

## Sustainability Report

2023



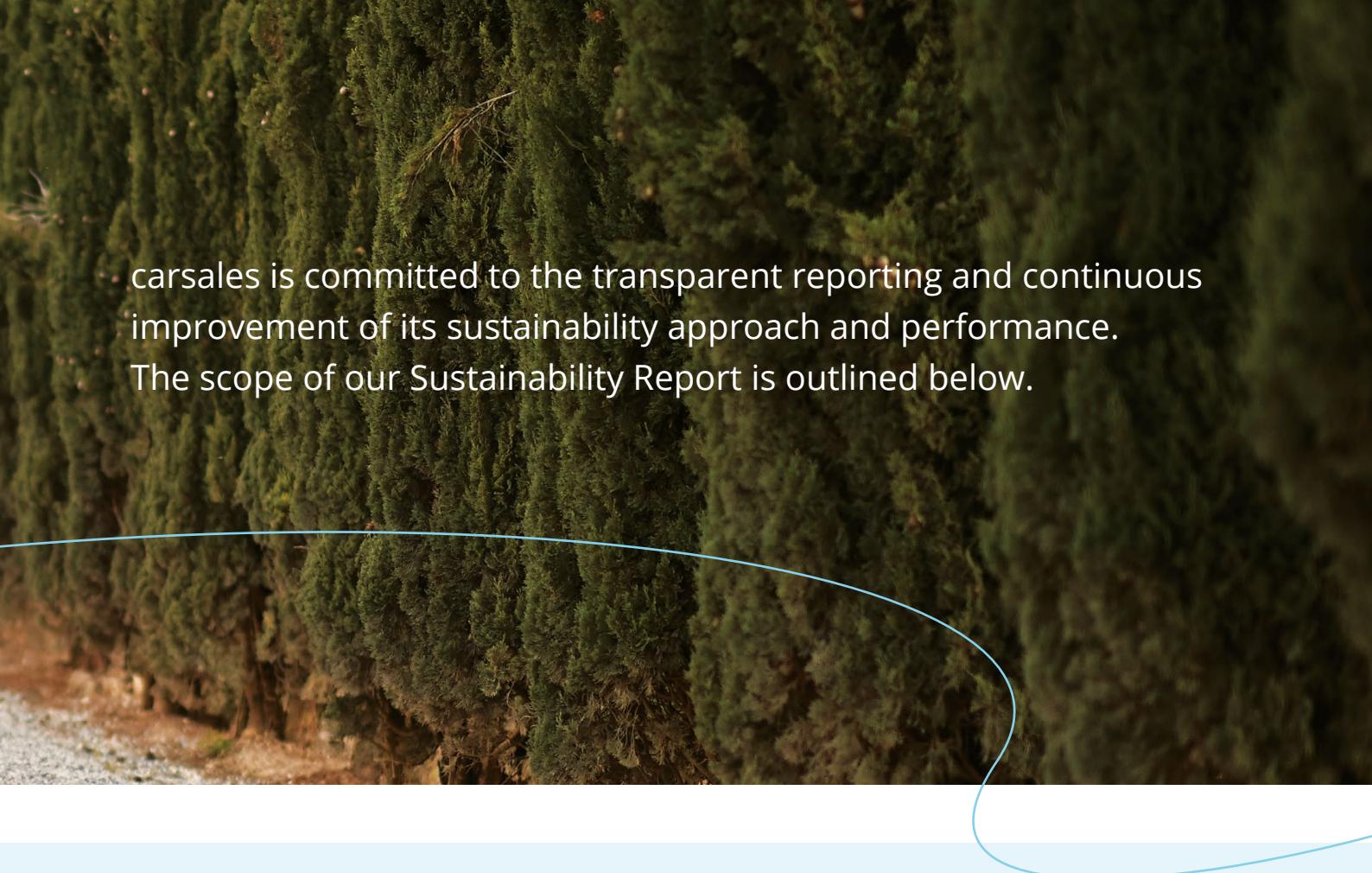


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carsales acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander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

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



carsales is committed to the transparent reporting and continuous improvement of its sustainability approach and performance. The scope of our Sustainability Report is outlined below.

## About this report

At carsales, our purpose is to make buying and selling a great experience. We bring together our people, consumers, dealers and manufacturers to deliver the best solutions and experiences in the automotive, commercial, industry and leisure vehicle classifieds markets globally.

Our success in remaining a leader in the long term lies in our operating model which embeds sustainable business practices across our value chain.

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

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

This Sustainability Report provides information on the overall sustainability management and performance of carsales from 1 July 2022 to 30 June 2023, aligning to the company's financial reporting period. The report complements carsales' Annual Report, Corporate Governance Statement, Governance Charters, Corporate Policies and other key governance reports which are available on our shareholder website together with this report.

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

This year we have also commenced reporting against the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) within our Annual Report.

An external sampling audit was undertaken on our carbon emissions data, and we worked with an external provider to validate our materiality and reporting approach.

All questions on the Sustainability Report or our sustainability initiatives should be addressed to our Sustainability team: [sustainability@carsales.com.au](mailto:sustainability@carsales.com.au).

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# Message from the Chair of the Sustainability Committee



We are pleased to publish the 2023 Sustainability Report for carsales.com Limited which reflects the journey we are on and the progress we have made over the past twelve months.

**Kee Wong**  
Chair of the Sustainability Committee

The carsales Board believes that the tone of an organisation is set from the top, and we are active champions of the company's sustainability journey. I'm pleased to say that we've made good progress towards achieving our own ESG commitments this year. The establishment of the Board Sustainability Committee has placed a spotlight on the key sustainability and ESG topics within carsales and has aided the board to stay abreast of the many emerging issues in this area. Similarly, carsales' most senior leaders, headed by Cameron and his executive team, have demonstrated great dedication to ensuring that sustainability is a critical component of the company's strategy.

As a board, we maintain our commitment to the highest ethics and integrity. We are conscious of the practice of greenwashing and the consequential deterioration of trust that often occurs. Our ambition and goals for our sustainability programs are set with a realistic plan in mind and aligned to the company's strategy for a sustainable future. We do not aim for perfection, rather we embark on a roadmap focused on meeting both regulatory requirements and the expectations of our stakeholders and broader society. In reporting on our performance, we promote transparency and balance.

Our risk governance approach has also evolved this year, and we have been on high alert on matters such as cybersecurity and data privacy, considering recent high-profile cyber attacks and data breaches. As a global business which is part of a worldwide digital community, carsales seeks to learn from these events and share knowledge with our peers, both in Australia and internationally.

As a Board we are acutely aware that a significant proportion of carsales' business relates to vehicles which emit carbon and greenhouse gases. The business wants to have a positive influence on the future of mobility, and that includes supporting the industry to become more environmentally friendly. We are working on this focus area as part of our broader business planning and sustainability strategy.

We are pleased with the team's efforts to prepare for the introduction of mandatory climate reporting in Australia in line with international standards. This progress is demonstrated by voluntarily reporting against the Task Force on Climate-related Financial Disclosures recommendations (contained within our Annual Report). We welcome the development of international standards for sustainability and climate reporting by the International Sustainability Standards Board and the continuing developments by other organisations, including the Global Reporting Initiative, Sustainability Accounting Standards Board, and the United Nations. We aim to meet, and where appropriate, exceed the international standards and regulations in the countries in which we operate, while maintaining sensitivity toward local communities.

We know that this area will continue to undergo rapid changes, and we will implement our sustainability programs at a pace that is practical, responsible, and relevant to each jurisdiction.

Finally, the Board would like to express its gratitude to the leaders and people of carsales for their ongoing commitment, innovation and dedication which helps drive the continual advancement of our sustainability performance. We appreciate the trust put in carsales by every website user, team member, customer, shareholder and other stakeholder, and we will continue to do our utmost to honour that trust.

**Kee Wong**  
Chair of the Sustainability Committee



# Message from the Chief Executive Officer



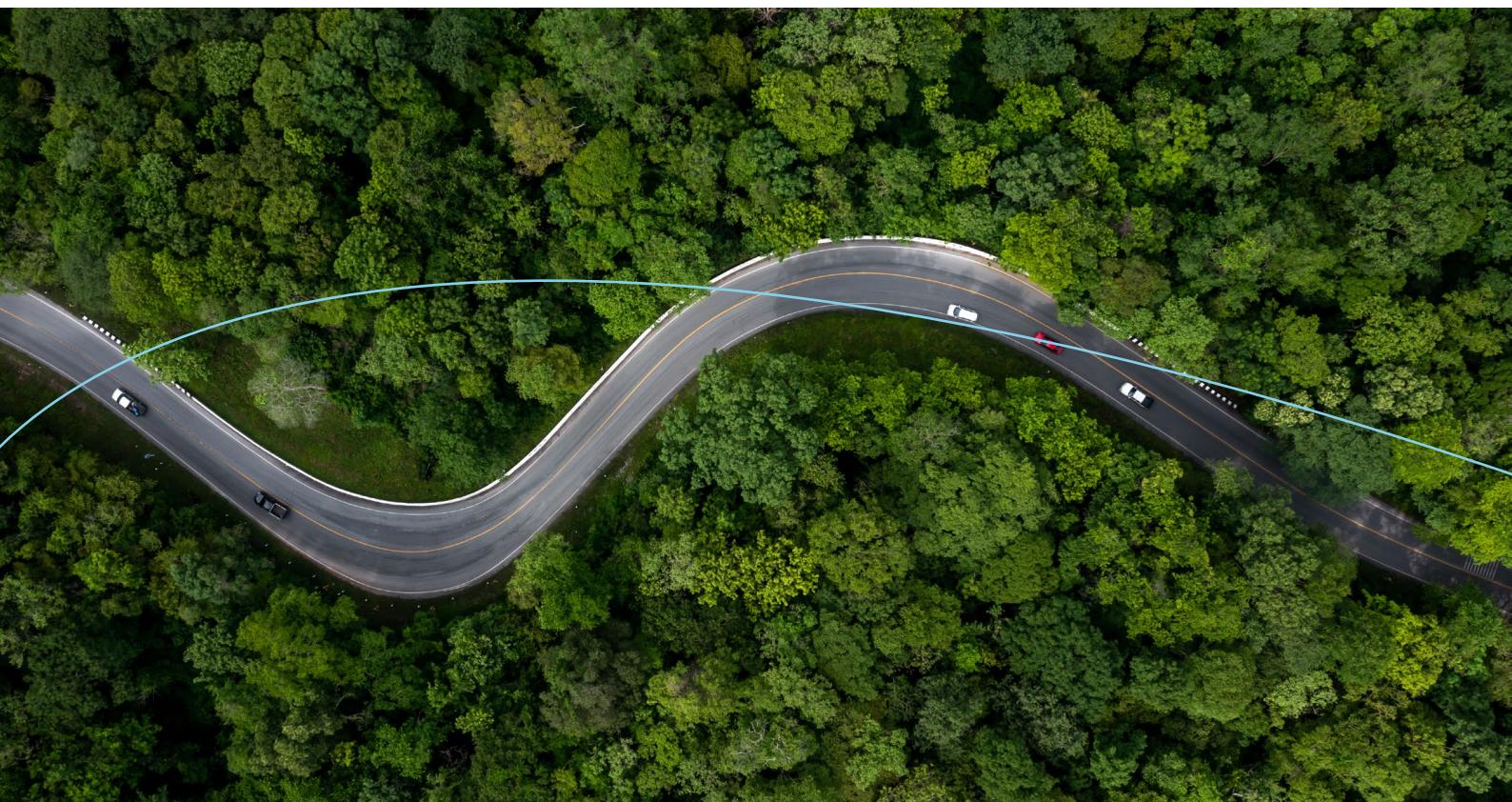
**Cameron McIntyre**  
Managing Director and CEO

At carsales, our purpose is to 'make buying and selling a great experience', and we seek to do that in a sustainable and responsible way. Our sustainability strategy focuses on the areas of most significance to our business and stakeholders, and where we can make the greatest impact. These areas are our people, our customers and our responsible business practices.

The past year was transformative for carsales, as we became a truly global company with more than fifty percent of our revenue attributable to our businesses outside of Australia. This has required us to reflect on how we manage our business, including our approach to sustainability.

Our origins lie in Australia, and that is where much of our sustainability efforts have focused to date. As the biggest single contributor to our business, Australia will continue

to be a focus for our team, and it is likely to be the location in which we trial many of our new initiatives. We intend to take learnings from the implementation of initiatives in Australia and apply them to our businesses across the globe. Eventually, we hope our sustainability practices will be location agnostic, and we will reach the same standards of sustainability across all locations in which we operate.



One aspect of rapid growth and acquisition is that our businesses are at different stages of maturity. Obtaining the same level of data from all our businesses continues to be a challenge for our team, and while we are not perfect, you will see our journey in the coming years as we seek to make our sustainability reporting reflective of our global footprint.

That being said, I am incredibly proud of what our people have achieved this year. By working at carsales, our people are 'a big part of something big' and it is important that we remain connected with our people across the globe. To that end this year we conducted our first global employee opinion survey. I was pleased to see that 85 percent of respondents to our employee opinion survey across all our operations' between surveys and said they would recommend carsales as a great place to work.

As a customer focused organisation, we continued to reduce the friction for our customers, whether that be an individual selling a car for the first time, a sophisticated dealer or a media client seeking to reach our audience. As in previous years, we achieved our goal of a minimum 99.9 percent system uptime and zero reportable data breaches. We are extremely conscious of the cyber environment in which we operate and will continue to dedicate ourselves to our cybersecurity strategy.

Innovation continues to be core to carsales. We encourage our people to innovate in a variety of ways which are showcased in this report. In May this year, I was thrilled with our first Global Hackathon, with almost 300 of our team members across the globe working on over 40 new and creative projects that help to bring our company strategy to life.

This year we also continued our environmental journey. Having achieved carbon neutrality for our Australian business operations last year, we stretched our focus to creating an emissions reduction strategy for Australia and began the process of achieving carbon neutrality globally.

We have sought to make our sustainability reporting even more user-friendly this year, increasing readability and improving the accessibility of our data. I have enjoyed speaking to our stakeholders, whether it be employees, customers, shareholders or analysts, about our sustainability journey to date and where we are going from here.

I hope you enjoy reading this report, and I thank you for your support and welcome your feedback as we continue our goal of perpetual improvement.



**Cameron McIntyre**  
Managing Director and CEO

**By working at carsales, our people are 'a big part of something big' and it is important that we remain connected with our people across the globe.**

## About carsales

carsales.com Ltd (ASX:CAR) is one of the largest digital marketplace business in the world. In Australia it has market leading positions in automotive, motorcycle, caravan, marine, truck and equipment industries. The carsales network extends across the United States, South Korea and Latin America, employing more than 1,800 people, developing world class technology and advertising solutions that drive its businesses.

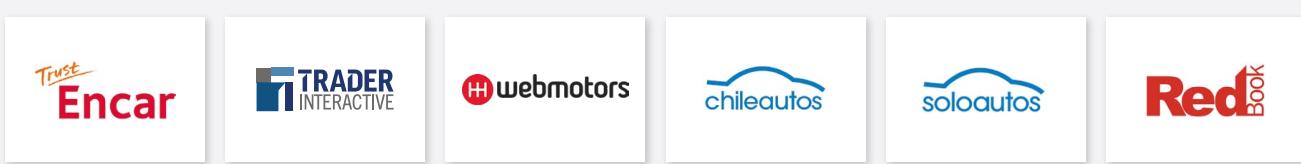
In the US, Trader Interactive is a leading integrated platform of non-automotive marketplaces across the RV, powersports, truck and equipment industries. Encar.com in South Korea is the leading automotive digital marketplace and carsales' Latin American businesses are the leading automotive digital marketplaces in Brazil and Chile.



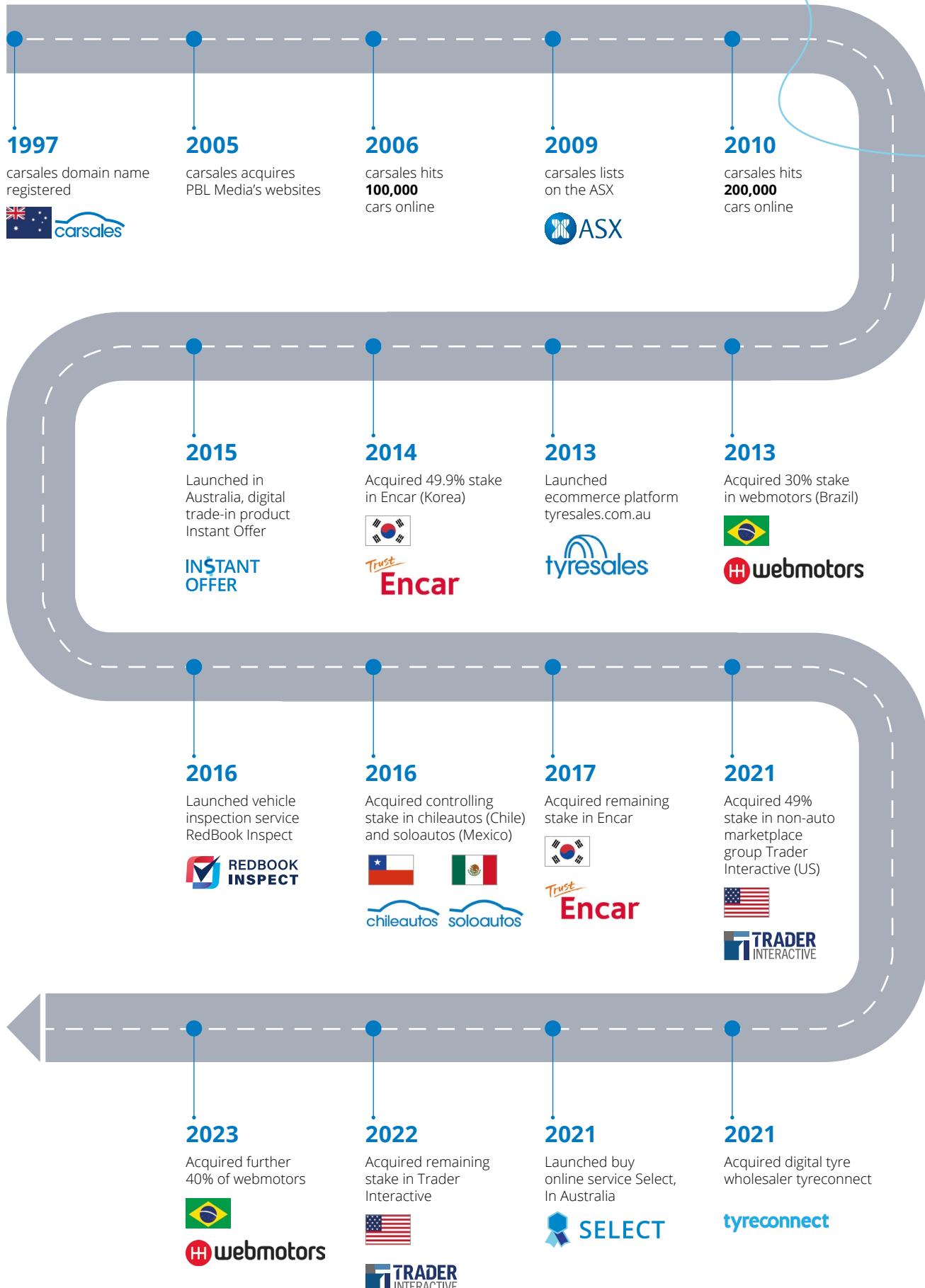
### Our Domestic Brands



### Our International Brands



## Our evolution



# How carsales creates value

## Our Vision

To create #1 digital marketplaces for vehicles around the world

## Our Purpose

Make Buying and Selling a Great Experience

## Our Strategic Pillars



### Our Customers

Deliver seamless, simple and personalised digital retail experiences.



### Our People

Build a world-class culture to attract and retain the best talent.



### Sustainable Growth

Generate consistent long-term growth and nurture a business which future generations will be proud of.



### Future Horizons

Foster innovation to create new ideas, products and businesses.

## Creating Shareholder Value

**Leadership positions:** Our leadership positions generate strong network effects, building competitive advantage and delivering long term growth.

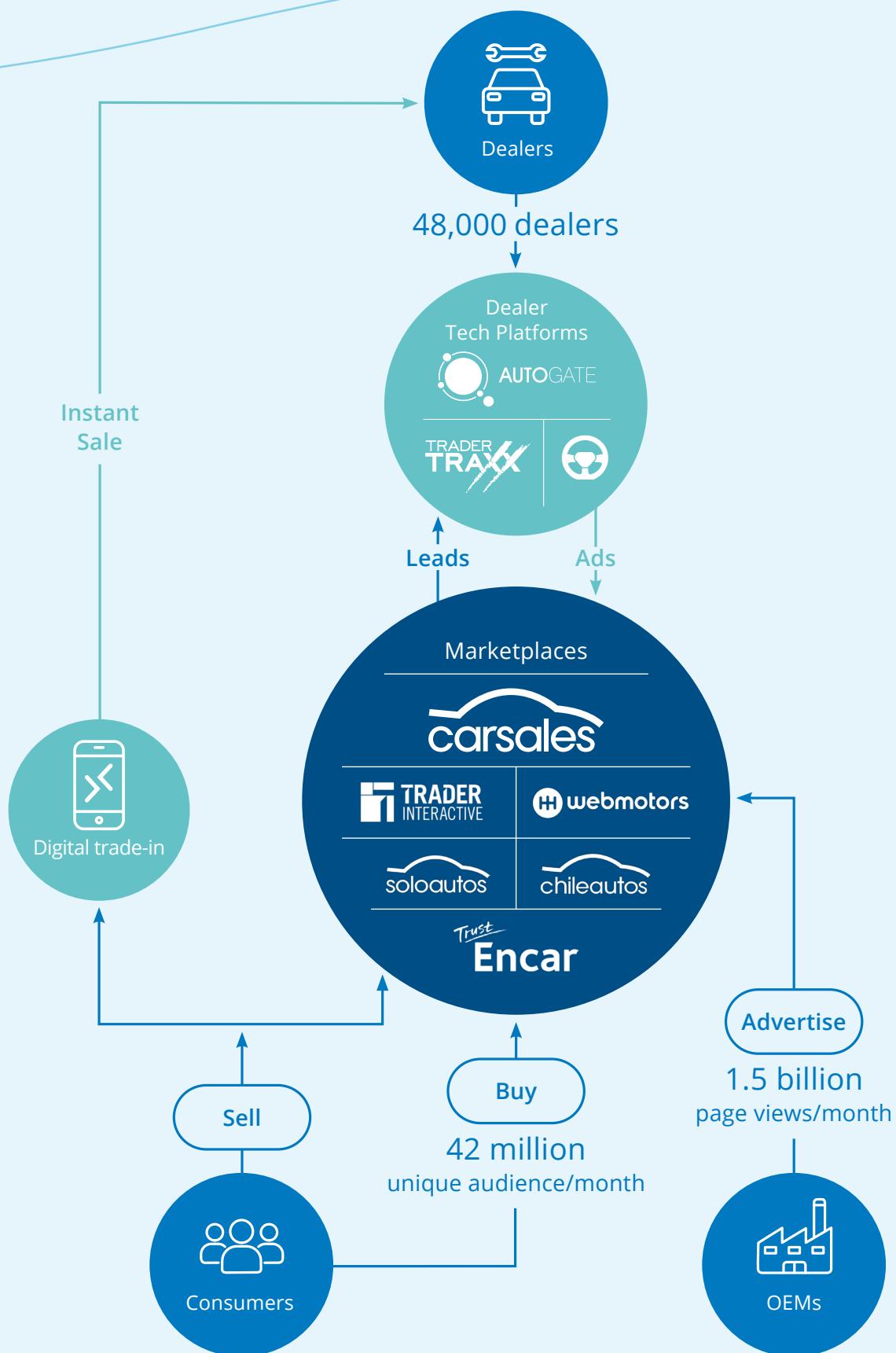
**Digitising transactions:** Creating frictionless digitised buying and selling experiences provides significant opportunities.

**International markets:** Our international markets have lower digital advertising spend, with significant runway to grow.

**Scaled IP and technology:** Our global technology platform and intellectual property facilitate rapid deployment of strategic products in all markets.

**Strong cash flow and balance sheet:** We are a high margin business generating strong cash flow to fund investment in future growth and dividends for shareholders.

## Our marketplace ecosystem



# Sustainability performance highlights



**MSCI**

**ESG Rating: A**

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



**Sustainalytics**

**ESG Risk Rating: Low**

Sustainalytics ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks. This multi-dimensional way of measuring ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk.

Awarded to carsales Australia



**BEST PLACES TO WORK**



Awarded to webmotors



Awarded to Chileautos



Awarded to Encar

## Operational highlights



**42 million**

Unique audience per month



**18 billion**

Page views



**22 million**

Dealer leads delivered



**7x**

In Digital Retailing  
car de-listings



**Great Place  
to Work®**

Awarded for the sixth  
consecutive year in Australia



**410,000**

Cars inspected by Encar



**1.2b**

Total sessions globally



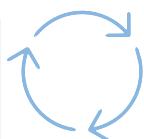
**48,000**

Subscribed dealers globally



**2.2m**

Vehicles online globally



**48% increase**

In instant offer transactions  
in Australia



**Reconciliation**

Our Reconciliation Action  
Plan was endorsed by  
Reconciliation Australia



**Carbon neutral**

in our Australian business  
operations

# Our approach to sustainability

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

Our success in remaining a leader in the long term lies in our operating model which embeds sustainable business practices across our value chain.

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

## Business strategy

Grow our leadership in vehicle marketplaces around the world

Build a compelling ecosystem of services that support partners and consumers

Leverage insights and trends to explore new opportunities in core and adjacent markets

## Material areas

Our people

Our customers

Our responsible business practices

## Behaviours

We change the game  
We are curious  
We step in  
We own it  
We don't take ourselves too seriously

## Values

Enjoyment  
Respect  
Integrity  
Communication  
Honesty

## Global purpose

To make buying and selling a great experience

## DNA

Simplicity  
Innovation  
Customer focus

## Sustainability approach

Being ethical and a good corporate citizen

Building employee engagement and expertise

Harnessing technology and innovation

Focusing on the future

## Key stakeholders

Employees

Customers

Investors and shareholders

Governments and regulators

Suppliers

Communities



# Our approach to sustainability continued

## Stakeholder engagement

Each of our stakeholder groups has different agendas and focus areas, so it is important that we engage with them to understand what is most important to them and ensure our sustainability approach takes their views into account.

Our key stakeholders, why they are important to us and how we engage with them, are as follows:

Engagement approach	Engagement topics
<b>Employees</b>	<ul style="list-style-type: none"><li>Diversity, equity and inclusion</li><li>Talent attraction and retention</li><li>Training and career development</li><li>Remuneration and benefits</li><li>Health, safety and wellbeing</li></ul>
 <p>Our employees are our most valuable asset – they build and deliver our products, provide outstanding service to our customers, and help us to achieve our purpose and deliver on our vision.</p> <p>We value feedback from our teams and have multiple mechanisms in place to understand what's important to them. This includes our global employee opinion survey (EOS) which we run twice per year, as well as onboarding and exit surveys.</p> <p>We run regular in-country town halls hosted by the local leadership team as well as quarterly global catch ups hosted by the global Executive Leadership Team.</p> <p>Our leaders steer the direction of our business, manage our day-to-day risks, seek feedback from a wide range of stakeholders and make the decisions needed to continue growing our resilient business. Each of our senior leaders provides insight into their areas of expertise and identifies issues that present the greatest risks and opportunities for carsales.</p>	
 <p><b>Customers</b></p> <p>Our customers are the reason we exist and their expectations regarding their experience and broader sustainability issues are critical to us.</p> <p>We obtain feedback from them directly through our Voice of the Customer teams, and comments on our platforms and social media pages.</p> <p>Dealers and manufacturers are key customers of our business so how we address their concerns and issues is vital to maintaining these critical relationships. Our teams have regular discussions with our major partners about areas of common interest and obtain clear information about a wide range of topics and areas of concern.</p>	<ul style="list-style-type: none"><li>Customer experience</li><li>Trust and safety</li><li>Innovation</li><li>Cybersecurity and data protection</li></ul>
 <p><b>Investors and shareholders</b></p> <p>Investors are taking an ever-increasing interest in sustainability issues and their potential impact on future financial returns. Talking periodically with our investors and gauging the issues of most importance to them allows us to determine our areas of sustainability priority.</p>	<ul style="list-style-type: none"><li>Business strategy</li><li>Financial performance</li><li>Sustainability approach and performance</li><li>Executive remuneration</li><li>Cybersecurity and data protection</li><li>Innovation</li><li>Risk management and mitigation</li></ul>
 <p><b>Governments and regulators</b></p> <p>Governments and regulators set the rules under which our company operates. As a transparent and open company, we engage regularly with tax authorities, federal and state government departments, local authorities and other regulatory bodies.</p>	<ul style="list-style-type: none"><li>Taxation</li><li>Compliance</li><li>Modern slavery</li><li>Risk management and mitigation</li><li>Environmental compliance</li></ul>
 <p><b>Suppliers</b></p> <p>Our suppliers have an important role in providing us with a wide range of products and services that we require to function effectively and build a sustainable business. We engage with our suppliers through regular meetings, onboarding questionnaires, and contract negotiations (both initial and renewal).</p>	<ul style="list-style-type: none"><li>Sustainability approach and performance</li><li>Modern slavery</li><li>Cybersecurity and data protection</li></ul>



### Communities

Local communities are where our team members and customers live and where our offices are located. We seek to support these communities where we can by providing financial contributions, training, mentoring, skills and expert help.

- Community investment
- Social impact

## Material topics

Our approach to materiality benefits from our stakeholder engagement mechanisms which seek to understand their key interests and concerns. We complement our materiality assessment through the use of leading ESG frameworks, standards and rating agencies including GRI, SASB, TCFD, MSCI and Sustainalytics, as well as peer benchmarking.

Our risk management practices embed environmental and social risk identification and assessment as part of our risk management framework.

Over time, our sustainability priorities are expected to change as our business and operations expand,

socio-economic developments present the organisation with new scenarios, and our ESG management practices mature.

carsales undertakes an assessment of material topics on a periodic basis (including as our organisation undergoes significant changes) to ensure our focus remains relevant to our key stakeholders and continues to drive value.

The outcomes of our materiality assessment are represented in the matrix below. This matrix provides a view of the sustainability issues most material to our business and stakeholders and serves as a key component shaping our sustainability framework.

## Materiality matrix



## Our approach to sustainability continued

Material topic	What this means for carsales	Covered in the report under
<b>Cybersecurity and data protection</b>	As a leader in digital marketplaces, cybersecurity and data protection are of critical importance to us. We are continuously improving our cyber resilience to minimise risk and protect customer data. The information security management framework utilised across the carsales group is aligned with robust global frameworks including ISO 27001, NIST and PCI DSS.	Our responsible business practices
<b>Ethics and integrity</b>	We are an honest business with a strong moral compass, and we build and maintain an ethical culture of integrity, transparency and accountability at all levels. We have robust global policies and risk management systems in place to ensure that we act in accordance with the highest ethical standards and conduct business in a way that is compliant with anti-bribery and anti-corruption laws.	Our responsible business practices
<b>Diversity, equity and inclusion</b>	We foster a culture of belonging where all our people feel valued, respected and have equal access to opportunities. To support this, we develop and deliver initiatives that support diversity, equity and inclusion in hiring, developing, promoting and retaining our people. Having a workforce that represents all forms of diversity ensures that we are reflective and considerate of our diverse customer base, including different geographies and cultures.	Our people
<b>Innovation and intellectual property</b>	Innovation is the core of our culture and part of the carsales DNA. Continuously investing time and capital into ensuring we are innovating to be the clear leader in our industry globally happens through every day, programmed and ad-hoc innovation. Our global strategy highlights the importance of continuous innovation and inspires our team to focus not only on technology, but on all areas of our business. carsales actively manages and protects its intellectual property with an 'always on' mentality.	Our customers
<b>Talent attraction, retention and engagement</b>	As a leader in digital careers, we utilise our strong, purpose-led employer brand to continue to attract highly talented individuals to join our team and be a big part of something big with us. We offer our people an inclusive world-class culture and opportunities to learn and grow across our businesses globally. We believe that workplace flexibility is paramount to retaining and attracting talent and we support our people in meeting their work/life balance needs. Developing a deep understanding of our people and what motivates them to be their best is a key focus area for us.	Our people
<b>Health, safety and wellbeing</b>	<p>We provide our people with a physically and psychologically safe workplace that supports all facets of their wellbeing and allows them to do their best work. We place importance on identifying, assessing and managing workplace hazards and risks effectively.</p> <p>We promote a culture of safety and provide our people with clear expectations in regards to what appropriate conduct and respectful behaviour looks like, and we have robust procedures for managing reports of unacceptable behaviour such as sexual harassment, discrimination and violence in the workplace.</p>	Our people
<b>Customer experience</b>	We are passionate about exceeding the needs of our customers, so we are always their partner of choice. We do this by developing an end-to-end buy, sell and own digital experience, which is informed by a range of feedback tools such as the Net Promoter Score (NPS), 'Voice of Consumer' analyses and consumer sentiment. We are committed to creating measurable return on investment for all our customers, keeping trust and safety front of mind by keeping their data secure, respecting their privacy and providing valuable add-ons.	Our customers

Material topic	What this means for carsales	Covered in the report under
<b>Governance and risk management</b>	Being a global business, our governance framework is key to our success. Having robust policies, systems, leadership, risk management and training in place to prevent misconduct and enable whistleblowing are vital elements of an effective framework which manages reputational and financial risks. We are committed to strong corporate governance and complying with both the letter and spirit of the law. We also acknowledge emerging risks through AI and data utilisation, and have established a Data Governance Committee whose remit includes ensuring all use of AI and data within the carsales group is done within our established guidelines.	Our responsible business practices
<b>Emissions and climate change action</b>	We are committed to understanding, disclosing and managing our environmental footprint and climate-related risks and opportunities. This includes reducing our greenhouse gas emissions and achieving and maintaining carbon neutrality for our business operations (currently in Australia, with planned global coverage to be achieved during FY24).	Our responsible business practices
<b>Waste and e-waste management</b>	We reduce, reuse and recycle what we can away from landfill. Our e-waste consists of redundant, obsolete or irreparably damaged equipment. We seek to ensure that our e-waste is either re-used, recycled or goes to materials recovery and not to landfill.	Our responsible business practices
<b>Community investment</b>	We care about the communities in which we operate and drive long term value creation that strengthens the health of the industries we serve. We are active participants in the development and growth of our digital community and cement our position as a digital leader by strengthening the digital ecosystem through establishing and contributing to industry initiatives.	Our responsible business practices



# Our approach to sustainability continued

## Sustainability strategy

Our sustainability strategy helps us to systematically strengthen practices essential to our ESG material focus areas. We have set goals that support our efforts and provide momentum, motivation and accountability towards their achievement. The table below provides a snapshot of our goals against each material area and how we are progressing. The material topics sections following this table provide more detail on our sustainability management practices and performance.

### Material Topics, Goals and Progress

Our people		
Material topics		
Goals	Status (FY23)	Status (FY22)
<strong>Diversity, equity and inclusion</strong>		
Minimum 40% women in senior roles (Australia) <sup>1</sup>	Achieved (43%)	Achieved (40%)
Minimum 30% women in digital roles (Australia)	Achieved (30%)	Not met (29%)
No gender pay gap between like for like roles without a sensible reason to explain it (Australia) <sup>2</sup>	Achieved	Not met
<strong>Talent attraction, retention and engagement</strong>		
Maximum 20% voluntary turnover rate (Australia)	Achieved (14%)	Not met (23%)
Minimum 75% employee engagement score (expanded in FY23 to become an international markets measure)	Not met <sup>3</sup> (73%) (Global)	Achieved (78%) (Australia)
Zero adverse rulings regarding discrimination or harassment <sup>4</sup> (Global)	Achieved (0)	Achieved (0)
<strong>Health, safety and wellbeing</strong>		
Zero workplace fatalities (Global)	Achieved (0)	Achieved (0)
Zero high consequence workplace injuries (Global)	Achieved (0)	Achieved (0)

1. 'Senior roles' is defined as senior managers in Australia who report to an Australian-based member of the global Executive Leadership Team. From FY24 we intend to pivot this goal to be a global figure and include all senior managers globally who report to a member of the global Executive Leadership Team.
2. A 'sensible reason' includes someone being recently promoted who still requires upskilling in certain competencies, a new starter with limited proven track record in the role, or a difference in performance outcomes over the year.
3. Historically, we have reported on engagement for Australia only. This year, we have a global view of engagement and thus are reporting an average score of 73% globally. Although this falls slightly below our target, the Australia engagement score has remained above target at 77%.
4. An adverse ruling is defined as an unfavourable ruling by a court, tribunal or similar.

## Our customers

### Material topics

- Cybersecurity and data protection
- Customer experience
- Innovation

Goals	Status (FY23)	Status (FY22)
<b>Cybersecurity and data protection</b>		
Zero reportable data breaches (Global)	Achieved (0)	Achieved (0)
<b>Customer experience</b>		
Minimum customer satisfaction score of 65% <sup>1</sup> (Australia)	Not met (58%)	Achieved (65%)
Minimum consumer trust metric of 63% <sup>2</sup> (Australia)	Achieved (63%)	Achieved (63%)
System reliability for customers of 99.9% <sup>3</sup> (Global)	Achieved (>99.9%)	Achieved (>99.9%)
<b>Innovation</b>		
Minimum 5% revenue invested into IT and innovation (Global)	Achieved (8%)	Achieved (7%)
Minimum three internally created and revenue generating innovations to market (Australia)	Achieved (>3)	Achieved (>3)

1. Commercial customer satisfaction is a measure of satisfaction of the Australian carsales dealer network.
2. Minimum consumer trust metric is determined through our externally supported carsales brand health tracker.
3. Proportion of time our websites were fully accessible to customers.

# Our approach to sustainability continued

Our responsible business practices		
Material topics		
Goals	Status (FY23)	Status (FY22)
<b>Ethics and integrity</b>		
Minimum 99% employee mandatory training completion (Australia)	Achieved (99%)	Not met (98%)
Zero substantiated whistleblower disclosures (Global) <sup>1</sup>	Met (0)	Met (0)
<b>Governance and risk management</b>		
Zero identified modern slavery occurrences in our supply chain (Australia)	Met (0)	Met (0)
<b>Community investment</b>		
Commence measurement of community investment aligned with global reporting standards (Global)	Future activity FY24	-
<b>Emissions and climate change action</b>		
Carbon neutral operations (Australia)	Maintained	Achieved
Develop and implement carbon emissions reduction strategy including timebound targets (Australia) <sup>2</sup>	Achieved	Future activity FY23
Carbon neutral operations (International controlled operations)	In progress	Future activity FY24
Align with Task Force on Climate-related Financial Disclosures (TCFD) recommendations and report on progress (see Annual Report FY23 for full detail, pages 34–52) (Australia)	Achieved	In progress

1. Whistleblowing data excludes Brazil as this market has only come under operational control towards the end of the financial year under review.

2. Detail on carsales' emissions reduction strategy is located in our Annual Report *Taskforce on Climate-related Financial Disclosures (TCFD) Report – Strategy* section.



# Our people

## Highlights

### Great Place to Work® certified

(6 consecutive years in Australia, 8 consecutive years in Brazil)

### Workplace Gender Equality Agency (WGEA)

Employer of Choice since 2015

### 37.5% female representation

on carsales Board of Directors

### 43% female representation in senior roles

(Australia)

### Conducted our first global employee opinion survey across all operations

### 85% of our team globally recommend carsales as a great place to work

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

#### Talent attraction, retention and engagement

##### Culture, benefits and flexibility

Providing our people with a supportive, equitable and inclusive working environment ensures that we continue to attract, develop and retain the best talent.

Our competitive advantage lies in our people and our culture, and both elements allow us to build and nurture a sustainable company that future generations will be proud of.

We offer our people a culture where every member of our team can be a big part of something big – no matter which business they work in, or where they are located around the globe. Whilst our group continues to experience significant global growth, we always strive to feel small enough to quickly change tack, learn from each other, and connect authentically with leadership. We want everyone to be heard, contribute meaningfully, and grow with the business.

To ensure we are an employer of choice and remain competitive in the market for talent, we provide our global teams with a range of flexible leave options and employee benefits that are relevant and appropriate to their market and geographical location. A summary of some of the key benefits available in our main markets of operation are provided in the following pages.



## Our people continued

### Australia

- Fully flexible workplace – ability to work 100 percent remote.
- Income Protection Insurance.
- Employee Share Plan – permanent employees can purchase \$500 of shares in carsales.com Limited (pre-tax) which is matched by the company.
- Paid parental leave – 18 weeks paid for primary caregivers (with bonus 5 days of “Leave up Your Sleeve” when a primary caregiver returns to work to help them adjust to balancing their work and home commitments). Four weeks paid leave provided to secondary caregivers. We pay superannuation on our employer-funded parental leave in addition to government-funded parental leave.
- Public holiday swaps – ability to swap a gazetted public holiday for a day that has more cultural or religious significance to an employee.
- Gender affirming leave – six weeks paid for anyone who is affirming, has affirmed, or seeking to affirm their gender.
- Other flexible leave options including Family & Fertility Planning Leave, Miscarriage Leave, Purchased Leave, Refuel Days, Family and Domestic Violence Leave, Grandparents Leave, Study Leave and Career Break Leave.

### Brazil

- Hybrid working environment with face-to-face and remote options available.
- Health care, dental care and life insurance coverage.
- Childcare payment assistance.
- Extended parental leave – as a member of Programa Empresa Cidadã (Citizen Company Program), webmotors offers an additional 60 days (primary caregivers) and 15 days (secondary caregivers) on top of the parental leave legislated by Instituto Nacional do Seguro Social (Brazilian social security agency). This leave is fully paid.
- Employee birthday leave.
- Banco Santander support – special rates available for employee loans and financing with reduced interest rates.

### Latin America

- Choice of work mode – face-to-face, hybrid, or remote.
- Health, major medical, life and accident insurance policies.
- Savings fund benefit plan (Mexico only) – allows employees to have 13 percent of their salary withheld and put into a dedicated savings account.
- Bonus leave days on Christmas Eve, New Year’s Eve and an employee’s birthday as well as additional vacation days based on tenure.
- Club Benefits Program – a range of activities and programs available to support employee health and wellbeing.
- Other paid flexible leave options including Personal Days and Health Care Leave.

### United States

- Fully flexible workplace – ability to work 100 percent remote.
- 401K plan with company matching.
- Full benefits package for health cover and insurance including medical, dental, vision, short- and long-term disability, life insurance, accidental death, critical illness, hospital indemnity, legal resources and identity theft protection.
- Paid parental leave – up to four weeks of paid leave at 100 percent of the employee’s base salary. Available to all employees regardless of gender or primary/secondary caring responsibilities. This is employer funded and provided in addition to mandated leave as per the Family and Medical Leave Act (FMLA).
- Paid Time Off (PTO) – up to 31 days available from first year of employment with yearly balance rollover. PTO earned increases based on tenure.
- Other paid flexible leave options including employer funded (non-government mandated) Jury Duty leave and Bereavement leave.

## South Korea

- Hybrid working environment – predominantly face-to-face however remote working options are available.
- Group accident insurance policy for employees, their spouses, and children.
- Sick/carer's leave is not legislated in South Korea, however Encar offers paid medical leave whereby employees can receive 100 percent of their salary for up to one month in the case of illness or injury lasting more than two weeks (for absences of 2-6 months, 70 percent of the salary is paid).
- Monetary gifts provided where an employee or a member of their family celebrates a marriage, 60th birthday or experiences a death in their family. Paid time off is also available in these circumstances.
- Personal anniversary leave – bonus leave which can be taken on an employee's birthday, wedding anniversary or another date of relevance.

## Attraction and retention

We are one of many companies looking for technical people, engineers, analysts, creatives, skilled operational leads, expert project managers and senior leaders. High demand across the industry and limited supply can make finding the right people difficult, particularly those in specialist roles. carsales has a strong employer brand and we continue to attract highly talented and engaged individuals to work with us.

**During FY23, our global team continued to grow, with our full-time equivalent (FTE) employees increasing 4% year on year to 1808. After seeing turnover increase between FY21 and FY22 in line with market and industry trends, our FY23 voluntary turnover decreased to 14% in Australia, down 9% year on year.**

## Employer brand

Over the past twelve months we have continued to invest in our employer brand to ensure it remains relevant, shows up consistently in market and stands out within our competitive industry, particularly when it comes to digital talent. This year we ran a series of workshops and interviews with stakeholders across the business to better understand their lived employee experience and unearth what excites them and their teams about working for us.

We used insights from these conversations to refresh our approach in market, provide potential candidates with a deeper understanding of what it's like to work for carsales and the opportunities that exist if they choose to join our team.

We continue to put sustained focus into showcasing our employer brand via the carsales LinkedIn page with an 'always on' approach. Irrespective of how many roles we may be recruiting for, we constantly showcase our employee experience and culture so that we consistently build an engaged pipeline of talent.

Our existing team are big advocates of our brand on LinkedIn and actively help us to grow our brand exposure by engaging with the content that we share via the platform. Over the past year, 65 percent of our team engaged with our LinkedIn content (compared to a median of 38 percent amongst our peers<sup>1</sup>) and 90 percent of our posts over the year saw strong engagement from our senior leaders (compared to a median of 37 percent amongst our peers<sup>2</sup>).

1. Insights provided by LinkedIn. Includes data over the previous 12 months (May 22-Apr 23). Peers: Google, Atlassian, Xero, Afterpay, Culture Amp, SEEK, REA Group, MYOB, Sportsbet.
2. Insights provided by LinkedIn. Includes data over the previous 12 months (May 22-Apr 23). Company posts with good senior leader engagement are defined as posts with four or more senior leaders liking, sharing, or commenting, where four is decided based on the median value of senior leaders engaging on posts across all companies analysed, excluding outlier companies with small company sizes and low engagement rate. Senior leaders defined as anyone Director level or above (Director, VP, CXO, Partner, Owner). Peers: Google, Atlassian, Xero, Afterpay, Culture Amp, SEEK, REA Group, MYOB, Sportsbet.

## 2023 employer brand performance – carsales.com.au LinkedIn page

	June 2022 – May 2023	June 2021 – May 2022	YoY
Total followers (non-employee)	33,217	23,260	+43%
New followers (non-employee)	9,957	7,287	+37%
Company page views	59,840	50,548	+18%
Organic content updates	146	104	+40%
Jobs and life pages views	23,131	16,704	+38%

## Our people continued

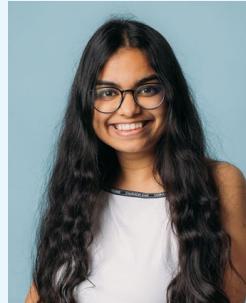
### Graduate and intern recruitment

We were proud to see our graduate and internship programs recognised by the Australian Association of Graduate Employers who named us on the 2023 Top Graduate Employer and Top Intern Programs list, as voted by our graduates and interns. This is our fourth time appearing on the Top Graduate Employer list, placing first in the Technology category and second in Australia overall, and our second consecutive year on the Top Intern Programs list.

Exploring new and alternate pathways to attract highly talented people to join carsales is an ongoing focus, and this includes providing opportunities for interns and graduates to join our teams globally. The Australian business has a well-established graduate program to support and develop Technology and Data talent. The program welcomed its first cohort of graduates in 2018 and has continued to be a great pipeline of digital talent for the business. We also welcome interns into the business via three other programs:

- The Victorian Government's Digital Jobs program – which aims to build the state's digital workforce by training and upskilling mid-career Victorians so they can transition into digital careers;
- CareerSeekers – a non-profit organisation supporting refugees and asylum seekers, who are either mid-career or university students, to transition into professional careers in Australia; and
- The Monash University Industry Based Learning (IBL) program – providing undergraduate IT students with work opportunities in a corporate setting, allowing them to develop sought-after employability skills.

In FY23 we welcomed fifteen graduates and interns into our Australian business, with 40 percent female representation. We were also pleased to see 100 percent of our 2022 graduates remain in permanent employment with us at the conclusion of their eighteen-month graduate program.



"The carsales Technology Graduate program provides the opportunity to move through three six-month rotations, which allows you to explore different areas of the business. I completed my rotations as a Full Stack Development, DevOps Engineer and Product Designer. During each rotation I had the chance to work with a different team and manager and adapt to a new role. The best part about the rotations is the idea of learning new things and understanding how you can grow in more than one way. I have had multiple mentors across all my rotation teams who I still reach out to for advice. The best part about my job is the sense of responsibility I am given. Thanks to my rotations I can now look at a problem from three different points of view and this perspective has given me an even deeper sense of understanding about the work that I do."

**Nandini Jain**  
Technology Graduate, carsales

Our Brazilian business, webmotors, brings approximately ten interns into the business every two years, split across Technology, Marketing, Finance and Commercial. For the past three years the internship program has experienced a 100 percent retention rate, with 90 percent of the interns being offered permanent roles at the conclusion of their program.

The past year has also seen our Chilean business, Chileautos, create opportunities for junior talent to join their team, and they have successfully hired four recent graduates into Account Management, Sales, Administrative and Business Analyst roles. Similarly, our Trader Interactive team in the United States regularly advertise open opportunities at colleges and universities when they have entry level openings that would be a suitable fit for recent college graduates.

### Engagement

An important way for us to understand whether our efforts to build and nurture a world-class culture are paying off is by seeking feedback from our team via our Employee Opinion Survey (EOS). We have had a robust engagement framework in place for our Australian business for over a decade. This year, we took that

framework global and ran our EOS in each of our international markets. 1,558 employees responded, and for the first time we have an aggregated global view on employee sentiment. Our global engagement score for the group is currently 73 percent, which is a positive result for our first year of global reporting. We look forward to seeing this score improve as we continue to build on our global employee experience, roll out additional initiatives, and bring our businesses closer together.

The highest scoring factors for the group were: Diversity (91 percent favourable), Management (83 percent favourable) and Work and Life Blend (82 percent favourable).

Our Australian engagement score remains high at 77 percent (-1% YoY), which is 3 percent above the New Tech Australia industry benchmark. This benchmark is provided to us by Culture Amp, our survey platform provider, and represents ~1.4 million questions answered by 35,000 employees across 277 Australian organisations. These are highly valuable insights for us as it gives us an indication of how we are performing against the wider technology industry in Australia.

### Global EOS highlights (1,558 respondents, 78% response rate)

Statement	Average favourable result globally
In my organisation gender-based harassment and sexual harassment is not tolerated	93%
I have the flexibility I need to manage work and other commitments	91%
My immediate supervisor/manager genuinely supports equality between genders	88%
I know how my work contributes to the goals of my company	88%
My manager genuinely cares about my wellbeing	86%
I feel I am part of a team	86%
We hold ourselves and our team members accountable for results	86%
I would recommend carsales as a great place to work	85%
I am able to arrange time out from work when I need to	85%
We have enough autonomy to perform our jobs effectively	84%
I am proud to work for carsales	83%

# Our people continued

## Training and career development

At carsales We Are Curious – so learning and career development will always be a key focus area for us. This year we are proud to have delivered 5,254 hours of formalised training sessions globally, as well as countless hours of informal on-the-job skills development.

When it comes to career growth, we provide our people with big opportunities to make a big impact. One of the ways we do this is through our Global Talent Exchange Program which we launched this year. This is a unique opportunity for our team members to spend four weeks working with another team in one of our businesses around the globe. This is an intensive, on-the-job equivalent of a student exchange program whereby our people have the chance to build their professional network in one of our global businesses, experience a new culture, language, way of working and business environment, and develop a deeper understanding of how another of our international businesses operate.

We offer many other learning and development opportunities both locally and globally including mentoring, hackathons, leadership development, web code academies and other soft and technical skills workshops. Each of our markets has their own annual training plan and a tailored approach to learning and career development, with a focus on identifying personal development objectives for their people as well as meeting the current and future needs of their business.

In FY23 our Australian team launched a new career development initiative, Success Profiles, to further support the career growth of our people. Success Profiles was created in response to the growing need to provide our team members and managers with a more structured approach to career development conversations and provide greater clarity on the skills, competencies and behaviours required for the roles across the company. These profiles provide an overview of what is required for success in a role and are centred around three main categories – accountability, capability and identity. Success Profiles are designed to be a tool to enhance and support conversations regarding career development and progression. Phase one of launch has involved the creation of Success Profiles for the roles that sit within Product, Information, Technology and Finance and the initiative will be rolled out to remaining departments in the coming months.



"I joined the Webmotors business in 2022 as a Trainee and became a Data Analyst after my job rotations. In May 2023 I was fortunate enough to undertake an exchange with the Data Analytics team in Australia. The best thing about the Global Talent Exchange Program was being able to act as a full-time member of the Australian team. I was given my own project and deliverables to work on that would support Australian products, so I truly experienced what it's like to be a Data Analyst in the carsales business. I worked with the technologies and tools that they use and got a deep understanding of how the Data team interacts and collaborates with other teams in the business. I was able to share my Webmotors knowledge of data cataloguing and Agile practices with my Australian peers, and it also provided me with a lot of insights to bring back with me to Webmotors about new processes and technologies that we can implement there that can help us to achieve even greater things. My exchange was an amazing experience and a great opportunity to be a big part of something big with carsales."

**Arthur Giestas**  
Data Analyst, Webmotors



Australia continues to support performance and career development through the Supercharge program, a bespoke framework developed in-house. At the core of the framework are regular, fortnightly check-ins between each team member and their manager. These are informal conversations to facilitate open dialogue about performance and expectations. Each quarter, there is a deep dive focus on one of four topics – learning and development, career development, feedback and reflection. In addition, a variety of learning and development programs and workshops have been offered over the course of the year including Master Communication, Emotional Intelligence, Unconscious Bias and Leading for Inclusion and Belonging. Our successful mentoring program ran again in FY23 with 122 people participating and 40 percent female participation.



One of the ways our Trader Interactive team in the United States supports the development of their people is by providing everyone with access to LinkedIn Learning. LinkedIn Learning is an on-demand online learning platform that offers over 13,000 video courses taught by industry experts aimed at developing technological, creative, and business skills. Additionally, Trader Interactive offers Core Values and Leadership Competency training several times per year and regular product training. This year, Trader Interactive implemented a new manager training program, LEAD (Leadership Empowerment and Development). The LEAD program is 14-16 weeks long and consists of e-learnings and live workshops touching on everything from performance management to hiring and onboarding, recognising employees, and providing feedback. The team are currently working to have all existing managers complete the LEAD program, after which time they intend to roll out a version of the program to aspiring managers in FY24.



Our Encar team in South Korea delivers several training opportunities annually, with a particular focus on career development for their people leaders. The Young Leaders program is aimed at new managers and middle management, helping to create a foundation for these team members who are approaching a more senior level of responsibility within the business to develop their people management skills. Team Leaders and Executives, who are already quite familiar with people management roles, participate in leadership workshops which help them develop important competencies such as influence, mentoring and vision to guide change.



In Brazil, the webmotors team have built their own learning platform 'Minha webmotors' ('My webmotors') to deliver training programs to all employees across the business. The courses offered are selected based on feedback from their people which they receive via a twice-yearly survey. The programs are available to all employees and aim to develop soft skills and technical skills, with specific development tracks available for both leaders and individual contributors. The training is delivered online via a live classroom setting and includes topics such as Excel skills, time management and productivity, developing analytical ability, leading people, influential leadership, and strategic vision development. webmotors has also developed its own Web Code Academy, which is a technical skills training program for Software Developers. The academy provides participants with an accelerated skills development pathway to help them assume more senior positions within the company. In the past year the academy has supported the training of 25 developers.



In Latin America, Chileautos and Soloautos are similarly passionate about offering personal and professional development to their people. Many in the team continue to participate in English classes which is a great way for them to develop their communication skills to better engage with their peers in other countries. There is a heavy focus on developing technical skills across Google Analytics, Salesforce, NetSuite, Excel and the commercial and sales team undertake regular product training. The teams have run several soft skills training workshops on topics such as effective communication, time management, and managing stress.

## Our people continued

### Diversity, equity and inclusion (DEI)

In 2023 we were ranked #24 in the top 100 companies globally for gender equality by Equileap, a leading provider of gender equality data & insights. This year Equileap reviewed 3,787 companies that are listed on a major index or in one of 23 developed markets, representing 102 million employees globally. Their Gender Equality Scorecard™ consists of 19 criteria including gender balance across the workforce, the gender pay gap, paid parental leave and anti-sexual harassment policies.

We have long been committed to fostering an inclusive work environment where all our people feel valued, respected and have equal access to opportunities. We embrace and celebrate all the diverse qualities

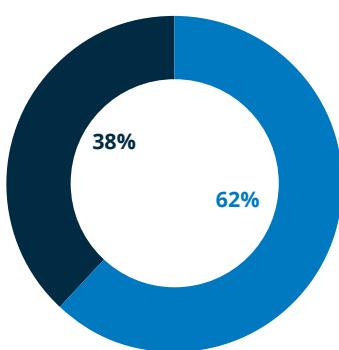
of our team, and we know that this helps them to feel a sense of belonging, thrive and do their best work. In fact, remaining focused on this forms part of our 3-year global Voyager 2025 strategy because we know it allows us to innovate, attract and retain top talent, and better understand and represent our diverse customer base.

We tailor our approach to diversity, equity and inclusion to suit the various markets in which we operate. We regularly discuss DEI with our global businesses to gain insights about which groups are currently underrepresented in their communities or facing societal challenges – and as things change, we evolve our strategy accordingly.

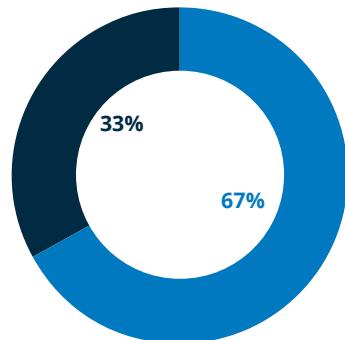
The feedback from our global EOS results indicate that our DEI efforts are well received, with Diversity being the highest scoring factor across the group, scoring 91% favourable.

### Gender diversity performance (as at 30 June 2023)

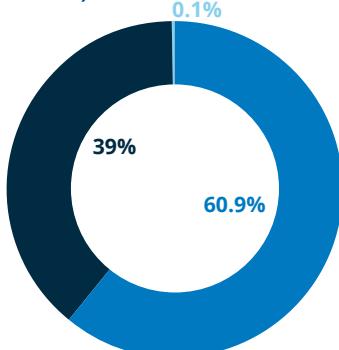
**carsales Board of Directors**



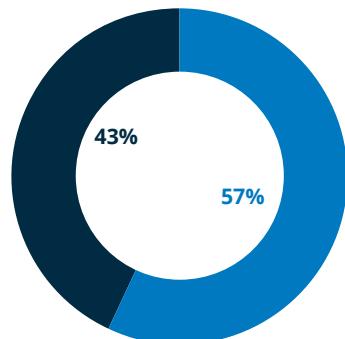
**Executive Leadership Team (global)**



**Global (all markets)**



**Senior leaders (Australia)**



■ Male ■ Female ■ Gender diverse

Our Australian Diversity Strategy's objectives, the initiatives implemented and our progress towards achieving them are outlined in our Corporate Governance Statement which is publicly available on the company's shareholder website at <https://shareholder.carsales.com.au/governance/>.

**We are proud to be recognised as a WGEA Employer of Choice for Gender Equality. We have been awarded this citation every year since 2015 and are one of only 128 organisations in Australia to hold it at present.**

For carsales Australia, we continue our 'always on' approach to gender diversity and we put significant focus into initiatives such as our internal Women in Tech program and supporting community organisations including Go Girl Go For IT and CS in Schools. In addition to the WGEA Employer of Choice citation, we continue to hold and retain several certifications that support gender diversity in the workplace. This includes being recognised as a Family Inclusive Workplace™ through the Family Friendly Workplaces™ program, a Best Practice Breastfeeding Friendly Workplace by the Australian Breastfeeding Association, and a member of the Welcome Here project, which is a way for people to recognise that we are inclusive and welcoming of the LGBTIQA+ community. These achievements acknowledge that our policies, practices, leadership and culture are supportive of our people from a DEI perspective. We have implemented several initiatives to increase the number of women in senior roles and professions where women are traditionally under-represented, including:

- using software to analyse our job advertisements to ensure they appeal to a broad audience by having neutral wording that doesn't favour any particular attributes or characteristics (including gender);
- advertising all open positions to give equal access to available roles;
- ensuring a diverse group of carsales people are involved in all interview processes;
- maintaining gender quotas for recruitment shortlists;
- ensuring that our internal talent team and any external agencies we engage are aware of our approach to DEI so that they can provide us with a balanced shortlist of candidates;
- building the pipeline of talent into technology through primary and secondary school engagement and;
- providing mandatory unconscious bias training for all people managers.

While carsales has a strong representation of females in digital roles and we are always looking to boost our team with talented individuals, which requires a pool of eligible people to choose from. The pipeline of young people studying tech subjects remains skewed towards males, with many females not considering studying science, technology, engineering or mathematics (STEM) subjects at school or university. Finding enough female talent with the relevant skills is a key industry challenge and poses a risk to achieving our Diversity Strategy.

We remain focused on increasing the proportion of female hires into digital roles both internally and externally. We use a number of methods to reinforce technology as a viable career path for women and carsales as a desirable place for them to work. Initiatives that we undertake in this space include:

- Continuing to implement career development programs to prepare women within the company to take on more senior roles – such as mentoring and Women in Tech (WIT) initiatives. We continued to build on our WIT program throughout FY23 with the launch of WIT Virtual Coffee. This initiative provides a social space for networking and relationship building with other women in tech who individuals may not have had an opportunity to connect with otherwise. Our WIT program was recognised at the 2023 Tech Diversity Awards where we received a Merit Award for our Women on the Move program – an initiative launched in 2022 that provides practical skills development workshops covering personal brand, career goal setting, optimising strengths, communicating with assertiveness, generating influence, and building networks and visibility. Additionally, we ran three knowledge sharing sessions, and supported several WIT group members to attend the Young Leaders Forum, Women in Leadership Summit and Girls In Tech Conference.
- Partnering with a number of community-based initiatives that are focused on promoting STEM careers to school aged children and young adults – including CS in Schools, Go Girl Go For IT and the Monash University IT Faculty. In particular, we seek to encourage young women participating in these programs to pursue digital careers by challenging their belief that it is not for them. We show that it can be interesting and engrossing work and, with the right employer, offers a satisfying and enriching career.

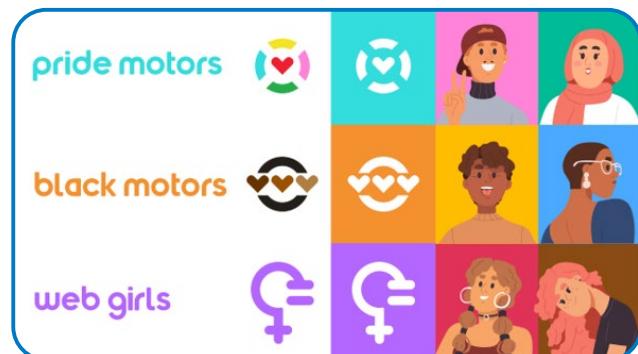
## Our people continued

- Sponsoring female students to undertake a degree in Computer Science and Information Technology through our carsales Women in STEM scholarship. We established this scholarship in 2016 through Swinburne University of Technology to support the tertiary education of the next generation of Computer Science and IT students and help address the gender inequalities that exist in the technology industry. To date, our scholarship has supported three students throughout the course of their technology studies.
- Supporting our people if they want to change career paths and specialise in a different area, particularly in roles that are technical or require further study. Over the years we have seen numerous team members move around the business, for example from Finance to Product Management, Customer Service to Software Engineering, Technology to Product Management and IT Service Desk to Software Development.
- Nurturing a working culture that values all genders equally, so every employee knows that negative, harassing or discriminatory behaviour is totally unacceptable. We are proud of our inclusive working environment.

Our webmotors team DEI strategy has three key focus areas:

- 1. Diversity targets** – commitment to achieving demographic representation targets for age, disability, gender and ethnicity diversity. Targets are set for leadership representation as well as all employees.
- 2. Fairness** – ensuring people are provided with fairness in the workplace, focusing on the elimination of inequality across diverse attributes. Initiatives to support this include leadership development programs with a focus on racial diversity and provision of a DEI-focused mentoring program.
- 3. Inclusion** – strengthening the DEI culture of the business by fostering an environment of belonging where people can be their unique selves. Strategies implemented to build on this include offering a calendar of events throughout the year where various diversity days are celebrated and education is provided to strengthen visibility, providing DEI training to raise awareness, and supporting and encouraging the growth of affinity groups across the organisation.

webmotors elevates the voices of minorities within their business through the support of several affinity groups – also known as employee resource groups – including Pride Motors (LGBTQIA+), Black Motors (afro descendants) and Web Girls (females). Anyone in the company can join one or more of these groups where they feel connected to and, with the support of a team leader, the groups meet monthly to discuss topics related to the community that they represent and come up with ideas and initiatives that the company can implement to further support them and build awareness. These affinity groups play a key role in creating community, fostering a sense of belonging and creating a sense of understanding and allyship across the wider business.

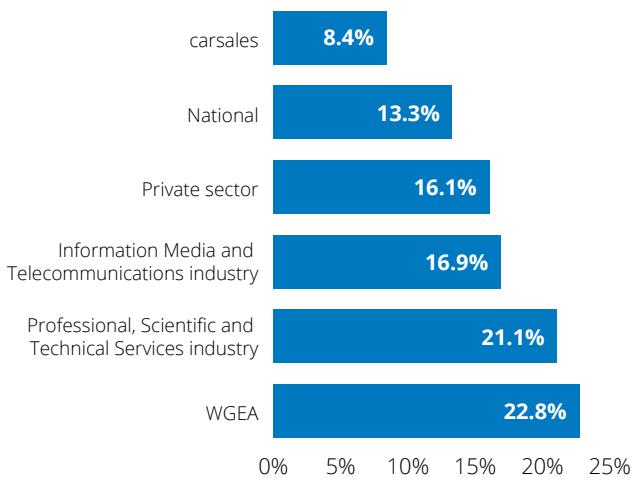


We are currently working with our other business globally to strengthen and further develop their diversity strategies and look forward to providing an update on these in our FY24 report.

## Gender pay equity

As part of our commitment to achieving gender equality, we remain focused on applying our remuneration principles of fairness, consistency and pay for performance to all team members, regardless of gender. Our 2023 WGEA Gender Equality Report submission identified that our Australian organisation-wide gender pay gap for total remuneration is 8.4 percent\*. This is well below the national and industry rates, as demonstrated in the table below.

**carsales Australia gender pay gap comparison<sup>1</sup>**



1. All national and industry data was sourced from <https://www.wgea.gov.au/data-statistics/ABS-gender-pay-gap-data> and was accurate as of 14 July 2023.

\* The WGEA gender pay gap includes base salary, overtime, bonuses and additional payments. It also includes the annualised full time equivalent salaries of casual and part time workers. All this salary data comes directly from employers as part of WGEA's annual Employer Census.

The national gender pay gap is calculated by WGEA using the Australian Bureau of Statistics (ABS) Survey of Average Weekly Earnings. The ABS data is base salary, for full-time workers. This means it excludes overtime, bonuses and additional payments. It also excludes the salaries of part-time and casual workers.

The WGEA pay gap is calculated on the average male vs female salary. The gender pay gap excludes salary data submitted voluntarily for our CEO, Head of Business(es), and Overseas Managers; employees who did not receive any payment during the reporting period; and gender X, while WGEA establishes the baseline levels for this new data point.

The gender pay gaps are different because of the way 'pay' is measured in the datasets.

At carsales, it's important to us that all our team members feel valued for the work they do and a key part of this is ensuring we achieve gender pay parity for like roles. We review this throughout the year within our remuneration

review process, with a target of ensuring that our people are within the market pay range for each individual role and our application of remuneration across the board is fair, regardless of gender.

When an existing employee is appointed to a new role internally (either a promotion or an internal transfer) we benchmark the proposed salary against others in the same/similar roles to ensure that the remuneration package offered will not create a gender pay gap. If there is a concern, we provide the manager with education on the topic and remedy the gap. Through our annual remuneration review process, we hold our managers accountable for their remuneration decisions and ensure that there is legitimate justification for all pay adjustments.

An analysis of employees in like-for-like roles by gender was undertaken in our Australian business during our 2023 remuneration review and amendments were made to any employees identified as having a gender pay differential, resulting in no clear gaps being evident without a sensible reason to explain it. A sensible reason includes someone being recently promoted who still requires upskilling in certain competencies, a new starter with limited proven track record in the role, or a difference in performance outcomes over the year. This approach aligns to our remuneration principles of fairness and consistency as well as pay for performance, which is applied to all, regardless of gender.

When we look at our remuneration spread from an aggregate level, we have identified an opportunity to further build our female talent pipeline to allow for more females to move into leadership roles within the business. As previously mentioned, we have made progress in this area, however we recognise that there is more work to be done and achieving gender diversity requires a sustained and consistent focus. We also intend to start looking at gender pay equity in our other markets during the coming year and will provide an update on this in our FY24 report.

## Health, safety and wellbeing

We are committed to providing our people with a physically and psychologically safe workplace that not only complies with applicable health and safety legislation but supports all facets of their wellbeing and allows them to do their best work. This commitment is operationalised through the carsales Work Health and Safety (WHS) management system. This system applies to all employees and contractors and has been implemented to ensure compliance with Australian legislative requirements and obligations (both state and federal) and best practice industry standards. The WHS management system comprises policies, procedures and resources designed to foster health, safety and wellbeing at work and identifies workplace risks and hazards and implements appropriate measures to control them. Each of our global businesses has a health and safety strategy in place that complies with the legislative requirements and obligations of their country of operation.

## Our people continued

The Workplace Health and Safety Policy applies to all employees and contractors of carsales and anyone else present in a workplace under the control of carsales. This policy is provided to all new team members when they join the company and outlines the WHS management system, the WHS roles and responsibilities of everyone within the workplace, management of contractors, and how consultation on WHS matters occurs. Each business across our group has localised health and safety policies and programs in place to ensure compliance with the legislation of the country in which they operate.

The Health, Safety and Wellbeing page on our company intranet provides our team members with all the information they require in relation to WHS at work and our WHS management system. This includes:

- Details of the WHS Committee and how to contact it;
- The names and locations of our first aid officers and emergency wardens;
- Evacuation plans;
- Emergency procedure manuals;
- Information on how to report incidents and hazards; and
- Our WHS issue resolution procedures.

In line with our culture of compliance, Australian and New Zealand WHS compliance training must be completed by all new starters during their onboarding and annually thereafter, and specialised WHS training is also provided annually for relevant roles as required – including manual handling and working in hot and cold conditions. We have achieved 100% compliance with this training in FY23.

We conduct regular assessments to identify risks, assess them using our risk rating matrix, introduce suitable controls and continuous monitoring. Each of our global businesses has an incident reporting procedure in place pursuant to which team members must formally report all accidents, incidents, work-related illness and near misses through either filling out an incident report form, phoning a hotline, or sending an email to nominated representatives within the company such as the People and Culture team, a direct manager, or a WHS representative. We investigate reported incidents to determine the cause, prevent a recurrence, obtain accurate statistics, and meet legislative reporting requirements. In markets where there is an obligation to inform a state or federal regulator of notifiable incidents, which includes Australia, the United States and Brazil, we have procedures in place to ensure that this occurs.

Where we identify an area of our business or roles within our group as being at higher risk of WHS incidents, we ensure that appropriate measures are put in place to mitigate this risk. In South Korea, many of the Encar team conduct highly manual work in our inspection branches. To ensure team safety, there are dedicated employees who are responsible for overseeing the WHS of these branches. This includes identifying hazards, conducting regular risk assessments and managing any accidents or incidents that occur. As Encar manage branch design and construction in-house, they also have the ability to identify risk factors and implement appropriate mitigation measures and safety plans ahead of a branch opening.

Our WHS Committee meets quarterly and is made up of representatives from across carsales. The committee is responsible for promoting and fulfilling the objectives of our WHS management system and offers a consultative forum to address any health and safety concerns in the workplace. Specifically, the WHS Committee:

- Prioritises WHS matters to be addressed;
- Determines and implements ways of increasing employee WHS awareness and ensuring this information is communicated to employees;
- Reviews risk assessments, new issues raised, incidents and corrective actions required;
- Consults on new and revised WHS related policies and procedures; and
- Undertakes workplace inspections.

We operate an open and transparent culture in which any employee is encouraged to raise WHS concerns and remove themselves from a dangerous situation with the full support of their manager and the People and Culture Team. Our team members have multiple avenues through which they can raise a concern:

- The incident reporting process (digital form/hotline/ email) relevant to their business;
- Our global whistleblower hotline – which allows for anonymous disclosures and is managed by an independent third party;
- Filing a report of the concern to a member of the People and Culture team, WHS Committee; and
- Leaving a comment in any of our employee surveys or via the Q&A/chat function in our virtual town halls (all of which is anonymous).

Any team member who reports a hazard or incident is protected from victimisation and harassment as per our Equal Employer Opportunity, Discrimination, Harassment and Workplace Violence Policy and our Global Whistleblowing Policy.

Given that many of our team members now work remotely either part time or full time, it is imperative that we ensure their remote workspaces are safe. All new team members in Australia are required to complete a working from home checklist which will highlight any potential risks that require remedying. We also offer remote ergonomic assessments through a third-party provider when a team member makes us aware of a potential hazard or issue in their home setup and provide home office equipment such as ergonomic chairs or standing desks as necessary based on the recommendations of those assessments.

We offer a free Employee Assistance Program (EAP) to all team members globally. Our EAP provides counselling on a wide range of topics including dealing with personal issues, mental health, family and domestic violence, trauma, improving relationships, substance abuse, as well as financial and legal counselling. All sessions are conducted by qualified professional counsellors and are completely confidential. The number of EAP services provided to employees for work related issues (e.g. conflict, stress, bullying, harassment, discrimination) is a key risk indicator on our company risk register – monitoring this is one of the ways we ensure that we continue to provide our people with a safe working environment.

Each of our key businesses has their own health and wellbeing program that incorporates a range of activities and initiatives designed to support our employees' physical, mental, emotional and financial wellbeing. Please note that the initiatives described on this page do not include any company funded insurance policies relating to health and wellbeing – the availability of those benefits are outlined in the 'Culture and benefits' section of this report.

## **carsales (Australia)**



- Provision of Headspace meditation and wellness app to all employees.
- Discounted health insurance and fitness / health club offers.
- Free flu injections.

## **webmotors (Brazil)**



- Provision of personal support program which provides access to psychology, social work, physiotherapy, nutrition and nursing services.
- Gympass – employees have unlimited access to gyms, studios, classes, workouts and wellness apps.

## **Chileautos (Chile)**



- Club Program – benefits program that includes activities such as live online yoga and meditation classes, fitness classes and other online content to support exercise, nutrition and general health.

## **Trader Interactive (United States)**



- Employee wellness program provided through Anthem, Trader Interactive's medical benefit provider. The program includes online tools, benefits, and discounts aimed at enhancing employee wellbeing.

## **Encar (South Korea)**



- Physical wellbeing programs provided in collaboration with the Korea Sports Promotion Foundation.
- Provision of internal club activities such as cycling, basketball, bowling, and other sports.

# Our customers

## Highlights

**2.2m vehicles online globally<sup>1</sup>**

**47m average monthly unique audience across our websites**

**>99.9% system reliability for customers**

**Invested 8% of global revenue into innovation and IT**

**carsales continues to be the market leader as a trusted marketplace to buy and sell in Australia**

**First global Hackathon**

1. Refers to inventory across Australia, South Korea, United States, Brazil, Mexico, and Chile websites as at 30 Jun 23.

## Customer experience

We are passionate about exceeding the needs of our customers, so we are always their partner of choice. We do this by developing an end-to-end buy, sell and own digital experience, which is informed by a range of feedback tools such as the Net Promoter Score (NPS), 'Voice of Consumer' analyses and consumer sentiment. We promote trust and safety by keeping data secure, respecting privacy and providing valuable add-ons.

We are committed to providing the best experience for all our users, whether that is creating measurable return on investment for our paying customers, or helping a consumer to find their dream car, motorcycle, boat, caravan or other vehicle.



An example of our commitment to customer experience is the webmotors Customer Committee. The Customer Committee is led by the Marketing Research Team and Customer Service Research Team and involves more than 200 team members from across the business, often attracting at least half of the business to the meetings.

The Customer Committee uses information from multiple sources, including NPS surveys, customer service data, concept and usability testing, and interactions on social networks to promote the views of customers and measure customer satisfaction and engagement. It enables webmotors to incorporate these views and insights into future product design.



# Our customers

continued

## Consumer customers

As part of our core offering we provide buyers and sellers with a range of unique services to help them buy and sell with confidence and ease.

Some of our top **seller services** include:



**Flexibility** – by facilitating digital trade-ins, we provide sellers with a convenient and hassle-free way to sell their vehicle, and create an effortless selling experience through a single, reputable source.

Products like Instant Offer in Australia, Dealer Direct in Korea and the newly launched Cash Offer in the United States allow sellers to trade in their vehicle digitally with our trusted dealer network.



**Advice** – our newly launched Sell Assist service in Australia provides sellers with an ad score before publication, helpful tips and actionable suggestions to enhance their ad and achieve the best ad performance making the selling process smoother.



**Security** – we take the data security and privacy of our customers very seriously and have global security measures in place, which include but are not limited to threat intelligence, data encryption, managed identity and access controls, and vulnerability management.

Our enhanced security features include proprietary fraud detection to help combat fraudulent activity and phone number security with our Privacy Protect feature in Australia. Services like Oneclick in Chile provide sellers with a secure online transfer of vehicles and a fully digital experience.



**Support** – we have dedicated customer service teams in our businesses to assist our consumers in their selling journey.

Our customer service team in Australia has recently expanded its services to specifically help sellers optimise their ad to get the sale they want. In Brazil, webmotors has enhanced its chat functionality to improve communication between buyers and sellers, which has reduced the instances of unread messages and encouraged conversation.

Some of our top **buyer services** include:

**Convenience** – we are innovating digital retailing in all our markets, through SELECT, Encar Home and Buy Now.



The Encar Home Service provides peace of mind for buyers with our team not only acting like a buyer's agent in the initial enquiry stage and to set up a test drive, but they also deliver the car after a thorough 129 point check and with a seven-day refund guarantee.

Our SELECT product allows buyers to reserve a vehicle with a dealer online through a fully refundable deposit. Successfully launched in Australia in 2021 the concept has since been adopted by our international businesses.

Cycle Trader in the United States launched Buy Now allowing buyers to purchase a motorcycle digitally through the Buy Now purchase-from-home program.

**Insights** – carsales' Facts+ in Australia provides comprehensive buyer insights on a selected vehicle, including whether it has been stolen or written off, market pricing data and expert owner reviews.



Encar Guarantee confirms for buyers that a car exists at the dealership, whether it has been involved in an accident and provides peace of mind that the specifications of the car advertised are correct.

In Chile, digital services like Oneclick are supported by Autofact, providing information and security when buying a used car. An Autofact Report lists the complete history of any vehicle in a few minutes, reducing the risk of finding unpleasant surprises.

**Expertise** – buyer services like RedBook Inspect in Australia and Encar's Inspection service in Korea provide confidence, by having a qualified mechanic inspect the vehicle.



In Brazil, webmotors has introduced the "Vistoriado" badge, which helps buyers identify vehicles that have been inspected by webmotors' partners. The inspections are carried out by qualified technicians and come with detailed digital reports providing information the buyer needs to know.

**Knowledge and advice** – our editorial teams across Australia, Chile, Mexico, Brazil and Korea created over 16,000 articles, 1,270 videos and 140 podcast episodes in the past year, providing expert advice on a wide range of topics, including educating our audiences on the increasing relevance of electric vehicles.



## Our customers continued

Aside from the buy and sell services we have developed several touchpoints to stay connected with our customers in between purchases.

Our newly launched Owner Accelerator Program in Australia supports owners by providing insights on pricing, odometer tracking and information on tyre replacement.

### Commercial customers and industry

As a trusted partner, we support and guide our commercial partners through challenges and opportunities presented by disruption in business models, electrification, and digital retailing.

Our commercial customers include dealers, finance houses, manufacturers and aftermarket product sellers, and we support them by harnessing our data and content to attract, engage and connect our commercial customers to consumers.

We track consumer sentiment through regular on-site surveys. Our consumer sentiment tracker in Australia signposts changing consumer priorities – from buying in a Covid-19 climate in 2020, to the impacts of macro pressures such as interest rate increases, rising inflation and the cost-of-living crisis in 2023. We use this intelligence to help our dealer community stay abreast of trends and better prepare their businesses to accommodate what consumers want.

Listen to  
Watts Under  
the Bonnet



### Commercial Customer Highlights – How we support our commercial customers



In Australia we have embedded a thought leadership program in FY22/23 with a regular cadence of consumer research around topics such as Electric Vehicles, Agency Model (Direct Sales), and Finance and Insurance, with research insights feeding into commercial go-to-market decks.

Our media business has invested in technology to mitigate the risk from 3rd party cookie depreciation and to open new opportunities to deliver sector leading media solutions to our clients.



Trader Interactive has released new premium placements, allowing dealers to promote their inventory within our marketplaces. This has resulted in a significant increase in views for these dealers over traditional placements across RV, Cycle, Truck and Equipment.

RV Trader launched its Statistical Survey program, as the industry's trusted source for RV consumer and retail registration data. Through this program, we provide dealers with access to a wealth of information that can help them improve sales and capitalise on opportunities in their market.

In addition, Trader Interactive has partnered with other trusted industry participants such as the NTEA and S&P, to create valuable information and provide updates for relevant markets.



To support its commercial customers webmotors offers specialised product training for dealers via webmotors University, a platform dedicated to keeping up-to-date with the latest trends in the automotive industry and providing training to thrive in the online vehicle marketplace.

Additionally, webmotors is an active participant in the FENAUTO Congress, the largest automotive event in Brazil, which is dedicated to professionals in the used vehicle sector.

webmotors also provides Autoinsights – information, highlights and data for the entire industry, including press media and business clients, as well as offering on demand research.



Our team in Chile has been working hard to educate dealers on lead management and digital optimisation through a series of webinars, ensuring that our commercial customers get the most out of the platform we offer. A newly launched industry newsletter also supports commercial customers with helpful insights.

## **Customer experience – brand and performance**

To deliver on our purpose of making buying and selling a great experience, we need to attract people to our websites and exceed their expectations.

In Australia, one way we determine if we are succeeding in this goal is through our brand preference surveys, conducted by an external provider. This lets us know if we are remaining top of mind with consumers when it comes to buying or selling a vehicle. We are pleased to say that carsales remains the most preferred site in Australia in our category with a 41 percent gap between carsales and its next closest competitor as of June 2023 (*Source: House of Brand, carsales Brand Health tracker, July 2022 – June 2023. n=491/mth*).

It is also important that consumers using our websites are having a great experience with the dealers to whom we connect them. To this end, we also survey consumers about their experience with the dealer after sending an enquiry through our websites. In Australia, consumer NPS for dealers remains fairly steady, with a slight improvement over the course of FY23 as compared to FY22.

We have very large teams supporting our dealer customers in our various markets to help them get the most out of the services we provide. Different markets work in different ways. In Australia, which is our most established and mature market, when a new dealer signs up to our platform, they receive either in-person or online training. They have access to our dealer services team and performance management team to address any questions or concerns, and are put onto a visitation schedule. Dealers also receive quarterly business reviews with our team and access to our online campus with several training courses that can be completed.

Our Australian businesses have only recently commenced tracking NPS from its dealers. Prior to this, it ran regular dealer sentiment surveys to track dealer satisfaction. Results for these surveys covering both automotive and non-automotive between February 2021 and October 2022 remained steady between 58 percent and 65 percent (*Source: Dealer sentiment survey – satisfaction; automotive and CIL sites Feb 2021 – October 2022*).

webmotors used NPS to track dealer sentiment over the course of FY23, with its result improving over the course of the year to a score of 56 in June 2023.

## **Trust and safety**

Trust and safety are key issues for all our customers, so we do everything we can to build trust in our businesses by keeping data secure, respecting privacy and providing valuable add-ons.

We invest in technology and processes to keep buyers and sellers safe on our network across the carsales Group. Examples of our activities to help keep our network safe include automated number plate blurring to prevent cloning; proprietary fraud detection and blocking tools; automated alerts to enquirers on potential fraudulent ads; and products like phone number masking.

Our Information Security Incident Management Plan ensures a standard is set for timely and effective handling of Information Security incidents through the organisation globally. This plan works in conjunction with our Business Continuity Plan, Emergency Procedure Plans and the overall Crisis Management Plan.

carsales continues to be the market leader as a trusted marketplace to buy and sell in Australia, maintaining its 'trustworthy' score throughout FY23 between a minimum of 60 percent and a maximum of 67 percent, while its next closest competitor dropped over the course of the year from 53 percent to 43 percent (*Source: House of Brand, carsales Brand Health tracker, July 2022 – June 2023. n=458/mth*).

Five of carsales' marketplace websites in Australia ([carsales.com.au](http://carsales.com.au), [bikesales.com.au](http://bikesales.com.au), [boatsales.com.au](http://boatsales.com.au), [caravancampingsales.com.au](http://caravancampingsales.com.au) and [trucksales.com.au](http://trucksales.com.au)) are rated on Trustpilot, a public review platform based on a five star rating system. The average rating for these marketplace websites is 3.9 stars. The Tyresales business in Australia is also featured on the site, with over 6,600 reviews and a 'trustscore' of 4.6 stars.

In the United States, five of Trader Interactive's sites (RV Trader, Cycle Trader, Equipment Trader, Commercial Truck Trader and ATV Trader) are reviewed on Trustpilot, with an average rating of 3.62 stars.

Whilst our privacy and data protection measures run across the global carsales Group, not every market is currently tracking trust metrics as part of brand health research. Looking ahead, several markets are setting up brand health measurements including trust to collect more tangible metrics in this area.

# Our customers

continued

## System reliability

A key component of maintaining our customers' trust is maintaining reliable systems. Our platforms must be accessible to our users to transact, 24/7, 365 days a year. We continue to proudly maintain an uptime of 99.9 percent across all our sites globally.

We achieve this by operating entirely within the cloud for all systems. carsales no longer needs to manage and maintain its own data centres for product and technology solutions. By being entirely cloud-based, we can distribute our systems across the globe, ensuring services can be provided from an alternate region if a primary region is unavailable. We use the same approach for our internal productivity tools. By using all cloud-based tools, we ensure our people do not face disruption in the way they work. Our business continuity management approach defines in detail the critical systems, processes, people, schedules, actions, protocols, and contact details for each type of major incident. The ability to work anywhere is enabled by technology solutions that give full productivity to our people globally from anywhere with an internet connection.

With the rising threat of cybercrime, we continuously improve our systems to ensure the continued operation of our revenue critical systems. Just as the evolution of technology provides us with significant opportunities, we are acutely aware that it also enhances the operations of malicious actors. As such, we proactively and regularly assess, audit, test and improve our security systems using a multitude of measures and highly skilled internal and external resources.

## Innovation and Intellectual Property

In line with our overarching vision of making buying and selling a great experience we are continuously evaluating where we can enhance the entire buying and selling process for our customers. With that we are looking to expand into adjacent parts of the buying and selling process in the future. This creates continuous optimisation opportunities for us and combined with the information exchange across our businesses globally we are able to accelerate this process through collaboration across our international teams.

Innovation is the core of our culture and part of the carsales DNA. We continuously invest time and capital into ensuring that we are innovating to be the clear leader in our industry globally. We also take great efforts to protect the intellectual property created through our team's hard work, with an 'always on' mentality and a well-resourced legal team with expertise in the area.

Our Board and executive team regularly discuss innovation and promote the power of innovation to the global carsales team, asking them to focus not only on technology but on all areas of our business. At carsales we are flexible in our approach to exploring and adopting new and exciting opportunities as they emerge. We recognise three main sources of innovation:

### Everyday innovation

Our teams are continuously exploring new ways to improve our products and services. Every team is empowered to constantly deliver innovative solutions within their domain to our customers.

We are proud of our record of innovation and are focused on our commitment to developing and bringing to market new products and enhancements.

### Programmed innovation

We have events scheduled throughout the year to give our people the opportunity to come together to test, research and explore in areas they would not have otherwise been able to. The largest of these events are our hackathons.

### Ad-hoc innovation

An idea can come from anywhere and attract a passionate team of our people who are willing to get behind it. We have begun to implement several programs to help support and nurture these ideas to give them the most significant chance of success. One such program is the 'Inside Hustle'. Through this, a team member with a great idea can pitch it to a nominated team and receive approval to work on the project outside of regular team planning and roadmaps, as well as guidance on how best to approach the task.



## Our customers continued



### HACKATHON: **VOYAGER 2025**

INNOVATING TO GET THERE

In FY23 we ran two hackathons with the most recent being our first global hackathon. Fittingly themed "Voyager 2025, innovating to get there", 42 teams and more than 300 participants across carsales (Australia), Trader Interactive (United States), Chileautos (Chile), Soloautos (Mexico) and webmotors (Brazil) came together to innovate, create and invent. We saw a wide variety of ideas including projects with an environmental focus, mobility and accessibility focus as well as utilising AI to make our services better. Our Hackathon track record shows that around 25-33 percent of Hackathon projects go on to be developed into tangible product innovation for our customers.

For FY24, we plan to run two global hackathons and roll out the Inside Hustle program globally to facilitate better tracking of innovation across the carsales Group.

### Innovation Highlights – examples of innovations from our Hackathons

- Data is an important asset for many downstream tasks such as analytics and machine learning training. Bad data can lead to significant business issues. To address this, we have used artificial intelligence to detect anomalies within our data and to trigger an alert for the relevant team to investigate and fix it.
- Aimed at building trust, transparency and security into the consumer experience and powered by blockchain technology, we are developing a digital token which can serve as the digital representation of vehicle ownership, including authenticated information relating to each individual vehicle.
- We are developing an intelligent assistant that is integrated into the Slack tool used by carsales. This chatbot will enhance our organisation's communication and operations, and provide immediate assistance to employees.



## Automation, artificial intelligence, and emerging technologies

We have been continuously improving our capability in Artificial Intelligence (AI) across our product and technology teams, and AI is now a key enabler of many of our products and services. Our people benefit from learning opportunities as well as productivity enhancements facilitated by the adoption of AI in our business processes. Our investment in data science and insights also means we can deliver more insightful data to our customers. This builds stronger relationships with manufacturers and dealers and gives consumers better and more personalised experiences.

AI and data utilisation is not without its ethical risks. carsales acknowledges this and has established a Data Governance Committee whose remit includes providing approval for new uses of data to ensure that use of AI and data within the carsales Group is done within our established guidelines.

We work closely with our industry partners collaborating on exploring emerging technologies and how we can utilise these to enhance our business. The AWS Deep Racer series is one example where our team explored Machine Learning (ML) using Reinforcement Learning (RL). RL is an advanced ML technique that takes a very different approach to training models than other ML methods. It learns complex behaviours without requiring any labelled training data and can make short term decisions while optimising for a longer-term goal.

Over the coming year we plan to deliver a comprehensive group-wide AI and Emerging Technology strategy to accelerate adoption of AI and other technology advancements. This will include the introduction of AI and automation to areas within the business that are not currently taking advantage of this capability.



## Our customers continued

### Future focus

The auto and retail markets are evolving rapidly, with the adoption of electric vehicles, the introduction of new usage models and trends, and the shift to digital retailing. We are in a privileged position to contribute to the future direction of our industries and inspire change, while guiding our customers on the opportunities these changes may offer to them. We are well aware that this requires dedicated and ongoing focus.

In 2021 we introduced NEXT – an initiative supported by a team of senior leaders across our business who are dedicated to exploring and executing on future horizon opportunities. NEXT works alongside the carsales business to harness ad-hoc internal innovation with a strict focus on the future of our industry and adjacent markets to build new and disruptive global businesses.

### Early stage investments

carsales' Early Stage Investment (ESI) program is a collaboration with global accelerators and investors, which allows us to invest in and help to scale start-ups, as well as create a pipeline of innovative and transformative ideas to help drive growth for the carsales Group.

The carsales ESI program complements corporate development, research and development and other carsales innovation initiatives by providing financial and strategic resources to start-ups across key investment sectors. This program is focused on creating synergies with early-stage companies to help shape the future of our ecosystem. The core targets of carsales' ESI program are companies with exceptional leadership, that are utilising disruptive technology and/or business models to transform the mobility and digital retailing space. All ESI investment must be strategically and culturally aligned with carsales and share our commitment to ESG and delivering exceptional customer experiences.



**In 2021 we introduced NEXT – an initiative supported by a team of senior leaders across our business who are dedicated to exploring and executing on future horizon opportunities. NEXT works alongside the carsales business to harness ad-hoc internal innovation with a strict focus on the future of our industry.**



# Our responsible business practices

## Highlights

**Zero**

reportable data breaches

**99%**

completion of mandatory  
compliance training

**Certified  
carbon neutral**

for our Australian business  
operations by Climate Active

**Carbon  
neutrality**

underway for our  
international businesses

**Reduction  
in carbon  
emissions  
intensity**

**Over 860  
hours**

of community volunteering  
in Australia

carsales is committed to the highest levels of corporate governance. This goes right through the carsales Group – modelled by the Board and executive leadership team, and communicated to every team member that we all have a role to play in protecting the reputation of our businesses. We have a dedicated in-house legal team who work closely with the business to ensure we comply with our legal obligations. We have a dedicated security team committed to cybersecurity and data protection, knowing that our customers and consumers trust us with their information.

## Cybersecurity and data protection

As a leader in digital marketplaces and the operator of a number of online businesses around the world, cybersecurity and data protection are of critical importance to carsales. We are continuously improving our cyber resilience to minimise risk and protect customer data. The information security management framework utilised across the carsales Group globally is aligned with robust global frameworks including ISO 27001, NIST and PCI DSS.

We understand that organisations have become far more vulnerable to cyber threats due to the integration of digital information and technology in day-to-day work. As attacks become more common and sophisticated, it is essential that we understand the threat landscape and continue to build a more resilient global organisation.



# Our responsible business practices continued

The carsales security strategy's objective is to protect the integrity, confidentiality, and availability of carsales' information assets. The primary goal of the security strategy is to establish a resilient security capability enabling the company's growth, maintaining carsales' capital strength, improving operational excellence and supporting sustainability plans. In developing the strategy, the team had regard to global threats including:

- malware / ransomware;
- malicious insiders;
- denial of service attacks;
- phishing;
- data spill / human error;
- hacking; and
- brute force attacks.

We have continued to significantly uplift our security capability, integrating the technology teams from the acquisitions of Trader Interactive and webmotors, and rolling out essential security initiatives to a variety of our businesses. We continue to improve the group-wide security posture in accordance with our security strategy and roadmap. New operational security roles and responsibilities have been created to proactively work to implement the new security roadmap, build better business resilience, cyber awareness and efficiencies, particularly in incident and crisis management.

A hybrid approach to bolstering security capability continues to ensure carsales can leverage the world's best security resources globally, providing flexibility with key strategic security services providers that are all certified, accredited and aligned against globally recognised best practices that include ISO 27001, ISO 9001, SOC2, CREST, OSCP, OWASP.

The security strategy and roadmap were designed to build a sustainable global security program which protects against the latest sophisticated threats and enables the business to run effectively and efficiently. As the business grows, it is important that the security strategy is reassessed in line with appropriate risk levels. With successful implementation in Australia, this standard will be rolled out across the carsales Group globally.

carsales' overall security program has been grouped into three main work packages:

1. uplift global security foundations;
2. implement security practices supporting business global growth capabilities; and
3. manage, protect, detect and respond.

Key stages for the security strategy are:

- strategise and plan the roadmap;
- assess the program from multiple inputs;
- develop the security strategy;
- communicate across the organisation; and
- reassess, optimise, and improve.

## Our Information Security Management Framework

carsales' security team has revised and uplifted the information security management framework utilised across the carsales Group. This framework is designed specifically to guide carsales security globally, to increase business resilience and risk posture. The framework is aligned to popular robust frameworks including:

- ISO 27001 Information Security Management, an internationally recognised specification for an Information Security Management System. Some parts of the business are already independently certified in ISO 27001, and the rest of the organisation continues to prepare for compliance more broadly.
- NIST Cyber Security Framework voluntary guidance, based on existing standards, guidelines, and practices for organisations to better manage and reduce cybersecurity risk. In addition to helping organisations manage and reduce risks, it was designed to foster risk and cybersecurity management communications amongst both internal and external organisational stakeholders.
- The Payment Card Industry Data Security Standard (PCI DSS) is a widely accepted set of policies and procedures intended to optimise the security of credit, debit and cash card transactions and protect cardholders against misuse of their personal information.

Threat intelligence across the organisation continues to be uplifted. It is imperative that we understand the threat landscape and potential events, incidents and data breaches that could impact the information we and our third parties hold. We understand the latest threats from a vast range of global sources including public, private, government, regulatory, industry, and commercial. We use our learnings in a practical way, including by simulating attacks and control testing which provides further education and learning opportunities for carsales staff. This has resulted in providing improved guidance to customers, improving our trust and safety content and uplifting controls across our web applications. This has also initiated development of Two Factor Authentication for customers across our core web application globally.

## Our security awareness and influence

Security awareness and influence is a strong priority at carsales, aimed at minimising business risk, preventing information loss, and helping to protect brand reputation. An effective awareness training program addresses common technology mistakes that employees may make, something that contributes to 25 percent of Australian data breaches according to the latest Office of the Australian Information Commissioner's Notifiable Data Breaches Report. carsales seeks to educate its staff, regularly testing all staff with different types of phishing exercises.

Security awareness at carsales is led by a dedicated annual program of work that covers comprehensive guidance, influence, education and regular training to all staff (including contractors) on key topics and threats across multiple mediums. This has been a multilingual approach covering global entities and has included:

- Regular activities such as news articles, security updates on recent events, signage, communication posts, inclusion of security champions, how-to's and gamification;
- Tabletop exercises and simulations, covering cyber events, incidents and crisis management;
- Cyber Security Awareness month activities in addition to the always on awareness program;
- Coordinated programmed activities like new starter training, leader updates, expert series, security awareness/influence campaigns;
- A guest speaker sharing learnings from one of Australia's largest data breaches;
- Technical briefings to key stakeholders covering global vulnerabilities, threats and data breaches; and
- Expert webinar series that include technical deep dives and include topics such as being hacked and Open Web Application Security Project (OWASP) application security guides, secure coding and OWASP top 10 importance.

We are driven by our commitment to the security of our customers' data, our information systems, and our services. Over the past year, we continued to create more efficient and effective ways to communicate and work with the broader security community, forging relationships with security researchers to help everyone be safer online.

## Data privacy

While data security focuses on protection against external attacks through systems and software, data privacy requires the correct handling of personal information by our team members.

Privacy issues can arise at any stage of data management – from collection, storage, use, release and ultimate removal of data. We have a strict data governance framework, including permissions, handling, management, communications, security, compliance and monitoring.

We also have privacy champions in each team to assist with questions and help identify any issues that may arise.

Our data governance processes require that we:

- obtain members' permissions before capturing data;
- restrict access to data to people who need to use it;
- safeguard information and handle it with care;
- ensure data is only communicated according to our data governance requirements;
- regularly maintain and upgrade our systems;
- provide regular training on data privacy to our employees and contractors;
- monitor employee and contractor compliance with privacy and information security policies, procedures, standards and guidelines;
- strictly control and monitor how our team members and supplier organisations use member data; and
- only retain data where we have a legal right to do so.

A significant issue for carsales is to ensure that members are giving proper consent to use of their data. We provide our members with a high level of control and granularity of the consents they provide and withhold, and the ease of managing these consents online.

An associated issue is the use of cookies. These are small packets of data exchanged between server and browser that allow websites to recognise users when they return to the site and tailor the content or services displayed. We gather cookie-based data concerning onsite behaviour such as items that a visitor clicks on or views. This data is used to improve the onsite experience by way of tailored content and is similarly used off the network by carsales to serve relevant content via social media and digital display. carsales' member database is not provided to third parties for direct marketing purposes.

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

# Our responsible business practices continued

The European Union's (EU's) General Data Protection Regulation (GDPR) sets out guidelines for collecting and processing personal information from individuals in or from the EU. While only a small proportion of carsales' website traffic is from the EU, in response to the GDPR carsales developed a cookie policy (<https://www.carsales.com.au/info/cookie-policy/>) and introduced cookie pop-ups on its key websites to better inform visitors about how we use cookies. If a visitor is from an EU IP address, express consent is required before they can use the website.

carsales is currently undertaking a large project to map and label the data in its systems. This project will facilitate the implementation of a more formal document retention policy to ensure that carsales is not retaining personal information longer than needed.

## Ethics and integrity

We are an ethically cautious company, committed to following the letter and spirit of the laws that govern us as well as expected standards of ethical business behaviour. Our Board of Directors, assisted by our Board Committees, has ultimate oversight of the company's and its subsidiaries' ethical issues.

Our Global Code of Conduct requires our team members to consult with a manager if they are in any doubt about a course of action or if someone is breaching our ethical expectations. We also have a Global Whistleblowing service which is managed externally to encourage reporting of breaches of our Code of Conduct or any other unethical behaviour.

We work with our risk management framework and Global Code of Conduct to manage potential risks such as bribery, corruption, anti-competitive behaviour, fraud and conflicts of interest.

Maintaining our ethics means choosing suppliers who we trust and share our commitment to operating in a socially and environmentally responsible manner. To assist us in this regard, we ask suppliers to complete a questionnaire

which helps us make this assessment. Our questionnaire asks suppliers to provide information about a range of topics including:

- workplace gender equality – eg, whether the supplier has been declared to be a non-compliant organisation by the Workplace Gender Equality Agency;
- environmental sustainability – eg, what environmental policies the supplier has in place; the supplier's history of environmental incidents; and whether the supplier monitors greenhouse gas emissions;
- social responsibility – eg, whether the supplier has been subject to any adverse human rights, occupational, health and safety or employment rulings; and
- modern slavery – eg, questions to establish the extent to which the supplier's operations and supply chains present modern slavery risks.

Responses to our questionnaire are automatically assessed by our supplier screening tool. The screening tool assigns each supplier a risk rating based on the responses provided to the questionnaire. Where a supplier is calculated to present a heightened risk, the supplier's questionnaire responses are sent to the relevant team for further consideration. Depending on the nature of the risk, actions such as requesting further information, obtaining contractual assurances, providing training/guidance or finding an alternative supplier may be considered.

In certain circumstances more significant due diligence is undertaken on suppliers before a decision to proceed is made.

## Mandatory compliance training

All carsales employees in Australia, whether full time, part time or casual, as well as contractors working for the company, are required to complete annual compliance training on the following topics (at a minimum):

- Anti-discrimination and equal opportunity;
- Sexual harassment prevention;
- Work, health and safety;
- Workplace bullying;
- Privacy;
- Consumer law; and
- Cybersecurity.

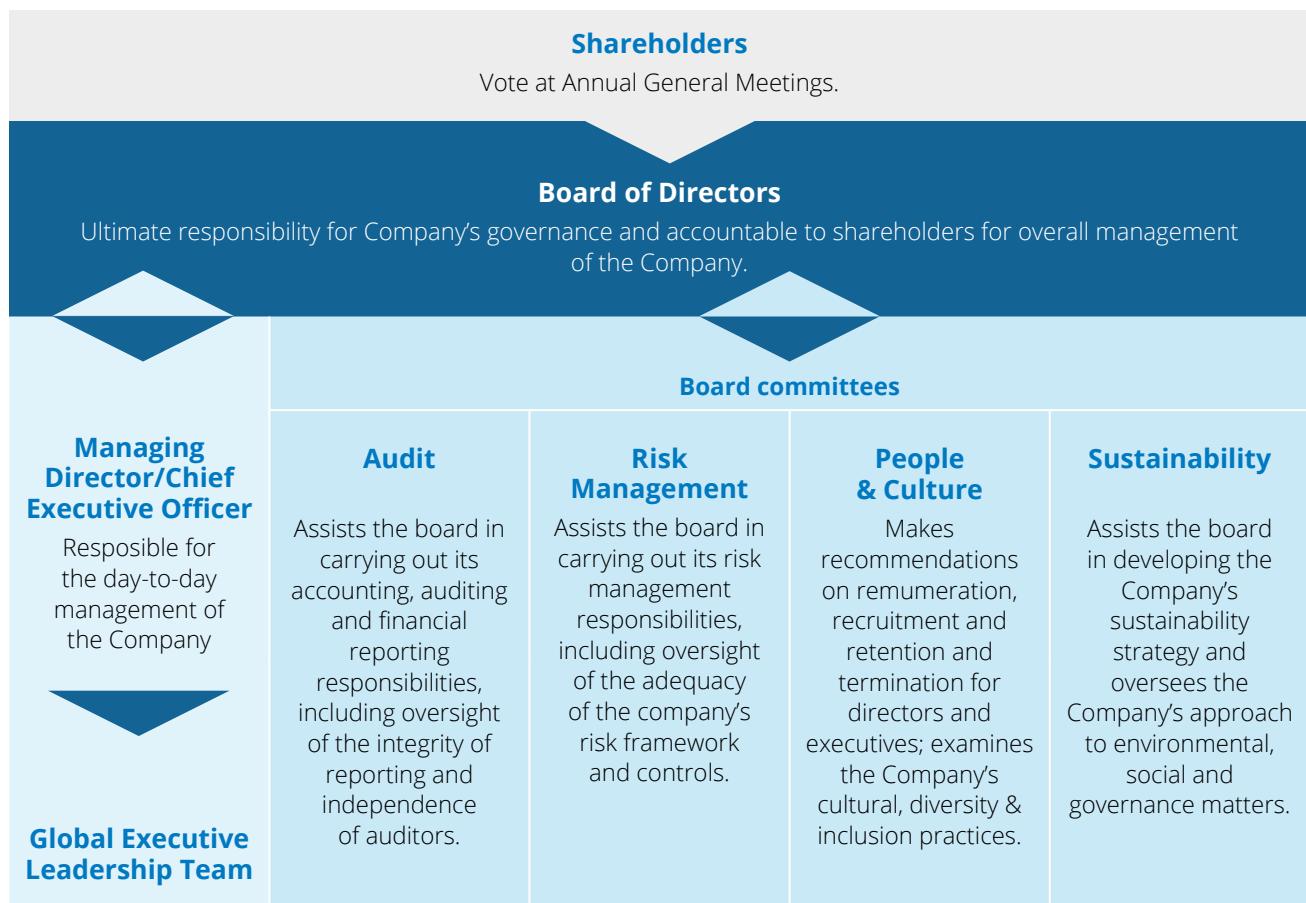
In FY23, carsales achieved 99 percent completion rate of its mandatory compliance training among employees and contractors.

## Governance

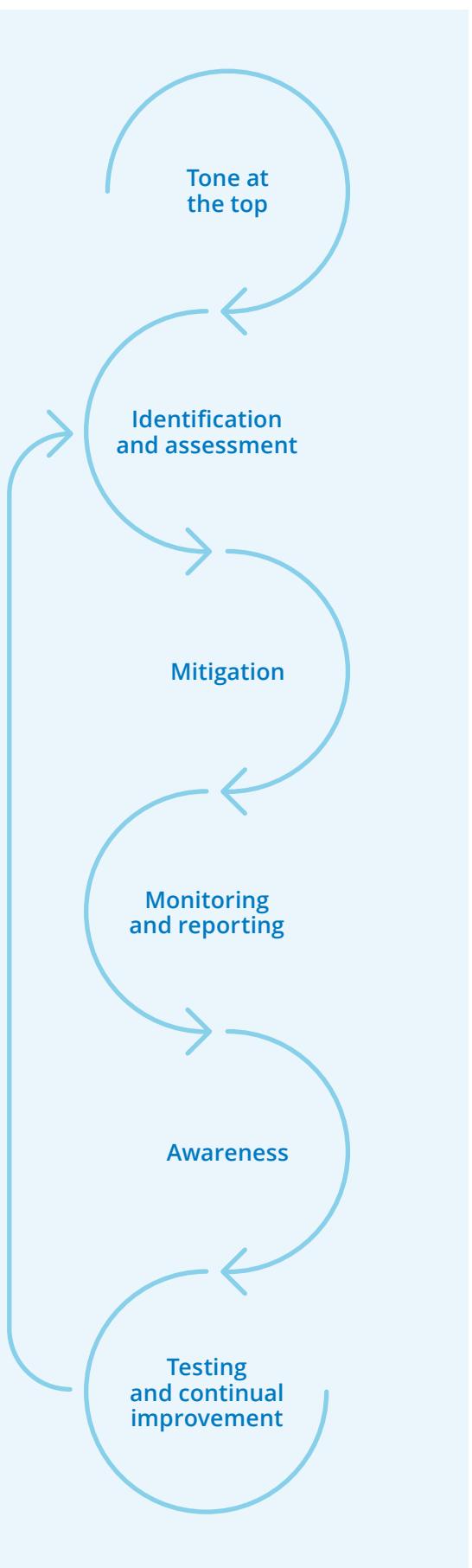
carsales is committed to strong corporate governance, which is crucial for sustainable value creation. Our corporate governance structure is multi-layered, and detailed information about our governance practices is set out in our FY23 Corporate Governance Statement available on our shareholder website.

carsales' Board of Directors is ultimately accountable for implementing and overseeing the effective corporate governance of the company and its subsidiaries. The Board, as well as its committees established to assist the Board in carrying out its duties, work closely with the Managing Director and Executive Leadership Team to ensure that the highest standards of governance are adhered to by the company.

### Our corporate governance structure



## Our responsible business practices continued



### Risk management framework

The management of risk is a continuous process and an integral part of the management and governance of carsales' business. Risk and opportunity are intrinsically linked, and carsales seeks to manage risk in ways that minimise the potential for loss, while maximising opportunities for growth and profitability.

We have established a risk management framework which is designed to assist the company achieve its strategic and operational objectives. The Board is responsible for determining the company's tolerance for different categories of risk, and management aligns the vision, strategy, processes, technology and governance of the company accordingly.

Crucial to the success of carsales' risk management framework is the culture of compliance which is modelled by the Board and senior executives. We believe that the tone of the organisation is set by the words and actions of its leaders, and this is the starting point of our risk management framework.

The rest of the framework is focused on identifying and assessing current and emerging risks, ensuring that appropriate mitigation measures are in place, monitoring relevant key risk indicators and regular reporting to management and the Board. It is vital that all employees know how to alert management of issues, whether they be heightened risk factors or a breach of an internal policy, and this is where initiatives like our regular business 'townhalls' and global whistleblowing program are highly relevant. Finally, the framework requires testing of the controls in place and ensuring that we are continually improving on our risk management journey.

carsales conducts a review and update of its formal risk register at least twice a year. This captures material and other potential risks to the business and assesses the nature, likelihood and materiality of the impact of each risk. Each risk on the company's risk register has at least two owners – including at least one senior executive and at least one senior manager. The risk owners are tasked with monitoring the risks by reference to agreed metrics and reporting on these metrics to the Board.

Environmental and social risks have been more prominent in recent years, and form part of the company's general risk framework. This Sustainability Report goes into detail about how we manage our major sustainability areas. Given the nature of our activities there is a low likelihood of material exposure to environmental risks, so we focus on those risks that are more likely to impact our business in the shorter term.

In addition to the internal risk management framework, the company has an internal audit function and engages an external auditor, responsible for providing an independent opinion of the financial results of the company. In undertaking this role, the external auditor also provides comments on the management of risk. During FY23, our internal audit function completed an assessment of carsales' risk management framework for alignment with recognised best practices and ASX Corporate Governance Principles.

## Sustainability governance

The carsales' Board of Directors is extremely engaged in the company's sustainability strategy, demonstrated by the formation of a dedicated Sustainability Committee last year.

The Sustainability Committee assists the Board in developing carsales' sustainability strategy and oversees the company's approach to environmental, social and governance matters. It works closely with other Board committees which are focused on subsets of these areas, as well as the senior executives responsible for the subject matter. Specifically:

- The Audit Committee oversees matters relating to integrity of reporting, auditing and internal controls. The senior executive responsible for the day-to-day management of this area is the Chief Financial Officer.
- The Risk Management Committee focuses on the company's risk management framework and the identification, mitigation and monitoring of established

and emerging risks. The senior executive responsible for the day-to-day management of this area is the General Counsel and Company Secretary.

- The People & Culture Committee oversees a number of social areas, including talent attraction, retention and engagement as well as responsible remuneration. The senior executive responsible for the day-to-day management of this area is the Chief People Officer.

Board Committees and relevant senior executives provide the Board with updates on strategy and performance for their areas of responsibility and receive feedback from the Board.

The carsales Board is engaged in the company's process for selecting its material topics and the matters to be reported on in its sustainability reporting. The Board is responsible for reviewing all of the company's reporting, including the Sustainability Report, and approves it before its release to the market.

## Governance map

	<b>Guiding approach</b>	<b>Managing risk</b>	<b>Driving action</b>
<b>Internal</b>	<ul style="list-style-type: none"><li>• Global Code of Conduct</li><li>• Global Human Rights Policy</li><li>• Diversity, Equity and Inclusion Policy</li><li>• Continuous Disclosure Policy</li><li>• Global EOS survey</li><li>• Materiality assessment</li></ul>	<ul style="list-style-type: none"><li>• Risk Management Framework</li><li>• Risk Management Committee</li><li>• Security Trading Policy</li><li>• Training in key risk areas</li><li>• Cyber</li><li>• Privacy</li></ul>	<ul style="list-style-type: none"><li>• Sustainability Framework</li><li>• Reconciliation Action Plan</li><li>• Emissions reduction strategy</li><li>• Diversity strategy</li></ul>
<b>External</b>	<ul style="list-style-type: none"><li>• ASX Corporate Governance Principles and Recommendations (especially 7.4)</li><li>• Global Reporting Initiative (GRI)</li><li>• Sustainability Accounting Standards Board (SASB)</li><li>• United Nations Sustainable Development Goals (SDGs)</li><li>• Tax Transparency Code</li><li>• Workplace Gender Equality Agency (WGEA)</li></ul>	<ul style="list-style-type: none"><li>• Modern Slavery Act</li><li>• Task Force on Climate-related Financial Disclosures</li></ul>	<ul style="list-style-type: none"><li>• Australian Association of Graduate Employers (AAGE)</li><li>• Climate Active (carbon neutrality certification)</li><li>• Electric Vehicle Council</li><li>• Tech Council of Australia</li><li>• Tyre Stewardship Australia</li></ul>

Sustainability performance reported through annual reporting suite

# Our responsible business practices continued

## Anti-discrimination

At carsales, we are committed to providing our people with a safe, inclusive and respectful workplace and do not tolerate behaviour that contravenes our diversity, equity and inclusion principles – including unlawful discrimination, harassment, bullying, victimisation and vilification.

All our people, regardless of their role within the organisation, understand that they have a role to play in keeping our workplace safe. We ensure that our people are aware of this expectation via our policies, as well as other ad-hoc communications and annual compliance training. Our Global Code of Conduct and Equal Employment Opportunity (EEO), Discrimination, Harassment and Workplace Violence Policies set out our standards of behaviour for how team members should behave towards each other and anyone else they deal with at work, and there are significant consequences for people who breach these standards. These policies also outline our formal grievance escalation and reporting procedures.

People who feel they have been discriminated against or unfairly treated in any way can lodge a complaint either via internal processes or our global whistleblower hotline and it will be investigated thoroughly. Substantiated breaches of our policies may lead to sanctions up to and including dismissal. Anyone who reports discriminatory behaviour or any other illegal or unethical conduct is protected under our Global Whistleblowing Policy. Our Global Whistleblowing Policy and Global Code of Conduct have been rolled out across our global businesses.

## Modern slavery

During FY23, carsales continued to take steps to mitigate the risks of modern slavery in its operations and supply chains.

A key focus for FY23 was working with our newly acquired businesses (including Trader Interactive and webmotors) to assess modern slavery risks in their operations and supply chains. This process involved considering existing supplier relationships and working to align procurement processes.

Other steps taken during FY23 included:

1. expanding our mandatory modern slavery awareness training to include all staff identified as being regularly involved in procurement;
2. creating and distributing a modern slavery training booklet to selected higher risk suppliers;
3. working to further formalise our modern slavery policies and procedures including in relation to non-compliant suppliers; and
4. improving employee awareness of our approach to modern slavery risk mitigation by establishing a modern slavery portal on our staff intranet.

We have also continued to screen new suppliers for modern slavery risks, sought to insert anti-slavery clauses in our supplier contracts, requested that suppliers commit to our Supplier Code of Conduct and worked with our suppliers collaboratively to address modern slavery risks.

carsales is dedicated to continuous growth and improvement in this area and is working on a number of new initiatives to be rolled out across FY24.

A copy of carsales most recent Modern Slavery Statement is available on our shareholder website. Our FY23 Modern Slavery Statement will be published by 31 December 2023.

## Taxation transparency

Our tax strategy is in line with our risk management framework which, while not publicly available, is reviewed and approved by the Board and administered by our Tax, Treasury and Risk function. Underpinning the tax strategy is our belief in paying our fair share of tax in each of our jurisdictions.

Our tax risk management centres around the following commitments:

- Ensuring we comply with tax laws in each of our jurisdictions and that all tax positions taken are reasonably arguable;
- Obtaining advice as needed from tax advisors or revenue authorities;
- Dealing transparently and maintaining open, cooperative relationships with revenue authorities;
- Maintaining the integrity and reputation of carsales at all times; and
- Adopting only positions that enhance shareholder value without having to rely on their tax effect for viability.

We have processes in place to ensure we comply with applicable tax regulations in each of our countries. Income tax, operational tax matters, direct and indirect tax compliance and the administration of foreign taxes is managed locally by appropriately skilled finance team members (with the support of reputable tax and legal advisors) and such matters are overseen by our Tax, Treasury and Risk function. Tax decisions are made considering both the regulatory environment in which we operate (anticipating future changes as relevant) and our business goals and risk appetite.

We review proposed business strategies through a tax lens to ensure required outcomes can be achieved within relevant tax regulations. Our effective tax rate is reviewed regularly to monitor the impact business decisions are having on our tax positions, and to ensure that such operational decisions are independently sustainable without needing to rely on specific tax positions/conditions.

The business is well educated on tax matters and we ensure tax is considered in all key business operations. We also engage in public policy advocacy via participation in Treasury working groups and indirectly via interaction with the Corporate Taxpayer Association and other key taxpayers in the digital classifieds sector, to drive and support improvements in tax governance within the industry in which we operate. We are committed to transparency in our dealings with revenue authorities and maintaining open and co-operative relationships with them.

The carsales Group is not subject to country-by-country reporting requirements in any tax jurisdiction in which we operate.

carsales has signed up to the tax transparency code.

## Emissions and climate change action

carsales supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and this year we have published our first TCFD report to address our climate resilience. This report is publicly available within our FY23 Annual Report and includes all information relating to our Scope 1, 2 and 3 emissions, climate strategy, risk management, metrics and targets.

As a digital business that does not extract or process any materials, we recognise that our environmental footprint is relatively small compared to many other companies. However, we acknowledge that our marketplace businesses facilitate the buying and selling of vehicles which contribute to greenhouse gas emissions. We believe that all companies have an obligation to do what they can to protect the environment and intend to remain accountable for our impact on climate change and take responsibility for implementing positive change.

Our commitment to the environment and a more sustainable future is strong. We have implemented a climate strategy that goes beyond addressing our own direct environmental footprint, by also aiming to provide support to our customers, the industries we operate in, and the broader community.

We have continued to take steps to achieve our climate-related targets throughout FY23, and our Australian business operations have been certified carbon neutral by Climate Active in FY21 and FY22. In FY23 the Australian business published its first emission reduction strategy which is detailed in our TCFD report. At the time of publishing this report our sustainability team was in the process of completing our third Climate Active application to achieve carbon neutral certification based on our FY23 footprint. We are also making progress towards our goal of achieving carbon neutrality across our global operations in FY24 and are currently collecting all the required data to determine the FY23 footprint of our global businesses.

Our current emissions reduction strategy outlines our commitment to reducing our Australian business operations' emissions intensity by 30 percent per FTE by 2030 compared to our FY22 baseline. We plan to achieve this through reducing Scope 1 and 2 intensity by 100 percent and Scope 3 intensity emissions by 20 percent.

The Science Based Targets initiative (SBTi) advises that a company's targets should be determined on a baseline that uses the same methodology that an organisation is currently using to establish its footprint. As we are currently in the process of determining our global emissions footprint, carsales intends to release revised science based targets in 2024 once we have a clear understanding of what our global footprint looks like. We will provide further information on this once the project has been completed, along with a global emission reduction plan to achieve these targets. We also intend to align with the Corporate Net-Zero Standard as part of our commitment to accounting for climate change.

# Our responsible business practices continued

## Waste and e-waste management

The major forms of waste generated in our offices are:

- Items such as paper, cans, bottles, which are sorted and recycled;
- Personal waste, non-recyclable materials, mostly going to landfill; and
- E-waste, such as computers, laptops, mobile phones, monitors etc.

To reduce our waste as much as possible we:

- Employ sustainable cleaning, waste and recycling practices. We have removed personal rubbish bins from desks to ensure all waste is recycled as appropriate;
- Purchase 100 percent recycled paper; and
- Use default double-sided, black and white printing on all printers.

In FY22, across our Australian operations, 118.6 tonnes of waste was sent to landfill and 87 tonnes was recycled. In total, 42 percent of waste generated went to recycling.

Our e-waste consists of redundant, obsolete or irreparably damaged equipment. We seek to ensure that all e-waste is either re-used, recycled or goes to materials recovery, as these items contain recoverable amounts of metals such as gold, silver, copper, titanium, palladium, lead, tin, nickel, mercury and cadmium. Where hazardous materials such as brominated flame retardants are also present it is essential that these are kept out of landfill.

In Australia, we aim to achieve complete re-use of electronic waste. Approximately 85 percent of our e-waste continues to be redistributed – we either allow employees to purchase these items for a nominal fee which is donated to charity, or we seek to reuse old but serviceable computers, laptops and screens by providing them, after hard drives have been wiped, to local community groups. In FY23 we raised just under \$5,000 from employees purchasing used IT equipment, with the proceeds being directed to Australian charity groups. All other items are either recycled or broken down and valuable materials recovered.

Our tyreconnect business continues to support Tyre Stewardship Australia (TSA). TSA was formed in 2014 to implement the national Tyre Product Stewardship Scheme, which serves to develop viable markets for end-of-life (worn out) tyres. The Tyre Product Stewardship Scheme provides an ACCC authorised industry framework to effectively reduce the environmental, health and safety impacts of the equivalent of 56 million passenger tyres which reach the end of their life in Australia each year.

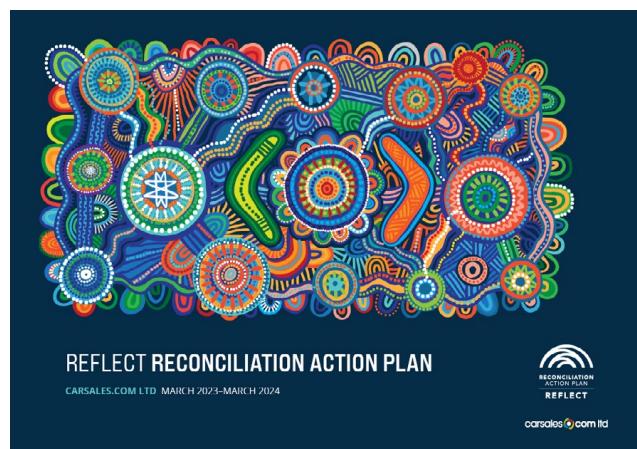
TSA is made up of representatives from across the tyre supply chain including tyre retailers, manufacturers, recyclers and collectors and participation in the scheme is voluntary. As the importer of the Delmax tyre brand into Australia, tyreconnect financially contributes to the scheme for every Delmax brand tyre sold in the market. tyreconnect is currently the only non-tyre manufacturer importer contributing to the scheme, and whilst the business doesn't directly contribute to tyre waste, this association demonstrates its commitment to sustainable environmental management of waste tyres and corporate social responsibility.

## Community investment

We care about the communities that we operate in and drive long term value creation that strengthens the health of the industries we serve. We are active participants in the development and growth of our digital community and cement our position as a digital leader by strengthening the digital ecosystem through establishing and contributing to industry initiatives.

## Reconciliation action

This year, the Australian business is proud to have published its first Reflect Reconciliation Action Plan (RAP) (available on our shareholder website), endorsed by Reconciliation Australia. carsales' vision for reconciliation is one where the divide and racial inequality that currently exists between First Nations Australians and other Australians is overcome. Our RAP lays the foundations for implementing meaningful reconciliation initiatives and strengthening our relationships with Aboriginal and Torres Strait Islander peoples, with the hope that it will assist with growing representation of First Nations peoples within the company. The path to reconciliation is not an easy one, but we see delivering on our RAP commitments as an important way that we can contribute to moving towards a reconciled Australia.



The custom artwork created for our RAP and shared here is titled 'Travelling on Country' and tells the story of carsales. This piece was created for us by Riki Salam from We Are 27 Creative. Riki was born and raised in Cairns on Yidinji Land. He now lives on Turrbul & Yaggera Country in Meanjin, Brisbane and is connected to the Torres Strait and Yalanji Country on his father's side and Ngai Tahu, South Island of New Zealand, on his mother's side.

This year our team have celebrated National Reconciliation Week and NAIDOC Week, attending both internal and external events and bringing First Nations guest speakers into the business to share their stories and experiences. The carsales RAP Working Group (RWG) meets bimonthly to discuss the implementation of RAP related initiatives and explore how carsales can continue to build meaningful relationships with First Nations communities. We have an existing partnership with the Aboriginal Carbon Foundation which we continue to nurture and are now looking at how we can support additional community ventures, particularly through our partnership with the Australian Football League team Sydney Swans. Other actions that the RWG are looking at include bringing more Aboriginal and Torres Strait Islander owned and operated businesses into our supply chain, volunteering opportunities for our team with First Nations organisations, and providing additional educational opportunities and cultural awareness training to employees.

### Community partnerships

As a business that is invested in the growth of the wider digital community, we remain a member of the Tech Council of Australia (TCA). TCA is the peak body helping to shape Australia's digital future and partnering with them is an opportunity for us to contribute meaningfully to Australia's prosperity in this sector. We continue to support the TCA across a range of initiatives aimed at growing the technology sector to generate more digital jobs and pathways into them.

To further support the growth of the digital sector, we continue to partner with several community organisations where we have identified opportunities to encourage a greater pipeline of talent into digital careers. In FY23 we:

- Supported CS in Schools – whose mission is to create sustainable change in Australian digital technical education by providing a complete DigiTech pathway for secondary students and developing teacher confidence in relation to delivering digital technology classes. We have been a partner of CS in Schools for over four years.

- Sponsored Go Girl, Go For IT for a fifth year – a program run by the Victorian ICT for Women network, an industry-driven initiative that aims to support and enable entry, retention and progression for women working in ICT. The Go Girl annual conference is for students in years 5-12 and represents an opportunity to showcase technology of the future and challenge misconceptions about what a career in IT might look like. In 2023, this event was attended by over 800 young women and carsales facilitated two workshops on the day.
- Participated in the Mercer x Tech Girls Co.Lab program – our team took part in a panel discussion focusing on connecting current and future STEM talent to inspire ideas and careers.
- Through our ongoing work with The Smith family, attended their Job Jump Expo at a local high school with the aim of inspiring students to take up technology electives and consider a career in technology.
- Continued to offer the carsales Women in STEM scholarship through the Swinburne University of Technology (please refer to the Diversity, Equity and Inclusion section of this report for more information on this).

### Employee giving and volunteering

We take a localised approach to supporting community across the markets in which we operate and some of our key FY23 initiatives are shared on the following page, including an overview of some of the organisations that our businesses support.

We are big advocates of giving back to our local communities, which is why we continue to provide our people with paid time off work to volunteer with causes that they care about. In FY23 carsales supported its Australian team to volunteer 861 hours (113.3 working days) with organisations all over the country including headspace, The Smith Family, Go Girl Go For IT, Motorsport Australia's Girls On Track, Foodbank Australia, Foodbank Victoria, Our Big Kitchen, FareShare, Sailing Lifts Your Spirits, St Kilda Mums, Food For Change, Clean Up Australia and Backpacks 4 SA Kids.

# Our responsible business practices continued

## Australia



This year carsales launched carsales Gives, an employee giving platform that allows our people to donate directly to charity. Employees can choose to support one of the charities that carsales has chosen to partner with and have their donations matched dollar for dollar. Alternatively, a charity of their choice can be added to the platform and their donations are matched 50c to the dollar – up to our overall annual company cap of \$40,000. Some of the charities that our people are supporting via carsales Gives include The Smith Family, headspace, the Indigenous Literacy Foundation, RizeUp and the Australian Wildlife Conservancy.

## United States



Trader Interactive has a passion for supporting organisations that are focused on supporting women and children in vulnerable communities where hunger and homelessness exists. They have an annual workplace giving campaign that takes place to support United Way of South Hampton Roads – an organisation that teams up with individuals as well as corporate, community and non-profit partners to solve problems in the Virginia Beach district relating to poverty, hunger, homelessness and domestic violence. The team volunteer with United Way as well as with the Judeo-Christian Outreach Center, who offer hunger relief and housing programs to vulnerable community members.

## Brazil



webmotors has three key charities that they have partnered with for many years both through volunteering and financial donations. These charities are:

- Entre Rodas – a human rights organisation that aims to empower girls and women and develops actions to prevent violence and the violation of the rights of children and adolescents, including those with disabilities.
- Centro Educacional Assistencial Profissionalizante – a not-for-profit that offers vocational training to socially vulnerable young people and assists them to complete their education.
- Programa Amigo de Valor – an initiative of Santander Bank, with a range of programs focused on preventing the mistreatment, neglect, child labor, abuse and sexual exploitation of vulnerable children and adolescents across Brazil.

## Chile



The key focus areas for Chileautos is disaster relief and education. Chileautos financially supports a range of causes in response to natural disasters when they occur in-country. They partner with Desafío Levantemos Chile Foundation which is an organisation based in Santiago that supports communities who are experiencing emergency situations.

Our Chilean team also volunteer their time with two educational institutes, Universidad del Desarrollo and DUOC UC Institute. They spend time with students and give them business projects to work on which provide real-life workplace experiences to better prepare them for the move into a professional environment.

# Appendices

## Consolidated ESG data table

<b>carsales ESG data</b>	<b>FY23</b>	<b>FY22</b>	<b>FY21</b>
<b>Operational profile (Global)</b>			
Markets operated in (number) <sup>1</sup>	<b>10</b>	10	9
Total online user sessions (number) <sup>2</sup>	<b>1.2bn</b>	1.3bn	1.1bn
Total unique audience (number) <sup>3</sup>	<b>47m</b>	46m	36m
Total vehicles online (number) <sup>4</sup>	<b>2.2m</b>	2.1m	672,000
Total subscribed dealers (number) <sup>5</sup>	<b>46,000</b>	46,000	36,000
Total cars inspected (number) <sup>6</sup>	<b>507,000</b>	469,000	387,000
Dealer leads (number) <sup>7</sup>	<b>22m</b>	22m	17m
Adjusted revenue (AUD) <sup>8</sup>	<b>781m</b>	510m	438m
Dividends declared (AUD)	<b>0.61</b>	0.50	0.475

1. Countries of operation

2023 Australia, Chile, Mexico, Brazil, United States, South Korea, Thailand, Malaysia, China, New Zealand  
 2022 Australia, Chile, Mexico, Brazil, United States, South Korea, Thailand, Malaysia, China, New Zealand  
 2021 Australia, Chile, Mexico, Brazil, South Korea, Thailand, Malaysia, China, New Zealand

2. Refers to user sessions on websites across the following regions:

2023 Australia, South Korea, United States, Brazil, Mexico, and Chile Jul 22 – Jun 23  
 2022 Australia, South Korea, United States, Brazil, Mexico, and Chile Jul 21 – Jun 22  
 2021 Australia, South Korea, Brazil, Mexico, Argentina and Chile Jul 20 – Jun 21

3. Refers to average monthly unique audience across the following sites:

2023 Australia, South Korea, United States, Brazil, Mexico, and Chile Jul 22 – Jun 23  
 2022 Australia, South Korea, United States, Brazil, Mexico, and Chile Jul 21 – Jun 22  
 2021 Australia, South Korea, Brazil, Mexico, Argentina and Chile Jul 20 – Jun 21

4. Refers to inventory across the following sites:

2023 Australia, South Korea, United States, Brazil, Mexico, and Chile as at 30 Jun 23  
 2022 Australia, South Korea, United States, Brazil, Mexico, and Chile as at 30 Jun 22  
 2021 Australia, South Korea, Brazil, Mexico, Argentina and Chile as at 30 Jun 21

Note: Inventory reduced in FY21 due to COVID impacts and global inventory constraints. FY22 included Trader Interactive as noted above.

5. Refers to Dealer count across the following sites:

2023 Australia, South Korea, United States, Brazil, Mexico, and Chile as at 30 Jun 23  
 2022 Australia, South Korea, United States, Brazil, Mexico, and Chile as at 30 Jun 22  
 2021 Australia, South Korea, Brazil, Mexico, Argentina and Chile as at 30 Jun 21

6. All FYs, carsales internal data, cars inspected for 1 Jul – 30 Jun in respective period. Covers vehicles inspected by Encar and Redbook Inspect.

7. Refers to leads on dealer vehicles across the following sites:

2023 Australia, South Korea, United States, Brazil, Mexico, and Chile Jul 22 – Jun 23  
 2022 Australia, South Korea, United States, Brazil, Mexico, and Chile Jul 21 – Jun 22  
 2021 Australia, South Korea, Brazil, Mexico, Argentina and Chile Jul 20 – Jun 21

8. 2022 Adjusted Revenue excludes COVID-19 support rebate provided to dealers

2021 Adjusted Revenue excludes COVID-19 support rebate provided to dealers

# Appendices continued

<b>carsales ESG data</b>	<b>FY23<sup>6</sup></b>	<b>FY22</b>	<b>FY21</b>
<b>Environmental (Australia)<sup>1</sup></b>			
Total Scope 1 emissions (t CO2e) <sup>2</sup>	185.6	194.3	
Total Scope 2 emissions (t CO2e) <sup>3</sup>	487	622.3	
Total Scope 1 and 2 emissions (t CO2e)	672.6	816.6	
Total Scope 3 emissions (t CO2e) <sup>4</sup>	7,016.9	3,324.6	
Total Scope 1, 2 and 3 emissions (t CO2e)	7,689.50	4,141.10	
Achieve and maintain carbon neutrality	Maintained	Achieved	
GHG emission intensity (tCO2-e) (Scope 1 & 2)	0.9	1.2	
GHG emission intensity (tCO2-e) (Full Scope)	10.4	6	
Waste to landfill (tonnes) <sup>5</sup>	118.6	42.6	
Waste recycled (tonnes) <sup>5</sup>	87	11.3	
Waste recycled (percent)	42%	21%	

1. Emissions data is for Australia only and prepared one year in arrears. FY22 is now the baseline for the Australian emissions reduction strategy. We intend to expand to measurement of our international operations in FY24.
2. Transport fuel, refrigerants.
3. Purchased electricity.
4. Equipment, employee commute, working from home, flights, third-party services, food and beverage, landfill, transmission and distribution losses, fuel extraction, production and distribution losses, other utilities, base building services.
5. Waste data is for Australia only and prepared one year in arrears. Increase in waste volume from FY21 to FY22 is attributable to employee return to offices post-pandemic, the Australian workforce spent a significant proportion of FY21 working exclusively from home.
6. As environmental data is prepared in arrears, FY23 information is not yet available.

<b>carsales ESG data</b>	<b>FY23</b>	<b>FY22</b>	<b>FY21</b>
<b>Social</b>			
<b>Customer</b>			
Customer satisfaction score (Australia) <sup>1</sup>	<b>58%</b>	65%	
Customer trust metric (Australia) <sup>2</sup>	<b>63%</b>	63%	65%
System reliability for customers (Global) <sup>3</sup>	<b>&gt;99.9%</b>	>99.9%	>99.9% <sup>4</sup>
Revenue invested into IT and innovation (Global)	<b>8%</b>	7%	7.6%

1. Commercial customer satisfaction is a measure of satisfaction of the Australian carsales dealer network.
2. Minimum consumer trust metric is determined through our externally supported carsales brand health tracker.
3. Proportion of time our websites were fully accessible to customers.
4. Australia, Chile, Mexico only during FY21.

<b>People</b>			
<b>Employee profile</b>			
Total employees (FTE)	<b>1808</b>	1738	
Australia	<b>748.5</b>	738.0	
USA	<b>379.0</b>	358.0	
South Korea	<b>391.0</b>	350.0	
Brazil	<b>158.0</b>	141.0	
Chile	<b>74.0</b>	69.0	
Mexico	<b>25.0</b>	50.0	
New Zealand	<b>9.8</b>	10.0	
Thailand	<b>10.0</b>	9.0	
China	<b>8.0</b>	8.0	
Malaysia	<b>5.0</b>	5.0	

**carsales ESG data**

	FY23	FY22	FY21
<b>Gender diversity (percent)</b>			
Global			
Male	60.9		
Female	39		
Gender diverse	0.1		
Australia			
Male	66.9		
Female	33		
Gender diverse	0.1		
USA			
Male	51		
Female	49		
South Korea			
Male	67		
Female	33		
Brazil			
Male	55		
Female	45		
Chile			
Male	64		
Female	36		
Mexico			
Male	52		
Female	48		
New Zealand			
Male	70		
Female	30		
Thailand			
Male	50		
Female	50		
China			
Male	62		
Female	38		
Malaysia			
Male	60		
Female	40		
<b>Voluntary turnover (percent)</b>			
Australia	14		
USA	13.5		
South Korea	26		
Brazil	12		
Chile	8		
Mexico	66		
New Zealand	0		
Thailand	0		
China	12.5		
Malaysia	17		

## Appendices continued

<b>carsales ESG data</b>	<b>FY23</b>	<b>FY22</b>	<b>FY21</b>
<b>Parental leave</b>			
Australia			
Employees entitled to parental leave (number)	<b>763</b>	725	
Employees that took parental leave (female)	<b>17</b>	24	
Employees that took parental leave (male)	<b>25</b>	37	
Return to work retention rates of employees taking parental leave (female, percent)	<b>100%</b>	92%	
Return to work retention rates of employees taking parental leave (male, percent)	<b>100%</b>	100%	
USA			
Employees entitled to parental leave (number)	<b>452</b>		
Employees that took parental leave (female)	<b>4</b>		
Employees that took parental leave (male)	<b>4</b>		
Return to work retention rates of employees taking parental leave (female, percent)	<b>100%</b>		
Return to work retention rates of employees taking parental leave (male, percent)	<b>100%</b>		
South Korea			
Employees entitled to parental leave (number)	<b>302</b>		
Employees that took parental leave (female)	<b>4</b>		
Employees that took parental leave (male)	<b>3</b>		
Return to work retention rates of employees taking parental leave (female, percent)	<b>100%</b>		
Return to work retention rates of employees taking parental leave (male, percent)	<b>100%</b>		
Brazil			
Employees entitled to parental leave (number)	<b>201</b>		
Employees that took parental leave (female)	<b>5</b>		
Employees that took parental leave (male)	<b>6</b>		
Return to work retention rates of employees taking parental leave (female, percent)	<b>100%</b>		
Return to work retention rates of employees taking parental leave (male, percent)	<b>100%</b>		
Chile			
Employees entitled to parental leave (number)	<b>87</b>		
Employees that took parental leave (female)	<b>2</b>		
Employees that took parental leave (male)	<b>0</b>		
Return to work retention rates of employees taking parental leave (female, percent)	<b>100%</b>		
Return to work retention rates of employees taking parental leave (male, percent)	<b>n/a</b>		
Mexico			
Employees entitled to parental leave (number)	<b>61</b>		
Employees that took parental leave (female)	<b>2</b>		
Employees that took parental leave (male)	<b>0</b>		
Return to work retention rates of employees taking parental leave (female, percent)	<b>100%</b>		
Return to work retention rates of employees taking parental leave (male, percent)	<b>n/a</b>		

<b>carsales ESG data</b>	<b>FY23</b>	<b>FY22</b>	<b>FY21</b>
<b>Health and safety<sup>1</sup></b>			
Global			
Occupational health and safety system coverage (employees, percent)	<b>100%</b>	100%	
Occupational health and safety system coverage (non-employees, percent)	<b>100%</b>	100%	
Percentage of workers excluded from an occupational health and safety system	<b>0%</b>	0%	
Fatalities from work-related injury (employees, number)	<b>0</b>	0	
Fatalities from work-related injury (non-employees, number)	<b>0</b>	0	
High consequence work-related injuries (except fatalities, employees, number)	<b>0</b>	0	
High consequence work-related injuries (except fatalities, non-employees, number)	<b>0</b>	0	
Recordable work-related injuries (employees, number)	<b>11</b>	2	
Recordable work-related injuries (non-employees, number)	<b>0</b>	0	
Type of work-related injury (employees)	<b>Musculo-skeletal, soft tissue, commute related traffic accidents</b>	Mental health, shoulder injury	
Type of work-related injury (non-employees)	<b>0</b>	n/a	
Work-related hazards that pose a risk of high-consequence injury (employees)	<b>None identified</b>	None identified	
Work-related hazards that pose a risk of high-consequence injury (non-employees)	<b>None identified</b>	None identified	
<b>Discrimination (Global)</b>			
Total incidents of discrimination (number) <sup>1</sup>	<b>0</b>	0	
<b>Training and education (Global)</b>			
Employees receiving regular performance and career development reviews (percent)	<b>100%</b>	100%	
Employees attending formalised training sessions and professional development workshops (number)	<b>1,384 (FTE)<sup>2</sup></b>	2,191 (total attendees) <sup>3</sup>	
Training sessions and professional development workshops (hours)	<b>5,253</b>	3,125	

1. Discrimination data excludes Brazil as this market has only come under operational control toward the end of the financial year under review.
2. Only the FTE for the businesses who have reported training hours have been included in this calculation (carsales Australia, Trader Interactive, webmotors, Chileautos, Soloautos).
3. This number is actual attendees of all internal training sessions run in Australia and includes duplications whereby employees attended multiple training sessions over the course of the year.

<b>carsales ESG data</b>	<b>FY23</b>	<b>FY22</b>	<b>FY21</b>
<b>Governance</b>			
Employee completion of mandatory training (percent)	<b>99</b>	98	
Reportable data breaches (number)	<b>0</b>	0	
Modern slavery occurrences in supply chain	<b>0</b>	0	
Whistleblowing claims made and closed (number) <sup>1</sup>	<b>0</b>	0	

1. Whistleblowing data excludes Brazil as this market has only come under operational control toward the end of the financial year under review.

# Appendices continued

## GRI Index

<b>Standard</b>	<b>Indicator number</b>	<b>Description</b>	<b>carsales response</b>
General disclosures	2-1	Organisational details	carsales.com Limited; About carsales
General disclosures	2-2	Entities included in the organisation's sustainability reporting	About carsales
General disclosures	2-3	Reporting period, frequency and contact point	About this report
General disclosures	2-4	Restatements of information	No restatements in FY23
General disclosures	2-5	External assurance	An external sampling audit was undertaken on our carbon emissions data, and we worked with an external provider to validate our materiality and reporting approach.
General disclosures	2-6	Activities, value chain and other business relationships	About carsales
General disclosures	2-7	Employees	Our people report section; Consolidated ESG scorecard (Social)
General disclosures	2-8	Workers who are not employees	Consolidated ESG scorecard (Social)
General disclosures	2-9	Governance structure and composition	carsales Corporate Governance Statement FY23
General disclosures	2-10	Nomination and selection of the highest governance body	carsales Corporate Governance Statement FY23; Procedure for Appointing Directors; People & Culture Committee Charter
General disclosures	2-11	Chair of the highest governance body	carsales Corporate Governance Statement FY23
General disclosures	2-12	Role of the highest governance body in overseeing management of impacts	carsales Corporate Governance Statement FY23; Responsible business practices, Corporate governance
General disclosures	2-13	Delegation of responsibility for managing impacts	carsales Corporate Governance Statement FY23; Responsible business practices, Corporate governance
General disclosures	2-14	Role of the highest governance body in sustainability reporting	carsales Corporate Governance Statement FY23; Responsible business practices, Corporate governance
General disclosures	2-15	Conflicts of interest	carsales Corporate Governance Statement FY23
General disclosures	2-16	Communication of critical concerns	carsales Corporate Governance Statement FY23
General disclosures	2-17	Collective knowledge of the highest governance body	carsales Corporate Governance Statement FY23
General disclosures	2-18	Evaluation of the performance of the highest governance body	carsales Corporate Governance Statement FY23
General disclosures	2-19	Remuneration policies	carsales Annual Report FY23; Remuneration report; Corporate Governance Statement FY23; People and Culture Committee Charter
General disclosures	2-20	Process to determine remuneration	carsales Annual Report FY23; Remuneration report; Corporate Governance Statement FY23; People and Culture Committee Charter
General disclosures	2-21	Annual total compensation ratio	carsales Annual Report FY23; Remuneration report; Corporate Governance Statement FY23; People and Culture Committee Charter
		CEO Fixed Rem	1,650,000
		Median Fixed Rem	114,517
		Ratio	0.07:1

<b>Standard</b>	<b>Indicator number</b>	<b>Description</b>	<b>carsales response</b>
General disclosures	2-22	Statement on sustainable development strategy	Our approach to sustainability
General disclosures	2-23	Policy commitments	Responsible business practices, Corporate governance
General disclosures	2-24	Embedding policy commitments	Responsible business practices, Corporate governance
General disclosures	2-25	Processes to remediate negative impacts	Responsible business practices, Corporate governance
General disclosures	2-26	Mechanisms for seeking advice and raising concerns	Responsible business practices, Ethics and integrity
General disclosures	2-27	Compliance with laws and regulations	Responsible business practices, Corporate governance No significant instances of non-compliance, and no fines or non-monetary sanctions incurred in FY23 for controlled entities.
General disclosures	2-28	Membership associations	Our approach to sustainability
General disclosures	2-29	Approach to stakeholder engagement	Our approach to sustainability
General disclosures	2-30	Collective bargaining agreements	carsales does not have any employees on collective bargaining agreements as these are not common in our industry. Employees are engaged under individual contracts in predominantly professional roles. We determine the working conditions and terms of employment for our people based on the employment and labour laws of the individual markets that we operate in and in which our people reside and work.
General disclosures	3-1	Process to determine material topics	Our approach to sustainability
General disclosures	3-2	List of material topics	Our approach to sustainability
General disclosures	3-3	Management of material topics	Our approach to sustainability
Economic performance	201	Topic management disclosures	carsales Annual Report FY23
Economic performance	201-1	Direct economic value generated and distributed	carsales Annual Report FY23
Economic performance	201-2	Financial implications and other risks and opportunities	carsales Annual Report FY23; TCFD report
Economic performance	201-4	Financial assistance received from the government	carsales did not receive financial assistance in any of our countries of operation during the reporting period, nor do we have government participation in our structures.
Market Presence	202	Topic management disclosures	About carsales
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	In Australia, we adhere to national minimum wage and award requirements. All of our employees are paid above the minimum wage and where employees are covered by a modern award, this is reviewed annually to ensure we are paying compliantly with the relevant award. In addition to ensuring we are paying employees compliantly with legislation, we also seek to pay people market competitive remuneration for their role and level of experience. To do this we participate in remuneration benchmarking surveys with a third party. Each quarter we provide our salary data and in turn analyse our benchmark rates for all positions.

## Appendices continued

<b>Standard</b>	<b>Indicator number</b>	<b>Description</b>	<b>carsales response</b>
Market Presence	202-2	Proportion of senior management hired from the local community	97% of senior management has been hired from the local community. 'Senior management' is defined as our global Executive Leadership Team (ELT) members and the Australia-based senior managers who report to them. 'Local' community refers to people living within the countries where we have operations. Our ELT comprises members representing our businesses in Australia, South Korea, Brazil, Chile, and the United States and, for the purposes of this definition, those countries define our 'significant locations of operation'. From FY24 we intend to include all senior managers globally who report to a member of the global Executive Leadership Team in this figure.
Procurement practices	204	Topic management disclosures	Responsible business practices, Ethics and integrity; Modern slavery
Anti-corruption	205	Topic management disclosures	Responsible business practices, Corporate governance, Ethics and integrity; Modern slavery
Anti-corruption	205-2	Communications and training about anti-corruption policies and procedures	carsales takes a zero-tolerance approach to bribery and corruption. It is required that everyone conduct business in a manner that is compliant with anti-bribery and anti-corruption laws in all relevant jurisdictions. This is communicated to our employees via our Global Code of Conduct and Global Human Rights Policy which has been rolled out to all businesses. New starters are required to read and acknowledge these policies at the time of hire. Both of these policies are available on our shareholder website.
Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	No confirmed instances of corruption detected in FY23
Anti-competitive behaviour	206	Topic management disclosures	Responsible business practices, Corporate governance
Anti-competitive behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practice	No instances of legal actions for anti-competitive behaviour, anti-trust and monopoly practice in FY23
Tax	207	Topic management disclosures	Responsible business practices, Taxation
Tax	207-1	Approach to tax	Responsible business practices, Taxation
Tax	207-2	Tax governance, control and risk management	Responsible business practices, Taxation
Energy	302	Topic management disclosures	carsales Annual Report FY23; TCFD report Responsible business practices, Emissions and climate change action
Energy	302-1	Energy consumption within the organisation	carsales Annual Report FY23; TCFD report Responsible business practices, Emissions and climate change action
Energy	302-4	Reduction of energy consumption	carsales Annual Report FY23; TCFD report Responsible business practices, Emissions and climate change action
Emissions	305	Topic management disclosures	carsales Annual Report FY23; TCFD report Responsible business practices, Emissions and climate change action
Emissions	305-1	Direct (Scope 1) GHG emissions	carsales Annual Report FY23; TCFD report Responsible business practices, Emissions and climate change action Consolidated ESG scorecard (Environmental)
Emissions	305-2	Energy indirect (Scope 2) GHG emissions	carsales Annual Report FY23; TCFD report Responsible business practices, Emissions and climate change action Consolidated ESG scorecard (Environmental)

<b>Standard</b>	<b>Indicator number</b>	<b>Description</b>	<b>carsales response</b>
Emissions	305-3	Other indirect (Scope 3) GHG emissions	carsales Annual Report FY23; TCFD report Responsible business practices, Emissions and climate change action Consolidated ESG scorecard (Environmental)
Emissions	305-4	GHG emissions intensity	carsales Annual Report FY23; TCFD report Responsible business practices, Emissions and climate change action Consolidated ESG scorecard (Environmental)
Emissions	305-5	Reduction of GHG emissions	carsales Annual Report FY23; TCFD report Responsible business practices, Emissions and climate change action Consolidated ESG scorecard (Environmental)
Waste	306	Topic management disclosures	Responsible business practices, Waste and e-waste management
Waste	306-1	Waste generation and significant waste-related impacts	Responsible business practices, Waste and e-waste management; TCFD Report
Waste	306-3	Waste generated	Responsible business practices, Waste and e-waste management; TCFD Report
Environmental compliance	307	Topic management disclosures	Responsible business practices, Emissions and climate change action, Waste and e-waste management
Environmental compliance	307-1	Non-compliance with environmental laws and regulations	carsales has not identified any non-compliance with environmental laws and/or regulations, nor has it incurred any fines or non-monetary sanctions for the same during the reporting period.
Supplier environmental assessment	308	Topic management disclosures	Responsible business practices, Ethics and integrity
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	68 new suppliers of the Australian business were screened using environmental criteria
Employment	401	Topic management disclosures	Our people
Employment	401-1	New employee hires and employee turnover	Our people; Consolidated ESG scorecard (Social) Number of new hires by gender and age Australia 168 (M=116, F=52, <30yo=61, 30-50yo=104, >50yo=3) USA 90 (M=61, F=29, <30yo=17, 30-50yo=58, >50yo=15) South Korea 156 (M=104, F=52, <30yo=87, 30-50yo=69, >50yo=0) Brazil 101 (M=50, F=51, <30yo=16, 30-50yo=83, >50yo=2) Chile 18 (M=11, F=7, <30yo=6, 30-50yo=12, >50yo=0) Mexico 6 (M=4, F=2, <30yo=1, 30-50yo=5, >50yo=0) New Zealand 1 (M=0, F=1, <30yo=0, 30-50yo=1, >50yo=0) Thailand 2 (M=1, F=1, <30yo=0, 30-50yo=2, >50yo=0) China 1 (M=1, F=0, <30yo=1, 30-50yo=0, >50yo=0) Malaysia 1 (M=1, F=0, <30yo=1, 30-50yo=0, >50yo=0)
Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our people; Consolidated ESG scorecard (Social)
Employment	401-3	Parental leave	Our people; Consolidated ESG scorecard (Social)
Labour management relations	402	Topic management disclosures	Our people
Labour management relations	402-1	Minimum notice periods regarding operational changes	carsales always aims to provide as much notice as possible when consulting with employees regarding workplace change and we follow any Australian Modern Award requirements in relation to this. Overall, we aim to provide a minimum of one week's notice, but we will often provide more than that (2-4 weeks).

## Appendices continued

<b>Standard</b>	<b>Indicator number</b>	<b>Description</b>	<b>carsales response</b>												
Occupational health and safety	403	Topic management disclosures	Our people, Health, safety and wellbeing												
Occupational health and safety	403-1	Occupational health and safety management system	Our people, Health, safety and wellbeing												
Occupational health and safety	403-2	Hazard identification, risk assessment, and incident investigation	Our people, Health, safety and wellbeing												
Occupational health and safety	403-3	Occupational health services	Our people, Health, safety and wellbeing												
Occupational health and safety	403-4	Worker participation, consultation, and communication on occupational health and safety	Our people, Health, safety and wellbeing; Consolidated ESG scorecard (Social)												
Occupational health and safety	403-5	Worker training on occupational health and safety	Our people, Health, safety and wellbeing; Consolidated ESG scorecard (Social)												
Occupational health and safety	403-6	Promotion of worker health	Our people, Health, safety and wellbeing												
Occupational health and safety	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our people, Health, safety and wellbeing												
Occupational health and safety	403-8	Workers covered by an occupational health and safety management system	Our people, Health, safety and wellbeing; Consolidated ESG scorecard (Social)												
Occupational health and safety	403-9	Work-related injuries	Our people, Health, safety and wellbeing; Consolidated ESG scorecard (Social)												
Occupational health and safety	403-10	Work-related ill health	Our people, Health, safety and wellbeing; Consolidated ESG scorecard (Social)												
Training and education	404	Topic management disclosures	Our people, Training and career development												
Training and education	404-1	Average hours of training per year per employee	Our people, Training and career development; Consolidated ESG scorecard (Social)												
Training and education	404-2	Programs for upgrading employee skills and transition assistance programs	Our people, Training and career development; Consolidated ESG scorecard (Social)												
Training and education	404-3	Percentage of employees receiving regular performance and career development reviews	Our people, Training and career development; Consolidated ESG scorecard (Social); 100% of our global team are subject to regular performance and career development reviews, at minimum annually.												
Diversity and equal opportunity	405	Topic management disclosures	Our people, Diversity, equity and inclusion												
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	Board diversity is outlined in the FY23 Corporate Governance Statement. Employee diversity is outlined in Our people, Diversity, equity and inclusion												
Diversity and equal opportunity	405-2	Ratio of basic salary and remuneration of women to men	Our people, Gender pay equality												
<b>Average Base Pay (Australia)</b>															
<table border="1"> <thead> <tr> <th></th> <th><b>Female</b></th> <th><b>Male</b></th> <th><b>Ratio</b></th> </tr> </thead> <tbody> <tr> <td>Management</td> <td>304,640</td> <td>294,211</td> <td>1.04:1</td> </tr> <tr> <td>Non-management</td> <td>109,550</td> <td>118,085</td> <td>0.93:1</td> </tr> </tbody> </table>					<b>Female</b>	<b>Male</b>	<b>Ratio</b>	Management	304,640	294,211	1.04:1	Non-management	109,550	118,085	0.93:1
	<b>Female</b>	<b>Male</b>	<b>Ratio</b>												
Management	304,640	294,211	1.04:1												
Non-management	109,550	118,085	0.93:1												
Non-discrimination	406	Topic management disclosures	Our responsible business practices with, Anti-discrimination												
Incidents of discrimination and corrective actions taken	406-1	Incidents of discrimination and corrective actions taken	Consolidated ESG scorecard (Social)												

<b>Standard</b>	<b>Indicator number</b>	<b>Description</b>	<b>carsales response</b>
Freedom of association and collective bargaining	407	Topic management disclosures	Collective agreements are not commonplace in the industry in which carsales operates, as employees are engaged under individual contracts in predominantly professional roles. However, our employees are not restricted in their entitlement to freedom of association.
Child labour	408	Topic management disclosures	Our responsible business practices, Modern slavery
Child labour	408-1	Operations and suppliers at significant risk for incidents of child labour	None identified in FY23
Forced or compulsory labour	409	Topic management disclosures	Our responsible business practices, Modern slavery
Forced or compulsory labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	None identified in FY23
Rights of Indigenous people	411	Topic management disclosures	Our responsible business practices, Community investment
Human rights assessment	412	Topic management disclosures	Our responsible business practices, Ethics and integrity, Modern slavery
Human rights assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	68 new suppliers of the Australian business were screened using human rights criteria
Human rights assessment	412-2	Employee training on human rights policies or procedures	Our responsible business practices, Ethics and integrity, Modern slavery
Human rights assessment	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Our responsible business practices, Ethics and integrity, Modern slavery
Local communities	413	Topic management disclosures	Our responsible business practices, Community investment
Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	Our responsible business practices, Community investment
Supplier social assessment	414	Topic management disclosures	Our responsible business practices, Ethics and integrity
Supplier social assessment	414-1	New suppliers that were screened using social criteria	68 new suppliers of the Australian business were screened using social criteria
Supplier social assessment	414-2	Negative social impacts in the supply chain and actions taken	None identified in FY23
Public policy	415	Topic management disclosures	Our responsible business practices, Ethics and integrity
Public policy	415-1	Political contributions	No political contributions in FY23
Marketing and labelling	417	Topic management disclosures	Our responsible business practices, Ethics and integrity
Marketing and labelling	417-1	Incidents of non-compliance concerning product and service information and labelling	carsales has not identified any incidents of non-compliance concerning product and service information and labelling during the reporting period.
Marketing and labelling	417-2	Incidents of non-compliance concerning marketing communications	carsales has not identified any incidents of non-compliance concerning marketing communications during the reporting period.
Customer privacy	418	Topic management disclosures	Our customers, Trust and privacy
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero reportable data breaches in FY23

## Appendices continued

<b>Standard</b>	<b>Indicator number</b>	<b>Description</b>	<b>carsales response</b>
Socio-economic compliance	419	Topic management disclosures	Our responsible business practices, Ethics and integrity
Socio-economic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	carsales has not identified any non-compliance with relevant laws and/or regulations, nor has it incurred any fines or non-monetary sanctions for the same during the reporting period.

## SASB index

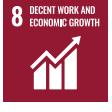
<b>Topic</b>	<b>Indicator code</b>	<b>Description and accounting metrics</b>	<b>carsales response</b>
<b>Environmental footprint of hardware infrastructure</b>	TC-IM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Environmental footprint data included in Emissions and climate change action section page 59, in addition to TCFD reporting included in carsales Annual Report FY23. Data is reported one year in arrears.
	TC-IM-130a.2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	As an office based and online business, water usage is not material for carsales. As such, we do not report on water consumption.
	TC-IM-130a.3	Discussion of the integration of environmental considerations into strategic planning for data centre needs	carsales leverages cloud-based suppliers and does not own or operate a data centre.
<b>Data privacy, advertising standards and freedom of expression</b>	TC-IM-220a.1	Description of policies and practices relating to behavioural advertising and user privacy	A description of carsales' policies and practices relating to behavioural advertising and user privacy is included under the Responsible business practices section of this report from page 50.
	TC-IM-220a.2	Number of users whose information is used for secondary purposes	This information is not currently tracked.
	TC-IM-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	No monetary losses as a result of legal proceedings associated with user privacy recorded in FY23.
	TC-IM-220a.4	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	This information is not currently tracked.
	TC-IM-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Zero. carsales operates in ten markets and there are no instances of government-required monitoring, blocking, content filtering, or censoring in these markets.
	TC-IM-220a.6	Number of government requests to remove content, percentage compliance with requests	No government requests were made to remove content in FY23.
<b>Data security</b>	TC-IM-230a.1	1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Zero reportable data breaches in FY23.
	TC-IM-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	A description of carsales cybersecurity and data protection approach is included under the Responsible business practices section of this report from page 60.

<b>Topic</b>	<b>Indicator code</b>	<b>Description and accounting metrics</b>	<b>carsales response</b>
<b>Employee recruitment, inclusion and performance</b>	TC-IM-330a.1	Percentage of employees that are foreign nationals	Carsales operates in ten markets and we employ locally in these markets. Detail is included in the Social section of the consolidated data table on page 64.
	TC-IM-330a.2	Employee engagement as a percentage	Breakdown of employees that are foreign nationals Australia 5% New Zealand 0% Malaysia 0% Thailand 0% China 0% United States 0.01% South Korea 0% Brazil 0% Chile 20% Mexico 0%
	TC-IM-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Our global employee engagement score is 73% in FY23. Further detail is included in the Our people section of the report on page 24.  73% global average 77% carsales Australia
<b>Intellectual property protection and competitive behaviour</b>	C-IM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulations	carsales tracks employee gender; detail is included in the Social section of the consolidated data table on page 64. Employees are not required to provide demographic data regarding their race or ethnicity, however we do employ locally across our markets of operation.  Australia Management (73% M, 27% F); Non-management (64.9% M, 35% F, 0.1% gender diverse) New Zealand Management (50% M, 50% F); Non-management (83% M, 17% F) Malaysia Management (100% M, 0% F); Non-management (50% M, 50% F) Thailand Management (50% M, 50% F); Non-management (50% M, 50% F) China Management (50% M, 50% F); Non-management (67% M, 33% F) United States Management (48% M, 52% F); Non-management (52% M, 48% F) South Korea Management (70% M, 30% F); Non-management (67% M, 33% F) Brazil Management (62% M, 38% F); Non-management (55% M, 45% F) Chile Management (43% M, 57% F); Non-management (66% M, 34% F) Mexico Management (75% M, 25% F); Non-management (51% M, 49% F)

## Appendices continued

Topic	Indicator code	Description and accounting metrics	<b>carsales response</b>
Activity metrics	TC-IM-000.A	User defined measure of user activity	A range of activity measures are included in the Operational profile section of the consolidated data table on page 63.
	TC-IM-000.B	(1) Data processing capacity, (2) percentage outsourced	Our operational systems and technology supporting our customer products are 100% cloud based, managed by external suppliers.
	TC-IM-000.C	(1) Amount of data storage, (2) percentage outsourced	Our data storage is 100% cloud based, hosted by external suppliers.

### SDG index

SDG	SDG description	Aligned targets	<b>carsales contribution to SDGs</b>
<b>4 Quality Education</b> 	Ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all	<p>4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university</p> <p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p> <p>4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations</p>	<p>Our people</p> <ul style="list-style-type: none"> <li>Talent attraction and retention</li> <li>Diversity, equity and inclusion</li> </ul>
<b>5 Gender Equality</b> 	Achieve gender equality and empower all girls	<p>5.1 End all forms of discrimination against all women and girls everywhere</p> <p>5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation</p> <p>5.4 Recognise and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate</p> <p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p>	<p>Our people</p> <ul style="list-style-type: none"> <li>Diversity, equity and inclusion</li> <li>Gender pay equity</li> </ul>
<b>8 Decent Work and Economic Growth</b> 	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<p>8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour intensive-sectors</p> <p>8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium sized enterprises, including through access to financial services</p> <p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p>	<p>Our customers</p> <ul style="list-style-type: none"> <li>Innovation</li> </ul>

SDG	SDG description	Aligned targets	carsales contribution to SDGs
<b>8 Decent Work and Economic Growth (continued)</b>	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<p>8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, <u>and by 2025 end child labour in all its forms</u></p>	Our customers • Innovation
<b>10 Reduced Inequalities</b>	Reduce inequality within and among countries	<p>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p> <p>10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p> <p>10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard</p> <p>10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality</p>	Responsible business practices • Our community • Corporate governance
<b>12 Responsible Consumption and Production</b>	Ensure sustainable consumption and production patterns	<p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p> <p>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p> <p>12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature</p>	Responsible business practices • Emissions and climate action including influence on customers • Waste and e-waste management
<b>13 Climate Action</b>	Take urgent action to combat climate change and its impact	<p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	
<b>16 Peace, Justice and Strong Institutions</b>	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<p>16.5 Substantially reduce corruption and bribery in all their forms</p> <p>16.6 Develop effective, accountable and transparent institutions at all levels</p> <p>16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels</p>	Responsible business practices • Corporative governance • Anti-discrimination • Modern slavery • Approach to tax

# Corporate Directory

## Directors

### **Pat O'Sullivan**

(Non-Executive Chair)

### **Cameron McIntyre**

(Managing Director and CEO)

### **Wal Pisciotta OAM**

(Non-Executive Director)

### **Kim Anderson**

(Non-Executive Director)

### **Edwina Gilbert**

(Non-Executive Director)

### **Kee Wong**

(Non-Executive Director)

### **David Wiadrowski**

(Non-Executive Director)

### **Susan Massasso**

(Non-Executive Director)

## Company secretary

Nicole Birman

## Registered office

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## Share registry

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[computershare.com](http://computershare.com)

## External auditor

PricewaterhouseCoopers

2 Riverside Quay Southbank Vic 3006

## Stock Exchange

[carsales.com](http://carsales.com) Ltd is a public company listed with the Australian Securities Exchange Limited

**ASX:** CAR



