



Motus



Environmental, social and governance report

—
for the year ended 30 June 2023

Reporting suite

The 2023 Motus integrated report

Online as PDF

Provides a holistic assessment of the Group's ability to create and preserve value for its stakeholders and guard against value destruction. It assesses management strategies, the risks we face, and the financial, operational and sustainability performance against our material priorities.

Preparation and frameworks

Prepared according to:

- The Listings Requirements of the JSE Limited (JSE Listings Requirements).
- The South African Companies Act 71 of 2008, as amended (Companies Act).

Frameworks applied and/or considered:

- King Report on Corporate Governance for South Africa™ (2016)* (King IV).
- The IFRS Foundation's International <IR> Framework (2021).
- Task Force on Climate-related Financial Disclosures (TCFD).
- United Nations (UN) Sustainable Development Goals (SDGs).

Assurance

Certain financial information contained within the extracts of summarised financial information has been extracted from the audited consolidated and separate financial statements which were audited by the external auditors, although the extract itself is not audited. In addition, assurance is provided through an independent accountant's report on the pro forma information, labelled as such in the integrated report within the divisional performance section.

The 2023 Motus environmental, social and governance report and annexures

Online as PDF

This report

Provides an in-depth assessment of the Group's environmental, social and governance (ESG) performance for the year, including the letter from the Chairman of the Social, Ethics and Sustainability (SES) Committee.

Preparation and frameworks

Frameworks applied and/or considered:

- King IV.
- Global Reporting Initiative's (GRI) Standards.
- JSE Sustainability Disclosure Guidance.
- TCFD.
- UN SDGs.

Assurance

Independent limited assurance is provided on selected non-financial information contained within the ESG report.

Audited consolidated and separate annual financial statements

Online as PDF

The audited consolidated and separate annual financial statements for the year ended 30 June 2023, including the report of the Audit and Risk Committee (ARC).

Preparation and frameworks

Prepared in accordance with:

- The International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).
- The South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides issued by the Accounting Practices Committee.
- Financial Reporting Pronouncements issued by the Financial Reporting Standards Council (FRSC).
- Companies Act.
- JSE Listings Requirements.

Assurance

Assurance is provided on the fair presentation of the consolidated and separate annual financial statements in accordance with IFRS and the requirements of the Companies Act.

Shareholders report and notice of 2023 annual general meeting

Online as PDF

Includes an invitation to shareholders to attend Motus' 2023 annual general meeting (AGM), and provides shareholders who want to attend the AGM with the information they need such as the notice of AGM, extracts of the summarised financial information and an analysis of shareholding.

Additional information online

- Environmental impact management approach and TCFD report.
- Human capital management approach.
- Social impact management approach.
- Business conduct management approach.
- ESG indicator report.
- Sustainable Development Goals report.
- Verified B-BBEE scorecard.

Key company information

Motus Holdings Limited

Incorporated in the Republic of South Africa

Registration number: 2017/451730/06

ISIN: ZAE000261913

JSE Main Board: Specialty retailers

Listing date: 22 November 2018

Share code: MTH

(Motus or the Group)

Feedback

We value feedback from our stakeholders and use it to ensure that we are reporting appropriately on the issues that are most relevant to them. Please take the time to give us your feedback on this report.

Email: MotusIR@motus.co.za.



Detailed online information

Stakeholders can access the Group's interim and annual financial results announcements and presentations at

<https://www.motus.co.za/investors/> or scan the QR code alongside to be taken there directly.

Navigating our reports

The following icons refer readers to information elsewhere in this report or additional reports online.



Information in this report.



Information online (corporate website).



Information in our suite of reports.

This report is an interactive PDF. It is best viewed in Adobe Acrobat for desktop, mobile or tablet.

Icons to navigate in this report are located at the top right hand side of each page and within the report.



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About this report

Motus is pleased to present our ESG report for the period 1 July 2022 to 30 June 2023. The report provides an in-depth assessment of the Group's sustainability initiatives and performance, and how we use our expertise and governance structures to deliver positive environmental, social and economic outcomes for people and the planet, and mitigate against the negative impacts that may arise from our business operations.

Within the six capitals model, the ESG report focuses on the human, intellectual, social and relationship, and natural capitals. It therefore should be read together with our 2023 integrated report to gain a holistic view of the Group's strategy, performance and value outcomes.

We value feedback from our stakeholders as we aim to provide balanced, transparent and comprehensive reporting that supports decision-making. Please provide us with your views on our report at MotusIR@motus.co.za.

Scope of this report

Unchanged from last year, the ESG report covers the sustainability risks, opportunities and impacts associated with the businesses over which the Group had operational control during the reporting period, including our subsidiaries, joint ventures and associates. It also covers the ESG issues that matter most to our stakeholders across our business, human capital, financial, regulatory and social relationships.

Our standard policy, agreed with our assurers, is to include acquisitions in our ESG data a year after the acquisition date, giving them time to adapt to our processes and systems.

For the purposes of this report, Hyundai Automotive South Africa is referred to as Hyundai, KIA South Africa as Kia, Motus Vehicles Distributor as Renault and Brietta Trading as Mitsubishi.

 Key ESG stakeholder concerns: page 17.

Frameworks

King IV and the GRI Standards, JSE Sustainability Disclosure Guidance, TCFD, principles of the UN Global Compact and UN SDGs, as well as South Africa's national development priorities, have guided the preparation of this report and the identification of key ESG indicators. In our commitment to continuous improvement, closer alignment with the International Sustainability Standards Board's sustainability-related (IFRS S1) and climate change-related (IFRS S2) standards for capital markets will be a key objective for the Group's reporting suite going forward. Some progress has already been made in this year's ESG report and its annexures.


 Environmental impact management approach and TCFD report.

 Sustainable Development Goals report.

Changes to our reporting

Our reporting structure for 2023 has been streamlined to achieve conciseness and provide a clearer view of the Group's material ESG themes and priorities; reaffirmed by an independent ESG maturity assessment. In addition, we have moved the detailed management approach disclosures for our environmental impact, human capital, social impact and business conduct to our corporate website, with high-level summaries provided in the ESG risks and opportunities section of this report.

 Full management approaches.


 Our ESG risks and opportunities: page 19.

The definitions of all acronyms used in this report can be found in the glossary on  page 122.

Materiality

Our material priorities have been identified for careful management over the short, medium and long term to deepen the Group's resilience, relevance and responsibility in pursuing sustainable value for stakeholders and society over time. They incorporate the findings of the independent ESG maturity assessment and have informed the content included in this year's integrated and ESG reports. How effectively we manage our material priorities is likely to influence the decisions and conclusions of our stakeholders when assessing the Group against the outcomes they expect.

 Our material priorities: page 4.

 Detailed disclosure on determining our material priorities: page 66 of the 2023 integrated report.

Materiality boundary

Our material ESG priorities apply Group-wide with nuanced differences depending on region or type of business activity. For example, OHS is particularly key in our workshops and PDCs where employees work with machinery; quality control is more material for our workshops, vehicle businesses, Vehicle Rental and Aftermarket Parts; and managing regulated products and the protection of customer information are particularly material for our dealerships, Vehicle Rental and Mobility Solutions.

B-BBEE is an integral part of any business operating in South Africa. It includes workforce transformation, inclusive procurement and socio-economic development support, and is material for all Motus entities operating in South Africa.

Time horizons

In our strategic planning and operations, we define the short term as within one to two years, the medium term as the next three to five years, and the long term as five years and beyond.

Forward-looking statements

Certain statements in this report that are forward looking are by their nature inherently predictive and speculative. They involve risk and uncertainty, and depend on future events and circumstances which may result in different outcomes to those we expect.

Full disclaimer on forward-looking statements: page 128.

Report preparation

The Executive of Corporate Affairs, Risk and Sustainability and Chief People Officer are responsible for managing the ESG report preparation process, including overseeing the processes and controls applied to gather information and metrics. They are assisted in this responsibility by specialist external reporting advisors. Oversight and guidance are provided by the Group CFO and relevant Executive Committee members.

Interviews with senior leadership, together with internal and external sources of trusted information used for decision-making, have been used to prepare this report. This includes board and management reports, strategy presentations, and presentations and reports considered by the SES Committee.

The independent controls to ensure the integrity of the ESG report include:

- Limited assurance by Deloitte & Touche over the following indicators:
 - **Environment:** diesel, petrol and electricity consumed, water purchased, and Scope 1, 2 and 3 emissions.
 - **Social:** training hours in South Africa, training spend in South Africa, kilometres travelled, road accidents and road accidents per million kilometres and CSI spend.
- Verification of our B-BBEE scorecard by accredited rating agency, AQRate.

The Group CFO and other relevant Executive Committee members reviewed this report before it was submitted to the SES Committee, in which the Group CEO is a member, for approval. The SES Committee members are comfortable that our internal controls, risk and compliance programmes, and verification and assurance processes are appropriate to ensure the integrity of the ESG report.

Independent limited assurance report: page 125.

B-BBEE scorecard.

Statement of responsibility and approval

Executive management and the SES Committee have reviewed and approved this year's ESG report. In the SES Committee's opinion, the ESG report addresses all material ESG priorities, and provides a balanced and appropriate view of the Group's sustainability performance.

On behalf of the committee

Johnson (JJ) Njeke

Chairman of the SES Committee

Osman Arbee

Chief Executive Officer

27 September 2023

Note: signatures are not included for security purposes.

Our material priorities

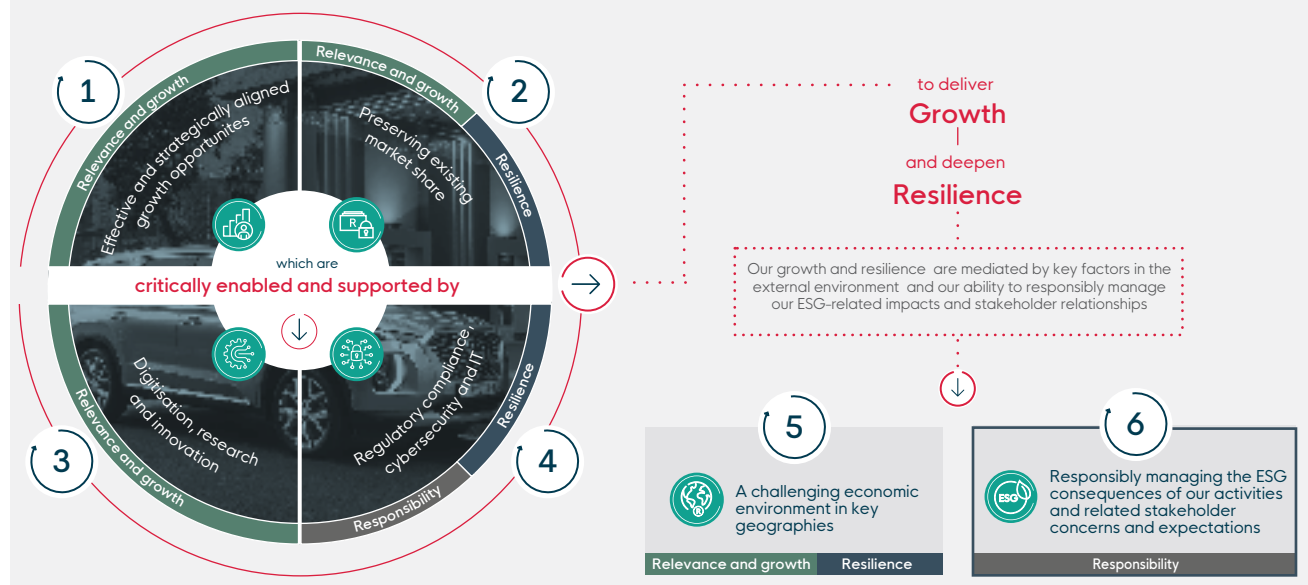
We keep abreast of changes in the sustainability landscape through our stakeholder, industry body and business forum engagements, and our day-to-day operational experiences on the ground.

In 2022, we began an externally facilitated ESG maturity assessment, which concluded in 2023 and provided an independent view of ESG topics considered material to Motus. The results of these activities have informed the materiality review undertaken as part of our 2023 integrated reporting cycle. The materiality map below outlines the

Group's current priorities to secure our prospects now and into the future, the key concerns of stakeholders and our top business risks. The ESG topics listed under material priority six have guided the content of this report.

Detailed disclosure on the process to determine our material priorities: page 66 of the 2023 integrated report.

Our ability to deliver long-term value creation is achieved by our strategic focus on



Environment



- **A lower carbon economy** (fuel and energy efficiency, NEV trends, our carbon footprint and renewable energy).
- **Our environmental impact** (performance against targets, water efficiency, managing waste responsibly and waste recycling).

Social



- **An innovation culture and development of innovative products and services.**
- **A diverse, equitable, inclusive and engaging workplace** (gender equality, accommodating people living with disabilities and employment equity in South Africa).
- **Leadership capability and talent pipeline.**
- **Employee value proposition** (employee engagement, developing current and future skills, employee wellbeing and fair HR practices).
- **Health and safety of people** (healthy and safe workplaces, product safety and road safety).
- **Economic and social inclusion** (our transformation strategy, inclusive procurement practices and community upliftment).

Governance



- **Ethical, fair and compliant business conduct and data protection.**
- **Accountability, transparency and integrity** (operations and reporting).
- **Responsiveness to legitimate stakeholder concerns.**
- **Environmentally and socially responsible operations.**

Motus at a glance

Motus is a multi-national provider of automotive mobility solutions and vehicle products and services, with a leading market presence in South Africa as well as a selected international offering in the UK, Australia, South East Asia and Southern and East Africa.

We are a diversified (non-manufacturing) business in the automotive sector and South Africa's leading automotive group, with unrivalled scale and scope across the automotive value chain. Our international focus is selective; aimed at enhancing our offering and Group performance. We offer a differentiated value proposition to OEMs,

customers and business partners with a business model that integrates our four business segments and extends across all segments of the automotive value chain to meet customers' mobility needs across a vehicle's lifecycle.

Our geographic footprint



South Africa

- Representing 24 OEMs and 33 brands
- Exclusive importer of Hyundai, Renault, Kia and Mitsubishi
- 32 commercial dealerships
- 211 passenger dealerships
- 63 Auto Pedigree pre-owned dealerships
- 39 Motus Select pre-owned dealerships
- 110 Vehicle Rental branches
- 489 Aftermarket Parts franchised outlets and distribution points
- 5 canopy fitment centres
- Mobility Solutions



United Kingdom

- Representing 13 OEMs and 19 brands
- 80 commercial dealerships
- 33 passenger dealerships
- One Aftermarket Parts distribution centre
- 176 Aftermarket Parts retail outlets



Australia

- Located in Victoria (provincial areas) and New South Wales (metro areas)
- Representing 20 OEMs and 21 brands
- 38 passenger dealerships



South East Asia

- Four Aftermarket Parts distribution centres and agencies across Taiwan and Shanghai

Southern and East Africa

Botswana	■ ■	Lesotho	■ ■	Mozambique	■ ■	Zambia	■ ■
Eswatini	■ ■	Madagascar	■ ■	Namibia	■ ■	Zimbabwe	■ ■
Kenya	■ ■	Malawi	■ ■	Tanzania	■ ■		

- Exclusive distribution rights for Nissan in three East African countries and one country in the SADC.
- 13 retail dealerships
- 15 Vehicle Rental branches
- 72 Aftermarket Parts owned and franchised outlets and distribution centres

- Retail and Distribution
- Vehicle Rental
- Aftermarket Parts

We employ over 19 800 people globally.

Motus at a glance (continued)

Our four business segments



Importer and distributor of passenger, LCVs and parts to serve a network of dealerships, vehicle rental companies, fleets and government institutions in South Africa.

Scale

- ~21,3% vehicle market share (passenger only) in South Africa.
- Vehicle parc of ~600 000 vehicles with ~97 000 vehicles imported in 2023.
- 20% of Group revenue.



Import and Distribution



Retailer of new and pre-owned passenger and commercial vehicles across all segments in South Africa and the UK, and passenger vehicles in Australia.

Selling of parts and accessories.

Servicing and maintenance of vehicles.

Rental of passenger vehicles and LCVs in Southern Africa.

Scale

- ~87 000 new vehicles and ~85 000 pre-owned vehicles sold annually.
- ~19,8% retail market share in South Africa.
- ~25,0% vehicle rental market share in South Africa.
- 68% of Group revenue.



Retail and Rental



Developer, seller, manager and administrator of service, maintenance and warranty contracts, and VAPS.

Provider of fleet management services, telemetry and business process outsourcing through sophisticated technology and call centre capabilities.

Custodian of the Group's data warehouse.

Advancing Group innovation, fintech and data capabilities to discover future mobility needs and unlock new products and services.

Scale

- Trusted VAPS provider to >700 000 vehicle owners in South Africa.
- Data leveraged from 14,5 billion kilometres travelled annually by customers.
- >45 customer interactions every minute.
- 2% of Group revenue.



Mobility Solutions



Distributor, wholesaler and retailer of parts and accessories mainly for out-of-warranty vehicles in Southern Africa, the UK and Europe.

Distribution centres in South Africa, Taiwan, China and the UK.

Scale

- ~135 000 product derivatives in South Africa.
- ~32 000 product derivatives in the UK (FAI).
- ~90 000 product derivatives in the UK (MPD).
- 10% of Group revenue.



Aftermarket Parts

Our Purpose

Mobility for Good



Our Vision

- We will improve people's lives by envisioning, innovating and creating new access to leading-edge mobility solutions.
- We will rely on strong relationships with suppliers, principals and service providers to offer comprehensive solutions at competitive prices in the geographical areas where we operate.
- We will deliver an EVP that attracts and retains talent, and positions Motus as an employer of choice in the automotive industry.
- We will ensure sustainable value creation for all stakeholders, including suppliers and business partners.



Our Mission

- We provide value for customers and build market share through relevant and innovative products, and exceptional service at competitive prices.
- We deliver returns to shareholders through innovation-driven growth and portfolio optimisation that allows us to increase our participation in all aspects of the automotive value chain to enhance our earnings while proactively managing risk and capital allocation.
- We drive a diverse, fair and inclusive working environment and provide development opportunities to ensure our teams are highly competent and experienced to deliver our strategic priorities.



Our Values

- We are fair, accountable, driven and ensure that we operate in an environmentally friendly and responsible manner.
- We comply with rules and regulations, operate at the highest levels of integrity and ethics, and ensure we have non-discriminatory business practices.

Motus at a glance: page 4 of the 2023 integrated report.

Strategic priorities: page 62 of the 2023 integrated report.

Letter from the SES Committee Chairman

Leading with purpose, Motus makes a positive difference in the lives of our customers, employees and the society we operate in. Enabling physical and social mobility, building strong stakeholder relationships, and guarding our reputation as an active and ethical corporate citizen, are primary motivators.

Mobility for Good, is our purpose, which we bring to life in several ways: we provide affordable, innovative mobility solutions; we integrate ESG into our daily operations ensuring a net-positive impact on society and the environment; we lend a credible voice to industry associations and business forums, motivating for growth-enabling policymaking; we always act as an ethical corporate citizen continually improving our governance practices, and we actively contribute to meaningful job creation and community upliftment initiatives.

ESG enabling growth

We consider ESG to be a critical enabler of our growth strategy. At Motus, ESG starts with upholding the Group's values. They provide the moral compass for strong stakeholder relationships; including how we manage our people, how we contribute to transforming South Africa's automotive industry; and how we optimise our use of natural resources. Living by our compass is vital in securing our commercial and social licences to operate. It is obvious that without these aspects of ESG, we simply cannot make good on our promise of sustainable growth – of both financial and socio-economic returns.

I am proud to have been part of an experienced and committed leadership team who understand that growth cannot come at the expense of our values, our stakeholders and the environment. Around the boardroom table at Motus, our decision-making is informed by the long term, and we hold management and the organisation to account for ensuring that the value we create today is shared to benefit current and future stakeholder interests.

This inclusive approach enables the Group to identify risks that could impact our sustainability into the future. It also allows us to identify and take advantage of new opportunities as the world moves to solve existential risks. This mindset, alongside our culture of entrepreneurial agility, adds up to resilience – the ability to endure; react quickly, manage difficulties and most importantly, to learn and apply the lessons of adversity.

Recognising achievements and challenges

An important feature of our role as the SES Committee is to encourage an ESG-orientated mindset. We are pleased to report that good progress has been made across all three pillars of ESG.

The Group's highlights for the year include:

- Improved black representation in South Africa at middle and junior management levels;
- The finalisation and roll out of the DEI framework;
- A review of the Group's learning and development programmes;
- The introduction of updated ethics training in South Africa;
- Formalisation of the Group's portfolio of solar PV systems and alternative water sources as the first step to understanding how much renewable energy and recycled water we use; and
- Generating better quality waste data from which credible targets for paper, tyres, batteries and used oil are being developed.

Most notable as a headline socio-economic indicator, and a commendable achievement, is the Group's Level 3 B-BBEE rating for 2023, improved from a Level 4 last year.

Purchased electricity (Group)

64 998 MWh

2022: 70 108 MWh

Vehicle fuel (Group)

17 082 kl

2022: 16 637 kl

Water (Group)

672 938 kl

2022: 609 191 kl

Carbon footprint (Group)

107 268 tCO₂e

Scope 1 and Scope 2

2022: 111 841 tCO₂e

Black representation (South Africa)

76%

of overall workforce

2022: 75%

Black representation (South Africa)

68%

of management

2022: 65%

Female representation (Group)

31%

of overall workforce

2022: 32%

Training spend (Group)

R426 million

2022: R290 million

Training hours per employee (South Africa) per annum

72 hours

2022: 108 hours

ESD spend (South Africa)

R119 million

2022: R121 million

CSI spend (Group)

R26 million

2022: R30 million



Motus

I am proud of Motus' positive contribution to our stakeholders and society over the last year.

JJ Njeke
Outgoing Chairman of the SES Committee

Letter from the SES Committee Chairman (continued)

YES4Youth Programme (South Africa)

890

young learners provided with work experience and training at either Motus or its CSI partners across two cohorts with around 500 learners to be onboarded in the third cohort

Ethics training (South Africa)

94%

completion rate of our updated ethics training module within Mobility Solutions and our FSPs

The year, however, was not without its challenges. It is prudent to note that the Group measures itself against stretch targets for key employment equity and environmental measures. Whereas we met some employment equity and gender targets, we missed others given the difficulty of employment growth in a weak economic environment with a shortage of key skills. Also, while exceeding our stretch targets for both vehicle fuel and electricity consumption, our water consumption remained below our 2019 baseline year (when comparing like-for-like site area footprint), however increased 10% year on year across the Group, mostly due to the acquisitions made in 2023.

We continue to manage health and safety robustly. Four accidents, all outside the control of our drivers, resulted in four third-party road fatalities. Our response has been to introduce new training during the first quarter of 2024, to help our drivers identify potential risks and avoid collisions.

Investing in technology for improved decision-making

Our investment in technology and data, as a critical enabler of our growth strategy, is allowing us to continually improve the way we manage ESG. With the SES Committee's oversight, the Group has made good progress since 2018 in maturing its frameworks and systems to better identify ESG risks and opportunities, and deliver quality data that is accurate, complete and credible. This has over time honed our decision-making, initiatives and reporting in relation to ESG. The introduction of a new Employee Wellness Programme in South Africa, the launch of the funeral benefit, and the work to define the Group's EVP are some of the initiatives introduced in response to the challenges identified when analysing the Group's data trends.

We continue to update our systems as business and stakeholder requirements change, to ensure ongoing effectiveness and efficiency. During the year, a great deal of effort went into implementing updated environmental, OHS and human capital information management systems. For the environmental pillar, the upgraded system is user-friendly and flexible, making it easier for the Group's business segments to report their data. And, as mentioned already, better data makes for credible target-setting.

Be the employer of choice in the automotive industry

Entrepreneurial leadership is core to Motus' company culture, and a strong competitive differentiator. In developing new leadership talent, we prefer to 'grow our

own timber'; looking within the organisation to identify and promote individuals who embrace the Group's values and know its culture – a critical aspect in driving growth and sustainability.

Emigration and remote working for foreign companies (South Africa) and high employment levels (UK and Australia) are increasing the competition for key skills, impacting employee turnover and succession within key skill sets. The human capital management team regularly reviews and updates the Group's initiatives to deepen our talent pool, and ensure that capable and experienced leaders fill critical positions. Key initiatives for the year included updating the recruitment tool to ensure we reach the right candidates, and the inaugural Futuremakers Awards to recognise the standout contributions of the Group's innovators.

Gender equity, youth employment and managing a multi-generational workforce remain focus areas; important as feeders into the talent pipeline and acquiring the diverse thinking we need to remain relevant and innovative across all our markets. The Group's leaders play a critical role in creating a workplace where each employee feels like they belong and that it is safe to have honest conversations. Our leadership development programmes teach the behaviours we want to instil in the leadership DNA – leaders who are conscious and sensitive to the issues faced by the individuals in their teams, whether these issues relate to barriers to inclusion, financial strain at home or mental health.

The prevailing challenges for South Africans are resulting in high levels of stress and burnout. This called for a new employee wellness solution where employees can access the help they need, directly and confidentially. Understanding that problems at home can impact productivity in the workplace, the programme is also available to immediate family members.

The Group's participation in the YES4Youth Programme has been a great success, with business areas integrating the programme into their resourcing plans. Not only does the initiative provide young jobseekers with the opportunity to build a dignified career path, but it also gives Motus the opportunity to assess learners as potential employees. More broadly, the programme exposes young people to an industry they may not have considered. We are proud to have been able to offer full-time positions to 45% of the 890 YES learners who have spent time with us as part of the Motus family.

Contributing to economic and social inclusion

South Africa faces complex challenges to grow the economy, address high structural unemployment, redress the persistent imbalances of our history, and attend to social cohesion. Poverty and inequality, exacerbated by the cost-of-living crisis, continue to fuel protests sometimes spilling over into violence, disrupting services and schooling, and impacting the ability of people to get to work and access essential services. Unrelenting unemployment continues to deny people opportunity and dignity.

The private sector, with its access to significant financial resources and talented professionals, can be a valuable partner to government in its efforts to advance socio-economic development in South Africa and improve lives. The response to the COVID-19 crisis and the YES4Youth Programme are excellent examples of where public and private sectors have aligned for the greater good.

Motus provides reliable mobility solutions that unlock opportunities and improve lives. Beyond our business activities, the Group's ESD and CSI initiatives support jobseekers and suppliers, and ease the plight of the most vulnerable in our society. Ten SMMEs within our supply chain were selected to participate in our newly launched ESD programme to help them sustainably build and scale their operations. The Unjani Clinics network now operates 164 primary healthcare facilities, serving over one million patients in 2023. The Imperial and Motus Community Trust today has 71 resource centres supporting the education and literacy of over 79 300 learners in under-served schools.

Caring for the environment

The Group's focus is to become more efficient; do more with less and be less wasteful in how natural resources are used. The electricity crisis has unfortunately forced hikes in diesel usage during the extended power outages that have plagued South Africa in 2023; however, it has also meant that smarter thinking is needed to understand how the Group can achieve the same outputs with less electricity. Pleasingly, the Group's efficiency initiatives are yielding positive results, with reductions achieved in both the carbon and water intensity ratios for 2023 against a year-on-year revenue increase of 16%.

Differing regulations, levels of government support and infrastructure availability mean that the pace of transition to NEVs is uneven across our three key markets. Motus stands ready to meet the changes that must take place to reduce the automotive industry's contribution to global carbon emissions. In the UK, where the adoption of plug-in EVs is more advanced, we are gaining firsthand knowledge on what this transition means, and together with the support of our OEMs, Motus will be able to meet customer preference for NEVs in South Africa when circumstances permit. However, policy changes, state subsidised infrastructure provision, more affordable plug-in EV options and a stable electricity supply are needed before demand will increase.

The Group intends to align its net zero carbon emissions plans to the net zero visions and timelines of the countries in

which it operates. In preparation, a key focus area will be to better understand what is outside of our control but within our influence, particularly in terms of Scope 3 emissions in the supply chain.

Maintaining a moral compass

Given endemic corruption in South Africa, it would be remiss of the SES Committee and the Group's leadership to be unconcerned about the malfeasance the general ethical climate may breed within organisations. A working group was established this year to investigate the higher incidents of misconduct, and our leaders have heightened their vigilance in managing misconduct supported by reinforced industrial relations training. Training on the Ethics Self Declaration Programme was extended during the year, and the Group launched a pilot online register for gifts and conflicts of interest, introduced updated ethics training and provided senior managers with a guide on how to responsibly and fairly manage whistle-blowing reports. These mechanisms, supported by self-assessments on compliance with the Group's internal controls, continually remind employees of how they are expected to behave when acting on Motus' behalf. We do not tolerate unethical behaviour, and contraventions are swiftly brought to book.

The pace of regulatory change continues unabated. The FICA amendments alone have brought the largest change to our business landscape in several years. A number of initiatives were implemented during the year to ensure our dealerships make the transition to accountable institutions effectively, with enhanced oversight of every transaction they facilitate.

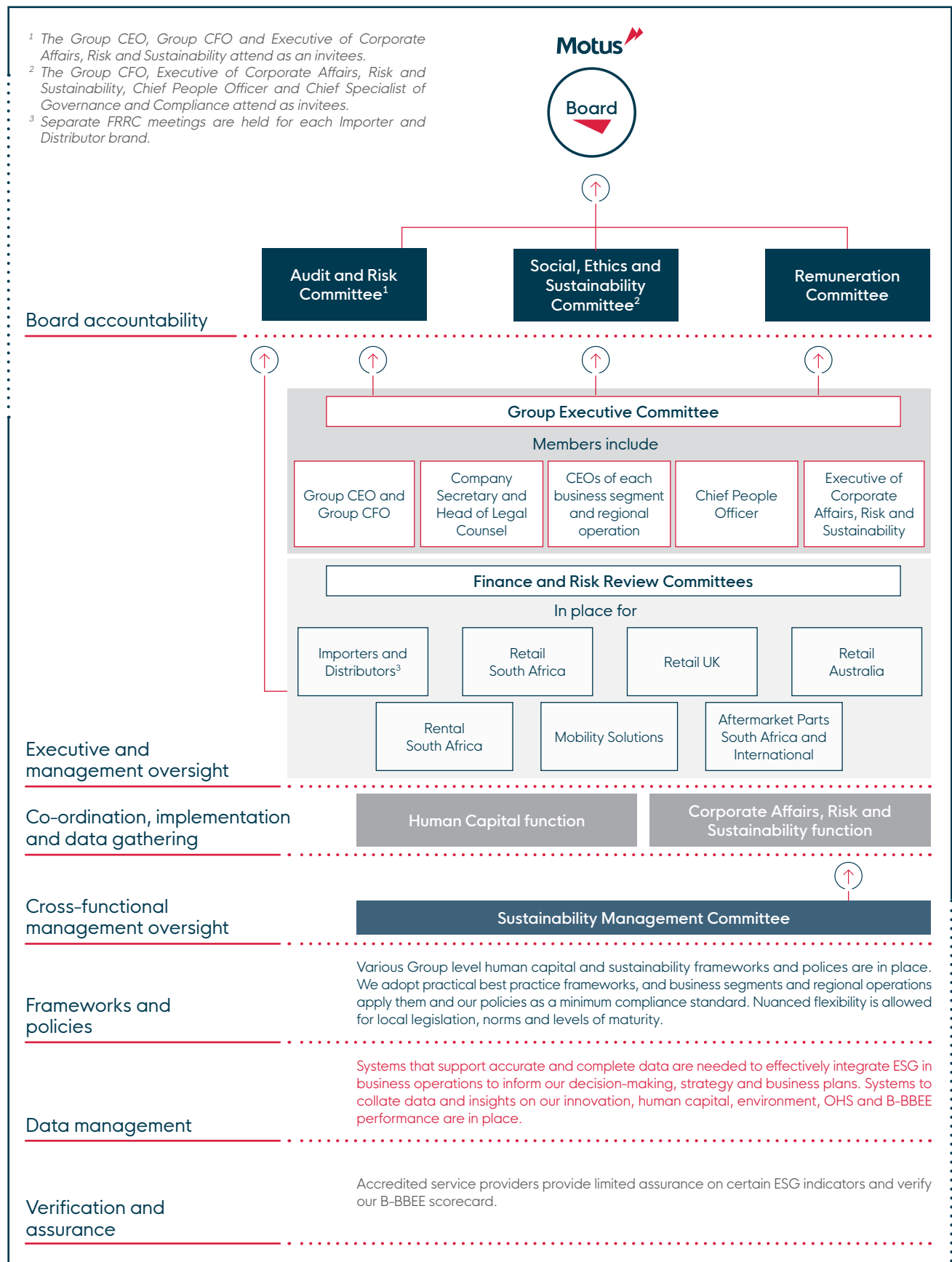
Appreciation

I am proud of Motus' positive contribution to our stakeholders and society over the last year. I thank my fellow committee members, the executive management team and the people of Motus for their dedicated efforts, energy and focus in bringing Mobility for Good to life, especially their embrace of our commitment to remain a company with a strong moral compass. I welcome Fundi Roji as the new Chairman of the SES Committee, who over the past two years has contributed her valuable insight and experience to the committee and the Group's approach to sustainability. I wish her well in taking forward the many meaningful ESG initiatives that are the foundation for Motus' growth aspirations.

Johnson (JJ) Njeke

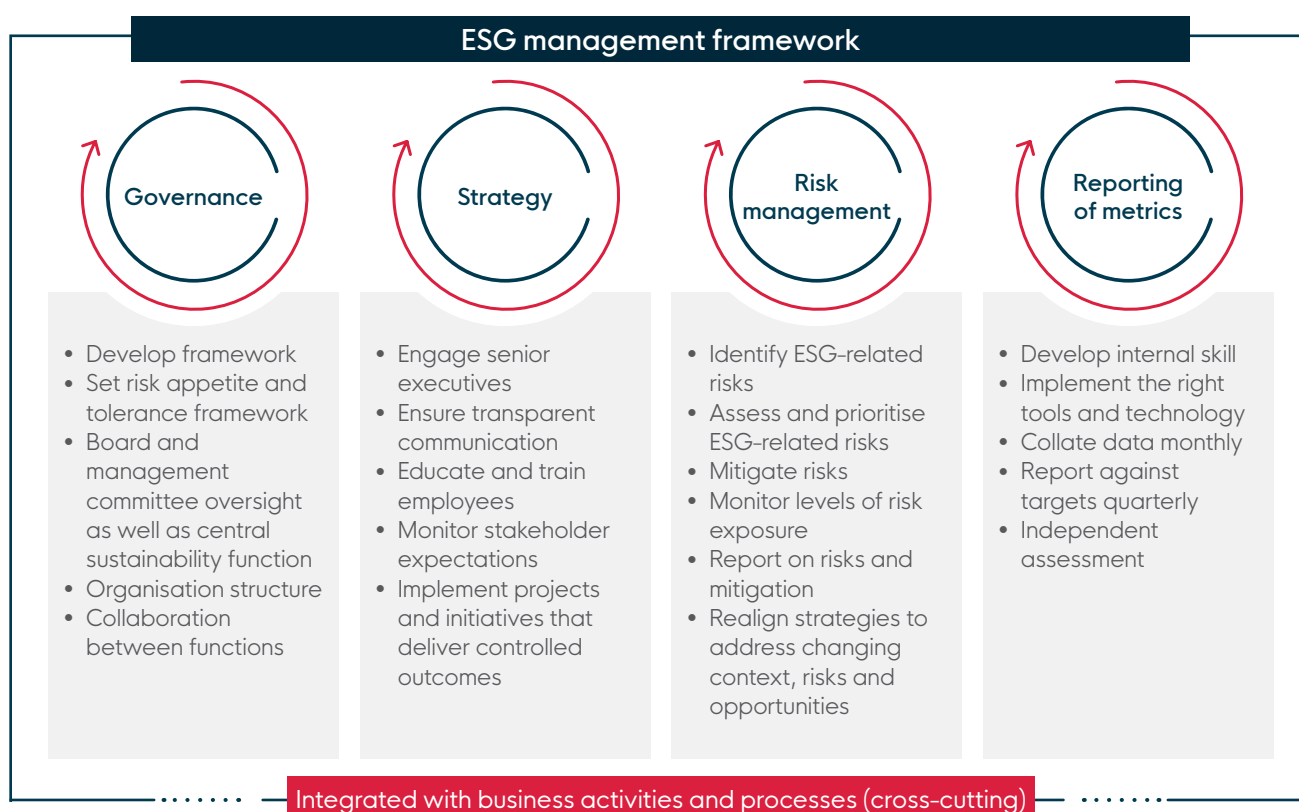
Outgoing Chairman of the
SES committee



Governance of sustainability



The principles of fairness, accountability, integrity and transparency guide our governance of sustainability and how we manage our ESG risks, opportunities and impacts. Our approach is both about understanding what risks we should take and having the competencies to ensure that our decisions are implemented in a responsible way that balances the risk/reward ratio.

Our governance structures ensure that our environmental and social impacts are identified and understood, that negative impacts are responsibly mitigated and positive impacts are leveraged to drive meaningful benefits for stakeholders, and that decision-makers are held appropriately accountable. Our Code of Ethics guides our interaction with all our stakeholders.



-  Governance report: page 140 of the 2023 integrated report.
-  Environmental impact management approach and TCFD report.

Board accountability

At the highest governance level, the Motus board sets the tone for ethical leadership, sustainability, stakeholder inclusivity and high standards of governance. It is ultimately responsible for ensuring that these elements are integrated in the Group's strategy, risk management, assessment of opportunities and operations, in turn, securing our reputation as a responsible corporate citizen. The board is committed to ethical conduct in discharging its duties and responsibilities, and ensuring that the Group complies with regulation and the non-binding codes and standards it has adopted.

ARC, the SES Committee and RemCo assist the board in these responsibilities. Each sub-committee is chaired by an independent non-executive director.

The Company Secretary evaluates the board's performance and that of its sub-committees, Chairman and members every two years to support continued improvement in performance and effectiveness. External evaluation is undertaken every three years.

Our directors bring diverse thinking to the board as well as their diverse experience on other boards where ESG strategies may be more mature than that of the Group. Where additional expertise is required, external specialists are invited to provide board education.

Governance of sustainability (continued)

Audit and Risk Committee

Met four times in 2023

ESG-related responsibilities	Key ESG-related deliberations, discussions and decisions made in 2023
<ul style="list-style-type: none"> Ensures that the Group's risk management framework is effective, embedded throughout the Group and integrates ESG-related risks. Monitors and reviews the Group's top business risks, including climate change-related risks. It also oversees the funding for non-insurable climate-related events. Oversees our ability to prevent and detect fraud and theft. Monitors and reviews incidents of fraud and theft, litigation cases as well as compliance and emerging legislation. Oversees IT governance, and IT and cybersecurity risks, incidents and projects. Assists the Board in overseeing the quality and integrity of our ESG reporting. Reviews detailed reports from the FRRCs. 	<ul style="list-style-type: none"> Assessed the impact of Imperial's exit from the Ukhamba B-BBEE ownership structure. Requested clarification from management on initiatives to improve the Group's cybersecurity governance and control measures for areas that scored lower assessment ratings. Requested clarification on the Group's controls to prevent cyberattacks arising through social media. Kept abreast of the General Laws (Anti-money Laundering and Combatting Terrorism Financing) Amendment Act, 2022, including the FICA Amendments. Oversaw the implementation of the process to screen employees within dealerships. Requested future reporting on the risks relating to an electricity grid collapse and water shedding in South Africa.

Social, Ethics and Sustainability Committee

Met four times in 2023

ESG-related responsibilities	Key ESG-related deliberations, discussions and decisions made in 2023
<ul style="list-style-type: none"> Encourages a sustainability mindset and guides and oversees our ESG-related strategies and their implementation. The committee's agenda covers: <ul style="list-style-type: none"> The Group's standing in terms of economic, environmental and social charters and principles: UN Global Compact, OECD recommendations regarding corruption, ILO Protocol on decent work and working conditions and, in South Africa, the dtic Codes and other legislation pertaining to transformation. Operating in an environmentally responsible manner: climate change risk, Motus' environmental strategy, investment in green projects, progress against environmental targets and OEM plans to manufacture and supply NEVs in our markets of operation. Contribution to sustainable development: human capital management, including DEI, employee engagement, employee relations, training and development, health and safety and employee wellbeing; B-BBEE initiatives; CSI; and broader commercial dynamics such as innovation, brand and reputation management. Operating in a sound and ethical manner: ethics, compliance and regulatory matters, ombudsman cases, protection of personal information and cybersecurity. Ensures that budgets and resources are sufficient to meet our key objectives in terms of training and development, information security, B-BBEE initiatives, CSI support and environmental improvement projects. Oversees the management of the whistle-blowing hotline and other mechanisms to report misconduct, and the disciplinary actions taken when misconduct is verified. Reviews the reports from the external assurance providers on various ESG indicators. Considers and approves the Group's ESG report. 	<ul style="list-style-type: none"> Requested the following actions: <ul style="list-style-type: none"> A review of the Group's environmental targets to ensure they are fair and realistic, particularly given the impact of heightened load shedding in South Africa. Further engagement with stakeholders on the proposed employment equity targets for the automotive industry. The external audit of compliance self-assessments for regulated products. An investigation on the reasons for the drop in the ownership pillar of the B-BBEE scorecard and how the Group could remedy the score. Improved reporting on the initiatives to recycle waste. Clarity on the actions being taken to ensure that the Group's water consumption target is met. Pleased with the progress made: <ul style="list-style-type: none"> On implementing the environmental strategy. In advancing the innovation strategy. In transforming the workforce to be more reflective of South Africa's racial demographics and gender. To improve our compliance controls. In extending the wellness programme to more employees. Reviewed the results of the external assessment of Motus' ESG reporting. Requested clarification from management on the challenges associated with meeting proposed employment equity targets for the automotive industry. Kept abreast of the FICA Amendments and their impact on the dealership network in South Africa.

Remuneration Committee

Met four times in 2023

ESG-related responsibilities
<ul style="list-style-type: none"> Reviews the Group's remuneration structure and deliberates the minimum performance targets at which annual STIs become payable, including those related to ESG matters, and assesses performance against these targets to inform executive award.

The STIs for the Group CEO, Group CFO, senior executives and prescribed officers covers ESG aspects tailored to their roles. In South Africa, achieving the targets for employment equity impacts up to 25% of business segment executives' STIs.

Key ESG-related deliberations, discussions and decisions made in 2023		
Maximum STI as % of TGP	Awarded	Notes
Group CEO and CFO		
25%	15%	<p>E: achieved the Group's fuel consumption, purchased electricity and water consumption targets. Continued to invest in solar PV systems, other energy-efficiency initiatives and water saving initiatives on all new and refurbished buildings.</p> <p>S: in South Africa, black representation at middle management and female representation at senior and middle management improved, and black representation at top and senior management was maintained. Some but not all employment equity and gender representation targets were met for top, senior and middle management. Contributed towards impactful CSI projects in communities.</p> <p>G: implemented all changes necessary to comply with new legislation impacting the business.</p>
Executive director		
20%	17%	<p>E: achieved the Group's fuel consumption, purchased electricity and water consumption targets. Continued to invest in solar PV systems, other energy-efficiency initiatives and water saving initiatives on all new and refurbished buildings.</p> <p>S: Mobility Solutions improved the representation of black people at senior, middle and junior management and female representation at senior management. Female representation at both middle and junior management was maintained. Some but not all employment equity and gender representation targets were met for senior, middle and junior management. Contributed towards impactful CSI projects in communities.</p> <p>G: implemented all changes necessary to comply with new legislation impacting the business.</p>
CEO of Hyundai South Africa ¹		
25%	21%	<p>E: achieved the Group's fuel consumption, purchased electricity and water consumption targets. Continued to invest in solar PV systems, other energy-efficiency initiatives and water saving initiatives on all new and refurbished buildings.</p> <p>S: Hyundai improved the representation of black people and women at middle and junior management and maintained black representation and female representation at senior management. Vehicle Rental improved the representation of black people and women across all three management levels. Across both divisions some but not all employment equity and gender representation targets were met for senior, middle and junior management. Contributed towards impactful CSI projects in communities.</p> <p>G: implemented all changes necessary to comply with new legislation impacting the business.</p>
CEO of Retail and Rental South Africa ¹		
25%	18%	<p>E: achieved the Group's fuel consumption, purchased electricity and water consumption targets. Continued to invest in solar PV systems, other energy-efficiency initiatives and water saving initiatives on all new and refurbished buildings.</p> <p>S: in South Africa, black representation at middle and junior management, and female representation at senior, middle and junior management improved, with black representation at senior management maintained. Some but not all employment equity and gender representation targets were met for senior, middle and junior management. Contributed towards impactful CSI projects in communities.</p> <p>G: implemented all changes necessary to comply with new legislation impacting the business.</p>
Company Secretary		
16%	10%	<p>E: achieved the Group's fuel consumption, purchased electricity and water consumption targets. Continued to invest in solar PV systems, other energy-efficiency initiatives and water saving initiatives on all new and refurbished buildings.</p> <p>S: in South Africa, black representation at middle and junior management, and female representation at senior, middle and junior management improved, with black representation at senior management maintained. Some but not all employment equity and gender representation targets were met for senior, middle and junior management. Contributed towards impactful CSI projects in communities.</p> <p>G: implemented all changes necessary to comply with new legislation impacting the business.</p>

¹ Prescribed officers.

Note: the maximum STI as a percentage of TGP will remain the same for 2024.

Remuneration report: page 162 of the 2023 integrated report.

Governance of sustainability (continued)

Executive and management oversight

The board is supported by a highly experienced management team with years of collective experience, extensive industry knowledge of regional and global markets, and a proven track record. Roles and responsibilities at Group level are clearly articulated and distinguished from those at business segment and regional levels.

Group Executive Committee

Meets at least seven times a year

ESG is a standing agenda item at Group Executive Committee meetings. The committee oversees the Group's financial and non-financial performance, and approves Group policies. The Chief People Officer and Executive of Corporate Affairs, Risk and Sustainability, both Group Executive Committee members, report quarterly to the SES Committee and work with HR, risk and sustainability teams across the Group to implement our ESG strategies and initiatives.

Finance and Risk Review Committees

Meet quarterly in South Africa and every six months in the UK and Australia

The FRRCs support ARC and the SES Committee. They oversee operational risks, ethics, environmental performance, transformation in South Africa, health, safety and employee wellbeing, regulatory compliance and stakeholder management. All FRRCs are management committees chaired by internal individuals who are not directly involved in the day-to-day running of the respective businesses. The Chairman of Mobility Solutions' FRRC is an external independent industry expert. The Group CFO and Executive of Corporate Affairs, Risk and Sustainability attend all FRRCs as invitees. A standardised agenda that meets the Group's reporting requirements applies to all FRRC meetings. Material concerns are elevated to the relevant board committees.

Sustainability Management Committee

Meets four times a year

A Sustainability Management Committee was established in 2023 to place greater focus on environmental awareness and social responsibility in the workplace and our communities, and drive synergy in the approach to sustainability across the Group. The committee is chaired by the Group Sustainability Manager and each business segment and the UK are represented. A charter has been drafted and responsibilities assigned to individual members. The inaugural meeting was held in March 2023.

Key ESG stakeholder concerns

Management pursues appropriate engagements with key stakeholders to align their legitimate and reasonable needs, interests and expectations with those of the Group. Key concerns are elevated to the board. As compelling ESG strategies gain prominence in the decision-making and assessments of investors, customers and talented individuals, we are committed to improving our ESG data and transparency to meet the needs of these stakeholders and demonstrate our role in society and our sustainability beyond tomorrow.



Business relationships

Customers, OEMs, suppliers (including SMEs), business partners (including strategic, B-BBEE and joint venture partners as well as franchises and funders), business forums and industry bodies

Environment

- The impact and timing of a shift to cleaner fuel technologies.
- Shifts in market readiness for NEVs.
- Policy development to prepare the South African market for the introduction of NEVs.

Social

- Products and services that exceed customer expectations and provide value for money.
- Meeting OEM quality and customer satisfaction targets.
- Our black ownership and B-BBEE rating (South Africa).
- Creating opportunities for more black suppliers to participate in our supply chain (South Africa).
- Transforming the automotive industry, including new employment equity targets for the sector (South Africa).

Governance

- Ethical business conduct.
- Ensuring customer data is protected and secure, and that access to this information is appropriately governed.
- Changing regulation and how it impacts customers.
- The impact of the FICA Amendments on automotive dealerships (South Africa).
- Compliance with POPIA.

How we engage with these stakeholders

- Regular executive engagements with OEMs and suppliers.
- Customer surveys.
- Operational meetings.
- Membership in business forums and industry associations.
- Media releases.
- Digital communication channels, including social media and online platforms.



Human capital relationships

Employees and organised labour

Environment

- How we are addressing climate change and the long-term impact it may have on our operations.
- Ways for employees to share their ideas on how to reduce our environmental impact (UK).

Social

- A safe and supportive working environment.
- A diverse and inclusive work culture.
- Support in managing mental health and financial issues.
- Our performance against employment equity targets (South Africa).
- Access to training initiatives and programmes.
- Enhanced communication that promotes transparency, innovation and leadership visibility.
- How disruptive technologies will impact employee roles and skill sets.
- Non-monetary reward and recognition.

Governance

- Ethical business conduct.
- Compliance with labour laws.
- How the FICA Amendments affect employees (South Africa).
- The employee sanction-screening process (South Africa).

How we engage with these stakeholders

- Employee surveys.
- Regular employee interactions and communications.
- Employee evaluations, appraisals and processes for setting key performance criteria and performance management.
- Whistle-blowing hotline and other reporting mechanisms.
- Training initiatives and programmes.
- Innovation platform and events.
- Digital communication channels, including social media and online platforms.

Key ESG stakeholder concerns (continued)



Financial capital relationships

Shareholders, investment community and debt funding providers

Environment

- Ready the Group for a net zero carbon emissions plan.
- Clear and meaningful reporting on climate risks faced by the Group.
- Our transition to more sustainable use of energy.
- Our initiatives to support environmental improvement.
- Sourcing and introducing low emissions vehicles and NEVs, and the timeframes for these plans.

Social

- Our engagement with broader communities and key stakeholders to identify potential social risks.
- The impact of the cost-of-living crisis on society.
- The racial and gender diversity of the board and management.

Governance

- Our ESG scores on indices and performance against our targets and strategies.
- How executive remuneration is linked to ESG performance.
- How the Group manages the impact of legislative changes on its businesses.
- The impact of South Africa's greylisting.

How we engage with these stakeholders

- Transparent interim and year-end reporting.
- The annual general meeting.
- Regular investment communication and engagement (SENS announcements, interviews with stakeholders and conferences).
- Investor days.
- Regular meetings with shareholders, investment analysts and funders.
- Involvement in industry-specific panel discussions.
- Digital communication-channels, including social media and online platforms.



Regulatory relationships

Government departments and regulators

Environment

- Government support to manufacture NEVs in South Africa.
- Our investment in environmental improvements such as energy-efficient technology, alternative water sources and other 'green' solutions.

Social

- Quality of customer outcomes and oversight controls on regulated products and services.
- Transforming the automotive industry (South Africa).
- Road safety education and awareness (South Africa).

Governance

- Legal and regulatory compliance and how we manage regulatory change.
- Progress made in complying with the FICA Amendments (South Africa).
- Our response to cybersecurity, data privacy and IT security risks.
- Reducing grey imports in Africa.

How we engage with these stakeholders

- Membership in business forums and industry associations.
- Ongoing interactions with regulators and government authorities.



Social relationships

Civil society, communities and media

Environment

- How climate change risk is being addressed.
- Managing environmental concerns.

Social

- Enabling new entrants to compete in the automotive industry (South Africa).
- Inclusive procurement strategies (South Africa).
- Job creation and meaningful work opportunities for skilled and semi-skilled workers (South Africa).
- Skills, enterprise and supplier, and community development.
- Assisting our social partners to expand their critical work in vulnerable communities.
- The impact of the increasing cost of living on fragile consumers.
- Social cohesion.

Governance

- Our CSI governance and decision-making framework.
- Managing legislative concerns.

How we engage with these stakeholders

- Road safety awareness and CSI programmes.
- Interactions with NGOs and business associations.
- South Africa's YES4Youth Programme.
- Media outreach and response, including CEO and CFO radio, print media and online interviews.
- Digital communication channels, including social media and online platforms.

Engaging with stakeholders: page 46 of the 2023 integrated report.

Our ESG risks and opportunities



Environment

Climate-related risks

Link to Group top 10 risks: climate change / reputation and brand position

Risks

- Disruptions in the functioning of the economy, our business operations, the supply chain and vehicle and parts production as well as damage to assets and infrastructure due to extreme weather events.
- Higher temperatures and lower rainfall resulting in prolonged droughts, lack of materials and resources, and constrained product availability, particularly given the geographic concentration from which our products are sourced.
- Higher prices of goods and services, and increasing costs to meet new climate-related regulations.
- Customer preference for products that have a lower negative impact on the environment may impact demand for our products.
- A change in our portfolio of products given that a vast majority of our current revenue is generated from carbon intensive products (the timing dependent on country regulations).
- Tarnished reputation should stakeholders feel insufficient action is being taken to curb GHG emissions.
- Access to finance is increasingly linked to climate-related risk.
- Increasing insurance and facilities costs to mitigate and cover extreme weather events.

What we can control

- Operating in an environmentally conscious and responsible manner:
 - Robust targets for water, electricity and vehicle fuel consumption.
 - Environmental improvement projects.
- Providing appropriate and transparent disclosure on our environmental impacts and mitigation actions:
 - Improved measurement and reporting of our climate-related and environmental impact, including waste management.
- Understanding and planning around the medium to long-term availability of NEVs from OEMs.
- For suppliers, mandatory compliance with the environmental aspects of our supply chain code of conduct.

Not fully within our control but we can play an influencing role

- Availability of automotive products that contribute to environmental improvement and risk mitigation.
- National policy and the infrastructure needed in South Africa to support plug-in EVs.
- Environmental performance and climate-related risk mitigation within the supply chain.



Opportunities

- Enhanced reputation as an organisation that considers environmental aspects in its decision-making.
- Procure lower emissions vehicles for our fleets (Vehicle Rental and company vehicle fleet etc.).
- Battery charging infrastructure at dealerships as part of our customer value proposition.
- Grow our sourcing of renewable energy to reduce our environmental impact and counteract business disruptions from load shedding.

Detailed information

 TCFD report.

Our 2023 performance

-  Transition to a lower carbon economy: page 36.
-  Reduce our environmental impact: page 48.

Our ESG risks and opportunities (continued)

Our approach to environmental impact management (summarised)

Our approach to caring for the environment is encapsulated in the Motus values and strategy. Our values require us to be conscious of our environmental impacts when making business decisions and investments, and a strategic priority for the Group is to invest in ESG initiatives. While Motus is not a carbon- or water-intense business, we responsibly manage the environmental impacts within our control and implement initiatives to protect the Group from the losses and potential damages arising from climate change.

Our priorities

- Ensure that 10% to 15% of our investment in new buildings and property upgrade projects (owned buildings) in South Africa is directed towards more **efficient infrastructure and 'green' solutions**.
- Meet the water, electricity and vehicle fuel **consumption targets** of our two sustainability-linked financing facilities. Measurement against the loan targets began in 2023.
- Regularly review our **standard operating processes** to achieve resource efficiencies and effective systems.
- Deliver **environmental training and awareness** to influence employee behaviour and gain support in achieving our environmental targets.

- Continue to embed our **waste management approach** across the Group, ensure we receive the relevant **disposal certificates** to confirm the safe disposal of hazardous and non-hazardous waste, and partner with registered waste disposal companies to **reduce the volume of waste sent to landfill**.
- **Engage with our stakeholders**, particularly our OEM partners, industry bodies and business forums, to keep abreast of and contribute to advancements towards a lower carbon economy.
- Comply with all applicable **environment-related legislation** in all operating jurisdictions.
- Continuously improve the **quality and completeness of our environmental data**. Head office, operational management and external assurance providers perform data quality checks.
- Conduct **climate change scenario analyses** (limited) as part of disaster recovery and business continuity planning for high value sites, and to identify supply chain vulnerabilities.

 Detailed environmental impact management approach and TCFD report.



Social

Human capital-related risks

Link to Group top 10 risks: succession and talent management / B-BBEE status of the South African based operations

Risks

- A poor talent pipeline may limit the ability to fill critical roles when they become available.
- Failure to help employees adapt to new and improved ways of working could:
 - Stunt employee growth as the technological component of most jobs grows, requiring digital knowledge and skills.
 - Adversely impact our ability to meet the expectations of digital savvy customers, in turn, impacting our relevance and competitive advantage.
- Scarcity of qualified and skilled managers, and specialised technical, customer-facing and digitally skilled talent constrains our ability to access the talent needed to remain competitive and deliver our strategic priorities.
- Stress and mental health are impacting the productivity of workforces worldwide.

What we can control

- Providing an EVP that motivates and engages employees, and attracts and retains talent.
- Employing best practice HR processes, practices and procedures.
- Providing a leadership team that is diverse, effective and able to enrich the Group's entrepreneurial culture.
- Effectively managing talent:
 - Identify our current and future critical skills needs.
 - Build a diverse and future-fit talent pipeline of successors at all levels.
 - Employ graduates in the YES4Youth Programme.
- Investing in relevant learning and development programmes, including those that build digital dexterity.
- Embedding an innovation culture in a collaborative and inclusive way.
- Providing initiatives that support employee wellbeing.

Not fully within our control but we can play an influencing role

- The increasing wage bill.
- Best practice labour standards in the supply chain.

Opportunities

- Be an employer of choice in the automotive industry.
- A highly competent, experienced, engaged and innovative workforce able to drive our competitive advantage and strategy, operate in an efficient and cost-effective way and build lasting stakeholder relationships.
- A deep talent pipeline that secures business continuity.
- Use AI to reduce routine work.

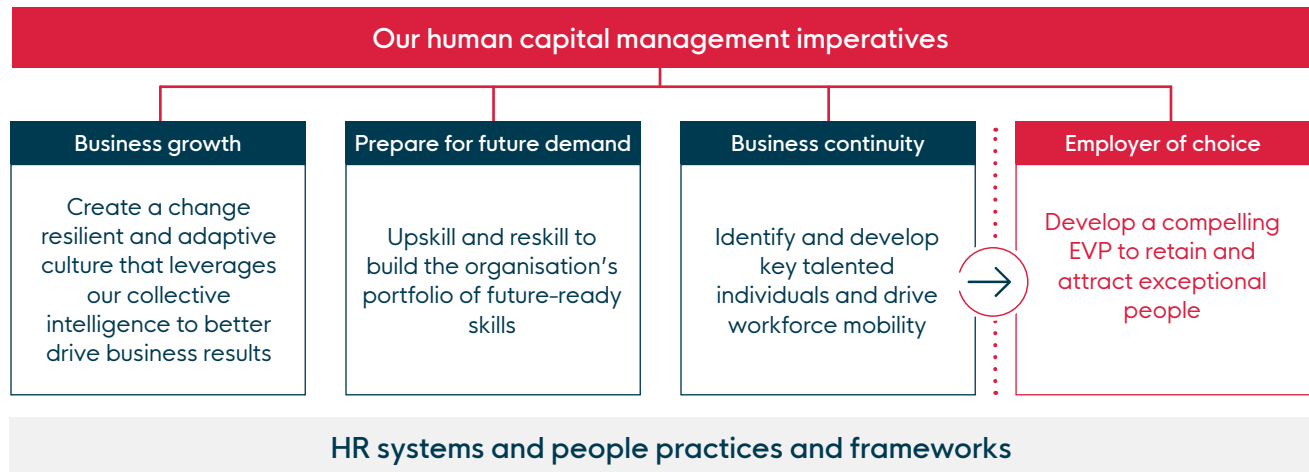
Our 2023 performance

- Drive innovation to be competitive and relevant: page 56.
- Cultivate a diverse, equitable and inclusive workplace: page 66.
- Build leadership capability and talent pipeline: page 75.
- Provide a compelling employee value proposition: page 81.

Our ESG risks and opportunities (continued)

Our approach to human capital management (summarised)

We want to create a working environment that is fair, rewarding and safe, and where everyone can perform to their full potential. Our people strategy, comprising the four human capital management imperatives shown below, supports Motus' growth and transition to a customer-centric and innovative organisation.



Our priorities

- Improve our **engagement with employees** to understand their concerns and effect improvements to enhance the employee experience.
- Align employee performance and expectations with the Group's strategic priorities, and ensure that employees are **fairly assessed, rewarded and recognised** for exceptional performance.
- **Embed DEI**. Increasing the representation of women in management is a priority for the Group, and in South Africa, our focus is on advancing African, Coloured and Indian people, women and people living with disabilities.
- Ensure that **succession plans** are in place for top, senior and middle management roles and that our **leadership development programmes** equip current and potential leaders with the key behaviours and skills they need to advance within Group.
- Leverage our **talent management framework** to identify talented individuals and support their development and growth, and drive flexible skills and workforce planning.
- Deliver **learning and development** opportunities at all employee levels to support strategic delivery, digitisation, DEI and a robust succession pipeline.
- Provide employees with access to **wellbeing assistance** to maintain morale, support better employee engagement and boost the resilience of the workforce.

 Detailed human capital management approach.

Socio-economic risks

Link to Group top 10 risks: economic and socio-political challenges / reputation and brand position

Risks

- The severe impact of prolonged economic stagnation and rising inflation and interest rates on vulnerable communities, increasing levels of poverty.
- Civil unrest and deteriorating social cohesion in South Africa due to failing governmental and municipal infrastructure and service delivery, intense load shedding and high levels of unemployment.
- Higher food and energy prices worldwide.

What we can control

- Participating in industry bodies and business forums to identify solutions that transform and grow South Africa's automotive industry.
- Supporting projects that uplift communities in need and address social challenges.
- Providing work experience and development opportunities for unemployed youth.
- Installing alternative sources of power and water supply.
- Monitoring the political environment to identify risks and opportunities.

Not fully within our control but we can play an influencing role

- The impact of load shedding and the increased cost of living on our customers and suppliers.

Opportunities

- Provide innovative mobility solutions that reduce reliance on public transportation, solve social challenges and improve people's lives.
- Position Motus as a responsible corporate citizen that is invested in the advancement of the economies in which it operates.

Health and safety risks

Link to Group top 10 risks: succession and talent management / regulatory compliance / reputation and brand position

Risks

- Failure to meet OHS and product safety standards and regulations could undermine our reputation, and result in penalties and fines or loss of commercial licences.

What we can control

- Implementing best practice OHS processes and procedures.
- Adhering to robust quality control measures that protect our customers, stakeholders and the Group's assets.
- Supplying reputable brands with high quality and safety standards.

Not fully within our control but we can play an influencing role

- The cost of road accidents for Vehicle Rental.
- Safety features of vehicles and vehicle recalls.
- Best practice OHS standards in the supply chain.

Opportunities

- Use innovative solutions such as telemetry and data analytics to assess driving behaviour and identify customers with high-risk profiles.
- Drive road safety awareness among our employees and the broader community.

Our ESG risks and opportunities (continued)

ESG-related supply chain risks

Link to Group top 10 risks: supply chain management / reputation and brand position

Risks

- Failure to meet OEM dealer standards or loss of a key supplier could undermine our customer service and adversely impact financial performance.
- Negative environmental or social impacts arising from within the supply chain could create negative sentiment for the Group and result in financial loss.

What we can control

- Maintaining strong relationships with OEMs and suppliers.
- Providing OEMs with a highly effective route-to-market and having a deep understanding of their strategies.
- Meeting OEM standards and expectations:
 - In how we retail their products.
 - High levels of quality and safety.
 - Excellent customer service.
- For suppliers, mandatory compliance to our supply chain code of conduct.

Opportunities

- Be the OEM partner of choice.
- Access to a wide selection of high-quality products and recognisable brands that are attractive to customers.
- Support from OEMs and suppliers to overcome supply chain disruptions when they occur.

Transformation risks

Link to Group top 10 risks: B-BBEE status of the South African based operations / reputation and brand position

Risks

- Increasing emphasis on the ownership component of the B-BBEE scorecard.
- Failure to meet transformation expectations in South Africa could adversely impact our competitiveness and sustainability.
- Balancing increasing expectations around supply chain localisation against franchise and OEM agreements.

What we can control

- Transforming our workforce.
- Providing work experience and development opportunities for unemployed youth.
- Identifying opportunities for new entrants and small businesses to access our supply chain.
- Supporting small enterprises, education, healthcare, road safety and community upliftment.

Not fully within our control but we can play an influencing role

- Achieving preferential procurement targets given that most of our procurement is linked to franchise agreements and OEMs.

Opportunities

- Achieve a B-BBEE rating that gives us preferred supplier and employer status, improving our access to private sector and government business opportunities.
- Expand into new markets, including non-OEM branded workshops in informal communities, and making parts and services available to informal traders and technicians.
- Increase the number of majority black-owned dealerships.

Our 2023 performance

- 🏠 Cultivate a diverse, equitable and inclusive workplace: page 66.
- 🏠 Protect the health and safety of people: page 91.
- 🏠 Contribute to improving economic and social inclusion: page 100.

Our approach to social impact management (summarised)

We are vigilant when it comes to the health and safety of our customers, employees and other stakeholders – a top priority Group-wide which is never compromised. Our OHS procedures are adept at highlighting where risks exist or may occur, and ensure that all business sites meet Motus' and legislative health and safety requirements.

We apply stringent quality controls at every touchpoint where we are responsible for product safety in the lifecycle of a vehicle, and comply with all applicable legislation across jurisdictions pertaining to the quality of our products and services.

Just as important is the safety and wellbeing of our communities. We use Mobility for Good to strengthen our relationships with our stakeholders, create employment, grow and transform the automotive industry, and positively contribute to society.

Our priorities

- Audit all business sites for their compliance to our **minimum OHS standards**. Sites that fall below target are re-audited within a set period of time until compliance is achieved.
- Provide **health and safety engagement and training** so that employees act in a safe manner.
- **Investigate serious accidents and all fatalities** to identify root causes and the controls needed to minimise the likelihood of reoccurrence.

- Employ **stringent quality and safety controls**, policies, systems and training programmes to deliver high-quality workmanship in our service departments, quality pre-owned and demo vehicles, rental vehicles in optimal working condition, and quality assured aftermarket parts and accessories.
- Participate in **industry bodies and business forums** to share our expertise to support broader national strategies, and contribute to progressing the transformation of the automotive industry and enriching its leadership.
- Continually improve our **B-BBEE initiatives and reporting** to maintain our preferred supplier and employer status. The Group B-BBEE scorecard is published at the end of September every year on the Motus website.
- Where we can, direct more of our controllable spend (outside of our franchise and OEM procurement) to **B-BBEE compliant businesses**, increase our procurement with SMEs, and provide black-owned SMEs with business development support.
- Continue to invest in **education and skills development, road safety and primary healthcare** – areas we believe deliver meaningful and positive impact and alleviate community needs.

Detailed social impact management approach.



Our ESG risks and opportunities (continued)



Governance

Regulatory and compliance risks

Link to Group top 10 risks: regulatory compliance / reputation and brand position

Risks

- The Group is exposed to a wide range of legislation, and any non-compliance could undermine our reputation and result in penalties or fines.
- Material legislative changes may impact our business model and core market dynamics.
- Shifting our dealerships to accountable institutions under the new FICA requirements, and implementing the appropriate controls and procedures to comply, are increasing costs and risk.
- A difficult economic climate can lead to increased incidents of fraud, corruption and misconduct, including by employees and from within the supply chain.

What we can control

- Investing in initiatives to ensure compliance:
 - Appropriate controls.
 - Training and awareness for employees and partners.
 - Monitoring legislative changes and undertaking broad commercial impact assessments.
 - Compliance audits.
- Engaging with industry bodies and business forums to advocate for more effective policies.
- Engaging with regulators on emerging legislation.
- Annual ethics self-declaration.

Not fully within our control but we can play an influencing role

- Consumer awareness of regulatory changes.

Opportunities

- Earn stakeholder trust as a good and responsible corporate citizen to invest in, do business with and work for.
- Maintain our reputation as an organisation that effectively implements new controls quickly and ensures compliance in an increasingly complex regulatory environment. This can provide first mover advantage.

Information security risk

Link to Group top 10 risks: regulatory compliance / information security / reputation and brand position

Risks

- A cyberattack has the potential to disrupt services, erode customer trust and cause financial loss. As the digitisation of the automotive industry increases in pace, cybercrime trends will intensify.
- Failure to adequately protect personal data could undermine the Group's reputation. Instances of negligence carry large fines.

What we can control

- Continually enhancing our IT governance framework and cyber strategy in line with international standards.
- Deepening our incident response capability.
- Protecting our systems and personal information:
 - Cyber risk reviews, assessments and audits.
 - Adherence to cybersecurity guidelines.
 - Heighten awareness among employees and partners.
- Working with external specialists to achieve improvements and keep abreast of best practice cybersecurity protocols and new cyber threats.

Opportunities

- Develop legally compliant methods of transacting that enable customers to complete an end-to-end vehicle buying process across multiple interconnected digital channels.

Our 2023 performance

-  Ensure ethical, fair and compliant business conduct: page 114.

Our approach to business conduct management (summarised)

For Motus, integrity means always acting with honesty, fairness and transparency, conducting our business with diligence, and respecting each other, our customers, OEMs suppliers and other stakeholders, and the communities in which we operate.

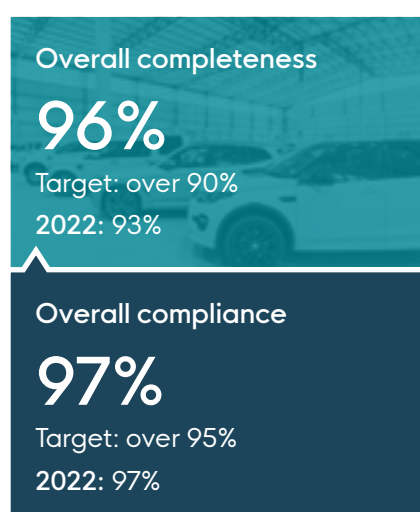
Our priorities

- Guide employees on how to exercise good judgement and obtain advice on **appropriate business conduct**, when needed (Code of Ethics, leaders, standard operating systems and Group values). Unethical and fraudulent behaviour is not tolerated and all confirmed incidents of fraud are reported to the relevant authorities. Where appropriate, resources are provided to support the criminal prosecution process.
- **Train employees** on the behaviours we expect in terms of business conduct, ethics, compliance, personal information, cyber resilience and information security. All employees who are subject to 'fit and proper' requirements receive the necessary training and continuous professional development to maintain their accreditation to advise on and offer intermediary and binder services.
- Monitor reports of alleged misconduct received through the independently managed **whistle-blowing hotline** available to all stakeholders and other mechanisms available to employees. All reports are investigated.
- Selected employees in South Africa annually **self-declare conflicts of interest** and their compliance with our policies and ethical standards. In the UK and Australia, conflicts of interest are reported at divisional meetings.
- Ensure that our OEMs and suppliers comply with our Code of Ethics and **supply chain code of conduct**. Our assessment of supplier ESG performance is currently limited with a start made in two business segments.
- Employ robust **customer due diligence processes** and regularly review our processes and policies to ensure that all **regulated products and services comply** with applicable legislation. Employees who fail to adhere to processes and controls face appropriate disciplinary procedures.
- Ensure that the most relevant **security controls** are applied to our systems, critical infrastructure and end user devices. The Group-wide Cyber Resilience and Information Protection Programme complies with international standards and best practice. Our data privacy and protection management extends to third parties.

Detailed business conduct management approach.

Control self-assessment

Our Group-wide CSA Programme provides an additional layer of control where employees and supervisors use the business processes documented for their business segment or region to assess the adequacy of the risk, financial and operational controls within their operation and to identify gaps. Over 2 500 employees are involved in the monthly CSA. There were no material breakdowns in terms of compliance with our internal controls for the year.



Business segment and region

	2023	2022
Rest of Africa	97%	97%
Aftermarket Parts	97%	97%
Vehicle Rental	98%	98%
Importer	98%	97%
Mobility Solutions	94%	97%
Retail South Africa	97%	97%
United Kingdom	93%	95%

Note: Australia uses a different monitoring and reporting system which does not provide the same measurements.

Our approach to ESG

Motus views ESG as an opportunity to showcase how we live our purpose – Mobility for Good – to provide mobility solutions that improve lives. We earn stakeholder trust by maintaining an ESG profile that resonates with their expectations of us, now and in the future. Our values are central to our ESG approach and guide the decisions made by our leaders.

Our ESG frameworks and policies are developed at the centre and apply Group-wide; however, our business segments and regions have a degree of flexibility in how they are implemented to maintain competitiveness in their individual markets. Regular engagement between Group and business segment and regional managements oversee and guide this implementation to ensure effective integration of ESG into daily operations and enhanced ESG reporting.

The 17 UN SDGs aim to drive global progress toward a more sustainable future, accelerating sustainable and inclusive growth. Through our business activities, focus on the environment, transformation and community upliftment initiatives, we contribute most meaningfully to nine of the goals. These areas align with our purpose and reflect Motus' unique strengths and capabilities.

Principles that underpin our ESG strategy



Our ESG journey



¹ Linked to environmental and gender outcomes.

Our strategic initiatives



Our desired ESG-related outcomes

- A reputation as a retailer of brands and services that provide an excellent customer value proposition.
- Relevance in our markets underpinned by innovation.
- A safe working environment that provides equal and fair opportunities for our people.
- A diverse, equitable and inclusive culture that supports collaboration and innovation.
- A business that is run in an environmentally conscious and responsible manner.
- Policies and practices that enhance the growth of the economies in which we operate.
- A business that strives to maintain a moral compass.







The comprehensive Group strategy: page 62 of the 2023 integrated report.

Our approach to ESG (continued)

Our ESG priorities



Environment

Themes	Priorities	Key metrics	SDGs
Transition to a lower carbon economy  Page 36	<ul style="list-style-type: none"> • Deliver our environmental strategy: renewable (solar) energy, rainwater harvesting, water recycling and projects that deliver efficiencies. 	<ul style="list-style-type: none"> • NEV sales in the UK • Purchased electricity (T) • Vehicle fuel consumption (T) • Carbon footprint 	 
Reduce our environmental impact  Page 48	<ul style="list-style-type: none"> • Meet our environmental targets. • Improve our waste reporting to cover the full waste cycle. • Increase our focus on supplier sourcing and reporting. • Improve our measurement and reporting of environmental performance. • Plan for a net zero policy and longer-term targets. 	<ul style="list-style-type: none"> • Water consumption (T) • Hazardous waste recycled • Environmental incidents • Environmental compliance 	 

T: target is in place.



Social

Themes	Priorities	Key metrics	SDGs
Drive innovation to remain relevant and competitive Page 56	<ul style="list-style-type: none"> Maintain our focus on innovation and digitisation as critical business enablers. Use technology solutions and our strategic partnerships to optimise the m^x platform sprints. Continue to develop our mobility-focused capabilities. 	<ul style="list-style-type: none"> New innovation projects started Innovation projects at year-end Innovation projects deployed into business Employees attending keynote events 	
Cultivate a diverse, equitable and inclusive workplace Page 66	<ul style="list-style-type: none"> Create a change resilient and adaptive culture that leverages our collective intelligence to better drive business results. Meet our diversity targets, including employment equity targets in South Africa. 	<ul style="list-style-type: none"> Overall female representation (T) Overall black representation¹ Black representation at top, senior, middle and junior management (T)¹ Black representation among dealer principals¹ 	
Build leadership capability and talent pipeline Page 75	<ul style="list-style-type: none"> Upskill and reskill to build the organisation's portfolio of future-ready skills. Identify and develop key talented individuals and drive workforce mobility. 	<ul style="list-style-type: none"> Future leaders developed¹ Women leaders developed¹ Managers developed 	
Provide a compelling employee value proposition Page 81	<ul style="list-style-type: none"> Develop a compelling EVP to retain and attract exceptional people. Provide equal and fair opportunities for our employees. 	<ul style="list-style-type: none"> Training spend Training hours per employee¹ Employee wellness¹ Labour compliance 	
Protect the health and safety of people Page 91	<ul style="list-style-type: none"> Ensure all our business sites meet their OHS compliance targets. Deliver high-quality products. Increase road safety awareness. 	<ul style="list-style-type: none"> Average OHS audit score Road accidents Workplace accidents Fatalities OHS compliance 	
Contribute to improving economic and social inclusion Page 100	<ul style="list-style-type: none"> Maintain a competitive B-BBEE rating. Meet our ESD targets in the B-BBEE scorecard. Continue to invest in initiatives that support employment creation and meaningful community upliftment. 	<ul style="list-style-type: none"> Employment B-BBEE score (T)¹ Preferential procurement spend (T)¹ ESD spend (T)¹ CSI spend 	



T: target is in place.

¹ Metric for the South African operation only.

Our approach to ESG (continued)



Governance

Theme	Priorities	Key metrics	SDGs
Ensure ethical, fair and compliant business conduct  Page 114	<ul style="list-style-type: none"> • Ensure compliance in an increasingly complex regulatory environment. • Monitor new legislative developments to stay abreast of regulatory changes. • Implement procedures and processes to ensure transparency, and ethical and fair treatment within the supply chain. • Deliver training to enhance governance implementation. 	<ul style="list-style-type: none"> • Compliance • Valid concerns identified through the whistle-blowing hotline. 	

ESG maturity assessment

During the year, we concluded the externally facilitated ESG assessment which started in 2022. The aim of the exercise was to better understand our ESG maturity and identify gaps with stakeholder expectations. Key activities included a materiality assessment, the benchmarking of our reporting against that of our peers and industry best practices, and gaining insights from key individuals within Motus to identify what our stakeholders expect us to report on. We then identified gaps in our reporting against the disclosure requirements of globally recognised standards such as the GRI Standards, TCFD, JSE Sustainability Guidance and WEF guidance.

Key conclusions from the assessment are that Motus is a fairly mature reporter and reports a more comprehensive set of ESG indicators compared to its industry peers. We fare well in our governance reporting with the key finding being the need to stay abreast of changes in sustainability reporting frameworks, and the need for ESG and climate change training for the board and management.


Areas identified for improved disclosure include:

- How we offset our environmental impact, for example, the amount of renewable energy sourced and water recycled.
- Waste streams, particularly recycling and the management of hazardous waste.

- Our strategy in terms of science-based targets and zero emissions.
- Stakeholder engagement and education.
- Defining what Motus can control and report on within the supply chain.
- Management of social risk, for example, driver training to reduce road accidents.
- Additional employee metrics that align to those required by reporting frameworks.

We are working on these areas, refocusing our processes and systems that collate our ESG data to meet investor and stakeholder demand for better disclosure on non-financial impacts, risks and opportunities. We continue to drive the consistent application of ESG frameworks across the Group and standardise the reporting, monitoring and quality assurance of ESG metrics.

Key developments to support these improvements include:

- The upgrade of key information management systems for environmental, OHS and human capital measuring, monitoring and reporting.
- The introduction of the Sustainability Management Committee ( see page 16) as an additional layer of management oversight.
- Work started on developing oversight mechanisms for third-party suppliers in two business segments.
- Established a Solar Project Committee; a sub-committee of the Group Property Committee chaired by the Group CFO.

External benchmarking of our ESG performance

FTSE4Good index series



FTSE4Good

Developed by the global index provider FTSE Russell, the FTSE4Good index series is designed to measure ESG practices. It is used by a variety of market participants.

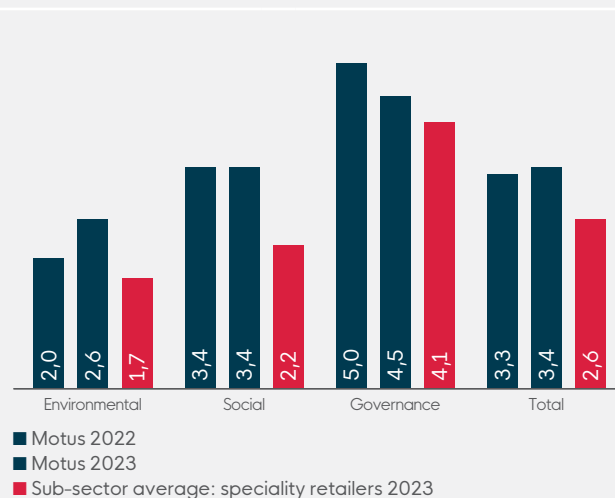
Latest rating date: June 2023

Motus rating

3,4 out of 5

2022: 3,3

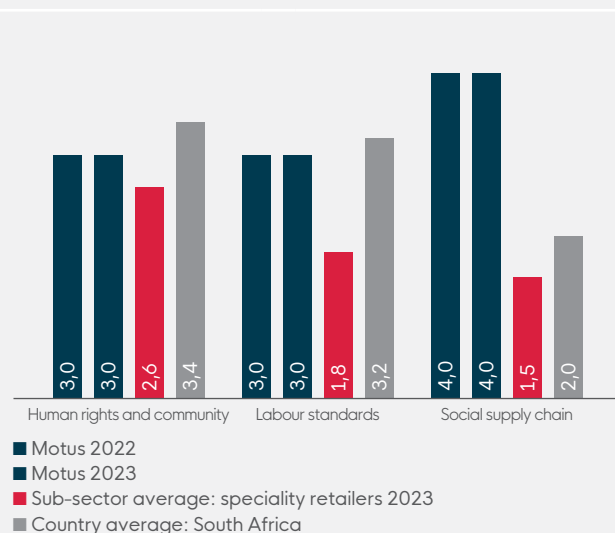
Overall



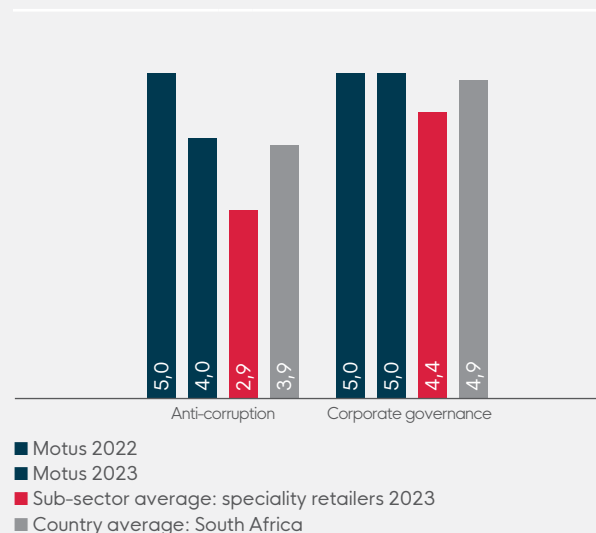
Environment themes



Social themes



Governance themes



External benchmarking of our ESG performance (continued)

Climate change CDP



The CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. It assesses climate change reporting, including governance and risk management aspects. Submission is voluntary. Rating is from A (best) to D- (worst).

Latest rating date: August 2022

New submission lodged: July 2023

Motus rating

D

2021: D

Average performance

Trading, wholesale, distribution, rental and leasing: **C**

Africa: **B-**

Global: **C**

MSCI ESG ratings



MSCI aims to measure a company's management of financially relevant ESG risks and opportunities using a rules-based methodology. The MSCI rates companies according to their exposure to ESG risks and how well they manage those risks relative to their peers. Rating is from AAA (leader) to CCC (laggard).

Ranking at March 2023

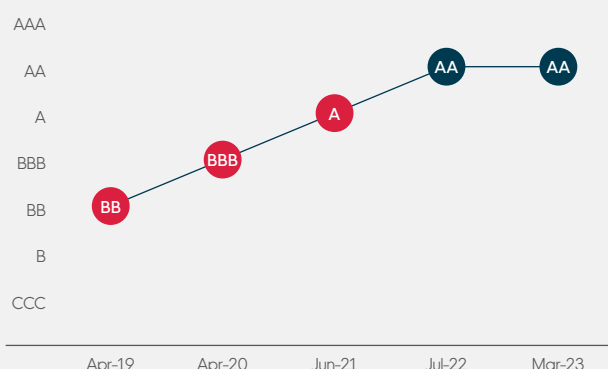
Motus rating

AA

July 2022: A

Motus leads global peers on corporate governance, with practices that are well aligned with investor interests. It also leads most home market peers in business ethics practices with clear policies and board oversight of its ethics standards. The organisation's labour management practices are on par with its peers. Disclosure of leading data security and privacy of customer information indicators requires improvement. The retail business presents opportunities to capitalise on market shifts toward low-emissions vehicles; however, efforts to reduce the carbon intensity of products across the value chain lag peers. Carbon emission exposure and the slow adoption of EVs in South Africa adversely impact Motus' environment pillar score.

ESG rating history



Key score

	Weight	Score	Peer average
Industry-adjusted score		8,5	
Weighted-average key issue score		6,0	
Environment	22%	3,3	3,0
Social	39%	5,6	4,7
Governance	39%	7,8	7,1

Satrix Inclusion and Diversity Exchange Traded Fund (ETF)



Developed with Refinitiv¹, the Satrix Inclusion and Diversity EFT, the first of its kind in South Africa, offers investors exposure to the 30 JSE-listed companies that best demonstrate the values of diversity and inclusion in the workplace, measured on key metrics including gender, disability, transformation metrics unique to South Africa, HIV/Aids policy, day care and working hours, among others.

Motus ranking
20th

Latest ranking at 13 July 2022

¹ A global index provider and the world's largest provider of financial markets data.



Transition to a lower carbon economy



Why this is material

Energy security and climate change are key global concerns. The automotive industry is a global polluter that must adapt to become a sustainable contributor. Some governments are implementing legislation to force reductions in carbon dioxide emissions (including tighter vehicle emissions standards). There is also growing expectations that companies have a better understanding of how their business models and strategies will be impacted by climate change, and that they develop mitigants to address negative impacts and articulate their plans on how they intend to achieve a net zero carbon footprint.

In this section

- 38 Global trends for new energy vehicles
- 41 Motus new energy vehicle sales
- 43 Our carbon footprint
- 47 Renewable energy

Key performance indicators (year on year)

NEV sales in the UK

▲ 39%

3 891



Purchased electricity (Group)*

▼ 7%

64 998 MWh



Vehicle fuel consumption (Group)*

▲ 3%

17 081 771 litres

within range



Carbon footprint (Group)

▼ 3%

108 660 tCO₂e



Key

✓ Pleased with performance

▲ Room for improvement

✗ Behind where we want to be

* Linked to remuneration

Key projects

- Installing solar PV plants, mostly in South Africa.
- Converting fleets to energy-efficient or less carbon-intensive vehicles.

Highlights

- Head of Corporate Affairs, Risk and Sustainability, Berenice Francis, joined Africa's Journey to Net-Zero climate summit (watch her panel discussion).
- Introduced a formal project to manage and monitor the alternative energy installations across the Group.
- The upgraded environmental management system (see page 50) will measure and monitor renewable energy consumed, and establish a baseline from which to measure the impact on our carbon footprint.

Lowlights and key challenges

- National Treasury's failure to announce a support programme for the manufacturing of NEVs in South Africa.
- Low commitment from SAPIA¹ and inadequate regulations are delaying the launch of lower emissions ICE vehicles and the availability of more hybrid vehicle models that require cleaner fuels (Euro 5 Emission Standards) to operate.
- In South Africa, significantly higher levels of load shedding resulted in an additional 873 kilolitres of generator fuel consumed.
- Lack of legislation and infrastructure in South Africa to feed excess renewable power into the grid and offset the cost of solar PV systems.

Context

The results of the WEF's Global Risks Perception Survey 2022-2023² indicate that over the next 10 years, six of the top 10 global risks are related to the natural environment, with failure to mitigate climate change being the number one risk followed by failure to adapt to climate change. Climate and environmental risks are seen to be the risks for which the world is least prepared. There has not been deep and concerted progress on achieving climate targets, and there is growing pressure as the window to transition to a 1,5°C world shrinks.

As public and private sector resources are diverted to current crises such as COVID-19 and the war in Ukraine, the speed and scale of mitigation efforts has slowed as well as the adaption support for communities and countries increasingly affected by the impacts of climate change.

Reaching global net zero GHG emissions by 2050 or soon thereafter will require cutting global emissions by at least 40% below 1990 levels by 2030. This means industrial production, transportation and the way people live and consume needs to change. South Africa, the UK, Australia, the European Union and South Korea have all committed to net zero emission targets by 2050, China by 2060 and India by 2070.

Countries relying on carbon-intensive sectors risk losing competitive advantage through higher carbon costs, reduced resilience, failure to keep up with technological innovation and limited leverage in trade agreements. Yet shifting away from carbon-intense industries, which currently employ millions of workers, creates the risk that skills, jobs and social cohesion may be further eroded.

- Our approach to environmental impact management.
- Reduce our environmental impact: page 48.

Our objectives

Once our energy-efficiency and renewable energy projects mature, we will start to ready the Group for a net zero carbon emissions plan with carbon emissions targets for the South African operation. Our regional operations will align to national targets and OEM product guidelines.

Specifically:

- Validate our targets with the Science Based Targets initiative within the next year.
- Investigate how we can expand our Scope 3 emissions reporting.

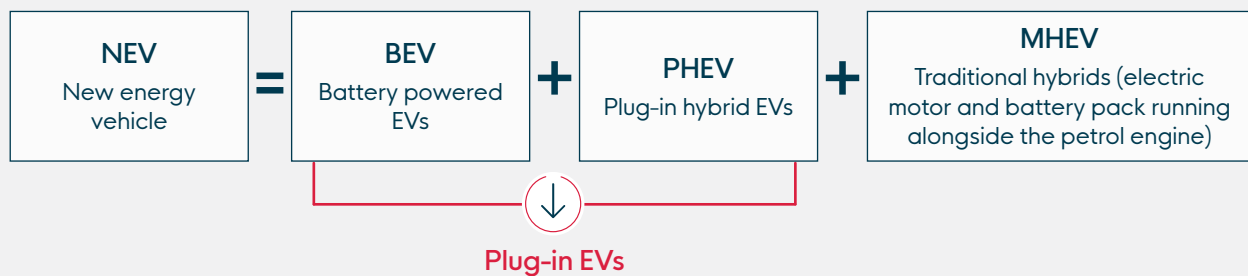
¹ South African Petroleum Industry Association.

² World Economic Forum's Global Risk Report 2022 (Edition 17).

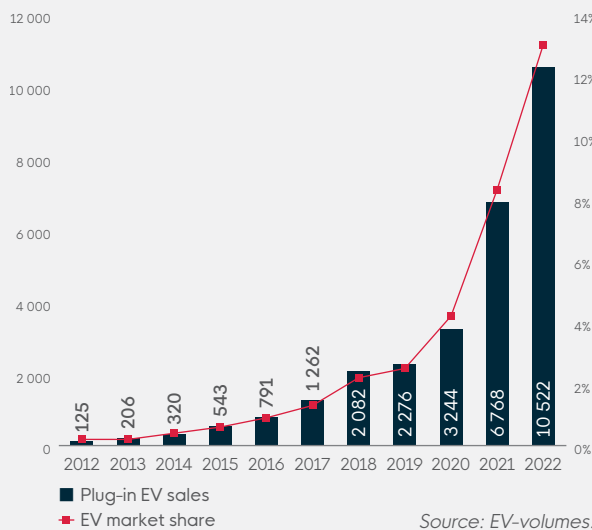
Global trends for new energy vehicles

Automotive manufacturers are changing their offerings to lower emissions vehicles (smaller vehicles) and NEVs with many having made commitments to significantly reduce or altogether halt the production of ICE¹ vehicles in the next 10 to 15 years. It is estimated that plug-in EVs will account for about 70% of the global passenger vehicle sales mix by 2040 with a corresponding drop in ICE vehicle sales².

Definitions for the purposes of this report



Global plug-in EV sales ('000s)



According to ev-volumes.com³, 10,5 million new plug-in EVs were sold worldwide in 2022; a 55% increase compared to 2021. 27% of these sales were PHEVs compared to 29% in 2021, impacted by improved BEV offerings and a reduction in incentives offered. BEVs grew by 59% and PHEVs by 4%. Non-chargeable hybrids grew by 16% year on year. In 2022, global sales of vehicles that can be charged from the grid were higher than for non-chargeable vehicles for the first time in history. Global ICE vehicle sales declined by 7%.

The International Energy Agency's Global EV Outlook 2023⁴ projects that plug-in EV sales will grow around 35% in 2023 to 14 million, expanding the plug-in EV share of the overall vehicle market from around 4% in 2020 and 9% in 2021 to 18% in 2023. Over 2,3 million plug-in EVs were sold in the first quarter of 2023; 25% more than in the same period last year. By 2030, plug-in EVs could avoid the need for at least five million barrels of oil a day.

The majority of NEV sales today are in China, Europe and the United States with China being the frontrunner at 60% of global NEV sales in 2022, and already exceeding its 2025 NEV sales target. Europe and the United States both saw strong growth with sales increasing 15% and 55% respectively in 2022. Both regions have passed legislation to drive electrification.

Over the longer term, a move to hydrogen-powered vehicles is likely as a more emissions friendly option that removes concerns around lithium-ion battery waste disposal.

¹ Internal combustion engine.

² <https://www.moneyweb.co.za/news/industry/evs-to-account-for-70-of-global-passenger-vehicle-sales-by-2040-sa-must-keep-up/>.

³ <https://www.ev-volumes.com/>.

⁴ <https://www.iea.org/news/demand-for-electric-cars-is-booming-with-sales-expected-to-leap-35-this-year-after-a-record-breaking-2022>.

South Africa

ICE vehicle parc 12 million	NEV vehicle parc ~11 000 (~3 000 being plug-in EVs)	Plug-in EVs as % of 2022 overall new vehicle sales 1%
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Source: management estimate based on available information and International Energy Agency (new vehicle sales).

Without support incentives, alternative drivetrains are unaffordable for most South Africans. The country's constrained power supply, which negatively impacts the ability to charge plug-in EVs, is a further deterrent. For the South African market, traditional hybrid vehicles are better positioned to bridge this gap. However, MHEVs are not a long-term solution as investment in this technology is likely to diminish over the next few years as the world switches to plug-in EVs.

In 2023, a number of brands made NEVs available to the South African market. For our Importer OEM brands, this includes Hyundai's Ioniq5, Kia's EV6 and Renault's Arkana. Encouragingly, BMW's Rosslyn plant in Pretoria is going electric next year with a R4,2 billion investment for the new-generation X3 sports-utility vehicle, including a PHEV version. The plant will be the exclusive global supplier of the X3 PHEV. Toyota's locally built Corolla Cross hybrid is the most sold NEV in South Africa.

New vehicle sales

NEVs		BEVs	PHEVs	MHEVs
4 674	2 578	502	122	4 050
2022 calendar year	January to June 2023	2022 calendar year	2022 calendar year	2022 calendar year
2021: 896		2021: 218	2021: 51	2021: 627

Source: naamsa, Lightstone Auto, 2023 and naamsa new vehicles sales (published in July).

United Kingdom

ICE vehicle parc 40 million	Plug-in EV vehicle parc ~1 million	Plug-in EVs as % of 2022 overall new vehicle sales 19%
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Source: management estimate based on available information and International Energy Agency (new vehicle sales).

In the UK, the sale of new petrol and diesel passenger vehicles and vans will be banned by 2030. The ban extends to hybrids in 2035 and to new diesel and petrol heavy goods vehicles in 2040. Demand from private drivers has slowed due to higher interest rates, soaring energy costs and the removal of government subsidies on the price of plug-in passenger EVs. Still, tax breaks, subsidised home chargers and road tax exemption remain as incentives. In 2022, corporate buyers accounted for two-thirds of new plug-in EV registrations. New BEV vans registered increased 31% year on year, stimulated by government subsidies for vans and trucks and a growing number of low emissions zones in cities¹.

¹ <https://insideevs.com/news/629901/uk-plugin-car-sales-december2022/>.

Global trends for new energy vehicles (continued)

The growth of plug-in EV sales is increasingly dependent on the degree of electrification. The pace of installing charging points is a challenge for the UK market, and there is no viable option for long haul heavy commercial vehicles. 31% of plug-in EV drivers frequently have to queue to use public charging infrastructure. The government plans to install 300 000 public chargers by 2030 versus the current 30 000 points.

January to December 2022

New registrations	Market share	New passenger BEVs	New passenger PHEVs
368 617 passenger plug-in EVs 2021: 305 281	22,8% passenger plug-in EVs 2021: 18,5%	267 203 up 40% and with a market share of 16,6%	101 414 down 11% and with a market share of 6,3%

Source: Society of Motor Manufacturers and Traders.



Australia

ICE vehicle parc 20 million	Plug-in EV vehicle parc ~100 000	Plug-in EVs as % of 2022 overall new vehicle sales 4%
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Source: management estimate based on available information and Australia's Electric Vehicle Council (new vehicle sales).

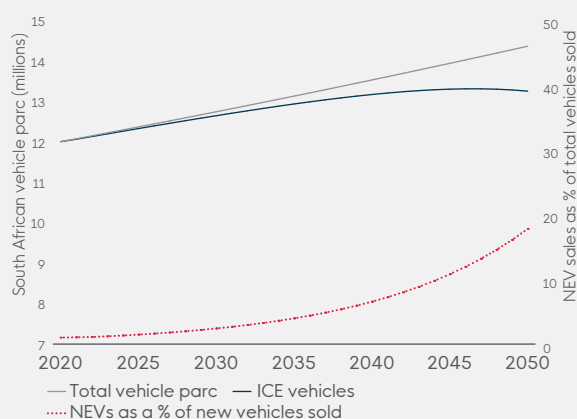
Australia's Electric Vehicle Council reported that the number of plug-in EVs almost doubled in 2022, growing from 44 000 at the beginning of the year to over 83 000 at December. 79% of these vehicles are BEVs and 21% are PHEVs. For the first three months of 2023, the Australian Automobile Association reported that 7 866 BEVs were bought in Australia in the medium-sized vehicle category (or 58,3% of sales for this category), overtaking petrol vehicles for the first time. Across all vehicle categories, 17 396 BEVs were sold in the first quarter of 2023 overtaking MHEVs at 16 101. The Australian government has announced that it will develop new fuel-efficiency standards to boost the transition to NEVs.

Motus new energy vehicle sales

For Motus, the shift to cleaner fuel technologies will diversify our product portfolio. We are evaluating several hybrid and plug-in EV models, their availability from OEMs for our various markets, market conditions and customer preference. When demand increases and supportive national policies are introduced, we will be able to quickly add these types of vehicles to our portfolio based on our representation of premium brands and the valuable insights gained from NEV adoption in the UK.



Estimated impact of NEV sales on vehicle parc (exponential curve probability)



Out of over 38 000 new vehicle sales for Motus in 2023, only 153 were NEVs. We believe that true adoption, where a plug-in EV is the first choice for a vehicle buyer in South Africa, is likely to start around 2030, when technology improvements have potentially lowered the prices of mid-market models. In the interim, the premium passenger vehicle market will lead the BEV market.

Our Importer OEM brands are key providers of BEVs in Europe. By 2030, Hyundai's electrification strategy targets 7% of the global BEV market (1,87 million BEVs sold annually)¹ and Kia is aiming for annual sales of 1,2 million BEVs². The Renault Group aims to electrify all new passenger vehicle models by 2025, and Mitsubishi Motor Corporation has a target to have 50% of its vehicle production being NEVs by 2030. Notably, at the World Car Awards, the all-electric Kia EV6 GT was awarded the 2023 World Performance Car – a category traditionally dominated by petrol models.

Policy development

The value of vehicles and automotive components exported to 152 international markets accounts for more than 12,4% of South Africa's total export value³ with Europe being the automotive industry's largest export region. South Africa must protect its auto manufacturing base given that over 50% of production⁴ volume from July 2025 to 2035 is at risk from the ban of ICE drivetrains in many European countries. For South African-based OEMs, manufacturing decisions are taken three years before the start of production. This means that decisions must be taken today to deliver the next generation NEV models. However, like in other markets, the acceleration of NEV production requires changes in government policies and regulations, the introduction of incentives and new infrastructure.

We participate in various naamsa committees (see page 103), including the Technical Committee, to ensure we keep abreast of and contribute to policy development.

South Africa's Just Energy Transition Investment Plan for 2023 to 2027 sets out the pathway and scale of investment required to develop a low carbon and climate resilient society. The NEV supply chain is one of three key focus areas to support sector employment, promote growth and provide healthier and more equitable cities. Of the USD8,5 billion (R160 billion) just transition funding committed to South Africa's transition at COP26, USD200 million (R3,8 billion) will be allocated to stimulate the NEV sector and the balance toward electricity. In December 2022, naamsa published its Thought Leadership Paper, which provides proposals on how to prepare and adapt the local automotive value chain to secure its participation in global NEV developments.

¹ <https://www.hyundai.com/worldwide/en/company/newsroom/hyundai-motor-accelerates-electrification-strategy,-targeting-7%25-of-global-ev-market-by-2030-0000016802>.

² <https://www.hyundaimotorgroup.com/news/CONT00000000000012393>.

³ naamsa | The Automotive Business Council | Press releases.

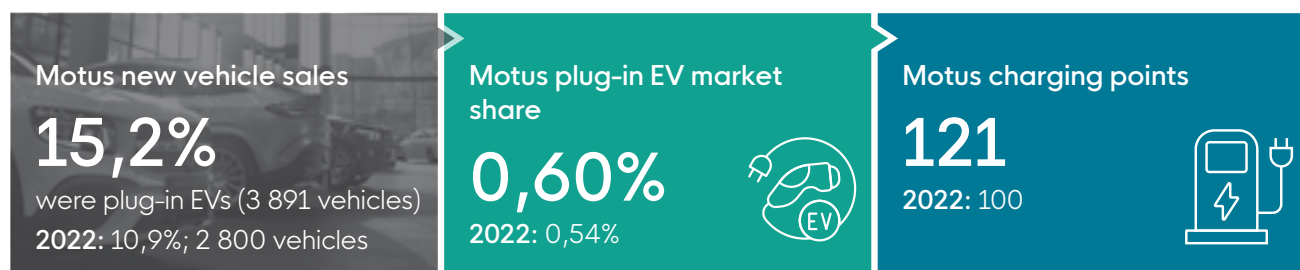
⁴ naamsa | The Automotive Business Council.

Motus new energy vehicle sales (continued)

United Kingdom

Most of our passenger and LCV businesses in the UK are providing NEV solutions and most sites have dedicated plug-in EV bays with OEM-trained technicians. In 2023, we invested £133 400 (R2,9 million) to install charging points, which we are required to have to meet OEM standards. In the future, local sub-stations are unlikely to be able to supply our growing demand for electricity and will need upgrading.

The 2023 forecast for plug-in passenger vehicles and LCVs in the UK market is around 650 421 sales; approximately 31% of total new vehicle sales volume for the year.



Note: our passenger vehicle business, where plug-in EV sales are more prominent, is a smaller component of the UK operation.



Our carbon footprint

Transition to a lower carbon economy **Motus**

A number of initiatives have been implemented since 2017 to reduce our electricity consumption as it becomes a larger part of our cost base. Our efforts include energy-efficient lighting and air-conditioning systems, and sensors or timers to switch off lights and air-conditioning and heating units when rooms are not in use. In South Africa, around 80% of our sites have implemented LED replacement programmes. Particularly in our newer showrooms, sensors adjust the brightness of interior lights based on the natural light entering the area. Old electronic equipment is replaced with energy-efficient alternatives when retrofitting projects are undertaken or equipment becomes redundant.

Our biggest consumers of fuel are our petrol or diesel generators, which are increasingly needed in South Africa to support business continuity during load shedding. 61% of our South African sites, including all key sites, are covered by alternative sources of energy, albeit most being generators, to maintain customer experience and keep our fibre, data and communication lines operational.

Incorporated in our buying plans, is the procurement of lower emissions vehicles for our fleets, including the Vehicle Rental fleet and our company vehicle fleet. Route optimisation is employed for both the delivery of aftermarket parts to customers and logistics planning when moving vehicles between locations.

Carbon footprint overview

Operational control

South Africa, UK, Australia, South East Asia and Southern and East Africa. The bulk of our operations remains in South Africa with a growing footprint in the UK.

Full time employees	19 817
Floor space (m ²)	3,9 million
Dealerships (m ²)	3,1 million
Parts distribution centres (m ²)	0,7 million
Corporate offices (m ²)	98 000
Revenue (Rbn)	106



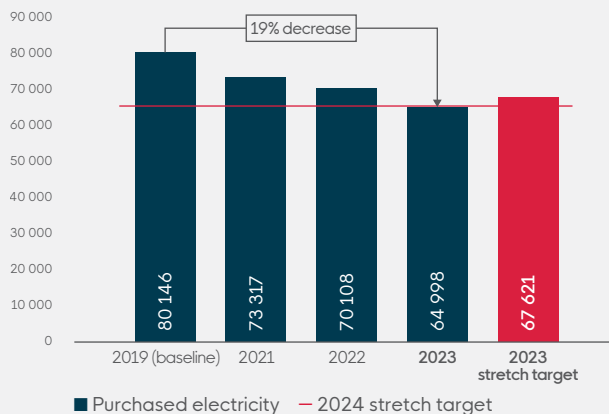
 TCFD report.

Our carbon footprint (continued)

2023 performance

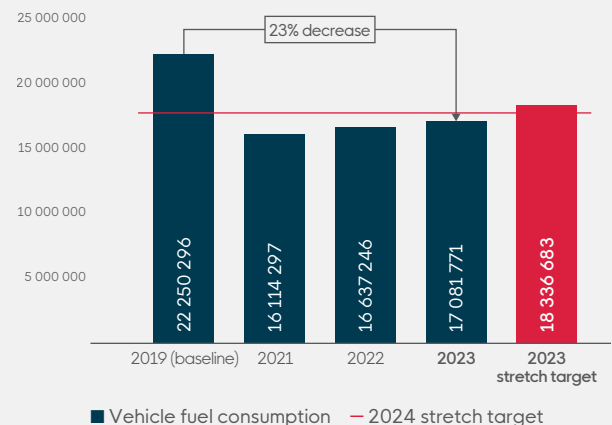
Group

Purchased electricity (MWh)



Our internal stretch target is an 11% decrease in electricity consumption (base year 2019) by 2024. At Group level, usage decreased 7% compared to 2022, exceeding our 2023 stretch target. The South African operation, which accounted for 78% of consumption, consumed 7% less electricity, despite an increasing footprint in 2023. While our solar PV projects played a key role in this achievement, the increased levels of load shedding would have also contributed to the decrease.

Vehicle fuel consumption (litres)



Our internal stretch target is to limit our use of vehicle fuel to a 6% increase over three years to 2024. Vehicle fuel consumption was 3% higher across the Group compared to 2022, but well within our 2023 stretch target range. Vehicle fuel consumption in South Africa increased 3% compared to last year due to the normalisation of vehicle fleets and demo vehicle numbers in Vehicle Rental and the Importer division following the constrained stock levels of prior years. South Africa accounted for 84% of overall Group vehicle fuel consumption.

Gas

16 777 104 kWh

natural gas, with 99% of consumption being in the UK
2022: 18 493 480 kWh
2021: 22 815 756 kWh



Generator fuel

1 129 756 litres

to run 241 generators, with 99% of consumption being in South Africa
2022: 256 656 litres
2021: 132 755 litres



Carbon tax paid

R2 068 051

carbon emissions tax paid on stationary combustion (generator) fuel, impacted by power outages in South Africa

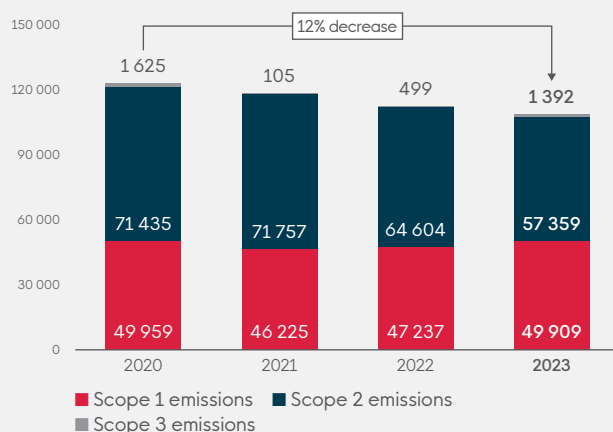
2022: R179 000
2021: R95 446



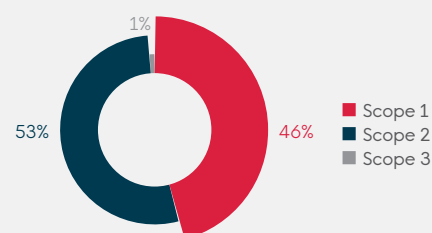
2023 performance (continued)

Group (continued)

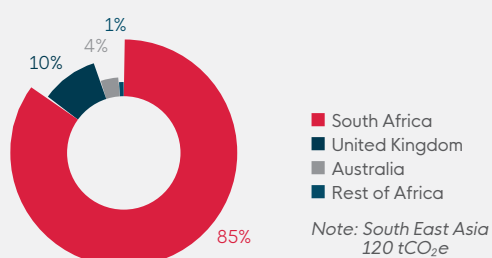
Carbon footprint (tCO₂e)



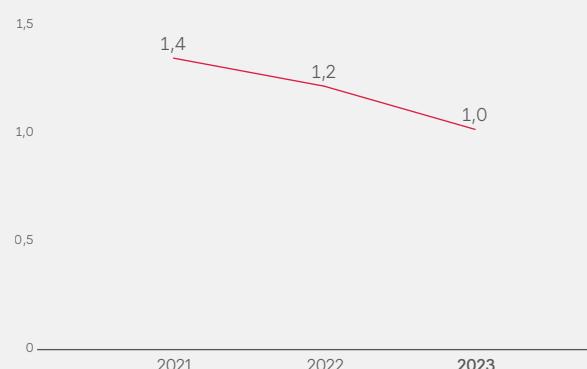
Carbon footprint breakdown (%)



Carbon footprint per region (%)



Carbon emissions intensity (tCO₂e per Rbn)



The 3% reduction in carbon emissions is pleasing against a year-on-year revenue increase of 16%. Our Scope 1 performance was negatively impacted by a 340% increase in generator fuel usage; a direct impact of the increased load shedding in South Africa and adding to our operating costs. The carbon emissions associated with generator fuel consumption for the year was 2 999 tCO₂e. Scope 1 was also impacted by increased vehicle fuel consumption due to larger fleets. Load shedding and our solar PV system installations contributed to a lower Scope 2, and Scope 3 increased due to business travel resuming both locally and internationally.

Our carbon footprint (continued)

2023 performance (continued)

South Africa

Despite a regulatory delay, we obtained Energy Performance Certificates for five of our buildings to better understand their energy output, identify where we can improve and prepare for the new regulations when they become effective. The Retail division continued to roll out LED retrofits, particularly in leased facilities where solar PV installations are not an option.

As an initial step to transitioning our fleets, certain employees are trialling company plug-in EVs to test their viability in a South African context. Over and above the 30% to 40% higher price than an ICE equivalent, key feedback is the concern around range between charges. The long distances travelled by many South Africans means that routes and charging have to be carefully planned, particularly for those who travel as part of their job, and may mean that they need a second vehicle as back-up. In addition, charging a vehicle in fast mode uses a vast amount of electricity, which most household electricity set-ups are not able to support.

Regions

In the UK, Motus Commercial's energy management programme provides most dealerships with daily electricity usage reports. As part of this programme, employees were encouraged to share their energy-saving ideas for both dealership and home environments.

The Pentagon Motor Group's energy reduction programme has delivered material reductions in electricity and gas usage since its inception in 2018. This has been achieved through site audits to identify energy savings opportunities, encouraging behaviour change and implementing optimisation initiatives such as timers. To maintain our progress, each site's energy consumption is monitored against a daily target. When the target is breached, the site is notified and advised on how to reduce consumption to normal levels based on its specific controls and equipment.



Renewable energy

An energy-efficient building is generally a better environment in which to work and is significantly less expensive to run. Given the increasing need, especially in South Africa, to implement solar PV systems or battery energy storage systems, we introduced a formal project in 2023, overseen by the Group CFO, to have a more systematic approach to our alternative energy installations across the Group. This will ensure that installations meet our operational and capital expenditure requirements and provide a commercial benefit.

The project incorporates assessing a site's energy requirements and how its energy use is managed, recommending where energy efficiency can be enhanced prior to installing an energy solution, identifying the most suitable technology available and understanding the key dependencies to achieve forecasted savings.

We will also develop a standardised procurement process for alternative energy solutions, guidelines for site eligibility, a panel of approved suppliers, minimum equipment standards and legal requirements to protect the health and

safety of our employees and our insured assets. The project will provide a comprehensive line of sight on all projects implemented going forward¹ as well as track return on investment.

The cost and logistics of investing in solar PV systems prohibits their installation across the entire site network. In addition, the pace of roll out has been impacted by the high demand for these systems in South Africa, placing pressure on supply and supplier availability to facilitate installations.

2023 performance

Group

At year-end, 42 of our sites used energy from solar PV systems; 38 of these systems are owned by Motus and the balance belong to landlords. Two installations are located in Australia and one is in the UK.

South Africa

The Importer division has approved solar PV installations at 35 of its sites, with 19 installations already completed including all three PDCs and one head office. The division's project to sell energy into the power grid from our bond stores, while still a consideration, depends on municipal approval.

A solar PV system was installed in the shared PDC for Kia and Mitsubishi at a cost of R3,9 million. Hyundai have approved five additional solar PV systems at dealerships (installation dependent on vendor schedules). This will bring Hyundai's solar fleet to 20 installations. Kia investigated a number of options to fund their solar PV system projects with a number of installations planned as part of the formal Group implementation project.

Five projects for the Retail division have been approved under our new Group solar project, namely the multi-franchise in Vereeniging, Gauteng (R2,5 million), the multi-franchise in Durban Central, KwaZulu-Natal (R2 million), BMW George and multi-franchise in George, Eastern Cape (R2,5 million), Volkswagen in Midrand, Gauteng (R1,8 million) and the Paarden Eiland redevelopment, Western Cape (R9 million). Additional projects are planned as part of the formal Group implementation project.

Mobility Solutions has approved a solar PV installation for one of its campus buildings so that critical business functions that require 24-hour operation are able to continue without interruption.

Regions

Our first solar PV system in the UK was installed at the Mercedes Benz dealership in Witham at a cost of £208 000 (R4,5 million). With a capacity of around 280kWp, the system has a payback period of five years. Further roll outs will be considered based on the results of this pilot, with an additional site already identified for potential future installation.

¹ The project excludes prior solar PV installations as well as Hyundai, which has its own mature solar strategy.

Reduce our environmental impact



Why this is material

Consumers and other stakeholders care more about the health of the natural environment than they ever have before. Environmental stewardship is encapsulated in the Motus values, which require us to be conscious of our environmental impacts when making business decisions and investments. A growing focus area for the Group is our participation in the circular economy, which works to reduce waste before it is produced and treats waste as a resource, preserving its intrinsic value for reuse and economic recovery.

In this section

- 50 Environmental data and reporting
- 51 Water
- 53 Waste and recycling

Key performance indicators (year on year)

Water consumption (Group)*

▲ 10%



672 938 kl

Hazardous waste recycled (South Africa)

Batteries

▼ 5%

221 790 kg

Used oil

▲ 25%

3,0 million litres



Environmental incidents (Group)

Zero



2022: zero

Compliance with environmental laws and/or voluntary codes (Group)

Zero




incidents of non-compliance

2022: zero

Key

 Pleased with performance

 Room for improvement

 Behind where we want to be

* Linked to remuneration

Key projects

- Installing boreholes, rainwater harvesting and water recycling systems.
- Acquiring a complete view of our waste generation and waste recycling or reuse.
- Extending digital deal files in the Importer division.

Highlights

- Started the migration to the upgraded environmental information management system that better meets our reporting needs.
- Improved the quality of our water and waste data.
- Businesses made good progress in implementing improved waste management initiatives.

Lowlights and key challenges

- Capital expenditure in a low growth environment to implement environmental improvement and resource-efficient projects.
- Managing targets in a business where area footprint and use of buildings often changes.
- Poor municipal and national infrastructure in South Africa causing water supply interruptions, burst pipes and water leaks.
- Correct segregation of waste at source.
- Lack of widely available recycling infrastructure and technology in South Africa.

Context

Without significant policy change or investment, the interplay between climate change impacts, biodiversity loss, food security and natural resource consumption will accelerate ecosystem collapse, threaten food supplies and livelihoods in climate-vulnerable economies, amplify the impacts of natural disasters, and limit further progress on climate mitigation¹. In these scenarios, the poor are the most negatively affected.

South Africa's mean annual precipitation is almost 50% lower than the global average. In addition, millions of South Africans access water that is captured in reservoirs located over 400 kilometres away, and 19% of the rural population lacks access to a reliable water supply. Water insecurity is further exacerbated by decaying water infrastructure, poorly managed water resources and climate change. Lack of access to clean water negatively impacts health (evidenced by the cholera outbreak in Hammanskraal, Tshwane, in 2023), education, gender equity and economic development, and raises the risk of civil unrest².

Waste, driven by the way society produces and consumes, is a global issue which poses a threat to public health and increases environmental pollution, including the pollution of surface and ground water. By 2050, worldwide municipal solid waste generation is expected to increase by roughly 70% to 3,4 billion metric tonnes; due to population growth, urbanisation, economic growth and consumer shopping habits. Today, less than 20% of waste is recycled each year, with huge quantities still sent to landfill sites.

Our approach to environmental impact management.

Transition to a lower carbon economy: page 36.

Our objectives

Continue to improve our measurement and reporting of environmental data, and achieve our 2024 targets.

Specifically:

- Support our management teams to achieve the Group's 2024 targets.
- Better understand the impact of our environmental improvement projects.
- Refresher training on the processes and importance of accurate reporting.

¹ World Economic Forum, The Global Risks Report 2023 (18th Edition).

² <https://www.greenpeace.org/africa/en/blogs/51757/water-crisis-in-south-africa/>.

Environmental data and reporting

A key focus for the past year, has been a project to update our site asset register to provide a complete view of our investments to date in alternative power sources and water saving initiatives. This is providing a base from which to better understand our environmental impact, including how much renewable energy we consume and water we recycle.

The upgraded environmental management system, which will inform our 2024 environmental reporting, is better aligned to our need for flexibility, and will enhance our data management, reporting against targets and the audit process. Following robust engagement with business segments and regions, we are confident that the upgraded system will address gaps in our current measuring and reporting, and enable improved analysis of data so that we can identify how to reduce our environmental impact across our building footprint.

In South Africa, electricity and water meters at many sites monitor consumption, identify spikes and savings opportunities, and compare actual consumption to municipal charges, which are often inaccurate and late. Independent smart water meters are installed in dealerships that have rainwater harvesting systems.

Our environmental targets to 2024 for water, electricity and vehicle fuel are based on four years of normalised trading

activity prior to COVID-19. They are adjusted when needed to account for changes in our site footprint or site activity.

The targets align with those of our sustainability-linked financing facilities, which tie the terms of our funding to ESG outcomes. Interest rate savings are gained when stretch targets are achieved, interest rate increases are applied if our performance falls below a certain level, and there is a neutral range where there is no impact on the interest rate. The financing is not specifically directed at environmental improvement projects; however, the interest saving achieved, if feasible, will be directed to environmental initiatives. In 2022 and 2023, we received an interest rate reduction on the BNP Paribas loan for our performance against targets.

Our 2023 spend on environmental improvement projects was approximately R39 million with a further R20 million budgeted for the next financial year.

Environmental targets

	2019 base year	Objective from base year to 2024	2023 stretch target		2024 stretch target
Water (kilolitres)	611 233 ¹	Water: decrease by 9%	538 349	✗	522 199
Electricity (MWh)	80 146	Electricity: decrease by 11%	67 621	✓	65 593
Vehicle fuel (litres)	22 250 296	Fuel: contain increase to 6%	18 336 683	✓	17 786 582

¹ Performance KPIs amended to account for changes in site footprint.

✓ Achieved. ✗ Missed.

South Africa

During the year, we identified which business sites require electricity and/or water meters to counter erratic and estimated municipal readings, with roll out starting at Hyundai and in the Retail division. To improve our reporting, we have identified our top consumption sites per business segment and the upgraded environmental information management system will aid comparability and adherence to our rules that guide how we manage the impact of changes in site activity or location on performance against targets.

Sustainability as part of our values and ethical business conduct has been included in our induction training for new employees, and from 2024 sustainability will be introduced as a topic in our management development programmes.

Water

Reduce our environmental impact **Motus**

Clean vehicles enhance the customer experience, both in dealerships and the vehicle rental business. Based on their size and business activity, certain sites in South Africa are used as benchmarks to compare water consumption across our footprint. This helps to identify drivers of water consumption and opportunities to lower our reliance on municipal water sources, reduce operational costs, understand when we deviate from targets, and identify ways to secure water during drought conditions.

Rainwater harvesting tanks, wastewater recycling systems and boreholes serve as water-efficient implementations or alternative sources of water for wash bays at certain dealerships and Vehicle Rental branches (South Africa, Africa and Australia).

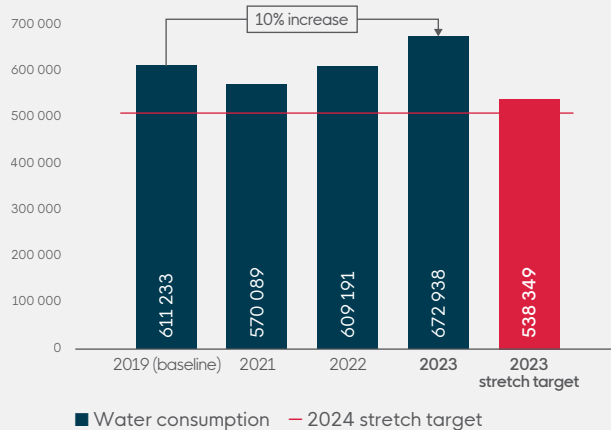
For South Africa, our key objectives are to invest in boreholes and ensure that high volume wash bays are fitted with recycling or water-efficient technologies. In Australia, we will install water recycling solutions when upgrading or building a new dealership.

2023 performance

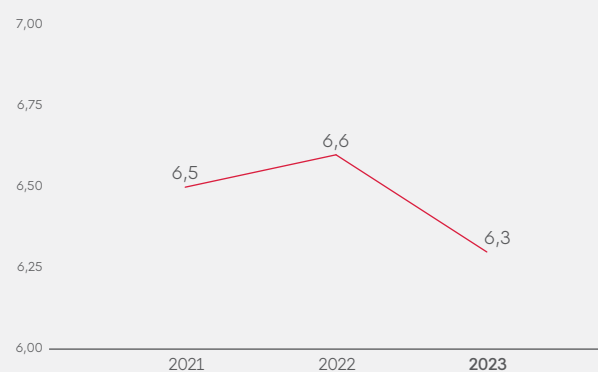
Group

At year-end, five business site wash bays had water recycling systems and eight had boreholes with one site operating independently of municipal water. 417 rainwater harvesting tanks were in place across 107 business sites, which includes nine tanks across two international sites.

Water purchased from municipalities (kilolitres)



Water intensity (kilolitres per Rbn)



Our internal stretch target is to reduce water consumption by 9% over three years to 2024. Across the Group, water consumption increased 10% compared to 2022, with the Group's acquisitions in 2023 adding 34 790 kilolitres of water to total consumption. When removing the 2023 acquisitions from the total water consumption and comparing a like-for-like footprint between prior and current year, we exceeded our absolute water target of 581 417 kilolitres for 2023 by 3%, however we missed the stretch target. The South African operation increased its water consumption by 9%, accounting for 82% of total consumption. Other contributors to the increase are two material water leaks in South Africa and the return of all Mobility Solutions employees to the office. In addition, regions in Gauteng have experienced higher temperatures and delayed rainfall, which lowered the level of rainwater harvesting and increased the water sourced from municipal utilities. It should be noted that the quality of our water data has improved as most businesses this year reported consumption based on meter readings and not council estimates. Our water intensity ratio decreased despite year-on-year revenue increasing by 16%.

Water (continued)

2023 performance (continued)

South Africa

Kia's water initiatives for the year included site walk-throughs to identify water leakages and the installation of tap aerators at its head office for further roll out to the dealership network. The expansion of low-flush toilets to high-traffic Kia dealerships was not undertaken as our feasibility studies showed the impact on water consumption was not material. Mobility Solutions installed tap aerators and toilet flush restrictors in its bathrooms. In 2024, Vehicle Rental will install a water recycling plant at its East London depot.

Following the formalisation of our portfolio of environmental improvement projects and discussions with our business segments, we have decided to reassess the project mentioned in last year's report to subsidise water harvesting and recycling projects at the wash bays outsourced to our ESD beneficiaries, in favour of other projects which we feel will create greater positive impact for these SMEs.

Water consumed from alternative sources

3 293 kl

from boreholes and rainwater harvesting tanks

2022: 2 430 kl 2021: 1 701 kl



Water recycled

12 719 kl

2022: 6 169 kl



Regions

In the UK, our operations are implementing smart water solutions.



Waste and recycling

We have continued our work to standardise the monitoring and reporting of paper, tyres, batteries and used oil in South Africa to gain a more complete view of our waste generation and recycling. These materials are now consistently reported across our businesses and we expect to have a complete view by next year. Targets will be set for these materials in 2025 – a year longer than was originally anticipated – with discussions already underway with business segments. Waste KPIs have been included in the 2024 STI criteria for directors and prescribed officers.

Starting in 2024, processes will be introduced in a phased approach to measure and monitor scrap metal, plastics, cardboard packaging waste and e-waste.

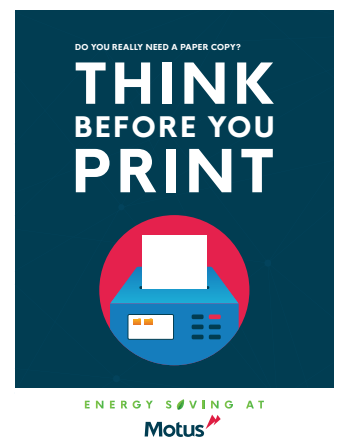
Enhanced waste data will inform initiatives to reduce waste generation and enhance the recycling or reuse of waste. A concerted effort will be made to enhance employee awareness around the importance of resource conservation and responsible usage.

We safely and responsibly dispose of hazardous waste oil generated from the servicing of vehicles and equipment in our workshops. Oil spill kits and oil leakage tests ensure that when an oil spill occurs our reporting is accurate and responsible clean-up practices are employed. Filter and oil separator systems in certain workshops and larger wash bays trap silt, sludge and hydrocarbons. In South Africa, all of our dealerships employ responsible service providers to collect and dispose of their waste oil.

Advances in technology eliminate duplication and reduce the amount of paperwork and printing costs. Some of our paper-saving automation includes emailed customer statements, electronic storage of statements, digital signatures, electronic access checks at dealership gates, electronic vehicle check-in for services, and electronic stock takes, vehicle valuations and reconditioning files.

Digitising the customer's interaction with Motus, particularly the vehicle purchasing process (see Motus Digital Dealer on page 63), enhances their experience, enables them to conveniently provide us with their information electronically and enables Motus to move away from the traditional 150 to 200 pages of paperwork generated when facilitating a vehicle sale. Similarly, Vehicle Rental's Ready2Go self-service web portal (see page 62) allows customers to access their invoices and statements electronically.

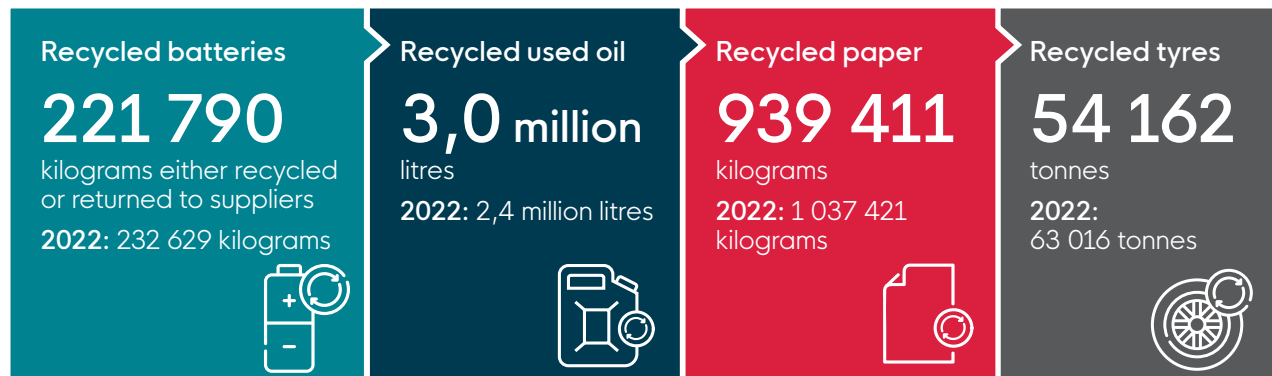
We encourage our employees to print on a 'needs only' basis and to store their documents electronically, as far as possible, which also supports our responsibilities in terms of protecting personal data. User ID on modern printers assists targeted engagement with employees identified as heavy paper users.



Waste and recycling (continued)

2023 performance

Group



South Africa

Site assessments are underway for Kia to investigate a nation-wide partnership with a service provider to dispose of, separate at source and recycle waste. The Retail division has embarked on a three-month pilot at a Nissan dealership with a service provider to manage its general waste. Mobility Solutions, which already recycles paper, glass, cans, cardboard and plastic, is installing recycling bins for food waste. Certain dealerships are investigating water coolers to replace plastic bottles, with Cargo Motors having already introduced the concept.

The Importer division assessed the packaging of products received from its OEM suppliers – most of which is recyclable – and we plan to engage with other suppliers to encourage similar materials usage in their distribution of products.

During the year, the Retail division audited its service providers who purchase and collect for recycling the used oil and other hydrocarbon waste generated in their service workshops. Service providers were assessed on their level of compliance with applicable waste management legislation.

One of Kia's sites in South Africa, which uses digital deal files, has not printed a deal file since January 2023. The Importer division is engaging with service providers on options to extend the digital deal file project to more dealerships. The division is also digitising a number of back office functions such as the pre-onboarding of new employees, dealership onboarding, and the approval of travel and expense requests.

Regions

In the UK, electronic job cards were implemented at all eight Motus Truck and Van sites.

Mobility for Good



Solar PV system at Hyundai head office

More than 240 solar panels were installed at Hyundai's head office in Gauteng, delivering 110 kW of electricity. Over and above this system, Hyundai operates another 13 solar PV systems across its dealership footprint.



Automated wash bay with recycling facilities

The automated wash bay and recycling plant at Europcar's Marlboro depot, recycles 80% of the water used, saving 140 kilolitres of water and R7 700 a month. The trade-off however is that the automation uses more electricity.

eWasha

Retail and Rental South Africa employs the eWasha system, which recovers and recycles around 80% of water used in wash bays. Using this system together with JoJo rainwater harvesting tanks, Vehicle Rental washed over 170 300 vehicles in three of its airport depots in the Cape in 2022, recycling 88,7% of the water required.



World Environment Day

On World Environment Day we ran an awareness campaign on plastic pollution in South Africa and the UK.

Paper saving

Mitsubishi continues to drive paper usage reduction, introducing a policy on reviewing documents electronically and installing scanners on printers at its PDC to record paper consumption. Over 42 months, these initiatives have achieved a 40% reduction in average paper usage.

Drive innovation to remain relevant and competitive



Why this is material

Innovation is a core enabler of Motus' future. It sparks the development of new solutions, inspires better ways of doing things, and improves customer experience, ultimately securing customer loyalty and our relevance in a rapidly changing automotive industry and dynamic digital economy. Our innovation strategy is designed to sustain our competitiveness, secure our position as an industry leader and build sustainable growth. It helps us anticipate and respond to changes with agility, meet the needs and expectations of the connected customer and ensure that our core specialist expertise is future-fit and able to adapt quickly to benefit from market shifts and trends, and capitalise on growth opportunities. Among our people, we foster a culture that embraces experimentation and encourages collaboration.

In this section

- 58 An innovation culture
- 62 Innovative solutions

Key performance indicators (year on year)

New innovation projects started (Group)

▼ 11%

8



Innovation projects at year-end (Group)

▼ 43%

13



Innovation projects deployed into business (Group)

▲ 100%

5



Employees attending keynote events (Group)

▲ 33%

1 156



Key

- Pleased with performance
- Room for improvement
- Behind where we want to be

Key projects

- Motus Xponential or m^x platform.
- Digital identity proofing with Contactable.
- Motus Digital Dealer.
- Ready2Go.

Highlights

- Met our innovation strategy objectives.
- Held the inaugural Futuremakers Awards to recognise the valuable contribution of our innovators.
- Deployed five of our innovation projects into the business, with three creating commercial business value.
- Launched Europcar Superflex, a vehicle subscription model.

Lowlights and key challenges

- Competition across many industries for skills and expertise in big data and analytics, coding, design thinking, problem-solving and social platforms.
- International companies recruiting South African professionals preferring to work remotely and who are paid in foreign currencies.
- Slow roll out of a strong 5G network in South Africa, delaying the introduction of connected vehicle technology.
- High mobile data prices in Sub-Saharan Africa.
- Ensuring that digitisation does not add cost and complexity for customers while remaining compliant and delivering cost efficiencies.

Context

There is a growing expectation from customers and stakeholders across all industries that engagement and services are personalised, seamless, quick and easy.

In the automotive industry, customers are more digitally savvy across multiple aspects of vehicle ownership. Today, customers can use their preferred device to search for and find information at their own convenience (anywhere and anytime) on a range of topics relating to their vehicle.

Automotive touchpoints from websites and dealerships to needs-driven communication must therefore create experiences that drive deep connections with customers.

Connectivity will open up new avenues for revenue generation and transform operations to deliver service excellence. For example, connected technology can support vehicle alerts and automated fleet inventory management, and help to mitigate against vehicle theft.

Shared mobility solutions such as vehicle subscription are becoming more attractive alternatives to traditional vehicle ownership, especially as vehicle prices and interest rates increase as well as the costs of maintenance and insurance. Vehicle subscription is cost-effective and offers easy access to vehicles. It is estimated that by 2030, the global vehicle subscription market could reach USD30 billion to USD40 billion¹.

The workforce of the future will need to be appropriately skilled and adapt to new ways of working to support the acceleration of innovation and competitiveness, and to optimise productivity.

Innovation and digitisation review: page 20 of the 2023 integrated report.

Our objectives

Decrease the risk and uncertainty of corporate innovation, enable any employee to participate in the testing and experimentation of concepts aligned to strategic priorities, and focus on solutions that address the under-served needs of customers and other key stakeholders in the automotive market.

Specifically:

- Use technology solutions and our strategic partnerships to optimise the experimentation process.
- Leverage market research and data analytics capability to support data-driven decision-making, and share the insights gained across the Group.

¹ <https://www.precedenceresearch.com/vehicle-subscription-market>.

An innovation culture

As our business model becomes increasingly integrated and digital, and the technological component of most jobs grows, the workforce must adapt and develop new competencies and attributes to deliver the Group's growth ambitions. Digital and experimentation skills, customer-centric practices, ability to collaborate and change resilience are key.

These competencies and attributes are developed through our action-learning innovation programmes available on the m^x platform to any interested employee. This deepens our innovation culture, provides employees with the opportunity to participate in innovation, and supports shared learning and cross-functional collaboration on strategically prioritised business challenges. Our innovation programme is a contributor to our EVP, helps the Group identify talent and gives talented individuals the opportunity to engage with executives, with many employees having progressed their careers as a result of their participation in innovation programmes.

How employees can participate

Through the m^x platform, all employees can participate in innovation based on their appetite and interest. Participation ranges from contributing to ideas and attending events, to participating in research and joining teams who test novel concepts.



Our innovation programmes



The testing of concepts includes an in-depth experimenting process using proven global best practice methodologies. The value for Motus is that this process decreases the risk and uncertainty associated with making decisions on whether or not to implement a new product or service. The outcome is a de-risked portfolio of executive-sponsored quantified concepts that progress to implementation within the business. Concepts that fail to deliver value are stored and recorded in a knowledge repository to ensure we don't make the same mistakes again, saved for when business conditions better suit the concept, or are used to inform other concepts.

Since the launch of the m^x capability three years ago, we have tested 43 novel concepts. Five projects have been delivered from this practice and are working solutions used in business activities, including key projects such as Contactable – the digital identity tool (see page 120), Motus Digital Dealer (see page 63) and Europcar's Ready2Go (see page 62).

Going forward, our focus will be to create a lean innovation team and a lean experimentation capability to execute, measure and gain insights fast and cost-effectively as well as stimulate collaboration across business areas on strategic business priorities.

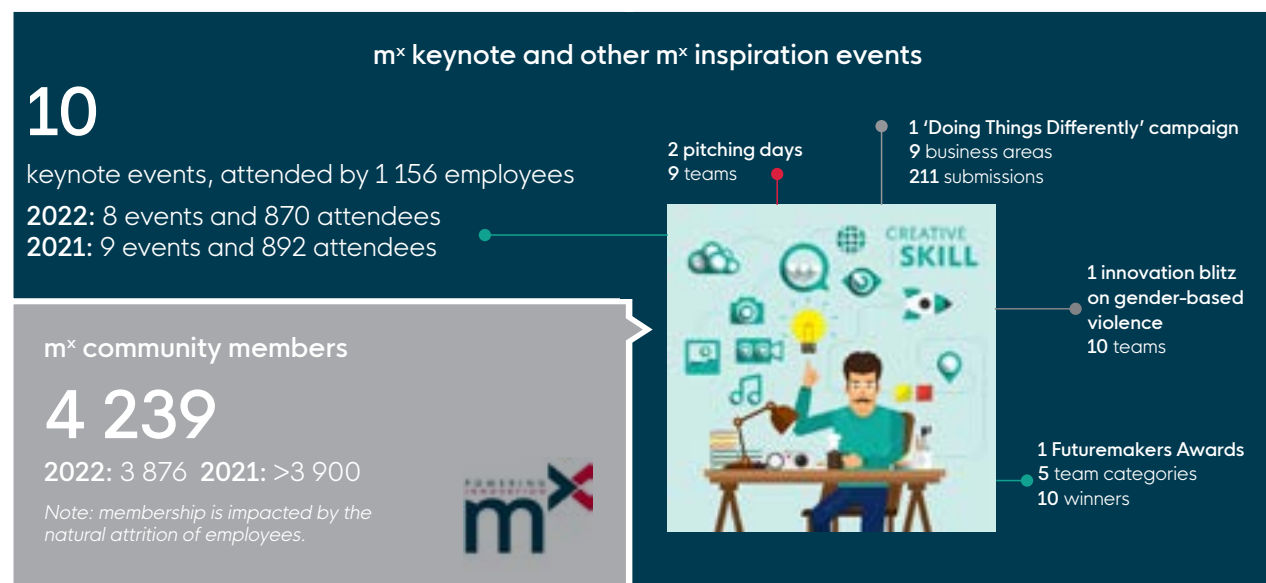
2023 performance

Group

This year we met all our objectives in terms of our innovation strategy, with notable advancements in the following three areas:

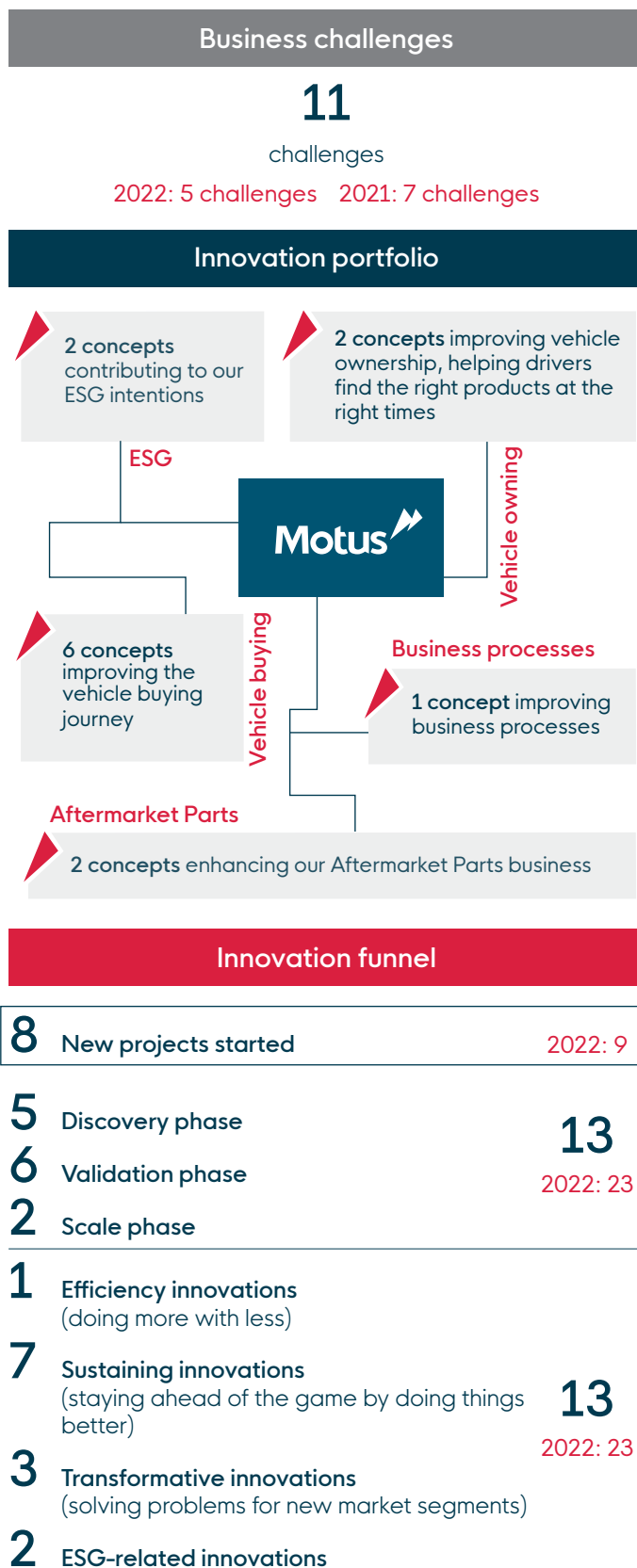
- Measuring employee participation to identify those who are highly engaged in innovation.
- Recognising employee contribution to innovation.
- Consolidating internal innovation efforts across the Group.

Keynote speaker events during the year covered a diverse range of topics, from the transformative journey of start-ups and the potential of digital twin technology to strategies to overcome resistance to new ideas, the revolutionary impact of 3D printing and how AI is empowering businesses, among others.

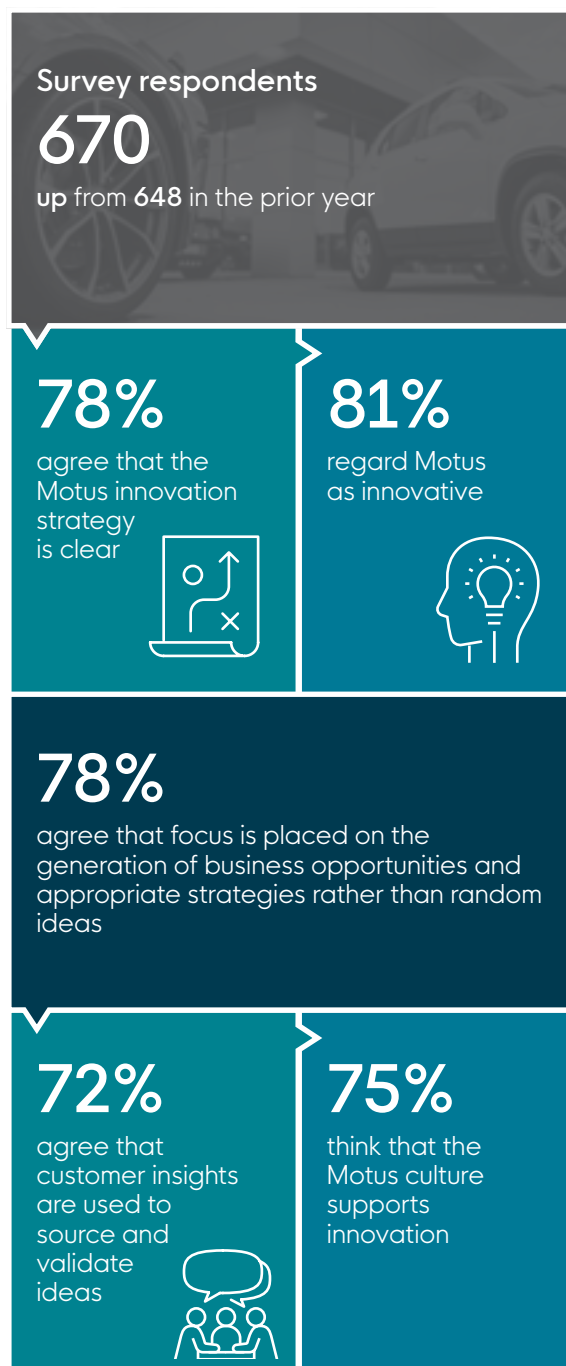


An innovation culture (continued)

2023 performance (continued)



In the second half of 2022, our annual innovation survey was sent to all Motus employees to determine whether our innovation programmes are successful in fostering a culture of innovation within Motus.



The survey also garnered qualitative feedback on how we can make the innovation strategy clearer and more effective, what employees feel are the biggest disruptors in our industry and what we can do to improve our culture of innovation.

2023 performance (continued)

The inaugural Futuremakers Awards

It is our people who create Motus' future. In January 2023, we celebrated two areas of contribution to innovation; namely, the Top 10 contributors to innovation within Motus and the innovation teams across five categories.

The contribution to innovation is measured across a number of m^x platform aspects; from attending events and logging ideas to joining teams who test and experiment with concepts. All aspects of engagement are tracked per employee and points are allocated according to the impact the activity has on our innovation.

Within the categories, a team from Renault won the Grit Award for the most progress with their WhatsApp service booking solution (see page 63). The team who created the best value won the Pinnacle Award for the order cycle solution developed for Aftermarket Parts (see page 63), which has the potential to achieve substantial annual savings. The Halo Award for the most valuable learnings went to a team who proved why a certain initiative would not realise the benefits we envisioned, and the Apex Award for best scale went to the team who developed Contactable (see page 120). The final award, the Fuel Award, went to Mitsubishi for being the most engaged business with the highest average points per digitally connected employee.

All winners received a custom designed 3D printed cubist replica of Auguste Rodins' well-known work, The Thinker.



Innovative solutions

Our approach to innovation is deliberate and methodical. We focus on accelerating the digitisation of front-end services and streamlining our existing capabilities to create efficiencies, reduce costs and extract well-informed conclusions from our extensive data to deliver a superior customer experience. We are building a seamless customer engagement experience across every stage of vehicle ownership, offering customers the freedom to connect with us through their preferred channels, ensuring convenience, speed of transaction and ease of use.

We leverage our strategic partnerships and invest in technology and new concepts that allow the Group to capitalise on opportunities that create new value, for example, new solutions that address the unmet needs of vehicle owners and buyers, or other stakeholders in the value chain such as dealerships and transporters of vehicles, as well as parts or technology solutions that are specific to Motus' requirements.

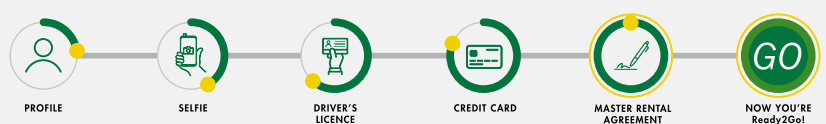
We continuously assess what is working well, identify areas of improvement and measure the return on investment of our projects. For each new innovation project, we consider its sustainability and intended outcomes prior to implementation, as well as the internal practices and policies needed to ensure effective decision-making and legal compliance.

Our technological developments aim to differentiate our products and services. Our many customer touchpoints give us the opportunity to test a number of different solutions. Projects in our pipeline aim to ensure that engaging with Motus requires minimal time and offers predictable outcomes across various customer touchpoints. Our customers are already able to complete most of the vehicle purchasing process online – from selecting a preferred vehicle on motus.cars, which represents 345 dealerships, to applying for finance and getting a price for their trade-in vehicle. motus.cars – the biggest online vehicle buying platform in South Africa – is a one-stop research and purchase portal

that adds convenience for our customers. Motus owns every vehicle advertised on the platform.



As we streamline our processes, reduce operational requirements and leverage automation, data accuracy and customer self-service capabilities, we are able to respond to customer queries more quickly, repetitive processes are removed and our customer-facing employees are freed up from administrative processes. Customers can also trust that they are using secure online transacting platforms.

The future vehicle parc will comprise connected vehicles, able to communicate with each other and the infrastructure around them. This technology can potentially improve traffic efficiency, reduce collisions and enable behaviour-based solutions using telemetry. Connected vehicles will allow us to use our proprietary data store and machine learning to analyse customer behaviour and gain valuable insight, which together with our vehicle data and product thinking, will allow us to offer more tailored, intelligently priced and individually timed VAPS that provide personalised experiences and engender customer loyalty. It will also enable us to identify and reward high-quality customers that exhibit good driving behaviour. As we gain experience at managing connected services, we will be able to position Motus as the partner of choice for these types of vehicles and the products and services associated with them.



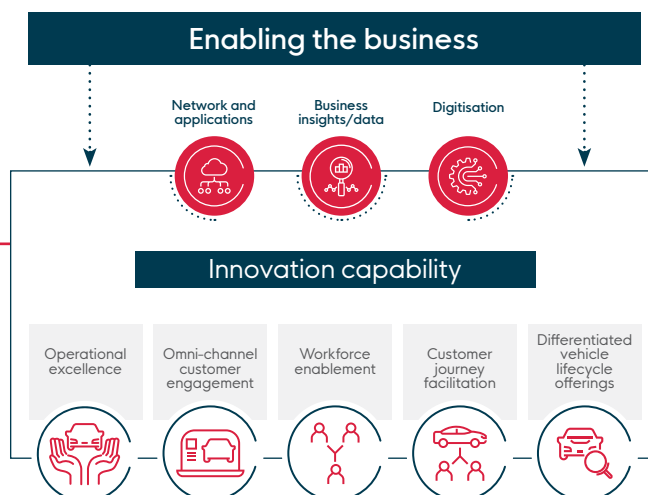
Ready2Go

- Self-service portal to book and pay for rentals online.
- Express vehicle checkout service that is seamless and convenient for customers – no queues and no paperwork.
- All that is needed for vehicle collection is a driver's licence for identification.
- Once-off online registration with supporting documentation uploads, streamlining future rentals.
- Secure payments.
- Increased operational efficiency, allowing Europcar to process more customers through the same facilities at a higher level of service.

Innovation capability and strategy

Our innovation strategy is delivered through the innovation performance model depicted alongside.



2023 performance

Group

We have continued to improve our data analysis capabilities to support agile responses, match our mobility solutions with customer needs, even as they change, and gain deeper understanding around consumer trends.

Vehicle Rental launched its customer web portal in 2023, which provides customers with access to their invoices and statements, and enables them to retrieve documents they may need. Looking forward, Vehicle Rental will focus on innovative solutions to better manage damages to its vehicles and improve the customer experience, including enhancements to Ready2Go and eCommerce improvements that meet customer demands.

The newly launched Renault Drivers Club WhatsApp Bot provides customers with an invaluable tool that facilitates direct communication between Renault and its customers. The bot simplifies the vehicle service booking process, allowing customers to schedule appointments conveniently, and offers voucher redemption options to incentivise vehicle maintenance. All Renault owners can use the bot regardless of whether their vehicle is under a service plan or warranty, making it a pivotal asset in enhancing customer satisfaction and engagement.

Hyundai introduced My Dash, providing customers with access to their vehicle's details and documentation, and includes a rewards programme for customers.

We continue to leverage getWorth to provide vehicle sellers with fast and relevant online vehicle offers. The patented technology uses large data sets and advanced machine learning algorithms to accurately price pre-owned vehicles based on live market data and to analyse large sets of customer data and behaviour to optimise our product offerings. Certain qualifying vehicle sellers can access getMore – a patented product that offers an upfront cash amount on the sale of their vehicles and a bonus amount (subject to conditions) when the vehicle is sold on to the next buyer.

Aftermarket Parts introduced order cycles during the year, using big data to re-engineer operations, gain efficiencies when managing high-priority orders and reduce warehouse overtime costs. In one facility, the controlled solution delivered material instant savings in just one month. The Aftermarket Parts' electronic catalogue provides retail customers with an easier access point and a level of predictability through greater visibility of product availability, and reduces lead times. Customers are rewarded for increased use of the catalogue. For Motus, the catalogue supports improved inventory management.

Motus Digital Dealer

- An omni-channel sales capability with a seamless and fully digital finance application self-service tool.
- Available across various sales channels, including our dealerships, call centres and motus.cars.
- Superior customer online onboarding experience with supporting documentation uploads.
- Fully integrated with suppliers and systems, including the credit bureau system and all major financial institutions in South Africa, supporting auto-filled forms and digital customer verification using Contactable.
- Quick re-verification as most of the customer's information is already stored.
- Reduced processing time from hours to seconds.
- Lower compliance and credit risk.
- Securely collects customer data in line with POPIA requirements.
- Enhanced efficiencies in our dealer sales and F&I operations.
- Reduced paperwork.

This implementation is a key step in Motus' digital end-to-end vehicle purchasing process.



Innovative solutions (continued)

Mobility for Good




E SuperFlex

- An attractive alternative to buying or leasing a wide range of vehicle options.
- Provides customers with more freedom and flexibility.
- No large upfront payments.
- Pricing structured around affordability and risk profiles.
- Customer has control over their monthly payments.
- Lower refundable rental deposit.
- Dedicated customer management.
- Customers can easily change vehicle depending on their needs.
- Roadside assistance.

Launched
in
2023

Renault Car Conversations

We hosted our first-ever Renault Car Conversations seminar to empower young motorists with valuable information about vehicle purchasing and driving behaviour. The free seminar was attended by 100 young people. Topics included how to choose the ideal vehicle, what to expect when arriving at a dealership, F&I, maintenance and servicing, how to build a healthy credit profile in preparation for vehicle ownership, advanced driving tips and what to expect while driving on the road. Based on the success of the first event, a second event was held in February 2023, with topics covering what to do in a test drive, NEVs, vehicle financing and what to bear in mind when selling a vehicle. 130 people attended the event in-person and 250 attended virtually.

 Watch a recording of the events [here](#) and [here](#).



LOOKING FOR A
SIMPLE | AFFORDABLE | FLEXIBLE
CAR
SUBSCRIPTION?

E SuperFlex

 SuperFlex.

EV technology awareness


In February 2023, our team in Sydney, Brookvale, hosted an evening for people to learn about Mitsubishi's hybrid technology. 40 people and 15 staff attended the event. Experts participated in a live Q&A session and guests could take test drives. Guests could also enjoy popcorn made from a machine that was powered by the Outlander plug-in EV using vehicle-to-load technology.

A similar event was hosted to accompany the launch of the all-new Megane E-Tech, attended by 44 guests.



Experience Kia blog

The Experience Kia blog informs and empowers vehicle owners, providing them with access to information on the ways Kia is moving progress and innovation in South Africa and globally. Articles cover fuel economy, financing options, vehicle care and maintenance, safety and vehicle finance terminology.

 Access the blog here.



Cultivate a diverse, equitable and inclusive workplace



Why this is material

Leveraging our collective and diverse intelligence drives deeper engagement among our people, promotes innovation to support business growth, improves productivity and business outcomes, and enhances our stakeholder relationships. To be truly inclusive, we must empower our people to make meaningful contributions to Motus, and treat all our employees fairly with equal access to opportunities, information and resources.

In this section

- 68 Diversity, equity and inclusion
- 72 Employment equity in South Africa

Key

- Pleased with performance
- Room for improvement
- Behind where we want to be

* Linked to remuneration

¹ South Africa only

Key performance indicators (year on year)

Overall female representation (Group)

▼ 1%
31%



Overall black representation¹

▲ 1%
76%



Black representation at top management^{1*}

Maintained
50%



Black representation at senior management^{1*}

Maintained
53%



Black representation at middle management^{1*}

▲ 2%
52%



Black representation at junior management^{1*}

▲ 2%
73%



Black representation among dealer principals

Maintained
46%



Key projects

- Embedding our DEI strategy.
- EmpowerHER events.
- Employment equity plan.
- YES4Youth Programme.

Highlights

- Finalised the Group's DEI framework and approved a DEI vision statement for Motus – **Better Mobility for All**.
- The YES4Youth Programme profiled Motus in its '100 000 work experiences created' campaign.
- Created opportunities for over 1 300 youth across the three cohorts of the YES4Youth Programme.
- Relunched the Unstoppable campaign in South Africa to raise awareness around disability.
- Established the 'Steering the Future' diversity committee in the UK.

Lowlights and key challenges

- Low representation of women in leadership roles in the automotive industry.
- Attracting people living with disabilities and advancing their careers.
- We were forced to revise our employment equity targets for 2023 given the negative impact of prevailing economic challenges on opportunities to hire new employees in South Africa.
- Meeting the DoEL's proposed sector targets in a low growth economy.

Our objectives

Embed our DEI strategy across all Group operations.

Specifically:

- Agree on a framework to assess and monitor our DEI progress and reporting.
- Meet the targets of our two-year employment equity plan for the South African operation.
- Improve the representation of women and people living with disabilities across the Group.

Context

While vulnerable employment is widespread for both women and men worldwide, women tend to be over-represented in certain types of vulnerable jobs. Finding a job is tougher for women than it is for men, and when women are employed, they tend to work in lower-quality jobs. COVID-19 intensified gender inequality worldwide, with many women impacted by income and employment losses likely due to their being employed in sectors most affected by lockdowns and having to take on traditional caregiver roles in households. Their recovery from the impact of the pandemic has also been slower than that of men.

Of major concern for South Africa is the high rate of unemployment among the youth, which in 2022 increased by 1,7% to 51,5%¹. The youth unemployment rate is calculated as the share of the total workforce aged 15 to 24 without work but actively searching for employment². In the first quarter of 2023, the rate rose a further 1,1%, with almost a quarter of a million young people losing their jobs during this period³.

Key reasons why the youth struggle to secure jobs include an increasingly skills-intensive labour market which reduces opportunities for unskilled youth, a deteriorating education system that fails to provide the technical skills for in-demand jobs and services, and a lack of the practical experience needed to develop professional competencies.

Skills development programmes are needed to prepare young people for the work environment and empower them to become self-reliant and able to lead dignified lives. YES4Youth is a key South African initiative to address this need, targeting young people between the ages of 18 and 35. Over the past four years, the initiative has created over 113 000 work experiences⁴.

Our approach to human capital management.

¹ <https://www.statista.com/statistics/813010/youth-unemployment-rate-in-south-africa/>.

² It does not include economically inactive persons such as full-time students or the long-term unemployed.

³ <https://ewn.co.za/2023/05/17/youth-unemployment-rate-up-by-1-1-in-first-quarter-of-2023-stats-sa#:~:text=This%20means%20that%20a%20total,32.9%25%20in%20the%20same%20period.>

⁴ <https://www.yes4youth.co.za/> (at beginning July 2023).

Diversity, equity and inclusion

Our commitment to transformation in South Africa has given us a foundation from which to drive a more inclusive and diverse workplace across all our operations. We strive to promote gender diversity at all levels of the Group, accommodate more people who are living with disabilities, and understand how to traverse a multi-generational workforce and ensure that Motus is positioned as an attractive option for younger people.

Much work is being done at Motus to embed DEI into the bedrock of our culture, business processes and talent management so that a deep sense of belonging, connection and purpose is felt by our workforce, which is younger and transforming. The Group's DEI framework was finalised during the year, and business segments and regions have developed and started implementing their DEI roadmaps, based on the Group framework but tailored to cater for the nuanced differences of their operating environments.

In South Africa, EmpowerHER events are designed to support women and build their confidence through sharing successful journeys in male-dominated industries and helping them understand their own journey to success and empowerment. High-impact successful female keynote speakers have shared their own stories and insights with attendees in past events.

In the UK, Motus Commercial's Women in Motus working group addresses any barriers that women may face in our work environment and the broader automotive industry.

Gender target

Increasing the representation of women at executive and management levels in South Africa is a target of the sustainability-linked facility entered into 2022.

	2022 base year	2023 target	2023 actual
Representation of women at top, senior, middle and junior management in South Africa	26%	32%	27%

2023 performance

Group

The UK's female headcount increased 63%, bringing the representation of women in the UK to 22% of the workforce. This was the highest growth in female headcount for the Group followed by South Africa with a 9% increase, bringing the representation of women in the South African workforce to 35%¹. Asia has the highest representation of women at 65%. In Africa, female headcount decreased due to the sale of the dealerships in Namibia.

Overall workforce	Executive Committee	Top, senior, middle and junior management
31% are women 2022: 32% 2021: 31%	25% are women 2022: 33% 2021: 27%	26% are women

¹ Including female foreign nationals.

2023 performance (continued)

South Africa

Meaningful dialogues with business segments and regions continued in 2023 to understand how DEI will be embedded in their operations and how progress will be measured. Business segments are expected to develop plans to address the following focus areas:

- Foster a diverse workforce based on race, gender, disability and generational profile.
- Develop leaders that drive DEI.
- Cultivate diversity sensitivity among employees.
- Support women in the workplace.

We held our third EmpowerHER event attended by 50 senior women managers. The event included a talk by keynote speaker, Amanda Dambuza, panel discussions, workshops and networking sessions.

Two campaigns were held in August 2023 to celebrate women: CelebrateHer profiled women trailblazers and their remarkable accomplishments at Motus, and Allyship – a series of videos in which the Group's leaders discuss the importance of nurturing supportive relationships with under-represented groups of employees to advance their inclusion.

Following the decline in the representation of people living with disabilities due to learnership contracts coming to an end, we relaunched the Unstoppable campaign, which educates existing employees, and aims to remove barriers that might hinder the employment of people with disabilities at Motus and introduce initiatives that advance their careers. The campaign comprises the following three phases: understanding disability, understanding reasonable accommodation and sustaining a positive mindset.

Women hires

36%

of employees hired are women

2022: 33%
2021: 32%

Women promotions

35%

of employees promoted are women

2022: 27%
2021: 37%

Women exits

31%

of employee exits were women

2022: 30%
2021: 28%

Training and development

28%

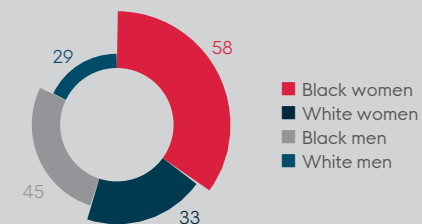
was spent on training and developing women, equating to R51,1 million

Disability

165

employees living with disabilities

2022: 202 2021: 198



15 learners with disabilities in South Africa were enrolled on a learnership (2022: 50). Over the past three years, Mobility Solutions has had good success with a learnership for people living with disabilities with plans to expand the initiative to the Western Cape.

Diversity, equity and inclusion (continued)

2023 performance (continued)

South Africa (continued)



YES4Youth Programme

Partnership: a joint initiative between business, labour and government

Supported since: 2021

The YES4Youth Programme plays a key role in engendering a multi-generational workforce in South Africa, serving as a pipeline for skilled professionals and future managers who will drive Motus forward.

In 2023, we enrolled our second cohort of YES learners (graduates and non-graduates), giving unemployed young people relevant work experience, preparing them for future employment, and helping them to obtain a driver's licence. The learners receive a one-year fixed-term contract, a mobile device for ongoing support and training, access to our learning programmes to support their career growth, and access to driving lessons. Learners are placed in various roles within our business segments, at head office and with our CSI programme partners, gaining valuable experience in positions such as sales cadets, administrator assistants, packers, pickers, school resource centre assistants and clinic administrators.

We have enjoyed great success with the YES4Youth Programme, which has been one of our most successful recruitment programmes. It helps us fill high attrition entry level roles, has garnered good support from our business segments with active mentoring, and enables us to assess the capabilities and behaviours of the learners, and their potential fit with the Group. For learners, they experience an industry which they may not have considered as a career option, and have the opportunity to potentially gain a permanent placement. For certain roles, business segments provide incentives linked to performance.

Impact

455

unemployed job seekers were recruited in our second cohort, with 13 working as librarian assistants at the Imperial and Motus Community Trust and 20 as clinic administrators for the Unjani Clinics network

First cohort: 435

402

learners from the second cohort completed their programmes in June 2023

First cohort: 408 finished their learnership

166 (41%)

YES learners from the second cohort were hired in permanent positions at Motus

First cohort: 196

Driver training

327

learners have to date received support in obtaining their learner's licence and 145 their driver's licence

Our investment

R33,4 million

invested to date

Future commitment

505 learners

in 2024 as part of our third cohort

Regions

In the UK, several actions were taken to drive DEI, including encouraging women to apply for our apprentice programmes, increasing our career outreach activities to local schools, highlighting opportunities for students, and prioritising high-potential women on development programmes and providing them with mentorship opportunities. During the year, Pentagon appointed a female Director of Finance and Motus Commercial promoted a female employee to Regional Director.



A 'Steering the Future' diversity committee was established in the UK to drive DEI with an initial focus on gender equality. The committee, comprising members from across the business including female graduates of the UK's Management Development Programme, will identify and address barriers that impede the achievement of genuine equality and promote work-life balance. The committee will initiate family-friendly initiatives and tackle issues such as support for women returning from maternity leave, flexible working (including from home) and part-time hours. We also approved a new maternity pay offering for the UK.

DEI training has been mandated for 3 000 of our employees in the UK.



Employment equity in South Africa

We are proud of our efforts to transform, a journey that started in 2018. Most of our progress has been achieved through internal promotions, creating loyalty among our employees and a solid pipeline for future diverse talent. However, we recognise that there is still room for improvement. Increasing black representation across all occupational levels underpinned by learning and development remain priorities.

For 2023, we revised our internal employment equity targets, which were submitted to the DoEL in December 2022. 2023 marks the final year of our current five-year employment equity plan.

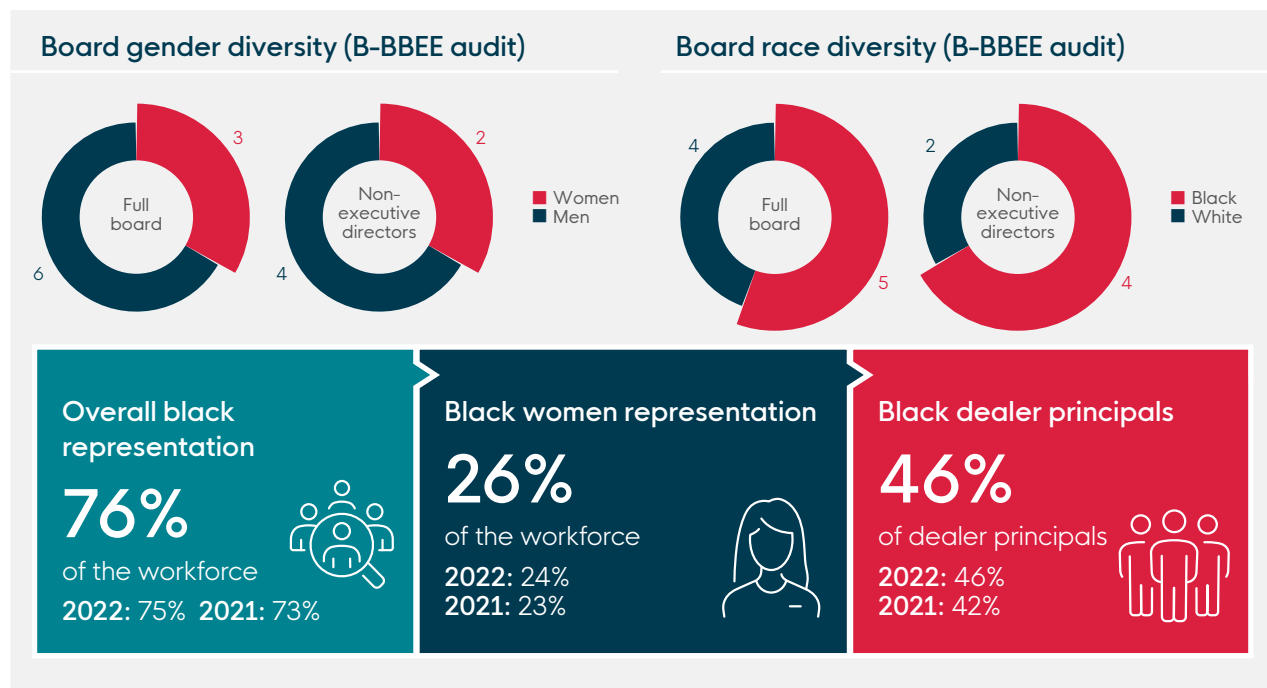
The Employment Equity Amendment Act, promulgated in May 2023, empowers the DoEL to set sector-specific targets for designated groups. The DoEL has since published its proposed sector targets for public comment. Our comments have been submitted to the department through our memberships in NADA and RMI.

Discussions are underway with our management teams to develop a responsible and sustainable plan towards meeting the proposed prescribed targets, which have formed the basis of our new two-year employment equity plan – effective from 1 July 2023 to 30 June 2025. Our preliminary analysis suggests that more focus will be needed on increasing the number of African men and women across most occupational levels.

2023 performance

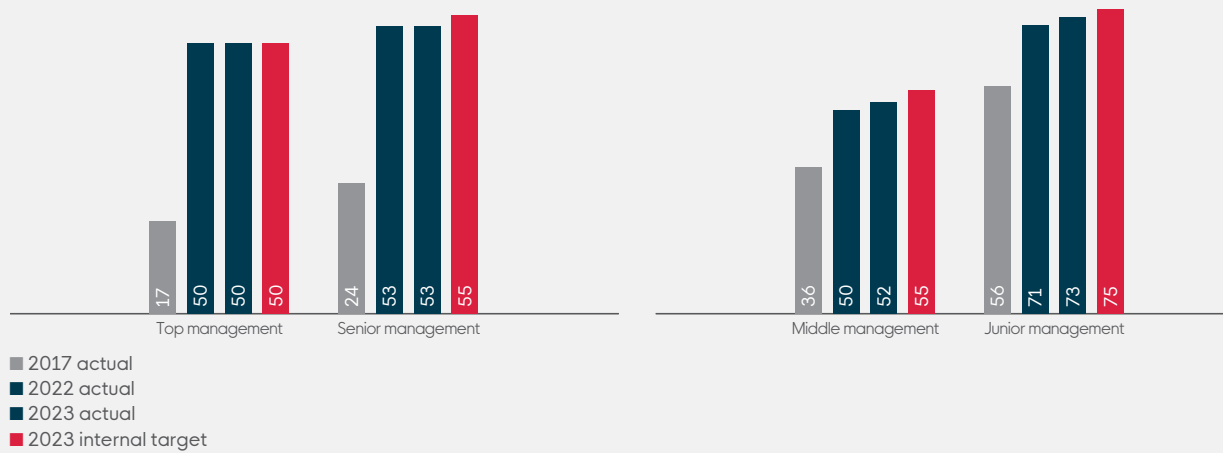
South Africa

The graphs showing Board diversity below are at the B-BBEE verification date. Following the appointment of new directors in September 2023, at the time of publication 30% of board members are women and 50% are black.



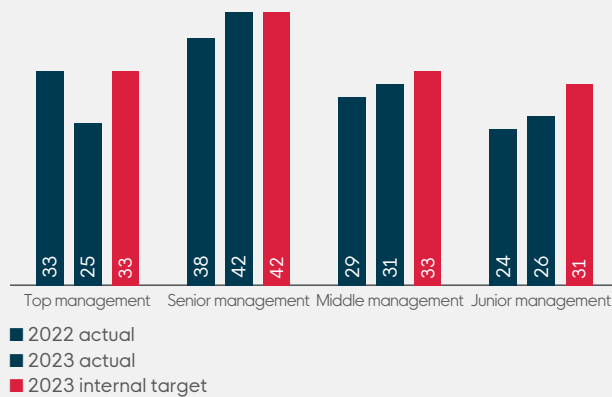
2023 performance (continued)

Black managers (%)



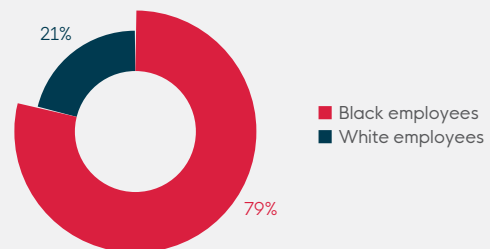
Of the 3 876 people hired in 2023, 82% are black (2022: 81%), and of the 482 employees promoted in 2023, 77% are black (2022: 84%). 76% of exits were black employees (2022: 75%).

Women in management roles (%)



Note: excludes foreign nationals.

Training of black employees (%) (percentage of training spend in South Africa)



R152 million was invested in the development of black people (2022: R128 million; 77%) against a target of R191 million. R42 million (27%) was spent on developing black women (2022: R38 million; 23%).

Mobility for Good



Apprenticeships in the UK

Apprentice Scheme Manager, Sarah Bardens, gained her heavy goods vehicle licence in 2023, and takes a DAF truck to our career outreach activities at local schools.



YES4YOUTH Programme at Hyundai

Across the first and second cohort of YES learners, Hyundai has employed and trained 217 young people, with 52% absorbed into permanent roles. All learners are black and 50% are women. From not being able to get a job, one talented participant from Hyundai's first cohort of YES learners is now earning around R30 000 commission a month, over and above his salary.

Creating opportunities for women

Kia has committed to sponsoring the Diversity, Equity and Inclusion Award in the Standard Bank Top Women Awards for two years. Kia was also the official vehicle partner for the Leading Women Summit hosted by Forbes Woman Africa. Further, the brand works with the Women in Motoring NPO to attract more talented women to the Group and the wider automotive industry. In recognition of Kia's progress in promoting women in motoring, CEO Gary Scott received an award from the NPO in 2023.



EmpowerHER

Our EmpowerHER events for women help our female employees engage on workplace gender issues, and empower them to promote gender awareness, improve working environments and create networking groups.

International Women's Day

Watch how our UK operations celebrated International Women's Day, showcasing the women who make Motus Truck & Van the company that it is.



Build leadership capability and talent pipeline



Why this is material

Our leaders play a critical role in delivering our strategy and ensuring that we operate in an efficient and cost-effective way that supports strong stakeholder relationships. To achieve this, our leaders must effectively empower our employees and motivate high-performance teams. Investing in our current and potential leaders is an investment in Motus' future and creates a ripple effect that positively impacts the Group's culture.

Talent management is a business imperative; supporting succession and progressing talented individuals into critical roles that aid strategic delivery and sustain our competitive advantage. A reputation as an employer that provides attractive career progression and secondments enhances our EVP, as does our keen focus on innovation, particularly for individuals with sought-after skills.

In this section

- 77 Leadership capability
- 80 Talent management

Key performance indicators (year on year)

Future leaders developed (South Africa)

Maintained
20



Women leaders developed (South Africa)

▲ 25%
20



Managers developed¹ (South Africa)

▼ 15%
292



Managers developed (UK)

▼ 16%
16



¹ Fewer managers trained as a key initiative for the year was to review Group-led leadership development programmes to ensure their relevance.

Key

- ✓ Pleased with performance
- ▲ Room for improvement
- ✗ Behind where we want to be
- * Linked to remuneration

Key projects

- Future Leaders Programme.
- Women in Leadership Programme.
- Developing data around talent and critical roles.
- Technician recruitment project.

Highlights

- Enhanced the Future Leaders Programme, allowing delegates to present business concepts supported by robust testing.
- Introduced an updated talent management framework for South Africa.
- Enhanced our recruitment platform in South Africa.

Lowlights and key challenges

- Creating a deep reservoir of successors at all employment levels in an environment of fierce competition for top talent.
- Equivalent age profiles of successors with incumbent leaders, potentially constraining age diversity of the leadership profile.
- The emigration of skilled labour (IT and finance in particular) from South Africa to better economic growth environments.
- Shortage of specialised technical skill in the UK and Australia, driving up labour cost.

Our objectives

Ensure that critical roles are filled with talented individuals able to deliver high tangible value and business growth.

Specifically:

- Ensure we have the right people with the right skills to fill critical roles when they become available.
- Ongoing review of succession management and critical skills planning for senior leadership, overseen by the board.
- Upskill our recruitment managers.
- Finalise our internal mobility guidelines.

Context

In today's labour market, employers globally compete fiercely for talent. In the past, competitive compensation was sufficient to attract top talent; however post COVID-19, flexibility and work-life balance are top of mind for many professionals, and younger generations want to work for organisations that have a strong purpose and values. Talented individuals also seek organisations that drive DEI (see page 66), and recognise and reward contribution.

Employer branding agency, Universum Global South Africa, conducts various surveys to understand the talent landscape. In South Africa, at least 40% of the professionals surveyed indicated that they wanted to change employers, with 65% of this group unlikely to return to their current industry. Added to this, global companies are hiring skilled South Africans, offering them remote work opportunities with salaries paid in foreign currencies; above what local companies can offer¹. Today, a natural tension exists between employees wanting to work remotely and organisations that prefer employees to be at the office to maintain culture, break silos and secure resources.

For the automotive industry, while operational roles such as vehicle technicians, sales people and retail managers are still key, there is also a growing need for data and software scientists. The current worldwide technology talent crisis is likely to worsen given the prediction that demand for this talent will increase by around 22% between 2020 and 2030; substantially faster than for all other occupations².

Africa has the fastest-growing population in the world, with an annual growth rate of 2,45% in 2021³, and is already home to 450 million working-age individuals⁴. This poses an opportunity for Africa to fill the technology talent gap; however, concerted effort is needed to increase access to STEM⁵ learning and training, and develop digital ecosystems supported by reliable and affordable energy and telecommunications infrastructure.

 Our approach to human capital management.

¹ <https://www.iol.co.za/business-report/economy/retaining-talent-in-todays-workplace-535f1f24-c522-486b-b686-2ec8fcaef416>.

² <https://www.griddynamics.com/global-team-blog/software-developer-shortage-us>.

³ <https://statisticstimes.com/demographics/africa-population.php>.

⁴ https://www3.weforum.org/docs/WEF_EGW_FOJ_Africa.pdf.

⁵ Science, technology, engineering and mathematics.

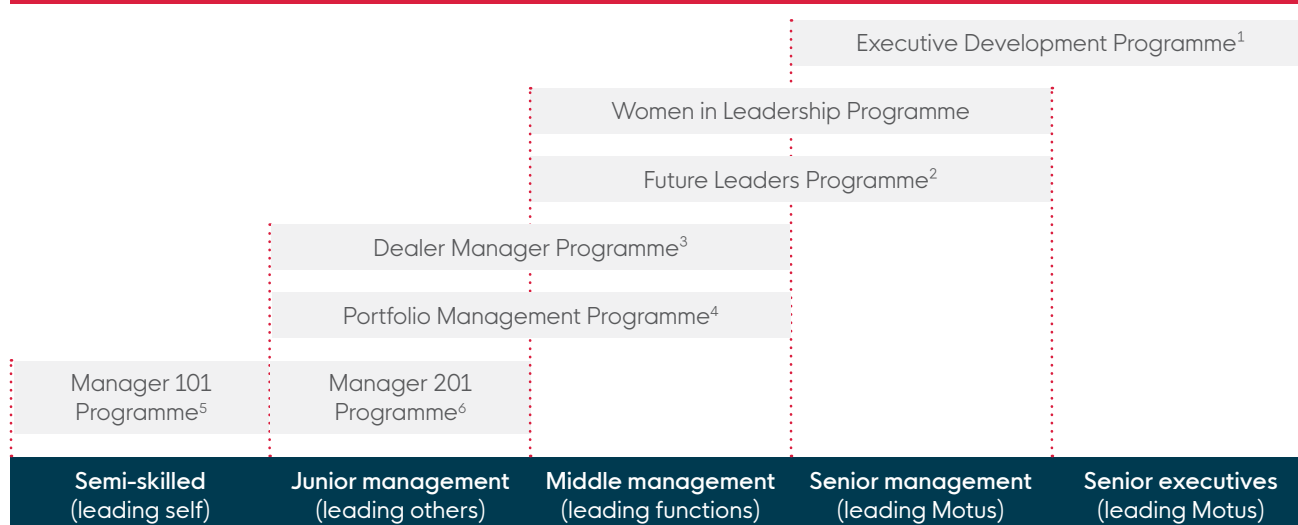
Leadership capability

Build leadership capability and talent pipeline **Motus**

Motus has a skilled and experienced leadership team with deep industry knowledge and the capability to effectively empower and motivate high-performing teams that support sustainable growth.

Close attention is paid to succession planning at all executive levels. The depth of our succession pipeline is evidenced by the executive promotions and Executive Committee changes made during the year. From within the Group, we recently appointed CEOs for Retail and Rental South Africa and Hyundai, and a COO for Aftermarket Parts, who will be appointed as the business segment's CEO in January 2024. The CEOs of Retail and Rental South Africa and Hyundai as well as the CEO of Mitsubishi have been appointed to the Executive Committee.

Leadership development framework



All programmes are underpinned by development assessments and 360-degree insights

¹ A tailored executive development and coaching programme that combines the best of traditional leadership qualities with modern digital leadership proficiencies and enables executives to lead effectively through complex business, economic and societal challenges.

² Targets high-potential employees with the attributes to become future executives.

³ The Dealer Manager Programme develops newly appointed dealer principals (blended learning delivered in three blocks).

⁴ The Portfolio Management Programme develops sales, parts and workshop managers (blended learning delivered in three blocks).

⁵ Manager 101 targets new leaders and sales personnel (10 modules delivered as classroom training).

⁶ Manager 201 targets leaders who manage teams (five modules delivered as classroom training).

Our three-year BBA⁶ degree, in partnership with Stadio⁷, is tailored for the Group's needs. The 17-module programme develops employees who are or will be responsible for managing people and/or projects. A postgraduate degree is also available. To date, 347 employees have graduated with BBA degrees.

The Future Leaders Programme (see page 79), in partnership with the Henley Business School South Africa, equips leaders with the skills to think at a higher strategic level and to effectively respond to change. The programme enables participants to improve the efficiency, effectiveness and legitimacy of their leadership.

Our manager series programmes teach core management practices to achieve efficiency, emotional and social intelligence, and how to lead others, among other skill sets. The Dealer Manager (NQF5⁸) and Portfolio Management (NQF4) programmes are customised for Motus and are

merSETA⁹ quality assured national certificates. They teach participants how to work with individuals and teams, and develop skills in customer service excellence and risk, change, project, financial and asset management, among others.

The Women in Leadership Programme (a partnership with GIBS) is a seven-month programme that empowers women to effectively lead in a male-dominated environment. Participants benefit from team-based learning, become part of a connected community and receive virtual coaching. 19 women completed the programme in November 2022.

In the UK, our well-established Motus-designed Management Development Programme targets future leaders in middle and senior management identified as having high potential within the succession pipeline. The four-module course focuses on self-awareness, people management, finance skills and customer handling.

⁶ Bachelor of Business Administration.

⁷ Formerly the Southern Business School.

⁸ South Africa's National Qualifications Framework (NQF) level 5.

⁹ merSETA: Manufacturing, Engineering and Related Services Sector Education and Training Authority.

Leadership capability (continued)

2023 performance

South Africa

As a key feeder into our succession pipeline, 64% of middle managers attended a development programme in preparation for future opportunities (2022: 72%).

Future Leaders Programme

20

employees enrolled – 55% black and 40% women

2022: 20 2021: 15

Women in Leadership Programme

20

women enrolled in the fourth cohort – 85% black

2022: 16 in the third cohort
2021: 18 in second cohort

Management development

292

employees received managerial development training – 72% black and 43% women

2022: 343
2021: 274

Manager 101 Programme

52

employees enrolled – 71% black and 46% women

2022: 70 2021: 12

Manager 102 Programme

23

employees enrolled – 65% black and 48% women

2022: 28 2021: 12

BBA degree

98

employees enrolled – 71% black and 46% women

The average pass rate for 2022 was 61% and 17 employees graduated. 32 first year and 19 second year students will progress.

2022: 122 enrolled and 91% average pass rate

Note: classroom-based learning has been reinstated for the BBA degree as the remote learning model required during COVID-19 resulted in lower pass rates.

Dealer Principal Programme

21

employees enrolled – 62% black and 43% women

2022: 24 2021: 16

Portfolio Manager Programme

24

employees enrolled – 75% black and 21% women

2022: 22 2021: 7

2023 performance (continued)

South Africa (continued)

Future Leaders Programme

The Future Leaders Programme advances the business ideas generated through the m^x innovation platform (see page 58) or in response to business challenges identified by executive management, using the Motus Design Thinking methodology. This year, the third iteration of the programme included the testing of key assumptions underpinning the business ideas generated. This allowed teams to present evidence-backed business concepts together with their associated potential return on investment and estimated annual operating profit. An unprecedented depth and breadth of research took place over six months, with teams testing 56 hypotheses, executing 88 experiments across four teams and engaging over 2 000 research participants. The more advanced methodology has made it easier for executives to understand the potential impact of a business concept while lowering the risk associated with deciding to sponsor the concept for further development. Four business concepts from the third cohort of the Future Leaders Programme were selected to progress into the testing phase.



Regions

Management Development Programme (UK)

16

employees enrolled – 25% women

2022: 19

2021: 15

The 2022/23 delegates of the Management Development Programme presented their insights and plans for business improvement with the executive team, following the completion of the programme. Both the delegates and management have indicated that the programme is highly effective. Module 1 of the 2023/24 cohort is scheduled to start in September 2023.

Talent management

Talent management integrates the recruitment, development and retention of the human capital needed at all levels of the organisation. It encompasses balancing new entrants and skill into the workforce with the retention of experience and institutional knowledge. An updated and more flexible talent management framework has been introduced for South Africa, catering for each business segment's specific talent needs. Already operational in two divisions, the framework will be implemented in a further two divisions in the near future.

Developing Group-wide data for talent in critical roles, now and in the future, is work in progress. As we become more proficient in gathering this data, we will be able to clearly define career pathways and strategically move employees across different roles and divisions of the Group. Talent mobility will allow employees to gain experience, provide the Group with a talent pipeline ready for promotion when opportunities arise, and unlock organisational value by placing talent where it can make the most impact.

In South Africa, we streamlined our recruitment platform to support a swift and effective end-to-end hiring process. The platform also provides data analytics on market trends. Not only does the platform support our ability to attract the best candidates, but it also gives our employees a broad view of potential opportunities within the Group that they may be interested in applying for to gain skills and experience.

A new system is being sourced to enhance the recruitment process in the UK.

2023 performance

South Africa

For 2023, 45% of job applications were received from women and 97% of applicants were black. 408 027 applications were received, averaging 131 applications per job advertised.

The IT skills needed to advance Motus into a sustainable technology driven future are critical. The short supply of trained and suitable candidates not only impacts our strategic delivery but is also true for our IT service providers who provide networking, application support and application development services. Retention mechanisms were put in place during the year to retain critical IT resources, and greater effort was made to recruit and train interns and learners as feeders into our entry-level pipeline. We also engage regularly with our suppliers on the continuity of skill to support our projects.

Hyundai implemented a new talent management process, which has enabled it to identify critical roles, develop a talent matrix to support talent management and succession planning, and prioritise learning and development. To enhance its recruitment process, Mobility Solutions is piloting a new interviewing software which uses video, giving hiring managers more time to review potential candidates independently, and leading to higher-quality second interviews and hiring results.

Regions

In the UK, there is an industry-wide shortage of technicians, vehicle 'body builders' and auto electricians. In addition to revising our compensation packages to ensure we remain competitive and engaging with local schools and colleges to enhance our profile as an employer, we have introduced a technician recruitment project, which creates opportunities for a diverse group of Africans and people from the Middle East with these skills. We provide them with three-year visa-linked contracts, which can be extended, as well as small loans to help with relocation costs. To date, 46 recruits have commenced work in the UK with more recruits identified for a future pipeline. Working on new generation vehicle technologies not necessarily readily available in their own countries, the recruits are able to further their skill sets and, in turn, advance their careers when they return home. A similar concept is underway in Australia.

Provide a compelling employee value proposition



Why this is material

We are a service business that relies heavily on the skill, energy and motivation of our people to deliver our strategy. We invest in our employees so that they, in turn, are committed to meeting our customers' needs. Critical to attracting and retaining exceptional people, is positioning Motus as an employer of choice within the automotive industry – one that offers a fair, rewarding and fulfilling EVP. Key attributes for the Group are our dynamic entrepreneurial culture, ability to provide diverse work experiences and career growth as a result of our integrated business model, our products and services which are compelling and relevant for our employees, and our leading-edge mobility solutions that improve people's lives.

In this section

- 83 Our workforce
- 84 Connecting with employees
- 85 Learning and development
- 87 Employee wellbeing
- 88 Fair human resources practices

Key performance indicators (year on year)

Training spend (Group)

▲ 47%



R426,0 million

Training hours per employee (South Africa)

▼ 33%



72 hours¹

Employee wellness (South Africa)

▲ 100%



426

cases registered on our Employee Assistance Programme

Compliance with labour-related legislation and/or voluntary codes

Zero



incidents of non-compliance

2022: zero

¹ Number of training hours was impacted by increased online learning as well as fewer managers trained due to the review of the Group-led programmes undertaken in 2023 to determine their appropriateness in meeting the Group's needs.

Key

- Pleased with performance
- Room for improvement
- Behind where we want to be

Key projects

- Defining and communicating the Motus EVP.
- Motus Connect.
- Learning and development review.
- Employee Wellness Programme.

Highlights

- Motus Commercial (UK) received the Apprenticeship of the Year Award and the National Apprenticeships Top 100 Large Apprentice Employer Award at the Motor Transport Awards.
- Held awareness campaigns in South Africa to promote the new employee portal, Motus Connect, and the new Employee Wellness Programme.
- Approved a new employer-funded funeral benefit for all employees in South Africa.
- Motus Commercial (UK) received a Commendation Award for its commitment to Outstanding Mental Health and Welfare by Fleet News.

Lowlights and key challenges

- An increasing number of employees seeking mental health support.
- Balancing our need for scarce skills with the need to provide employment opportunities for skilled and semi-skilled workers.

Our objectives

Continue to enhance the employee experience, and measure the efficacy of our internal and external EVP communications, ensuring that they support inclusivity and provide insight on employee concerns and expectations so that we can effect change.

Specifically:

- Continue to develop customised training solutions that build current and future critical skills.
- Measure the return on investment from our learning and development initiatives.
- Develop an employee wellness policy, and understand the return on investment associated with our employee wellness interventions.

Context

Employees increasingly expect a personalised work experience that meets their needs at every stage of their careers and across all touchpoints with their employers. In addition to DEI (see page 66) and quality leadership, (see page 75) employees want to feel that they matter, that they are cared for and that they are treated fairly.

Designing the Motus EVP – **Motus: mobilising your career** – was a key priority for the Group in 2023. It has entailed understanding our key differentiators as an employer, and conveying these attributes in our EVP messaging.

Initiatives implemented during the year to enhance our EVP have been informed by the insights gained from improved datasets and the HR scorecard. Our regional operations shape the EVP to fit local norms and mindsets.

HR information management systems also play a pivotal role in delivering a great employee experience. Not only do they free up HR teams to focus on people and strategic human capital management planning that meets business needs, but they also provide the data needed to improve how we engage with employees as well as enhance employee access to information. A new HR and payroll system has been approved for South Africa, with user training scheduled for August and September 2023, and go live in October 2023. The new system will help to drive consistent HR processes and ensure we are more efficient and agile.

The prevalence of anxiety and depression is increasing globally, with many employees facing burnout. Around 12 billion working days are lost across the world every year to anxiety and depression at a cost of USD1 trillion in lost productivity¹. While the health and safety of the workforce has always been a priority for the Group, the need for mental health support has been identified as a concern that requires increased focus.

 Our approach to human capital management.

¹ <https://www.who.int/news-room/fact-sheets/detail/mental-health-at-work>.

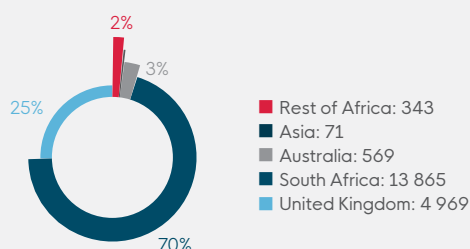
Our workforce

Provide a compelling employee value proposition **Motus**

Our employees demonstrate entrepreneurial flair and a commitment to professional standards; a hallmark of the Group's character.

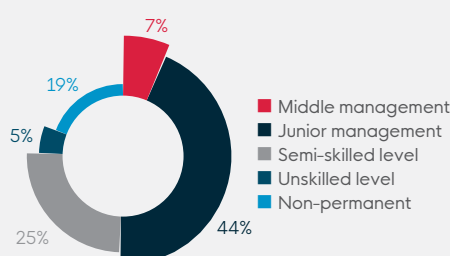


Geographic breakdown (%)



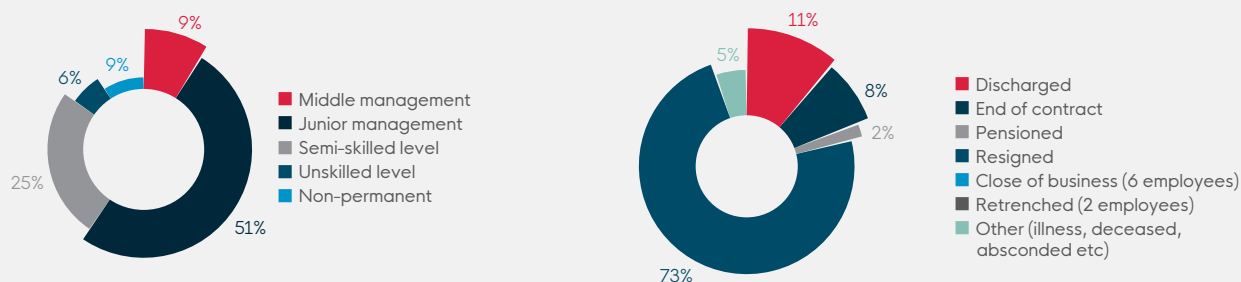
Our headcount increased 15% mostly due to the acquisition of Motor Parts Direct and four DAF dealerships in the UK, and the four newly acquired Mercedes Benz dealerships in South Africa. In the Rest of Africa, headcount decreased due to the sale of our dealerships in Namibia.

Employee hires in South Africa (%)



In South Africa, there were 10 hires at top and senior management (2022: four). Most hires for the year were at junior management level and the semi-skilled level with 64% of engagements being men. 482 employees were promoted.

Employee exits in South Africa (%)



There were 10 exits at top and senior management (2022: eight) in South Africa. Exits were the highest at semi-skilled and junior management levels. 68% of exits were men. 70% of exits were voluntary, and no material retrenchments took place during the year in any of the Group's operations. The overall turnover rate for South Africa was 23%.

The turnover rate in the UK was 17% with hires at 838 and exits at 869. 392 employees in the UK were promoted.

Connecting with employees

Fostering a safe environment for employees to provide feedback, includes them in decision-making and is a means of assessing our people risks and identifying employee concerns. We use a number of mechanisms to engage with our employees, key among them being our performance development approach and employee engagement surveys. Engagement surveys are undertaken at either a business segment or regional level. Good relationships and open communication exist between management and employees across all operations.

2023 performance

South Africa

Our induction programmes were updated during the year to communicate our EVP and better integrate new employees into our working environment. We are also developing a digital EVP to drive enhanced engagement with talented individuals, young professionals, students and individuals with scarce specialised skills, who are interested in working for Motus.

We launched a six-month pilot of Motus Connect in 2023, covering head office, Kia and Aftermarket Parts. The free-to-use mobile phone tool is used to communicate with employees, and provides them with access to Motus news, important documents such as policies, and information on our DEI and wellness initiatives. Employees are able to keep in touch with each other, and the Group can use the platform to celebrate success. A survey will be conducted at the end of the pilot to ascertain the views of employees on the usability and relevance of the portal.

During the year, Mitsubishi, Renault and Mobility Solutions introduced reward and recognition programmes. For Mitsubishi and Renault, employees are encouraged to nominate their peers whom they feel reflect the business' values. Mobility Solutions' programme recognises employees in three categories; namely, the Customer Champion Award, the Change Champion Award and the Legitimate Leadership Award.



Learning and development

Our learning and development programmes enable employees to learn new skills, grow and reach their professional potential. Building the digital dexterity of our employees, especially lower skilled employees, supports their ability to adapt to new ways of working as well as their continued employment and opportunity to secure quality jobs. The Digitally Speaking Programme counteracts resistance to change by teaching employees how to confidently navigate digitisation, and use it to work more productively and effectively.

During the year, we reviewed our Group-led learning and development programmes in South Africa to understand how they support the Group's growth ambitions, their relevance in terms of current and future skills needs, and how effective they are in fostering talent. All business segments participated in the review, which included surveys of learners, line managers and HR executives. We have since identified the skills, knowledge and behaviours needed for effective leadership, and the current and future

skills that our business segments need to drive the Group strategy. We are developing a governance framework for learning and development as well as a learning prospectus for employees with clear programme descriptions and the criteria for selecting participants. New programmes and/or service providers will be introduced where gaps have been identified.

Motus Technical Academy: page 109.

2023 performance

South Africa

Business segments continued to deliver their own specific product and soft skills training. The first two modules released on the Retail division's new online learning management system related to sexual harassment and bullying to educate employees on our stance and changes to legislation. Mobility Solutions implemented a new training facility for its telesales agents, and enrolled 10 managers on its 10-month Legitimate Leadership Programme. Both Hyundai and Aftermarket Parts established employee bursary schemes. The Hyundai scheme will support around 16 employees annually, and the Aftermarket Parts scheme currently supports 18 employees with their tertiary studies. Aftermarket Parts also runs its own petrol and diesel mechanic apprenticeship, with 26 artisans currently participating. Hyundai introduced a two-day Coaching and Mentoring Programme for dealer principals and junior and middle managers to upskill them to effectively coach and mentor their teams and learners.

Training spend

R179,8 million

2022: R166,3 million
2021: R143,9 million

Number of employees trained

8 008

equating to 58% of the workforce
2022: 7 490 2021: 6 415

Hours of training

72

hours per employee
2022: 108 2021: 99

Learning and development (continued)

2023 performance (continued)

South Africa (continued)

Training spend breakdown (%)



Our training spend for the year equated to 3,0% of payroll costs – exceeding the Skills Development Act's requirement that training spend equal 1% of payroll (2022: 3,4%). At the semi-skilled level, 57% of employees received training as part of our commitment to uplift our employees (2022: 75%).

Regions

In the UK, the new learning management system, also accessible on mobile phones, provides online bespoke programmes across a number of subjects such as health and safety, people management, DEI, data protection, sales and leadership. In 2023, an induction module for new employees and a module on best practice selling for Pentagon employees were added to the platform. We continue to provide a broad range of apprenticeship opportunities in the UK to develop future talent – of the UK's training spend, 32% comprised apprentice salaries.

Training spend (UK)

R237,7 million

2022: R122,3 million
2021: R123,0 million

Apprenticeships (UK)

200

learners enrolled on an apprenticeship with 87 recruited during the year

2022: 196; 83 recruited
2021: 201; 59 recruited

Courses completed (UK)

24 914

online courses completed

2022: ~18 000
2021: >15 000

Training spend (Australia)

R8,5 million

2022: R1,4 million
2021: R4,0 million

Combined training spend (UK and Australia)

2,9%

of the total payroll costs for the two operations

2022: 3,2% 2021: 5,5%

Employee wellbeing

Provide a compelling employee value proposition **Motus**

An enhanced Employee Wellness Programme – **Motus Cares** – was rolled out in South Africa in April 2023, reaching all business segments, barring Kia and Hyundai, who have their own standalone wellbeing programme which offers similar services.

The enhanced programme provides employees and their immediate families with direct access to a toll-free hotline; a 24/7/365 Care Centre for face-to-face and virtual counselling services; unlimited telephone advice on trauma, legal¹ and financial issues; health and wellness information and advice; and education and awareness interventions, including manager and supervisor training and consultation. Around 2 000 managers and employees attended the programme's orientation session. Awareness initiatives take place every month across various communication channels to drive understanding and usage of the platform. The effectiveness of the programme will be reviewed after six months; however, early indications are that the programme has been well-received.

Business segments and brands also host wellness days, which typically provide employees with access to free eye

tests, health screenings and advice from various healthcare practitioners, dieticians, physical trainers and financial advisers.

The UK Employee Assistance Programme provides employees and their immediate family members with 24/7 access to a doctor, confidential counselling services, mental health support and professional financial advice. Advantageous savings and credit interest rates are available to those earning lower incomes. Motus Commercial has a network of trained mental health first aiders, who help employees or direct them for professional support. The mental health first aiders meet quarterly with the HR team and Managing Director to discuss employee welfare.

In Australia, our employees have access to assistance on relationship issues, depression, suicide and self-harm tendencies, and domestic violence.

2023 performance

South Africa

Our ongoing communication with employees to encourage the use of the Employee Wellness Programme, as well as the direct and easy access now provided to employees, have resulted in the number of requests for assistance doubling during the year across a wider range of problem categories beyond psychosocial cases.

Cases registered on the Employee Assistance Programme

426

cases were registered on the Employee Wellness Programme – 254 since the launch of Motus Cares (April 2023 to year-end) and 172 cases on the previous wellness model (July 2022 to March 2023)

2022: 213
2021: 172

Problem categories (as a percentage of cases registered)

41%

related to mental wellbeing, the highest problem category, with stress, bereavement, work-life balance and trauma being key issues

19%

– and the second largest problem category – related to legal issues followed by couple and family related matters at 18% and financial issues at 9%

Regions

In the UK, we implemented additional support for female employees (👩 see page 71). In Australia, we joined the AED² register, a government initiative to make this medical equipment available in communities, workplaces, schools and clubs to help people survive cardiac arrest. All defibrillators located at our AAG sites have been registered on the interactive map, making them publicly available.

¹ Excluding labour law issues.

² Automated External Defibrillator.

Fair human resources practices

Our performance development approach ensures that employees are fairly assessed, rewarded and recognised for exceptional performance, and where poor performance is identified, corrective development or supportive actions are implemented. When necessary, adjustments are made to remuneration to demonstrate the value of roles in relation to one another, regardless of the incumbent, and to defend our pay philosophy. The remuneration gap between the highest paid and lowest paid employees, and equal remuneration within occupational levels in terms of race and gender are assessed annually as part of our employment equity reporting cycle in South Africa. Our UK operation produces a gender pay report on an ad hoc basis with the most recent report compiled in 2022.

 Remuneration report: page 162 of the 2023 integrated report.

Our employees are free to choose which union, if any, they wish to be affiliated with. Non-unionised employees are always represented in major discussions. Retrenchments are a last resort, and voluntary retrenchments and early retirement options are always exercised first. Where roles become redundant, we do our best to reassign employees into different roles and/or locations supported with retraining, where required.

All South African managers and supervisors attend a two-day labour relations course on how to manage industrial relations-related matters and disciplinary cases fairly and in compliance with regulation. All interactions, including disciplinary actions and negotiations on terms of employment, are managed with utmost responsibility and privacy, and in a fair, open and respectful manner.



2023 performance

South Africa

218 (2022: 276) employees received training on industrial relations covering effective communication, conflict resolution and fostering a positive work environment. HR personnel received training on our anti-harassment policy and how to manage incidents of harassment. Broader training on anti-harassment is being developed for roll out to all employees. 1 131 (2022: 1 033) employee relations matters were heard, comprising disciplinary hearings, formal grievances and cases referred for arbitration or dispute resolution.

A project to analyse cases of misconduct was conducted with interventions designed and implemented to strengthen factors within our control to mitigate rule-breaking and unethical behaviour. Interventions include ongoing industrial relations training for managers, consistent disciplinary processes, enhancing awareness of our policies, and capacitating our leaders to guard against the unfair treatment of employees and cultivate a safe workplace where employees can speak up when they need guidance or to acknowledge a mistake made.

A new wage agreement between organised labour and the Motor Industry Bargaining Council has been concluded for the next three years.

Union membership

8 254

employees covered by collective bargaining agreements, equating to 60% of our workforce. 90%

(2022: 89%) of union membership is with the Motor Industry Staff Association

2022: 7 746 2021: 7 631



Disciplinary

526

disciplinary hearings, of which 60 (2022: 49) related to poor work performance and 361 (2022: 299) resulted in dismissals. 23% (2022: 26%) of dismissals related to not following Motus' work standards, 14% (2022: 19%) for insubordination and 29% (2022: 27%) for dishonesty

2022: 531 2021: 506



Disputes and grievances

13

grievances lodged

2022: 36 2021: 51

78

new cases were referred to the Dispute Resolution Centre or CCMA

7

of the arbitration awards found in our favour were referred to the Labour Court (an average of two to three years to finalise)

2022: 17 2021: 27

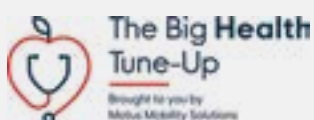


Mobility for Good



Bachelor of Business Administration

A number of graduation ceremonies were held in January 2023 to celebrate our employees in South Africa who achieved their BBA degrees, including a ceremony of the 2019 and 2021 graduates, delayed due to COVID-19 restrictions. Above are the graduates from our Gauteng offices.

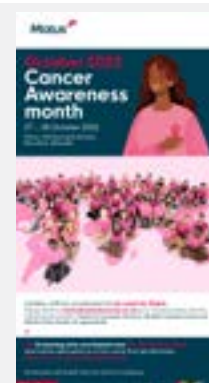


Big Health Tune-up

Mobility Solutions hosted on-site blood drives and launched the five-week Big Health Tune-Up, where one day in each week was dedicated to helping employees improve their physical, mental and financial health. Employees could get health checks, join classes, and access consultations and coaching.

Breast cancer awareness

At head office and surrounding locations (Mobility Solutions, Renault, Mitsubishi, EuropCar and FAIMS), we held a breast cancer awareness initiative, providing all our female employees with breast screening, regardless of whether or not they belonged to a medical aid. The event also encouraged our employees to raise funds to extend the initiative to other areas of the Group. Over the two-month period, 158 screenings were conducted.



Management Development Programme

Delegates of our Management Development Programme in the UK, which has helped a number of our employees attain executive level positions, including as regional directors.

Wellness month at Hyundai

For each week of Hyundai's Wellness Month, a wellness topic was addressed, including nutritional, mental and financial wellness and the importance of physical fitness. A three-month biggest loser competition was held to incentivise employees who wanted to lose weight.

R U OK?

In Sydney, we hosted a lunch for R U OK?, an Australian non-profit suicide prevention organisation, which advocates for people to make meaningful connections. The lunch gave our employees the opportunity to engage with one another on a social level.



Protect the health and safety of people



Why this is material

The health and safety of people – our employees, our customers and the broader public – is a key priority for Motus. Our people spend a large proportion of their lives in our working environment. Ensuring their health and safety supports their performance and productivity. Our high-quality products earn customer trust; helping them maintain safe vehicles or supporting their safe passage when driving one of our rental vehicles. As part of our commitment to safer roads for everyone, we extend our road safety initiatives to reach the next generation of drivers and road users – our future customers – teaching them about safe and responsible road usage and behaviours.

In this section

- 93 Healthy and safe work environments
- 96 Product safety
- 98 Road safety

Key performance indicators (year on year)

Average OHS audit score (Group)

▲ 1%

94%



Road accidents (Group)¹

▲ 5%

43



Workplace accidents (Group)¹

▲ 10%

301



Fatalities (Group)¹

▼ 43%

Four



Compliance with OHS legislation (Group)

Zero

material incidents of non-compliance

2022: zero



¹ OHS metrics cover employees and third parties.

Key

- ✓ Pleased with performance
- ▲ Room for improvement
- ✗ Behind where we want to be

Key projects

- OHS compliance framework update.
- Assisting the Retail division in South Africa with its review of OHS service providers.
- Reducing the cost of accidents in Vehicle Rental.
- Road Safety – Powered by Motus.

Highlights

- Migrated to an upgraded OHS information management system.
- Introduced an OHS database in South Africa, providing safety officers with easy access to OHS documents.
- Vehicle Rental initiated SMS notifications to drivers exceeding the speed limit.
- Ran a road safety awareness campaign for our dealership employees in South Africa.

Lowlights and key challenges

- It is with regret that we report four third-party road fatalities for the year.
- Consistent application of safety measures across regions with differing OHS regulations.
- Monitoring the compliance of third-party on-site contractors to our OHS standards.
- Managing customer expectations and concerns when an Importer OEM brand recalls a vehicle.

Our objectives

Continue to enhance our management of OHS issues and ensure that our products and services do not pose a risk to the health and safety of people and communities.

Specifically:

- Introduce driver training for relevant dealership employees in South Africa.
- Report the safety performance of our Asian operation.

Context

Work-related diseases and injuries strain health systems, reduce productivity and can have a negative impact on household incomes. A study by the WHO and ILO showed that work-related diseases and injuries were responsible for the deaths of 1,9 million people in 2016¹. Occupational injuries caused 19% of these deaths, showing that more action is needed to ensure healthier, safer, more resilient and more socially just workplaces.

South Africa's National Road Safety Strategy sets a target to reduce road fatalities by 50% by 2030 from the 13 967 deaths recorded in 2010. According to the RTMC² fatalities decreased by 0,8% (from 12 541 in 2021 to 12 436 in 2022). 43% of road user fatalities were pedestrians. Children up to and including 14 years of age accounted for 10,2% of the fatalities, and 41,4% of fatalities were people in the 25 to 39 age group. More work is therefore needed to achieve the 2030 target.

Human factors are the major contributors to road fatalities – speeding, driving under the influence, intoxicated pedestrians or pedestrians not crossing the road safely, and distracted driving, notably the use of mobile phones while driving. The roadworthiness of vehicles also plays a role with 4,2% of road fatalities for 2022 linked to vehicles compared to 5,3% in 2021.

Road crashes and their associated consequences have significant impact on society, hampering socio-economic development and affecting the wellbeing of all South Africans. Based on the human casualty costs, vehicle repair costs and incident costs, the RTMC estimates the cost of crashes for 2022 to be around R199 billion (or 3,29% of GDP).

 Our approach to social impact management.

 Employee wellbeing: page 87.

¹ <https://www.who.int/news/item/17-09-2021-who-ilo-almost-2-million-people-die-from-work-related-causes-each-year>.

² Road Traffic Management Corporation State of Road Safety in South Africa 'January 2022 to December 2022'.

Healthy and safe work environments

All business sites in South Africa and the Rest of Africa are expected to maintain gold status as a minimum OHS rating, which equates to achieving compliance of 85% or above with their customised OHS checklist. In the UK, business sites are required to achieve a minimum OHS target of 90% measured across 17 key OHS areas. In Australia, sites are rated as either compliant or non-compliant.

Our most prevalent safety risks are in the mechanical workshops where our employees work with machinery and under vehicles. Hazards include working around pits; working at height; slips, trips and falls; and working with chemicals and equipment such as welding and cutting tools. In our parts workshops and warehouses, our employees work in close proximity to one another and with high-reach cherry pickers. The stacking of inventory, working with parts, equipment and tools, and the carrying of items such as batteries, are key safety risks in this environment. Road accidents are the main cause of our workplace fatalities and injuries; where in many instances the risk is beyond our control.

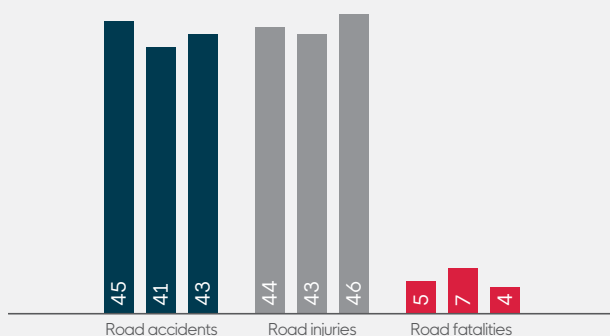
A key measure of our success is when the behaviours of our employees reflect the increased investment we have made in our commitment to safety and safety frameworks, especially in our higher risk environments.

In July 2023, we migrated to an upgraded OHS information management system, which will enhance our safety reporting and quality assurance processes going forward.

2023 performance

Group

Road accidents (number)



Note: each category measured across three years from 2021 to 2023 (left to right).

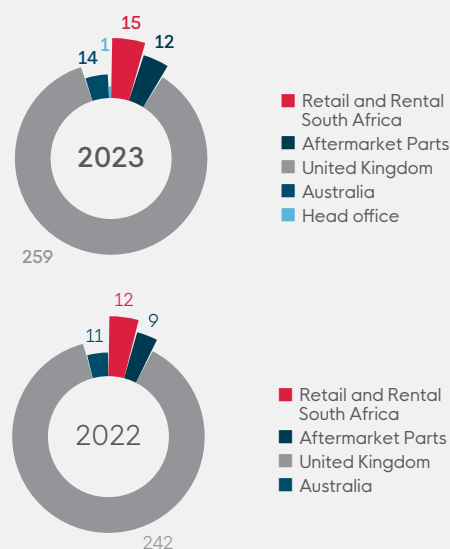
Four road fatalities occurred during the year, resulting from four separate road accidents in South Africa. All four incidents were third-party fatalities, three involving pedestrians. All incidents were beyond the control of our drivers.

Accidents per million kilometres increased from 0,218¹ in 2022 to 0,224. Of the 43 road accidents, 34 (2022: 28) occurred in South Africa and nine (2022:13) in the UK. Road incidents increased 27% to 785 (2022: 616).

¹ Restated due to change in measuring methodology used in 2023.

Note: an incident is an unsafe occurrence where damage to property is incurred but there were no fatal or occupational injuries. An accident is when a fatality or an occupational injury to either employees or third parties has occurred.

Workplace accidents (number)



Workplace accidents increased from 274 in 2022 to 301, and 509 workplace incidents were reported; up 75% from 290 in 2022.

The UK reports a higher number of workplace injuries as a result of more stringent regulatory reporting requirements. The majority of injuries reported in the UK were slips, trips and falls at 29% (2022: 18%) and operator error at 14% (2022: 17%). Of the accidents in the UK, 11 (2022: 11) were reportable with most root causes being employee error. Additional training on standard procedures is being delivered.

Healthy and safe work environments (continued)

2023 performance (continued)

Group (continued)

Non-compliance for the year mostly related to inadequate documentation and other administrative matters in the Rest of Africa operation as sites adjusted to updated OHS checklists and one site was under construction. In South Africa, there were also a number of changes in safety officers. Reassessments took place prior to year-end with the majority of issues rectified.

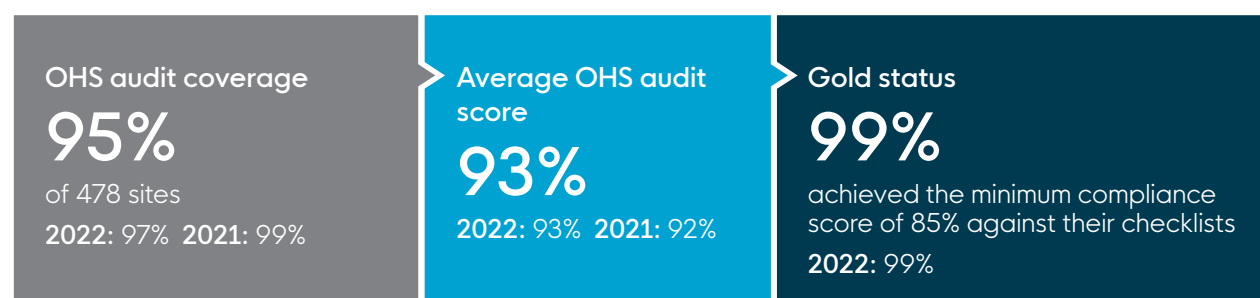


South Africa

As employees return to the workplace and given the recent changes in OHS regulation, we updated our OHS policies, frameworks and checklists early in the 2023 financial year. A central database was implemented for all safety officers to access OHS documents.

Given the above changes and as the largest user of OHS service providers in South Africa, the Retail division is reviewing its complement of OHS partners. The division and the Group's Corporate Affairs, Risk and Sustainability function are working together to ensure that any changes implemented are consistent with the Group's OHS standards.

Plans are in place to enhance our driver training for dealership employees, including the assessment of their driving. The new training will be both theoretical and practical and will teach employees about the causes of crashes, how human factors such as fatigue and attitude affect performance, how to observe and be aware of potential road risks, defensive driving to prevent collisions, and how to navigate traffic and the incorrect actions of other road users. With the implementation of AARTO, this training will be critical for employees who need a valid driver's licence as a job requirement.



2023 performance (continued)

Regions

In the UK, we increased our vigilance around near miss¹ reporting and root cause analysis to respond to the increasing trend in workplace accidents and prevent reoccurrence. ISO45001 certification of the UK operations has been put on hold.

OHS audit coverage (UK)

74%

of 83 sites

2022: 63% 2021: 87%

Average OHS audit score (UK)

95%

2022: 94% 2021: 91%

Gold status (UK)

90%

achieved the target score of 90% compliance

2022: 98%

OHS audit coverage (Australia)

100%

of 15 sites

2022: 94% 2021: 100%

Compliant (Australia)

100%

rated compliant with OHS checklist

OHS audit coverage (Rest of Africa)

100%

of five sites

2022: 100% 2021: 100%

Average OHS audit score (Rest of Africa)

84%

2022: 93% 2021: 93%

¹ Incidents that have the potential to cause harm but do not actually result in an injury.

Product safety

Product safety is a key focus for Motus in the later stages of a vehicle's lifecycle – when it is serviced and maintained, sold as a pre-owned vehicle, supplied as a rental and when it requires parts and accessories.

While OEMs are responsible for the safety aspects of the vehicles they manufacture, there are a number of ways in which we contribute to customer and vehicle safety, including:

- Quality checks and pre-delivery inspections of new vehicles.
- High-quality workmanship in our service departments.
- A commitment to reach every customer impacted by an OEM recall, encouraging them to use authorised dealerships or representatives to carry out parts replacements.
- Trained sales employees who engage with vehicle owners on the active and passive safety features of their vehicles and how to maintain their vehicles and protect against the risk that manufacturer warranties become invalid.
- Service campaigns that communicate the importance of regular maintenance and servicing of vehicles, and the use of good quality parts, to ensure the continued safety and optimal performance of vehicles.
- Quality pre-owned vehicles (targeting vehicles that are less than six years old) sourced from Motus' vehicle stock or known and reliable suppliers, and with up-to-date service histories and/or subject to our own quality assurance processes.
- Rental vehicles that undergo a 26-point check, applying the SAVRALA¹ standards, before every hire. Our rental vehicles are maintained in line with OEM specifications.
- Stringent quality assurance processes in the sale of aftermarket parts and accessories, supporting lengthening vehicle replacement cycles due to economic pressures faced by consumers. For out-of-warranty vehicles, we offer premium genuine OEM products, private label products and entry-level products that are fit-for-purpose for older vehicles.

To help customers maintain safe vehicles, we offer competitively priced service and maintenance plans, including the balance of plans for certain pre-owned vehicles. For customers with out-of-warranty vehicles, we run special offers which can include discounted prices on service kits or beneficial labour rates. Among our many VAPS, are market-leading motor warranty products developed together with preferred partners in South Africa, which assist policyholders when unexpected mechanical breakdown or vehicle electrical failures occur. In the UK, we remind customers when their annual MOT certificates are about to expire.

Our Auto Pedigree Service Centres in South Africa compete as independent service providers. They offer vehicle owners access to affordable high-quality vehicle maintenance. The service centres provide major and minor services, brake and clutch replacement, suspension, transmission repairs and engine overhauls, offering customers either OEM parts or approved Motus aftermarket parts. At year-end, 13 Auto Pedigree Service Centres were in operation.

Our Motus Assist app operates 24/7/365 providing access to a panel of accredited roadside assistance service providers in all major metropolitan hubs and provinces of South Africa. The app contacts the closest available service provider directly, negating the need for an agent to co-ordinate the request for help; reducing the callout time. Customers are able to track the location of the towing and recovery vehicle in real time. Over and above roadside assistance, Motus Assist supports route planning, accident logging, home drive, home assist and services such as jump start, key lockout, out-of-fuel and tyre change emergency assistance.

¹ SAVRALA (the Southern African Vehicle Rental and Leasing Association) is an independent industry body that sets acceptable industry norms for rental vehicles.

2023 performance

Group

There were no material incidents of non-compliance with regulations and/or voluntary codes concerning the quality, health and safety impacts of our products and services. As reported last year, our dealerships have been named as part of a class action lodged against Toyota South Africa and all its dealers in terms of the conversion of panel vans into taxis. There has been no further developments in this case, and given the broad nature of the case it is uncertain what risk this poses for Motus.

South Africa

To reduce the cost of vehicle damage and at the same time contribute to road safety, Vehicle Rental implemented an initiative during the year that uses telematics to monitor driving speed and send SMS notifications to customers when they exceed the speed limit by more than 20km/h. The division is also installing new vehicle tracking devices with international coverage in most of its vehicles.

In addition, Vehicle Rental has developed and is testing a vehicle quality inspection app, which keeps a digital record of a vehicle's condition before and after a rental and quickly identifies any maintenance issues. The app will provide a more efficient quality control process for Motus, a seamless and transparent experience for our customers and reduce the costs associated with road accidents. Phase one of the project went live in May 2023

In the future, Vehicle Rental intends to develop a rewards programme that incentivises safe driving and encourages repeat business from good drivers. It will also finalise its SO9001 certification, with a document review already conducted by an independent ISO accredited body.

There were no material recalls from OEMs during the year.

Road safety

One of our CSI pillars is road safety. Our Road Safety – Powered by Motus initiative drives road safety education and awareness among school children, parents and holidaymakers in South Africa. We partner with leading road safety advocates and the government to improve road user behaviours.

Our road safety-related projects include:

- **The Safe Scholars Programme:** life-saving road safety education for primary school children and their teachers. Around 23 schools were visited each month in 2023.
- **The Highway Patrol Programme:** patrol vehicles provided to support 24-hour visible policing and faster response times to crashes and breakdowns along the N1/N4 toll routes during peak holiday seasons.
- **Wheel Well:** drop-off points at Renault dealerships for donated used infant car seats, which are refurbished and given to parents in need.

Over the December 2022 Festive season, the Bakwena Platinum Corridor Concessionaire (Pty) Ltd reported an overall reduction in fatalities along its N1/N4 route, attributed to the increased visibility of law enforcement. Roadblocks were used to check for vehicle roadworthiness,

overloading, valid driver licences and the use of seatbelts, and drivers were tested for alcohol. Ten fatalities were recorded for the period compared to 23 in the prior year. Over this period, Kia provided the use of six vehicles, which collectively travelled 36 126 kilometres on the route, participated in three roadblocks and three special operations, assisted at 36 crashes, assisted 130 stranded motorists, stopped 8 544 vehicles, issued 941 AARTO notices and made six arrests.

2023 performance

South Africa

The Road Safety – Powered by Motus

Partnership: the Safe Scholars Programme is a partnership with the Department of Basic Education and the Department of Transport

Supported since: 2011

Impact
(cumulative since 2011)

>2,25 million

learners reached in over 2 600 schools

2022: >1,96 million learners; >2 300 schools

2021: >1,75 million learners; >2 080 schools



Highway Patrol Programme

12

patrol vehicles sponsored during the Festive and Easter periods

2022: 12 **2021:** 12

Our investment

R1,3 million

invested during the year

2022: R1,5 million **2021:** R1,3 million



- Achieved the milestone of two million learners reached.
- Provided road safety education at the schools supported by the Imperial and Motus Community Trust (see page 110), including driving lessons for secondary schools learners.
- 21 infant car seats were collected for Wheel Well.

Mobility for Good



Road safety campaign for employees

Road safety awareness visits were held across South Africa, reaching 103 dealerships. The visits highlighted three key messages – respecting the rules of the road, avoiding distractions when driving and not driving recklessly. To create lasting impressions, employees got the chance to role play the impact of distracted driving and being under the influence of alcohol.

Potholes

As part of our m* platform initiative we are exploring a sustainable interim pothole solution that could potentially create micro-jobs for unskilled unemployed people while making roads safer. If feasible, the project will be a collaboration with local government, communities and NGOs, and will aim to patch around 500 potholes a month.



The Safe Scholars Programme

Bongie, Buckle-up Buddy, the Motus Road Safety mascot introduces primary school learners to the 10 basic rules of road safety as defined by the Department of Basic Education using industrial theatre and our road safety song. Officials from the Department of Transport and the Department of Basic Education often participate in these events.

Helping the youth obtain driver's licences

Obtaining a licence to drive empowers people to take advantage of more opportunities. We signed a two-year agreement to sponsor the K53 Learner's and Driver's Manual for aspiring South African drivers. More than 82 600 copies of the magazine have been distributed in retail stores in Johannesburg, Tshwane, Cape Town, Gqeberha, East London, Durban and Pietermaritzburg. The magazine has also been distributed to the Imperial and Motus Community Trust resource centres (see page 110).



Bakwena N1/N4 Toll Concession

Kia provided six vehicles to the Bakwena N1/N4 Toll Concession for use over the Easter holiday period. This is the 12th year that Motus has been involved with the Bakwena project.

Contribute to improving economic and social inclusion



Why this is material

Motus' socio-economic objectives, particularly in terms of fiscal contribution, people development and community-based projects are designed to support the transformation of South Africa's automotive industry. Our B-BBEE rating contributes directly to our commercial competitiveness in South Africa. More broadly, our socio-economic initiatives secure our relevance in society as a business that makes a long-lasting positive contribution to the economies and communities in which it operates.

In this section

- 102 The automotive industry's contribution to socio-economic development¹
- 104 Our transformation strategy¹
- 105 Inclusive procurement¹
- 108 Community upliftment²

¹ Reported for South Africa.

² Reported at Group level.

Key performance indicators (year on year)

Employment (Group)

▲ 15%

19 817 employees

with 70% employed in South Africa

B-BBEE score (South Africa)

▲ 4%

85,19 points

at June 2023



Preferential procurement spend with >51% black-owned businesses (South Africa)

▲ 59%

R4,6 billion



ESD spend (South Africa)

▼ 2%

R119 million

Met dtic Codes target



CSI spend (Group)

▼ 12%

R26,5 million

Met dtic Codes target



Key

Pleased with performance

Room for improvement

Behind where we want to be

Key projects

- Review of current ownership structure.
- Business Fit Programme.
- Improving preferential procurement data.
- Imperial and Motus Community Trust.
- Unjani Clinics network.

Highlights

- Achieved a Level 3 B-BBEE rating for the first time.
- Launched the Business Fit Programme, providing 10 SMMs with ESD support.
- Enhanced the management of the Motus Technical Academy and introduced a new learning curriculum.
- Extended the pool of qualifying employees in South Africa able to apply for funding relief for the tertiary education of their children.
- 31 of the 70 YES learners seconded to the Unjani Clinics network have been permanently employed.

Lowlights and key challenges

- A discounted B-BBEE rating from failure to meet the sub-minimum requirements in either the ownership, skills development or ESD pillars.
- Providing the right support to help small suppliers build their capability to meet our product specifications and accreditation requirements.
- The increasing need for immediate assistance to social issues balanced against investing to establish sustainable and far-reaching positive social impact.

Our objectives

Continue to find opportunities to support socio-economic development, and uplift marginalised communities and those in need.

Specifically:

- **South Africa:** select a new B-BBEE ownership structure for post-2025.
- **South Africa:** increase the number of black-owned Motus-aligned franchise dealerships.
- **South Africa:** grow the network of black-owned second tier workshops.
- Expand the reach of our CSI programmes to provide larger pools of support to projects, enhancing their sustainability.

Our approach to social impact management.

¹ World Economic Forum's Global Risk Report 2022 (Edition 17).

² Source: Fitch, News articles, Trading Economics, South African Reserve Bank.

³ Statement of Monetary Policy Committee July 2023.

⁴ July 2023 World Economic Outlook Update.

Context

The WEF's Global Risks Perception Survey 2022-2023¹ ranks the cost-of-living crisis as the most severe global risk over the next two years. The economic aftereffects of COVID-19 and the war in Ukraine have brought about rising inflation and an upward trend in interest rates across the global economy, and started a low-growth low-investment era. The knock-on effects of these developments are felt most acutely by the vulnerable, and contribute to rising poverty and a decline in human development after decades of progress.

In South Africa, one in every three people who are economically active and looking for work are unemployed. The country has the highest unemployment rate in the world at 32,7%², driven by stunted economic growth and poor education outcomes, among other factors.

South Africa's economic outlook remains challenging. The highest levels of load shedding experienced to date have had an amplified negative impact on production and manufacturing. Smaller businesses are particularly hard hit. As a result, the SARB expects a GDP growth rate of 0,4% for 2023³ and estimates that load shedding could deduct as much as 2 percentage points from growth in 2023. The IMF expects South Africa's real GDP growth to be 0,3%⁴.

Other pressing issues for South Africa include insufficient infrastructure investment and a deterioration in public services, which are fuelling polarised communities, and the transformation of the national healthcare system. Over 80% of the population depends on the overburdened public sector system, which operates a costly curative-care based model rather than focusing on disease prevention.

A welcome development is the renewed collaboration between business and government to urgently tackle key challenges relating to energy, infrastructure, transport logistics and combatting crime. The collaboration could assist to promote a more predictable economic environment, enabling investment, growth and job creation.



The automotive industry's contribution to socio-economic development

The South African automotive industry contributes around 4,9% to GDP, including 2,0% from the retail segment¹. The industry plays an indispensable role in contributing to South Africa's longer-term economic sustainability. It provides mobility by moving people, goods and services, facilitates trade, creates sustainable jobs, serves by communities and creates prosperity for South Africa's people. It also invests billions of Rands every year in South Africa's economy.

Jobs supported by the automotive industry in South Africa

Vehicle manufacturing hubs	Automotive component sector	Multiplier effect
~30 000 jobs	~80 000 jobs	For every job on an OEM factory floor there are 14 jobs upstream and downstream of the automotive value chain, totalling ~457 000 jobs across the industry

Source: naamsa | The Automotive Business Council (July 2023).

Two key initiatives to transform the automotive industry are the Equity Equivalent Investment Programme and the Guidelines for Competition in the South African Automotive Aftermarket. Seven South African-based OEMs have committed to the first initiative, which aims to improve their contributor status to a minimum Level 4 B-BBEE rating. Under this programme, the Automotive Industry Transformation Fund provides qualifying black-owned businesses with access to development funding, markets and capacity building. The guidelines around competition aim to expand the inclusion of black-owned SMEs in the automotive aftermarket value chain as well as increase local production volumes and create jobs.

Improving the quality of life for many more South Africans is critical. Being able to move affordably within an economy helps people to trade, do business and gain market access as well as access to services such as healthcare. Mobility also increases job opportunities and social connections, and reduces inequality. A key opportunity for Motus is to drive our innovation culture (see page 58) to stimulate out-of-the-box thinking that solves mobility problems and reduces dependency on public transport. Developing the subscription model for the South African market is a key opportunity for the Group, with Europcar SuperFlex (see page 64) already available. This model allows people to access a vehicle affordably and on a needs basis.

Tax contribution (Group)

R0,9 billion

paid to governments

2022: R1,2 billion 2021: R694 million

Subscriptions (Group)

R3,6 million

paid for subscriptions in NGOs and industry bodies

2022: R3,4 million 2021: R3,1 million

¹ naamsa | The Automotive Business Council | Press releases.

Our key memberships (South Africa)

Our memberships in industry bodies and business forums allow us to contribute to the shaping of our regulatory environment, promote the sector's interests and ensure a competitive yet collaborative industry.



naamsa | The Automotive Business Council

Advocates for common interest issues, policies and regulations to sustain and grow the local automobile industry.

Motus participation

Vice President Retailing OEMs

We participate in the Supply Chain, EV, Automotive Production and Development Programme, B-BBEE and Transformation Committees, among others. A Motus representative chairs the Projects Oversight Committee and four CEOs of our Importer OEM brands sit on the CEO Advisory Council.



Retail Motor Industry Organisation and its constituent – the National Automobile Dealers Association

Represents the interests of business persons who own, operate and manage new passenger and commercial vehicle dealerships and used vehicle outlets.

Motus participation

President of NADA

We participate in RMI's compliance committee, and NADA's management, national executive, Automotive Aftermarket Guidelines, transformation, and second hand goods committees, and the retailers and labour forums, among others.



Southern African Vehicle Rental and Leasing Association

Represents South Africa's combined vehicle rental, leasing and fleet management industries as well as the interests of business vehicle owners and the millions of people who rent a vehicle each year.

Motus participation

Vice President and Leasing Chair of the National Executive Council

We participate in the legal and AARTO committees.

Business forums

We participate in business forums such as Business Unity South Africa, Business Leadership South Africa, the Banking Association South Africa, Financial Intermediaries Association of South Africa, Direct Marketing Association of Southern Africa, National Business Initiative, Institute of Risk Managers South Africa, and Arrive Alive South Africa as well as various working groups and committees that comment on upcoming regulatory changes. The CEO of Aftermarket Parts is a member of the Nexus strategic committee and the International Automotive Aftermarket Federation Council in the UK.

Our transformation strategy

Black ownership plays a critical role in maintaining a competitive B-BBEE rating, and is a key consideration for organisations in South Africa when making purchasing decisions, as buying from a supplier that is at least 30% black women-owned or 51% black-owned improves their preferential procurement score, contributing to their own B-BBEE rating. Our B-BBEE ownership comprises Ukhamba Holdings, an investment holding company, where B-BBEE shareholders will receive Motus shares in 2025, and working models for black-owned and managed businesses such as majority black-owned dealerships and non-OEM branded workshops. The majority of our black ownership score is derived from Ukhamba.

2023 performance

South Africa

For the first time since the Group's listing, we have achieved a Level 3 B-BBEE rating supported by our participation in the YES4Youth Programme (see page 70). We did not score the full 25 points in 2023 for the ownership pillar due to changes in our underlying shareholders structure. To ensure that our transformation strategy meets customer expectations, maintaining our level of black ownership is a priority for the Group with a number of ownership structure options currently under investigation.

B-BBEE rating

Level 3

B-BBEE rating

valid to 27 September 2024

85,19

out of a total of 120 points at June 2023 with no discounting for procurement¹

2022: 81,89 points 2021: 80,28 points

 B-BBEE certificate

Black-owned dealerships

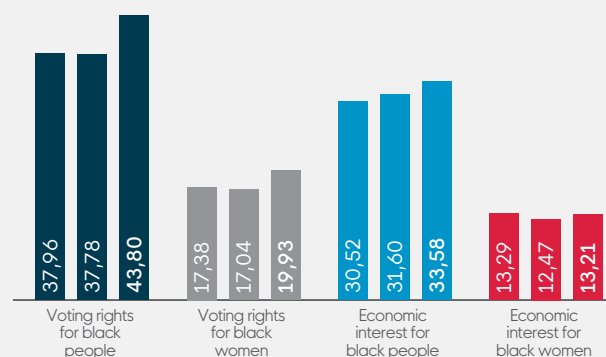
52

black-owned Hyundai, Kia, Renault and Mitsubishi dealerships out of a total of 203 dealerships

2022: 42 out of 191 dealerships

2021: 30 out of 188 dealerships

Black ownership (points)



Note: each category measured across three years from 2021 to 2023 (left to right).

On the 2023 B-BBEE scorecard we achieved 24 out of an available 25 points in the ownership pillar.

Dividends paid to Ukhamba in the reporting year totalled R135 million (2022: R93 million), benefitting over 6 300 (2022: >6 400) black shareholders.

¹ The size of our controllable spend category can sometimes result in a discounted B-BBEE rating.

Inclusive procurement

Contribute to improving economic and social inclusion **Motus**

Our brands are supplied by multi-national organisations with access to global supply chains and who are required to meet global safety, production and corporate identity standards. This makes the automotive industry capital intensive where cost efficiencies can only be realised through scaling and working across brands; a factor that constrains new entrants from competing in the market. As small businesses play a critical role in creating desperately needed jobs, we endeavour to leverage our scale and influence across brands to create niche opportunities for new entrants.

Between 75% and 80% of the products we sell are sourced directly from multi-national OEMs with whom we have stringent distribution and franchise agreements. The remainder of our procurement spend can be directed to B-BBEE compliant suppliers or EMEs¹ and QSEs².

Informal traders and technicians

The Makhaya project aims to create a sustainable micro-network of informal sector mechanics in historically under-served areas and informal communities. We provide equipped non-OEM branded workshops, technical support and SME-linked business training. The second-tier workshops will be located in or adjacent to our owned or franchised network of aftermarket parts or pre-owned dealership sites, or as independent joint ventures. Aftermarket Parts will supply the network and provide working capital and pricing support to the entrepreneurs. The businesses will be closely monitored and given reasonable access to our value chain and customers. The project currently supports one workshop (2022: one) and five technicians (2022: six) with an additional five potential workshop sites identified.

Over and above the Makhaya project, we are making our parts and services more accessible to informal traders and technicians. Aftermarket Parts is developing and testing a solution to connect these businesses and their customers to our stores, enabling them to pre-order parts. This provides a number of shared benefits. The informal traders and technicians gain convenience and access to trade credit,

Motus gains access to new markets, and the broader public is able to afford to maintain the safety and reliability of vehicles that are 12 years or older.

Supplier and enterprise development

We provide training, mentoring and financial assistance to SMEs, particularly black-owned enterprises, to help them build sustainable businesses. Most of our ESD beneficiaries are outsourced wash bay and food service providers who operate on our premises rent and utility free. Auto Pedigree, Ford, Mercedes Benz, Nissan and Volkswagen are a few of our brands who support wash bay and cleaning service providers. Vehicle Rental has identified ESD opportunities for a manufacturer of cleaning products, and in the areas of recycling, fibre installations and IT. Ford and Hyundai support small panel beaters and spray painters, including providing them with financial assistance to help them meet brand-approved repairer standards. Hyundai added two new panel beaters to its programme during the year. Mobility Solutions supports a towing business and a skills training business, Honda a small scratch repair business and Aftermarket Parts is working with a provider of blister packaging. Mitsubishi supports a black women-owned logistics business.

¹ Exempt micro enterprises.

² Qualifying small enterprises.



Inclusive procurement (continued)

Unjani Clinics

The Unjani Clinics NPC (🏠 also see page 111 for our CSI contribution) empowers black professional women nurses to operate and ultimately own primary healthcare facilities (clinics, mobile clinics and health pods) in their communities. The facilities provide affordable quality primary healthcare and medicines to lower-income communities; those who are uninsured and under-served but employed and able to pay a small fee towards their healthcare needs. Strict criteria guide the selection of nurses who must comply with a five-year enterprise development agreement, which also covers patient confidentiality, regulatory compliance, and

responsible product use. Compliance is monitored through operational and financial audits.

In 2021 and 2022, we made two funding tranches available to the Unjani Clinics network as interest-free enterprise development loans. The clinics in the network can apply for loans to extend consulting rooms or purchase equipment to enhance their service offering and accommodate a growing patient base, to relocate clinics to more favourable sites and/or to install solar PV solutions. At June 2023, a total of R4,2 million had been disbursed to clinics across both tranches with R1,8 million repaid. The majority of lenders are meeting their loan repayment requirements.

Interest-free funding

R7 million

in interest-free funding made available – R2 million up to 2026 and R5 million up to 2027. The average value of the individual loans is R190 000.

Clinics supported

22

clinics received interest-free loans in 2023
2022: 12 clinics

Loans accessed

R2,0 million

was accessed in 2023 and is payable over time periods between nine to 50 months
2022: R2,2 million

2023 performance

South Africa

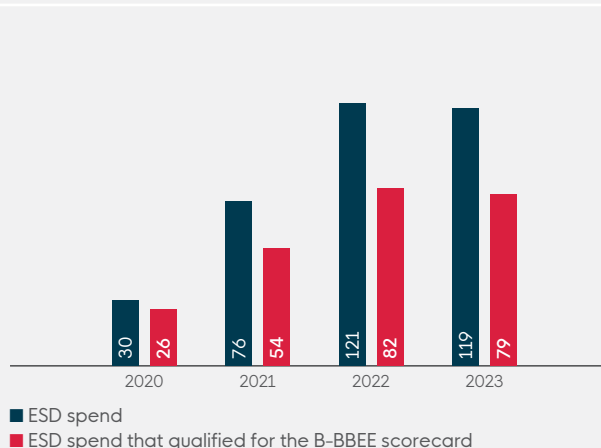
In 2023, 10 SMMEs within our supply chain were selected to participate in our newly launched Business Fit Programme. The programme will help the entrepreneurs to build and scale their businesses, and meet reporting and compliance requirements. Progress and business maturity is monitored using a business app, which applies a four-star rating. Seven of the entrepreneurs graduated from the first phase of the programme, with two achieving four stars. These two businesses have been awarded additional support.

The learnings from the Business Fit Programme will be incorporated in our other ESD training programmes and shared across business segments, particularly in terms of accessing the supply chain and the correct categorisation of SMMEs. A procurement project has commenced where dedicated champions will review synergies across our ESD support initiatives.

Two black-owned dealerships received support with upgrading their corporate identity and branding in line with OEM requirements as part of our ESD initiatives.

2023 performance (continued)

Enterprise and supplier development spend (Rm)

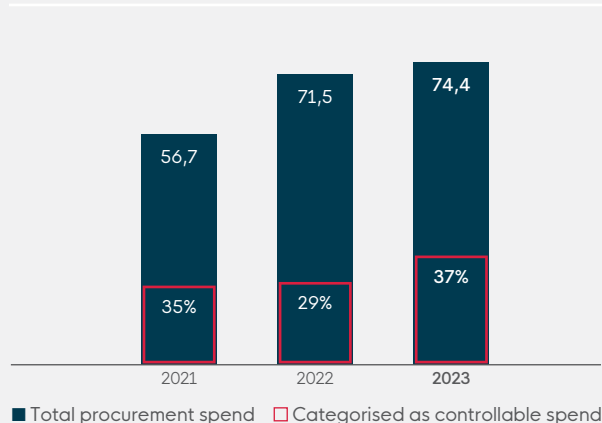


Enterprise development spend totalled R38,6 million and supplier development spend totalled R80,8 million. Within our key areas of ESD support, we distributed R22 million (2022: R26 million) to outsourced wash bay facilities, R2 million (2022: R2 million) to canteen and food services, and R2 million (2022: R1 million) to the transportation of vehicles. Early payments totalling R9 million were made to assist the cash flow of qualifying beneficiaries across all sectors (2022: R6 million). 66% (R79 million) of our ESD spend qualified for the 2023 B-BBEE scorecard, equating to 3% of South African NPAT, meeting the dtic Codes' target of 3% of NPAT. We achieved 14,9 out of 15 points for the ESD pillar.

2022: 3,0% of NPAT

2021: 3,1% of NPAT

Preferential procurement (Rbn)



Of the R27,2 billion controllable¹ spend for the year, R20,6 billion or 76% (2022: 65%) was with preferential suppliers, exceeding the target of 70%.

¹ Outside of our franchise and OEM procurement.

>51% black-owned suppliers

R4,6 billion

spend against an internal target of R2,5 billion

2022: R2,9 billion
2021: R2,3 billion

30% black women-owned suppliers

R3,0 billion

spend against an internal target of R1,5 billion

2022: R1,8 billion
2021: R1,0 billion

EME and QSE suppliers

R2,5 billion

spend against an internal target of R1,0 billion

2022: R2,1 billion
2021: R2,0 billion

Community upliftment

The long-term nature of our flagship CSI projects enables us to build strong stakeholder relationships, working together to achieve predetermined objectives, deliverables and expectations.

Our investments in high-quality education and skills development do not only address this societal imperative and provide young people with entrepreneurial and commercially viable skills, but they also help build self-confidence and self-esteem and a stronger pool of talent from which Motus and the automotive industry are able to source tomorrow's leaders.

Our education-related projects include:

- **The Motus Technical Academy¹:** trains petrol, diesel and motorcycle technicians and auto-electricians. It also offers other skills development courses. Using the latest training methods, materials and systems driven by innovative technologies as well as collaborative programmes to address skills shortages, the Academy trains around 1 200 apprentices and technical workers annually. The Academy's model provides practical training, world-class theoretical training and on-the-job experience.
- **Motus Family Bursary Fund:** assists qualifying employees in South Africa with tertiary education funding relief for their children studying at selected South African institutions from the second year of study onwards.
- **Imperial and Motus Community Trust:** builds and maintains resource centres at under-resourced public schools in Gauteng, South Africa, to encourage reading and promote higher literacy levels. The facilities provide easy access to education materials, thousands of books and media, as well as computers connected to the internet. We have committed to investing a minimum of R5,5 million in the Trust each year to 2025. Motus brands provide funding over and above this amount.

YES4Youth Programme: page 70.

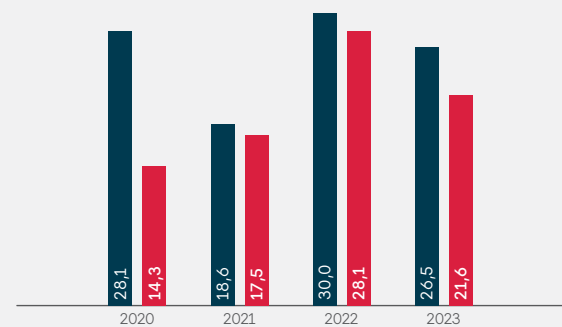
We have a longstanding commitment to road safety (see page 98) and we support Unjani Clinics NPC (see pages 106 and 111) which provides affordable high-quality primary healthcare in areas where it is needed most. The Unjani Clinics network is both an ESD and CSI beneficiary of the Group.

¹ The largest training academy for motor artisans in South Africa. Programmes are accredited by the merSETA, the Quality Council for Trades and Occupations, and the National Artisan Moderation Body.

2023 performance

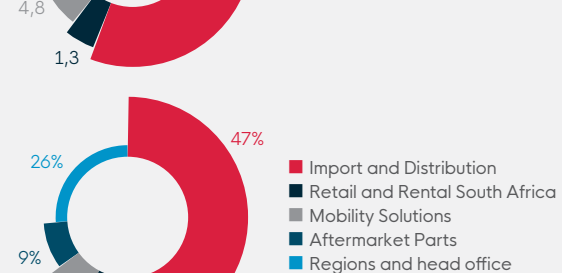
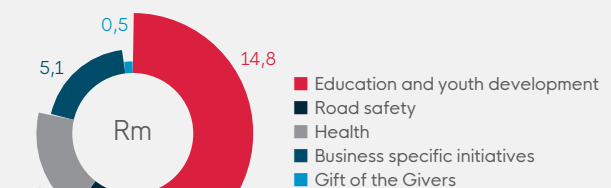
Group

Corporate social investment spend (Rm)



■ CSI spend (Group)

■ CSI spend that qualifies for the B-BBEE scorecard (South Africa)

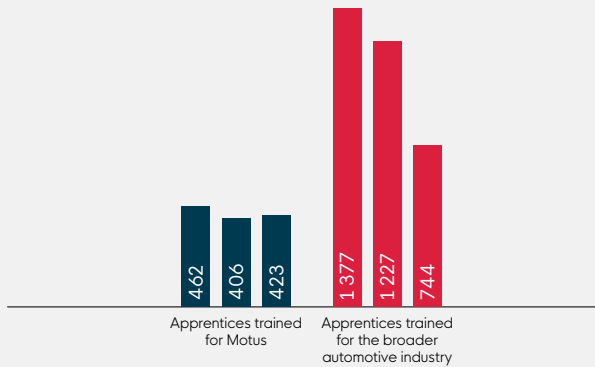


81% (R21,6 million) of our total CSI spend qualified for the 2023 B-BBEE scorecard, equating to 1% of South African NPAT, meeting the dtic Codes' target of 1% of NPAT. We achieved all five points for the socio-economic development pillar.

2022: 1,1% of NPAT 2021: 1,0% of NPAT

2023 performance (continued)

Motus Technical Academy



Note: each category measured across three years from 2021 to 2023 (left to right).

Jobs supported

10

trainers employed by the Academy

2022: 20

2021: 27

Of the apprentices trained by the Academy during the year, 423 (2022: 406) were trained for Motus – 70% (2022: 86%) are black. Overall 188 (2022: 376) apprentices qualified in 2023 with 63% (2022: 62%) being from other companies. 48 (2022: 83) of the apprentices who qualified were hired by Motus and are part of our feeder pipeline for critical workshop positions.



- The National Skills Fund project came to an end in September 2022, with some learners employed at the dealerships that hosted them.
- Following a dip in performance, new management was appointed for the Academy and we closed two centres to streamline our offering as we work towards becoming the provider of choice in automotive technical training.
- From July 2023, a revised curriculum was implemented, weighted more towards workplace orientation.
- Going forward, we will introduce a skills exam, the National Skills Olympics, to prepare technicians for the international competition.

Motus Technical Academy

Motus Family Bursary Fund

Our investment

R2,1 million

disbursed through the fund over two years (2022 to 2023)

Beneficiaries

30

beneficiaries supported in the 2023 calendar year – 53% women and 77% black students. Students receive a maximum amount of R45 000.

2022: 27

2021: 6



- Similar bursary programmes were rolled out for Hyundai and Aftermarket Parts, equating to an additional R200 000 being made available to the dependents of our employees for their tertiary education.

Community upliftment (continued)

2023 performance (continued)

Imperial and Motus Community Trust

Partnership: National Department of Basic Education

Supported since: 2004

Board members: two Motus representatives



Impact

71

resource centres reaching over 79 300 learners

2022: 63 facilities;

>72 000 learners

2021: 52 facilities;

>61 300 learners

~2 400

school teachers assisted

2022: ~2 070 **2021:** ~1 600

76

full-time jobs supported, many being unemployed people from the local community who have received training

2022: 65 **2021:** 65

Our investment

R13,0 million

invested during the year

2022: R14,0 million

2021: R11,7 million

YES learners

15

of Motus' YES learners are gaining workplace experience with the Trust in 2023/24. Of the 26 YES learners from our first two cohorts, 19 have been permanently employed by the Trust.

The Trust's objective

100 000 scholars

reached by 2025 (around 100 resource centres)



Sivuleleni Primary School in Soweto funded by Renault.



- New resource centres were opened at five schools and mini-resource centres were opened at three schools.
- Following an assessment of its strategic plan, the Trust will appoint a CEO, full-time accountant and a reporting manager. In addition, more librarians and new programmes will be introduced at 10 schools and 250 tablets distributed to five schools to support a greater positive impact. The Trust will also commission enhanced testing on literacy and comprehension to better measure the impact of the project.
- Bringing together two of our CSI initiatives, Motus sponsored health education delivered by qualified nurse educators from the Unjani Clinics network at two schools, covering around 3 000 learners for six months. The on-site health pods are open from 8h00 to 16h30 daily. The nurses also determine the specific health needs of the school children, from which they will develop proposals to provide ongoing treatment on issues such as family planning contraceptives and key primary healthcare ailments.

 Imperial and Motus Community Trust

2023 performance (continued)

Unjani Clinics network

Supported since: 2014

Board members: one Motus representative



Impact

1 039 060

patients served, equating to an average of 90 754 people provided with primary healthcare a month

2022: 864 122; averaging 74 080 people a month

2021: 677 161; averaging 60 700 people a month

154

clinics located across South Africa

2022: 118 **2021:** 92

10

mobile clinics and health pods

2022: 6 **2021:** 2

649

permanent jobs supported and people upskilled, including 199 professional nurses and 17 enrolled nurses

2022: 475 jobs;

157 professional nurses

2021: 346 jobs;

111 professional nurses

Our CSI investment

R2,2 million

invested during the year

2022: R1,4 million

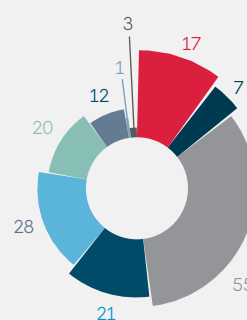
2021: R1,3 million

YES learners

20

Motus YES learners will gain workplace experience with the network in 2023/24. Nine of the 20 YES learners from the 2022/23 cohort have been appointed as employees and a further four given fixed-term contracts.

Geographic split of facilities (number)



■ Eastern Cape
■ Free State
■ Gauteng
■ KwaZulu-Natal
■ Limpopo
■ Mpumalanga
■ North West
■ Northern Cape
■ Western Cape



- 36 clinics were added to the Unjani Clinics network and four mobile units and health pods, exceeding the network's target of 159 healthcare facilities by June 2023.
- In October 2022, the network reached the three million consults milestone (3 951 538 consultations at June 2023).
- The target for June 2024 is 200 healthcare facilities.

Unjani Clinics

Community upliftment (continued)

Mobility for Good



Sharing our knowledge

In October 2022, as part of its inaugural SA Auto Week, naamsa hosted a three-day Auto Thought Leadership Indaba. Four of our leaders shared their knowledge and insights on a variety of key topics, namely the state of the automotive industry in South Africa, the role of new technologies, skills and changes in store for workers, reducing grey imports in Africa, and a cleaner future. Key topics that resonated with delegates included the African Continental Free Trade Area and driving the continent's industrialisation, the transition to NEVs and the associated opportunities, and addressing South Africa's structural challenges (energy, infrastructure, labour and transportation).

In April 2023, Gary Scott also participated in a one day thought leadership series hosted by naamsa on the transition to NEVs.

5th South Africa Investment Conference

To enhance economic growth and generate jobs, the automotive industry pledged substantial investments to President Cyril Ramaphosa's Investment Conference in 2023, with specific focus on renewable energy projects, vehicle production, infrastructure and industrial zone developments.



Gift of the Givers

We donated a Toyota Hilux to Gift of the Givers, which provides essential goods, food and basic items to people in South African communities during their time of need, particularly when impacted by natural disasters.

International Nurses Day

Celebrating International Nurses Day with the nurse entrepreneurs and employees of the Unjani Clinics network.



Santa's Shoe Box

Mobility Solutions hosted its annual Santa's Shoe Box drive in which employees donate toiletries, toys and stationery for learners.



Food gardening project

Hyundai sponsored a vegetable garden and gardening kits at five schools (6 700 learners) so that children can learn how to tend gardens and share their knowledge with their communities.



Mobility for Good (continued)

We are MOTUS Biggest Morning Tea event

In Sydney, Australia, we hosted the Motus Biggest Morning Tea event to unite employees in a meaningful cause and raise funds for the Cancer Council's crucial research, prevention programmes and support services for cancer patients and their families. Over R63 700 (AUD5 000) was raised.

Gender-based Violence Innovation Blitz

Partnering with Standard Bank and Spar, NGOs and academics, we held an innovative ideas workshop to identify solutions to gender-based violence in our communities. Nine ideas were generated with three to be taken forward for further investigation.



DoEL's Employer Breakfast Session

The DoEL in Gauteng invited Motus to its Employer Breakfast Session and Jobs Fair in July 2023. The session was a call to action for increased business and government collaboration to tackle unemployment and enhance economic growth. It connected job seekers with potential employers, facilitated discussions around key regulation and introduced the concept of mobile centres for youth who are looking for work.



Mandela Day 2022

Employees volunteered their time to help communities on Mandela Day (18 July). Europcar employees cleaned up the Grade R playground at Eldocrest Primary School in Gauteng. Watch our Mandela Day video.



Maemo Motors

Maemo Motors in Rustenburg donated R149 000 split among seven non-government funded charities in and around the North West region.



R U OK?

As part of our support of R U OK? – an organisation that encourages meaningful conversations and lends support to people facing challenges, a team of Motus employees competed in the 10 kilometre Sydney Bridge Run. Motus raised R56 100 (AUD4 701) to support this worthy cause.



Seven7 Drive

Supported by Kia, the annual Seven7 Drive raised R60 000 for Cupcakes of Hope to support oncology and paediatric oncology wards across South Africa.



Ensure ethical, fair and compliant business conduct



Why this is material

COVID-19 and its aftermath are testing the true character of leadership around the globe. Ethical leadership impacts company culture and positively impacts our reputation both as an employer and as a business that cares about its impact on people and the planet. Making decisions responsibly and treating our customers fairly, engenders their loyalty and earns the trust of all stakeholders. Together, our ethical culture, compliance initiatives and our values enable us to explain our decision-making when stakeholders hold us to account. Our ability to protect personal data, use this data responsibly and ensure that our systems are secure are also key factors in earning stakeholder trust.

In this section

- 116 Ethics and responsible conduct
- 118 Compliant financial products and services
- 119 Regulatory changes
- 121 System and data protection

Key performance indicators (year on year)

Compliance (Group)

Zero



sanctions, fines or penalties received for non-compliance to regulation

2022: one

2021: zero




Valid concerns identified through the whistle-blowing hotline (Group)

▲ 150%



25

Key

-  Pleased with performance
-  Room for improvement
-  Behind where we want to be

Key projects

- Ethics Self Declaration Programme.
- Transitioning our dealerships to accountable institutions.
- Cyber Resilience and Information Protection Programme.

Highlights

- Matured our approach to ethics management and fraud prevention, including refreshed ethics training.
- Launched a guide on good business ethics, initially available to head office employees.
- Our digital identity tool, Contactable, is proving effective in the identification of possible exposed persons and sanctioned individuals or businesses.

Lowlights and key challenges

- A poor economic climate that has led to increased incidents of fraud, corruption and misconduct.
- A shifting regulatory environment that creates uncertainty and increases administration costs.
- Balancing time and resources to manage compliance with changing regulation against delivering strategy and agile operations.
- The additional preventative measures and costs, both technical intervention and user awareness, required to prevent security breaches.

Our objectives

Maintain our moral compass, drive regulatory compliance, and influence the mitigation of negative environmental and social impacts in the supply chain.

Specifically:

- Update our Code of Ethics to ensure its relevance across all our geographies of operation.
- Make ethics training mandatory for all employees across the Group within the next two years.
- Continue to participate in regulatory consultation processes.
- Enhance how we engage with our customers to meet the requirements of changing regulations.

Our approach to business conduct management.

Context

PwC's 2022 Global Economic Crime and Fraud Survey reports that 46% of respondents experienced some form of fraud and economic crime within 24 months, with the greatest threat being cybercrime followed by customer fraud and asset misappropriation. During economic downturns and poor socio-economic conditions, people increasingly rationalise fraudulent actions given the fewer legitimate economic opportunities available to them. The PwC report highlights supply chain fraud as an emerging risk.

Corruption continues to constrain progress in South Africa. In February 2023, global financial crime watchdog, the FATF, greylisted South Africa for not fully complying with international standards around the prevention of money laundering, terrorist financing and proliferation financing. South Africa performed poorly in the FATF's 2021 mutual evaluation, and was given one year to address 67 recommended actions. While significant progress was made during this period, eight deficiencies still required progress at the time of the FATF re-evaluation. South Africa has committed to working with the FATF to address these deficiencies by the end of January 2025.

The increased frequency of data breaches in recent years will undoubtedly continue, and the attacks will continue to become more sophisticated. Four in 10 of the organisations surveyed had experienced fraud connected to digital platforms. Protecting against, detecting and understanding platform fraud requires considerable time and organisation-wide cross-functional effort.

Fast-paced advancements in technology, device automation, the 'Internet of Things', the borderless flow of information and money, and consumer demands for instant gratification make it increasingly difficult for businesses to keep up with the pace of change, while safeguarding their technology ecosystems. Cybercrime thrives under such circumstances. Effective technology governance is needed to create and maintain trust in technology and take advantage of the opportunities that digital solutions present.

Ethics and responsible conduct

Our Code of Ethics sets the standard of ethical conduct that is expected of all our employees. We strive to ensure that the way we behave, the decisions we make and the actions we take reflect our values; the foundation for our ethical culture. Our values require us to be fair, accountable and driven, and are there to ensure that we operate in an environmentally friendly and responsible manner.

Numerous controls ensure our compliance with anti-fraud and -corruption laws in all our jurisdictions of operation and identify dishonest behaviour, leaving little room for misconduct within our businesses.

The Ethics Self Declaration Programme is an online mechanism for selected employees in South Africa to annually self-declare conflicts of interest and their compliance with our policies and ethical standards. It applies to all Executive Committee members and their direct reports (Group and business segment executives), and employees occupying certain roles, for example, all employees working in our FSPs. Where completeness of the programme falls below 85% for an employee group, additional awareness and training is provided.

Our OEMs and suppliers are required to adhere to our Code of Ethics and supply chain code of conduct. The supply chain code of conduct outlines our requirements for procedural compliance, human rights, environmental

stewardship, lab procedural our practices, guarding against bribery and corruption, conflicts of interest and fair business practices. We reserve the right to audit suppliers, whether by an internal team or a third party to verify conformance to our standards.

Social, environmental and fair economic business principles are considered in our business award decisions both for new and existing suppliers. For example, in South Africa, B-BBEE compliance and/or contribution to ESD are additional criteria considered in supplier selection.

Aftermarket Parts has access to Nexus' supplier vetting service, which includes audits on their standards, specifications and processes covering labour legislation, health and safety, and corruption. Mobility Solutions' eProcure system, recently implemented, will include a process to onboard and vet new suppliers, including on their management of ethics and responsible sourcing.

2023 performance

Group

Internal audits did not identify any material concerns relating to bribery and corruption or human rights risks, and no material concerns were raised in the most recent employee surveys with regards to integrity and honesty. No public legal cases regarding corruption were brought against Motus, any of its operations or its employees. No contributions were made to political parties.

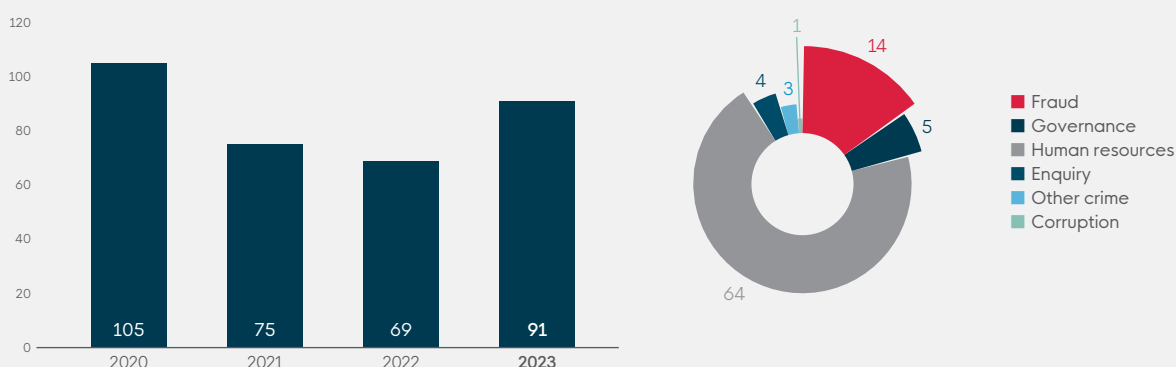
During the year, we developed a response guide for senior managers responsible for investigating whistle-blowing reports. We hope that with a consistent, fair and balanced response, employee trust in the integrity of our whistle-blowing approach will be enhanced.

We decided not to expand the Ethics Self Declaration Programme across the Group as reported last year, as engagement with our teams in the UK and Australia indicated that the programme is very South African focused and that our existing ethics and business conduct management controls in these operations are already mature.

2023 performance (continued)

Group (continued)

Whistle-blowing hotline (number)



At year-end, all 91 reports to the whistle-blowing hotline had been investigated and closed. 25 (2022: 10) of the reports received were valid concerns where disciplinary or remedial action was taken. 70% (2022: 70%) of reports related to HR matters, being either grievances and/or reports of harassment. Of the 18 (2022: 2) reports concerning fraud, corruption, theft and/or procurement irregularities, four were found to be valid with disciplinary action taken. One business misconduct case was material, resulting in the dismissal and resignation of 12 employees, including senior employees. Additional management controls have been implemented to prevent reoccurrence with internal audit performing another review of the business concerned.

South Africa

Employees

Of the 3 390 (2022: 3 926) employees covered by the Ethics Self Declaration Programme, 91% (2022: 88%) had completed their self-declarations by the 31 August 2023 deadline. Completion among our executives, senior managers at head office and FSP employees was 100% (2022: 100%). We took the decision to expand training on the programme before rolling it out to a wider group of employees; our ultimate goal being around 6 500 employees.

Of the 8 573 employees required to complete our updated ethics training module (rolled out in March 2023), 57% had completed the course by financial year-end. Within Mobility Solutions and our FSPs, the completion rate was 94%. Our next iteration of training will include HR trends that result in disciplinary processes.

Other initiatives undertaken during the year include the piloting of an online gifts and conflicts of interest register, accessible on personal computers and mobile phones, and training on our harassment policy.

Supply chain

Incorporating our supplier base into our ethics management framework has been work in progress for the past few years, with traction gained in 2023 as suppliers started using the whistle-blowing hotline.

Compliant financial products and services

Our FSPs in South Africa, UK businesses that operate as authorised credit brokers and insurance intermediaries, and Australian operations which are governed by the Point-of-Sale exemption¹ in terms of vehicle F&I, manage a complex range of legislation designed to protect consumers of financial products and services. This requires well-trained and compliant sales personnel and robust due diligence processes, including F&I business manager, deal file and compliance audits, and quality assurance of our call centres.

We have a long-standing commitment to offering the right products at the right price in the right way. We ensure that our F&I employees receive the training and continuous professional development they need to maintain their accreditation.

2023 performance

Group

Compliance audits in South Africa, the UK and Australia have not identified any material concerns, and there were no serious or reportable incidents of non-compliance with regulated products and services.

South Africa

Average compliance scores (%)

	2023	2022	2021		2023	2022	2021
South Africa (conducted by FAIMS)				South Africa (conducted by Mobility Solutions)			
OEM passenger	98	97	97	LiquidCapital	95	95	95
OEM commercial	98	95	96	MotorHappy	94	96	93
Importers	96	96	96	M-Sure	94	97	97
Dealer network	95	94	92				

Out of over 160 000 new and pre-owned retail sales, over 700 000 vehicles and third-party products under administration and countless parts and workshop interactions, 476 (2022: 173) cases were referred to the Motor Industry and Insurance Ombuds, with 32% (2022: 40%) of finalised cases relating to Import and Distribution, 52% (2022: 49%) to Retail and Rental South Africa and 16% (2022: 11%) to Mobility Solutions. Overall, 96% (2022: 97%) of the cases were resolved in Motus' favour or resolved between parties to the customer's satisfaction, and 4% (2022: 3%) were ruled against Motus. We abide by ombuds rulings when it is deemed that we were at fault. 89 (2022: 82) cases were still open at year-end. None of the cases pose a material reputational risk for Motus.

All recommendations highlighted by the FSCA in its 2022 compliance assessments of Motus have been resolved in full.

Regions

Good progress was made during the year to improve average compliance scores in the UK following the introduction of CSAs in 2022. No new complaints were raised with the Financial Ombudsman Service in the UK in 2023.

Average compliance scores (%)

	2023		2023
United Kingdom (self-assessment)²			
Motus Commercial	92%	Motus Vehicle Solutions	92%
Motus Truck and Van	91%	Pentagon	97%

¹ Point-of-Sale exemption means that our Australian F&I teams do not fall under the direct licensing or scope of the regulator but have to be trained and accredited by the financial institutions to whom the dealer is contracted.

² Reported for the first time.

Regulatory changes

Motus operates within a highly regulated environment. We support regulatory change that enhances consumer safety, improves our transparency and disclosure with our customers, and ensures a competitive yet collaborative automotive industry. Our ability to quickly identify where our operations are impacted and timeously implement the required controls, enables us to maintain trusted relationships with our stakeholders.

FAIMS is an accountable institution and acts as an agent for financial institutions when arranging vehicle financing for customers as well as for Motus Retail and Importer dealerships in their sale of new and pre-owned vehicles and accessories to ensure that FICA onboarding requirements are met. FAIMS is the first F&I business in South Africa to go completely paperless, introduce end-to-end online FICA customer onboarding and have web links and forms to complete transactions digitally from anywhere in the world (see Contactable on page 120).

Our industry body and business forum memberships help us to better understand regulatory changes and their impact on the Group, and the Parliamentary Monitoring Group platform provides access to various committee reports and upcoming regulatory changes. LegalBrief is used for daily legal updates on salient legal matters affecting South Africa.

A quarterly regulatory CSA questionnaire will be launched in 2024 for all South African operations covering FICA, POPIA, the Guidelines for Competition in the South African Automotive Aftermarket and any other key legislation.

Recent regulatory changes

Amended Financial Intelligence Centre Act and other FIC regulations

The amendments to FICA and several other laws as part of the General Laws (Anti-Money Laundering and Combatting Terrorism Financing) Amendment Act, 2022, came into effect in stages between December 2022 and April 2023. The changes respond to the findings of the FATF and aim to improve customer due diligence measures, strengthen South Africa's legal and institutional frameworks to combat money laundering, terrorism financing and proliferation financing, extend the powers of the FIC to access information and amend several laws to support effective monitoring of beneficial ownership and improve the enforcement of financial intelligence matters.

The FICA amendments designated our dealerships as accountable institutions¹ alongside banks and our FSPs. This is the largest change to our business landscape in several years; however, it enhances oversight of every dealership transaction, whether vehicle- or financial services-related.

In response to South Africa's greylisting, the FIC issued two directives in March 2023 with immediate effect.

Directive 7 means that our dealerships must submit an extensive risk and compliance report to the FIC twice a year, and Directive 8 requires that all current and prospective employees be fully screened for competence and integrity, and against financial sanctions lists when onboarded and at least once a year thereafter.

The following are some of the changes made within the Group to ensure we meet our new responsibilities under the FICA amendments:

- Updated our Risk Management and Compliance Programmes and risk-based analysis documents for each affected business. Further reviews are now taking place to ensure these programmes comply with Directive 8.
- Ran an awareness campaign and rolled out two phases of training for frontline employees on FIC reporting, and dealership obligations as accountable institutions.
- Updated the Group's risk universe and taxonomy.
- Implemented employee sanction-screening processes.
- Updated our employment contracts (existing and new) to include FICA requirements for affected employees.
- Enhanced our customer screening processes, including additional questions relating to domestic and foreign politically exposed persons and politically influential persons and their relatives or close associates as well as beneficial ownership questions for juristic entities that purchase vehicles.
- Started development on a digital tool for our service workshops and parts stores to onboard customers in compliance with FICA requirements.
- Implemented new email validation and AI-assisted threat detection software for customers and functionality to identify the country from which the transaction originates.

By the FIC-imposed 31 July 2023 deadline, all of our dealerships were able to meet the reporting requirements of Directive 7.

Through our NADA membership, we have engaged closely with the FIC on changes to dealership regulation, the legislative framework and other compliance measures, and assisted the regulator with its response to certain issues as part of South Africa's formal response to the FATF. NADA also engaged with the FIC on issues such as combatting the import of grey imports, training material to assist dealerships transition to accountable institutions and interpretation of the new anti-money laundering rules.

¹ All retailers who offer goods valued at over R100 000 are now deemed accountable institutions.

Regulatory changes (continued)

Digital identity proofing with Contactable

Used by all Motus vehicle retail outlets in South Africa, Contactable is a digital third-party solution offering an integrated identity platform. It provides a streamlined and time-saving customer onboarding and screening solution supporting compliance with regulatory requirements and can be completed in the dealership or by customers online. It verifies that the identities claimed by new and existing customers (local and foreign) correspond to real-world identities, and assists to identify the proceeds of unlawful activities. The solution delivers efficiencies and cost savings, reduces risk and uses the most secure and trusted industry standard practices. It can perform Home Affairs identity checks and validation, sanctions screening with international databases, a South African fraud prevention check, and a Companies and Intellectual Property Commission check for juristic persons, among others.

Since its implementation in 2018, Contactable has allowed over 350 employees across various Group businesses to run KYC checks on more than 9 500 individual transactions a month. The tool has detected and escalated an average of over 100 possible exposed persons and sanctioned individuals or businesses per month.

Consumer Duty

In the UK, our focus has been to develop and implement a plan to achieve good customer outcomes per the FCA Consumer Duty, which aims to create a higher standard of care from regulated organisations. These changes have impacted how we engage with our customers and how we market to them. Simply put, our F&I managers have a duty to ensure that our customers are provided with the right information about the financial product they are advising on or selling, as well as information on the people and institution involved. As customers shift to using multiple channels, including digital platforms, to engage with us, we must be able to demonstrate that they have adequately understood what is being sold to them.

The legislation holds boards, or the equivalent, responsible for assessing whether the organisation is delivering good customer outcomes. This means ensuring that employees are trained, competent and act in good faith towards customers, avoid causing foreseeable harm to customers and support customers in the pursuit of their financial objectives. It is intended that the responsibility for compliance with the Consumer Duty permeates throughout senior management and the design, distribution and delivery of a product.

Several initiatives are in place to respond to this challenge, including remote customer onboarding and digital signatures. The FCA has set a number of implementation deadlines, all which we have met to date. Full implementation is required by July 2024.

Upcoming legislation

There are a number of proposed changes to legislation in the pipeline, with the most material in terms of their impact on our business described below. Other upcoming changes to regulations include the amendments to the Employment Equity Act and the Draft Sectoral Employment Equity Targets (see page 72), draft changes to the COIDA relating to return to work, rehabilitation and reintegration, the National Health Insurance Act, and changes to the Waste Management Act relating to tyre waste and eWaste.

Administrative Adjudication of Road Traffic Offences Act

Aimed at improving road safety and driver behaviour, AARTO is a system of enforcement, including the introduction of a demerit system for offences and significantly higher fines. Concern still exists that certain AARTO requirements are not practical or need investment to ensure there is consistent application nationally.

The demerit system will apply to drivers and operators (the person responsible for the use of a vehicle) with the effect of ultimately leading to the suspension and cancellation of driving licences, professional driving permits or operator cards. If a vehicle is suspended it may not be sold or used on a public road. This has serious implications for Vehicle Rental as AARTO does not allow for any type of sanction on tourists, thereby penalising and creating additional administration and operational barriers and costs for the division. The anticipated launch date for AARTO is June 2024.

Dealer Introductory Commission (South Africa)

In 2022, the FSCA engaged with the automotive industry to better understand the payment of dealer introductory commissions, and to in turn, ensure that customers are treated fairly. We have met our obligations in terms of the FSCA's request for information and await feedback.

Conduct of Financial Institutions Act (South Africa)

The roll out of the first phases of the COFI Act is anticipated for 2024. The Act aims to strengthen the regulation of the financial sector in relation to customer treatment and general market conduct. The COFI Act requires financial institutions to be re-licensed and their activities will be regulated as opposed to their products. We are reviewing, amending and formalising our internal processes and procedures, where required.

System and data protection

Our data is one of our most valuable assets. It enables us to personalise and enhance customer experiences based on better insight. We keep up-to-date with the best data management practices and meet our regulatory obligations to manage the personal information of our stakeholders securely and responsibly.

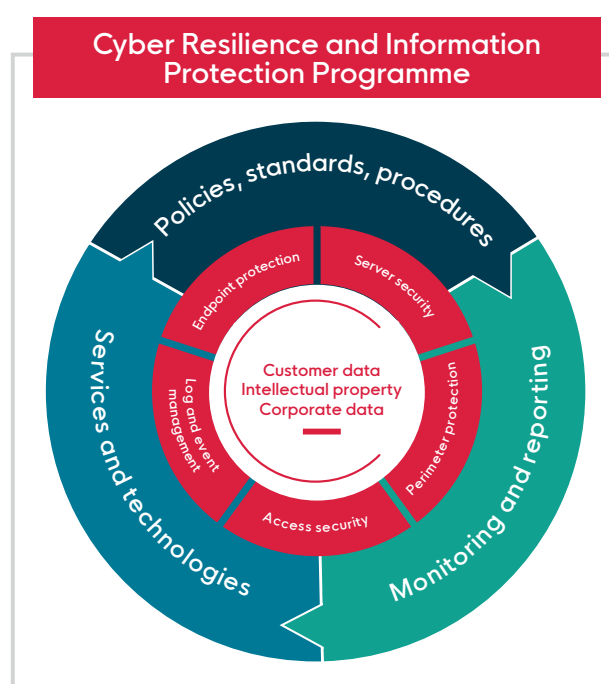
Best privacy practices are embedded in the design specifications of new and existing systems and business processes. This includes privacy impact assessments before a new system or enhancements to an existing system are launched. Our employees are bound by confidentiality to the extent permitted by law. We ensure that they have the right level of access to the information they need to do their work and meet customer expectations. Effective encryption of personal computers is a key priority for the Group.

Data privacy and protection clauses and security assessment criteria in our supplier contracts ensure that our data management responsibility is extended to third parties, covering their connection and access to our systems. Our systems and those of our suppliers and partners in the financial services industry comply with POPIA.

Cyber-threats affect all aspects of our information management systems – from the basic documentation processes in dealerships and branches to all the devices used every day throughout the Group as well as our core network and server infrastructure. Our Group-wide Cyber Resilience and Information Protection Programme ensures that we invest in the most relevant security controls for our systems, critical infrastructure and end user devices, and that we maximise our return on investment and meet regulatory, audit and customer requirements.

We work with technology and financial partners as well as independent advisers to develop integrated data security

solutions and reduce cyber risk for our customers and businesses. When we outsource to IT vendors, we ensure our agreements are well-defined and expectations are well-understood. Where feasible, threat intelligence is shared across the Group and with our partners.



2023 performance

Group

No penalties were incurred and there was no reputational damage for the Group during the year in terms of failure to protect personal data.

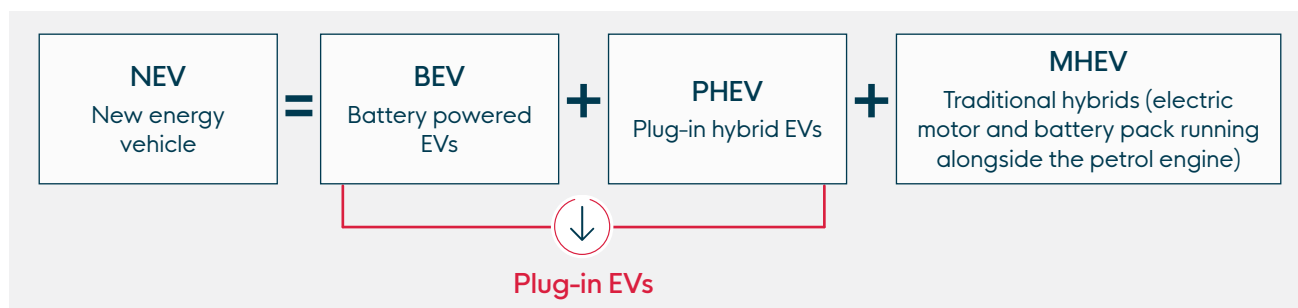
As reported last year, early in the current financial year, one data breach was reported to the regulator in Australia, where email was compromised. All affected customers were notified, and no action was taken by the regulator. In South Africa, where theft and burglaries are rife, there is increased risk of incidents of potential loss of information. During the year, all incidents where an unencrypted device was stolen were reported to the Information Regulator in South Africa. The regulator has not taken action as the devices were password protected and the risk of data loss was deemed to be low.

A number of initiatives were implemented during the year to improve our system and data protection, including:

- Campaigns to raise employee awareness around phishing and POPIA requirements.
- Integrated training on the Cybercrime Act into the FIC training rolled out during the year.
- Improved governance structures; we rationalised our Group policies, procedures and standards for information and system security, and had them peer reviewed.
- Established a Group IT Security Steering Committee to oversee cyber risk management and drive continuous improvement.
- Improved our third-party risk management, assessing our key IT suppliers and their resilience plans.
- Added new customer consent questions to the customer onboarding process to enhance our compliance with POPIA requirements.

Glossary

Definitions for the purposes of this report



A

AARTO	Administrative Adjudication of Road Traffic Offences
AED	Automated External Defibrillator
AI	artificial intelligence
ARC	Audit and Risk Committee (sub-committee of the board)

B

BBA	Bachelor of Business Administration
B-BBEE	broad-based black economic empowerment

C

CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Information Officer
COFI	Conduct of Financial Institutions
COIDA	Compensation for Occupational Injuries and Diseases Act
COO	Chief Operating Officer
CPO	Chief People Officer
CSAs	compliance self-assessments
CSI	corporate social investment

D

DEI	diversity, equity and inclusion
DoEL	Department of Employment and Labour
dtic Codes	Department of Trade, Industry and Competition's Broad-based Black Economic Empowerment Codes of Good Practice

E

EAP	economically active population
EMEs	exempt micro enterprises
ESD	enterprise and supplier development
ESG	environmental, social and governance
EVs	electric vehicles
EVP	employee value proposition

F

F&I	finance and insurance
FAI	FAI Automotive plc (UK)
FAIMS	F&I Management Solutions
FATF	Financial Action Task Force
FCA	Financial Conduct Authority (UK)
FIC	Financial Intelligence Centre (South Africa)
FICA	Financial Intelligence Centre Act
FRRC	Finance and Risk Review Committees
FSCA	Financial Sector Conduct Authority (South Africa)
FSP	financial service provider

G

GDP	gross domestic product
GHG	greenhouse gas
GIBS	Gordon Institute of Business Science
GRI	Global Reporting Initiative

H

HR	human resources
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I

ICE	internal combustion engine
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
IMF	International Monetary Fund
ISO	International Organization for Standardization
IT	information technology

K

kg	kilograms
km/h	kilometres per hour
KPI	key performance indicator
KYC	Know Your Customer
kW	kilowatts
kWh	kilowatt hour
kWp	kilowatt peak

L

LCVs	light commercial vehicles
LED	light emitting diode

M

merSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MISA	Motor Industry Staff Association
MOT	Formerly the Ministry of Transport in the UK
MPD	Motor Parts Direct (UK)
MWh	megawatt hours
m^x	Motus Xponential

N

naamsa	naamsa The Automotive Business Council
NADA	National Automobile Dealers Association
NGOs	non-governmental organisations
NomCo	Nomination Committee (sub-committee of the board)
NPAT	net profit after tax
NPC	non-profit company
NPO	non-profit organisation
NQF	National Qualifications Framework (South Africa)
NUMSA	National Union of Metalworkers of South Africa

O

OEM	original equipment manufacturer
OHS	occupational health and safety

P

PDC	parts distribution centre
POPIA	Protection of Personal Information Act
PV	photovoltaic

Q

QSEs	qualifying small enterprises
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R

RemCo	Remuneration Committee (sub-committee of the board)
RMI	Retail Motor Industry Organisation
RTMC	Road Traffic Management Corporation (South Africa)

Glossary (continued)

S

SADC	Southern African Development Community
SAPIA	South African Petroleum Industry Association
SARB	South African Reserve Bank
SAVRALA	Southern African Vehicle Rental and Leasing Association
SDGs	Sustainable Development Goals
SES Committee	Social, Ethics and Sustainability Committee (sub-committee of the board)
SETA	Sector Education and Training Authority
SMEs	small- and medium-sized enterprises
SMMEs	small, medium and micro enterprises
STEM	science, technology, engineering and mathematics
STIs	short-term incentives
T	
TCFD	Task Force on Climate-related Financial Disclosure
tCO₂e	tonnes of carbon dioxide equivalent
TGP	total guaranteed package

U

UK	United Kingdom
UN	United Nations
V	
VAPS	value added products and services
W	
WEF	World Economic Forum
WHO	World Health Organization
Y	
YES	Youth Employment Service

Independent Assurance Practitioner's Limited Assurance Report on Selected Key Performance Indicators

To the Directors of Motus Holdings Limited




5 Magwa Crescent
Waterfall City, Waterfall
Private Bag x6, Gallo Manor, 2052
South Africa

Report on Selected Key Performance Indicators

We have undertaken a limited assurance engagement on selected key performance indicators (KPIs), as described below, and presented in Motus Holdings Limited's ("Motus") Environmental, Social and Governance report for the year ended 30 June 2023 (the Report). This engagement was conducted by a multidisciplinary team including environmental and assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected KPIs, marked with an "ELA" on the relevant page(s) in the ESG indicator report. The selected KPIs described below have been prepared in accordance with Motus' internally defined criteria, supported by the Global Reporting Initiatives (GRI) Standards ("reporting criteria"). The reporting criteria is available on the client's website at <https://www.motus.co.za/environmental-social-governance/governance/>

Key performance indicators	Unit of measurement	Page in Report
 Safety Road kilometres travelled (million) Road accidents (includes any fatalities) Road accidents per million kilometres	 Km Number Ratio	 Page 7 Page 7 Page 7
 Environmental Road fuel usage (includes petrol and diesel) Electricity purchased Water purchased from municipalities Scope 1 emissions Scope 2 emissions Scope 3 emissions – Air travel	 L MWh Kl tCO ₂ e tCO ₂ e tCO ₂ e	 Page 2 Page 2 Page 2 Page 2 Page 2 Page 2
 Social Number of training hours Training spend – South Africa Total group CSI spend	 Hours Rm Rm	 Page 5 Page 5 Page 10

Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with the reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publicly available to the Report users.

Inherent Limitations

The Greenhouse Gas (GHG) emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Independent Assurance Practitioner's Limited Assurance Report on Selected Key Performance Indicators (continued)

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Deloitte applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the selected KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and, in respect of greenhouse gas emissions, in accordance with the International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. These Standards requires that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of Motus' use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated whether the selected KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at Motus.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Motus' selected KPIs have been prepared, in all material respects, in accordance with the accompanying Motus' reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected KPIs as set out in the Subject Matter paragraph above for the year ended 30 June 2023 are not prepared, in all material respects, in accordance with the reporting criteria.

Other Matters

The maintenance and integrity of Motus' website is the responsibility of Motus' management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on Motus' website.

Restriction of Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs to the Directors of Motus' in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Motus', for our work, for this report, or for the conclusion we have reached.



Deloitte & Touche

Registered Auditor

Per: Jyoti Vallabh
Chartered Accountant (SA)
Partner

27 September 2023

5 Magwa Crescent
Waterfall City
Waterfall
2090

Disclaimer

This document contains certain statements that are forward-looking with respect to certain of the Group's plans, goals and expectations relating to its future performance, results, strategies and objectives. These forward-looking statements are not statements of fact or guarantees of future performance, results, strategies and objectives, and by their nature involve risk and uncertainty because they relate to future events and circumstances which are difficult to predict and are beyond the Group's control, including but not limited to domestic and global economic conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing impact and other uncertainties of future acquisitions, as well as the impact of changes in domestic and global legislation and regulations in the jurisdictions in which the Group operates. The forward-looking statements in this document are not reviewed and reported on by the Group's external assurance providers. Forward-looking statements apply only as of the date on which they are made, and the Group does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, and does not assume responsibility for any loss or damage arising as a result of the reliance by any party thereon.





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