

2021 Annual General Meeting

Question submitted by Carolyn Hayman, Appointed Representative for ShareAction

I understand that the COVID-19 pandemic has resulted in a number of challenges for the company. As outlined in your annual report this has led to a restructuring of the business, including redundancies of circa 10% of employees across the group and a focus on growing the distribution part of the business. I was encouraged to read that the company have identified that developing and retaining talent is a key enabler to ensuring the strategy is a success.

On Inchcape's website I have seen jobs for drivers advertised described as temporary/casual contracts. Whilst prevalent in the industry, these types of contracts can lead to workers experiencing uncertainty and make it difficult to plan both financially and non-work commitments. I'm conscious of the challenges the business has faced in light of COVID-19, however now more than ever it is fundamental that workers are given security.

Please could the board also give an overview to how it intends to approach workforce management in this period of change and restructure, with a growing focus on the distribution industry?

Please could the board give an overview of the company's use of non-standard contracts. What percentage of the workforce are on a. temporary contracts, and b. contracts without standard hours?

Answer from the Chairman

I think the question is largely addressed to the UK, so my answer starts with the UK, although I will expand over to other parts of the world.

Question 1

So first of all, the overview of how we approach workforce management, recognising it is a period of change and restructuring. And within the UK retail business and actually across all our distribution markets, we use a flexible resource planning tool which guides the local team on its workforce management based on customer needs and our business objectives. It is a tool which is transparent and understood by all our colleagues. This planning tool has been running for three years. It has evolved and will continue to do so to ensure it remains fit for purpose.

It has brought many benefits, including providing objective information on the business needs, particularly during times of significant market volatility and restructuring. It also supports career development by ensuring information on vacant roles shared. If we do have to restructure or undergo a period of significant change, we endeavour to ensure a fair, transparent and supportive process for all colleagues. Including a comprehensive communications plan explaining what is happening, why it's happening and how it will happen. A clear question-and-answer process that is regularly refreshed and shared across colleagues. We try to redeploy any impact to colleagues, to similar roles at nearby Inchcape locations. And we also offer an internally developed outplacement support programme.

Question 2:

Starting with the UK, Inchcape Retail currently employs 3,618 colleagues. Of this population, 3,490, about 96% are permanent with agreed contract hours. 79, that's 2.2% are on permanent flexible contracts. And many of these are drivers who have retired from full-time work but want to continue working shorter hours and more flexibility. And the 49 or 1% are on a fixed-term contract, usually

lasting one year. They are mainly providing temporary cover during restructuring of our finance centres or for colleagues on maternity leave. With regards to our remaining global workforce, we employ a further 11,150 colleagues across a total of 34 markets and overall we have less than 5% of non-permanent employment contracts. And these contracts are all in accordance with local legislation.