

Working responsibly

Ensuring we make a positive impact

Working responsibly is central to our purpose and strategy. Our purpose is driven by our commitment to doing the right thing, measuring and reporting transparently and always acting with integrity.

Our ESG strategy focuses on the material issues that have the greatest impact on our business whilst considering the expectations of our stakeholders. We also recognise that our activities, and the way in which we carry them out, impact well beyond our financial performance and so our ESG strategy considers the impact our decisions have more widely on the environment, our people and society. Our many ESG initiatives are focused on ensuring we do business responsibly and as the UK's largest automotive marketplace that we play our role in creating a more accessible, equitable and sustainable future. Our ESG strategy supports this purpose over the long term.

Our trusted brand has been built over more than 40 years and we remain committed to being the best place to find, buy and sell vehicles in the UK on a platform that enables data-driven digital retailing for our customers.

In a rapidly changing world, we know that we will only succeed as a business if we use our technology, expertise and data to help solve the challenges our customers, our consumers and our industry face. This involves ensuring platform resilience whilst remaining innovative and changing how the UK shops for vehicles by providing the best online buying experience and supporting all our retailers to sell online.

We use our cultural KPIs (see page 20) to help us monitor and measure progress against our strategy. In 2022, we undertook our first materiality assessment to consider what ESG issues matter most to our stakeholders and the impact of these on our business.

Our ESG strategy is underpinned by our purpose, Driving Change Together. Responsibly.

We can play a positive role in making a difference to our people, our communities, our industry and the wider environment to create a more accessible, equitable and sustainable future.



OUR ENVIRONMENT

Minimise our impact on the environment, thereby protecting our business from the impact of climate change.

Drive change across our own operations and supply chain, and also use our capabilities and voice to influence the automotive and technology industries and Government to support urgent action to tackle the climate crisis.

Report comprehensively in line with TCFD recommendations.

[READ MORE P29](#)



OUR PEOPLE & COMMUNITIES

Build diverse teams and evolve our inclusive culture.

Maintain high levels of employee engagement, supporting positive health and wellbeing.

Partner with charities, community groups and industry bodies to make a difference to the communities where we work and live.

[READ MORE P40](#)



OUR GOVERNANCE & COMPLIANCE

Uphold the values of good corporate governance and risk management and consider the needs of all our stakeholders in our strategic decision-making.

Comply with our legal and regulatory obligations and behave ethically and with integrity at all times.

Maintain a trusted marketplace for our customers and consumers to find, buy and sell vehicles.

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Our materiality assessment

Conducting business responsibly, with stakeholders at the heart of our decisions, is core to our strategy and success, and therefore an understanding of what ESG topics matter most to our key stakeholders is essential to remaining successful in the long term. We believe that the 17 issues identified in our materiality assessment (initially undertaken in 2022) remain relevant to our business and our stakeholders today. The materiality assessment helps us capture our impacts in a non-financial manner and the findings continue to guide the focus areas of our ESG strategy.

Alongside our aim to have high standards of governance, we have focused most of our activities and initiatives on the following issues: diversity and inclusion; data privacy and security; product innovation; digital infrastructure; and customer satisfaction, all of which our stakeholders placed in the higher priority category.

We have also chosen to actively focus on climate. Although climate did not place in the highest category at the time the assessment was undertaken, we believe we should be doing what we can to positively impact the world in which we live and recognise that initiatives in this area take time to deliver results.

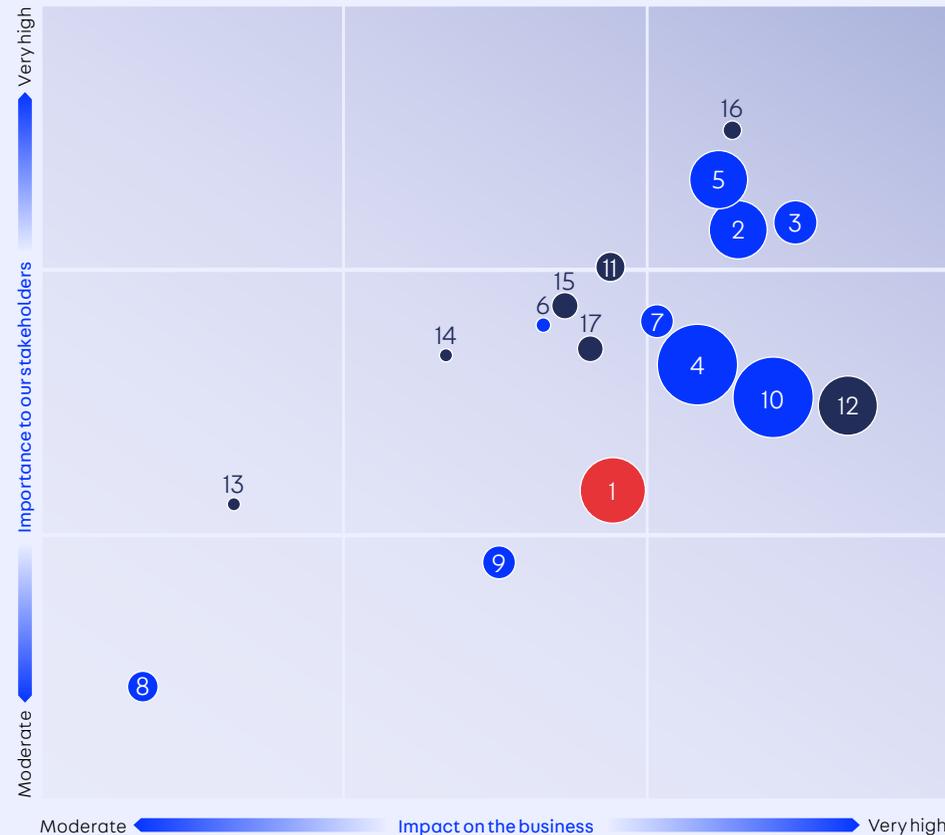
Product innovation, digital infrastructure and customer satisfaction are key to our business strategy. Our focus on digital retailing is to bring more of the buying and selling journeys online, realising both an improved consumer experience and efficiencies for our retailer customers.

OUR FUTURE FOCUS

We will refresh our materiality assessment in full during the next financial year to ensure that the focus of our ESG strategy remains relevant.

OUR MATERIALITY ASSESSMENT

The size of the bubbles on our materiality assessment highlights where our activities for this financial year have been focused.



THE MATERIAL ISSUES THAT MATTER MOST

Our environment

- 1 Climate

Our people & communities

- 2 Data privacy and security
- 3 Employee wellbeing, engagement and safety
- 4 Product innovation
- 5 Customer satisfaction
- 6 Pricing fairness
- 7 Investment in talent
- 8 Advocacy
- 9 Making a difference to our local communities and industries
- 10 Diversity and inclusion

Our governance & compliance

- 11 Driving transparency
- 12 Digital infrastructure
- 13 Responsible supply chain
- 14 Responsible tax strategy and total tax contribution
- 15 Corporate governance
- 16 Ethics and integrity
- 17 Remuneration

Want to know how we define each material issue? Head online:

plc.autotrader.co.uk/esg

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ESG at a glance



OUR ENVIRONMENT

OUR AMBITIONS

- Achieve net zero in our own business as well as support our customers and suppliers as they also transition to net zero.
- Ensure the majority of our employees have completed Carbon Literacy training.
- Help our customers to confidently sell more electric vehicles.
- Support our customers in making their workforce environmentally aware with the Carbon Literacy Toolkit.
- Help car buyers make more environmentally friendly vehicle choices.
- Use our data and insight to support and influence the Government's policies related to supporting the adoption of electric vehicles.

HIGHLIGHTS OF OUR PROGRESS DURING FINANCIAL YEAR 2024

- Our long-term target to be net zero by 2040 has been resubmitted to the Science Based Targets initiative ('SBTi') and has been validated and approved.
- 208 customers and partners have engaged with the Automotive Carbon Literacy Toolkit, with over 3,200 people completing their accreditation.
- Climate contribution strategy - over £350k supporting carbon removal projects and environmental initiatives.
- Launched e-bikes on the Auto Trader marketplace.
- Expanded the audience of our Government briefings on the progress of the UK's electric transition and was invited to give evidence at the House of Lords Committee looking at the EV transition.
- Over 10.8 million people have engaged with our monthly electric vehicle ('EV') giveaway since the campaign started, increasing brand awareness and association of Auto Trader with EVs.

OUR FOCUS FOR FINANCIAL YEAR 2025

- Finalising and communicating our Climate Transition plan.
- Roll out of the Tech Carbon Literacy Toolkit.
- Continuing to work with ministers to share our data and insight to help shape policies needed to support mass adoption of used EVs.

SUPPORTING THE UN SDGS MOST RELEVANT TO OUR STRATEGY



OUR PEOPLE & COMMUNITIES

- Have a representative workforce across all levels of our business.
- Foster an environment where everyone feels included.
- Continue to make progress on our gender & ethnicity pay gaps.
- Maintain high levels of employee engagement.
- Support the physical, mental and financial wellbeing of all our employees.
- Positively contribute to the communities we operate in through local and national charities.

- Three more cohorts (26 employees) completed our Diverse Talent Accelerator programme during the year, developing our next level of leadership talent.
- Launch of our all-employee share award.
- Awarded The Race Equality Matters Bronze Trailblazer status.
- Manchester Pride's All Equals Charter granted us 'Role Model' accreditation.
- Alison Ross, MBE, our Chief People & Operations Officer, was awarded the Automotive 30% Club's Inspiring Woman of the Year Award.
- Hosted the second Mind the Gap event in Parliament, campaigning for Ethnicity Pay Gap reporting alongside other FTSE 100 companies.
- We were once again named as one of the Inclusive Top 50 companies in the UK.
- Launched the No Driver Left Behind report which highlights the gender gap in the electric transition.
- Refreshed our policies for retirement and long service recognition.

- Continued internal focus on our development programmes.
- Work with key industry bodies and partners to support the broader goals around ensuring the automotive industry is gender balanced and that it is an inclusive place for all who work in it.



OUR GOVERNANCE & COMPLIANCE

- Fully adopt the NIST Framework for cyber security.
- Going beyond the requirements of both GDPR and FCA compliance and embracing the spirit and principles.
- Integrate sustainability into all aspects and decision-making processes of our business.
- Embed our Ethical Procurement Policy within the business and adopt a socially responsible sourcing model.
- Report comprehensively in line with recommended reporting frameworks, including TCFD and SASB.

- Fully migrated our technology infrastructure to the cloud and exited from our two main data centres in June 2023.
- 92% of our employees have completed our new Consumer Duty compliance training.
- Established and implemented new guidance, policies and frameworks to ensure we meet the requirements of Consumer Duty, and put the consumer at the heart of our business.
- Integration of Autorama into the Group governance framework.
- Continued improvement of ethical procurement information gathered.
- Successful transition to BDO as internal auditors, with reviews of FCA Consumer Duty, cyber security over AT Connect, software development lifecycle and IT Disaster recovery being completed in the year.
- Refreshed our comprehensive fraud risk assessment in the light of new regulations.

- Guidance and policy over the use of AI.
- Implementation of NIST across all subsidiary companies.
- Continuing to assess the requirements of the Corporate Governance Code around the effectiveness of material internal controls.



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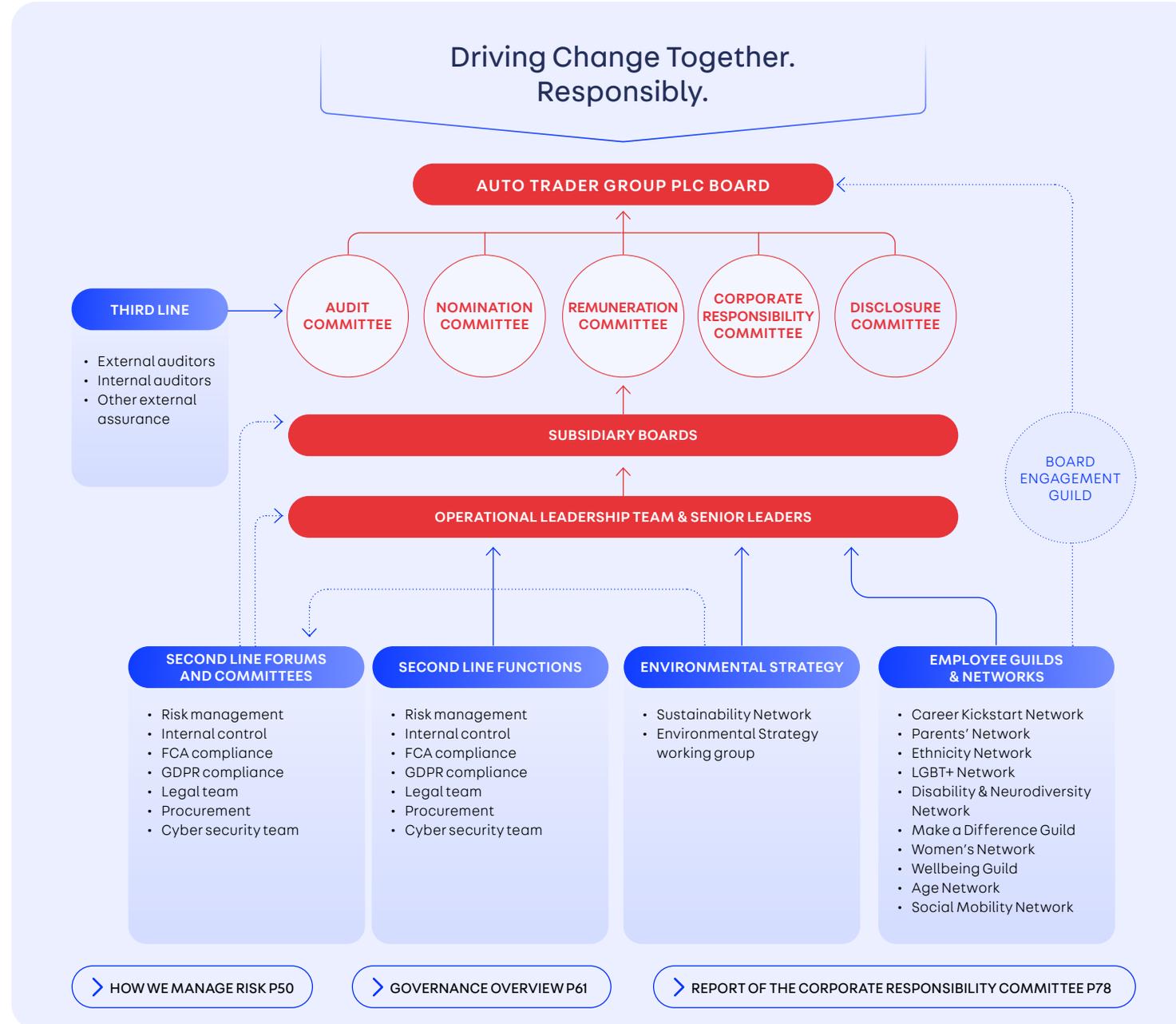
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Governance of our ESG strategy

We have established our Corporate Responsibility Committee to sit alongside our Audit, Remuneration and Nomination Committees.

Whilst ESG-related topics are covered in all Committees, this is a formal Committee of the Board with the overarching goal of monitoring our corporate responsibility initiatives and sustainability targets. The Committee, chaired by Jeni Mundy, plays a crucial role in overseeing the progress towards fulfilling our ESG strategy and ensuring that our targets and goals remain ambitious and realistic. Responsibility for putting our ESG strategy into action spans across the business through specific functions and through our individual guilds and networks, which are empowered to drive change within the organisation.



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TCFD REPORTING GOVERNANCE STRATEGY RISK MANAGEMENT METRICS AND TARGETS



Our environment

Minimise our impact on the environment, thereby protecting our business from the impact of climate change.

Drive change across our own operations and supply chain, and also use our capabilities and voice to influence the automotive and technology industries and Government to support urgent action to tackle the climate crisis.

Report comprehensively in line with TCFD recommendations.

TCFD: GOVERNANCE

We have integrated climate governance into our existing governance processes and sought to embed responsibility for the risks associated with climate change throughout our business, adopting a climate change focused mindset. There is a clear commitment from the Board to deliver on our environmental commitments and ensure relevant accountability across the business. Our environmental strategy was initiated to ensure a joined up approach across the business considering the risks and opportunities climate issues pose and how we are responding to them.

We submitted our annual CDP questionnaire and received a B rating in December 2023 (December 2022: C). The rating is on a scale from A (best possible score) to D-. Our B rating indicates that Auto Trader has knowledge of impacts on, and of, climate issues and that we are taking coordinated action on climate issues.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ('TCFD') COMPLIANCE STATEMENT

The Group has prepared its TCFD disclosures in line with guidance from the 2021 updates to the TCFD Final Report and Annex, including the supplementary guidance for all sectors. At the time of publication, in accordance with the UK's Financial Conduct Authority ('FCA') Listing Rule 9.8.6R(8), the Group has made climate related financial disclosures consistent with the TCFD recommendations and recommended disclosures set out on pages 29 to 39. The table included in the Corporate Responsibility Committee report (page 79) summarises where the relevant disclosures are addressed. We continue to develop our net zero strategy and to identify the risks and opportunities to our business as a result of climate change and the potential financial impact. The climate related financial disclosures made by the Group comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

HOW WE GOVERN THIS AREA



1. BOARD RESPONSIBILITY

The Corporate Responsibility Committee is responsible for holding the Executive Directors to account with respect to climate risks and opportunities and their impacts on both the business and the wider environment. Our environmental strategy is a standing agenda item for all Committee meetings.

2. EXECUTIVE RESPONSIBILITY

The responsibility for assessing and managing climate related risks and opportunities sits at both executive and Board level. Executive responsibility for our impact on climate change is held by all our Executive Directors, who have responsibility for overseeing our environmental strategy. Responsibility for the consideration of climate related risks and opportunities on the financial performance of the Group and compliance with environmental reporting sits with our CFO, Jamie Warner.

3. RISK FORUM

Our Risk Forum undertakes a review of climate related risks with our Operational Leadership Team ('OLT').

Environmental risks are also reviewed at least twice a year as part of the overall risk review process.

4. REMUNERATION COMMITTEE

The Committee introduced ESG-related targets into the Performance Share Plan ('PSP') for the first time in 2021. The PSP includes a specific performance target linked to a reduction of our GHG emissions.

5. THIRD-PARTY ASSURANCE

Our GHG emissions have been independently assured by EcoAct using ISO 14064-3 for all scopes of our carbon footprint.

6. ENVIRONMENTAL WORKING GROUPS

Our environmental strategy not only focuses on our own environmental impact, but also aims to support our customers, consumers and the industries in which we operate and, as a result, various parts of the business play a part in delivering our ambitions. Different parts of the business are brought together through our Environmental Strategy working group, which is sponsored by members of our OLT. Key activities and milestones are set for each financial year and these are shared with the Corporate Responsibility Committee. The Environmental Strategy working group is responsible for our commitment to net zero, which is in line with our SBTi targets. This group also identifies ways in which we can support the tech and automotive industries, alongside helping consumers make more environmentally friendly vehicle choices.

7. EMPLOYEE GUILDS & NETWORKS

Our employees play a fundamental role in the success of our environmental strategy. Our Sustainability Network comprises passionate individuals from across the business who are focused on making life at Auto Trader more sustainable. They do this through increasing employee awareness and driving impactful changes for both individuals and our business, supporting our overall goal of reducing our carbon emissions.

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TCFD REPORTING GOVERNANCE STRATEGY RISK MANAGEMENT METRICS AND TARGETS

TCFD: STRATEGY

We want to minimise our impact on the environment, thereby protecting our business from the impact of climate change.

Our strategy is to put the brakes on carbon, not only across our own operations and supply chain, but also by using our capabilities and voice to influence the automotive industry to support others in the transition to a low carbon economy and take urgent action to tackle climate change.

As the world transitions to a low carbon economy, regulatory change and changes in consumer behaviour will have an impact on the automotive and technology industries, meaning we need to continue to develop and adapt our business strategy to incorporate climate resilience. Reducing the impact our business has on the environment is embedded into our wider business strategy of acting responsibly and we are committed to being a net zero business by 2040.

As well as reducing our own emissions, we are also raising environmental awareness with both our customers and consumers, encouraging them to reduce their own environmental impact. We use our breadth of expertise, data and market insight to accelerate the transition to low carbon transport. We continue to focus on sharing our data and insights with retailers, the industry and Government to help inform public policy and regulation to support the mass adoption of electric vehicles.

Failure to deliver on our environmental commitments could negatively impact our brand as a responsible business or result in regulatory sanctions.

PUTTING THE BRAKES ON CARBON



1 Our net zero commitment – our operations

We have signed up to the Science Based Targets initiative ('SBTi') Business Ambition for 1.5°C. By doing so, we are committed to achieving net zero by 2040 and to reducing emissions in line with the Paris Agreement goals.

c.80%

of Auto Trader employees have completed the Carbon Literacy training, putting us at Platinum award level



2 Supporting the automotive industry

Our aim is to support the industry in its transition towards the mass adoption of electric vehicles ('EVs').

>22,500

average electric vehicle adverts on Auto Trader as at March 2024 (2023: >23,000)



3 Supporting consumers

Our aim is to support consumers to make more environmentally friendly vehicle choices and to be the number one electric vehicle destination in the UK.

>105m

advert views of electric cars on Auto Trader in financial year 2024 (2023: >68m)

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TCFD REPORTING GOVERNANCE STRATEGY RISK MANAGEMENT METRICS AND TARGETS

CLIMATE RELATED RISKS AND OPPORTUNITIES

To build climate resilience into our business strategy we identify climate related risks and opportunities. Environmental risks are reviewed regularly as part of our overall risk review process and we maintain an environmental risk register which monitors key changes and actions taken to manage the risks identified.

As an online marketplace, we have a relatively small carbon footprint and our business model is sustainable in a low carbon environment. However, the automotive industry is intrinsically linked with climate change and there is pressure from consumers and Government for the industry to reduce its impact on the environment. The nature of the risks and opportunities that we face depends not just on the physical aspects of climate change, but also on transition risks. These are driven by the trajectory of our customers and consumers in responding to climate change and the regulations applied to the market we operate in.

Our climate related assessment of the risks and opportunities posed by climate change and how they might impact our business has provided a firm foundation on which to build our environmental strategy and resilience. We considered the transitional and physical climate risks and opportunities presented by rising temperatures, climate related policy and emerging technologies.

We agreed the methodology for assessing and quantifying financial impacts. For the purposes of our assessment, the time horizons we used were aligned to our business planning cycle as follows:

- Short term: 0-5 years
- Medium term: 5-10 years
- Long term: 10 years +

In each case, the likely impact on costs or revenues was reviewed. We have assessed how the risks can be better managed, reduced or mitigated in line with the Group's risk management framework and business strategy. The risks identified during our analysis are more likely to present themselves in the medium or long term.

Having assessed and modelled the risks, we believe that there is no immediate material financial risk or threat to our business model. Even though there is uncertainty around the time horizon over which climate risks will materialise, stakeholder expectations and regulatory attention could develop at pace, impacting the rate at which the business may need to cut carbon emissions.

We recognise that we will need to keep abreast of future climate change legislation as well as consumer preferences and retailers' ability to adapt. However, we have a strong track record of quickly evolving.

CLIMATE RELATED SCENARIO ANALYSIS

To further understand and explore how potential climate risks and opportunities could evolve and impact our business over the medium to longer term, the TCFD recommends undertaking climate scenario analysis, which includes a '2°C or lower scenario' in line with the 2015 Paris Agreement.

We examined two climate scenarios against our three time horizons for the purposes of our analysis. The results are set out in the table on the following pages. The results of our scenario analysis showed that based on our strategic plans and capabilities, we remain well positioned to mitigate the risks and seize the opportunities related to climate change.



KEY TRANSITION RISKS:

Regulatory changes: Stricter emissions regulations and Government policies favouring EV adoption may impact manufacturers' production strategies which will impact supply and therefore stock available to list on Auto Trader's platform.

Supply chain disruptions: Dependency on complex global supply chains exposes the industry to risks related to geo-political tensions, natural disasters, pandemics and risks delaying new cars entering the UK, which can impact supply for retailers and therefore impact Auto Trader.

Consumer preferences: Changes in consumer preferences towards sustainable transportation options and shared mobility services could impact the desire to own a car outright challenging the number of new and used car transactions made each year.

KEY PHYSICAL RISKS:

Extreme weather and climate related natural disasters: Extreme weather could impact our cloud providers which could impact platform performance. We could also see customers' ability to open their showrooms impacted, which risks their ability to sell vehicles.

Resource scarcity: Shortages of critical materials like rare earth metals and lithium could disrupt production of electric vehicles and their components, impacting supply of the vehicles into the UK and available stock on Auto Trader's platform.

Geo-political instability: Political unrest, trade tensions and sanctions can disrupt international supply chains and increase production costs for automotive manufacturers, which risks the amount of vehicles they'll choose to sell in the UK and therefore impacts Auto Trader's new car stock offering.

Navigating these risks will require adaptation, innovation and strategic planning as well as robust risk management strategies and contingency planning.

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Climate related scenario analysis

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Scenario	Description
Orderly transition	Additional policy and legislation introduced to limit climate change - UK does not take immediate and substantial action - gradual and deliberate shift towards a low carbon economy.
Hot house world	Business as usual - no change in climate policy and legislation - UK takes limited or no action - continuation of current projection of carbon emissions without any significant abatement or mitigation.

Impact	Mitigation/response	Financial impact			Inherent likelihood
		Short term 0-5 years	Medium term 5-10 years	Long term 10+ years	

PHYSICAL RISK – Increased frequency/severity of extreme weather and climate related natural disasters

<ul style="list-style-type: none"> Offices closed Data centre disruption Customers cannot open their showrooms 	All technology infrastructure is cloud based. Disaster recovery/business continuity planning in place, including tools and guidance to support our people in emergency situations. COVID-19 proved the sales process can be completed without physical showrooms, plus development of digital retailing will enable all retailers to compete on our digital market.	>2°C	●	●	●	Low
		1.5°C	●	●	●	
<ul style="list-style-type: none"> Weather has the potential to disrupt the supply chain and limit vehicles entering the UK car parc 	We have experienced the impact of disrupted supply chains as a result of recent external catastrophic and geo-political events. These significant supply side challenges have constrained new and used car transactions for much of the past four years. However, our business has remained healthy as market dynamics have adjusted and OEMs and retailers learnt to adapt their business models. We would anticipate weather related disruption to be more intermittent and comparatively less severe than the disruption caused by recent events.	>2°C	●	●	●	Low
		1.5°C	●	●	●	
<ul style="list-style-type: none"> Costs - increased operational costs such as heating/aircon, insurance, cloud costs 	In order to have a significant impact on our business, costs would need to increase significantly. We are continually reviewing our cost base such that any increases can be managed and profit margins retained.	>2°C	●	●	●	Medium
		1.5°C	●	●	●	

TRANSITION RISK – Increased regulation relating to climate change

<ul style="list-style-type: none"> Regulation banning the sale of new internal combustion engine ('ICE') vehicles from 2035 is existing UK regulation and the industry is already working towards this milestone 	We already closely monitor the implementation of policies related to our core business. We will continue to monitor policies with a view to identifying potential risks and opportunities and related financial impacts. We are already evolving our product offering and provision of information to support the effectiveness of EVs on our marketplace and will continue to meet changing preferences of car buyers.	>2°C	●	●	●	High
		1.5°C	●	●	●	
<ul style="list-style-type: none"> Increased regulatory scrutiny and introduction of new legislation could result in increased reputational risk but also increased compliance costs. Failure to deliver against our environmental commitments would undermine our reputation as a responsible business and may result in loss of revenue, legal exposure or regulatory sanctions 	We have formed a Corporate Responsibility Committee to oversee our environmental strategy and commitments. We will report in line with the TCFD recommendations and report progress towards our net zero ambitions against our science based targets.	>2°C	●	●	●	Low
		1.5°C	●	●	●	

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Impact	Mitigation/response		Financial impact			Inherent likelihood
			Minor	Moderate	Major	
			Short term 0-5 years	Medium term 5-10 years	Long term 10+ years	
TRANSITION RISK – Regulation discouraging the use of internal combustion engine ('ICE') vehicles						
<ul style="list-style-type: none"> Cost of ownership increases, making ICE vehicles less appealing Consumers stop buying petrol or diesel vehicles, demand switches over to electric If EVs remain expensive some consumers could be priced out of the market presenting a risk to demand 	We will continue with our strategy to adapt our marketplace to meet changing preferences of all car buyers. It is likely that used car prices will continue to move in line with supply and demand dynamics such that lower demand will make vehicles more affordable.	>2°C	●	●	●	Low/Medium
		1.5°C	●	●	●	
TRANSITION RISK – Demand for sustainable products & services						
<ul style="list-style-type: none"> Consumers' preferences shift away from ICE vehicles; steep decline in purchase of petrol or diesel vehicles in favour of EVs Potential opportunity: Support our audience to find the sustainable options they are seeking 	We will continue with our strategy to adapt our marketplace to meet changing preferences of all car buyers and continue to be the largest marketplace for EVs.	>2°C	●	●	●	Low/Medium
		1.5°C	●	●	●	
TRANSITION RISK – Increased reputational risk associated with the automotive industry and misrepresenting environmental claims						
<ul style="list-style-type: none"> As consumer consciousness around climate change rises, there is increased scrutiny on our industry's role on the environment Failure to appropriately demonstrate that as a business we are committed and moving towards net zero carbon emissions could negatively impact our brand and also impact our ability to operate and/or remain relevant to our customers and consumers 	As part of our goal to be net zero by 2040 we will focus on our own operational footprint and also on how we can positively support our industry. We have set clear reduction targets for our own operations and report progress to stakeholders. We work with customers, suppliers and the industry on education and policy.	>2°C	●	●	●	Low
		1.5°C	●	●	●	
TRANSITION RISK – Achieving resource efficiency through cutting our carbon footprint and improving energy efficiency						
<ul style="list-style-type: none"> Reduced costs associated with energy use and avoid increased costs associated with carbon taxation 	Reduction initiatives to reduce our absolute usage, including successfully moving our technology infrastructure to the cloud.	>2°C	●	●	●	Medium
		1.5°C	●	●	●	
TRANSITION RISK – Increased reputational risk associated with the automotive industry and misrepresenting environmental claims						
<ul style="list-style-type: none"> Consumers may stop buying vehicles if they no longer require one Potential opportunity: Consumers' desire/need to switch to EV 	Likely the risk and opportunity would be taken together, and stock/demand would be maintained as the desire for personal transportation/vehicle ownership remains strong. We will continue with our strategy to adapt our marketplace to meet changing preferences for all car buyers and continue to be the largest marketplace for EVs.	>2°C	●	●	●	Low/Medium
		1.5°C	●	●	●	

OUR FUTURE FOCUS

We intend to periodically review the scenarios and timeframes we choose to apply in our analysis and refine them as needed. The risk management recommendations arising from our climate change scenario analysis were:

- Policy/regulation: It is likely that increased policy and regulation will have the most significant financial impact on Auto Trader over the longer term.

The most significant action we can take is to reduce our exposure to this risk and continue with our strategy to adapt our marketplace to meet the changing preferences of all car buyers. We also need to make sure we continue to remain abreast of regulatory requirements to ensure we are compliant with all relevant reporting obligations.

- Market: Driven by its net zero ambitions, the Government announced the ban on the sale of new petrol and diesel vehicles by 2035, and this

is already changing the make up of the car parc as consumers begin to buy electric vehicles as an alternative.

Auto Trader can mitigate this risk by continuing to develop its strategy to be the destination of choice for consumers searching for a more environmentally friendly vehicle.

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TCFD: RISK MANAGEMENT

The Board is collectively responsible for determining the nature and extent of the principal risks which may impact the business as it seeks to achieve its strategic objectives. Our risk management framework, including the processes for identifying, assessing and managing risk, is described on pages 50 to 52 and the Board recognises climate change as one of Auto Trader's principal risks (see page 54).

Auto Trader plays an important role within the UK automotive ecosystem and climate change is a catalyst for unprecedented change within industry. This mainly relates to the transition from ICE vehicles to Zero Emission Vehicles ('ZEVs') which could result in significant changes to automotive retail. We are working hard to support the industry with this transition, from providing content to help consumers 'demystify' EVs, to lobbying Government to incentivise the transition and sharing our data and insights to inform Government policy over EVs.

Internally, climate change also poses a threat to our business and to our supply chain, including via regulatory change. It is therefore critical that our risk management process considers climate change if we are to understand its impacts both on our business and on the automotive industry as a whole.

Our risk management process approach allows for the continual identification and assessment of climate related risks. We maintain an environment/climate risk register which is reviewed regularly by the risk register owner, their delegates, and our risk management team. Each climate related risk is assigned an owner and controls and/or mitigating actions are recorded against each risk.

HOW WE MANAGE RISK P50

EFFECTIVE RISK MANAGEMENT

1 IDENTIFY

A top-down and bottom-up approach is used to identify key risks across the business. Primarily, risks are identified via three key mechanisms:

- The Board, OLT, senior managers, and GRC perform continuous horizon scanning as part of day-to-day operations.
Our 2nd Line Functions are embedded into the teams responsible for executing key strategic initiatives to help them identify potential risks.
GRC facilitate regular risk workshops with OLT and senior managers within the business.

All new risks are captured on the Group Risk Register which is reviewed by the Board at least half-yearly.

2 ASSESS & QUANTIFY

All risks are evaluated to establish their root causes, the impact, and the likelihood of occurrence. When assessing risks, consideration is given to the financial, reputational, and regulatory impacts, as well as impacts on customers/consumers, and impacts on day-to-day operations. Risks are then categorised as:

- Existential risks: those with the potential to cause fundamental change within our organisation and wider industry.
Operational risks: those arising out of the existing business activities.
Emerging risks: those which relate to new initiatives, new products, and new laws and regulations.

3 RESPOND & MITIGATE

Risk owners consider whether existing controls and mitigations reduce the risk to an acceptable level. On an ongoing basis and following identification of a new risk, 2nd Line Functions provide specialist support to ensure that the response is consistent with our Group risk appetite. Additionally, independent challenge on risk response is provided from 2nd Line Functions, Forums, and Committees.

If the residual level of risk after mitigation remains above our risk appetite, then further mitigating actions are implemented.

4 MONITOR, REVIEW & ASSURE

The effectiveness of key controls is monitored via numerous mechanisms within our governance structure. These include:

- Ongoing monitoring by 2nd Line Functions.
Monthly and quarterly 2nd Line Forums and Committees, including Risk Forum, FCA Compliance, and Trust Forum.
A risk-based Internal Audit plan which captures 4-5 assignments per year.
Other third-party and specialist monitoring and assurance.

The Board reviews the outcomes of assurance activities on an as-needed basis. The Board also reviews the Group's risk register at least half-yearly and assesses the adequacy and effectiveness of mitigating actions in line with our risk appetite.

CLIMATE CHANGE IS A PRINCIPAL RISK FOR THE GROUP RISK AND POTENTIAL IMPACT

The automotive industry is a high contributor to emissions, and so there is pressure from consumers and Government for the industry to reduce its impact on the environment. Failure to deliver on our environmental commitments could negatively impact our brand as a responsible business or result in regulatory sanctions.

Failure to overcome the challenges caused by the shift from internal combustion engines ('ICE') to electric vehicles ('EVs') could inhibit their takeup or lead to changes in buying behaviour. Factors include the purchase price of EVs, potential for improvements in public transport, new and expanded emissions zones, increasing EV running costs, and consumer uncertainty over the residual value of used EVs.

Changing and more stringent regulatory requirements could increase our cost base. Increased frequency and severity of extreme weather events could lead to heightened costs, including costs associated with heating/air conditioning, insurance and cloud infrastructure. Extreme weather events could also lead to short-term closure of retailer forecourts (for example, due to flooding).

HOW WE MANAGE THE RISK

- We are evolving our product offering and marketplace to provide consumers with more information about EVs. A cross-functional working group is focusing on helping consumers make more environmentally friendly vehicle choices.
We lobby Government and share our data and insights to help guide policy on how to decarbonise the automotive industry.
Leasing is a viable option to consumers making the switch to EVs, many of whom are anxious about making outright purchases. The Autorama checkout journey on the Autotrader.co.uk site provides our audience with access to leasing.
As part of our climate commitments, we are focusing not just on our own carbon footprint, but positively supporting the industry. Our partnership with the Carbon Literacy Project provides training and insights to employees and external stakeholders.
Our Corporate Responsibility Committee oversees our environmental commitments and work is ongoing to reduce our carbon emissions across all scopes.
We evaluate the carbon records and commitments of suppliers within our procurement processes.
By digitising the automotive retail sector, we provide customers and consumers with purchasing options should extreme weather events lead to short-term retailer forecourt closures.

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Working responsibly continued

TCFD REPORTING **GOVERNANCE** STRATEGY RISK MANAGEMENT METRICS AND TARGETS

TCFD: METRICS AND TARGETS

To monitor progress against our environmental strategy, we have key metrics and targets. We also disclose our Scope 1, 2 and 3 GHG emissions.

The Group is required to report its energy use and measure and report its direct and indirect greenhouse gas ('GHG') emissions by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The GHG reporting period is aligned to the financial reporting year.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines.

METHODOLOGY

The methodology used to calculate emissions is based on the financial control consolidation approach, as defined in the Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard (Revised Edition).

Emission factors used are from the UK Government's GHG Conversion Factors for Company Reporting, and selected other emissions factors datasets as applicable, for the year reported. For Scope 3 Category 1, an Environmentally Extended Input Output database methodology was used to calculate the GHG footprint across total spend in the year.

INDEPENDENT VERIFICATION OF OUR GHG EMISSIONS

EcoAct has independently assessed and verified Auto Trader's GHG emissions following verification standard ISO 14064-3:2019. Based on the data and information provided by Auto Trader and the processes and procedures followed, nothing has come to EcoAct's attention to indicate that the GHG emissions totals for all years reported are not fairly stated and free from material error.

ENERGY AND EMISSIONS REPORTING

OUR TOTAL CO₂ EMISSIONS¹

	2024		2023 (base year)		2022	
	UK	Global	UK	Global	UK	Global
Scope 1	258	258	342	363	276	294
Scope 2 (location based)	205	205	297	310	368	385
Total (Scopes 1 and 2)	463	463	639	673	644	679
KwH ('000s)	2,473	2,473	2,714	2,775	2,618	2,767
Purchased goods & services		22,949		19,537		23,562
Capital goods		2,262		498		794
Fuel and energy-related activities		74		133		196
Upstream transportation & distribution		–		72		115
Waste generated in operations		107		5		16
Business travel		1,041		365		63
Employee commuting (inc. working from home)		982		1,746		1,004
Upstream leased assets		–		129		106
Use of sold products ²		70,643		56,323		102,807
End of life treatment of sold products		383		31		50
Investments		37		26		27
Scope 3 (total)		98,478		78,865		128,740
Total (Scopes 1, 2 and 3)		98,941		79,538		129,419
Revenue ³		£570.9m		£510.4m		£491.1m
Tonnes of CO ₂ equivalent per FTE ⁴		80.2		68.5		107.9
Tonnes of CO ₂ equivalent per £million turnover ³		173.3		155.8		263.5
Scope 2 (market based)		10		3		91
% renewable		95%		99%		76%

1. Scopes 1, 2 & 3 are reported in tonnes of CO₂ equivalent.

2. The methodology for calculating use of sold goods has changed in 2024. We will recalculate 2023 on the same basis in the coming year.

3. This includes Autorama revenue for the period 1 April to 31 March for each period reported.

4. Based on average number of employees in the Group throughout the year 2024: 1,233 (2023: 1,160, 2022: 1,199). The average number of employees included Autorama FTEs for the period 1 April to 31 March for each period reported.

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1 Our net zero commitment – our operations

We have signed up to the Science Based Targets initiative ('SBTi') Business Ambition for 1.5°C. By doing so, we are committed to achieving net zero before 2040 and to reducing emissions in line with the Paris Agreement goals.

2040

is the year we are committed to achieving net zero



Net zero refers to the balance between the amount of greenhouse gas produced and the amount removed from the atmosphere. We reach net zero when the amount we add is no more than the amount taken away. Our near and long-term net zero targets have both been validated and approved by the SBTi.

Our greenhouse gas emissions and carbon intensity ratios are disclosed on page 35 and these form part of our key metrics. We have committed to reach net zero greenhouse gas emissions across our value chain by 2040, committing to:

- Reduce absolute Scope 1 and 2 GHG emissions by 50% before 2030 from a 2023 base year.
- Reduce absolute Scope 3 GHG emissions by 46.2% over the same timeframe.
- Reduce absolute Scope 1, 2 and 3 GHG emissions by 90% by 2040 from a 2023 base year.

HOW WE'RE TAKING ACTION

To meet the SBTi's definition of net zero, we need to reduce our emissions by at least 90% and then use carbon removal initiatives to neutralise any limited emissions that cannot yet be eliminated. It is therefore essential that we fully understand the source of our emissions and undertake targeted actions. We resubmitted our targets to the SBTi to revalidate them to include the Autorama acquisition and to rebase our baseline year to 2023. Our emission reduction targets have been incorporated within executive remuneration policies (page 81 onwards).

The make up of our carbon emissions is heavily weighted towards Scope 3, and within that, purchased goods and services and use of sold goods are the biggest contributors. During the year, our GHG emissions totalled 98.9ktCO₂. This was an increase on 2023 (2023: 79.5ktCO) and is primarily due to an increase in the volume of cars passing through Autorama's balance

sheet. Although our direct environmental impact is relatively small we are committed to reducing our emissions. The main risk surrounding our operational emissions is our indirect Scope 3 emissions relating to purchased goods and services and use of sold goods. With the acquisition of Autorama, our emissions have increased significantly in these categories due to the vehicles sold by Autorama that temporarily pass through their balance sheet. The spend we have with our suppliers is also a big contributor to purchased goods and services.



sheet. In respect of our other emissions, we have a committed climate action plan and our targets and progress are set out on the next page.

Our Sustainability Network comprises passionate individuals from across the business who are focused on making life at Auto Trader more sustainable through increased employee awareness and driving impactful changes for both individuals and our business, supporting our overall goal of reducing our carbon emissions. We want to foster an environmentally responsible culture through awareness and by encouraging employee-led environmental actions and initiatives.

We have rolled out Carbon Literacy training for all employees and have a c.80% completion rate.

During the year we completed the migration of our data centres to the cloud and also started work on installing solar panels at our Hemel Hempstead office.

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Working responsibly continued

Metric	Emission type	Target year	Our progress	Current status
Switch 100% of our fleet vehicles (Auto Trader and Autorama fleet) to be EV or low emission.	SCOPE 1	2030	Base year Current year 353 tCO ₂ e → 221 tCO ₂ e	ON TRACK
Auto Trader data centres to be fully migrated to the cloud.	SCOPE 2	2024	Base year Current year 67 tCO ₂ e → 15 tCO ₂ e	COMPLETE
Energy: reduce overall electricity usage by 50% (against a 2023 baseline) and procure 100% renewable energy for our remaining needs.	SCOPE 2	2030	Base year Current year 1,602 Kwh ('000s) → 920 Kwh ('000s)	ON TRACK
Business travel emissions: achieve a 50% reduction (against a 2023 baseline).	SCOPE 3	2030	Base year Current year 374 tCO ₂ e → 1,041 tCO ₂ e	MORE WORK NEEDED
Commuting emissions (including emissions generated from working from home): achieve a 50% reduction (against a 2023 baseline).	SCOPE 3	2030	Base year Current year 1,746 tCO ₂ e → 982 tCO ₂ e	ON TRACK
Suppliers: require 50% of suppliers, by spend, to have meaningful carbon reduction targets.	SCOPE 3	2030	<ul style="list-style-type: none"> One of the Group's strategic objectives is to transition our value chain to net zero emissions, bringing suppliers on the journey and embedding sustainability within our procurement processes. We are improving our data quality so we can start taking action to address our Scope 3 emissions relating to purchased goods and services. Ethical procurement questionnaires completed covering 75% of our supplier spend. 	MORE WORK NEEDED
Autorama Scope 3 emissions.	SCOPE 3	2030	<ul style="list-style-type: none"> A significant part of the Group's Scope 3 emissions relate to the purchased vehicles that temporarily pass through Autorama's balance sheet. During the year, vehicles taken on balance sheet increased. As supply improves we expect to become less reliant on vehicles where we are required to take them on balance sheet. 	MORE WORK NEEDED
Climate contribution strategy.	NET ZERO	2030	<ul style="list-style-type: none"> Taking responsibility for our carbon emissions by contributing to climate action. Partnered with the Greater Manchester Environmental Fund to support community projects that make big improvements to green spaces across Greater Manchester. Worked with a third party to identify suitable projects for investment during the year - more work is needed to identify further projects for us to support. Further work needed to adopt an appropriate internal carbon price and implementation within the business. 	ON TRACK

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TCFD REPORTING GOVERNANCE STRATEGY RISK MANAGEMENT METRICS AND TARGETS

2 Supporting the automotive industry

Our aim is to support the industry in the transition to the mass adoption of electric vehicles ('EVs').

>3,200

people in the automotive community have completed Carbon Literacy training



METRICS

Metric	Our progress	Current status
Number of electric vehicles advertised on Auto Trader	22,536 (average as at March 2024)	ON TRACK
Share of electric vehicles advertised on Auto Trader	4.5% during FY24	ON TRACK
Number of electric vehicles delivered by Autorama	876 during FY24	MORE WORK NEEDED
Number of videos produced covering electric vehicles	56 during FY24	ON TRACK

SUPPORTING THE TRANSITION TO EVS

The Zero Emission Vehicle mandate came into force in 2024, causing significant levels of change in the industry for manufacturers and retailers as the mandate began to dictate the number of EVs each brand needs to sell each year or risk paying fines. A lot needs to happen in the coming years to ensure the successful mass adoption of electric vehicles. We have been regularly meeting with various Government departments to share our data and insights to help guide policy for a number of years now and in the past 12 months, the number of Government departments receiving these insights has expanded, showing the value and impact of our work. Additionally, this year we were invited to present oral and written evidence at the House of Lords Environment and Climate Change Committee Electric Vehicles inquiry, with our research playing a key part in the summary document of the inquiry.

Our wealth of data and insight gives us a unique view of consumer car buying intentions, and particularly consumer EV buying intentions. This data forms the basis of our award winning 'Road to 2035' Reports, which are extremely valuable to not only the Government, but also to media and the industries involved in the electric transition. This year, the Report, as well as our press activity tracking the impact of London's Ultra Low Emission Zone expansion, resulted in a request from Transport for London's press team who had seen our data analysis and commentary in the media and wanted our input on the scrappage scheme expansion, demonstrating the impact and influence of our data and reputation.

CARBON LITERACY TOOLKIT

The automotive industry is under enormous pressure to reduce its carbon emissions and whilst many of our industry partners have clear and bold plans to reduce emissions, many are still very early on in their sustainability journeys and require support to help them develop a carbon reduction plan. Through our partnership with the Carbon Literacy Trust, we have created and fund the Automotive Carbon Literacy Toolkit which has gone from strength to strength. We're now looking to launch a Technology Sector Toolkit with a new

set of sector partners. In the automotive space, 208 organisations have now completed the training (as at 31 March 2024) which our customers view as an important step in their sustainability journey, as well as a key employee engagement initiative. Once an individual in a business has been accredited as 'carbon literate', the business is then provided with training content and trainer manuals that enable them to run their own one-day Carbon Literacy training. After a significant jump this year, over 3,200 people in these businesses have now completed the training (2023: over 1,000).

In addition to the training, we continued our Building a Sustainable Automotive Industry event series which aims to inspire action and motivate businesses to be more sustainable by gathering industry partners and sustainability experts together. This year, we partnered with Capgemini to deliver an event focused on creating carbon reduction plans.

We also conducted research on retailer attitudes to sustainability to gain a deeper understanding of the current situation and found that whilst the majority of retailers understand sustainability is key to future-proofing their businesses, few know how to get started. As a result, we are looking to make this an always-on offering for our industry partners and so will be launching a Sustainability Hub in the next financial year. This will comprise two elements - one, a content hub with case studies and key environmental information and two, a community space where those working on sustainability can come together, ask questions and share experiences.

OUR 'ELECTRIC VEHICLE HUB'

Further to launching our EV 'Retailer Performance Module' last year, we now also have an 'Electric Vehicle Hub' for our retailer customers which provides a one-stop-shop for all things EV with live market data and electric retailing advice. When the Government moved the ban on the sale of new petrol and diesel cars to 2035, we rapidly responded with supporting materials and webinars for our retailer partners and the EV Hub allows us to provide this level of detailed support all year round.

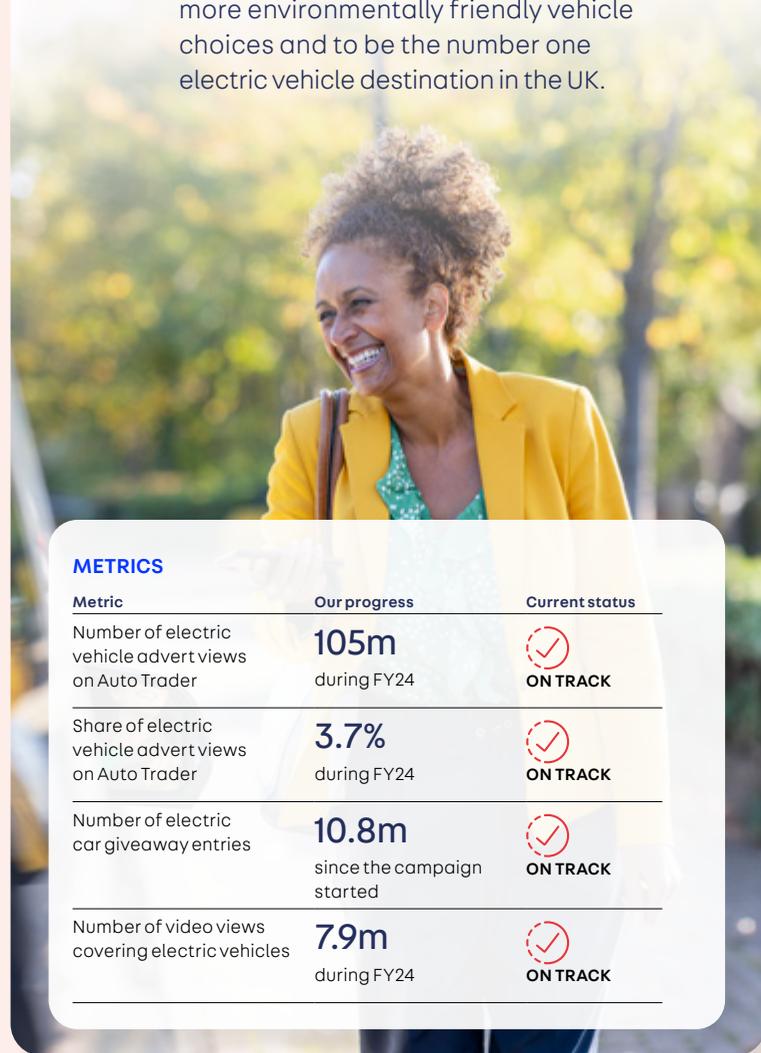


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3 Supporting consumers

Our aim is to support consumers to make more environmentally friendly vehicle choices and to be the number one electric vehicle destination in the UK.



METRICS

Metric	Our progress	Current status
Number of electric vehicle advert views on Auto Trader	105m during FY24	ON TRACK
Share of electric vehicle advert views on Auto Trader	3.7% during FY24	ON TRACK
Number of electric car giveaway entries	10.8m since the campaign started	ON TRACK
Number of video views covering electric vehicles	7.9m during FY24	ON TRACK

We continue to increase the coverage and exposure we give electric vehicles ('EVs') across all our platforms, making it easier for car buyers to search for and find information on EVs. Our goal is to ensure the electric vehicle transition is fair and equitable and, with this in mind, we conducted research on the gender gap in electric vehicles and found a significant difference between how men and women think about and consider electric vehicles. We used this research to create the 'No Driver Left Behind: Women and the journey to electric' report which outlines reasons for the gender gap as well as potential solutions. The report was very well received, featuring on BBC Women's Hour and with multiple Government departments and manufacturer partners requesting sessions on the topic.

>10.8m

entries to our EV monthly giveaway since the campaign started

Last year we launched an EV Hub on site and this year the focus has been on driving traffic to the hub, with multiple paid marketing activities being dedicated to this. From partnerships with the Guardian, the Evening Standard and Hearst Media titles such as Good Housekeeping and Cosmo to Spotify podcast and TikTok adverts, the goal has been to expand our reach and engage new audiences on the topic of electric vehicles. The EV monthly giveaway continued and has now amassed more than 10 million entries, giving away over £1 million worth of prizes since the campaign started.

LAUNCH OF A NEW E-BIKE PLATFORM

A step change development in our mission to support consumers to make more environmentally friendly choices has been the launch of new e-bikes on our platform in May 2023. The e-bike community welcomed this launch and viewed it as a key sign of maturation of the e-bike market and were excited by the impact Auto Trader's size and reach can have on the sector. On-site interest in e-bikes has been rapidly increasing and we've had great success with Black Friday promotions and editorial e-bike content.

"We need to address the specific concerns of women around EVs. Prioritise what women will get for their money rather than extolling the virtues of going green. Explain what lower running costs mean rather than advertising the benefits of new technology. Women have different points of engagement."

ERIN BAKER
Editorial Director, Auto Trader



NO DRIVER LEFT BEHIND

To progress our work to ensure No Driver is Left Behind in the electric transition, we've executed multiple campaigns in the consumer lifestyle space.

By launching multiple media partnerships with titles including the Guardian, Cosmopolitan and Good Housekeeping, we surfaced Auto Trader's electric content to new audiences, specifically in the lifestyle and women's press. By establishing

relationships in these sectors, we have also increased the volume of PR coverage in women's lifestyle titles, a key goal of our electric communications strategy.

We also launched new podcast adverts that directed listeners to Auto Trader's EV Hub; these adverts appeared on Parenting Hell and The Receipts, bringing electric vehicles into the conversation in a lifestyle environment.

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Working responsibly continued



Our people & communities

Continue to build diverse teams and evolve our inclusive culture.

Maintain high levels of employee engagement, supporting positive health and wellbeing.

Partner with charities, community groups and industry bodies to make a difference to the communities where we work and live.

HOW WE GOVERN THIS AREA



1. BOARD RESPONSIBILITY

Material ESG topics discussed by the Board include diversity and inclusion, employee engagement and talent development. The Corporate Responsibility Committee is responsible for holding the Executive Directors to account and on a quarterly basis our people scorecard is reviewed and progress against our cultural KPIs is monitored. The Board plays an important role in ensuring our culture is aligned with our long-term strategy.

2. EXECUTIVE RESPONSIBILITY

The responsibility for assessing and managing our people and culture sits at both Executive and Board level. Our Executive Directors have responsibility for oversight of our diversity and inclusion agenda and are responsible for ensuring that our values are embedded into all parts of our business.

3. OPERATIONAL LEADERSHIP TEAM

Our Operational Leadership Team ('OLT') is responsible for driving our culture that is values-led, customer-centric and data driven, underpinned by a diverse and inclusive team. Having a progressive culture and environment ensures the attraction, development and retention of a talented, engaged and diverse workforce.

4. REMUNERATION COMMITTEE

The Committee introduced diversity-related metrics into the Performance Share Plan ('PSP') targets for the 2021 PSP award. From 2022 onwards, PSP award performance will be measured against our diversity ambitions as part of an underpin rather than as a standalone target. The Committee also has remit over material changes to package and benefits and approved the all-employee share scheme.

5. EMPLOYEE GUILDS & NETWORKS

Our employees play a fundamental role in the success of our ESG strategy. Through our thriving networks and guilds, our ESG priorities and ambitions are championed and driven forward by our employees. See page 45 for more information about our networks. These networks feed into a wider Diversity and Inclusion Guild which oversees the various networks to ensure they drive real change across our organisation.

Our Board Engagement Guild is the primary mechanism for our Board to engage with our employees and meetings are not attended by the Executive Directors. Employees are able to share their experiences and views, as well as providing the opportunity for them to ask questions directly of Non-Executive Directors. The Board Engagement Guild has representatives from across different parts of the business and canvasses views and opinions from their colleagues to share with the Board.

6. THIRD-PARTY CHARTERS & ACCREDITATIONS

We have signed up to various third-party charters and have received a number of accreditations, most notably:

- Race at Work Charter
- Change the Race Ratio
- Disability Confident Leader
- Social Mobility Top 75
- Inclusive Companies
- Living Wage employer

ENGAGING OUR EMPLOYEES

We recognise the importance of having the right mix of communication and engagement channels for our employees and this is something that we continuously review and develop based on employee feedback and best practice. We welcome open and honest feedback from our employees and surveys are conducted on a regular basis. We run an anonymous survey twice a year to measure employee engagement, understand job satisfaction and understand where changes may be necessary. In our most recent survey we were pleased that 97% (2023: 91%) of our employees agreed or strongly agreed with the statement "I am proud to work for Auto Trader", a measure which we view as a proxy for engagement. Our engagement survey is supplemented with pulse and post-event surveys where relevant.

We have continued to embrace Connected Working which offers all employees greater flexibility in where and how they work whilst still maintaining collaboration with their teams and the wider Auto Trader community. We have strengthened our internal communications through our regular 'OLTV' sessions, led by our CEO and wider leadership team. These sessions, together with our annual all-employee conference, provide opportunities for our employees to stay connected to our business priorities and hear about key business updates.

Our Board Engagement Guild is the primary mechanism for our Board to engage with our employees and for them to understand their experiences and views, as well as providing the opportunity for employees to ask questions directly of Non-Executive Directors. The Guild has representatives from across different parts of the business who canvass views and opinions from their colleagues to share with the Board. This year the Guild met four times and discussed topics including wellbeing, Directors' remuneration, our new values, consumer engagement and Connected Working.

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Working responsibly continued

Our values underpin everything we do

Periodically we review our values alongside our strategy, purpose and priorities.

Whilst they don't often change, this year we did evolve them slightly, replacing 'courageous' with 'decisive' and 'reliable' with 'adaptable'. We've made these changes to align with the values we already see within the organisation but also recognise values which we believe will be important in helping us meet our future aspirations.



Reflecting our culture and commitment to making a positive impact

Community

We connect and understand each other, respect our differences and focus on finding common ground. We are committed to making a difference in the communities around us.

Curious

We look up, listen, think beyond the obvious and find the Auto Trader way. We're restless and always thinking about what's next.

Humble

We share in our failures as well as our successes. We earn our place and take nothing for granted.

Determined

We get stuck in and have the conviction to make big things happen. We persevere and aren't scared to do the hard thing.

Decisive

We crack on, trusting our instincts, data and experience. We sometimes disagree, but we always commit and deliver together.

Adaptable

Our ability to change and change again is our greatest strength. We act for the long term, accept uncertainty and challenge everything.

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Working responsibly continued

WELLBEING AND SAFETY OF OUR EMPLOYEES

We are committed to supporting our employees in all aspects of their health and wellbeing. We provide a comprehensive range of healthcare benefits as well as access to tools and education, mental health support and supportive pathways to empower our employees to have more good days. During the year, people leaders attended refresher courses in mental health awareness to assist them in identifying and supporting issues that relate to people's mental health, and learn practical skills that can be used every day to help support team members. Access to mental health support and services is made available to all employees via trained Mental Health First Aiders and our Employee Assistance Programme.

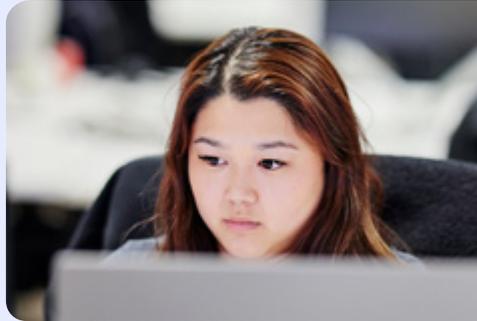
We also provide access to tools and resources to support employees with their financial wellbeing. A Group personal pension plan is offered to all employees, under which they can contribute between 3% and 5% (or higher) of their salary and Auto Trader contributes between 5% and 7%. All employees can join the Group's Save As You Earn scheme, with 563 of our employees participating in at least one of the current schemes. In September 2023 we announced an all-employee share award that rewards employees with an extra 10% of their salary in shares each year, vesting over a three-year

period. This builds on our already strong ownership culture and aligns our people with our shareholders.

We are committed to creating a safe office environment and to achieving high standards of health and safety, committed to protecting our staff and others affected by our operations. Our principal objective is to prevent or minimise accidents, injury and ill health to staff, contractors and others, who work at or visit our premises. We have a fully compliant Health and Safety Policy and appropriate insurance for all employees. We can report that we have had no fatalities or serious injuries during the year, and there was no impact to our operations due to work-related incidents or work-related occupational disease. We have had one accident reportable to RIDDOR this past financial year with no further action required.

Following the introduction of our Connected Working approach, we remain committed to our people's health and wellbeing. To support our colleagues we make sure that their workstations are safe by completing a risk assessment of both office and home-based workstations and environments. This assessment is designed to ensure compliance with health and safety regulations and will help to identify and minimise risks while working from home or the office.

INVESTING IN AND SUPPORTING OUR TALENT



Our ambition is to make sure that everyone has the time and opportunity for development at Auto Trader. We support this through personal development plans and opportunities, coaching and mentoring, structured programmes and self-learning. We underpin this through our cultural and inclusive initiatives, including values-based training, inclusive leadership and an inclusive talent development programme.

We pride ourselves on having a community focused on development where everyone can be successful. We still retain a strong level of retention and employee engagement and our attrition rate remains low at 11% (2023: 11%) when compared to industry and national averages.

Our learning academy is the platform that provides a range of learning opportunities for all employees (including part-time and contractors). We provide sponsorship for professional qualifications and access to continuing professional development for our people. Mandatory training covers our compliance essentials to ensure compliance with our legislative and regulatory requirements. Our non-mandatory training covers a broad range of learning and development that provide role-specific technical skills and soft skills that support being successful at Auto Trader. Our mentoring and coaching programmes are available to all employees and we continue to build internal coaching, mentoring and sponsorship capability.

We have a dedicated Early Careers team which plays a vital role in nurturing the future success of our company. We take immense pride in our exceptional pipeline of talented individuals who are carefully developed to assume key roles across various departments in the business. Our team is committed to identifying opportunities, crafting innovative programmes, and delivering comprehensive support to facilitate the growth and success of early careers, retraining and professional development for colleagues at Auto Trader.

Year	2024	2023
Hours of mandatory training (see page 49 for more detail)	1,113	2,286
Hours of non-mandatory training	27,363	27,316
Annual cost of training ¹	£633k	£494k
Average cost per employee ²	£513	£487
Employees studying for professional qualification	8	8
Employees on an apprenticeship/early careers ³	71	78

1. This includes external trainer and platform costs, but excludes the employment costs of our in-house Learning & Development team.
2. Based on average number of employees in the Group throughout the year 2024: 1,233.
3. As at 31 March - this excludes individuals who completed their programme during the reporting period.



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Working responsibly continued

GENDER AND ETHNICITY DIVERSITY

As at 31 March 2024, at a Board level, over half of our Board are women, exceeding the FTSE Women Leaders Review recommendations and FCA Listing Rules requirements, which have a target of 40% women's representation. We acknowledge that at the time of reporting we do not have a woman holding one of the four senior Board roles but will do after the AGM. We satisfied the recommendation of the Parker Review that at least one Director should be from an ethnically diverse background.

After the AGM (scheduled for 19 September 2024) the Board membership will comprise six women and three men, with two from an ethnically diverse background and a woman as Senior Independent Director.

The percentage of the total company who are from an ethnically diverse background has increased from 15% to 17% during the year, with the percentage of those from an ethnically diverse background in leadership decreasing from 8% to 6%. We remain committed to increasing ethnically diverse representation in leadership. As was the case with women, we are focused on our recruitment processes, the majority of which are in lower level roles, and how we develop and promote a diverse group of individuals through the organisation.

Last year, the Parker Review announced that it was extending its scope to senior management, asking the FTSE 350 to set a percentage target for senior management positions that will be occupied by ethnic minority executives in December 2027.

We have set a target of 10% ethnically diverse senior management (OLT and OLT-1) to be achieved by March 2027 in line with the Parker Review.

	As at 31 March 2024									As at 31 March 2023								
	Board			Executive management OLT ²		OLT direct reports		Total company		Board			Executive management OLT ²		OLT direct reports		Total company	
	Number	%	Number of senior positions ¹	Number	%	Number	%	Number	%	Number	%	Number of senior positions ¹	OLT ²	%	Number	%	Number	%
Men	4	44%	4	4	44%	41	59%	701	57%	4	44%	4	4	44%	45	62%	696	57%
Women	5	56%	-	5	56%	28	41%	548	43%	5	56%	-	5	56%	28	38%	524	43%
Non binary/ other	-	-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	6	-

	As at 31 March 2024									As at 31 March 2023								
	Board			Executive management OLT ²		OLT direct reports		Total company		Board			Executive management OLT ²		OLT direct reports		Total company	
	Number	%	Number of senior positions ¹	Number	%	Number	%	Number	%	Number	%	Number of senior positions ¹	OLT ²	%	Number	%	Number	%
White British or other	8	89%	4	9	100%	59	86%	909	72%	8	78%	3	9	100%	62	85%	876	72%
Mixed ethnic groups	-	-	-	-	-	-	-	26	2%	-	-	-	-	-	1	1%	29	2%
Asian /Asian British	1	11%	-	-	-	4	6%	129	10%	1	11%	-	-	-	4	6%	103	8%
Black/ African /Caribbean /Black British	-	-	-	-	-	1	1%	42	3%	-	-	-	-	-	2	3%	37	3%
Other	-	-	-	-	-	-	-	19	2%	-	-	-	-	-	-	-	15	1%
Not disclosed	-	-	-	-	-	5	7%	130	11%	-	-	-	-	-	4	6%	166	14%

1. Senior positions defined as CEO, CFO, SID and Chair of the Board.
 2. Excludes CEO, COO and CFO who are included in the Board numbers.

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GENDER AND ETHNICITY PAY GAP

We released our fourth combined Gender and Ethnicity Pay Gap Report 2023 (published in December 2023, reporting the pay gap as at 5 April 2023). We have joined forces with other FTSE 100 companies to encourage more companies to report and to campaign to make ethnicity pay gap reporting mandatory in the same way that it is for gender. You can read more about our work to ensure gender equality in our UK workforce in our Gender and Ethnicity Pay Gap Report on our corporate website, plc.autotrader.co.uk.

We continue to make progress in reducing our gender pay gap. Our mean gender pay gap decreased by 2.3% (2022: 0.3% decrease), and our median pay gap decreased by 3.3% (2022: 0.4% increase). During the reporting period, we performed well in retaining women in our upper quartiles (30% women leavers compared to 63% for men). Our overall gender split when looking at people who left Auto Trader during the reporting period was also more favourable to women; they accounted for 30% of leavers compared to 70% for men. Of the new hires included in the report, 46% were women (2022: 43% women). Our goal is to get to a 50/50 gender split across all our recruitment campaigns. We have also continued with our focus on hiring early career roles, with 31% of total hires joining an early career programme. Of the technology based roles, 64% of them went to women as part of our continued strategy to increase the number of women in technology by hiring at entry level and progressing them through their careers. Between April 2022 and March 2023, we were pleased to see that women accounted for 41% of all promotions, and we continue to strive to increase this further.

During the reporting period, the mean and median ethnicity pay gaps have decreased by 1.2% and 5.5% respectively (2022: decreased by 0.8% and 1.2% respectively). We have also increased ethnically diverse representation across all quartiles, with the upper middle quartiles showing the largest increase at 3.4%.

We have again focused on three primary areas when exploring what led to the decrease: retention; changes in circumstances for our existing colleagues; and new hires. The retention of ethnically diverse employees, particularly in more senior roles, has had an important impact on reducing our ethnicity pay gap. Of those who left during the reporting period, 8% of our ethnically diverse leavers were in the upper quartile compared to 28% of white leavers.

We have always been transparent in acknowledging that the key to reducing our ethnicity pay gap is to increase representation of ethnically diverse individuals in senior roles (and therefore the upper quartiles), so we are pleased to see positive movement in this area. During the reporting period, 27.5% of our hires were ethnically diverse – nearly 10% more than our actual representation at the time of reporting (18%). We can see the positive impact of this with the representation of ethnically diverse colleagues increasing across all quartiles which has been successful due to our continued efforts to hire diverse talent across all levels of the business.

DIVERSITY AND INCLUSION

At Auto Trader, we are committed to creating a diverse and inclusive work community that enhances our culture and improves our business through our ability to attract, identify and develop talent. People are one of our business's greatest assets, so ensuring we have a diverse workforce and a culture where everyone feels included is critical to unlock the full potential of our people therefore unlocking the full potential of our business; only with a mix of different ideas and perspectives can we come up with the most exciting new ideas and create the best experience for our customers and consumers.

We define diversity as any classification that can be used to differentiate groups or individuals from one another, including: gender; sex; age; sexual orientation; disability & neurodiversity; race & ethnic origin; religion & faith; marital status; and social/educational

DEVELOPMENT PROGRAMMES

This year we have introduced the first Black Experience workshops for all people leaders of black colleagues. The workshops were designed and are being delivered by the People team in collaboration with our black colleagues and aim to increase awareness and appreciation of the challenges black colleagues face in and out of the workplace.

Through the workshops we also aim to highlight the behaviours that people leaders can utilise in order to enhance black inclusion.

background and way of thinking. We define inclusion as a state of being valued, respected and supported for who you are. We, and our people, strongly believe in pursuing this aim authentically and systemically, which we expect in time to be evidenced in our metrics. We are committed to driving long-term change in both the technology and automotive industries. Our focus is on developing diverse leaders as well as representative workforces in these industries. We invest heavily in our early careers programmes, as well as supporting several initiatives and partnerships, including DigitalHer with Manchester Digital, the Automotive 30% Club and our STEM Ambassador Programme.

Our representation of women at a total company level increased from 43% to 44%. During the year, the percentage of women on our Operational Leadership Team ('OLT') remained at 50%. We also increased the percentage of women in leadership roles to 42% as at 31 March 2024 (March 2023: 40%), as defined by the FTSE Women Leaders Review.

To increase our representation across all levels of the organisation, we aim to stimulate the flow of diverse talent from early careers through to senior leadership by both targeted development

programmes and equipping our leaders to get the very best out of everyone on their team and support their development through the organisation. Our Continuous Leadership Development programme, made up of a range of training interventions, supports our senior leaders and people managers. We have also continued with our Diverse Talent Accelerator programme designed to support the progression of mid-career colleagues.



We remain committed to supporting disabled and neurodiverse employees and those who become disabled during their employment with us. Recognising that everyone is unique, we provide the right support to ensure they continue to realise their full potential and develop their careers with us. Selection for employment, promotion, training and development (as well as other benefits and awards) is made based on merit, aptitude and ability and the Group does not tolerate discrimination in any form, including in relation to disabled candidates.



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DRIVING OUR D&I STRATEGY THROUGH OUR INTERNAL EMPLOYEE-DRIVEN NETWORKS

A core part of our people and culture strategy is centred around our employee-driven networks. Everyone at Auto Trader is encouraged to join one of our employee-driven networks that help to champion: wellbeing, women, ethnicity, LGBT+, disability and neurodiversity, parents, social mobility, and a multigenerational workforce. The networks and their leaders are a core part of our culture, helping to welcome employees when they join our organisation, empowering team members to thrive and spearheading outreach programmes that support our local communities. We ensure each network has a senior leadership sponsor to help drive change and champion network initiatives.



Our Age Network was launched last year and focuses on creating an inclusive environment for the multigenerational workforce of Auto Trader.



The Career Kickstart Network brings together colleagues from across the business to learn and grow together through shared experiences, resources and discussion.



Our Disability & Neurodiversity Network continues to create a more accessible and inclusive environment for our colleagues. 13.5% (2023: 13.5%) of our colleagues have disclosed a disability or neurodiverse condition. The network partners with various charities including Leonard Cheshire, the Royal National Institute for Deaf People and the Business Disability Forum to educate colleagues and raise awareness.



The Ethnicity Network brings together colleagues from across the business to raise awareness and drive positive change for our colleagues, customers and communities who are currently underrepresented ethnically. With an aim to create an even more inclusive workplace where everyone feels valued, respected and empowered to contribute to their fullest potential.



Our LGBT+ Network representation is currently 10.0% (2023: 9.1%) and the network has continued to support our colleagues and connect with local LGBT+ charities, including The Proud Trust and the George House Trust.



Through building an internal community within the business, the Parents' Network helps create an environment for colleagues to support each other in navigating the challenges of being working parents.



Our Social Mobility Network is focused on understanding how socio-economic background can influence individuals in the workplace and working to remove barriers and open opportunities. Auto Trader has signed the Social Mobility Pledge, committing to putting social mobility at the heart of what we do with 71% of our people sharing social mobility data.



Our Women's Network is focused on improving and evolving representation of women at all levels in Auto Trader, the automotive industry and the digital communities within which we operate, by recruiting, retaining and developing female talent.

MAKING A DIFFERENCE TO OUR COMMUNITIES AND THE INDUSTRIES WE OPERATE IN

Our Auto Trader community shapes our culture and we are committed to making a difference and having a positive impact on the communities we operate in.

Our Make a Difference Guild is committed to empowering our employees to support national and local charities and communities, supporting the causes that are close to their hearts and delivering real and visible change to our communities. Employees can take up to two days a year to volunteer in the community and our Auto Trader Community Funds aim to deliver financial support to local community groups and charities in our homes of Manchester, London, Hemel Hempstead and across the UK. Through our AT Sponsorships we continue to support employees' and customers' fundraising efforts and we also provide sports equipment and kit sponsorship for our employees and their families.

With Auto Trader operating in both the automotive and technology industries, we continue to partner with the charity BEN, making a significant contribution to the charity on behalf of our customers and partners. BEN is a key charity supporting the automotive industry with the aim to offer life-changing support which empowers people to take control of their mental and physical health. This year, we are pleased to announce a two-year partnership with Speed of Sight, a local charity that gives life-changing driving experiences for the blind and disabled, running track events for people of all ages regardless of ability or disability.

To help tackle digital exclusion, we work with a local charity, Community Computers, to repurpose laptops. The charity distributes the devices into the local community for those who don't have easy access to tech. By partnering with Community Computers not only are we making a difference to promote digital inclusion, but we can repurpose our old tech efficiently and sustainably.



We also work with organisations such as DigitalHer, MentorHer and DigitalFutures to support insight days, career talks, sponsorship and development workshops. We offer work experience and we are a Cornerstone Employer in the GM network: careersandenterprise.co.uk/employers/become-a-cornerstone-employer.

We encourage colleagues to register to be STEM Ambassadors and have colleagues who volunteer to be mentors with the Social Mobility Foundation as well as running various workshops to support code reviews and hacks.

FURTHER INFORMATION

To find out more about how we support our DE&I strategy, culture and communities, please go online:

careers.autotrader.co.uk/how-we-hire

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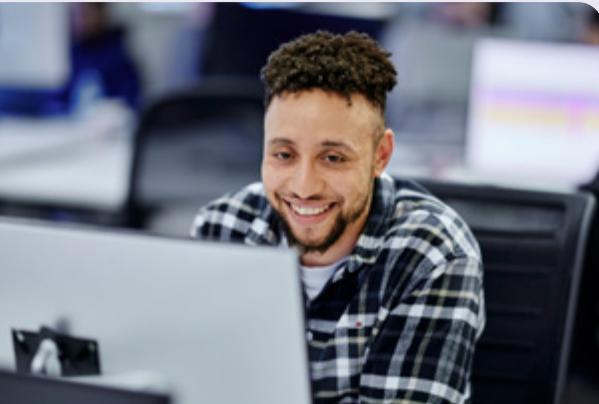
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Our governance & compliance

Uphold the values of good corporate governance and risk management and consider the needs of all our stakeholders in our strategic decision-making.

Comply with our legal and regulatory obligations and behave ethically and with integrity at all times.

Maintain a trusted marketplace for our customers and consumers to find, buy and sell vehicles.

HOW WE GOVERN THIS AREA



1. BOARD RESPONSIBILITY

Material ESG topics are discussed by the Board including cyber security and GDPR.

The Corporate Responsibility Committee assists the Board in fulfilling its oversight responsibilities in respect of governance and compliance, where topics have not been covered by the Board.

2. EXECUTIVE RESPONSIBILITY

Responsibility for assessing and managing our governance and compliance sits at both Executive and Board level. Our Executive Directors have responsibility for ensuring we conduct ourselves with the highest standards of honesty and integrity.

3. OPERATIONAL LEADERSHIP TEAM

The Group's Chief Technology Officer, Chris Kelly, is responsible for setting the Group technology strategy, including our cyber security framework.

The Group's Director of Governance, Claire Baty, is responsible for regulatory compliance, procurement, legal services and risk management. Her remit includes compliance with GDPR and FCA regulation.

4. AUDIT COMMITTEE

Internal audit reports and assessments of the effectiveness of risk management and internal control frameworks are presented to the Audit Committee and monitored to ensure recommendations are actioned.

5. SECOND LINE FORUMS & COMMITTEES

We operate the following second line forums and committees:

- Risk Forum
- FCA Governance Committee
- GDPR Steering
- Cyber security working group
- Trust forum
- Health & Safety Committee

6. INTERNAL AUDIT PROGRAMME

We operate a rolling internal audit programme which provides independent and objective assurance activities relating to the Group's governance, risk management and internal control processes. The programme includes regular reviews of cyber security, enterprise risk management, GDPR compliance and FCA compliance.



OVERVIEW

To ensure that high standards are embedded across the business and form part of our culture, we have a compliance framework in place, consisting of policies, processes, guidance and training focused on a number of core compliance topics. Details of our Board governance framework and policies can be found in the Governance section (page 61 onwards).

As an online marketplace, cyber security and protecting customer and consumer data are primary areas of focus. They are fundamental to our future success and to build trust with our customers and consumers. As we shift to an accelerated adoption of digital retailing it is paramount that our cyber and data security and infrastructure evolve with our business priorities.

CYBER SECURITY

Trust is core to our business. We are committed to the security of our services and protecting our customers from cybercrime and fraud. Attempts to breach our systems to access our data and the threat of an unauthorised malicious attack on our systems pose a significant and perpetual threat. The volume and sophistication of cyber attacks has continued to evolve and increase, and changes in ways of working have created more opportunities for cyber criminals. A successful breach could lead to significant impairment of our reputation with customers and regulators and could be costly in terms of fraud losses, regulatory sanction or remediation activity – one of our viability scenarios reflects the risk of a ransomware attack (see page 59).

Whilst cyber security risks cannot be fully mitigated, having an effective cyber security risk and governance framework can help to significantly reduce the impact of such events. We have a robust security programme in place that covers both our corporate systems and the Auto Trader platform which includes a defined security governance framework, overseen by our Chief Technology Officer.

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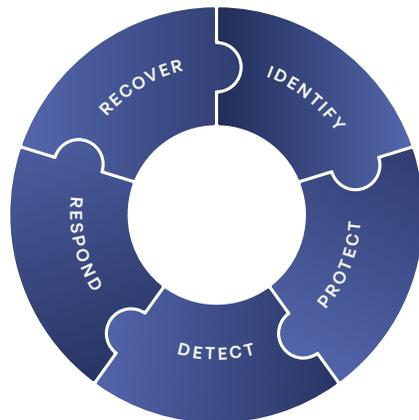
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NIST Cyber Security Framework

We have adopted the NIST Cyber Security Framework ('NIST CSF') to help us understand and define our existing policies, processes and technical measures in place with the aim to better govern our cyber security position. It enables us to identify areas of improvement and focus our efforts by agreeing and setting a target state, with the understanding that the NIST CSF is designed to complement and enhance existing business and cyber security operations.

We operate a rolling internal audit programme (outsourced to a third-party) which includes annual reviews of cyber security. As part of this programme, a review of our NIST Framework was carried out in 2023 in relation to our main trading entity to validate the status and perform an operating effectiveness review, the purpose of which was to provide confidence that the framework is robust, appropriate and effective. We have successfully adopted the practical elements of the NIST CSF effectively. A similar review will be undertaken for our subsidiaries in the coming financial year.

NIST CYBERSECURITY FRAMEWORK



Policies and procedures

Our policies and procedures are designed to detect and respond to pre-emptive cyber attacks, risks and threats:

- A proactive awareness programme to educate all employees on cyber security risks.
- A dedicated security operations team to monitor, detect and respond to security incidents in line with our cyber security incident management procedures.
- Enhanced data protection solutions have been implemented across consumer facing and internal systems, to guard against the increasing threat of ransomware.
- All employee accounts are protected by multi-factor authentication ('MFA') regardless of device and location, providing enhanced authentication protection.
- Major incident response simulations and business continuity tests are carried out periodically.
- System vulnerability and penetration testing is carried out regularly by both external and internal resources, including: application vulnerability testing; penetration testing of our platform and infrastructure; and Red team testing to ensure our processes for responding to a cyber incident are robust and fit for purpose.
- All aspects of our applications are designed and deployed with security in mind so that Auto Trader can deliver a secure and trusted platform for our customers.

PROTECTING OUR CUSTOMER AND CONSUMER DATA

Data is at the heart of everything we do and data compliance and protection is of critical importance to Auto Trader. We operate a structured framework which supports us in meeting our compliance obligations, the expectations of customers and clients, fulfil privacy rights and mitigate the risks of a data breach. We comply with the Data Protection Act 2018 ('DPA 2018'), and the UK General Data Protection Regulation ('UK GDPR') as our benchmark for data protection.



When it comes to collecting and storing personal data for consumers, customers or our employees, we have a comprehensive set of policies which reflect the applicable privacy legislation. We act as data processor for our customers and a data controller for the personal data of our people. We are committed to ensuring that the personal information we collect is used for the appropriate purpose, which does not constitute an invasion of privacy and is held securely, responsibly and transparently in accordance with our privacy notices which govern all our platforms and subsidiaries.

We have a dedicated team that is responsible for data privacy, data breach prevention and reporting, policy compliance, record keeping and data subject rights. We have an assurance framework in place to monitor compliance with data privacy laws and to ensure any breaches are dealt with in a robust manner.

We hold GDPR Steering meetings monthly, attended by data owners from all business areas. The meeting is a central point of communication and coordination and provides guidance on the governance of our data strategy and ongoing compliance with relevant data security and privacy regulations.

All Auto Trader employees, including part-time employees, contractors and all Board members, are required to complete annual data privacy and information security training and we have established processes to cover all aspects of the UK GDPR including: Data Protection Impact

Assessments ('DPIAs') to help identify and minimise any data protection risks for new or changed products or services where personal data is collected, processed, stored or shared. All processes are recorded and records of processing activity ('ROPAs') are reviewed quarterly by data owners. These include the lawful basis for processing and data retention periods; our privacy notices are reviewed and updated regularly. We have separate notices for consumers, employees and retailers; and we have processes in place to respond to Subject Access Requests ('SAR') and Erasure requests.

Where required, Auto Trader obtains consent from consumers to gather personal data to service their enquiries for products, services or vehicles advertised on the site. Explicit consent (gathered separately) is also obtained to contact consumers for marketing purposes. Where we pass personal data to third-party service providers contracted to Auto Trader in the course of dealing with customers or employees, we carefully vet any third parties that we share data with, and they are obliged to keep it securely, and use it only to fulfil the service they provide on our behalf.

We record all instances of data loss and have a rigorous incident management process in the unlikely event a breach occurs. This includes reporting notifiable breaches to the relevant regulatory authorities without undue delay and within stipulated deadlines. Where required we take remedial action as soon as possible.

FCA COMPLIANCE

Auto Trader Limited, the main trading subsidiary of the Group, is authorised by the FCA for consumer credit and insurance intermediary activities. Our activities primarily relate to providing finance and insurance introductions to consumers for third parties (retailers or commercial partners). We have introduced consumer journeys for some of our regulated activities as part of our digital retailing proposition using the technology of Blue Owl Limited (trading as 'AutoConvert'), a wholly owned subsidiary which is an Appointed Representative of Auto Trader Limited in respect of consumer credit activities.

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MAINTAINING A TRUSTED MARKETPLACE

As a leading online marketplace, we strive to provide a marketplace that is relevant, reliable and fair. It is important to our customers and our consumer audience that adverts displayed on Auto Trader are accurate and genuine. Our goal is to provide a valuable service for our customers and consumers and provide an engaging user experience.

RETAILER FEEDBACK

We actively seek retailer feedback in all aspects of product and service development to ensure that we continue to provide market leading solutions and support to our retailer partners. We also actively monitor consumer sentiment across our various products and channels, and our teams review thousands of items of feedback a week.

PRODUCT RESEARCH AND TESTING

When we bring a product to market, we go through a rigorous process of discovery to ensure solutions meet the varied needs of both our retailer partners and consumers. Retailers are involved at all stages of product development, including beta testing prior to scaling solutions.

SENTIMENT TRACKING

We survey retailers on a monthly basis through marketing channels to capture structured feedback on our relationship with retailers to ensure we're meeting their needs and gauge sentiment towards our brand. This ensures we can keep an eye on overall satisfaction, value for money and the partnership we aim to foster.

VOICE OF THE CUSTOMER

We actively monitor feedback which our Retailer Development and Support teams capture from retailers during the course of the thousands of inbound and outbound calls we field each week, ensuring we keep a good gauge on retailer sentiment and can react to market challenges facing our retailers quickly.

CONSUMER SENTIMENT

We've maintained extremely positive feedback scores across external review platforms including Trustpilot (4.7/5 based on 91.0k reviews), iOS App Store (4.8/5 based on 219.6k reviews) and Android Play Store (4.7/5 based on 87.3k reviews).

TAG VERIFICATION

We have achieved verification by TAG ('Trustworthy Accountability Group'), achieving the Brand Safety Recognition seal. TAG is the world's leading programme to fight criminal activity and protect brand safety in digital advertising. They have established best in class global standards that protect the industry from potentially harmful threats around fraud, malware and brand safety. Obtaining our TAG status is recognition that we meet the high standards required by TAG and our contribution towards fighting criminal activity and increasing trust and transparency in digital advertising.

VSTAG FORUM

We continue to actively lead the Vehicle Safe Trading Advisory Group ('VSTAG'), an industry forum we founded in 2006. The forum brings together the UK's leading online automotive advertising companies, advisors from the Metropolitan Police, Get Safe Online and Action Fraud to work together to reduce online vehicle crime and help protect buyers and sellers of pre-owned vehicles from fraud.

Autorama UK Limited (trading as 'Vanarama') is authorised by the FCA for consumer credit activities relating to brokering leases to retail and trade customers. Autorama UK Ltd also maintains the required FCA permissions to support a managed exit from providing Guaranteed Asset Protection (GAP) and motor insurance in accordance with its previous distribution model. We have introduced, and are developing, consumer journeys where consumers start their journey on Auto Trader and complete an onward journey with Vanarama.

We have specialist internal resource within our Governance, Risk and Compliance team across Auto Trader Limited and Autorama UK Limited with significant experience of working in FCA regulated businesses, and we have developed a detailed governance framework to ensure that we comply with the principles, rules and guidance applicable to our activities.

During the year, we established and implemented new guidance, policies and frameworks to ensure we meet the requirements of Consumer Duty, and put the consumer at the heart of our business (see below).

IMPLEMENTING CONSUMER DUTY

The FCA's new Consumer Duty came into effect from 31 July 2023, setting higher standards of consumer protection across financial services. The Duty is well aligned with our objectives of driving transparency in the car buying process, and so we were already well placed to meet the new requirements.

We established a cross-functional steering group and developed an implementation plan which was approved by the relevant governing body for each regulated entity. Some of the key activities included appointing a Senior Manager as Consumer Duty champion; defining the nature and target market for each of our regulated products; engaging with other

We apply the FCA's Senior Managers & Certification Regime. Senior Managers at Auto Trader are Nathan Coe, Catherine Faiers, Jamie Warner and Claire Baty. Certain members of the Operational Leadership Team hold Certified Functions. Senior Managers at Vanarama are members of the Company's Board and other members of the senior leadership team. All of these individuals have been assessed and certified as Fit and Proper. All employees are subject to the Conduct Rules and have received appropriate training and guidance. We have a comprehensive suite of policies, training and monitoring procedures to ensure awareness of and compliance with the requirements, including financial promotions, product change management, complaint handling, vulnerable customers and transparency. Our Customer Charter outlines our commitment to delivering good outcomes for consumers.

firms in our distribution chain; carrying out product reviews to ensure that they deliver demonstrable good outcomes for consumers; reviewing and improving the transparency of information within our consumer journeys and the support we offer to consumers; refreshing our policies and procedures; training and embedding within the business; review of management information and metrics for ongoing monitoring; and integration with existing governance frameworks. We engaged our internal audit partners to carry out both a readiness review in early 2023, and an effectiveness review in March 2024. We are confident that we have successfully implemented and embedded the Duty and are well set up to meet the ongoing requirements.

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BUSINESS ETHICS AND COMPLIANCE

We have a zero tolerance approach to bribery, corruption and other financial crime within our business and/or in any dealings with our customers, suppliers and other third parties who we deal with. All Auto Trader employees and contractors, including all Board members, undertake at least annual online training covering areas related to: information security, GDPR, anti-bribery and corruption, the corporate criminal offence of facilitating tax evasion, anti-money laundering, modern slavery and whistleblowing. In addition, our company values were refreshed during the last year and they continue to put ethical standards at the heart of our day-to-day decision-making and actions. We are committed to taking all reasonable steps to prevent unethical practices and potential risks to our consumers or customers. We do not conduct business with any service provider, customer or supplier which does not align to our values in these areas.

HUMAN RIGHTS

We have zero tolerance towards modern slavery, human trafficking, forced or compulsory labour and child labour, in our business and our supply chain. We are committed to supporting human rights through our compliance with national laws and through our internal policies which adhere to internationally recognised human rights principles. In line with our commitment to creating a diverse and inclusive culture, our internal policies require respect and equitable and fair treatment of all persons we come into contact with. All employees are paid above the Real Living Wage. We are an accredited Living Wage Employer. We safeguard our employees through a framework of policies and statements including Modern Slavery, Gender Pay, Flexible Working, Equal Opportunities and Inclusion Policies. All employees receive training to ensure they can identify the different types of modern slavery and the action they can take if they have any concerns.



MODERN SLAVERY

We are committed to preventing slavery and human trafficking in our business and supply chains. We require the highest standards of honesty and integrity in all our business dealings and relationships. We will not tolerate the mistreatment of people in our employment and employed in our supply chain.

TAX TRANSPARENCY

Auto Trader is committed to being a responsible taxpayer. Our tax policy was reviewed and approved by the Audit Committee in 2024 and it sets out our approach to tax risk management and governance. In 2024 our total tax contribution was £213.9m (2023: £175.4m). Taxes borne by the Group totalled £100.9m (2023: £69.4m) and consist of corporation tax, employer's NICs and stamp duty. Taxes collected by the Group totalled £113.0m (2023: £106.0m) and consist of PAYE deductions, employees' NICs and net VAT collected.

PAYMENT PRACTICES REPORTING

We publish information about our supplier payment practices and performance. On average, Auto Trader takes 36 days (2023: 35 days) to pay our supplier invoices, with 99% (2023: 98%) paid within agreed terms during the reporting period.

SUPPLIER ESG ENGAGEMENT

We hold ourselves and our suppliers to the highest standards of behaviour. We want to engage suppliers that share our values and collaborate with them to build a stronger, more responsible supply chain. We have an established supplier engagement strategy and the information we collect through our supplier engagement/onboarding process, complemented with our Ethical Procurement Questionnaires, provides us with greater insight into numerous aspects of our suppliers' performance, including community and charity works and Environmental, Social and Governance practices such as: how they are engaging the communities they are based in; what charitable activities they are undertaking; how they identify and improve diversity and inclusion; what governance they have in place to ensure good practice and limit instances of modern slavery, bribery or breaches of other relevant legislation; and sustainability. As part of our environmental strategy, we have expanded our discussions on sustainability with those suppliers who account for our highest carbon emissions to deep dive into understanding where our suppliers are on their own sustainability journey. Additionally, this year we have launched our own internal Supplier Sustainability Ratings, which use simple criteria to establish which of our suppliers are at the beginning of their sustainability journeys and which are advanced and a leader in terms of targets, actions, initiatives and reducing their own emissions. We have published a supplier code of conduct which outlines Auto Trader's stance on important matters and our expectations of our suppliers.

GRIEVANCE REPORTING OR ESCALATION PROCEDURES

We aim to create a working environment in which all individuals enjoy coming to work, where they can perform at their best, and where they are free from discrimination or harassment.

We foster a culture of open and healthy conversations, mutual appreciation and respect. We do not tolerate any behaviour that undermines this aim. We are committed to a culture where staff can freely report any issue or concern, and access support via the escalation procedures we have in place. Our grievance policy sets out both informal and formal avenues for addressing concerns.

WHISTLEBLOWING

We are committed to carrying out all business activities in an honest and open manner and strive to apply high ethical standards in all our business dealings. We actively cultivate a transparent and open culture, encouraging our employees to speak up whenever they have concerns, if they suspect anything inappropriate, or experience any serious malpractice or wrongdoing in our business. We believe this contributes to a fairer and more transparent marketplace where customers and consumers know that we can be trusted. We have an internal reporting facility for employees to discuss concerns and we also operate an anonymous and confidential whistleblowing helpline through an independent organisation. Reports are directed to the Audit Committee Chair and the Company Secretary or via the independent hotline.

FURTHER INFORMATION

To find out more about all of our governance & compliance policies, please go online:

plc.autotrader.co.uk/esg/policies-reports

To find out more about how we are protecting our customer and consumer data, please go online:

autotrader.co.uk/privacy-notice

plc.autotrader.co.uk/privacy-and-cookies

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