

Sustainability Report 2024



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Acknowledgment of Country

CAR Group acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Globally, CAR Group recognises the significance of indigenous peoples' communities, consistent with our efforts to build a culture that embraces diversity, equality and inclusion.



About this report

At CAR Group, we deliver world leading technology and advertising solutions designed to make buying and selling a great experience across the automotive, commercial, industry and leisure vehicle markets globally. Our success in remaining leaders in the long term lies in embedding sustainable business practices across our value chain.

This Sustainability Report details what sustainability means to us and our key stakeholders, our approach, and how we constantly seek to improve our management practices to address material environmental, social and governance (ESG) issues within a fast-paced, evolving environment.

Our desire for continuous improvement translates into a clear strategy to achieve our goals and targets, firm action across multiple areas of our business, and monitoring our progress towards achieving them.

This Sustainability Report provides information on the overall sustainability management of CAR Group from 1 July 2023 to 30 June 2024, aligning to the Group's financial reporting period. The report complements CAR Group's Sustainability Databook, Annual Report, Corporate Governance Statement, Governance Charters, Corporate Policies and other key governance reports which are available on our shareholder website: cargroup.com

This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards (2021), the Sustainability Accounting Standards Board (SASB) standard for the Internet Media and Services sub-industry and the United Nations (UN) Sustainable Development Goals (SDGs). Our disclosures relate to the most material sustainability areas of our businesses, as well as additional areas that are important to us and our stakeholders. For guidance on alignment with the GRI, SASB and the SDGs, we have developed a quick reference Sustainability Databook available for download here:

cargroup.com/governance

This year we have continued to build on reporting against the recommendations of the recently retired Task Force on Climate-related Financial Disclosures (TCFD) via our Climate Disclosures Report which is housed within our Annual Report. This report details our most material climate-related risks and opportunities and accompanies this Sustainability Report and our Sustainability Databook.

All questions on the Sustainability Report or our sustainability initiatives should be addressed to our Sustainability team: sustainability@cargroup.com

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Message from the Chair of the Sustainability Committee and CEO

We are pleased to present the 2024 Sustainability Report for CAR Group Limited. In this report we share the progress that we have made over the year across our material environmental, social and governance (ESG) areas of focus, and our plans for the year ahead.

This year, our sustainability efforts were recognised with an AA 'leader' rating from Morgan Stanley Capital International (MSCI) ESG Ratings, who measure a company's management of financially relevant ESG risks and opportunities. CAR Group also placed in the top 10 for Best ESG and Sustainability Reporting by an Australasian Company at the 2024 Australian Investor Relations Association (AIRA) awards. While we do not seek these accolades, we accept this recognition as evidence of our continuous improvement to our sustainability practices.

We are proud that our inclusive culture has been recognised externally by Great Place to Work® in Australia, Brazil, the United States and Chile. It was great to see 86% of our team tell us that they would recommend CAR Group as a great place to work in our Employee Opinion Survey, and to achieve an overall engagement score of 75%, outperforming our external industry benchmark.

Providing our customers with seamless digital experiences and removing friction from the transaction process continues to be a priority. We are conscious of the cyber environment in which we operate and have invested in our global cybersecurity strategy to further build on our business resilience.

We have also identified numerous ways to leverage new and emerging technologies, such as artificial intelligence (AI), to innovate and enhance our products, services and marketplace experiences across the globe. We recognise the need to do this responsibly, and our refreshed AI strategy and recently established AI Governance Committee help us strike the balance between innovation and providing responsible, safe, transparent and explainable AI.

This year, we have continued to make progress on climate and remain focused on reducing our environmental impact. We now have a good measure of our global carbon footprint and have achieved carbon neutrality across our global business operations. As we develop our global decarbonisation strategy, we are sharing the lessons from our carbon reduction efforts in Australia with our international businesses.

Our team is on track to prepare for the introduction of mandatory climate reporting in Australia. We have also considered how the introduction of other climate-related regulations, such as the New Vehicle Efficiency Standards (NVES) in Australia, may impact our customers and supply chain. We invite you to read our Climate Disclosures Report (housed within our 2024 Annual Report) which discusses our key physical and transition climate-related risks and opportunities, and how we are managing them.

We have continued to evolve our sustainability reporting this year to make it more concise and easier to read, and produced our first **Sustainability Databook** designed to make our ESG data more accessible. We look forward to improving and integrating our reporting further as mandatory climate-related financial disclosures are introduced in Australia and other markets. This includes launching a sustainability hub on our shareholder website which we will be developing in FY25.

There is always more we can do in this space, and we welcome your feedback as we continue our sustainability journey. We hope you enjoy reading our report and we thank you for your ongoing trust and support.



Kee Wong
Chair of the Sustainability Committee



Cameron McIntyre
Managing Director and CEO

About CAR Group

CAR Group Limited (formerly carsales.com Limited) has been driving innovation and growth since the 1990s.

Employing more than 2,300 people globally, CAR Group comprises wholly owned digital marketplace businesses in Australia (carsales), South Korea (Encar), the United States (Trader Interactive) and Chile (chileautos) in addition to being a majority shareholder of webmotors in Brazil. We also operate RedBook data businesses across Australia, New Zealand and Asia.

Collectively, our world leading marketplaces bring together deep expertise powered by the best people, data, and technology.

With a vision to create #1 digital marketplaces for vehicles around the world, we transform how people buy and sell across the globe.



Our evolution

1997
carsales domain
name registered



2009
carsales.com Limited
lists on the ASX



2013
Acquired 30% stake in
webmotors (Brazil)



2014
Acquired 49.9% stake
in Encar (Korea)



2016
Acquired controlling stake
in chileautos (Chile),
acquiring remaining
stake in 2019



2017
Acquired remaining
stake in Encar



2021
Acquired 49% stake in
non-auto marketplace
group Trader
Interactive (US)



2022
Acquired
further 40% of
webmotors



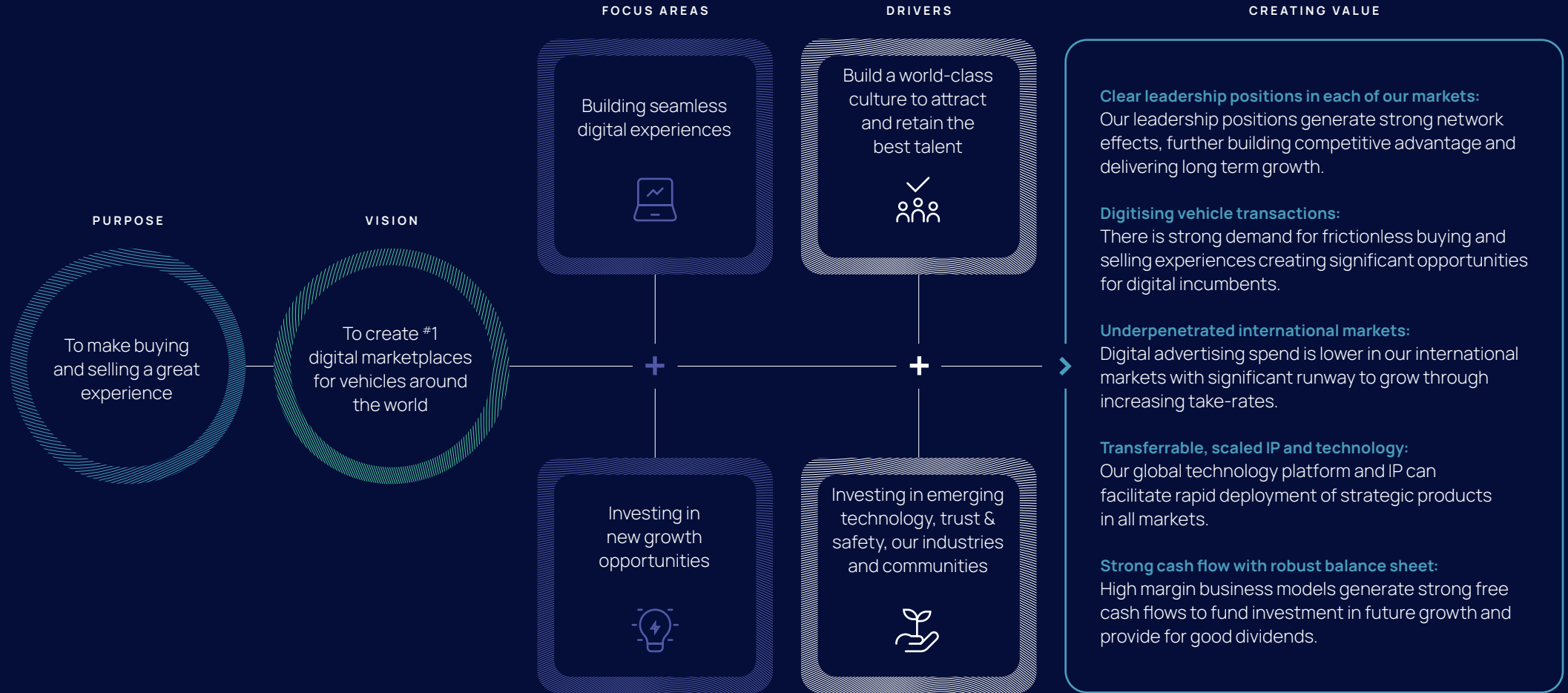
2022
Acquired remaining stake
in Trader Interactive



2023
carsales.com Limited
rebrands to
CAR Group Limited



How we create value



Our approach to sustainability

At CAR Group, sustainability is about creating value in the long term by managing our risks and opportunities and understanding the interests and concerns of our key stakeholders.

Our success in remaining a leader in the long term lies in embedding sustainable business practices across our value chain.

Our sustainability approach is driven by who we are and what we stand for. It is grounded in understanding the ESG topics of importance to, and which impact, our stakeholders. We take care to balance these ESG issues with our business goals and operations.

Our sustainability strategy is driven by our mission to operate a sustainable business that future generations will be proud of, and centres around four pillars:

- Our People
- Our Customers
- Our Impact
- Our Business Practices

In FY24 we updated our sustainability strategy following the completion of our second materiality assessment to reflect the growth in our global operations and changing ESG landscape. Our refreshed sustainability strategy is shared on the following page.



Our strategy

Our mission is to operate a sustainable business that future generations will be proud of.



Our People

Talent attraction, engagement and retention

We utilise our strong, purpose-led employer brand to attract and retain highly talented individuals who can be a big part of something big with us.

Diversity, equity and inclusion

We foster a culture of belonging where all our people feel valued, respected and have equal access to opportunities.

Health, safety and wellbeing

We provide our people with a physically and psychologically safe workplace that supports all facets of their wellbeing and allows them to do their best work.



Our Customers

Customer experience

We provide our customers with a great buy and sell experience, so that we are always their partner of choice.

Cybersecurity and data protection

We continuously improve our cyber resilience to minimise risk and protect customer data.

Innovation and growth

We embrace and leverage new technologies responsibly and invest time and capital into innovation to be a clear leader in our industry.



Our Impact

Climate management

We are committed to understanding, disclosing and managing our climate-related risks and opportunities and environmental footprint.

Supply chain engagement

We seek to understand and manage sustainability in our supply chain, including the potential risk of modern slavery and human rights abuses.



Our Business Practices

Ethics and integrity

We build and maintain an ethical culture of integrity, transparency and accountability at all levels.

Governance and risk management

We are committed to strong corporate governance and complying with both the letter and spirit of the law – our governance framework is crucial to sustainable value creation.



FY24 sustainability highlights



ESG Rating: AA

MSCI ESG Ratings measure a company's management of financially relevant ESG risks and opportunities. MSCI uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.

CAR Group currently holds an **AA rating**, indicating that MSCI views CAR Group as a leader relative to our peers in the Interactive Media & Services industry.



ESG Rating: Low Risk

Morningstar Sustainalytics ESG Risk Ratings provide a multi-dimensional assessment of a company's exposure to industry-specific material ESG risks and its management of those risks.

CAR Group is currently classified as **low risk** of experiencing material financial impacts from ESG factors, placing us in the 21st percentile for our industry (Software & Services) and the 9th percentile for our sub-industry (Internet Software & Services).



AIRA Awards

CAR Group placed in the **top 10** for Best ESG and Sustainability Reporting by an Australasian Company at the 2024 Australian Investor Relations Association (AIRA) awards.



Stakeholder engagement

Our stakeholder groups have different agendas and focus areas. We engage with them to understand what is most important to them and ensure our sustainability approach takes their views into account. Our key stakeholders, why they are important to us and how we engage with them, are as follows:

Stakeholder	Engagement approach	Engagement topics
 Employees	Our employees are our most valuable asset – they build and deliver our products, provide outstanding service to our customers, and help us to achieve our purpose and deliver on our vision. We value feedback from our teams and have multiple mechanisms in place to understand what's important to them. This includes our global employee opinion survey (EOS) which we run twice per year, as well as onboarding and exit surveys. We run regular in-country town halls hosted by local leadership teams as well as quarterly global catch ups hosted by the Global Leadership Team. Our leaders steer the direction of our Group, manage our day-to-day risks, seek feedback from a wide range of stakeholders and make the decisions needed to continue growing our resilient business. Each of our senior leaders provides insights into their areas of expertise and identifies issues that present the greatest risks and opportunities for CAR Group.	– Diversity, equity and inclusion – Talent attraction, engagement and retention – Training and career development – Remuneration and benefits – Health, safety and wellbeing – Risk management and mitigation – Climate management
 Customers	For the purposes of this report, 'customer' refers to everyone who interacts with, or transacts across, one or more of our marketplaces. This includes consumers, customers, and commercial and industry clients including dealers, agencies and OEMs. Our customers are the reason we exist. Their expectations and feedback regarding their user experience and broader sustainability issues are critical to us. We obtain feedback from them directly through our customer and sales teams, and comments on our platforms and social media pages. Dealers and manufacturers are key stakeholders of ours, so meeting their needs and addressing their concerns is vital to maintaining these critical relationships. Our teams have regular discussions with our major partners about areas of common interest and source feedback from them across a wide range of topics.	– Customer experience – Trust and safety – Innovation and growth – Cybersecurity and data protection – Education
 Investors and shareholders	Investors are taking an ever-increasing interest in sustainability issues and their potential impact on future financial returns. Talking regularly with our investors and gauging the issues of most importance to them allows us to determine our areas of sustainability priority.	– Business strategy – Financial performance – Executive remuneration – Cybersecurity and data protection – Innovation and growth – Governance and risk management – Talent attraction, engagement and retention
 Governments and regulators	Governments and regulators set the rules under which our Group operates. As a transparent and open Group, we engage regularly with tax authorities, federal and state government departments, local authorities and other regulatory bodies as appropriate.	– Taxation – Compliance – Modern slavery – Risk management and mitigation – Climate management
 Suppliers	Our suppliers play an important role by providing us with a wide range of products and services that we require to function effectively and build a sustainable business. We engage with our suppliers through regular meetings, onboarding questionnaires, and contract negotiations (both initial and renewal).	– Modern slavery – Cybersecurity and data protection – Climate management
 Communities	Local communities are where our team members and customers live and where our offices are located. We seek to support these communities where we can by providing financial contributions, training, mentoring, skills and expert help.	– Community investment – Social impact – Diversity, equity and inclusion

Materiality

Our approach to materiality benefits from our stakeholder engagement approach which seeks to understand their key interests and concerns.

We complement our materiality assessment with leading ESG frameworks, standards and rating agencies including GRI, SASB, TCFD (recently retired), MSCI and Sustainalytics, as well as peer benchmarking.

Our risk management practices consider ESG risks as part of our risk management framework.

CAR Group undertakes an assessment of material topics periodically (including as our organisation undergoes significant changes) to ensure our focus remains relevant to our key stakeholders and continues to drive value. Over time, our sustainability priorities are expected to change as our Group and operations expand, socioeconomic developments present the organisation with new scenarios, and our ESG management practices mature.

In FY24, we completed our second materiality assessment to reflect both the growth in our global operations and the changing ESG landscape. This ensures we are creating long-term value at CAR Group by continuing to identify and respond to the sustainability issues, risks and opportunities that are most material to our stakeholders.

The outcomes of our materiality assessment are represented in the matrix shown to the right. This matrix serves as a key component in shaping our sustainability strategy. Please note that not all topics displayed on the matrix become standalone material topics.



Materiality continued

Material topics	What this means for CAR Group	Covered in this report under
Cybersecurity and data protection	As a leader in digital marketplaces, cybersecurity and data protection are of critical importance to us. We are continuously improving our cyber resilience to minimise risk and protect customer data. The information security management framework utilised across CAR Group is aligned with best practice global frameworks including ISO 27001, ISMS-P, NIST, and PCI DSS.	Our customers
Ethics and integrity	We are an honest business with a strong moral compass, and we build and maintain an ethical culture of integrity, transparency and accountability at all levels. We have robust global policies and risk management systems in place to ensure that we act in accordance with the highest ethical standards and conduct business in a way that is compliant with anti-bribery and anti-corruption laws.	Our business practices
Innovation and growth	Innovation is core to our culture and CAR Group's DNA – it is one of the greatest assets we have for the continued growth of our Group. We continuously invest time and capital into innovation to make buying and selling a great experience and be a clear leader in our industry. We embrace technologies such as AI and leverage them to our competitive advantage, but do so in a responsible way with appropriate governance measures in place.	Our customers
Talent attraction, engagement and retention	As a leader in digital careers, we utilise our strong, purpose-led employer brand to continue to attract talented individuals to join our team and be a big part of something big with us. We offer our people an inclusive world-class culture and opportunity to learn and grow across our global marketplaces. We believe that workplace flexibility is paramount to retaining and attracting talent, and we support our people in meeting their work/life balance needs. Developing a deep understanding of our people and what motivates them to be their best is a key focus area for us.	Our people
Customer experience	We are passionate about exceeding the needs of our customers, so we are always their partner of choice. We do this by developing an end-to-end buy, sell and own digital experience, which is informed by a range of feedback tools designed to analyse customer sentiment. We are committed to creating measurable return on investment for our customers, keeping trust and safety front of mind by keeping their data secure, respecting their privacy, and providing valuable add-ons.	Our customers
Diversity, equity and inclusion	We foster a culture of belonging where all our people feel valued, respected and have equal access to opportunities. To support this, we develop and deliver initiatives that support diversity, equity and inclusion in hiring, developing, promoting and retaining our people. Having a workforce that represents all forms of diversity ensures that we are reflective and considerate of our diverse customer base, including different geographies and cultures.	Our people
Climate management	We view climate management as an important consideration in future proofing our business model and are committed to understanding, disclosing and managing our climate-related risks and opportunities and environmental footprint. Climate scenario analysis increases our businesses resilience and means that we are well positioned to maintain and grow investment in CAR Group, adapt to the changing regulatory environment, and meet the expectations of our shareholders and the wider business community.	Our impact
Supply chain engagement	We are committed to understanding, disclosing and managing sustainability in CAR Group's supply chain, including environmental and social impacts. This includes a focus on driving positive social impact through procurement and managing the potential risk of modern slavery and human rights abuses within our supply chain.	Our impact
Governance and risk management	Being a global organisation, our governance framework is key to our success. Having robust policies, systems, leadership, and training in place are vital elements of our effective governance framework which manages strategic, operational, reputational and financial risks. We are committed to strong corporate governance and complying with both the letter and spirit of the law. We also acknowledge emerging risks through AI and data utilisation, and have a Data Governance Committee whose remit includes ensuring all use of AI and data within CAR Group is done within our established guidelines.	Our business practices
Health, safety and wellbeing	We provide our people with a physically and psychologically safe workplace that supports all facets of their wellbeing and allows them to do their best work. We place importance on identifying, assessing and managing workplace hazards and risks effectively. We promote a culture of safety and provide our people with clear expectations about what appropriate conduct and respectful behaviour looks like, and we have robust procedures for managing reports of unacceptable behaviour such as sexual harassment, discrimination and violence in the workplace.	Our people

Sustainability goals and progress

Our sustainability strategy helps us to systematically strengthen practices essential to our ESG material focus areas.

We have set goals that support our efforts and provide momentum, motivation and accountability towards their achievement. As we become a more global and integrated Group, we continue to refine our strategic metrics and targets to better reflect the impact of our efforts.

The following pages provide a snapshot of our goals against each material area and how we are progressing.

The material topics sections following our sustainability goals and progress provide more detail on our sustainability management practices and performance.





Our people

Material topics:

- Talent attraction, engagement and retention
- Diversity, equity and inclusion
- Health, safety and wellbeing

Goals	Status (FY24)	Status (FY23)
Talent attraction, engagement and retention		
Minimum 75% employee engagement score in the CAR Group employee opinion survey	Achieved (75%)	Not met (73%)
Voluntary staff turnover remains below 20% globally	Achieved (9%)	New target in FY24
Diversity, equity and inclusion		
By 2030 we have achieved a 40:40:20 balance across our Board of Directors, Global Leadership Team and global team ¹	Board: Achieved (56 : 44 : 0) GLT: In progress (73 : 27 : 0) Global team: In progress (60.9 : 39 : 0.1)	Board: In progress (62 : 38 : 0) GLT: In progress (67 : 33 : 0) Global team: In progress (60.9 : 39 : 0.1)
By 2025 we have implemented a global job level framework to better understand our pay gaps and then set a meaningful target that balances pay for performance whilst ensuring no pay gap exists within a market range, and start reporting on this from FY25	In progress	New target in FY24
Health, safety and wellbeing		
Zero notifiable workplace health and safety incidents ²	Achieved (0)	Achieved (0)
>85% of our team respond favourably to the statement "My manager genuinely cares about my wellbeing" in the CAR Group employee opinion survey	Achieved (87%)	Achieved (86%)



Our customers

Material topics:

- Customer experience
- Cybersecurity and data protection
- Innovation and growth

Goals	Status (FY24)	Status (FY23)
Customer experience		
By 2025 we have added a consistent customer satisfaction metric to our customer surveys across all marketplaces and start reporting on this from our FY25 report onwards	In progress	New target in FY24
99% system reliability for our customers ³	Achieved (>99.9%)	Achieved (>99.9%)
Cybersecurity and data protection		
Zero reportable data breaches	Achieved (0)	Achieved (0)
Innovation and growth		
>75% of our team respond favourably to the statement "We are encouraged to be innovative even though some of our initiatives may not succeed" in the CAR Group employee opinion survey	Achieved (78%)	Achieved (78%)
Each year we share case studies on how we have used innovation to deliver new customer benefits	Achieved ⁴	New target in FY24

1. 40:40:20 indicates 40% women and 40% men, with the remaining 20% flexible to any gender, allowing for a natural flow of people into and out of an organisation in addition to accounting for those who are gender diverse.
2. As defined by WorkSafe Victoria's criteria for notifiable incidents.
3. Proportion of time our websites were fully accessible to customers.
4. Please see FY24 Customer Experience highlights on page 25 and innovation case studies on page 34.



Our impact

Material topics:

- Climate management
- Supply chain engagement

Goals	Status (FY24)	Status (FY23)
Climate management		
Continued alignment with the recently retired Task Force for Climate-related Disclosures (TCFD) framework through our Climate Disclosures Report and transition to reporting under new mandatory climate-related financial disclosures in relevant markets	In progress	In progress
Maintain carbon neutrality across CAR Group business operations	Maintained	Maintained
Supply chain engagement		
Each year we measure the effectiveness of our modern slavery approach	Achieved ¹	Achieved



Our business practices

Material topics:

- Ethics and integrity
- Governance and risk management

Goals	Status (FY24)	Status (FY23)
Ethics and integrity²		
Number of whistleblower disclosures made relating to disclosable matters ³ – reported	Zero (0)	Zero (0)
Number of whistleblower disclosures made relating to disclosable matters ³ – resolved	Zero (0)	Zero (0)
Governance and risk management		
Zero adverse rulings ⁴ for environmental, social or governance related issues e.g. environmental breaches, discrimination and harassment, anti-competitive behaviour, or corruption	Achieved (0)	Achieved (0)

1. Please refer to Part D of our Modern Slavery Statement for our effectiveness assessment, available on our shareholder website.
2. We do not put a numerical target in place (e.g. zero) for whistleblower disclosures because we want to encourage reports of suspected unethical behaviour. However, we have chosen to show reported and resolved disclosures for visibility and to demonstrate whether we have undertaken the important steps of investigating allegations and taking any corrective action that may be required.
3. 'Disclosable matters' as defined in CAR Group's Whistleblowing Policy.
4. An adverse ruling is defined as an unfavourable ruling by a court, tribunal or similar.

Our People

Our employees are our most valuable asset – they build and deliver our products, provide outstanding service to our customers, and help us to achieve our purpose and deliver on our vision.

Material topics

- › Talent attraction, engagement and retention
- › Diversity, equity and inclusion
- › Health, safety and wellbeing

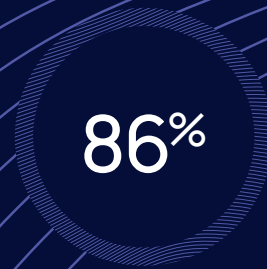
Highlights



Great Place to Work certification® achieved (for carsales, webmotors, Trader Interactive and chileautos)



75% Group engagement score



86% of our team recommend CAR Group as a great place to work



Workplace Gender Equality Agency (WGEA) Employer of Choice since 2015



44% female representation on CAR Group Board of Directors



42% female representation in senior roles¹



1. 'Senior roles' is defined as senior managers who report to a member of the Global Leadership Team.

Talent attraction, engagement and retention

CAR Group's culture has been designed and nurtured in a way that creates the right conditions for our people to do their best work. Our approach incorporates both global and local initiatives and ensures we continue to attract, develop and retain the best talent and build high performing teams.

Our approach



Talent attraction and retention

- Great Place to Work® certified across carsales, Trader Interactive, webmotors and chileautos.
- Our people get to 'be a big part of something big' with us and we reinforce this value proposition during the hiring process and throughout employment.
- Our marketplaces showcase our employee experience and culture via their careers page and/or LinkedIn company page so that we consistently build an engaged pipeline of talent.
- Local talent teams live our employer brand, look for culture add over fit, and hire for potential in line with our values and behaviours.
- We provide our global teams with a range of flexible working options and employee benefits that are relevant and appropriate for their market.
- We apply the principles of fairness, consistency and pay for performance to remuneration decisions and have recognition and reward programs in place designed to drive business outcomes and the right behaviours.
- Exploring new and alternate pathways to attract highly talented people to join CAR Group is an ongoing focus – this includes providing opportunities for interns and graduates to join our businesses around the globe.



Engagement

- We monitor engagement twice per year through our global Employee Opinion Survey; data is analysed and used to inform our people strategy and identify areas of competitive advantage.
- Feedback from onboarding and exit surveys helps us to continuously improve our employee experience.
- We keep our teams informed through quarterly global CAR Group catch ups hosted by our Global Leadership Team in addition to in-country town halls and social events.
- We provide our people with the opportunity to give back and participate in community giving initiatives such as volunteering.



Learning and career development

- Our businesses have annual training plans and a tailored approach to learning, with a focus on identifying personal development objectives for our people as well as meeting the current and future skills needs of our business.
- Leadership development programs in our key markets ensure that we are building the skills we need to invest in our future growth.
- Our Global Talent Exchange Program gives our team members the opportunity to spend four weeks working in one of our marketplaces in another country with a team equivalent to their own.
- All CAR Group employees participate in regular performance conversations and reviews with their manager.
- We offer various global and local learning and development programs designed to provide our people with big opportunities to make a big impact – including on-the-job skills development, mentoring, hackathons, access to digital learning platforms, web code academies and other soft and technical skills workshops.

Talent attraction, engagement and retention continued

In FY24, we continued to deliver on our global people strategy. The strategy, which has been in place for two years, was designed to support us to realise the benefits of being a truly global Group.

Our focus has been to cement our position as a leader in digital careers by aligning all marketplaces with shared people objectives, attracting and retaining top talent, and leveraging our competitive advantage.

We are proud to have implemented many important people initiatives over the past year to support our growth and transition into being a global-first Group.

Key FY24 highlights:

Talent attraction and retention

- Trader Interactive and chileautos both achieved Great Place to Work® certification for the first time.
- webmotors and carsales retained Great Place to Work® certification for the ninth and seventh year respectively.
- carsales was named on Great Place to Work's Australia's Best Workplaces™ and Best Workplaces™ in Technology lists and was again recognised by the Australian Association of Graduate Employers (AAGE) on their Top Graduate Employer and Top Intern Program lists.
- Delivered our new CAR Group corporate brand to reflect the growth of our business and define us as a united global Group.
- Introduced a global reward function to drive best practice globally and support local teams with their remuneration and benefits approach.

Engagement

- Achieved Group engagement of 75% which is an increase of 2% from the previous year and 4% above our external industry benchmark.
- 86% of our team agreed that they would recommend us as a great place to work, via our Employee Opinion Survey.
- Our voluntary employee turnover rate was 9% across all markets globally.
- Ensured that our key communication and productivity tools (Slack, Zoom, Microsoft 365) were made available in all markets to improve connectivity, communication and collaboration for our people across the globe.

Learning and career development

- Delivered 28,842 hours of training globally.
- Developed a global talent review and succession planning process to ensure that we focus on retaining and developing our top talent and future proof our Group.
- Provided visibility on all open roles across CAR Group to help facilitate the global mobility and career progression of our team.
- Launched two new leadership programs in Australia – Leading Edge (leadership fundamental program) and NextGen Future Leaders (female leadership and mentoring program for mid-senior level talent).
- Commenced a new partnership with Kangan Institute's Digital Traineeship program in addition to continuing to partner with internship programs including the Victorian Government Digital Job's program, CareerSeekers and Monash University's Industry Based Learning program.
- Ran our second global hackathon involving teams from across all markets.

In FY25 we seek to:

- Evolve our global people strategy to be one that reinforces operational excellence, collaboration, and high performance.
- Review our collaboration approach at a Group level.
- Look at what programs we currently offer at a local level that can be iterated and delivered globally.



Diversity, equity and inclusion

CAR Group has long been committed to fostering an inclusive work environment where our people feel valued, respected and have equal access to opportunities.

Diversity, equity and inclusion (DEI) leads us to new and better ways of solving problems, developing world class products and services, and thinking differently about the ever-evolving world in which we live and work. It also means that our workforce will be more representative of our diverse customer base, which allows us to better anticipate their needs and deliver on our purpose to make buying and selling a great experience.

Our DEI approach and principles

Principles	We celebrate all the diverse qualities of our team and have a fundamental expectation that every team member leads with respect.	We offer a variety of flexible working arrangements and benefits designed to support our people at the various stages of their lives.	We believe in equal pay for equal work.	We are an equal opportunity employer and base employment decisions on merit and objective criteria.	We have a zero-tolerance approach to discrimination, harassment and bullying against any team member or job applicant based on personal characteristics.
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Approach	DEI is a key focus area of our people strategy and our approach is guided by global best practices, internal and external insights, and employee feedback. Creating a culture of inclusion and belonging is an ongoing journey and requires continuous evaluation, reflection, and action from all of us. We recognise that while inclusion is the same everywhere, diversity changes by location – so we tailor our DEI approach to suit the local markets in which we operate. We regularly discuss DEI with our global businesses to gain insights about which groups are currently underrepresented in their communities or facing societal challenges – and as things change, we evolve our strategy accordingly.
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Diversity, equity and inclusion continued

Gender equality and pay equity

CAR Group is committed to achieving gender equality and addressing any gender imbalances that may exist across the Group. As a technology business, a large proportion of our roles are digital in nature (e.g. technology, data, product, design) however females are notably underrepresented in science, technology, engineering, and mathematics (STEM) education and careers – not just in Australia but globally. We are therefore acutely aware of the gender challenges that our industry faces and how a lack of representation impacts our gender pay gap.

We have been a Workplace Gender Equality Agency (WGEA) Employer of Choice in Australia since 2015 and have been delivering initiatives that aim to address the drivers of gender pay gaps and increase the representation of females in our business for many years.

Our reward strategy is centred around the principles of fairness, consistency and pay for performance, regardless of gender or other personal characteristics. All CAR Group marketplaces assess and monitor their gender pay gap and have reward related strategies in place to reduce their pay gap, including the use of salary survey data to benchmark roles against market and unbiased work performance evaluation processes.

We expect like for like positions to be paid the same except in instances where there is an acceptable reason for a differential related to relative experience, job performance or tenure. We are committed to remedying pay gaps where an acceptable reason does not exist.

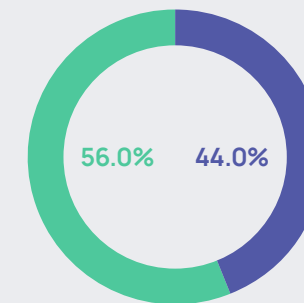
Key FY24 highlights:

External recognition

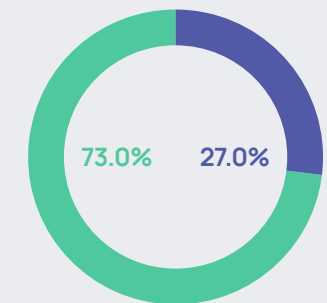
- CAR Group was recognised in the top 100 companies globally for gender equality by Equileap – a leading provider of data on gender equality, diversity and inclusion in the corporate sector – coming in at position #29. This is the third time in four years that we have featured in Equileap's top 100 list.
- CAR Group retained its Workplace Gender Equality Agency (WGEA) Employer of Choice citation.
- carsales retained its Family Inclusive Workplace™ certification through Family Friendly Workplaces and became an endorsed employer with Work180, an organisation that supports and celebrates companies that demonstrate a genuine commitment to diversity, equity and inclusion.
- Encar continued to be recognised as a family-friendly company by the Ministry of Gender Equality and Family of the Republic of Korea. Encar has held this certification since 2018.

Gender diversity performance (as at 30 June 2024)

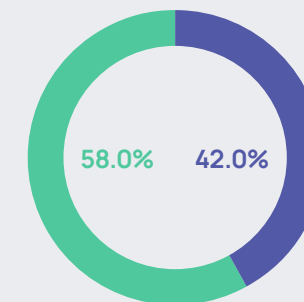
CAR Group Board of Directors



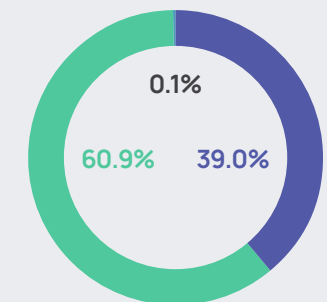
Global Leadership Team



Senior Leaders



All Employees



● Male ● Female ● Gender diverse

Diversity, equity and inclusion continued

Internal achievements

- Diversity was once again the highest scoring factor in our Employee Opinion Survey, scoring 90% favourable.
- Achieved target of minimum 40% female representation on CAR Group's Board of Directors.
- Implemented a global reward function to drive best practice across the Group and undertook a review of remuneration processes by market.
- Undertook two gender pay gap analyses in each market and calculated our first global gender pay gap: 14.8% average base salary and 15.6% average total remuneration (excludes CAR Group CEO remuneration).
- Teams around the globe celebrated and recognised several inclusion events and awareness days including International Women's Day, Pride month, IDAHOBIT, World Down Syndrome Day, Mardi Gras, National Reconciliation Week, NAIDOC Week, and Black History Month.
- Launched a new female leadership development program called NextGen Future Leaders in Australia. Targeted at mid-senior high performing and high potential talent, each participant was nominated by their leadership team member. The program has five focus areas which are strategy, people, influence, meaning and commercial acumen. The program also incorporates a mentoring relationship with a leadership team member.
- carsales increased its primary parental leave from 18 to 22 weeks paid, introduced superannuation payments on unpaid parental leave periods of up to 12 months, and launched Sorry Business leave for Aboriginal and Torres Strait Islander employees.
- Delivered DEI 101 training to all Trader Interactive employees, in addition to inclusive leadership training for managers and the leadership team.
- webmotors continued to elevate the voices of minorities through several affinity groups including Pride Motors, Black Motors and Web Girls and introduced the Black Leadership development program, designed to support afro descendent employees in taking the next step in their careers with confidence.

Community initiatives

- Sponsored and partnered with several Australian organisations focused on encouraging a greater pipeline of talent, particularly female, into digital careers – including Tech Council of Australia, Cremorne Digital Hub, CS in Schools, Go Girl Go For IT, Grad Girls, and Swinburne University of Technology.
- carsales commenced development of their second Reconciliation Action Plan (Innovate) and continued to strengthen relationships with Aboriginal and Torres Strait Islander communities by signing on as a corporate sponsor of the GO Foundation.
- webmotors participated in donation drives for Campanha do Agasalho, providing warm clothing and blankets to those in need, in addition to donating food baskets and hygiene kits to Casa 1 and Casa Neon Cunha, both of which provide assistance to vulnerable members of the LGBTQIAP+ community.

In FY25 we seek to:

- Further increase female representation across our marketplaces, particularly in digital roles, and build our female talent pipeline to allow for more females to move into leadership roles.
- Continue to uplift our reward processes to ensure consistency in our approach globally and that we are paying competitively in all markets. This includes implementing a global job level framework to better understand our pay gaps and setting a meaningful target that balances pay for performance whilst ensuring no pay gap exists within a market range.
- Deliver our second Reconciliation Action Plan (Innovate).

Information regarding our Australian gender pay gap and the initiatives that we have implemented to address gender imbalance is available in our

[Gender Pay Gap Employer Statement](#).

Our Australian diversity strategy's objectives, the initiatives implemented and our progress towards achieving them are outlined in our FY24 Corporate Governance Statement which is available on our shareholder website. Our DEI Policy is also available on our shareholder website, as is carsales' Reflect Reconciliation Action Plan.



Health safety and wellbeing

Providing our people with a physically and psychologically safe workplace that supports all facets of their wellbeing and allows them to do their best work is of paramount important to us.

We promote a culture of safety, provide our people with clear expectations regarding what appropriate conduct and respectful behaviour looks like, and have robust procedures for managing reports of unacceptable behaviour such as sexual harassment, discrimination and violence in the workplace.

Our Work Health and Safety (WHS) management system has been implemented to ensure compliance with Australian legislative requirements and obligations (both state and federal) and best practice industry standards. The WHS management system comprises policies, procedures and resources designed to foster health, safety and wellbeing at work and identifies workplace risks and hazards and implements appropriate measures to control them.

Each of our subsidiary businesses has a health and safety strategy and/or policy in place that complies with local legislative requirements and reporting obligations, in addition to an incident reporting procedure pursuant to which team members must formally report all accidents, incidents, work-related illness and near misses.

Reported incidents are investigated to determine the cause, mitigate risk of recurrence, and meet reporting requirements. In markets where there is an obligation to inform a state or federal body of notifiable incidents, those businesses have procedures in place to ensure that this occurs. Where we identify an area of our business or roles within our Group as being at higher risk of WHS incidents, additional measures are put in place to mitigate and manage these risks.

We operate an open and transparent culture in which all employees are encouraged to raise WHS concerns and remove themselves from a dangerous situation with the full support of their manager and People and Culture team. Any team member who reports a hazard or incident is protected from victimisation and harassment as per our Whistleblowing Policy.

We recognise the many benefits of mentally healthy workplaces and as such offer a free, confidential Employee Assistance Program (EAP) to all team members globally. Our EAP offers counselling on a wide range of topics and all sessions are conducted by qualified counsellors. To further support the mental wellbeing of our team, we have provided the Headspace meditation and wellness app to all Australian team members.

Key FY24 highlights:

- Reviewed and uplifted our approach to WHS, particularly in Australia where new legislation has been introduced across most states regarding the management of psychosocial hazards in the workplace. This has included implementing a risk assessment process that specifically addresses psychosocial safety at work.
- Continued to uplift our health and wellbeing program offerings around the globe, incorporating a range of activities and initiatives designed to support our employees' physical, mental, emotional and financial wellbeing. Health insurance and/or income protection insurance is offered to employees in certain regions, including the United States, Australia, South Korea and Chile.

- Continued to track employee wellbeing sentiment through a series of 'work & life blend' questions posed in our global Employee Opinion Survey. We were pleased to see that 85% of our team responded favourably to these statements which ask our people about the reasonableness of their workload, whether they feel supported to access flexible working arrangements, and if they feel able to arrange time out from work when necessary.

In FY25 we seek to:

- Review our EAP services globally and offer Headspace access to regions outside of Australia.
- Undertake a review of our health and safety policies and training across our markets to ensure they continue to meet best practice standards.



Our Customers

We are passionate about exceeding the needs of our customers so we are always their partner of choice. We do this by developing an end-to-end buy, sell and own digital experience, which is informed by a range of feedback tools designed to analyse customer sentiment. We are committed to creating measurable return on investment for our customers, keeping trust and safety front of mind by keeping their data secure, respecting their privacy, and providing valuable add-ons.

Material topics:

- › Customer experience
- › Cybersecurity and data protection
- › Innovation and growth

Highlights

2.6m

2.6m vehicles
online globally¹

48m

48m average
monthly unique
audience across
our websites²



›99.9% system
reliability for
customers



Zero reportable
data breaches

1. Refers to inventory across the following sites as at 30 June 2024: Australia, South Korea, United States, Brazil and Chile.

2. Refers to average monthly unique audience Jul 23 - Jun 24 across the following sites: Australia, South Korea, United States, Brazil and Chile

Customer experience

Our customers are the reason we exist. We are constantly seeking their feedback, analysing their interactions with our platforms, and looking for new and different ways that we can offer additional value to them to ensure that we deliver on our purpose to make buying and selling a great experience.

How we manage customer experience:

 Platforms, products and services – private	Approach: – We deliver world class digital platforms and retail experiences designed to help customers buy and sell with ease. – We aim to maintain a balanced environment where buyers and sellers are treated equally with no bias. – We focus on building products that can meet each customer's unique needs, provide options, and offer as much convenience as possible. – Our premium and ancillary services are designed to offer confidence and reassurance when transacting. – Where we see a product is successful and delivering value in one market, we then look to bring that product to other markets where it makes sense to do so. Examples of our offering: – carsales: Instant Offer, Sell Assist, SELECT, Vehicle History Report, RedBook Inspect – Encar: Dealer Direct, Home Service, Encar Guaranteed, Encar Finance and Warranty – Trader Interactive: Buy Now, Cash Offers – webmotors: Vistoriado, Loop, Car10, webmotors Finance – chileautos: OneClick
 Platforms, products and services – commercial and industry	Approach: – We offer sophisticated products and integrations designed to drive dealer and commercial value. – We continue to expand our media and display advertising offering globally and build relationships with agencies and OEMs. – We support and guide our commercial partners through challenges and opportunities presented by disruption in business models, electrification, and digital retailing. Examples of our offering: – carsales: AutoGate, LiveMarket, Promote, carsales mediahouse – Encar: Encar Partner – Trader Interactive: Trader Traxx, Trader Connect, Premium Select, Statistical Surveys – webmotors: Cockpit, Aceleradores, Agenda Fácil, Vision360
 Trust and safety	Approach: – We invest in technology and processes to keep customers safe when utilising our platforms. Examples of our offering: – Automated number plate blurring to prevent cloning – Proprietary fraud detection and blocking tools – Automated alerts to enquirers on potential fraudulent ads – Phone number masking
 Advice, insights and expertise	Approach: – We provide expert advice, news and reviews on a wide range of topics via articles, videos, podcasts and social media channels. – We offer education and campus style e-learning through most of our markets (carsales, Encar, webmotors, chileautos) designed to aid our commercial customers in driving added value and continuous improvement in their business operations.
 Engagement, support and feedback	Approach: – Customer care is managed in-country by local teams so that we continue to maintain a strong connection to community. – We track customer sentiment and engagement in each marketplace using metrics such as NPS and CSAT. – Each market has a dedicated team of customer researchers in their product and technology teams to focus on what customers need and identify their pain points - this helps us identify new and different ways to make buying and selling a great experience. – We monitor product performance across the Group to understand how our customers are using our products and what causes issues in their journeys. This data driven approach gives us the ability to quickly and effectively adjust our product experience as required and deliver additional value.

Customer experience continued

Key FY24 highlights:



- Delivered the first phase of the **Merlin** initiative, a strategic rebuild of our buy and research retail experiences. By leveraging a scalable design system and a simplified technology stack, Merlin enables us to deliver a simpler and more intuitive user experience across all devices. It allows us to respond faster to market demands and ideate and build solutions for customers at an accelerated pace.
- Implemented several important product improvements to **Instant Offer** (IO) including the **OneSell** concept designed to guide private sellers in choosing the best path for them to sell their vehicle. Improvements were also made to the dealer experience including the Lead Management System (LMS), changes to qualification rules for certain vehicles, an odometer wind back feature in the IO LMS to flag potential fraudulent vehicles, and the ability to export leads.



- Launched **Encar Partner**, an app exclusively for dealers designed to enhance functions such as the Dealer Direct menu for purchasing customers, reservation for Encar Guarantee services, vehicle registration, ad management, and transaction management for vehicles sold through Home Service.
- Released improvements to mobile premium advertising and guarantee advertising areas to help dealers better promote their vehicles, resulting in an increase in customers utilising these ads.



- Elevated the marine marketplace experience for both customers and dealers with the new **Boatmart** platform, which replaced its predecessor Boatline. Boatmart offers customers improved navigation and search capabilities, twice as many listings and dealer locations as before, inventory from many of the market's top OEMs, and other features designed to simplify the boat buying and selling experience. For dealers, Boatmart gives them access to top-tier tools for advertising, inventory management, and lead generation.
- Launched **Trader Connect**, which allows OEMs across all verticals to embed an innovative marketplace experience into their own websites. Trader Connect seamlessly connects OEM-specific dealer inventory from a Trader Interactive marketplace to the OEM's website for a better customer shopping experience.



- Through our subsidiary business **Car10**, webmotors customers can now book vehicle servicing online through the webmotors marketplace. This web servicing product provides an innovative AI driven preliminary quotation to the customer so they have an idea as to what servicing costs might be incurred based on the vehicle being serviced. Car10's marketplace provides an opportunity for customers to search for and locate businesses that offer products and services such as vehicle servicing, paint care, cleaning, interior care, auto-electrical, steering alignment, wheel balancing, and inspections. Integrating with the webmotors platform increases the opportunity to provide more customised and personalised experiences to our customers.



- Following the success of similar e-learning platforms for Australian and Brazilian dealers, chileautos launched **Campus**. This platform is full of automotive content and offers short courses designed to support dealer sales growth, strengthen the customer experience, and boost the capabilities of our Chilean dealers in operating their businesses.

Customer experience continued

Reimagining the buy and own journey

Whilst CAR Group's interaction with the customer typically ends post enquiry, we have identified that post enquiry is where many pain points are occurring. Steps in the ownership journey that cause frustration to the customer include finance application, placing deposits and secure payments.

There is currently no easy way for our customers to complete a large, private customer to customer (C2C) transaction seamlessly with little to no hassle. It is often difficult for the buyer and seller to agree on the quickest and lowest risk payment method due to an understandable lack of trust between unfamiliar parties and the risk of scams or fraud occurring. These challenges increase the probability of customers turning away from the transaction.

CAR Group has the opportunity to reimagine this purchasing experience, simplify the process, and support customers in the way they want to purchase. A reimagined purchasing experience is a new space for CAR Group and opens the door to an ownership ecosystem.

To succeed in ownership, we need to offer convenient solutions that simplify every stage of the buy and sell journey. It is an opportunity to establish a higher level of trust and presents value both to CAR Group and customers alike.

Electric vehicle (EV) buyers and owners are similarly faced with a large amount of fragmentation as the industry evolves. Vehicle selection is difficult, though the pain points and unknowns amplify as the requirement to become 'EV ready' is realised. Customers are faced with challenges such as deciding on a home charger, how to install it, understanding ongoing running costs, and choosing the right electricity plan to suit their circumstances.

Through the evolution of the purchasing process and establishing an ownership ecosystem, CAR Group also has an opportunity to simplify and demystify EV purchasing, becoming EV ready and normalising EV ownership.

In FY25 we seek to:

- Continue making buying and selling a great experience.
- Work on reimagining the buy and own journey, beginning with a focus on C2C payments in Australia which is already in progress. This is a challenge that exists across the globe, so solving for this in Australia will open opportunities for us to take the experience into our other marketplaces.
- Focus on embedding a consistent customer sentiment metric across all marketplaces. Currently, each marketplace measures sentiment in their own way which makes it challenging to establish a whole of Group view on how we are tracking.
- Explore the opportunity to roll out a global Voice of Customer approach modelled off the success that we have had with this function in Australia.



Cybersecurity and data protection

As a leader in digital marketplaces, cybersecurity and data protection are of critical importance to us. We are continuously improving our cyber resilience to minimise risk and protect customer data.

At CAR Group, cybersecurity is business-centric, enterprise-wide, threat-aware, and risk-focused. We are driven by our commitment to the security of our customers' and employees' data, our information systems, and our services.

Organisations are increasingly vulnerable to cyber threats due to the integration of digital information, third parties and technology in day-to-day work.

As attacks become more frequent and sophisticated, it is essential that we understand the threat landscape and continue to build a more resilient global Group.

Threat intelligence continues to evolve globally and integrate with the entire organisation. It is imperative that we understand the threat landscape and evolving threats, trending events, incidents and data breaches that could impact the information we and third parties hold.

We understand the latest threats from a vast range of global sources including public, private, government, regulatory, industry, and commercial. We use our learnings in a practical way, including by simulating attacks and control testing which provides further education and learning opportunities for CAR Group. This has resulted in providing improved guidance to customers, improving our trust and safety content, and uplifting information and technology controls across our web applications.

This has also led to us forming stronger relationships with both the government and private sector in protecting our customers.

Our approach to cybersecurity

Strong security strategy and roadmap

- Designed to build business resilience and security maturity and protect against the latest sophisticated threats, thus enabling CAR Group to operate effectively and efficiently.
- Focused on uplifting global security foundations; implementing security practices that support business growth; maintaining capital strength; improving operational excellence; and how we manage, protect, detect and respond to threats.
- CAR Group's global security team works hand-in-hand with local teams in each of our marketplaces.
- Regular internal and external audits and review of our approach to ensure we keep abreast of the ever-changing compliance, regulatory and threat landscape.
- Focus on incident response – crisis management and business continuity plans in place and regularly tested.
- Strategy is consistently reassessed in line with appropriate risk levels as the Group grows.

Use of best practice frameworks and tools

- The information security management framework utilised across CAR Group is aligned to robust frameworks including ISO 27001, SMS-P, NIST and PCI DSS.
- We seek to work with partners that are assessed, certified, accredited or aligned against globally recognised best practices such as ISO 27001, ISO 9001, ISMS-P, SOC2, CREST, OSCP and OWASP.
- Investment in best practice tools to protect our team, such as multi-factor authentication.

Focus on security awareness, training and influence

- Aims to minimise business risk, prevent information loss and protect our brand reputation.
- Annual program of work covers comprehensive guidance, influence, education and regular training for CAR Group employees and contractors on key topics and threats – this includes cybersecurity compliance training and testing staff with different phishing exercises.
- Tabletop exercises, cyber incident simulations and crisis management exercises conducted regularly with the Board, Global Leadership Team and management as necessary and facilitated by external, independent security specialists.
- Periodic technical briefings provided to key stakeholders covering global vulnerabilities, threats, and data breaches.
- Education campaigns for customers to provide them with insight into how they can keep themselves safe when utilising our marketplaces.

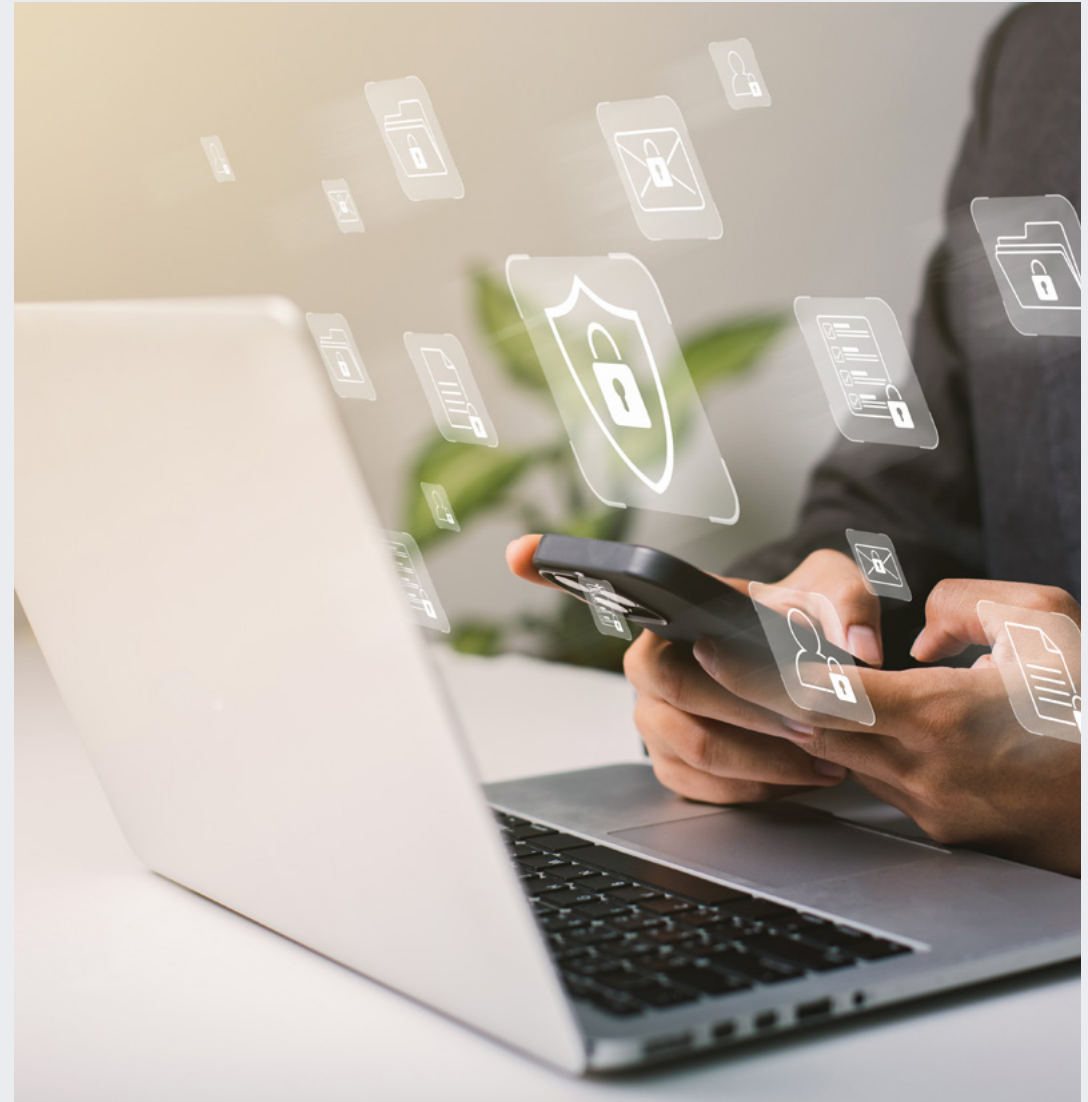
Cybersecurity and data protection continued

Key FY24 highlights:

- Continued to uplift our security capability and build on our foundational technology, rolling out enhanced security initiatives to all our businesses globally.
- Internal and external security audits (including independent specialist assessments and control testing) were undertaken in all CAR Group markets across the course of the year, and the outcomes from these exercises were fed back into our security strategy and roadmap.
- CAR Group entered into a partnership with Baidam, a 100% Australian owned and operated First Nations information technology business. Baidam will assist us in delivering industry leading network security and application security expertise, allowing us to achieve greater performance, productivity, and protection.

In FY25, we seek to:

- Continue to build on our cyber business resilience and maturity globally. This includes foundational protective services such as malware, web, email and network protection and further uplift of threat intelligence across the entire Group.



Cybersecurity and data protection continued

Data privacy and protection

As the custodians of the data on our platforms, we recognise that we have a duty to safeguard it and use it responsibly and fairly.

Data is both an opportunity and a responsibility, and it is for this reason that CAR Group has a data governance framework in place comprising permissions, handling, management, communications, security, compliance and monitoring.

This framework is supported by:

- our Data Governance Committee whose approval is required for various scenarios in which data is being utilised across the Group – including, but not limited to, new data collection methods, collection of a new type of data, and third party and international data sharing requests; and
- data privacy champions in each Australian team, and privacy specialists in our international teams, who assist with answering questions and help to identify any issues that may arise.



Cybersecurity and data protection continued

Ensuring that data subjects, including our members, are giving proper permission for use of their data is important to us.

We provide our members with a high level of control and granularity in respect to the consents they provide and withhold, and the ease of managing these consents online.

CAR Group gathers cookie-based data relating to onsite behaviour and uses this information to improve the onsite experience by way of tailored content. Similarly, it is used off the network to serve relevant content via social media and digital display. Where markets require it, our cookie policy and cookie pop-ups on our key websites better inform visitors about how we use cookies. If a visitor is from an EU IP address, express consent is required before they can use the website.

In Australia, carsales has an advertising program based on user onsite behaviour. Visitor data is de-identified and the program allows advertising clients, such as a vehicle manufacturers, to serve relevant advertisements both on the carsales network and on the wider internet, based on the onsite browsing activity of the user. This data is aggregated into audience segments and is not personally identifiable by the advertiser. The program is controlled through a Customer Data Platform which allows customer data to be marked according to consent and permissions for specific data uses to be managed in an automated fashion.

CAR Group's member database is not provided to third parties for direct marketing purposes.

In FY24, CAR Group has continued to prioritise data privacy in all aspects of the data management lifecycle and its business.

The introduction of both a dedicated privacy compliance function and a data steward function this year reinforces the seriousness with which we take our data privacy and protection responsibilities. For business areas that are subject to GDPR requirements, we have continued to strengthen our GDPR compliance arrangements including data mapping, cookie pop-ups and updates to relevant cookie policies and privacy policies.

In FY25 we seek to:

- Continue to protect our customers' personal information and comply with all applicable privacy laws and regulations. This includes new Australian privacy reforms that are likely to be introduced in FY25 and several new state privacy laws in the United States which will come into effect in FY25.
- Continue our work on a multi-year project to map and label our data. This will facilitate the implementation of a more formal document retention policy to ensure that CAR Group is not retaining personal information for longer than needed.
- Commence the implementation of a new privacy management platform and privacy tool, which will further build upon our consent and preference management capabilities.



Innovation and growth

Innovation is core to our culture and CAR Group's DNA – it is one of the greatest assets we have for the continued growth of our Group.

We continuously invest time and capital into innovation to make buying and selling a great experience and be a clear leader in our industry. We take care to protect the intellectual property created through our team's hard work with an 'always on' mentality, supported by a legal team with expertise in this field.

Our Board and Global Leadership Team regularly discuss innovation and promote the power of innovation across the Group, with a focus not only on technology but all areas of our business. We are proud of our record of innovation and are committed to developing and bringing new and improved products and services to market. We are flexible in our approach to exploring and adopting new and exciting opportunities as they emerge, and we embrace and leverage technologies such as AI, which we discuss on page 33, to our competitive advantage. However, we do so in a responsible way with appropriate governance measures in place.

Everyday innovation

- Our teams continuously explore new ways to improve our products and services and every team is empowered to deliver innovative solutions to our customers. Everyday innovation may also include improving a team-based process or procedure to drive internal efficiency and effectiveness.

Programmed innovation

- We have scheduled events throughout the year that give our people the opportunity to come together to test, research and explore areas they would not have otherwise been able to. These events include hackathons (both internal and external) and exploration days.

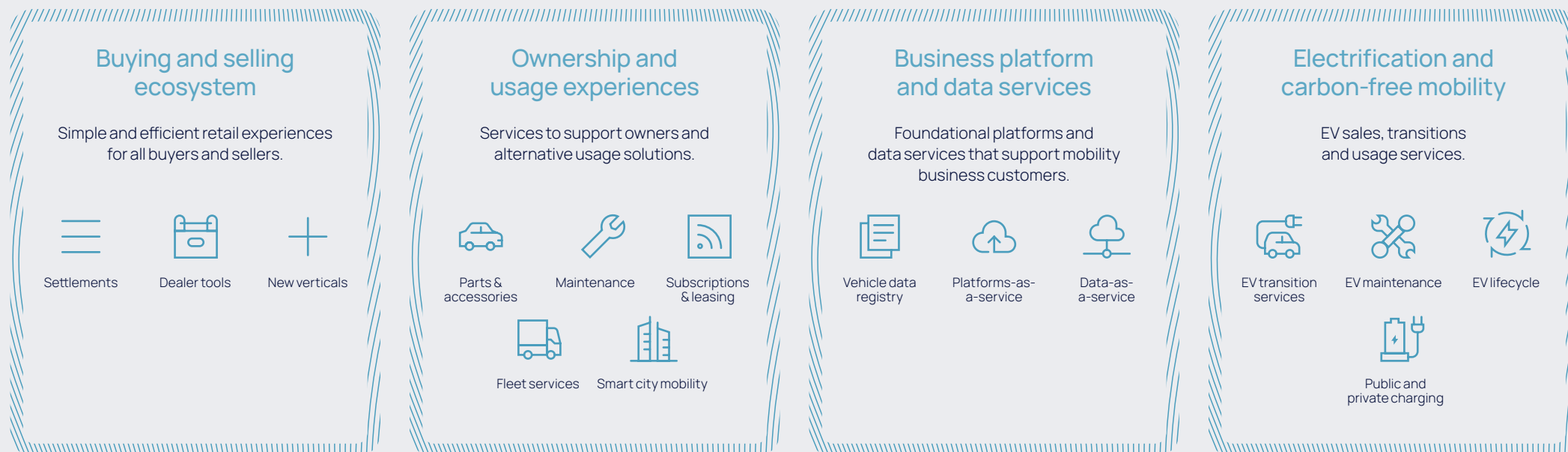
Ad-hoc innovation

- An idea can come from anywhere across the Group and attract a passionate team of our people who are willing to get behind it. We have several programs in place to help support and nurture these ideas to give them the most significant chance of success.



Innovation and growth continued

CAR Group innovation themes



In FY24, we continued to invest in programs designed to explore new ideas and future horizons opportunities.



Innovation and growth continued

Artificial intelligence

AI is a rapidly growing field that is transforming products, businesses and markets.

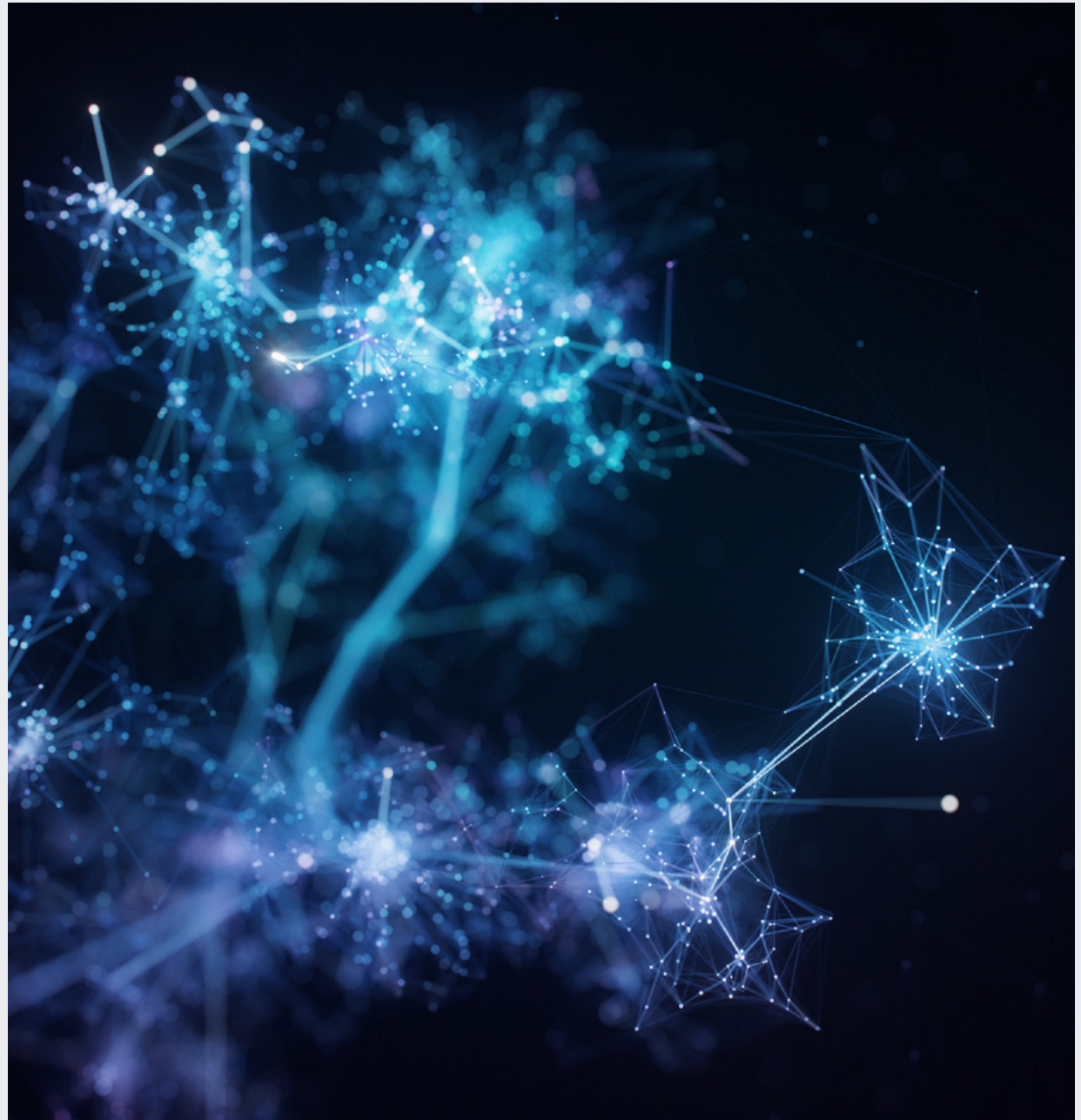
We have been working with AI and machine learning technology for close to a decade and it has helped us to make buying and selling a great experience in many ways. The recent rise in generative AI has identified ways in which we can leverage this technology to further improve our customer experience, trust and safety, business process efficiency, and content generation. Our exploration with generative AI has demonstrated both its significant potential as well as its risks, and it is for this reason that we choose to harness its capabilities effectively, responsibly and safely.

This year we launched a refreshed global AI strategy with six key focus areas ranging from user experience to business processes. Each focus area has associated priority initiatives, and the strategy is underpinned by an AI governance framework, the function of which is to ensure the legal, ethical and responsible development and use of AI. Effective AI governance empowers our Group to maximise the benefits of AI technologies while addressing potential risks such as bias, discrimination, and breaches of privacy.

Our AI strategy and its governance framework have been designed in a way that is both adaptable and scalable, enabling us to keep pace with rapid technological advancements and regulatory changes without stifling innovation.

In FY25, we seek to:

- Continue democratising AI across the Group so that all team members regardless of role can access the power of AI.
- Align our global teams on the priority areas of our AI strategy, to ensure coordinated focus and therefore successful outcomes.



Innovation Case Studies

BLOCKO

A CARSALES BUILT SPAM MITIGATION TOOL DEDICATED TO THE ENHANCEMENT OF LEAD QUALITY

This year, carsales introduced Blocko, an innovative spam mitigation tool designed to protect dealers from spam and low-quality e-mail leads. Blocko is designed to combat suspicious enquiries, allowing sales professionals to concentrate their efforts on genuine leads and boost conversion rates within dealerships.

Blocko employs a comprehensive ruleset to score the authenticity and quality of leads passed to dealers. This ruleset, developed from over 25 years of carsales' market experience, scrutinises 15 different attributes per lead.

The thresholds for blocking leads vary based on the type of message, with specific scores set for different interactions. This nuanced approach allows Blocko to effectively block spam while ensuring genuine leads are not affected.

Blocko can also have its inputs altered. As bad actors evolve and change their habits, we expand on Blocko's rulesets and denylists, ensuring that the tool continues to expand its capabilities and remains effective moving forward.

This comprehensive approach to lead analysis complements carsales' proprietary SMS spam blocking system, both of which are firsts in the Australian auto industry, setting carsales apart in its proactive measures to protect its partners' businesses.

Blocko has demonstrated remarkable effectiveness in filtering spam leads.

Since its inception the tool has successfully blocked thousands of suspicious email enquiries from being sent and billed to dealers across the carsales network. Such a significant decrease in potentially spam leads translates into reduced lead bills for dealers and saves valuable resources that would otherwise be spent on following up these enquiries.



BUY NOW

A TRADER INTERACTIVE BUILT PLATFORM PROVIDING MOTORCYCLE AND ALL-TERRAIN VEHICLE (ATV) DEALERS AND CUSTOMERS THE ABILITY TO DIRECTLY TRANSACT ONLINE

Cycle Trader and ATV Trader, Trader Interactive's leading online marketplaces for new and pre-owned motorcycles, off-road and powersports units, this year expanded their Buy Now capabilities to become the first buying and selling sites in their industries enabling all financing and purchase steps to be completed online.

Once dealers activate Buy Now, customers interested in purchasing online or simply taking the process as far as they'd like online are able to:

- start a deal with one click by visiting the product's vehicle detail page;
- select available manufacturer cash and sales incentives to ensure they are getting the best deal possible;
- complete full credit applications online, greatly expanding the dealer's financing capabilities and reducing manual workload for sales and finance team members;
- select their preferred delivery method including nationwide driveway delivery with real-time delivery updates and map tracking from the dealership to the buyer's driveway;
- indicate or purchase any additional service coverages they would like, including vehicle service contracts, tyre and wheel protection, and theft protection;
- place a deposit and reserve a vehicle online;
- review an exact deal summary including city and state level taxes and fees, ensuring "what you see is what you pay" pricing that eliminates negotiation and conflict; and
- digitally sign a purchase agreement to lock in the deal, with identity verification measures in place to prevent online fraud.

Buy Now capabilities also help OEMs and dealers streamline their sales operations as well as meet customers' demands to do more online.

Offering digital solutions like these throughout the buying journey helps us to deliver on our purpose of making buying and selling a great experience. Ultimately, we are giving the customer more choice and convenience in terms of how they want to transact, removing friction points, and bolstering revenue opportunities for our dealers. Buy Now will continue to evolve as we advance our technological and data integrations to drive even greater value to our customers, lenders and dealers.

Our Impact

CAR Group is committed to understanding, disclosing and managing our climate-related risks and opportunities and environmental footprint. We also recognise the positive social and environmental impact that can be gained from closely managing and maintaining high levels of governance in our supply chains.

Material topics:

- › Climate management
- › Supply chain engagement

Highlights

15.2%

15.2% reduction
in total emissions
for global business
operations compared
to FY23



Carbon neutrality
achieved across CAR
Group globally



Transitioned to
100% GreenPower
across six of our
Australian offices and
commercial sites

95.2%

Completed a low
waste refurbishment
of CAR Group's
ground floor head
office in Melbourne,
Australia - 95.2% of
waste generated was
diverted from landfill

Climate management

We view climate management as an important consideration in future proofing our business model.

Climate risk assessment and scenario analysis increases our businesses resilience as it affords us the opportunity to understand and mitigate risks, determine our opportunities for competitive advantage and make informed strategic, financial and operational business decisions based on the outcomes. This means that we are well positioned to maintain and grow investment in CAR Group, adapt to the changing regulatory environment, and meet the expectations of our shareholders and the wider business community.

As a digital business with a limited physical footprint, our carbon footprint is relatively small compared to many other companies. However, we recognise and acknowledge that our marketplace businesses facilitate the buying and selling of vehicles which are significant contributors to global greenhouse gas emissions. We remain committed to integrating climate action into our operations, being accountable for our impact and transparent about our environmental performance and implementing positive change in this space.

CAR Group continues to integrate climate change considerations into its governance, strategy and risk management processes in line with the recently retired Task Force on Climate-related Financial Disclosures framework (TCFD), which we commenced reporting against in 2023. Our Climate Disclosures Report, available within our FY24 Annual Report, details our most material climate-related risks and opportunities and accompanies this Sustainability Report and our Sustainability Databook.

We are focused on deepening our understanding of our climate-related risks and opportunities and realising the benefits that this offers us, including building long-term business resilience and supporting us to continue to attract investment in CAR Group. This continues to be a priority for us as we prepare to align to the new mandatory climate reporting requirements under the Australian Sustainability Reporting Standards (ASRS). We are in the process of finalising a gap analysis to identify the uplift in disclosure required compared to our Climate Disclosures Report, to ensure that we are prepared for reporting when these standards are introduced.

Our global carbon footprint

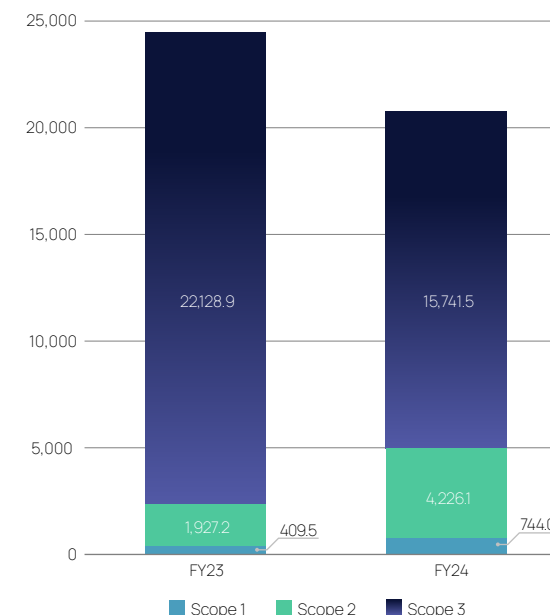
In FY24, we continued to take action on climate. In FY23, we determined our first global carbon footprint across all our controlled operations. Following this, we achieved global carbon neutrality for our FY23 business operations and maintained this in FY24, meaning that Encar, Trader Interactive, webmotors and chileautos are all operating on a carbon neutral basis, in addition to carsales, which has been certified carbon neutral for its business operations through the Australian Government's Climate Active program since FY21.

We achieve carbon neutrality by reducing our emissions where possible, and by investing in a selection of carbon offsetting projects. CAR Group recognises that carbon offsetting should not be used as a way to avoid implementing meaningful emission reduction initiatives and we do not intend to do this. We have a carbon offsetting strategy in place which includes:

- Engaging experienced external consultants to perform due diligence on potential projects to ensure they are of suitable environmental and social integrity;
- Giving priority consideration to projects located in our countries of operation, and those that provide co-benefits to Indigenous communities; and
- Sourcing projects that have alignment to the technology and vehicle industries, such as those with a renewable energy or waste regeneration focus.

Historically we have reported our environmental data one year in arrears, however this year we made the decision to prepare our FY24 carbon emissions data on a 9+3 basis applying the greenhouse gas (GHG) protocol accounting standard and relevant methodologies, so that we could publish our FY24 carbon footprint in time for this report. Therefore, our FY24 footprint is based on nine months of actual emissions data (1 July 2023 to 31 March 2024) and three months of forecasted data (1 April 2024 to 30 June 2024).

Total emissions – global business operations tCO₂-e



We are pleased that our year-on-year global emissions relating to our business operations have decreased by 15.2%. This is due to Scope 3 reductions which are predominantly attributable to reduced spend on purchased goods and services, particularly within our Australian business operations. However, we have seen increases in both Scope 1 and 2 emissions over the past year. We will be looking for opportunities to reduce these emissions through our global decarbonisation strategy.

Climate management continued

FY24 emission reduction plans and progress – Australia

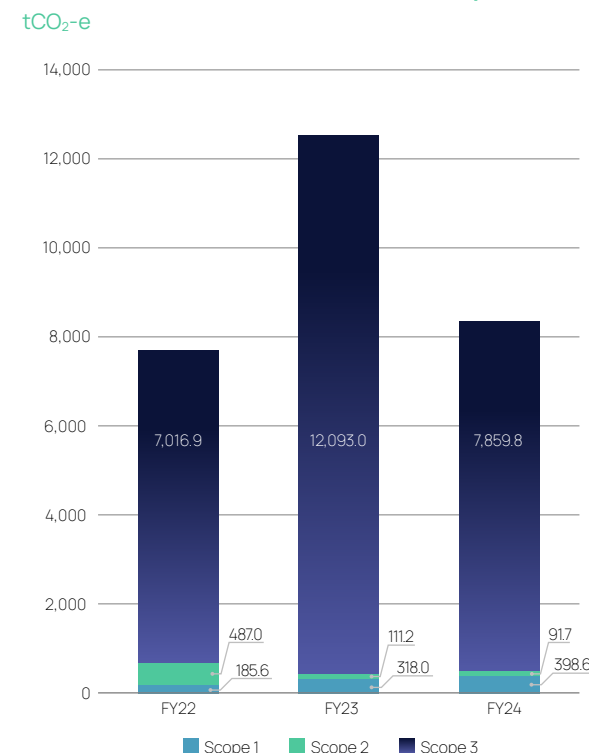
In Australia, carsales (which incorporates CAR Group's head office operations for the purposes of our carbon footprint) has had an emission reduction strategy in place since 2022 and, through its certification with Climate Active, has committed to reducing its emissions intensity per FTE by 30% by 2030 compared to a FY22 baseline. To achieve this target, Scope 1 and 2 emission intensity will be reduced by 100% and Scope 3 intensity emissions by 20%.

In FY24, we implemented several initiatives across our Australian operations focused on reducing carbon emissions including:

- Transitioning to 100% GreenPower across six of our Australian offices and commercial sites (including head office in Cremorne, Victoria) from Q4 FY24 which accounts for 46% of our controlled tenancies in Australia.
- Completing a refurbishment of CAR Group's head office in Melbourne, Australia in which 95.2% of waste generated was recycled and thus diverted from landfill.
- Requesting that team members driving E10 compatible carsales fleet vehicles switch to E10 fuel where possible. In South Australia and Western Australia there is limited availability of E10 fuel so uptake in those states has been less than we hoped, however we have seen a steady increase in uptake in states where E10 is readily available.
- Increasing the number of EV charging stations available at our head office in Melbourne from two to five. We currently offer free EV charging to our team members and visitors to our office.
- We vacated our Adelaide and Brisbane office tenancies when these leases came up for renewal and instead made flexible co-working spaces available for team members in these states – thus reducing our overall office footprint and utility usage. In Adelaide, our co-working space is through Hub Australia which is certified BCorp and carbon neutral. In Queensland, we have made two co-working spaces available – one in Brisbane and one on the Gold Coast – which means that our team members who live in and around the Gold Coast now have a closer office space to work from, thus decreasing employee commute from the Gold Coast to Brisbane.
- We have started to move our Amazon Web Services (AWS) compute to a new AWS patented processor called Graviton which is 40% more sustainable than existing processors and uses up to 60% less energy than comparable Amazon Elastic Compute Cloud instances for the same performance. We anticipate completing this project by the end of FY25. Further details on Graviton can be found [here](#).
- Establishing a calendar of quarterly employee education campaigns to engage our people on topics relating to sustainability, such as saving energy when working from home and waste management.

Our Australian business operations emissions have decreased by 33.3% this year compared to our FY23 carbon footprint. Whilst some of this decrease is attributable to the carbon reduction initiatives we have implemented, we did have several one-off increases in spend across certain purchased goods and services in FY23 which resulted in higher than usual Scope 3 emissions in FY23.

Total emissions – Australian business operations



Climate management continued

For a comprehensive understanding of our environmental performance including historical emissions data across all scopes, emissions intensity information, and waste and recycling performance, please refer to the 'Environment' tab in our FY24 Sustainability Databook.

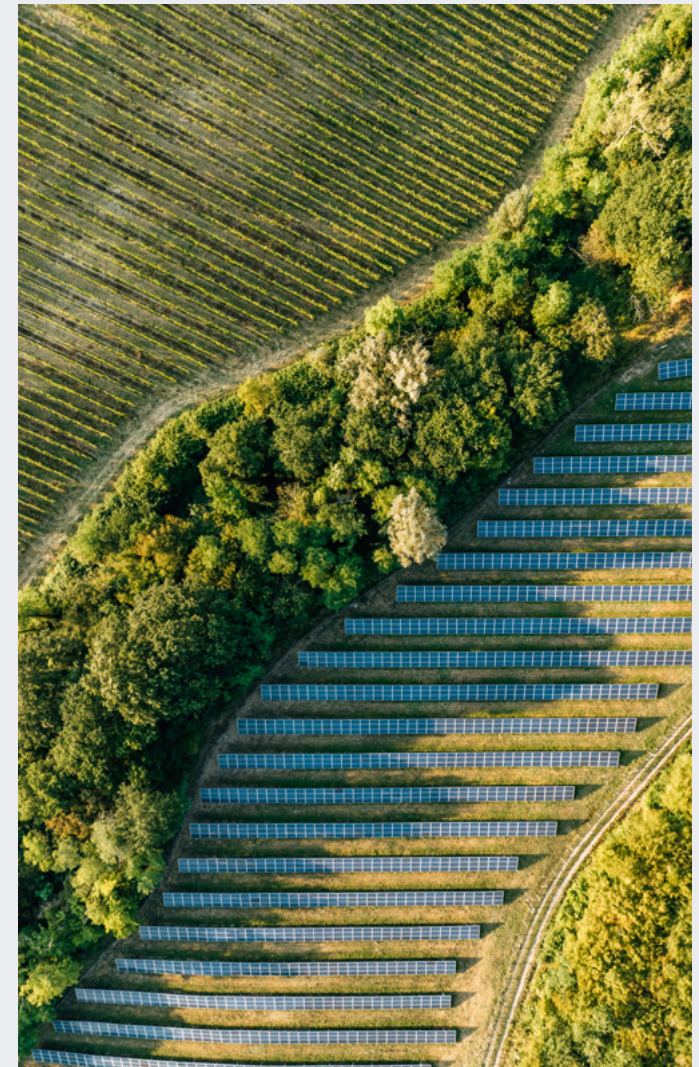
We have decided not to put a net zero target in place. As a business that has consistently expanded its operations, particularly through acquisitions, it is challenging to forecast how our emissions will change as this growth occurs and as our GHG operational boundary expands. We have always lived by the mantra of 'doing what we say and saying what we do' and feel it would be disingenuous to put a well-intentioned pledge in place with an aspirational date. Our preference is to commit to decarbonising our business operations and being transparent about our progress in our annual reporting suite.

We are fully committed to climate management and recognise the business value that we gain from understanding our climate risks and opportunities and decarbonising our operations. We remain on a climate management journey and as we mature in this space, we will continue to feed our learnings back into our business strategy to ensure we are set up for future success.

In FY25, we seek to:

- Continue our preparations for the upcoming ASRS mandatory climate reporting requirements.
- Finalise our global decarbonisation strategy. This includes assessing how each of our markets can meaningfully reduce their emissions based on their emissions profile and optimising internal processes to support these strategies.
- Implement a carbon accounting platform to collect our emissions-related data. This will replace the manual process that we currently undertake annually with the support of external consultants and will allow us to better track our emissions at more regular intervals throughout the year. It will also ensure that we are in a better position to receive assurance over our Scope emissions.
- Commence a review of our supply chain and engagement with our key suppliers via our carbon accounting platform to understand their existing carbon emissions management, thus allowing us to better measure, manage and reduce our Scope 3 emissions.
- Investigate the purchase of renewable energy and large-scale generation certificates to abate the consumption of electricity in our geographies where GreenPower or an equivalent is not readily available, as well as our Scope 3 employee work from home related electricity usage.
- Continue to incorporate ESG considerations as part of our due diligence process for M&A.
- Undertake a second pass physical and transition risk assessment.

We look forward to providing an update on our progress across each marketplace in next year's report.



Supply chain engagement

We are committed to understanding, disclosing and managing sustainability risks in CAR Group's supply chain, including environmental and social impacts.

This includes a focus on driving positive social impact through procurement and managing the potential for modern slavery and human rights abuses within our supply chain.

As a digital business, CAR Group's supply chain presents lower ESG risks in some areas than the supply chains of businesses in other sectors. Nevertheless, CAR Group acknowledges that all supply chains can present environmental and social risks and is committed to mitigating these. We set high standards for how we do business and ensure that our suppliers and customers understand this.

Our commitment to operating a socially and environmentally responsible business is underpinned by CAR Group's Code of Conduct and Human Rights Policy which are available on our shareholder website. These commitments flow through to our suppliers and our supply chain engagement processes, which help us ensure we are doing business with suppliers that share our values, and whose conduct aligns with ours. Our success in remaining a leader in the long term lies in our operating model, which embeds sustainable business practices across our operations and supply chain.

By appropriately engaging with our supply chains, we are better positioned to:

- act consistently with our commitment to act in an ethical and sustainable manner, and in a manner that promotes human rights;
- meet the expectations of our customers, employees, the community and other stakeholders; and
- manage legal and reputational risks that may arise from supply chain issues.

Our approach to supply chain management is multi-faceted and incorporates the following elements:

Supplier Code of Conduct

- Sets the minimum standards of behaviour that we require from our suppliers.
 - Based on Responsible Business Alliance Code of Conduct 6.0 which has been prepared with reference to international norms and standards including Universal Declaration of Human Rights, ILO International Labor Standards, OECD Guidelines for Multinational Enterprises and ISO and SA standards.
 - Seeks commitments from suppliers regarding ethical use of labour; equality, diversity and community; environmental protection; business ethics; and responsible sourcing of materials.
 - CAR Group subsidiaries have their own Supplier Codes of Conduct which are facilitated by CAR Group's principles-based approach and customised to suit their local operating environment.
 - Suppliers are expected to adhere to our Code of Conduct and implement an equivalent code in their own supply chains. Our Code is incorporated as a contractual term of supply contracts where practical.
-

Supplier Screening

- Prospective suppliers are asked to complete a questionnaire which assists us in choosing suppliers who we trust and share our commitment to operating in a socially and environmentally responsible manner.
 - Suppliers answer questions regarding gender equality, environmental activities, social responsibility efforts and modern slavery risk.
 - Responses are assessed by our supplier screening tool which assigns each supplier a risk rating.
 - Where a supplier is determined to present a heightened risk, the supplier's questionnaire responses are sent to the relevant team for further consideration.
 - Depending on the nature of the risk, actions such as requesting further information, obtaining contractual assurances, providing training/guidance or finding an alternative supplier may be considered.
 - In certain circumstances more significant due diligence is undertaken on suppliers before a decision to proceed is made.
-

Managing ongoing supplier lifecycle and proactive engagement

- Due diligence is undertaken during onboarding to ensure that suppliers align with CAR Group's values.
 - Where the onboarding process identifies potential issues, CAR Group may actively engage with the supplier to address these issues. This may include discussing our concerns with the supplier, providing the supplier with additional training/materials, and/or seeking further assurances from the supplier.
 - CAR Group considers engaging with suppliers based on a number of factors, and is not driven solely by cost. A supplier that can demonstrate better adherence to our Supplier Code of Conduct may be preferred over one that does not.
 - Post onboarding, ongoing management includes service delivery, renewals and termination.
-

Supply chain engagement continued

CAR Group complies with the Australian Modern Slavery Act (2018) and our most recent Modern Slavery Statement can be found on our shareholder website.

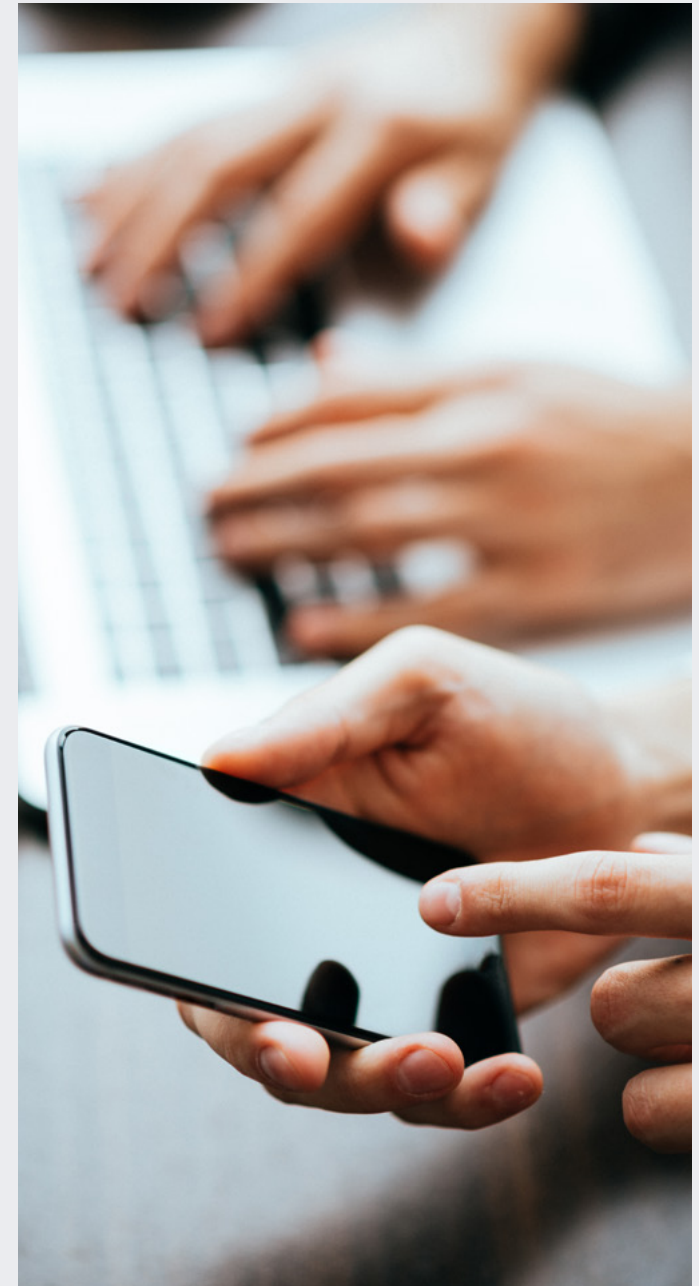
In FY24, we continued to proactively engage with our suppliers. One of the key challenges we have faced into is how best to meaningfully engage with certain types of suppliers such as small to medium sized businesses who don't necessarily have the resourcing available to them to engage with their own supply chains or drive the development required to participate in corporate supply chains, and those where the procured product or service is of low value and there is limited commercial will or leverage to engage.

Key FY24 highlights:

- Reviewed and, where necessary, uplifted modern slavery processes for our more recently acquired businesses to reflect the broader approach of CAR Group.
- Commenced the process to appoint designated employees in our global subsidiaries as 'modern slavery compliance champions' in order to further align procedures between entities, and improve the reporting of key metrics relating to modern slavery.
- Received approval of our new Modern Slavery Policy from the CAR Group Board and commenced development of an online training module based on the policy.
- Increased the number of suppliers in our supply chain that are wholly or majority owned by Aboriginal or Torres Strait Islanders, including Baidam Solutions.
- Signed terms with a carbon accounting platform as discussed in the Climate Management section of this report.

In FY25, we seek to:

- Continue to engage with our suppliers around the globe and uplift our risk controls.
- Complete the activities that commenced in FY24 as outlined in the key highlights section.
- Implement our carbon accounting platform and commence a review of our supply chain, as discussed in the Climate Management section of this report.



Our business practices

CAR Group is a company with a strong moral compass and is committed to strong corporate governance and complying with both the letter and spirit of the law. We build and maintain an ethical culture of integrity, transparency and accountability at all levels.

Material topics:

- › Ethics and integrity
- › Governance and risk management

Highlights



Updated CAR Group
Code of Conduct



Introduced CAR Group
Anti-Bribery and
Corruption policy



Artificial Intelligence
Governance Committee
established

Ethics and integrity

Our social license to operate is intrinsically tied to maintaining our reputation and good corporate standing.

We have robust global policies and risk management systems in place to ensure that we act in accordance with the highest ethical standards and conduct business in a way that is compliant with anti-bribery and anti-corruption laws.

With a geographically dispersed workforce, it is especially important that our expectations around standards of behaviour are clear to all and modelled by our leaders. It is also critical that our workplaces are environments where everyone feels safe to speak up about any issues that may arise.

Our governance committees ensure that our actions are consistent with our ethics, and this is especially relevant in areas of new technology, such as AI. We take the attitude that just because we can do something doesn't mean we should, so we make sure to consider the ethical impacts of our proposed actions.

Anti-discrimination

CAR Group is committed to providing our people with a safe, inclusive and respectful workplace. We do not tolerate behaviour that contravenes our diversity, equity and inclusion principles – this includes discrimination, harassment, bullying, victimisation and vilification.

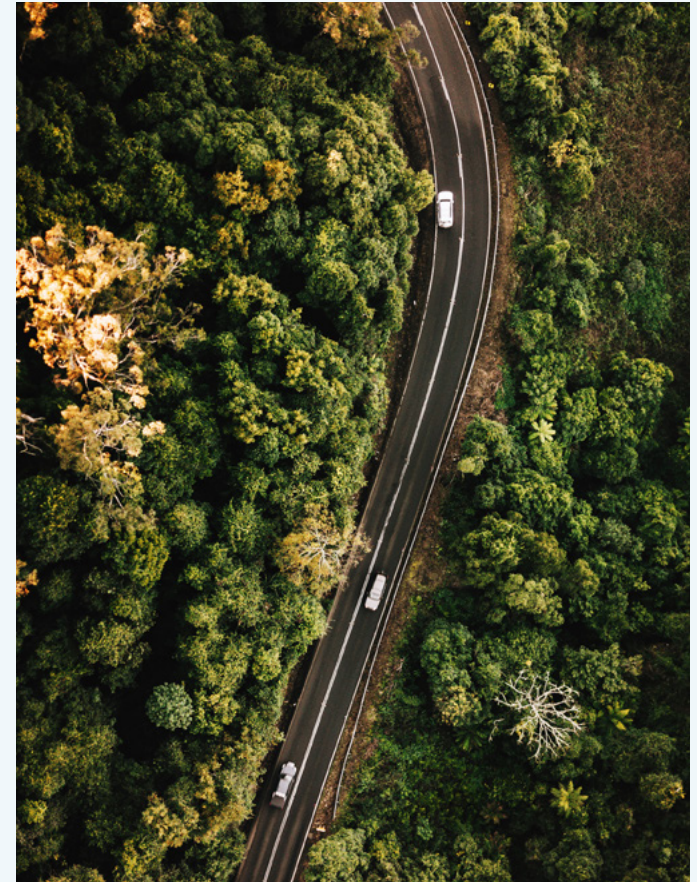
All our people, regardless of their role within the organisation, understand that they have a role to play in keeping our workplace safe. Our Code of Conduct sets out our standards of behaviour for how team members should behave towards each other and anyone else they deal with at work.

People who feel they have been discriminated against or unfairly treated in any way can lodge a complaint via either the process outlined in their local grievance or disciplinary policy or through our global whistleblower hotline and it will be investigated thoroughly. Substantiated breaches of our policies may lead to sanctions up to and including dismissal. Whistleblowers who report discriminatory behaviour or any other illegal or unethical conduct are protected under our Whistleblowing Policy.

Culture of compliance

We have built an excellent culture of compliance over the years. The challenge is maintaining and continuing to enhance that in a global Group where people have different cultures and experiences and where we have a significant proportion of our workforce working remotely. We have addressed this by ensuring the Global Leadership Team are on the same page, understand all the cultures we are fortunate to work with, and demonstrate the right types of behaviours to our people.

As we continue to grow as a global Group, it is important that no matter where we are in the world, we have shared policies and principles that guide our behaviours and unite us in making the right decisions.



Ethics and integrity continued

Key FY24 highlights:

- We updated our CAR Group Code of Conduct and introduced a CAR Group Anti-Bribery and Corruption policy, both of which are available on our shareholder website. These policies apply to all employees, directors, officers and contractors working for CAR Group and all subsidiaries globally. Given that these policies are global, they have been translated and checked for local understanding so that they are accessible and make sense to our entire workforce.
- To ensure everyone has a clear understanding of their obligations under these policies, we developed two new, bespoke compliance modules – Code of Conduct and Anti-Bribery & Corruption. These modules have been rolled out in Australia and are now being implemented in our other markets and will include annual refresher training.
- Building on our Whistleblowing Policy which has been in effect globally for several years, the topic of whistleblowing has been incorporated in both our new Code of Conduct and Anti-Bribery & Corruption compliance training modules – this includes what, how and why to disclose; the importance of individual accountability; how reports are investigated; and the consequences of breaches, both from a disciplinary and legal perspective.

An overview of our compliance training in each of our key markets is shared to the right.

In FY25 we seek to:

- Complete the roll out of the new Code of Conduct and Anti-Bribery & Corruption modules.
- Undertake a review of the compliance training modules in our countries of operation outside of Australia and uplift these as required.

	Code of Conduct	Anti-Bribery & Corruption	Cybersecurity	Anti-Discrimination, Equal Opportunity, Bullying and/or Harassment	Work, Health & Safety	Privacy, Confidentiality and/or Consumer Law
Australia						
Brazil						
Chile						
South Korea						
United States						

KEY



Compliance training at induction and refreshed annually or bi-annually



New, global CAR Group modules in process of being rolled out (induction and annual refreshers), expected completion early FY25



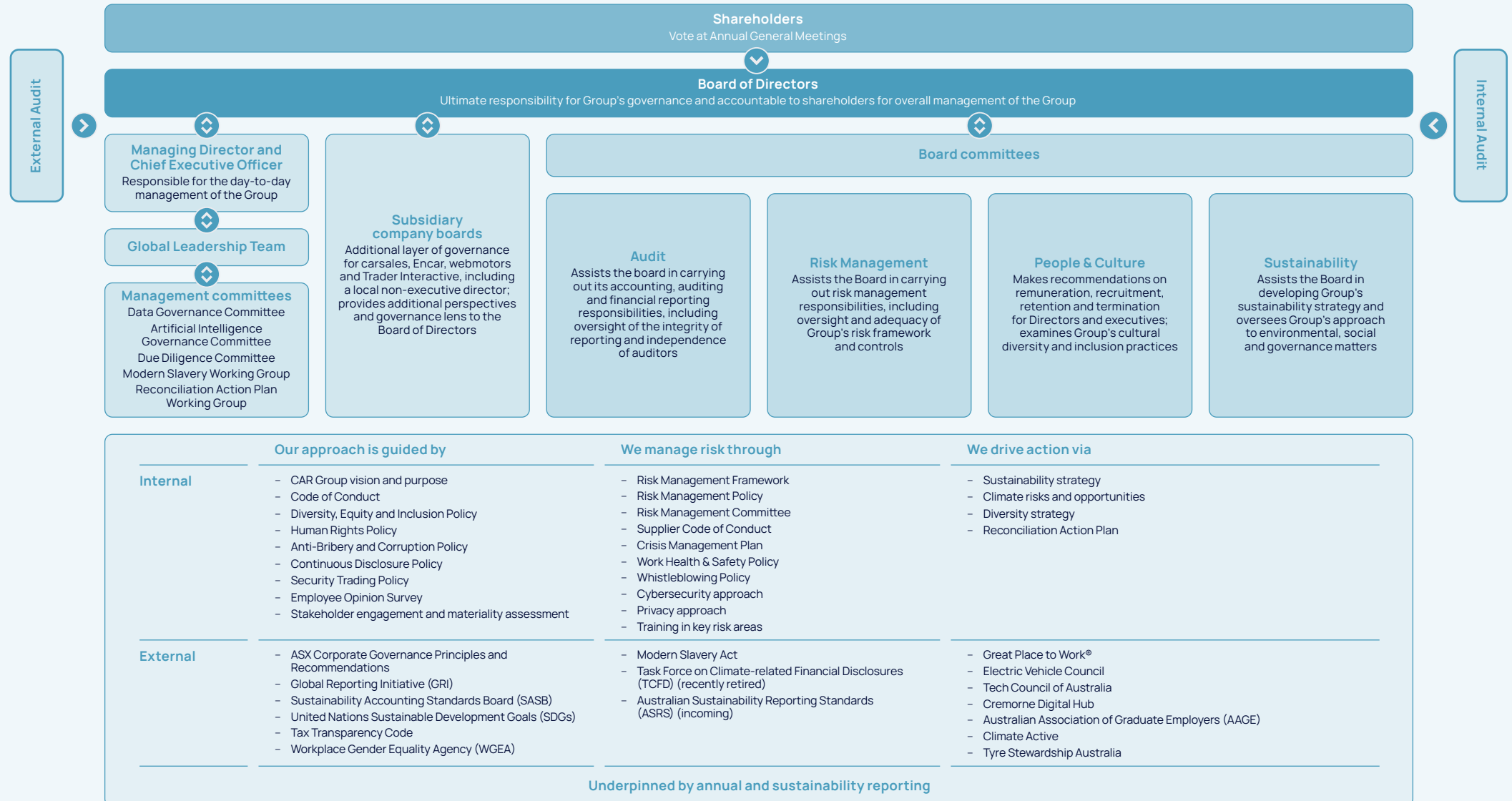
Currently offered at induction, uplift to annual refresh to be implemented in FY25



Not currently offered but intention to roll out in FY25

Governance and risk management

Our governance framework is key to our success and crucial to sustainable value creation.



Governance and risk management continued

Having robust policies, systems, leadership, and training in place are vital elements of our effective governance framework which manages strategic, operational, reputational and financial risks. This approach helps us to ensure that the right decisions are being made for the right reasons and based on the right information.

It is important to us that each business across our Group has appropriate governance and risk management processes in place without being overly bureaucratic or stifling innovation, and we believe that our current practices strike this balance.

As we have established significant operations in different jurisdictions, it has broadened our approach to governance.

A recent addition to our management committees is the Artificial Intelligence Governance Committee. This committee includes representation from the Legal, Security, Data Governance and Data Science teams and is responsible for ensuring the safe and ethical use of AI across CAR Group.

We have also augmented the Board's skills and experience by engaging non-executive directors on the boards of some of our major subsidiaries.

In FY24, we established a carsales management board, which has engaged an independent consultant who acts as an independent non-executive director. The Encar board also has an independent non-executive director, and both Trader Interactive and webmotors have local non-executive directors on their boards.

These roles provide several benefits to the local business and to CAR Group, namely:

- Management has a local resource who can offer advice, guidance, and mentorship;
- They provide valuable insight to the other subsidiary board members about the local market and environment; and
- They provide periodic updates to the CAR Group Board on the operations of the businesses and insights into the regions in which they operate. While the Board receives monthly management reports from the different businesses and often interacts with local management, this offers them an additional perspective.

In FY25, we seek to:

- Continue embedding appropriate governance frameworks for new technologies so that we don't delay the Group's use of or experimentation with them but take appropriate measures to ensure such use is safe, responsible and compliant.

Further information about our governance practices can be found in our FY24 Corporate Governance statement, available on our shareholder website.

Governance and risk management continued

Managing risk is a continuous process and an integral part of CAR Group's approach to governance.

Risk and opportunity are intrinsically linked, and we seek to manage risk in ways that minimise the potential for loss, while maximising opportunities for growth and profitability.

Our risk management framework is designed to support us in achieving our strategic and operational objectives. The Board is responsible for determining the Group's tolerance for different categories of risk, and management aligns the vision, strategy, processes, technology and governance of the Group accordingly.



As CAR Group grows through acquisition and innovation, we naturally become exposed to additional legal and compliance requirements and new and emerging risks. There is also a need to account for jurisdictional and geographical considerations in each of our markets.

During FY24, we rolled out a refreshed global risk management framework which clearly sets the Board's expectations for how each business manages risk, as well as the cadence of risk management activities to be conducted at the various levels throughout the organisation. One of the outcomes from this process has been that we now have an overarching global risk register in addition to an in-country risk register for each marketplace.

Our risk registers capture material and other potential risks to the business and assess the nature, likelihood and materiality of the impact of each risk. Each risk has at least two owners – one senior executive and one senior manager – and includes an explanation of what controls have been implemented to mitigate the risk. They are accompanied by a series of key risk indicators which are monitored monthly (in-country risk registers) or quarterly (global risk register) and reported to the Board and Global Leadership Team.

All risk registers are reviewed at least twice per year.

In addition to the internal risk management framework, CAR Group has an internal audit function and engages an external auditor, responsible for providing an independent opinion of the financial results of the Group. In undertaking this role, the external auditor also provides comments on the management of risk.

In FY25, we seek to:

- Continue to evolve our identification of new and emerging risks.

Governance and risk management continued

CAR Group has processes in place to ensure that it complies with applicable tax regulations in each country that it operates in.

Our tax strategy	– Aligned to our risk management framework – Reviewed and approved by the Board – Administered by our Tax function				
Our tax commitments	Maintain the integrity and reputation of CAR Group at all times.	Obtain advice as needed from tax advisors or revenue authorities.	Deal transparently with tax authorities and maintain open, co-operative relationships with them.	Comply with tax laws in each of our jurisdictions and ensure that all tax positions taken are reasonably arguable.	Adopt only positions that enhance shareholder value without having to rely on their tax effect for viability.
Our tax processes	Income tax, operational tax matters, direct and indirect tax compliance and the administration of foreign taxes is managed locally by appropriately skilled finance team members in each marketplace, with the support of CAR Group's global Tax, Treasury and Risk functions and external tax and legal advisors, as required.	Tax decisions are made considering both the regulatory environment in which we operate (anticipating future changes as relevant) and our business goals and risk appetite.	Review proposed business strategies through a tax lens to ensure required outcomes can be achieved within relevant tax regulations.	Regularly review our effective tax rate to monitor the impact business decisions are having on CAR Group's tax positions and to ensure that such operational decisions are independently sustainable without needing to rely on specific tax positions or conditions.	Engage in public policy advocacy via participation in Treasury working groups and indirectly via interactions with the Corporate Taxpayer Association and other key taxpayers in the digital classifieds sector.
Underpinning our tax strategy is our belief in paying our fair share of tax in each of our jurisdictions. CAR Group is a signatory of the Tax Transparency Code.					

In FY24, much of our focus was on the integration of two key acquisitions, Trader Interactive and webmotors. Activities included:

- Reviewing the local business processes relating to tax.
- Understanding the local tax environment that these acquired businesses operate in.
- Ensuring local processes comply with the Group tax risk management framework.

In addition, we commenced implementation of a tax software system to assist with tax compliance in Australia.

In FY25, we seek to:

- Improve our external tax reporting to enable investors and regulators to better understand our global tax profile and tax governance structure.
- Put in place the right systems and information gathering processes to enable us to comply with the additional data reporting that is required as CAR Group moves into the category of significant global entity.

Corporate Directory

Directors

Pat O'Sullivan

(Non-Executive Chair)

Cameron McIntyre

(Managing Director and CEO)

Wal Pisciotta OAM

(Non-Executive Director)

Kim Anderson

(Non-Executive Director)

Edwina Gilbert

(Non-Executive Director)

Kee Wong

(Non-Executive Director)

David Wiadrowski

(Non-Executive Director)

Susan Massasso

(Non-Executive Director)

Pip Marlow

(Non-Executive Director –
effective 1 February 2024)

Company secretary

Nicole Birman

Registered office

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External auditor

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Stock Exchange

CAR Group Ltd is a public company listed with
the Australian Securities Exchange Limited

ASX: CAR

All questions on the
Sustainability Report or our
sustainability initiatives
should be addressed to
our Sustainability team:
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