

	Consultation Questions	Inchcape plc Response
1.	Do you agree that the changes to Principle D in Section 1 of the Code will deliver more outcomes-based reporting?	Not necessarily. Impacts and outcomes are not always easy to articulate and therefore could lead to boilerplate disclosures.
2.	Do you think the board should report on the company's climate ambitions and transition planning, in the context of its strategy, as well as the surrounding governance?	Yes, but this should not duplicate other disclosure obligations, e.g. TCFD etc.
3.	Do you have any comments on the other changes proposed to Section 1?	No.
4.	Do you agree with the proposed change to Code Principle K (in Section 3 of the Code), which makes the issue of significant external commitments an explicit part of board performance reviews?	Yes.
5.	Do you agree with the proposed change to Code Provision 15, which is designed to encourage greater transparency on directors' commitments to other organisations?	Yes.
6.	Do you consider that the proposals outlined effectively strengthen and support existing regulations in this area, without introducing duplication?	No comment.
7.	Do you support the changes to Principle I moving away from a list of diversity characteristics to the proposed approach which aims to capture wider characteristics of diversity?	Yes.
8.	Do you support the changes to Provision 24 and do they offer a transparent approach to reporting on succession planning and senior appointments?	Yes.
9.	Do you support the proposed adoption of the CGI recommendations as set out above, and are there particular areas you would like to see covered in guidance in addition to those set out by CGI?	Yes we support the adoption. We do not believe further guidance is needed on other areas.
10.	Do you agree that all Code companies should prepare an Audit and Assurance Policy, on a 'comply or explain' basis?	Yes.
11.	Do you agree that amending Provisions 25 and 26 and referring Code companies to the Minimum Standard for	It would be helpful if the wording in the Minimum Standard for Audit Committees was mirrored in the Code to prevent needing to refer to two different documents.

	Audit Committees is an effective way of removing duplication?	
12.	Do you agree that the remit of audit committees should be expanded to include narrative reporting, including sustainability reporting, and where appropriate ESG metrics, where such matters are not reserved for the board?	No. The board should be able to delegate responsibility on sustainability reporting and ESG metrics to whichever committee it feels is appropriate. In practice, many organisations now have a dedicated sustainability or ESG committee which already has responsibility for such matters. The wording as drafted will mean the workload is potentially duplicated between two committees. Any financial element of ESG metrics will naturally sit with the Audit Committee.
13.	Do you agree that the proposed amendments to the Code strike the right balance in terms of strengthening risk management and internal controls systems in a proportionate way?	Yes. This is a sensible adjustment to clarify the Board's responsibilities to establish and manage risk management and internal control frameworks across the organisation.
14.	Should the board's declaration be based on continuous monitoring throughout the reporting period up to the date of the annual report, or should it be based on the date of the balance sheet?	Yes, the Board's declaration should be up to the date of the annual report. However, clarity on the definition of 'continuous monitoring' will be helpful.
15.	Where controls are referenced in the Code, should 'financial' be changed to 'reporting' to capture controls on narrative as well as financial reporting, or should reporting be limited to controls over financial reporting?	Yes.
16.	To what extent should the guidance set out examples of methodologies or frameworks for the review of the effectiveness of risk management and internal controls systems?	Whilst this would be helpful to have a baseline, companies should be able to deviate as appropriate based on their risk assessment.
17.	Do you have any proposals regarding the definitional issues, e.g. what constitutes an effective risk management and internal controls system or a material weakness?	No. We think the guidance has been developed on the basis of globally recognised standards such as PCAOB, COSO, and International Standards on Auditing (ISA UK). It appears logical as presented.
18.	Are there any other areas in relation to risk management and internal controls which you would like to see covered in guidance?	No.
19.	Do you agree that current Provision 30, which requires companies to state whether they are adopting a going	Yes.

	concern basis of accounting, should be retained to keep this reporting together with reporting on prospects in the next Provision, and to achieve consistency across the Code for all companies (not just PIEs)?	
20.	Do you agree that all Code companies should continue to report on their future prospects?	Yes.
21.	Do you agree that the proposed revisions to the Code provide sufficient flexibility for non-PIE Code companies to report on their future prospects?	Yes.
22.	Do the proposed revisions strengthen the links between remuneration policy and corporate performance?	Yes.
23.	Do you agree that the proposed reporting changes around malus and clawback will result in an improvement in transparency?	Yes.
24.	Do you agree with the proposed changes to Provisions 40 and 41?	Yes.
25.	Should the reference to pay gaps and pay ratios be removed, or strengthened?	We are content that the references should be removed.
26.	Are there any areas of the Code which you consider require amendment or additional guidance, in support of the Government's White Paper on artificial intelligence?	It is too early to tell at this stage as this is an evolving area.