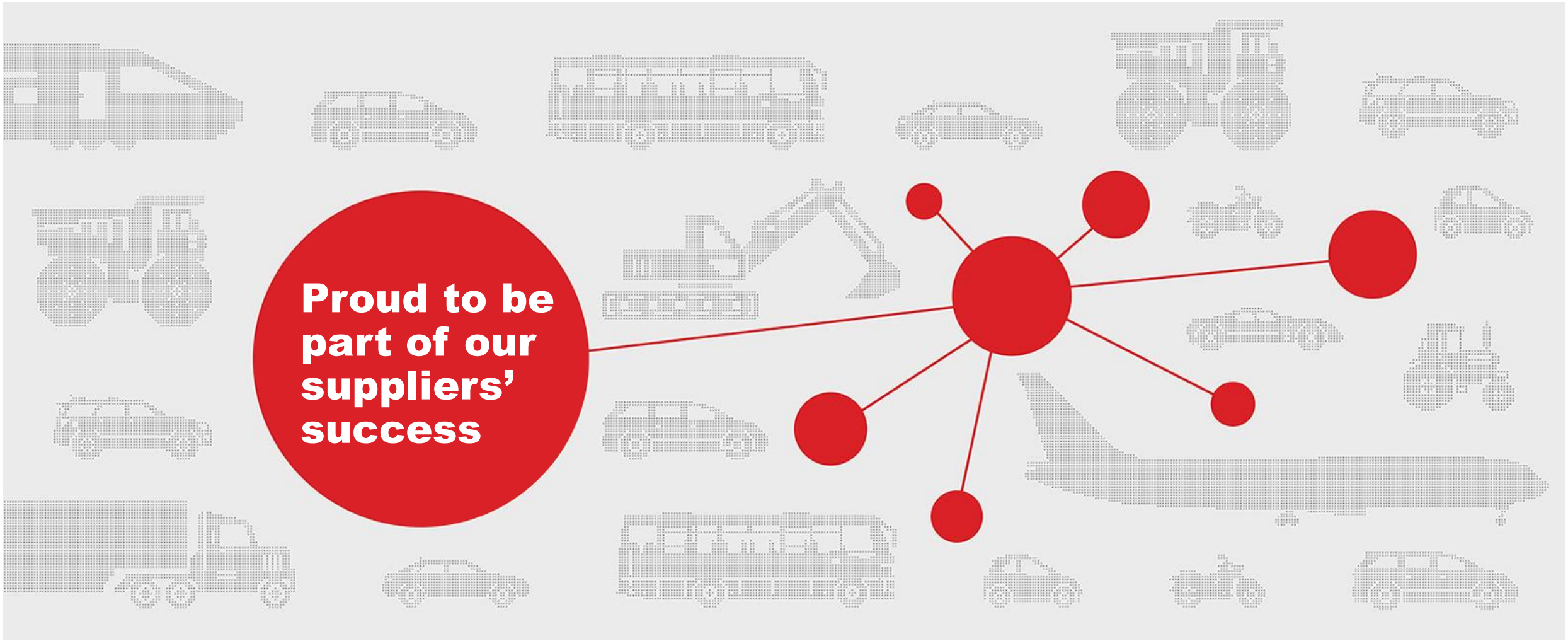


Carbon Accounting and Net Zero Roadmaps

September 2025

motherson

Agenda

1	Introduction to Carbon Accounting
2	GHG protocol and emission categories
3	Collaboration on scope 3 emissions reporting
4	Net zero roadmap framework
5	Key emission reduction levers
6	Motherson ambitions
7	Expectations from supplier partners
8	Q & A

Global climate crisis

Average global temperatures continue to rise accelerating extreme weather events such as **melting glaciers, rising sea levels, record breaking heatwaves, droughts, floods etc**.

Increase in **atmospheric greenhouse gases (GHG)** is key reason behind the **increase in global temperatures**

Co-ordinated actions incorporating **mitigation, adaptation, policy, technology, and collaboration** are crucial in the climate change landscape to limit global warming, reduce vulnerability, and drive a just transition toward a sustainable future

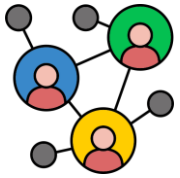
What is Carbon Accounting?

- Systematic process of measuring an organisation's greenhouse gas (GHG) emissions
- Calculates emissions in terms of CO_2 equivalents (CO_2e), allowing different gases with varying global warming potentials to be compared on a common scale
- Helps to understand environmental impacts and develop effective strategies to reduce carbon footprint

Why carbon accounting matters in strategic business planning

Risk management and regulatory compliance: Helps meet growing disclosure requirements from global regulations reducing exposure to penalties and enhancing risk management

Operational efficiency and cost savings: Highlights areas of inefficiency, unlocking opportunities for targeted cost-reduction and improved operational performance



Competitive advantage and stakeholder confidence : Leaders in carbon accounting attract environmentally conscious customers, talent, and investors, enhancing corporate reputation and market share

Long term resilience and innovation: Facilitates the development of robust, adaptive systems while harnessing technological advancements to drive continuous improvement and future-ready capabilities

Key steps in Carbon Accounting

motherson





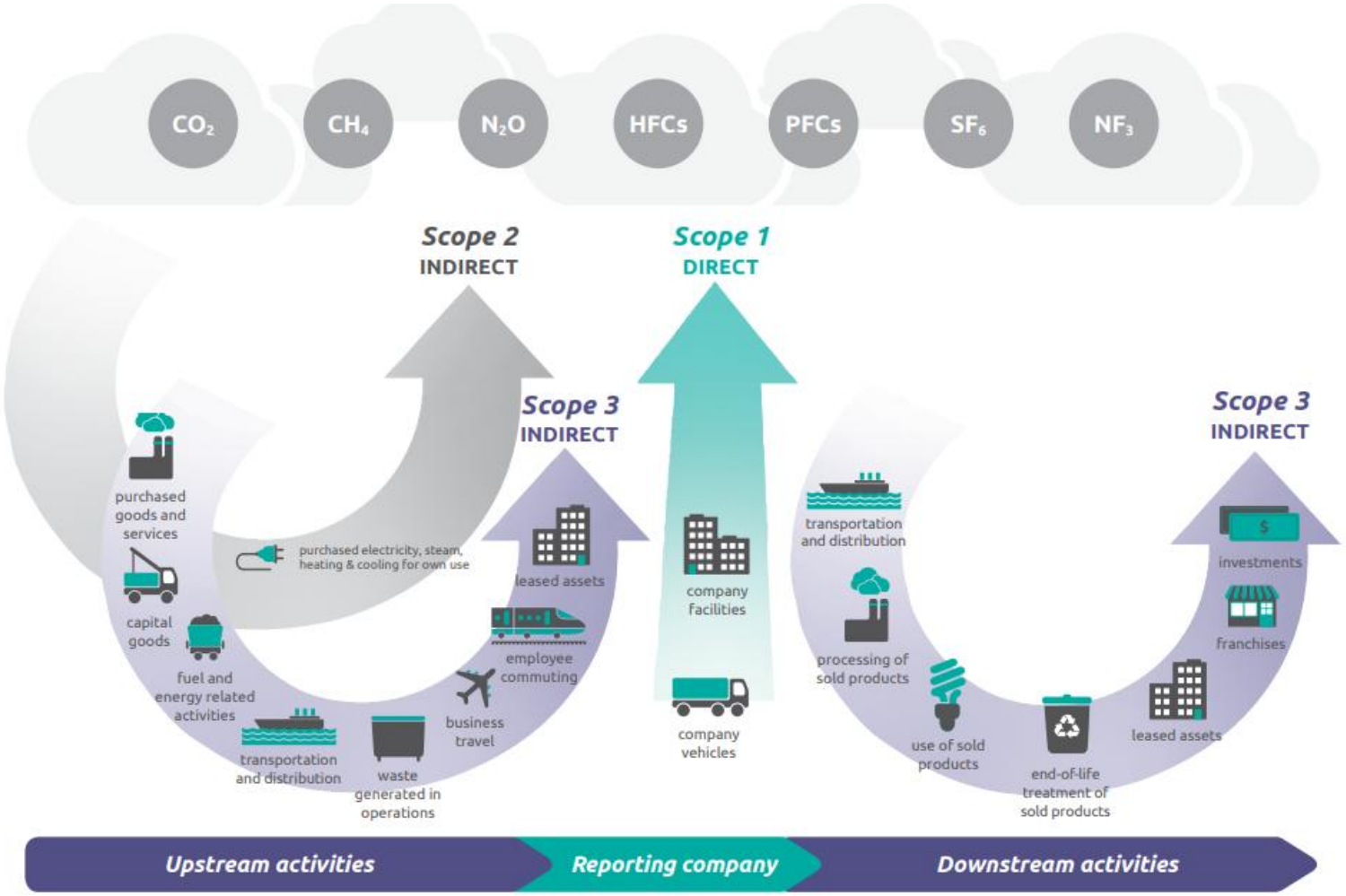

1. Define boundaries and scope
2. Identify emission sources
3. Collect activity data
4. Calculate emissions
5. Analyse and Report
6. Verify and improve

Greenhouse gas (GHG) protocol overview and scopes

GHG Protocol establishes comprehensive global standardized frameworks to **measure and manage greenhouse gas (GHG) emissions** from private and public sector operations, value chains and mitigation actions

Launched in **1998** by the World Resources Institute (**WRI**) and the World Business Council for Sustainable Development (**WBCSD**) to create internationally accepted standards for GHG accounting and reporting

The protocol develops guidance via an **inclusive process with stakeholders** from companies, government agencies, NGOs, and academia



In 2023, 97% of S&P 500 companies reporting to CDP used GHG Protocol-based methodologies

Suppliers role in scope 3 emissions

- Suppliers play a critical role in the accurate calculation and reduction of scope 3 emissions, as majority of **these emissions (as high as 90%) originate in the value chain**
- Effective collaboration is a **two way partnership** focussing on sustained engagement, technical support and capacity building
- Work together to **develop and implement innovative solutions** for decarbonization, such as process improvements, new materials, or alternative energy sources

Significance of actual operational data:

- Reporting based on **actual data** delivers much greater accuracy and granularity than spend or average based approaches, supporting robust climate accounting and more credible external disclosures
- Accurate data allows **to identify hotspots and inefficiencies in the supply chain** where mitigation efforts will have the greatest impact

Net zero explained

Net zero means balancing the amount of greenhouse gases (GHGs) emitted into the atmosphere with the amount removed or offset, so that the net contribution to global warming is zero.

Emissions generated – Emissions removed = Zero

This involves two key steps:

Reducing emissions as much as possible through energy efficiency, renewable energy, and other sustainable practices.

Removing or offsetting any remaining emissions via carbon sinks like forests, carbon capture technologies, or verified carbon offset projects

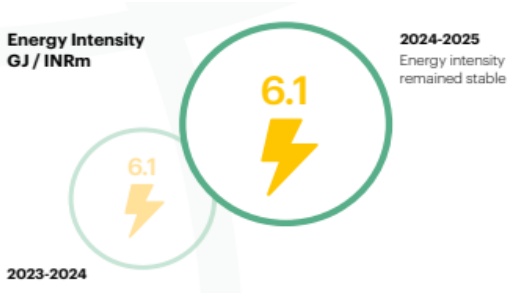
Net zero roadmap and framework

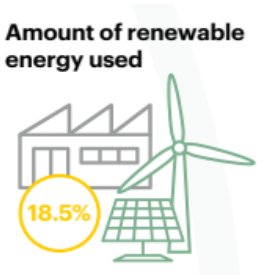
- **Baseline emissions measurement** – Understand where we stand today by calculating Scope 1, 2, and relevant Scope 3 emissions. Without a baseline, it's impossible to track progress.
- **Set targets** – Establish short-term and long-term goals aligned with science-based targets. This provides direction and accountability.
- **Identify reduction levers** – Recognize the biggest opportunities for reducing emissions, such as energy efficiency, renewable sourcing, or material optimization.
- **Supplier engagement & collaboration** – Since most of the emissions are in the supply chain, working together with suppliers is crucial to achieve reductions.
- **Monitor, disclose & improve continuously** – Regular reporting, transparency, and learning ensure that we stay on track and adapt to new opportunities or regulations.

Key emission reduction levers

- **Energy efficiency & renewable energy** – Reduce energy demand with efficient technologies and shift to green power sources.
- **Materials & design optimization** – Use lighter, recycled, or lower-carbon materials; rethink product design to use less.
- **Low-carbon logistics** – Optimize transportation routes, shift to rail or sea where possible, and explore alternative fuels.
- **Waste reduction & circularity** – Minimize production waste, recycle, and design products for reuse.
- **Collaboration on innovation** – Partner with Motherson and other suppliers to scale new technologies and best practices.

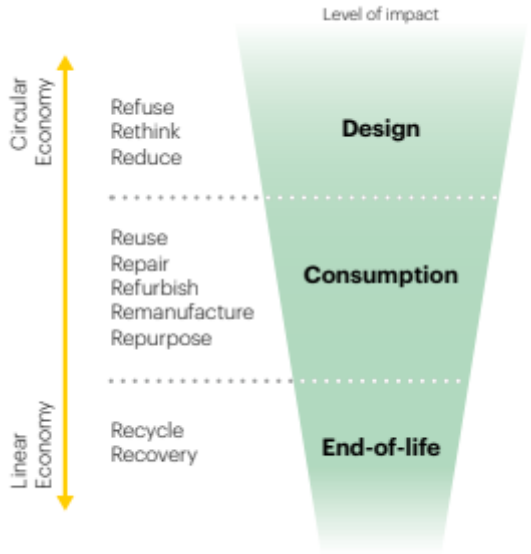
Motherson sustainability ambitions





Motherson sustainability ambitions

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

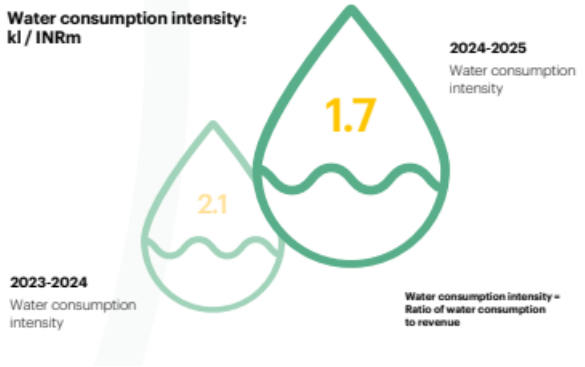


10R of circular economy

- Recycle 100% of indefinitely recyclable materials by **2026**
- Eliminate non-recyclable packaging wherever technically feasible by **2027**
- Eliminate single use plastics by **2028**
- Zero landfill by **2030**

203

Water preservation initiatives across all our current facilities by 2030.



Motherson expectation from suppliers

Measure and disclose **actual emissions data** aligned with GHG protocol (scope 1,2 & 3)

Establish robust **climate transition plans** with defined milestones and credible timelines

Cascade **climate goals and expectations throughout the supply chain** to drive broad and effective impact

- Active **Water preservation plan** in place for all sites
- Strategy to reduce **plastic packaging and achieve zero waste to landfill**

Provide **Product Carbon Footprint (PCF) & Life cycle assessment (LCA)** details for key components


Q
A

Useful links

Motherson Group Supplier Portal

Motherson Group Sustainability Portal

Motherson Group Sustainability report FY2024-25

Thank you.

Proud to be part of.