

Introduction

This statement sets out SMR's actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains.

As part of the automotive industry, and manufacturing sector, SMR recognises that it has a responsibility to take a robust approach to slavery and human trafficking.

SMR is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

Aim of Policy

This policy supports our commitment to limiting the risk of modern slavery occurring within our own business or infiltrating our supply chains or any other business relationship.

The policy applies to all persons working for or on our behalf in any capacity, including employees, directors, officers, agency workers, contractors, consultants, volunteers, interns and any other third party representative.

We expect all who have, or seek to have a business relationship with the company to familiarise themselves with this policy and to act at all times in a way that is consistent with its values.

We will only do business with organisations who fully comply with this policy or those who are taking verifiable steps towards compliance.

This policy will be used to underpin and inform any statement on slavery and human trafficking that we are required to produce further to the transparency in supply chain requirements of Section 54 of the Modern Slavery Act 2015 (MSA).

Definitions

Modern slavery can take many forms. It is a complex and multi-faceted problem. The MSA covers four key criminal activities:

Slavery: where ownership is exercised over an individual

Servitude: involves the obligation to provide service imposed by coercion

Forced and compulsory labour: all work or service, not voluntarily performed, which is obtained from an individual under the threat of force or penalty.

Human trafficking: involves arranging or facilitating the travel of another with a view to exploiting them

Other forms of modern slavery, which we will not tolerate, but are not specifically referenced in the MSA include, but are not limited to:

Child labour: whilst not always illegal in the jurisdiction in which it takes place, child labour involves the employment of children that is exploitative, or is likely to be hazardous to, or interfere with, a child's education, health (including mental health), physical wellbeing or social development.

Organisational structure and supply chains

This statement covers the activities of Samvardhana Motherson Reflectec (SMR):

SMR develops, produces and distributes exterior mirrors, interior mirrors, blind spot detection systems and a wide range of other automotive components. SMR is one of the leading experts for camera based sensing systems in the automotive industry. SMR aims to work closely with its suppliers to foster an environment of growth, improvement, innovation and value creation. Our highly specialized team has in-depth knowledge of the world market for the components and raw materials which SMR demands in many countries on five continents. Only those suppliers who meet the high quality standards in the automotive industry are suppliers of highest reliability. Speed and long term security are of vital importance when delivery takes place in precise supply cycles.

Countries of operation and supply

SMR currently operates in the following countries:

Australia; Brazil; China; France; Germany; Hungary; India; Japan; Mexico; Russia; South Korea; Spain; Thailand; UK; USA.

The following is the process by which the company assesses whether or not particular activities or countries are high risk in relation to slavery or human trafficking:

SMR ensures that all suppliers, and operations, are reported for conflict minerals; this covers human rights for affected workers are met. SMR does not have any direct operations in conflict mineral areas.

Responsibility

Responsibility for SMR's anti-slavery initiatives is as follows:

- **Policies:** Corporate Sustainability Policy, covers the use of child labour, freely chosen employment, freedom of association and fair wages, benefits and working hours. This policy is owned by the Global Executive Vice President for Human Resources. Employees can raise a concern under the corporate Whistleblowing Policy.
- **Training:** Members of HR are encouraged be a member of their local professional body, for example UK HR staff are encouraged to be qualified by, and a member for, CIPD. Purchasing staff, equally are also encouraged to be a member of their local professional body.

Relevant policies

SMR operates the following policies that describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations:

- **Whistleblowing policy** SMR encourages all its workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of, SMR. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. SMR's whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation. Employees, customers or others who have concerns can raise concerns using:
 - whistleblower.mssl@tari.co.in
 - (011) 4102 2447 / 48 / 41022452
 - Thought Arbitrage Research Institute C 16, 2nd Floor Qutab Institution Area
New Delhi- 110016
- **Employee code of conduct** SMR's code makes clear to employees the actions and behaviour expected of them when representing SMR. SMR strives to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing its supply chain.
- **Supplier code of conduct** SMR is committed to ensuring that its suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they provide safe working conditions where necessary, treat workers with dignity and respect, and act ethically and within the law in their use of labour. SMR works with suppliers to ensure that they meet the standards of the code and improve their worker's working conditions. However, serious violations of SMR's supplier code of conduct will lead to the termination of the business relationship.
- **Agency workers policy** SMR uses only specified, reputable employment agencies to source labour and always verifies the practices of any new agency it is using before accepting workers from that agency. Agencies are required to provide a copy of their Gangmasters Licence (GLA) for UK based agencies.

Due diligence

SMR undertakes due diligence when considering taking on new suppliers, and regularly reviews its existing suppliers. SMR's due diligence and reviews include:

- mapping the supply chain broadly to assess particular product or geographical risks of modern slavery and human trafficking;
- evaluating the modern slavery and human trafficking risks of each new supplier reviewing on a regular basis all aspects of the supply chain based on the supply chain mapping
- conducting supplier audits or assessments through SMR's own staff creating an annual risk profile for each supplier;

- invoking sanctions against suppliers that fail to improve their performance in line with an action plan or seriously violate our supplier code of conduct, including the termination of the business relationship

Performance indicators

SMR has reviewed its key performance indicators (KPIs) in light of the introduction of the Modern Slavery Act 2015. As a result, SMR is:

- requiring supply chain managers and to have completed training on modern slavery;
- reviewing its existing supply chains, whereby all suppliers are asked to sign a letter of acceptance.

Training

SMR requires supply chain managers and HR professionals within SMR to complete training on modern slavery.

SMR's modern slavery training covers:

- Our business's purchasing practices, which influence supply chain conditions and which should therefore be designed to prevent purchases at unrealistically low prices, the use of labour engaged on unrealistically low wages or wages below a country's national minimum wage, or the provision of products by an unrealistic deadline
- How to identify the signs of slavery and human trafficking
- How to escalate potential slavery or human trafficking issues to the relevant parties within SMR. (linked into whistle blowing policy)

Awareness-raising programme

As well as training staff, SMR will be raising awareness of modern slavery issues by distributing flyers to staff and an e-learning module to be sent to all managers to complete.

The flyers will explain to staff:

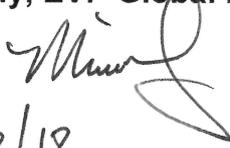
- the basic principles of the Modern Slavery Act 2015;
- how employers can identify and prevent slavery and human trafficking;
- what employees can do to flag up potential slavery or human trafficking issues to the relevant parties within SMR; and
- what external help is available, for example through the Modern Slavery Helpline.

Board approval

This statement has been approved by SMR's board of directors, who will review and update it annually.

Michael Lady, EVP Global HR

Signature:



Date:

1/8/18