

Working responsibly continued



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.

01 - 60

01 At a glance

02 Chair's statement

03 CEO's statement

06 Market overview

09 How we create value

10 Strategic progress

14 Section 172(1) statement

18 Key performance indicators

21 Non-financial and sustainability information statement

22 Financial review

25 Working responsibly

50 How we manage risk

53 Principal risks and uncertainties

Working responsibly continued

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)

01 – 60

01 At a glance

02 Chair's statement

03 CEO's statement

06 Market overview

09 How we create value

10 Strategic progress

14 Section 172(1) statement

18 Key performance indicators

21 Non-financial and sustainability information statement

22 Financial review

25 Working responsibly

50 How we manage risk

53 Principal risks and uncertainties

Working responsibly continued

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.

01 - 60

01 At a glance

02 Chair's statement

03 CEO's statement

06 Market overview

09 How we create value

10 Strategic progress

14 Section 172(1) statement

18 Key performance indicators

21 Non-financial and sustainability information statement

22 Financial review

25 Working responsibly

50 How we manage risk

53 Principal risks and uncertainties



Climate related scenario analysis

01 – 60

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	●	●	●	

- 01 At a glance
- 02 Chair's statement
- 03 CEO's statement
- 06 Market overview
- 09 How we create value
- 10 Strategic progress
- 14 Section 172(1) statement
- 18 Key performance indicators
- 21 Non-financial and sustainability information statement
- 22 Financial review
- 25 Working responsibly
- 50 How we manage risk
- 53 Principal risks and uncertainties



Working responsibly continued

Impact	Mitigation/response		Financial impact			Inherent likelihood
			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	Minor	Moderate	Major	Low/Medium
		1.5°C	Minor	Minor	Minor	Low/Medium
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	Minor	Minor	Minor	Low/Medium
		1.5°C	Minor	Minor	Minor	Low/Medium
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	Minor	Minor	Major	Low
		1.5°C	Minor	Minor	Minor	Low
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	Minor	Minor	Minor	Medium
		1.5°C	Minor	Minor	Minor	Medium
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	Minor	Minor	Minor	Low/Medium
		1.5°C	Minor	Minor	Minor	Low/Medium

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.

01 – 60

- 01 At a glance
- 02 Chair's statement
- 03 CEO's statement
- 06 Market overview
- 09 How we create value
- 10 Strategic progress
- 14 Section 172(1) statement
- 18 Key performance indicators
- 21 Non-financial and sustainability information statement
- 22 Financial review
- 25 Working responsibly
- 50 How we manage risk
- 53 Principal risks and uncertainties



Working responsibly continued

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.

01 - 60

- 01 At a glance
02 Chair's statement
03 CEO's statement
06 Market overview
09 How we create value
10 Strategic progress
14 Section 172(1) statement
18 Key performance indicators
21 Non-financial and sustainability information statement
22 Financial review
25 Working responsibly
50 How we manage risk
53 Principal risks and uncertainties



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.

01 – 60

01 At a glance

02 Chair's statement

03 CEO's statement

06 Market overview

09 How we create value

10 Strategic progress

14 Section 172(1) statement

18 Key performance indicators

21 Non-financial and sustainability information statement

22 Financial review

25 Working responsibly

50 How we manage risk

53 Principal risks and uncertainties

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. 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.



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.

01 – 60

01 At a glance

02 Chair's statement

03 CEO's statement

06 Market overview

09 How we create value

10 Strategic progress

14 Section 172(1) statement

18 Key performance indicators

21 Non-financial and sustainability information statement

22 Financial review

25 Working responsibly

50 How we manage risk

53 Principal risks and uncertainties



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

01 – 60

- 01 At a glance
- 02 Chair's statement
- 03 CEO's statement
- 06 Market overview
- 09 How we create value
- 10 Strategic progress
- 14 Section 172(1) statement
- 18 Key performance indicators
- 21 Non-financial and sustainability information statement
- 22 Financial review
- 25 Working responsibly
- 50 How we manage risk
- 53 Principal risks and uncertainties

Working responsibly continued

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

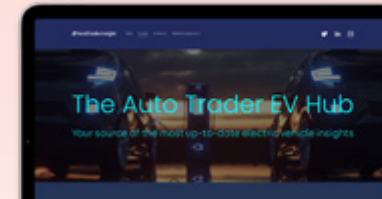
set of sector partners. In the automotive space, 208 organisations have now completed the training (as at 31 March 2024) which our customers view as an important step in their sustainability journey, as well as a key employee engagement initiative. Once an individual in a business has been accredited 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.

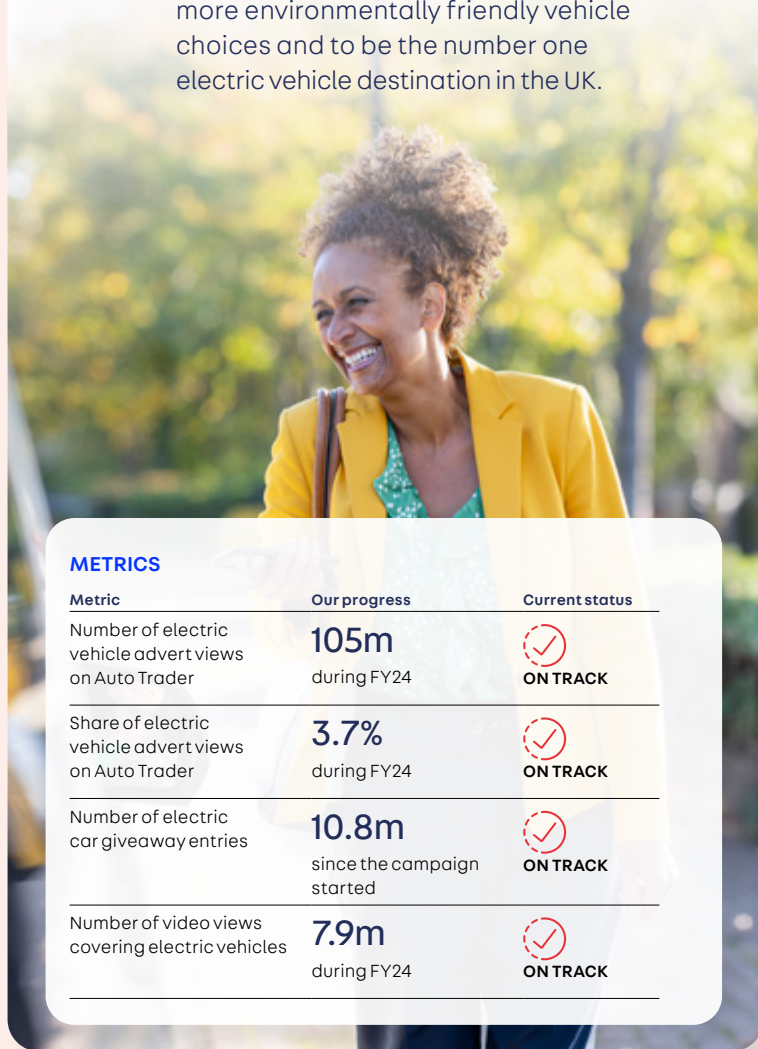


01 - 60

- 01 At a glance
- 02 Chair's statement
- 03 CEO's statement
- 06 Market overview
- 09 How we create value
- 10 Strategic progress
- 14 Section 172(1) statement
- 18 Key performance indicators
- 21 Non-financial and sustainability information statement
- 22 Financial review
- 25 Working responsibly
- 50 How we manage risk
- 53 Principal risks and uncertainties

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.

01 - 60

- 01 At a glance
- 02 Chair's statement
- 03 CEO's statement
- 06 Market overview
- 09 How we create value
- 10 Strategic progress
- 14 Section 172(1) statement
- 18 Key performance indicators
- 21 Non-financial and sustainability information statement
- 22 Financial review
- 25 Working responsibly
- 50 How we manage risk
- 53 Principal risks and uncertainties