



SUSTAINABLE ROUTE TO MARKET

PLANET

THE LOWEST CARBON ROUTE TO MARKET



We're working hard towards our net zero 2040 goal, as part of providing the lowest carbon route to market for our OEM partners.

Meron Lema: Brand and Insight Manager, Ethiopia

- 30 Lowest carbon route to market
- 33 Reducing our direct emissions (Scope 1 and 2)
- 36 Value chain emissions (Scope 3)
- 38 Circularity and waste
- 39 Transforming supply chain efficiency



7.5%

year-on-year reduction in Scope 1 and 2 emissions

70+

sites with on-site generation, avoiding 999tCO₂e

46%

emissions reduction target by 2030

4

key programmes rolled out globally - energy efficiency, electrification, green tariffs and onsite generation



SUSTAINABLE ROUTE TO MARKET: **PLANET**

GRI 305 – Emissions

LOWEST CARBON ROUTE TO MARKET

We recognise that the automotive industry is a significant contributor to GHG emissions, with road transport contributing 15% of global emissions (IEA)*.

As the industry transitions towards a low carbon future, our role is to provide our partners with the lowest carbon route to market. By addressing our own emissions impact, we can support them in achieving their own decarbonisation goals.

As well as advancing decarbonisation initiatives to reduce direct (Scope 1 and 2) emissions, this year we undertook a dedicated analysis to better quantify and understand our indirect (Scope 3) emissions, which you can read about on page 36.

37.5%

Reduction in our Scope 1 and 2 emissions from the 2019 baseline

7.5%

Year-on-year reduction of Scope 1 and 2 emissions

OUR TARGETS

2030

46%

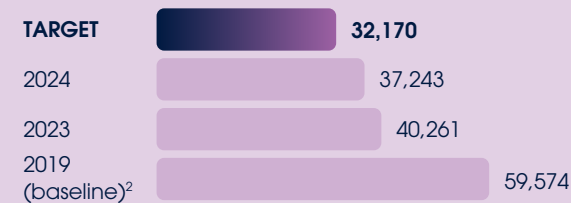
Reduction in absolute Scope 1 and 2 emissions¹

2040

NET ZERO

Scope 1 and 2 emissions

Our progress against targets (market based) (tCO₂e):



As at the end of 2024, we have successfully reduced our Scope 1 and 2 emissions by 37.5% from the 2019 baseline. This represents a year-on-year reduction of 7.5%.

TCFD and climate risk disclosures

We disclose on our climate change risks and opportunities following the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD"). You can read our TCFD Statement in full in our Annual Report (p.35). In 2025, we will be refreshing our climate scenario analysis and reevaluating our strategic response to climate-related risks and opportunities. This update is important in light of Accelerate+, alignment to CSRD, shifting climate realities and acquisitions since our last scenario analysis which have changed our global profile.



CDP Score: B

We have disclosed our response to climate change to CDP since 2019. In 2023 we were awarded a B rating for the first time, and are proud to have maintained this strong rating in 2024, a reflection of our progress and continued management of our environmental impact.



1. From a 2019 baseline year.
 2. The 2019 baseline has been adjusted in line with the GHG Protocol Corporate Standard to adjust for structural changes in the business.
 * [IEA, Electric Vehicles, 2025](#)



SUSTAINABLE ROUTE TO MARKET: PLANET

INCHCAPE ON THE ROAD TO NET ZERO

HIGHLIGHTS FROM 2024

To meet our direct emissions target of net zero (Scope 1 and 2) by 2040, we've implemented Group-wide decarbonisation initiatives addressing our key sources of emissions. For our full Scope 1 and 2 emissions, please see page 62 of this report.

AMERICAS

9%

reduction in our emissions in our Americas region (location based)

In Chile – Energy management systems across the country were upgraded covering more than 70% of our facilities consumption, with sub-metering at 22 sites, and 33 sites now with automatic control systems – boosting the sophistication and measurement underlying our reductions efforts.

In Peru – A new refrigerant recycling system is set to save around 100 tonnes of carbon annually. With refrigerants management a minimum requirement for sites, Peru is leading the way in minimising leakage and enhancing stewardship.



In Bolivia – we launched 'Ruta Sostenible', a contest where teams raced one another to meet energy efficiency targets. With each team represented by a car on a racetrack, the friendly competition – backed by awards and monthly recognition – helped teams boost energy efficiency by more than 50% at sites, and 58% at the Santa Cruz headquarters.

APAC

9.1%

reduction in our emissions in our Asia Pacific region (location based)

In Hong Kong and Macau – LED upgrades at five sites, alongside behavioural and operational changes, have contributed to saving over 160 tonnes of carbon a year.

In Guam - We installed a large solar system on our main retail location, resulting in location-based carbon savings of 7.7%.

In Australia – Solar power has been installed at a total of 18 sites, delivering significant carbon savings, alongside an ongoing reshaping of our retail footprint as we replace large sites with more new, more efficient locations better aligned with customer needs. Total efforts in Australia led to a reduction in Scope 1 and 2 location-based emissions by 1,584 tonnes of carbon, representing a year-on-year reduction of 22%.





SUSTAINABLE ROUTE TO MARKET: PLANET

HIGHLIGHTS FROM 2024

EUROPE & AFRICA

17%

emissions reduction
across European markets
(market based)

Renewable tariff switches were made across the region, with notable reductions in Poland (724 tonnes of carbon saved) and Latvia (231 tonnes of carbon saved).

Europe's location-based emissions increased by 1%, the only region in the year to increase in emissions. This is partially due to the use of new emissions factors in calculating Scope 2 emissions. It is in the context of revenues increasing and new sites in Finland, Estonia, and Africa.



Our remuneration structure includes emissions reductions as part of short-term incentives, to help ensure these goals are prioritised. Leadership is incentivised to reach our 2030 direct emissions target, achieve absolute year-on-year reductions in carbon emissions, and in the last year leadership were also incentivised to implement a data collection process suitable for the EU's CSRD regulation.



TO READ MORE ABOUT OUR
BUSINESS IN OUR ANNUAL REPORT.
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SPOTLIGHT

SPOTLIGHT BULGARIA: EXPANDING ONSITE RENEWABLE ENERGY

In Sofia, Bulgaria, we continued building on our solar energy initiatives in 2024, following the success of our first installation in 2023. In May 2024, a second solar park was established at our East premises, featuring 238 solar panels. These panels supply renewable energy directly to the grid and now provide approximately 35-50% of the site's electricity needs, based on data from the first two months of operation.

The solar park's annual production is estimated at 104 MWh, with around 25 MWh exported to the national grid as green energy for use by other businesses and households.

Bulgaria has been a pioneer in this space within our region, and their progress is being considered as a case study for Europe & Africa. Looking ahead to 2025, the team is exploring additional carbon reduction measures, including switching from gas boilers to heat pumps and undertaking energy audits to improve efficiency.



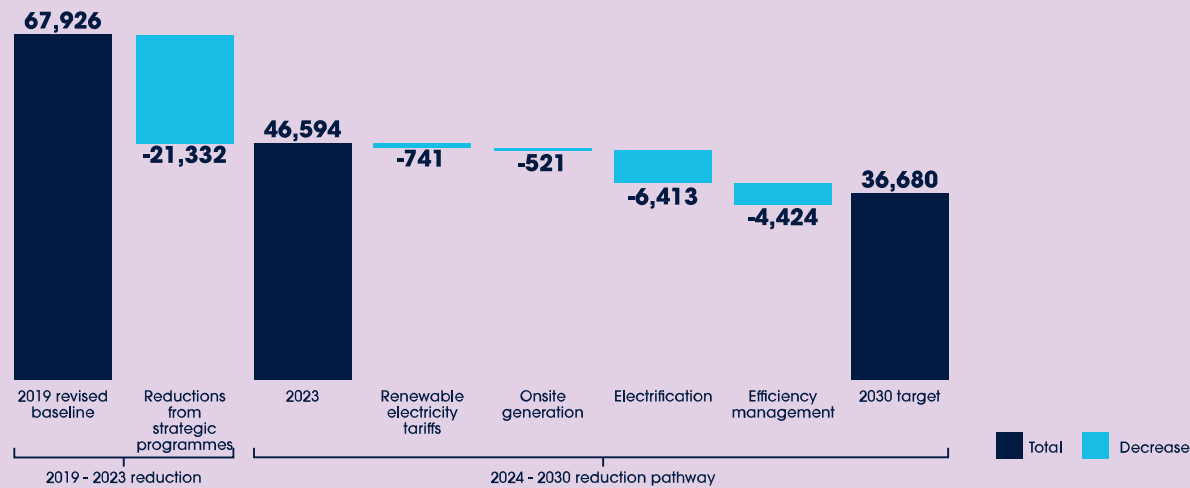


SUSTAINABLE ROUTE TO MARKET: PLANET

GRI 305 – Emissions

OUR PATHWAY TO 2030

Scope 1 and 2 (market based)



Sources of Inchcape's Scope 1 and 2 emissions (market based)

In 2023, we conducted our first 'hot spot' analysis to identify our key sources of direct emissions, with the main areas of impact given below. Key delivery programmes for GHG reductions in our direct emissions were developed around this analysis.

47%

Building: Purchased electricity (Scope 2)

32%

Company cars: (Scope 1)

17%

Building: Natural Gas & Other Fuels (Scope 1)

4%

Building: Refrigerant use (Scope 1)

Management of emissions

In 2024 we established minimum requirements for our operations globally, which we're implementing as standard practices across our sites. These are divided around four key areas of focus:

Energy efficiency

Identifying opportunities to reduce energy consumption through efficient running of our buildings and investing in energy efficiency initiatives.

Electrification

To plan for our locations to be all electric with the removal of fossil fuels in normal operation, and to move our company car fleet to NEVs.

Green tariffs

To maintain and extend our green tariff procurement programme, and identify other opportunities for renewable electricity procurements, such as power purchase agreements.

Onsite generation

To identify more opportunities to install solar panels as well as identify other onsite renewable technologies, such as ground source systems, wherever possible.

To support this, in 2024, each region developed a three-year plan for emissions reductions to create mid-term targets for reductions. These plans help us ensure that all markets are pursuing our emissions reductions targets and align with our four key areas. The short time period means that we can manage and drive emissions reductions and analysis of progress in the short term. This in turn helps us to identify the most impactful methods for emissions reductions against the amount of investment required, which will better guide our emissions reductions plans.

Energy efficiency

Minimum requirements:

- 1 Energy usage must be monitored with metering/sub-metering.
- 2 Energy audits must cover at least 80% of market consumption.
- 3 Refrigerant gas management is mandatory at all sites.

Our Group-wide Energy Management Programme tracks energy consumption to identify waste and reduction opportunities. Annual action plans and regular audits guide our markets in lowering consumption. Site managers receive an Energy Management Guide with efficiency strategies.

We are establishing working groups and change champions to promote energy-saving behaviours at sites. Outside of major capex investments such as solar and lighting systems, it's also the job of these groups to find ways to reduce energy usage at each location. Examples include efficient usage of HVAC systems, upgrading of LED lighting with automations, fitting timers to devices to ensure they're used at the right parts of the day, and reducing energy usage in areas of buildings with low traffic. Through these working groups, we're collaborating to drive engagement and accountability at a site level to foster an energy efficient mindset.

SUSTAINABLE ROUTE TO MARKET: **PLANET**

GRI 305 – Emissions

ENERGY AND RENEWABLES

Scope 1 and 2 (market based)



In 2024, our solar installations generated enough clean electricity to avoid a total of 999 tonnes of carbon emissions.

Sam Pilcher: Group Environmental Manager, UK

Electrification

Minimum requirements:

- 4 New builds must be all-electric where possible.
- 5 Sites using gas must develop transition plans.
- 6 Markets must plan a shift to low-emission company vehicles.

To be net zero ready, new Inchcape locations are designed as all-electric, integrating sustainability and efficiency considerations. Where feasible, we transition from gas heating to air source heat pumps.

With 64% of our direct emissions from properties, improving energy efficiency is key. We are phasing out natural gas, diesel and LPG heating in paint booths, replacing them with infrared technology, which eliminates fossil fuel emissions while boosting productivity.

In Singapore

- Switching diesel-powered paint booths to infrared saves 24 tonnes of CO₂ annually.

In Hong Kong & Costa Rica

- Switching company cars from ICE to EVs saves 11 tonnes of CO₂ annually.

Onsite generation

Minimum requirements:

- 7 All sites evaluated for onsite solar panel potential
- 8 New builds to consider ground source systems

Our renewable energy procurement strategy prioritises maximising the amount of new renewable energy contributed to energy systems. We aim for onsite generation wherever possible, and in 2024 added to our solar installations across our markets. As well as producing CO₂-free electricity, installations can reduce energy costs and moderate the risk of future energy price volatility.

Green tariffs

Minimum requirements:

- 9 Green tariffs are the default option for markets
- 10 PPAs are investigated where green tariffs are unavailable

We purchase renewable electricity at sites across our markets, with sites switching to renewable energy tariffs throughout the year. This includes our New Zealand business, which in 2024 switched to 100% renewable energy.

In 2024, we achieved 24% of all our sites being on green tariffs. This is down from 32% of sites in 2023, contributed to by the divestment of the UK business where 100% of sites were on green tariffs.



SPOTLIGHT

SPOTLIGHT ON SAIPAN

Our new dealership in Saipan was built in 2024 to meet the growth of the business. From the start, we took a whole-building approach to energy efficiency and sustainability – this included high-quality insulation, smart HVAC and lighting controls, and appliances selected for outstanding energy performance.

Additionally, the building uses rainwater catchment and filtration and a low impact stormwater retention approach designed to mimic how rainfall would enter the ground on the original land.

We also worked to minimise impacts on neighbours by monitoring sound levels and light and installed a sound attenuator on our generator. We're proud of the new facility, which reflects our approach to being responsive to our surroundings and local community, while prioritising the lowest carbon route to market in new builds.



SUSTAINABLE ROUTE TO MARKET: PLANET

A NEW PLATFORM FOR CARBON REPORTING



Watershed

GRI 305 – Emissions

In 2024, we began the phased rollout of our new sustainability reporting platform from Watershed to support the carbon reporting process. This will allow for centralised reporting of recorded emissions, improving visibility on our impacts and supporting decision-making around decarbonisation.

Beginning in our Asia Pacific region, rolling out the platform will help us further clarify roles and responsibilities for carbon, and aid with documenting of data sources, creation of accountability, and evidencing of reduction strategies – a significant upgrade to our processes.

We're looking forward to reporting more on our progress with the tool in 2025, with the goal of creating a single centralised source for emissions reporting globally.



The platform will help us take further ownership and control over our sustainability targets, with more timely carbon emissions reporting. It will also help our markets understand and celebrate progress in real time – and better understand where in their business opportunity exists for continuous improvement. With full rollout across all regions planned in 2025, the Watershed tool will be a central part of our decision making and reporting efforts.

Hugo Stewart: Sustainability Reporting Lead, UK

In 2025, new installations are predicted to save nearly 900 tonnes of CO₂e emissions annually:

Americas

New installations at sites in Ecuador, El Salvador, and Guatemala – totalling 80% of these sites' electricity

Expansions to installations in Peru and Bolivia

Europe & Africa

New installations at four sites in Greece and Romania, completed last August

Asia Pacific

In Guam, new installations went live at the beginning of last year

In Australia, installations at five further sites built on our impressive portfolio, totalling nearly 20 sites

70 sites

In total, over 70 Inchcape sites worldwide now have solar installations

SUSTAINABLE ROUTE TO MARKET: **PLANET**

GRI 305 – Emissions

VALUE CHAIN EMISSIONS

UNDERSTANDING OUR IMPACT

The majority of our emissions footprint, like for many other organisations, is composed of our value chain emissions, also known as 'Scope 3'. These emissions represent 99% of Inchcape's total emissions.*

14.5

Total scope 3 emissions (tCO₂e) 2024

The majority of these emissions exist in our category 1 and category 11 emissions – which refer respectively to the emissions associated with the manufacturing of the vehicles Inchcape distributes, and the lifetime emissions produced by the use of those vehicles.

	Total emissions (tCO ₂ e)	Percentage of total Scope 3 emissions
Category 1 – Purchased goods and services	3.6m	24%
Category 11 – Use of sold products	9.8m	67%

Inchcape's Scope 3 footprint is therefore closely tied to the current focus and strategies of our OEM partners and the vehicles that they are prioritising selling, and to their own decarbonisation ambitions. It is also tied to the speed at which markets transition to low-carbon electricity grids, and the rate at which EV uptake occurs in those markets.

Reviewing Scope 3 target setting

In 2024, the Sustainability Committee and Board reviewed whether it would be appropriate to set reduction targets for Scope 3, taking into account the level of control the Company has in relation to its major Scope 3 categories, the assessment of emissions trajectories in its markets in different future scenarios and forecasts for future business growth.

The feasibility of setting a target with the Science Based Targets initiative ("SBTi"), the leading standard for target setting, was investigated with the support of an expert external consultant. Different target options were considered, including both absolute and intensity-based targets for individual Scope 3 categories:

Type	Target Scope
Absolute emissions	All vehicles – category 11
	Passenger vehicles – categories 1 and 11
Emissions intensity	Category 11 (revenue based)
	Category 1 and 11 (per vehicle)
Supplier engagement	All vehicles – category 1 and 11

Modelling was undertaken for both 'most likely' and 'accelerated transition' scenarios. As we support our partners in increasing sales of their vehicles, these increased sales contribute significantly to our Scope 3 footprint for all absolute emissions targets. While NEV sales are predicted to increase by proportion, reducing our category 11 emissions, the emissions associated with manufacturing of these NEVs – which contributes to category 1 – remain high.

For intensity targets, the transition to selling NEVs doesn't occur quickly enough for us to be able to set a SBTi aligned target, partially down to Inchcape serving many markets which are at an earlier stage of the mobility transition.

As a result, a combination of volume growth, slower transitions in certain markets, our close connection to the NEV ambitions of OEM partners (which vary from partner to partner), and other factors including SBTi requirements to set targets covering multiple categories, meant that no reductions target which would be approved by the SBTi was judged to be feasible. The Sustainability Committee and the Board have agreed to review this position on a regular basis, as market realities and the availability of information changes.

* Scope 3 categories calculated included categories 1 to 7, and 11 to 13. For more details on categories and exclusions, please see page 62.



SUSTAINABLE ROUTE TO MARKET: PLANET

GRI 305 - Emissions

Inchcape's transition

While according to SBTi criteria we can't meet the rate of carbon reductions necessary to set a target, it's possible for us to both grow and expand our OEM services, whilst also decarbonising. We can act on reducing our Scope 3 emissions even if it isn't currently possible to set a target.

How we're acting on Scope 3:

We're adding more low-emissions vehicles to our portfolio than ever before

We're building our portfolio to support the mobility transition, and made significant progress during 2024. Throughout this report, we've detailed how we're transforming as a business to be the partner of choice to supporting OEMs through the mobility transition. These changes in turn reduce our value chain emissions footprint.

- We now have four brands with fully BEV or NEV lineups rolled out across our markets – the most we've ever had.
- Of the 22 contract wins with new-to-Inchcape OEM partners in 2024, 14 have portfolios of majority-NEV offerings.
- We sold BEVs in 28 Inchcape markets in 2024.
- 89% of our OEM partners have net zero targets, with over half of them engaged with the SBTi.

The emissions intensity of our passenger cars is reducing

- Total emissions intensity of the BEVs sold by Inchcape is forecast to reduce by 17% by 2035, based on our modelling. We calculated that the current emissions intensity of our passenger vehicles associated with categories 1 and 11 is 35.26 tCO₂e, a statistic we will monitor in coming years.
- BEVs sold as a percentage of vehicles we sell rose to 2.3% in 2024, up from 1% in 2023.

External factors: The grids in our markets are decarbonising

- An increase in low-carbon electricity in Inchcape's markets is predicted to reduce emissions contributed by electricity grids, including those that power NEVs which we sell, by 54%.

54%

reduction in emissions through low-carbon electricity.

Inchcape's role

Our OEM partners are at different stages of their sustainability journeys. We remain committed to supporting each of the markets in which we operate as they go through their mobility transition, including those that are moving at pace and those that are currently adopting a slower mixed powertrain approach.

Rather than reducing our exposure to markets which are decarbonising more slowly to reduce our emissions footprint, our focus is on enabling our partners to deliver their transition strategies, across all markets, sustainably and effectively.

This role opens up avenues through which we can drive the transition, which are detailed throughout this report:



SUSTAINABLE ROUTE TO MARKET: PLANET

GRI 306 - Waste

CIRCULARITY AND WASTE

Our contribution to circularity

Extending vehicle lifecycles reduces waste and enhances sustainability. Through servicing, parts supply and used vehicle sales, we ensure vehicles remain valuable beyond their first ownership. Supporting optimal performance while minimising environmental impact, we promote a circular, resource-efficient automotive ecosystem.

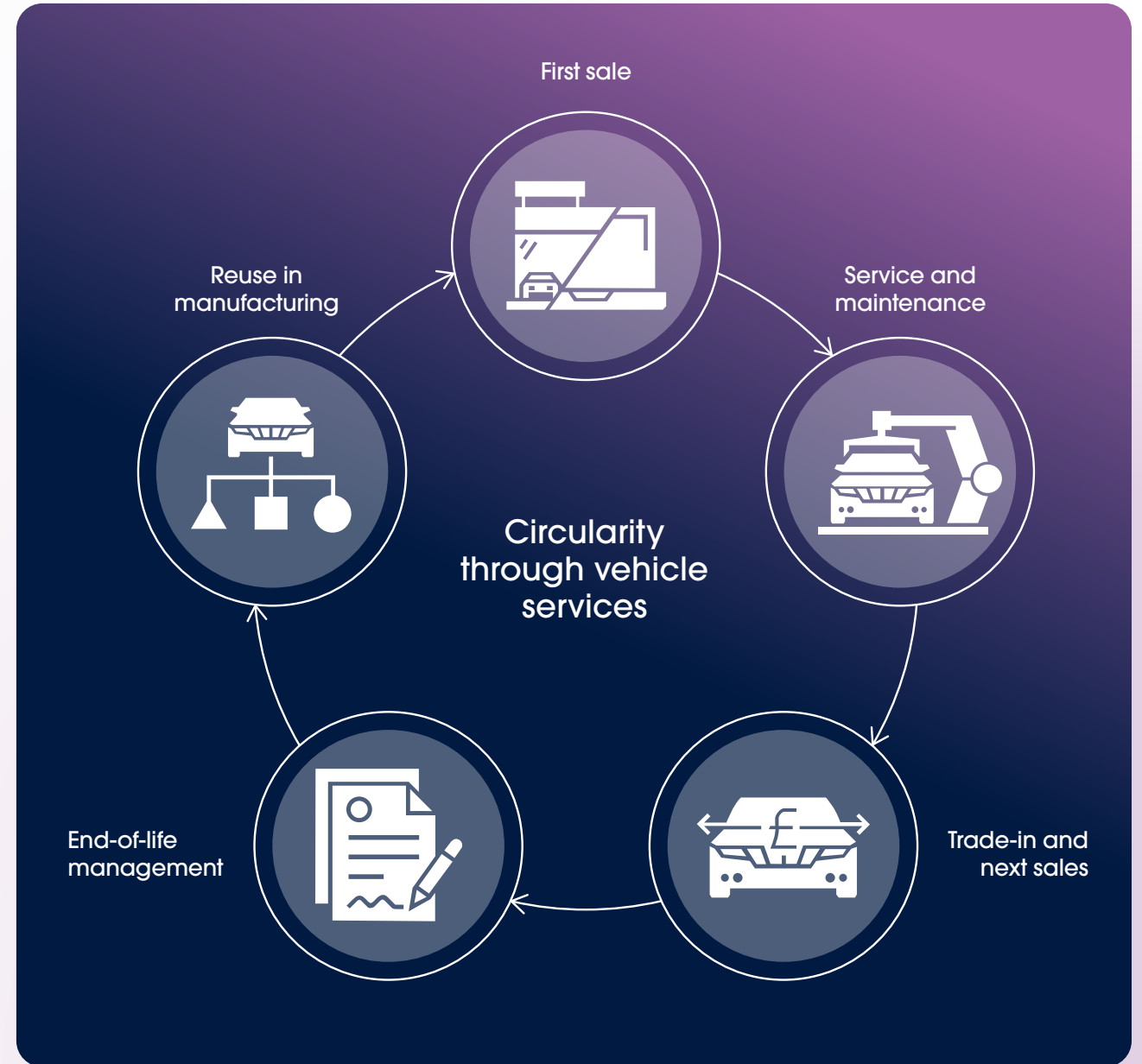
Upskilling colleagues

Inchcape fosters a unified approach to waste management by equipping colleagues with practical skills through workshops and best-practice sharing. By coordinating efforts across markets, we build a sustainability culture focused on resource efficiency, aligning global strategies with local needs.

Handling waste

Our goal is to manage waste responsibly and reduce volumes. Given diverse market conditions, many rely on external suppliers or governments for waste handling. Our main waste sources — vehicle servicing (oil, tyres, parts) and properties — are governed by our Property Sustainability Charter. We aim to improve waste quantification, enabling better tracking and reduction strategies.

In Australia, during 2024 we completed a process to consolidate all our waste suppliers across our portfolio to a single waste contractor. This supplier consolidation enhances control over circularity and allows us to more accurately understand our waste profile. From this we can set targets to reduce landfill and increase reuse of waste in our operations.



SUSTAINABLE ROUTE TO MARKET: PLANET

CASE STUDY

TRANSFORMING SUPPLY CHAIN EFFICIENCY



These efforts strengthen our low-emission supply chain, reinforcing sustainability while delivering world-class logistics for our OEM partners.

Charlie Cracknell: Group Head of Supply Chain, UK

The challenge

Storage sites and parts logistics are a crucial of Inchcape's work to enable the mobility transition. Our logistics operations have direct environmental impacts, as parts require transportation and are stored in warehouses, where a larger need for space means a larger emission profile.

There is an additional logistical and storage challenge for enabling the mobility transition, as traditional ICE vehicles require different parts, putting a heavier burden on the need to maintain a wide variety of parts to service all vehicle as the transition takes place.

Optimising our stock management and storage is crucial to reduce our carbon footprint and maintain seamless operations for the mobility transition.

Inchcape solution

In 2024, we launched targeted initiatives to cut emissions and improve efficiency. Warehouse consolidation was key – reducing sites and optimising storage space.

- **Bolivia:** Streamlined parts storage from five to four warehouses, reducing 14,500m² of space and stock by 150 vehicles.
- **Chile:** Through consolidating four parts warehouses into one, and two vehicle hub locations into one, we saved a total of 26,400m², reducing fuel-related emissions by 157 tCO₂ annually.
- **Colombia:** Set to merge two warehouses by Q2 2025, reducing storage by 60,000m² and improving logistics.
- **Peru:** Consolidating 2,500m², saving 15.5 tCO₂ in transport and 68.65 tons from energy use.

Additional measures, such as motion sensors and optimised lighting, further reduced environmental impact.

Impact

AI-driven forecasting and digital analytics improved inventory alignment, reducing global stock by 11% in 2024. Over 50% of spare parts and all new vehicle stock are now managed under this system, boosting efficiency.

Looking forward

We will expand our Hub & Spoke model across Costa Rica, Panama and the Caribbean, which will be implemented in 2026. We anticipate that this can achieve up to:

50-80%

reduction in airfreight costs.

16%

decrease in stock holding.

6%

lower sea freight expenses.

These efforts strengthen our **low-emission supply chain**, reinforcing sustainability while delivering world-class logistics for our OEM partners.