

Materiality Assessment

The outcomes of the assessment guide the disclosures made in this Report, to help ensure that we're taking action on issues most important to our business and stakeholders

Prioritising sustainability issues

In 2023, we undertook a materiality assessment in order to determine the sustainability issues that matter the most to our business and stakeholders. As a global business, Inchcape impacts and is impacted by a wide range of potential environmental, social, and governance-related issues. Assessing, prioritising, and understanding our role in addressing these issues is important to the ongoing success of our business, and is essential to guiding our Responsible Business framework.

The assessment allowed us to capture the views of our stakeholders, their expectations of us as an organisation, and how their requirements and concerns have evolved. The outcomes of the assessment guide the disclosures made in this Report, to help ensure that we are taking action on the issues most important to our business and stakeholders.

Our process



Conducted with the support of an external sustainability partner, we undertook a robust evaluation process in line with the standards of the Global Reporting Initiative (GRI). The GRI is a leading, internationally recognised framework that guides disclosures on the inward and outward impacts of an organisation that will become financially material over time.

We began by assessing sustainability standards, benchmarking against peer organisations, and researching current and emerging sustainability issues in order to create a shortlist of 14 key issues that are potentially material to our business. We then mapped these issues to the GRI and Sustainability Accounting Standards Board (SASB) frameworks to align with best practice for reporting.

To build on this work, we undertook an extensive programme of surveys and interviews with key internal and external stakeholders, to gather qualitative and quantitative insights on the importance of these topics to Inchcape's global colleagues and stakeholders. We included 5 key stakeholder groups in the materiality process, tailoring our approach to Inchcape senior leadership, colleagues, OEMs, investors and industry bodies.

We asked survey respondents to give both absolute and relative importance, risk, and opportunity scores for key issues across our four Responsible Business pillars. We also asked qualitative questions about each stakeholder's perception of our current performance on each issue, as well as its strategic importance to our business.

We conducted 33 interviews with a representative sample of key stakeholders to contextualise and further review the findings of our survey. Additionally, we organised focus groups with customers in Australia and Chile focusing on automotive sustainability, including perspectives on EVs.

The materiality assessment involved:



Our materiality surveys received nearly 1,300 total responses, representing 34 countries in which we have a presence. After gathering and analysing all of our assessment data, we mapped the findings onto several matrices to inform decisions and action – most notably our double materiality matrix, presented on the next page. Double materiality considers both inward and outward impacts on and of our business over time. We discussed and reviewed the findings in workshops with senior leaders from within the business and finalised the matrix with our Board and Group Executive Team (GET).

We also built a prioritisation matrix, which mapped issues by their importance to our stakeholders and our ability to influence them. This will support future considerations around which sustainability issues we prioritise through our Responsible Business framework, and how we allocate time and resources. This matrix will also be used to inform how we mitigate or capitalise on our key risks and opportunities.

Materiality Assessment continued

Our stakeholders

Inchcape engages with internal and external stakeholders to inform our Responsible Business framework. We engage with stakeholders both at a Group level, and in our markets. The long-term success of the business and the effectiveness of our engagement on sustainability issues are dependent on the continued trust and support of all our stakeholders.

Stakeholders	How we engage
Mobility Partners	<ul style="list-style-type: none">• Top-to-top relationship building with new partners acquired through M&A• Regular top-to-top executive management meetings• Market-level operational meetings• Pan-market brand development meetings
Customers	<ul style="list-style-type: none">• Daily reporting of customer feedback• Day-to-day provision of advice and knowledge to customer and dealer networks• Surveys at market level
Colleagues	<ul style="list-style-type: none">• Launch of updated Code of Conduct (see page 45 →)• ‘Be Heard’ colleague experience survey (see page 38 →)• One Inchcape performance management framework• Global and regional leadership and development programmes• Colleague engagement forums
Shareholders	<ul style="list-style-type: none">• Regular dialogue at conferences and roadshows• Capital Markets Day, results, and webinars• Reporting including Annual Report
Communities	<ul style="list-style-type: none">• Market-specific activity co-ordinated by our teams at a local level• Group-level support for extraordinary events affecting our market communities• Engagement through local initiatives including partnerships with NGOs (see Places pillar, page 39 →)

Double materiality matrix



Our material issues:

PLANET	
5	Sustainable mobility
10	Circularity
11	GHG emissions (Direct)
13	GHG emissions (Indirect)
PEOPLE	
1	Wellbeing, health and safety
6	Learning and development
12	Inclusion, diversity, and equity
PLACES	
2	Direct community impact
4	Road safety
9	Shared value systems
14	Indirect community impact
PRACTICES	
3	Cybersecurity
7	Responsible governance
8	Partners’ ESG performance

Issues mapped in the top right sections of the matrix are considered material for the purposes of GRI reporting. Please (see pages 51 →) to read about our response to GRI topics. (see pages 55 →)