



Motus



Environmental, social and governance report

for the year ended 30 June 2022

Reporting suite

The 2022 Motus integrated report

Online as PDF and HTML

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 King IV application register can be found online.
- The IFRS Foundation, formerly the Value Reporting 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 is not itself audited. In addition, assurance is provided through an independent accountants report on the pro forma information, labelled as such in this integrated report within the divisional performance section.

The 2022 Motus environmental, social and governance report

Online as PDF and HTML

Provides an in-depth assessment of the Group's environmental, social and governance (ESG) performance for the year, including the report 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 2022, 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 Companies Act.

Key company information

Motus Holdings Limited

Incorporated in the Republic of South Africa

Motus Holdings Limited registration number:

2017/451730/06

ISIN: ZAE000261913

JSE Main Board: Specialty retailers

Listing date: 22 November 2018

Share code: MTH

(Motus or the company or the Group)

How to navigate our reports

For easy navigation, icons are used to refer readers to information elsewhere in this report or our other reports online.



Read more in this report.



Read more online.



Read more in the integrated report.



<https://www.linkedin.com/company/motus-sa>



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 to be taken there directly.

* King IV Report on Corporate Governance for South Africa, also known as King IV. Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

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

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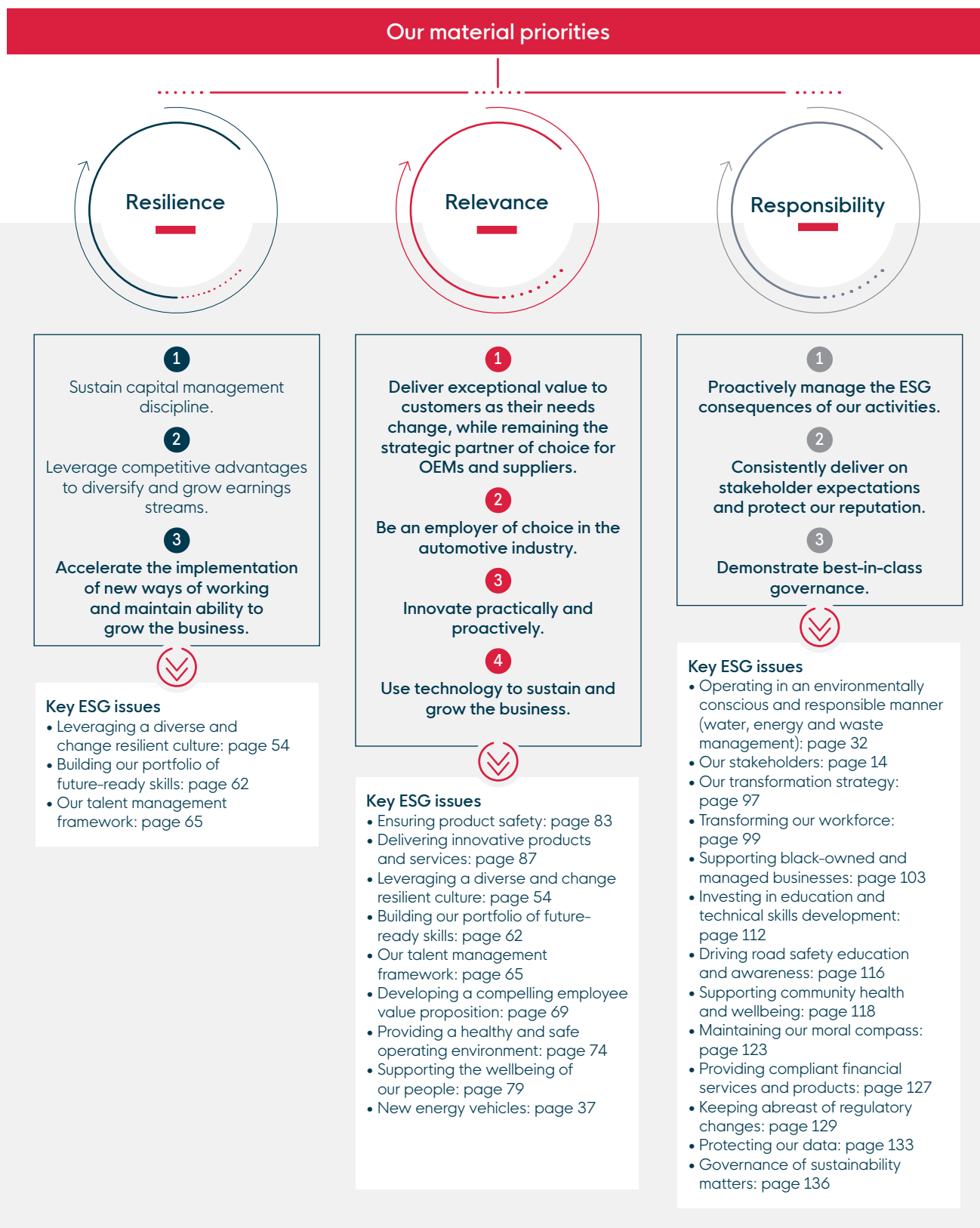
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Link to material priorities



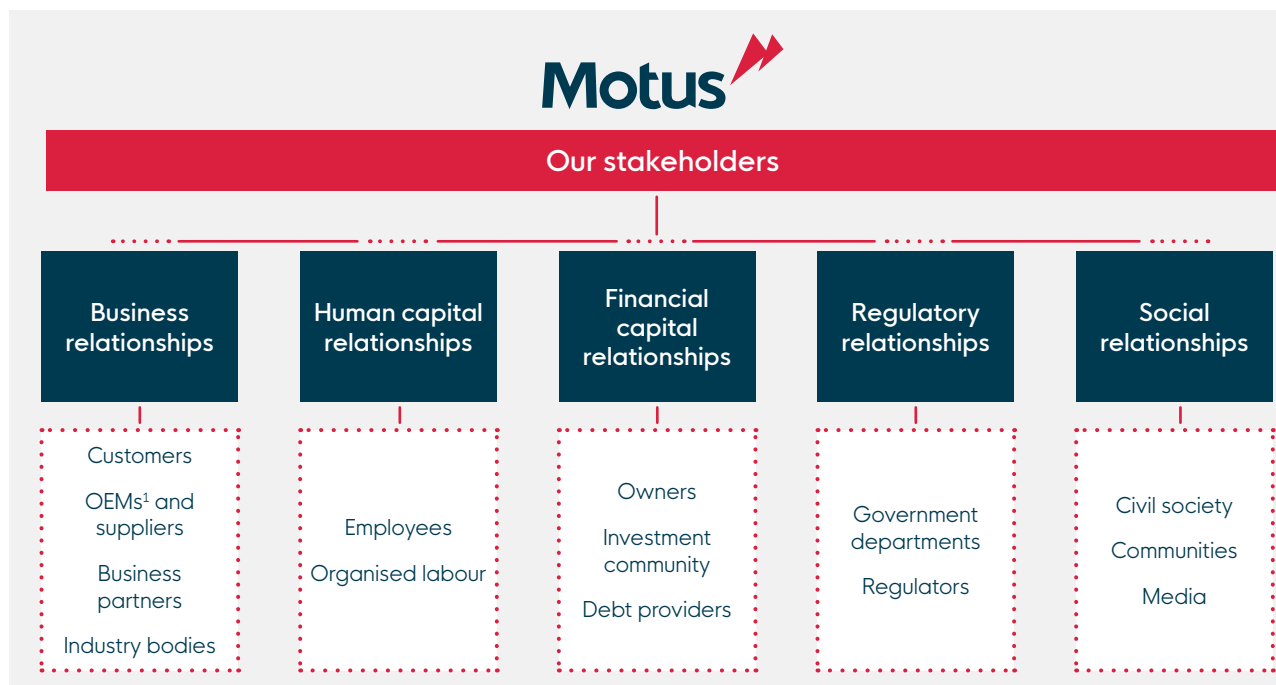
The diagram above sets out the areas where our ESG report provides an in-depth review of Motus' material priorities as reported in the 2022 Motus integrated report.

About this report

The Motus ESG report provides an in-depth assessment of the Group's sustainability performance for the reporting year 1 July 2021 to 30 June 2022. It assesses our ability to manage our environmental, social and economic impacts to create or preserve value for stakeholders, and guard against value destruction. It also assesses how we govern our sustainability risks, opportunities and impacts and ensure ethical business conduct.

Scope and boundary

The ESG report covers Motus' sustainability risks, opportunities and impacts associated with the businesses over which the Group had operational control during the reporting period, including our operations in the United Kingdom (UK), Australia, South East Asia and the Rest of Africa. It also covers the sustainability-related issues that matter the most to our stakeholders.



¹ Original equipment manufacturers (OEMs).

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.

Frameworks

The ESG report has been prepared with consideration given to the GRI Standards, the JSE Sustainability Disclosure Guidance published in 2022, and the TCFD. Together these frameworks have guided the narrative of this report and the identification of key ESG indicators. The principles of King IV and South Africa's national development priorities are also considered.

As sustainability guiding frameworks consolidate, we are keeping abreast of developments to standardise ESG metrics to enhance comparability and drive accountability. We are committed to continually improving our ESG reporting as stakeholder expectations change and new reporting frameworks emerge.

In this year's report, we have made a first attempt to link our material issues to the UN's SDGs based on our current strategies, projects and objectives. This has been guided by a review of the individual targets of each SDG and identifying which targets we feel the Group is able to make a contribution towards. Our detailed disclosure can be found on  page 161 of the additional information section.

About this report (continued)

Materiality

Our material priorities set out on  page 2 are those factors most likely to influence the conclusions of our stakeholders when assessing how we create, preserve or may erode value over time. They are the factors considered to be within the control of the Group's leadership, and which have been identified for close and careful management over the short, medium and long term to deepen the Group's resilience, relevance and responsibility in pursuing sustainable value for stakeholders. They reflect our plans to manage the risks and opportunities associated with the Group's strategy and meet the expectations of our stakeholders. How effectively we manage our material priorities is likely to influence the decisions of our stakeholders in relation to the capital inputs they provide, and the outcomes they expect in return.

Our material priorities inform the content included in this year's integrated and ESG reports.

 Link to material priorities: page 2.

 Determining our material priorities: page 71.

Materiality boundary

Managing our environmental impact, our people and occupational health and safety (OHS), and embedding an ethical culture are material issues for all Motus entities. OHS is particularly key in our workshops and parts distribution centres where employees work with machinery.

Quality control is material for our workshops, vehicle businesses, Car Rental and Aftermarket Parts. Responsible mobility offerings and the protection of customer information are particularly material for our dealerships, Car Rental and Mobility Solutions.

Broad-based black economic empowerment (B-BBEE) is an integral part of any South African business, which includes the transformation of the workforce, inclusive procurement, and support of socio-economic development, and is material for all Motus entities operating in South Africa.

Time horizons

The Group defines the short term as the next three years, the medium term as the next three to six years, and the long term as beyond six years.

Report preparation

The Executive of Corporate Affairs, Risk and Sustainability is responsible for managing the preparation of the ESG report, including overseeing the process and controls applied in the gathering of information and drafting processes. She is assisted in this responsibility by the Chief People Officer and specialist external reporting advisors. Oversight and guidance is provided by the Group CFO and other selected Executive Committee members.

Interviews with senior leadership together with internal and external sources of trusted information used for decision-making purposes have been used to prepare this report. This includes board and management reports, strategy presentations and presentations and reports submitted to 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 and 2 emissions.
 - **Social:** training hours, training spend, kilometres travelled, road accidents and road accidents per million kilometres and corporate social investment (CSI) spend.
- Verification of our B-BBEE scorecard by accredited rating agency, AQRate.

 Independent limited assurance report: page 169.

 B-BBEE certificate: <https://www.motus.co.za/environmental-social-governance/our-people/>.

The Group CFO and other relevant Executive Committee members reviewed this report before it was submitted to the SES Committee, including the Group CEO, for approval.

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 matters relating to ESG, and provides a balanced and appropriate view of the Group's sustainability performance.

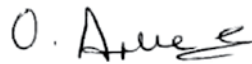
On behalf of the SES Committee



Johnson Njeke

Chairman of the SES Committee

26 September 2022



Osman Arbee

Group Chief Executive Officer

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 and a growing offering in the UK, Australia and Asia.

Motus is the largest, diversified (non-manufacturing) automotive group in sub-Saharan Africa with a selected international presence primarily in the UK and Australia, as well as a limited presence in South East Asia, and Southern and East Africa. We employ over 17 250 people globally. In South Africa, we are the leading automotive group with unrivalled scale.

We operate the four integrated business segments outlined alongside, which provide diverse automotive products and services across all aspects of the automotive value chain. The strength of the Group lies in our integrated business model, diversification and scale. This allows us to be resilient and agile to navigate cyclical challenges and to capitalise on opportunities as they arise, underpinning our ability to create value for all stakeholders over the long term. It also delivers a differentiated value proposition to OEMs, suppliers, customers and business partners.

We continuously align ourselves to emerging digital, mobility and automation trends so that we are able to develop and offer innovative mobility solutions and products to our customers.

Our experienced, agile, and entrepreneurial management team has deep knowledge of regional and global automotive markets, a proven track record, and years of collective experience. A strong and diverse board guides and complements the management team. A skilled, diverse, productive and motivated workforce enables us to operate cost-effectively and efficiently to meet stakeholder needs, and in turn, we endeavour to provide our employees with career growth opportunities and a safe, rewarding and fair working environment.

 About Motus: page 6.



- 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 ensure sustainable value creation for all stakeholders, including suppliers and business partners.



- 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.



- 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.

22%
of Group revenue
(2021: 20%)

28%
of Group operating
profit
(2021: 22%)

6,3%
operating margin
(2021: 4,6%)

Importer and distributor of passenger, light commercial vehicles (LCVs) and parts to serve a network of dealerships, car rental companies, fleets and government institutions in South Africa.

- Exclusive South African importer of Hyundai, Kia, Renault and Mitsubishi
- Operates in South Africa and neighbouring countries
- Exclusive distribution rights for Nissan in four East African countries
- ~24,5% passenger only vehicle market share in South Africa.
- Car parc >750 000 vehicles with average annual sales of ~90 000 vehicles.



IR page 80

Import and Distribution

68%
of Group revenue
(2021: 71%)

41%
of Group operating
profit
(2021: 42%)

3,0%
operating margin
(2021: 2,5%)

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.

- >89 000 new vehicles and
- >89 000 pre-owned vehicles sold annually

South Africa

- OEMs represented: 23
- Dealerships: ~345
- Retail market share: ~22,4%
- Car rental (Europcar and Tempest): 113 branches in Southern Africa
- Rental market share: ~29%

United Kingdom

- OEMs represented: 19
- Commercial dealerships: 81
- Passenger dealerships: 33

Australia

- OEMs represented: 20
- Passenger dealerships: 36



IR page 86

Retail and Rental

2%
of Group revenue
(2021: 2%)

19%
of Group operating
profit
(2021: 22%)

Developer, seller, manager and administrator of service, maintenance and warranty plans, and value-added products and services (VAPS) through importers, dealers, finance houses, insurers, call centres and digital channels.

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

Leader of the Group's **innovation centre**.

- Vehicle-related financial products and services to >740 000 vehicles including third-party products under administration.



IR page 94

Mobility Solutions¹

8%
of Group revenue
(2021: 7%)

12%
of Group operating
profit
(2021: 14%)

7,9%
operating margin
(2021: 7,7%)

Distributor, wholesaler and retailer of parts and accessories mainly for **out-of-warranty vehicles** in Southern Africa, the UK and Europe, through **retail and franchised stores**, and **specialised franchised workshops** in South Africa.

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

- Franchised outlets: 518 (62 owned) supported by 43 wholesale distribution points (40 owned)
- Canopy fitment centres: 5 (owned)
- Franchise base comprises:
 - Resellers (Midas and Alert Engine Parts)
 - Specialised workshops



IR page 102

Aftermarket Parts

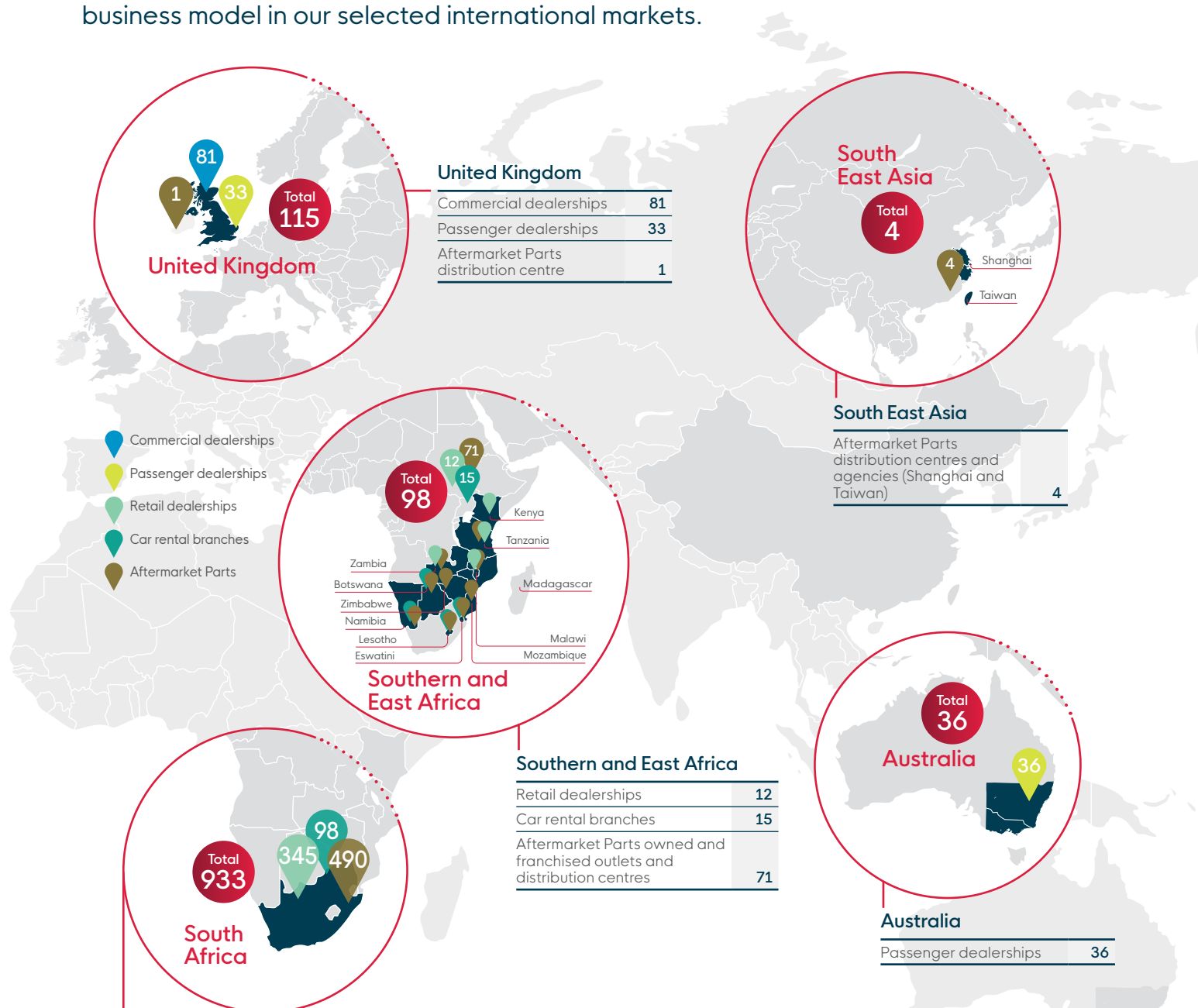
Note: all financial measures in this section exclude head office and eliminations. Operating profit includes profit streams without associated revenue.

¹ Formerly known as the Financial Services business segment. The segment adopted a new name to broaden its purpose as well as its products and services offering.

Motus at a glance (continued)

Operational footprint

The Group's networks in the economic hubs of South Africa and selected international presence provides Motus with opportunities to replicate aspects of our integrated business model in our selected international markets.



Our South African footprint

	Total
Retail dealerships	345
Commercial dealerships	36
Passenger dealerships	204
Pre-owned dealerships	105
Car rental branches	98
Aftermarket Parts	490
Owned and franchised outlets and distribution centres	485
Canopy fitment centres	5

Mobility Solutions

Distributes innovative vehicle-related financial products and services through importers, dealers, finance houses, insurers, call centres and digital channels in South Africa.

Our strategic priorities¹

We grow and expand our participation in all aspects of the automotive value chain with competitive products and services that maximise our share of the customer's vehicle investment and engender loyalty.

The long-term strategic priorities of the Group remain unchanged and are focused on ensuring that we are the leading automotive group in South Africa, with a select international presence in the UK and Australia and a limited presence in South East Asia, and Southern and East Africa.

Our strategic initiatives underpin the delivery of our aspirations and support our ambition to achieve mobility for good while enhancing shareholder value.

Our medium-term value-creating priorities

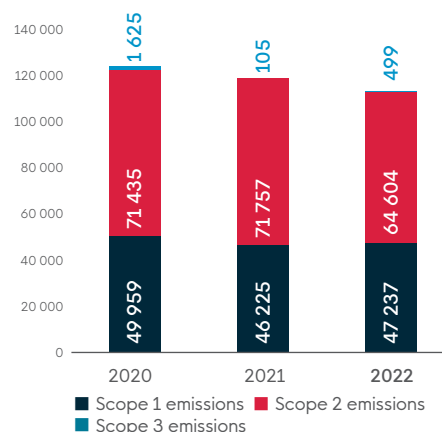


¹ This is a high-level view of our strategic priorities. Our comprehensive Group strategic priorities can be found on page 10 of the 2022 integrated report.

Letter from the Chairman of the Social, Ethics and Sustainability Committee



Carbon footprint (Group)



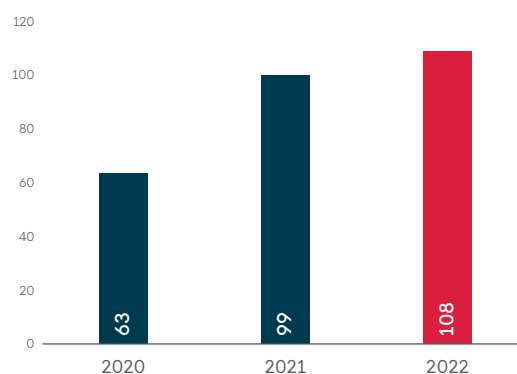
Black representation at management level (%) (South Africa)

65% overall

(2021: 62%; 2020: 56%)



Training hours per employee (South Africa)



The SES Committee is proud to present to stakeholders Motus' second ESG report, in which the Group provides insight into how it leads with purpose, leveraging mobility for good to strengthen our stakeholder relationships and make a positive difference in the lives of our customers, employees and society.

The Group's sustainability and resilience reflect our ability to embed our values in delivering on our strategy and ESG objectives. Motus deserves recognition for sustainably growing its business, providing opportunities for jobseekers and suppliers and positively contributing to community upliftment. It has not achieved this because circumstances have favoured it; instead, the perseverance and agility of our leadership, workforce and business model have stood us in good stead, delivering success despite stiff economic headwinds in our markets of operation. This success has been achieved without compromising our commitment to sustainable practices and by continually enhancing the Group's ESG reputation.

Some notable highlights from the year in review include the setting of new environmental targets for the next three years, steps taken to develop a holistic waste strategy, good improvement of black representation at management level, the implementation of a diversity, equity and inclusion (DEI) plan, numerous initiatives to enhance engagement with our employees, and a 60% increase in our CSI spend to help our social partners sustain and expand their critical work in communities. In June 2022, our efforts were acknowledged when Motus secured its second sustainability-metrics linked funding of R6,8 billion, a first for the automotive sector in South Africa.

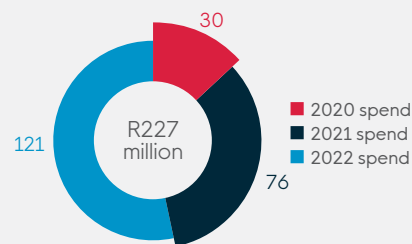
South Africa's Companies Act stipulates that social and ethics committees are responsible for monitoring how companies contribute to socio-economic development, corporate citizenship, environmental protection, health and public safety, consumer relationships and employment. You will find ample detail in this report on these issues.

Regulation also commits us to a 'Corporate Compliance Programme' as per a practice note from the Companies and Intellectual Property Commission. Our approach to these issues, which includes combating fraud and corruption, is covered in the ethical and compliant business conduct report on page 122.

The breadth of this mandate means that the SES Committee is not only responsible for monitoring compliance, but also for encouraging the organisation to further embed an ESG mindset and supporting action plans.

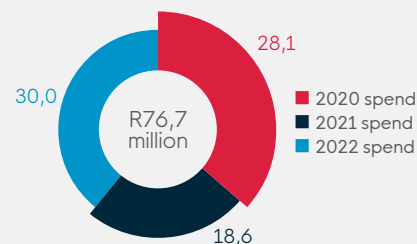
During the year, external experts addressed the executive team and the board on the Group's current progress and provided recommendations on how to better integrate ESG considerations into the Group's strategies and operations. I trust you will read beyond the numbers and appreciate how our managers and executives – as

Enterprise supplier development spend over three years (Rm) (South Africa)



Corporate social investment spend over three years (Rm) (Group)

Exits by employee category



YES4Youth Programme

408 learners onboarded with 196 (48%) employed

at either Motus or its CSI partners. 420 learners will be onboarded in 2023.

Letter from the Chairman of the Social, Ethics and Sustainability Committee (continued)

leaders of mobility – are embracing ESG and making provision for the resources needed to integrate ESG in their daily operations.

Motus does not apply a one size fits all approach. This has enabled the Group to align the key ESG concerns of the developed economies in which we operate, which focus on environmental improvement, with the socio-economic challenges in our home market, all the while underpinning our environmental and social initiatives with clear governance models and frameworks.

In the short to medium term, internal combustion engines will remain central to transport and logistics systems. While we welcome the global shift toward cleaner modes of travel, the pace of transition is uneven across the three jurisdictions in which we operate; unsurprising given the differing operating environments between South Africa, the UK and Australia, particularly in terms of the infrastructure needed to support low-emission vehicles. In addition, affordability is the key barrier to adoption in South Africa.

Our industry, which is a fairly high contributor to carbon emissions, is changing. When circumstances permit, we stand ready to support South Africa's transition and customer preference for new energy vehicles. Until then, we have defined the factors within our control that we can leverage to lessen the direct environmental impact of our operations. As discussed in our environment report on page 32, we achieved a 4,9% reduction in carbon emissions against a year-on-year revenue increase of 5,5%, with additional renewable energy systems expected to come online in the next two years. Our past investments in environmental improvement projects have provided us with a good understanding from which we can start to ready the Group for a net zero carbon emissions plan.

Creating and sustaining job opportunities for the youth and offering them a dignified career path of self-reliance and self-improvement, is urgent for South Africa and a top priority for Motus in our human and social capital efforts. The YES4Youth Programme is an excellent example of public and private sectors aligning to give more young South Africans work experience. We are proud to be part of this programme and to be in a position to offer full-time positions to 48% of the YES learners who have spent the past year as part of the Motus family. This programme builds on our commitment to the Imperial and Motus Community Trust, which employs and trains unemployed youth as library assistants. Today, 63 libraries and resource centres support the education and aid the literacy of over 72 000 learners in under-served schools in Gauteng.

During the year, the Group launched the 'EmpowerHer Affinity' Group to encourage women's networking and assist our female leaders on their journeys to success and empowerment. In support of our DEI plan, from 2023 female representation and the representation of people living with disabilities will be included in the performance criteria of business segment CEOs. Beyond our workplace, we support the growing network of black female professional nurses who provide primary healthcare through the 124 Unjani Clinics facilities, which during 2022 served 864 122 patients. Testament to our DEI efforts is our inclusion in the Satrux Inclusion and Diversity Exchange Traded Fund, the first of its kind in South Africa.

While our rate of road accidents and incidents has decreased despite more road activity as business normalises, it is with sadness that we reported two employee road fatalities and five third-party road fatalities for the year. We also mourned 25 of our colleagues who succumbed to the COVID-19 virus.



We offer our deepest condolences to the families, friends and co-workers of those who lost their lives.

The Group's efforts to communicate the importance of COVID-19 vaccination has paid off; over 75% of our employees have been vaccinated. As the severity of the COVID-19 virus lessens, the trauma and toll of the past two years is likely to remain vivid; as well as the economic and social costs. The need for our employee assistance programmes will remain critical to support the wellbeing of our employees and their families. How we take care of our people and promote life-affirming values is explained in the health, safety and wellbeing report on page 72.

Unfortunately, in socio-economic terms South Africa remains a country of insiders and outsiders; with the latter threatened by poverty and hunger. In our transformation and community reports on pages 94 and 108 respectively, you will read about how we are working with non-governmental organisations (NGOs) to relieve the suffering of the most vulnerable in our society, stepping up in times of crisis. This year we donated R6 million to Gift of the Givers to support riot and flood victims in KwaZulu-Natal. Beyond South Africa, our employees in the UK provided support to victims of the Ukraine war, collecting supplies and donations.

While South Africa's socio-political realities remain a concern, I am comfortable with the relationships that Motus has cultivated with its stakeholders, including government, and we will continue to promote public-private partnerships (like the YES4Youth Programme and other transformative initiatives being undertaken by our industry bodies) where our aims and values align.

Since 2018, we have linked executive remuneration incentives with appropriate ESG outcomes, for example, environmental improvement projects, employment equity and regulatory compliance (explained on page 142). The committee is pleased with the progress in these initiatives for the year under review.

Motus' long-standing commitment to sustainable practices enables it to appropriately manage the current uncertainty in our operating environment, including the ESG-related risks and opportunities outlined on page 19. The depth of experience, commitment and agility of Motus' leadership provide comfort to the SES Committee that the Group remains well-positioned to not just navigate through the foreseeable future, but to thrive.

I thank my fellow committee members, as well as management, staff and the board, for their support and responsiveness in helping the SES Committee fulfil its mandate; and in demonstrating clearly and measurably that financial performance and sustainability at Motus are entirely reconcilable – even in incredibly tough times.



Johnson (JJ) Njeke

Chairman of the SES Committee

Our stakeholders

Our stakeholders include a wide range of groups and individuals who may be affected by our activities, products and services, and whose actions can be reasonably expected to affect our ability to successfully implement our strategic objectives.

The board encourages proactive engagement with stakeholders, and management pursues appropriate engagements with key stakeholders to align their legitimate and reasonable needs, interests and expectations with those of the Group. Our stakeholder groups have varying levels of involvement in the business and diverse, and sometimes conflicting, interests and concerns that need to be balanced over time.

The trust that our stakeholders place in us is an outcome of our reliability, and high standards of accountability and transparency. ESG is becoming a factor of competitiveness from investor, customer and talent perspectives. Investors are demanding that ESG data becomes more comparable between companies, and are increasingly looking to invest in, and be associated with, companies that have compelling ESG strategies. We regularly communicate with our stakeholders on our ESG performance and to demonstrate the stakeholder and business value associated with our ESG and sustainability initiatives. We are committed to transparent reporting and to improving our reporting to meet investor and stakeholder needs.

	How we engage	Their key concerns
Business relationships Customers, OEMs, suppliers (including small and medium enterprises (SME)), and business partners (including finance, B-BBEE and joint venture partners) and industry bodies	- Regular executive engagements with OEMs and suppliers. - Regular executive engagements with shareholders and investment analysts. - Customer surveys. - Operational meetings. - Membership in business forums and industry associations (see page 96). - SENS announcements. - Media releases. - Digital communication channels, including social media and online platforms.	 The new energy vehicles¹ (NEVs) in OEM product ranges available for sale in our markets of operation. - The transition to NEVs and policies that encourage better quality fuel in South Africa that supports modern fuel-efficient technology. - Industry level renewable energy pooling.  - Safety in customer-facing environments. - Effective customer communication and responding to customers using their preferred method of engagement (omni-channel approach). - Meeting OEM quality and customer satisfaction targets. - Supporting our partners and protecting key strategic relationships.  - Ensuring customer data is protected, secure and that access to this information is appropriately governed.

¹ New energy vehicles (NEVs) collectively refers to battery-powered electric vehicles (BEVs), plug-in hybrids (PHEV) and mild hybrid electric vehicles (MHEVs).

Human capital relationships

Employees and organised labour

How we engage

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

Their key concerns



- How we are addressing climate change and the impact it may have on our operations.



- A safe and supportive working environment.
- Access to COVID-19 vaccinations.
- A diverse and inclusive work culture and performance against employment equity targets.
- Access to training initiatives and programmes.
- Enhanced communication and teambuilding between operations.
- Leveraging performance reviews to enhance individual engagement and career planning.
- Non-monetary reward and recognition.



- Compliance with labour laws and reporting to government on our employment equity commitments.

Financial capital relationships

Owners, investment community and debt providers

How we engage

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

Their key concerns



- Our response to climate risk.
- Sourcing and introducing low emissions vehicles and NEVs, and the timeframes for these plans.
- Initiatives relating to water management and electricity and fuel consumption.



- Clarification on the structure of the Ukamba transaction.



- ESG governance.
- ESG targets and strategies.
- How the Group manages the impact of legislative changes on its businesses.

Our stakeholders (continued)

Regulatory relationships

Regulators and government departments

How we engage

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

Their key concerns



- The transition to NEVs and policies that encourage better quality fuel in South Africa that supports modern fuel-efficient technology.
- Carbon tax.



- Quality of customer outcomes and oversight controls on regulated products and services.
- Transformation of the South African automotive industry to improve diversity and inclusion.



- Legal and regulatory compliance and the impact of legislative changes.
- Response to cybersecurity, data privacy and IT security risks.

Social relationships

Civil society, communities and media.

How we engage

- Our road safety awareness programmes.
- Our long-standing relationships with CSI partners and programmes, our work with NGOs and business associations.
- Participation in South Africa's Youth Employment Service (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.

Their key concerns



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



- Enabling new entrants to compete in the automotive industry.
- Inclusive procurement strategies
- Unemployment and meaningful work opportunities for skilled or semi-skilled workers.
- Skills, enterprise, supplier and community development.
- Funding to assist vulnerable communities.



- Managing legislative concerns.

IR Engaging with stakeholders: page 59.

Our ESG operating context, risks and opportunities

Uneven economic recovery from the COVID-19 pandemic may compound social fractures and threaten collaboration on global challenges such as climate change, migration flows and cybercrime.

The global supply chain disruptions, rising commodity prices, tightening of energy supplies and inflation risks all present challenges to global economic and financial stability. By 2024, developing economies (excluding China) will have fallen 5,5% below their pre-pandemic expected gross domestic product (GDP) growth, while advanced economies will have surpassed it by 0,9% – widening the global income gap¹. Around 51 million more people are projected to be living in extreme poverty compared to before the pandemic¹. While Omicron's lower severity brings some return to normality, it is likely to still come with economic and social costs into the future.

In South Africa, the weak macroeconomic environment continues to drive poverty and high unemployment and consumer debt levels, which together with a deterioration in public services, is fuelling polarised communities. This is likely to be compounded by rising interest rates and inflationary pressure on food, fuel and electricity prices as well as political uncertainty. In the fourth quarter of the 2021 calendar year, the unemployment rate climbed to 35,3%. Youth unemployment, measuring jobseekers between 15 and 24 years old, was unchanged at a record high of 66,5%. The economic outlook for the country remains challenging. In particular, electricity shortages and unreliable electricity supply will continue to impede economic growth. Load shedding increased by 38% in 2021 with more than 2 400 gigawatt hours shed. Other pressing issues for South Africa include access to quality education and the transformation of the national healthcare system².

The unrest that took place in July 2021 in KwaZulu-Natal and Gauteng cost the automotive industry over R3 billion³ in physical damages, lost sales orders, cancelled development projects and logistical challenges. For Aftermarket Parts, 15 stores remained closed or not operating at 100% capacity for up to seven months. Motus incurred damages totalling R35 million across 11 sites⁴.

South Africa's National Investment Plan 2050, launched in March 2022, aims to provide a long-term infrastructure planning framework for South Africa. The broadscale plans will strengthen longer-term growth and improve socio-economic conditions if successfully implemented. The fourth annual South Africa Investment Conference

held in March 2022 netted R332 billion in pledges from investors who vowed to support the economic recovery project.

The World Economic Forum's Global Risks Perception Survey indicated that respondents felt that social cohesion erosion, livelihood crises and mental health deterioration had worsened over the past two years. They highlighted climate action failure (seen as the number one long-term threat to the world and people), extreme weather and loss of biodiversity as being the top three most severe environmental risks.

Climate change

COVID-19 brought about co-ordinated health responses and some of the largest social spending programmes implemented to protect livelihoods and the most vulnerable. Climate change is an even bigger challenge for the world. The Intergovernmental Panel on Climate Change's 2021 report confirms unprecedented and in some cases irreversible climate changes in every global region, and that climate impacts are already more widespread and severe than expected⁵. The impacts of climate change include extreme temperatures not seen for years⁶, droughts, fires, floods, resource scarcity and species loss, among others, which in turn impact food and job security, with the poor being the most negatively affected.

In April 2022, large-scale flooding in KwaZulu-Natal, South Africa, left a trail of destruction in certain areas. Some of our employees were not able to come to work and others had no clean water. Parts of Nelson Mandela Bay are at risk of running out of water, potentially causing market disruption, and adversely impacting our staff living in the area and the factories of OEMs based in the area. For South Africa, the ability to mitigate widespread disaster is constrained; some parts of KwaZulu-Natal took over four weeks to resume municipal water supplies following the floods. While we were not directly impacted by the floods, Toyota had to destroy around 4 500 damaged vehicles and suspend production for four months, impacting the availability of vehicles and parts at all Toyota dealerships. Our results were impacted by approximately R24 million.

In Australia, floods in Queensland and New South Wales have disrupted business activity.

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

² 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.

³ naamsa | The Automotive Business Council (July 2021 report).

⁴ Losses were recovered as far as possible through our insurance policies.

⁵ The Intergovernmental Panel on Climate Change Working Group's report 'Climate Change 2021: the Physical Science Basis' released in August 2021.

⁶ World Economic Forum's Global Risk Report 2022 (Edition 17).

Our ESG operating context, risks and opportunities (continued)

The greenhouse gas emissions rate rose faster in 2020 than the average over the last decade. 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 agreements¹. 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. In addition, there are unknown risks associated with untested biotechnical and geo-engineering technologies, and lack of public support for land use transitions or new pricing schemes will create political complications that further slow action.

A number of decisions were taken at COP26 to accelerate collective action towards limiting global temperature increases to 1,5 degrees Celsius. South Africa, the UK and Australia have all committed to net zero emission targets by 2050. To achieve this, industrial production, transportation and the way people live and consume will need to change. Accelerating innovation and investments in the next 10 years is critical to making low-carbon technologies cost competitive and building green supply chains.

The adoption of plug-in electric vehicles (EVs) is expected to accelerate exponentially in developed markets. However, South Africa's unreliable power supply and the high cost of these vehicles, means adoption is likely to lag with hybrid vehicles potentially being better positioned to bridge this gap. Investment will be needed in South Africa to adapt manufacturing towards the supply of vehicles for export.

To drive transition to a lower carbon economy, governments need trust. This means they will need to first address the concerns of citizens, and set the construct to enable the private sector to invest and drive change. They will also have to assist the financial services sector and businesses to de-risk and develop blended finance structures for the green transition.

Global supply chains

The global shortage of semi-conductors (needed for technologically advanced vehicles²), has impacted vehicle production and created erratic inventory supply, further compounded by rising production, freight and logistics costs. The shortage has been brought about by the intensified worldwide demand for electronic goods during the COVID-19 pandemic. Analysts estimate that the vehicle production losses caused by the shortage could be between 6,3 million and 7,1 million vehicles for the 2021 calendar year³. Then in 2022, the Russia-Ukraine conflict heightened supply chain pressures and caused further disruption for some suppliers. While governments may look to increase local

production across sectors, a better global approach to trade is needed to build resilient supply chains that are competitive, sustainable and inclusive.

Changing customer behaviour and technological advances

Customers are demanding new types of mobility solutions, from vehicles with lower carbon emissions to less costly shared ownership models (ride-sharing, vehicle subscription and e-hailing). Deeper understanding will be required to participate in the shifts in individual mobility patterns, driving new engagement and business models.

Customer shopping preferences and ability to source information continue to evolve. This requires investment in a variety of digital offerings that meet customer needs, enhance their experiences and provide multiple channels through which to access information. A complementary physical footprint is still needed for aspects of the buying process that remain difficult to digitise. Across industries, investment is being made to provide customised solutions and experiences, and new engagement models to build deeper connections with customers.

Effective data management will be critical to delivering more personalised and customised mobility experiences. As dependency on digital systems intensifies, cybersecurity threats are growing in sophistication and aggressiveness. Attacks on large and strategic systems will carry consequences for societies and impact public trust. Technology governance and policies must create and maintain trust in technology and the opportunity that digital solutions present.

The workforce of the future

Skills requirements are changing with a strong emphasis on digital, customer-focused and human-machine interaction skills. For the automotive industry, while operational roles such as vehicle technicians, store assistants and retail managers are still key, there is also a growing need for data and software scientists. In addition, employees want flexible and collaborative ways of working, which is playing a role in their decisions on who to work for.

According to PwC, by 2030 the labour force in sub-Saharan Africa is set to reach 676 million, 20% of the world's workforce. Yet widening digital and education gaps may split the world into countries able to implement digital transformations that achieve new growth opportunities and others being held back by digital divides and stagnant job markets. Education is critical in ensuring that young people have the skills necessary to join workforces.

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

² According to the New York Times, a new vehicle can have up to 100 microchips onboard (used in components from touchscreens to transmissions).

³ naamsa | The Automotive Business Council (September 2021 report).

ESG risks and opportunities



Climate change

Risk exposure movement:



Inherent risk:



Residual risk:



Physical risks (short term): extreme weather events can disrupt business operations, weaken economic growth and cause damage to vehicles, property and other assets. Higher temperatures and lower rainfall brought about by climate change will impact the length and severity of droughts, and in turn, our customers and communities. In addition, climate change will have a direct impact on energy availability, supply chains and the supply of food.

Transition risks (short to long term): the transition to a low-carbon economy poses the following short-term risks:

- Access to finance that is increasingly linked to an organisation's climate-related risks.
- Access to the capital needed to invest in long-term solutions that optimise resource consumption.
- Increasing emissions taxes.
- Foreign regulations that impact exports.
- Increasing prices for goods and services.

Over the medium to long term, climate-related risks include:

- Customer preference for products that have a lower negative impact on the environment.
- Aggressive adoption targets for plug-in EVs and the discontinuance of internal combustion engines in the European Union.
- A change in our portfolio of products (the timing dependent on country regulations).
- The impact of NEVs on workshop profitability.

Reputation risks (medium term): failure to take action to curb GHG emissions and minimise environmental impacts could tarnish our reputation, particularly as public perceptions and expectations change.

What we can control

- Operating in an environmentally conscious and responsible manner:
 - Robust targets for water, fuel and electricity consumption.
 - Investing in low carbon and water-saving solutions.
- Providing appropriate and transparent disclosure on our environmental impacts and mitigation actions:
 - Improving the measurement and reporting of our climate-related and environmental impact.
- Understanding and planning around the medium to long-term EV availability from OEMs.

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

- Availability of automotive products and services that contribute to environmental improvement.
- National policy and the infrastructure needed in South Africa to support plug-in EVs.

Opportunities



- Position Motus as an organisation that considers environmental aspects in its decision-making, and meets its environmental compliance obligations in all countries of operation (short term).
- Procure lower emissions vehicles for our fleets (Car Rental and company vehicle fleet etc.).
- Provide battery charging infrastructure at dealerships as a new revenue stream (short term).



Detailed information

Environment chapter: page 32.

Our ESG operating context, risks and opportunities (continued)



SOCIAL

Economic and socio-political challenges

Risk exposure movement:



Inherent risk:



Residual risk:



Prolonged economic stagnation: the impact on the global economy given the muted recovery and increasing inflationary pressure post the COVID-19 pandemic is anticipated to continue over the short to medium term.

In South Africa, inconsistent service delivery and poor public infrastructure is coupled with ongoing power outages, high interest rates and high unemployment that could fuel social unrest.

Globally, larger economies may face a debt crisis brought on by an inflationary environment.

What we can control

- Monitoring the political environment to identify possible negative impacts and assess any risks and opportunities.
- Participating in industry bodies and engaging with the government on solutions to transform the automotive industry in South Africa.
- Installing alternative power supply sources.

People

Risk exposure movement:



Inherent risk:



Residual risk:



Succession and talent management: as the business model becomes increasingly digital and the technological component of most jobs grows, the scarcity of qualified, specialised (technical and customer-facing) and digitally skilled people challenges the availability of talent needed to remain competitive and successfully deliver on Motus' strategy.

Health and wellness: COVID-19 fatigue may result in employees feeling under-supported or overwhelmed, impacting their productivity and mental health. The emergence of more infectious diseases is a global risk.

What we can control

- Providing an employee value proposition that is attractive to current and potential employees, enabling us to attract and retain motivated and engaged employees.
- A talent management framework that:
 - Identifies current and future critical skills.
 - Fosters a diverse and future-fit talent pool of leaders and specialists.
 - Ensures a healthy succession pipeline at all levels.
- Providing tailor-made programmes to build the digital dexterity of employees.
- Providing a healthy and safe working environment and initiatives that support employee wellbeing.

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

- Scarcity of qualified skills.
- The slow uptake of vaccines in South Africa.
- The increasing wage bill.
- OHS within the supply chain.

Supply chain

Risk exposure movement:



Inherent risk:



Residual risk:



Supplier relationships: OEMs and our franchised dealers are critical to our business model and key suppliers enable us to deliver superior service to our customers. The termination of these contracts could impact our operations and financial performance or result in penalties. Failure to meet OEM dealer standards could affect our status as an exclusive distributor and retailer of the global brands we represent.

Product safety: failure to meet product safety standards and legislation designed to protect consumers, could undermine the Group's reputation, and result in penalties and fines and loss of commercial licences.

What we can control

- Regularly engaging with OEMs and suppliers and monitoring the effectiveness of our supply chains.
- Meeting and maintaining OEM expectations in terms of:
 - Their standards and requirements on how we retail their products.
 - High levels of quality and safety.
 - Customer satisfaction.
- Providing excellent customer service.

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

- Safety features of vehicles.

Transformation

Risk exposure movement:



Inherent risk:



Residual risk:



B-BBEE status of South African-based operations: failure to achieve transformation targets and transform the workforce may impact our competitiveness and sustainability.

Reputation: failure to inculcate a culture that drives good corporate citizenship may undermine the Group's reputation.

What we can control

- Driving a co-ordinated transformation programme to meet our B-BBEE targets:
 - Achieving our employment equity targets.
 - Extending our network into informal communities (non-OEM branded workshops, majority black-owned dealerships, and accessible parts and services for informal traders and technicians).
 - Supporting education, healthcare, road safety and community upliftment as part of our commitment to broader South African growth objectives.
- Regularly reviewing the supply chain to identify opportunities to increase the participation of new entrants.

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

- Achieving full points on the B-BBEE scorecard for preferential procurement.

Opportunities

- Be an employer of choice in the automotive industry.
- Develop a diverse talent pool to gain cognitive diversity which promotes collaboration and innovation.
- Participate in the YES4Youth Programme to employ graduate learners, identify potential talent, provide opportunities for unemployed learners and help reduce unemployment.
- A supply chain that underpins our ability to source and sell high-quality products and services.
- Achieve a B-BBEE scorecard rating that gives us preferred supplier and employer status, enhancing our competitiveness and access to private sector and government business.
- Build our relationships with our CSI and other societal partners to uplift and support communities in need and address social challenges faced in South Africa.
- Employ and develop young people to prepare them for the job market.



Detailed information

Social chapter: page 51.

Our ESG operating context, risks and opportunities (continued)



GOVERNANCE

Regulatory and compliance

Risk exposure movement:



Inherent risk:



Residual risk:



New legislation impacting business: the Group is exposed to a wide range of legislation, which impacts all our operations and relationships with various stakeholders, including banks, OEMs, suppliers, regulators and the public. Non-compliance with environmental legislation, labour-related legislation (including skills development and employment equity legislation), OHS and product legislation could undermine the Group's reputation and result in penalties and fines. Material legislative changes may impact our business model and core market dynamics.

Unethical conduct: a difficult economic climate where people are suffering economic hardship, can lead to increased incidents of fraud, corruption and misconduct, including by employees and stakeholders in our supply chain. More broadly, any negative environmental or social impact arising from the activities of our OEMs and key suppliers, could create negative sentiment for the Group.

What we can control

- Investing in initiatives to implement the actions needed to ensure compliance and understand the impact of new regulations:
 - Appropriate controls, training and awareness (for employees and partners).
 - Specialist compliance functions.
 - Ongoing monitoring of legislative changes.
 - Conducting relevant compliance audits.
 - Close co-operation between legal and operational functions.
- Ongoing engagement with industry and business associations to advocate for more effective policies.
- Annual ethics self-declaration.

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

- Regulatory developments.
- Consumer awareness of regulatory changes.

Technology

Risk exposure movement:



Inherent risk:



Residual risk:



Information security: the global increase of cybercrime 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 are expected to intensify. Digital inequality may be an emerging risk over the next two years.

Legislation relating to personal data requires that this information is afforded adequate levels of protection as instances of negligence carry large fines.

What we can control

- Enhancing the IT governance framework and our cyber strategy.
- Protecting personal information, including engaging with our employees and partners on information protection and cyber resilience:
 - Ongoing cyber risk assessments
 - Adherence to minimum cybersecurity guidelines.
 - Heightened cyber-awareness.
 - Robust incident response capability to deal with incidents and risks as they arise.

Opportunities

- Earn the trust of our stakeholders as a good 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.
- Develop legally compliant methods of transacting that enable customers to complete an end-to-end buying process across multiple interconnected channels.



Detailed information

Governance chapter: page 122.

Risk management

Our risk management framework is embedded in the day-to-day operations of the Group. It promotes responsible risk-taking, aids better understanding of the potential impact of risks and opportunities, including those related to ESG, on our strategic objectives and the likelihood of these risks materialising. It also identifies effective action plans to mitigate risks and realise opportunities.

Governance and structure

Risk management framework

Provides the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management.

The board and its sub-committees

Responsible for the governance of risk and ensuring that formal processes are implemented to effectively manage the risks facing the Group.

Executive Committee and the business segment finance and risk review committees (FRRCs)

Responsible for managing all risks and implementing relevant risk governance processes, standards, policies and frameworks.

The board delegates the responsibility for the implementation and execution of risk management to the Executive Committee and FRRCs. The board and its committees oversee the effectiveness of risk management, receiving regular reports and periodic assurance.

Risk management processes

Risk culture

Communication and consultation

Risk appetite and tolerance

Risk assessment

Risk response

Risk taxonomy

Monitoring and review

The risk appetite sets out the amount and type of risk that the Group is prepared to pursue, retain or take in pursuit of its objectives and the creation of value. Our risk management policies, procedures and practices are systematically applied to the above activities.

Risk controls

Additional measures to enhance the effectiveness of risk management include internal controls, control self-assessments (CSAs), head office monitoring and oversight, and Group compliance and risk forums.

Our internal control hierarchy



Three lines of defence

Our combined assurance framework provides a co-ordinated Group-wide approach to risk management to ensure its effectiveness.

FIRST LINE OF DEFENCE – management

Responsible for the identification and management of risks in line with agreed risk policies, appetite and tolerance levels, and controls at an operational level.

SECOND LINE OF DEFENCE – risk management, compliance, legal, quality control functions

Responsible for overseeing and monitoring various risks and developing appropriate tools to effectively manage these risks.

THIRD LINE OF DEFENCE – internal audit, external audit, independent assurance providers

Assurance providers and internal auditors offer oversight and assurance to the board and management on the adequacy and effectiveness of the controls implemented. External auditors provide an opinion on the fair presentation of the consolidated and separate annual financial statements in accordance with IFRS and the Companies Act.

■ All three lines of defence report to the board; either directly or through ARC and the SES Committee. Both committees are responsible for overseeing various ESG aspects (see ESG governance framework: page 136.)

People, process, data, systems, infrastructure

Risk culture and values

Our values require that we are honest, transparent and communicate the level of exposure we take in the pursuit of value creation and preservation and the extent to which we guard against value erosion.

Risk management (continued)

Control self-assessment

Our Group-wide CSA Programme and process risk registers support the combined assurance framework. The business processes, risks and controls within each business segment are documented, and employees and supervisors use this to assess the adequacy of the controls within their operation and to identify gaps. Over 3 650 employees are involved in some form of CSA on a monthly basis. The programme is designed to standardise and benchmark minimum requirements across the Group, improving the control environment, providing proof of oversight and allowing for early detection of key concerns so that they are quickly addressed. Oversight takes place at operational management level for all business areas with additional monitoring for larger operations. This is then collated into business segment reporting. The CSA Programme incorporates financial and operational controls, including the controls used to manage our ESG-related risks.

The CSA Programme is providing a better understanding of our business operations, cultivating a stronger awareness of risk practices and reinforcing our governance framework. In addition, it limits the need for extensive audits, and reduces auditor fatigue and assurance overload.

The programme is in place across the Group other than Australia where a different process that is more relevant to that operation has been implemented.

2022 performance and key objectives

- Nothing came to Group internal audit's attention to indicate any material breakdown in internal controls during 2022. Group internal audit is of the view that Motus' governance processes, risk management and system of internal controls are adequate and effective.
- This year we focused on developing an adequate level of reporting against the CSA. The overall completion rate for the year was 93% (target: over 90%) and the overall compliance rate was 97% (target: over 95%) across 10 areas, excluding Australia.

Motus

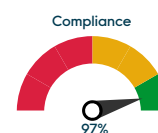
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Response period:

Closing date:

Closing date:



Reports

Questionnaires view

	Total
Africa	97%
Aftermarket Parts	97%
Car Rental	98%
Importer	97%
Mobility Solutions	97%
Motus UK	95%
Retail (South Africa)	97%

Our approach to managing climate-related risks

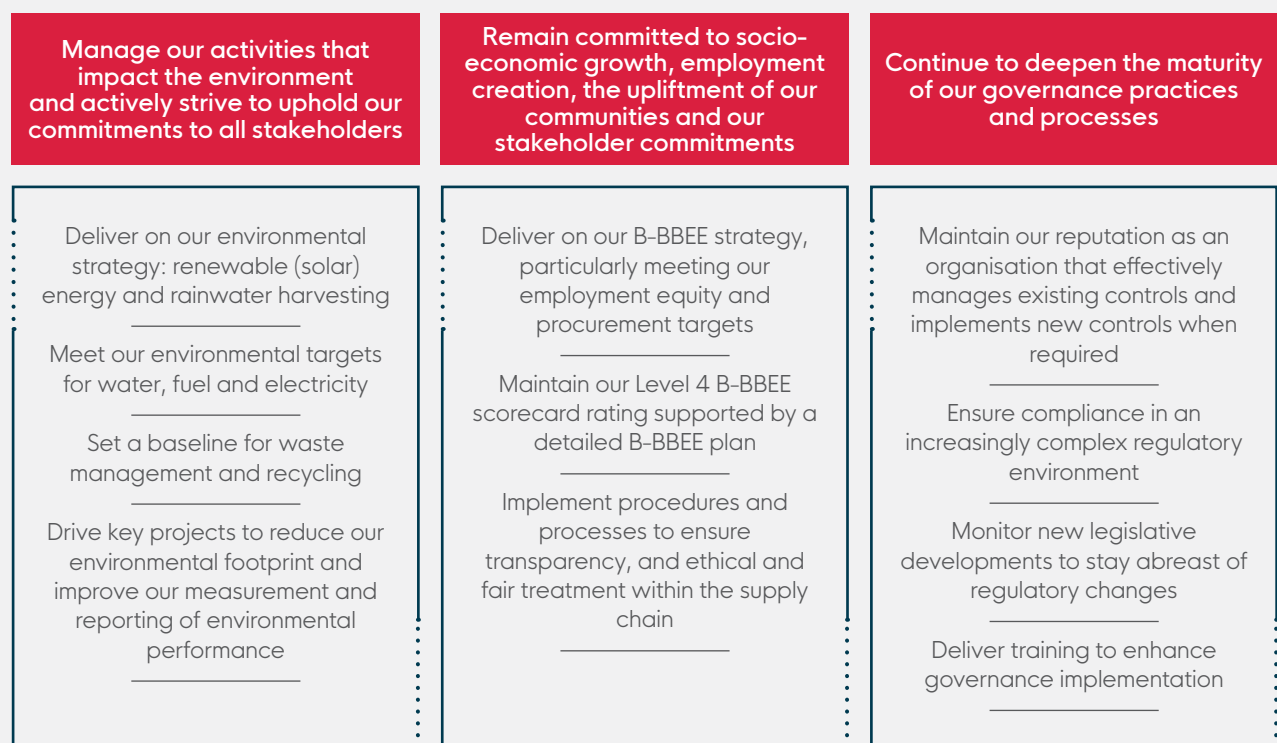
We consider our climate-related risks in alignment with the recommendations formulated by the TCFD. The SES Committee receives a quarterly risk assessment on our climate-related risks, which includes risk impacts, our responses and relevant key performance indicators (KPIs). Climate change-related risks, both current and emerging, are identified for our operations, suppliers and the rest of the value chain. Our risk assessment process considers strategic, business and operational risks that could occur as far as 10 years into the future. Each operation identifies the risks to its business and quantifies the potential impact. This is recorded in the business segment or regional risk register, which covers predominantly operational risks. Risks are reviewed by the FRRCs quarterly and elevated to Group-level. The business segment or regional risk registers and the Group-level risks are reported to ARC. Strategic risks are discussed with business segments and regions to ensure alignment.

IR Managing our risks and opportunities, including our top business risks: page 62.

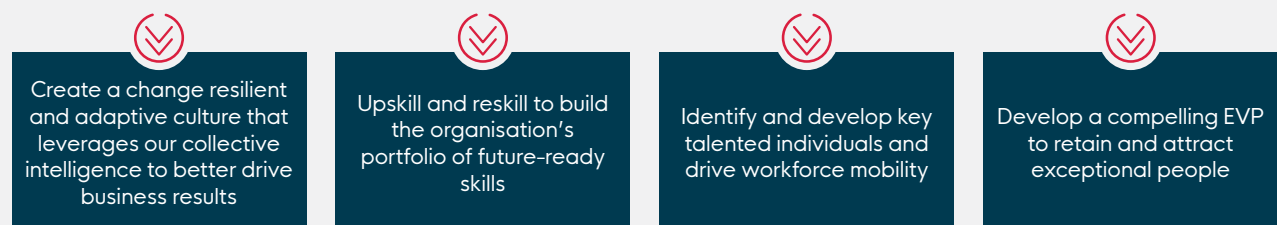
Our ESG strategy

We are refocusing our processes and systems that gather and assure our ESG information to meet investor and stakeholder demand for better disclosure on non-financial risks, impacts and opportunities. Specific non-financial KPIs are incorporated in our remuneration decisions.

We aim to implement practices that aid the growth of the economies in which we operate, ensure that our strategy is achieved in an environmentally conscious and responsible manner, and recognise that we are an integral part of society from the perspective of our people and the communities we operate in. We ensure our business practices comply with legislation, provide equal and fair opportunities for our employees, and are conducted with the highest levels of integrity and ethics.

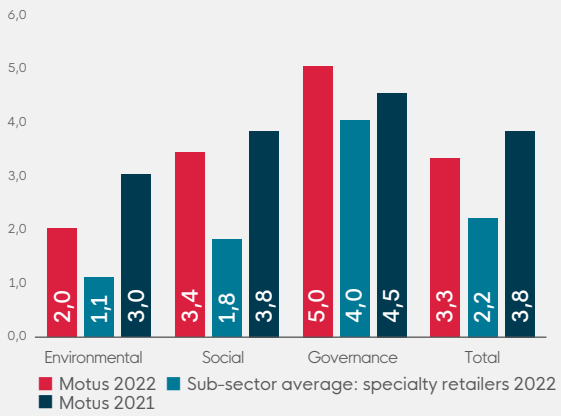


Our human capital imperatives



Underpinned by what is within Motus' control and influence within the value chain

Overview of our ESG performance

Climate change CDP¹ Assesses climate change disclosure Latest rating date: October 2021	D (our first submission)	Average performance Trading, wholesale, distribution, rental and leasing C Africa B Global B-																				
FTSE4Good Index Series A global sustainable investment index series Latest rating date: June 2022	3,3 out of 5 (2021: 3,8)	<table><thead><tr><th>Category</th><th>Motus 2022</th><th>Sub-sector average: specialty retailers 2022</th><th>Motus 2021</th></tr></thead><tbody><tr><td>Environmental</td><td>2,0</td><td>1,1</td><td>3,0</td></tr><tr><td>Social</td><td>3,4</td><td>1,8</td><td>3,8</td></tr><tr><td>Governance</td><td>5,0</td><td>4,0</td><td>4,5</td></tr><tr><td>Total</td><td>3,3</td><td>2,2</td><td>3,8</td></tr></tbody></table>	Category	Motus 2022	Sub-sector average: specialty retailers 2022	Motus 2021	Environmental	2,0	1,1	3,0	Social	3,4	1,8	3,8	Governance	5,0	4,0	4,5	Total	3,3	2,2	3,8
Category	Motus 2022	Sub-sector average: specialty retailers 2022	Motus 2021																			
Environmental	2,0	1,1	3,0																			
Social	3,4	1,8	3,8																			
Governance	5,0	4,0	4,5																			
Total	3,3	2,2	3,8																			
2021 IRAS² Report IRAS provides a comprehensive review of ESG reporting in South Africa, using its research and sustainability data transparency index. Latest rating date: published 2022	64,65% The sixth highest ranking in the retail sector (2021: 64,71) Within the retail sector, the highest score was 77,27% and the average score was 50,37%.																					
Broad-based black economic empowerment B-BBEE measures a South African company's transformation towards the inclusion of black people. It covers a number of elements relating to ownership, employment equity, skills development, preferential procurement and socio-economic empowerment. Latest rating date: September 2021	Level 4 B-BBEE rating at corporate level valid to 28 September 2022 Target: we expect to maintain our Level 4 rating for the 2022 B-BBEE scorecard																					
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. Leader: AA and AAA Average: A, BBB and BB Laggard: B and CCC Ranking at 13 July 2022	A We score well on the governance metric with strong business ethics highlighted. Our environmental score is somewhat depressed given the automotive sector's exposure to carbon emissions and the lack of EV traction in South Africa																					
Satrix Inclusion and Diversity Exchange Traded Fund (ETF) Developed with Refinitiv³, 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. Ranking at 23 August 2022	Ranked in 20th place in the Satrix Inclusion and Diversity ETF																					

¹ 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.

² Integrated Reporting and Assurance Services.

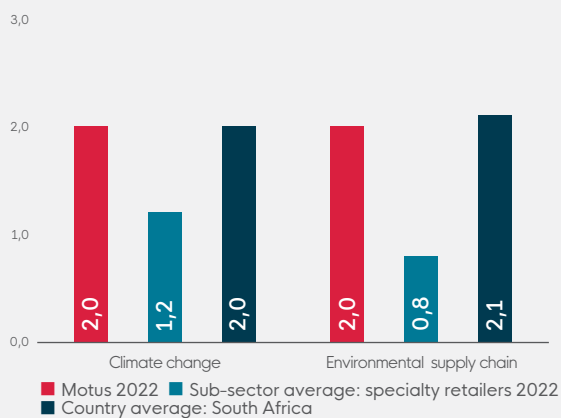
³ A global index provider and the world's largest provider of financial markets data.

2022 performance overview



FTSE4Good Index Series (Group)

Environment themes



Environmental compliance (Group)

There were no environmental-related fines or penalties incurred
(2021: none)

Sustainability-linked facility

Secured a sustainability-linked facility worth R6 billion and a working capital facility of R800 million. Targets achieved result in a favourable interest rate or a penalty if not achieved.

Environment chapter: page 32.

Water purchased from municipalities (Group)

(linked to remuneration)

609 191

kilolitres

(2021: 570 089 kilolitres)

2022 target: 554 999 kilolitres

Electricity purchased (Group)

(linked to remuneration)

70 108

megawatt hours

(2021: 73 317 megawatt hours)

2022 target: 69 713 megawatt hours

Road fuel consumption (Group)

(linked to remuneration)

16 637 246

litres

(2021: 16 114 297 litres)

2022 target: 18 531 442 litres

Carbon footprint¹ (Group)

111 841

tonnes of carbon dioxide equivalent (tCO₂e)
for Scope 1 and Scope 2 emissions

(2021: 117 982 tCO₂e¹)

499

tCO₂ for Scope 3 emissions

(2021: 105 tCO₂e)

¹ Restated due to a change in carbon emission factors applied to better reflect the South African environment.

Overview of our ESG performance (continued)

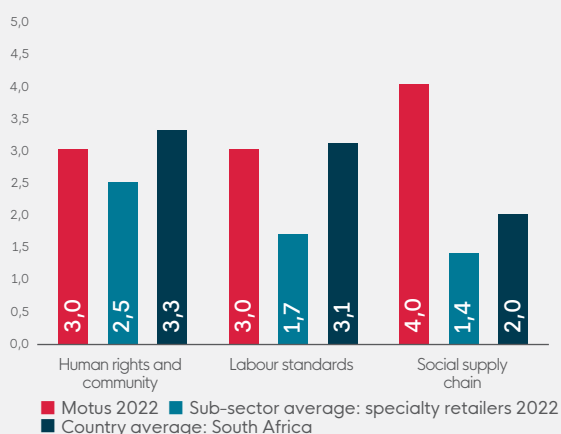
2022 performance overview (continued)



SOCIAL

FTSE4Good Index Series (Group)

Social themes



Black representation (South Africa)

(* linked to remuneration)

75%
of overall workforce
(2021: 73%)

46%
of Dealer Principals
(2021: 42%)

50%*
at top management level
(2021: 36%)
2022 target: 45%

53%*
at senior management level
(2021: 53%)
2022 target: 55%

50%*
at middle management level
(2021: 47%)
2022 target: 51%

71%*
at junior management level
(2021: 68%)
2022 target: 68%

Training spend (Group)

R166,3 million

training spend in South Africa, equating to 3,4% of payroll costs – above the 1% required by the Skills Development Act

(2021: R143,9 million; 3,2% of payroll costs)

108

hours of training per employee in South Africa
(2021: 99 hours)

R122,3 million

training spend in the UK
(2021: R123,0 million)

R1,4 million

training spend in the Australia
(2021: R4,0 million)

OHS audits (Group)

92%

audit coverage
(2021: 97%)

93%

average score
(2021: 92%)

Road accidents (Group)¹

0,236

road accidents per million kilometres
(2021: 0,263)

On-site accidents (Group)¹

274

injuries
(2021: 199)

Fatalities (Group)¹

Seven

fatalities
(2021: five)

Social chapter: page 51.

¹ OHS metrics include employees and third parties.

2022 performance overview (continued)



SOCIAL (continued)

Employment (Group)

17 283

people employed with 76% employed in South Africa
(2021: 16 708)

Tax contribution (Group)

R1,2 billion

paid to governments
(2021: R694 million)

R1,07 billion

paid on behalf of employees in South Africa (PAYE¹)
(2021: R932 million)

¹ Pay-as-you-earn tax.

CSI spend (Group)

R30,0 million

invested in community upliftment initiatives, including R6 million donated to support communities impacted by the July 2021 riots and the floods in KwaZulu-Natal
(2021: R18,6 million)

Qualifying socio-economic development spend (South Africa)

93% (R28 million)

of our CSI spend is estimated to qualify for the 2022 B-BBEE scorecard's socio-economic development pillar, equating to 1,1% of NPAT¹,
(2021: R18 million; 1% of NPAT)
Target: 1% of NPAT

Preferential procurement spend (South Africa)

R2,9 billion

spent with >51% black-owned businesses
(2021: R2,3 billion)
Internal target: R2,5 billion

R1,8 billion

spent with 30% black women-owned businesses
(2021: R1,0 billion)
Internal target: R1,5 billion

R2,1 billion

spent with exempt micro enterprises and qualifying small enterprises
(2021: R2,0 billion)
Internal target: R2,1 billion

Enterprise and supplier development spend (South Africa)

R121 million

(2021: R76 million)

68% (R82 million)

of our enterprise and supplier development spend is estimated to qualify for the 2022 B-BBEE scorecard, equating to 3% of NPAT¹
(2021: R54 million; 3,1% of NPAT)
Target: 3% of NPAT

¹ Net profit after tax (NPAT) for the South African operation.

Overview of our ESG performance (continued)

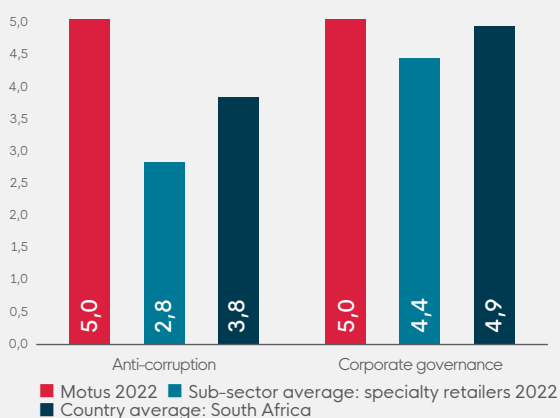
2022 performance overview (continued)



GOVERNANCE

FTSE4Good Index Series (Group)

Governance themes



Compliance (Group)

The Financial Intelligence Centre in South Africa made a finding against one of the Group's dealerships for failure to report certain transactions timeously. Following our remedial plan and controls the FIC confirmed that all issues had been resolved. A penalty amounting to R88 000 was paid.

(2021: none)

Whistle-blowing hotline (Group)

69

tip-offs registered, with all investigations closed at the time of publication

(2021: 75)

Governance chapter: page 122.



Case study

In partnership with Standard Bank, Motus recently hosted a *Think Wrong* Blitz to explore new ideas and flesh out solution-seeking concepts in the areas of education and road safety.



Building on World Creativity and Innovation Week, an important week for Motus given our focus on innovation, together with *Think Wrong* and Standard Bank, we hosted the Motus Xponential Blitz. The event brought together our employees, clients, partners and stakeholders to workshop sustainability-related ideas. The workshop was attended by 65 participants from Motus, Standard Bank, the education and technology sector, finance, innovation and telecoms and various NGOs, leveraging a diverse range of expertise.

Blitz participants collaborated on formulating solutions for real world South African challenges, that in turn, address some of the United Nation's 17 SDGs – specifically education and road safety. Blitz participants also explored new concepts, ideas, partnerships and products to drive impact.

Five concepts from the Blitz are now being tested in terms of their value proposition design. They include:

1. A CSI platform to deliver renewable energy solutions for South African schools.
2. A grassroots entrepreneurship empowerment programme that supports and rewards participants for making money by solving for micro jobs within their community.
3. A digital education platform that provides unique education paths for students via corporates, mentors and classes.
4. Uber for kids – a platform-enabled kids-fleet, with digital safety features, recognition and tracking to ensure children arrive safely at school.
5. A collaborative partnership where role players in road infrastructure identify projects to make roads safer.



Motus
Xponential
Blitz

- 6 CLEAN WATER AND SANITATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 17 PARTNERSHIPS FOR THE GOALS



ENVIRONMENT

Environment report

Overview

The Motus values require us to be conscious of our environmental impacts when making business decisions and investments. Care for the environment is also included as part of our strategic pillar – to invest in human capital and ESG initiatives. We responsibly manage the environmental impacts within our control, contributing towards the urgent action needed to address the losses and potential damages caused by climate change.

Motus is not a carbon or water-intense business. Our strategies for water and energy consumption are specific, measurable, achievable, relevant and time bound (SMART). Over the past year, we started working on expanding our environmental strategy to include a more consistent and managed approach to recycling and waste, particularly as stakeholder expectation grows that companies participate in the circular economy. We have also for the first time reported against the Task Force on Climate-related Financial Disclosures (TCFD). An externally facilitated assessment was conducted in 2022 on our ESG maturity, particularly focusing on our environmental reporting, to identify gaps with stakeholder expectations and the disclosure requirements of our selected as well as emerging reporting frameworks and standards. Closing these gaps will be a key objective for the Group in 2023.

Globally, increasing concerns around energy security, climate change and the demand for oil are driving innovation in energy-saving technology and circular economies. Some governments are pushing legislation that forces a reduction in carbon dioxide emissions, including tightening global vehicle emissions standards. In addition, consumers care more about the health of the natural environment

than they ever have before. As a result, there is mounting pressure on automotive manufacturers to change their offerings to lower emission vehicles (smaller vehicles) and new energy vehicles (NEVs). For the purposes of this report, NEV collectively refers to battery-powered electric vehicles (BEVs), plug-in hybrid electric vehicles (PHEV) and the traditional hybrids (electric motor and battery pack running alongside the petrol engine) referred to as mild hybrid electric vehicles (MHEVs). Plug-in electric vehicles (EVs) refers to BEVs and PHEVs only.

We acknowledge that we operate in an industry that is a global polluter and that our industry must adapt to become a sustainable contributor. Original equipment manufacturers (OEMs) are introducing plug-in EV models in their product ranges with MHEVs having been around for some time. Through our OEM partners and our industry memberships, we keep abreast of and contribute to changes that support this adaptation. Aggressive NEV adoption targets will require a change in our portfolio of products, with the timing being dependent on OEM roll out and each country's regulations. We monitor the availability and pricing of NEV models and competitor activity which may indicate a shift in market readiness.



- In South Africa, the absence of accurate and timely municipal water and electricity readings hamper our ability to accurately assess our progress against our environmental targets and to cost renewable solutions.

What we are doing

Investments

We invest in systems that harness cleaner energy (solar photovoltaic (PV) systems) and that provide a supply of water from alternative sources (rainwater harvesting systems). Between 10% and 15% of our investment in new build and property upgrade projects in South Africa is directed towards addressing aging and inefficient infrastructure, and green-linked installations that reduce our reliance on the electricity grid and municipal water. This strategic priority applies to our owned buildings and has been increased from the targeted 5% to 10% investment reported in 2021.

Sustainability-linked facilities

We have secured two sustainability-linked facilities – one a Pound-denominated facility co-ordinated by BNP Paribas and Sumitomo Mitsui Banking Corporation, among others, and the other a Rand-denominated syndicated facility co-ordinated by Standard Bank (see page 36). The facilities have been acquired based on years of measuring our environmental performance and our ability to meet targets.

Overview (continued)

Behavioural change

Our environmental training and awareness campaigns aim to influence employee behaviour and gain their support in achieving our environmental targets. Training at operational, business segment and regional level reinforces the importance of accurate and timely reporting of environmental data. Awareness raising takes place at individual brand level, for example during 2022, Kia included the responsible usage of resources and information about lower emissions vehicles in its induction programme, and Car Rental included articles on environmental management in some of its newsletters to employees.

Stakeholder engagement

As members of the National Business Initiative we gain insight on its Climate Pathways project, launched together with Business Unity South Africa and the Boston Consulting Group. The project aims to develop and manage a just transition for South Africa by developing a robust and well-researched base of knowledge to inform policy and planning. A collective view of what the decarbonisation pathways could look like for the South African economy is being developed together with the private sector and other relevant stakeholders from government, labour and civil society. Decarbonisation pathways for the power, mining, petrochemicals and chemicals sectors have already been developed.

Aftermarket parts

Nexus is the largest automotive global parts buying group with 159 members across 138 countries. Aftermarket Parts joined Nexus in January 2021 and the

business segment's CEO is a member of the Nexus ESG committee. The committee is tasked with benchmarking the collective's ESG activities to worldwide standards, and transforming the industry starting with 'clean, green' workshops. Moving to greener workshops will be a slower process in South Africa, particularly in the informal workshop market. Nevertheless, Aftermarket Parts is focusing its efforts on waste management and creating environmental awareness. As a mechanism to reduce industry waste, the business segment is also starting to consider remanufactured products – returning a used product to at least its original performance with a warranty.

Accurate reporting

Improving the quality of our data is always a priority as it provides our stakeholders with the information they need to make accurate assessments of our environmental performance, and it aids our own decision-making and target setting. Our environmental guidelines and frameworks as well as the Group risk and sustainability function ensure that all business segments and regions are aware of their environmental reporting responsibilities.

Environmental compliance

We comply with all environmental-related legislation in each country of operation, including waste management regulation and, in South Africa, the Department of Mineral Resources and Energy's new Energy Performance Certificate (EPC) regulations. Our tax compliance function incorporates carbon emissions tax.

R6 billion
sustainability-linked facility

Motus

Motus secured its second sustainability-linked facility, co-ordinated by Standard Bank, based on our ability to measure and meet our environmental targets.



How we measure our performance

An accredited sustainability management system collates and tracks environmental and emissions data monthly from all business sites, covering owned, partially owned and leased sites in Africa, the United Kingdom (UK) and Australia. Data quality checks take place at head office and operational management level as well as by external assurance providers.

The Greenhouse Gas Protocol is used to calculate our carbon footprint, using the operational control boundary.

In the UK, the commercial vehicles business is ISO14001 certified, requiring our practices, policies and processes be reviewed annually and audited every three years.

Environmental targets

During 2022, we set new three-year environmental targets to 2024 for water, electricity and fuel. Our targets are based on normalised trading activity prior to COVID-19. Targets were agreed with each business site and then consolidated into business segment and regional targets before being rolled up into a Group target. To ensure that our targets are fair and realistic, they will be adjusted annually for footprint (acquisitions, disposals and movement between business segments) and site-specific activity, for example, an office environment versus a workshop or parts distribution centre (PDC) where the quantum and type of resources consumed differ. Four years' worth of data has been used to calculate our targets.

	2022 target	2023 target	2024 target
Water (kilolitres)	554 999	538 349	522 199
Electricity (megawatt hours)	69 712	67 621	65 593
Vehicle fuel (litres)	18 531 442	18 336 683	17 786 582

To mature our reporting against business site targets, we agreed the following five measurement principles for the Group:

1. Every physical location must have one unique site registered on the sustainability management system.
2. If a building site fundamentally changes its operations, such as adding or closing a franchise on-site, the change must be formally logged on the system and metrics must still be reported.
3. Where a business moves location, the move must be formally logged on the system and targets still apply.
4. Metrics are to be reported for acquisitions; however, the measurement of change will only start from the following financial year after adjustments have been made to accommodate new targets.
5. Business segments and regions are allowed to change targets for their various sites; however, the total target for the business segment or region remains the same.

To simplify our measurement and reporting, we realigned the targets of our first sustainability-linked facility and linked our new Rand-denominated facility to our new three-year Group targets. Our facility-linked targets were then extended to include a gender diversity target.

	Baseline	2023	2024
Group			
Water (kilolitres)	611 223 (2019)	Stretch: 12% ▼ – 538 349 Threshold: 5% ▼ – 581 417	Stretch: 15% ▼ – 522 199 Threshold: 10% ▼ – 548 309
Electricity (megawatt hours)	80 146 (2019)	Stretch: 16% ▼ – 67 621 Threshold: 11% ▼ – 71 003	Stretch: 18% ▼ – 65 593 Threshold: 16% ▼ – 67 233
Vehicle fuel (litres)	22 250 296 (2019)	Stretch: 18% ▼ – 18 336 683 Threshold: 13% ▼ – 19 253 517	Stretch: 20% ▼ – 17 786 582 Threshold: 18% ▼ – 18 231 248
South Africa			
Female representation (top, senior, middle and junior management)	26% (2021)	Stretch: 8% ▲ – 34% Threshold: 6% ▲ – 32%	Still to be determined

 Governance of environmental impact: page 150.

¹ International Organization for Standardization (ISO) 14001 – the international standard for an effective environmental management system.

2022 performance and key objectives

Group

- We redesigned our targets and implemented a new methodology to closely monitor the key drivers of resource consumption based on type of business activity and sites (see page 35). Following on from this, we extended our £120 million (R2,4 billion) sustainability-linked facility (raised in 2020) to 2025 and aligned the targets of both sustainability-linked facilities (see below) to our new targets. Measurement against the targets will start in 2023.
- There were no incidents of non-compliance with environmental regulations and/or voluntary codes within the reporting year (2021: none).
- No environmental incidents were reported (2021: one).

South Africa

- We raised a ground-breaking facility of R6 billion and R800 million in working capital, structured as a sustainability-linked facility. The loan is linked to targets for water, electricity and fuel consumption at a Group level as well as the increase of women representation at executive and management level in South Africa. Depending on our performance against each key performance indicator (KPI), a saving can be achieved or a penalty incurred.
- We estimate that we will spend between R60 million to R70 million over the next 18 months on greener capital projects.

Regions

- In the UK, 826 employees (28% of the workforce) completed environmental awareness training (2021: 1 266; 46%).

Objectives

- **Group:** continue to improve our measurement and reporting of environmental data, including renewable energy consumed.
- **Group:** we will work with our management teams to achieve the Group's 2024 targets, and ensure that our processes and reporting are simplified and consistent to support the enhanced integration of environmental-related considerations in the Motus strategy and our decision-making.
- **South Africa:** review the feasibility of expanding the network of electricity and water meters in our buildings to counter the fluctuations in our reporting caused by erratic and estimated municipal readings.
- **South Africa:** expand business segment reporting to ensure fairer comparative reporting and report on top consumption sites per business segment.
- **South Africa:** include a module on environmental aspects in our induction programme for new employees.

New energy vehicles

Many automotive manufacturers have made commitments to significantly reduce or altogether halt the production of internal combustion engine (ICE) vehicles in the next 10 to 15 years. As such, 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 sales¹.

NEV sales have been particularly strong in key markets around the world over the past year; although it should be noted that semi-conductors when available are prioritised for NEVs which require around twice as many chips as equivalent conventional vehicles, pushing up the number of NEVs in the market and possibly creating some distortion. Overall, this trend is expected to continue however the strong rebound in global vehicle sales over the next two years includes the sale of ICE vehicles despite an increase in NEV market share².

According to EV-volumes.com³, the global sale of plug-in EVs reached 6,75 million units in calendar year (CY) 2021, 108% more than in CY2020. This includes passenger and commercial vehicles and light trucks. The global market share of plug-in EVs grew to 8,3% from 4,2% in CY2020, with BEVs representing 71% of total plug-in EV sales.

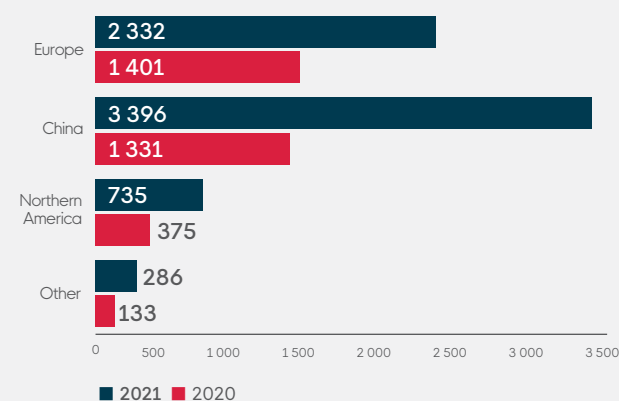
BloombergNEF's Electric Vehicle Outlook 2022 reports that there are now almost 20 million passenger plug-in EVs, over 1,3 million commercial plug-in EVs (including buses, delivery vans and trucks) and over 280 million electric mopeds, scooters, motorcycles and three-wheelers on the road globally. Passenger plug-in EV sales are set to continue rising sharply in the years ahead, with sales

projected to rise from 6,6 million in CY2021 to 20,6 million in 2025, mostly due to adoption in China. In markets such as Germany, the UK and France, the plug-in EV share of sales is likely to be as high as 40% to 50% in 2025. China and Europe together will account for almost 80% of global plug-in EV sales in 2025.

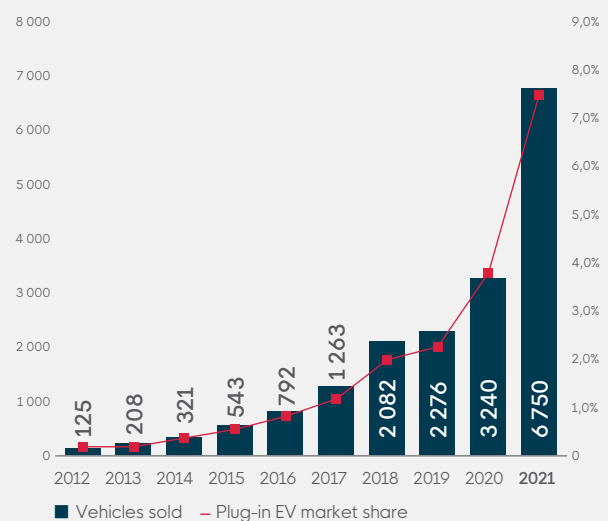
The acceleration in NEV adoption means that ICE vehicle sales peaked globally in CY2017 and are now in permanent decline. By 2025, passenger ICE sales are likely to be 19% below their CY2017 peak. The global fleet of ICE should start to decline in 2024⁴.

Many governments such as the UK, Germany, France, Spain and New Zealand are offering incentive schemes to bring down the cost of NEVs and boost demand supported by policy changes that favour NEVs. Such policies have been in place in Europe and China for a while now, with the USA adopting a similar policy under President Biden. The number of available charging stations has also increased sharply in recent years, with the aid of government funding, surpassing one million charging points globally in CY2020⁵ – more than double the number three years ago. Most of this steep increase was in China.

BEV and PHEV sales ('000s)



Source: <https://www.ev-volumes.com/>.



Source: <https://www.ev-volumes.com/>.

¹ Source: <https://www.moneyweb.co.za/news/industry/evs-to-account-for-70-of-global-passenger-vehicle-sales-by-2040-sa-must-keep-up/>.

² Source: Nedbank CIB PMG sector (October 2021).

³ Source: <https://www.ev-volumes.com/>.

⁴ Source: <https://about.bnef.com/electric-vehicle-outlook/>.

⁵ Source: <https://www.bloomberg.com/news/articles/2020-08-05/global-ev-charging-points-hit-1-million-threshold#xj4y7vzkg>.

New energy vehicles (continued)

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

NEV sales in the South Africa

The premium passenger vehicle market will lead the e-mobility revolution globally and in South Africa. We expect an array of premium BEVs, around 20 models, to enter the South African market in CY2023, a fairly significant increase from the six models that were available in CY2021.

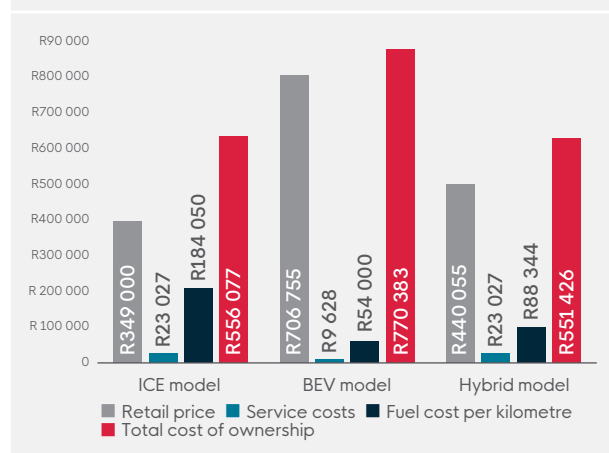
South Africa does not have a formal government policy position or adoption target for the production or sale of NEVs. To increase the pace of adoption national legislation must be amended, new models introduced, local production increased, charging options introduced and consumer awareness enhanced. However, even if these changes are made, in the absence of government price subsidies, the affordability of NEVs will remain the most critical factor for financially strapped South Africans.

The key constraints that limit the adoption and local production of NEVs include:

- **Taxation:** NEVs are still heavily taxed owing to outdated legislation, carrying a 25% import tax compared to the 18% import tax for ICE vehicles from Europe. It is expected that the government will review import tariffs, sales incentives and tax credits to enhance the attractiveness of these vehicles for consumers and manufacturers.
- **Power supply:** South Africa's constrained and intermittent power supply make BEVs in particular a risk as the primary mode of transport. Yet, as consumers invest in solutions to reduce their exposure to load shedding, domestic demand for lithium-ion batteries and energy storage has risen and is expected to continue to grow by more than 7,5% from 2020 to 2025.
- **Affordability:** nearly all BEVs currently available in South Africa are premium brands. Enhanced technology may lower manufacturing costs in time; however, this is not certain. The current average finance amount for vehicles is R350 000, with most NEVs today costing upwards of R660 000¹.
- **Practicality:** NEVs are most efficient at lower speeds and in stop-start driving conditions, with the optimal operating temperature for NEV batteries being 21,5 degrees Celsius. The long distances travelled in South Africa and at higher speeds means that these vehicles operate less efficiently than ICE vehicles and have a limited travel range (although driving ranges on some models have improved to more than 400 kilometres). In addition, the lack of charging infrastructure makes a long-distance route with a BEV somewhat impractical.

- **NEV batteries:** NEV batteries on average are guaranteed for eight years or 160 000 kilometres; however, the replacement cost is between R20 000 and R100 000 depending on whether the battery pack is rebuilt or replaced. This is a large expense in the vehicle ownership cycle; however, battery technology is evolving at a fast pace with new chemistries and formulations, and battery prices have declined in the past couple of years due to economies of scale.

Current price comparison (120 000 kilometres)



Note: fuel was calculated at R20,45 a litre and electricity at R2 per kilowatt hour.

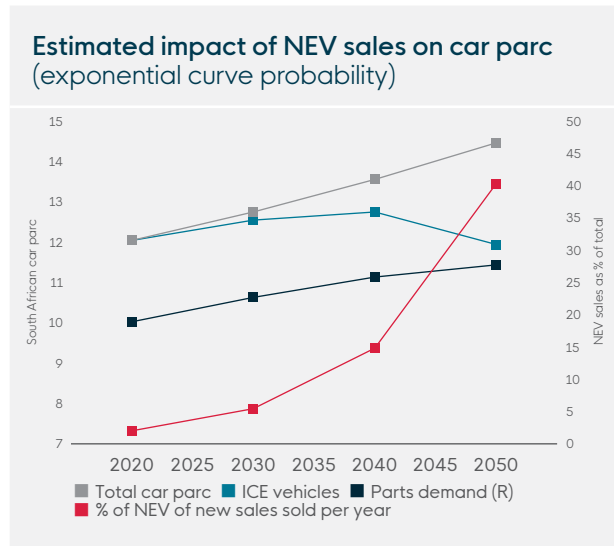
The above graph shows that the BEV model is 103% more expensive than the ICE equivalent to buy but only 38% more expensive in terms of the total cost of ownership. The hybrid model is 26% more expensive than the ICE equivalent to buy and 1% less expensive in terms of total cost of ownership. At higher fuel prices, the total cost of ownership of the BEV and hybrid becomes more attractive compared to that of the ICE model, even if electricity prices also increase. With no government subsidies, the hybrid model is the most competitive option to gain NEV market share in South Africa.

At July 2022, 1 796 NEVs had been produced locally year to date, 82% being MHEVs and the balance PHEVs. Total imports for the same period were 888, with 27% being BEVs, 11% being PHEVs and 551 being MHEVs². We estimate that the market potential in South Africa is around 43% for MHEVs, 21% for PHEVs and 7% for BEVs. While MHEVs do not cultivate the habit of plug-in charging and are not viewed as a long-term solution, it makes sense for South Africa to push MHEVs until a government incentive structure is in place to stimulate consumer demand for plug-in EVs. However, investment in this technology will dry up over the next few years as the world switches to plug-in solutions.

¹ <https://www.engineeringnews.co.za/article/ev-revolution-to-be-felt-in-sa-in-2022-but-affordability-concerns-linger-2021-10-29>.

² naamsa August new vehicle sales: for the period January to July 2022.

We believe that true adoption, where a NEV is the first choice for a vehicle buyer in South Africa, is likely to occur around 2030, when technology improvements potentially lower the prices of mid-market models so that they are more affordable.



Source: Motus Aftermarket Parts (management estimate).

Our retail representation of premium brands such as BMW, Mercedes, Audi and Jaguar Land Rover enables us to learn from the developments in this market and places Motus at an advantage to capture the NEV market in South Africa when demand increases. In addition, our importer brands Kia, Hyundai and Renault are leading BEV sales in Europe. In the European Car of the year 2022 Awards, the Kia EV6 won Car of the Year with 279 points, the Renault Mégane E-TECH Electric was placed second with 265 points and third place went to the Hyundai IONIQ 5 with 261 points. The Mitsubishi Outlander PHEV recently won the global iF Design Award 2022.

BEVs have less-complex engines that do not require oil changes and have fewer mechanical parts to replace and service. This will be offset by accelerated wear and tear given the increased weight of BEVs, creating opportunities to expand our aftermarket parts product range over time to include suspension, steering and other components for these vehicles, and higher value replacement parts in terms of sensors, vehicle management and batteries. Hybrids on the other hand require additional parts as well as the servicing of both their internal combustion and electric engines, increasing the scope of labour. Some investment may be needed to train dealership personnel and technicians (also provided by OEMs), and to build charging stations and fit workshops with new tools and monitoring machinery.

Other opportunities that exist for Motus in this space include new mobility offerings related to NEVs, using the Car Rental fleet to introduce drivers to NEVs, battery recycling and refurbishment, and the provision of national charging infrastructure that uses renewable energy.

In June 2021, the UK announced that it would provide R3,7 million in funding for new skills development across South Africa for jobs in the NEV sector. The funding will ensure students develop highly sought-after skills that will help South Africa transition to a lower carbon economy. Online NEV training content and support for lecturers will also be funded. In addition, the British High Commission has teamed up with South Africa's Department of Science and Innovation to develop a report on the type of skills and training needed for a green hydrogen future, and how these can be made accessible. This bodes well for advancing South Africa's progress towards adopting this new technology.

NEV sales in our other regions of operation

United Kingdom

The tax perks in the UK, together with the savings gained from fewer petrol purchases, balance the higher price of NEVs, making them economically viable for consumers. In CY2021, slightly less than 191 000¹ BEVs were registered, more than the sales for the previous five years combined and accounting for 12%² of all new vehicle sales in the country. Together with just under 115 000 PHEVs sold this means that 18,5% of new vehicles registered in CY2021 can be plugged in. This is in addition to the 147 000 MHEVs registered. Around 27% of the vehicle market in the UK is now electrified in some form.

Around 45% of our passenger and light commercial vehicles businesses in the UK are providing NEV solutions. Within Pentagon Motor Group alone we handle passenger NEVs from 10 automotive manufacturers across 28 franchise locations. NEVs are emerging more slowly however in our heavy goods vehicle businesses. Bearing in mind that our passenger vehicle business, where plug-in EV sales are more prominent, is a smaller component of the UK operation, in 2022, around 9% of our new vehicle sales were plug-in EVs (2021: 5%). This equates to 2 014 vehicles sold. Our plug-in EV market share in the UK is around 0,4%.

While the UK government plans to ban the sale of ICE vehicles by 2030, a shortage of on-street chargers remains a challenge.

¹ <https://media.smm.co.uk/december-2021-new-car-registrations/>.

² <https://heycar.co.uk/blog/electric-cars-statistics-and-projections>.

New energy vehicles (continued)

In London, where air pollution is a major public health emergency, the electrification of city fleets is a key opportunity. Our light commercial vehicles division supplied 11 electric tippers to Nottingham City Council in 2021, the first order of this kind for our body conversion division. A further 10 plug-in EVs of various types were converted for customers in 2022.

Australia

At April 2022, there were 30 NEV models available in Australia, including 65 variants, comprising of 28 PHEVs and 37 BEVs. Since CY2011, more than 40 000 NEVs have been sold in Australia¹. In CY2021, NEVs accounted for 8,6% (over 23 000 registrations; CY2020: 7,1%) of total new vehicle sales, in line with the United States but lagging when compared to Europe and China. BEVs recorded the strongest growth. Year-on-year growth of NEV sales on the continent show a slow trend in adoption, with some of the same constraints faced in South Africa, particularly those related to distances travelled. However, adoption has also been impacted by the knock-on effects of lockdowns in China early in CY2022, which halted production and disrupted the supply of components. According to BloombergNEF, 18% of new vehicles in Australia will be electrified by 2030, rapidly increasing to 64% in 2040.

The election of the climate-focused Labour Party should increase government support for NEV models. In November 2021, a package of R2,0 billion (AU\$178 million) was announced to give momentum to the roll out of hydrogen refuelling and plug-in EV charging stations. Together with various state-level subsidies, such as the rebate on the first 25 000 plug-in EVs purchased in New South Wales (NSW), this should boost sales. At the end of CY2021, there were 10 026 BEVs registered in NSW, with about 61% being Tesla².

Automotive manufacturer initiatives

Among our importer brands, Hyundai's IONIQ 5 paves the way for its electrification strategy, which is a target of 7% of the global BEV market by 2030, equating to 1,87 million BEVs sold annually by 2030³. Kia is aiming for annual sales of 1,2 million BEVs by 2030⁴. The Renault-Nissan-Mitsubishi Alliance has defined a common 2030 roadmap on BEVs and the Alliance aims to become carbon neutral by 2050. In addition to the Alliance's strategy to introduce 35 NEV models on five common platforms (currently 10 models on four platforms), there is also a battery strategy to reduce costs by up to 65% by 2028 while also increasing driving distances⁵. The Renault Group aims to electrify all new passenger vehicle models by 2025, and the Mitsubishi Motor Corporation has a target to have 50% of its vehicle production being NEVs by 2030.

Motus

The UK's first E-Ducato electric vehicle supplied by Motus' light commercial vehicles division.



¹ <https://www.carsguide.com.au/ev/advice/how-many-electric-cars-are-there-in-australia-83262>.

² <https://www.carsguide.com.au/ev/advice/how-many-electric-cars-are-there-in-australia-83262>.

³ <https://www.hyundai.com/worldwide/en/company/newsroom/hyundai-motor-accelerates-electrification-strategy-targeting-7%25-of-global-ev-market-by-2030-0000016802>.

⁴ <https://www.hyundaimotorgroup.com/news/CONT00000000000012393>.

⁵ <https://alliancernm.com/home-alliance/the-road-to-2030/>.

German automotive manufacturer Audi is one of the key competitors that have entered the South African market with the launch of its all-electric e-tron model range in CY2022 (comprising six different e-tron derivatives). The Audi e-tron 55 SUV is the most affordable of the range, starting at just under R2 million. The vehicle has a range of 369 kilometres to 440 kilometres.

In October 2021, Toyota launched its Corolla Cross hybrid range in South Africa, the first locally produced MHEV. Currently the demand for the Corolla Cross is over 50% of total production. Toyota plans to introduce MHEV versions of all its models in South Africa with hybrid derivatives already available for the Corolla sedan, RAV and all Lexus models.

Many OEMs have made a commitment to greening their supply chains and being carbon neutral. For example, Kia's vision is to become a truly sustainable, responsible and innovative solutions leader, and has committed to carbon neutrality by 2045. The Renault Group has a clear action plan to achieve carbon neutrality in Europe by 2040 and worldwide by 2050. The Renault Group's Re-Factory in Flins (France) and Seville (Spain) are dedicated to the circular economy and open to start-ups and partnerships. The factories are structured around four areas of activity; the reconditioning of used vehicles, repairing and developing applications for batteries, recycling of parts, and training, research and development relating to the circular economy.



¹ naamsa | The Automotive Business Council (at May 2022).

² naamsa | The Automotive Business Council.

What we are doing

OEM transition shifts

As an importer and dealer representative of automotive manufacturer products, we have limited influence on NEV production. We keep abreast of the shifts that our OEM partners are making in their transition to BEVs and hybrid vehicles, so that when policy changes are implemented in one of our regions of operation, we are able to quickly add these types of vehicles to our portfolio.

Policy development

The automotive industry accounts for 17,3% of South Africa's manufacturing output with vehicles and components exported to 152 international markets. The manufacturing segment of the industry employs around 110 000 people across its various tiers of activity¹. In CY2020, three out of every four vehicles manufactured in South Africa were exported to Europe and the UK, and as of the first half of CY2021, four out of five were exported. By 2030, around 40% of all new vehicle sales in Europe are forecast to be NEVs, increasing to 80% in 2040². Many European territories are setting aggressive NEV adoption targets and the discontinuance of ICE vehicles.

To protect the local auto manufacturing base and export sales volumes, and position South Africa as a strategic manufacturer and exporter of NEVs to Europe, the Americas and the wider African continent, government must develop policies to enable OEM's to accelerate progress in NEV production. The scale of the challenge is massive and requires a co-ordinated approach and honest conversations between business and government to shape policies, regulations and incentives, and build the infrastructure needed.

We participate in a number of naamsa | The Automotive Business Council (naamsa) committees, including the fuel committee, to ensure we keep abreast of and contribute to policy development. Through naamsa we engage with the Department of Trade, Industry and Competition (dtic) on incorporating global NEV developments in the Automotive Masterplan which aims to further develop the South African automotive value chain through to 2035. We have provided feedback through naamsa to the dtic on its draft New Energy Vehicle Green Paper, the first step towards establishing a clear policy on enhancing South Africa's competitiveness in the transition to cleaner fuel technologies and sustainable manufacturing processes. naamsa working together with government will facilitate a NEV cost-benefit study to be completed before the end of December 2022.

Reducing our water consumption

The import, retail and rental businesses are the largest consumers of water in the Group. Finding ways to use water efficiently and lower our reliance on municipal water sources, reduces our operational costs and ensures business continuity even when water restrictions are in place or our operations face drought conditions.



- Poor municipal and national infrastructure in South Africa, resulting in water supply interruptions, burst pipes and water leaks, and inconsistent water supply in the Rest of Africa.

What we are doing

Benchmarking

We use certain sites as benchmarks to compare water consumption across our building footprint based on size, business activity and similar impacts on the environment. This is used to identify drivers of water consumption and opportunities to reduce our demand on municipal water, and to understand when we deviate from targets.

Water meters

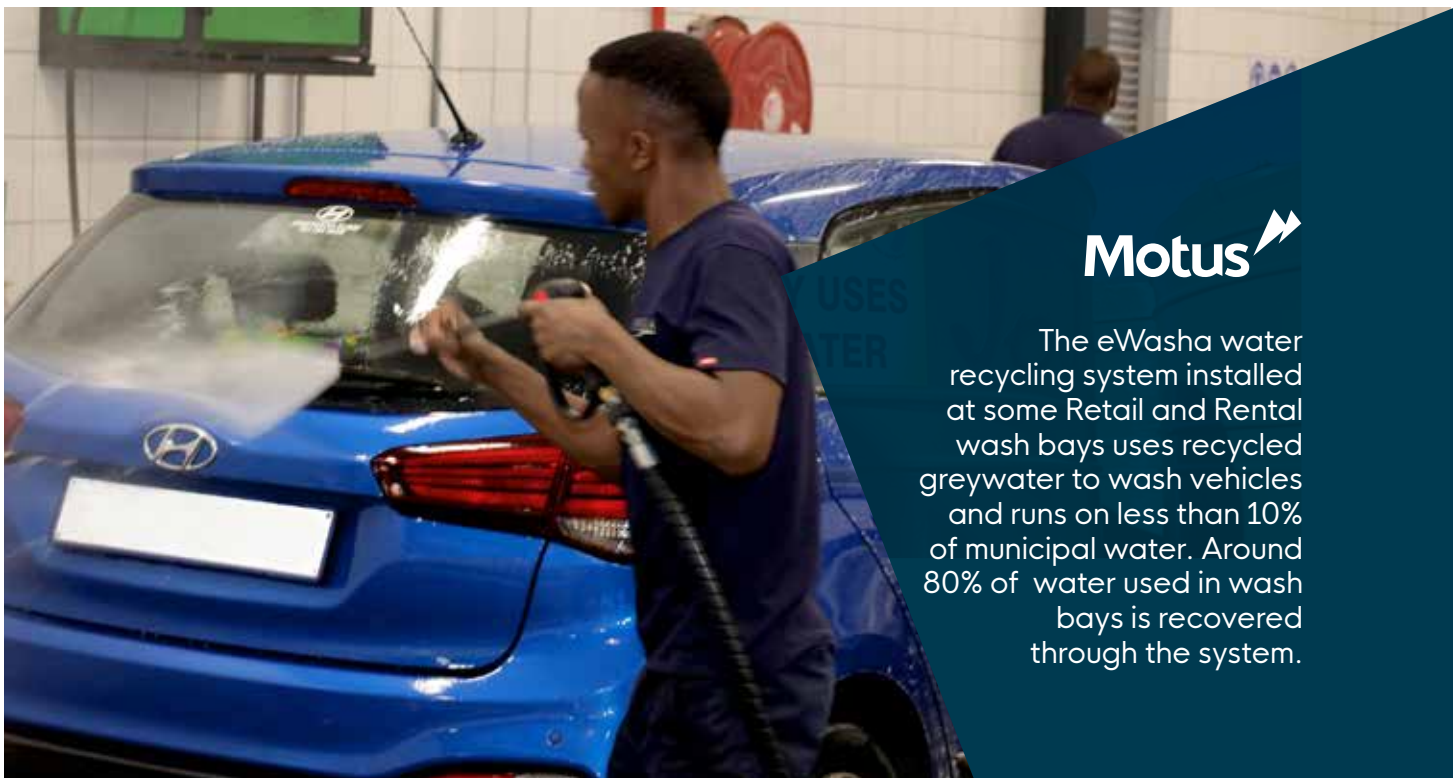
In South Africa, independent smart water meters are installed in some dealerships, particularly those sites with rainwater harvesting systems.

Water harvesting and wastewater recycling systems

Water harvesting and wastewater recycling systems are implemented in the wash bays of some dealerships (South Africa and Australia) and Car Rental branches. Boreholes serve as alternative sources of water at certain dealerships (South Africa and the Rest of Africa) and Car Rental branches.

Motus Water Awareness pledge

In South Africa, the Motus Water Awareness pledge encourages employees to conserve water, report water wastage and leaks, and educate others on using water sparingly.



Motus

The eWasha water recycling system installed at some Retail and Rental wash bays uses recycled greywater to wash vehicles and runs on less than 10% of municipal water. Around 80% of water used in wash bays is recovered through the system.

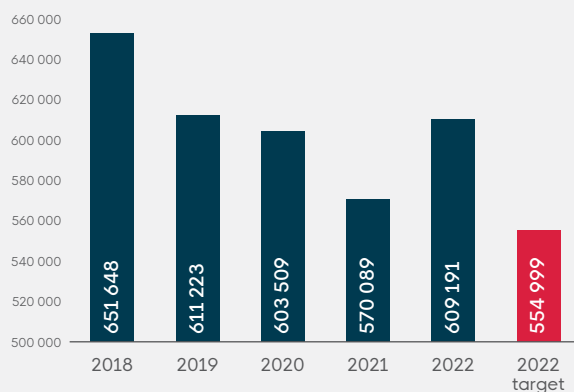
2022 performance and key objectives

Group

- We set a new internal stretch target to reduce water consumption by 9% over three years to 2024 (see page 35).
- We missed our year one (2022) water consumption target by 9,8%. Across the Group, water consumption increased 6,9% compared to 2021 with South Africa increasing 7,6%. These increases are mostly due to a return to normal trading activity, changes in uses of certain facilities and increased vehicle fleets following the lower levels of activity during the past two years of the COVID-19 pandemic. Our water intensity ratio marginally increased despite year-on-year revenue increasing 5,5%.

Water purchased from municipalities

Water consumption (kilolitres)



Water intensity ratio

6,6 kilolitres/Rbn

(2021: 6,5 kilolitres/Rbn)

Water consumed from alternative sources

24 297¹

kilolitres of water consumed in South Africa

(2021: 1 701)

¹ Reported for the first time. We are still working to ensure more robust metrics for water consumed from alternative sources, particularly consistent reporting on water usage from harvested rainwater.

South Africa

- Our new multi-franchise dealership in Menlyn (Pretoria), is fitted with seven 10 000 litre EcoWash tanks (three used in the wash bay and the remaining four used to harvest rainwater). The multi-franchise's wash bay retains 80% of the water used in a wash cycle.
- Kia's greening of its PDC includes smaller initiatives such as waterless flush toilets and dry climate vegetation that requires less water. Low flush toilets potentially save up to 80 000 litres of water per toilet.
- Retail and Rental operates 215 JoJo tanks at 59 sites and uses the harvested rainwater to wash vehicles. At Auto Pedigree alone, at least 1 500 vehicles are washed at our reconditioning centres and auctions every month using harvested rainwater. Our most recent installation was at the Toyota dealership in Bedfordview (Gauteng). 53 of the business segment's sites have water recycling plants, and one site operates off borehole water.

Regions

- In Australia, we are installing water recycling solutions when upgrading or building a new dealership.

Objectives

- **South Africa:** improve our reporting of water consumed from alternative sources and recycled water.
- **South Africa:** roll out a pilot project, where financially feasible, to subsidise water harvesting and recycling projects at the 20 wash bays we outsource to our enterprise and supplier development beneficiaries who operate at these premises free of charge (no rent and no utility costs).
- **South Africa:** Kia will expand the roll out of low-flush toilets to high-traffic dealerships and its head offices.
- **South Africa:** Mobility Solutions will instal tap flow and flush restrictors in bathrooms in 2023 to reduce water consumption by 15%. The business segment continues to investigate the feasibility of installing a rainwater harvesting system.

Reducing our carbon footprint

An energy-efficient building is generally a better environment in which to work and is significantly less expensive to run. We are analysing where solar PV installations are feasible within our site network so that we can reduce costs, contribute towards taking electricity demand off the national grid and assist South Africa to meet its international obligations to combat climate change.

Our reliance on the public utility for electricity exposes our operations to load shedding and power failures, which necessitates the use of petrol or diesel generators. Our operations have adequate access to generator power supply. While we do not view this as a sustainable solution, investing in alternative greener sources of power (a solar PV system costs on average between R850 000 up to R1 million to instal) is not viable across the entire network of our operations.

Electricity is becoming a larger part of our cost base. Our biggest consumers of fuel are our generators, company vehicles, test drives of vehicles to generate sales and the Car Rental fleet. To a lesser extent, fuel is used to deliver aftermarket parts to customers, although a dedicated team works to achieve route optimisation. Route optimisation is also part of our logistics planning when moving vehicles between locations.



- The need to use generators to ensure business continuity comes at a higher cost (fuel and maintenance costs).
- Limited ability to build a fleet of vehicles or sell vehicles with the most modern engines and lowest possible emissions given the quality of fuel supported in South Africa (inferior grade to that sold in first world markets).
- Lack of transmission lines required to feed excess renewable power into the grid and offset the cost of solar PV systems.

What we are doing

Energy-efficient technologies

Over the past couple of years, we have been installing energy-efficient lighting and air-conditioning systems and replacing energy intensive lights with light emitting diodes (LEDs). In South Africa, around 80% of our sites have implemented energy saving lightbulb replacement programmes. In certain operations, we are implementing natural light harvesting projects where sensors adjust the brightness of lights based on the amount of sunlight entering an area. This solution works particularly well in our showrooms. Light sensors that switch lights off in unoccupied areas, and timers on air-conditioning and heating systems also contribute to more efficient use of electricity. Old electronic equipment is replaced with energy-efficient alternatives when retrofitting projects are undertaken or equipment becomes redundant.

Electricity meters

In South Africa, electricity meters are used at many sites to monitor consumption, identify spikes and energy-saving opportunities, and compare actual consumption to municipal charges.

Solar PV systems

Our key focus is to understand where it makes commercial sense to instal solar PV systems across our building footprint with a number of feasibility studies currently underway.

Fuel-efficient vehicles

Incorporated in our buying plans, our fuel strategy is to procure lower emissions vehicles for our fleets, including the Car Rental fleet and our company vehicle fleet.

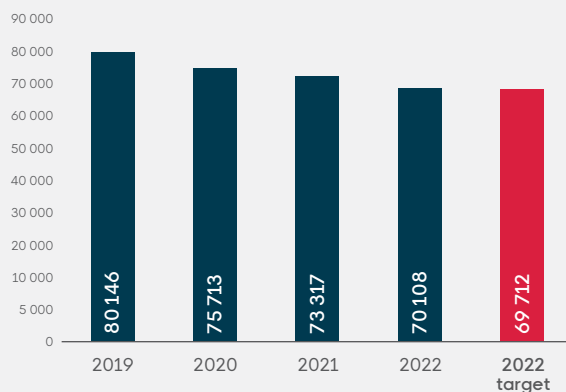
2022 performance and key objectives

Group

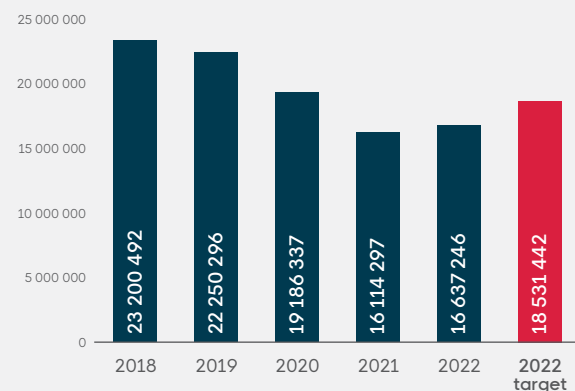
- To reduce our carbon footprint, we set a new internal stretch target to decrease electricity consumption by 11% and limit our use of vehicle fuel to a 6% increase over three years to 2024.
- Electricity consumption was 0,6% above target. At Group level usage decreased 4,4% compared to 2021 with South Africa consuming 5,9% less electricity. Despite an increasing footprint in 2022, the solar PV projects implemented over the past two years have resulted in a continued decrease in our purchased electricity consumption.
- Road fuel consumption was 10,2% below target, and 3,2% higher across the Group compared to 2021. Road fuel consumption in South Africa increased 6,9% compared to last year. These increases are mostly due to increased trading activity following the impact of COVID-19 and employees with company vehicles returning to the office environment.
- The 4,9% reduction in carbon emission is pleasing against a year-on-year revenue increase of 5,5%. The marginal increase in Scope 1 emissions was due to increased road fuel usage and the increase in Scope 3 emissions due to increased business travel as activities resumed following the lifting of COVID-19 restrictions.

Energy consumption

Electricity consumption (megawatt hours)



Fuel consumption (litres)



Gas (mostly the UK)

18 493 480 kWh

natural gas

(2021: 22 815 756 kWh)

Note: kilowatt hour (kWh).

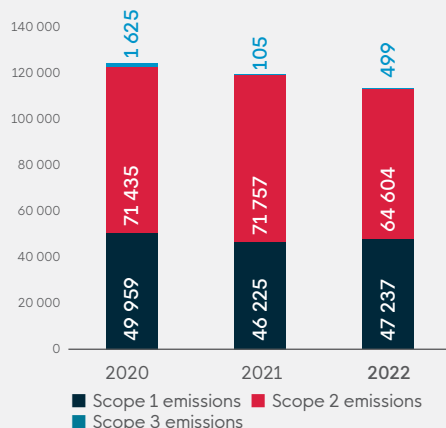
Reducing our carbon footprint (continued)

2022 performance and key objectives (continued)

Group (continued)

Carbon footprint

Carbon footprint (tCO₂e)



Note: tonnes of CO₂ equivalent (tCO₂e).

Note: 2020 and 2021 restated due to a change in carbon emission factors applied to better reflect the South African environment.

Carbon intensity ratio

1,2 tCO₂e/Rbn

(2021: 1,4 tCO₂e/Rbn)

Carbon tax paid

R179 000

paid in carbon emissions tax on 256 656 litres of stationary combustion fuel

(2021: R95 446 on 132 755 litres of fuel)

South Africa

- We are on track to submit our EPCs to the South African National Energy Development Institute¹ in December 2022. An EPC rates buildings on the amount of energy consumed per square metre, and in the private sector, applies to non-residential buildings with a net floorspace of at least 2 000 square metres. Certificates, which are valid for five years, are to be issued by an accredited inspection body, and prominently displayed in the foyer of a building.
- Our new multi-franchise dealership in Menlyn (Pretoria), uses LED technology, with an estimated payback period of between three and three and a half years. Light sensors in the showrooms dim the lighting depending on the amount of daylight available, avoiding unnecessary electricity usage. Occupancy sensors shut down air-conditioning units in empty showrooms and other facilities. The grid-tied solar PV system is approximately 150 kilovolt-ampere, which can be extended in the future. The general payback period is three years. The PV system is also tied into the generator, saving fuel when the generator is in use. Energy-efficient water heating pumps and air-conditioning systems have also been installed.
- Over 35 dealerships in Import and Distribution have been identified for solar PV installations in the next two years.
- Hyundai operates solar PV systems at 15 of its key sites, including its PDC. Five additional dealerships have been identified for potential solar installations by the end of calendar year 2022.
 - 23 Kia sites are being evaluated for a solar PV system or a renewable energy pay-as-you-use purchase agreement, which may be a more feasible option to the capital expenditure associated with solar installations.
 - The cost of Renault's 80 kilowatt solar plant installed at its PDC last year is expected to be recouped within seven years, providing a 91 256 kWh saving excluding weekends.
- Retail and Rental operates solar PV systems at 12 of its key sites and following feasibility studies has approved solar PV systems for a further 10 new sites.

¹ The South African National Energy Development Institute maintains an EPC register on behalf of the Department of Mineral Resources and Energy.

2022 performance and key objectives (continued)

South Africa (continued)

- Mobility Solutions installed a small scale solar PV system at its campus in Johannesburg, aiming to reduce the campus' electricity bill by 20%. To date, the system has generated 5 307 kWh of energy, achieving an energy saving of 0,5%. The business segment is exploring options to upgrade the PV system to reduce the impact of prolonged power outages.
- Some progress was made in 2022 to purchase lower-emissions vehicles for the Car Rental fleet; however, global supply constraints limited our purchases and the strategy had minimal impact on our Scope 1 emissions. Pleasingly, regulations were published in 2022 on petroleum products specifications and standards in South Africa to introduce fuels with a sulphur content of less than 10 parts per million by September 2023. This will enable our fuel strategy to procure lower emissions vehicles for our fleets. Kia is already changing the profile of its demo vehicles to lower emissions emitting models.



Reducing our carbon footprint (continued)

2022 performance and key objectives (continued)

Regions

- We have identified some good opportunities to potentially roll out solar PV solutions at some of our larger dealerships in the UK.
- A solar solution is being implemented at our multi-franchise dealership in Traralgon, Australia.

Objectives

- **Group:** as we mature our energy-efficiency and renewable energy projects we will start to ready the Group for a net zero carbon emissions plan and develop carbon emissions targets for the South African operation. In our regional operations we will align to national targets and OEM product guidelines.
- **Group:** seek validation of our targets by the Science Based Targets initiative (SBTi) within the next two years.
- **South Africa:** instal a solar PV system in the shared PDC for Kia and Mitsubishi in 2023. We have set an objective to instal solar PV systems at all Importer PDCs by early 2024. The business segment is also assessing the viability of selling renewable energy into the power grid from our bond stores.
- **South Africa:** roll out LED conversion projects at five business sites in 2023.
- **South Africa:** continue to introduce energy-efficient or less carbon intensive vehicles in our vehicle fleet.
- **UK and Australia:** expand the number of charging points in dealerships as the number of plug-in EV sales increase.

Motus

The Menlyn multi-franchise dealership boasts seven showrooms, with multiple initiatives implemented to ensure the facility operates efficiently in terms of energy use. Plastic, paper, metal and glass are separated at source and recycled.



Managing our waste responsibly

We manage hazardous and non-hazardous waste responsibly, complying with applicable waste management laws in all jurisdictions of operation and ensuring that relevant disposal certificates are received. Our waste strategy includes a particular focus on recycling to reduce waste going to landfill.



- Ensuring that waste is segregated correctly and removed from sites timeously in line with government's new gazetted rules to increase recycling and reduce the amount of waste that enters landfill sites.

What we are doing

Responsible waste disposal

All operations must adhere to our waste policy as a minimum; however, each business segment sets its own protocols depending on waste impact and business activities. In the UK, we dispose of all e-waste in line with Europe's Waste Electrical and Electronic Equipment Directive.

The responsible disposal of hazardous waste oil generated from the servicing of vehicles and equipment is a key part of our environmental management. Oil spill kits in workshops and oil leakage tests ensure that when an oil spill occurs, responsible clean-up practices are employed and accurate reporting takes place. Filter and oil separator systems in certain workshops and larger wash bays trap silt, sludge and hydrocarbons.

Various businesses partner with registered waste disposal companies to recycle waste generated in our workshops.

Automation

Traditionally the vehicle selling process was a paper-intensive exercise. However, as advances in technology make it possible for us to automate more of our business processes, we eliminate duplication of processes and reduce the amount of paperwork, while still ensuring that regulatory requirements and customer needs are met. Paper-saving automation includes emailed customer statements, electronic storage of statements and digital signatures. Within the dealership environment, electronic access checks at dealership entrance and exit gates, electronic stock takes, electronic vehicle valuations and electronic reconditioning files all contribute to paper reduction. Some dealerships have also introduced iPads to check-in vehicles for servicing and maintenance.

Key projects like Motus Digital Dealer (see page 92) and our digital identity tool (see page 131) digitise the customer's interaction with Motus, enhancing customer experience and enabling customers to digitally provide us with their information. Given that a full vehicle purchasing transaction with policies averages between 150 and 200 pages of paperwork, Motus Digital Dealer and the digital identity tool are expected to result in significant paper savings within the dealership network. Similarly, Car Rental's Ready2Go self-service web portal (see page 93) enables customers to access their invoices and statements electronically, also positively impacting our paper usage.

The single integrated enterprise resource planning system being implemented in Aftermarket Parts is a trading platform that replaces three legacy systems. The new system includes financials, sales, operations and supply chain functionality, streamlining the business, providing real-time data and reducing complexity, resulting in a less paper-intensive environment.

Behaviour change

To reduce paper consumption and correctly source waste at source requires behaviour change. We encourage our people 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 users of paper.

Managing our waste responsibly (continued)

2022 performance and key objectives

South Africa

- We increased our focus on waste management at dealership level, launching a recycling initiative to reduce the amount of waste sent to landfill. Waste recycled included 232 629 kilograms (kg) of batteries (either returned to suppliers or recycled), 2,4 million litres of oil, 1 037 421 kgs of paper and 63 016 tonnes of tyres.
- A waste survey was conducted with the results indicating that there are inconsistencies between how general waste is managed and what is collected for recycling not only between business segments but also between operations within a business segment. The least amount of data is available for general waste and plastic. Based on these results we have planned the following:
 - Categorise sites according to their business activity (office, dealership, workshop etc.) and determine the type of waste reporting required per site based on this categorisation.
 - Work with business segments to fix gaps in reporting and correct 2022 as a base year. The first round of data collected for 2022 focused on batteries, oil, paper and tyres.
 - Once comfortable that our data collection process is robust, update for 2023 and establish trends to inform targets.
- 85 dealerships and Car Rental branches have engaged waste management companies and 95 dealerships employ the services of a responsible service provider to collect and dispose of their waste oil. Recycled items include old oil filters, oil, paper, plastic, scrap steel, aluminium and used batteries. Focus has now shifted to tracking items such as the disposal of tyres, vehicle lights and electronics.

Regions

- The UK recycled 97% of its special waste (workshop waste, oil, antifreeze, brake fluid, mixed fuels etc.), just missing its 2022 target of 98% (2021: 97%). This is still a pleasing performance given that our paper consumption increased year on year due to the return to normal business activity following COVID-19 lockdowns.
- In our commercial vehicles business in the UK we are implementing electronic job cards. The first implementation will be in our Newmarket site in October 2022.

Objectives

- **Group:** achieve consistent and accurate measuring and reporting for paper, plastic, tyres, batteries and oil, following which we will set waste targets.
- **South Africa:** develop an eWaste recycling programme.

In 2020, Mitsubishi embarked on a project to reduce its paper consumption, focusing initially on its head office and PDC. However, with many people working from home during COVID-19, any headway made prior to lockdown was negated when employees returned to the office and back to their old printing habits.

Enhanced monitoring was achieved by working with our printer service providers to acquire monthly usage metrics and ensure that an employee ID is used when a document is printed. Through monitoring we identified the finance department as being the main contributor to paper usage. We introduced an online document storage solution to process invoices and payments etc. with consumption dropping from an average of 11 139 kgs a month to 5 545 kgs a month, a 50% decline and returning to our pre-COVID volumes.

Lessons from Mitsubishi's paper pilot project

Key lessons learnt from the pilot are that habits are hard to break, employee engagement is critical to effectively manage change, and the use of online solutions (electronic authorisations and processing) need to be enforced. Together with Group IT, the project is being refined, before being rolled out more broadly and targets being set.

Case study



SOCIAL

People report



Overview

People are at the core of our success. A diverse complement of highly competent, experienced and engaged leaders and teams enable us to perform in an efficient and cost-effective way that builds, maintains and deepens our stakeholder relationships. In turn, we provide our employees with career growth opportunities and a fair, rewarding and safe work environment.

The skills, perspective and energy of our agile and entrepreneurial leadership teams have played a key role in ensuring Motus remained nimble, resilient and sustainable throughout the COVID-19 pandemic. In this past financial year, the Group has adjusted to market changes, delivered an exceptional financial performance and captured opportunities despite an unpredictable economic environment, a disrupted working environment and an erratic supply of inventory.

We continue to accelerate innovation to remain relevant and competitive in a rapidly changing automotive industry. The workforce of the future must therefore be appropriately skilled for and adaptable to new ways of working. In addition, changing employee expectations are signalling an unwillingness to return to the pre-pandemic ways of working. Flexible working styles and better work-life balance have become key

issues for employees. These expectations must be considered when building our employee value proposition (EVP) to attract and retain top talent.

Our investments in human capital focus on training, developing and empowering our people, and improving our recruitment and training processes, succession planning and the way we measure employee performance.

In March 2022, 60 human resources (HR) personnel attended our first in-person HR conference since 2019. The outcome of this collaboration was the identification of the four imperatives for human capital management shown below. These imperatives will support Motus' growth and transition to a customer-centric and innovative organisation. Working groups have been established to drive projects within each theme.



How we measure our performance

The progress of our people strategy is measured using a human capital scorecard of key performance indicators (KPIs), with dashboards reported at every Executive Committee meeting. The scorecard covers diversity, equity and inclusion (DEI), learning and development, employee relations and benefits as well as two new categories for industrial relations costs and usage of the Employee Assistance Programme.

Our workforce

Our headcount increased 3% following the acquisition of FAI Automotive plc in the United Kingdom (UK) and getWorth in South Africa. Some of this increase is also due to entities in the Africa and Asia regions being reported for the first time.

Employee breakdown by region

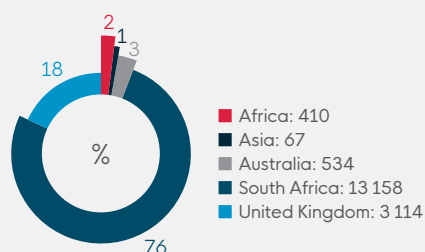
Number of employees

17 283

people employed

(2021: 16 708)

Geographic breakdown of the workforce



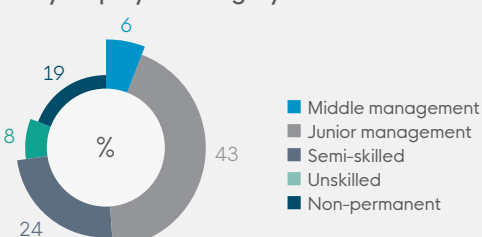
Employee hires (South Africa)

3 411

people were hired

(2021: 3 395)

Hires by employee category



Note: there were four hires at top and senior management.

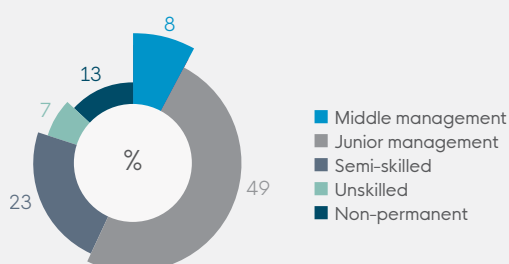
Employee exits (South Africa)

3 114

people left our employ

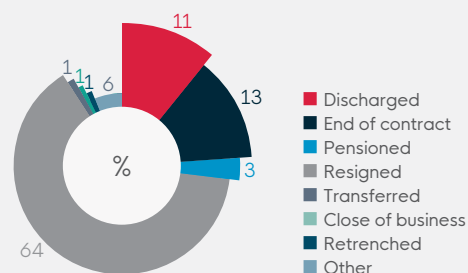
(2021: 3 937)

Exits by employee category



Note: there were eight exits at top and senior management.

Reasons for exit



Leveraging a diverse and change resilient culture

We want to create a change resilient and adaptive culture that leverages our collective and diverse intelligence to drive deeper engagement, promote innovation, support business growth and improve productivity while ensuring the wellbeing of our employees.

To be truly inclusive, we must empower our people to make meaningful contributions, and treat all our employees fairly with equal access to opportunities, information and resources. We are working to embed DEI into the bedrock of our culture, business processes and talent management.

**Our key focus areas**

- Improve employee experience.
- Build an environment conducive to collaborative working.
- Leverage differences to drive deeper engagement and better business outcomes.

**Key challenges**

- Correcting the low representation of women in leadership roles in the automotive industry.
- Attracting people living with disabilities and advancing their careers.
- Driving consistent communication and equal access to information.

What we are doing

Employee engagement

All interactions, including disciplinary actions and negotiations on terms of employment, are managed with utmost responsibility and in a fair, open and respectful manner. Various mechanisms are used to engage with employees, including employee engagement surveys and engagement initiatives within the individual businesses. For example, Mercedes Benz in the UK provides all employees with an application (app) on their phone so that they can share information about their activities. In South Africa, a toolkit helps our HR personnel and business leaders to provide emotional support, communicate effectively, and embed our values and desired culture. In the UK, informal groups help address issues raised in employee engagement surveys.

Diversity, equity and inclusion

Our people policies convey the behaviours we expect of our managers and employees to provide a working environment where everyone can perform to their full potential. We ensure that our employment policies and practices do not unintentionally create potential for discrimination or unconscious bias behaviour. Policies are in place to accommodate the needs of people living with disabilities and to guard against harassment in the workplace.

In South Africa, our Employment Equity Plan supports social justice norms and labour legislation that drive the advancement of designated groups (Africans, Coloured, Indians, women and people living with disabilities). Our performance is reported in the transformation report on  page 99.

Our diversity training programmes in South Africa and the UK raise awareness on the value of diversity, empower managers to lead diverse teams and educate employees on how to work in diverse teams.

In South Africa, we have development programmes and learnerships that target women and people living with disabilities, and in the UK, our apprenticeships target women and people of colour. The Women in Leadership Programme (a partnership with the Gordon Institute of Business Science in South Africa) is a seven-month programme which develops women to effectively lead in a male-dominated environment. Participants gain insight from female industry and Motus leaders who share their career experiences, and are assigned a coach to help them work on their personal development areas which are identified using 360-degree surveys.

Roadmap to building a sustainable DEI strategy

Q DISCOVERY



- Conducted benchmarking exercise.
- Initiated discussions on Motus' desired DEI state.



FEEDBACK



- Presented the feedback from the benchmarking exercise to the Group Executive Committee and business segment executive committees.



ENVISION



- Conducted facilitated leadership workshops to articulate the business case for DEI and confirm the desired DEI.



IMPLEMENT PLANS

- Set tone and overall DEI framework.
- Business segment leadership to customise and drive DEI in their operations.



GOALS

- Review or create a DEI strategy based on identified aspirations.
- Communicate the DEI strategy to create awareness of our DEI efforts.



PREPARE

- Roll out campaign to ensure employees and external stakeholders understand Motus' unique aspirations and commitment to DEI.

MEASUREMENT AND ACCOUNTABILITY

- Select metrics to encourage and track progress over time.



We are here

How we measure our performance

Our engagement surveys are undertaken at business segment and regional level to gain insight on employee concerns. Surveys are similar as they are required to cover key human capital-related issues. In South Africa, a departure survey administered by an external partner gathers insights on the reasons why individuals choose to leave our employ. Survey results are reported to the Social, Ethics and Sustainability (SES) Committee and are used to implement practical improvements.

Governance of social impact: page 148.



Leveraging a diverse and change resilient culture (continued)

2022 performance and key objectives

Group

Employee engagement

- We have decided that better insight on employee concerns is gained through individual business segment and regional employee engagement surveys negating the need for the diagnostic tool mentioned in last year's report.
- In all operations good relationships and open communication exist between management and employees.

Diversity, equity and inclusion

- Overall female representation grew by 7%, with the largest percentage increase being in Australia.
- Women in top management positions led gender equity programmes launched in South Africa and the UK.
- We are integrating gender perspectives to promote equity and guard against discrimination into the preparation, design, implementation and monitoring of policies and spending programmes in South Africa and the UK.

Women representation

32%

of the workforce are women
(2021: 31%)

33%

of the Executive Committee are women
(2021: 27%)

28%

of our leaders (top, senior and middle management) are women
(2021: 28%)

South Africa

Employee engagement

- 78% of Kia's employees completed its culture and engagement survey, indicating a highly engaged workforce. Key areas noted for improvement were non-monetary reward and recognition, communication, career planning, wellness and teambuilding. In response, Kia will launch the following initiatives in 2023; an initiative to gather employees' suggestions on reward and recognition, the launch of an employee communication platform, the establishment of a social committee, wellness training for managers, the launch of a financial coaching programme and career planning workshops.
- Retail and Rental is implementing interventions to address the issues raised by employees in last year's engagement survey, with particular attention paid to gender-related issues.
- Mobility Solutions' employee engagement survey was answered by 424 (65%) out of 650 participants. Pleasingly, the survey shows that our employees understand Mobility Solutions' purpose and strategic objectives. 98% of respondents agreed that they understood what is expected of them at work, and

that they felt their job was important. Areas for improvement include reward and recognition.

- We are investigating a free-to-use mobile phone communication tool to support two-way communication between employees and Motus. A solution has already been implemented in Mobility Solutions.
- Upgrade and optimisation projects are underway to enhance Microsoft Teams to meet employees' online collaboration needs.

Diversity, equity and inclusion

Held an externally facilitated workshop for the executives in South Africa to reimagine a purposeful DEI vision that engenders a better sense of belonging for employees. The workshop interrogated the collective understanding of DEI and the benefits of pursuing this culture. Similar sessions were held with the senior management teams of our business segments as well as with other key personnel. We were pleased to find that there was a common understanding of the value that DEI creates. It has since been agreed that the DEI framework and tone will be set at a Group level, with business segments

2022 performance and key objectives (continued)

South Africa (continued)

to manage the implementation. We mentioned in last year's report that we would investigate the feasibility of virtual diversity training, and have since decided that this approach would not provide real, deep and meaningful dialogue on the issue.

- We have included the increase of women representation at executive and management level in South Africa as a target in our new sustainability-linked facility (see page 35).
- Our anti-harassment policy was updated to align to South Africa's new Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace, which came into effect in March 2022. The Code provides context to various forms of harassment in the workplace. Our policy provides guidance on how to eliminate and prevent harassment and includes employee training and awareness on what constitutes harassment.
- The EmpowerHer Affinity Group was launched to encourage women's networking beyond the Women in Leadership Programme and assist their journeys to success and empowerment. Three female Group executives opened the first EmpowerHer meeting.
- A gender comparison study in May 2022, showed that 58% of our male employees and 55% of our female employees in South Africa have received training from Motus.
- Kerry Cassel the CEO of Mobility Solutions and the Head of Innovation and Technology for the Group was one of 50 finalists in the Africa.com Definitive List of Women CEOs running big businesses in Africa. HR Director at Kia, Pamentha Kadathlal, was awarded an Excellence Award at the Motoring Women of the Year Awards Powered by MFC, a division of Nedbank. In addition, six women colleagues were placed as runners-up in the finance and insurance, customer service, sales, long service, top achiever and excellence categories. Group Chief People Officer, Michele Seroke and HR Director at Hyundai, Khanya Magudulela, were nominated for South Africa's leading Chief Human Resources Officer Awards.



Motus

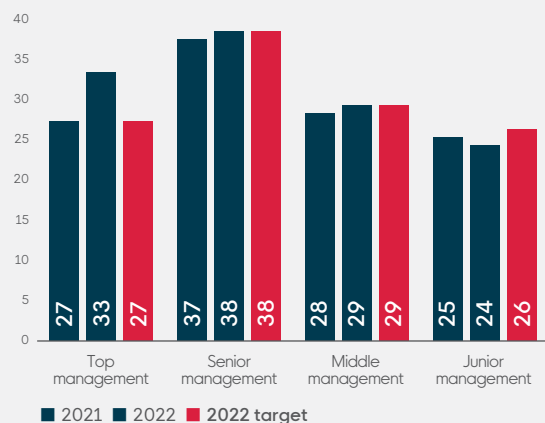
We have launched the EmpowerHer Affinity Group – a networking initiative for women that is designed to build confidence, understand the journey to success and inspire women to be empowered.

Leveraging a diverse and change resilient culture (continued)

2022 performance and key objectives (continued)

Women representation (South Africa)

Women representation at management level (%)



16

women in South Africa are participating in the third cohort of the Women in Leadership Programme

(2021: 18 in the second cohort)

Hires and promotions (South Africa)

Of the 3 411 people hired in 2022,

33% are women

(2021: 32%)

Of the 224 employees promoted in 2022,

27% are women,

supporting our focus on gender

(2021: 37%)

Exits (South Africa)

30%

of exits were women

(2021: 28%)

Disability (South Africa)

202

people living with disabilities, of whom 62% are black and 54% are women

(2021: 198)



2022 performance and key objectives (continued)

Regions

- Our commercial vehicles division in the UK implemented a new people strategy to drive employee engagement, inclusion, recognition and wellness. Initiatives include a Women in Motus working group to address barriers facing women in the automotive industry and the integration of DEI topics in the 'Motus People' annual calendar (Black History, Pride, International Women's Day etc.), among others.
- The Employee Engagement Programme in the UK reached the entire workforce, with 2 866 employees participating. We achieved an overall score of 3,8 out of five (a typical UK company scores between 3,3 and 3,6), with high scores of four or higher in nine divisions. Following the review of the survey outputs, action plans were developed to drive improvements.
- In Australia, we partnered with the Ford Motor Company's DEI project to understand employee and customer experiences, and identify barriers and opportunities to drive a more diverse and inclusive workplace. Out of 249 survey invitations, 184 (74%) responses were received. The results were benchmarked against a national mean and discussed with each dealership. Generally, employees feel we have well-communicated and accessible policies that support a diverse and fair workplace, processes that enable the reporting of discrimination and bias, and that they are provided with a safe and supportive workplace. Opportunity exists to improve access to training, to use performance reviews to enhance employee experience and careers, and to find ways to celebrate diversity in the dealerships and local communities.
- An awareness campaign on modern-day slavery was rolled out to all our dealerships in Australia.



Objectives

- **South Africa:** introduce KPIs for female representation and the representation of people living with disabilities as part of employment equity in the performance criteria of business segment CEOs in 2023.
- **South Africa:** introduce employee experience and communication platforms to enhance employee engagement and give employees better access to information. Work has already started to scope an employee communication and engagement tool.
- **South Africa:** identify metrics beyond employment equity to measure our DEI performance and deliver more DEI interventions to change attitudes and increase the skillsets needed to work within a diverse work environment.
- **Australia:** host focus groups, including at dealerships, to discuss the diversity survey results and adapt current policies, where necessary, to drive DEI. Progress will be communicated to all employees, and lessons learnt will be shared with the Group.

Leveraging a diverse and change resilient culture (continued)



Innovation and collaboration

Innovation is highly valued by our people. The Motus Xponential (m^x) platform – a digital innovation management platform – is central to our innovation strategy. It serves to deepen our innovative culture, enable cross-functional collaboration on innovative ideas and share innovation knowledge (keynote and thought leadership events, articles, practical innovation workshops, training and showcasing of innovative solutions). Business challenges are published on the platform, giving all our employees the opportunity to share their ideas or generate solutions to the challenges (a bottom-up approach). The m^x community then votes and the popular ideas go into design. Viable concepts that pass adjudication by Motus executives receive sponsorship to mature into implementable projects.

We also partner with institutes like the Henley Business School South Africa to grow our internal innovation capability. The initiative is part of the Future Leaders Programme (see page 66) and is used to develop ideas to solve business challenges identified by executive committees across the Group. Collaborative design-thinking frameworks are used to find solutions (a top-down approach).



2022 highlights

- An online innovation audit was conducted to benchmark the perception and status of innovation within the Group. Participants rated our strategy, identified key disruptions in the automotive industry and made recommendations on how Motus could improve. 82% of respondents (over 640 employees) agreed that Motus is an innovative company.
- Webinars held on the m^x platform included discussions on the power of digital engagement, looking at problems from a new perspective, how to create and manage change, the interplay between innovation exploration and innovation exploitation, and easy innovation. A webinar on the future of automotive globally and in Africa was delivered by PwC.

m^x platform

3 876

community members¹
(2021: over 3 900)

47

ideas shortlisted
(2021: 15)

5

challenges held, generating 263 ideas, and garnering 103 votes and 61 comments from platform members
(2021: 7 challenges and 57 ideas)

23

concepts are at different phases of development (discovery, validation and scale)
(2021: 12)

1 305

hours spent on innovation learning
(2021: 1 338)

8

keynote and thought leadership events hosted with 870 attendees
(2021: 9; 892 attendees)

¹ Membership is impacted by the natural attrition of employees.

Key areas of focus for the m^x platform are:

- Measuring participation and tracking which employees are highly engaged in innovation.
- Consolidating and co-creating internal innovation efforts across the Group.
- Establishing an online learning portal focusing on innovation.

Innovation and digitisation review: page 42.

Case study

In 2022, we launched the CEO Challenge to drive engagement on the m^x platform. Open to all employees in the Group, including our employees in the UK, the challenge aims to discover and recognise employees who are doing things in a different way. The challenges focus on efficiency, best practices and business improvement. Success stories are shortlisted and tested to determine whether they can be scaled across the relevant business segment to create value. The goal of the initiative was to encourage employees to share their stories and spark participation from employees who had not yet engaged with the m^x platform.

Over 200 submissions were received. In Motus Autoworx, six employees were selected to go through to the second round for their implemented solutions to optimise efficiency and set new standards for best practice. In the Kia challenge, three teams received approval to test their brand concepts in the market, and in Mitsubishi's sales challenge, the concepts of two teams are being tested and developed further. The Mobility Solutions challenge resulted in a debtors system that now takes 20 minutes to do 40 hours of invoice and statement work, a tool to access summarised data on the status of our innovation concepts in less than 10 minutes and a communication mechanism for M-Sure to deliver ongoing awareness of its sales team and products.

Kia Doing Things Differently competition



Doing things differently

Motus

#Innovators

Recognition



The m^x platform achieved third place in the 2022 JTBD (Jobs-To-Be-Done) Summit Europe – Europe's biggest customer-centric innovation event.

Building our portfolio of future-ready skills

A top priority for the Group is to develop and train our 17 283 employees so that they are knowledgeable and empowered to deliver our growth ambitions. Learning and development is also vital to their growth and development, and positively contributes to a more efficient, competitive and engaged workforce.

Digitisation is impacting skills and job roles. The future workforce will need to be change resilient. Employees will need commercial astuteness, an increasing set of new skills and the ability to collaborate more to navigate increasingly integrated organisations. They will have to understand the digitally savvy customer and be able to educate the traditional customer. Our learning and development approach must therefore also become more agile to ensure organisational success.

For Motus this means we must understand our reskilling needs and ensure that our workforce has the capability and digital IQ to support a future-fit organisation across multiple platforms (digital dexterity¹). Big data and analytics, coding, design thinking, creative thinking, problem-solving and social platform sales and services skills are increasingly needed in the experiential workplace. Key is the digital capability of our sales teams; however, as dealerships evolve digitally, human interaction will still be critical at certain points to foster trust, knowledge transfer and other value-added services as well as deliver an enhanced customer experience.

¹ Defined by Gartner as the ambition and ability to use technology for better business outcomes.

Our key focus areas

- Determine the new future-ready skills, competencies and attributes to be adopted by leaders and employees with a strong emphasis on digital skills and customer centricity.
- Rebalance and develop the necessary skills using various approaches.

Key challenges

- Availability of skills and expertise to drive strategic objectives, particularly digital and financial expertise, exacerbated by an international trend to recruit South African professionals willing to work remotely and who are paid in global currencies, impacting our ability to compete.
- In the UK and Australia, labour shortages, particularly for vehicle technicians, resulting in wage inflation.

What we are doing

Training and development opportunities

Tailored training and development opportunities are delivered at all employee levels. In addition to achieving our strategic objectives, our programmes support the achievement of our DEI targets and ensure a pipeline of skilled people for appointment to critical positions when they become available. In South Africa, each business segment manages its own technical and product-specific training, and the Group delivers non-technical training programmes.

Our Group-led programmes range from generic programmes that help employees deal with increasing uncertainty and complexity, to leadership and management programmes that focus on driving our desired leadership behaviours.

We use 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.

In the UK, all our employees have access to online learning and a wide range of apprenticeship opportunities are also available.

As more training shifts to online learning, our learning management costs have reduced; however, the number of hours of learning and development have steadily increased over the past two years, indicating good uptake of our learning programmes. Where learning is of a practical nature in-person training remains critical.

Digital astuteness

As the business model becomes increasingly digital and the technological component of most jobs grows, it is incumbent on the Group to build the digital dexterity of our employees. Programmes are needed to upskill lower skilled employees to ensure they are able to adapt to new ways of working, supporting their continued employment and enhancing their prospects of securing quality jobs. Our Digital Enablement Programme in South Africa teaches employees how to confidently navigate digitisation and use it to work more productively and effectively.

How we measure our performance

Our performance development approach ensures that employees receive the right training to help them meet their responsibilities and advance their careers. Individual employee development plans and training are tracked on the performance development system. Training spend and hours of training for South Africa are independently assured once a year. In addition, workplace skills plans and the Annual Training Report are submitted annually to the relevant SETAs¹ in South Africa.

 Governance of social impact: page 148.

¹ Sector Education and Training Authorities.

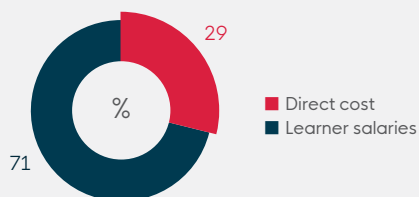
2022 performance and key objectives

South Africa

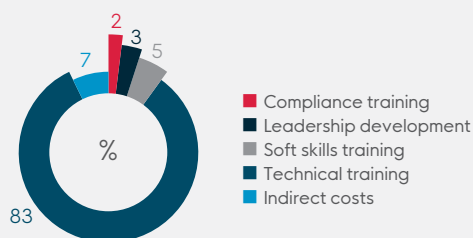
- Training spend of R166,3 million equated to 3,4% of payroll – exceeding the Skills Development Act's requirement that training spend equal 1% of payroll (2021: R143,9 million; 3,2%).
- In line with our priorities to develop leadership capability and prepare middle managers for future opportunities, 72% of employees at middle management level attended a training programme. At the semi-skilled level, 75% of employees received training as part of our commitment to uplift our employees.
- We developed the Digitally Speaking Programme to create a shared understanding of the business and social needs for digital dexterity. The programme also develops digital competencies and will contribute towards creating an effective digital and innovative culture. It covers topics such as how the automotive industry is changing, how digital makes jobs easier, and provides overviews of data analytics, artificial intelligence, the internet of things, 3D printing, cloud computing and cybersecurity, among others.

Training spend

Training spend by type



Training spend by category



Number of employees trained

7 490

employees trained, 57% of the workforce
(2021: 6 415)

Hours of training

108 hours

of training per employee
(2021: 99 hours)

Management development

343

employees participated in a managerial development programme – 71% of participants are black and 42% are women
(2021: 274)

Building our portfolio of future-ready skills (continued)

2022 performance and key objectives (continued)

Regions

- Total training spend in the UK amounted to R122,3 million (2021: R123,0 million) and in Australia to R1,4 million (2021: R4 million). The combined training spend equates to 3,2% of the total payroll costs for the two operations (2021: 5,5%). Training in Australia was severely hampered by COVID-19 lockdown restrictions.
- In the UK, we launched the two-year Service and Maintenance Technician Programme to attract new talent into our workshops. Participants receive on-the-job training and a Level 1 Commercial Vehicle Technician status upon successful completion as well as the opportunity to study further. The commercial vehicles division also launched 70 apprenticeship vacancies, targeting young people (particularly school leavers) and women with positions in administration, sales, technical and customer services.
- We recruited around 30 technicians from South Africa to work in the UK, providing them with a three-year visa to work and gain international experience. The diverse group of technicians were recruited from both within Motus and the general market.



Training in the UK

196

apprentices are enrolled on an apprenticeship programme with 83 recruited during the year (2021: 201; 59 enrolments)

Around 18 000

online courses covering technical, safety and compliance training were completed in the UK (2021: over 15 000)

Objectives

- **Group:** continue to identify current and future critical skills and develop customised training solutions to build these skills internally.
- **South Africa:** review our development programmes for their continued efficacy and introduce new programmes, where necessary, to build leadership, digital dexterity and other behavioural and attitudinal skills. A working group of representatives from across the operation will conduct the review.
- **UK:** increase the technician to apprentice ratio.

Our talent management framework

A healthy talent pipeline supports robust succession planning, and facilitates the internal career growth of talented individuals who can contribute towards our strategic objectives. Talent management is about balancing new entrants and skill into the workforce while retaining experience and institutional knowledge.

Our key focus areas

- Conduct internal and external talent mapping.
- Recruit for new skills and mindsets and explore alternative (non-traditional) employment models.
- Develop talent pools based on potential.
- Facilitate talent mobility and foster key talent for critical roles to ensure readiness.
- Succession management.



- Fierce competition for top talent made more difficult in South Africa due to the emigration of skilled labour resources to better economic growth environments.
- The age profile of the succession pipeline is the same as incumbent leaders, potentially constraining the ability to improve the age diversity of the leadership profile.

What we are doing

Succession planning

Our succession plan is dynamic, and reviewed regularly at Group, business segment and regional level. Detailed succession plans are in place for top, senior and middle management roles. Succession plans for executives are submitted to the Nomination Committee for review and discussion.

Talent management framework

Our talent mapping approach is designed to drive incremental business growth and support a more flexible approach to skills and workforce planning as new ways of working increase, while highlighting and fostering the development of key talent. Potential successors for critical roles are identified in our performance management process. This process also helps us ensure that our development programmes are fit-for-purpose and provides employees with the opportunity to voice and advance their career growth aspirations.

Talent for Growth approach (South Africa)

Identify the business targets and expected outcomes to deliver the Motus strategy



Identify the critical roles and key activities and skills needed to achieve business targets and expected outcomes



Identify who has the talent, either internally or sourced externally, to fulfil the critical roles



Identify what development is needed to nurture talented individuals to support their growth into these critical roles

Our talent management framework (continued)

Internal mobility

The proactive and strategic movement of employees with the appropriate skills across different roles, projects and geographies in the Group, enables them to gain experience, provides the Group with a pool of candidates for promotion when opportunities arise and unlocks organisational value by placing talent where it can make the most impact. In addition, secondments are an attractive EVP, particularly for individuals with sought after skills.

Leadership development

Our leaders play a critical role in effectively empowering employees and motivating high-performance teams. Our wide range of training, mentoring and networking opportunities provide a constant supply of increasingly experienced and capable leaders at all levels stemming from within the Group. Our programmes are designed to equip our leaders and potential leaders to exhibit the key behavioural and critical success factors needed to navigate successive levels of leadership right up to the Group CEO position. Our investment in our leaders is an investment in Motus' future and creates a ripple effect that positively impacts the Group's culture.



¹ The national Youth Employment Service (YES4Youth) Programme (see page 102).

² Manager 101 targets new leaders and sales personnel and the Portfolio Management Programme develops the skills of sales, parts and workshop managers (five and 12-month programmes respectively).

³ Manager 201 targets leaders who manage teams and the Dealer Principal Programme develops the skills of current and potential dealership principals (five and 12-month programmes respectively).

⁴ Advances an individual's skills to manage long-term strategy and gain a competitive advantage in their operations (eight-month programme). The content of the programme aligns with our Design Thinking and Innovation model.

⁵ Currently being designed.

In addition to the above, our recognised three-year Bachelor of Business Administration (BBA) degree, in partnership with the Southern Business School, is tailored to the Group's needs. The 17-module programme develops employees who are or will be responsible for resources and projects and managing people. Participants are able to further their studies with a postgraduate degree. To date, 347 employees have graduated with BBA degrees. Participant feedback notes the life-changing nature of earning a degree, as well as how it improved their decision-making skills, enabled a better understanding of market forces, and developed the skills needed to make sense of complex business data, improve efficiency and gain a new perspective on Motus.

The three-month Future Leaders Programme⁶ equips leaders in South Africa with the skills to think at a higher strategic level and to effectively respond to change. The programme is aimed at middle and senior management, enabling participants to improve the efficiency, effectiveness and legitimacy of their leadership.

The Dealer Principal (NQF5⁷) and Portfolio Manager (NQF4) programmes are customised for Motus and are merSETA⁸ quality assured national certificates.

⁶ Formally the Executive Leadership Programme.

⁷ South Africa's National Qualifications Framework (NQF) level 5.

⁸ merSETA: Manufacturing, Engineering and Related Services Sector Education and Training Authority.

The nomination process for our leadership development programmes starts with information gathering followed by nominations. Potential delegates are then assessed and interviewed, and a final list of delegates approved by CEOs and department heads.

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

How we measure our performance

The quality and depth of our succession plans are the ultimate measure of the effectiveness of our Talent for Growth framework.

 Governance of social impact: page 148.

2022 performance and key objectives

Group

- We conducted an in-depth analysis of succession coverage at senior and middle management levels. Good progress was made in updating the Group executive succession plan and plans are in place to address identified risks in employment bands beneath executive level.
- Cross-functional and business segment talent exchanges were facilitated to support successor visibility and mobility. Financial directors are regularly moved between business segments and franchises to gain depth of experience and exposure to the broader value chain.

South Africa

- We finalised the talent management playbook to guide businesses on how to effectively apply the Talent for Growth approach. The playbook covers talent attraction and retention, talent spotting for critical roles, talent development and succession.
- The BBA distance learning video model was enhanced and incorporated monthly video support for delegates. At the end of the 2021 calendar year, an average pass rate of 91% was achieved across all classes. 43 delegates graduated, and 39 first year and 28 second year students will progress. The BBA Programme was transitioned to a virtual learning model, ensuring that employees across South Africa have equal opportunity to enroll regardless of location.



Our talent management framework (continued)

2022 performance and key objectives (continued)

South Africa (continued)

Leadership development

70

delegates enrolled in the Manager 101 Programme, 81% are black and 43% are women
(2021: 12)

28

delegates enrolled in the Manager 201 Programme, 64% are black and 54% are women
(2021: 12)

14

delegates enrolled in the Manager 301 Programme, 79% are black and 43% are women
(2021: 11)

122

delegates enrolled in the BBA Programme, 66% are black and 37% are women

24

delegates enrolled in the Dealer Principal Programme, 71% are black and 17% are women
(2021: 16)

22

delegates enrolled in the Portfolio Manager Programme, 59% are black and 27% are women
(2021: 7)

20

delegates enrolled in the Future Leaders Programme, 55% are black and 40% are women
(2021: 15)

Regions

- In the UK, 19 delegates are participating in the Management Development Programme (2021: 15).

Objectives

- **Group:** expand the focus of succession plans to include future critical roles.
- **Group:** continue to identify the skills needed to deliver our strategic priorities and fill gaps, and identify where our successors may have skills gaps and provide them with the development they require to be future fit.
- **South Africa:** establish a quarterly Leadership Forum to advance the Motus strategy. Attendees will include the top two layers of leaders and selected high-potential individuals. The forum will:
 - Increase employee exposure to executives.
 - Provide a platform for the leadership team to announce key business initiatives and drive clarity around the Motus strategy.
 - Support a strong sense of leadership and community culture.
- **South Africa:** encourage managers to openly discuss employee career aspirations and identify attrition risks.
- **South Africa:** assess the external labour market for talent availability, for example, reinstitute the university programme to recruit for the talent pipeline.
- **South Africa:** invest in a digital system to manage and monitor key talent.

Developing a compelling employee value proposition

Key for Motus is to provide a compelling EVP to retain and attract exceptional people and position the Group as an employer of choice within the automotive industry. This area of our people strategy is work in progress, and work is underway to define the Motus EVP.

Hybrid workforce model

The nature of our business requires that the majority of our workforce (dealership personnel and technicians) work on-site with very limited opportunity for remote working. Hybrid working arrangements provide some benefits in terms of flexibility for employees, and lower costs and the ability to attract talent for organisations; however, they also present challenges, with some companies reporting deteriorating employee wellbeing, longer hours worked, distractions in the home environment and feelings of isolation, among others. Within the Group, the implementation of hybrid working is at the discretion of our business segments, which have been tasked with formalising their work-from-home approaches according to their needs.

Our key focus areas

- Identify our key EVP attributes and effectively communicate them and showcase available career paths and opportunities for talent within the Group.
- Selectively compete and differentiate pay for talented individuals with the skills needed for the future.
- Provide holistic wellbeing offerings (see page 79).
- Ensure effective and quality leadership skills that lead the workforce in a consistent manner.

Information management systems

HR information management systems play a role in delivering a great employee experience as they free up HR teams to focus on strategic human capital management planning and enhance communication with employees. 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.

Performance management

Our performance development approach drives better engagement between employees and their line managers, aligning employee standards of performance and expectations with strategic business objectives, and ensuring that employees are assessed fairly, developed appropriately and rewarded and recognised for exceptional performance. It also identifies corrective development or supportive actions to manage poor performance. Employees are assessed on their performance and values-based behaviour.

Fair remuneration

When necessary, we adjust roles and remuneration according to level of complexity, decision-making and skills required. This process enables us to empirically demonstrate the value of roles and jobs in relation to one another, regardless of the incumbent, and to defend our pay philosophy.

As part of the annual employment equity reporting cycle in South Africa, we assess the remuneration gap between the highest paid and lowest paid employees and at the same time identify if there are inequalities in

remuneration in relation to race and gender in the various occupational levels. In the UK, we issued a report on the gender pay gap in 2022 and are taking steps to address gender pay equity.

Employee representatives

Our employees are free to choose which union they wish to be affiliated with. In South Africa, engagement with unions takes place on a needs basis and occurs at business segment level. 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 look 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 with close engagement with unions.

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

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 apply the requirements of the Basic Conditions of Employment and Labour Relations Acts. Employee relations in South Africa are tracked and monitored monthly, including disciplinary hearings, dismissals, poor work performance, Commission for Conciliation, Mediation and Arbitration (CCMA) and labour cases and tip offs, among others.

Developing a compelling employee value proposition (continued)

2022 performance and key objectives

Group

- There were no incidents of non-compliance with labour-related regulations and/or voluntary codes.

South Africa

Information management systems

- We continue to develop a single credible source of employee data. During the year, the stability of our HR platforms was improved, more robust processes established and datasets enriched and validated. Improvements were made to payroll and the synchronisation of employment equity, training and industrial relations datasets. Looking forward, focus will be placed on roles and organisational structures.
- An updated job portal for available positions was relaunched.
- Retail and Rental's new employee management system aims to create professional, paperless and consistent approaches for recruitment, appointment, onboarding, transfer and induction processes, benefitting job applicants, new appointees, line managers and HR practitioners. It is also redesigning its eLearning system.

Dispute and grievance management

- 1 033 employee relations matters were heard, a 162% decrease compared to 2021. In 2021, the number of matters heard was understandably high given the COVID-19 related retrenchments.
- Disciplinary hearings remained high at 531 matters, of which 299 resulted in dismissals. 26% of dismissals related to not following Motus' work standards, 19% for insubordination and 27% for dishonesty.

Industrial relations

- The motor industry's wage agreement between organised labour and the Motor Industry Bargaining Council (MIBCO) is valid to August 2022. The MIBCO wage agreement for the next three years is under negotiation.



2022 performance and key objectives (continued)

Union memberships

7 746

employees are covered by collective bargaining agreements with the National Union of Metalworkers of South Africa (NUMSA) and the Motor Industry Staff Association (MISA), representing 59% of our workforce (2021: 7 631). Some 89% of union membership is with MISA (2021: 88%)

Industrial relations training

276

employees received training on labour relations (2021: 182)

Disputes and grievances

531

disciplinary hearings
(2021: 506)

49

poor work performance hearings
(2021: 210)

36

grievances lodged
(2021: 51)

87

of the cases referred to the Dispute Resolution Centre or CCMA were finalised
(2021: 114)

17

arbitration awards found in our favour were referred to the Labour Court (these take two to three years to finalise)
(2021: 27)

Regions

- In the UK, we are merging benefits (health insurance, life assurance and critical health cover) from separate entities into single accounts to improve the service costs for employees and streamline administration for the Group. We have also completed a project to bring all pension schemes into a single Group scheme.
- In the UK, additional functionality was added to the centralised HR system, which now covers payroll, annual leave, personal development reviews and recruitment.

Objectives

- **South Africa:** as our core HR platform reaches end of life, discussions are underway to assess alternatives that can enhance the achievements we have made to date.
- **UK:** add an onboarding module to the HR system and introduce an eLearning system. The consolidation of the HR and payroll systems has achieved a cost saving of around R2 million (£100 000) per annum to date.



SOCIAL

Health, safety and wellbeing report

3 GOOD HEALTH AND WELLBEING

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS

Overview

We believe that investing in the safety, good health and wellbeing of our employees maintains their morale, and builds and improves our competitive advantage through their willingness and motivation to meet our strategic objectives and customer expectations.

Providing a healthy and safe operating environment for our customers, people and stakeholders is always a top priority and never compromised.

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. Our warehouses, where racking and storage require high reach cherry pickers, are also high safety risk environments.

In our parts workshops and warehouses, our employees work in close proximity to one another, overseeing each other's work and handling parts, equipment and tools. The stacking of inventory at the correct height, as well as the carrying of items such as batteries, are safety risks that require ongoing vigilance to ensure these activities are conducted safely and with approved standard operating procedures.

Road accidents are the main cause of our workplace fatalities and injuries; where in many instances the risk is

beyond our control. Our drivers receive driver training, and limits are in place with regards to the distances they are allowed to travel without a co-driver or stopping overnight. In operations that maintain a delivery fleet, for example Aftermarket Parts, daily vehicle roadworthy safety checks are undertaken and documented.

It is with sadness that we reported two employee road-related fatalities and five third-party road fatalities for the year. During 2022, 25 employees succumbed to COVID-19 complications. 2 813 positive cases of COVID-19 were reported across the Group (South Africa at 1 941, the UK at 743, Australia at 128 and the Rest of Africa had one case). In South Africa, the majority of our employees returned to the office in 2022 following the easing of related restrictions. We offer our deepest condolences to the families, friends and co-workers of our colleagues who lost their lives this year.

The COVID-19 pandemic has taken a heavy psychological toll on our employees, both at home and at work, resulting in an increase in the number of reported mental health concerns and stress cases due to traumatic events and bereavement.



Providing a healthy and safe operating environment

Our occupational health and safety (OHS) procedures are closely monitored to ensure we remain vigilant and aware of where risks exist or may occur, as well as to ensure that they meet business requirements and comply with legislative requirements and guidelines.

We adopt both a reactive and proactive approach to OHS management. When serious accidents occur, these are investigated to identify root causes and the controls needed to reduce the likelihood of reoccurrence. Our risk assessment processes and robust OHS audits identify gaps in compliance that are to be rectified to prevent accidents from occurring.



- Embedding consistent safety measures that comply with legislation across operations and regions despite changing OHS regulations.
- Ensuring that communicable disease management, including the lessons learnt from COVID-19, are incorporated in our standard OHS practices.
- Ensuring compliance with our OHS standards, and that employees remain vigilant and up-to-date with our OHS processes and requirements, despite employee attrition.
- Monitoring the compliance of third-party on-site contractors to OHS standards.

What we are doing

Minimum OHS standards

Minimum OHS standards are applicable to all our sites. The Group risk and sustainability function collaborates with businesses to ensure that appropriate OHS practices are developed and correctly implemented to achieve these standards. All acquired businesses and new sites are required to adopt our health and safety practices. Following a gap analysis, health and safety consultants are commissioned to assist new businesses to develop action plans to improve to an acceptable level of compliance with the Motus OHS checklist.

In the UK, we have adopted the principles of ISO45001¹ (the revised OHS standard which includes environmental aspects) as our minimum standard.

We adopt a zero-tolerance approach to non-compliant OHS behaviour. Our employees are responsible for their own safety as well as the safety of others, and are required to raise OHS concerns and non-compliance with their line managers and OHS representatives timeously. This includes what they feel may pose potential hazards.

COVID-19 management

2022 was a year of navigating intense and differing responses to the COVID-19 pandemic across our various operating jurisdictions. We were able to adjust our OHS practices accordingly to meet applicable guidelines and regulations on COVID-19. Applicable regulatory measures are now included as part of our standard OHS practices.

COVID-19 vaccination is encouraged but not mandatory. We support vaccination given its proven efficacy to help reduce the chance of severe illness or death and the spread of the virus. As such, our employees are provided with time off work to vaccinate.

¹ Organization for Standardization (ISO).

Employee engagement and training

Every employee plays a vital role in maintaining our OHS standard; therefore, regular employee engagement is key to embedding a safety mindset across the Group. Our engagements highlight best safety practice and why it is important to remain vigilant and compliant with our OHS protocols, not only during working hours but at all times.

We recognise the importance of employees who are adequately trained, informed and supervised to fulfil their activities in a safe manner. OHS training and awareness is customised to the workplace environment of each business and region. Training ensures that employees clearly understand their OHS responsibilities, how to operate equipment safely and manage hazards responsibly, as well as adhere to legislative requirements.

In the UK and Australia, training is supplemented with method/vision statements, toolbox talks and morning briefings. In the UK, we have three categories of OHS training; induction training for new employees, job- or task-specific training and refresher training. In Australia, all new employees complete online training on safe working procedures prior to starting work.

In the UK, the Head of Health and Safety is a chartered member of the Institute of Occupational Safety and Health and we are a member of the British Safety Council, providing us with access to additional safety guidance. In Australia, we are a member of the Victorian Automotive Chamber of Commerce and the Motor Traders' Association of New South Wales, which provides us with access to the latest work health and safety advice.

How we measure our performance

All injuries across all business sites are reported monthly on our sustainability management system, including on-site, COVID-19 and road safety metrics. Local administrators and internal audit perform regular data integrity checks. The system also collates lessons learnt, which are used to inform development plans.

The underlying OHS system in the UK tracks and manages incident reporting, regulatory compliance, risk assessments, action plans and training, as well as contractor permits and equipment maintenance schedules. All employees have access to the system using a computer, tablet or phone to ensure that all on-site incidents and near misses are reported.

In South Africa, OHS performance is measured against a predetermined checklist. The extent to which the OHS checklist is applied depends on the nature of the activities undertaken at each business site. The compliance of each business site to the checklist is reviewed quarterly and independently audited at least once a year. All high-risk sites are also assessed by our insurance service providers. All sites are expected to maintain gold status as a minimum

OHS rating, which equates to 86% compliance with the checklist. Action plans are developed for sites with ratings below gold status and these sites are then re-audited within a set period of time and again, if required, until they achieve gold status. In the Rest of Africa, our dealerships conduct quarterly OHS self-assessments.

A similar approach is adopted in the UK where sites are required to meet a minimum OHS target of 90% measured across 17 key OHS areas. The internal Health and Safety Auditor audits sites twice a year. Sites that do not meet the OHS target are re-audited within three months to ensure that findings are successfully resolved.

In Australia, internal and external independent OHS reviews are conducted at all sites. A site is rated as either compliant or non-compliant. In the future, once the framework has matured, we may adopt the rating system used in South Africa and the UK, if it makes sense to do so.

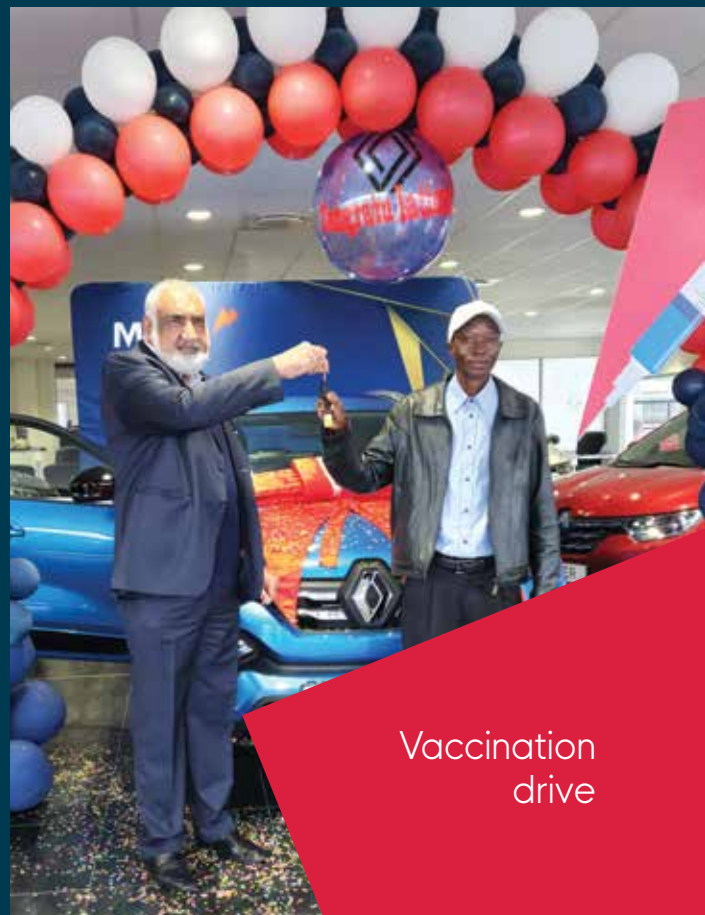
 Governance of social impact: page 148.

Case study

A COVID-19 vaccination campaign was rolled out for Retail and Rental in November 2021 as the business segment was lagging behind the Group in terms of the number of employees that were vaccinated. The initiative was a resounding success with 4 555 of the business segment's roughly 6 000 employees receiving their vaccination by April 2022, achieving a 76% vaccination rate and exceeding our target of 75%.

For those who chose to get vaccinated there was a weekly draw awarding five employees R5 000 each. We also promised that if we reached our target of a 75% vaccination rate that one vaccinated employee would win a brand new Renault Kiger. In total, 90 employees won R5 000 and Sibusiso Mthethwa from Autoworx Jet Park, who did not own a vehicle, won the Renault Kiger in a lucky draw conducted by the Group CEO and Group CFO.

We take this opportunity to thank our employees for their contribution to making our workplaces, and in turn, our customers, families and friends safer from the spread of COVID-19.



Vaccination
drive

Providing a healthy and safe operating environment (continued)

2022 performance and key objectives

Group

- Road incidents (damage to property but no injuries or fatalities) increased by 42% to 616. Accidents per million kilometres decreased from 0,263 in 2021 to 0,236. Of the 41 road accidents, 28 occurred in South Africa and 13 in the UK.
- The increase in business activity and travel has unfortunately resulted in road fatalities increasing to seven – two employees and five third parties (2021: five). The fatalities resulted from six separate road accidents in South Africa. Of the five third-party fatalities, four were pedestrians. In addition, one of our vehicles was involved in a multi-vehicle accident in which four adults died.
- 290 on-site incidents were reported (damage to property but no injuries or fatalities) up 49% from 2021, as business returns to more normal trading levels. The UK recorded 242 (2021: 161) incidents with 41% (2021: 31%) being third-party error.
- On-site accidents increased 38% from 199 in 2021 to 274 (the breakdown shown in the graph below). 7% of on-site accidents were third-party error (2021: 5%). The majority of injuries reported in the UK are slips, trips and falls at 18% and operator error at 17%.
- There were no material incidents of non-compliance with OHS regulations.

OHS audits

547

sites

(2021: 526)

92%

audit coverage

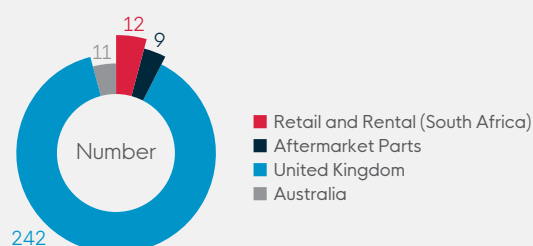
(2021: 97%)

93%

average score

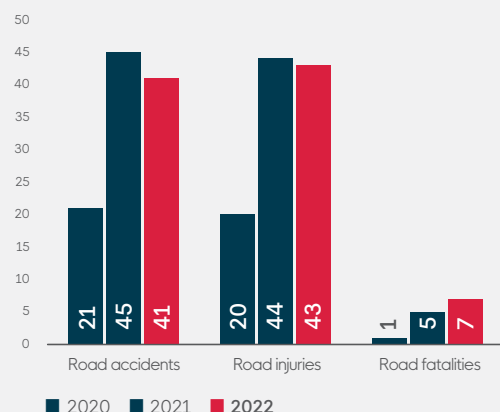
(2021: 92%)

On-site accidents

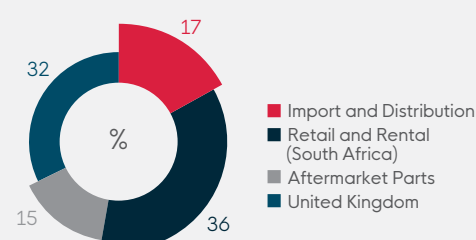


Road accidents

Road accidents by category



Road accidents by region



2022 performance and key objectives (continued)

South Africa

- We ran an awareness campaign to share information with our employees on the importance of COVID-19 vaccination and how to register for the vaccination. We also shared the Department of Employment and Labour's vaccination guidelines, which recognises that employees may object to vaccinations on medical, safety, religious, cultural and philosophical grounds. Certain of our businesses facilitated on-site vaccination drives, surveys were conducted to understand vaccination hesitancy and webinars were hosted with experts and doctors who provided employees with COVID-19 information and addressed myths related to the pandemic and vaccination.
- All OHS checklists were reviewed to identify key risks per business site. The results of the reviews were used to develop a more comprehensive OHS checklist, which is aligned to our updated minimum OHS standards and changes to OHS regulations.
- We streamlined our supplier base of OHS audit service providers taking into account our national footprint, existing relationships and their capability in terms of our OHS standards and site-specific risks. We also reviewed and updated our pool of OHS training service providers to enhance the quality of our training.
- We are reviewing how OHS incidents are reported to improve consistency and accuracy. During the year, we investigated various OHS systems with the capability of integrating with our sustainability management system. A decision will be taken in 2023.
- Health and safety training was delivered to 1 320 Retail and Rental employees (2021: 3 178) and 396 key employees in Aftermarket Parts.

Vaccination rate

Over 75%

average COVID-19 vaccination rate across all business segments in South Africa



Business site audits

97% of 446

business sites audited
(2021: 419; 99%)

93%

average score
(2021: 92%)

99%

achieved gold status (a minimum compliance score of 86% against the OHS checklist)

Providing a healthy and safe operating environment (continued)

2022 performance and key objectives (continued)

Regions

- The Omicron COVID-19 variant resulted in high infection levels in the UK towards the end of calendar year 2021 and into 2022, consequently some restrictions were reintroduced. However, high vaccination levels and lower rates of hospitalisation meant the UK was quickly able to relax all restrictions in the third quarter of 2022.
- In the UK, we conducted a health, safety and environmental review as part of the larger due diligence performed for the FAI Automotive plc acquisition. We expect to complete the corrective actions towards the middle of 2023.
- Our UK business completed the first stage of the ISO45001 audit in December 2021, with a few gaps identified in the administrative process. Phase 2 audits are scheduled for the end of September 2022. Accreditation, once achieved, will apply across all sites.
- In New South Wales and Victoria (Australia) lockdowns were abolished when 90% of each state's population were fully vaccinated. In Victoria, the government has mandated that all employees be vaccinated. For two weeks in January 2022, around 20% of the workforce was absent from work due to strict isolation rules.

Vaccination rate and site audits in the UK

In the UK we are restricted from asking about COVID-19 vaccination status, and estimate that around 85% of our employees are fully vaccinated in line with the national average.

63% of 79

business sites audited
(2021: 87%; 79 sites)

94%

average score
(2021: 91%)

98%

achieved the OHS target score of 90% compliance and above

Vaccination rate and site audits in Australia

98,5%

of our employees are fully vaccinated

94% of 17

business sites audited
(2021: 100%)

100%

of audited sites rated as compliant with our OHS checklist

Business site audits in the Rest of Africa

100% of 5

business sites audited
(2021: 100%)

93%

average score
(2021: 93%)

Objectives

- **Group:** continue to implement updated minimum benchmarks and deliver improved OHS training.
- **South Africa:** roll out the new comprehensive OHS checklist in 2023.
- **South Africa:** implement an OHS information management system, starting in 2023.
- **UK:** areas of focus for 2023 will be assessing contractors, uploading of the correct documentation, the storage of flammable products, enhancing the quality of toolbox talks and monitoring that personal protection equipment is being worn when required.

Supporting the wellbeing of our people

The physical and mental wellbeing of our employees directly impacts their performance and productivity. We provide preventive care and health education and awareness on COVID-19 and the importance of mental health.



An increasing number of employee referrals to wellness service providers, particularly related to COVID-19 and mental health.

What we are doing

Employee wellness programmes

In South Africa, our Employee Assistance Programme is managed by external service providers. The confidential short-term counselling services help employees who are facing personal challenges, including financial and legal advice (excluding labour law), work-related problems that are affecting their work performance, and health, mental and emotional wellbeing issues. Both face-to-face and telephonic counselling is offered. Beyond this programme, our people have access to a wide range of professional communication and self-leadership events.

In the UK, an independent occupational health provider oversees health surveillance interventions, including legislated medical examinations. The health provider also assists employees who need counselling, help with stress and health issues, and rehabilitation from workplace accidents. 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.

Our Employee Assistance Programme in Australia comprises four counselling services and access to government bodies, which assist with relationship issues, depression, suicide and self-harm tendencies and domestic violence.

Given the size of our operation in the Rest of Africa and the current economic climate, we have delayed the roll out of a formal Employee Assistance Programme; however, our HR team in this operation provides direct support to employees who are facing wellbeing issues.

Our wellness programmes are well advertised and our HR personnel are well informed and able to help employees in need of these services.

Wellness days in South Africa

Wellness days are hosted by some business segments and brands in South Africa, which typically provide employees with access to free eye tests, health screens and advice from various healthcare practitioners, dieticians, physical trainers and financial advisers.

Mental health first aiders in the UK

The commercial vehicles division in the UK has a network of 50 trained mental health first aiders, who have either attended a mental health awareness programme, a 12-week counselling course or a cognitive behavioural therapy course. Their role is to destigmatise mental health problems, encourage our employees to speak up and serve as contact points for employees struggling with their mental health. Where required, the first aiders direct employees for professional support.



Supporting the wellbeing of our people (continued)

How we measure our performance

All service providers who support our employee assistance programmes are required to provide the Group with regular reports. This data is not consolidated at a Group level.

 Governance of social impact: page 148.

2022 performance and key objectives

South Africa

- We reviewed our Employee Assistance Programme assessing our current service provider, cost and operational model to enhance efficiencies and employee access. While cost and the operating model were found to be sufficient, the review identified a need to increase our communication with employees on the benefits of the programme. We also worked with our medical aid partners to raise employee awareness on the benefits provided by our medical aid offering.
- Employees increased their use of the Employee Assistance Programme to deal with psychological issues. 213 reported cases (2021: 172) were managed with psychosocial cases comprising 82% (2021: 78%) of total cases. Of the 82%, the highest category of cases was grief and stress followed by depression and trauma. Based on our trend reports, there is a correlation between COVID-19 peaks and increases in programme referrals.
- Motus was assigned a dedicated business manager by our largest service provider, who is helping to identify service gaps and enhance the employee experience.
- We held an awareness campaign for employees on the Employee Assistance Programme.
- A number of wellness initiatives were hosted, for example, Retail and Rental, Mobility Solutions and Hyundai worked with pharmacies to provide on-site vaccinations and booster injections.
- Hyundai hosted a month-long wellness programme that included on-site health checks, talks by mental health practitioners, a discussion and demonstration by a fitness specialist and a presentation by a financial specialist to discuss budgeting and wills.
- Kia will hold a wellness month for employees in October 2022.

Regions

- The commercial vehicles division in the UK, established the Employee Resource Group comprising the mental health first aiders at each site. The group meets quarterly with the HR team and the division's Managing Director, enabling its members to influence matters affecting health, safety and employee welfare.
- The commercial vehicles division in the UK, encouraged employees to take a step away from their work to connect with a colleague, exercise, get outdoors, understand their own self-esteem and deal with anxiety.

Objectives

- **South Africa:** deploy digital emotional intelligence platforms to improve employee wellbeing, and stimulate psychological safety to develop trust and understanding between teams.



SOCIAL

High-quality products and services report



Overview



Our commitment to our customers is to supply high-quality, relevant and innovative products and services at competitive prices, and deliver outstanding customer service. Our people and strong stakeholder relationships are critical in ensuring that we deliver on this commitment.

Our long-standing importer and retail partnerships with leading original equipment manufacturers (OEMs) enables us to represent some of the world's most recognisable brands. We provide these partners with a highly effective route-to-market and have a deep understanding of their strategies, customer preferences and mobility-related technologies. Our ability to meet OEM sales and customer service targets and engage with OEMs on what consumers in our markets want, as well as our strategically located dealership network, position us as an OEM partner of choice.

Excelling in the sale of new vehicles generates a car parc, which in turn builds a book of future business. This parc provides us with the opportunity to maximise future income from each vehicle in the parc; in its maintenance and servicing within the warranty period followed by the servicing and provision of aftermarket parts when it moves out of warranty. Our relationships with our customers therefore go beyond the sale of a vehicle to having multiple touchpoints with them throughout their vehicle ownership cycle, engendering customer loyalty. This further supports our other business activities such as vehicle rentals, value-added products and services (VAPS), and the provision of automotive parts and accessories.

Our expertise in procuring the right vehicles for the market as well as the breadth of our offering enables us to meet customers' mobility needs at all points of their vehicle ownership cycle. This is evidenced by our growing market share in South Africa, and a car parc of over 750 000 for our Importer brands.

Changing customer behaviour

Accelerated by COVID-19, customers have become far more comfortable with digital engagement in the past two years, particularly when searching for their ideal vehicle or engaging with businesses for aftersales service and support. Today, functionality exists for customers to use their preferred device to search for and find information on a variety of vehicles at their own convenience (anywhere, anytime). In addition, there is a growing expectation that engagement and services are personalised, seamless, quick and easy.

The physical dealership remains an integral part of the vehicle purchasing journey. Customers still prefer to physically view a vehicle, test drive it and complete the last mile of the transaction in the dealership environment. However, when customers visit our dealerships today, they

are generally already well informed, and many have already decided which vehicle they want to purchase. Our dealerships must therefore transition to centres of experience, where our customer-facing employees foster trust, leverage technology to enhance the customer experience and are highly skilled to engage across multiple channels and meet our customers wherever they are.

COVID-19 has also highlighted the need for more flexible, affordable and accessible mobility solutions such as the shared ownership model (popular internationally), and usage/subscription-based offerings, accessible to customers through digital and physical channels. As the catalyst for thinking about the disruptors to our traditional business model, Mobility Solutions participates in pilots and small ventures that experiment with trends and test the market and customer uptake. Our many customer touchpoints give us the opportunity to test a number of different solutions.

Another change in customer behaviour, particularly seen in South Africa and Eastern Europe where vehicle replacement cycles are lengthening, is the increasing demand for alternative and cheaper accessories and parts. Aftermarket Parts' growing footprint and our international distribution centres enable us to leverage our buying power to distribute and sell competitively priced products.

The future car parc of our importer brands will comprise connected vehicles, able to communicate with one another and the infrastructure around them. This technology can improve traffic efficiency, reduce collisions and enable behaviour-based offerings as well as deliver over-the-air software updates and emergency services response. Our strategy is to position ourselves as the provider of choice for these vehicles and the products and services that will become available due to connected technology. Connected vehicles will generate more data, which will need to be managed better to effectively monetise it.

The impact of digitisation will continue to intensify, and rapidly so. Shared mobility solutions, such as ride-sharing, vehicle subscription and e-hailing are becoming more common and attractive alternatives to traditional vehicle ownership. However, South Africa is a slow adopter of these models. We will continue to monitor the trends emerging in the technology landscape to dynamically respond to opportunities as we seek to improve people's lives by envisioning, innovating and creating new avenues of access to leading edge mobility solutions.

Ensuring 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. We apply stringent quality controls at every touchpoint.

OEMs are responsible for the safety aspects of the vehicles they manufacture. All imported vehicle models are subject to a country's homologation¹ process before they are introduced to that market. In South Africa, the process covers safety, cost, emissions and parts support for 10 years.

In the UK, if the vehicle has been fundamentally modified prior to registration (that is, changes have been made to the mass or dimension of the vehicle or that affect the vehicle's safety systems), it must undergo further inspections. This impacts the body modifications we do on commercial vehicles.

The quality control of parts and accessories happens at source, and Aftermarket Parts assures the quality of these

products when adding them to its product portfolio. All imported and locally manufactured safety critical products, such as wiper blades, brake pads and lights, must comply with the relevant ISO standards and SAE International's² technical standards and recommended practices, and must be approved by the National Regulator for Compulsory Specifications (NRCS) before they can be sold in South Africa.

The Consumer Protection Act is a key piece of legislation in South Africa that applies to the quality of our automotive-related products and services.



- Expanding our supplier base and sourcing parts when supply chains are disrupted by events such as COVID-19 and the war in the Ukraine.
- Managing customer expectations and relationships when an importer recalls a vehicle, and ensuring that repair work is undertaken by authorised OEM dealerships or representatives.
- Ensuring accurate service and maintenance histories for pre-owned vehicles.
- Keeping relevant updated customer information on all our products and services.

What we are doing

Assisting OEMs and customers to maintain safe vehicles

We help OEMs maintain their safety and brand standards. For new vehicles, quality checks are conducted before they are delivered to the dealership and pre-delivery inspections take place before they are handed over to customers. Our effective recall procedures ensure that we engage with customers quickly in the event of an OEM recall so that parts can be replaced timeously. When dealing with a recall and to maintain our customer care standards, we aim to reach every one of our customers impacted and encourage them to engage with authorised dealerships or representatives before any work is undertaken on their vehicles. Our warranty departments track claims, component failure rates and recurring problems, providing the importer brands with this data to inform their quality improvements.

We offer competitive service and maintenance plans, roadside assistance to help stranded drivers and passengers in the event of mechanical breakdown and VAPS such as deposit cover, extended warranties and

Adcover that protect our customers against various risks associated with vehicle ownership and financing.

One element of the Competition Commission's Guidelines for Competition in the South African Automotive Aftermarket (Automotive Aftermarket Guidelines) requires that customers be allowed to request the unbundling of service and maintenance plans. Our sales staff are trained to engage with customers on the implications of opting out of taking a service or maintenance plan. While this is an important development for customer choice, it does come with risk, including foregoing the credibility, professionalism and quality of work provided by OEM dealership service departments, and jeopardising the manufacturer warranty should customers fail to service their vehicle in line with manufacturer requirements.

Our service campaigns communicate the importance of using good quality parts in the continued safety and optimal performance of vehicles. We also promote special offers such as discounted prices on out-of-warranty service kits and beneficial labour rates to assist customers with out-of-warranty vehicles. Customer loyalty programmes, such as the Kia Klub and Renault Drivers Club, build strong customer relationships and deepen brand

¹ Granting of approval by an official authority.

² SAE International (initially established as the Society of Automotive Engineers) is an engineering standards organisation.

Ensuring product safety (continued)

Motus Assist

Motus Assist operates 24/7/365 using a national panel of accredited roadside assistance service providers. Roadside assistance and emergency services are available in all major metropolitan hubs and provinces of South Africa. The Motus Assist app is efficient; contacting the closest available service provider and negating the need for an agent to co-ordinate the request for help. It improves customer experience as callout time is reduced and customers are able to track the location of the towing and recovery vehicle in real time. Services provided by Motus Assist include roadside assistance, route planning, accident logger, home drive, home assist and emergency assistance services such as jump start, key lockout, out-of-fuel assistance and tyre change.

Case study

loyalty, focusing on customers with out-of-service plan or out-of-warranty vehicles. Some brands also provide digital apps that provide customers with easy access to service history and service and maintenance plan information.

In South Africa, our partnership with Discovery Insure offers drivers who are part of Discovery's Vitality Drive Programme a telematics-based warranty offering that provides comprehensive and market-leading mechanical breakdown and electrical failure cover. Drivers receive discounts on their vehicle services as a reward for driving well.

Vehicle servicing and maintenance

Our OEM dealership service departments use OEM-specified equipment and technology, as well as OEM-certified parts and aftermarket accessories. OEMs provide ongoing product and technical training for customer-facing employees, workshop technicians and quality

controllers. This is supplemented with our own training programmes. Workshop tools and equipment are regularly maintained in line with OEM standards, using third-party specialists where required.

Our Auto Pedigree Service Centres compete in the independent service provider (ISP) space, and offer vehicle owners access to affordable high-quality vehicle maintenance. The service centres provide major and minor services, brakes and clutch replacement, suspension, transmission repairs and engine overhauls, offering customers either OEM parts or approved Motus aftermarket parts. At year-end, 10 Auto Pedigree Service Centres were in operation and we intend to grow our footprint by another third in 2023.

In the UK, compulsory Ministry of Transport (MOT) tests check that vehicles older than three years meet road safety and environmental standards. We remind customers whose vehicles are subject to an annual MOT test when their MOT certificates are about to expire.

Hyundai received a Platinum award at the National Automobile Dealers Association (NADA) 2022 Awards, earning the highest overall score out of 35 participating automotive brands in passenger and light commercial vehicles. The dealer satisfaction index survey measures dealers' satisfaction with various automotive brands, and is a good gauge of the strength of the relationships between OEMs and their dealer networks.

Motus

Motus celebrates the success of Hyundai, Mitsubishi, Renault and Kia at the 2022 NADA Awards.



Certain brands and service workshops use digital solutions to record the health of a vehicle and any service and maintenance requirements, and share this information between parts, workshop and service providers. Video is also used to communicate with customers to show them what is wrong with their vehicles, helping them make quick decisions relating to additional maintenance or repairs.

Pre-owned vehicle sales

Our stock of good quality pre-owned vehicles is derived from the following sources:

- Our rental fleets in South Africa, where we on sell quality pre-owned vehicles with up-to-date service histories. The services and maintenance are undertaken in our own workshops and panel shops or by our franchised dealerships.
- Our vehicle brands which offer high-quality reliable pre-owned vehicles, reconditioned to their set standards. All vehicles have a balance of factory warranty.
- Reliable SA and UK business partners and auction houses from whom we purchase vehicles that are less than six-years old with mileage under 140 000 kilometres. All purchased vehicles have a full Dekra Report (a comprehensive digitised and image rich report on the technical status of a vehicle) and are subject to our own quality processes before we take ownership.

Aftermarket parts

For owners with vehicles outside of the warranty period, we offer three tiers of aftermarket parts, namely premium genuine OEM products, private label products and entry level products that are fit-for-purpose for older vehicles.

Suppliers of parts must be ISO/TS16949 accredited, an International Automotive Task Force technical specification (the highest quality standard globally) and are held to strict service level agreements. Our aftermarket parts sourcing team obtains all documentation and certification applicable to the product and country from which it is sourced. For example, products sold in Europe must have the applicable CE marking and/or E marking, which is the manufacturer's declaration that the product meets European Union standards for health, safety and environmental protection. This is a non-negotiable control when sourcing from Europe.

Measures are in place to closely monitor and manage parts return and failure rates. Where unintended health and safety risks are identified, parts are recalled.

For accessories, we engage with local producers and ensure that accessories are approved by OEMs and have the necessary NRCS certificates and test reports.

How we measure our performance

In South Africa, we subscribe to the Motor Industry Ombudsman and the Insurance Ombudsman, which are impartial and recommend resolutions to disputes between the automotive industry and its customers. We monitor all cases reported to the Ombudsmen as well as those reported to the National Consumer Tribunal. Related reports are reviewed regularly at various management forums.

Vehicle servicing and maintenance

Random customer satisfaction surveys are conducted to inform quality improvements in terms of workshop servicing and parts. The importer OEMs also conduct their own surveys on our customer service performance, providing an additional layer of assessment.

Individual technician training hours and competency levels are tracked. OEM inspections and our own internal technical audits ensure that OEM standards and targets are met, that agreed training is completed and that the vehicles we service operate safely on the road.

In the UK, the commercial vehicles division is ISO9001 certified (quality management system standards). Regular internal audits are conducted to ensure the correct processes are followed, and shortcomings are reported on the operation's health and safety system for analysis and action. An independent external audit is undertaken annually and a full audit by the ISO awarding body every two years. The Vehicle Certification Agency also conducts quality inspections.

Pre-owned vehicles

All pre-owned vehicles in South Africa undergo a stringent 116-point quality assurance check conducted by an independent quality assurer. A similar process is adopted in the UK and Australia. In certain instances, customer satisfaction surveys are conducted on the sale of pre-owned vehicles in the South African operation.

Quality assurance

Regular deal file audits, compliance audits and quality assurance of all calls handled by our call centres ensure we maintain a high-level of quality in our products and services.

■ Providing compliant financial services and products: page 127.

■ Keeping abreast of regulatory changes: page 129.

■ Protecting our data: page 133.

Ensuring product safety (continued)

Car rentals (South Africa only)

All rental vehicles undergo a 26-point check, applying the SAVRALA¹ standards, before every hire. Car Rental has adopted the ISO9001 standards, and has completed the first phase of the certification. The second phase is scheduled for later in the 2022 calendar year.

Aftermarket parts

The quality and safety of parts is regularly assessed against manufacturing standards and related regulatory requirements.

 Governance of social impact: page 148.

2022 performance and key objectives

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.

South Africa

- Out of around 92 000 retail sales and hundreds of thousands of parts and workshop interactions, 173 cases were referred to the Motor Industry and Insurance Ombudsman in 2022, with 40% of finalised cases relating to Import and Distribution, 49% relating to Retail and Rental and 11% relating to Mobility Solutions. Of the total number of cases referred, 97% were resolved in Motus' favour or resolved between parties to the customer's satisfaction, 3% were ruled against Motus and 82 cases were still open at year-end. None of the cases lodged pose a reputational risk for Motus.
- 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. Given the broad nature of the case it is uncertain what risk this poses for Motus.
- In October 2021, Renault initiated a global recall of some of its Triber models to address a possible fault with the latch fitment on vehicle bonnets. In South Africa, 6 249 vehicles were impacted. We contacted our customers through multiple mechanisms, including registered mail, email, SMS, WhatsApp, telephone and when customers brought their vehicles in for a service. To date, 87% of the vehicles have been inspected and repaired.
- In partnership with Sanlam, we launched the Santam Smart Warranty, which provides policyholders with market-leading motor warranty products to assist with unexpected mechanical breakdown or electrical failures in vehicles. The service creates a one-stop shop for all policyholder warranty and car insurance needs throughout a vehicle's lifecycle.

Objectives

- **South Africa:** Hyundai and Mitsubishi will launch loyalty programmes during the 2022 calendar year.
- **South Africa:** while slightly delayed, Hyundai is still on track to launch an app that reminds customers when their services are due. The launch will be in 2023.

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



Delivering innovative products and services

Our vision is to improve people's lives by envisioning, innovating and creating new avenues of access to leading-edge mobility solutions. Our innovation strategy is designed to sustain our competitiveness in a dynamic digital economy, ensure that our core specialist expertise is future fit and meet the expectations of the connected customer.

Many customers no longer follow a linear approach when buying a vehicle, and prefer to engage in a process they are most comfortable with whether this is to establish their affordability and creditworthiness as a first step or conduct online research before engaging directly with a sales consultant. The digitisation of the end-to-end vehicle buying process aims to meet new customer expectations and offer them an omni-channel experience.



- The slow roll out of a strong 5G network in South Africa will delay the introduction of connected vehicle technology.
- Sub-Saharan Africa has the world's most expensive mobile data prices¹.
- Ensuring that digitisation does not add cost and complexity for the customer while remaining compliant and delivering cost efficiencies.

What we are doing

Stakeholder engagement

The detailed customer research project concluded in 2021, surveyed our own customer base as well as those who have not interacted with us, to determine digital adoption readiness in South Africa when purchasing a vehicle. The results indicated that 88% of people engage through digital touchpoints when purchasing a vehicle, and over 40% are comfortable to complete the majority of the vehicle buying process online (compared to 79% in the Deloitte 2022 Global Automotive Consumer Survey who indicated they would be happy to complete a full virtual process). 37% of customers indicated that customer service is the most important factor when deciding which dealership to buy from. Convenience, speed of transaction and ease of use are key factors in driving digital transactions². The biggest barriers to digital adoption were identified as trust, security of personal information and fraud risk.

The customer research project also showed that customers desire a more emotional connection with sales personnel given that they are making a major purchasing decision, and that good communication, transparency and effort by sales executives are key to building trust and delivering an excellent customer experience. Key to being able to deliver this experience is our collaboration with subject matter experts in areas such as artificial intelligence and machine learning.

Innovation journey

Innovation is a core enabler of our future. Deliberate and methodical innovation helps Motus anticipate changes and position itself strategically to benefit from shifts and trends in a transforming market. As digitisation solutions become more sophisticated, we have been able to fully digitise even the most complex transactional areas of our business, such as the vehicle finance application process.

Our approach is two-fold with a dual internal and external focus. Internally, innovation is focused on leveraging existing capabilities to create efficiencies and improve customer experience. Externally, we focus on strategic innovation partnerships and investing in technology and new concepts that will allow the Group to capitalise on existing and new opportunities to create value. We continuously assess what is working well and identify areas of improvement.

Innovation is a key enabler for the longer-term sustainability of the Group and supports the progress we are making to achieve our ESG priorities. For each new innovation project, we consider the sustainability of the intended outcomes prior to implementation and embed internal practices and policies that lead to effective decision-making and legal compliance.

¹ <https://www.weforum.org/agenda/2022/06/as-young-africans-push-to-be-online-data-cost-stands-in-the-way/>.

² Deloitte 2022 Global Automotive Consumer Survey (over 26 000 consumer responses).

Delivering innovative products and services (continued)

Innovation performance model

Innovation capability and strategy



The innovation strategy is delivered through the innovation performance model that directs our portfolio of innovation projects across three categories of innovation:

- ▶ **Efficiency Innovation:**
Doing more with less.
- ▶ **Sustaining Innovation:**
Staying in the game
– doing things better.
- ▶ **Transformative Innovation:**
Solving problems for new
market segments.

The m^x platform (m see page 60) facilitates engagement, participation, and collaboration across the Group to solve for the under-served mobility needs of South African motorists. It is central to sharing business challenges and generating ideas on how to improve business processes. We use a design sprint methodology to take an idea through from concept or problem statement into a prototype ready for deployment. All viable projects are sponsored by an executive member, providing investment and resources to take the solution into the business. When concepts fail, the learnings are saved in a knowledge repository to ensure we don't make the same mistakes or are used to inform other concepts. Key Group projects that have come out of this process are Digital Dealership (m see page 92) and our digital identity tool (m see pages 92 and 131).

In addition to Group projects, vehicle brands and regional operations have their own digital innovations.

Streamlined processes

Our technology developments aim to differentiate our products and services; streamlining the sale of new and pre-owned vehicles, the valuation and trading of pre-owned vehicles, and our vehicle rental processes, making them more efficient, effective and digital while reducing costs. For customers, we are able to respond to their queries more quickly, repetitive processes are removed and they receive better service from our customer-facing employees who are freed up from administrative processes. Customers can also trust that they are using secure online transacting platforms.

Monetising data

Mobility Solutions complements and leverages our automotive businesses, using technology to leverage and analyse proprietary customer and vehicle data to price our offerings accurately, manage claims efficiently, offer personalised services that enhance the customer experience and improve customer retention.

How we measure our performance

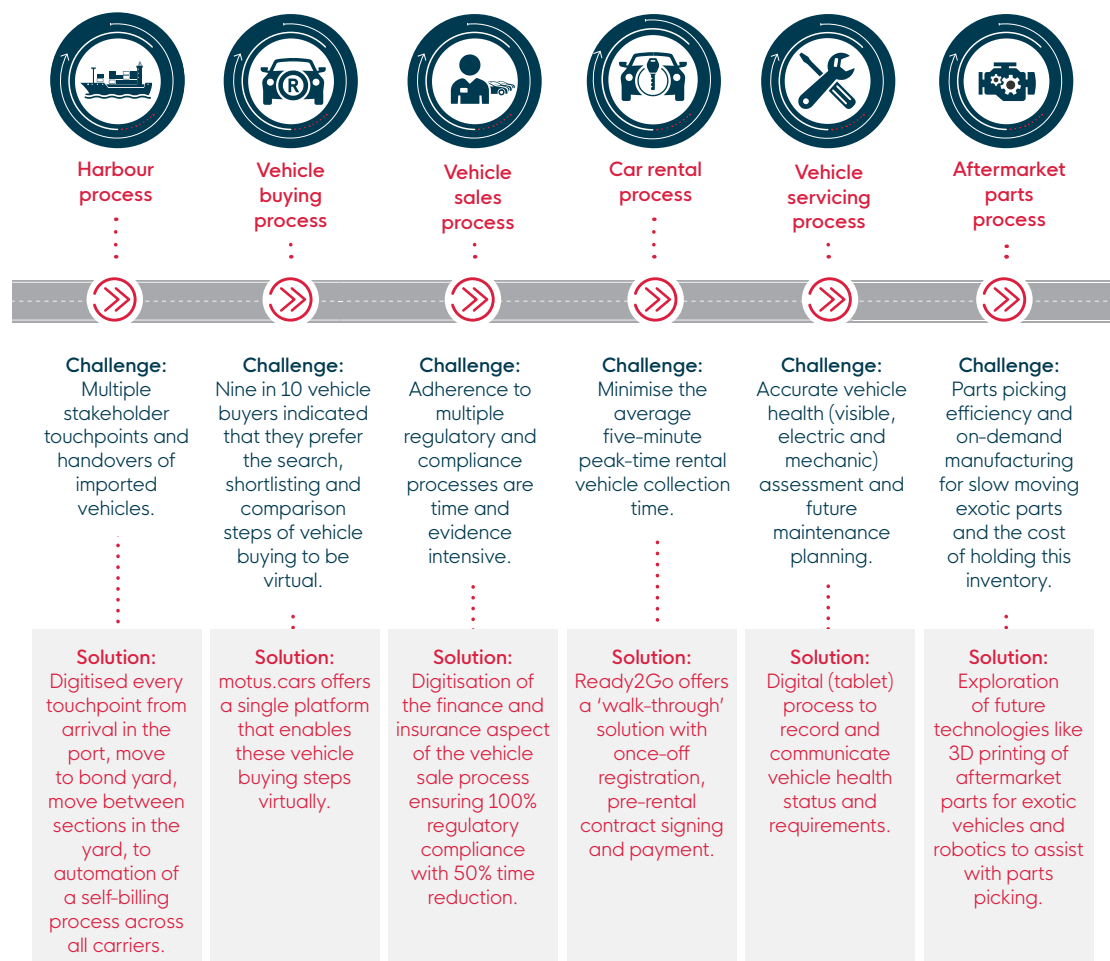
Our focus over the next two years, will be to measure our innovation projects in terms of profitability, efficiencies or improvement in customer service so that we have a good understanding of the impact these projects are having and the value being created. We also measure the return on investment of each project.

2022 performance and key objectives

South Africa

- Our innovation portfolio comprised 23 concepts in development at year-end; eight to improve efficiency, 13 to do things better and two transformative projects to solve problems for new market segments. Four projects relate to social and environmental matters (see page 31).
- We have acquired a 25% stake in a technology company to gain access to complementary technology and expand our offering.
- A pilot project that allows customers to book their vehicle service using WhatsApp was successfully concluded. A national roll out is underway and scheduled for completion in 2023.
- We implemented robotic process automation (bot) software to perform basic, repetitive tasks across applications. Two bot solutions were tested in the year in our finance operations, delivering efficiencies which ultimately contribute to customer experience. Since deployment in October 2021, one of the bot solutions has saved an average of 1 135 task-related hours per month and the other, to be deployed early in the 2023 calendar year, is able to bring down the time to do bank reconciliations from 11 hours to 15 minutes. We intend to develop additional bots for other parts of our operations.
- Aftermarket Parts commenced online trading in April 2022 providing our registered customers in South Africa with one comprehensive product catalogue, which provides technical data, dimensions, 3D images and vehicle VIN references to support improved parts identification. The platform will be enhanced to incorporate products that are sold to the global market through our distribution centres in Asia. Aftermarket Parts is also piloting 3D printing and robotic picking.

Our digitisation portfolio



Delivering innovative products and services (continued)

2022 performance and key objectives (continued)

Regions

- In the UK, we are implementing a cutting-edge web-based booking system for vehicle services, making the process seamless for the customer and allowing us to upsell on additional offerings. We also added new functionality that enables our customers to reserve a vehicle or order it online.
- The CitNow sales video facility has been introduced in the UK to support remote engagement between sales consultants and customers. The solution allows our sales consultants to send personalised videos and videos of vehicles in response to customer queries, building a relationship with them before they even visit the dealership.
- In Australia, our efforts are focused on digitising our marketing platforms.

Objectives

- **Group:** refine our omni-channel approach to ensure that traditional selling processes seamlessly integrate with our digital processes.
- **South Africa:** monitor user engagement with our apps as well as the apps of third-party service providers, including getWorth, Digital Dealer, the digital identity tool and Ready2Go, to make enhancements, add functionality and further streamline these solutions.
- **South Africa:** continue to develop our telemetry capabilities to address under-served needs, and become more sophisticated in how we store and analyse data in preparation for advances such as the connected vehicle.
- **UK:** activate digital touchpoints along the customer relationship management journey and maximise data efficiency.

 Innovation and digitisation review: page 42.



2022 highlights

Key innovation projects



motus.cars is a safe and convenient interactive platform where customers can shop for new, pre-owned and demo vehicles from Motus dealerships across South Africa. Using the platform, they are also able to obtain values for their current vehicles, apply for finance and arrange to have purchased vehicles delivered to their nearest dealership or home.

At June 2022, 20 months after its launch, motus.cars represented 23 OEMs, over 300 dealerships and thousands of demo and pre-owned vehicle models. Visits to the site numbered more than 3,3 million with 2,1 million unique users. All vehicles displayed on the website are owned by Motus and have gone through rigorous inspection processes to guarantee the quality of the vehicle. This provides a level of credibility that is trusted by our customers.

Enhancements made in 2022

- Built in added safety checks to minimise human error when populating vehicle prices on the website.
- Added the getWorth pricing functionality and the vehicle value estimator for customers wanting to sell their vehicles.



Our subsidiary, getWorth, specialises in buying and selling quality pre-owned vehicles (independent of trade-ins) with a retail value of over R200 000. It allows sellers to receive fast and relevant online offers for their vehicles, using patented technology that leverages large data sets and advanced machine learning algorithms to accurately price vehicles based on live market data. getWorth is also able to predict future prices for thousands of vehicle variants at different future dates and mileages.

Certain qualifying sellers of vehicles are able to access getMore – a patented product that offers an upfront cash amount on the sale of their vehicles and a bonus amount when the vehicle is sold on to the next buyer. The bonus amount depends on the actual selling price (less the upfront cash amount, fees and reconditioning costs) and the number of days it takes to sell the vehicle.

For Motus, getWorth provides a streamlined automated buying process that reduces procurement and valuation risks and identifies best pricing guidelines based on its market research capability. Within dealerships it has accelerated our ability to price trade-ins, previously a labour intensive process, satisfying customer expectations and increasing our chances of making a sale.



Motus

getWorth's first aspirational warehouse shopping space in Cape Town includes facilities for delivery, inspection and refreshments managed by a concierge.

Delivering innovative products and services (continued)

2022 highlights (continued)

Key innovation projects (continued)



Over and above getWorth, we introduced a pilot vehicle value estimator on motus.cars, offering users an obligation free tool to access estimate trade and retail values for their vehicles based on actual listing values of similar vehicles for sale in the open market. The difference to getWorth is that users can get estimates without entering their personal details. It is then up to them to decide whether they want to further engage with Motus to receive a tailor-made offer for their vehicle. This will be a novel approach in the South African market.



In addition to a savvy digital customer, the South African regulatory framework has made the purchasing and finance application process for vehicles more complex than ever before, increasing administrative burden (capturing, verifying and reporting customer data to financial authorities), in turn, introducing frustration for customers. Our research confirmed that customers want us to simplify the vehicle finance application process and automate mundane and repetitive paperwork. Motus Digital Dealer was developed to address changing customer behaviour and streamline the process to apply for finance. This digital back-end sales solution will in time digitise the end-to-end vehicle purchasing process. It can be adopted by all Motus brands in the Group while still allowing them to tailor their front-end marketing and communication processes.

Phase 1 of the project was launched on motus.cars in June 2022 and shortens the finance application process from days to just two hours. Customers onboard themselves by filling in their details, taking a selfie, recording a short video of themselves talking, and uploading supporting documents (bank statements, payslips and personal identification documents) at their leisure. Once a customer's profile has been created it is retained in the system and is available to our Retail and Car Rental divisions, allowing for a once off onboarding process. If the customer is already listed in the credit bureau system, Digital Dealer automatically populates proof of residence when an ID number is provided. This instils trust for the customer that they are dealing with a credible and professional business.

Digital Dealer engages with all the major banks in South Africa, providing customers with the best possible chance of being approved for finance and getting the best deal.

Once finance has been approved, the customer can confidently shop for a vehicle, clearing the way for better interaction within the dealership by removing potential embarrassment. The application is then linked to the desired vehicle and the system sends the customer's details as a hot lead to a sales executive who follows up personally.



A technology-based personal and document verification solution that works behind the scenes to support Motus Digital Dealer has been implemented to enhance our regulatory compliance processes. With 80% of the vehicles Motus sells being financed, it is vital that verification for each application is quick and cost-effective. The tool ensures 100% regulatory compliance with 50% time reduction, and customers no longer have to visit a dealership to submit documents for the verification process. Digital verification is valid for three months in the Retail division's system and 12 months in the Car Rental system, after which re-verification is a quick process as the majority of the customer's information is already accessible. For Motus, costs are reduced through a more streamlined process and our employees have more time to focus on customers. The project will be rolled out in three phases with completion expected in the 2023 calendar year.  See page 131 for detailed information.

2022 highlights (continued)

Key innovation projects (continued)



Car Rental is modernising and future proofing its information technology capabilities in line with global travel industry norms and to align with the technology services of its domestic and international business partners. A number of key improvements were made in 2022 to offer a superior, memorable and consistent online customer experience, where customers can transact on a device agnostic basis at multiple touchpoints when renting a vehicle. The platform leverages a myriad of technologies.

The customer self-service portal, Ready2Go, offers individual customers the same digital services already available to our contracted corporate customers. The key features of Ready2Go are once-off online registration, digital customer validation using the digital identity tool, a database of customer information which can be leveraged for marketing purposes and secure payments. When customers checkout the vehicle at a branch, it is a quick process of scanning their driver's licence and collecting the keys. This means the customer can engage with us, book rentals and pay online for as long as their driver's licence is valid. The minimum variable product was launched in May 2022.

A customer web portal, scheduled to go live by December 2022, will provide our Car Rental customers with access to their invoices and statements. This self-service functionality will enable us to process more customers through the same facilities at a higher level of service.



Every month, Motus moves an average of 16 500 vehicles through bond store gates. The management of the supply chain from port to bond store to dealership is a complex process utilising the services of many service providers and requiring the management of data such as inventory, tax and storage charges. In the past, this was a manual paper-based recordkeeping process.

In 2019, we brought this process in-house to improve operational insight, provide better transparency for our distribution teams, enhance functionality and better serve our dealership network for owned brands. Since then, we have digitised the process connecting our service providers to allow for end-to-end supply chain visibility. This has improved the co-ordination of the outbound supply chain and adherence to lead-times, supported faster decision-making based on real-time data and enabled continuous improvement through analytical insights.

The integrated ecosystem was completed in 2022 and is enabling enhanced management of the supply chain and improved service to our dealership network, in turn, assisting our dealerships to meet the expectations of their customers and maintain brand experience. Call centre response times have reduced from 120 minutes to 10 minutes.

- 1 NO POVERTY
- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY INNOVATION AND INFRASTRUCTURE
- 10 REDUCED INEQUALITIES
- 17 PARTNERSHIPS FOR THE GOALS



SOCIAL

Transformation report

Overview

The automotive industry adds real value every day – providing mobility, facilitating trade, creating sustainable jobs, moving people, goods and services, serving communities and creating prosperity for South Africa's people. 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.

The automotive industry invests billions of Rands every year in South Africa's economy and based on its strong multiplier effect represents about 457 000 highly skilled, direct jobs in the formal sector. The automotive industry contributes 4,3% to gross domestic product (GDP), with the retailing segment accounting for around 1,9%¹.

Effective economic inclusion and transformation can only be achieved with collaboration between the South African government, society and the private sector. We support the Automotive Aftermarket Guidelines, which aim to expand the inclusion of small and medium enterprises (SMEs) owned by black individuals in the automotive aftermarket value chain as well as increase local production volumes and create jobs. As small businesses play a critical role in creating desperately needed jobs, it is government's intention to grow local production and manufacturing, and open big business supply chains to SMEs.

South Africa's automotive industry bodies promote the sector's interests and ensure a competitive yet collaborative industry. Our industry body memberships enable us to share our expertise and experience to support broader national strategies, and progress the transformation of our industry and enrich its leadership. They also ensure that our views are considered and incorporated in industry feedback, provide us with insight to the perspectives of other industry leaders and allow us to identify opportunities to drive our own transformation initiatives and contribution to society at large, over and above our community initiatives. The nature of these engagements is open, transparent and pro-competitive.

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 contributes to a capital intensive automotive industry where cost efficiencies can only be realised through scaling and working across brands. These factors could constrain the ability of new entrants to compete in the market. To drive transformation, we endeavour to leverage our scale and influence across brands to create niche opportunities for new entrants.

¹ naamsa / The Automotive Business Council (May 2022).

Overview (continued)

Subscriptions (Group)

R3,4 million

paid for subscriptions in non-governmental organisations (NGOs) and industry bodies
(2021: R3,1 million)

Key memberships (South Africa)

naamsa | The Automotive Business Council (naamsa)

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

Motus participation

Officer role: Vice President Retailing OEMs

We participate in the supply chain, electric vehicle, Automotive Production and Development Programme, broad-based black economic empowerment (B-BBEE), transformation and COVID-19 committees, among others.

Retail Motor Industry Organisation (RMI) and its constituent – the National Automobile Dealers Association (NADA)

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

Motus participation

Officer role: executive committee member 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 (SAVRALA)

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

Officer role: Vice President of the National Executive Council

We participate in the legal and Administrative Adjudication of Road Traffic Offences (AARTO) committees.

Other forums that we participate in include Business Unity South Africa (BUSA), Business Leadership South Africa, the Banking Association South Africa (BASA), 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. We also participate in various working groups related to upcoming regulatory changes and committees that interact with regulators such as the Financial Sector Conduct Authority and the Financial Intelligence Centre (see page 96).

Our transformation strategy

Our transformation strategy and Level 4 B-BBEE rating underpins our commercial competitiveness and secures our relevance in South Africa's society as a business that positively contributes to the economy and communities.

Ownership is an important factor for organisations' purchasing decisions in South Africa, as buying from a company that is at least 30% black women-owned or 51% black-owned improves the customer's preferential procurement score. Having the best possible B-BBEE rating and ownership level therefore enhances our relevance and ability to compete.

Given the high level of our procurement spend linked to franchise agreements or OEMs, OEM scorecards have a knock-on effect on our points for procurement. South African OEMs have committed to the Equity Equivalency Programme that aims to improve their contributor status to a minimum Level 4 B-BBEE rating. This should positively impact our B-BBEE scorecard and rating.



- Failure to meet the sub-minimum requirements in either the ownership, skills development or enterprise and supplier development pillars discounts a B-BBEE rating by one status level.
- Improving our ownership levels.

What we are doing

Transformation strategies

Group-wide transformation strategies, projects and targets across all five pillars of the B-BBEE scorecard are developed, co-ordinated and monitored at head office and filtered into the business segments. Engagement with CEOs, managing directors and HR and B-BBEE managers across South Africa ensures that strategies are implemented to achieve the Group's B-BBEE objectives. This includes engaging with them on the importance of disciplined reporting. Certain business segments and divisions have B-BBEE working groups to drive the achievement of Group objectives.

Our transformation strategies are explained in more detail in the following sections:

- Transforming our workforce: page 99.
- Supporting black-owned and managed businesses: page 103.
- Community report: page 108.

Ukhamba Holdings (Ukhamba)

Ukhamba is an investment holding company, in which B-BBEE shareholders hold 53,1% of Ukhamba's 12,9% shareholding in Motus. The Ukhamba Holdings structure ends in June 2025, with Ukhamba shareholders scheduled to receive their Motus shares around October 2025.

How we measure our performance

Our B-BBEE reporting system collates standardised B-BBEE data monthly from all business segments. Quarterly and monthly reports and scorecards are compiled for operational executives.

The Group measures its transformation progress against the Department of Trade, Industry and Competition's B-BBEE Codes of Good Practice's (dtic Codes). The consolidated Group scorecard is published at the end of September every year on the Motus website. Individual businesses also maintain scorecards where a B-BBEE rating is required to participate in their markets. All scorecards are independently verified annually.

- Governance of social impact: page 148.



Our transformation strategy (continued)

2022 performance and key objectives

South Africa

- We engaged with Ukhamba and its shareholders to ensure the sustainability of the B-BBEE scheme and that our ownership structure is not negatively impacted by the sale of Ukhamba's investment in Imperial.
- The verification for our 2022 B-BBEE scorecard is underway and we expect to maintain our Level 4 rating.
- Three resources were appointed in each business segment, over and above our employment equity committees, to drive our B-BBEE objectives.

B-BBEE rating

Level 4 B-BBEE rating

at corporate level valid to 28 September 2022.
We achieved a score of 80,28 out of a total of 120 points against our internal target of 80,48.

Target: maintain our Level 4¹ rating for the 2022 B-BBEE scorecard.

¹ To achieve a Level 3 rating requires a score of 90 and above without discounting.

Included in the Satrux Inclusion and Diversity Exchange Traded Fund

(see page 26)

Dividends to black shareholders

R93 million

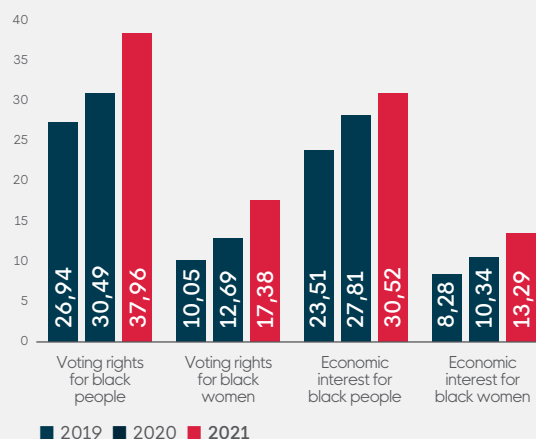
paid in dividends to Ukhamba, benefitting over 6 400 black shareholders
(2021: R45 million)

Black ownership

25 points

out of an available 25 points in the ownership pillar

Motus black ownership scorecard



Objective

- Select a new ownership structure for post-2025.

B-BBEE certificate: <https://www.motus.co.za/environmental-social-governance/our-people/>.

Transforming our workforce

Our long-term objective is to have a local workforce that is reflective of South Africa's economically active population (EAP)¹ by 2028. Our key focus is to increase the number of black people and black women in management positions and continue to develop the skills of our black employees.



- Transforming our senior and middle management levels in a subdued growth environment, which limits our ability to hire new employees and few management positions become available due to low employee turnover at these levels.
- Failure to meet the Department of Employment and Labour's (DoEL) proposed sector targets could result in a penalty should the reasons for underachievement not be deemed acceptable.

What we are doing

Employment Equity Plan

Our Employment Equity Plan sets out co-ordinated and targeted interventions to recruit, develop and promote candidates to achieve our race, gender and disability targets. Our talent pipeline programmes provide a pool of entry-level candidates from designated groups from which we can fill vacant posts. These candidates are upskilled through our accredited technical training programmes and formal learnerships. We ensure an appointment, promotion and training ratio of over 50% in favour of employees from designated groups.

- Leveraging a diverse and change resilient culture: page 54.
- Building our portfolio of future-ready skills: page 62.
- Our talent management framework: page 65.

Stakeholder engagement

The Employment Equity Amendment Bill will drive sectoral targets for designated groups. As an employer organisation, the RMI interrogated the demographic data set provided by the DoEL against its own data, and following consultation with its members, submitted proposed targets for the Wholesale & Retail Trade of Motor Vehicles and Motor Cycles Sector in April 2021. The DoEL has since suggested its own targets which could be promulgated in 2023. Discussions are ongoing between the various stakeholders as well as among our management teams to ensure that we develop a responsible and sustainable plan towards meeting new prescribed targets. Through naamsa's transformation council we engage with the broader automotive value chain, including manufacturers and parts suppliers, on these targets to expedite change within the industry.

¹ EAP includes people from 15 to 64 years of age who are either employed or unemployed and seeking employment.

How we measure our performance

Our Employment Equity Plan to 2023, which covers employment equity, skills development and barriers to transformation based on a workplace analysis, is submitted to the DoEL. Targets, including interim targets, are set for race, gender and disability at each occupational level and for skills development for each business segment and consolidated at a Group level. Targets are submitted to the DoEL annually. Our employment equity metrics are independently verified as part of the B-BBEE scorecard verification.

Our key targets for June 2023 are:

- **Senior and middle management:** reflective of 50% EAP of African people. This equates to 21% of senior and middle management comprising African men and 18% being African women.
- **Junior management:** reflective of 60% EAP of African people. This equates to 26% of junior management comprising African men and 22% being African women.

- Governance of social impact: page 148.



Transforming our workforce (continued)

2022 performance and key objectives

South Africa

- The competitive labour market and economic conditions that were more challenging than we expected impacted our ability to employ the number of people needed to meet our original 2022 employment equity targets. Revised targets were submitted to DoEL and we made good progress in meeting most of these targets. We appointed a new black Executive Committee member and the targets for black representation at top (target: 45%) and junior (target: 68%) management and the semi-skilled employment level were met. At senior (target: 55%) and middle (target: 51%) management we marginally missed target by 2% and 1% respectively. Through our new approach to DEI (see page 55) we aim to find practical solutions to further improve our employment equity. That said, when comparing black representation to 2017 there has been a considerable improvement with top management moving from 17% to 50%, senior management from 24% to 53%, middle management from 36% to 50%, and junior management from 56% to 71%.
- A number of learnerships were supported during the year, key among these being over 400 learners on the Youth Employment Service (YES4Youth) Programme and a learnership for 50 learners living with disabilities funded by head office. We leveraged the YES4Youth Programme to employ 196 young people, particularly within sales.
- Mobility Solutions, working with the Ann Harding Cheshire Home, permanently employs three people living with disabilities who work remotely from a facility for the disabled in Randburg, Johannesburg. The business segment is investigating if there are opportunities to expand the concept into other areas of its business.



2022 performance and key objectives (continued)

Black representation at management level (%)



Hires and promotions

Of the 3 411 people hired in 2022,
81% are black

(2021: 76%)

Of the 224 employees promoted in 2022,
84% are black

(2021: 79%)

Exits

75%

of exits were black employees
(2021: 55%)

Black dealer principals

46%

of dealer principals are black
(2021: 42%)

Skills development

R128 million,

77% of training spend in South Africa
was used to develop black people
(2021: 72%)

Composition of the overall workforce

75%

of the workforce is black
(2021: 73%)

24%

of the workforce are black women
(2021: 23%)

R38 million,

23% of training spend in South Africa
was used to develop black women
(2021: 14%)

71%

of the employees trained in South Africa
are black

Objectives

- Develop a new five-year employment equity plan once the proposed sector targets have been promulgated.
- Continue to support the YES4Youth Programme, giving young people relevant work experience, preparing them for future employment. We will also assist those who need to obtain a driver's licence as part of the programme. Our target intake for the second cohort of the programme is around 420 learners.
- Focus on improving the representation of women and people living with disabilities.

Transforming our workforce (continued)

2022 performance and key objectives (continued)

Case study

YES4Youth is an initiative launched by President Cyril Ramaphosa in 2018 to encourage government and the private sector to work together to create critical work experience opportunities for young people between the ages of 18 and 29. At June 2022, the initiative had created over 81 400 work experiences and injected over R4,5 billion into the economy through salaries¹.

Our partnership with YES4Youth started in February 2021, with the first cohort of over 400 unemployed job seekers finishing their learnerships in June 2022. The learners received a one-year fixed term contract, a mobile device for ongoing support and training, access to learning opportunities to support their career growth and assistance with obtaining driving lessons and driving licences. Interns were placed in various roles across our four business segments (340), at head office (12) and with our CSI programme partners – the Imperial and Motus Community Trust (13) and the Unjani Clinics network (50). The roles were specifically created for our YES4Youth Programme, enabling participants to gain valuable experience in a number of fields, including sales, technical, warranty, parts, retail operations, marketing and communication, finance, warehousing, after-sales logistics administration and customer care.

YES4Youth Programme

Motus

#YES4Youth

To date, our investment in the YES4Youth Programme is R18,7 million. From the first cohort, 196 (48%) YES learners have been employed at Motus.



¹ <https://yes4youth.co.za/> (8 June 2022).

Supporting black-owned and managed businesses

We are developing sustainable working models for black-owned and managed businesses, including non-OEM branded workshops and majority black-owned dealerships, in historically under-served areas near and around informal communities. We are also making our parts and services more accessible to informal traders and technicians. Not only do these initiatives aim to support communities, but they also provide us with access to new markets.



- Finding the right equity partners with the competencies and capital that align to our ability to fund partnerships that yield longer-term returns.
- Between 75% and 80% of our procurement spend is with or linked to established 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 exempt micro enterprises (EMEs) and qualifying small enterprises (QSEs); however, this smaller category of spend can sometimes result in a discounted B-BBEE rating.
- Developing a sustainable procurement pipeline from black-owned businesses.
- Providing the right support to small suppliers to help build their capacity to meet our product specifications and accreditation requirements, particularly for core and high-spend procurement categories.

What we are doing

B-BBEE compliance and preferential procurement

We ensure that our suppliers in South Africa have a valid B-BBEE scorecard. Where we can, we enhance our procurement processes to direct more of our controllable spend to B-BBEE compliant businesses, including EMEs and QSEs. This includes regularly reviewing our supply chain to identify opportunities to procure from SMEs. Given the nature of our businesses, these opportunities are limited; however, some do exist primarily within our dealership and car rental wash bays and for canteen services at various sites.

Makhaya project

The Makhaya project aims to create a sustainable micro-network of informal sector mechanics, providing them with equipped non-OEM branded workshops, technical support and SME-linked business training. These second tier workshops are 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 is a supplier to the network and provides working capital and pricing support to the entrepreneurs. The businesses are closely monitored and are given reasonable access to our value chain and customers. Not only does the initiative support enterprise development and sustainable incomes, but it also contributes to the safety and reliability of vehicles that are 10 years or older and which many South Africans rely on.

Supplier and enterprise development

Our enterprise and supplier development (ESD) strategy is to find opportunities within our controllable procurement spend categories (that is outside of our franchise and OEM procurement) to provide training, mentoring and financial assistance to SMEs, particularly black-owned enterprises, to help them build sustainable businesses. To support SMEs, businesses within the Group outsource activities such as wash bays and cleaning services, or their canteens to small businesses, enabling them to operate rent- and utility-free. When providing loans to our SME suppliers, we monitor our procurement spending with the supplier, and review the enterprise's business sustainability and ability to repay the loan.

Supporting black-owned and managed businesses (continued)

Case study

Interest-free loan

R7 million

in funding made available to the Unjani Clinics network; R2 million up to 2026 and R5 million up to 2027, to help upgrade or expand clinics

In 2021, we made R2 million available to the Unjani Clinics NPC (non-profit company) for the clinics to access interest-free enterprise development loans. Unjani Clinics, which is also a corporate social investment (CSI) beneficiary of the Group (see page 113), supports professional women nurses to operate container clinics that provide quality affordable private healthcare in lower-income communities. Six nurses have been assisted from this tranche of available funding, amounting to R1,8 million. They have used the loans to extend their consulting rooms to enhance their service offering and accommodate a growing patient base. All six clinics have to date met their loan repayment agreements. One clinic has already paid back its loan in full. To date over R800 000 has been repaid and R990 000 is available to re-lend to the network.

Given the success of the first funding tranche, in 2022 we made a further R5 million available to Unjani Clinics as an interest-free enterprise development loan. At August 2022, six clinics had taken up loans to instal solar systems with the total loan amount being R446 000. Additional loan applications have been received for clinic expansions and to relocate clinics to more favourable sites.



Unjani Clinics

How we measure our performance

Our procurement spend is monitored monthly to better understand how it is being distributed among our suppliers and to identify opportunities to shift spend to more B-BBEE compliant suppliers. Our procurement and ESD metrics are independently verified as part of the B-BBEE scorecard verification.

 Governance of social impact: page 148.

2022 performance and key objectives

South Africa

Black-owned and managed businesses

- In partnership with Toyota South Africa, we have invested in land to build a majority black-owned satellite dealership in Tembisa, Gauteng, costing around R30 million. During the year, the Memorandum of Incorporation and shareholder process for the dealership were completed. We will hold a minority share and provide operational support and training to the dealership team. The opening of the dealership however has unfortunately been set back for up to 24 months due to construction delays.
- Within the Makhaya project, our initiatives in KwaMhlanga were closed in 2022, including our partnership with a local taxi association (Project Q), as sadly they were no longer viable or sustainable. However, we are pleased that the workshop in Alexander, Gauteng, remains operational and is supporting six vehicle technicians. An additional two workshops are still in the pipeline, and will be developed using the lessons learnt from our previous implementations.

Black-owned dealerships

42

black-owned Hyundai, Kia, Renault and Mitsubishi dealerships out of a total of 191 dealerships (2021: 30)

Preferential procurement and ESD

- 62% of suppliers (excluding OEMs) have valid B-BBEE scorecards (2021: 61%).
- The Retail division is developing plans to maximise the benefit accruing from OEMs having improved scorecards.
- Within our four areas of ESD support, we spent R26 million (2021: R23 million) on outsourced wash bay facilities, R2 million (2021: R2 million) on canteen and food services and R1 million (2021: R2 million) on the transportation of vehicles. This year we also spent R10 million on special projects such as branding and signage.
- A pilot project was started to assist 10 SMEs adapt their operations to become more sustainable so that they can participate in our supply chain. The pilot will be finalised in December 2022 and further roll out of the initiative will depend on the success of the pilot.
- Every year, Car Rental identifies an ESD beneficiary to support; whether they are in need of help to purchase a vehicle or equipment or cover their business overheads. Small black businesses in the manufacturing of cleaning products, recycling and fibre installations and other IT-related business have been supported to date, and added to our supplier base.
- Some of our ESD initiatives include:
 - Three Auto Pedigree suppliers, including a wash bay operator – Eco Auto Spa – who was initially assisted with the purchase of car wash equipment and materials and now operates on our premises free of charge. The business has expanded to providing cleaning services at other Auto Pedigree sites, including the head office. Initially assisted with the purchase of kitchen equipment, the owner of McLicious Café operates on our premises free of charge and now employs an additional employee. Auto Pedigree also supports Tlatlapa Trading, a vehicle courier service.
 - Working capital support for the SME who is facilitating the Kia corporate identity and branding upgrades.
 - Three Ford suppliers, two black-owned panel beaters (Panel/Paintwork and Valets and Damas Panel Beaters) and Mlungisi's Carwash. We assisted Damas Panel Beaters to acquire Ford Factory Approval, enabling the business to repair vehicles without the Ford factory warranty being impacted. Pleasingly, the car wash business is diversifying its operations to cleaning buildings.
 - Free-of-charge workshop space for Honda supplier, GP Auto Scratch.
 - Free-of-charge wash bay space and early invoice settlement for Active Corporate Cleaning, a supplier to Mercedes Benz. The brand also supports Culinary Concepts, a bistro located at two of its commercial vehicle business sites. Culinary Concepts has achieved growth beyond Motus.
 - Perla Hygiene Services, which provides wash bay and cleaning services to all our Nissan dealerships.
 - Free-of-charge wash bay space for seven small black-owned suppliers to Volkswagen, all of which are financially stable and employ on average 10 people at each of our sites.

Supporting black-owned and managed businesses (continued)

2022 performance and key objectives (continued)

Preferential procurement and ESD (continued)

- Following a review of its supply chain to find opportunities to enhance its local procurement, Aftermarket Parts identified Motor-parts Africa Group (MAG) as a partner to provide blister packaged products. We assisted the business with its investment in machinery and other resources as well as working capital to support MAG's ability to develop a blister package solution for Aftermarket Parts. Within the first quarter of 2023, the business has successfully delivered a number of orders. The project is closely monitored to ensure MAG's ongoing sustainability.

Preferential procurement

R71,5 billion

total procurement spend, of which 29% was categorised as controllable
(2021: R56,7 billion; 35%)

65%

of our controllable procurement spend was with preferential suppliers
(2021: 63%)

R2,9 billion

spent with >51% black-owned businesses against an internal target of R2,5 billion
(2021: R2,3 billion)

R1,8 billion

spent with 30% black women-owned businesses against an internal target of R1,5 billion
(2021: R1,0 billion)

R2,1 billion

spent with EMEs and QSEs against an internal target of R2,1 billion
(2021: R2,0 billion)

Enterprise and supplier development

R121 million

invested in ESD, a 59% increase compared to prior year
(2021: R76 million)

68% (R82 million)

of our ESD spend is estimated to qualify for the 2022 B-BBEE scorecard, equating to 3% of net profit after tax (NPAT), meeting the dtic Codes' target of 3% of NPAT
(2021: R54 million; 3,1% of NPAT)

Scored 15

out of 15 points for the ESD pillar of the 2021 B-BBEE scorecard

Objectives

- Continue to look for opportunities to increase the number of black-owned Motus-aligned franchise dealerships and grow the network of black-owned second tier workshops.
- Provide business segments with additional training on the quality of their ESD projects.
- Support the outsourced wash bay businesses to transition to grey water systems.
- Facilitate OEM support for black-owned dealerships to upgrade their corporate identity and branding.
- Connect the Auto Kasi mechanical workshops and their customers to our Aftermarket Parts retailers, enabling them to pre-order parts and thereby increase sales.

Case study

Hyundai has provided deserving SMEs with a five-year interest-free loan to support their growth and sustainability. In total the loans amount to R44 million. Some of the businesses supported include:

- **Ekurhuleni Panelbeaters and Spraypainters:** a R1 million loan to a strategically located 100% black women-owned and managed business in Johannesburg to enable the business to join the Hyundai Approved Repairer Programme (HARP). The loan is being used to meet the HARP Programme's criteria. Improvements include a revamp of the building façade and signage, a new preparation deck and 4,2 tonne lift, damp treatment and painting of walls, ceilings and floors, installation of an oil separator system, the relocation of the spray booth to conform to workshop layout standards and the construction of a covered parking lot.
- **Diamond Panelbeaters:** a black women-owned business in an industrial township area north of Pretoria, which diversified its operations during the COVID-19 pandemic to include a 24-hour towing business that is manned by three employees. The loan has been used to construct a covered yard for towed vehicles ordered by insurance companies.
- **Stratism Solutions:** as a skills development supplier to Hyundai, the business has realised steady growth from our business development support. Its customer base has grown from 14 customers in 2020 to 37 in 2022 while maintaining a high level of service and it has increased its SETA accreditations. The business now employs 10 permanent employees and four temporary student interns and facilitators. Stratism Solutions has also improved its training facilities, including a separate ablution block, a tarred parking lot and an expanded computer laboratory.



Hyundai ESD
Programme

- 1 NO POVERTY
- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 10 REDUCED INEQUALITIES
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 17 PARTNERSHIPS FOR THE GOALS



SOCIAL

Community report

Overview

We firmly believe that we can use mobility for good to drive positive socio-economic initiatives with impact, strengthen our relationships with our stakeholders, create employment, grow the automotive industry, and make a positive difference in the lives of our people and communities.

Key challenges

- Measuring the impact and sustainability of our community projects.
- Prioritising the increasing need for immediate assistance to social issues against investing to establish longer-term social projects that in time can sustain themselves, reaching larger numbers of beneficiaries.
- Balancing our need for scarce skills with the need to provide employment opportunities for skilled and semi-skilled workers.
- Library burglaries and theft of equipment.

What we are doing

Our corporate social investment strategy

Our CSI supports initiatives that make a long-lasting positive difference to the economies and communities in which we operate. Our chosen pillars are education and skills development, road safety and primary healthcare – areas we believe will assist to alleviate the needs of these communities. Each year, we aim to allocate 70% of our CSI spend to Group projects within these pillars to ensure we achieve a meaningful impact. Individual businesses within the Group support additional projects that meet the specific needs of the local communities in which they operate.

How we measure our performance

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. Some projects are monitored against service level agreements. The Group's CSI spend is independently assured annually.

Assessment tests developed by the University of Pretoria are used to measure literacy levels to ascertain the impact of the Imperial and Motus Community Trust's libraries and resource centres.

 Governance of social impact: page 148.

 Transformation report: page 94.



Motus

#MobilityForGood

Hyundai donated an H-100 vehicle to Gift of the Givers (the 10th vehicle donated since COVID-19 began in 2020 to Gift of the Givers and FoodForward South Africa) to deliver food and aid to disadvantaged and crisis-affected communities.

2022 performance and key objectives

Group

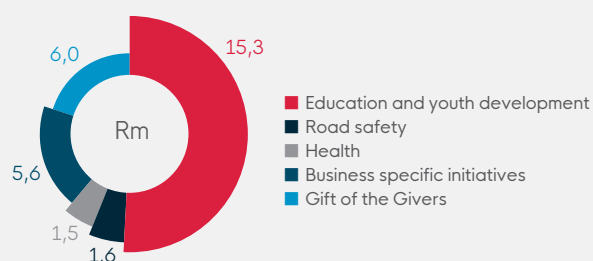
CSI spend

R30,0 million

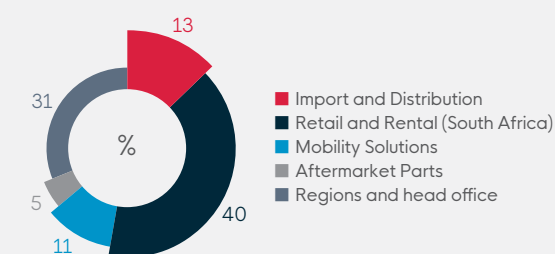
invested in CSI

(2021: R18,6 million)

CSI spend by category



CSI spend by business area



Included in CSI spend

R6 million

donated through Gift of the Givers to communities in KwaZulu-Natal who were either impacted by the July 2021 unrest (R3 million) or by the floods that ravaged the province in April 2022 (R3 million¹)

¹ With Hyundai Automotive South Africa and Hyundai Motor Company of South Korea.

Socio-economic development spend

93% (R28 million)

of our CSI spend is estimated to qualify for the 2022 B-BBEE scorecard's socio-economic development pillar, equating to 1,1% of NPAT, meeting the dtic Codes' target of 1% of NPAT (2021: R18 million; 1% of NPAT)

Scored 5

out of 5 points for the socio-economic development pillar of the 2021 B-BBEE scorecard

Objectives

- **South Africa:** from the new intake of YES4Youth Programme learners, provide workplace experience opportunities for 32 learners (2021: 63) with our CSI partners; the Imperial and Motus Community Trust and Unjani Clinics NPC.
- **South Africa:** continue to expand the reach of our CSI programmes leveraging our relationships with other organisations to provide larger pools of support to projects, enhancing their sustainability.

Motus

#MobilityForGood

R3 million donated
to assist relief efforts
for residents affected
by the devastating
floods in KwaZulu-
Natal in April 2022.



Motus

#MobilityForGood

Aftermarket Parts invested
R1,5 million in its community
upliftment projects.

Investing in education and technical skills development

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.

Motus Technical Academy

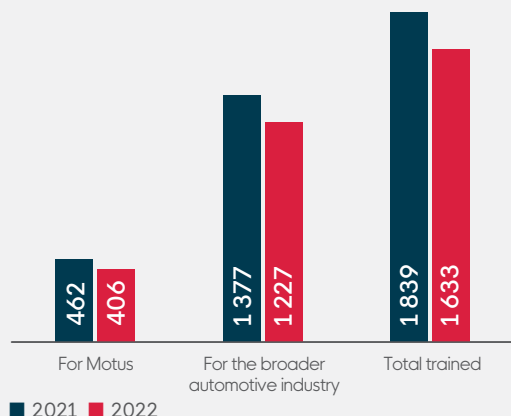
The Motus Technical Academy¹ is the largest training academy for motor artisans in South Africa. It offers full apprenticeships and learnerships for motor, diesel and motorcycle technicians, auto-electricians and spray-painters, as well as skills programmes and short courses. Our accredited artisan training institutions in Gauteng, Western Cape, and Bloemfontein (four institutions in total) train around 1 600 apprentices and technical workers annually for both Motus and the broader automotive industry.

Working with the Department of Higher Education and Training, the Academy supports the largest project under the National Skills Fund. The three-year project ends in 2023 and aims to train around 600 technical artisans.

2022 highlights

Apprenticeships

Number of artisans trained



614

apprentices trained were paid by Motus – 86% are black
(2021: 893; 83%)

Qualified artisans

376

artisans qualified during the year with 62% being from other companies
(2021: 373; 69%)

83

qualified apprentices were hired by Motus and are part of our feeder pipeline for critical workshop positions
(2021: 82)

Jobs supported

20

trainers were employed by the Academy
(2021: 27)

📄 YES4Youth Programme: page 102.

✉ info@motusacademy.co.za.

¹ Programmes are accredited by the merSETA, the Quality Council for Trades and Occupations and the National Artisan Moderation Body.

Motus Family Bursary Fund

The Motus Family Bursary Fund assists qualifying employees in South Africa with funding relief in terms of the costs to send their children to selected South African tertiary institutions from the second year of study onwards.

2022 highlights

Our investment

R9 million

disbursed through the fund over three years
(2020 to 2022)

Beneficiaries

27

beneficiaries supported in the 2022 calendar year. Students receive a maximum amount of R45 000
(2021: 6)

Imperial and Motus Community Trust

(partnership with the National Department of Basic Education)

The Imperial and Motus Community Trust (the Trust) builds and maintains school libraries and resource centres to encourage reading and promote higher literacy levels at under-resourced public schools in Gauteng, South Africa. 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. Motus has supported the Trust since 2003. Two trustees on the Trust's board are Motus representatives and we are responsible for operational oversight.

The school libraries and resource centres benefit school children, teachers and their wider communities. They provide easy access to education materials, thousands of books and media, as well as computers connected to the internet. Orientation programmes for teachers and learners explain the benefits of the resources available and how to use them.

Reading assessments are conducted before the formal reading programme starts to determine the reading levels of the school children, and to provide a benchmark to measure the impact of the programme. While the COVID-19 pandemic has had an impact on the overall performance compared to prior years' achievements, it has brought the value of the libraries and resource centres to the forefront. During this period, the Trust developed new lesson plans to help teachers during lockdowns, which significantly improved the number of visits to the facilities, and some schools used the facilities to participate in virtual meetings with the Department of Basic Education.



Investing in education and technical skills development (continued)

2022 highlights

- New libraries and resource centres were opened in Encochoyini Primary School in Phola Park, Thokoza (July 2021), Imfundo Middle School in Evaton, Sebokeng (September 2021), Abram Hlophe Primary School in Katlehong (October 2021), Dikgabane Primary School in Chiawelo, Soweto (November 2021), Windmill Park School in Boksburg (February 2022), Ekuphumeleleni Higher Primary School in Soweto (May 2022) and Thulasizwe Primary School in Boksburg (June 2022).
- Mini-libraries were renovated and handed over to Tshireletso Primary School in Soweto (July 2021), Abinala Primary School in Vosloorus (February 2022), Magasela Primary School in Evaton, Sebokeng (February 2022) and Phahamang Primary School in Evaton North (June 2022).
- Selected learners from two primary schools participating in the newly launched Sunshine Programme, were allowed to access books on smartphone devices to help improve their reading speed and comprehension. Assessments revealed that the improvement achieved by these learners was greater than those who were not part of the programme. The Trust is assessing the feasibility of extending the programme to more schools.
- To celebrate Literacy Month (September), storytelling plays based on books found in the library were held for foundation phase learners at 10 schools to develop their interest in reading.
- The top-performing Grade 4 to Grade 7 learners were assessed on mathematics and literacy competency.
- Social safety and K53 learner's licence education was delivered to high schools in the Imperial and Motus Community Trust's network, with one class from each school assessed on their understanding of the presentation.
- All library assistants received training on reading and phonics teaching, traditional games, team building and how to analyse books and conduct book clubs. In addition, nurses from the Unjani Clinics network delivered motivational talks to library assistants on health and better eating habits.
- Renault sponsored the Trust with a Koleos valued at R374 000 to replace the Trust's stolen delivery vehicle.
- A pupil who attended both a primary and high school within the Trust's network, completed a Bachelor of Pharmacy (Hons) qualification with distinction (cum laude). The Trust has followed our alumni's progress and provided assistance where it could throughout her education journey.

The Trust's impact

63

school libraries and resource centres
(2021: 52)

Over 72 000

learners reached
(2021: over 61 300)

2 070

school teachers assisted
(2021: 1 600)

65

full-time jobs supported with many having been unemployed people from the communities where the libraries and resource centres are located. Library training is provided to all staff
(2021: 65)

Our investment

R14,0 million

invested during the year
(2021: R11,7 million)

YES learners

12

YES learners will gain workplace experience with the Trust in 2022/23

5

of the 13 YES learners who gained workplace experience with the Trust in 2021/22 have been appointed as Trust employees

The Trust's objective

100 000 learners

reached by 2025 (around 100 libraries and resource centres)

 https://www.youtube.com/watch?app=desktop&v=P_clvartTQE



#MobilityForGood

11 new library and resource centres opened in 2022, encouraging over 72 000 school children to read and learn through books and technology.



Other education and skills development initiatives

South Africa

- Renault donated new ablution facilities and uniforms to learners at Mangwele Combined School in Soweto. In partnership with the Trust, a designated area will be converted into a mini-library during the 2023 calendar year.
- Aftermarket Parts supports six schools¹ located in the communities in which its employees and customers live, to uplift, develop and empower them to produce well-rounded students. Nine children from Madibatlou Middle School were awarded bursaries in 2022 – three each from Grades 10, 11 and 12. Four beneficiaries who matriculated with distinctions were awarded bursaries to continue their studies at university. The business segment also supports seven pre-school projects.

¹ Dias Farm School in Gqeberha, Edward Primary School in Maboloka, Rockford School in Phoenix, Dagbreek Skool in Carletonville, Thando Autism School in Mdantsane and the Madibatlou Middle School in Olifantsfontein.



#MobilityForGood

Motus joined in the International Children's Book Day celebrations, which aims to inspire a love of reading in young people and call attention to children's books.



Driving road safety education and awareness

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 change the behaviours of road users towards more responsible road usage.

The Safe Scholars Programme¹

Delivers memorable life-saving road safety messages in a fun and interactive way for primary school children and their teachers. Around 18 schools were visited each month. In response to COVID-19, this initiative was expanded to include health and hygiene messaging.

The Highway Patrol Programme

Provides the Bakwena Platinum Corridor Concessionaire with patrol vehicles to assist the concessionaire with 24-hour visible policing and faster response times to incidents (crashes and breakdowns), along the N1/N4 toll routes – the busiest toll routes in South Africa during the Easter and December holiday seasons.

Wheel Well

Renault is Wheel Well's drop-off point of choice for parents wanting to donate used baby car seats. Wheel Well then refurbishes the seats and donates them to people who cannot afford new car seats.

¹ Supported by the Department of Basic Education and the Department of Transport.



#MobilityForGood

The six vehicles sponsored by Kia in the 2021 December Highway Patrol Programme collectively travelled 76 783 kilometres on the N1/N4 toll route, participated in 10 roadblocks, assisted at 120 crashes, assisted 162 stranded motorists, stopped 2 741 vehicles and issued 687 AARTO notices.



2022 highlights

- We celebrated our 10th anniversary of supporting our road safety initiatives.
- We are exploring the feasibility of consolidating all our road safety communication onto a single platform to integrate our road safety efforts across more of our community initiatives. This will allow us to consolidate all our messaging and partnerships in one forum and allow visibility regarding the ongoing impact Motus is striving to achieve.
- For transport month (October), and working with the Department of Basic Education, we delivered safe scholar talks to six schools along the R553, which has a high number of road incidents and scholar fatalities. Before holding the talks, each school principal completed a road safety survey. Surveys are conducted every month until October 2022 to monitor the impact of the initiative. At the time of reporting there had been no reported incidents involving any of these schools on this stretch of road.
- The support received from traffic departments and community safety officers has been most welcome, with their attendance at over 80% of our activations.

The Road Safety – Powered by Motus (impact since 2011)

Over 1,96 million

learners reached in over 2 300 schools

(2021: over 1,75 million learners reached in over 2 080 schools)

We estimate that we will achieve the milestone of two million learners reached towards the end of the 2022 calendar year

102 300

reflective sashes given to children to wear while walking on the road

(2021: 98 900)

Our investment

R1,5 million

invested during the year

(2021: R1,3 million)

Highway Patrol Programme

12

patrol vehicles sponsored during the Festive and Easter periods

(2021: 12)



Motus

#MobilityForGood

Library assistants trained by Motus as road safety advocates delivered fun-filled road safety awareness to Grade R up to Grade 3 school children.

Supporting community health and wellbeing

We invest in the Unjani Clinics network, which empowers black women professional nurses to operate and ultimately own primary healthcare container clinics in their communities. The clinics provide affordable, quality primary healthcare and medicines to 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. Motus has a director on the Unjani Clinic's board.

2022 highlights

- 26 clinics were added to the Unjani Clinics network and four mobile units and health pods.
- 12 clinics received interest-free loans to fund clinic extensions, purchase equipment to offer additional services or instal solar solutions. The average value of the loans is R200 000. To date R2,2 million has been accessed and is payable over time periods between nine to 50 months.

Unjani Clinics impact

Over 2,9 million

consultations since 2010, with an average of 74 080 patients provided with primary healthcare a month

(2021: over 60 700 patients a month)

864 122

patients served

(2021: 677 161)

118

clinics located across South Africa

(2021: 92)

6

mobile clinics and health pods

(2021: 2)

475

permanent jobs supported and people upskilled, including 157 professional nurses and 10 enrolled nurses

(2021: 346; 111 professional nurses)

Our investment

R1,4 million

direct investment during the year

(2021: R1,3 million)

R7 million

in interest-free enterprise development loans

 See page 104.

YES learners

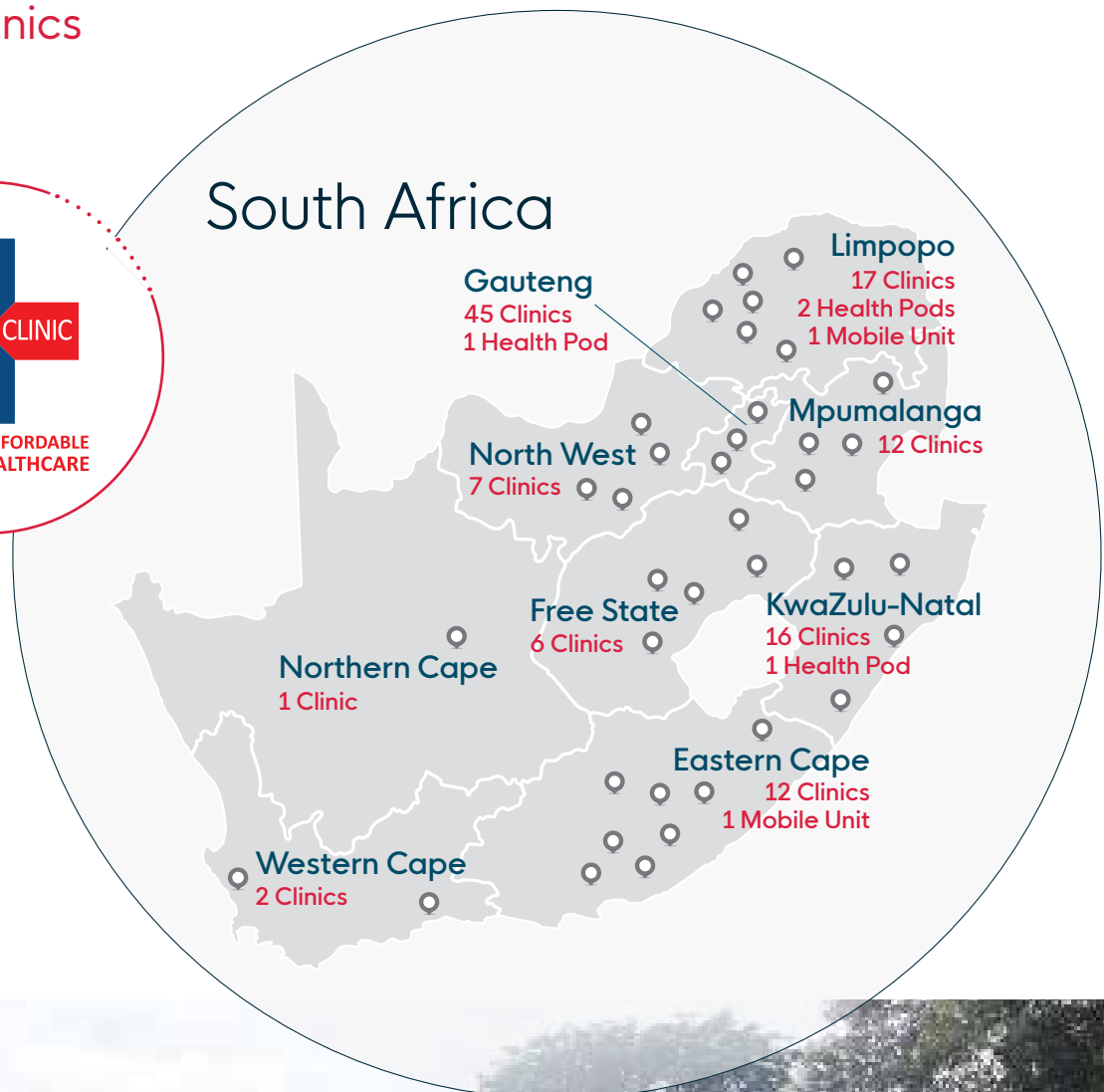
20

YES learners will gain workplace experience with Unjani Clinics NPC in 2022/23

22

of the 50 YES learners who gained workplace experience with Unjani Clinics NPC in 2021/22 have been appointed as employees

Unjani Clinics network



Motus

#MobilityForGood

The Unjani Clinics network of 124 health facilities (clinics, mobile units and health pods) provides affordable, health dignified access to healthcare for local communities.

Supporting community health and wellbeing (continued)

Other community health and wellbeing initiatives

South Africa

- Kia aided in the distribution of hot meals, baby blankets, sanitary pads, grocery hampers, clothing, furniture and fresh produce to over 90 000 residents in various communities in Johannesburg. For many years Kia has supported RADA to combat rape, alcohol, drugs and abuse. Projects range from assisting with the funding of a Kia Rio to support the organisation's growth and the donation of a Kia vehicle during COVID-19 to being a key partner in the MiPad project, which provides reusable sanitary wear for schoolgirls in impoverished communities. During the year, Kia donated R170 000 towards the MiPad project and the maintenance and fuel for the two Kia vehicles.
- Renault delivered 100 food packs to families and school uniforms to 560 scholars in Mariannhill and Pinetown, who were affected by the KwaZulu-Natal floods.
- Aftermarket Parts supports seven hospice facilities across South Africa.
- Mobility Solutions' employees made blankets for kids in need in the Cosmo City and Diepsloot areas of Johannesburg, and in October 2022 they will make at least 300 eco-bricks from single use plastic.

Motus

Covering more than 5 800 kilometres visiting seven South African cities in seven days, Kia in partnership with SEVEN7 Drive collected toys, toiletries and basic necessities as well as funds for Cupcakes of Hope, an organisation that helps children in paediatric wards in multiple hospitals along the route.



We donated a Toyota Hilux 2.4 diesel hearse to the Islamic Burial Society, which serves the whole of Lenasia, Lenasia South and surrounding areas, helping the NGO ensure the dignified and responsible transport of loved ones during times of mourning.



Case study

In its Progress for Humanity initiative, Hyundai has partnered with Reel Life, which is teaching five early childhood development centres in the Western Free State to grow their own vegetable gardens to feed their children and over 1 000 households in the area. Each centre has received an equal split of a 200 square metre garden and 15 Learn and Grow kits. Each grown garden is able to provide one serving of vegetables a day for 50 people over a month. Hyundai contributed R860 000 to the initiative in 2022.



Progress for
Humanity

Regions

- Motus Commercials in the UK is donating trees to schools and colleges within the vicinity of its dealerships in nine regions as part of the Queen's 'Green Canopy' initiative. The 'Trinity College' Birches, a new variety of white barked Birch, should grow to five metres over the next 10 years.
- We participated in Australia's Biggest Morning Tea, raising funds for the Cancer Council in New South Wales in honour of a former employee who passed away with cancer. A total of R33 500 (AU\$3 000) was raised, exceeding our target of R11 400 (AU\$1 000).

As the Ukrainian crisis deepened and hundreds of thousands of Ukrainians headed to the Polish border seeking safety, our UK business launched a public appeal for assistance for displaced Ukrainians seeking safe refuge in Poland. Our dealerships around the UK served as collection points. The appeal garnered approximately R1 million (£50,000) in donated toiletries, baby food, nappies, baby milk, medical supplies, sanitary ware, food, blankets and children's clothes bound for the Polish Charity Centre, 100 miles from the Ukrainian border.





GOVERNANCE

Ethical and compliant business conduct report



Maintaining our moral compass

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

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 to ensure that we operate in an environmentally friendly and responsible manner. Together our ethical culture and our values enable us to explain our decision-making when held to account by our stakeholders.

Every employee is responsible for exercising good judgement and obtaining guidance on appropriate business conduct, when needed. Our Code of Ethics, leaders, standard operating systems and values guide them in this responsibility.

Our memberships in professional bodies and institutes require adherence to professional codes of conduct and they allow us to engage more broadly on key matters such as the detection, monitoring and elimination of corruption, fraud and criminal activities. Through the National Automobile Dealers Association (NADA) we have kept abreast of the Financial Intelligence Centre's (FIC) initiative to lessen criminal activity. We are a member of the Gordon Institute of Business Science Ethics and Governance Think Tank, which gives us access to thought leadership on ethics management.

Unethical behaviour is not tolerated. Decisive action is taken when matters relating to unbecoming conduct are brought to our attention. All fraudulent matters are reported to the relevant authorities.



Maintaining a moral compass in challenging times when a poor economic climate may lead to increased incidents of fraud, corruption and misconduct, including by managers and employees.

Our ethical promises

Nothing but the truth

- Create an environment where honesty and accountability flourish and compliance is a central focus.
- A commitment across the Group to maintain the highest ethical standards in all business dealings.

Everyone, everywhere

- Every employee representing or working for the Group is expected to follow the Code of Ethics at all times.
- All persons, including service providers, sub-contractors and business partners, are required to act consistently with the Code of Ethics when acting on the Group's behalf.

Higher standards for managers

- All managers have additional responsibilities to create an open environment in which employees feel comfortable to ask questions, raise concerns and report misconduct.
- Leaders with behavioural integrity are valued and promoted.

Maintaining our moral compass (continued)

What we are doing

Training and awareness

Ethics and anti-fraud and corruption awareness and training, customised for each business segment and region, ensures that our people understand the behaviours we expect of them. Training covers the content and principles of our Code of Ethics and explains the types of incidents identified through the Motus whistle-blowing hotline.

Whistle-blowing hotline

Independent service providers manage our whistle-blowing hotline, which supports anonymous and confidential reporting by all stakeholders. Any concerns relating to unlawful, dishonest, disrespectful and environmentally unfriendly behaviour can be reported. All instances of alleged misconduct are taken seriously, and are investigated and resolved in line with our internal policies. Reports are closed only after having been discussed with the appropriate managers. This applies to tip-offs received through the whistle-blowing hotline, reported to management or received through any other compliance oversight channel.



Additional information

Hotline tel: 0800 666 005

Hotline email: motus@tip-offs.com

Our employees in the United Kingdom (UK) have access to Safecall, which allows them to anonymously raise problems concerning top management. In Australia, the Speeki application (app) and website enable all employees to speak out anonymously. This reporting tool was introduced in 2021 and indications are that employees are comfortable to use it. In the Rest of Africa there is a dedicated email address for employees to report unethical behaviour. All emails are received by the operation's CEO.

Ethics Self Declaration Programme

Our Ethics Self Declaration Programme in South Africa is an annual online confirmation process where select employees self-declare any conflict of interest and their compliance with our policies and ethical standards. It applies to the Group's Code of Ethics, anti-bribery and corruption policy, conflicts of interest policy, supply chain code of conduct and policy statement on relationships in the workplace. It also allows these employees to raise any non-compliance matters they are aware of and ask for training on our policies. The programme applies to all Executive Committee members and their direct reports, and employees operating in business segments who have been identified as having to self-declare based on their roles, for example, all employees in our financial service provider (FSP) businesses are covered by the programme. Annual self-declaration is mandatory for Group and business segment executives.

Declarations of conflicts of interest are reported at divisional meetings for our UK and Australian operations.

Ethical and responsible business conduct in the value chain

The majority of the products we sell are sourced directly from original equipment manufacturers (OEMs), with most of our supplier contracts being of a long term nature. We expect our suppliers to abide by the terms set out in our Code of Ethics and supply chain code of conduct, which states that Motus considers social, environmental and fair economic business principles as key elements in business award decisions both for new and existing suppliers. The regional operations adapt the Group's supply chain code of conduct to meet their own supplier requirements.

Suppliers are expected to comply with all laws and regulations that apply to them in all jurisdictions of operation, and when legislation is lower than the international standards outlined in our supply chain code of conduct, suppliers are required to adopt our higher standards. Our suppliers are also expected to prevent any contravention of human rights, ensure that there are no discriminatory practices in their organisations, employ practices that reduce health and safety risks as far as reasonably possible, and prevent or mitigate environmental impacts that their business activities may cause or contribute to, or which may be directly linked to their operations, products or services by their business relationships.

Aftermarket Parts' membership of Nexus enables it to buy directly from either MTS Systems Corporation (a global supplier of test systems and industrial position sensors) or ARCO Motor Industry (a professional engine parts exporter). Suppliers are audited in terms of their standards, specifications and processes. The Nexus vetting service is available to its members both for current and new suppliers. Vetting is aligned to European Union standards, and covers labour legislation, health and safety, and corruption.

We will not hesitate to terminate or re-negotiate agreements and relationships that contravene international human rights standards.

In South Africa, broad-based black economic empowerment (B-BBEE) status and/or contribution to enterprise and supplier development are additional criteria that are considered when selecting suppliers.

We reserve the right to audit supplier sites, whether by an internal team or through the use of a third party appointed by the Group to verify conformance to our requirements. Our assessment of our suppliers' ESG performance is limited.

Human rights

We adhere to the principles embodied in the Universal Declaration of Human Rights, the South African Constitution and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. In line with regulatory requirements, we provide an annual anti-modern day slavery statement on our website in the

UK, and in Australia we report annually against the requirements of the Modern Day Slavery Act. Our human resources policies in each of these operations incorporate the necessary regulatory requirements as they relate to modern day slavery and human trafficking.

How we measure our performance

Internal audits cover risks relating to bribery and corruption, unethical business practices, human rights and ethical conduct awareness. All reports to the whistle-blowing hotline are monitored and investigated, including those relating to working conditions and the number of hours worked. Business segments and regions conduct their own employee engagement surveys; however, all surveys include a question on integrity and honesty, and the level of transparency within the operation. This allows us to understand how our employees view ethics and our ethical conduct. To date, no material concerns have been raised in these questions.

 Governance of ethics and compliance: page 146.

2022 performance and key objectives

Group

Conduct

- Internal audits did not identify any material concerns relating to bribery and corruption, unethical business practices or human rights risks.
- No public legal cases regarding corruption were brought against Motus, any of its operations or its employees during the reporting period.
- Two complaints were received from the Competition Commission for alleged anti-competitive practices in terms of the Guidelines for Competition in the South African Automotive Aftermarket (Automotive Aftermarket Guidelines). The Commission did not find any breach by Motus in either case.
- We updated our fraud prevention framework and enhanced our internal reporting to support one approach to fraud-related incidents, which will cover both the whistle-blowing hotline and our internal reporting systems (incidents reported to internal audit and management).

Whistle-blowing hotline

- 69 tip-offs were reported to the whistle-blowing hotline. At year-end, all reports had been investigated and closed. Of the reports received, 10 (2021: 19) were valid concerns where disciplinary or remedial action was taken. While our vigorous controls are identifying dishonest behaviour, leaving little room for misconduct within our businesses, residual risk remains, particularly in difficult economic times.
- 70% of the whistle-blowing reports related to human resources (HR) matters, with some reports being of a malicious nature and others being grievances. We are working to ensure we have a fair and balanced internal grievance process that serves as

the first line of reporting for HR issues, to free up the whistle-blowing hotline for fraud detection.

- The two reports relating to corruption concerned bribery and corruption (supply chain) and extortion (internal). Neither case was found to be valid.

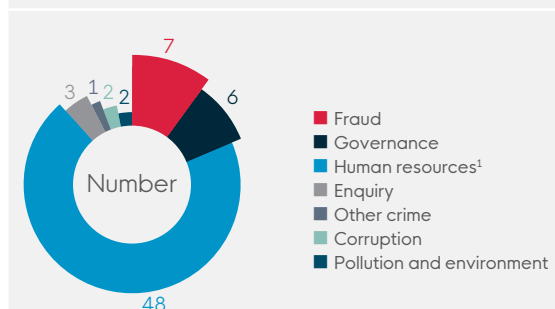
Ethical and responsible business conduct in the value chain

- We started a high level analysis of our non-OEM supplier sourcing processes per business segment. This included the appointment of a resource both at Group and business segment level to redefine our procurement strategy and how we monitor suppliers. We also launched a pilot programme to assist 10 small, micro and medium enterprises in South Africa to enhance their operations ( see page 105).

Stakeholders

- No contributions were made to political parties.

Number of reports through the ethics hotline



Maintaining our moral compass (continued)

2022 performance and key objectives (continued)

South Africa

Training and awareness

- We have developed a new ethics training module, which includes case studies and guidelines on how to use the whistle-blowing hotline.

Ethics Self Declaration Programme

- The Ethics Self Declaration Programme was rolled out to all business segments. Of the 3 926 employees covered by the programme, 88% had completed self-declarations by the end of the financial year. Completion among our executives, senior managers and FSPs was 100%. Additional awareness and training will be provided to the employee groups where completeness levels were below 85%. Online self-declaration has also been included in our induction programmes.

Ethical and responsible business conduct in the value chain

- Mobility Solutions, which has a national network of 3 800 suppliers, is standardising its procurement processes to realise a number of benefits, including enhancing its supplier relationship management, B-BBEE scorecard rating, early settlement process and compliance with the Automotive Aftermarket Guidelines in terms of supplier management. It will also improve the service levels received from suppliers and enable the business segment to take advantage of competitive pricing. The E-Procure system will be rolled out in 2023.

Stakeholders

- We have submitted comments on the draft amendments to the South African Automotive Industry Code of Conduct to the National Consumer Commission through naamsa | The Automotive Business Council (naamsa), the Retail Motor Industry Organisation and NADA.

Objectives

- **Group:** introduce a Group procurement framework with business segment applications in 2023.
- **Group:** align our regional operations with the ethics framework and practices used in South Africa post-2023.
- **South Africa:** develop a centralised gift register and conflicts of interest register linked to each employee's ID number by 2023.
- **South Africa:** roll out the Ethics Self Declaration Programme to 6 500 employees in 2023, achieve a 90% completion rate and ensure that no employee misses a declaration over a two-year period.
- **South Africa:** roll out the new ethics training module in 2023.

Providing compliant financial services and products

Our FSPs in South Africa, UK businesses that operate as authorised credit brokers and insurance intermediaries, and our Australian operations, which are governed by an Australian Credit Licence or Point-of-Sale exemption, manage a complex range of financial services legislation. This requires robust due diligence processes and well-trained and compliant sales personnel.

What we are doing

Risk Management and Compliance Programme

Our Risk Management and Compliance Programme (in place for each FSP in South Africa) sets out our customer due diligence processes, including anti-money laundering and anti-terrorist financing controls.

Regulated products

Regulated products, and their associated processes and policies are regularly reviewed to ensure that commissions and disclosures are transparent in the sales process. External advisers are engaged, if needed, to ensure all our products and services comply with applicable legislation.

Training

Training is a critical enabler of meeting our compliance obligations. All employees in South Africa who are subject to the Financial Sector Conduct Authority's (FSCA) 'fit and proper' requirements receive the necessary training and continuous professional development (CPD) to maintain their accreditation to advise on and offer intermediary and binder services. All product representatives are trained and examined before being accredited by insurers to offer products. Similarly, senior managers in the UK who have control and oversight are vetted for fitness and propriety in alignment with the Financial Conduct Authority's (FCA) Certification Regime. All other regulated employees in the UK receive training and CPD.

How we measure our performance

In South Africa, our FSP subsidiary, F&I Management Solutions (FAIMS), provides the services of finance and insurance (F&I) business managers to the retailer dealer operations and limited services to select non-Motus independent dealerships. As part of its licencing conditions, FAIMS is required to conduct at least one audit per business manager every year. Going beyond this regulatory requirement, FAIMS audits each business manager at least once every quarter. Audits are conducted randomly without pre-warning.

Every deal transaction file for a vehicle sale must contain several key documents and be stored on a secure central platform. FAIMS provides assurance to the Group and our internal audit function on deal file compliance. This takes place as part of the F&I business manager audit where FAIMS will select a sample of dealership transaction files, which include the F&I sale, to audit for a full and correct view.

Our other FSPs in South Africa – LiquidCapital, MotorHappy and M-Sure – are audited by Mobility Solutions' compliance department every month and undergo internal quality assurance. M-Sure is also regularly audited by the insurers to which it provides services.

In the UK, the competency of all regulated consultants and managers is assessed regularly and they are monitored by regional F&I managers as well as a third-party compliance service provider. F&I managers and the third-party compliance service provider also monitor dealership compliance to F&I regulatory requirements, and regularly audit the sales transaction files across the UK dealership network. Processes are in place to ensure that sales agents ask the right questions to understand a customer's needs.

In Australia, the sale of financial products is independently assured. As part of our Point-of-Sale Agreement¹, lenders are responsible for ensuring that our F&I team is appropriately trained, accredited and up to date with the latest legislation and regulatory requirements, including those related to anti-money laundering and terrorist financing, fraud, privacy and responsible lending.

The Social, Ethics and Sustainability (SES) Committee receives quarterly reports of the audit scores achieved by our operations.

Unlike our dealerships that can only finance a vehicle at point of sale, our Australian Credit Licence for our brokerage business, Liquid Capital Financial Services, means it can finance any asset (with some exceptions), including private sales and sales by dealerships outside the Group. To maintain the licence we must comply with Australia's National Consumer Credit Protection Act and responsible lending obligations, as opposed to the exemptions under the Point-of-Sale Agreement. Our brokerage system is designed to ensure we meet these obligations, and external audits take place quarterly.

 Governance of ethics and compliance: page 146.

¹ A recommendation of the 2019 Royal Commission.

Providing compliant financial services and products (continued)

2022 performance and key objectives

Group

- Compliance audits in South Africa, the UK and Australia have not identified any material concerns, and there were no incidents of non-compliance with regulated products and services other than the one reported for South Africa below.
- The F&I audit reporting to the SES Committee was expanded to include the audit scores of all Mobility Solutions businesses in South Africa as well as our operations in the UK and Australia.

South Africa

- The FIC made a finding against one of the Group's dealerships for failure to report certain transactions timeously. Following our remedial plan and controls, the FIC confirmed that all issues had been resolved. A penalty of R88 000 was paid.
- With guidance from external counsel, our Risk Management and Compliance Programme has been extensively updated and new documents drafted for each dealer business that will become accountable institutions under the changes to the Financial Intelligence Centre Act (FICA) (see page 130).
- FAIMS matured its compliance framework relating to interest rate, financing comparisons and warranties. It also introduced updates to its letter of introduction to customers and advice documents, providing them with enhanced information on the type of advice provided, the risks they may face and what they should be specifically aware of, for example, items such as internal targets, among others.

Average compliance scores

	2022	2021	2020		2022	2021	2020
OEM passenger	97%	97%	96%	LiquidCapital	95%	95%	90%
OEM commercial	95%	96%	96%	MotorHappy	96%	93%	96%
Importers	96%	96%	96%	M-Sure	97%	97%	95%
Dealer network	94%	92%	80%				

Regions

- The introduction of compliance scoring in the UK, initially resulted in some low scores as the operation dealt with teething problems. Remedial action was implemented with weekly reporting and monitoring assistance provided to sites to improve results. Scores have since projected an upward trend with the most recent scores being in the top band.

Objectives

- **South Africa:** mitigate and implement potential recommendations arising out of the recent FSCA compliance assessments conducted for LiquidCapital and MotorHappy. Compliance will be reviewed on an ongoing basis.

Keeping abreast of regulatory changes

Motus operates within a highly regulated environment. 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.

Over the next year, we expect our regulatory environment to intensify. Given our long-standing commitment to offering the right products at the right price in the right way, we are positive about the upcoming changes that we believe will enhance consumer safety, transparency and disclosure, ultimately providing us with a competitive advantage.



- A shifting regulatory environment which inherently creates uncertainty and cost pressures.
- Balancing the time and resources required to manage compliance with regulations against those needed to focus on strategic initiatives and agile operations.

What we are doing

Industry memberships and regulatory consultation

Our memberships in industry bodies are critical to understanding the impacts of changing automotive regulations on the Group and our industry, and how we need to change our processes to comply. We support regulatory change that improves our transparency and trust with our customers, and ensures a competitive yet collaborative automotive industry. We actively participate in regulatory consultation processes, either directly or through our memberships, and in a number of industry forums to contribute to the shaping of upcoming automotive policy. Where uncertainties remain, we work with industry bodies to explore possible solutions.

Employee training

Our employees receive training to help them keep abreast of emerging industry trends and upcoming regulatory changes. Training programmes are delivered face to face and online.

Recent regulatory changes

General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Act

The Omnibus Amendments seek to address deficiencies identified in the Financial Action Task Force Mutual Evaluation Report relating to customer due diligence measures contained in FICA, and improve South Africa's legal and institutional framework to strengthen the implementation of measures to combat money laundering, terrorism financing and proliferation financing. The amendments extend the powers of the FIC to access information on any database held by any organ of state.

The Act also amends several laws to provide for an effective definition, alignment and monitoring of beneficial ownership.

Automotive Aftermarket Guidelines

The Automotive Aftermarket Guidelines aim to increase the inclusivity of previously disadvantaged individuals and small and medium enterprises in the automotive value chain; create more transparency around value added products and the servicing, maintenance and repair of vehicles, especially when sold with the vehicle; and increase consumer awareness and choice. The guidelines have a strong transformation focus and are designed to remove perceived high barriers to entry into the automotive industry. They require OEM arrangements to be inclusive, dealership appointments to be transparent, that OEMs increase independent service provider (ISPs) access to their technical information, technical training and parts, and that insurers promote fair allocation of work to their suppliers.

Since its effective date in July 2021, very few customers have requested that service and maintenance plans be unbundled from vehicles. This is attributed to our vast expertise and competitive rates in the servicing of vehicles and procuring of OEM parts through dealerships.

We approve warranty claims where the services have been undertaken by an ISP provided the standard meets OEM requirements. While the Competition Commission's recommendations are only guidelines, we have adapted our systems to facilitate our compliance, amended all franchise agreements, point-of-sale and trade documentation as well as service, maintenance and warranty booklets, updated our communication with customers and trained our employees who are involved in the purchase process. Our current procurement processes will be enhanced by Mobility Solutions' E-Procure system.

Keeping abreast of regulatory changes (continued)

Administrative Adjudication of Road Traffic Offences Act

The Administrative Adjudication of Road Traffic Offences (AARTO) Act aims to improve driver behaviour, encourage motorists to be law-abiding and reduce road accidents. This will be achieved by creating a system of enforcement, the introduction of a demerit system for offences, significantly higher fines and a new tribunal to deal with motorist disputes.

AARTO will be rolled out in phases. The first phase, started in July 2021, entails establishing AARTO service outlets, enabling eNATIS – the national traffic information system – to collect AARTO payments, and delivering AARTO education to motorists.

While we support the Act and hope that it promotes safe road behaviour, especially among transport operators, it does have serious implications for corporate fleets and leasing and rental businesses as it does not adequately cater for non-South African licence holders, thereby penalising businesses and creating additional administration and operational barriers and costs. Interfacing with the government's IT systems also remains a concern.

Through our membership in SAVRALA¹ and NADA, we are engaging with the Road Traffic Management Corporation (RTMC) on developing the IT capability to transfer live data such as demerits, fines and vehicle registrations, which is needed to make AARTO and the road traffic legislation operationally viable.

In January 2022, the High Court in Pretoria ruled in favour of the Organisation Undoing Tax Abuse (OUTA) in declaring the AARTO Act and its amendments unconstitutional and invalid. The Department of Transport is expected to appeal the decision. In the meantime, the AARTO Act and its amendments continue to be operational.

Cybercrime Act

On 1 December 2021, several elements of the Cybercrimes Act came into effect. The law has codified cybercrimes in South Africa and provides the South African Police Service with powers of search, seizure and arrest. The National Prosecuting Authority has the power to prosecute offences.

National Environmental Management: Waste Act, 2008

The Department of Environmental Affairs has published several regulations around waste management, the latest being the expansion of the definition of a producer of waste products to include a wider scope of businesses (including producers of batteries, automotive lighting and single-use packaging). Our vehicle and parts importer businesses now fall under the ambit of this definition which became effective in the latter half of the 2021 calendar year, having cost implications for Motus.

Deferred Sales Model

In October 2021, the Deferred Sales Model (DSM) took effect in Australia, covering all insurance-related value-added products. This differs to the UK DSM, which only covers gap insurance. In both markets, the DSM restricts dealerships from offering certain insurance products for four days at various points in the sales process.

How we measure our performance

Compliance monitoring covers the operationalisation of regulatory requirements in business processes, and the scanning of the regulatory horizon to identify upcoming changes that may impact the Group. Internal assurance providers at business segment level conduct regular audits to measure compliance.

In South Africa, the outcomes of our compliance audits are measured against set benchmarks, including regulatory, product and customer engagement skills.

 Governance of ethics and compliance: page 146.

Upcoming legislation

Amended Financial Intelligence Centre Act and other FIC regulations

Changes to FICA will shift dealerships from reporting institutions to accountable institutions² alongside banks and our FSPs to strengthen anti-money laundering controls. The amendments are with the Parliament's Standing Committee on Finance. Transitioning dealerships to accountable institutions will be the largest change to our business landscape in several years; however, it will enhance oversight of every dealership transaction, whether vehicle- or financial services-related.

The FIC also published the following:

- Directive 6 requiring accountable institutions to screen prospective and current employees for competence and integrity, and against the targeted financial sanctions lists to identify, assess, monitor, mitigate and manage the risk of money laundering, terrorist financing and proliferation financing.
- Draft Public Compliance Communication 22A, which seeks to harmonise the Protection of Personal Information Act (POPIA) and 'Know Your Client' requirements.
- Public Compliance Communication 53 with the new requirements for risk management compliance programmes, effective 1 September 2022.
- Draft Public Compliance Communication 115, to be finalised in September 2022, which provides guidance on the compliance measures to combat proliferation financing.

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

² All retailers who offer goods valued at over R100 000 are deemed accountable institutions.

Case study

We have introduced a digital identity tool that aids compliance with FICA and Know Your Customer requirements, and helps F&I managers meet the requirements of our banking partners. The tool onboards all customers (natural and juristic, single or fleet, cash or financed) and is used by FAIMS, Auto Pedigree, LiquidCapital, MotorHappy and Car Rental. It has also been deployed to the Motus Digital Dealer application (see page 92), where it has been in operation for over 12 months, providing a full FICA customer onboarding and screening solution that can be completed in the dealership or by customers online.

The tool provides a high level of confidence that digital identities claimed by new customers correspond to real-world identities, and assists to identify the proceeds of unlawful activities, and combat money laundering and the financing of terrorist activities and proliferation. This is a key initiative that helps our dealerships meet their due diligence obligations as accountable institutions when facilitating F&I transactions.

Within FAIMS, the innovative, time-saving and customer centric technology integrates into our existing platforms and workflows, delivering efficiencies and cost savings and reducing risk. For individuals, the solution performs a Home Affairs identity check and validation, sanction screening (across 39 international databases) and a South African fraud prevention check, among others. For juristic persons, a Companies and Intellectual Property Commission check for the business is also undertaken, supporting a seamless company onboarding experience. Since inception in July 2022, over 700 company onboardings have taken place on the system.

The system enjoys the most secure and trusted industry standard protocols, operating from the most secure cloud environment available today. In addition, customer details are conveniently on-hand in the event of a query from an Ombudsman, a legal matter or for auditing purposes.

In a business where 265 F&I agents see more than 20 000 customers a month, and which sells over 9 500 vehicles a month and over 240 000 policies a year, going paperless can equate to enormous savings in printing, managing, storing and accessing F&I documentation.

The solution has been successfully rolled out to all FAIMS representatives, with utilisation on active transactions being around 90%.

Biometric and digital identity proofing

Dealer introductory commission

The FSCA has engaged with the automotive industry to better understand the payment of dealer introductory commissions (DIC) in South Africa, and to in turn, ensure that customers are treated fairly.

The Banking Association South Africa (BASA) has assisted the FSCA to develop a framework for a request for information (RFI) on how the sector operates, including industry practices and processes. This has been undertaken in a collaborative process, including members of BASA and NADA, among others. The final RFI has been published for all FSPs operating in the automotive industry, with voluntary participation for non-FSP entities. Submissions were due on 31 July 2022.

Cell Captive Conduct Standard

The final draft of the Cell Captive Conduct Standard regulates the structure of cell arrangements. In preparation, we have explored the various scenarios that could impact our businesses, so that we are ready to respond quickly and decisively. Parliament's Standing Committee on Finance has reviewed the Standard and the FSCA has made updates to it. The FSCA's three-year regulatory plan notes that the implementation of the Standard will be in January 2023.

Conduct of Financial Institutions Bill

The Conduct of Financial Institutions (COFI) Bill is part of the Twin Peaks model of regulation and aims to strengthen the regulation of the financial sector in relation to customer treatment and general market conduct. The COFI Bill 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. The FSCA's three-year regulatory plan does not include an effective date for the Bill.

Consumer Duty

In the 2023 calendar year, the FCA in the UK will introduce the new Consumer Duty, where an organisation's board or equivalent will be held responsible for assessing whether the organisation is delivering good customer outcomes. To provide this assurance, organisations will need to define their boards' level of oversight in terms of this matter. The FCA intends that responsibility for compliance with the Consumer Duty should permeate throughout senior management and the design, distribution and delivery aspects of a product's lifecycle. The aim is to ensure good consumer outcomes are delivered in all business activities and supported by robust evidence.

Keeping abreast of regulatory changes (continued)

2022 performance and key objectives

South Africa

- We developed a database to consolidate and track incidents and action items stemming from internal control matters, compliance audits, internal audit and external audits.
- Management is closely monitoring our progress to ready the Group's businesses for the AARTO Act.
- A FICA working group has been established to ready our dealerships to meet their responsibilities as accountable institutions and the stricter compliance regime that they will fall under. We are developing an appropriate compliance framework to be embedded across the dealership network. Training for all frontline employees on FIC reporting and dealership obligations as accountable institutions has been developed and will be rolled out towards early October 2022. Our updated Risk Management and Compliance Programme is being finalised and audit processes are being designed.
- To align with AARTO requirements, we updated our HR policies to cater for employees who either drive company vehicles or who are required to use their vehicle as a key part of their work.
- Deemed to be producers of waste, seven of our businesses successfully registered with the Department of Environmental Affairs' Waste Information Centre. Our next steps will be determined once we have engaged with the centre.
- We subscribed to the Parliamentary Monitoring Group platform, which gives us access to various committee reports and upcoming regulatory changes, and to LegalBrief for daily legal updates on salient matters affecting South Africa.

Regions

- We have rolled out a compliance self-assessment process in the UK to be completed twice a year. The process will identify compliance gaps, agree action plans to close gaps, and provide compliance assurance.

Objectives

- **Group:** promote compliance as a key enabler for the Group to align with global views on consumer protection.
- **Group:** continue to participate in the regulatory consultation processes that precede the enactment of regulations, directly and through our membership of several industry forums.
- **South Africa:** deliver training on the Cybercrime Act.
- **South Africa:** FAIMS will deploy world-leading document validation support for scanned documents, as well as other functionality such as onboarding foreign customers, client declarations, and bank account and email validation.
- **South Africa:** adapt the digital identity tool to meet the upcoming FICA requirement to report political connections.
- **South Africa:** continue to develop non-paper based value-added products and services (VAPS), leveraging our customer and vehicle data to enhance customer value and mitigate against the increasing regulation associated with paper-based VAPS sold at point of sale.
- **South Africa:** continue to enhance our customer relationship management capabilities, ensuring that how we engage and communicate with our customers meets the requirements of various changes in regulations.

Protecting our data

Our data is one of our most valuable assets as it enables us to personalise customer experiences. Consumers have become more protective of their personal data and PwC's December 2021 Global Consumer Insights survey indicates that data security has a greater impact on consumer trust than any other factor. We keep up to date with best data management practices and meet our regulatory obligations to manage the personal information of our stakeholders securely and responsibly.

POPIA promotes the protection of personal information in line with international standards. It covers individuals and business clients, and limits the rights of businesses to collect, process, store and share personal information. It also makes businesses accountable for protecting the privacy of this information.

 Our Promotion of Access to Information Act manuals provide the South African public with the means to request access to our records and the terms and conditions associated with such requests: <http://paia.motus.co.za>.

The top five types of cybercrime reported are phishing scams, website spoofing, ransomware, malware and hacking. In addition, a new threat has emerged that targets opensource software libraries used in many commercial applications – essentially exposing hundreds of well-known applications and systems that host them to potential compromise. These 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.



- Maintaining compliance with POPIA, which impacts our systems and personnel across all areas of the business where information is collected.
- The additional preventative measures and costs, both technical intervention and user awareness, required to prevent security breaches.
- Increasing levels of crime and burglaries in South Africa increases the risk that personal information is compromised when computers are stolen.

What we are doing

Privacy by design

We have adopted a 'privacy by design' approach, which is to embed good privacy practices into 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. Privacy impact assessments are updated annually.

Cyber Resilience and Information Protection Programme

Our Group-wide Cyber Resilience and Information Protection Programme aligns with international standards and best practice, including POPIA requirements and the European Union's General Data Protection Regulation rules. It focuses on protecting the data that is most critical to the Group, ensuring that the most relevant security controls are effectively applied to our systems, critical infrastructure and end user devices. It also ensures that we maximise our return on investment and meet regulatory, audit and customer requirements.

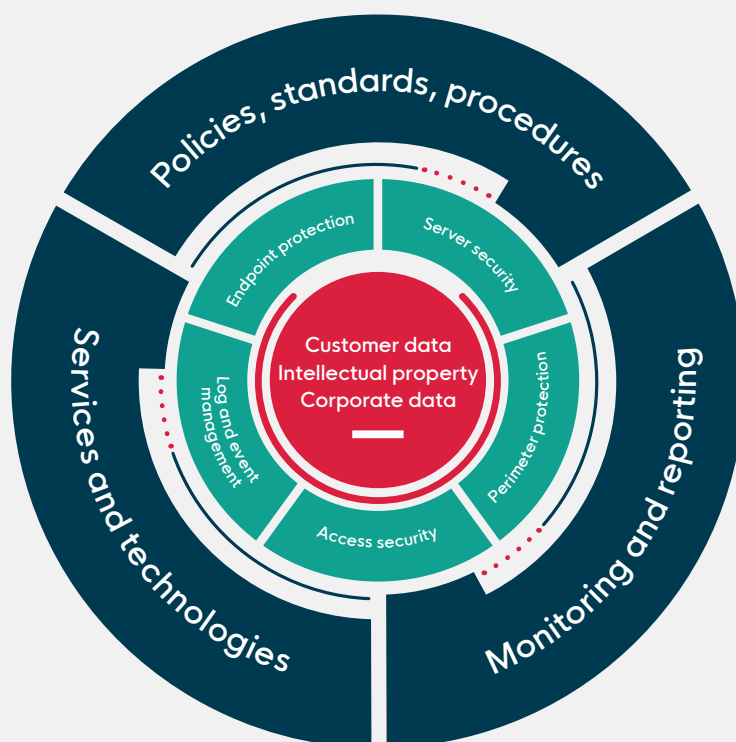
Ongoing cyber-threat assessments analyse our cyber-security controls. In the event of a data leak, our systems and data backup and recovery capability ensure business continuity and that further exposure is prevented.

Employee responsibility and training

Our employees are subject to a duty of confidentiality. We ensure that they have the right level of access to the information they need to do their work and meet customer expectations. To drive good data handling behaviour, various internal platforms provide POPIA training, including the Act's requirements, its application and employee accountability when processing personal information. Ongoing cyber resilience and information security awareness and training are also provided, covering our data-related policies, standards and practices, and employee responsibility in terms of protecting the Group's assets.

Protecting our data (continued)

Cyber Resilience and Information Protection Programme



External relationships

We work with technology and financial partners to develop integrated data security solutions and reduce cyber risk for our customers and businesses. This includes an external review of our IT security measures in relation to best practice. Data privacy and protection clauses and security assessment criteria in our supplier contracts ensure that our data management responsibility is extended to third parties. Controls are in place to manage third-party connections and access.

How we measure our performance

We monitor and report on data breaches as well as the loss of personal computers or devices with access to personal information. In 2022, we introduced a POPIA compliance assessment as part of all internal audits.

We measure the maturity of our cybersecurity capabilities against the National Institute of Standards and Technology (NIST) Cybersecurity Framework¹, an internationally recognised and accepted standard for cybersecurity. The framework's five critical capability domains include cyber risk management and oversight, threat intelligence and collaboration, cybersecurity controls, external dependency management, and cyber incident management and resilience. Capabilities in each domain are assessed quarterly and consider prevailing industry and regional conditions and threats. Additional operational security measures include continuous vulnerability assessments, periodic network and application security testing, event monitoring and incident tracking.

 Governance of data management: page 147.

¹ The NIST Cybersecurity Framework is a globally accepted standard for cybersecurity (ISO 27001).

2022 performance and key objectives

Group

- There were no incidents of non-compliance with data-related regulations and/or voluntary codes.
- One data breach was reported to the regulator in Australia, where email was compromised.
- In South Africa, where it was deemed applicable, we reported the theft of personal devices to the Information Regulator.

South Africa

- The POPIA working group continues to meet to identify any areas that require attention following the extensive work completed to ensure that our systems and those of our suppliers and partners in the financial services industry comply with POPIA. All Motus entities have registered and approved information officers.
- Additional safety controls are being put in place at our dealerships, including locking away personal computers, adding perimeter security detection and moving to laptops, where possible, to mitigate the risk associated with stolen computers.

Regions

- Progress was made in both the UK and Australia on enhancing our capabilities in line with the NIST Cybersecurity Framework.
- In Australia, we published updated privacy policies on our websites, allowing us to engage with customers sooner and assist them with their finance, warranty and insurance needs.

Objectives

- **Group:** enhance key policies and develop security standards and procedures to achieve the improvements identified in the NIST benchmarking exercise, supported by training and awareness, improved governance and periodic assessments to ensure that progress is being achieved.
- **South Africa:** enhance our POPIA controls and performance based on the learnings from the first hearings adjudicated by the Information Regulator. We will also drive a POPIA awareness campaign, with posters displayed at customer-facing touchpoints, new emailers, new email disclaimers and updated training.
- **South Africa:** share threat intelligence across our businesses and with our partners and service providers.
- **South Africa:** develop a supplier management tool (over three years) to reduce our reliance on external expertise in terms of business continuity.



GOVERNANCE

Governance of sustainability matters

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



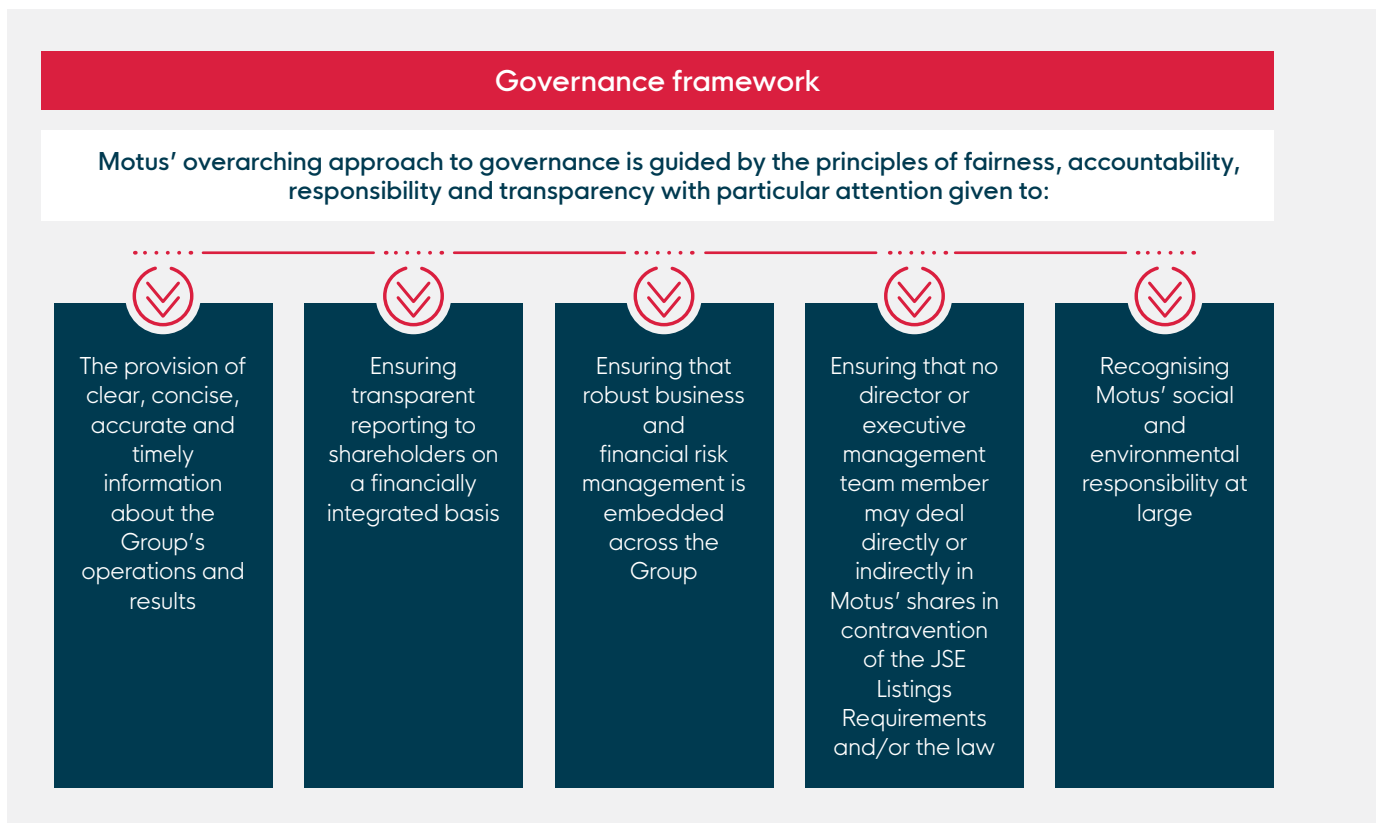
Overview

Motus' 75th year of operation is testament to our understanding of sustainable thinking – that not only must we be able to create value, but that we must also ensure that value is preserved and can be sustained.

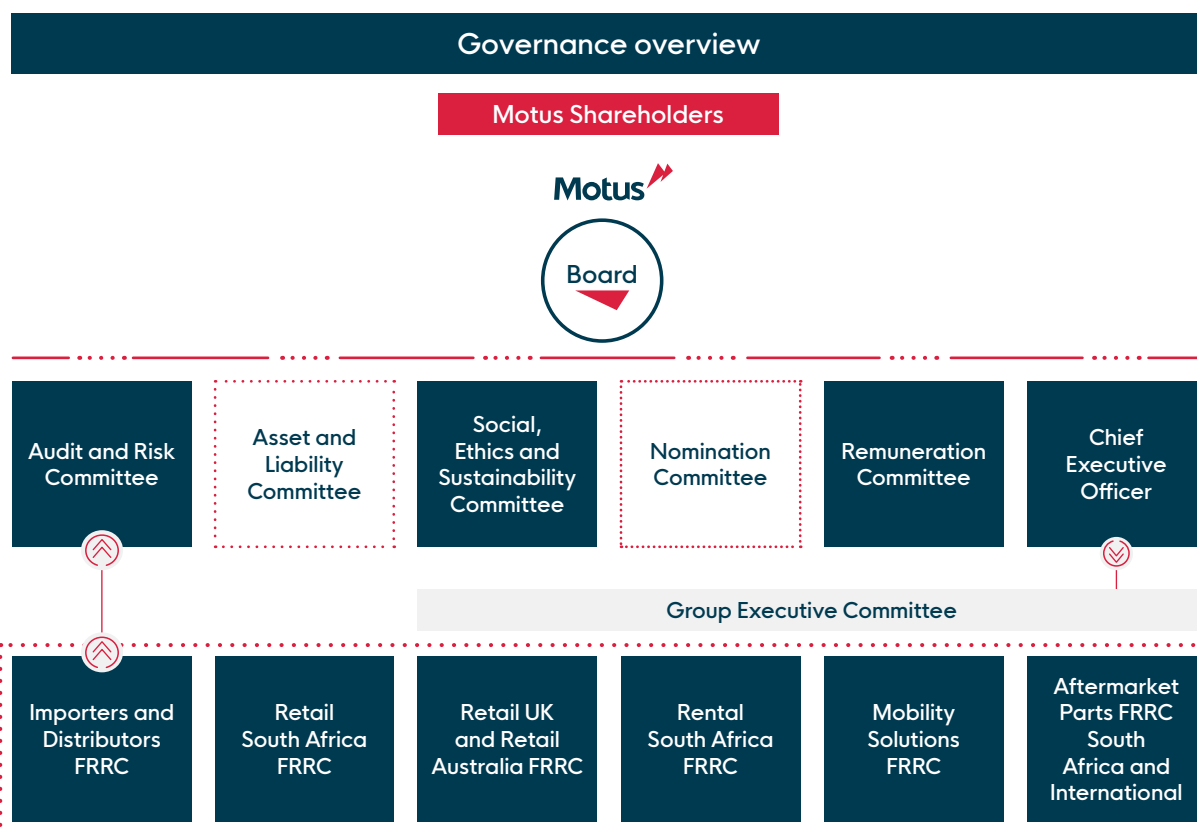
The need for ethical leadership and corporate responsibility has never been greater. Stakeholders increasingly want to understand how businesses integrate their purpose and practices into their business model, and how they manage ESG-related matters as a 'sustainability' indicator that assesses whether the business can survive beyond tomorrow. This includes investors, analysts and other funders of capital who are expanding their focus beyond financial results towards business conduct and practices in the pursuit of value and profits.

Motus remains committed to high ESG standards, despite current economic challenges, and to transparently demonstrating our role in society. For us, ESG is an opportunity to showcase how we live our purpose and earn the trust bestowed on us by our stakeholders.

Our governance of environmental and social matters is both about understanding what risks we should take and having the competence to ensure our decisions are implemented in a responsible way that balances the risk/reward ratio. Central to our ESG approach is Motus' value system through which our leaders make decisions, and are held accountable for the consequences of their decisions and actions.



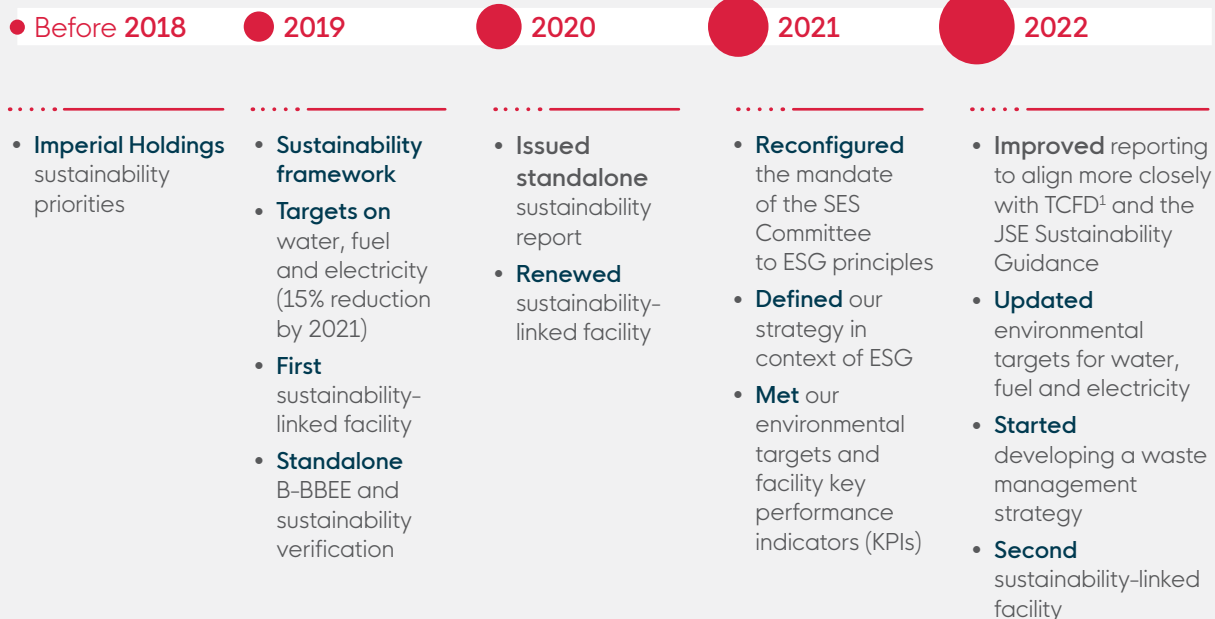
Overview (continued)



All committees highlighted in blue play a role in the governance of social and environmental matters.

Note: Finance and Risk Review Management Committees (FIRRCs). Separate FIRRC meetings are held for each Importer brand and the Rest of Africa.

Our sustainability journey



¹ Task Force on Climate-related Financial Disclosures.

Board oversight

The board is responsible for ensuring that good governance practices and principles are applied to maintain high standards of accountability, transparency and integrity in the way Motus manages its sustainability-related risks, opportunities and impacts. Our governance structures ensure that our environmental and social impacts are identified and understood, and that negative impacts are responsibly mitigated and positive impacts are leveraged to drive value for our stakeholders.

Our board

Motus is led by a diverse board of directors, the majority of whom are independent. The board has extensive industry and operating context knowledge, expertise and experience. It leads with integrity, setting the tone for ethical leadership, sustainability, stakeholder inclusivity and high standards of corporate governance throughout the Group. The board is supported by a highly experienced management team with years of collective experience and expertise, extensive industry knowledge of regional and global markets, and a proven track record.

During the year, Fundiswa Roji joined the Motus board. She is a CA(SA) with extensive professional experience gained at Imperial Holdings Limited, Kagiso Trust Investments and Kagiso Tiso Holdings.

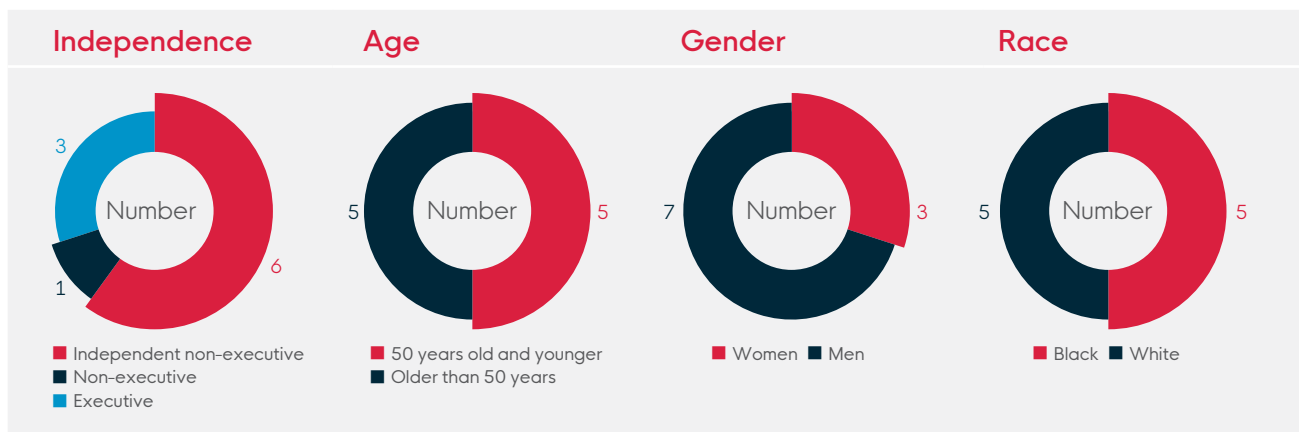
The board's diversity in terms of backgrounds, skills and experience is governed by our broad diversity policy on gender and race.

All board committees have approved terms of reference, which clearly set out their duties and responsibilities.

Each committee is chaired by an independent non-executive director. The evaluation of the board's performance and that of its sub-committees, its chairman and its individual members is conducted every two years to support continued improvement in performance and effectiveness. In addition, meetings are held between the Chairman and individual board members to discuss the results of the assessments and to identify concerns and areas for improvement. No instances of non-compliance with terms of reference were noted in 2022 and the board and its committees were found to be adequately performing their duties. Committee packs contain the correct level of information to allow for informed decision-making.

Board members have a broad range of experience given their other external board positions 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, for example, two ESG-dedicated sessions were held in 2022 to bring the board up to date with changing ESG stakeholder expectations and reporting requirements.

Board composition



Our Group leadership details: page 24.

Board oversight (continued)

Social, Ethics and Sustainability Committee

In addition to its statutory duties, the SES Committee guides and oversees our sustainability-related strategies and their implementation. In the 2021 board evaluation, conducted by an independent external consultant, ESG was identified as an important area of future focus. In response, the SES Committee was reconstituted in September 2021, now comprising four members with two being independent non-executive directors, a non-executive director and the Group CEO. The Group CFO, CEO of Mobility Solutions, the Executive of Corporate Affairs, Risk and Sustainability, the Chief People Officer (CPO) and the Chief Specialist of Governance and Compliance attend the SES Committee meetings as invitees.

IR SES Committee responsibilities: page 144.

The committee's mandate and agenda have been streamlined to ensure appropriate focus on ESG matters. The meeting agenda now provides more focused reporting on the Group's ESG performance and compliance with various ESG-related regulations.

The committee's agenda covers:

- Our standing in terms of the 10 United Nations Global Compact principles, the Organization for Economic Cooperation and Development recommendations regarding corruption, the International Labour Organization Protocol on decent work and working conditions and, in South Africa, the Employment

Equity Act and Broad-based Black Economic Empowerment Act.

- **Environmental matters:** climate change risk, our environmental strategy, our investment in green projects, and OEM plans to manufacture and supply new energy vehicles (NEVs).
- **Social matters:** human capital management, including the promotion of diversity, equity and inclusion; our employee relationships; training and development; health, safety and employee wellbeing; our performance against the B-BBEE scorecard; and our corporate social responsibility; as well as broader commercial and economic dynamics such as innovation, brand and reputation management that may impact our sustainability.
- **Governance matters:** ethics, compliance and regulatory matters, Ombudsman metrics, and our IT strategy, including our investment in technology, cost containment, enabling new governance processes, proper oversight of business segment IT functions, adherence to governance policies and frameworks, maintaining the correct level of cybersecurity, improving the performance and functionality of apps, and upgrading out-of-date platforms.

As part of the Group's strategic planning, the SES Committee ensures that budgets and resources are in place to meet our key ESG objectives, including for training and development, information security, B-BBEE initiatives, corporate social investment (CSI) spend and environmental improvement projects. The SES Committee met four times during the year.



Key deliberations, discussions and decisions made in 2022

- The committee oversaw the management of the whistle-blowing hotline and the disciplinary actions taken where misconduct had been verified.
- The committee reviewed:
 - The Group's training spend and matters relating to employee relations and employee wellness.
 - Our plans in South Africa to improve our B-BBEE rating, including preferential procurement, enterprise and supplier development and skills development initiatives.
 - Progress against the Group's three-year environmental targets.
- The SES Committee requested the following actions:
 - An investigation into the root cause of the increase in electricity and water consumption in Aftermarket Parts: **completed.**
 - A presentation on branding and innovation: **completed.**
 - Enhanced reporting on the Ombudsman metrics, including the nature and trends of cases: **completed.**
 - Deeper insight on the waste management practices applied at brand and dealership level: **completed.**
 - Information on how the Group manages dishonesty: **completed.**
 - An update on the South African Revenue Service Bill and the impact on the Group: **drafted.**
- The committee kept abreast of vaccination rates in various operations, and the Group's efforts to engage with employees on the importance of vaccinating against the COVID-19 virus.
- The committee was pleased with the progress made and the improved level of reporting for compliance-related matters, and the compliance results achieved within the South African dealerships. It suggested that similar compliance reporting should be required of the UK and Australian operations; this is now in place.
- Concerns raised by the SES Committee during the year included:
 - Whether a plan is in place should OEMs introduce new energy vehicles before the South African market is ready.
 - The increasing number of mental wellness issues.
- The committee was kept updated on the Companies Amendment Bill, 2021, published in October 2021 for public comment. Among the Bill's proposed changes are requirements relating to the composition of social and ethics committees, minimum qualifications for committee members, the process to fill vacancies on the committee, and the presentation and approval of the social and ethics committee report at the annual general meeting or other meetings of shareholders. No date has been provided for when these changes will come into effect.

Objectives for 2023

- Oversee the implementation of the recommendations arising out of the 2022 externally facilitated maturity assessment of the Group's ESG framework (see page 145).
- Oversee the development of a net zero plan for the Group.
- Ensure that increased focus is placed on the Group's ethical framework, procurement practices and gender diversity.

Board oversight (continued)

Audit and Risk Committee

The Audit and Risk Committee (ARC) is responsible for ensuring that Motus has a robust and effective risk management framework, that integrates ESG-related risks, and is embedded throughout the Group. Technology and information are critical enablers of the Group's innovation strategy; however, as we advance this strategy our efforts to protect our systems and information must be continually assessed and improved to remain robust. ARC receives a quarterly IT report which covers IT governance, IT and cyber risks, incidents and projects, as well as IT-related audit findings. The report is also submitted to the SES Committee meetings for sustainability-related concerns. In addition, ARC assists the board in overseeing the quality and integrity of our sustainability reporting.

The committee comprises three independent non-executive directors, and the Executive of Corporate Affairs, Risk and Sustainability attends meetings as an invitee. ARC met five times during the year. Standing agenda items relating to ESG matters include Motus' top business risks (including climate change risk); fraud, theft and litigation; compliance and emerging legislation; taxation and IT.

The committee also considers detailed reports from the FRRCs, established for each business segment in South Africa and for the operations in the UK, Australia and Rest of Africa.

Key ESG-related deliberations, discussions and decisions made in 2022

- The committee reviewed the impact of ESG-related risks on the Group's risk profile.
- The committee oversaw:
 - The adequacy of provisions relating to legal or Ombudsman cases.
 - The funding for non-insurable climate-related events.
 - The maturity of the Group's internal control environment and our ability to prevent and detect fraud due to an increasing risk of fraud brought about by socio-economic deterioration.
 - New and proposed legislation with material impact to the business.

Remuneration Committee

The Remuneration Committee (Remco) advises and guides the board on director remuneration, sets and implements the remuneration policy to ensure fair and responsible remuneration, and approves remuneration packages and the criteria for executive short-term and long-term incentives benchmarked against an appropriate peer group. The committee comprises three non-executive directors, two being independent. The Group CEO and CFO attend Remco meetings by invitation and assist the committee in its deliberations except when their own remuneration and performance are discussed. The committee met four times in 2022.

The short-term incentives (STIs) criteria for the Group CEO, Group CFO, executives and prescribed officers covers ESG aspects tailored to their roles.

STI criteria for 2023	Group CEO and CFO	Executive director	Prescribed officers	Company Secretary
 Achieve fuel, electricity and water targets	✓	✓	✓	✓
 Invest in projects such as solar panels, electricity-saving equipment and water recycling in all new and refurbished buildings	✓	✓	✓	✓
 Achieve employment equity targets for top, senior and middle management	✓			
 Achieve employment equity targets for senior, middle and junior management		✓	✓	✓
 Impactful CSI projects in communities	✓	✓	✓	✓
 Implement all the legislation changes impacting the business	✓	✓	✓	✓
 Prepare the business for new legislation		✓		
Maximum STI as a percentage of total guaranteed package (TGP)	25%	20%	25%	16%

Key ESG-related deliberations, discussions and decisions in 2022

- The committee reviewed the Group's remuneration structure and deliberated the minimum performance targets at which annual STIs become payable, including those related to ESG matters, and assessed performance against these targets to inform executive award.

ESG-related awards for 2022

Designation	Maximum STI as % of TGP	Awarded	Notes
Group CEO and CFO	25%	18%	E: achieved fuel and electricity targets and marginal underachievement of the water usage target. Invested in projects such as solar panels, electricity-saving equipment and water recycling in all new and refurbished buildings. S: achieved employment equity targets for top management and marginal underachievement in senior and middle management. G: implemented all the required legislation changes impacting the business.
Executive director	20%	15%	E: achieved fuel and electricity targets and marginal underachievement of the water usage target. Invested in projects such as solar panels, electricity-saving equipment and water recycling in all new and refurbished buildings. S: achieved employment equity targets for middle and junior management and marginal underachievement in senior management. G: implemented all the required legislation changes impacting the business and prepared the business for new legislation.
CEO of Retail and Rental South Africa ¹	25%	18%	E: achieved fuel and electricity targets and marginal underachievement of the water usage target. Invested in projects such as solar panels, electricity-saving equipment and water recycling in all new and refurbished buildings.
CEO of Hyundai South Africa ¹	25%	24%	S: The CEO of Retail and Rental achieved employment equity targets for senior and junior management with marginal underachievement for middle management. The CEO of Hyundai achieved employment equity targets for senior, middle and junior management. G: implemented all the required legislation changes impacting the business.
Company Secretary	16%	12%	E: achieved fuel and electricity targets and marginal underachievement of the water usage target. Invested in projects such as solar panels, electricity-saving equipment and water recycling in all new and refurbished buildings. S: achieved employment equity targets for top management and marginal underachievement in senior and middle management. G: implemented all the required legislation changes impacting the business.

¹ Prescribed officers.

Management of sustainability matters

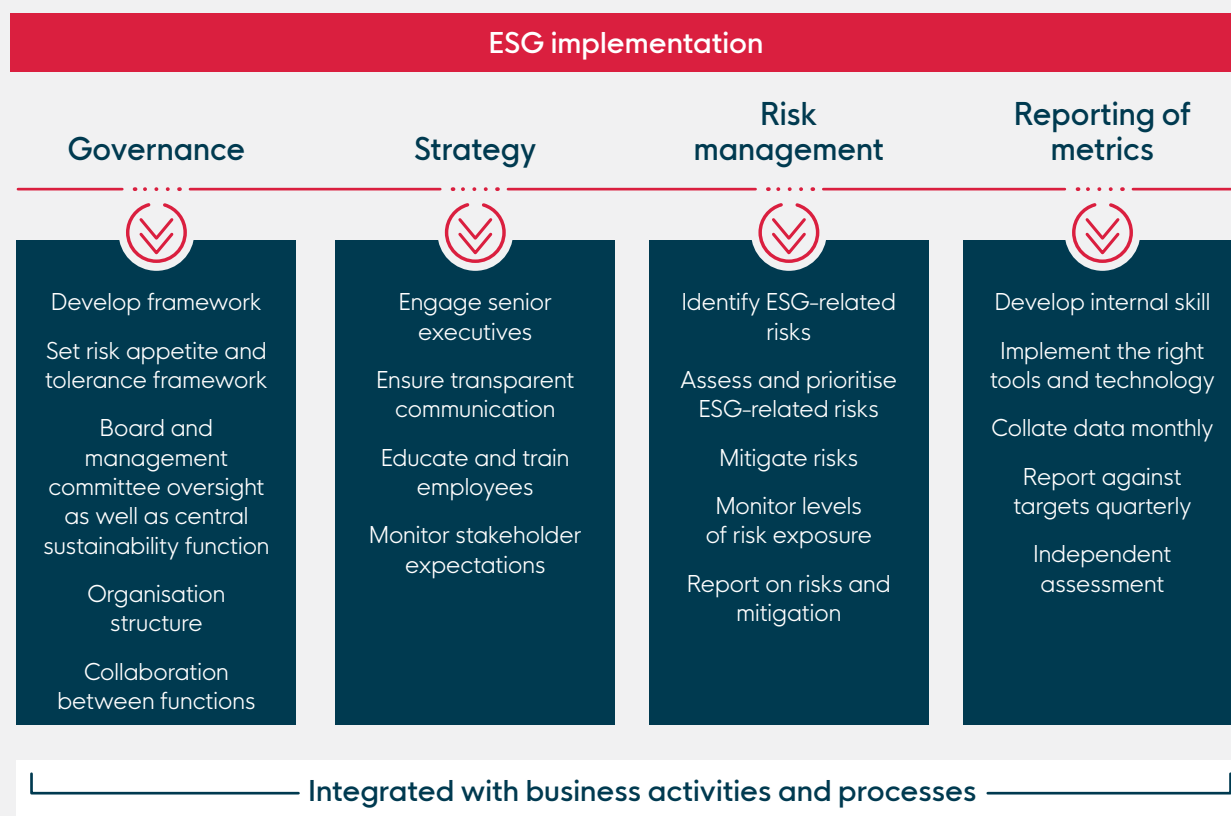
We adopt practical best practice sustainability frameworks and their minimum compliance standards, which allows for nuances within Motus' different business segments and for differences in application and levels of maturity.

ESG is a standing agenda item at Group Executive Committee meetings. The committee meets at least six times a year. It is responsible for our financial and non-financial performance, and the approval of the Group's operational policies, among others. The CEOs of each business segment and regional operation are Executive Committee members.

The FRRCs are management committees that support the SES Committee and ARC. In South Africa, the FRRCs meet quarterly and in the UK, Australia and Rest of Africa they meet every six months. These committees oversee operational risks, ethics, environmental performance, transformation in South Africa, health, safety and wellbeing, regulatory compliance and stakeholder management. All FRRCs are chaired by a senior manager from Group head office other than the Mobility Solutions FRRC's Chairman, who is an external independent industry expert. The Group CFO and Executive of Corporate Affairs, Risk and Sustainability attend all FRRCs. A standardised agenda applies across the FRRCs guided by Group reporting requirements. Material concerns are elevated to the relevant board committees.

All of Motus' businesses are aware of their ESG obligations, and guidelines and frameworks are in place to assist them to achieve accurate and efficient reporting.

ESG implementation



2022 performance and objectives

Group

- The level and quality of our ESG reporting to the SES Committee was enhanced.
- We engaged with fund managers to understand their ESG requirements.
- We communicated with employees on our ESG initiatives, and the importance of our ESG performance in delivering against stakeholder expectations.
- An externally facilitated assessment is underway to determine the maturity of our ESG management to inform future reporting, identify ESG gaps and areas of improvement, and assign KPIs and targets to key ESG matters.
- The 2021 assurance on non-financial metrics highlighted areas for improvement in our data gathering processes at operational level. Additional training is being provided on the sustainability management system, Group processes and the importance of accurate reporting. An additional layer of control oversight has been added at operational management level.
- We defined key sustainability-related objectives for 2022, identified the key projects and initiatives to achieve these objectives and set targets for each. We also clearly articulated and distinguished the roles and responsibilities at Group level from those at business segment and regional levels.
- Kia established a Sustainability Committee as well as a dedicated procurement and sustainability function, with accountability for achieving set outcomes. The brand expects to make good headway on its sustainability plans in 2023.

Objectives

- Monitor changes in sustainability reporting frameworks and continue to achieve closer alignment with best practice reporting frameworks, where feasible.
- Enhance the measurement of key metrics, particularly social and supply chain metrics, and implement the improvements identified in the maturity assessment.
- Drive consistent application of ESG frameworks across the Group and standardise the reporting, monitoring and quality assurance of ESG metrics.
- Implement additional oversight mechanisms for third-party suppliers and non-profit organisations.
- Implement a more efficient ESG information management system in 2023 to improve our reporting processes.
- Consider the feasibility of establishing a Group operational committee to address and monitor our ESG strategy, and a property sub-committee to monitor new property developments and green investments.

Governance approaches



Motus' board is committed to adhering to ethical and compliant business conduct in discharging its duties and responsibilities. This applies to regulatory compliance as well as compliance with the non-binding codes and standards adopted by the Group. Ethics is a standing agenda item for the SES Committee and compliance reporting is a standing agenda item at both the SES Committee and ARC.

The ethics and fraud prevention framework applies Group-wide with variations based on regional requirements. CEOs and managing directors are responsible for ensuring that employees are aware of the Group's values, Code of Ethics and commitment to acting with integrity. All employees are held responsible for the immediate reporting of incidents of fraud and corruption to their management team.

Each of the Group's businesses is held accountable for ensuring that it complies with all regulation applicable to its operation. Our FSPs must adhere to the criteria of their operational licences, and in South Africa and the UK, comply with the rules and regulations of the FSCA and the FCA respectively.

Employees who fail to adhere to compliance processes and controls face appropriate disciplinary processes.

South Africa

Non-compliance is escalated to senior management and reported to the relevant committees (management, FRRC and board level). A centralised legal and compliance function as well as business segment and divisional legal and compliance departments oversee and monitor our FSPs, where compliance risk is high. In Mobility Solutions, all managers and key individuals attend monthly compliance meetings.

Other regions

In the UK, the governance of financial and insurance products is the responsibility of a specialist compliance sub-committee of the FRRC. The sub-committee meets quarterly and the senior managers who attend meetings are appropriately certified.

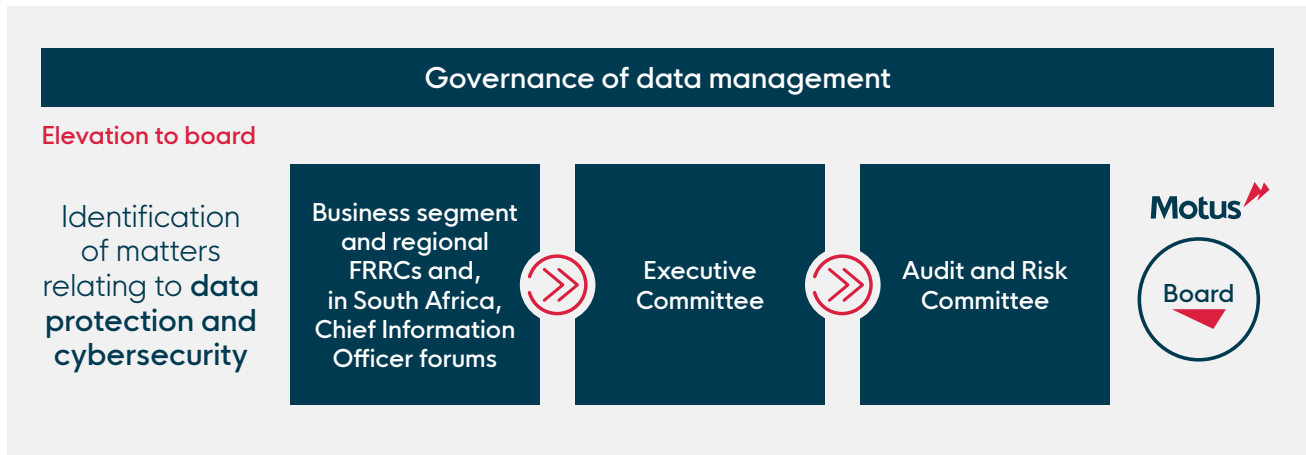
Policies and standards

- Code of Ethics:
https://www.motus.co.za/wp-content/uploads/2021/11/Motus_Code-of-ethics_2021.pdf
- Group anti-bribery and corruption policy:
https://www.motus.co.za/wp-content/uploads/2021/11/Motus_Anti-bribery-and-corruption_2021.pdf
- Conflict of interest policy:
https://www.motus.co.za/wp-content/uploads/2021/11/Motus_Conflict-of-interest_2021.pdf
- Supply chain code of conduct:
https://www.motus.co.za/wp-content/uploads/2021/11/Motus_Supply-chain-code-of-coduct_2021.pdf



Detailed information

- Ethical and compliant business conduct report: page 127.
- High-quality products and services report: page 81.



Accountability for protecting information rests with every information owner and user within the Group.

South Africa

IT strategy and governance is formulated by Group IT and executed by the individual business segments. Group IT oversees the adherence of business segments to our IT and data-related policies and standards. Two Chief IT Officers manage a central register of IT incidents, including security incidents and system down time.

A consolidated IT report for all business segments is produced every month and submitted to the quarterly Chief Information Officer (CIO) forums and FRRCs. The CIO forums include representatives from all business segments as well as representatives from internal and external audit.

The protection of personal information working group (representing all business segments) and the Group Chief Information Officer are responsible for the implementation

and management of the Group's data protection framework and are supported by information officers in each business segment.

An IT governance, risk and control (GRC) scorecard was introduced in 2022 to improve the governance of IT. At year-end, we achieved an average score of 96,8%. Internal audit reviews the scorecard results and IT policies, and provides recommendations, where required.

Other regions

In the UK, the Head of IT manages the central register of IT incidents. IT governance and cyber risks and incidents are reported monthly to the operation's CEO and CFO. All matters in the UK and Australia that relate to data protection are reported to the Group Chief Information Officer.

Policies and standards

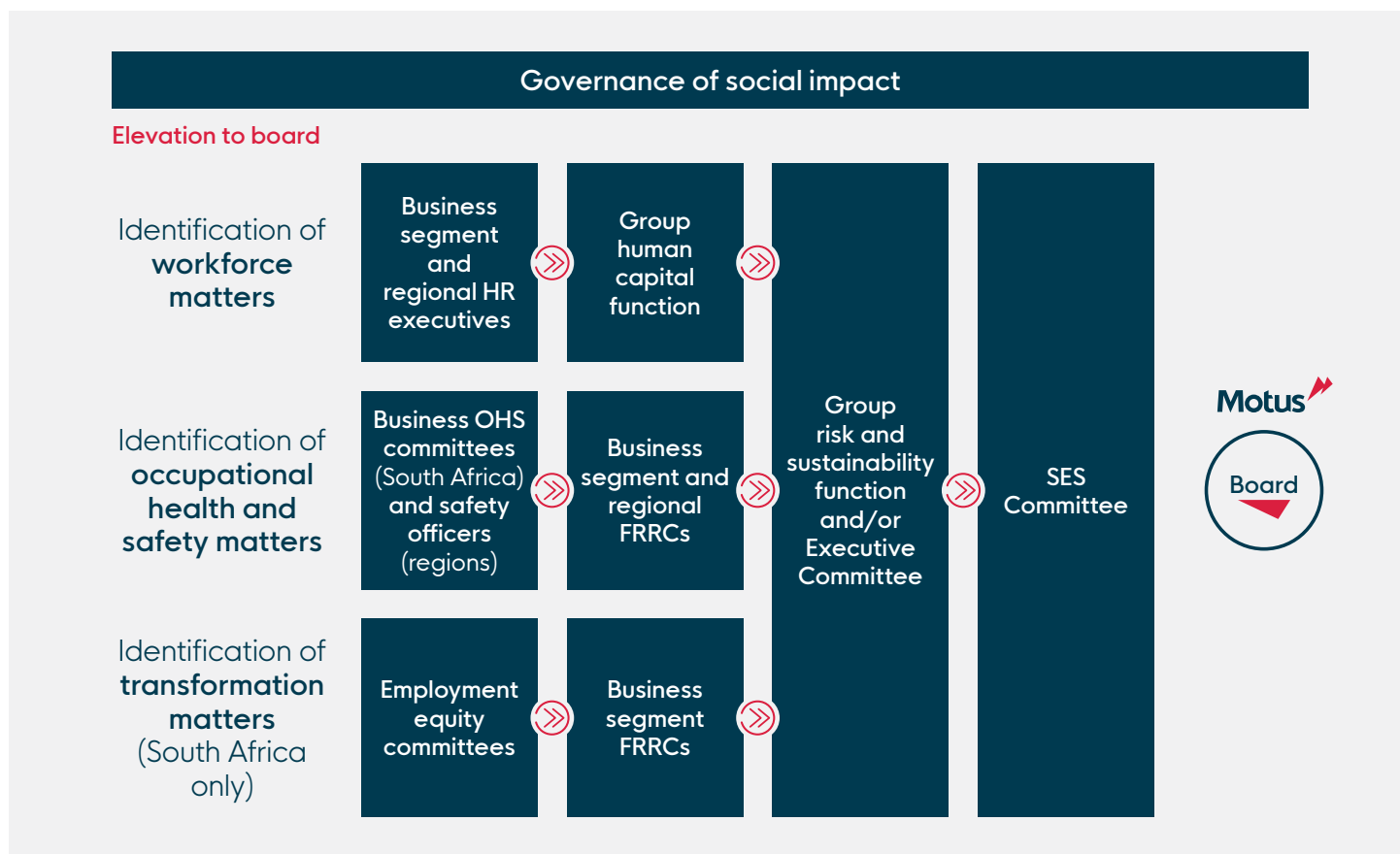
The Group's data protection framework comprises IT governance, information management and cyber-related policies, standards and procedures. These requirements are clearly communicated to our employees, partners and customers. In South Africa, the Promotion of Access to Information Manual is published on our website (<http://paia.motus.co.za>).



Detailed information

 Ethical and compliant business conduct report (protecting our data): page 133.

Governance approaches (continued)



Human capital management

In South Africa, our commitment to transformation has given us a foundation from which to drive a more inclusive and diverse workplace across all our operations, supported by robust communication with our employees on broad issues, including their wellbeing and accessing their innovative ideas.

The Group human capital function serves as a centre of excellence on human capital trends in a changing world of work. It develops programmes that support the Group's innovation journey and the mobility of talented individuals across the organisation.

The development of people practices and frameworks, and the broader people strategy, and oversight of their implementation are the responsibility of the CPO. Each business segment has an HR executive who works closely with the CPO and business segment CEO. Various HR teams across business segments and geographies manage day-to-day people practices. Regular engagement and collaboration takes place between HR teams to achieve common people objectives. HR meetings are held monthly.

Occupational health and safety

The Group risk and sustainability function develops and monitors the implementation of our health, safety and wellbeing policies and practices that are designed to provide a conducive working environment for our employees. It is assisted in this responsibility by the FRRCs, which monitor the implementation of, as well as compliance with, Motus' occupational health and safety (OHS) standards and country-specific OHS regulatory requirements. A network of OHS committees and safety representatives across individual businesses implement the business segment- and region-specific OHS plans and manage day-to-day OHS matters. All fatalities are thoroughly investigated and reported to the SES Committee.

Each employee is held accountable for working and operating in ways that adhere to our OHS policies and processes. Deviations from safety policies and procedures are dealt with sternly and timeously, with managers and employees held to account where transgressions may result in avoidable injury.

In the UK, the CEO holds ultimate responsibility for health and safety and is supported by the Head of Health and Safety, the Health and Safety Auditor and a network of regional health and safety officers. The executive team regularly reviews OHS performance. Formal safety committees are in place for larger sites in the UK, while safety concerns at smaller sites are dealt with directly between the managers and employees. In the UK, we are required to state annually on our website that we comply with OHS legislation.

Similarly in Australia, the CEO holds ultimate responsibility for health and safety and is supported by all company officers. Dealer principals are responsible for ensuring effective implementation of OHS measures on-site.

Quality controls

Stringent quality and safety controls, policies, systems and training programmes ensure we deliver high-quality workmanship. Each vehicle brand has its own governance frameworks and structures to ensure these controls, policies and systems are adhered to. Franchise standards are

clearly defined in OEM dealer and dealer franchise agreements and supporting policies. Deviations are reported at quarterly business segment executive meetings. Significant deviances can result in the termination of an agreement.

In the UK, site managers are accountable for quality management. Quality control is reported at monthly regional management meetings and quality review meetings are held every six months with the Managing Director and senior site managers. Quality and safety are included in personal development reviews.

Community upliftment

As B-BBEE is considered a key priority in South Africa and a top risk for the Group, the Executive Committee and the FRRCs play a key management oversight role for our transformation initiatives. The SES Committee ensures that large CSI investments align to our chosen pillars – education and skills development, road safety and community health and wellbeing.

Policies and standards

Health, safety and quality

Health, safety and quality standards differ based on business segment/operational requirements and products; however, all standards must meet a set minimum standard defined at Group level.

Human capital management

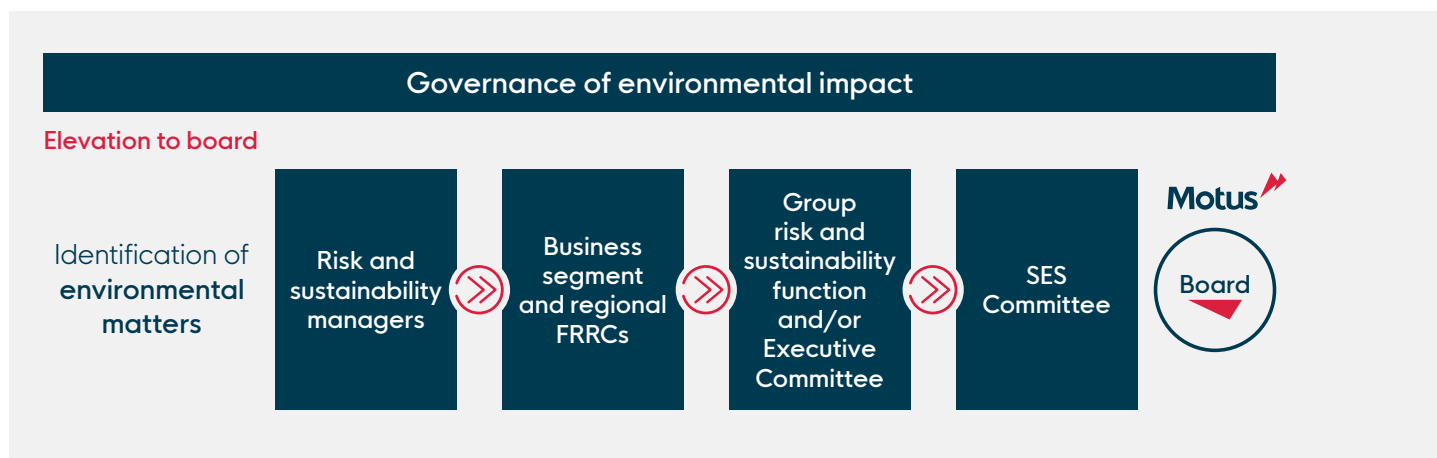
The standardisation of essential people-related policies to enhance the fair and consistent management of our employees across the Group is ongoing. Policies relating to disability, learning and development and harassment are in place. Policies relating to modern day slavery are in place for our UK and Australian operations, and a gender report is in place in the UK operation.



Detailed information

- ▣ People report: page 51.
- ▣ Health, safety and wellbeing report: page 72.
- ▣ High-quality products and services report: page 81.
- ▣ Transformation report: page 94.
- ▣ Community report: page 108.

Governance approaches (continued)



Climate change

The board is ultimately responsible for our strategy, governance and responses as they relate to environmental management and climate change-related issues. The SES Committee reports to the board on all material climate-related issues and our performance against our Group environmental targets. The Chairman of the SES Committee as well as other non-executive board members sit on the boards of mining and fuel organisations, providing them with good insight on broader climate change-related issues.

The Group CEO is the highest decision-making authority in the Group and therefore holds ultimate responsibility for the management of climate change-related risks and opportunities. The Group CEO is assisted in this responsibility by the Executive of Corporate Affairs, Risk and Sustainability, who is an Executive Committee member and reports directly to the Group CEO and the board. The office of the Executive of Corporate Affairs, Risk and Sustainability oversees the Group's environmental management practices, collates the data from business segments and regions to calculate the Group's carbon footprint, and consolidates the climate change-related risks and opportunities faced by business segments and regions for inclusion in the Group risk register. The office also works with business segments and regions to develop and implement plans to mitigate climate change-related risks and capitalise on opportunities.

Each business segment and region has its own management structure and board at which material ESG matters are reported. Both the Group CEO and Group CFO attend the business segment and regional boards.

Risk and sustainability executives or managers within business segments and regions as well as CEOs and CFOs of business segments and individual businesses, are responsible for environmental management. This includes monitoring and measuring climate change-related issues and metrics, and compliance with environmental legislation. The FRRCs in each business segment and region support the SES Committee and ARC in terms of operational climate-change related risks and opportunities.

Material climate change- and environmental-related impacts, risks and opportunities as well as metrics are elevated through our management structures to the Group Executive Committee, which meets every two months, and to the board quarterly through both the SES Committee and ARC.

Climate change is included in the review of our strategy, key plans of action, risk management controls and policies, annual budgets and business plans. It is also included in major capital expenditures, acquisitions and divestitures and when setting executive performance objectives linked to remuneration.

Policies and standards

- Group waste policy.
- Policies for energy and waste recycling in the UK.



Detailed information

Environment report: page 32.



Additional information

Indicator report

Environment

	2022		2021	2020
Energy consumption				
Road fuel usage (litres)	16 637 246*	▲	16 114 297	19 186 337
Electricity purchased (megawatt hours)	70 108*	▼	73 317	75 713
Emissions¹				
Scope 1 emissions (tCO ₂ e) ²	47 237*	▲	46 225	49 959
Scope 2 emissions (tCO ₂ e)	64 604*	▼	71 757	71 435
Scope 3 emissions (tCO ₂ e)	499	▲	105	1 625
Total emissions (tCO ₂ e)	112 340*	▼	118 087	123 019
Carbon intensity ratio (tCO ₂ e/Rbn)	1,22	▼	1,35	1,68
Water				
Water purchased from municipalities (kilolitres)	609 191*	▲	570 089	603 509
Water intensity ratio (kilolitres/Rbn)	6,62	▲	6,54	8,22
Waste				
Batteries returned to supplier (kilograms) ³	133 453		–	–
Batteries recycled (kilograms) ³	99 176		–	–
Oil recycled (litres)	2 429 770	▲	2 209 502	1 952 693
Paper purchased (kilograms) ³	410 491		–	–
Paper recycled (kilograms) ³	1 037 421		–	–
Tyres recycled (tonnes) ³	63 016		–	–
Spills				
Environmental incidents	0	■	0	0
Environmental compliance				
Fines or penalties for environmental incidents	0	■	0	0

Methodology used: the Greenhouse Gas Protocol – a Corporate Accounting and Reporting Standard (Revised Edition). The boundary used is operational control.

¹ 2020 and 2021 restated due to a change in carbon emission factors applied to better reflect the South African environment.

² Tonnes of carbon dioxide equivalent.

³ Reported for the first time.

Definitions

Scope 1: all direct emissions from the activities of Motus or under our control, including fuel combustion and on-site oil (fleet vehicles, air-conditioning or generators).

Scope 2: indirect emissions from the electricity Motus purchases and uses.

Scope 3: all other indirect emissions from activities that Motus does not own or control; includes emissions from business travel.

■ Satisfied with performance. ■ Area for improvement. * Assured (see the independent limited assurance report).

Social

Employee metrics

	2022		2021	2020
Number of employees (Group)				
South Africa	13 158		12 697	13 743
United Kingdom	3 114		3 033	3 209
Australia	534		523	547
Africa	410		389	–
Asia	67		66	–
Total number of employees	17 283		16 708	17 499
Number of non-permanent employees in South Africa	548		561	416
Female representation (Group)				
Overall (%)	32	▲	31	30
Top management (%)	33	▲	27	30
Senior management (%)	26	▲	25	18
Middle management (%)	28	■	28	–
Junior management (%)	24	■	24	–
Employee representation (South Africa)				
Percentage of employees covered by collective bargaining agreements	59		60	55
Leadership development (South Africa)				
Number of participants in the Future Leaders Programme ¹	20	▲	15	Deferred ²
– Percentage who are black (%)	55	▼	60	–
– Percentage who are women (%)	40	▲	13	–
Number of participants in the Women in Leadership Programme	16	▼	18	Deferred ²
– Percentage who are black (%)	81	▲	50	–
Total number of participants enrolled in a managerial programme	343	▲	274	211
– Percentage who are black (%)	71	▲	65	70
– Percentage who are women (%)	42	▲	38	25
Training spend				
South Africa (Rm)	166,3*	▲	143,9	176,6
United Kingdom (Rm)	122,3	▼	123,0	Not reported
Australia (Rm)	1,4	▼	4,0	Not reported
Training statistics (South Africa)				
Training and development spend per employee (R)	12 639	▲	11 333	12 850
Number of training hours	1 424 279*	▲	1 263 805	864 014
Training hours per employee	108	▲	99	63

¹ Previously called the Executive Leadership Programme.

² Deferred due to COVID-19. Resumed in January 2021.

■ Satisfied with performance. ■ Area for improvement.

Indicator report (continued)

Occupational health and safety

	2022		2021	2020
OHS compliance				
South Africa number of sites	446		419	459
– Percentage of sites audited (%)	97 ▼		99	88
– Average score	93 ▲		92	92
United Kingdom number of sites	79		79	73
– Percentage of sites audited (%)	63 ▼		87	100
– Average score	94 ▲		91	93
Australia number of sites ¹	17		23	30
– Percentage of sites audited (%)	94 ▼		100	100
Rest of Africa number of sites	5		5	5
– Percentage of sites audited (%)	100 ■		100	100
– Average score	93 ■		93	70
Total number of business sites	547		526	567
Road (Group)²				
Road kilometres travelled (million)	174*		171	209
Road accidents (includes any fatalities)	41* ▼		45	21
Road accidents per million kilometres	0,236* ▼		0,263	0,100
Road injuries	43 ▼		44	20
Road injuries per million kilometres	0,247 ▼		0,257	0,096
Road fatalities	7 ▲		5	1
Road fatalities per million kilometres	0,040 ▲		0,029	0,005
On-site (Group)²				
On-site incidents	290 ▲		194	184
On-site accidents (includes any fatalities)	274 ▲		199	216
On-site fatalities	0 ■		0	1
On-site accidents (Group)²				
South Africa	21 ▼		26	15
United Kingdom ³	242 ▲		161	193
Australia	11 ▼		12	8
Total on-site injuries	274 ▲		199	216

¹ Australia's OHS framework scores a site as either compliant or non-compliant.

² OHS metrics include employees and third parties.

³ The nature of most injuries are fractured fingers or cuts. The UK reports a higher number of on-site injuries as a result of far more stringent regulatory reporting requirements.

Definitions

Incident: is an unsafe occurrence where damage to property is incurred but there were no fatal or occupational injuries.

Accident: is an occurrence which results in a fatality or an occupational injury to either employees or third parties.

Injury: is any personal injury or disease resulting from an occupational accident to either employees or third parties.

■ Satisfied with performance. ▲ Area for improvement. * Assured (see the independent limited assurance report).

Motus board composition (Group)

	2022	2021	2020
Black women	2	2	2
Black men	3	3	3
White women	1	1	1
White men	4	4	3

Employment equity (South Africa)

	Men (number)		Women (number)		Foreign nationals (number)	Black representation (%)		
	Black	White	Black	White		2022 actual	2022 target	2021 actual
Occupational levels								
Top management	3	5	3	1	0	50	45	36
Senior management	26	37	30	10	2	53	55	53
Middle management	631	646	266	252	17	50	51	47
Junior management	2 715	972	805	403	53	71	68	68
Semi-skilled	2 100	219	1 558	597	36	81	80	80
Unskilled	876	24	316	2	5	97	97	96
Non-permanent	271	27	216	15	19	89	89	89
Total employees	6 622	1 930	3 194	1 280	132	75	74	73
Employees living with disabilities	60	32	66	43	1	62		65

Other B-BBEE related metrics (South Africa)

	2022		2021	2020
Inclusive procurement				
Spend with >51% black-owned businesses (Rbn)	2,9	▲	2,3	1,3
Spend with 30% black women-owned businesses (Rm)	1 784	▲	1 000	498
Spent with EMEs and QSEs (Rbn)	2,1	▲	2,0	1,3
Enterprise development				
Qualifying enterprise development spend on the B-BBEE scorecard (Rm)	82	▲	54	26
Total enterprise development spend (Rm) ¹	121	▲	76	30
Socio-economic development				
Qualifying socio-economic development spend on the B-BBEE scorecard (Rm)	28,1	▲	17,5	14,3

¹ Includes qualifying enterprise development spend.

■ Satisfied with performance. ■ Area for improvement.

Indicator report (continued)

Corporate social investment

	2022		2021	2020
CSI spend				
– Education and youth development (Rm)	15,3	▲	13,6	6,4
– Road safety (Rm)	1,6	▲	1,3	1,2
– Health (Rm)	1,5	▲	1,3	–
– Business specific initiatives (Rm)	5,6	▲	2,4	20,5
– Gift of the Givers (Rm)	6,0		–	–
Total Group CSI spend (Rm)¹	30,0*	▲	18,6	28,1
Motus Technical Academy				
Breakdown of total motor artisans trained	1 633	▼	1 839	1 435
– Trained for Motus	406	▼	462	404
– Trained for the broader industry	1 227	▼	1 377	1 031
Motor artisans supported by Motus ²				
– Number of apprentices	614	▼	878	795
– Percentage of apprentices that are black (%)	86	▲	80	86
– Number of apprentices that qualified as technicians	376	▲	373	290
Imperial and Motus Community Trust				
Spend this year (Rm) ³	14,0	▲	11,7	5,6
Number of libraries (cumulative since 2003)	63	▲	52	45
Learners reached	>72 000	▲	> 61 300	> 50 250
Teachers reached	>2 070	▲	> 1 600	> 1 400
Jobs created at 30 June	65	■	65	69
Road safety programme				
Spend this year (Rm)	1,5	▲	1,3	1,2
Schools reached (cumulative since 2011)	>2 300	▲	> 2 080	> 1 820
Learners reached (cumulative since 2011)	>1,96 million	▲	> 1,75 million	> 1,69 million
Unjani Clinics				
Direct investment this year (Rm)	1,4	▲	1,3	–
Consultations (cumulative since 2010)	>2,9 million	▲	> 2,0 million	–
Jobs created at 30 June	475	▲	346	–

¹ Includes the qualifying socio-economic development spend reported in the B-BBEE scorecard.

² These apprentices are supported by Motus meaning that they are paid from our payroll but do not necessarily work in our operations.

³ Includes operating costs and specific projects relating to the libraries, Grade R classroom upgrades and special events. Individual business contributions are also included.

■ Satisfied with performance. ■ Area for improvement. * Assured (see the independent limited assurance report).

Highway Patrol Programme (N1/N4 toll routes in South Africa)

	Easter 2022	Dec/Jan 2021/22	Easter 2021	Dec/Jan 2020/21
Distance travelled	37 817	76 783	54 142	59 876
Motor incidences	59	120	48	52
Motorists assisted	63	162	70	154
Vehicles inspected	2 265	2 741	8 033	4 382
Warrants /arrests	157	687	2	–
Fatalities	7	23	9	6

Governance

	2022	2021	2020
Whistle-blowing hotline (Group)			
Tip-off categories			
– Fraud	7	11	11
– Governance	6	1	8
– Human resources ¹	48	51	73
– Enquiry	3	0	5
– Other crime	1	1	1
– Corruption	2	1	4
– Theft	0	3	3
– Procurement irregularities	0	2	0
– Occupational health	0	5	0
– Pollution and environment	2	0	0
Total number of tip-offs registered	69	75	105

¹ Includes incidents of alleged discrimination and racism.

Indicator report (continued)

Value-added statement

for the year ended 30 June 2022		2022		2021	
	Notes	Rm	%	Rm	%
Revenue		91 978		87 205	
Paid to suppliers for materials and services		(77 886)		(75 297)	
Total wealth created		14 092		11 908	
Wealth distribution					
Salaries, wages and other benefits	1	7 227	51	6 547	55
Providers of capital		2 811	20	1 340	11
– Net finance costs		496	3	543	5
– Dividends paid to equity holders of Motus		928	7	294	2
– Dividends paid to non-controlling interest		36	–	18	–
– Share repurchases and cancellations		1 351	10	485	4
Central and local government	2	1 502	11	796	7
Reinvested in the Group to maintain and develop operations		2 552	18	3 225	27
– Depreciation, amortisation, impairment and recoupments		1 886		1 526	
– Future expansion (including vehicles for hire)		666		1 699	
		14 092	100	11 908	100
Value-added ratios					
Number of employees		17 283		16 708	
Revenue per employee (R'000)		5 322		5 219	
Wealth created per employee (R'000)		815		713	
Notes					
1. Salaries, wages and other benefits					
Salaries, wages, overtime, commissions, bonuses and allowances		6 778		6 112	
Employer contributions		529		494	
Less: Unemployment Insurance Fund and Skills Development Levy (included in note 2)		(80)		(59)	
		7 227		6 547	
2. Central and local government					
Income tax expense		1 242		588	
Withholding and secondary tax on companies		4		3	
Rates and taxes		176		146	
Skills Development Levy		50		38	
Unemployment Insurance Fund		30		21	
		1 502		796	

Task Force on Climate-related Financial Disclosures index

Detailed disclosure on our management of climate change-related issues can be found in our CDP submission at www.motus.co.za. At the time of reporting, we had submitted our 2022 disclosure; however, the CDP had not as yet released the results.

Strategy

Disclose the organisation's governance around climate-related risks and opportunities.

More information

Board oversight

Describe the board's oversight of climate-related risks and opportunities.

Board oversight | [📄](#) page 139
Governance of environmental impact | [📄](#) page 150

Role of management

Describe management's role in assessing and managing climate-related risks and opportunities.

Management of sustainability matters | [📄](#) page 144
Governance of environmental impact | [📄](#) page 139

Governance

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning, where such information is material.

More information

Identify risks and opportunities

Describe the climate-related risks and opportunities over the short, medium and long term.

Our ESG operating context, risks and opportunities | [📄](#) page 17
New energy vehicles | [📄](#) page 37
Reducing our carbon footprint | [📄](#) page 44

Impact on investment strategy

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Our strategic priorities | [📄](#) page 9
Our ESG operating context, risks and opportunities | [📄](#) page 17
Our ESG strategy | [📄](#) page 25
Investments | [📄](#) page 33

Resilience of investment strategy

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Not reported

Risk management

Disclose how the organisation identifies, assesses, and manages climate-related risks.

More information

Processes for identifying and assessing risks and opportunities

Describe the processes for identifying and assessing climate-related risks.

Risk management | [📄](#) page 23

Processes for managing risks and opportunities

Describe the processes for managing climate-related risks.

Risk management | [📄](#) page 23
Environment report | [📄](#) page 32

Integration into risk management processes

Describe how the processes above are integrated into existing risk management processes.

Risk management | [📄](#) page 23

Task Force on Climate-related Financial Disclosures index (continued)

Metrics and targets

Disclose the metrics and targets used to assess and manage climate-related risks and opportunities where such information is material.

Disclose the metrics

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Disclose emissions

Disclose Scope 1, Scope 2, and if appropriate, Scope 3, greenhouse gas emissions, and the related risks.

Disclose the targets

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

More information

Reducing our water consumption I

 page 42

Reducing our carbon footprint I

 page 44

Reducing our carbon footprint I

 page 44

Environmental targets I  page 35

Reducing our water consumption I

 page 42

Reducing our carbon footprint I

 page 44

United Nation's Sustainable Development Goals

The table below shows where we believe we are able to make an impactful contribution through our business activities and ESG initiatives to the global challenges identified by the SDGs.

SDG and related targets		How Motus contributes
No poverty  Targets 1.4 and 1.5 Transformation report: page 94. Community report: page 108.	1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership, and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance. 1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.	Our business activities deliver value for our shareholders, and provide salaries, career advancement and skills development for our employees as well as create jobs for wider society. Our transformation strategy and corporate social investment (CSI) programmes aim to leave a long-lasting positive difference to the communities in which we operate. Our learnerships and apprenticeships enhance the employability of local people, particularly the youth, providing them with work experience and skills development while earning. Programmes are in place to find opportunities to procure from local suppliers, assist black-owned and managed businesses to grow and become sustainable, improve literacy at under-resourced public schools, provide affordable and quality healthcare to lower income communities and promote road safety awareness.
Good health and well-being  Targets: 3.4, 3.6, 3.7 and 3.8 Health, safety and wellbeing report: page 72. Transformation report: page 94. Community report: page 108.	3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being. 3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents. 3.7 By 2030, ensure universal access to sexual and reproductive healthcare services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes. 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	Our Employee Assistance Programme helps employees to manage their mental health and wellbeing. Other support mechanisms such as wellness days, blood drives and mental health first aiders are in place across our various businesses. A key enterprise development and CSI beneficiary for the Group is the Unjani Clinics network that provides affordable, quality primary healthcare and medicines to those who are uninsured and under-served but employed and able to pay a small fee towards their healthcare needs. This includes pregnancy care. In South Africa, we have been involved in programmes to enhance road safety awareness for over 10 years. The programme has many facets, delivering road safety awareness to school children, parents and holidaymakers.

United Nation's Sustainable Development Goals (continued)

SDG and related targets	How Motus contributes
Quality education  Targets: 4.1, 4.3, 4.4, 4.5 and 4.7 People report: page 51. Transformation report: page 94. Community report: page 108. 4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes. 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations. 4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.	In South Africa, we participate in the YES4Youth Programme to provide young people with quality work experience to prepare them for future employment. In the UK and South Africa, our learnerships and apprenticeships target women, black people and people of colour. In the past two years, Mobility Solutions has had good success with a learnership for people living with disabilities. We prioritise the development of black people in line with our Employment Equity Plan, and we have a designated programme to develop our female talent pipeline for future roles. We also operate the largest automotive training academy in South Africa, training artisans and technical workers for both Motus and the broader automotive industry. The Group has worked with the Imperial and Motus Community Trust since 2003, building libraries and resource centres for under-resourced schools in Gauteng. Impact assessments show that the project has a positive impact on literacy levels. While the majority of the schools supported are primary schools, there are also a few secondary school beneficiaries as well as a school for children with autism. A bursary programme is in place to help qualifying employees with the costs of sending their children to university. Internal programmes are in place to educate our employees on sustainable development issues such as diversity, equity and inclusion (DEI), ethical business conduct, compliance, health and safety, and environmental impact.

SDG and related targets	How Motus contributes
Gender equality  Targets: 5.1 and 5.5 People report: page 51. Transformation report: page 94. Community report: page 108.	Improvement is needed in terms of the participation of women in the automotive industry, particularly in leadership roles. Our Women in Leadership Programme and the EmpowerHer Affinity Group aim to support women within Motus to advance their careers. We also have learnerships that target young women, providing them with work experience. We ensure that our employment policies and practices do not unintentionally create potential for discrimination or unconscious bias behaviour. This behaviour is not tolerated and mechanisms are in place for employees to confidentially report unethical conduct of this nature. The Unjani Clinics network is a successful initiative to empower professional nurses to ultimately own a container clinic in their communities. We support this project both as an enterprise development and CSI beneficiary.
Clean water and sanitation  Targets: 6.3 and 6.4 Environment report: page 32.	The operations with the Group with the highest water consumption are our wash bays both in the retail and rental of vehicles. To reduce the amount of water we source from municipal sources, which helps to free up water supply for surrounding communities, we are investing in rainwater harvesting systems and water recycling plants. The installation of these systems is linked to executive remuneration.
Affordable and clean energy  Targets: 7.2 and 7.3 Environment report: page 32.	Over the past two years some of our businesses have installed solar photovoltaic (PV) systems; however, the installation of these types of systems is expected to increase fairly significantly in the next two years, with a number of feasibility studies already underway. Our measuring and monitoring of our consumption of renewable energy is a focus area and is currently being refined to support disclosure in our ESG report. The installation of these systems is linked to executive remuneration.

United Nation's Sustainable Development Goals (continued)

SDG and related targets	How Motus contributes
Decent work and economic growth  Targets: 8.2, 8.3, 8.5, 8.6, 8.7 and 8.8 People report: page 51. Health, safety and wellbeing report: page 72. High-quality products and services report: page 81. Transformation report: page 94. Community report: page 108. Ethical and compliant business conduct report: page 122. 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors. 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium sized enterprises, including through access to financial services. 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training. 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms. 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	The Group's vision is to improve people's lives by envisioning, innovating and creating new avenues of access to leading-edge mobility solutions. Our innovation strategy is designed to sustain our competitiveness in a dynamic digital economy. A number of development and training programmes are in place to drive innovation and build the digital dexterity of our employees. Productive activities are achieved through our leadership and skills development programmes, which also support individual career growth, and our enterprise and supplier development (ESD) programmes for local businesses, including small- and medium-sized enterprises (SMEs), which support their growth, sustainability and ability to create jobs. Much focus has been placed on DEI during the year with a roadmap developed to achieve our desired state of DEI within the Group. Our DEI interventions extend beyond the workplace to our supply chain and communities in line with our aim to make a lasting positive impact. Our learnerships and apprenticeships provide local people, women, the youth and people living with disabilities with workplace experience and skills development opportunities. We protect labour rights and promote safe and secure working environments for all our employees. In the UK and Australia, our human resources policies incorporate the necessary regulatory requirements as they relate to modern day slavery and human trafficking.

SDG and related targets	How Motus contributes
Industry, innovation and infrastructure  Targets: 9.2, 9.3 and 9.4 Environment report page 32. People report: page 51. Transformation report: page 94. 9.2 Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries. 9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets. 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	The automotive industry facilitates local and export trade, providing sustainable jobs to many people. Across the Group we employ 17 283 people, 76% of them based in South Africa. Our ESD programmes support local businesses and SMEs, assisting their integration into value chains and markets. In certain cases we assist these businesses with interest-free loans. Between 10% and 15% of our investment in new build and property upgrade projects in South Africa is directed towards addressing aging and inefficient infrastructure, and green-linked installations that reduce our reliance on the electricity grid and municipal water.
Reduced inequalities  Targets: 10.2 and 10.3 People report: page 51. Transformation report: page 94. Community report: page 108. 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.	Our focus on DEI, our transformation strategy and community upliftment initiatives aim to reduce inequalities and empower and promote the social and economic inclusion of the people associated with or impacted by our businesses irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. Discrimination in any form is not tolerated.

United Nation's Sustainable Development Goals (continued)

SDG and related targets	How Motus contributes
Sustainable cities and communities  Targets: 11.2, 11.5 and 11.6 Environment report: page 32. High-quality products and services report: page 81. Community report: page 108. 11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons. 11.5 By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations. 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	We apply stringent quality controls at every touchpoint 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. A key part of our road safety awareness initiative is the Safe Scholars Programme, which educates school children and their teachers on road safety in a fun and interactive way. We also provide patrol vehicles to police the N1/N4 toll routes, assisting the local authorities with faster response times to incidents during the Easter and December holiday seasons. Over the past two years, we have worked with reputable non-governmental organisations to assist people in South Africa in vulnerable situations, whether this was due to the impact of the COVID-19 pandemic, riots or floods. Over the past year, we started working on expanding our environmental strategy to include a more consistent and managed approach to recycling and waste.
Responsible consumption and production  Targets: 12.4, 12.5 and 12.6 Environment report: page 32. Governance of sustainability matters: page 136. 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment. 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	We manage hazardous and non-hazardous waste responsibly, complying with applicable waste management laws in all jurisdictions of operation and ensuring that relevant disposal certificates are received. Our waste strategy includes a particular focus on recycling to reduce waste going to landfill. This is still an area of development for the Group with good progress made during the year. Motus has published a sustainability / ESG report since it listed on the JSE in 2018. We are committed to transparent reporting and to continual improvement so that our stakeholders have the information they need to assist their decision-making in relation to the Group.

SDG and related targets	How Motus contributes
Climate action  Targets: 13.1, 13.2 and 13.3 Environment report: page 32.	To reduce our carbon footprint, we have annual internal targets to decrease electricity consumption and limit our use of vehicle fuel to 2024. As we mature our energy-efficiency and renewable energy projects we will start to ready the Group for a net zero carbon emissions plan, including carbon emissions targets and identifying the most relevant carbon emissions intensity indicators for the Group.
Peace, justice and strong institutions  Targets: 16.3, 16.4, 16.5, 16.6 and 16.7 Our stakeholders: page 14. Ethical and compliant business conduct report page 122. Governance of sustainability matters: page 136. IR Governance report: page 136.	The Group has a robust compliance framework and controls to ensure it complies with all regulations across all jurisdictions of operation and aspects of its business. All employees are expected to adhere to our Code of Ethics. 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. This includes upholding the human rights of all people. Our businesses that are financial services providers manage a complex range of controls to ensure that we guard against fraud, corruption, money laundering, terrorist financing and proliferation financing. Unethical behaviour is not tolerated and all matters relating to fraud are reported to the relevant authorities. Our anti-corruption and bribery policies are rigorously applied, and the whistle-blowing hotline enables stakeholders to report unethical behaviour. Our approach to governance is guided by the principles of fairness, accountability, responsibility and transparency. We are proactive in our engagement with our stakeholders, and management pursues appropriate engagements with key stakeholders to align their legitimate and reasonable needs, interests and expectations with those of the Group.

United Nation's Sustainable Development Goals (continued)

SDG and related targets	How Motus contributes
Partnerships for the goals  Targets: 17.16 and 17.17 Environment chapter: page 32. Social chapter: page 51. Governance chapter: page 122. 17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries. 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	We work with our business partners and external consultants on key issues such as leadership development, providing our customers with new and innovative products, health and safety, employee wellness and the availability of new energy vehicles. Our strong relationships with our CSI partners enable us to contribute to education, road safety awareness and access to primary healthcare. Our industry memberships and engagement with regulators enables us to contribute to the formulation of upcoming legislation to protect consumers and participate in industry initiatives to address national challenges.

Independent limited assurance report

To the Directors of Motus Holdings Limited

1 Van Buuren Road
Corner Van Dort and Geldenhuys Streets
Bedfordview
2007

Dear Sirs and Mesdames

Independent limited assurance report to the directors of Motus Holdings Limited

We have performed our limited assurance engagement in respect of the key performance indicators for the year ended 30 June 2022.

The subject matter comprises the selected key performance indicators conducted in accordance with management's basis of preparation, as supported by the Global Reporting Initiative Standards (GRI Standards), as prepared by the responsible party, during the year ended 30 June 2022.

The terms of management's basis of preparation comprise the criteria by which the company's compliance is to be evaluated for purposes of our limited assurance engagement. The key performance indicators are as follows:

No	Key performance indicator	Metric
 Safety		
1	Kilometres travelled	Kilometres
2	Road accidents	Absolute
3	Accidents per million kilometres	Ratio
 Environmental		
4	Diesel consumed	Litres
5	Petrol consumed	Litres
6	Electricity consumed	kWh
7	Municipal water consumed	Litres
8	Scope 1 emissions	Carbon emission tonnes (tCO ₂ e)
9	Scope 2 emissions	Carbon emission tonnes (tCO ₂ e)
 Social		
10	Training hours	Hours
11	Training spend	Rands
12	Corporate Social Responsibility spend	Rands

Directors' responsibility

The directors being the responsible party, and where appropriate, those charged with governance are responsible for the key performance indicator information, in accordance with management's basis of preparation.

The responsible party is responsible for:

- ensuring that the key performance indicator information is properly prepared and presented in accordance with management's basis of preparation;
- confirming the measurement or evaluation of the underlying key performance indicators against the applicable criteria, including that all relevant matters are reflected in the key performance indicator information; and
- designing, establishing and maintaining internal controls to ensure that the key performance indicator information is properly prepared and presented in accordance with management's basis of preparation.

Independent limited assurance report (continued)

Assurance Practitioner's responsibility

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 Historic Financial Information*. This standard requires us to comply with ethical requirements and to plan and perform our limited assurance engagement with the aim of obtaining limited assurance regarding the key performance indicators of the engagement.

We shall not be responsible for reporting on any key performance indicator events and transactions beyond the period covered by our limited assurance engagement.

Independence and Other Ethical Requirements

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered 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 Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed

We have performed our procedures on the key performance indicator transactions of the Company, as prepared by management in accordance with management's basis of preparation for the year ended 30 June 2022.

Our evaluation included performing such procedures as we considered necessary which included:

- interviewing 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 for the selected subject matter;
- testing the systems and processes to generate, collate, aggregate, validate and monitor the source data used to prepare the selected subject matter for disclosure in the Integrated Report;
- inspected supporting documentation and performed analytical review procedures; and
- evaluated whether the selected key performance indicator disclosures are consistent with our overall knowledge and experience of sustainability processes at Motus Holdings Limited.

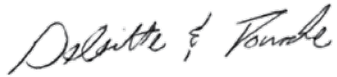
Our assurance engagement does not constitute an audit or review of any of the underlying information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit opinion or review conclusion.

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

In a limited assurance engagement, the procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, 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 the key performance indicator information has been properly prepared and presented, in all material respects, in accordance with management's basis of preparation.

Limited assurance conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the key performance indicators are not prepared, in all material respects, in accordance with management's basis of preparation.



Deloitte & Touche
Registered Auditors
Per Mark Victor
Partner

26 September 2022

5 Magwa Crescent
Waterfall City, Waterfall

Corporate information

Motus Holdings Limited

Incorporated in the Republic of South Africa
Registration number: 2017/451730/06
ISIN: ZAE000261913
Share code: MTH
("Motus" or "the Company" or "the Group")

Directors

GW Dempster (Chairman)*
A Tugendhaft (Deputy Chairman)**
OS Arbee (CEO)#
OJ Janse van Rensburg (CFO)#
KA Cassel#
PJS Crouse*
NB Duker*
S Mayet*
MJN Njeke*
F Roji*

* Independent non-executive

** Non-executive

Executive

Company Secretary

NE Simelane
nsimelane@motus.co.za

Group Investor Relations Manager

J Oosthuizen
motusIR@motus.co.za

Business address and registered office

1 Van Buuren Road
Corner Geldenhuis and Van Dort Streets
Bedfordview, 2008
(PO Box 1719, Edenvale, 1610)

Share transfer secretaries

Computershare Investor Services Proprietary Limited
1st Floor Rosebank Towers
15 Biermann Avenue, Rosebank, Johannesburg, 2196

Auditor

Deloitte & Touche
5 Magwa Crescent
Waterfall City
Waterfall, 2090

Sponsor

Merchantec Capital
13th Floor, Illovo Point
68 Melville Road
Illovo, Sandton
(PO Box 41480, Craighall, 2024)

This report is available on the Motus website at:
www.motus.co.za





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1 Van Buuren Road
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Bedfordview
2008
South Africa

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