



Terra Motors 2024 Sustainability Report

Terra Motors

Driving Change, Empowering Communities

Contents

| | |
|---|-----------|
| 1. Introduction: Our Journey Begins | 3 |
| a The Road Less Traveled: Our Sustainability Approach | 4 |
| b Roadmap for Realization: A Brief History of Terra Motors | 6 |
| 2. Terra Ecosystem: Plug into the Future | 7 |
| a Terra Motors: Innovative EV Design and Manufacturing | 9 |
| b Terra Finance: Empowering Through Microfinance | 11 |
| c Sales & Operations: Strategic Partnerships for Reach and Impact | 12 |
| 3. Impact in Numbers: Terra Motors' Business Strategy and Milestones | 14 |
| a Impact on Users | 17 |
| b Empowering Communities | 21 |
| c Our Environmental & Social Impact: Driving Sustainable Development | 24 |
| 4. Building Trust: Our Governance Practices | 27 |
| a Impact on Employees | 29 |
| 5. Closing Thoughts: Join Us on This Journey | 30 |

1. Introduction

Our Journey Begins



Welcome from the CEO

To Our Valued Stakeholders,

It is with great pride and enthusiasm that I welcome you to Terra Motors' inaugural Sustainability Report. As we unveil this milestone document, I'm filled with a sense of excitement about the positive change we're driving in India and beyond. Our story is one of innovation, empowerment, and sustainable growth – a narrative we're crafting together with our users, employees, partners, and the communities we serve.

In the pages that follow, you'll discover how Terra Motors is not just a vehicle manufacturer, but a catalyst for social and environmental transformation. We're reimagining transportation in a way that addresses some of the most pressing challenges of our time: economic inequality, environmental contamination, and the need for sustainable urban development.

As you explore our sustainability journey, I invite you to see yourself as part of this story. Whether you're a user navigating the busy streets of Mumbai on one of our electric rickshaws, an employee dedicating your talents to our mission, an investor believing in our vision, or a community member benefiting from cleaner air and new economic opportunities – you are an integral part of the positive change we're creating.

Thank you for joining us on this exciting journey. Together, we're not just moving people from point A to point B; we're moving society towards a more sustainable, equitable future.

Akihiro Ueda

Chief Executive Officer
Terra Motors



1a. The Road Less Traveled

Our Sustainability Approach

Founded in 2010, Terra Motors aims to provide affordable, clean transportation while addressing environmental and economic challenges. Inspired by our founders' experiences witnessing urban pollution and economic struggle in India, Terra Motors was founded with the mission of unleashing the power of people through electric vehicles - we do not simply create and distribute electric vehicles, but through them, build an ecosystem that generates opportunities for people to reach their full potential. We view our transportation solutions as a catalyst for reducing reliance on fossil fuels, lowering pollution levels, and providing affordable, eco-friendly alternatives to traditional vehicles. By focusing on electric two-wheelers and three-wheelers, we seek to contribute to a more sustainable future by providing cleaner transportation.

At Terra Motors, sustainability isn't just a buzzword or a separate initiative. Sustainability shapes every facet of our business strategy, from design to community engagement, with the goal of "realization of sustainable development" in mind. Our approach to sustainability and Environmental, Social, and Governance (ESG) management is holistic, addressing environmental concerns while also focusing on social and economic sustainability.

In the geographic regions where we do business, there is a strong need to take ESG concerns into consideration. India, like many rapidly developing countries, faces significant challenges related to issues such as environmental degradation, poverty, and gender inequality. These issues are often intertwined, creating complex problems that require innovative solutions. Here's a deeper look at the context in which we operate and how our business approach addresses key challenges in India:

Environmental Pollution

Air pollution in India has reached critical levels, particularly in urban areas. According to the World Air Quality Report 2023, India is home to 83 of the world's 100 most polluted cities. In Delhi, for example, the average annual PM_{2.5} concentration in 2021 was 100 µg/m³, far exceeding the WHO guideline of 5 µg/m³. This pollution has severe health implications—air pollution is responsible for 9 million premature deaths annually, with 92% occurring in low—and middle-income countries.

Terra Motors is dedicated to addressing air pollution through the development and promotion of eco-friendly electric mobility solutions. Our efforts are concentrated on engineering products that offer both comfort and environmental sustainability for transportation needs. We continue to expand the sales of electric vehicles (EVs) by establishing the necessary infrastructure, as well as introducing a comprehensive range of electric two-wheelers and three-wheelers by leveraging information technology (IT) and other cutting-edge technologies to facilitate the widespread adoption of these environmentally conscious modes of transportation.

Poverty and Economic Inequality

Despite significant economic growth in recent decades, poverty remains a pressing issue in India, especially in rural areas. According to the National Multidimensional Poverty Index, as of 2021 the proportion of multidimensional poor Indian citizens in 2021 was 19.28% in rural areas compared to 5.27% in urban areas.

Through our products, Terra Motors works to provide equal opportunities to people in India. Human-powered rickshaws are a popular mode of transportation in India, and by switching to our 3-wheel EVs, drivers have the opportunity to increase their earning potential. EVs can cover more distance in less time and have better speed compared to traditional rickshaws, leading to more rides and increased daily income. Electric rickshaws provide a more comfortable driving experience, reducing physical strain and allowing drivers to work longer hours. Terra Motors continuously works to provide cheaper and better-quality products for users.

Another way that we help combat poverty in India is through using microfinance to encourage more people to take steps to increase their income.



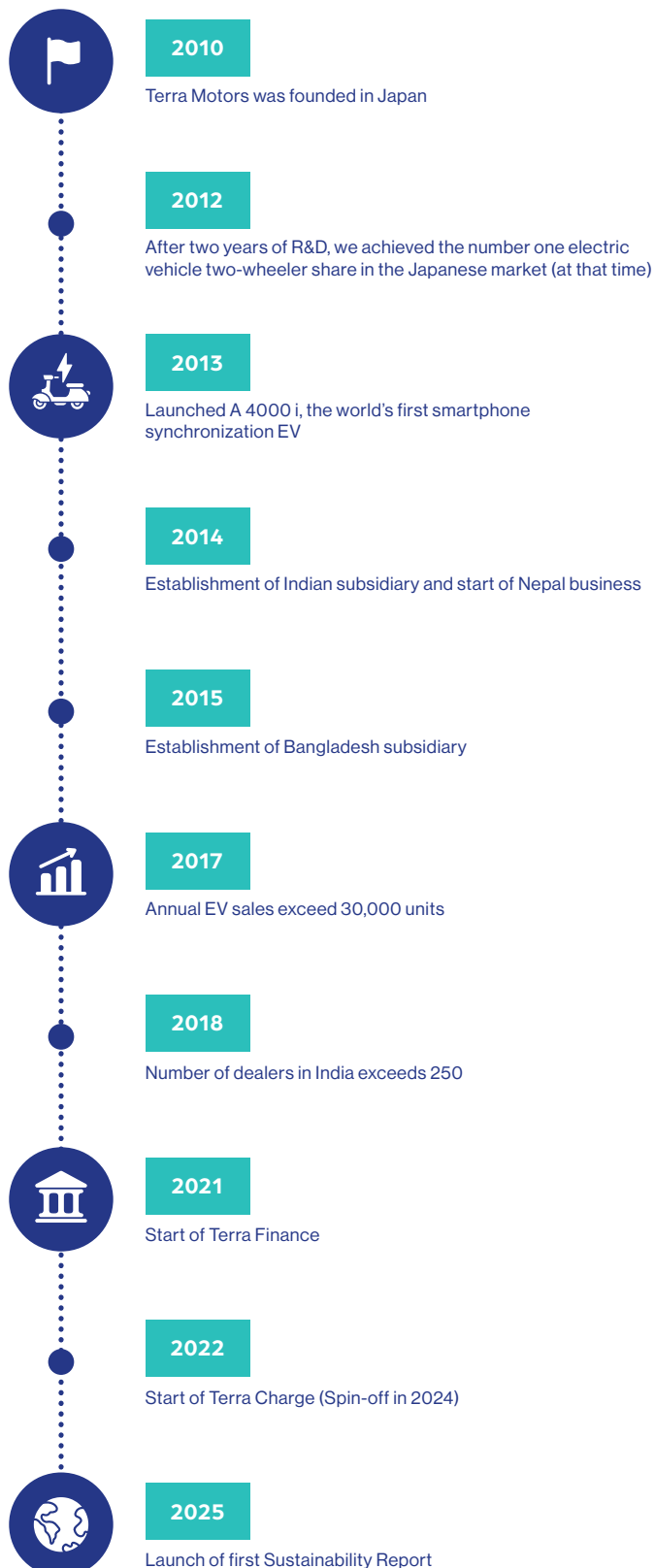
1b. Roadmap for Realization

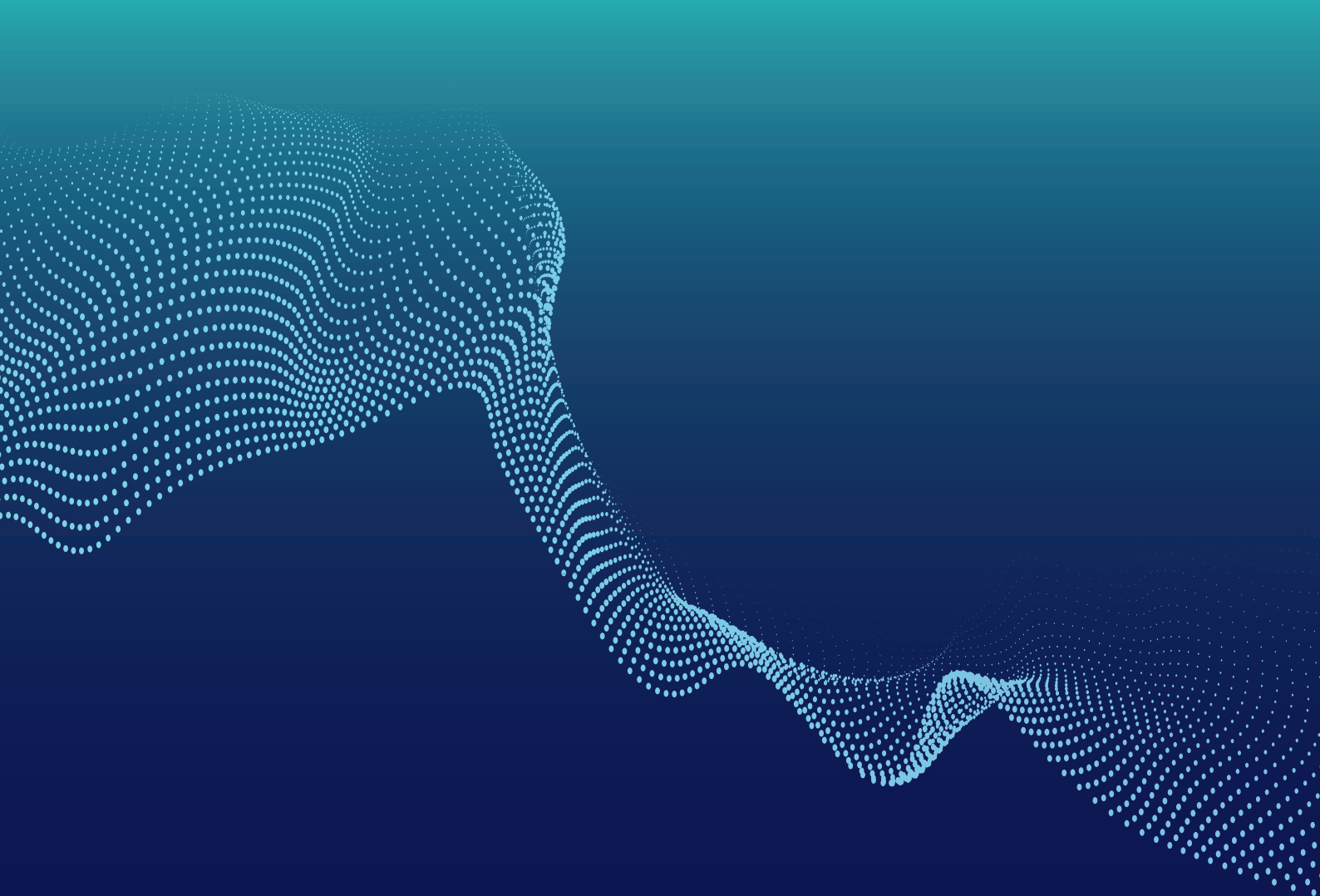
A Brief History of Terra Motors

In 2014, Terra Motors broke into the Indian market to address the aforementioned environmental and social issues in India by providing sustainable transportation solutions, particularly through the production of electric vehicles (EVs). There has been a growing need for EV development in India, also recognized by the Central Government of India in 2015 with the implementation of FAME India scheme (Faster Adoption and Manufacturing of Electric Vehicles). This scheme provides upfront subsidies for electric vehicle purchases and creates EV charging infrastructure.

By providing affordable, reliable, and environmentally friendly transportation options, Terra Motors has been opening doors for individuals who previously faced limited mobility and economic prospects. Our electric vehicles serve as a platform for entrepreneurship, enabling drivers to start their own businesses or expand their existing ones. At the same time, we're contributing to cleaner air in urban areas, promoting better health and environmental outcomes for entire communities. Here's a look at some of the key milestones and initiatives that have shaped our path:

Each of these milestones represents not just a step forward for Terra Motors, but progress towards our vision of a cleaner, more equitable world. As we look to the future, we're excited about the possibilities that lie ahead and the positive change we can continue to drive.





2. Terra Ecosystem

Plug into the Future

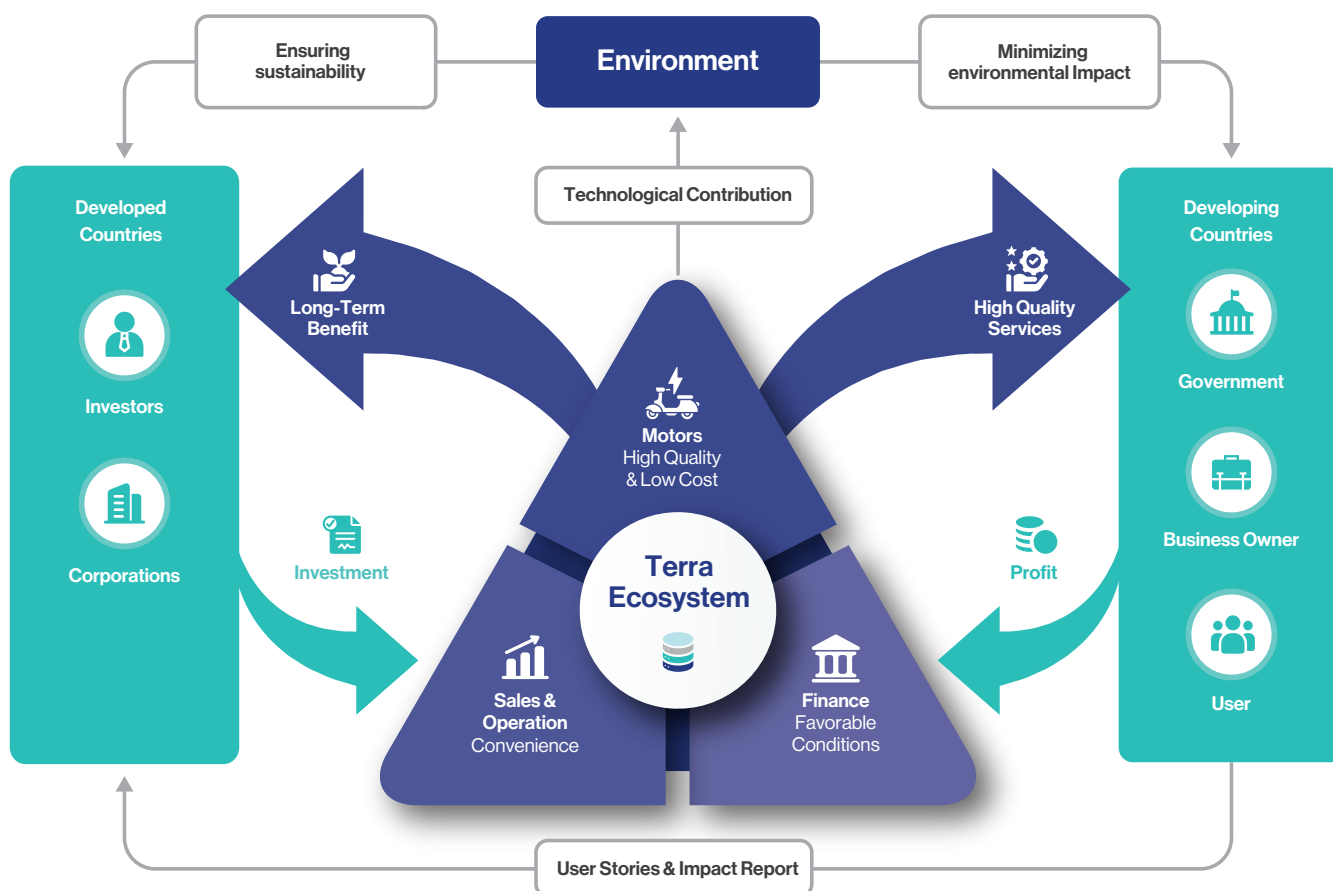
Terra Ecosystem

At the heart of Terra Motors' approach is our integrated ecosystem, designed to create a virtuous cycle of sustainable transportation, economic empowerment, and environmental stewardship. This ecosystem goes beyond a business model; it holistically addresses interconnected challenges in mobility, economy, and environment. Our ecosystem approach integrates financial, environmental, and social impact with every vehicle we sell, providing a comprehensive solution for sustainable transportation.

The Terra Ecosystem is comprised of three branches: Terra Motors, Terra Finance, and Sales & Operations. Terra Motors' primary focus is developing and manufacturing high-quality electric vehicles at an affordable cost, particularly three-wheeled e-rickshaws. Terra Finance is our own non-bank financial institution (NBFC) that provides customized loans for our e-rickshaws to individuals from lower socioeconomic backgrounds to empower them to improve their standard of living. Finally, our Sales and Operations branch is crucial to the Terra Ecosystem, as it manages the distribution and sales of the e-rickshaws through partnering with a network of dealers. These dealers play a vital role in bringing our products to market, providing local presence and user support.

How Terra Ecosystem Works

Harnessing the power of EVs to unlock human potential. Creating a world that continuously evolves through a chain of opportunities and transformations.



2a. Terra Motors

Innovative EV Design and Manufacturing

The foundation of our ecosystem is our electric vehicle production. We design and manufacture high-quality, affordable electric vehicles tailored specifically for the Indian market. After starting with the successful sales of lead battery EV three-wheelers, we started developing and selling lithium battery models to expand our user base to businesses. Our current lineup includes a diverse lineup of three-wheeler electric vehicles, ranging from affordable models to premium high-end options. Terra Motor's is equipped with comprehensive research and development facilities, capable of meeting the stringent requirements demanded by the FAME (Faster Adoption & Manufacturing of Electric Vehicles in India) scheme established by the Indian government.

Total Milage Driven

1,272,195,000 km*

User Satisfaction

83%

of Terra Motors users report to be **'Satisfied'** or **'Very Satisfied'** with their EV purchase.¹

*The International Council on Clean Transportation (ICCT): In Southeast Asia, the commercial use of three-wheelers is common, with an average monthly mileage of 1,000 to 1,500 kilometers, reaching an estimated annual mileage of 12,000 to 18,000 kilometers

¹As of April 2025



Our EV lineup is designed to meet a variety of needs. Here are three examples that highlight our diverse product offerings:



Y4A PRO

Our users' most loved e-rickshaw model, designed for urban passenger transport. Its unique design offers extra leg room, advanced passenger safety with a door-locking system, a rearview camera, and can carry up five people (four passengers and one driver).

| | |
|---------------|---------------------|
| BATTERY | Lithium Ion Battery |
| MAX SPEED | 25 km/h |
| MILEAGE | 120 kms |
| CHARGING TIME | 4.5 hours |

L5 Passenger (Kyoro)

With an articulated transmission suited to Indian roads as well as high gradability and clearance, the Kyoro is an electric vehicle designed to carry four people (three passengers and one driver) through various terrains with ease. Its robust build and advanced engineering ensure a smooth and reliable ride, making it an ideal choice for urban and rural transportation needs.

| | |
|---------------|---------------------------------|
| BATTERY | Lead Acid & Lithium Ion Battery |
| MAX SPEED | 55 km/h |
| MILEAGE | 120-130 kms |
| CHARGING TIME | 4.5 hours |



L5 Loader (KAZE)

Our electric vehicle is perfect for cargo transport, offering an impressive load carrying capacity of over 500 kg. It features a high-capacity battery to alleviate range anxiety and boasts an aerodynamically designed front fascia for enhanced protection, higher ground clearance and gradability, and an IP67-rated motor and controller offering flood resistance, making it a reliable choice for all your transportation needs.

| | |
|---------------|---------------------|
| BATTERY | Lithium Ion Battery |
| MAX SPEED | 50 km/h |
| MILEAGE | 120 kms |
| CHARGING TIME | 4-5 hours |



2b. Terra Finance

Empowering Through Microfinance

Recognizing that the upfront cost of a vehicle can be a significant barrier for many potential users, we established Terra Finance, our microfinance initiative. This program makes vehicle ownership accessible to those who need it most, often individuals who have been excluded from traditional financing options.

Low-income individuals have few opportunities to climb out of poverty, and it is difficult for them to break out of the vicious cycle of poverty on their own. The challenge is that there is no mechanism to break this negative cycle.

Terra Finance operates on the principle that providing financial access is about more than just loans—it's about creating pathways out of poverty. By offering loan services at the time of EV purchase to lower middle-income users facing economic challenges in India, we will provide them with the opportunity to begin employment as e-Mobility drivers and lead a better life. Our microfinance products are designed with flexible terms and reasonable interest rates, tailored to the unique needs of our users.

Total Disbursement Amount

\$10,723,924*

Total New to Credit (NTC) Loans

63% of total

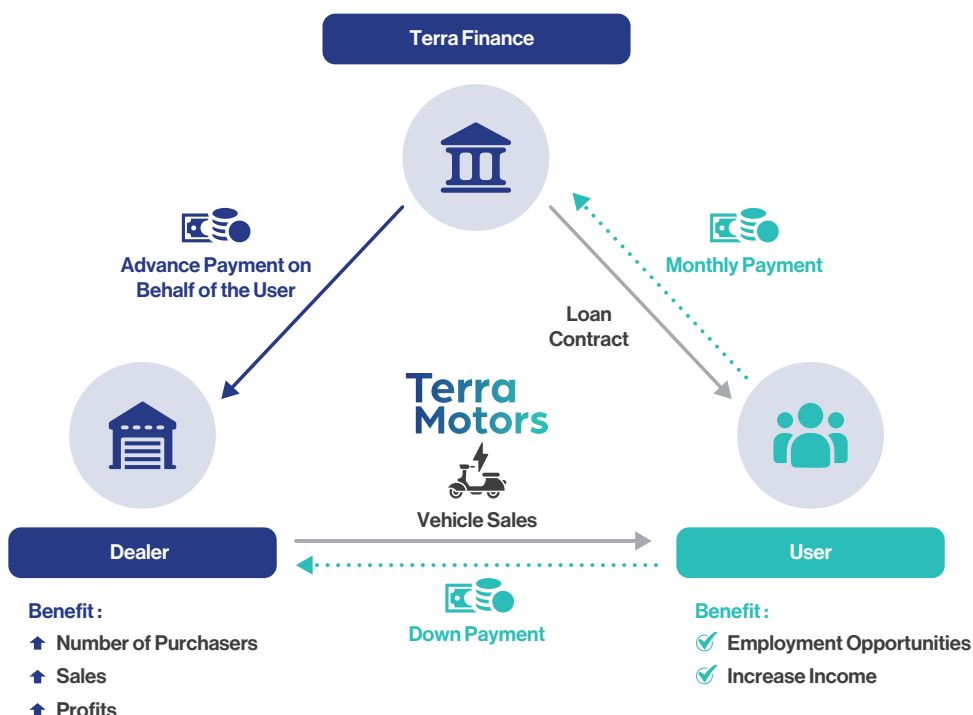
User Satisfaction

85%

of Terra Finance users report to be **'Satisfied'** or **'Very Satisfied'** with their overall user experience.

*As of April 2025

How Terra Finance Works



2c. Sales & Operations

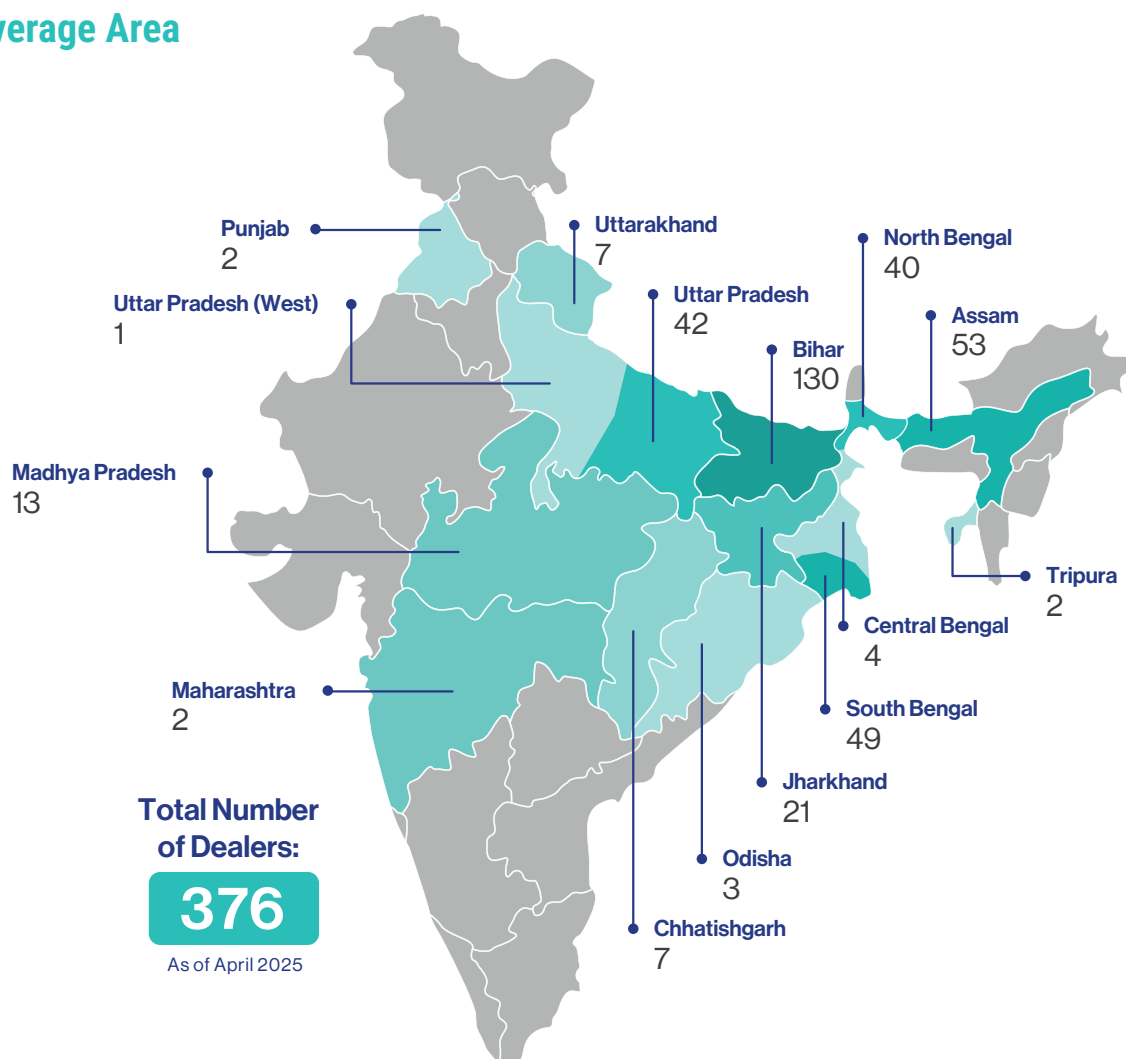
Strategic Partnerships for Reach and Impact



Dealer Partnerships

To ensure our vehicles reach every corner of India, we've built a robust network of local dealers and suppliers. Over the past three years, we've significantly expanded our partnerships from 289 dealers in 2021 to 376 in 2024, making our innovative electric vehicles more accessible nationwide. Our dealer network has achieved an impressive average user satisfaction score of 7.3 out of 10, reflecting our commitment to providing exceptional service and support to our users.

Dealer Coverage Area

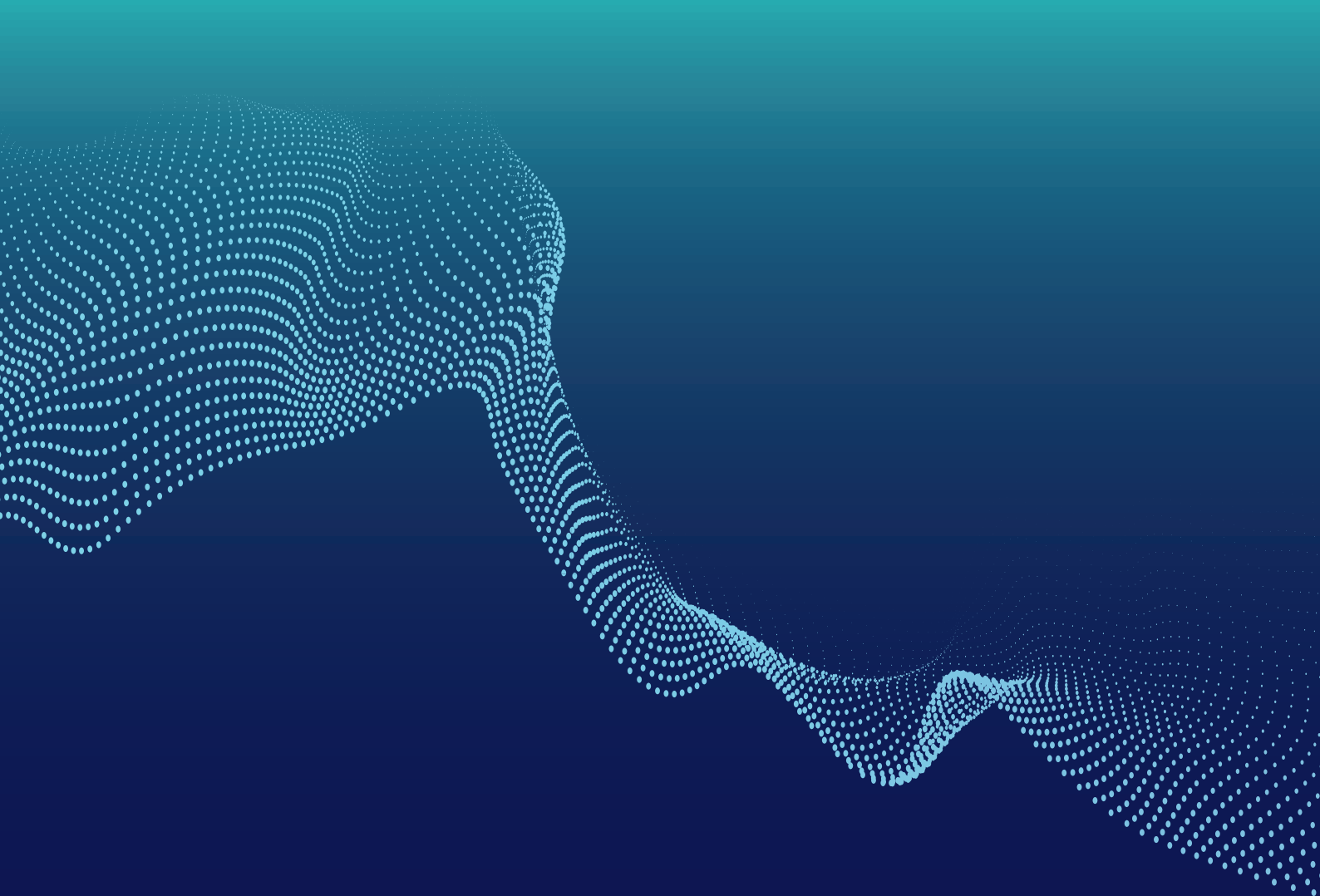




Supporting Local Suppliers

We're also committed to developing a robust, local supply chain that contributes to economic development in the regions where we operate. In 2024, we conducted a supplier survey to gain perspective on what Environmental, Social, and Governance (ESG) topics are most important to our suppliers when making strategic partnership decisions. Sustainability is important to our supplier partners, as 100% of our suppliers surveyed consider potential vendors' Environmental, Social, and Governance profiles when choosing a strategic partner. The Terra Motors ecosystem doesn't just provide vehicles; it creates a comprehensive solution that addresses multiple challenges simultaneously. It creates jobs, boosts incomes, reduces pollution, and opens up new possibilities for individuals and communities alike. Each component of the ecosystem reinforces the others, creating a sustainable model for growth and impact.

As we continue to refine and expand this ecosystem, we're not just changing the way people move – we're moving society towards a more sustainable and equitable future.



3. Impact in Numbers

**Terra Motors' Business Strategy
and Milestones**

Terra Motors' Business Strategy and Milestones

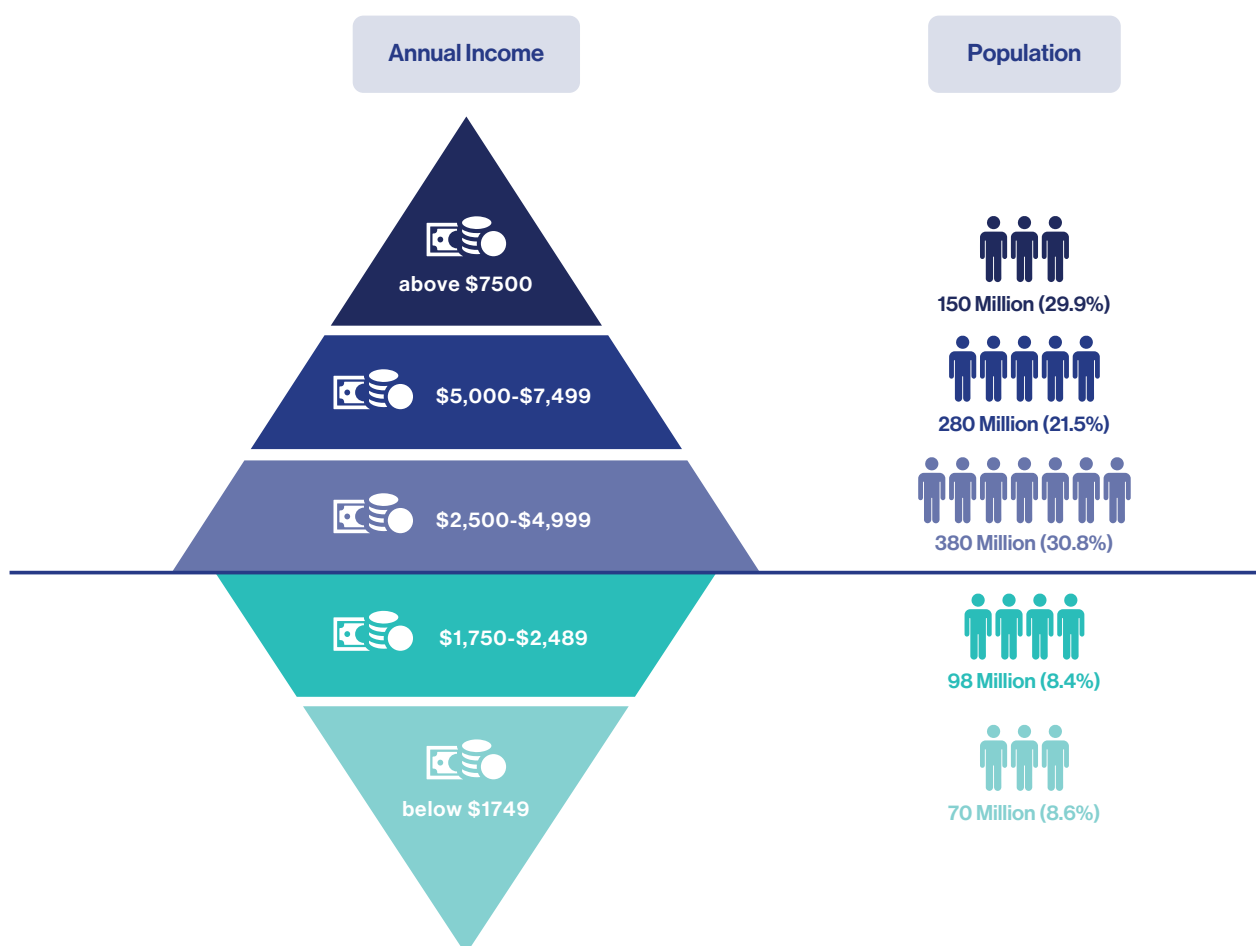
At Terra Motors, we believe that true success is measured not just in financial terms, but in the positive impact we create for our stakeholders, including our users, local communities, and the environment.

Terra Motors and Terra Finance play a crucial role in expanding access to mobility solutions in India, addressing a market of approximately 1 billion people. Through Terra Finance, individuals without access to traditional loans can purchase L3 vehicles, enabling them to generate income and support their families. As their financial situation improves, they have the opportunity to upgrade to L5 vehicles, further increasing their earning potential.

By integrating financial inclusion with mobility, Terra Motors ensures that economic opportunity is accessible to a wider segment of society, fostering long-term socio-economic development.

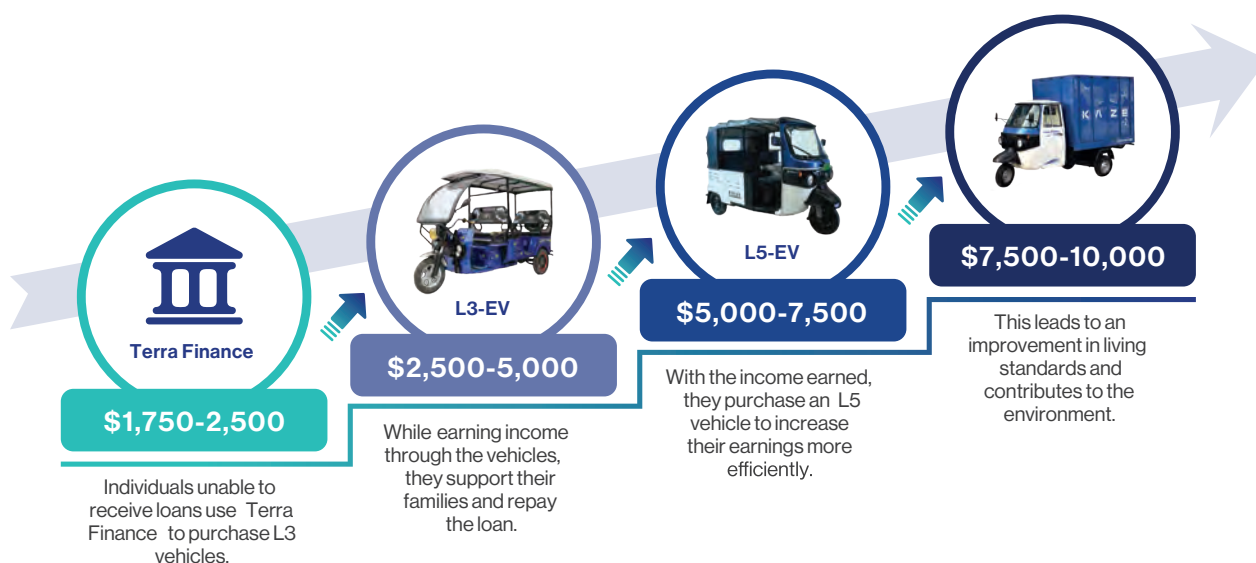
Market Size

By integrating microfinance with mobility solutions, Terra Motors has expanded its reach to serve the entire Indian population, ensuring that individuals across all income levels have access to sustainable economic opportunities.



Source: METI, March 2020

Customer Success Flow for Low-Income Groups, Aimed to be Achieved by Terra Motors and Terra Finance



By focusing on this substantial demographic, Terra Motors not only empowers individuals to improve their living standards, but also contributes positively to the environment by promoting the use of eco-friendly electric vehicles, which reduces our customers' carbon footprint. In turn, this contributes to cleaner air and reduced pollution in local communities. As we expand our reach, we aim to create a ripple effect where the benefits to individual users' cascade into broader positive impact on community health and environmental sustainability, while supporting local people and businesses. Through strategic partnerships and community engagement initiatives, Terra Motors strives to amplify these positive effects, transforming not just transportation but the environment.

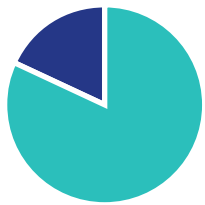


3a. Impact on Users

Our users are at the core of our sustainability approach. To gain a deeper understanding of who our users are and their needs, challenges, and aspirations, we conducted a user survey in Q3 2024 to develop more impactful solutions.. We collected data from 318 Terra Motors users between September 11, 2024, and October 29, 2024. Here's a snapshot of who our users are:

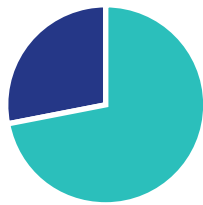
Demographics

Gender



● **82%** male
● **18%** female

Age



● **72%** of Terra Motors users are between 25-44 years old

Occupation

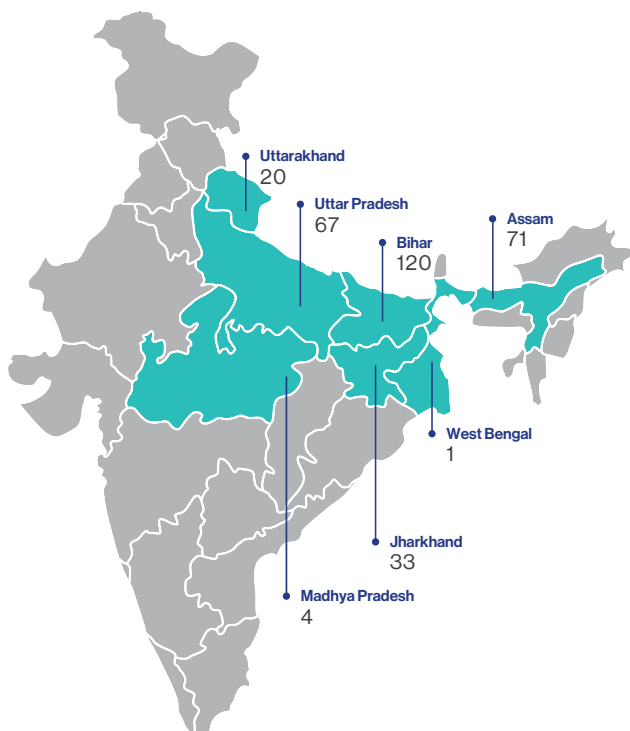
79% are auto drivers

25% work in agriculture

the remainder is split between small business owners and other professions

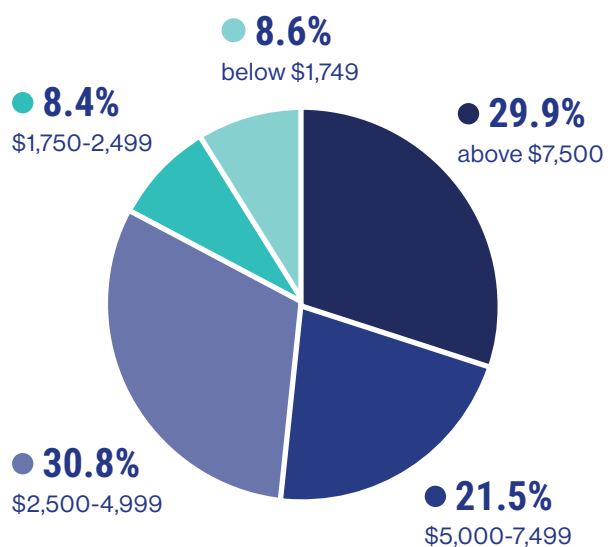
Location

Residential areas of survey respondents:



Income Distribution

India's annual income distribution:





User Satisfaction

Improving user satisfaction is a key metric for us, and we're proud to report an average satisfaction rating of 8 out of 10 for our Terra Motors & Terra Finance business. This high satisfaction rate is a testament to how well our products and services meet the needs of our users. Our commitment to product quality and a seamless user experience has resulted in significant income growth for our users and has fostered strong user loyalty, encouraging repeat purchases from Terra Motors/Finance in the future.

89%

of users surveyed reported they have experienced significant changes in their income after purchasing their EV

78%

of users surveyed said they would consider purchasing another EV from Terra Motors/ Finance in the future

Our commitment to our users is also reflected in other high user satisfaction-related metrics:

Terra Motors

 Terra Motors' User Satisfaction

83%

of Terra Motors users surveyed are **'Satisfied'** or **'Very Satisfied'** with their EV purchase

 Design

90%

 Comfort

84%

 Performance

78%

 Range

78%

Terra Finance

 Terra Finance's User Satisfaction

85%

of Terra Motors users report to be **'Satisfied'** or **'Very Satisfied'** with their overall user experience

 Loan Process

90%

 User Support

76%

From the design and quality of our EVs to the loan process to user support, we strive to provide the best experience possible to our users when they purchase a Terra Motors EV through Terra Finance. These numbers tell a story of transformative impact. They represent not just satisfied users, but individuals and families whose lives have been meaningfully improved through their purchase with Terra Motors. By providing affordable, reliable transportation options, we're enabling individuals to increase their earning potential significantly. This increased income often translates to better living conditions, improved access to education and healthcare, and greater financial security for families.

Terra Motors Success Stories

But the impact goes beyond just numbers. We've seen how increased mobility and income can transform lives and communities. Here are a few of user stories that illustrate our significant impact:



Bechan, an auto driver aged 26, supports his parents, wife, and 6-month-old child.

Despite his hard work, financial stability was elusive, and traditional banks rejected his loan applications.

Everything changed when Bechan discovered Terra Motors and, through Terra Finance, he purchased a Terra Motors electric vehicle.

This boosted his monthly income by INR 15,000-20,000, bringing stability and prosperity to his family. Bechan now dreams of providing a bright future for his child, thanks to the support from Terra Motors and Terra Finance.



Puja, a homemaker in her late 20s to early 30s, lives with her husband and small family.

Saving money was challenging without a steady income of her own.

Puja's life changed when she availed a loan from Terra Finance to purchase an EV three-wheeler.

She now drives the vehicle on select routes, earning an additional income of INR 15,000. This extra income has brought prosperity to her family, allowing her to contribute significantly to their well-being. Puja dreams of expanding her fleet and increasing her monthly income by another INR 15,000 by March 2025.



Swapan, a motor parts shop owner aged between 35-44, supports his family, including a daughter in school.

Swapan purchased a Y4A EV from Terra Motors, financed by Terra Finance.

This investment enabled him to earn an additional income of INR 20,000 per month, providing crucial support for his family. Swapan now aspires to send his daughter to college and elevate their living standards in the coming months.



3b. Empowering Communities

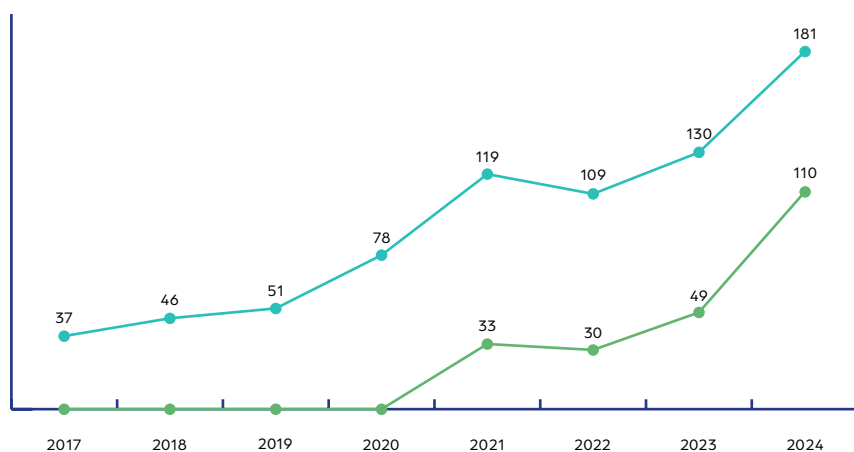
At Terra Motors, we believe that our responsibility extends beyond our immediate users and employees to the broader communities in which we operate. Our approach to community empowerment is multifaceted, focusing on job creation, skill development, and targeted community outreach programs.

1. Generate Local Hiring

When we think about generating local hiring, we think about this from the perspective of our own workforce, as well as the jobs our electric vehicles manufacturing and distribution help create.

Workforce Demographics

We're proud of the diverse team we've built and continue to build. We have significantly grown our employee base in the last year. From 2023 to 2024, our Terra Motor's team has increased by ~39% and our Terra Finance team has more than doubled, increasing by ~124.49%.



Terra Motors

181 Total Employees

Terra Finance

110 Total Employees

*As of April 2025

Terra Motors' Commitment to Sustainable Last-Mile Delivery Solutions

Building on its previous successes, Terra Motors is now planning to expand into the logistics industry, aiming to offer electric vehicle (EV) solutions that promote environmental sustainability and improve operational efficiency across the logistics sector. Our goal is to create a sustainable logistics network that benefits both businesses and the environment.

Strategic Partnerships and Success Stories

One of our key success stories is the strategic partnership with Moreish Foods, the largest bakery in Eastern India. Moreish Foods adopted Terra Motors' EVs to optimize last-mile deliveries within a 20 km radius from its four production facilities. This adoption has significantly improved delivery efficiency and allowed them to better meet the growing demand for home deliveries. This partnership exemplifies how sustainable and environmentally friendly logistics can be achieved through EV adoption.

Future Optimization through Data Utilization

Looking ahead, Terra Motors plans to utilize vehicle data and driving behavior from its fleet and individual users to optimize delivery routes and charging station locations. This optimization will not only benefit logistics operators

but also individual users of Terra Motors' EVs. For example, by leveraging data, individual users will be able to choose more efficient routes, maximize their operational time, and increase their earnings. Data-driven optimization offers advantages for both logistics companies and individual EV users, creating a win-win scenario.

Expansion into the Logistics Market and Future Prospects

Terra Motors is not only focused on expanding its presence in the logistics sector, but also aims to collaborate with individual EV users to provide new income opportunities. By empowering individual EV owners with more efficient ways to generate income, we are contributing to their economic growth while promoting the use of eco-friendly transportation. This dual focus on environmental sustainability and economic empowerment is a core pillar of Terra Motors' business model.





2. Terra Motors Community Outreach Program: Expanding Support through Donations

At Terra Motors, we place great importance on giving back to the communities where we operate. As part of this commitment, we have launched a Donation Program that encourages employees to donate unused items and participate in charitable activities. This program aims to provide support for local communities in need, focusing on education, health, and everyday living assistance.

We have partnered with the NGO Right Track, which has been supporting education, child protection, women's empowerment, and sustainable livelihoods in West Bengal, India, for over 35 years. Through this partnership, our employees donate items such as clothing, books, stationery, and toys, expanding our support to local communities.

Our donation program not only gives Terra Motors employees the chance to repurpose their unused items in an eco-friendly way, but also directly delivers vital resources to families and children who lack access to

such necessities. For instance, donated books help broaden educational opportunities for children, and clothing supports their daily needs. Each contribution makes a significant difference.

Additionally, our collaboration with Right Track ensures that the donations reach those who need them the most, reflecting Terra Motors' commitment to making a social impact beyond business. This program is also aligned with our broader environmental and social responsibility initiatives, helping to strengthen sustainability efforts.

We are proud that our employees share in the "joy of giving" and contribute to the vitality of the community. We look forward to continuing these efforts and further supporting local communities through similar initiatives in the future.

3. Our Environmental & Social Impact: Driving Sustainable Development

At Terra Motors, we believe in the power of business to drive positive change on a global scale. Our work aligns closely with several of the United Nations Sustainable Development Goals (SDGs), demonstrating our commitment to contributing to a more sustainable and equitable world. As an electric vehicle manufacturer, Terra Motors is at the forefront of addressing both environmental sustainability and social issues, particularly poverty. We're committed not just to reducing the environmental impact of transportation, but to actively contributing to a cleaner, more sustainable future while tackling socio-economic challenges.

Environmental Benefits of Electric Vehicles

Our primary environmental impact comes from the replacement of traditional fossil fuel vehicles with our electric alternatives, significantly reducing greenhouse gas emissions.

Our Environmental Impact in Numbers

Total Green Kilometers

Since 2017, our vehicles have collectively traveled

1,272,195,000 km*

all powered by electricity instead of fossil fuels.

Direct CO₂ Emissions Avoided

Based on average usage patterns and comparisons with traditional vehicles, we estimate that our vehicles have helped avoid

118,000 metric tons**

of CO₂ emissions since 2017.

*The International Council on Clean Transportation (ICCT): "In Southeast Asia, the commercial use of three-wheelers is common, with an average monthly mileage of 1,000 to 1,500 kilometers, reaching an estimated annual mileage of 12,000 to 18,000 kilometers."

**Burning one liter of gasoline (petrol) produces approximately 2.31 kg/liter of CO₂ emissions (BlociCarbon Fuel and Energy Carbon Calculator); A typical gasoline-powered rickshaw travels about 25km/liter of gasoline (Rickshaw Challenge: The Auto Rickshaw)

Our Own Carbon Footprint

We're committed to reducing the environmental impact of our own operations. In the coming months we plan to measure our 2024 direct (Scope 1) and purchased electricity-related (Scope 2) emissions to determine our baseline greenhouse gas footprint. Additionally, we will commence an effort to improve efficiency of vehicle development through using our IOT system to collect battery and usage data from vehicles. This data will help improve mileage efficiency and decrease cost of Terra Motor's EVs over time.

Terra Motors is also committed to minimizing waste and maximizing resource efficiency. At least one of our key suppliers now uses majority recycled materials instead of virgin plastic in their components.

Through these efforts, we're not just providing a cleaner alternative to traditional vehicles – we're striving to make every aspect of our business as environmentally sustainable as possible.



SDG 7: Affordable and Clean Energy

Our focus on the development and promotion of electric vehicles directly contribute to the transition towards clean energy in the transportation sector:

- By developing and providing affordable electric vehicles, we're reducing reliance on fossil fuels and lowering greenhouse gas emissions. Our efforts in battery technology development contribute to the broader advancement of energy storage solutions.
- Through Terra Finance, we are making clean energy transportation more affordable and accessible to a broader population, promoting inclusivity and equity in urban mobility.



SDG 11: Sustainable Cities and Communities

By offering accessible, eco-friendly EVs, we support the creation of cleaner, more resilient urban spaces:

- Our vehicles help reduce urban air pollution. Our EVs produce zero tailpipe emissions, significantly cutting down on pollutants like nitrogen oxides and particulate matter. This leads to improved air quality and healthier living conditions in cities.
- We're part of the shift towards more sustainable urban mobility systems. Our EVs are designed to be affordable and efficient, making them a viable alternative to traditional gasoline-powered vehicles. By promoting the adoption of electric mobility, we contribute to reducing the overall carbon footprint of urban transportation.



SDG 13: Climate Action

Our core business of electric vehicles directly contributes to climate change mitigation:

- Each of our vehicles on the road represents a significant reduction in greenhouse gas emissions compared to traditional alternatives.
- We're also working to reduce emissions in our own operations and supply chain.

Social Benefits: Addressing Poverty & Beyond

At Terra Motors, our business model aims to contribute to poverty alleviation, particularly in India.

Poverty is a major cause of various problems such as health damage, educational inequality, and crime rates.

Terra Motors helps combat poverty by:



SDG 1: No Poverty

- Increasing Indian citizens' income, as EV three-wheelers sold in India are mainly used for taxis, and Terra Motors will try to raise their incomes by offering better and cheaper products and providing better employment opportunities.
- We also use microfinance to encourage more people to take steps to increase their income. Terra Motors has partnered with banks that provide "Mudra Yojana (Mudra = wealth, money, Yojana = structure)" Schemes, which is a scheme created by the Indian government to fundamentally reform the problem of poverty in the BOP (Bottom of Pyramid). This is an unsecured loan to help low-income people escape from poverty that can be used for the EV three-wheeler.



SDG 8: Decent Work and Economic Growth

Through our business model and operations, we contribute to economic growth and job creation:

- Our vehicles provide a means for individuals to start their own businesses or enhance their earning potential.
- We create both direct and indirect employment opportunities across our value chain.



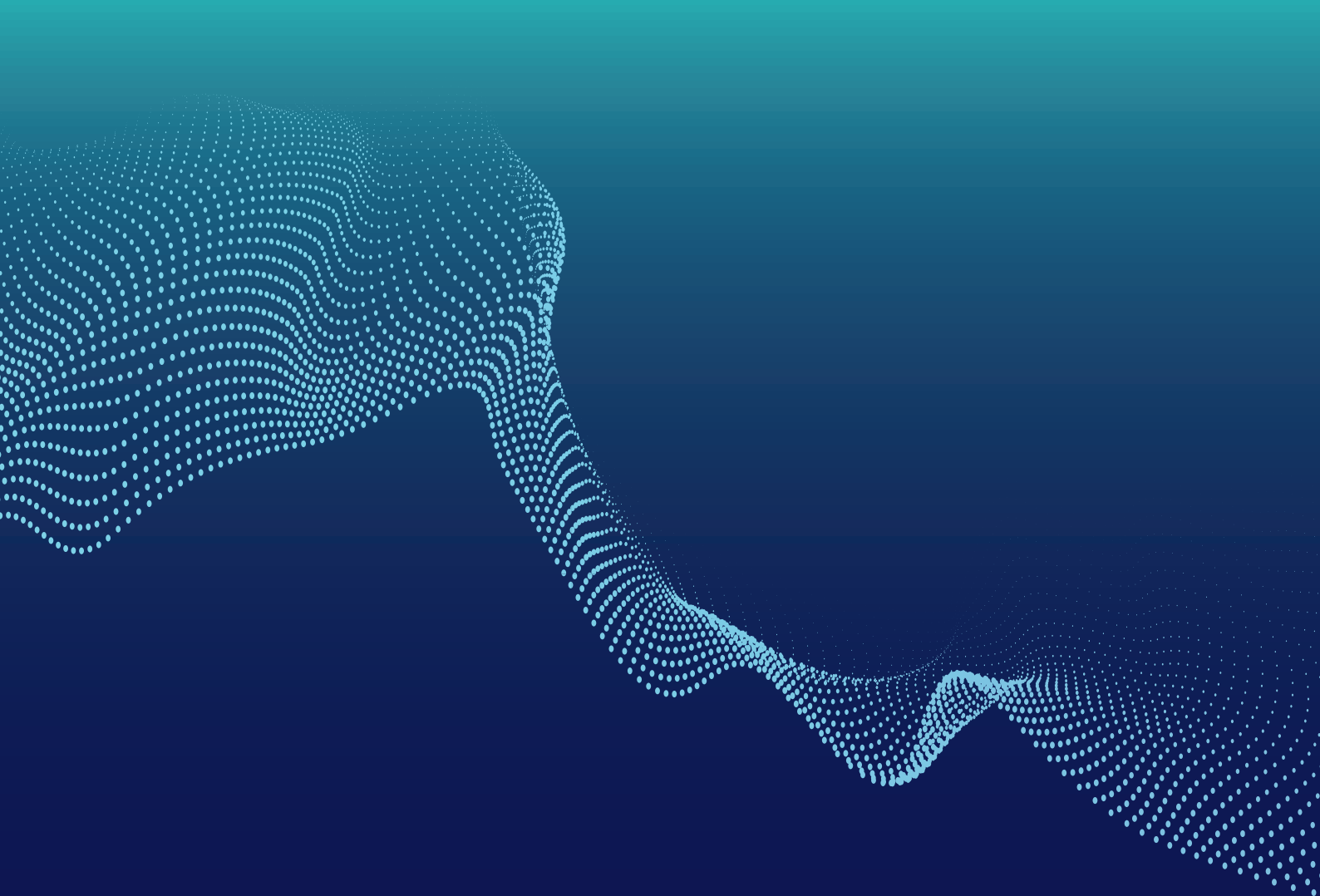
SDG 9: Industry, Innovation, and Infrastructure

Our focus on R&D and technological innovation in the EV sector aligns with this goal:

- We're constantly innovating to improve the efficiency and affordability of our vehicles.
- Our electric vehicle infrastructure venture Terra Charge focuses on installing electric vehicle charging stations tailored for fleets, commercial properties, residential communities, and personal parking spaces. These efforts contribute significantly to the development of sustainable transportation infrastructure.

Looking Ahead

As we continue to grow and evolve, we're committed to deepening our contribution to these environmental and social-focused SDGs and exploring ways to impact additional goals. We believe that by aligning our business objectives with these global goals, we can create value not just for our immediate stakeholders, but for society as a whole.



4. Building Trust

Our Governance Practices

Terra Motors upholds strong governance practices to foster a culture of transparency, accountability, and ethical conduct. The company has established a Code of Conduct, which sets three clear guidelines for employee behavior and decision-making. To ensure understanding and compliance, Terra Motors conducts regular seminars that include engagement program to enhance the understanding about philosophy.

Furthermore, Terra Motors prioritizes transparency in its operations, enabling stakeholders to gain insights into the company's activities and decision-making processes. We believe in open and honest communication with all our stakeholders. The company has implemented robust risk management strategies to identify and mitigate potential risks, ensuring the long-term sustainability and resilience of its business.



Financial Reporting:

We publish annual financial reports that adhere to international accounting standards.



Sustainability Reporting:

This annual sustainability report provides a comprehensive overview of our environmental and social impact.



Stakeholder Engagement:

We maintain open channels of communication with users, employees, investors, and community members, actively seeking their feedback and addressing their concerns.

Risk Management & Futureproofing Our Business

Risk management is critical to Terra Motors operations. Terra Motors encourages employees to report any concerns or potential violations directly to the Human Resources department, which then escalates the matter to management for appropriate action. This mechanism

promotes an open and ethical corporate culture, where employees feel empowered to raise issues without fear of retaliation.

To maintain financial prudence and accountability, Terra Motors has implemented a streamlined and robust approval system for expenditures. This system ensures that all financial decisions are aligned with the company's strategic objectives and that resources are managed responsibly.

Board of Directors

Our Board of Directors provides strategic guidance and oversight to ensure that Terra Motors operates in the best interests of all stakeholders. The board consists of five members, including external directors and full-time and part-time auditors. The board meets regularly to ensure strong governance, while a dedicated internal Audit Committee holds monthly meetings to review and strengthen internal controls and ensure compliance with the company's strategic objectives. By maintaining strong governance practices, we aim to build and maintain trust with all our stakeholders, ensuring the long-term sustainability and success of Terra Motors.



4a. Impact on Employees

At Terra Motors, we believe that our employees are the driving force behind our success and impact. We're committed to creating a work environment that is diverse, inclusive, and supportive, where employees can grow, innovate, and contribute to our mission of sustainable mobility.

Job Creation and Skill Development

Terra Motors is committed to fostering internal career growth and providing employment opportunities for both men and women. The company has a strong recruitment policy in place, which begins with an initial screening process to ensure that candidates meet a necessary skill-set competency matrix. A standardized application process is followed, and recruitment-related policies encompass the PoSH Policy (Prevention of Sexual Harassment) and Leave Policy, ensuring a fair and inclusive work environment.

Terra Motors places a strong emphasis on developing its employees through comprehensive training programs and continuous feedback. All new hires undergo an orientation program delivered by the HR department, followed by job-specific training from their line managers for the first approximately 1.5 weeks. Throughout the year, additional trainings on soft skills and seminars are held to foster personal and professional growth.

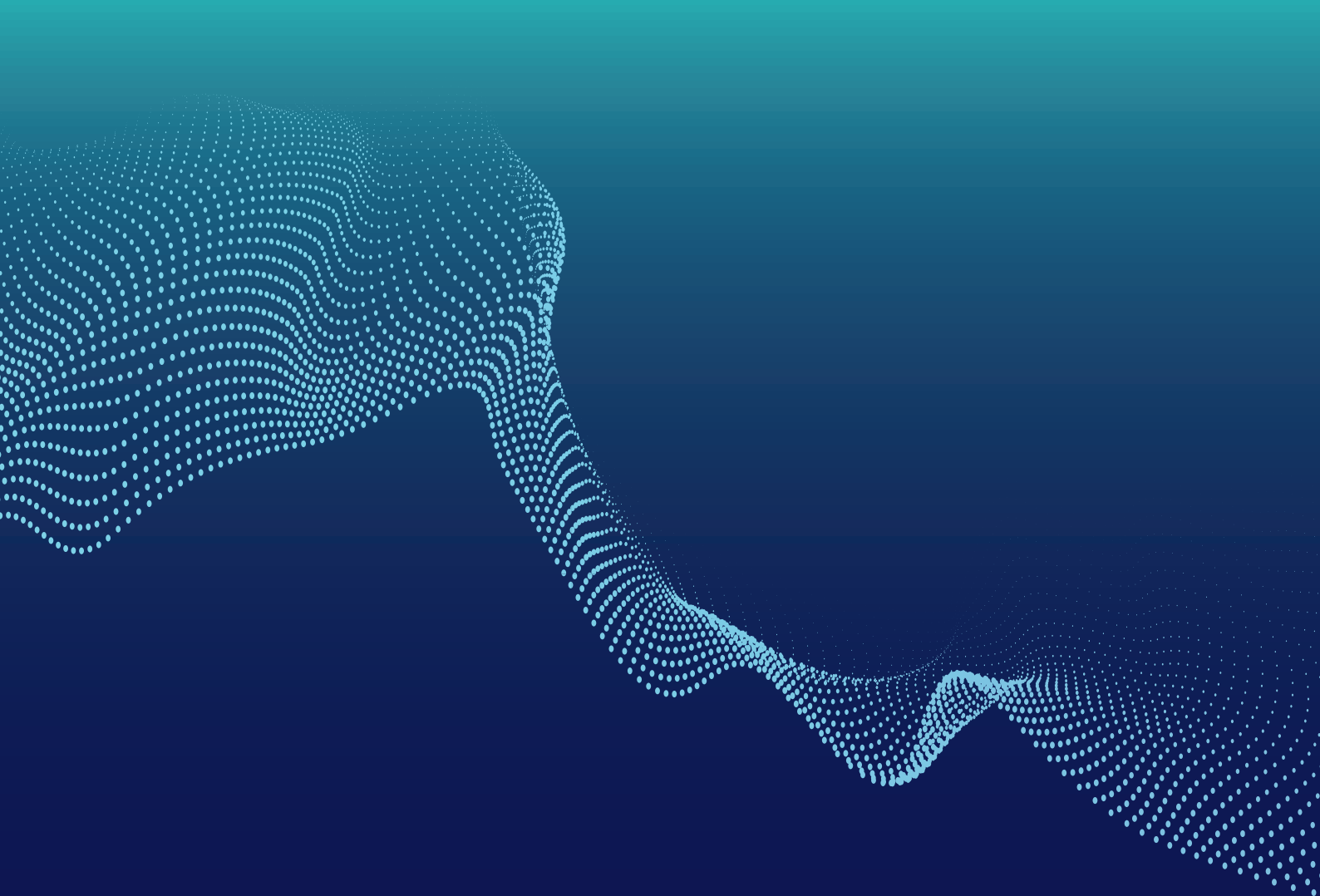
Health and safety are top priorities at Terra Motors, and 100% of employees are encouraged to participate in Health & Safety Training provided. The company is also focused on providing timely feedback to all employees, with a 6-month "probation" period where employees receive constructive feedback on how to improve their skillset. Employees also have KPIs (Key Performance Indicators) that are evaluated in end-of-year reviews, allowing for continuous professional development, and aligning individual goals with company objectives.



Employee Benefits

We understand that employee well-being is crucial for both individual and company success. In line with this commitment, Terra Motors offers a comprehensive medical insurance plan covering up to ₹500,000 annually, which extends to include up to four family members. This benefit provides employees with valuable peace of mind for themselves and their loved ones, reinforcing our dedication to fostering a supportive and health-focused workplace.

Additionally, by fostering a positive, inclusive, and growth-oriented work environment, we ensure that our employees are not merely participants in our mission, but passionate advocates for sustainable mobility. Their dedication and innovation are key to our continued impact and success, empowering our team to focus on both their professional and personal growth.



5. Closing Thoughts

Join Us on This Journey



As we conclude this sustainability report, we reflect on the journey we've undertaken and the path that lies ahead. At Terra Motors, we're proud of the progress we've made in driving sustainable mobility and creating positive impact, but we also recognize that there is much more to be done.

Our Vision Beyond India

Terra Motors is dedicated to expanding the Terra Ecosystem within India by deepening engagement with business owners and participating in key government initiatives. This includes strengthening partnerships with logistics companies, taxi operators, and other essential players who can benefit from our sustainable solutions to enhance operational efficiency and reduce environmental impact.

As we solidify our ecosystem in India, our vision extends to regions such as Southeast Asia and Africa, where similar socio-economic and environmental challenges persist. In Southeast Asia, urban pollution and high emissions from the transportation sector are pressing issues. Major cities like Jakarta and Bangkok face severe air quality challenges, driven largely by vehicle emissions, while millions still live in poverty, with limited access to clean, affordable transportation.

Africa also faces comparable challenges. Rapid urbanization has led to increased transportation demand, contributing to pollution and straining existing infrastructure. With around 40% of Africa's population living in poverty, access to reliable, cost-effective transportation has a significant impact on economic opportunities and quality of life.

By expanding the Terra Ecosystem to these regions, we aim to deliver clean, affordable electric mobility solutions that support both environmental sustainability and economic empowerment. Our vision is to create lasting positive impact, enabling businesses and communities in Southeast Asia and Africa to access sustainable mobility, reduce emissions, and improve livelihoods.

The Road Ahead

As we look to the future, Terra Motors is setting ambitious goals that reflect our commitment to sustainable growth and transformative impact. Our vision is to lead the evolution of electric mobility by advancing technological innovation, expanding our product offerings, and deepening our commitment to the communities we serve.



1. Technological Innovation

We are dedicated to continuously pushing the boundaries of EV technology. Our research and development efforts are focused on enhancing battery efficiency to increase driving range, reduce charging times, and improve overall vehicle performance. By integrating the latest advancements in sustainable technology, we aim to offer a superior driving experience that meets the growing needs of our users.



2. Expanded Product Line

To cater to the diverse transportation demands of our markets, we are exploring the development of new vehicle types. From personal mobility solutions to last-mile delivery options, our goal is to create a versatile product lineup that supports both individual users and businesses. This expansion will allow us to serve a broader audience and contribute to sustainable transportation across various sectors.



3. Strengthening Global Impact

Beyond our technological and product advancements, we envision expanding the Terra Ecosystem to new regions, including Southeast Asia and Africa. These areas face unique socio-economic and environmental challenges, and we see an opportunity to drive meaningful change by providing access to clean, affordable transportation. By entering these markets, we aim to reduce reliance on fossil fuels, lower emissions, and create economic opportunities that improve quality of life.



4. Empowering Local Communities

Our commitment to community empowerment remains central to our mission. We are focused on creating partnerships with local businesses, supporting small entrepreneurs, and providing financial solutions through Terra Finance. By fostering an inclusive ecosystem, we ensure that our impact extends beyond mobility to include economic growth and social progress.

The road ahead is both challenging and exciting. Terra Motors is committed to leading the way in sustainable mobility, and as we expand our reach and impact, we remain guided by our core values of innovation, inclusivity, and environmental stewardship. Together, we are building a future where clean and accessible transportation is a reality for everyone.



An Invitation to Engage

The transition to sustainable mobility is a journey we cannot undertake alone. We invite all our stakeholders—users, employees, investors, partners, suppliers, and communities—to join us in this shared mission:

For Our Users

Every time you choose a Terra Motors vehicle, you contribute to a cleaner, greener future. We value your experiences and insights and encourage you to share your feedback to help us continually improve.

For Our Employees

Your passion and commitment are the driving force behind our innovation. We invite you to bring your ideas, energy, and dedication to sustainability to work each day, helping us create lasting impact.

For Our Investors

Your support empowers us to pursue our mission of sustainable mobility. We welcome your ongoing engagement and look forward to your feedback on our sustainability progress and goals.

For Our Partners and Suppliers

Building a sustainable value chain requires strong collaboration. We invite you to work with us in setting ambitious sustainability targets and achieving them together.

For Our Communities

Your trust and involvement ensure our efforts make a meaningful impact. We encourage you to participate in our community initiatives, share your perspectives, and help us create a positive local impact.

Together, we can create a future that is sustainable, inclusive, and powered by clean energy. Join us in this transformative journey towards a brighter tomorrow.

Terra Motors

Get in Touch

We value open dialogue with all our stakeholders. If you have questions, suggestions, or would like to explore ways to collaborate, please reach out to us:

Email: info@terramotors.co.jp

Website: <https://terramotors.co.jp/en>

Thank you for engaging with our sustainability report. At Terra Motors, we are driven by a shared vision of a sustainable, equitable, and electrified future. As we move forward, we invite you to join us in this transformative journey. Together, we can drive meaningful change, build resilient communities, and create a cleaner, greener world for generations to come.