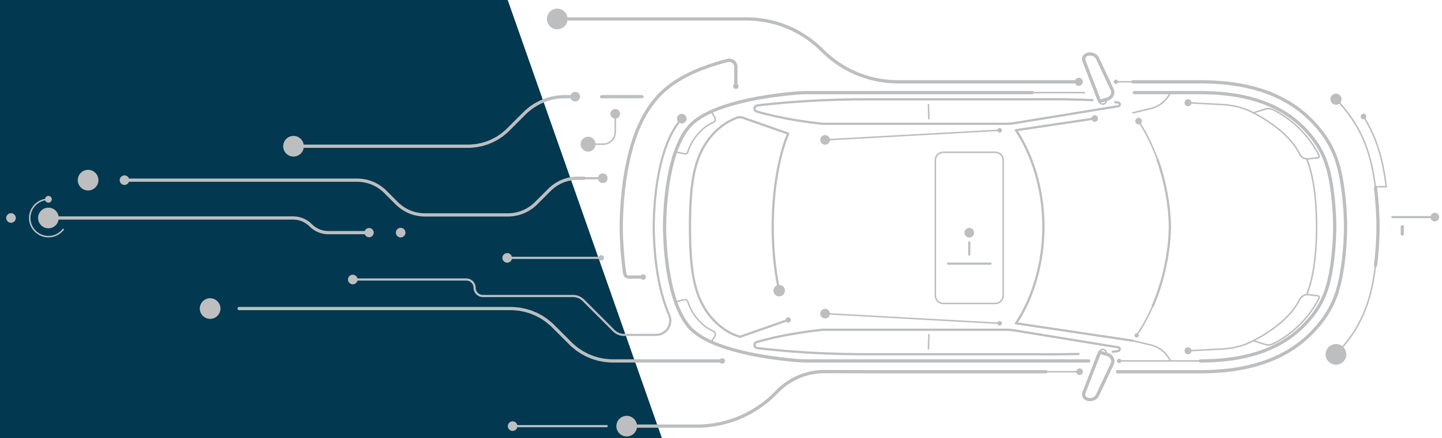
Environmental impact management approach and TCFD report 2024

Supplement of the ESG report for the year ended 30 June 2024

Contents



Environmental impact management approach

Our approach to caring for the environment is encapsulated in the Motus values, which require us to be conscious of our environmental impacts when making business decisions and investments. It is also integrated in our strategy, where one of our strategic priorities is to invest in environmental, social and governance (ESG) initiatives. We responsibly manage the environmental impacts within our control, and implement initiatives to protect the Group from the potential losses and damage associated with climate change. Motus is not a carbon or water-intense business.

Key environmental management activities

Investment in environmental improvement

We invest in energy-efficient technology, systems that harness cleaner energy (solar photovoltaic (PV) systems) and alternative sources of water (rainwater harvesting systems, boreholes and water recycling). In South Africa (SA), between 10% and 15% of our investment[1] in new building and property upgrade projects is directed towards addressing ageing and inefficient infrastructure, and implementing green solutions.

Process reviews

We regularly review our standard operating processes to identify where we can improve our use of resources and mature our systems to be more efficient.

Waste management

Aligned to our environmental protection and health and safety initiatives, we aim to build a consistent waste management monitoring and reporting approach across the Group following the waste management processes set out below. In time, we intend to assure our waste data.

Environmental protection

- Reduce waste generated.
- Promote recycling and, where possible, the reuse of natural and manufactured resources.
- Ensure the correct and safe disposal of hazardous waste.
- Increase employee awareness of resource conservation and responsible usage.

Compliance and certificates

- Ensure the safe handling, storage and disposal of hazardous materials.
- Comply with all waste management and health and safety regulations.
- Obtain the necessary certificates for the safe disposal of waste, especially hazardous waste and including recycled waste.
- Obtain all necessary permits and licences to manage waste.
- Report to the relevant regulatory bodies as required.

Monitoring and reporting

- Monitor and track consumption to identify improvement areas.
- Implement projects to drive waste reduction.
- Properly sort waste for disposal, reuse or recycling at source.
- Partner with licenced waste management service providers able to provide certificates, and accurate and complete data.
- Ensure consistent and complete reporting, subject to quality and assurance processes.

Business segments and regions are required to implement the Group's waste policy as a minimum, together with their own protocols depending on their waste impact, business activities and national waste legislation.

Environmental training and awareness

Environmental training and awareness at Group, brand and business level aim to influence employee behaviour and gain employee support in achieving our environmental targets and objectives.

[1] *Applies to our owned buildings.*

Environmental impact management approach continued

Stakeholder engagement

Our original equipment manufacturer (OEM) partnerships allow us to keep abreast of advancements in new energy vehicle (NEV) technology and roll out. Our industry and business forum memberships give us insight into upcoming regulatory changes relating to carbon reduction, and provide a platform for us to contribute towards related policy development. As members of the National Business Initiative, we have insight on its Climate Pathways project, which aims to develop and manage a robust and well-researched plan and policy framework for SA's just transition to a lower carbon economy. The CEO of Aftermarket Parts is a member of the Nexus[1] ESG committee, which participates in global plans to benchmark the aftermarket parts industry's ESG activities to worldwide standards.

In 2023, a desktop review was conducted on the environmental management and performance of the Import division's OEMs. This will inform our reviews of the non-OEM manufacturers in Aftermarket Parts' supply chain, and will start with a legal assessment of their key liabilities and responsibilities.

Environmental compliance

We comply with all applicable environment-related legislation in all our operating jurisdictions, including regulations relating to carbon emissions tax.

Governance and management structures

Board oversight	Management oversight	Frameworks and policies
• **Social, Ethics and Sustainability (SES) Committee:** environmental performance and progress against environmental targets. • **Audit and Risk Committee (ARC):** climate-related risk. • **Remuneration Committee (RemCo):** environmental performance linked to incentives.	• Group risk and sustainability function. • Group Executive Committee. • Business segment and region Finance and Risk Review Committees (FRRCs). • Sustainability Management Committee. • Property Committee.	• Environmental guidelines and frameworks. • Group waste policy. • Energy and waste recycling policies in the United Kingdom (UK). • Supply chain code of conduct.

[1] *The largest automotive global parts buying group.*

Environmental impact management approach continued

How we measure our performance

Reporting systems

Our upgraded sustainability management system (live since July 2023) collates and tracks environmental and emissions data monthly from all business sites, covering owned, partially owned and leased sites in Africa, the UK, Australia and Asia. All dealerships in SA have a waste data capturer, and business segments are now required to report their waste management to their relevant FRRC. Head office, operational management and external assurance providers perform data quality checks.

Training is provided at operational, business segment and regional level to reinforce the importance of accurate and timely reporting of environmental data.

Metrics and oversight

Metric	Oversight type	Frequency
Environmental		
Group: performance against environmental targets.	Independent limited assurance	Annually
Group: carbon footprint using the Greenhouse Gas Protocol.	Independent limited assurance	Annually
Group: waste generated and recycled, spills and environmental compliance.	Board review	Quarterly
SA: energy performance certificates.	Accredited body	Every five years
UK: ISO14001[1] certification of the commercial vehicles business.	Independent ISO body audit	Every three years

Targets

Targets have been set for water, electricity and vehicle fuel consumption to 2024. A new set of targets is being defined and will be reported in our 2025 ESG report.

Metrics and targets: page 16.

Link to remuneration

Remuneration Committee: page 4.

Remuneration: page 14.

Review of 2024 performance

2024 ESG Report.

2024 Integrated Report.

[1] *ISO14001: the international standard for an effective environmental management system.*

Task Force on Climate-related Financial Disclosures report

Our reporting against the Task Force on Climate-related Financial Disclosures (TCFD) framework aims to provide investors and funders with clear, comprehensive and high-quality information on the climate-related impacts, risks and opportunities the Group faces, including financial impacts. This TCFD report sets out our response to each of the TCFD's recommended disclosures and cross references to additional information in our integrated report, ESG report and our CDP submission.

The collation of our 2024 submission to the CDP for both carbon and water will only be finalised in October 2024, as a result the disclosure for 2.2 under strategy in the content that follows remains the same as that reported last year and will be updated in our 2025 reporting. The CDP will release the results of its review in the second quarter of the 2025 calendar year.

Governance

Disclose the organisation's governance around climate-related risks and opportunities.

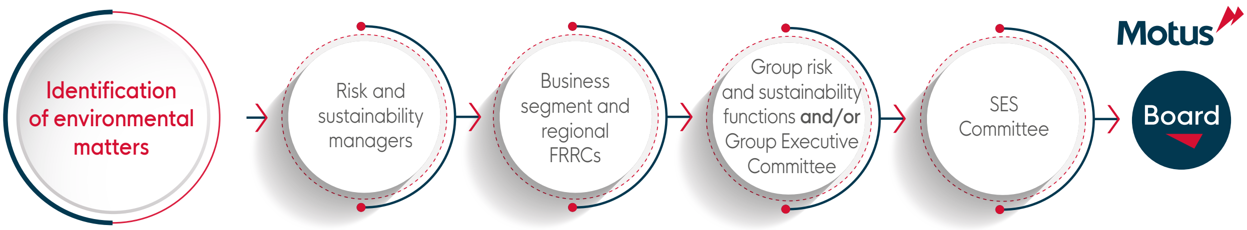
Recommended disclosures	Our response
1.1 **Board oversight** Describe the board's oversight of climate-related risks and opportunities.	The board is at the head of our governance structure and ensures that Motus operates as a responsible corporate citizen, and adheres to the highest standard of accountability, fairness and ethics. It meets a minimum of four times a year. 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 impacts, risks and opportunities. It is therefore ultimately responsible for ensuring that our climate-related impacts, risks and opportunities are identified, understood and effectively managed through formal processes, robust systems, and visible policy compliance across the Group. The board considers material climate-related risks and opportunities when reviewing the Group's strategy, risk management framework and financial planning. In this responsibility, the board is assisted predominantly by the SES Committee and to a lesser extent ARC and RemCo. A member of the SES Committee has working experience with a major South African fuel organisation, providing the board with valuable insight on climate-related issues. Material climate- and environment-related matters and metrics are elevated through our governance and management structures to the board quarterly (shown on page 5). **Social, Ethics and Sustainability Committee** The SES Committee guides and oversees our ESG-related strategies and their implementation. It monitors the Group's ESG performance, including our progress against our environmental targets, and compliance with various environment-related regulations. The committee's agenda includes climate change risk, our environmental strategy, our investment in green projects, and OEM plans to supply NEVs to our markets. The SES Committee met four times during the year. In the future, the SES Committee will oversee the development of a net zero carbon strategy with greenhouse gas (GHG) emission reduction targets for the Group. **Audit and Risk Committee** ARC is responsible for ensuring that Motus has a robust and effective risk management framework that is embedded throughout the Group. The committee reviews the impact of ESG-related risks on the Group's risk profile, and oversees the funding for non-insurable climate-related events. Climate change is included in the Group's top 10 risks. ARC met four times during the year. **Remuneration Committee** RemCo advises and guides the board on executive director, prescribed officer and senior manager remuneration, including defining the criteria for short-term and long-term incentives. For 2024, the criteria included the achievement of water, electricity and vehicle fuel targets, and investing in environmental improvement projects. The committee met five times in 2024.

Task Force on Climate-related Financial Disclosures report (continued)

Governance (continued)

Recommended disclosures	Our response			
1.1 **Board oversight** continued				
Report references	Integrated Group leadership Page 21	Shareholder Governance report Page 6	ESG Governance of sustainability Page 19	**CDP** C1.1

Elevation of climate- and environment-related issues to board



Recommended disclosures	Our response
1.2 **Role of management** Describe management's role in assessing and managing climate-related risks and opportunities.	The Group CEO is the highest decision-maker in the Group and therefore holds ultimate responsibility for the management of climate-related risks and opportunities. The Group CEO is assisted in this responsibility by the Group Executive Committee, which meets at least seven times a year. ESG is a standing agenda item at Group Executive Committee meetings. The CEOs of each business segment and regional operation are Group Executive Committee members. Each of the Group's business segments and regions have their own management structures and boards at which material ESG matters are reported. Both the Group CEO and Group CFO attend the business segment and regional board meetings.
	The setting of Group guidelines, frameworks and initiatives, as well as the co-ordination of Group environmental data, is the responsibility of the Head of Risk, Sustainability and Human Capital, who is a Group Executive Committee member and reports directly to the Group CEO and the board through ARC and the SES Committee.
	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 day-to-day environmental management. This includes monitoring and measuring climate-related issues and metrics, and compliance with environmental legislation.
	The FRRCs are management committees that support ARC and the SES Committee. Each business segment and region has its own FRRC which meets quarterly. In the UK and Australia, the FRRCs meet every six months. The Asia operation is included in the SA Aftermarket Parts FRRC. These committees oversee operational risks and environmental performance, among other matters. The Group CFO and Head of Risk, Sustainability and Human Capital attend all FRRC meetings as invitees. A standardised agenda applies to all FRRC meetings.

Report references				
	Integrated Group leadership Page 21	Shareholder Governance report Page 6	ESG Governance of sustainability Page 19	**CDP** C1.1

Task Force on Climate-related Financial Disclosures report (continued)

Strategy

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.

<table>
<tr><th>Recommended disclosures</th><th colspan="2">Our response</th></tr>
<tr>
<td>2.1
Identify risks and opportunities
Describe the climate-related risks and opportunities over the short, medium and long term.</td>
<td>Risk exposure movement

Inherent risk
Moderate

Residual risk
Low

Outlook
Negative over the medium to long term.

Short term
Within the next one to two years

Medium term
Three to five years

Long term
Five years and beyond</td>
<td>Physical risks (short term): extreme weather events may:
• Disrupt economies, business operations, supply chains, and vehicle and parts production.
• Cause damage to infrastructure, vehicles, property and other assets.
• Increase road accidents and injury to people.

Higher temperatures and lower rainfall will impact the length and severity of droughts, also potentially weakening economic growth as well as negatively impacting the availability of materials and resources, food supply, cost of electricity and the resilience of our supply chain*, particularly given the geographic concentration of the supply of Importer OEM vehicles (India).

Unusual weather patterns* may increase building maintenance costs (already experienced in SA and Australia), and more frequent extreme weather events will increase insurance costs to mitigate and cover these events. During the reporting year, Motus' weather-related insurance claims in SA increased. Examples, include hail damage to a site in Pretoria East and storm damage to the Nelspruit multi-franchise, amounting to R1,6 million and R1,4 million respectively.

Transition risks (short to long term): the transition to a low-carbon economy poses the following short-term risks:
• The capital needed to invest in solutions that optimise resource efficiency.
• Access to finance is increasingly linked to an organisation's climate-related risks.
• High emissions taxes. This is a heightened risk for SA where the use of diesel generators* is needed to mitigate power grid outages.
• The introduction of minimum energy-efficiency standards.
• Higher prices for goods and services*

Over the medium to long term, climate-related risks include:
• An adverse impact on demand for our products as customer preference shifts to products with lower negative impact on the environment.
• Aggressive adoption targets for plug-in electric vehicles (EVs) in the European Union will impact SA's automotive exports.
• A change in our product portfolio as OEM supply and country regulations shift to meet lower carbon economy requirements.

Reputation risks (medium term): insufficient action to curb GHG emissions and minimise environmental impacts could tarnish our reputation, particularly as public perceptions and expectations change, and new requirements for enhanced emissions reporting are introduced.

* Risk rating is moderate for these issues (can be managed but requires additional resources and management effort).</td>
</tr>
</table>

Task Force on Climate-related Financial Disclosures report (continued)

Strategy (continued)

<table>
<tr><th>Recommended disclosures</th><th colspan="2">Our response</th></tr>
<tr><td rowspan="2">2.1
Identify risks and opportunities continued</td><td>What we can control

• Operating in an environmentally conscious and responsible manner:
– Robust environmental targets.
– Environmental improvement projects.

• Reporting transparently on our environmental impacts and mitigation actions:
– Complete and accurate environmental data with a particular focus on improving waste management and metrics.

• Understanding, monitoring and planning around the availability of NEVs from OEMs in each country of operation.
• Ensuring compliance with the environmental aspects of our supply chain code of conduct.</td><td>Not fully in our control but we can have an influence

• The availability and supply of lower carbon emitting automotive products from OEMs.
• National policy and the infrastructure needed to support plug-in EVs.
• Environmental performance and climate-related risk mitigation in the supply chain.</td></tr>
<tr><td colspan="2">Opportunities
• Be an organisation that is compliant and considers environmental aspects in its decision-making (short term).
• Ability to secure additional financing opportunities based on our environmental performance (short term).
• Procure lower emissions vehicles for our fleets: rental businesses and company vehicle fleet etc. (medium term).
• Provide battery charging infrastructure at dealerships as part of the customer value proposition (medium term).
• Grow our renewable energy footprint to reduce our environmental impact and counteract business disruptions from load shedding (medium term).
• Introduce innovative products and services that meet customer preferences, and automate to deliver efficient processes.</td></tr>
</table>

Report references			
	Integrated Managing risks and opportunities Page 73	ESG ESG risks and opportunities Page 37	**CDP** C2

Task Force on Climate-related Financial Disclosures report (continued)

Strategy (continued)

Recommended disclosures	Our response
2.2 Impact on investment strategy Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	One of our strategic pillars is to invest in ESG initiatives, including the management of our environmental impacts. Climate change is included in the review of our strategy, key plans of action, risk management controls and policies, annual budgets and business plans, and major capital expenditures, acquisitions and divestitures. Performance against our environmental targets and environmental improvement projects are considered when setting executive performance objectives linked to remuneration. As part of the Group's strategic planning, the SES Committee ensures that budgets and resources are available for our environmental improvement projects.

Financial impact: risks

Risk	Extreme weather events (droughts, hail, floods, wildfires etc.)	Mandates and regulation pertaining to products and services	Changes in air temperature, fresh water and marine water impacting product supply
Financial impact	Increased direct costs.	Increased direct costs.	Increased indirect operating costs.
Description	Destruction caused by large-scale flooding has meant that employees were unable to come to work and some had no access to clean water. One OEM had to suspend production for four months following the 2022 floods in KwaZulu-Natal, impacting the availability of vehicles and parts. Certain areas of the Eastern Cape (SA) are at risk of running out of water, potentially causing market disruption and adversely impacting our employees and the OEMs that have factories in the area. For SA, the ability to mitigate widespread disaster is constrained; sometimes requiring weeks for municipal utilities to resume their operations. Our operations in Australia are also at risk for drought and floods.	Foreign regulations impacting exports.	Changes in temperature may affect the availability of raw materials. Challenges in acquiring and processing raw materials and water shortages could impact the pace of vehicle and parts production, and are likely to increase the costs related to production as well as costs within the supply chain and in our day-to-day operations. In addition, countries relying on carbon intensive industries may lose competitive advantage due to higher carbon costs, reduced resilience, failure to keep up with technological innovation, and limited leverage in trade agreements.
Time horizon		Medium	
Likelihood	Very likely	Virtually certain	Likely
Magnitude of impact		Medium to low	
Potential medium-term financial impact	R50 million	R1 million	R120 million
Cost of response	R24 million	R720 000	R72 million

Task Force on Climate-related Financial Disclosures report (continued)

Strategy (continued)

Recommended disclosures	Our response			
2.2 **Impact on investment strategy** continued Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	**Comments on our financial calculations**	Includes the additional investment needed to respond to acute physical risks, including increased insurance costs and business disruption (lost time).	Includes the cost to implement changes to meet new climate-related regulation across all jurisdictions of operation, including carbon taxes and the cost to supply plug-in EVs and hybrid vehicles to meet aggressive country adoption targets. The latter, however, depends on the availability of these vehicle types from OEMs.	Includes an estimated product price increase of 20% calculated on historic procurement spend.

Task Force on Climate-related Financial Disclosures report (continued)

Strategy (continued)

Recommended disclosures	Our response			
2.2 Impact on investment strategy continued	**Financial impact: opportunities**			
	Opportunity	Lower emissions energy sources	Shift in consumer preferences	More efficient production and distribution processes
	Type of financial impact	Reduced direct costs.	Increased revenues.	Increased revenues.
	Description	We implement initiatives to reduce GHG emissions and improve energy efficiency. A key focus is our investment in renewable energy across multiple sites in SA. In addition to addressing climate-related risk, renewable energy installations are needed in SA to mitigate the negative impact of the current electricity crisis on business operations.	Customers are demanding new types of mobility solutions, ranging from lower emissions vehicles to cheaper shared ownership models. A deeper understanding and new engagements are required to adapt our business model and participate in the new markets brought about by shifts in mobility patterns. We must therefore invest in new products and services that meet customer demand and maintain or increase our market share in each country of operation.	We are investing in customised solutions and experiences, and new engagement models to build deeper connections with our customers and provide them with the information they need – when they need it and on the platform of their choice. In tandem, we are developing our employees in new technologies and digital solutions.
	Time horizon	Medium		Short term
	Likelihood	Very likely	Virtually certain	Likely
	Magnitude of impact	Medium to low		
	Potential medium-term financial impact	R300 million	R210 million	R90 million
	Cost to realise opportunity	R180 million	R126 million	R54 million
	Comments on our financial calculations	Includes increased investment in new energy-efficient and/or renewable infrastructure and battery technology. A cost analysis has informed our decision-making on which business areas to select for renewable energy projects.	Includes our investment in new products and services, and an increase in procurement and skills spend to meet market demand.	Includes our investment in innovative mobility and improved engagement solutions and an increase in procurement and skills spend to meet market demand.
Report references		Integrated Strategic priorities Page 90 Managing risks and opportunities Page 73	ESG Approach to sustainability Page 16 ESG risks and opportunities Page 37 Transition to a lower carbon economy Page 51 Reduce environmental impact Page 62	**CDP** C3.2

Task Force on Climate-related Financial Disclosures report (continued)

Strategy (continued)

Recommended disclosures	Our response
2.3 **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.	Motus conducts limited climate change scenario analyses as part of disaster recovery and business continuity planning, particularly for high value sites in line with insurance requirements, and to identify supply chain vulnerabilities given the geographic concentration from which our products are sourced. These are not reported.

Risk management

Disclose how the organisation identifies, assesses, and manages climate-related risks.

Recommended disclosures	Our response	
3.1 **Processes for identifying and assessing risks and opportunities** Describe the processes for identifying and assessing climate-related risks.	The FRRCs review business segment and regional operation risks and elevate these to the risk and sustainability functions. All risk registers (business segment, regional and Group) are reported to ARC, and the board's sub-committees receive regular reports and periodic assurance on the risks that pertain to their respective areas of oversight. For the SES Committee, this includes quarterly climate-related risk assessments, including their potential impacts, our responses and key performance indicators (KPIs). The Group risk register facilitates oversight of the Group's most material risks and is reported to the board quarterly. Our integrated risk management framework covers the risks and opportunities (both current and emerging) associated with our strategy, and present in our internal and external operating environment, including climate-related risks and opportunities. Climate-related risks are identified for our operations, our suppliers, and the rest of the value chain. Our risk assessment process considers risks that could occur as far as 10 years into the future. Emerging risks – risks whose extent, nature and timing are uncertain – are monitored. Each operation identifies and assesses the risks to its business, and quantifies the potential impact. The sustainability function oversees the Group's environmental management practices, collates data from business segments and regions to calculate the Group's carbon footprint, and consolidates the climate-related risks and opportunities faced by business segments and regions for inclusion in the Group risk register. The board-approved risk appetite and tolerance set out the amount and type of risk that the Group is prepared to pursue, retain, or take in pursuit of its objectives and value creation.	
Report references	Integrated Managing risks and opportunities Page 73	**CDP** C1.1

Task Force on Climate-related Financial Disclosures report (continued)

Risk management (continued)

Recommended disclosures	Our response
3.2 Processes for managing risks and opportunities Describe the processes for managing climate-related risks.	Our integrated risk management framework promotes responsible risk taking (within approved tolerance levels), ensuring that actions taken in support of the Group's strategic priorities fall within our risk appetite. The framework, which is embedded in our business activities and decision-making processes Group-wide, articulates how we identify, evaluate and mitigate risks, and realise opportunities. This approach includes climate-related risks and opportunities. The board approves the integrated risk management framework annually, and oversees management's effective implementation and execution of the framework in day-to-day operations. ARC, the Group Executive Committee and the FRRCs assist the board in these responsibilities. The board receives regular reports and periodic assurance on the effectiveness of the Group's management of risk.

Governance and structure

Risk management framework	The board and its sub-committees	Group Executive Committee and FRRCs
Provides the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management.	Responsible for risk governance and ensuring that formal processes are implemented to effectively manage the risks facing the Group.	Responsible for managing all risks and implementing relevant risk governance processes, standards, policies and frameworks.

Integrated risk management framework

Governance 1	Enterprise risk management 2	Risk culture 3	Resources 4
• Develop frameworks to manage individual material risks. • Set risk appetite and tolerance. • Ensure appropriate committee oversight. • Implement an effective risk and compliance organisational structure. • Collaborate with assurance functions.	• Identify, assess and prioritise risks using risk registers and compliance self-assessments (CSAs). • Mitigate risks through controls such as business continuity plans. • Monitor risk exposure and ensure exposure falls within the Group's tolerance levels. • Report on risks and their mitigation.	• Engage with senior executives. • Ensure transparent risk communication. • Employee education and training.	• Develop talent to manage risks. • Implement risk management tools and technology such as risk management information systems.

Integrate with business activities

Combined assurance framework

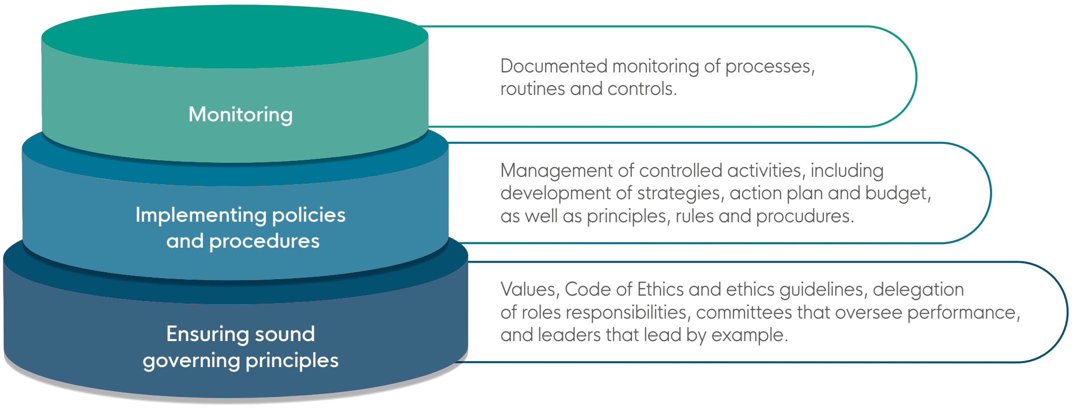
Task Force on Climate-related Financial Disclosures report (continued)

Risk management (continued)

Risk controls

Additional measures to enhance the effectiveness of risk management include internal controls, CSAs, head office monitoring and oversight, and the business segment and regional FRRCs.

Internal control hierarchy



Control self-assessment

Our Group-wide CSA Programme is a management tool to assess the adequacy of the risk, financial and operational control environment against documented business processes, and Group directives and frameworks, and to implement remedial actions where gaps are identified. Over 2 500 employees are involved in the monthly CSA. The programme cultivates a stronger risk awareness, reinforces our governance framework, and supports the 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 and regional reporting. The programme is in place across the Group, including for Group functions, other than Australia where a different monitoring and reporting process has been implemented.

Three lines of defence

Our combined assurance framework provides a co-ordinated and effective Group-wide approach to risk management. All three lines of defence report to the board, either directly or through ARC and the SES Committee.

FIRST LINE OF DEFENCE

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

SECOND LINE OF DEFENCE

Risk management, compliance, legal, governance and 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 and other independent assurance providers
Assurance providers offer oversight and assurance to the board and management on the adequacy and effectiveness of the controls implemented. Assurance is provided within a specific scope as agreed by management and/or oversight committees, and can be governed by regulatory and legislative requirements e.g. JSE Listings Requirements and Companies Act.

Task Force on Climate-related Financial Disclosures report (continued)

Risk management (continued)

Environmental impact management

Our environmental guidelines and frameworks as well as the sustainability function ensure that all business segments and regions are aware of their environmental obligations and reporting responsibilities. The office works with business segments and regions to develop and implement plans to mitigate climate-related risks and capitalise on opportunities.

Our supply chain code of conduct makes provision for environmental considerations in the award of business both for new and existing suppliers. We expect our suppliers to 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. The assessment of our suppliers' ESG performance is limited.

Link to remuneration

The short-term incentives of the Group CEO, Group CFO, executive director, prescribed officer and Company Secretary are all linked to environmental criteria and KPIs (Remuneration Committee: page 4). The link between performance and remuneration also applies to select divisional Executive Committee members.

Report references				
	Integrated Managing risks and opportunities Page 73	Shareholder Remuneration report Page 32	ESG Remuneration Committee Page 22 ESG risks and opportunities Page 37	**CDP** C1.1

Recommended disclosures	Our response
3.3 **Integration into risk management processes** Describe how the processes above are integrated into existing risk management processes.	See 3.1 and 3.2 above.

Task Force on Climate-related Financial Disclosures report (continued)

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommended disclosures	Our response
4.1 **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.	Motus measures the following metrics to assess climate-related risks and opportunities: **Water** • Water purchased from municipalities. • Water intensity ratio. • Water consumed from alternative sources. **Energy** • Electricity purchased. • Vehicle fuel. • Natural gas used. **Waste** • Waste recycled (batteries, used oil, paper, tyres, cardboard, metal and plastic). **Carbon footprint** • Scope 1, 2 and 3 emissions[1]. • Carbon intensity ratio. • Carbon tax. **New energy vehicle sales** • Motus' new NEV sales. We also keep track of: • Global NEV sales. • NEV sales in our markets of operation. • Availability of NEV models. • Competitor activity in NEV sales.

[1] *The updated sustainability management system, implemented during the year, records air travel thereby reducing our reliance on third-party information. Based on auditor feedback and a review of the data reported by divisions, a decision was taken to not report our Scope 3 emissions (air travel) for 2024, and until such time as the system has been fully implemented across the Group.*

Report references

ESG
Transition to a lower carbon economy
Page 51
Reduce environmental impact
Page 62

ESG indicator
Environment
Page 2

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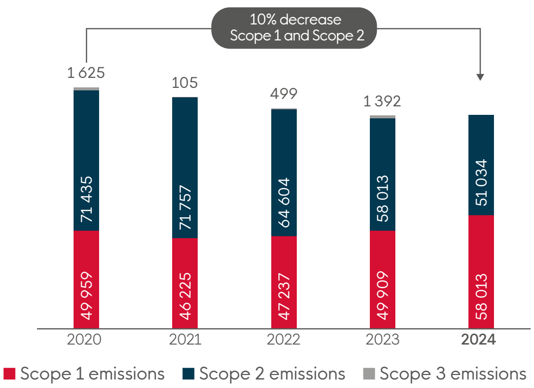
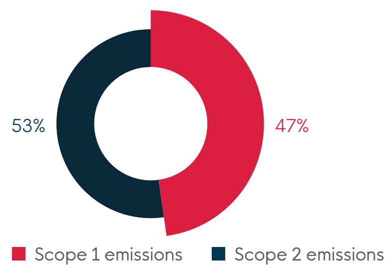
C4.1

Recommended disclosures	Our response
4.2 **Disclose emissions** Disclose Scope 1, Scope 2, and, if appropriate, Scope 3, GHG emissions, and the related risks.	See charts below

Carbon footprint trend over 5 years (tCO_2e)



Carbon footprint breakdown (%)



Report references

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Task Force on Climate-related Financial Disclosures report (continued)

Metrics and targets (continued)

Recommended disclosures	Our response
4.3 **Disclose targets** Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Our environmental targets to 2024 for water, electricity and vehicle fuel are based on four years of normalised trading activity prior to COVID. To ensure that our operational targets are fair and realistic, they are reviewed annually and adjusted when needed for footprint (acquisitions, disposals and movement between business segments) and changes in site activity, for example an office environment versus a workshop or parts distribution centre, where the quantum and type of resources consumed differ. The following five measurement principles apply: 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. A new target will be set. 3. Where a business moves in terms of its reporting lines, 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. Work is underway to set new targets[1] for the period 2025 to 2027, with 2024 being the baseline year. For waste management, 2025 will be our baseline year with targets to be set in 2026. We are engaging with business segments and regions to develop benchmarks and specific targets for each business site, taking into consideration the key drivers of consumption, past performance, and the impact of projects. Site targets will then be rolled up into Group targets, and the baseline rebased every year to allow for the flexibility needed for our constantly changing site footprint. We expect this bottom-up approach to garner better buy-in from our business segments and regions.
Report references	ESG report Transition to a lower carbon economy Page 51 Reduce environmental impact Page 62 **CDP** C4.1

Performance against the sustainability-linked finance facility KPIs (realised values)

KPI	Initial baseline	Target	Realised value	Target met	Threshold level met
Vehicle fuel consumption (litres)[2]	**2019:** 22 250 296	17 786 583	12 743 390[ELA]	✓	✓
Electricity consumption (MWh)	**2019:** 80 146	65 593	47 717[ELA]	✓	✓
Water consumption (kilolitres)	**2019:** 611 223	522 199	528 765[ELA]	✗	✓

[1] Targets will be aligned with the targets of our new financing facility, where applicable.
[2] Road vehicle fuel consumption used in our company fleet – excludes the customer vehicle rental use.
ELA: external limited assurance provided by Deloitte over the 2024 realised values.
Note: reporting boundary – total Group consumption adjusted according to acquisitions, disposals and movement between business segments.