

FROM POWER TO PURPOSE

Exploring automotive sustainability



At the heart of our sustainability journey lies the transformation of our manufacturing processes. We embrace cutting-edge technologies and eco-friendly practices, reimagining every aspect of production to minimise our environmental impact.

Through relentless innovation, we explore electric and hybrid technologies that redefine efficiency and performance. Our plug-in hybrid and battery electric vehicles will leave a lighter footprint on the planet, contributing to cleaner air and a healthier world. Durability is a core principle in our vehicle design. We ensure that our vehicles endure the test of time, minimising waste and reducing the need for frequent replacements. This commitment to longevity extends the lifespan of our products, contributing to a more sustainable future.

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CLIMATE CHANGE

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We recognise that the automotive industry has an impact on climate change. As a responsible business seeking a better world, we have a responsibility to protect the environment by reducing the impact of our operations and products.

Our approach towards reducing our environmental impact is established through our Sustainable Luxury strategy, which is a core part of our Beyond100 strategy. Our ambition and strategic plan are to become end-to-end carbon neutral in 2030.

We are starting by focussing on carbon reduction and carbon offsetting to cover residual emissions. This involves one of the biggest changes in our 100-year history: changing our portfolio of cars from internal combustion engine (ICE) to plug-in hybrid (PHEV) and battery electric vehicles (BEV). By making this huge change and by scrutinising every part of our business, we are confident we will succeed in our ambitious goal.

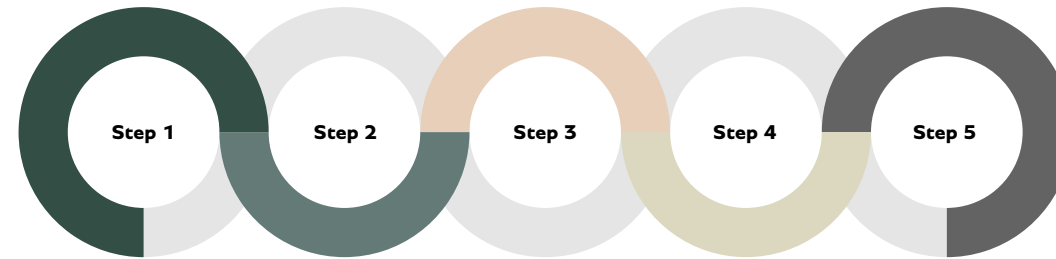
Our strategy to reduce our emissions has five steps: understand, measure, reduce, contribute and report.

Understand

To fully understand our impact on the environment, we must first understand where our emissions are coming from. To do this, we have considered our whole value chain and identified the activities that cause the most carbon emissions.

POSITION ON CLIMATE CHANGE SETTING STRATEGY AND REDUCTION TARGETS

To support setting reduction targets, we developed our climate change strategy using five steps:



Understanding our emissions and what we can do about them

Measuring our emissions

Propose targets and reduction measures

Deliver reduction targets and contribute to improving the negative impacts of climate change

Report on status and progress to ensure transparency

Measure

We use Life Cycle Assessment (LCA) to measure our emissions and environmental impacts. LCA calculates the emissions and environmental impacts created by a single vehicle at every stage of its life.

LCA includes the emissions of the materials needed to produce a vehicle, the emissions created in the factories where the vehicle is produced, the impact of transporting the vehicle to customers, the energy

used to fuel / charge the vehicle, the emissions created by driving the vehicle and finally the emissions created by processing the vehicle when it reaches the end of its life. This gives the full picture of a vehicle's emissions and environmental impact, allowing us to accurately measure the impact of our products, and then best decide how to reduce the impact.



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Measure – Scope 1, 2 and 3 emissions

We have published the last two years of data for our Scope 1 and 2 emissions to show the progress we have made (see Appendix 3). For Scope 3 emissions, we have disclosed our business travel emissions (see page 101) and are making progress towards calculating more of our Scope 3 emissions as we become able to gather more information on them.

We calculated the Scope 1 and 2 emissions following the GHG protocol. And we will calculate Scope 3 emissions based on group methodology, which also follows the GHG protocol.

Measure – Decarbonisation index

We calculate our impact on global warming using the Group’s Decarbonisation Index (DKI). This key performance indicator (KPI) covers the CO₂ equivalent emissions of our portfolio over the entire life cycle. DKI will help make sure we play our part as we aim for an ambition level of 1.5 degrees celsius, in line with the Paris Agreement.

We will use DKI not only to track progress towards reaching our CO₂ equivalent reduction targets, but to track our future performance, as it can factor in our planned portfolio and reduction measures. Calculating emissions using DKI gives us the full view of CO₂ equivalent emissions throughout the value chain, both upstream and downstream. It also accounts for other emissions within the value chain, including the energy and fuel emissions of products.

To calculate our DKI, we follow the Group’s standardised DKI methodology. The Group updates DKI’s calculation premises every year to take account of the latest and most accurate methodologies and information. The DKI target is calculated based on the methodology approved by the [Science Based Targets initiative](#) (SBTi).

Reduce

Using DKI and LCA methodology, we have created action plans for each stage of the vehicle’s life to

maximise carbon reduction. These action plans are in progress and we hope to publish them in our 2024 Sustainability Report.

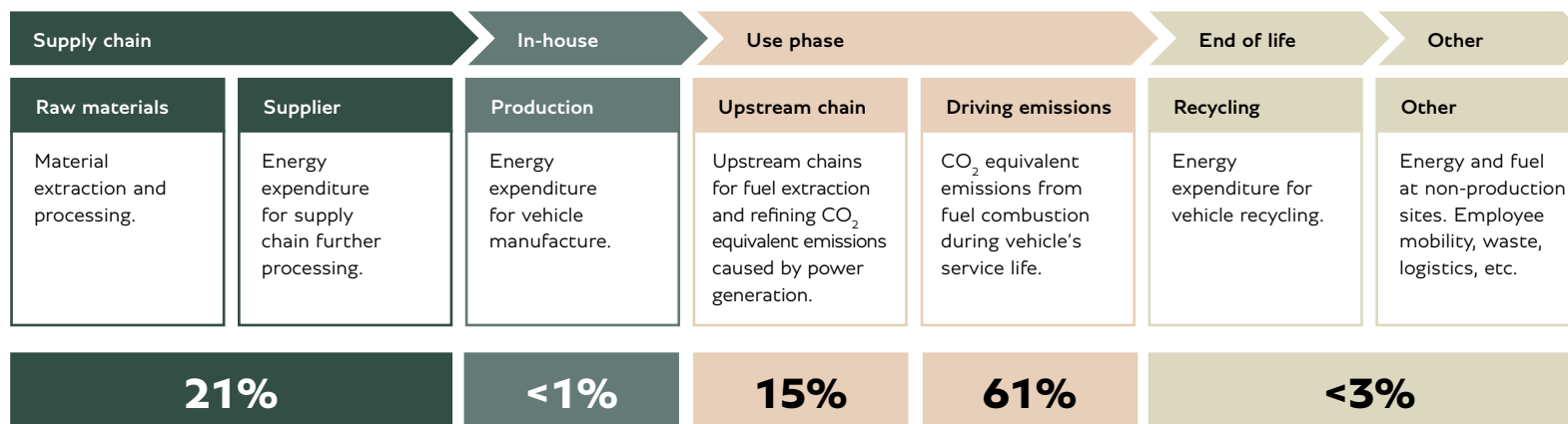
Contribute and report

We are taking steps to reduce our emissions and create innovative ways to achieve this goal.

In accordance with the [Companies \(Strategic Report\) \(Climate-related Financial Disclosure\) Regulations 2022](#), Bentley will include disclosures on climate-

related risks and opportunities in its Annual Report and Financial Statements for the year ended 31 December 2023. These disclosures will cover how climate change is addressed in our corporate governance; its impact on our strategy; how we manage climate-related risks and opportunities; and the performance measures and targets we apply to manage these issues.

DECARBONISATION INDEX (DKI)





Climate risks

We closely monitor risks associated with climate change using the Bentley Risk Management System (RMS). For consistency, the overarching approach to identifying and managing climate-related risks is the same as for other principle risks. The RMS is based on the internationally recognised standard of the [Committee of Sponsoring Organisations of the Treadway Commission](#).

Our Quarterly Risk process requires a description, assessment of the potential impact and financial ramifications for every risk, along with the measures we are undertaking to manage it. We evaluate all risks as either short or long-term based on when we anticipate feeling their potential impact.

We look at potential operational impacts (e.g. warming of paint shop facilities), legislation changes (e.g. emissions legislation) and impact to our supply chain (e.g. severe weather impacting supplier production).

We calculate the likelihood that the risk materialises and impacts Bentley, then use a factor of the impact and likelihood to define the scale of each risk. The Board reviews all principle risks (including climate change risks) every quarter.

Examples of physical, legislative, and other risks we are managing in 2023 include:

- Impact of increasing frequency of high temperatures on the wood-shop and paint operations
- Impact of changes to EU Reach legislation on our supply chain
- Impact of changes to Poly- and perfluoroalkyl substances (PFAS) restrictions in the EU
- A lack of availability of recycled materials that meet mechanical properties requirements
- Increased complexity of requirements for traceability of supply chain
- Impact of proposed changes to EU7 emissions legislation
- Global supply shortages (e.g. raw material impacts to suppliers)
- Short notice or divergent changes in CO₂ legislation

Some of these risks could affect production.

➔ **Which we discuss in the next section.**

PRODUCTION

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Producing cars is always going to require energy and natural resources, but we are committed to minimising the impact of our production operations on the environment. This commitment is emphasised in our environmental policy, which covers how we reduce emissions and waste, and using resources like energy and water efficiently. You can find the policy on [our website](#).

Our Environmental and Energy Compliance Management System conforms to the ISO 14001 environmental management and ISO 50001 energy management standards. These certifications signify that we follow effective environmental practices and manage energy efficiently and comply with internationally recognised standards for sustainability and responsible business operations.

Energy use

Our site remains carbon neutral, which we first achieved in 2019 (based on 2018 data). This is externally verified in accordance with the PAS 2060 carbon neutral standard.

All electricity used to manufacture Bentley cars is solar or certified green.

Bentley's energy efficiency, measured as energy use per vehicle produced, has increased in 2023 as we have produced fewer cars and the economies of scale in production have fallen. The energy ratio per vehicle shows an increase of 11 per cent due to a reduction in number of vehicles manufactured in 2023. Our total energy consumption has decreased by 13.3 per cent (2023: 119,884 MWh).

Water

Our Crewe site benefits from access to sufficient fresh water and is not located in a water-stressed region. However, we are still committed to minimising water usage during production and mitigating the effect of our site on local water bodies.

Our rainwater harvesting system features a 20,000-litre tank with integrated filters and pumps, which is attached to the waste output of the reverse osmosis water system. This means that we can supplement mains water with water from the rainwater harvesting system for activities like toilet flushing, road sweeping, general cleaning and watering plants across the site.

In 2023, we have continued with a number of other initiatives which have been in place for several years, including routine monitoring and maintenance.

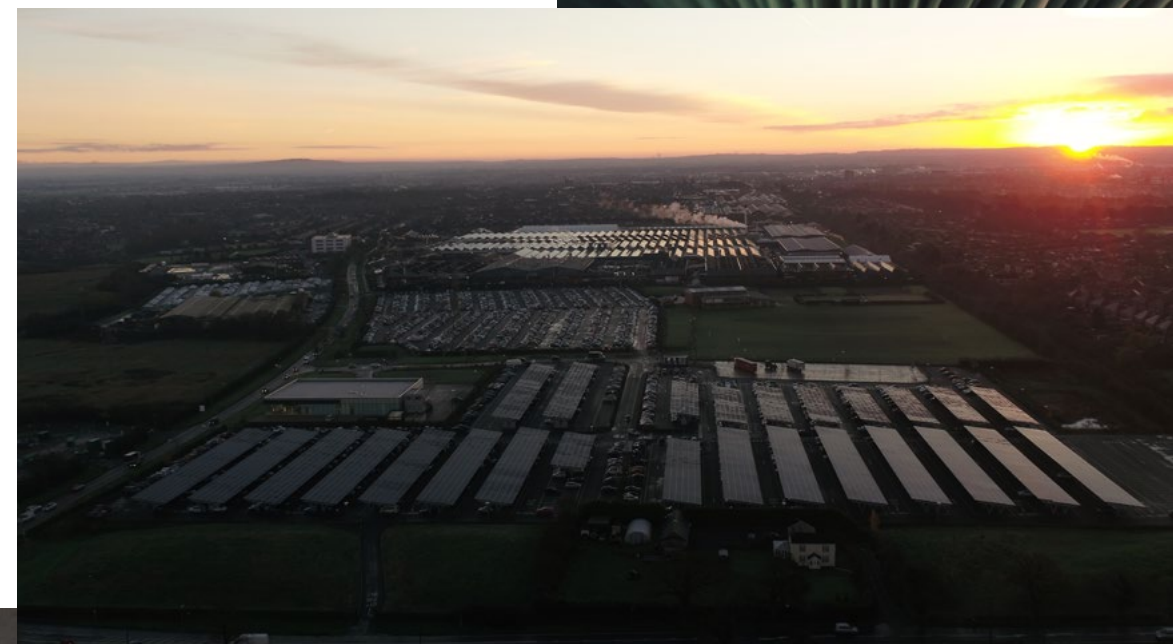
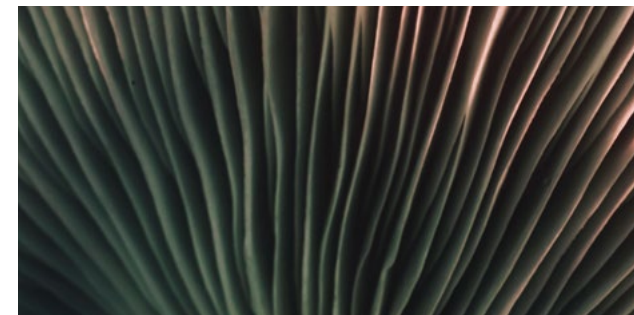
Total water withdrawn from all areas has decreased by 16 per cent (From 2022: 101.14 to 2023: 85.35).

Waste

We work closely with our waste management providers to divert waste away from landfill wherever possible. As a result, there is now only a very small amount of waste material that cannot be recycled and that goes to landfill. In 2023, this equated to just 5.97 kg per vehicle.

After production, another major source of emissions is driving.

➔ Which we discuss in the next section.



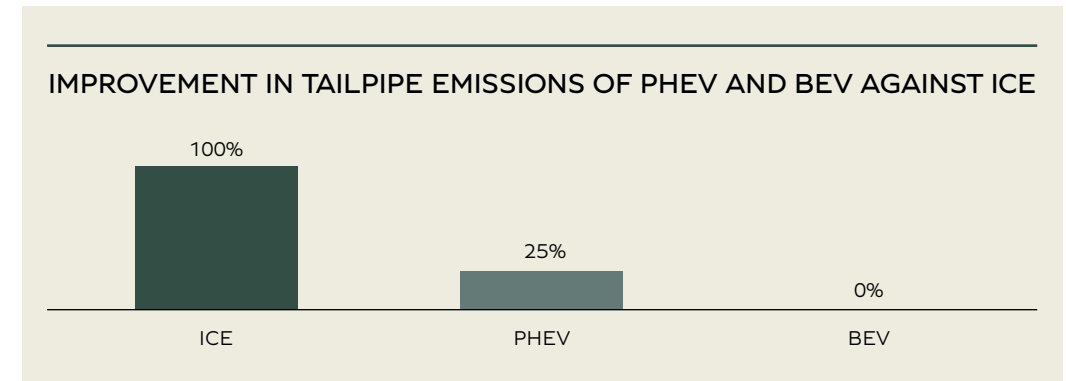
DRIVING

We have always built our cars on the principles of power and luxury. This historically required a high-performance combustion engine. However, we recognise the environmental impact this causes, which is why we are determined to maintain the power and luxury of a Bentley, but in a less impactful way.

Our Beyond100 strategy includes a commitment to transition to a fully electric fleet. Powering luxury will no longer require an engine, and the new fleet will align closely with our historic ideals of power and luxury, while being more sustainable.

Using LCA, we can see that the most carbon intensive aspect of a vehicle's life is when it is being driven. To achieve our sustainability ambitions and 2030 goals, we must influence how vehicles are charged and / or fuelled, without compromising on the driver's emotion and craftsmanship that goes into every Bentley.

The graph below shows running a BEV-only fleet would reduce our tailpipe emissions to zero. As an interim step, if we ran a PHEV-only fleet, we would reduce the tailpipe emissions to 27 per cent.

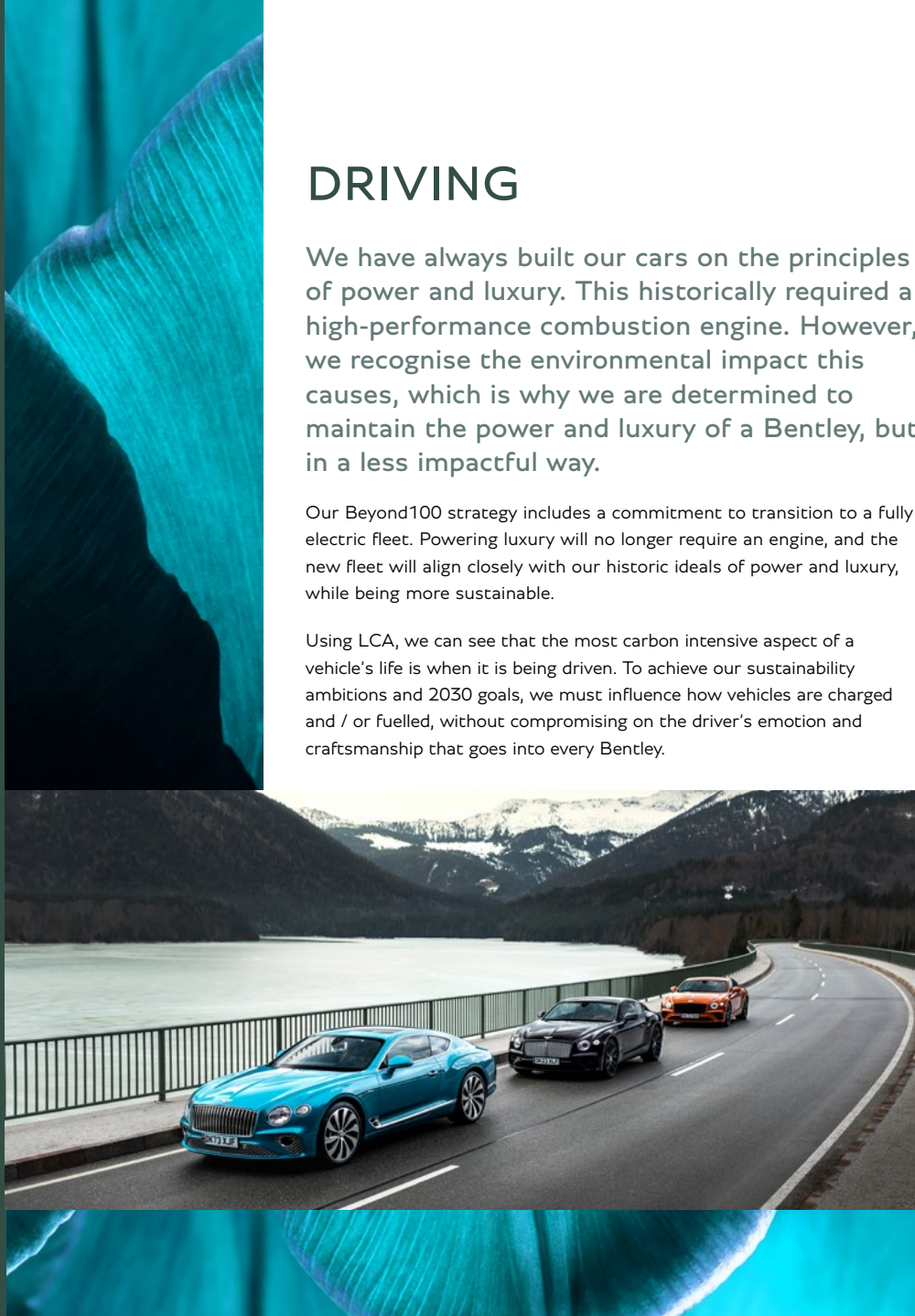


REINVENTION OF A 100 YEAR OLD BRAND



We have had fantastic feedback so far from customers on our PHEV models and global sentiment suggests that 74 per cent of customers surveyed are interested in purchasing a PHEV. We have also had customer feedback asking when we can offer our first BEV.

We have a clear roadmap to get to a fully electric portfolio. We currently have two hybrid vehicles, which are available across nine different models, and plan to launch a third hybrid vehicle in 2024.



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FUEL / CHARGING

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Using the DKI and LCA methodology our existing product portfolio showed that the energy inputs for petrol and electricity to both fuel and charge our current cars contribute 15 per cent of each car's life cycle emissions. Thus, transitioning to BEVs would reduce customers' reliance on fossil fuel-derived energy and Bentley's environmental impact when cars are driven.

Renewable charging

We know this will be a complex process because of a lack of market availability and access to renewable sources of charging. But we are up to the challenge.

We will combine this electrification plan with solutions for Bentley customers to make sure they can access the most sustainable charging options. These solutions must both embody our values and complement the luxury experience of owning a Bentley.

Transitioning away from ICEs

Alongside switching to BEVs, we are testing biofuels for our current fleet to mitigate driving emissions. Our [tests on the Bentayga at Goodwood](#) were successful.

However, we see the transition to BEVs as the bigger challenge, so we have focussed on this aspect of our business model in this report.

We forecast that a high amount of customer charging will be private (e.g. at home).

Charging: private and public solutions

CHARGING: HOME AND PUBLIC SOLUTIONS



Thus, we want to make sure our customers can have a luxurious private charging experience through effortless access to renewably sourced energy. We are working with start-ups and established businesses in this space, using the power of innovation to achieve this.

Private charging

This year, we have concentrated on developing the next generation of private charging. For example, the development of our smart wall boxes, due to launch in 2024, will give customers more control over their energy management and optimise charging solutions e.g. solar panels and potentially allowing customers to charge at a time that their provider indicates is optimal for renewable energy usage.

This integrated experience will be blended with our Connected Car technology (see page 58 for more information) and our ecosystem of sustainable public charging mobility service providers will help make sure that charging is as sustainable as possible.

Public charging

A luxury public charging experience is vital for our customers. We aim to offer them with easy access to a selection of renewable chargers wherever they go, and give them access to a technologically integrated public charging ecosystem in the future.

Offering customers an excellent public and private charging experience is just part of our commitment to Sustainable Luxury. Another important part is making sure we can offer luxury materials that are more sustainable.

➔ [Learn more in the next section.](#)



SUSTAINABLE PRODUCTS AND MATERIALS

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Building a more sustainable vehicle, piece by piece

For over a century, our dedication to quality and craftsmanship has been the cornerstone of our brand, driving us to seek and utilise the finest materials. This commitment continues with the increased use of sustainable materials in our products. Effectively integrating these materials into our processes requires both our expertise and extensive collaboration with stakeholders.

In realising our ambition, we not only select materials that exude aesthetic appeal and luxurious textures, but also adhere to sustainable sourcing practices. This dedication extends to every aspect of Bentley's design, from assessing purpose to scrutinising manufacturing processes and supply routes. Our approach ensures that every component, visible or hidden, meets our exceptional performance, quality and sustainability objectives.

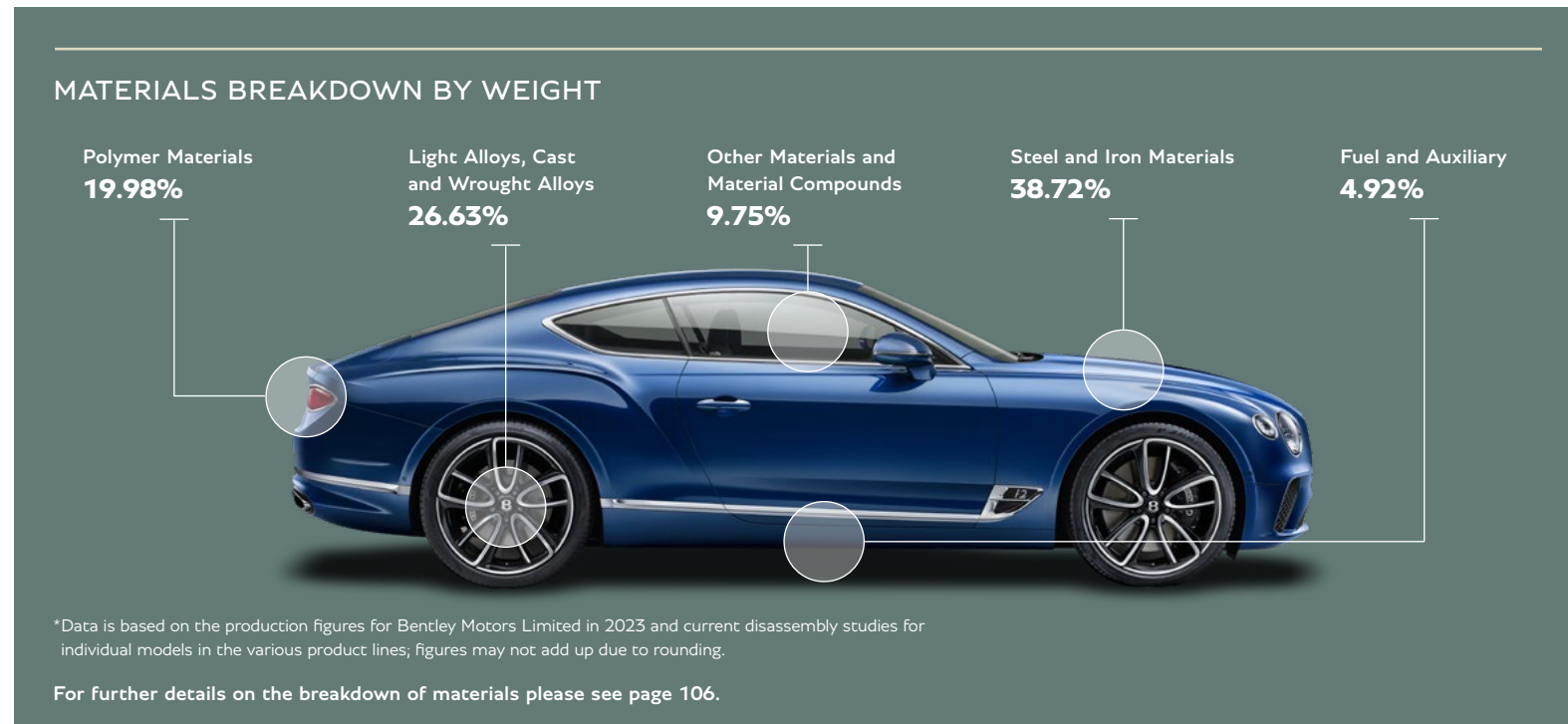
Responsible leather – Leather Working Group (LWG)

Leather is an iconic part of our signature luxury interiors. We have no desire to change this. However, we recognise that historically the industry has been associated with significant environmental and ethical concerns. This includes

resource intensity, greenhouse gas emissions, deforestation, and animal welfare issues. To address this, we have adopted a targeted approach.

In 2021, Bentley became the first ever automotive member of the [Leather Working Group](#) (LWG). LWG is a not-for-profit multi-stakeholder initiative which formed in 2005 to make the global leather supply chain more responsible. LWG is comprised of various stakeholders who share the objective of enhancing sustainability through responsible leather manufacturing. Leather manufacturers are audited independently against monitored and stringent standards, before being certified against the standards and awarded a gold, silver, or bronze medal, or an "Audited" (Pass) rating.

We only work with manufacturers who achieve LWG's prestigious gold rating. This means we only use leather from the European Union that is a by-product of the meat industry. Our sourcing strategy is managed through our suppliers' robust traceability processes, allowing us to mitigate the risk of it being associated with deforestation. Establishing full traceability, from the farm to its use in our vehicles, is a key priority that we began to actively address in 2023.



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Sustainable leather – Olive mill wastewater tanning

Leather tanning is another process that traditionally used a lot of water and created harmful by-products. To address this, we took huge strides to reduce the environmental impact of tanning last year.

We were extremely proud to be the first automotive manufacturer to offer our customers a leather option that uses sustainable Olive Mill Wastewater technology. The process uses wastewater extracted during olive pressing, meaning the tanning agent is organic and remains free of harmful metals, minerals and aldehydes. The technique also requires less water than a conventional tanning process and offers a higher concentration of renewable chemicals. None of this affects the product’s quality, which remains incredibly soft.

Sustainable wood

The wood in our vehicles brings a unique finish to our interiors. Customers personalise their vehicles by selecting their desired colour and type of wood from a curated collection. We take great pride in our wood craftsmanship, with dedicated specialists examining approximately 25,000 square meters of veneer during the selection process.

This meticulous selection, preparation and processing of veneer at our headquarters in Crewe ensures not only that each car is unique, but that it is using this precious raw material in the most optimal way. A fantastic showcase of this customisation is the remarkable finish we crafted for the [Flying Spur Hybrid Mulliner](#), in collaboration with The Surgeon.

Our wood procurement strategy is guided by our commitment to sustainability and ethical sourcing. For example, we only use wood that has fallen naturally, and we only obtain it from non-endangered species located in non-tropical regions, primarily in North America and Europe. The strategy is compliant and goes beyond mandated legislation (EUTR [995/2010]) by exercising due diligence checks to demonstrate the supply chain is responsibly trading sustainable wood.

Our suppliers are all FSC-accredited, verifying the chain of custody by auditing sustainable forestry practices. We monitor all woods we use and regularly assess them against trusted sources for any change to a protection designation (CITES), threatened vulnerability status (IUCN) or socio-economic conflict.

Sustainable wool

In 2022, we introduced renewable wool fibre for the tweed panels in our Odyssean limited-edition vehicles. Building on this success, we have now introduced an optional set of deep pile carpet mats for the interior of the vehicle, crafted from 100 per cent wool and using a traditional Wilton weave construction. This remarkable feature is now available across all our models.

Using sustainable natural products is the start of many of our vehicles’ stories, and many of them go on to live long lives.

➔ **There’s more information in the next section.**

END OF LIFE RECYCLING

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Bentley cars are built to last a very long time – 84 per cent of Bentleys registered in the UK in the last 20 years are still on the road. This reliability is down to the quality of every single part and our whole team’s dedication to craftsmanship. We pride ourselves on producing cars that are associated with a luxury brand and that have a well-deserved reputation for longevity.

However, despite their longevity, we know end-of-life recycling is important and are developing our knowledge in this area as a critical part of our Circular Economy Strategy, which we discuss in more detail on page 14.

Batteries – designed for eternity

We will source the batteries for our electric fleet from the Group. But we believe in ‘designing for eternity’, so we want them to last longer than the typical 10–15 years. We are therefore focussing how we can repair, replace, reuse and recycle them effectively.

The three main drivers for our batteries in this current development stage are customer, technology and sustainability.

One of the drivers for ensuring that our products are more sustainable is nurturing biodiversity. Through sourcing more sustainable wood products, reducing our impact through sustainable leather sourcing and reducing our water output we can tangentially reduce our broader impact on the natural world.



NURTURING BIODIVERSITY

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Bentley is proud to support nature and biodiversity. We do this in three main ways: through our Environmental Foundation, our support through the Crewe Town Board and through the biodiversity initiatives at our campus in Crewe.

Bentley Environmental Foundation

Recognising the importance of nurturing biodiversity, we have partnered with charities through our £3 million Bentley Environment Foundation (BEF). One of the BEF's first projects is our partnership with Sustainable Surf, where we supported the planting of seagrass off the coast of Mallorca. The BEF also supports the Biomimicry Institute to help create nature-inspired solutions. You can read more about these initiatives and our upcoming initiatives below, on page 76 and on our [website](#).

Crewe Town Board

Bentley is an active member of the [Crewe Town Board](#), a public body made up of representatives from the community, public, private and voluntary sectors. The board was set up to manage the Towns Fund bid and to produce Crewe's 10-year Town Investment Plan. As part of this support, we helped to secure £22.9 million of funding for the town to deliver large-scale projects in Crewe.

The Crewe Towns Fund bid was aimed at supporting local town projects, some of which are focused on biodiversity. For example, a local partnership led by Cheshire East Council, the Environment Agency and

Crewe Town Council is working to develop the Valley Brook Green corridor. Valley Brook forms a natural corridor across the south of Crewe, an area which is in parts either hidden, overlooked or impassable.

The project aims to revitalise the area, creating a new public space and improving the watercourse and wildlife habitats.

Crewe campus

Our Crewe campus is the beating heart of Bentley. The site has grown alongside our company, and despite its limited green space, we have sought to create an environment that promotes biodiversity through several initiatives:

EXAMPLES OF OUR ON-SITE ACTIVITIES



A place to nest

Our facilities at Crewe are home to many endemic species, including bats and birds. To protect them, we have provided dedicated hand-made boxes for them.



A lot on the allotment

Our colleagues support our efforts to promote green growth at our site by helping with the upkeep and development of our allotments, which are very popular.



Honey I'm home

Our campus is now home to over one million British Apis mellifera honey bees. We installed seven new hives to host these important insects, bringing the total number of hives to 17. The bees help pollinate both our site and the surrounding area, and we collect their honey and give it away as gifts.

We also strive to protect the environment when using natural products in our vehicles. There is more information about this on page 24 - 25.

Promoting biodiversity is part of how we are making life better for the plants and animals living around our campus. We also make sure it is a great place for our people.

➔ Find out how in the next section.

