

SUSTAINABILITY COMMITTEE REPORT



Alex Jensen
Chair of the Sustainability Committee

Committee snapshot

What we did	Outcome
Review of sustainability strategy	Standalone Sustainability Report
Workforce engagement	Engagement session held at Inchcape Hellas
Regulatory planning	CSRD readiness project commenced
Review of CO ₂ emissions targets	Decision on scope 3 emissions

The Committee’s terms of reference can be found at www.inchcape.com

Dear Shareholder

I am pleased to present the Sustainability Committee Report for the year ended 31 December 2024. The aim of this report is to provide an overview of how the Committee has discharged its responsibilities and should be read in conjunction with pages 32 to 50, and the Sustainability Report available at www.inchcape.com.

Meeting attendance

	Scheduled
Alex Jensen (Chair)	3 3
Nayantara Bali	3 3
Jerry Buhlmann	3 3
Byron Grote	3 3
Alison Platt*	2 3
Duncan Tait	3 3
Nigel Stein**	1 1

- Number of meetings attended
- Number of meetings

* Alison Platt was unable to attend the December meeting due to prior commitments before joining Inchcape.
** Nigel Stein retired from the Board in May 2024.

The Committee held three meetings throughout the year covering key areas of its remit: sustainability strategy and reporting, Planet and Places, and workforce engagement. The Committee’s responsibilities include agreeing the Group’s sustainability narrative, monitoring on-going engagement, consideration of appropriate emissions targets and on-going assessment of performance against those targets, and oversight of the Planet and Places pillars.

The Committee consists of four Non-Executive Directors, the Chairman, and the Group Chief Executive.

Sustainability strategy

The Committee recognises that having a robust sustainability strategy in place to address environment, social, and governance matters (ESG) concerns is vital for ensuring long-term success of the Group. A key activity for the Committee during the year was the review and approval of the Group’s sustainability strategy. Inchcape’s approach to sustainability has been enhanced over recent years with an evolution of the Responsible Business framework to a stated sustainability ambition: ‘the global mobility transition, delivered locally’. The ambition is supported by the four Responsible Business pillars: Planet, People, Places, and Practices, and is delivered through enabling new technologies and delivering insights.

I am delighted that the progress made on the sustainability agenda was highlighted in 2024 with the publication of the Group’s first standalone Sustainability Report which can be found at www.inchcape.com.

Remit of the Sustainability Committee

To support the evolving sustainability framework, and in response to a recommendation from the 2023 Board performance review, the Committee undertook a comprehensive review of its remit and terms of reference. Under the previous Responsible Business framework the Committee had accountability for each of the four pillars: Planet, People, Places, and Practices, along with health, safety, and well-being.

The Committee debated the ESG issues most material to the Group, how these are communicated to the Board, and which Committee they might naturally fall to given the subject matter.

SUSTAINABILITY COMMITTEE REPORT CONTINUED

Environmental

As the Group's environmental strategy continues to mature, and with the increased regulatory burdens of climate-related reporting, the Committee retained oversight of the Planet pillar, with any financial reporting or climate-related remuneration also being considered by the Audit Committee and Remuneration Committee when appropriate.

Social

There are several issues grouped under 'social' which are reflected in the People, Places, and Practices pillars. The activities and initiatives under the People pillar are considered by the full Board, with the Nomination Committee having oversight of I&D regulatory obligations. Therefore it was agreed that People would be removed from the Committee remit. The purpose of the Places pillar has been refreshed following the materiality assessment in 2023 (see below), therefore oversight of Places remains a Committee responsibility.

Governance

The remit of the Practices pillar is focused on further developing the Group's approach to being an ethical business by continually monitoring and updating the principals and standards that guide the way we work and do business. The Committee agreed that this complements the responsibilities already undertaken by the Audit Committee.

Due to the nature of ESG issues and the natural overlap of duties between the Committees and the Board, the Chairs of the Audit and Remuneration Committee both attend at least one Sustainability Committee meeting to ensure that appropriate oversight is being given to the issues.

Places pillar: safe mobility and social inclusion

Following a series of internal workshops to formally embed the results of the materiality assessment and refreshed narrative on sustainability, the Committee considered the refresh of the purpose of the Places pillar. The new purpose is to actively contribute to our communities where we operate and engaging them in the mobility transition to create positive lasting change.

The Committee believes that the newly defined purpose is vital in supporting Accelerate+ and ensuring the Group is responsive to the changing needs of its communities.

The themes of the Places pillar have also been amended to safe mobility and social inclusion. Please see page 34 for further details.

Planet pillar: scope 3 target setting

The Committee reviewed the analysis of the Group's scope 3 footprint to ascertain whether it was feasible to set targets. The modelling work was carried out on category 1 and category 11 which account for 91% of the Group's scope 3 emissions.

The analysis showed that Inchcape would not meet an absolute SBTi emissions reduction target on basis of sales projections and was closest to being able to meet an intensity per revenue target limited to category 11. However, given that Inchcape is not projected to be able to achieve any of the SBTi-aligned candidate targets, the Committee recommended to the Board that scope 3 targets are not set at this time and focus should continue on actions we can take in our Markets, to accelerate the transition towards more sustainable mobility in line with our refreshed narrative. Further information is given in the TCFD report on page 49.

Regulatory landscape

A key responsibility of the Committee is monitoring the regulatory landscape in relation to ESG and how this may impact the Group. A significant piece of legislation is the EU's Corporate Social Responsibility Directive (CSRD) which is designed to enhance and standardise sustainability reporting requirements for companies operating in the EU. This regulation also impacts non-EU companies with parent companies required to report from 2028. With support from KPMG the Committee spent time reviewing the reporting scope for CSRD, debating whether it would be in the Group's and stakeholders best interests to report to Group level from 2025 and ultimately advised the Board that this would be appropriate.

CSRD readiness

An internal working group has been established to prepare the Group for its first CSRD disclosure. The Group is headed by the Group General Counsel & Chief Sustainability Officer and provides updates to the Committee on CSRD readiness and progress to compliance at each meeting. Agreeing the double materiality assessment and thresholds for reporting which was debated and agreed by the Board in October and a further update on the Committee and Board's CSRD activities will be given in next year's Annual Report and Accounts.

Colleague engagement

Accountability for colleague engagement as required under the UK Corporate Governance Code is part of the Sustainability Committee's remit. Following three years as the designated Non-Executive Director (DNED), I am delighted to pass the DNED role to Nayantara Bali. Nayantara has been a member of the Committee since joining the Board and facilitated the session in Athens in October along with Byron Grote.

The format of the session is informal, with colleagues from a wide range of business areas invited to participate. Colleagues are invited to ask questions on any topic they feel is of importance to them and subjects raised in 2024 ranged from sustainability, brand identity, and international mobility. Nayantara Bali and Byron Grote provided feedback to the Board and management and will feed into future engagement plans. Progress against plans is reviewed by the Committee annually to ensure the points raised by colleagues are being addressed appropriately. Further information on how the Board engages with colleagues and the outcomes of engagement is given on page 77.

Byron Grote also held a virtual reward engagement session and further details are given in the Directors' Report on Remuneration on page 93.

Alex Jensen

Chair of the Sustainability Committee