

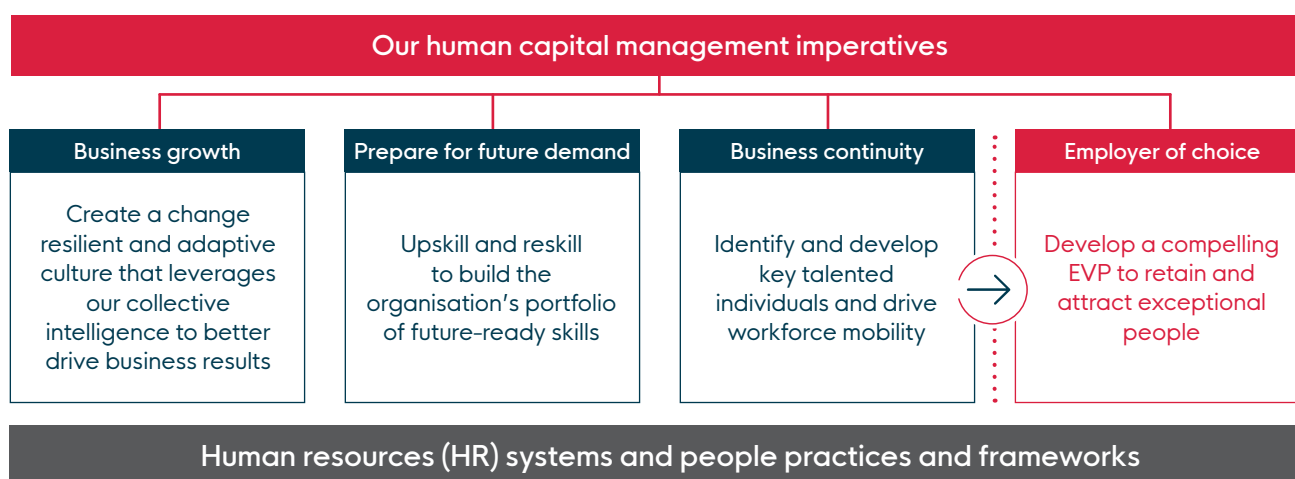


Human capital
management approach
report 2023

Human capital management approach

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, is shaped by business strategy, our operating context and an ever-changing macroeconomic environment. It supports Motus' growth and transition to a customer-centric and innovative organisation, and aims to position the Group as an employer of choice in the automotive industry. Working groups drive various projects within each imperative, for example, embedding DEI in Motus' culture, the reviews during the year on our wellness programme and Group-led learning and development programmes, and our work to enhance the employee value proposition (EVP).

Our human capital management framework, policies and practices comply with South African legislation, which in turn, upholds the labour standards of the International Labour Organization. The framework sets our minimum standards for the management of our workforce but is also flexible; allowing our business segments and regions the freedom to apply it in the best way that supports their business objectives and operating context.



Our priorities

Investments in human capital management

Our key areas of investment in human capital management are:

- Training, development and change management to empower our employees.
- Improving our succession planning, recruitment and performance management processes.
- Continually enhancing our HR processes, practices and procedures.

Employee engagement

Engagement surveys are undertaken at either a business segment or regional level to understand employee concerns and respond with practical improvements. To maintain a level of uniformity, all surveys must cover key human capital-related issues. In South Africa, we are required to consult with employees to identify barriers to transformation. We also conduct an independently administered departure survey to gather insights on why individuals in South Africa choose to leave our employ.

The results of our engagement surveys are reported to the Social, Ethics and Sustainability (SES) Committee. In 2023, we piloted Motus Connect, a new communication platform through which we can engage with our employees and they can engage with each other.

Performance management

Our performance development approach aligns employee performance and expectations with the Group's strategic priorities, and ensures that employees are fairly assessed, rewarded and recognised for exceptional performance. Employees are also assessed on values-based behaviour. Where an employee performs poorly, corrective development or supportive actions are implemented. The performance development approach also identifies the training needed for each employee to meet their responsibilities and advance their careers, and gives employees the opportunity to voice their career growth aspirations.

Human capital management approach (continued)

Diversity, equity and inclusion

We pay particular attention to guarding against unintentionally creating the potential for discrimination or unconscious bias behaviour in the preparation, design, implementation and monitoring of our HR policies, practices and spending programmes. Diversity training in South Africa and the United Kingdom (UK) educates employees on the value of diversity and how to work in diverse teams. Training is also available to help our managers lead diverse teams.

In South Africa, our employment equity plan supports social justice norms and labour legislation that drive the advancement of African, Indian and Coloured people, women and people living with disabilities. It covers employment equity, skills development, and our plans to achieve our targets and remove barriers to transformation identified through analyses. We have co-ordinated and targeted interventions to recruit, develop and promote candidates to achieve our race, gender and disability representation targets. Key examples are an aspiration to ensure an appointment, promotion and training ratio of 60% in favour of employees from designated groups, and our talent pipeline programmes (accredited technical training programmes and formal learnerships) as well as the Women in Leadership Programme.

Apprenticeships targeting women support our diversity, equity and inclusion (DEI) objectives in the UK.

Succession planning

We have detailed succession plans for top, senior and middle management roles. Succession for top and senior management roles at Group, business segment and regional level is regularly reviewed by the Remuneration Committee (RemCo) and the Nomination Committee (NomCo).

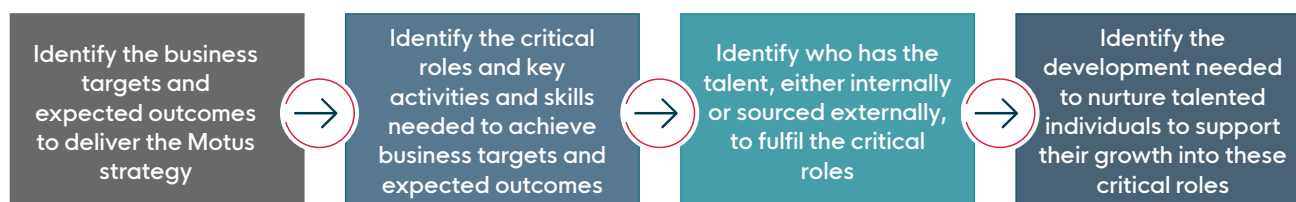
Our succession process starts with identifying key roles, assessing how long the incumbent is expected to remain in the position, and the associated retention risks such as age, health or attractiveness to competitors. Potential internal successors for these critical roles are identified through our performance development approach and are developed accordingly. We also identify potential external candidates.

Talent management

Our talent management framework, implemented in two divisions in South Africa, identifies and fosters the development of key talented individuals. It supports business continuity, and drives flexible skills and workforce planning. Going forward, the framework will be implemented in a further two divisions.

The quality and depth of our succession plans are the ultimate measure of the effectiveness of our approach to talent management. A talent management playbook guides businesses on how to effectively manage talent attraction and retention, talent spotting for critical roles, talent development and succession.

Talent for Growth framework (South Africa)



Leadership development

Our wide range of training, mentoring and networking opportunities provide a constant supply of experienced and capable leaders at all levels within the Group. Our development programmes equip current and potential leaders with the key behaviours and skills they need to navigate each successive level of leadership up to the CEO position. The selection process starts with information gathering followed by a nomination process. Nominees are assessed and interviewed, and the final list of delegates to be enrolled on a development programme is approved by CEOs and department heads.

Learning and development

Learning and development opportunities are accessible at all employee levels given the critical role they play in supporting strategic delivery, digitisation, DEI and a robust succession pipeline. The Group operates the Motus

Technical Academy and each business segment manages its own technical, consumer brand and product-specific training. The Group also delivers non-technical training; programmes that help employees manage uncertainty and complexity, and programmes that drive our desired leadership behaviours. Employee development plans and training are tracked on the performance development system.

We apply a blended approach to learning and development, including formal programmes, self-paced online learning, informal peer-to-peer interventions, webinars and on-the-job learning with assignments. All employees in South Africa and the UK have access to formal online learning, which reduces our learning management costs. Where learning is of a practical nature, in-person training remains critical.

The performance development approach plays a key role in ensuring that our learning and development initiatives are fit-for-purpose and support the development of critical skills.

A workplace skills plan and the Annual Training Report are submitted annually to the relevant Sector Education and Training Authorities in South Africa.

Employee wellness programmes

Investing in the good health and wellbeing of our employees, maintains their morale, supports better employee engagement and boosts the resilience of the workforce. We provide preventive care and health education and awareness. Our employees in South Africa and the UK have access to formal wellbeing assistance programmes. In South Africa, our Employee Wellness Programme is managed by external service providers and offers employees confidential short-term counselling services. In the UK, an independent occupational health provider oversees health surveillance interventions, including legislated medical examinations, and assists employees who need counselling, rehabilitation from workplace accidents and other wellbeing assistance. In Australia, our employees have access to four counselling services and in the Rest of Africa, our HR team supports employees with their wellbeing.

Fair labour practices

We are committed to fair labour practices, including fair recruitment, adherence to minimum wage requirements and fair working hours. Roles and remuneration are determined according to level of complexity, decision-making and skills required. When necessary, adjustments are made 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 in South Africa as part of our employment equity reporting. In the UK, a gender pay report is compiled on an ad hoc basis with the most recent report compiled in 2022.

Refer to the remuneration report: page 162 of the 2023 integrated report.

Employee representation

Our employees are free to choose which union, if any, they wish to be affiliated with. In South Africa, our employees are covered by collective bargaining agreements with either the National Union of Metalworkers of South Africa (NUMSA) or the Motor Industry Staff Association (MISA). Our engagement with unions is on a needs basis and occurs at business segment level. Non-unionised employees are always represented in major discussions.

There is no material union activity in the UK and Australia.

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. Retrenchment processes are undertaken in compliance with all applicable regulation and collective bargaining agreement requirements. During these times, we closely engage with unions.

Dispute and grievance management

All South African managers and supervisors attend a two-day labour relations course to equip them to manage industrial relations-related matters and disciplinary cases fairly, and to correctly apply the requirements of the Basic Conditions of Employment and Labour Relations Acts. 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.

Accurate reporting

Our central HR database in South Africa consolidates all HR data and administration and reporting processes. Strict access control protocols apply and users of the system are trained. A new system with better and updated functionality will be implemented in the new financial year.

Human capital management approach (continued)



¹ Aligns to South Africa's new Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace.

The Group Human Capital function, headed by the Chief People Officer (CPO), serves as a centre of excellence on human capital trends. Our people strategy, practices and frameworks – and oversight of their implementation – are the responsibility of the CPO. The central HR function collates progress against the people strategy from business segments and regions for reporting to various governance structures. It also supports business segments and regions in their application of the people strategy, and shares initiatives and success stories across the Group.

Where feasible, our key people-related policies are standardised, including those that convey the behaviours we expect of our managers and employees, to deliver a fair and consistent employee experience across the Group.

Each business segment and region has its own HR executive and team. HR executives report directly to their business segment or regional CEOs but meet with the CPO quarterly to achieve common people objectives.

Our HR teams implement the Group's people-related policies and frameworks and manage day-to-day people practices.

How we measure our performance

Human capital performance

Group: a human capital scorecard measuring DEI, learning and development, employee engagement and benefits, industrial relations costs and usage of employee assistance programmes (based on reports from wellness service providers).

Executive Committee review: every meeting

Group: employee engagement survey results.

Internal review: when surveys are conducted

South Africa: performance against employment equity targets.

Independent verification: annually

South Africa: performance against the gender targets set out in the Standard Bank co-ordinated sustainability-linked financing facility.

Internal review: quarterly

South Africa: training spend and hours of training.

Limited assurance: annually

Group: number of employees covered by collective bargaining agreements.

Internal review: quarterly

Group: training metrics (spend and participants on leadership and managerial development programmes).

Internal review: quarterly

South Africa: disciplinary hearings, dismissals, poor work performance, Commission for Conciliation, Mediation and Arbitration (CCMA) cases and labour cases.

Internal review: monthly

Diversity targets

Employment equity targets, including interim targets, are set for skills development and race, gender and disability at each occupational level of the South African operation. The Department of Employment and Labour's (DoEL) proposed sector targets will be referenced when formulating our own targets going forward. Targets apply for each business segment and are consolidated into Group targets. Our employment equity plan and targets are submitted to the DoEL annually.

Link to remuneration

The short-term incentives of certain executives are linked to the achievement of our race and gender employment equity targets in South Africa. The Standard Bank co-ordinated sustainability-linked financing facility entered into in 2022 is also linked to increasing the number of women in executive and management positions in South Africa.

Review of 2023 performance

🔗 2023 ESG report

🔗 2023 integrated report