where we can contribute within the society.

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Based on our intention, we have identified the following focus areas for Motherson strategy: **Livelihood and Community development, Education, Health & Well-being and Environmental sustainability.**

For all focus areas, we have defined targets and examples of activities that entities can consider when building the local development plan.

All Motherson's activities shall correspond to the identified focus areas and will have a real impact on society.



4.1.1. Livelihood and Community Development

These activities focus on important factors for a country's economic productivity and social progress. They are a driving force for boosting employability and fostering the overall growth of a community.

Our business supports the economic livelihoods of many people and communities across our footprint.

The Motherson Group presently employs over 135,000 people across the world with most of the workforce directly engaged in manufacturing and production.

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Skill development is therefore seen as one of the key focus areas for the social and economic development of the countries we operate.

Our **Livelihood and Community development** activities are categorized under:

- **Community Development.** Motherson is committed to the communities in which it operates, providing support to nonprofit organizations, groups, and or institutions to promote cultural and economic development. Support can be offered through donations, sponsorships or voluntary programs for identified local organisations or institutions. We encourage our employees to participate in such activities voluntarily.

Activities in this category must focus on different segments of society and for the overall development of the community. However, each activity must have a clear goal and ensure a real impact on society. Examples of activities are:

- Economic donations to charitable institutions to support children from underprivileged backgrounds.
 - Donations in kind including clothing, food and toys to socio-economically disadvantaged families.
 - The organisation of events for raising funds for specific target beneficiaries.
 - Buy from local suppliers and strive to hire locally.
 - Construction of playgrounds or special facilities for communities.
 - Open door events for local communities to educate on our specific industry and make them aware of open opportunities.
- **Livelihood Training & Skill Development.** Motherson strives to improve the employability of the working population by imparting special knowledge and employment enhancing vocational skills for various industries including the automotive industry or innovation programs.

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The purpose would be to use the business's experience to help a local school, charity or community group become more efficient and entrepreneurial.

Any activity whose purpose is to develop specific skills in our communities that can leverage the job opportunities will be considered under Skill Development sub- area.

Donations or sponsorships to adult sports teams **are not** considered Motherson's focus areas. In case of any requirement for sponsoring a specific institution, the request must be finally approved by the Chairman via the respective Head of Regional Chairman Office ("RCO").

4.1.2. Education

One of the key focus areas of Motherson is education, under which the group aims to promote, aid and assist primary, secondary and/or higher education which is intended to help underprivileged groups whenever required. We propose to work on a wide array of projects that focus on the holistic development of the community.

Activities within this sub-category must be focused on the development of knowledge and promotion of quality education in our communities.

Donations and sponsorships for educational institutions that directly promotes education like donating computers, stationery, books, etc. shall be part of educational activities.

As mentioned, activities with the aim to introduce academic learning and life skills programs with effective techniques, that promote education within our community, shall be included under this category.

This shall also include activities that involve creating and maintaining infrastructure in schools, counselling and interactions

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around life skills, thus ensuring holistic development of children and which are directly related to promoting education.

In furtherance to their objective under this Policy, the Motherson Group companies may consider:

- Open door events for teachers, students and children to production or administrative facilities to understand the different areas and processes for further career opportunities and development.
- Volunteering on special subjects like digital learning, innovation, etc.
- Donation of computers, stationery, books, etc.
- Donation or creation of libraries
- Creating and maintaining school infrastructure
- Sponsoring or participating in building community learning centres, classrooms or educational institutions
- Apprenticeship programs for specific vulnerable groups such as the physically challenged, refugees, low education regions, etc.

4.1.3. Health and Well-being

Motherson is committed to contributing to the health and well-being of its immediate community and its employees by mitigating risks and/or extending benefits. Maintaining highest safety standard, health protocols while conducting our business operations is of utmost importance to our working philosophy.

From empowering women and children by providing them nutritious meals to raising awareness about several diseases, the group shall remain focused on uplifting the weaker sections of society and providing them with assistance wherever required.

Activities proposed to be supported by Motherson with the aim to promote health and well-being shall include:

- Donation of food supplies
- Activities to collect funds to strengthen health facilities like hospitals, health centres, etc.
- Health awareness programs / activities to encourage healthy habits

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- Donation and funding to promote health and prevention for specific target groups such as children centres, cancer campaigns, old age homes, etc.
- Blood donation campaigns
- Sponsoring children sports teams in the frame of promoting healthy habits.

4.1.4. Environmental Sustainability

Motherson is focused on achieving environmental sustainability for the survival of the future generation. Areas of intervention include working towards environment conservation and climate protection. Saving the rich diversity of our flora and fauna and pushing for thoughtful and sustainable development remains one of our major objectives in this segment.

Activities including recycling of different type of material for funding donations or charity funds are not considered under this category as the main purpose is to collect funds or support specific centres. If the main purpose of the activity is contributing to the environment, it is considered under this category.

Activities that increase awareness on the importance of maintaining our environment with initiatives shall include:

- Observing and celebrating the World Environment Day.
- Initiatives toward saving energy and water use, carbon foot print reduction, use of clean energy, techniques which result in reduction of levels of pollution.
- Donations to organisations focused on environmental sustainability.
- Waste management and recycling awareness activities and eco-challenges clean-up activities in the local community
- Reforestation. Tree planting activities. Participating in or supporting animal protection campaigns.
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5. Exclusion from Motherson Focus Area.

The following activities and similar activities shall not be considered as Motherson focus area and shall not be included in the report:

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- Employee activities which are exclusively conducted for the benefit of our employees and/or their families. i.e. family days, special day celebrations, etc.
- Activities where the purpose is the normal course of business of the company like marketing, sponsoring or similar activities.
- Donations or sponsorships to adult sports teams or events.
- Any other activity that is not permitted according to the code of conduct and other Motherson policies.

6. Approval Process for Activities

6.1. Annual Plan Approval.

The selection of activities and their purpose is a local decision. Local management shall decide which activities to approve ensuring that they comply with the above standards under the mentioned categories. All activities must have a clear goal ensuring the development of the local community.

All Motherson focus area activities must be included in annual plan under the specific template (Appendix 01). With this, we ensure that all activities have an estimated date, objective, responsibility and assigned budget.

The annual plan is approved by each Chief Operating Officer through the budget approval process. Activities must be approved by local / regional management as per business unit structure (i.e. Plant Manager, Regional HR Director, etc.). All plans must inform to the respective Human Capital department of the respective RCO and shall seek approval of the budget for identified activities from the board of directors of the respective company.

Each company is responsible to implement the annual activity plan as per approval. RCO head of every region will act as a facilitator and gatekeeper on utilisation of funds as per the budget approved for each company. In case of underutilisation of the approved budget or, if there is any deviation in the implementation of the activity or in the stated purpose, the RCO Head may discontinue the project at any stage and allocate the funds for any other project.

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Even though the respective RCO will not approve the plans, it shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy.

If there is a project that needs to be suspended for any reason, local management can decide to relocate the assigned budget to another activity.

Administrative expenses for activities include tours and travels of employees and training and development of personnel deputed on activities. Salaries and wages of personnel supporting activities are not considered under expenditure.

Time spent on activities during working hours are considered as normal working time and the time shall not be recovered by the employee.

Savings if any arising out of the non-used budgeted projects shall not form part of the business profits of the company. Instead, the same will be further used for purposes only.

6.2. Selection of Institutions

For the process of selection and planning of activities, all Motherson entities must consider the following while selecting beneficiaries for their annual plan:

- Taking help of third party institutions / agencies which support our goals. Motherson entities can choose to partner with such like minded agencies.
- Donating to institutions / agencies which support our goals.
- Taking potential beneficiary which must always be a non-government and non-profit organisation legally registered.
- The beneficiary institutions' purpose must be in line with one or more of the categories which Motherson is promoting as initiatives.
- Ideally, the annual plan should include long term support to institutions to have a real impact. Therefore, the support can be renewed from year to year.

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6.3. Employee Volunteering.

All employees must be invited to participate in Motherson's initiatives under this Policy. It is the local HR department's responsibility to attract the attention of employees to voluntarily participate in activities and keep them updated on the different upcoming activities.

Each Motherson entity needs to define a fixed local volunteer team ideally defining the annual plan and type of participation on the different projects. Each RCO is responsible to communicate the global initiatives, any changes or news concerning the activities with the respective local volunteer team and coordinate accordingly.

7. Reporting.

In addition to the annual reporting, Motherson Group companies will report their activities every quarter *via* the reporting template to the Human Capital department of the respective RCO. RCO shall report developments on goals in the respective region / company as and when update is desired from the Global Sustainability Leadership who in turn shall report to the Global Sustainability Committee of the parent / listed entity of the Motherson Group. The objective is to measure the inputs and impacts of all activities, both tangible and intangible. Each RCO will align with and inform Global Sustainability Committee of the Motherson Group, Group General Counsel and MARCOM. MARCOM will facilitate to use the data for both internal and external communication as per the business needs after seeking guidance from Global Sustainability Committee of the Motherson Group.

Please refer to **Appendix 01** for the annual plan and report with the respective instructions.

In addition to the annual / quarter report template, companies shall add at least 1 (one) high-resolution picture per activity done in **Appendix 02** (PowerPoint for pictures report). MARCOM and/or RCO shall request the companies for the original pictures in high resolution for further use in external or internal communication.

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For any specific doubt on filling the report and/or plan, please contact the responsible person for such activity from your group company or the Human Capital of the respective RCO.

Based on this Policy respective Motherson Group Company can develop or adopt its local sub policies / processes (e.g Welfare Policy, Citizenship and Philanthropy Policy, CSR Policy, etc) if so desired after consultation with respective RCO.

8. Assessment.

In order to ensure a real benefit / implementation of Motherson goals plans, all entities may conduct the following assessment during each year:

- Feedback sessions with beneficiary institutions.
- For long term projects, at least one field visit per year must happen to follow up on proper implementation and maintenance of the initial purpose.
- Proper and updated documentation of the development activities should be given to the management of the respective companies and the respective RCO's in the quarterly report mentioned above. The column on 'Impact Assessment' must be duly filled.

9. Communication of activities.

All activities shall be communicated on M1 with the following information: date, purpose, event details and at least 2 (two) pictures.

In case a business unit wishes to promote these activities externally, the same must be coordinated and facilitated via MARCOM.

10. Amendments.

This Policy may be updated to align with the changing requirements or changes in the legal and regulatory framework through RCOs.

Any revision (whether pertaining to expansion / alteration / modification change / supplementation / refocus or change in initiatives) in the Policy shall be approved by

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the respective RCO in consultation with Group General Counsel after seeking prior consent of the Group Sustainability Committee.

*For any clarification / doubt concerning this Policy please feel free to contact Group General Counsel's Office by sending an Email at **gco_policyquery@motherson.com**. Any such email should contain "Motherson Group Sustainability Policy" in the subject line.*