BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

General information about the Company		Details
1	**Corporate Identity Number (CIN) of the Company**	L34300MH1986PLC284510
2	**Name of the Company**	Motherson Sumi Systems Limited
3	**Registered address**	Unit 705, C Wing, ONE BKC, G Block,BandraKurla Complex, Bandra East,Mumbai – 400051, Maharashtra, India
4	**Website**	www.motherson.com
5	**E-mail id**	investorrelations@motherson.com
6	**Financial year reported**	2016-17
7	**Sector(s) that the Company is engaged in(Industrial activity code-wise)**	
	Name and description of main product/services **NIC Code of the product / service** Wiring harness and components Polymer products	 29304 29302
8	**List three key products/services that the Company manufactures/provides (as in balance sheet)**	Wiring harnesses Rear view mirrors Polymers and modules
9	**Total number of locations where business activity is undertaken by the Company**	
	i. Number of international locations	International: 33Countries Europe 16 Americas 4 Asia 10 Australia 1 Africa 2
	ii. Number of national locations	Domestic: Across India
10	**Markets served by the Company – Local/ State/ National/ International**	Europe, Americas, Asia, Australia, Africa

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Financial details of the Company		FY 2016-17 Standalone ₹ in million	FY 2016-17 Consolidated ₹ in million
1	Paid up Capital	1,404	1,404
2	Total Turnover		
	(a) Revenue from operations	70,632	432,749
	(b) Other income	1,069	1,463
3	Total Profit After Taxes	8,273	15,543

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 0.20% (₹14 million) of average profit for previous three years in respect of standalone Motherson (computation as prescribed by the Companies Act, 2013).

5. **List of activities in which expenditure in 4 above has been incurred:**

   a) Skill Development

   b) Health and wellness

   c) Waste management & sanitation

Section C: Other Details

Other details		Details
1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	Yes, all the subsidiaries (in total 136) participate in BR activities.
	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the % of such entity/entities? [Less than 30%, 30-60%, More than 60%]	All our customers are Original Equipment Manufactures (OEMs) and as per our understanding & information, all of them have their own BR initiatives. Suppliers are encouraged to participate in the Company's BR initiativesbeing a responsible business.

SECTION D: BR INFORMATION

1. DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN Number	DIN 00194931
Name	Mr. Pankaj Mital
Designation	Whole time Director/ Chief Operating Officer

b) Details of BR head

DIN Number (if applicable)	N.A
Name	Mr. G. N. Gauba
Designation	Chief Financial Officer & Company Secretary
Telephone number	+91-120-6679500
e-mail id	investorrelations@motherson.com

LIST OF PRINCIPLES

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the wellbeing of all employees
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
Principle 5	Businesses should respect and promote human rights
Principle 6	Business should respect, protect, and make efforts to restore the environment
Principle 7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

2. PRINCIPLE-WISE (AS PER NATIONAL VOLUNTARY GUIDELINES) BUSINESS RESPONSIBILITYPOLICY/ POLICIES (REPLY IN Y/N)

S. No	Question	Principle (Yes/No)								
		1	2	3	4	5	6	7	8	9
1	Do you have a policy for..	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify?	N	N	N	N	N	N	N	N	N
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	N	N	N	N	N	N	N	N	N
6	Indicate the link for the policy to be viewed online?	http://www.motherson.com/corporate-governance.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

2A. IF ANSWER TO S.NO. 1 AGAINST ANY PRINCIPLE, IS 'NO', PLEASE EXPLAIN WHY: (TICK UP TO 2 OPTIONS)

S.No	Question	Principle (Yes/No)								
		1	2	3	4	5	6	7	8	9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. GOVERNANCE RELATED TO BR

1. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Chief Operating Officers of the respective divisions periodically review the BR performance of the Company. The action points emerge from the discussions at these meetings are reviewed in subsequent meetings to ensure their closure.

Besides, the CSR Committee of the Board reviews the Social (CSR) performance of the Company as per the Companies Act, 2013.

2. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company is in process of formalising sustainability report for publishing.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/ NGOs /Others?**

The Company's Code of Conduct and Ethics ensures compliance to the Company's standards of business conduct and ethics and regulatory requirements,it is available on the intranet and on the Company's webpage. All the group companies are covered by the Code of Conduct.Code of conduct forms part of term of appointment letter and is sign at the time of joining the Company. The middle and senior management sign the Code of Conduct every year. The Company has in place a Whistle Blower Policy and is communicated through various means including publication on the Company's website.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

No complaints were received during the year 2016-17, from various stakeholders.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- Wiring harnesses
- Super slim copper cables
- Compressed ultra slim copper cables

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

A. **Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?**

B. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

MSSL is committed to save resources by adopting latest technology.Sincewiring harness for the vehicles, transmitting power and signals to electric equipment, has the tendency to increase its size and weight due to the growth of new equipment and electric systems, the weight and physical size reduction is required for vehicle compactness and . fuel efficiency considering environmental impact.

Use of very thin walled cables, power distribution modules, electronic junction boxes and other weight and size reduction techniques are applied by MSSL to the wiring technology for automobiles to provide safe, comfortable and environment-friendly products for the vehicles. The optimized designs and technologies resulted in saving of raw materials and power consumption, directly at MSSL and indirectly in entire supply chain.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?** - Yes

A. **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Sustainable sourcing describes a sourcing exercise which goes beyond economic considerations and takes into account environmental, social and ethical factors as well. It is a widely practiced tool within Motherson and the endeavour is to maximise its reach with every passing year. Motherson has a stated environment policy and an occupation health and safety policy. The vendors have to ensure compliance to these policies. It covers various issues like health of their workers deployed, safety measures adopted, discharge from equipment, hygiene norms etc. The adherence to the policy is inspected periodically and actionsare taken on the deviations if any.

4. **Has the Company taken any steps to procure goods and services from local & small producers,**

including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

MSSL undertakes initiatives to build capacities of the suppliers. Further, MSSL keeps on developing local vendors, the Company's Quality teams visit their facilities, analyses quality related aspects, and create action plans jointly with the suppliers, customers and monitored performance.In the current year, the Company strengthened efforts towards quality across the value chain. Several initiatives were taken in this direction. The Company supports suppliers with knowledge in specific areas that have a major impact on quality. During the year, training sessions were conducted for vendor personnel to share best practices in quality systems and manufacturing processes.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The nature of the Company's business is such that there are no significant emissions or process wastes. The focus of the Company is to recycle the waste. The Company recycle materialswherever it is usable within the Company,which cannot be reused is disposedoffin a manner that waste will be recycled.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

1. **Please indicate the total number of employees.**

The total number of employees was 73,791 as on March 31, 2017 in the Company (including its Subsidiaries).

2. **Please indicate the total number of employees hired on temporary/ contractual/casual basis.**

The total contractual/temporary manpower employed was 36,709 as on March 31, 2017 in the Company (including its Subsidiaries).

3. **Please indicate the number of permanent women employees.**

There were 9,700 permanent female employees as on March 31, 2017 in the Company (including its Subsidiaries).

4. **Please indicate the number of permanent employees who are differently abled.**

There were 630 differently abled permanent employees as on March 31, 2017 in the Company (including its Subsidiaries).

5. **Do you have an employee association that is recognised by management?**

Motherson group has proactive HR practices and policies and has participation of work councils and associations in different locations.

6. **What percentage of your permanent employees is members of this recognised employee association?**

7%

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No	Category	No. of complaints filed during the financial year	No. of complaints pending as on March 31, 2017
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Permanent Employees	70%
Permanent Women Employees	63%
Casual/Temporary/Contractual Employees	94%
Differently abled employees	37%

Safety training is a part of the induction process and all employees mandatorily go through one day safety training, including firefighting training. For shop floor workers, periodic safety training is organised as per the annual safety calendar.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED.

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

   - Yes

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

   - Yes

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so**

   For socio-economically disadvantaged sections of the society, the Company is implementing following three CSR programmes:

   a) **Skill Development**

   Skill development initiatives are undertaken by MSSL regularly and the Company engages with the communities regularly and implements development programmes(such as education forpoor and people in rural locations).These issues are critical to the community members. There is concerted effort to involve the community's participation in the programmes, wherever feasible.

   b) **Health and wellness**

   Water and sanitation, education and rural development are the critical issues of society, MSSL has setup facilities like water purifier in the rural location as well as the Company creates awareness among people about sanitation and clean water for their better health.The Company is enhancing infrastructure across business locations in rural areas for the health and ease of life for the people. For the good health of people, the Company organises blood donation camps and health check-up camps regularly to make people more aware.

   c) **Waste management & sanitation**

   Motherson initiates awareness for the use of Aerobins. Aerobin is a home and garden containment system which enables households to divert all organic kitchen and garden recyclable materials away from landfill. Instead, the resulting compost can be added to garden soil to complete the natural carbon cycle, thereby avoiding the generation of greenhouse gases in the collection, transportation and anaerobic decomposition that would otherwise occur at landfill. Aerobin incorporates patented technology that supports a healthy aerobic decomposition of the biomass materials without the need for manual intervention. The patented aeration system along with integral insulation ensures that composting happens year round, even in cold climates. This technology can contribute enormously to the well being of communities through a cleaner environment and pollution reduction in a simple, easily adoptable way.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/ Others?**

   The policy is applicable to Motherson, its subsidiaries and vendors. The Company's commitment to follow the basic principles of human rights is reflected in the checks and balances within the HR processes. The commitment to human rights is embedded in the 'MSSL Code of Conduct', adopted by the Company. All employees, including security personnel, are sensitised to human rights as part of their orientation programme.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   The Company did not receive any stakeholder complaint in 2016-17 regarding human rights.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.**

   Environmental Policy is applicable to all the business units/groups and extends to business partners including suppliers, vendors and contractors.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc**

Yes, the Company has an 'Environment Policy' which guides the organisation to continually mitigate the impact on climate change and global warming as a result of our operations. The Company works continuously to reduce the waste and focused on creating green infrastructure which are designed for better energy efficiency and efficient operations.

Refer Directors' Report for details in relation to environment conservation and technology absorption.

3. **Does the company identify and assess potential environmental risks?**

Yes, potential environmental risks are identified as a part of the Company's risk management activity and feature in the Company's risk library. The Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

Most of the locations in India are certified for requirements under ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health and Safety System). Audits by independent auditors are carried out to check the level of compliance. Deviation management system ensures that the corrective actions are close looped and issues are addressed within a reasonable time frame. Environment, Health and Safety (EHS) performance assessment is carried out annually to review the situation and identify the areas for improvement. Objectives are established for the next year and improvement programs are prepared and deployed.

5. **Has the Company undertaken any other initiatives on–clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Covered under Directors' Report, which forms a part of the Annual Report.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

All emissions and waste generated by the Company are within the permissible limits given by CPCB/SPCB.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

- None

PRINCIPLE 7: BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

Motherson regularly engages with industry bodies, expert agencies and contributes to the policy making process. An indicative list of the Company's major memberships is:

a. Automotive Component Manufactures Association of India (ACMA)
b. Federation Of Indian Export Organisation
c. Society Of Indian Automobile Manufacturers
d. Wiring Harness Manufacturing Association
e. Federation Of Indian Chambers of Commerce & Industry
f. Indo German Chamber Of Commerce
g. The Associated Chambers of Commerce & Industry of India
h. Motor & Equipment Manufacturers Association (USA)
i. Confederation of Indian Industry

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas**

No

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company supports inclusive growth and

equitable development through its Corporate Social Responsibility (CSR) programmes. Details on the same have been shared in Principle 4.

The Company has aligned its CSR programmes with the requirements of new Companies Law 2013. The Company has set up a three members CSR Committee of the Board. The Company's CSR Policy has been approved by the CSR Committee and the Board (www.motherson.com/corporate-social-responsibility.html). The CSR programmes are mentioned in the CSR policy.

2. **Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organisation?**

The CSR programmes of the Company are run through NGO partners and other agencies having subject expertise.

3. **Have you done any impact assessment of your initiative?**

The CSR programmes and their impacts/ outcomes are monitored and reviewed by the CSR Committee periodically.

4. **What is your Company's direct contribution to community development projects-Amount in ₹ and the details of the projects undertaken.**

Details on the Company's CSR programmes on community development have been shared in Principal 4, question 3.

In 2016-17, the Company spent ₹14 million on community development projects under CSR initiatives.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms are regularly carried out. The Company has engaged highly trained employees to drive and monitor the CSR activities.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

The Company has a robust system for addressing customer complaints. The customer cases filed against the Company for defects in the vehicles or relating to sales are not significant in number compared with annual sales volume.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information)**

Not applicable as the Company supplies to Original Equipment Manufacturers (OEMs) and there is no direct visibility for the end user.

3. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

The Company receives numerus customer awards for contribution to their business such as quality excellence, design development, best performance etc. which represents customer satisfactions. Awards are mentioned in details in "Awards and Recognition" of the annual report.

4. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No court case has been filed against the Company regarding unfair trade practices or irresponsible advertising against the Company.