

Section 172(1) statement continued

Material decisions taken by the Board

Here are examples of two key decisions taken this financial year, detailing how the Board has had regard to the matters set out in s.172 where the Board discussed, considered and balanced stakeholder interests.

OUR STRATEGIC PRIORITIES

- Marketplace
- Platform
- Digital retailing
- Working responsibly



RELEVANT STRATEGIC PRIORITIES:

Co-Driver and AI-powered tools

CONTEXT

The Company has invested in machine learning and AI technology for over 10 years. It is widely documented that AI can drive efficiencies, saving time and money for our customers. This inspired us to develop our first AI-powered ‘Co-Driver’ tools which streamline the advertising process while maintaining accuracy and relevance through the use of Auto Trader’s unrivalled dataset:

1. Smart Image Management: Automates and optimises vehicle image categorisation.
2. AI Generated Descriptions: Instantly crafts vehicle descriptions using extensive data.
3. Vehicle Highlights: Showcases key vehicle features like fuel economy and low mileage.

BOARD CONSIDERATIONS

As with any technology there are risks associated. The use of large language models (‘LLMs’) in real-time creates an additional requirement to ensure the accuracy and reliability of the output is credible and of value to our customers and consumers. As our use of AI evolves, it will create a new type of risk as AI tools have a ‘black box’ and we need to be able to explain how these tools work in the event of a challenge.

c.250,000

AI vehicle description generations since launch

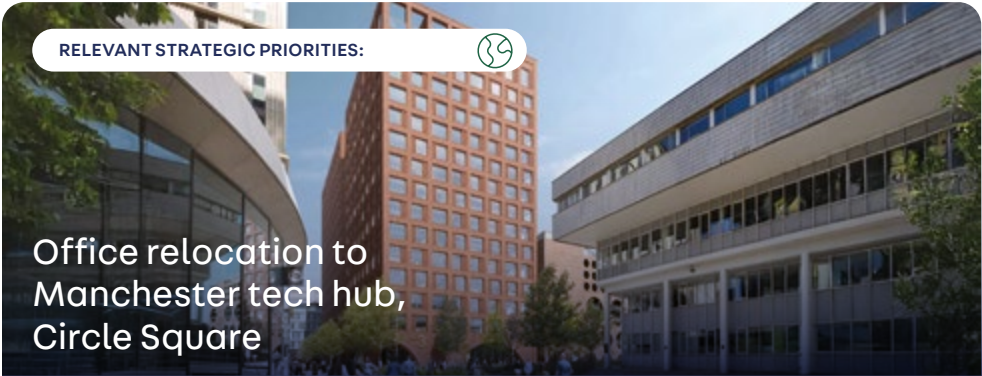
The Board acknowledged the risks of using an LLM but was confident that appropriate mitigations had been put in place, including extensive testing, quality controls and continual learning.

OUTCOME

Given the strength of Auto Trader’s data and technology the Board felt the benefits of the tools outweighed the risks involved. In the past year, we launched the three ‘Co-Driver’ products and made these available to all retailers. These products assist retailers with faster and more accurate advertising, and provide consumers with higher-quality, transparent information to assist them with their buying journey.

RELEVANT STAKEHOLDERS

- Customers
- Our people
- Consumers



RELEVANT STRATEGIC PRIORITIES:

Office relocation to Manchester tech hub, Circle Square

CONTEXT

Over the past 18 – 24 months, our Manchester head office has been nearing capacity, because of changes in ways of working and increased requirements for the available office space to meet our employees’ needs for both collaborative and focused work. The Board, along with the management team, recognise the importance of a suitable working environment where employees can be at their best and work effectively in a modern, purpose-built tech space.

BOARD CONSIDERATIONS

In making its decision about whether to proceed with the office relocation, the Board considered the effects on employees, along with the impact on the local community and environment.

Given the significant financial commitment associated with a head office move of over 1,000 employees, the Board devoted considerable time to thoroughly review the financial implications on the business alongside the potential for future growth.

1,100+

Auto Trader colleagues will relocate to the new space in early 2026

The Board determined that the benefits of the relocation to a new building, including improved employee engagement, retention and attraction of top talent, a sustainable office building, and a tech-focused estate, justified the move and would strengthen our overall proposition in a competitive market.

OUTCOME

The Board agreed that Circle Square was by far the preferred new office space of all of the options considered; it believed we can build a new home in the best long-term interests of the business that will enable us to continue to attract and retain the very best tech talent for the coming decade.

RELEVANT STAKEHOLDERS

- Our people
- Community & environment

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