



ROAD MAP FOR 2025

At the start of the new year, the work with DNV and Deloitte will come to an end, and the findings will be translated into an ESG approach that sets out topics, goals and targets. Whilst it is not yet confirmed what those will look like some of the initiatives, we currently expect to work on throughout 2025 are:

- Mandatory reporting including –
 - Data for Epiris Annual ESG Portfolio Report
 - Streamlined Energy and carbon Reporting
 - UK-Climate Related Financial Disclosure
- 3rd party verification on Greenhouse Gas Emissions calculated for the Inchcape Group.
- Emission targets approved by the Science Based Target Initiative (SBTI).
- Initiatives to improve the data collection process for emissions calculations.
- ISO 14001 Certification

OUR ESG JOURNEY

In 2024, Inchcape continued its ESG Journey with some fantastic new initiatives. But what exactly is ESG?

What is ESG?

ESG stands for Environmental, Social and Governance, which is a framework for evaluating businesses' impact on the environment and society. In recent years, we have seen ESG standards change considerably around the world, with new legislation appearing constantly that affects not only us but also our customers.

What is our ESG status?

In 2024, Inchcape undertook a series of important steps to not only identify and address our risks and benchmark ourselves, but also to act on opportunities and understand what our priorities should be going forward. This includes:

- Completion of an initial Climate Risk Assessment and ESG Action Plan with Epiris consultants as part of their portfolio on-boarding process.
- Created a new cross functional ESG Committee with the purpose of developing strategies and implementing performance measures in relation to environmental, social and governance matters.
- Completed a 3rd party sustainability audit with EcoVadis which included assessing our the companies' policies, actions and reporting related to the environment, labor & human rights, ethics and sustainable procurement.
- Commenced a Climate Risk Scenario Analysis project with DNV; Inchcape is a UK-registered business, the analysis is a requirement to comply with the UK Climate-Related Financial Disclosure

- under The Companies Act 2006. The climate risk scenario analysis takes a deep dive into how vulnerable an organisation is in current and future climates. The work will be completed in January 2025 with the findings being part of the annual directors' report.
- Completed an energy audit across UK offices and company vehicles to understand how energy consumption can be reduced.
- Launched the Maritime-ENV Boilersuit, the first fully sustainable PPE garment designed specifically for the maritime industry.
- Became the first port agent to be a consortium member of Blue Visby whose purpose is to eradicate Sail Fast Then Wait and allow vessels to reduce speed, thereby reducing the carbon footprint of the maritime industry.
- Selected as the winner in the Leader Category of our government services customer KBR annual Sustainable Supply Chain Supplier Awards 2024. A summary of Inchcape's achievements will be included in KBR's annual ESG report.
- Partnered with Deloitte to complete a Double Materiality Assessment (DMA). The DMA identifies and prioritises the most material sustainability topics and assesses the impacts, risks and opportunities associated with them. Whilst a double materiality assessment isn't a UK requirement, it was important to us to bring together all the great work done so far and to ensure that our ESG strategy was speaking the same language as our customers who fall under the European CSRD requirements and find opportunities to assist with their own journeys.



OUR ESG COMMITTEE

Chair	Sponsor	Sponsor							
Chief Operating Officer	Chief Procurement Officer	Chief Commercial Officer	Global Head HSSE	ESG Specialist	VP Survey & Inspection	VP HR Corporate	HO Coasts & Marketing	HO World of Ports	

INCHCAPE FILLS SUPPLY CHAIN GAP WITH SUSTAINABLE MARITIME BOILERSUIT

Global port agency Inchcape Shipping Services introduces the Maritime-ENV boilersuit, the first in a planned range of fully sustainable PPE garments designed specifically for the maritime industry as part of its strong focus on Procurement as a Service (PaaS).

Inchcape's sustainable boilersuit marks the port agent's debut in supplying workwear to the shipping industry. How did this come about?

"In our Marine Supply Chain Solutions division, we have developed deep expertise in creating novel solutions for customers' procurement problems. As part of that work we identified a supply chain gap in the form of sustainable PPE and boilersuits in particular. We are addressing this unmet demand with the launch of the Maritime Classic sustainable boilersuit," says Robbie Mclellan, Head of Global Supply Chain at Inchcape.

While many ship operators are currently preoccupied with environmental issues such as eliminating single-use plastics, Mclellan's team were surprised at the number of Inchcape's customers, from small to some of the biggest names in shipping, who had never thought about workwear in terms of sustainability.

"In terms of what's available, you can, of course, buy cheap garments likely produced in a sweatshop somewhere and using raw materials that are not ethically sourced, or you can buy higher-quality maritime products that have a very high price point but that still don't focus on sustainability," he says.



"The sustainable boilersuits that are available are very generic and not adapted for maritime use. Our product is completely unique in that it will be sustainable, specifically designed for day-to-day wear by seafarers on any type of vessel, and affordable – with a price point in the middle."

Inchcape will be producing the garments with a fully sustainable supply chain, which includes a fully green manufacturing process in India that features renewable (solar) power and rainwater capture. "The process is in compliance with Sedex ethical trading standards, meaning workers are treated fairly and paid properly. The factory operator is also seeking registration as UN Global Compact participant," adds Mclellan.

Full traceability

The raw materials used in the garment will be fully traceable. The cotton in the polycotton mix comes from ethically traded and sustainable sources, including a proportion of recycled material. "The boilersuits will carry the Better Cotton Initiative (BCI) logo, proving the cotton used comes from sustainable sources. The BCI was established by the World Wide Fund for Nature to promote better standards in cotton farming and practices internationally, meaning we can choose from a long list of BCI-approved suppliers in India and elsewhere. We will use the most cost-effective options closest to our manufacturing site to avoid additional carbon footprint from long-distance transport," says Mclellan.

"Right from the growing process to the manufacturing process and minimising the carbon footprint of distribution, customers can rest assured the boilersuit is a fully sustainable product of exceptional quality."

Each batch of cotton in a customer run will also have a unique BCI ID number that identifies its origin – which customers can use for ESG reporting. In addition, all seams are double stitched and company logos are embroidered on, not heat pressed logos that can fray and fall off, and recyclable solid brass zips are standard unless a customer specifically asks for plastic zips that are anti-spark.

Customers will also be able to request small tweaks to the basic boilersuit design, however any major alterations, such as changing the location of the velcro strips, are possible but would require a recertification process that would increase lead time and cost.

Complete service package

As an agent, Inchcape can supply boilersuits in bulk with direct delivery in strategic locations that reflect customers' port calls. "Let's say the chosen location is Dubai; we can store garments in Dubai and deliver them directly to the vessel when your seafarers go on board. Right now customers typically courier PPE packages, including three or four boilersuits, boots and hard hats etc, direct to each seafarer's home. He or she then has to lug all that with them when they fly out to join the vessel, which isn't very convenient," says Mclellan.

With strategic storage locations around the world, customers can essentially call down from their stock whenever they are in port, and Inchcape will perform the last-mile delivery. "That is much more sustainable than us shooting them off by plane around the world from a single distribution point," Mclellan adds.

What's next?

Inchcape's long-term intention is to expand the product line to include sustainable underwear, rainwear, outerwear and boots, as well as vessel-specific garments that require additional licenses and/or slightly different specifications, for example, for work on board chemical tankers. "We can also offer a ladies' range given the anticipated increase in the number of female seafarers," says Mclellan.

The sustainable garment project reflects Inchcape's focus on product sourcing, PaaS, and any other outsourced logistics or procurement functions customers may require. "We're the only global agent that offers this kind of 360-degree capability. Our priority is to make customers' lives easier by finding novel solutions to their procurement problems and providing continuity of service. They shouldn't have to deal with a host of vendors across the globe when we already have an unmatched strategic vendor database with excellent discounts that we can pass on to customers," says Simon Potter, Chief Procurement Officer at Inchcape.

Tackling the 'tail end'

Potter explains the project forms part of Inchcape's response to customers' chunkier PaaS requests (quarterly stores or provisions requests). "We want to build a more proactive procurement model rather than being reactive to last-minute requests, concentrating more on customers' tail spend," says Potter. "When you do procurement training you learn about the 80/20 rule, meaning 80% of your spend is covered by 20% of your suppliers. In my experience, this is almost always true and means your remaining 20% of spend is spread across hundreds, or even thousands, of suppliers. Managing these relationships can be really complex and expensive, and it requires a great deal of knowledge, experience and time to minimise risks in your tail-spend supply chain."

PaaS is a solution for customers looking to streamline their global supply chain. Inchcape provides local procurement solutions across hundreds of ports worldwide using its vetted list of vendors, plus it removes hidden costs and complexities, such as bank and exchange rate charges, and the need to maintain relationships with suppliers customers may use once or only a few times each year.

Many large ship chandlers claim they can offer similar last-mile services in different ports around the world, even if they don't have a local office. "The big difference is that Inchcape is physically present in most of these locations as an agent, so we know when vessels are arriving, and we're one step closer than the majority of our competitors. Traditional ship chandlers may be outsourcing to a third party in any case," Potter adds.

Just as Inchcape has identified the supply chain gap for sustainable workwear, it is ready to custom-build solutions to whatever procurement challenges customers may present, working with approved suppliers that have gone through its strict governance process. "As ESG demands become greater, sustainability will likely become increasingly important across the operational supply chain, and we're here to help," Potter concludes.

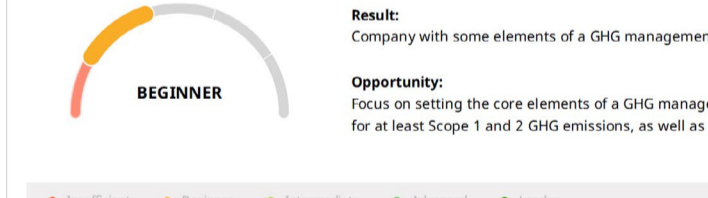
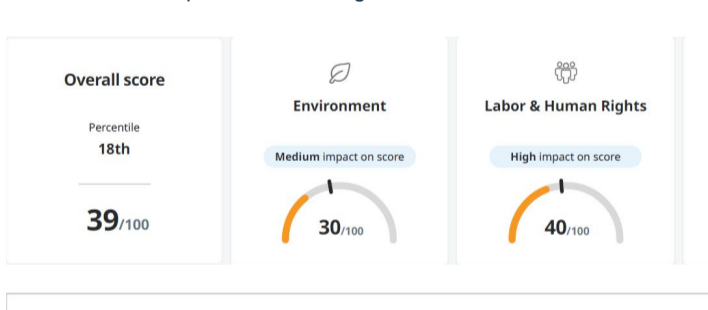
ECOVADIS RESULTS

Inchcape's overall score under the EcoVadis methodology is 39/100 which placed us in the 18th percentile* of all companies rated by EcoVadis in the same industry.

Whilst the results show we have some way to go on our journey it also shows we are already performing above average under the Ethics theme compared to other organisations who have been rated

by EcoVadis. There was also a total of 62 areas of strengths in our current policies and practices across the 4 themes – Environment, Labour & Human Rights, Ethics, Sustainable Procurement.

*18th percentile – score is better than or equal to 18% of all companies rated by EcoVadis in the same industry.



SUSTAINABLE SUPPLIER AWARD

Inchcape Shipping Services was selected as the winner in the Leader Category of KBR's Sustainable Supply Chain Supplier Award 2024.

The Sustainable Supplier Awards are designed to recognise suppliers who have demonstrated excellence in adopting sustainable procurement best practices, showcasing leadership in sustainable

procurement, and actively engaging in embedding sustainable practices throughout their supply chains. By recognising these achievements, KBR aims to encourage suppliers to implement sustainability initiatives, raise awareness of supply chain accomplishments, and promote positive actions towards managing and minimising supply chain risks while identifying innovation and leadership opportunities.



Proud history, bright future.
December 2024

KBR SUSTAINABLE SUPPLY CHAIN SUPPLIER AWARDS 2024

Dear Musheer Hussain,

Thank you for your Sustainable Supply Chain Supplier Award submission. Without your support and adoption of sustainability and best industry practice, KBR could not succeed in delivering our customers' needs. Our partnership makes us stronger, more effective and successful!

It is our pleasure to confirm that INCHCAPE Shipping Services has been selected as the winner in the Leader Category of KBR's Sustainable Supply Chain Supplier Award 2024. Congratulations!

We received an excellent response to the 2024 Sustainable Supply Chain Supplier Awards, with submissions from suppliers working across every business segment and all parts of the globe. The strong response demonstrates the shared commitment to environmental, social and governance objectives and to solving global challenges such as climate change, fair human rights, and sustainable supply chain performance.

INCHCAPE Shipping Services' submission demonstrated your effort in setting the pace of sustainability improvements and driving change in legacy supply chain practices.

As a Sustainable Supply Chain Supplier Award winner, KBR will feature your achievement further by showcasing a short summary of your winning entry on the KBR Supplier Sustainability page and in the 2024 Annual Corporate Sustainability Report. If you would like to review the content and provide your company logo, please get in touch with our Sustainable Supply Chain team via Sustainableprocurement@kbr.com.

Congratulations on your successful submission.

Sincerely,

Stuart Bradie
KBR President and Chief Executive Officer

AROUND OUR NETWORK



DONATIONS
Inchcape China joined hands with the "Love House" charity initiative from Shanghai Maritime University to extend warmth to the people of Shigatse, Tibet, by donating winter clothing.



PLANTING TREES
Inchcape Procurement embarked on a tree plantation and community engagement partnership in India, contributing to rural healthcare, education, sustainable procurement, and environmental conservation.



FUND RAISING
Inchcape Panama supported Johmar Pimentel, whom Inchcape Panama represented in the, "Relay for Life," organised by the Foundation for Children with Leukemia and Cancer.



BEACH CLEANUP
Inchcape India gathered at Marina Beach for International Coastal Cleanup Day as part of our ongoing commitment to sustainability and the environment.