

## GLOBAL SUPPLIER SUSTAINABILITY MANUAL

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The lead document is the original English document.

The translation document shall be based on the current original English document.

Locally stored or printed copies of this document are not controlled and are for reference only.

Consult B.A.Se for current version.

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## 1 Introduction

As part of the Motherson Group, we at the Modules and Polymer Products Division (MPP) are committed to achieving Carbon Net Zero across our global operations.

Our sustainability strategy is inspired by the Motherson Group framework that is aligned with the following global standards: the Paris Climate Agreement, the United Nations **Sustainable Development Goals (SDGs)** and the Global Compact. We aim to balance economic growth with social and environmental responsibility. Sustainability is no longer optional; it's a driver for Motherson's business success.

We are dedicated to reducing our carbon footprint through energy efficiency, transitioning to renewable energy and ensuring sustainable supply chains. Our approach focuses on avoiding, reducing and offsetting emissions. To achieve Carbon Net Zero all products, materials or services delivered to us must be produced in a carbon-neutral manner throughout the entire supply chain in the future.

In addition, our expectations of our supply chain extend to embracing circular economy principles, promoting diversity and inclusion, improving working conditions, complying with governance requirements and fully disclosing **Environmental Social and Governance (ESG)** practices. These aspects collectively form the pillars of our Global Supplier Sustainability Manual.

Through a collaborative approach, we aim to build a responsible and resilient supply chain that aligns with our shared vision of a sustainable future.

**Together we make it happen.**

## 2 Purpose

The purpose of this document is to provide our suppliers with a guide to our sustainability requirements and expectations. It outlines the standards and practices that suppliers must adhere to in order to align with our commitment to ESG principles. Our commitment to sustainability is an integral part of our purchasing strategy where we prioritize sourcing from suppliers who are aligned with our environmental and strategic goals.

Our aim is to ensure that all partners in our supply chain contribute to our efforts to combine climate change. By clearly defining our sustainability criteria and providing detailed guidance on how to meet these standards, we aim to support our suppliers in their efforts to implement sustainable practices.

This manual acts as a roadmap for suppliers to understand and fulfil our expectations regarding **renewable energy, circular economy, carbon emissions, social responsibility and governance**. It also includes guidelines for continuous

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improvement, monitoring and auditing to ensure ongoing compliance and progress towards our sustainability goals.

The requirements outlined in this manual and its appendices are aligned with OEM requirements as well as global standards and frameworks.

### 3 **Scope**

This document applies to all suppliers delivering direct products and/or indirect products/services in one of the following commodities: Capex/Equipment, Tooling, Logistics categories (contact your responsible MPP buyer to confirm your commodity), to Motherson's Modules and Polymer Products Division (MPP). The validity of this document is confirmed upon agreement of the MPP framework contract.

Requirements that do only apply to certain specified commodities are marked with a footnote. This distinction ensures that all suppliers understand and comply with the relevant sustainability criteria based on their role in the supply chain.

The current version of this document, together with all applicable associated documents, will form part of every enquiry and order. This requirement extends to all future business relationships for the procurement of products and services to ensure that all suppliers comply with our sustainability standards and practices.

### 4 **Responsibilities**

The suppliers of products or services must meet all the requirements listed in this manual and the corresponding appendices throughout the project and product term. This includes:

- Regularly check that this document is up to date at [Modules & Polymer Products - Suppliers](#)
- Ensure that these requirements are met along the supply chain.

As this Global Supplier Sustainability Manual is a living document, it will be updated as necessary to reflect changes in policies, regulations and best practices. Only the current version is binding.

## **5 Language**

The official language of MPP is English. Communication between MPP and the supplier takes place in English or, if agreed, in the respective national language of the MPP plant.

The Global Supplier Sustainability Manual is published in English and, if necessary, in the respective national language. In the event of deviations, the English version alone is binding.

## **6 General Expectations**

The supplier acknowledges the following general policies and requirements:

### **6.1 Supplier Code of Conduct**

Suppliers are required to acknowledge and accept our Supplier Code of Conduct, which outlines the ethical standards and principles that all suppliers must adhere to when doing business with MPP. It covers areas such as labour practices, human rights, environmental responsibility and anti-corruption measures. By adhering to our Supplier Code of Conduct, suppliers demonstrate their commitment to ethical business practices and contribute to our shared goal of a fair and sustainable future.

Please find the current version of the Code of Conduct on our website:

[Supplier Code of Conduct](#)

### **6.2 Supplier Sustainability Requirements**

To provide an overview of our expectations, we have developed a set of Supplier Sustainability Requirements. This document outlines the general measures and standards that our suppliers are expected to meet in order to achieve our sustainability goals. The Supplier Sustainability Requirements cover various aspects of ESG performance and are designed to ensure that all suppliers contribute to our overall sustainability strategy.

For detailed information, please visit our website:

[MPP Supplier Sustainability Requirements](#)

As part of your engagement with our sustainability journey, we will ask you to complete and sign our Supplier Sustainability Premises during the RFQ.

### 6.3 3rd Party Certification

We expect our suppliers to work towards 3<sup>rd</sup> party certifications related to ESG, with a particular focus on ISO 14001, 45001 and 50001. These certifications demonstrate a supplier's commitment to maintaining high standards of environmental management, health and safety, as well as energy management. Achieving such certifications not only aligns with our sustainability goals but also strengthens the supplier's credibility and competitiveness in the market. Suppliers are encouraged to proactively pursue these certifications and provide evidence of compliance during assessments or audits.

## 7 Environment

### 7.1 Renewable Energy

To support our shared commitment to Net Zero, we expect our value chain partners to prioritise the use of renewable energy in the manufacture of our components. This includes both in-house production and sub-contracted activities. In this section you will find the global supplier milestones to move to 100% renewable energy for all products delivered to MPP by 2040. Together we can make significant progress towards a sustainable future for the generations to come.

The following requirements outline the use of renewable energy in the supply chain. Furthermore, they define the minimum criteria to be met in terms of acceptable technologies and the basis for a trustworthy implementation of the use of renewable energy.

The requirements are based on the technical specifications from global initiatives such as RE100 and CDP (Carbon Disclosure Project). Market mechanisms for renewable energy are dynamic and vary from country to country. This chapter aims to cover the majority of electricity markets by focusing on widely available mechanisms and applying general criteria for renewable energy in different markets.

#### 7.1.1 Definitions

According to CDP and RE100 guidelines, there are several energy sources that need to be treated differently depending on whether they are renewable or not. The accepted and excluded technologies are listed below.

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**Accepted technologies:**

1. Wind
2. Solar
3. Geothermal
4. Sustainably Sourced Biomass
  - a. Solid Biomass (Wood and Wood Residues, Agricultural Residues or Energy Crops)
  - b. Liquid Biomass (Plant-based Oils, Used Cooking Oils and Fats or Biofuels from Sustainable Sources e.g. Bioethanol or Biodiesel from Waste Materials)
  - c. Gaseous Biomass (Biogas Produced from Organic Waste, Manure, Sewage Sludge or Energy Crops; Biomethane; Sewage Gas from Wastewater Treatment; Landfill Gas from Organic Waste Decomposition in Landfills)
5. Sustainable Hydropower

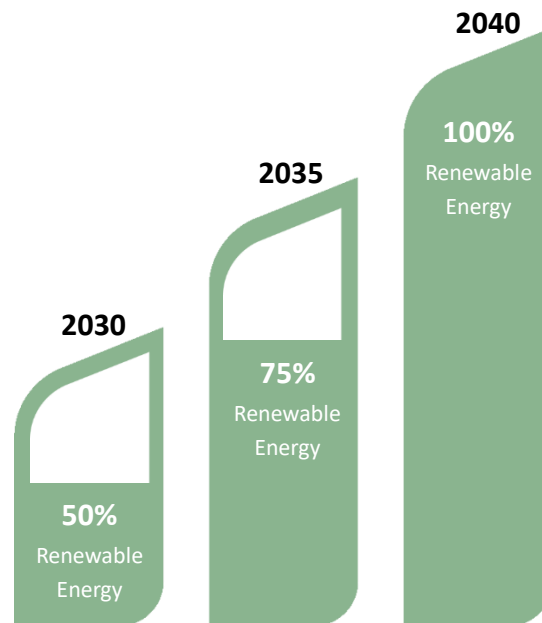
**Note:** Energy from biomass and hydropower will only be considered renewable if they are produced from a sustainable energy carrier.

**Excluded technologies:**

1. Nuclear energy
2. Energy from waste combustio

### 7.1.2 Roadmap

For our supply chain partners we have defined the following roadmap regarding the use of renewable energy for our products.



We expect our suppliers to develop their own roadmap to achieve this ambitious goal. We reserve the right to ask for this roadmap to confirm your commitment to using renewable energy and that you are in line with our targets.

### 7.1.3 Procurement Types

There are several options when it comes to purchasing and utilising renewable energy. Please refer to the list below for the accepted procurement types.

1. Self-generation from facilities owned by the company
2. Direct procurement (contracts with producers)
  - a) Physical power purchase agreement (physical PPA)
  - b) Financial / virtual power purchase agreement (financial / virtual PPA)
3. Contracts with energy suppliers (green power supply contract)
4. Unbundled procurement of energy attribute certificates (EAC's)



Please refer to Chapter 7.1.4 for details of the methods of providing evidence (e.g. EAC) that we accept.

## **1. Self-generation from facilities owned by the company**

Suppliers can own and operate renewable energy projects directly on their facilities (on-site). These projects must:

- Be **behind-the-meter** and not directly connected to the public grid
- Meet the criteria for renewable energy sources as defined in chapter 7.1.1
- Offset the energy consumption of the supplier's facility through direct consumption

In order to claim (report) the use of renewable energy, suppliers must retain the energy attributes associated with on-site generation. This includes:

- The generation of EAC's:  
EACs issued for on-site generation can be used to substantiate renewable energy claims.
- Without the generation of EAC's:  
In cases where EAC's are not issued, suppliers must have credible contracts or documentation to support claims of renewable energy use.

## **2. Direct procurement (contracts with producers)**

Direct procurement refers to buying from and contracting with producers themselves. It includes two forms of PPA's. Examples of projects for PPA's are on-site solar or wind farms owned by third parties (not the supplier itself, for this case see 7.1.3.1 Self-generation from facilities owned by the company), off-site projects connected via a direct wire, or large-scale grid-connected wind or solar farms.

### **a) Physical power purchase agreement (physical PPA)**

A PPA is a long-term contract between a supplier and an energy producer for the supply of renewable energy. It can include

- On-site projects owned by third parties
- Off-site projects connected through a direct line

- Off-site projects connected to the grid

Physical PPA's can include:

- Bilateral agreements:

The supplier directly manages the purchase of power, including its delivery to the supplier's facility or to the wholesale market. This may require the supplier to have a special license.

- Trilateral arrangements:

The more common case is where another party, often an energy supplier, manages the purchase of power from the producer. These are commonly referred to as "retail PPA's", "sleeved PPA's" or "third party PPA's".

EAC's can be issued for the energy generated, allowing suppliers to substantiate their renewable energy claims. Without EAC's, suppliers must provide credible contracts or documents to support these claims.

#### **b) Financial / virtual power purchase agreement (financial / virtual PPA)**

Virtual Power Purchase Agreements (VPPA's), or financial PPA's, are financial contracts where a supplier assumes the market price risk for a producer's energy and receives energy attributes. Often used with large wind or solar farms, VPPA's involve a fixed-price contract (contract for difference) to stabilize the producer's revenue, while the supplier receives renewable energy attributes.

**VPPA's are purely financial and require the supplier to procure energy separately.**

EAC's may be issued which can support renewable energy claims. Otherwise, credible contracts must ensure validity.

### **3. Contracts with energy suppliers (green power supply contract)**

Contracts with energy suppliers allow you to purchase renewable energy, often through PPA's that the energy supplier has entered into with the producer. These arrangements vary in terms of transparency and contract length:

Specified projects (green tariffs):

- The energy supplier purchases energy from specific renewable projects

- You have full transparency on the projects that supply your energy
- Typically involves longer contracts

Retail contracts (green power products):

- The energy supplier sources renewable energy from a variety of projects that may change over time
- Less transparency on specific energy attributes
- Typically involves shorter contracts with a premium per kilowatt hour

EAC's may be issued and either transferred to the purchaser (you) or redeemed by the energy supplier on your behalf. If EAC's are not issued, credible contracts or documents are required to support renewable electricity claims.

#### **4. Unbundled procurement of energy attribute certificates (EAC's)**

Unbundled EAC's can be purchased separately from the underlying energy produced. They allow you to claim the environmental benefits of using renewable energy without having to buy the renewable energy directly. EAC's must match the market where the energy is consumed and can be purchased through short- or long-term contracts. These certificates are typically purchased through brokers, making transactions simpler than other procurement methods. Unbundled EAC's add a cost to energy purchases, unlike financial or virtual PPA's, which can provide financial benefits.

##### **7.1.4 Evidence & Documentation**

For suppliers to be able to claim the use of renewable energy, the following principles are important:

##### **1. Credible generation data**

Renewable energy contracts need to specify the GHG emission rate and rely on accurate generation data for credible claims. Static data (e.g. fuel type, location, date of operation) should be verified by a third party, while dynamic data (e.g. generation) should be measured with high accuracy using revenue-grade meters. Claims without verified static data or metered generation data lack credibility and should be avoided.

## 2. No double counting and claiming

To ensure credible renewable energy use claims and avoid double counting, contracts must guarantee exclusive ownership of the attributes. These attributes cannot be sold, transferred or claimed by other parties.

Prohibited double counting includes:

- Selling the same certificate to multiple parties, creating conflicts in EAC and renewable energy claims
- Multiple parties making claims about the same EAC, including explicit or implicit environmental claims, renewable energy certifications or portfolio disclosures for marketing or compliance purposes
- Using the same EAC for regulatory compliance (e.g. Renewable Portfolio Standards) and customer claims, which compromises exclusivity
- Splitting renewable energy attributes (e.g. selling offsets or renewable energy claims from the same EAC while retaining others), which violates the integrity of renewable energy claims

## 3. Retirement of claims

To ensure a credible claim, contracts must ensure that certificates are tracked, redeemed, retired or cancelled as energy is consumed. This ensures the integrity of the claim and prevents abuse.

## 4. Expiration

Certificates should be issued and redeemed as close as possible to the time of energy consumption. The vintage of the attributes shall be reasonably aligned with the reporting year of the energy consumption, although standards for 'reasonableness' may vary by market and certification program. In general, we require cancellation within 12 months of certificate issue.

## 5. Market boundaries

Certificates must be valid within the same market in which the energy is generated. A market is defined as a geographic area with a common trading and cancellation system, typically governed by consistent laws and regulations in the electricity sector. Transactions are generally limited to regions with regulatory alignment, and intercontinental claims are inappropriate unless there is physical interconnection and mutual recognition of instruments.

To provide evidence for the claim of using renewable energy so called EAC's are used. These are certificates stating the environmental attributes of the generated energy (each for 1 MWh), for example the used technology, location, GHG emission rates or the facility age. As mentioned before those EAC's can either be bundled to the underlying energy contract (either with the producer or the energy supplier) or unbundled, where the EAC and the underlying energy are traded separately. The following table gives an overview of different EAC standards.

Type	REC Renewable Energy Certificates	GO Guarantee of Origin	GEC Green Electricity Certificate	I-REC International Renewable Energy Certificates	TIGR Tradable Instrument for Global Renewables	Japanese EAC's (see separate table below)
Location	North America (USA & Canada)	Europe	China	Used international in any country.	Used international in any country	Japan
Expiration time frame	12 months after production	18 months, but tradable until 12 months after generation	No expiry date	12 months after production	Not clearly defined	
Framework compliance	GHGP, SBTi, RE100, CDP	GHGP, SBTi, RE100, CDP	Conditionally for RE100	GHGP, SBTi, RE100, CDP	GHGP, SBTi, RE100, CDP	

Table 1: Types of EACs

Type	Non-Fossil Certificates (NFC's)			GEC Japan	J-Credits
	Feed-in-Tariff (FIT) NFC's	Non-FIT NFC's (incl. Feed-in-Premium (FIP))			
		Renewable	Non-Renewable		
Bundling	Bundled and unbundled	Bundled and unbundled		Unbundled	
Expiration time frame	Same FY as generation	Same FY as generation		No expiration	
Framework compliant	GHGP, RE100, CDP	GHGP, conditionally RE100, CDP		GHGP, SBTi, RE100, CDP	

Table 2: Japanese EACs

Regarding the above visualised types of EAC's we accept the following:

- RECs are accepted as EAC
- GOs are accepted as EAC
- GECs are conditionally accepted as EAC<sup>1</sup>
- I-RECs are conditionally accepted as EAC<sup>2</sup>

<sup>1</sup> They are accepted if they are redeemed within 12 months of certificate issue.

<sup>2</sup> Market boundaries need to be considered. They are accepted if they are issued for the same market in which the energy was produced and consumed.

- TIGRs are conditionally accepted as EAC<sup>3</sup>
- Japanese EAC's are conditionally accepted as EAC if they are renewable. Non-FIT Non-Renewable NFC's are generally not accepted

We expect our suppliers to deliver the necessary documentation at the latest, 48 hours up on our request. Furthermore, we reserve the right to verify through 2<sup>nd</sup> or 3<sup>rd</sup> party audits that suppliers meet our renewable energy requirements.

#### 7.1.5 **ISO 50001**

As we are committed to have all our MPP sites certified with ISO 50001 by the end of the financial year 2026, we encourage our suppliers to adopt this energy management system standard as part of their efforts to improve energy efficiency and reduce consumption. While ISO 50001 certification is not mandatory, we value suppliers who are actively pursuing energy efficiency initiatives or working towards certification.

### 7.2 **Circular Economy**

To drive the shift from a linear consumption model to a circular, closed-loop system, suppliers should take responsibility and actively implement circular business models. This includes optimising materials, components and packaging to extend their life cycle, reducing waste and support recycling and reuse. In order to ensure product traceability, the supplier should ensure that any changes to serial products are agreed and approved by MPP as well as documented.

Suppliers should also manage natural resources responsibly. Water management should focus on reducing consumption, improving efficiency and preventing pollution. Protecting biodiversity requires minimising environmental impacts on ecosystems and promoting sustainable land use. All efforts should be aligned with internationally recognised circular economy principles to ensure resource efficiency and long-term sustainability.

#### 7.2.1 **Sustainable Material**

To reduce environmental impact, suppliers should prioritise the use of sustainable materials and optimise resource efficiency. This includes giving preference to

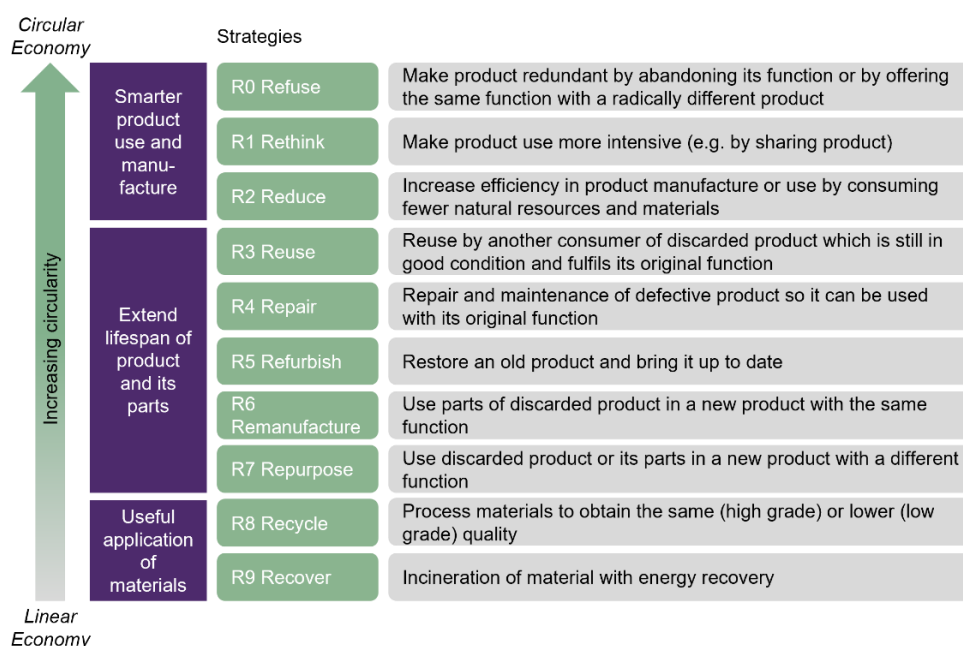
<sup>3</sup> Market boundaries need to be considered. They are accepted if they are issued for the same market in which the energy was produced and consumed.

recycled, bio-based and sustainably sourced materials, reducing the use of virgin raw materials and avoiding hazardous or highly polluting substances. Suppliers should also focus on using materials that are easy to recycle at the end of their life cycle and design products for reuse, refurbishment and remanufacturing. Efforts should be made to reduce the use of composite materials that inhibit recyclability.

On their quotations, suppliers shall propose low-impact material alternatives and demonstrate their alignment with circular economy principles by actively integrating sustainable materials into their products and optimising material use.

## 7.2.2 Waste Management

Suppliers shall monitor, track, and responsibly manage all liquid and solid waste generated by their operations, industrial processes, and sanitary facilities. Efforts should prioritise minimising waste, optimising resource use, and continuously identifying opportunities to reduce environmental impact, for example through the application of the 9 R's framework.



When none of the above strategies are viable, suppliers should consider recovering energy from waste, followed by combustion without energy recovery as a last resort. Landfill or disposal should only be used when no better alternatives exist, ensuring full compliance with environmental regulations.

### 7.2.3 Water Management

Water is a scarce natural resource and is expected to become even more limited in the future. Suppliers shall monitor, track and document their water use to identify areas for improvement and minimise consumption. Water should be used and treated responsibly, with special attention for suppliers in water-scarce regions or those with high water consumption. In addition, all sewage from operations shall be treated and purified to at least the minimum level required by local legislation.

We encourage suppliers to develop a long-term water management strategy with clear targets to improve efficiency, reduce consumption and ensure responsible wastewater treatment.

## 7.3 Carbon Emissions

At MPP, we are committed to building a sustainable future by reducing GHG emissions across our entire value chain. As part of this commitment, we respectfully encourage our suppliers to play an active role in supporting us in minimising carbon emissions and adopting sustainable operations.

**All suppliers must commit to working towards net-zero greenhouse gas emissions for their own business activities (Scope 1 & 2) and those of their value chain (Scope 3) by 2050 at the latest.**

Transparency is essential to this process. Open communication and data sharing enables collaboration, accountability and informed decision-making across the supply chain. By working together to decarbonise, we can foster a more resilient, responsible and sustainable supply chain that not only meets global climate commitments but also drives meaningful and lasting change within our industry.

### 7.3.1 CO<sub>2</sub> Reduction Strategy<sup>4</sup>

Suppliers are expected to set clear milestones and develop a structured, time-bound plan to systematically reduce their emissions in line with the Paris Climate Agreement. This includes identifying key sources of emissions, implementing reduction initiatives and integrating sustainable practices into their operations. Suppliers are also required to actively monitor, track and document their progress using reliable methodologies and industry-recognised standards. Regular

<sup>4</sup> This obligation applies only to suppliers of direct materials.

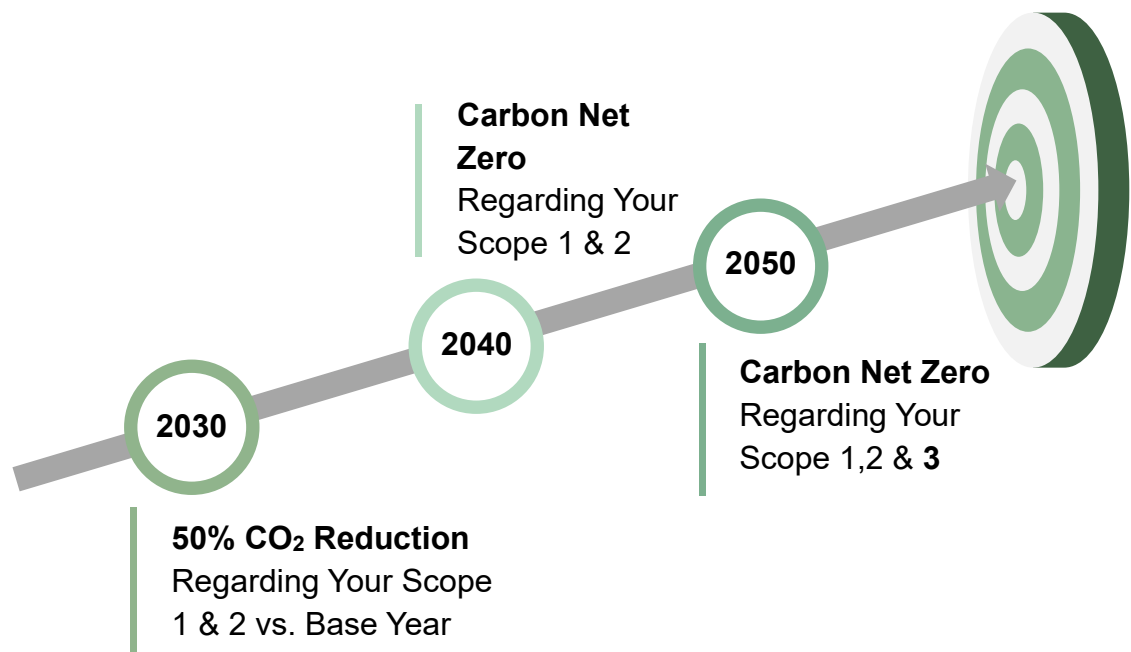


assessments and performance reviews should be conducted to ensure continuous improvement and compliance with reduction targets.

The supplier acknowledges and understands MPP's Net Zero Target. Accordingly, the supplier shall:

- a) set its own Net Zero target with a target achievement date the same as or earlier than the Net Zero Target Date of MPP.
- b) develop its own Net Zero Transition Plan, such a plan be:
  - (i) created in alignment with the Paris Climate Agreement,
  - (ii) shared with MPP,
  - (iii) reviewed and updated regularly in agreement with MPP;
- c) ensure that this clause is included in all of its supply chain contracts relating to MPP.
- d) introduce emission reduction technologies, processes and policies and, where technologically and commercially feasible, carbon removal initiatives, to achieve the Supplier's Net Zero Target Date.

We have defined the following roadmap for our supply chain partners to implement a Net Zero transition plan.



We expect our suppliers to set emission reduction targets and a Net Zero target for their Scope 1,2 & 3 based on our supply chain expectations mentioned above. The targets must be science-based according to SBTi (Science Based Targets Initiative). For more information on how to set science-based targets visit the SBTi website through the link below.

[Ambitious corporate climate action - Science Based Targets Initiative](#)

The Net Zero transition plan should include the following elements:

- Base Year
- Target Year + Milestones
- Scope
- Targeted (annual) reduction from base year in %
- Percentage of target achieved

While there is no obligation to obtain SBTi validation for these targets, we strongly recommend that our suppliers pursue this validation. Obtaining SBTi validation is a beneficial step that we encourage all suppliers to consider.

If you don't already have a professional calculation process in place, we recommend that you use the following link to create an initial GHG inventory to assess your current status.

[Simplified GHG Emissions Calculator | US EPA](#)

Suppliers are required to provide their Net Zero transition plans upon request by MPP.

### 7.3.2 **Product Carbon Footprint<sup>5</sup>**

As part of our commitment to sustainability and carbon reduction, we require all suppliers to assess and report the Product Carbon Footprint (PCF) of their components. A PCF represents the total GHG emissions associated with a product throughout its lifecycle, from raw material extraction to manufacturing and delivery. Understanding and managing the carbon footprint of supplied parts is essential to achieving our sustainability targets and complying with regulatory and customer

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<sup>5</sup> This obligation applies only to suppliers of direct materials.

requirements. Your commitment to delivering transparent and accurate PCF data will help us working together towards a lower-carbon future.

To ensure transparency and consistency, we mandate the following PCF reporting process:

### **1. PCF Submission During RFQ**

- Suppliers must provide an estimated or pre-calculated PCF for each part during the RFQ phase
- The estimated PCF data must be submitted using our standardised PCF template, which will be provided
- The submitted PCFs are considered binding ( ) and will be an integral part of the supplier nomination process

### **2. PCF Targets & Compliance**

- We reserve the right to define absolute PCF targets for individual components or assemblies
- Suppliers are expected to continuously improve their processes to meet or exceed these targets
- If a PCF exceeds the set limit, corrective action might be required to maintain compliance, or a nomination may not be considered

### **3. PCF Reporting**

- The reported PCF should be based on actual measured data (used machinery, energy etc.), not estimates
- The final PCF data must be submitted and updated via the International Material Data System (IMDS) to ensure accuracy and traceability

To ensure a consistent and credible approach to sustainability, our suppliers must adhere to internationally recognised standards. ISO 14040, 14044 & 14067 as well as the GHG Protocol provide the framework for calculating carbon emissions. All PCF calculations must comply with these methodologies. Suppliers are expected to keep up to date with relevant standards and integrate them into their processes to meet our sustainability requirements.

### 7.3.3 CO<sub>2</sub> Optimised Design

Reducing carbon emissions starts with smart design. Suppliers should adhere to the following principles to minimise the PCF:

- **Material Selection:** Use low carbon, recycled, or recyclable materials
- **Lightweight Construction:** Optimise designs to reduce material usage without compromising strength
- **Energy-Efficient Manufacturing:** Minimise energy consumption and waste in production
- **Transport Optimisation:** Design for efficient shipping
- **End-of-Life Considerations:** Ensure recyclability and avoid hard-to-recycle composites

Suppliers should try to integrate these principles into their designs and upon request demonstrate CO<sub>2</sub> reduction strategies. Continuous improvement is expected to align with our sustainability goals.

### 7.3.4 ISO 14001<sup>6</sup>

To ensure a high level of environmental responsibility, ISO 14001 certification is mandatory for all our suppliers. Compliance with this international standard demonstrates a commitment to continuous improvement in environmental management and sustainability.

**Valid ISO 14001 certification is mandatory for suppliers to be nominated for new business with MPP.**

We also require our suppliers to actively maintain and update their environmental management systems in accordance with the principles of ISO 14001. Failure to obtain or maintain certification may affect future business opportunities with MPP.

## 8 Social

To comply with emerging regulations to promote social aspects, e.g. human rights, in global supply chains, our suppliers must comply with country specific supply chain due diligence regulations. For example, the German Supply Chain Act (LkSG) and

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<sup>6</sup> This requirement applies to all direct suppliers above 500k€ spend per year with MPP and to all indirect suppliers in one of the following focus commodities: Capex & Equipment, Tooling & Gauges and Logistics.

the EU Corporate Sustainability Due Diligence Directive (CSDDD). These laws require companies to take responsibility for managing and mitigating human rights and environmental risks throughout their supply chains, from raw materials to finished products.

### **Supplier Responsibilities**

As part of our commitment to sustainability and ethical business practices, we expect our suppliers to support us in complying with both the German Supply Chain Act, the forthcoming European Union CSDDD and similar regulations.

Suppliers must:

- Carry out an annual ESG assessment via EcoVadis (refer to chapter 10)
- Implement appropriate corrective actions and risk mitigation strategies where necessary
- Establish and maintain transparent reporting practices detailing their efforts to comply
- Provide evidence of compliance upon request, including documentation of risk assessments, mitigation strategies and procedures

We have established a secure and confidential whistleblowing system to ensure transparency, accountability and compliance with ethical and legal standards. Suppliers and their employees are encouraged to use this system to report any violations of human rights, environmental or labour standards, corruption or other unethical practices in the supply chain. You can find the complaint tool by following the link.

#### [Environmental or Human Rights Complaint](#)

Reports can be made anonymously and will be treated with the utmost confidentiality and without retaliation. We strongly encourage all suppliers to communicate this channel to their employees and to actively support a culture of integrity and responsible business conduct.

## **8.1 ISO 45001**

We encourage our suppliers to adopt the ISO 45001 health and safety management system standard as part of their efforts to improve the health and safety of their employees. While ISO 45001 certification is not mandatory, we value suppliers who are actively pursuing health and safety initiatives or working towards certification.

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## 9 Governance

### 9.1 Conflict Minerals<sup>7</sup>

We are committed to upholding responsible sourcing practices and meeting international regulations to ensure the ethical and sustainable procurement of materials. The focus on conflict minerals - **Tin, Tantalum, Tungsten and Gold (3TG)** - is critical to ensure compliance with certain worldwide regulations and customer requirements. Furthermore, the scope extends to additional minerals, the so-called extended minerals. Please refer also to our conflict minerals policy.

[COE Conflict Minerals Policy](#)

The EU Regulation 2017/821 requires all EU importers of conflict minerals (raw materials) to conduct comprehensive due diligence and supply chain verification. This aligns with the U.S. Dodd-Frank Act (DFA), Section 1502, mandating that companies, listed on the U.S. stock exchange, disclose whether their products contain conflict minerals sourced from the DRC (Democratic Republic of Congo) or its surrounding areas and verify that such materials were mined in a *conflict-free* manner.

#### **Conflict minerals include:**

- Tin
- Tantalum
- Tungsten
- Gold

#### **Extended minerals include:**

- Cobalt
- Mica
- Copper
- Graphite
- Lithium
- Nickel

These materials are covered regardless of their origin, processing, or sales location. Additional minerals may be designated as conflict minerals or extended minerals in the future.

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<sup>7</sup> This requirement applies to all direct suppliers using affected minerals.

## Expectations for Partners

To comply with these regulations and ensure ethical practices, we expect our partners to actively engage in responsible sourcing. This involves conducting due diligence on the supply chain, requesting information on the use of conflict minerals from their suppliers, and ensuring transparency throughout the supply chain.

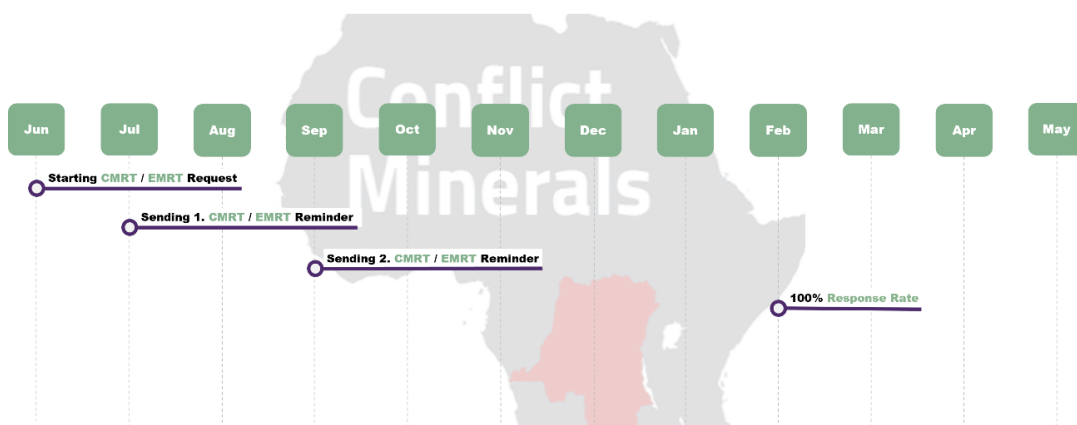
We have aligned our practices with industry standards by collaborating with OEMs and tier-one suppliers to implement consistent tools and processes. We strongly expect our partners to:

1. Establish a conflict minerals policy and communicate it across their organisation and supply chain
2. Conduct thorough due diligence to identify and manage risks associated with conflict minerals
3. Use the standardised and current version of the reporting tool Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) to ensure transparency and traceability
4. Provide timely and accurate information to us regarding the origin of materials in your products via the CMRT and EMRT

We believe that addressing the issue of conflict minerals is a shared responsibility. By working together, we can foster a sustainable and ethical supply chain that reflects our shared values.

### 9.1.1 Process and Timeline

Please find below the reporting timeline with the target of 100% response rate in February.



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### 9.1.2 Reporting

Regarding the reporting requirements we expect our suppliers to provide a company-level CMRT and EMRT report, including the smelter data for all uses of the designated minerals and derivatives in the CMRT/EMRT for any materials, components or products supplied to MPP.

Each supplier must return the following documents:

- a) Conflict Minerals Report using the current version of the CMRT
- b) Extended Minerals Report using the current version of the EMRT

These reporting templates are Excel based and can be downloaded free of charge from the Responsible Minerals Initiative (RMI) website. Please use the RMI website to find all the necessary guidelines and information regarding conflict minerals reporting.

[Responsible Minerals Initiative](#)

Please find below the specific reporting templates. It must always be ensured that the supplier uses the **current version** of the CMRT/EMRT.

**CMRT:** [Conflict Minerals Reporting Template](#)

**EMRT:** [Extended Minerals Reporting Template](#)

Only the **Excel version** of the template will be accepted as an answer, PDF's or other formats are not allowed.

In the event of refusal, non-compliance or missed deadlines in relation to this requirement, the supplier will be placed on the Programme for Critical Suppliers. Please refer to our Global Supplier Manual for more information on our website.

[Global Supplier Manual](#)

### 9.1.3 iPoint Software

To manage the high volume of requests and responses, MPP has entered into a partnership with iPoint, a leading provider of conflict minerals software. This collaboration aims to automate the process of collecting and processing CMRTs and EMRTs, enhancing efficiency and accuracy in the handling of these reporting

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obligation. This system enables us to monitor the delivery of responses and the quality of feedback in real time.

Therefore, suppliers will receive a request to provide the CMRT/EMRT via the iPoint system. Suppliers can register and use this software free of charge. We require suppliers to complete the CMRT/EMRT in writing and return it to MPP via iPoint within 20 working days.

## 9.2 REACH Compliance

REACH (**R**egistration, **E**valuation, **A**uthorisation and Restriction of **C**hemicals) is an EU regulation aimed at protecting human health and the environment from potential risks associated with the use of chemicals. All products manufactured in or imported into the EU fall under the scope of REACH. An initial sample does not exempt the supplier from continuous monitoring. The supplier shall monitor the Candidate List (Annex XIV) and inform MPP of any changes in a timely manner. Suppliers must ensure full compliance with the substance restrictions set out in Annex XVII of the REACH Regulation. They are required to replace candidate substances with safer alternatives and to minimise or eliminate restricted substances in all products from the outset. In addition, suppliers must carry out comprehensive due diligence to identify and mitigate risks associated with restricted substances, including assessing their presence in supply chains and implementing the necessary measures to prevent their use in restricted applications.

The supplier is aware that non-compliance with REACH or lack of warning systems may result in a recall or penalty. In this case the supplier will be 100% responsible for all associated costs.

## 9.3 Deforestation Free Products<sup>8</sup>

The EUDR (European Union Deforestation Regulation), in effect since June 29, 2023, aims to combat deforestation by requiring companies to prove their products do not contribute to deforestation. It applies to **cattle, cocoa, coffee, soy, wood, palm oil, natural rubber**, and derived products like leather, paper, or tires. Companies must ensure traceability to origin, compliance with local laws, and that products are deforestation-free (not linked to land cleared after December 31, 2020). Due diligence, including risk assessments, is mandatory while non-

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<sup>8</sup> This requirement applies to all suppliers delivering affected materials.

compliance can lead to fines (up to 4% of annual revenue), product seizures, trading suspensions, and reputational damage.

Compliance with EUDR and all legal requirements is mandatory for any business relationship with MPP.

### 9.3.1 **Compliance Process**

If at least one product is affected by the EUDR the supplier should follow the steps outlined proactively to ensure compliance.

#### 1. Identify the Source of Origin

Determine the farm, plantation or forest from which the relevant raw material (e.g. leather) originates and request geodata and additional documentation to verify compliant production.

#### 2. Verify Deforestation-Free and Legal Status

Assess compliance with Art. 8 et seq. EUDR by confirming the material is deforestation-free and legally sourced. Furthermore, utilise service providers to cross-check geodata with satellite imagery (as of 30.12.2020) for verification.

#### 3. Submit a Due Diligence Statement

Prepare a due diligence statement (DDS) for each product based on Annex II EUDR and submit it via the EU Commissions IT system. Make sure to submit a separate declaration for MPP deliveries, covering at least 12 months of expected supply.

#### 4. Provide Submission Proof

After submission of the DDS, a unique reference number and verification code will be generated. Send this reference number and verification code to MPP for validation upon request.

### 9.3.2 **Due Diligence Statements**

We require suppliers to provide us with the DDS reference number and, when submitting a DDS to the EU IT system, to ensure that MPP obtains viewing rights for the MPP relevant part numbers. The DDS should cover the expected supply volume of at least 12 months' supply of the specific product, as the EU Commission has stated that the DDS can be used several times as long as the total quantity specified therein is not exceeded or changes occur in the supply chain.

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## 10 ESG Assessment

### 10.1 EcoVadis<sup>9</sup>

As part of our commitment to fostering a sustainable and responsible supply chain, Motherson has partnered with EcoVadis to achieve greater transparency in supply chain sustainability. EcoVadis provides a comprehensive sustainability scorecard that evaluates suppliers' ESG performance, enabling us to drive and improve sustainability practices across our supplier base.

**Possessing and sharing an up-to-date EcoVadis scorecard is mandatory for all suppliers to conduct business with MPP.**

Suppliers must share their existing EcoVadis scorecard latest for the nomination. If a supplier does not already have an EcoVadis scorecard, it must be implemented and shared no later than 12 months after the nomination (refer to our Sustainability Premises).

This ESG questionnaire ensures improved visibility into supplier performance, strengthens partnerships with environmentally and socially responsible suppliers, and aligns with global sustainability standards and regulatory requirements. Suppliers are encouraged to collaborate actively with our supplier sustainability team and the responsible buyer to ensure timely compliance with this requirement.

#### 10.1.1 Assessment Process

In order to ensure timely completion of the EcoVadis questionnaire, please note that it may take up to 4 months from the start of registration to the final publication of your scorecard, depending on how quickly you answer the questions.

**The supplier is required to complete an annual reassessment to reflect improvements in their score.**

The basic assessment process is outlined below. Scorecards can either be shared proactively by the supplier or requested by us. If the scorecard is shared proactively, you will need to share it with *Samvardhana Motherson International Limited*.

This will also be the requesting company if we ask you to share the scorecard with us via the EcoVadis platform.

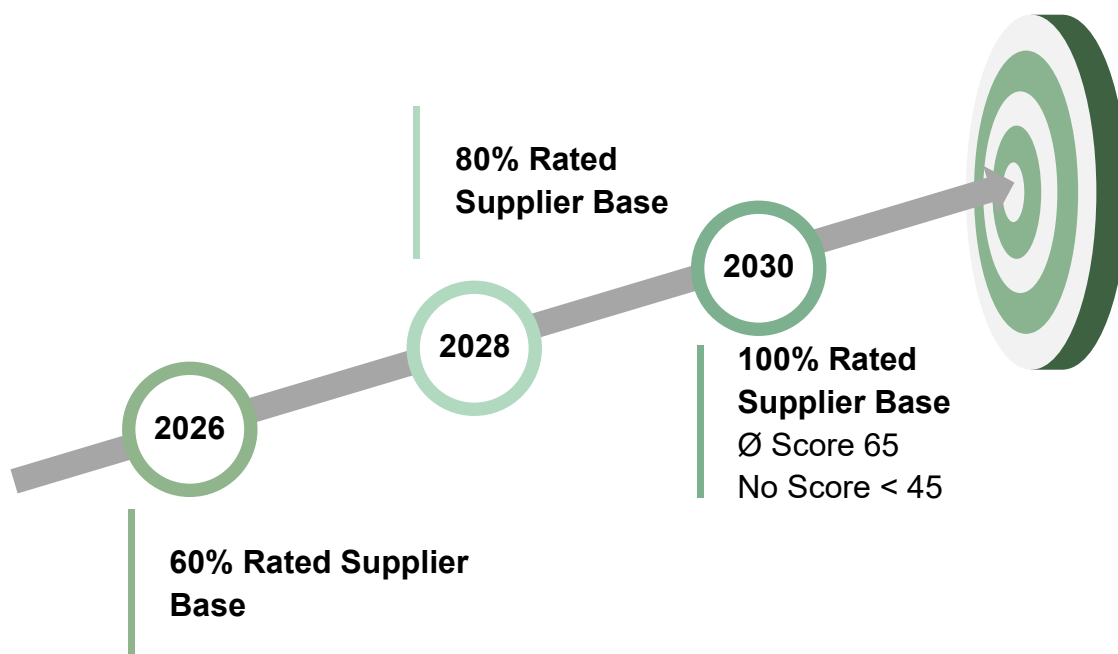
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<sup>9</sup> This requirement applies to all direct suppliers above 100k€ spend per year with MPP and to all indirect suppliers in one of the following focus commodities: Capex & Equipment, Tooling & Gauges and Logistics.



### 10.1.2 Scorecard Strategy

The EcoVadis Scorecard is one of our key pillars to drive sustainability of our value chain partners. We created therefore a Scorecard strategy.



### 10.1.3 **Action Plans**

EcoVadis provides the capability to implement action plans to enhance your organisation's sustainability performance. These action plans are submitted via the EcoVadis platform and will be utilised by us to drive and improve sustainability performance across our supplier base. We require our partners to commit to these action plans and work on them when requested by us.

## 11 **Continuous Improvement**

Suppliers are required to establish and maintain a continuous improvement programme approved by senior management. This programme must define clear improvement targets, implementation schedules and the personnel responsible for achieving them. As part of their commitment to sustainability and partnership with MPP, suppliers are expected to implement coordinated improvement initiatives that align with their broader environmental, social and operational goals.

To ensure sustainable development, suppliers should adopt a continuous improvement methodology. This approach will help prioritise resources effectively and focus on critical areas such as environmental safety, employee well-being and overall sustainability.

### 11.1 **Monitoring and Audits**

Suppliers may be subject to audits to ensure compliance with these sustainability requirements.

### 11.2 **Lessons Learned**

Suppliers are required to incorporate feedback from previous and ongoing projects into their continuous improvement processes. This feedback should serve as lessons learned to inform future development efforts, optimise ongoing operations and improve supply chain practices.

For new project launches, suppliers must demonstrate measurable improvements based on these learnings. This ensures that past challenges are addressed and mitigated, fostering sustainable growth and operational resilience throughout the supply chain.

## 12 Abbreviations

Abbreviation	Definition
3TG	Tin, Tantalum, Tungsten and Gold
CDP	Carbon Disclosure Project
CMRT	Conflict Minerals Reporting Template
CSDDD	Corporate Sustainability Due Diligence Directive
DDS	Due Diligence Statement
DFA	Dodd-Frank Act
DRC	Democratic Republic of the Congo
EAC	Energy Attribute Certificate
EMRT	Extended Minerals Reporting Template
ESG	Environmental, Social and Governance
EUDR	European Union Deforestation Regulation
GHGP	Greenhouse Gas Protocol
IMDS	International Material Data System
LkSG	Lieferkettensorgfaltspflichtengesetz
MPP	Modules and Polymer Products Division
PCF	Product Carbon Footprint
PO	Purchase Order
PPA	Power Purchase Agreement
RE100	The RE100 initiative is a global initiative of businesses committed to achieving 100% renewable energy in their operations
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
RMI	Responsible Minerals Initiative
SBTi	The Science Based Targets initiative
SDG	Sustainable Development Goals

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## 13 References

### 13.1 MPP Documents

[Supplier Portal](#)

[Supplier Code of Conduct](#)

[Conflict Minerals Policy](#)

Corp-8.4-Sustainability Premisses-51785\_2

Corp-8.4-Supplier PCF Calculation Template-51785\_3

### 13.2 Norms / Standards / Specifications

[Homepage | UN Global Compact](#)

[Responsible Minerals Initiative](#)

[RE100 Technical Guide](#)

[CDP: Turning Transparency to Action](#)

[Ambitious corporate climate action - Science Based Targets Initiative](#)

[The leading sustainability intelligence platform for global supply chains | EcoVadis](#)

<https://grow-circular.eu/knowledge-base/9r-framework/>

## 14 Change log

Revision	Date	Description
1	07.07.2025	First Creation.
2	06.08.2025	Change of Chart for Renewable Energy Roadmap

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