

# 2023 ESG REPORT

# A MESSAGE FROM OUR MANAGEMENT BOARD



For the first 10 years since the foundation of AUTO1 Group, our main focus has been to grow the business - which we did. It has always been our goal to offer the best possible experiences to all of our customers - dealers and consumers alike. This conviction is the reason for everything we do. Following this principle, we have built products that are category leaders in their areas, like AUTO1.com being Europe's largest wholesale platform for used cars. We did all this while having rigorous ESG considerations in place, as we are convinced that it's central to the sustainable growth and development of our company to contribute positively to the communities we live and work in and to minimize our impact on the environment as much as we can.

We are delighted that we made great progress across various initiatives in 2023. In the Netherlands, we have realized several projects to reduce our environmental footprint. For example, when refurbishing vehicles, we chose paint that dries quickly at room temperature, which does not require drying cabins that traditionally would require gas to function.



We also continued to promote diversity, equity and inclusion. One of the core building blocks therefore are our AUTO1 Communities, through which we aim to create a safe space for employees to exchange ideas and experiences, network, create awareness within the company on certain topics, and nurture the exchange of ideas. Last year, the Women at AUTO1 Community organized a special online panel discussion featuring six of our talented female colleagues for 2023 International Women's Day. The panel touched on topics such as leadership, career growth, diversity, female activism, and debated challenges, success stories, and reflections on how to work towards a more inclusive workplace.

Looking at the years ahead, we will stay ambitious and constantly look for ways to improve the experiences of our customers and we'll focus more than ever on innovation and the use of technology to grow our business. This is only possible with the robust Environmental, Social and Governance structures that we have built. Through ensuring that a solid ESG framework is weaved into our DNA, we have laid the necessary foundation to develop and grow our unique business model.

As a result, ESG practices continue to be strongly anchored in our daily considerations and work. Reporting under the Corporate Sustainability Reporting Directive (CSRD) will commence in 2025, but in the meantime we stay focused on improving our processes and continue to strive for progress and achievements in regards to our sustainability efforts.

This report highlights our considerable advancements across various ESG initiatives last year, while also acknowledging the areas where our journey is just beginning. We are very excited about the future and the opportunities it holds for us.

Thank you for being part of our journey.



**Christian Bertermann**

CEO & Co-Founder  
of AUTO1 Group



**Markus Boser**

CFO of AUTO1 Group



## COMPANY PROFILE

AUTO1 Group SE (hereinafter AUTO1) is Europe's leading digital automotive platform for buying and selling used cars, operating as an e-commerce platform under the brand names AUTO1.com, wirkaufendeinauto.de, with its sister brands, and Autohero. With a presence in over 30 countries, we have around 5,500 employees, and sold over 580,000 vehicles in 2023. Please refer to the Group profile in the Combined Management Report within Section 3 of our Annual Report for a detailed description of our business model.

**ca. 5,500**

Employees



**30+**

Countries



**22**

Countries  
with offices



**102**

Unique  
nationalities



**4,200,000+**

Cars purchased and sold  
from customers



## Our Value Chain



We believe that our unique business model, as shown in this model of our value chain, has the potential to contribute to multiple ESG goals, such as the transition to a circular economy. In preparing this report, we have re-analyzed our model to transparently represent its sustainability impact.

## Our Approach to Non-financial Reporting

As we advance our company mission to create the best way to buy and sell used cars, we acknowledge that the integration of sustainability considerations in our daily work is central to this goal and the sustainable growth of our company. It is this principle that underlies our legal obligation to produce a sustainability report and forms the cornerstone of our approach towards our non-financial reporting.

This sustainability report is a separate, non-financial group report for the fiscal year 2023 in accordance with Sec. 289b (1) and (3) and Sec. 315b (1) and (3) of the German Commercial Code (HGB).

It applies the EU's Regulation on the establishment of a framework to facilitate sustainable investment (the Taxonomy Regulation). Accordingly, this report discloses the proportion of our turnover, capital expenditure (CapEx), and operating expenditure (OpEx) which is eligible under, as well as the proportion which is aligned with, the requirements of the EU Taxonomy Regulation. Please refer to the Environmental section of this report for a more detailed explanation of our Taxonomy disclosure.

This report also voluntarily applies the Sustainability Accounting Standards Board (SASB) reporting standard and its focus on disclosing industry-specific Key Performance Indicators (KPIs), which we believe allow us to provide relevant information and easily benchmarkable metrics that focus on material issues impacting the health of the company.

Under the SASB standard we are classified as Sector Consumer Goods, Primary Industry Multiline & Speciality Retailer, and Distributor. Applying this standard enables us to use the same rigor when producing our sustainability metrics as for our financial statements, allowing us to offer our shareholders, business partners, and the public a comprehensive overview of our non-financial metrics and performance to transparently assess our sustainability efforts.

### Our Central Commitments

We support the United Nations' 17 Sustainable Development Goals (SDGs) and integrate these into our strategic business decisions and daily operations. In line with the characteristics of our business model, our focus lies on the following three SDGs:

#### Goal 13

##### Regarding Environmental Topics: Climate Action

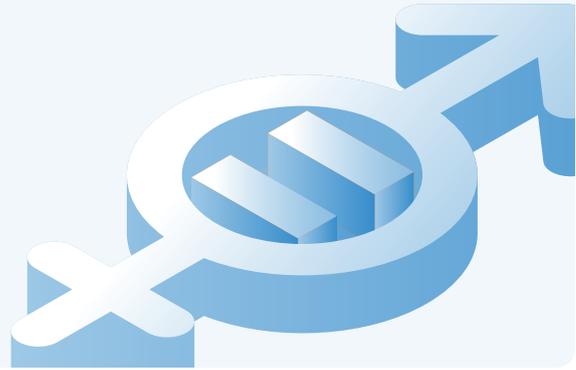
This SDG calls to "take urgent action to combat climate change and its impact" through climate protection, reduction of greenhouse gasses, and the adherence to the Paris Agreement of December 2015. Accordingly, we are aware of the overwhelming importance of this goal and the need for our company to support it.



## Goal 5

### Regarding Social Matters: Gender Equality

This SDG calls to "achieve gender equality and empower all women and girls", and we fully agree with this principle. Indeed, Goal 5 aims at ending all forms of discrimination against women and girls (Goal 5.1), to recognize and value the promotion of shared responsibilities within the household and family as nationally appropriate (Goal 5.4), and to ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in economic life (Goal 5.5).



## Goal 8

### Regarding Governance: Decent Work and Economic Growth

Aiming to "promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all", we felt that this goal was best aligned with the governance measures which we have implemented to ensure the sustainable development of our business, our adherence to labor rights and fair pay, and the sustainable economic development of our business partners.

This report develops these along with other principles, describes our sustainability strategy, and outlines initiatives and governance measures that we have implemented to underline our commitment to sustainability. In this report, we also present an outlook on upcoming initiatives and measures, as well as our sustainability strategy going forward.



## Process Followed to Create Report

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As the basis of our sustainability strategy and reporting, and to maximize the transparency around this process, we conducted our yearly non-financial materiality assessment. Our aim was to reevaluate how our business impacts the environment, social, and employee matters, and whether we continue to meet the necessary risk management, compliance, and governance standards to ensure that we can successfully implement our sustainability strategy while meeting applicable regulatory requirements. As part of this assessment, we analyzed our business model, value and supply chain, working with internal and external stakeholders to highlight the main ways our business impacts these topics as well as the ways in which these impact our business, following a double-materiality approach; inside-out and outside-in.

This analysis included our strengths, potential weaknesses and risks which have informed our sustainability strategy, as well as the implementation of the ESG initiatives described throughout this report. This preliminary assessment was followed by in-depth internal discussions and deliberation

led by our Management Board in collaboration with the ESG Steering Committee and under the supervision of the ESG Committee of our Supervisory Board. It involved our Purchasing, Sales, Real Estate, Logistics, Production, Legal and Compliance, Communications, People, Tax & Risk, and Accounting departments, involving stakeholders across multiple seniority levels. It touched on a broad range of environmental, social and governance topics, and aspects of our business, resulting in the following rating.

AUTO1 fulfills consumers' mobility needs by providing a uniquely transparent and easy way to both buy and sell used cars, offering the widest selection of vehicles and enabling customers to transact from the comfort of their own home. To enable this vision, AUTO1 operates a comprehensive pan-European logistics network. Our impact on the environment, and accordingly our CO2 footprint, therefore remains the decisive factor within our assessment. Accordingly, our ESG team performed our yearly CO2 audit to analyze which of our operational elements impacts the environment and which measures would best mitigate this impact. We also took into



consideration further environmental aspects such as the use of renewable energy sources and the sustainable disposal of waste on our premises and production facilities. Addressing environmental sustainability remains our principal ESG goal.

Our people and the community are the second most important consideration for us. With around 5,500 employees, a representation of 102 unique nationalities, activities in more than 30 countries, and a strong local and international impact as an employer, it remains clear to us that the people and community topics are particularly important for our company. Within these topics we looked at our impact as a company on a pan-European level, labor practices, workplace equality and diversity, the training & development of our diverse workforce, and our social impact and contributions.

Finally, we re-assessed our risk management, compliance, and governance measures on the basis of applicable laws and standards, as well as the German Corporate Governance Code. Here, we evaluated our risk management strategy, anti-corruption & bribery measures, data security and protection, our adherence to human rights and supply chain legislation, the independence of our Supervisory Board, Audit Committee, and our dedicated sustainability governance structure. Areas of focus here were diversity and inclusion within these bodies, decision paths, and the integration and reporting of sustainability considerations within them.

## Our Non-financial Risk Management

The Management Board, in collaboration with the Risk Management and Compliance team, has conducted a rigorous evaluation of AUTO1's principal risks, inclusive of those that could potentially influence our sustainability strategy. Our internal due diligence encompasses a holistic ESG risk assessment, addressing key areas such as environmental, employee and social, human rights, and supply chain due diligence considerations.

This evaluation comprehensively analyzes both the impacts of these risks on AUTO1 and the reciprocal effects of our operations on these risk domains.

Furthermore, a dedicated annual compliance risk assessment, integral to our risk management protocol, is conducted. This ensures a continual review of our sustainability risk profile from a legal perspective, fortifying our commitment to upholding legal standards and best practices.

In alignment with the 2022 update of the German Corporate Governance Code, AUTO1 has updated its practices to fully comply with its enhanced guidelines, particularly the sustainability-centric recommendations A2 and A3. These guidelines underscore the importance of embedding ecological and social sustainability considerations into our enterprise management and oversight frameworks.

To monitor non-financial risks, we have implemented a robust whistleblowing system, supplemented by our Whistleblowing policy to enable both internal and external reporting. In 2023, no material risks were raised through this channel.

No significant non-financial risks have been identified during the reporting period relating to the topics laid out in Sec. 289c (2) (HGB).

## Involvement of the Management Board

The Management Board bears the overall responsibility for our sustainability strategy. It provides guidance on the sustainability initiatives pursued and coordinates these with the respective department leadership at Senior Vice President (SVP) and Vice President (VP) level, as well as with our dedicated ESG team, which is made up of senior stakeholders from the People, Communications, Investor Relations, Accounting, and Legal / Compliance teams. The ESG Committee of the Supervisory Board is the controlling body under which this governance structure is set up.

To ensure accountability for our continued efforts around our sustainability at the most senior levels of management, AUTO1 has formally appointed Markus Boser, Chief Financial Officer, as our Management Board representative for sustainability, ESG ambassador, and chairman of our operational-level ESG Steering Committee.

## ESG Ambassadors

Complementing our overarching ESG governance structure, we have three dedicated ESG ambassadors as the principal representatives responsible for developing and implementing our sustainability strategy at all management levels across the Group.



“ I am convinced that performing strongly across ESG factors makes our business more resilient and will contribute positively to our financial performance in the long-term. ”

**Markus Boser**

Chief Financial Officer

Responsible for our ESG strategy at Management Board level and chairman of our ESG Steering Committee.



“ Embracing ESG practices is essential for us and by integrating them into our daily work, we enhance employee satisfaction and attract forward-thinking talent. It’s about making a meaningful difference while driving our company forward. ”

**Anne-Kristin Müller**

SVP People & Operations

Responsible for ESG at VP level, with a primary focus on the People and Community aspects of our ESG strategy.



“ It’s important that we hold ourselves accountable and continuously align the direction of our business with ESG frameworks such as the UN Sustainable Development Goals. Being able to orchestrate our ESG efforts and progress within my role is very rewarding, because I get to work with people across our organization who are passionate about being a driving force for positive change. ”

**Matthew Perry**  
Head of Legal Compliance

The primary point of contact at AUTO1 for ESG and responsible for the development and implementation of our ESG strategy.

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01

# THE ENVIRONMENT



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## Our Business Model

As an e-commerce business which operates a Europe-wide distribution network, our operations have an impact on the environment. In parallel, our principal product - used cars - also affects the environment. However, we believe that our unique business model places our business within the circular economy and plays an important part in reducing the environmental footprint of automotive mobility in Europe, while simultaneously mitigating further sustainability risks traditionally associated with this industry.

AUTO1's pan-European sales and distribution network and unparalleled vehicle data allows for cars to be sold into territories in which they are needed instead of being scrapped. As a large-scale player, we are therefore able to offer the selection, price, and efficiency required to allow for a democratic transition to cleaner vehicles. For example, a 14-year-old VW Passat which would be scrapped in the Netherlands may be sold in Spain where it replaces a 27-year-old Audi A4 which is in turn scrapped. In the Netherlands, the vehicle is replaced by an electric vehicle (EV). In this example, our circular economy model means that an old vehicle with

an internal combustion engine (ICE) is replaced by an EV and an even older ICE vehicle is scrapped and replaced with a younger and more environmentally friendly one.

Enhancing our circular economy business model, the average car we trade is younger than the average vehicle age in most EU countries.<sup>1</sup> The age of a car correlates with its impact on the environment. The older the car the more likely it produces more emissions in contrast to a younger and therefore more efficient vehicle. This means that, on average, AUTO1 trades vehicles which are more environmentally friendly than the average EU vehicle, replacing less environmentally friendly cars with younger and more environmentally friendly ones – and we expect this to steadily increase as we continue to expand our retail sector through our brand Autohero, which focuses on young and therefore more environmentally friendly vehicles.

<sup>1</sup> <https://www.acea.auto/files/ACEA-report-vehicles-in-use-europe-2023.pdf>



We also believe that as the market share of electric vehicles increases in the European car parc, AUTO1 will play an important role in ensuring this transition. By providing unparalleled transparent and data-driven pricing for EVs, as well as increased selection, AUTO1 will enable early adopters to receive a fair price for their cars, that the life of used EVs is extended, and that they are sold to the right owner across Europe. We believe that enabling a liquid and transparent market for EVs is one of the key elements within the green energy transition we find ourselves in and that we are already contributing to this transition, likely being one of the largest traders of used electric and hybrid vehicles in the EU with around 20,000 EVs and Hybrids sold in 2023.

To underline this effort, we have joined the Car Remarketing Association (CARA) battery transparency initiative, together with other large remarketing dealers, as we believe these technological advances have the potential to improve the trade of used EVs on a global level by removing one of the principal barriers thereof, namely the speedy evaluation of the battery, which is currently an inaccurate, time consuming, and costly process which makes buying and selling used EVs risky and therefore less attractive.

Finally, by purchasing used cars from businesses and consumers and re-selling them, AUTO1 is enabling the reuse of vehicles and extending their lifecycle, thus reducing the need for and production of new cars, and the considerable environmental and social impact this causes.

A newly built mid-sized ICE vehicle carries approximately **5.6t** embedded CO<sub>2</sub>, though some may argue substantially more.<sup>2</sup> In other words, vehicle production substantially impacts the environment, before emissions from driving are taken into account. The circulatory emissions of the same vehicle do not surpass those emitted through production until the car has reached significant mileage, depending on the manufacturing process and fuel efficiency of the car. This shows how refurbishing and re-selling a vehicle can be more environmentally friendly than production, a principle which we believe holds true for the majority of our Autohero segment, through which we sell young, refurbished vehicles.

While there is conflicting data regarding vehicles with higher mileages, we believe that focusing on CO<sub>2</sub> alone is an oversimplification of the matter. Indeed, the production of cars cannot be seen uniquely from the perspective of embedded CO<sub>2</sub>. On the contrary, car production is a complex process which requires extraction of raw materials, the production and transport of parts, and their assembly – all of which substantially impact the environment and the world's natural resources. Beyond this, the process harbors numerous social, human rights, and supply chain risks commonly associated with complex production chains, such

as those caused by mining, production, and international shipment and assembly.

In contrast, our business model avoids these broader environmental and social risks by not producing, and reducing the need for producing, new vehicles. By extending their lifecycle, we limit their environmental impact to that caused by circulation, which is strongly linked to the state of technology. In other words, the more environmentally friendly vehicles are produced, the more refurbishment and re-sale of vehicles will be the greener option as opposed to production.

Beyond avoiding the impact of production, we inspect and, if necessary, repair and improve all vehicles we purchase for sale to consumers, ensuring that they comply with EU safety, emissions, noise, and further applicable standards. Adequate technical inspections, ensuring the functioning of the engine, proper tire inflation, and further measures taken in our production centers, ensure that the vehicles which are already in circulation maintain their efficiency and emissions standards, limiting the risk of increased impact due to non-maintenance and age.

<sup>2</sup> OC&C (2020), The European Used Car Market - Evolving Trends.

## Yearly CO2 Audit

In 2021, we performed our first Group CO2 audit in order to measure our current greenhouse gas emissions and gain an overview of our main areas of impact. We repeated this exercise in 2022 and 2023 to form the basis of our ongoing CO2 reduction strategy.

The results identified the key sources of greenhouse gas emissions which can be attributed to our business activities for the year 2023. In our analysis, we included internally and externally emitted greenhouse gasses and presented the results to the ESG Committee of the Supervisory Board which supervised the implementation of the CO2 reduction strategy we outlined below.

### Assessment Criteria

We have based our emissions analysis for the year 2023 on the GHG Protocol Standard.

As the leading used car platform in Europe, we trade used cars but do not manufacture vehicles. Therefore, our emissions do not include product lifecycle emissions as car manufacturers already account for, and increasingly compensate, these. After having reevaluated all material sources which are relevant for our emissions, we collected data for the year 2023 across all brands and all countries we operate in. After the collection phase, we calculated the amount of CO2e for each source identified, using established emissions factors.

#### Greenhouse Gas Emissions per Scope (mtCO2e)

	FY19	FY20	FY21	FY22	FY23
<b>Scope 1</b>	<b>2,278</b>	<b>3,101</b>	<b>4,404</b>	<b>7,018</b>	<b>7,886</b>
Purchasing (WKDA)	319	170	136	172	132
Internal Logistics	0	15	493	3,172	2,396
Internal Production	0	32	126	598	2,212
Internal Vehicle Fleet	1,008	1,013	1,764	1,249	1,051
Real Estate	951	1,871	1,885	1,827	2,095
<b>Scope 2</b>	<b>222</b>	<b>242</b>	<b>278</b>	<b>312</b>	<b>448</b>
Purchased Energy	222	242	278	312	448
<b>Scope 3</b>	<b>158,095</b>	<b>175,591</b>	<b>264,567</b>	<b>286,003</b>	<b>227,232</b>
IT	22	16	7	1	1
External Production	173	513	1,961	2,393	553
External Logistics	157,641	174,826	262,164	283,293	226,525
Business Travel	259	235	434	317	153
<b>Total</b>	<b>160,595</b>	<b>178,933</b>	<b>269,249</b>	<b>293,334</b>	<b>235,565</b>

All reported values represent best available data at the time of publication.  
Historic data is corrected if supplementary data becomes available.

The following is a detailed description of the individual emissions sources and an overview of the measures we have put in place to mitigate these:

### Purchased Energy & Real Estate

In 2023, our emissions due to purchased energy increased due to the insourcing of our production capabilities. Our long term goal is to purchase 100% renewable energy. At the same time, we have ongoing projects to reduce our electricity consumption, e.g., switching to LED lighting solutions.

### IT

Our internal server infrastructure is fully powered by renewable energy. Nevertheless, we generate greenhouse gasses through our external servers which are operated by Amazon Web Services (AWS). We expect those emissions to continue to decrease and reach zero, as AWS is moving toward achieving Amazon's company-wide goal of using 100 percent renewable energy by 2025. In 2023 our emissions due to our internal and external IT infrastructure remained the same.

### Internal Vehicle Fleet

Over the course of 2023 we reduced our internal vehicle fleet after reviewing our needs with the aim of reducing its emissions, this resulted in less emissions caused by our vehicles.

### Business Travel

Through our Travel and Expenses policy, we have regulated and indeed reduced our work-related travel to an absolute minimum. We also encourage all our employees to meet virtually and avoid unnecessary trips wherever possible. In parallel, we choose environmentally friendly transportation methods, opting for trains or public transport as opposed to rental cars, for trips which cannot be avoided. In 2023 this resulted in a reduction of business travel related emissions.

### Purchasing (WKDA) Operations

In order to assess all vehicles we inspect, a short test drive is conducted in the vicinity of our purchasing locations. These test drives emit greenhouse gasses. Nevertheless, we have optimized the length of our test drive routes and we expect

those emissions to decrease in the long-term as the share of electric and hybrid vehicles we trade increases and cars generally cause less emissions. In 2023, our purchasing related emissions decreased due to the purchase of vehicles with lower emissions.

### Internal Production

All vehicles sold via Autohero undergo our production process for the purpose of their refurbishment. As our Autohero business develops, we expect to sell and therefore refurbish significantly more vehicles in the next few years. To optimize this process and maximize its sustainability, we have decided to insource our production process. We believe that our insourced production process is more efficient and environmentally friendly than the external refurbishment process we are taking over. As we have already examined the car and know the appropriate refurbishment level required, we are able to refurbish with fewer steps and therefore less environmental impact. In-house refurbishment will allow us to closely monitor our emission and reduce the emission per vehicle refurbished. In 2023 we increased our in-house production, which resulted in an increase of production-related emissions.

### External Production

In 2023 we successfully reduced the emissions caused by our external production by increasingly insourcing the production process and improving the efficiency of our internal production capabilities.

### External Logistics

External logistics is by far the largest contributor to our overall greenhouse gas emissions, contributing 96% of our overall 2023 emissions. In 2023, over 99% of our logistics emissions were produced by external partners through the transport of our vehicles and less than 1% by our own home delivery glass trucks. In 2023, we successfully reduced the emissions caused by our external logistics.

### Internal Logistics

In 2023 we reduced the emissions caused by our internal logistics, i.e. Autohero Glass Trucks, by optimizing delivery routes and putting in place more delivery hubs.

## Overall Assessment

As our business is growing rapidly, we also expect our overall greenhouse gas emissions to increase over the next couple of years, principally driven by vehicle transportation and increasingly by our insourced production sites. Nevertheless, we take our commitment to carbon neutrality seriously and therefore undertake the following in addition to the measures described above:



## Initiatives to Mitigate



Reducing our environmental and therefore carbon footprint is a central priority to us as a company. To achieve this, we are aware that our current reduction efforts are not sufficient as we would require technological developments which are yet to take place and hard to predict to effectively reduce our emissions. Principally, our logistics network relies on the use of trucks to transport our cars to our customers. The main limitation here is that there is currently close to no use of hybrids or EVs by logistics companies. However, we expect this to change as such pilot projects progress and our partners work on solutions to offer emission reductions in their transportation offering.

Nevertheless, our commitment as a company is to shift towards carbon neutral logistics as soon as it is feasible. This means that when we purchase our Autohero delivery fleet, we ensure that each truck has the leading emission standard available for combustion engines. Over time, we expect to replace the existing Autohero delivery fleet with carbon neutral vehicles and work with logistics providers in our B2B segment which have also shifted towards this technology. Until then, we are prioritizing reducing our carbon footprint as much as possible and offsetting the emissions which we cannot reduce and have implemented a host of measures which aim at improving our environmental footprint.

### Case Study: The Netherlands

It is worth drawing attention to one of our subsidiaries and their local progress with regards to ESG. Our Dutch subsidiary has not only successfully contributed to the implementation of Group ESG initiatives, but also adopted multiple noteworthy local ones, specifically in support of the “E”, environmental, pillar of the ESG framework.

As such, the Netherlands have introduced, implemented, and realized the following innovative projects, promoting environmentally-conscious improvements:

- Adopting a ‘bag-in-box concept’ in our production centers during the use of motor oil which allows for zero waste and residual oil.
- Installing a climate control system with heat pumps that can both cool and heat the entire building through the use of solar panels.
- Installing a Moonwalk painting machine, which allows for zero residual paint during the spray work on cars due to the ability to use precise quantities with the mixing robot.
- Opting for a separate waste stream for paper, plastic, metals, batteries, car tires and wood.
- Using only recycled paper for all purposes.
- Equipping the entire building with LED lighting, which drastically allows for economical energy consumption.
- Operating our spray booths which function entirely on electricity, which does not require the need to fuel them with gas, which is the case with most traditional damage repair shops.
- Choosing a type of paint that dries quickly at room temperature, which does not require the need to install drying cabins that traditionally require gas to function.

Finally, the Netherlands are in the process of installing 182 solar panels at their premises, with which they aim to work towards energy neutrality.

## EU Taxonomy

The EU Taxonomy adopted on 18 June 2020 (Regulation (EU) 2020/852) came into force as the EU's principal tool for ensuring that the European Green Deal, as well as its climate targets, are met. With the purpose of facilitating investments towards sustainable projects and activities, the Taxonomy systematically classifies environmentally sustainable economic activities. Its aim is to provide companies, investors, and policymakers with definitions for which economic activities can be considered environmentally sustainable, creating transparency around companies' environmental efforts, and combating greenwashing by requiring key performance indicators (KPIs) to be disclosed by these.

Pursuant to its delegated acts and technical screening criteria, the Taxonomy requires all publicly listed companies to report three KPIs attributable to relevant economic activities. This means that companies are obliged to disclose the percentage of their Taxonomy-eligible and Taxonomy-aligned turnover, capital expenditures (CapEx), and operating expenditures (OpEx). In other words, AUTO1 is obliged to assess whether its economic activities are listed in the Taxonomy (eligibility) and whether the activities which are listed are in line with the requirements set out for those activities (alignment).

The Taxonomy Regulation establishes six environmental objectives to which an economic activity needs to contribute in order to classify as sustainable:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

For the previous year's (2022) Taxonomy disclosure, reporting companies needed to report on the eligibility and alignment of their activities with respect to the goals of climate change mitigation and climate change adaptation. For the current year's reporting, companies need to consider the remaining objectives, i.e., objectives 3 to 6, to assess whether their activities are Taxonomy-eligible. An assessment of taxonomy alignment is not mandatory for all objectives in 2023.

### Eligibility

An economic activity is Taxonomy-eligible when it is described in the Taxonomy's delegated acts. As outlined above, in 2023, AUTO1 has included environmental objectives 3 to 6 - and particularly objective 4: Transition to a circular economy - in its Taxonomy disclosure.

In our 2022 report, our business activities were classified within the following four economic activities, relating to the first two environmental objectives:

- 3.3 Manufacture of low carbon technologies for transport including the repair and maintenance of passenger transport vehicles,
- 6.3 Urban and suburban transport, road passenger transport including purchase, leasing and operation of urban transport vehicles,
- 6.6 Freight transport services by road including purchase, leasing and operation of vehicles for freight transport services, and
- 7.7 Acquisition and ownership of buildings.

Due to the publication of screening criteria for the remaining four environmental objectives, we now classify our primary business activities as attributable solely to:

- 5.4 Sale of second-hand goods

Referring to the sale of second hand goods that have been used previously by customers for their intended purpose - including motor vehicles and those sold after repair, refurbishment or remanufacturing - our business model fits within this activity, which enables the transition to a circular economy.

AUTO1 has two segments: Merchant and Retail. In our Merchant segment, used cars are sold to professional car dealers via AUTO1.com. Our Retail segment is focused on the sale of used cars to private customers under the brand Autohero. Most of the turnover of these two segments falls within the scope of this goal (5.4 Sale of second-hand goods).

The proportion of Taxonomy-eligible economic activities in our turnover, CapEx and OpEx for the year 2023 therefore amounts to<sup>3</sup>:

<sup>3</sup>Please note that the proportion of total turnover, CapEx and OpEx relating to eligible activities is presented as an aggregate value for AUTO1 Group. In other words, only taxonomy-eligible turnover, CapEx and OpEx, as listed for activity 5.4 Sale of second-hand goods, has been disclosed.

## Turnover

**98%**  
2022: 18%

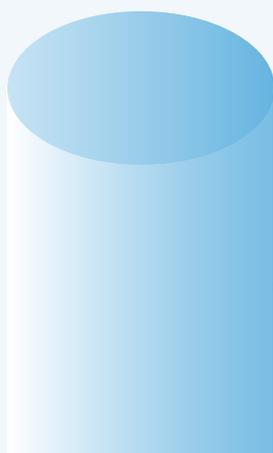
**2% non-eligible**  
2022: 82% non-eligible



## CapEx

**100%**  
2022: 73%

**0% non-eligible**  
2022: 27% non-eligible



## OpEx

**100%**  
2022: 61%

**0% non-eligible**  
2022: 39% non-eligible



Our disclosure explained:

### Turnover

Turnover consists of revenue recognized in accordance with International Financial Reporting Standards (IFRS) - IAS 1.82(a) for both AUTO1 segments and excludes certain portions which are not directly connected to the sale of vehicles, e.g. revenue from transport services<sup>4</sup>.

In the previous year, revenues related to the Retail segment fell under activity 3.3 Manufacture of low carbon technologies for transport, as these cars are refurbished by us before being sold to our customers. Revenue from cars sold within our Merchant segment was not considered as taxonomy-eligible since the cars aren't refurbished. Revenue from external transport of cars to the customers had been related to activity 6.6 Freight transport services by road.

### Capital Expenditure (CapEx)

CapEx is calculated in accordance with IAS 16.73(e) (i) and (iii), IAS 38.118(e) (i) and IFRS 16.53(h)<sup>5</sup>. The KPI used for Taxonomy purposes includes additions to intangible assets, property, plants and equipment as well as to right-of-use assets. Due to the definition of CapEx in the EU Taxonomy, significant parts of our investments are classified as Taxonomy eligible. Indeed, the high CapEx KPI can be explained by the fact that our eligible capital expenditures, i.e. additions to the right-of-use assets from the leasing of buildings and investments in Autohero glass trucks, serve AUTO1's Taxonomy-eligible main business (activity 5.4 Sale of second-hand goods) and are therefore themselves eligible. In the previous year the taxonomy activities 6.3 Urban and suburban transport, road passenger transport, 6.6 Freight transport services by road, and 7.7 Acquisition and ownership of buildings had been considered relevant for the purposes of the CapEx KPI.

### Operational Expenditure (OpEx)

OpEx comprises non-capitalized development costs, maintenance and operating costs for buildings, and expenses relating to short-term lease contracts<sup>6</sup>. In 2023, all taxonomy eligible OpEx relates to 5.4 Sale of second-hand goods. In our 2022 report, the refurbishment costs of the Autohero cars we sold were allocated to activity 3.3 Manufacture of low carbon technologies for transport.

<sup>4</sup> Further information on turnover is presented in the revenues section 5.1 of the Group's financial statements 2023.

<sup>5</sup> Regarding our CapEx disclosure, we refer to the notes 6.1 and 6.2 of the Group's financial statements 2023.

<sup>6</sup> The OpEx KPI figure as defined in the Taxonomy regulation is not used by AUTO1 for financial reporting purposes.

## Alignment

While AUTO1's business model substantially falls within the scope of the Taxonomy, as highlighted in the above section on Taxonomy-eligibility, an in-depth alignment assessment requires significant additional resources and is not mandatory in 2023 for the environmental goal 4 (Transition to a circular economy), in which we see our business model. We have therefore not evaluated Taxonomy-alignment for the financial year 2023 but expect to do so in 2024.

## Annex

Turnover																			
DNSH criteria																			
Substantial contribution criteria																			
	Code(s)	Turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum safeguards	Taxonomy-aligned prop. of turnover year 2022	Category (enabling activity)	Category (transitional activity)
Economic activities		in EURm	in %	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	in %	E	T
<b>A. Taxonomy</b>																			
<i>Eligible activities</i>																			
<b>A.1 Environmentally Sustainable Activities</b>																			
<i>Taxonomy-aligned</i>																			
Total A.1	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	-
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities</b>																			
<i>not Taxonomy-aligned activities</i>																			
Sale of second-hand goods	CE 5.4	5,356.2	98%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								n.a.		
Total A.2	-	5,356.2	98%														-		
Total (A.1+A.2)	-	5,356.2	98%														-		
<b>B. Taxonomy non-eligible activities</b>																			
Total (A+B)	-	5,462.8	100%																

CapEx

DNSH criteria

Substantial contribution criteria

	Code(s)	CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum safeguards	Taxonomy-aligned prop. of CapEx year 2022	Category (enabling activity)	Category (transitional activity)
Economic activities	-	in EURm	in %	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	in %	E	T
<b>A. Taxonomy</b> <i>Eligible activities</i>																			
<b>A.1 Environmentally Sustainable Activities</b> <i>Taxonomy-aligned</i>	-	0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total A.1</b>	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	-
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities</b> <i>not Taxonomy-aligned activities</i>																			
<b>Sale of second-hand goods</b>	CE 5.4	52,158	100%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								n.a.		
<b>Total A.2</b>	-	52,158	100%														-		
<b>Total (A.1+A.2)</b>	-	52,158	100%														-		
<b>B. Taxonomy</b> <i>non-eligible activities</i>	-	0	0%																
<b>Total (A+B)</b>	-	52,158	100%																

**OpEx**

**DNSH criteria**

**Substantial contribution criteria**

	Code(s)	OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum safeguards	Taxonomy-aligned prop. of OpEx year 2022	Category (enabling activity)	Category (transitional activity)
		in EURm	in %	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	in %	E	T
<b>Economic activities</b>	-																		
<b>A. Taxonomy</b> <i>Eligible activities</i>																			
<b>A.1 Environmentally Sustainable Activities</b> <i>Taxonomy-aligned</i>	-	0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total A.1</b>	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	-
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities</b> <i>not Taxonomy-aligned activities</i>																			
<b>Sale of second-hand goods</b>	CE 5.4	33,122	100%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								n.a.		
<b>Total A.2</b>	-	33,122	100%														-		
<b>Total (A.1+A.2)</b>	-	33,122	100%														-		
<b>B. Taxonomy</b> <i>non-eligible activities</i>	-	0	0%																
<b>Total (A+B)</b>	-	33,122	100%																

# 02

## OUR PEOPLE



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PAGE 29	<b>SASB Labor KPIs</b>
PAGE 30	<b>Employee Initiatives</b>
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PAGE 37	<b>Impact as an Employer</b>
PAGE 38	<b>Health and Safety</b>

## Introduction



As well as our impact on the environment, we believe our People to be a central consideration within our sustainability strategy. We take the wellbeing of our employees very seriously and strive to create the best working environment possible for our around 5,500 employees. Team diversity, workplace inclusion, workplaces free from harassment and discrimination, a developmental educational offering, and the health & safety of our employees are topics of utmost importance to us and play a crucial role in our business strategy.

This commitment is cemented in our Code of Conduct, which, in line with the overall section on correct behavior, has recently added a section on prohibiting harassment thus further strengthening the wording of its sustainability section. This underlines our commitment to a collaborative, diverse, and inclusive working environment and the topic of sustainability, highlighting that we feel they are an integral part of our ongoing success.

In 2023, we further pursued the goal of inclusion within our workforce, extending to the inclusion of people with disabilities. And we want to continue to develop our attention to this topic, because with 9.4 % of people with disabilities relating to the total population in Germany, we see this project as great potential to attract talent and simultaneously clearly position ourselves in favor of diversity and inclusion.

In order to realize our goal of making AUTO1 Group an inclusive workplace where people with diverse backgrounds can find a fulfilling job, we started our collaboration with a specialized workshop and developed an inclusion strategy with the guidance of the “Inklupreneur” experts of Hilfswerft GmbH. Throughout the year, our People team engaged in training to spot improvement areas within our processes, break down prejudices, and enhance our knowledge around the topic. With all of those insights we continue to work on our people processes, providing more awareness throughout the Group thanks to Inklupreneur’s support and have already been able to increase the number of employees with disabilities through this project.

As a matter of principle, we comply with applicable labor law and have supported our employees in the creation of an SE works council, which was formed over the course of 2021. Through this representation body, our international employee representatives are in direct contact with the Management Board and are able to participate in decisions relating to cross-border employee topics. As a pan-European company, we feel that this has allowed for the best possible employee representation across the Group and are proud that our employees are involved in strategic business decisions.

Beyond this, we have implemented a host of People governance measures to ensure we offer our employees the best working conditions possible. For instance, we have grouped all positions by job families, unifying similar roles under common families in order to create a structure on which to build a fair and transparent performance assessment and career progression process. Following this initial clustering of roles into groups, we developed uniform job descriptions, defining key skills, knowledge levels, and performance expectations for each job family. Based on this structure, we have implemented a standardized feedback, promotion, and salary raises process which entails a streamlined and standardized performance appraisal process across the Group.

## Diversity Chart

AROUND

**5,500**

Number of employees



**22**

Countries with employees



**102**

Unique nationalities



Employees

Men

**69.6%**



Women

**27.5%**



Not declared

**2.9%**

**22.9%**

Women in management positions



Commitment by 2026

**25%**

Women in Management Board



**25%**

Women in the two management levels below Board



## SASB Labor KPIs

Average wage  
per hour

**14.71€**



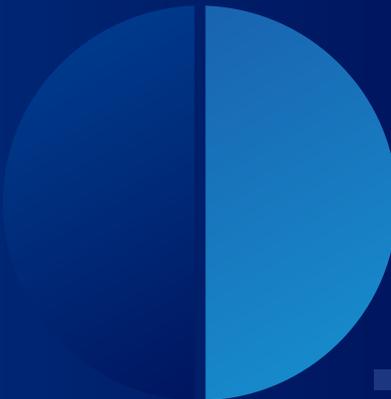
Minimum wage  
employees

**0%**



Voluntary & involuntary  
turnover rate  
employees

**50%**



**50%**

■ Voluntary ■ Involuntary

Monetary losses as a result of  
legal proceedings associated  
with labor law violations  
in EUR

**19K**



Monetary losses as a result of  
legal proceedings associated  
with employment discrimination  
in EUR

**0**





## Employee Initiatives

### Introduction

Within our People initiatives, we have implemented a number of measures which aim at enhancing diversity, inclusion, and development among our workforce. This effort can be seen from both a training and development perspective, as well as from what we call the employee involvement perspective.

Through our employee involvement program, we offer our employees various opportunities to get involved with both the company as well as other initiatives and external sustainability related initiatives.

### Training

#### Onboarding

Our employee training and development program always starts with our onboarding. During these online sessions, new joiners are given introductory information on the company, focusing on our business model, mission, values and our

teams. The program includes compliance and sustainability training and supports the integration of our employees by allowing them to connect with colleagues across departments from day one.

Apart from our general onboarding program, our AUTO1 Academy, a platform administered by the People team that provides the possibility to host web-based training, offers our employees various department-specific onboarding and developing programs, which aim, for example, at ensuring the quality of our customer facing interactions and therefore improving the experience of our customers in their interactions with us, or dedicated training on office tools such as Google sheets. In addition, we ensure that our car quality standards are upheld by running detailed and regular training programs for our Customer Service, Pricing and Retail teams. This training ensures that we maintain a uniform definition of quality and transparency across the platform and provide our end customers with optimal car quality and service.

### Compliance Training

Once onboarded, new employees receive mandatory compliance training based on their job responsibilities through our AUTO1 Academy.

Additionally, we roll out our annual compliance training program which covers topics such as our Code of Conduct, data protection, and anti-corruption & bribery (including gifts and invitations). Training on anti-money laundering, data protection and insider trading, is rolled out to all employees across various departments ranging from interns to top-level management. We ensure training reaches all office employees as well as deskless employees who do not necessarily use computers in their day to day job posts.

Finally, specific, in-person and ad-hoc training initiatives are provided to teams based on their individual needs. For example, our Sales, Cash Management or Sports Marketing teams have received specific in-person training on anti-money laundering and anti-bribery and corruption, and our People Business Partners team regularly give management training on relevant aspects of labor law.

### Further Training & Development

Depending on individual functions, we offer our employees a host of specific training and development possibilities. This training journey starts during onboarding when employees receive a full introduction to our Group and business model.

In parallel, we provide technical onboarding for Customer Service agents, Handover Experts and Pricing Managers. These programs develop our teams' knowledge around processes and skills specific to these jobs. Our goal is to expand this offering and provide specific technical onboarding to all jobs in the company.

After onboarding, we offer continuous training with programs specific to new processes or products launched. We also launched our educational budget program in 2022 which enables individual employee growth by providing a fixed educational budget for certain groups of employees. In 2023 over 950 employees were eligible for this program.

In 2023 we offered a total of 44 training courses to our employees in various departments. We also continue to engage in-house trainers who offer coaching to various teams across the Group, such as for example our Purchasing, Customer Service, and Production teams, as well as training in tax, legal and accounting. In parallel, we run multiple educational benefits programs such as tandem and free online language courses which are available to all employees irrespective of seniority, tenure, or position at our HQ in Berlin.



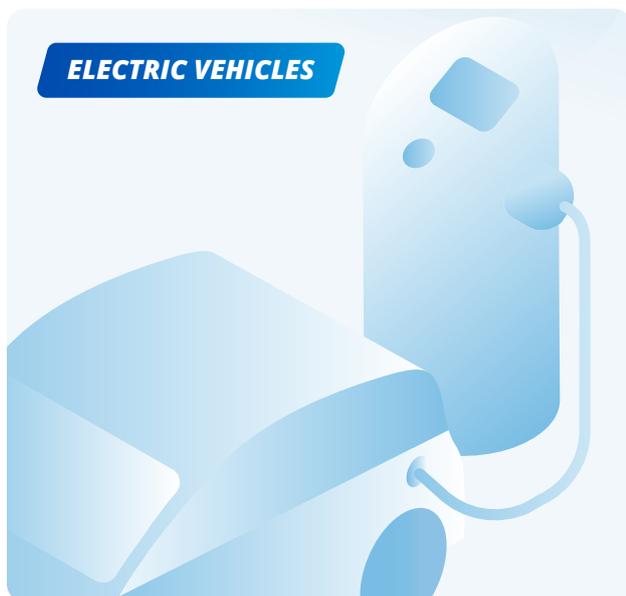
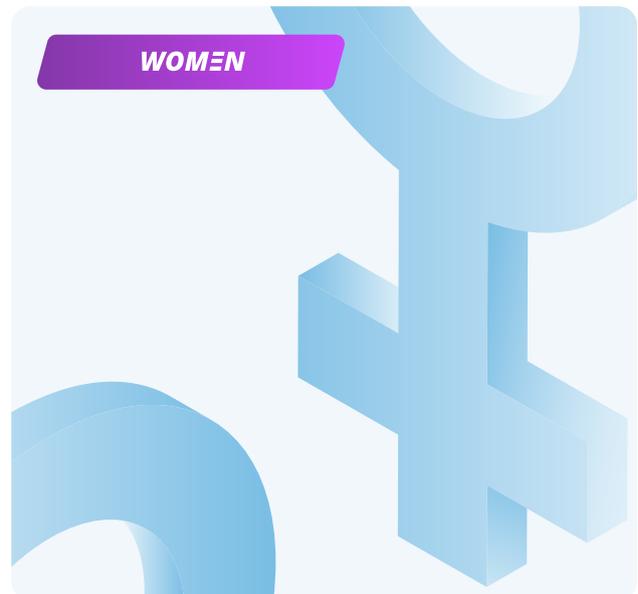
## Involvement

### Groups

Within our effort to promote diversity, equity, and inclusion we offer our employees the possibility to form funded AUTO1 Communities at a Group level. The aim of these communities is to create a safe space for employees to exchange ideas and experiences, network, create awareness within the company on certain topics, and nurture the exchange of ideas. This exchange is envisioned as a driving factor within our diversity and inclusion strategy as it gives us valuable insight into issues to which we previously had no access.

As a first step towards establishing the individual groups, we conducted a pulse check survey in 2022 which gauged the interest of our employees in these groups. We subsequently launched a Communications campaign around our company value “team up” and then, after having assessed the interest, we elected the Chairpersons and leaders for the individual communities. These leaders are supported by a senior sponsor who helps them define their goals and structure.

This process resulted in the formation of the following groups:





Each of our communities initiated their activities in 2022. For example, our "Women at AUTO1" community, which was founded in November 2022, organized a special online panel discussion featuring six of our talented female colleagues for 2023 International Women's Day. The panel touched on topics such as leadership, career growth, diversity, female activism, and debated challenges, success stories, and reflections on how to work towards a more inclusive workplace.

And this is just one of our communities. We would also like to use this space to introduce two of our colleagues active in the LGBTQ+ & Allies Community **Philip Reicherstorfer**, VP Group Treasury and senior sponsor of our LGBTQ+ & Allies Community and **Raph Lin**, Team Lead Design, and chairman of the community committee, as they can provide us with valuable insights into the workings of their Community and how it contributes to AUTO1's sustainability strategy.

#### Interview

**Could you please do a brief introduction of yourselves and the role you play in AUTO1 and, in particular, in the AUTO1 LGBTQ+ & Allies Community?**

**Philip:** As Group Treasurer my team and I look after AUTO1's money and balance sheet. To start we have cash management,

*making sure we pay for all cars on time - a key brand promise of WKDA - and that we allocate inbound payments. To support AUTO1 sales and to enhance its profitability we look after underwriting new loans to merchants and Autohero buyers in Germany and Austria as well as servicing these loans. We really innovate with our asset backed securitisations, which fund our used car inventory, our merchant finance program and our consumer loans for Autohero. These securitisations differentiate us from all our competitors. And last but not least we have Investor Relations as a key responsibility.*

*As Senior Sponsor of the LGBTQ+ & Allies Community I am trying to give advice and support to the Committee and to act as a sounding board. I am also their channel into AUTO1's senior management and vice versa. I am also trying to act as a role model by being open about my sexuality inside and outside AUTO1 to show that being gay is no barrier to a successful corporate career.*

**Raph:** As the Design Team Lead at AUTO1 Group, I play the role in shaping and maintaining the visual identity of AUTO1 Group at the corporate level - ensuring a cohesive and compelling representation across various touchpoints. My responsibilities range from crafting visually engaging investor relations materials to developing internal and external communications, covering the

spectrum of all corporate designs, both online and offline. I guide the design team in fostering creativity and aligning our visual language with the core values and objectives of AUTO1 Group to convey the company's visual narrative to diverse audiences.

As the Co-Chair of the LGBTQ+ & Allies Community, I am trying to create a more inclusive and equal environment across all our offices, Europe-wide. My focus is on establishing structures that celebrate diversity and ensuring that everyone feels welcome. Responsibilities include collaborating with our Legal department and colleagues to implement policies that go beyond symbolic gestures, aiming for real, positive impacts that contribute to a genuinely inclusive atmosphere. Through collaboration with various stakeholders and advocating for LGBTQ+ rights and representation, I hope to bring about meaningful changes within the Group.

### **Why do you think it is important to have a diverse and inclusive working environment and why should companies promote this?**

**Philip:** I think the original business case for diversity and inclusion in terms of talent acquisition and talent retention is well understood by companies and managers all over the world. But today diversity is ever more important: the world has become much more diverse in the last 20, even 10 years. If a company cannot understand its customers in today's diverse world then it is doomed to fail. And how can a company, ultimately the people at a company, understand this diverse world without being diverse itself? And to foster diversity of people and views you have to be inclusive.

**Raph:** In the global marketplace, diversity gives a competitive edge, and embracing these principles aligns with societal values. This makes it not only a moral imperative but also a strategic business decision for long-term success.

I believe AUTO1 is actively trying to promote a culture of diversity and inclusion across all the markets it operates. It goes beyond a commitment to the company's values; it is a strategic effort to create a safe and welcoming environment for all employees, regardless of their location. By doing so, we can make AUTO1 a standout employer in regions that may not traditionally be perceived as LGBTQ+ friendly. This commitment serves as a strategic initiative to position AUTO1 as an attractive and inclusive workplace throughout Europe, thereby attracting top talent to the Group.

Only when employees feel genuinely comfortable being themselves, can they focus more on their professional growth and careers. This positive and inclusive work environment allows individuals to bring their authentic selves to the workplace, fostering creativity, innovation, and a strong sense of belonging.

### **How is AUTO1 committed to having an inclusive workplace?**

**Philip:** The most important ingredient for an inclusive culture is respect for everybody. And while AUTO1 is a fast moving and always curious organization, we ultimately all have a lot of respect for each other and our customers. I can only say from my own experience: from the first day I met Hakan (Koc) and Markus (Boser) I was openly out to them. My partner and I never had anything less than full respect and support from them. And this permeates from the top through the entire company. One great sign for this is that we have a number of very engaged Allies in the LGBTQ+ & Allies Community here at AUTO1.

**Raph:** With 102 different nationalities working for AUTO1 Group, I believe our diverse workforce has nurtured tolerance and open-mindedness. We are now actively promoting discussions on the wider spectrum to ensure everyone feels comfortable being their authentic selves. AUTO1 is not just diverse; we are dedicated to being an inclusive workplace where individuals can confidently embrace their identities.

### **Tell us how the idea of creating an LGBTQ+ & Allies Community came about, what are its objectives and what would you like to achieve?**

**Philip:** I see AUTO1 facilitating employee network groups as a part of our growing up and maturing as a company. As we move from being a small start-up team to a leading European multinational company it made all the sense in the world to establish groups like the LGBTQ+ & Allies Community for employees to get together. Providing such spaces is now more important than ever as we are spread over 15+ HQs, 430+ purchase branches and 10 production centers. I hope the Community will become active in providing networking and mentoring opportunities, raising internal awareness of LGBTQ+ issues and representing AUTO1 within the LGBTQ+ world in general and connecting with other LGBTQ+ employee groups in Berlin and Europe wide.

### Which are the main initiatives that the Community has launched so far and which are the plans for next year?

#### Raph:

- *Establishing Diversity, Equity & Inclusion topics under our compliance training: The Community will collaborate with the legal department on the program, focusing on several key areas to promote an inclusive workplace at AUTO1 Group. It covers understanding diversity, equity, and inclusion, legal and policy frameworks, types of harassment, cultural competence, communication skills, and building an inclusive culture. We aim to develop a program that emphasizes leadership's role, encourages understanding, and provides resources and support, fostering an environment where individuals feel comfortable addressing issues.*
- *Promoting Inclusivity: To position AUTO1 as an inclusive organization throughout Europe and to actively attract more LGBTQ+ talent to the AUTO1 family, we aim to spotlight our diverse community. This involves featuring our LGBTQ+ members prominently and highlighting our inclusive policies, particularly in crucial areas such as hiring, which will be showcased prominently on our career page and job postings.*
- *We're dedicated to fostering a vibrant LGBTQ+ community by organizing more online and offline events. Through virtual forums and in-person gatherings, we aim to create meaningful connections and celebrate diversity.*

### Commitment to Health of Employees

To support the health of our employees we provide daily fresh organic fruit and healthy drinks at all our local HQ premises. We have also started to develop our own internal health programs in Berlin or other international offices.

### Sports Initiatives across the Group

Our AUTO1 Berlin Runners regularly meet for training runs and participate in distance races as a team, such as the Adidas Runners City Night under its motto "Teaming up to run and exchange experiences and perspectives". Our Belgian team followed suit and runs equivalent races in Antwerp.

Further sporting events, such as football, basketball, beach volleyball, padel or yoga were held in various locations across the Group. For example, our AUTO1 team in Spain participated in a corporate football league held between local companies.

Our Group sports initiatives aim at advancing our diversity and inclusion program by allowing employees at all levels of seniority, with diverse backgrounds and fitness levels, to engage in a social and cultural exchange with each other outside of the work environment. Our prime example in this area, amongst others, is our collaboration with Paris Football Club (FC) whereby we co-hosted a football event between professional amputee players and AUTO1 employees, as described in our social initiatives section below.

Members from AUTO1 Group's communities



## Employee Engagement and Feedback

Measuring the satisfaction of our workforce as well as gauging our teams' interest in diverse projects, we launch pulse check (eNPS) surveys on a monthly basis. These surveys allow us to evaluate whether our People measures are being effectively implemented and typically ask our employees to give their opinion on a number of People related questions.

In 2023, the monthly pulse check survey was completed by 35% of our workforce on average - satisfaction with managers obtained a score of 7.8 / 10 on average and 6.7 / 10 regarding general satisfaction with the job.

Striving to continuously improve our employee engagement, at AUTO1 Group we embrace an open feedback culture in

which employees and their supervisors are encouraged to openly address key topics such as career progression and development, and ways to improve satisfaction at the workplace. Underlining this commitment, our employees have the opportunity to give and receive multifaceted feedback, e.g., from and to their managers and peers; twice a year through a dedicated feedback tool.

In 2023, 90% of our workforce participated in both feedback rounds with an average satisfaction rate of 70% with this process.

### WHAT OUR EMPLOYEES THINK ABOUT WORKING AT AUTO1 GROUP



**I appreciate how AUTO1 Group has maintained its startup vibe and consistently strives to improve. The company is always open to trying new things, and that's admirable.**

**Savin Hassan**  
Project Manager



**Innovation and sustainability are at the heart of AUTO1 Group's business practices.**

**Laura Figueiredo**  
Team Lead Product Design



**The open exchange with various stakeholders but also with my direct supervisor promotes transparency and understanding in order to get a look behind the scenes.**

**Simon Kuhlmann**  
Head of Talent Acquisition Germany & Netherlands

## Impact as an Employer

As a pan-European employer with a diverse workforce of around 5,500 employees, AUTO1 has an impact as an employer both locally as well as on a European level. Indeed, as a fast-growing company we are constantly increasing the number of job opportunities we offer. These cover a diverse range of experiences and qualifications aiming to improve the employment offerings both locally as well as internationally. For example, with the development of our production centers, we have become large employers in various locations, such as in Toledo, Spain or Brandenburg, Germany increasing our production capabilities to around 180k units per year at full capacity in 2023, thus increasing our impact as an employer across Europe.

We follow a policy which is based on the prohibition of discrimination, the adherence to labor law practices, and competitive remuneration and benefits for our employees, thus striving to underline our quantitative impact as an employer with the qualitative characteristics which make us an attractive company to work for.

To track this, we have a dedicated employee concerns channel, which is a confidential reporting channel administered by our People and Compliance teams. This reporting channel offers our employees Group-wide the possibility to raise, communicate, and escalate employment related concerns and issues with a firm commitment from the company that these are taken seriously and adequately investigated and resolved.



## Health & Safety

The health and safety of our employees, customers, and visitors is a principal priority to us. Our occupational health and safety efforts are therefore embedded in our values and anchored in our Code of Conduct. In 2023, we continued our efforts to promote and maintain a culture of safety, with the goal of zero workplace accidents.

From a governance perspective, local health and safety coordinators support management and employees in implementing legal requirements, taking into account those applicable to the organization. The branch or site management is responsible for the operational implementation of the occupational safety and health policy.

Beyond our existing facilities, with the launch of our Autohero production centers for the reconditioning of used cars, all appropriate measures have been taken in accordance with the laws and regulations of each country (e.g. separation of hazardous waste, labeling of hazardous areas, replacement of hazardous "chemical" products with safer products, preparation of instructions for use of chemical products, labeling of emergency exits and fire extinguishers, regular inspections of machines with potentially serious risks, etc.). We also cooperate with different institutions on a national level for occupational health and safety, such as DEKRA in

Germany or MPE Grupo in Spain, which monitor compliance with statutory health and safety requirements at our sites.

In addition to the daily fresh fruit and healthy drinks offered to all our employees at our Berlin HQ site, we also offer all remote employees based in Germany, those in the Technology department (regardless of their work location or country), and all employees of Ukrainian descent (regardless of their department or work location), a preventive program to balance mental health through direct access to the psychological support platform OpenUp.

Further initiatives to protect the health of our employees are the on-premise flu vaccinations and first aid training.

Beyond this, regular training courses based on the local health & safety requirements are held at our production centers to ensure that our employees are able to identify and reduce accident risks. As part of our policy, we expect each employee to follow all relevant safety protocols, use appropriate personal protective equipment, keep work areas clean, and eliminate or report hazards as soon as they are discovered.



# 03

## OUR COMMUNITY



- PAGE 40**    **Impact on Mobility**
- PAGE 42**    **Transparency and Consumer Protection**
- PAGE 43**    **Economic Growth and Digitalization**
- PAGE 45**    **Social Initiatives**

We believe that the AUTO1 business model has a positive social impact by providing transparency and consumer friendliness to an industry that has traditionally been opaque and complex. Our model leverages the power of the internet to create a consistent and transparent process around the purchase and sale of used cars.

## Impact on Mobility

By nature, our business model underlines an important social principle: affordable access to quality mobility. Secondhand cars are very sought after, among other reasons due to the increasing cost of living. By purchasing and selling from both companies and consumers, we give people access to vehicles of all price classes as well as reliable and fast liquidity. We believe that our unparalleled, Europe-wide, access to used vehicles brings economic growth to companies and access to affordable mobility to consumers who can choose from a large range of vehicles at all price classes, while experiencing the guarantees that are usually reserved to a higher pricing segment or purchases directly from Original Equipment Manufacturers (OEMs)

At AUTO1 Group, we enable people with smaller budgets to buy vehicle types that they could not afford as brand new cars.

**Sergio García Casado**  
Car Inspector - Optics  
Production Center Toledo (Spain)

We believe that this underlines the value that our company brings to the market on a European level, allowing cars which are no longer needed in one location to be used for affordable mobility solutions in others.

Taking for example a VW Golf with a mileage of 70,000 Km which we purchase in Italy, our Italian customer receives fast, reliable, and hassle-free payment. We then refurbish the vehicle in accordance with applicable EU and AUTO1-internal standards. It is then sold at a competitive price at a different location. Another family could therefore benefit from this transparent transaction and receive a used vehicle with a guarantee at an affordable price.





While offering affordable access to quality mobility, we emphasize the safety of the vehicles we offer. For this, all of our Autohero vehicles are technically inspected and sold in a refurbished condition. Our Polish team went beyond this and joined the Polish campaign known as 'Rescue Sheet in a Vehicle' under the patronage of the Automobile Dealers Association and the Polish Automotive Industry Association. The aim of this social initiative was to contribute and reinforce the effectiveness of emergency services and their rescue mission in the event of a car accident - particularly in a country prone to dangerous road conditions in the winter months.

As an additional security measure, all Autohero vehicles purchased by our customers in Poland are equipped with a rescue card and relevant indicators, designating the most important warnings and information for the rescue team's attention, such as the location of body reinforcements, safety airbags, or gas belt tensioners, etc. allowing for a faster rescue of the person inside the vehicle.

Indeed, a study carried out by ADAC, Germany's biggest Automotive Club, for the FIA Foundation for the Automobile and Society showed that emergency services with a standard rescue card under the sun visor on the driver's side were able to extract an accident victim from the vehicle almost 30% faster<sup>7</sup>.



<sup>7</sup> <http://rescuesheet.info/index.html>

## Transparency and Consumer Protection

According to the Consumer Market Study on the Functioning of the Market for Second-hand Cars from a Consumer Perspective by the EU Commission<sup>8</sup>, the secondhand car market is considered one of the most opaque industries in the EU, noting that it was the worst functioning goods market in the EU

**Due to particularly low scores in terms of consumer trust in dealers complying with consumer protection rules, comparability, consumer satisfaction and a relatively high proportion of problems**

thus highlighting that consumers were often negatively affected by the characteristics of the market, its fragmentation, and lack of transparency.

AUTO1's business model is based on transparency and our aim is to increase the transparency, and therefore the consumer trust in our market, by applying our business model to the traditional used car market. Indeed, we offer consumers the haggle-free possibility to purchase and sell used vehicles based on our transparent evaluation and pricing model. In addition to this, we follow a strict non-cash business model, as a further measure to enhance transparency and counteract the risk of money-laundering which is traditionally present in highly fragmented markets. We also provide guarantees on the vehicles we sell via our Autohero brand and comply with applicable consumer protection laws. Our success in transforming this market is reflected in our industry-leading average Net Promoter Score of 70/100.

This effort to maximize transparency directly benefits consumer trust and protection. Indeed, the vast majority of the customers who book an appointment based on our online price, sell their vehicles to us. We believe that this underlines that we provide a more transparent, reliable, and trustworthy solution when compared with the traditional used car market. And we continue to build on this achievement on a daily basis as we believe that our e-commerce focused and customer centric approach towards a sector which is often characterized as untransparent for consumers will continue to have a positive impact on the experience of consumers wanting to buy or sell used cars and therefore the secondhand car market in general.

### Audit-proof trading with a single contract partner

The merchant platform AUTO1.com enables audit-proof and compliant trading for dealers. In the used car market there is an issue of compliance. With a digital platform and processes, dealers can easily track their transactions in real-time across different devices. If cars are traded on personal offline channels, the transaction can quickly be influenced by personal contacts of the contractual partners, the risk of negatively influencing the business through corruption and price agreements increases. Since the beginning, AUTO1.com has been the only contractual partner. Therefore the seller is connected to one of the more than 60.000 buyers in Europe on the platform in an anonymous way. Digital auctions and reports increase transparency and contribute to compliance, especially for big dealer groups and OEMs. An interactive user interface simplifies functions such as resolving reservations through digital price negotiation, starting auctions, and viewing bidding activity on the vehicles delivered. All processes can thus be viewed and tracked by decision-makers at any time. In addition, AUTO1.com offers the design of customized reports with the help of a modular system. The combination of vehicle, performance and transaction data enables maximum transparency and audit-proof, data-driven transactions.

### Ensure optimum sales price thanks to pan-European reach

After the remarketing partner accepts the trade-in from their customers, they digitize the vehicle via the AUTO1 EVA app and put the car into the auction without leaving the device. The vehicle can be auctioned in an audit-proof manner to more than 60,000 dealers in over 30 countries. The offer is displayed live to all registered dealers in the respective national language. The advantage of this unique reach lies in the large international bidding competition. Compared to the dependence on a few local buyers, this ensures more attractive prices in the sale as well as lower volatility for individual vehicles. As a result, the capital risk is reduced to a minimum and there are no strong fluctuations in the marketing of B2B goods. In particular, the current market situation, which is similar in all European countries, means that optimum sales prices can be achieved.

<sup>8</sup> [https://ec.europa.eu/info/publications/study-second-hand-cars-market\\_enhand-cars-market\\_en market\\_en](https://ec.europa.eu/info/publications/study-second-hand-cars-market_enhand-cars-market_en market_en)

## Economic Growth and Digitization

We have seen that small and medium enterprises Europe-wide have strongly benefitted from working with AUTO1. Indeed, our sourcing opportunities and transparent claims and pricing policies have helped empower the used-car entrepreneurial ecosystem on a European level and have provided businesses across Europe with a transparent and reliable business partner.

We spoke with Marco Siri, owner of the car dealership Gruppo Resicar, who has been working with AUTO1 for over 3 years, to see how our collaboration has impacted his business:

**AUTO1: Hello Marco. To begin with, could you please introduce us to the Gruppo Resicar and its business model?**

*The Resicar S.P.A. Group was founded in 1989 in Piedmont, more precisely in Spinetta Marengo, a suburb of the city of Alessandria. Over the years, the evolution and expansion of the company has meant that it has also expanded into other neighbouring provinces, until today it occupies the province of Novara and the province of Asti with its own brands, in addition to its home town. Today, the Resicar Group holds the contracts of several international car brands (Nissan - Mazda - Hyundai - Volvo - Skoda - Aixam - Kia) and its business model includes, in addition to the sale of vehicles itself, the supply of vehicle parts repair, maintenance and replacement services. These services are offered at competitive prices to meet customers' needs.*

**AUTO1: When did the collaboration with AUTO1 start and why?**

*The collaboration with AUTO1.com started over 3 years ago as a result of the Resicar Group's need to expand digitally across Europe in order to constantly maintain contact with the European market and have an additional sales and buying channel.*

**AUTO1: How has the partnership evolved over the years?**

*Particularly over the last year, the partnership between the Resicar Group and AUTO1.com has evolved significantly, resulting in a clear growth in vehicle purchase and sales performance, a positive impact on internal processes that have been improved and speeded up, and a reduced management cost. A crucial point of the collaboration was definitely the use of the AUTO1 Price Indicator, a very useful tool that allowed us to improve our*



*performance by further increasing the number of cars sold on the platform. Another strategic step was to hire a person dedicated to managing sales and purchases exclusively on online auctions.*

**AUTO1: What would you say has been the most significant impact of this collaboration on your business?**

*AUTO1.com has contributed to the digitisation of our business processes through a professional service and qualified staff who support us every day in the various steps of the business, from back office to logistics. The partnership with AUTO1.com has had a favourable impact on our business and has allowed us to maximise opportunities. For some vehicles, we have obtained very satisfactory sales prices, initially unexpected, which have allowed us to sell our product faster while also compensating for some losses and increasing the rotation of our stock.*

**AUTO1: Based on your experience, how has the car distribution model evolved?**

*Based on our experience, the car distribution model has evolved drastically, in fact, we have started to use the digital side more than the physical side, saving time in negotiations and after sales management.*

**AUTO1: How has digitalisation and technology revolutionised this model and impacted your business?**

*Digitisation and technology have certainly revolutionised the previously illustrated model to such an extent that, as mentioned, the sale and management of products via AUTO1.com has overtaken the non-digital part. The impact on our company has clearly been significant, so much so that we have put in a person dedicated exclusively to this activity who manages the collaboration with AUTO1.com on a daily basis in order to increase the volume of cars coming in and out of our dealership. AUTO1.com has given us the opportunity to build an effective partnership that was almost unimaginable a few years ago, and which today, thanks to the technology available and the positive impact of digitalisation, allows us to improve and grow on a daily basis.*

**AUTO1: Which innovations and trends do you think will impact your business in the next 5-10 years?**

*In my opinion, one of the main innovations that will have a fundamental impact on our company in the next five to ten years is definitely electrification. In the near future, there will be more and more battery-powered vehicles on our roads, and we will certainly be ready and well prepared to adapt to the new needs of customers and manufacturers. We are looking forward to further improvements to the dealer experience in our cooperation with AUTO1.com, and hope it will continue and last as long as possible.*

## Social Initiatives

### Berliner Tafel e.V.

In 2019, we initiated our collaboration with the Berliner Tafel, a food bank operating in the Berlin area, by donating vehicles such as refrigerated delivery trucks and other vehicles to provide food delivery and mobility solutions to the organization. We continued our collaboration through 2023 with the Tafel.

Since the beginning of our partnership, we have continued to work with the Tafel, developing from making donations to supporting the initiative with our business model. For example, to allow for a continuous evaluation of their car fleet, we have given the Tafel access to our remarketing pricing evaluation solution which has allowed the organization to make founded decisions around the maintenance of their fleet, knowing the optimal time to sell and replace a vehicle and understanding the value of the vehicles they have at any given time.

An additional point of collaboration has been enabling the renewal of their fleet by offering the Tafel a transparent, fast, and uncomplicated way to sell their vehicles. Our aim was to apply AUTO1's circular economy business model to social projects which could benefit from the transport and mobility solutions our products enable. In 2023, we made a further donation to support the Berliner Tafel.

#### IN THE WORDS OF THE TAFEL:

**We are very happy to have found a reliable and transparent partner in AUTO1 which has supported our work through our collaboration and generous donations. As we welcome regional synergies and mutual support, we are pleased to be working with AUTO1 as a company from Berlin.**

Matthew Perry, Head of Legal Compliance AUTO1 Group with Thomas Freiesleben - Head of Fundraising from Berliner Tafel e.V. in front of the vehicle AUTO1 Group donated in 2022



## Social Case Study: France

At AUTO1, we believe it is our responsibility to cultivate a more innovative, dynamic and respectful working environment for all by embracing diversity and promoting inclusivity. To ensure that we promote this value, we have participated in various social initiatives across the Group.

We would like to highlight a few of them:

Our HQ in Paris participated in the “European Week for the Employment of People with Disabilities” and partnered up with Aktisea Adapted Company. Together they hosted a fun and engaging Q&A competition event which contributed to the Group’s awareness campaign on diversity and reinforced the ongoing dialogue on disability-related issues.

In November 2023, our Paris HQ also participated in the 2023 DuoDay where they successfully welcomed persons with disabilities and paired them up with employees at AUTO1, offering the chance for them to collaborate and explore their potential in their departments of choice.

Additionally, our Paris HQ joined forces with KS Academy to further sensitize and educate AUTO1 employees on disability-related matters through sports. As such, AUTO1 collaboratively hosted a football event between professional amputee players from Paris FC and AUTO1 employees. The event featured interactive workshops and friendly football challenges designed to inspire collaboration, foster team spirit, promote physical activity, and create an inclusive environment for all employees.



# 04

# OUR GOVERNANCE



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## Introduction

At AUTO1 we pride ourselves in our corporate governance and compliance measures and believe that these directly impact our ability to pursue our envisioned sustainability strategy. Indeed, it is only with the involvement of the Management and Supervisory Board, as well as clear definitions of roles, responsibilities, and decision paths that our concepts can go from ideas to implemented policies and can be reported accordingly.

At the heart of our corporate governance structure are the principles laid out in the German Corporate Governance Codex, which we have comprehensively implemented, as we believe it offers us the best organizational guidelines to ensure that they meet our legal, ethical, and sustainability goals and requirements. On this basis we have ensured that we have an independent supervisory board in place and have met our commitment to having two women within that body by 2023. We further have a dedicated Audit Committee which was established prior to our IPO, with appropriate financial and accounting expertise in the form of Gerd Häusler, as chairman. Additionally, we have a dedicated ESG Committee

at Supervisory Board level with Lars Santelmann as chairman. Finally, we also have a Presidential Committee. Outstanding elements of implementation can be found in our annual declaration of compliance.

This governance structure is reinforced by our company policies, and our Code of Conduct, which integrates its principles and highlights our commitment to transparency. Both with regards to our business model and customer relationships as well as with regards to legal requirements and our adherence to these. To ensure that our most important principles as well as compliance measures are communicated both internally and externally, we have a dedicated section on our Group website on which these can be found. Our policies are also communicated and accessible to all employees on our company's intranet, in a dedicated section, the Compliance Portal.

In 2022 we launched a dedicated sustainability section on our Group [website](#) on which you can find our key messages and contact points regarding sustainability.

### Supervisory Board

Gerd Häusler, Martine Gorce Momboisse, Lars Santelmann, Hakan Koç, Sylvie Mutschler von Specht, Gerhard Cromme



## ESG Governance Chart



At AUTO1, all ESG decisions at AUTO1 are made by the ESG Steering Committee, involve the Management Board, and are reported to the ESG Committee of the Supervisory Board. The decision flow is as follows:

### *Supervisory Board*

Has a dedicated ESG Committee and supervises all ESG-related decisions.

### *Management Board*

Responsible for ESG. Has quarterly meetings with the ESG Steering Committee.

### *ESG Steering Committee*

Reports directly to the Management Board. Quarterly meetings with the Management Board to push forward strategy. Members: senior stakeholders from the Communications, Accounting, People, Investor Relations, and Legal / Compliance teams.



### EXAMPLE DECISION

The Management Board proposes a new diversity strategy. It is discussed during quarterly meetings with the ESG Steering Committee and the ESG Committee of the Supervisory Board. The ESG team then works on implementation and progress tracking.

## Compliance

### Commitment to Compliance

We believe that a culture of compliance originates in the so-called tone from the top and at Management Board level. For this reason, the integrity of our legal representatives as well as top management, together with their commitment towards a management style based on responsibility and in accordance with the law, forms the basis of our compliance culture. To define this approach in the form of an easy to follow set of standards, we have laid out the guidelines found in our company-wide Code of Conduct (CoC). Among other topics, our CoC lays out our principles around anti-bribery and corruption and our commitment towards human rights and supply chain compliance, both within our company and also within our supply chain.

These rules are binding for employees, management, and senior management who acknowledge that it sets an example for the rest of the company and is therefore committed to doing business in a legally and ethically sound manner. They also apply to all third parties AUTO1 does business with, form part of our third party due diligence process, and therefore inform our contracting and business partner selection decisions.

To uphold our culture of compliance, all our employees must align their behavior with the law and the rules set out in our CoC as these represent the fundamental values on which our culture is built. In practice, this means that our employees have the obligation to adhere to and implement these rules and principles into their daily work. In line with our zero-tolerance approach, we do not tolerate any deviations from this rule. As a result, any behavior that is harmful to our company is investigated, resolved, and, if necessary, prosecuted - irrespective of the level at which it takes place.

The compliance function is an independent part of the company's corporate governance, which includes risk management as well as internal controls. According to § 93 (1) AktG, and as underlined by the German Corporate Governance Codex, senior management is responsible for its business and must employ the care of a fair and diligent manager when performing its duties. Maintaining compliance forms part of this statutory obligation but is assigned to the General Counsel / VP Legal and Head of Legal Compliance within the framework of the allocation of business responsibilities.



To ensure that this governance standard is met, we have a dedicated Compliance Committee at operational level consisting of Markus Boser (CFO), Timo Wilke (General Counsel / VP Legal), Christian Schröder (VP Tax and Risk Management), and Matthew Perry (Head of Legal Compliance). The compliance committee meets quarterly for a session. In case of determined circumstances, such as grave compliance infringements, or other urgent matters, the Head of Legal Compliance convenes a session immediately. This structure ensures the involvement of the Management Board as well as risk function in all major compliance related matters.

During its sessions, the Head of Legal Compliance reports on the status of the Compliance Management System at AUTO1, as well as on any breaches of compliance, ongoing investigations, and any reports which the Compliance team has received through our whistleblowing channels. Further topics include risk management and sustainability considerations. Should disciplinary measures be required due to a compliance infringement, these are set by the Compliance Committee within the limits of the applicable statutory provisions. If necessary, non-permanent members of the Compliance Committee, such as for example senior stakeholders from the People team, shall be called upon to assist in this process.

The basis of all our compliance measures is our yearly compliance risk analysis, which covers all potential legal risks we face. To evaluate potential risks, we hold workshops with departments, review processes, and interview stakeholders across the Group. This gives us an overview of possible risks for which we then empirically evaluate the likelihood of occurrence and impact. This process is signed off by the Management Board and is reported to the Audit Committee.

### Anti-Corruption and Bribery Measures: Policies, Training, and Reporting Governance

One of the central elements within our wider compliance program are our anti-corruption and bribery measures. Indeed, we see it as part of our corporate responsibility to ensure that we do business fairly, honestly and with integrity, and contribute to the global fight against bribery and corruption.

Apart from our Code of Conduct, which states that we do not accept corruption and bribery in our business practices, we have implemented an Anti-Corruption and Bribery policy which builds on this principle, offers our employees a guideline on how to act in such situations, and forms the basis on which we maintain compliance with our values and all applicable anti-corruption and bribery laws. This policy covers dealing with public officials, facilitation payments, political and charitable contributions, and conflicts of interest. The topic of gifts & invitations, which we see as a central element within our anti-corruption and bribery effort, is laid out in our dedicated Gifts & Invitations policy.

To ensure the communication of the principles set out in the above compliance documents, we have a dedicated



compliance training program which begins during the onboarding of employees and continues throughout their tenure at the company.

In 2023, we launched an updated version of our annual mandatory compliance training courses on this topic.

### Human Rights Considerations

AUTO1 is committed to the respect of human rights, both internally as well as with regards to its business partners and within its supply chain. We acknowledge the importance of human rights in our daily work and the implications they have with regards to labor considerations. We also recognize the connection and significance of environmental influences on human rights. We subscribed to the UN Charter and the UN Universal Declaration on Human Rights, have introduced a new group wide Human Rights & Working Conditions policy in 2023 and published it on our website. Our aim is to set a standard within our company and our direct and indirect business partners on human rights and the environment, and at the same time comply with the legal requirements resulting from the Supply Chain Due Diligence Act (LkSG) that will come into effect in 2024. In this context, we have appointed a dedicated human rights officer, who is responsible for all human rights related matters of the Group.

The basis of our human rights protection effort is a yearly risk analysis around the topic. After evaluating the risk as part of our compliance risk analysis, we concluded that the risk of human rights infractions is low for AUTO1. This is primarily due to the fact that we uphold EU labor standards, source our products within the EU, and mainly work with companies based in the EU; thus minimizing the risk of human rights violations in our supply chain.

Nevertheless, we have implemented a number of measures which help us reduce potentially remaining risks. Indeed, we identify our business partners in fulfillment of applicable anti-money laundering legislation. This Know-Your-Customer process ensures that we know with whom we are in business and allows our Compliance team to run background checks in case of any red flags. While this is often seen as a measure linked to the fight against money laundering and corruption and bribery, we feel that the transparency this creates also supports us in ensuring that we do not enter into a business relationship with a partner which does not take the respect of human rights seriously.

As a further preventive measure, we screen business partners for sanctions. On the one hand, this ensures that we comply with applicable sanctions as well as import and

export regulations. On the other hand, it ensures that we do not participate in the financing of terrorist activities and ensures that we adequately identify business partners, thus also avoiding counterparties which are more likely to pose a risk from a human rights perspective and activities with an environmental impact.

Finally, in 2023, we mapped out a comprehensive third-party due diligence program, which will be fully implemented within the coming financial year. This procedure will meet the requirement to conduct distinct levels of due diligence on third parties based on a risk assessment as part of our contracting process. This means that transactions in certain territories and industries, and / or those with an elevated contractual sum or binding period, which pose a heightened risk to us, undergo a dedicated third party due diligence process. Through this process, we will require potential business partners to provide the necessary information for the Compliance team to complete a comprehensive background check on the party. These background checks will ensure that we avoid business partners which pose a heightened risk of compliance infringements, including instances of bribery and corruption and human rights infractions.

Beyond this, our Code of Conduct clearly expresses our position and commitment towards human rights. To communicate this externally and ensure that our business partners are aware of our position, our CoC is published on our group website for public access and is forwarded to business partners as part of our third-party due diligence program. In the financial year 2023, we did not receive reports of human rights infractions through our dedicated whistleblowing channels.

## Whistleblowing

To detect infractions, and to ensure that our compliance principles are upheld, we have implemented a whistleblowing governance structure which meets the requirements of the EU Whistleblowing Directive and national law. We believe that enabling whistleblowing and protecting reporting persons from retaliation is central to ensuring our values as a company and encourages a healthy exchange between us, our employees, and third parties.

At AUTO1 we have put in place three dedicated and independent whistleblowing channels:

The channel [compliance@auto1.com](mailto:compliance@auto1.com), which is administered by our Compliance team, is our principal reporting channel and is a confidential way for our employees or third parties to report any (suspected) compliance breach. As

an alternative, and for anonymous reports, AUTO1 has retained the services of the lawyer Dr. Margarete Gräfin von Galen as an external ombudsperson. Finally, the channel [employeeconcerns@auto.com](mailto:employeeconcerns@auto.com), for which the People and Legal teams share responsibility, is a reporting channel which aims at resolving work-related issues, such as potential harassment or discrimination.

We also offer the opportunity for our employees or third parties to contact us in person or via mail, as well as to set up an in-person meeting with our Compliance team or external ombudsperson to report compliance issues.

To clearly lay out the reporting process as well as the underlying governance measures we have implemented, we have a dedicated whistleblowing policy which has been communicated to all employees and is available in the compliance portal of our intranet. This policy focuses on our reporting procedure, which describes the exact steps and timeline of a report, as well as the prohibition of retaliation against the reporting person. It also covers confidentiality and data protection within the whistleblowing process. The topic of whistleblowing, in the form of the most relevant elements of our process and policy, has also been integrated into our compliance training program. Apart from this internal communication we have also included an overview of these whistleblowing possibilities, as well as an outline of our report investigation process, within the compliance section on our Group website.

In 2023, one confirmed employee concern and one compliance infringement case were brought to our attention or reported through the above channels. They related to harassment and



theft, respectively, and resulted in investigations into the matters and the imposition of disciplinary measures.

## Data Protection and Security

As a data-driven company, we process large amounts of data, some of which falls within the category of so-called personal data. We consider (personal) data to be a sensitive asset which must be protected. Subsequently, we address the regulatory requirements relating to data protection, and the responsibility we feel as data controllers for the data of our business partners and employees, by following a company policy which ensures the responsible handling of data. Indeed, we consider the safeguarding of personal data to be part of our corporate and social responsibility and also aim for transparency, which is an essential part of strengthening the trust of our business partners and sustainably growing our operations.

Our company is impacted by current and emerging data protection laws. With the constant ambition of improving the level of data protection across the Group, we are continuously working to embed it within our systems and processes. On one front, we actively engage in advanced technologies and security measures to fortify the safeguarding of sensitive information, thereby mitigating risks associated with unauthorized access, misuse, and loss of data. Concurrently, we place a strategic emphasis on the human factor in the area of data security.

AUTO1 has also implemented corporate policies and operating procedures for the collection, use and retention of personal and sensitive data. We implemented a binding data protection and IT Security policy, which provide clear guidelines and instructions for our employees on the subject. To complement this, AUTO1 conducts annual training sessions through our internal AUTO1 Academy which are mandatory for all employees across the Group.<sup>9</sup> Furthermore, AUTO1 continuously develops further content which is specifically tailored to the different fields of our employees' duties.

As the basis of our data protection measures, and therefore underlying data protection management system, we perform a yearly compliance risk analysis which evaluates the risk of non-compliance with data protection requirements. In parallel, we commissioned an external audit of our data protection management system in 2021 which was performed by PriceWaterhouseCoopers. The audit showed that there were no red flags or serious data protection concerns in our organization. Nevertheless, according to our risk analysis, and due to our nature as a data driven company, we feel that data protection is central to us as a company and holds

a particularly central position within our compliance and regulatory considerations. In conjunction with the compliance risk analysis, AUTO1 is working on developing additional control measures to monitor and continuously improve the sustainable integration of data protection in our company divisions.

To manage data protection, we named a Data Protection Officer and notified the competent authority about her appointment. Our Data Protection Officer performs the tasks required by law to ensure compliance with data protection rules and monitors compliance with data protection laws and our Data Protection Policy. Our Data Protection Officer is supported by various members of the Legal team who have expertise on the subject, as well as by a Data Protection Coordinator who is responsible for the technical and organizational implementation of our data protection measures.

Finally, responsibility for data protection lies with the Management Board, which is involved in all major data protection considerations by way of continuous reports through the Compliance Committee. Above Board level, the Audit Committee and Supervisory Board also receive regular data protection reports.

## Internet Security

As one of the leading used car trading platforms, AUTO1 actively promotes cyber security and the safety of activities within the digital world. In 2023, AUTO1 made further progress by strengthening and ensuring cybersecurity and protection of data processed online. In addition, we have further enhanced our trademark protections, as trademark infringements can have a significant impact on consumers and businesses.

AUTO1's designated team continued its efforts against internet-based brand abuse in 2023. This interdisciplinary team is not only composed of members of the Legal and Compliance departments, but also actively involves the company's Management Board and senior members of the Technology department. Where necessary, our team of experts collaborated with external partners adopting a comprehensive approach to potential threats against AUTO1's virtual presence.

<sup>9</sup> Employees in our production centers, who do not perform their job responsibilities with a computer, receive access to our training program through dedicated information displays at the workplace.

AUTO1's internal structure ensures that potential security incidents can be reported and tackled immediately. The data collected from this reporting infrastructure is the basis for ongoing risk analysis and the development of effective countermeasures. This way, trademark and copyrights in the digital space were enforced by every means necessary either through legal action and in accordance with existing internet laws, and/or through the establishment of internal reporting procedures.

In addition to these countermeasures, AUTO1 continued to focus on precautionary measures that would particularly protect and prevent breaches of security on the internet. Monitoring our domain, sites and platforms was actively performed to alert us against third-party registrations and to detect potential risks early on. By integrating multi-factor authentication into our security strategy, we strengthened our ability to maintain the confidentiality and integrity of the sensitive data we process, which is a key aspect in reducing the risk of brand abuse. In light of the global rise in supply chain attacks in 2022, AUTO1 in turn placed an emphasis on external security standards and compliance practices in 2023, when selecting business partners in order to minimize overall risk and ensure a comprehensive security strategy.

The technology landscape is constantly being monitored and analyzed. AUTO1's readiness to proactively alter, expand or adopt new security measures at any given time has effectively contributed towards mitigating risks and threats. AUTO1 is committed to protecting the interests of the company as well as those of consumers and has upheld cooperation with public authorities, financial institutions, and major automotive trading platforms for the safeguard of such interests.

AUTO1's IT security policy remained aligned with industry standards and therefore actively considered the risks associated with Artificial Intelligence (AI). Regular phishing simulations and employee training on various types of attacks such as Trojans, phishing and ransomware helped raise awareness on cyber security and has ensured that data is handled securely. AUTO1 effectively contributed towards its goal of minimizing digital threats and ensuring solid protection for its brands and consumer safety in 2023.

## Tax compliance and Governance

AUTO1 Group aims to minimize the administrative burden involved in tax compliance while fully and efficiently complying with the tax laws, rules, and regulations in all jurisdictions in which the AUTO1 Group operates. Tax returns, claims, and payments must be made on time and accurately, while interest charges and penalties must be avoided. AUTO1 tax

practices are governed by a global organization in which roles have been defined to secure an efficient structure, where:

- Overall tax policy and strategy are centralized in the headquarters together with global controlling functions and subject matter experts providing support to local management, and;
- Local tax compliance and tax filing are the responsibility of local management, seeking guidance from the global policy and available guidelines.

AUTO1 retains the necessary level of trained tax professionals to ensure understanding of the AUTO1 business model adequately, comply with tax filing requirements in a satisfactory and timely manner and develop and maintain the information necessary to explain how AUTO1 business decisions have affected individual tax filings.

As part of the tax governance the Tax team is constantly monitoring the planned changes of the tax regulations in the countries in which AUTO1 Group operates and on a multinational level (EU, OECD etc.). Where necessary, the tax processes at AUTO1 are respectively adjusted to the changes of the regulations and tax practice to ascertain required tax compliance.

In accordance with the above, AUTO1 Group has based its fiscal strategy on current national and international tax regulations, aware of the importance and need of its contribution to the public finances of the different territories in which it operates. Fiscal Policy revolves around four basic pillars:

- Responsibility in decisions and actions in fiscal matters.
- Tax contributions where the activities take place. AUTO1's aim has never been to relocate activities or profits to particular jurisdictions for purely fiscal reasons.
- Transparency in all the information that AUTO1 provides to shareholders, the market and the different stakeholders with which it is associated; this information is also accessible, transparent and reliable.
- Cooperation with the different public administrations of the countries where AUTO1 has presence and always subject to solid values of professionalism, collaboration, good faith, mutual trust and mutual respect.

We consider them important for us to maintain a competitive position and to continue to be innovative in both our funding and the products and services we provide to our customers.



## LOOKING AHEAD

We are more than excited to continue our journey in 2024. We are convinced that we have the power to transform one of the largest markets in the world by creating outstanding experiences for our customers, as we move the European used car market onto our platform. Our highly talented team is not only extremely motivated to continue the improvements in our platform and innovating for our customers, but equally excited about doing so sustainably.

As a result, we will continue to revolutionize the market and deliver unparalleled value, while making progress with our ESG-initiatives:

- **The Environment:** We continue to take environmental responsibility this year and in the years to come for reducing our CO2 footprint, pioneering the electrification of the used car market and promoting a circular automotive economy. The latter is highlighted in our EU Taxonomy disclosure and the identification of our business activities within its fourth environmental objective: Transition to a circular economy. Beyond this, we have set ourselves the goal to become carbon neutral by 2030, this includes amongst others our offices, production centers and our purchasing branch network. Heading into this year, we are in the process of installing 182 solar panels at our Production Center in the Netherlands, with which we

aim to be energy neutral in the Netherlands by 2024. Additionally, we continue to be the biggest car trader for used electric vehicles in Europe and are convinced that the electrification of the European car market supports the decarbonization of our planet. In 2024, within its first year of application, we will also transition to ESG reporting under the Corporate Sustainability Reporting Directive, which will allow us to further focus on a KPI-based approach towards our environmental disclosure.

- **Our People:** We see diversity as a strength and we are proud to work with people from a variety of backgrounds. Because we believe that this is a key factor in the success of our company, we have launched several initiatives in 2023 that will continue to have a positive impact in the years ahead. One of these initiatives was a collaboration with Inklupreneur in Germany, with whom we developed an inclusion strategy. This year we will continue to work on our people processes and provide more awareness throughout the Group in order to hire more employees with disabilities and become an even more inclusive workplace. In addition, we will continue to enable our employees to form and participate in funded AUTO1 Communities at a Group level.
- **Our Communities:** We are committed to positively contributing to the communities we work and operate in. We do this by providing transparency in an industry that has traditionally been opaque and complex. This year, we will continue to expand our purchasing branch network to be even closer to our customers and make our product even more convenient. We have started some of these new spots in locations in 2023 already which are highly frequented by potential customers, such as parking lots of supermarkets. We believe that we have the potential to add up to 1,000 additional locations across Europe.
- **Our Governance:** We will continue to further improve our already best-in-class governance and compliance measures, with a focus on driving projects through our ESG Committee at Supervisory Board level, as we believe that these directly impact our ability to pursue our envisioned sustainability strategy. As a first-year Corporate Sustainability Reporting Directive reporting company, we will also continue to focus on transitioning to a more KPI driven ESG disclosure, setting ourselves up to meet more comprehensive legal requirements in 2024.

While we've made tangible progress in 2023, there's still room to improve. We are committed to addressing and tackling challenges within our organization and the automotive industry as a whole and defining strategies to improve as we continue on our journey.

## Sustainability Accounting Standards Board Disclosure

TOPIC	SASB ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	DATA AVAILABLE IN THE REPORT
<b>Energy Management in Retail &amp; Distribution</b>	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	<b>(1) 65,048 GJ</b> <b>(2) 49.68%</b> <b>(3) 29.50%</b>
<b>Data Security</b>	Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	<b>Pages 53-54</b>
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Quantitative	Number, Percentage (%)	<b>(1) 0</b> <b>(2) 0%</b> <b>(3) 0</b>
<b>Labor Practices</b>	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Quantitative	Reporting currency, Percentage (%)	<b>(1) 14,71 EUR</b> <b>(2) 0%</b>
	(1) Voluntary and (2) involuntary turnover rate for in-store employees	Quantitative	Rate	<b>(1) 50%</b> <b>(2) 50%</b>
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Quantitative	Reporting currency	<b>19K EUR</b>
<b>Workforce Diversity &amp; Inclusion</b>	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Quantitative	Percentage (%)	<b>(1) 22.9% Women</b> <b>(2) 69.6% Men / 27.5% Women / 2.9% Not declared</b>
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Quantitative	Reporting currency	<b>0 EUR</b>
<b>Product Sourcing, Packaging &amp; Marketing</b>	Revenue from products third-party certified to environmental and/or social sustainability standards	Quantitative	Reporting currency	<b>0%</b>
	Discussion of processes to assess and manage risks and / or hazards associated with chemicals in products	Discussion and Analysis	n/a	<b>In 2023, we did not handle a material amount of chemicals.</b>
	Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	n/a	<b>We do not ship packaged products, i.e., used cars, and try to recycle all packaging we receive.</b>

## Sustainability Accounting Standards Board Disclosure

<b>ACCOUNTING METRIC</b>	<b>CATEGORY</b>	<b>UNIT OF MEASURE</b>	<b>DATA AVAILABLE IN THE REPORT</b>
Number of: (1) retail locations and (2) distribution centers	Quantitative	Number	<b>We have (1) no retail locations and (2) no own distribution centres.</b>
Total area of: (1) retail space and (2) distribution centers	Quantitative	Square meters (m <sup>2</sup> )	<b>(1) nil and (2) nil</b>



**AUTO1** | GROUP

Bergmannstraße 72, 10961 Berlin, Germany  
+4930201638360  
info@auto1-group.com