

Section 172(1) statement

Considering our stakeholders

The Directors of the Company have acted in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having due regard in doing so for the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006.

To achieve our goals and ensure long-term success, we recognise the importance of establishing and maintaining meaningful, mutually beneficial relationships with our stakeholders. We actively consider different stakeholder perspectives, identify their priorities, and assess the long-term impact of our business on both the industry and the environment. The Board and the Auto Trader Leadership Team are dedicated to upholding our high standards of business conduct.

A detailed stakeholder framework is applied to all papers prepared for the Board in advance and is key to thoughtful and considered boardroom discussions.

The framework which has been adopted allows decision-makers to consider the balance of interests of affected stakeholders and ultimately to do the right thing for the long-term success of the Company for the benefit of its members as a whole. The Board recognises that not every decision will result in an equally positive outcome for all stakeholders. However, by genuinely understanding our stakeholders and considering their diverse needs, the Board incorporates into discussions the potential impact of decisions taken on each stakeholder group and the other matters required by section 172(1).

Considering the long-term consequences of our decisions

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Considering the interests of our employees

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Acting fairly between stakeholders

How we create value **P12**
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Section 172 matters

Our purpose is Driving Change Together. Responsibly

We are

driving change

in an industry that needs to evolve to adapt to changing consumer needs, and the impact of electric vehicles.

Our business model results in bringing

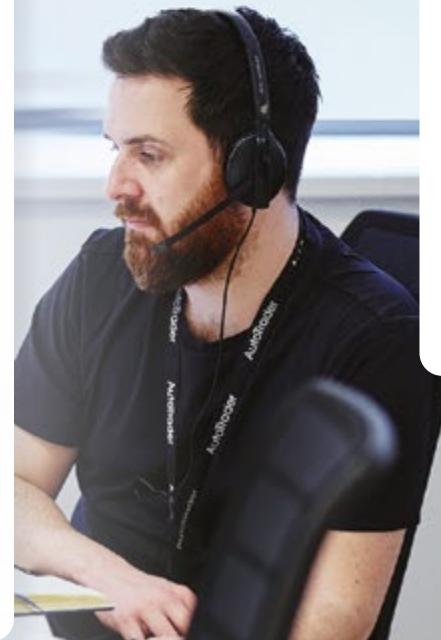
together

a diverse set of stakeholders - consumers, customers (including retailers, manufacturers and other customers), suppliers and partners - underpinned by our collaborative, people-led culture.

We are committed to acting

responsibly

through our focus on diversity and inclusion, environmental sustainability and maintaining high levels of ethical conduct, trust and transparency.

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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



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

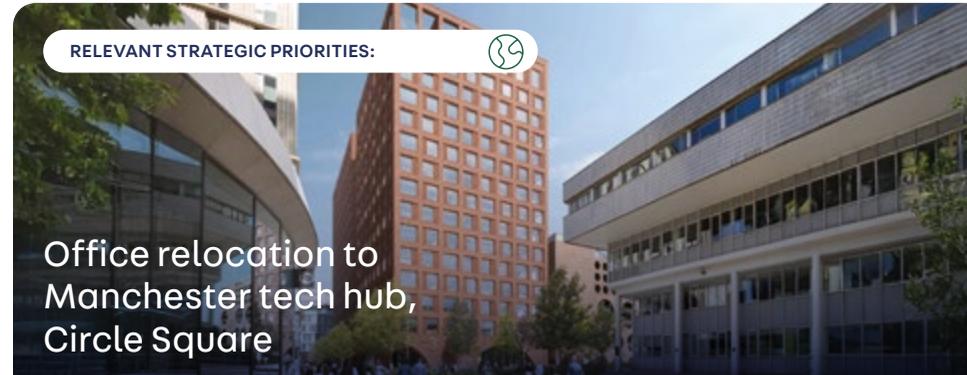
The Board acknowledged the risks of using an LLM but was confident that appropriate mitigations had been put in place, including extensive testing, quality controls and continual learning.

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



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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Maintaining stakeholder relationships

Below, we highlight our key stakeholders and explore their importance to us, their priorities, and, most importantly, how our organisation and the Board actively engage with them and respond through meaningful actions.

When engagement doesn't occur directly with the Board, the feedback is communicated to

the Board and/or a Board Committee through detailed reports throughout the year, outlining stakeholder views to inform their decisions.

A deeper understanding of our stakeholders and their diverse interests allows us to incorporate the potential impact and long-term consequences of our decisions

on each stakeholder group into boardroom discussions. We consulted with all stakeholders during the process of refreshing our materiality assessment to ensure our priorities and the focus of our ESG strategy remains relevant.

MATERIAL ISSUES

- E** The environment
- S** Our people & communities
- G** Our governance & compliance

Consumers



WHY ARE OUR CONSUMERS IMPORTANT TO US?

The continued success of our business model is underpinned by maintaining and strengthening relationships with consumers. Our business thrives by creating a large, engaged community of car buyers, sellers and researchers who trust our brand and reputation and have confidence in Auto Trader as a marketplace.

WHAT MATTERS TO OUR CONSUMERS?

- Wide choice of vehicles and choice of ways in which to buy. Hassle free buying and selling process.
- Clear, transparent and accurate details for vehicles, sellers, and payment options.
- Reliable and accessible service with knowledgeable support and responsive communication when needed.

HOW DO WE ENGAGE WITH OUR CONSUMERS?

- Regular contact with a diverse group of consumers for research and insight.
- Gathering feedback on real world user experience.

MATERIAL ISSUES

- 2** Data privacy and security
- 4** Product innovation
- 5** Customer satisfaction
- 11** Driving transparency

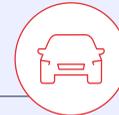
- Conducting consumer testing for new products, services and website designs with a wide range of demographics.
- Providing in-house consumer facing support seven days a week.
- Utilising social media and marketing channels.

WHAT ACTIONS DID WE TAKE?

- Partnered with an accessibility agency to test our approach to building accessible products and journeys.
- Conducted one-on-one interviews with consumers who had experienced our Deal Builder journey (checkout experience) to understand their path to purchase and the impact of our experience.
- New benchmarking to a broader audience to understand brand awareness, preference, considerations and product.
- Outputs of consumer research shared with Auto Trader Leadership Team ('ALT') and Board to factor into decision-making.

Customers

(retailers, manufacturers and other customers)



WHY ARE OUR CUSTOMERS IMPORTANT TO US?

Our partnerships with vehicle retailers, manufacturers, leasing companies and other customers enable us to offer consumers the widest choice of vehicles. The majority of our revenue is generated from our customers.

WHAT MATTERS TO OUR CUSTOMERS?

- Access to a large volume of engaged car buyers.
- Streamlining the car selling process for greater efficiency.
- Effectively sourcing vehicles.
- Easy access to trusted, understandable data for informed sourcing and disposal decisions.
- Ensuring value for money with Auto Trader through product choice, quality and cost.
- Establishing two-way lasting partnerships.

HOW DO WE ENGAGE WITH OUR CUSTOMERS?

- Conducting retailer sentiment surveys to assess product improvements and value.

MATERIAL ISSUES

- 2** Data privacy and security
- 4** Product innovation
- 5** Customer satisfaction
- 6** Pricing fairness
- 8** Advocacy

- Our Leadership Team participates in a business partnering programme.
- Sales teams, including telesales and field sales, maintain ongoing communication with customers.
- Customers are invited to attend select Board meetings.
- Publishing regular thought leadership and insight-driven reports, such as the Road to 2030 Report.
- Hosting regular forums with CEOs of major and mid-tier retailers, OEMs, car supermarkets and automotive finance companies to share our latest data and insight and gain their input.

WHAT ACTIONS DID WE TAKE?

- Organising timely webinars to support retailers on topics such as the changing landscape of the vehicle marketplace, and the FCA Commissions court case.
- Hosting industry events and masterclasses to share insights and discuss key topics.
- Conducting beta tests for product launches to optimise performance.

Our people



WHY ARE OUR PEOPLE IMPORTANT TO US?

Our people are one of our most valuable assets and the key to our ongoing success. To thrive, it is important to attract new talent while supporting and developing our highly skilled workforce. We aim to create a diverse and inclusive culture and environment where everyone has the right tools to achieve their full potential and is a valued part of our community.

WHAT MATTERS TO OUR PEOPLE?

- Fair reward, recognition and benefits.
- Opportunities for training, career development and professional growth.
- Supportive leadership with open communication and appreciation for contributions.
- A working environment that provides a comfortable, inspiring physical space with an emphasis on wellbeing.
- An inclusive values-led culture.

HOW DO WE ENGAGE WITH OUR PEOPLE?

- The Board Engagement Guild, made up of our employees from

MATERIAL ISSUES

- 2** Data privacy and security
- 3** Employee wellbeing, engagement and safety
- 7** Investment in talent
- 10** Diversity and inclusion
- 16** Ethics and integrity
- 17** Remuneration

- across the business, engages with the Board (without management present).
- Regular employee engagement surveys.
- Biannual all-employee conferences, and regular virtual business updates.
- Open wellbeing forums.
- Health and safety assessments.
- Independent whistleblowing service.

WHAT ACTIONS DID WE TAKE?

- Inclusive Leadership Programme and Diverse Talent Accelerator, focused on developing diverse talent across the business.
- Ongoing review and refresh of annual employee benefits.
- Benchmarking of salary and benefits in line with the market.
- Continuing with annual Save As You Earn share scheme and One Auto Trader Share Award.
- Financial wellbeing education with external leading specialist.
- Launch of a new People Manager Hub providing a toolkit and resources for managers across the business.

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MATERIAL ISSUES

- E** The environment
- S** Our people & communities
- G** Our governance & compliance

Partners & suppliers



WHY ARE OUR PARTNERS AND SUPPLIERS IMPORTANT TO US?

We rely on our suppliers and partners for technology infrastructure, supply of vehicle and financing data, and the fulfilment of some of our revenue-generating products. Building trusted partnerships allows us to collaborate more effectively and consistently to deliver the highest-quality products and services.

WHAT MATTERS TO OUR PARTNERS AND SUPPLIERS?

- Collaborating on innovative solutions.
- Creating shared opportunities to increase revenue and generate additional income streams.
- Fair trading practices and clear terms and conditions.
- Building long-term trusted relationships.

HOW DO WE ENGAGE WITH OUR PARTNERS AND SUPPLIERS?

- Maintaining regular engagement with suppliers and partners at the appropriate levels.
- Implementing structured procurement processes to onboard new suppliers and regular check-ins for familiarisation, updates and building ongoing relationships.
- Establishing ways of working with new suppliers and partners and providing feedback throughout ongoing projects.
- Fostering an open dialogue for collaborative relationships and creating opportunities for shared learning.

WHAT ACTIONS DID WE TAKE?

- Regularly monitoring and reviewing financial health and operating resilience.
- Reporting on the time taken to pay suppliers within agreed payment terms.
- Applying our Ethical Procurement Policy to take a holistic view based on cultural alignment when selecting which suppliers and partners we want to work with.

MATERIAL ISSUES

- 4** Product innovation
- 13** Responsible supply chain
- 16** Ethics and integrity

Community & environment



WHY ARE OUR COMMUNITY AND OUR ENVIRONMENT IMPORTANT TO US?

We aim to have a net positive impact on the planet while mitigating the effects of climate change on our business. We strive to strengthen communities and create positive social and environmental outcomes.

WHAT MATTERS TO OUR COMMUNITY AND OUR ENVIRONMENT?

- Energy consumption and carbon emissions.
- Transitioning to electric vehicles.
- Supporting local communities in which we operate and beyond.
- Other Environmental, Social and Governance ('ESG') factors.

HOW DO WE ENGAGE WITH OUR COMMUNITY AND OUR ENVIRONMENT?

- Employee networks oversee our charitable initiatives, including the Auto Trader Community Fund and our sustainability strategy.
- We support organisations such as Manchester Digital, Forever Manchester and the Automotive 30% Club, as well as local schools and colleges through our STEM ambassador programme.

MATERIAL ISSUES

- 1** Climate
- 9** Making a difference to our local communities and industries
- 10** Diversity and inclusion

- We share data and insights with industry bodies and Government departments to shape policies that promote the mass adoption of electric vehicles.

WHAT ACTIONS DID WE TAKE?

- The Corporate Responsibility Committee holds the business accountable for its cultural KPIs.
- Continued Carbon Literacy training for all employees.
- Funding for the first Carbon Literacy® Toolkit for the digital & tech industries in Manchester.
- The Environmental Strategy working group leads our carbon reduction plans and reports in line with the TCFD framework.
- Regular consumer research and user testing to understand what information is most helpful when buying an electric vehicle.
- Charitable donations of £476k.
- 606 volunteering days.
- Auto Trader Community Funds aim to deliver financial support to local community groups. We operate four different funds to support grassroot community organisations.
- Partnered with organisations such as the 10,000 Black Interns and Community Computers.

Investors



WHY ARE OUR INVESTORS IMPORTANT TO US?

Maintaining an ongoing, transparent dialogue with current and potential investors fosters confidence, resulting in continued access to capital that enables us to invest in the long-term success of the business.

WHAT MATTERS TO OUR INVESTORS?

- Financial performance, with a balanced and fair representation of current financial results and future prospects.
- Share price performance and overall returns.
- Equitable remuneration practices for both executives and employees.
- Adherence to high governance standards.
- A continued commitment to environmental and social issues.

HOW DO WE ENGAGE WITH OUR INVESTORS?

- Open, honest and balanced communication accessible to all shareholders.
- Private shareholders are encouraged to contact the Board through ir@autotrader.co.uk.

MATERIAL ISSUES

- 4** Product innovation
- 12** Digital infrastructure
- 14** Responsible tax strategy and total tax contribution

- Comprehensive investor relations programme.
- Annual Report, AGM, corporate website and regulatory news announcements.
- Ongoing dialogue with proxy advisors and other agencies.
- The Chair and the Chair of the Remuneration Committee maintain contact and correspondence with investors throughout the year.
- Governance-related meetings attended by the Chair or another Non-Executive Director.
- Feedback regularly given to the Board.
- Relevant industry-related data and internally produced market reports shared with analysts.

WHAT ACTIONS DID WE TAKE?

- Continuing with our capital policy and share buyback programme.
- Interim and final dividends paid.
- Extended our debt facility.
- Continuing succession planning to ensure the Board remains independent.
- Maintaining an ongoing commitment to enhancing the transparency and relevance of our information.

- 15** Corporate governance
- 16** Ethics and integrity
- 17** Remuneration

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