

Where we import, assemble or manufacture parts, or provide vehicle servicing and maintenance, we use stringent quality and safety measures as well as the latest technology, to ensure we deliver quality products and services.

Areas of focus

Assist original equipment manufacturers (OEMs) with recalls

OEMs are responsible for vehicle design and they ensure that their products are free of any defect that may threaten driver and passenger safety. We assist OEMs to maintain their safety and brand standards in the event of a vehicle model recall by communicating with customers to ensure their vehicles are promptly fixed. Engagements are prioritised when the recall pertains to safety critical items.

Apply stringent quality controls

We adhere to relevant laws that require due care to ensure products and services do not pose unintended health and safety risks.

Service departments

Quality control checks ensure that our workshop technicians meet the quality and safety standards of all importer and retailer OEMs when servicing and repairing vehicles. Ongoing technical training delivered by OEMs supplements our training interventions (see *leadership and people capabilities* and *building capabilities that drive our competitiveness*). All service departments in our dealerships use only OEM parts to further guarantee quality and OEMs review our technical competency levels on an ongoing basis.

Car Rental

In the Car Rental businesses, vehicles undergo a 26-point check before every rental to ensure consistent quality and customer safety. These safety checks are noted in the ISO 14001 certification process and are frequently audited, with at least one external SABS ISO verification audit undertaken a year. In addition, vehicles are checked for minor dents, scratches and damages, applying the SAVRALA¹ standards.

Aftermarket Parts

AAAS provides imported replacement manufacturer parts which are used by our inhouse panel shops to maintain and repair vehicles out of warranty. All new products are assessed against manufacturing standards and related regulatory requirements prior to launch, and current products are reviewed regularly to ensure their continued adherence.

Further safety and quality measures for parts include:

- › **Imported products classified as safety critical:** require a letter of authority from the National Regulator for Compulsory Specifications approving their safety and technical standards and specifications before they are imported and sold in South Africa.
- › **All high-risk products:** must comply with ISO standards and SAE International's² technical standards and recommended practices for vehicles.
- › **Warranties:** sold with all parts other than accessory and consumable products.
- › **Parts returned:** are assessed by technical teams and discontinued if they receive a substantial number of claims. Parts that are found to have unintended health and safety risks are immediately recalled and discontinued. Parts failure rates are closely monitored and actively managed by Financial Services.

Robust supplier engagement

We hold our suppliers to strict service level agreements and suppliers are removed from the supply base where breaches are serious or are not remedied timeously. Our supplier engagements focus on quality and improving the cost of products and services to ultimately benefit our customers. Suppliers are regularly monitored and audited to assess product quality and safety, as well as their ability to sustainably meet our needs.

For our replacement parts businesses, the purchasing of stock items from reputable suppliers is key. We assess all new suppliers and all product samples undergo stringent forensic testing prior to supplier selection. In addition, we require that all our suppliers are ISO/TS16949 accredited, a technical specification prepared by the International Automotive Task Force and the highest quality standard globally.

In line with the requirements of the Consumer Protection Act, all suppliers of high-risk or safety critical parts must guarantee that due care has been taken in the design of products and services, to ensure they are fit for their intended use and do not pose unintended health and safety risks.

Link to material issues

› Deliver exceptional value to customers.

› Demonstrate governance best practice.

Opportunity

A brand reputation that is synonymous with quality products and services supports customer loyalty through the vehicle lifecycle.

Risks and challenges

- › Increased costs and compliance risk from failure to manage product safety risks effectively.
- › Loss of a key supplier which could impact reputation, and operational and financial performance.
- › In tough economic times, customers with vehicles outside of service and warranty periods, may opt to use servicing garages that use grey parts to maintain and repair vehicles.

Boundary

Servicing workshops and aftermarket parts.

¹ SAVRALA is an independent industry body that sets acceptable industry norms for rental vehicles.

² SAE International is an engineering standards organisation.