

44.2/100

INCHCAPE PLC ESG DISCLOSURE REPORT

OVERVIEW

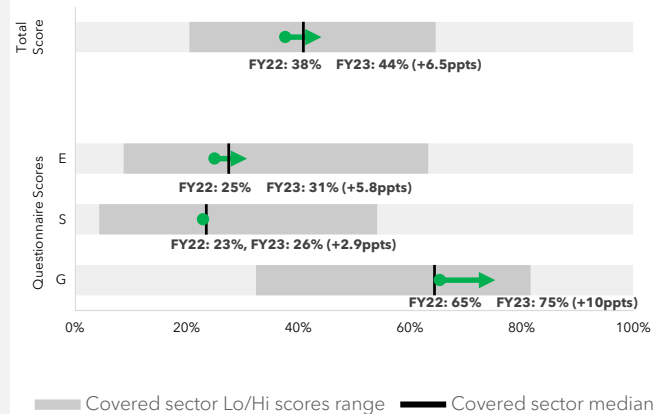
Inchcape plc score saw its score move above the **Consumer Goods** sector median following the publication of its inaugural standalone Sustainability Report aligned with GRI Standards. The company also conducted a new double materiality assessment to improve its strategic planning.

Environmental disclosure included greater alignment with the TCFD framework, science-based targets for Scope 1 and 2 emissions and the introduction of mandatory sustainability and GHG questionnaires for suppliers. Plans are underway to publish Inchcape's internal carbon price.

Social benefitted from the global rollout of an updated Code of Conduct with strengthened anti-discrimination policies. The company is developing a Global Learning Management System and has set targets for employee retention.

Governance scoring improved following the removal of non-material questions from our V5 assessments. In FY23, ESG training and diversity initiatives were prioritised, with plans to integrate ESG metrics into long-term incentive schemes in FY24.

ESG SCORE



ENVIRONMENTAL

Strengths – Policy accounted for 45% of the score. Policies disclosed by the company included those on the topics of Climate Change, Energy, Water, Waste and the Supply Chain.

In the topic of Climate Change the company disclosed evidence of board-level oversight of climate change (Responsibility) and it outlined a risk assessment to identify its exposure to climate change risks and opportunities (Risk Assessment).

Weaknesses – There were gaps in Waste & Hazardous Materials disclosure. Missing scorable disclosure included: total non-recycled waste generation (tonnes), total recycled waste (tonnes) (Measurement), and also a description of regular environmental impact audits relating to waste and hazardous materials (Resources Allocated).

Only 31% of the 5.5 available Measurement data points was scored. Absent data points included: non-renewable fuels consumed by fuel type (e.g. nuclear fuels, coal, oil, natural gas), renewable fuels consumed by fuel type (e.g. bio-fuels, hydrogen fuel) and total renewable and non-renewable energy consumption (Energy).

SOCIAL

Strengths – Policy accounted for 72% of the score. Policies disclosed by the company included those on the topics of Diversity/Discrimination, Health and Safety, Tax, Human Rights and Supply Chain.

Scoring was also supported by disclosure in the material topic of Health and Safety. This included evidence of a health and safety management system that was certified to ISO 45001 standard for all operations (System), and disclosure on the number of fatalities of employees and contractors (Resources Allocated).

Weaknesses – In the highly weighted topic of Diversity/Discrimination the company failed to score 7.2 points out of a total of 8.8. Missing scorable disclosure included: the total value of monetary losses as a result of legal proceedings associated with employment discrimination, the gender split in all management positions (Measurement), and also evidence of support for dependent care and special leave (Resources Allocated). Measurement only scored 8.3% of the 15 available points. Missing data points included: confirmation that employees receive performance evaluations, the percentage of employees that receive performance evaluations and the average training time per employee by employee category (Career Management and Promotion).

GOVERNANCE

Strengths – Board of Directors scored 69% of points. Scoring was supported by confirmation that the Chair of the board was not a member of the Audit Committee (Independence). Scoring was also supported by disclosure of a director with financial expertise on the Audit Committee (Experience). Remuneration scored 16% of points. The company disclosed the share ownership of executive directors and confirmed that it had share ownership guidelines in place (Long term alignment of remuneration).

Weaknesses – Zero score achieved in Shareholders. The company did not confirm that it does not have any limitations on share ownership or the ability to issue capital which could be used as an anti-takeover device. Bribery & Corruption was a relative weakness. The company did not disclose scorable evidence of board-level oversight of the bribery and anti-corruption policy (Oversight) nor the number of staff disciplined or dismissed due to non-compliance with anti-corruption policies (Measurement).

Materiality Assessment

The company disclosed the results of its materiality assessment considering the views of shareholders and employees.

UN SDGs

There was no evidence of alignment of business operations and strategy to the UN SDGs.

KEY

Score=Zero

Score≤25%

Score 25%<50%

Score 50%<75%

Score ≥75%

CATEGORY SCORES

Subcategories	Score achieved	Possible score	Percentage of total possible score achieved	Profile
Environmental	6.2	20.0	31%	
Emissions	1.5	4.1	36%	
Climate Change	2.8	3.9	71%	
Waste & Hazardous Materials	0.5	3.4	13%	
Energy	1.0	2.3	43%	
Environmental Management	0.0	2.3	0%	
Supply Chain	0.2	2.1	12%	
Water	0.1	0.9	14%	
Product/Service Responsibility	0.1	0.9	12%	
Biodiversity	0.0	0.1	0%	
Social	10.7	41.5	26%	
Diversity/Discrimination	1.6	8.8	18%	
Supply Chain	1.4	7.4	19%	
Health and Safety	1.3	5.3	24%	
Information Security/Cybersecurity	1.1	4.4	25%	
Career Management and Promotion	0.7	3.4	20%	
Labour	0.6	3.4	17%	
Product/Service Responsibility	0.7	2.4	30%	
Human Rights	1.8	2.3	78%	
Tax	0.9	1.1	80%	
Freedom of Association and Collective Bargaining	0.1	1.0	12%	
Community	0.6	0.6	100%	
Philanthropy	0.0	0.6	0%	
Political Influence	0.0	0.6	0%	
Restructuring	0.0	0.3	0%	
Governance	17.0	22.5	75%	
Board of Directors	11.7	13.7	85%	
Remuneration	2.7	3.9	69%	
Shareholder Voting	1.2	1.5	83%	
Whistleblower	1.0	1.1	90%	
Shareholders	0.0	1.1	0%	
Bribery & Corruption	0.3	1.1	28%	
Materiality Assessment	2.4	4.0	60%	
UN SDGs	0.0	4.0	0%	
Controversies	7.9	8.0	99%	
Grand Total	44.2	100.0	44%	

Not applicable	Score=Zero	Score≤25%	Score 25%<50%	Score 50%<75%	Score ≥75%
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QUESTIONNAIRE DISCLOSURE HEAT MAPS

The heat maps present the outputs of each section of the questionnaire. For each subcategory, up to 10 disclosure aspects were analysed. The heat maps illustrate the percentage of data points currently disclosed out of the total required for a full score for each aspect. They identify which aspects are deemed most relevant for each subcategory and hence where to focus when attempting to improve disclosure.

Table 1. Environmental disclosure heat map

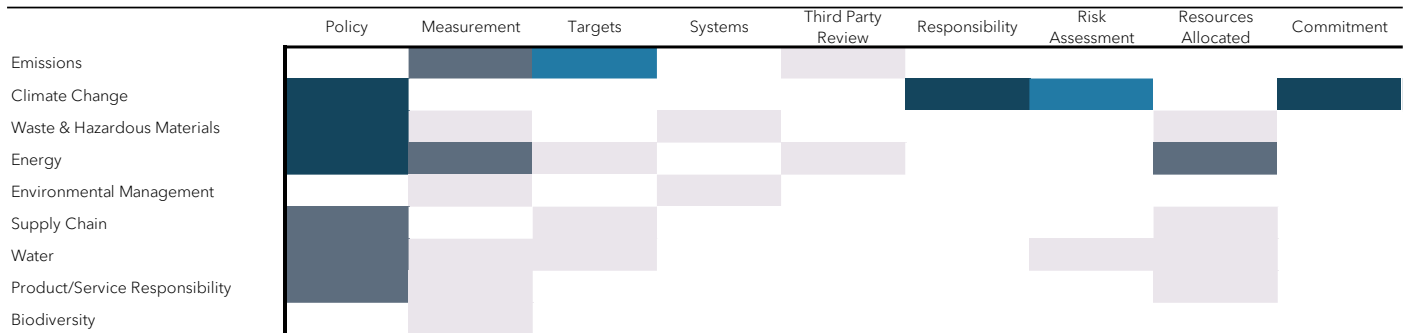


Table 2. Social disclosure heat map

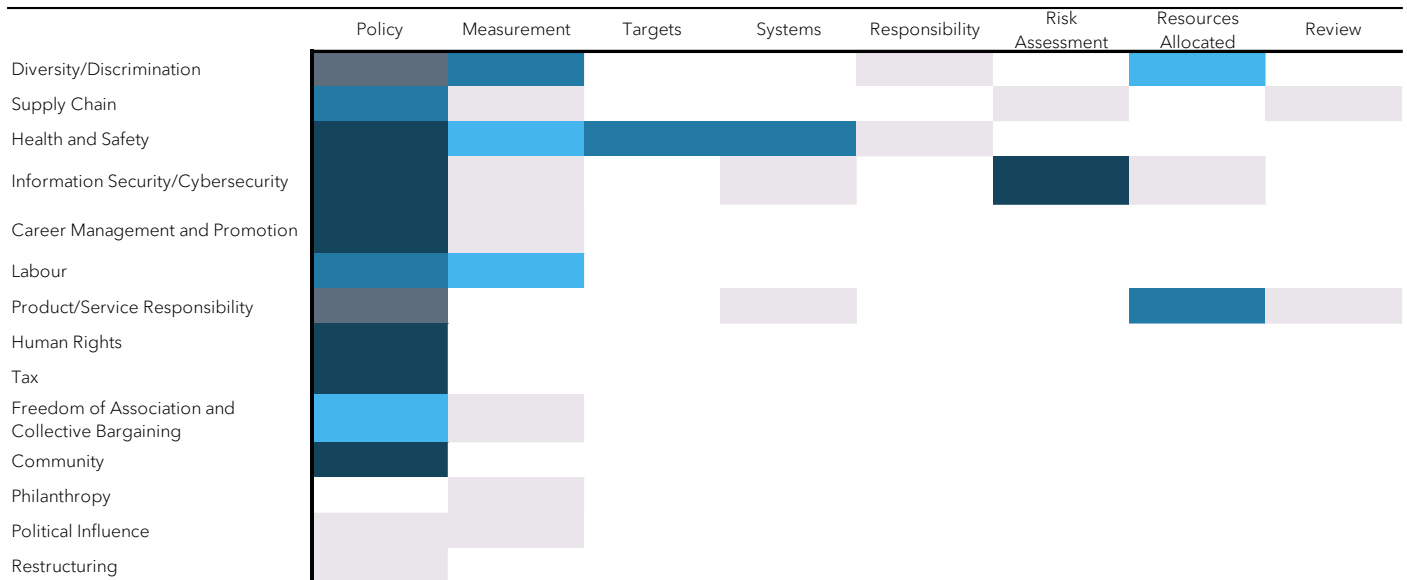
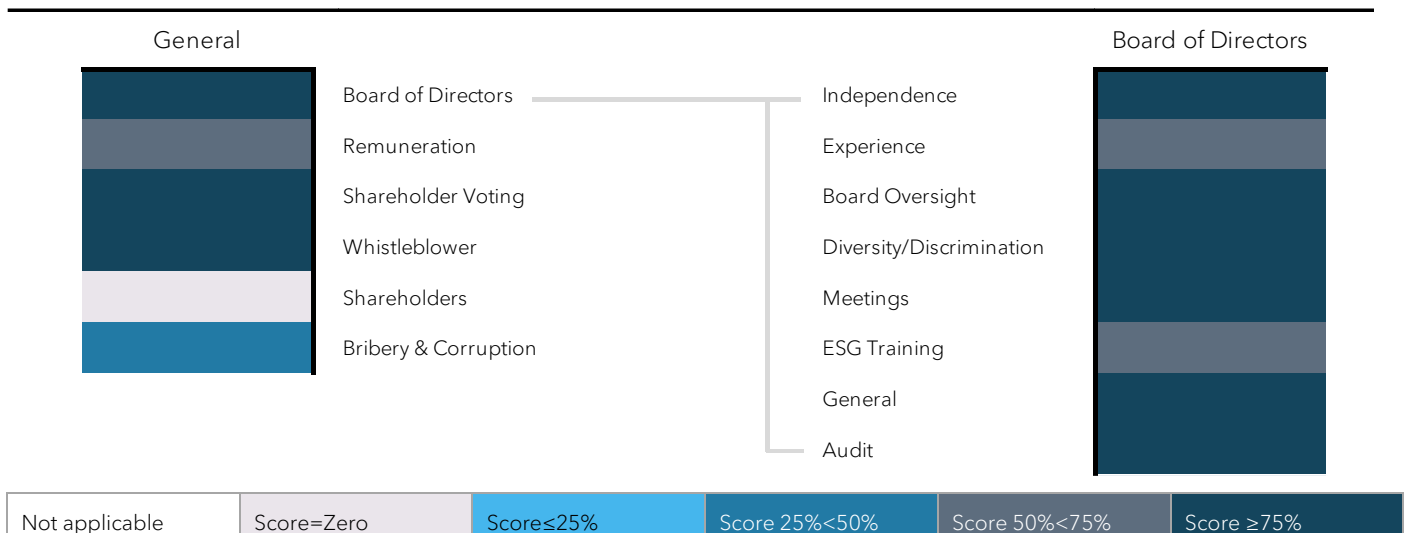


Table 3. Governance disclosure heat maps



CONTROVERSIES

Media Article Incident	Source	Article Date
Finance boss steps down after incident due to poor personal behaviour	https://www.gazetteandherald.co.uk/news/national/23154205.inchcape-finance-boss-steps-incident-behaviour-fell-short/	28 November 2022
Total Score Reduction		0.1

