

ESG REPORT
2021



LETTER FROM OUR CEO

At AUTO1, we are building the best way to buy and sell cars online. As the leading European used car platform, we take a leadership position when it comes to trading cars in an environmentally friendly way. By trading used cars in the most efficient manner, we accelerate the industry transition towards electric and hydrogen-powered cars and, at the same time, reduce the need to produce new cars by moving towards the circular economy we strive for.

We have a crucial role to play in creating a more sustainable and transparent automotive market in Europe. Helping the market transition towards a greener and more consumer-friendly future is one of the major factors driving our ambitions at AUTO1. We aspire to do the right thing and work hard to bring an unprecedented degree of transparency to the used car market. We offer our consumers the most transparent, fast and easy way to buy and sell used cars. Simultaneously, we provide transparency on our business by sharing as much relevant information as we can about our key non-financial metrics in this first-ever sustainability report.

Combating climate change requires all of us to take bold action. I believe that we must take responsibility for all the emissions we cause, whether directly or indirectly. That is why we are working with our partners towards reducing emissions across the entire supply chain, for example by continuously optimizing delivery routes and laying the groundwork for switching to emission-free trucks as soon as they become available for long-distance routes. Although we have already made significant progress, there is still much further to go to reach our goal of becoming a carbon neutral company by 2030, as detailed in this report.

I am firmly committed to ensuring that AUTO1 keeps advancing on its path of sustainability, transparency, and becoming an even better place to work for our amazing talent. These will be the central pillars of our future success.

Christian Bertermann

Chief Executive Officer and Co-Founder
AUTO1 Group SE



INTRODUCTION TO ESG REPORT

AUTO1 Group SE (hereinafter AUTO1 and / or Group) is Europe's leading online used car trading platform, operating as an e-commerce platform under the brand names AUTO1.com, WKDA with its sister brands, and Autohero. We are present in over 30 countries, have over 6,000 employees, and sold almost 600,000 vehicles in 2021. Please refer to the Group profile in the Combined Management Report within Section 3 of our Annual Report for a detailed description of our business model.



6,000+

Employees



30+

Countries



21

Countries
with offices



95

Unique
nationalities



3,000,000

Cars purchased and sold
from customers

Our Value Chain



The above model represents the AUTO1 value chain which underlines the uniqueness of our business as well as its potential to enable a circular economy. By analyzing our value chain, we have found both positive as well as negative sustainability impacts which we have developed throughout this Environmental, Social, and Governance (ESG) report.

Our Approach to Non-financial Reporting

This sustainability report has been drafted for the fiscal year 2021 in accordance with Sec. 289b (1) and (3) and Sec. 315b (1) and (3) HGB (German Commercial Code).

It further applies the EU's Regulation on the establishment of a framework to facilitate sustainable investment (the Taxonomy Regulation). Accordingly, we have disclosed the proportion of our turnover, capital expenditure (CapEx), and operating expenditure (OpEx) which is associated with environmentally sustainable economic activities. Please refer to our Environmental section for an overview of our Taxonomy KPIs.

In addition, we follow the Sustainability Accounting Standards Board (SASB) standard and its focus on Key Performance Indicators (KPIs), which we believe allows us to provide relevant material information and easily benchmarkable metrics that focus on issues impacting the health of the company.

The SASB standard classifies us as Sector Consumer Goods, Primary Industry Multiline & Speciality Retailer, and Distributor. Applying the SASB standard enables us to use the same rigor when producing our sustainability metrics as for our financial statements, allowing us to offer our shareholders, business partners, and the public a comprehensive overview of our non-financial metrics and performance, so that they can transparently assess our sustainability effort.

As we advance our mission to create the best way to buy and sell cars online, we acknowledge that the integration of sustainability considerations in our daily work is central to this goal and the sustainable growth of our company. We support the United Nations' 17 Sustainable Development Goals (SDGs) and integrate these into our strategic business decisions and daily operations. In line with the characteristics of our business model, our focus lies on the following three SDGs:

Regarding Environmental Topics: Climate Action (Goal 13)

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

Regarding Social Matters: Gender Equality (Goal 5)

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

Regarding Governance: Decent Work and Economic Growth (Goal 8)

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

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

Process Followed to Create Report

As the basis of our sustainability strategy and reporting, and to maximize the transparency around this process, we conducted a non-financial materiality assessment. Our aim was to evaluate how our business impacts the environment, social, and employee matters, and whether we meet the necessary risk management, compliance, and governance standards to address our legal requirements and ensure that we can successfully implement our sustainability strategy. As part of this assessment, we analyzed our business model and worked with internal and external stakeholders to highlight the main ways our business impacts these topics.

This analysis included both our strengths as well as potential weaknesses and risks which have informed our sustainability strategy, as well as the implementation of the ESG initiatives described throughout this report. This preliminary assessment was followed by in-depth internal discussions and deliberation led by our Management Board through the ESG Steering Committee. It involved our Purchasing, Sales, Real Estate, Logistics, Production, Legal and Compliance, Tax and Risk, and Accounting departments, involving stakeholders across multiple seniority levels and touched on a broad range of environmental, social and governance topics and aspects of our business, resulting in the following rating.

AUTO1 has the potential to play a key part of the circular economy in the automotive industry in Europe. We fulfill consumers' mobility needs by providing a transparent and easy way to both buy and sell used cars online, offering the widest selection of vehicles and enabling customers to transact from the comfort of their home. To enable this vision, AUTO1 operates a comprehensive pan-European logistics network. We therefore found our impact on the environment, and accordingly our CO2 footprint, to be a decisive factor within our assessment. Accordingly, our ESG Team performed a comprehensive CO2 audit to analyze which of our operational elements impacts the environment and which measures would best mitigate this impact. We also took into consideration further environmental aspects such as the use of renewable energy sources and the sustainable disposal of waste on our premises and production facilities. Addressing environmental sustainability is our first ESG goal.

Following environmental considerations, we found that our people and the community were the second most important consideration. With over 6,000 employees, activities in 30 countries, and a strong local and international impact as

an employer, the work of our People department, as well as discussions with stakeholders at all levels of seniority, underlined that the people and community topics are particularly important for our company. Within these topics we looked at our impact as a company on a pan-European level, labor practices, workplace equality and diversity, the training & development of our diverse workforce, and our social impact and contributions.

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

Our Non-financial Risk Management

With the involvement and sign-off of the Management Board, the Risk Management and Compliance teams evaluated the principal risks which we face as a company, including those which could affect our sustainability strategy. Our internal due diligence approach involved a group-wide ESG Risk Assessment which took into consideration environmental, employee and social matters, human rights, governance and compliance. It evaluated our effect on these risks as well as their effect on our company. We also performed our yearly compliance risk assessment which includes an assessment of our sustainability risk profile.

To continuously monitor our non-financial risks, we have a dedicated whistleblowing system, and underlying policy, through which internal and external reports can be made to us. In 2021, no reports were made through our whistleblowing system. No significant non-financial risks as laid out in Sec. 289c (2) HGB, were identified during the reporting period.

Involvement of the Management Board

The Management Board bears the overall responsibility for our sustainability strategy. It provides guidance on the sustainability concepts pursued and coordinates these with the respective department leadership at Senior Vice President and Vice President level, as well as with our dedicated ESG Team.

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

ESG Ambassadors

In addition to our overarching ESG governance structure as described in the governance section of this report, we have three dedicated ESG ambassadors as the principal team responsible for developing and implementing our sustainability strategy at all management levels across the Group.



Markus Boser
Chief Financial Officer

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



Anne-Kristin Müller
VP Operations & People

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



Matthew Perry
Head of Compliance

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

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Our Business Model

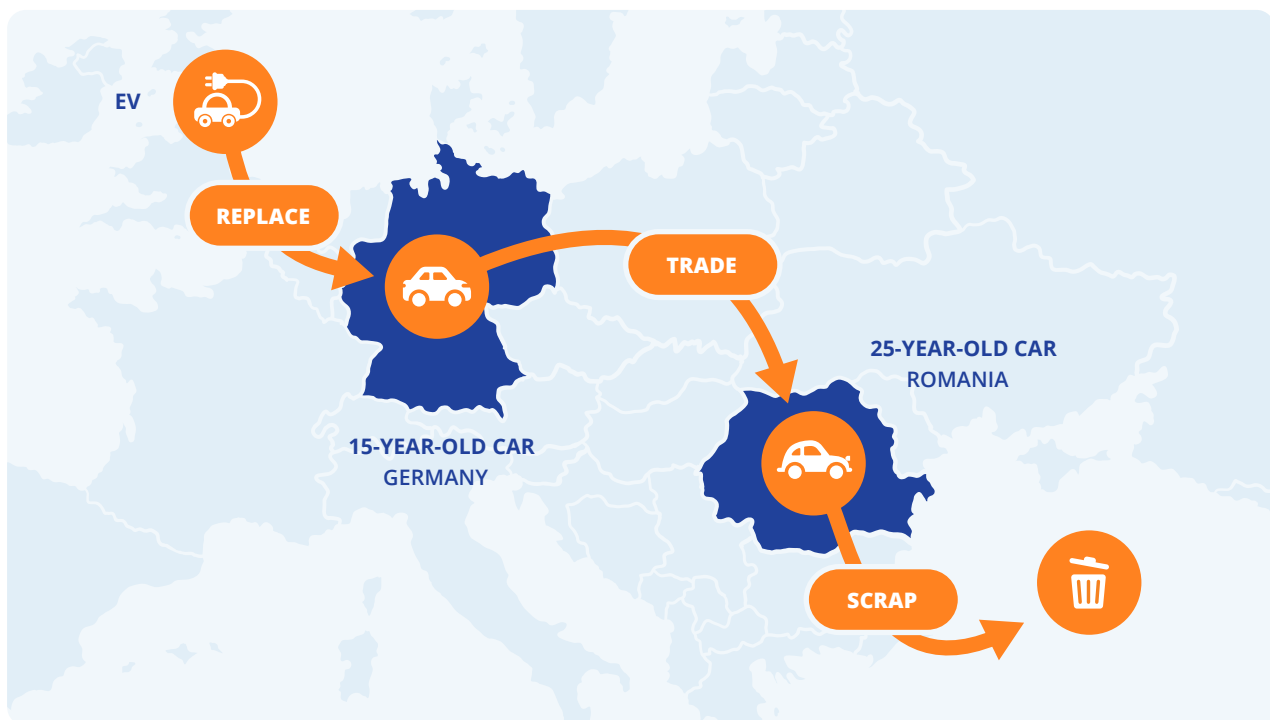
As an e-commerce business which has a Europe-wide distribution network, our operations impact the environment. In parallel, our principal product, used cars, also affects the environment. However, we believe that our unique business model places our business within the circular economy and plays an important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

AUTO1's pan-European sales and distribution network and unparalleled vehicle data allows for cars to be sold into territories in which they are needed instead of being scrapped. As a large-scale player, we are able to offer the selection, price, and efficiency required to allow for a democratic transition to cleaner vehicles. For example, a 15-year-old VW Golf which would be scrapped in Germany may be sold in Romania where it replaces a 25-year-old VW Golf which is in turn scrapped. In Germany, the vehicle is replaced by an Electric Vehicle (EV). In this example, our circular economy model means that an old vehicle with internal combustion engine (ICE) is replaced by an EV and an even older ICE vehicle is scrapped in Romania and replaced with a more environmentally friendly one.

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

In parallel, we believe that as the market share of electric vehicles increases in the European car parc, AUTO1 will play an important role in ensuring this transition. By providing transparent and data-driven pricing for EVs, as well as increased selection, AUTO1 will ensure that early adopters receive a fair price for their cars, that the life of used EVs is extended, and that they are sold to the right owner across Europe. We believe that enabling a liquid and transparent market for EVs is one of the key elements within the green energy transition we find ourselves in and we feel like we are already contributing to this transition, being among the largest traders of electric and hybrid vehicles in the EU with over 12,900 EVs and hybrids sold in 2021.

¹ <https://www.acea.auto/figure/average-age-of-eu-vehicle-fleet-by-country/>



We want to actively accelerate this re-fleeting process and believe that EV battery evaluation is an important aspect in ensuring the sustainable value of used EVs. To this end, we launched a research project which aims at accelerating EV battery life evaluation. For this, we have a dedicated team which works both internally collecting EV battery specific data as also externally pushing for the introduction of a so-called battery pass and the development of efficient battery evaluation technology.

To underline this effort, we have joined the CARA battery transparency initiative, together with other large remarketing dealers, as we believe these technological advances have the potential to improve the trade of used EVs on a global level by removing one of the principal barriers thereof, namely the speedy evaluation of the battery, which could significantly improve the residual value assessment of EVs.

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

On average, a newly built mid-sized ICE vehicle carries approximately 5.6t embedded CO₂,² though some may argue substantially more. In other words, before causing emissions through circulation, producing the vehicle substantially impacts the environment. The circulatory emissions of the same vehicle do not surpass those emitted through production until the car has reached significant mileage, depending on the manufacturing process and fuel efficiency of the car. This shows how refurbishing and re-selling a vehicle can be more environmentally friendly than production, a principle which holds true for the majority of our Autohero segment, through which we sell young, refurbished vehicles.

While there is conflicting data regarding vehicles with higher mileages, we believe that focusing on CO₂ alone is an oversimplification of the matter. Indeed, the production of cars can not be seen uniquely from the perspective of embedded CO₂. On the contrary, car production is a complex process which requires extraction of raw materials, the production and transport of parts, and their assembly – all of which substantially impact the environment and the world's natural resources. Beyond this, the process harbors various social risks commonly associated with complex production chains, such as those caused by mining, production, and international shipment and assembly.

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

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

² OC&C (2020), The European Used Car Market - Evolving Trends

CO2 Audit

As a first step towards understanding our CO2 emissions, we launched our Group CO2 audit in order to measure our current greenhouse gas emissions, and gain an overview of our main areas of impact, ahead of determining our CO2 compensation strategy.

The results identified the key sources of greenhouse gas emissions which can be attributed to our business activities. In our analysis, we included internally and externally emitted greenhouse gasses and presented the results to the ESG Steering Committee and Supervisory Board as the basis of our CO2 compensation strategy as outlined below.

Assessment Criteria

For our CO2 audit, we assessed several methodologies to report our greenhouse gas emissions, principally the commonly used GHG Protocol Corporate Accounting and Reporting Standard which differentiates emissions by scope. While we base our CO2 analysis on the GHG Protocol Standard, our business model of increasingly insourcing production

implies a worsening of CO2 emissions in our own business, rather than the potential improvement of emissions in the entire production chain from our more efficient and targeted used car refurbishment process. As a result, we decided to proceed by identifying all key sources across our value chain through which greenhouse gasses are emitted, irrespective of scope. By reporting each of these sources directly, we have been able to present a more transparent account of our emissions. We therefore track our greenhouse gas emissions both on a per scope basis and per source basis, which is closer aligned with our business model and processes.

When reporting on a per source basis, we do not differentiate between internally and externally emitted emissions as we believe we are responsible for all emissions caused by us as a company, even those which cannot be directly attributed to us. It follows that our aim is to reduce all emissions, regardless of whether those emissions are emitted by us or by our partners through their collaboration with us. The reported greenhouse gas emissions cover the whole value chain of trading used cars. As the leading used car platform in Europe, we trade used cars but do not manufacture vehicles. Therefore, our emissions do not include product lifecycle emissions as car manufacturers already account, and increasingly compensate, for these.

Greenhouse Gas Emissions per Scope (mtCO2e)

	FY19	FY20	FY21
Scope 1	1,327	1,230	2,519
Scope 2	1,173	2,113	2,611
Scope 3	158,095	175,591	264,567
Total	160,595	178,934	269,697

| All reported values represent best available data at the time of publication

Greenhouse Gas Emissions per Source (mtCO2e)

	FY19	FY20	FY21
Real Estate	1,173	2,113	2,611
IT	22	16	7
Business Travel	1,267	1,249	2,198
Purchasing (WKDA) Operations	319	170	136
Production	173	545	2,087
Logistics	157,641	174,841	262,658
Total	160,595	178,934	269,697

| All reported values represent best available data at the time of publication

After having identified all material sources which are relevant for our emissions, we collected data for the years 2019, 2020, and 2021 across all brands and all countries we operate in. After the collection phase, we calculated the amount of CO₂e for each source identified, using established emissions factors.

Real Estate

We take measures to reduce our real estate emissions. For example, we already source over 85% of our electricity from renewable energy sources and aim to source 100% of our electricity from renewable energy sources. At the same time, we have ongoing projects to reduce our electricity consumption, e.g., switching to LED lighting solutions. We are currently running a group energy audit on the basis of the EDL-G which we expect to provide valuable feedback regarding energy saving and expenditure mitigating measures.

IT

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

Business Travel

Through our Travel and Expenses policy, we have regulated and indeed reduced our work-related travel to an absolute minimum. We also encourage all our employees to meet virtually and avoid unnecessary trips wherever possible. In parallel, we choose environmentally friendly transportation methods, such as trains or public transport, for trips which cannot be avoided and allow the use of such transportation methods.

Purchasing (WKDA) Operations

In order to assess all vehicles we inspect, a short test drive is conducted in the vicinity of our purchasing locations. These test drives emit greenhouse gasses. Nevertheless, we have minimized the length of our test drive routes and we expect those emissions to decrease in the long-term as the share of electric and hybrid vehicles we trade increases.

Production

All vehicles sold via Autohero undergo our production process for the purpose of their refurbishment. As our Autohero business develops, we expect to sell and therefore refurbish significantly more vehicles in the next few years. To optimize this process and maximize its sustainability, we have decided to insource our production process. This will allow us to closely monitor our emissions, reduce the emission per vehicle refurbished, and implement strict waste and chemical management policies.

Logistics

Logistics is by far the largest contributor to our overall greenhouse gas emissions, contributing 97% of our overall 2021 emissions. In 2021, over 99% of our logistics emissions were produced by external partners through the transport of our vehicles and less than 1% by our own home delivery glass trucks. To reduce this impact, we continuously optimize our routes, increasing our efficiency and reducing our carbon footprint. However, as of now there are no commercially available electric or hydrogen trucks which are able to transport several vehicles at once. Our CO₂ reduction possibilities with regards to our distribution network are therefore currently limited, but we plan to switch our fleet, and will also expect our logistics partners to switch their fleet, to emissions-free trucks as soon as available.

Overall assessment

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

Initiatives to Mitigate

Logistics

Reducing our carbon footprint is a central priority to us as a company. To achieve this, our current reduction efforts are not sufficient as we would require technological developments which are yet to take place and hard to predict to effectively reduce our emissions. Principally, our logistics network relies on the use of trucks to transport our cars to our customers. As described above, there are currently no hybrids or EVs with the transportation capabilities which we require.

Offsetting Our CO2 Footprint

To accelerate our progress towards CO2 neutrality and simultaneously underline our commitment to the UN's SDGs on Climate Action (Goal 13) and Decent Work and Economic Growth (Goal 8), we are launching our own AUTO1 reforestation and local development project, Project Greencar. Project Greencar will be our individual reforestation project which aims at offsetting our CO2 output while simultaneously including the local population in the project, thus furthering employment possibilities and economic development.

Carbon offsetting tree planting projects extract chemicals such as carbon dioxide, nitrogen oxide, sulfur dioxide and ammonia from the atmosphere, all of which are produced when burning fossil fuels, for example when running the combustion engine of our delivery trucks. Project Greencar will be a so-called ex-ante project which means that we will be investing in an individual project which will be created by us and shall be built from the ground up, thus offsetting emissions once developed.

To ensure a transparent, reliable, and reputable project which respects anti-bribery and corruption principles and ensures that the highest international CO2 offsetting standards are met, we have chosen to build a project on the basis of the certified VCS or Gold standard. These standards ensure that the UN's SDGs are developed alongside the CO2 offsetting. We believe this choice underlines our commitment towards offsetting our emissions and working with local communities in the long term as well as to a high qualitative standard within the project.

Taxonomy KPIs on Turnover, OpEx, and CapEx

On 12 July, the EU Taxonomy Regulation came into force as the EU's principal tool for ensuring that the European Green deal, as well as its climate targets, are met. With the purpose of directing investments towards sustainable projects and activities, the Taxonomy systematically classifies environmentally sustainable economic activities. Its aim is to provide companies, investors, and policymakers with definitions for which economic activities can be considered environmentally sustainable, creating transparency around companies' environmental efforts, and combating greenwashing by requiring key KPIs to be disclosed by these.

As an initial measure, the Taxonomy requires all publicly listed companies to report 3 KPIs in accordance with its current catalog of technical screening criteria and therefore economic activities. In practice, this means that companies are obliged to disclose the percent of their Turnover, OpEx, and CapEx which falls within the Taxonomy's categorization and objectives.

The Taxonomy Regulation establishes six environmental objectives

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

To present a list of environmentally sustainable activities, the European Commission defined technical screening criteria for each of these environmental objectives through so-called delegated acts. So far, the Commission has published a first act on sustainable activities for its climate change mitigation and adaptation objectives, which means that currently only economic activities which are considered by the Commission

to directly contribute to mitigation and adaptation are found in the current application of the Taxonomy. Until the Commission publishes its second act there is no guidance or application of the remaining objectives, i.e., the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

So far only the first two objectives, focusing on climate are defined by the detailed delegated acts on eligible business activities. Due to our business model, we expect a broader / more comprehensive accordance to the following environmental objectives, especially objective 4 – Transition to a Circular Economy.

We strongly believe in our circular economy business model and the contribution towards sustainability that it entails. Currently, our reporting possibilities under the EU Taxonomy do not accurately portray this impact which we believe will be much more representative once the Taxonomy applies in its entirety. Indeed, we believe that the limited catalog of economic activities centered around less than half of the Commission's environmental objectives does not allow us to present an accurate picture of the sustainability our business activities actually entail.

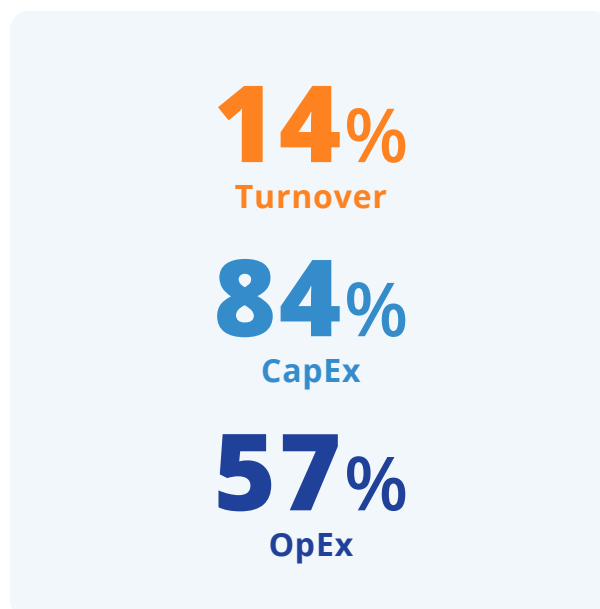
An economic activity is taxonomy-eligible when it is described in the Delegated Acts relating to the six environmental objectives. AUTO1 Group's business activities can currently be allocated to four economic activities described in the Delegated Act relating to the first two environmental objectives:

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

AUTO1 is structured in two segments: Merchant and Retail. In the Merchant segment, used cars are sold to commercial car dealers via AUTO1.com. The Retail segment is focused on the sale of used cars to private customers under the Autohero brand. Based on the descriptions of the activities listed for Environmental Objective 1, Climate change mitigation,

AUTO1's Retail segment falls within the scope of the EU Taxonomy.

The proportion of Taxonomy-eligible economic activities in total turnover, CapEx and OpEx for the year 2021 amounts to:



The proportion of total turnover, CapEx and OpEx relating to eligible activities are presented as an aggregate value for AUTO1 Group. Only taxonomy-eligible turnover, CapEx and OpEx, as listed for environmental objective 1 "Climate change mitigation", are disclosed.

Further information on turnover is disclosed in the revenues section 5.1 of the Group's financial statements 2021. Turnover consists of revenue recognised in accordance with IAS 1.82(a) for the Retail segment as well as revenue from transport services. The revenues related to the Retail segment fall under activity 3.3 Manufacture of low carbon technologies for transport as the cars have been refurbished by AUTO1 before being sold to the retail customers. Revenue from cars sold within the Merchant segment are considered as taxonomy non-eligible since these cars have not been refurbished by AUTO1. Revenue from external transport of cars to the customers relate to activity 6.6 Freight transport services by road. As the revenues from the Merchant segment are dominant in the year 2021, the Turnover KPI amounts to 14 %. It is assumed that the Retail proportion of the total revenues will increase in future periods.

Regarding the disclosures for the CapEx, we refer to the notes 6.1 and 6.2 of the Group's financial statements. CapEx is

calculated in accordance with IAS 16.73(e) (i), IAS 38.118(e) (i) and IFRS 16.53(h). The KPI figure used for taxonomy purposes comprises additions to intangible assets, additions to property, plant and equipment, as well as right-of-use assets. Due to the CapEx definition of the EU taxonomy, significant parts of our investments are classified as taxonomy eligible. The high proportion of the CapEx KPI relates essentially to the additions of right-of-use assets from the leasing of buildings and investments in the Autohero glass trucks. The taxonomy activities 6.3 Urban and suburban transport, road passenger transport, 6.6 Freight transport services by road, and 7.7 Acquisition and ownership of buildings are considered as relevant by AUTO1 for the purposes of the CapEx KPI.

OpEx comprises refurbishment costs for the sold cars in the Retail segment, non-capitalized development and IT costs, maintenance costs for buildings and expenses relating to short-term lease contracts. The refurbishment costs of the sold Autohero cars are considered as taxonomy eligible, which relate to activity 3.3 Manufacture of low carbon technologies for transport. The OpEx KPI figure as defined in the Taxonomy regulation is not used by AUTO1 for financial reporting purposes. The relatively high Taxonomy-eligible OpEx percentage can be explained by the narrow definition of OpEx in the Taxonomy regulation.

02

OUR PEOPLE



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Introduction

As well as our impact on the environment, we consider our People to be a crucial consideration within our sustainability strategy. We take the wellbeing of our employees very seriously and strive to create the best working environment possible for our over 6,000 employees. It follows that the diversity of our team, inclusion at the workplace, educational offering, and health & safety of our employees are topics of utmost importance to us and play a crucial role in our business strategy.

This commitment is highlighted in our Code of Conduct, which we recently updated comprehensively to strengthen the language regarding tolerance and inclusivity as well as to cement our commitment to a collaborative, diverse, and inclusive working environment. Indeed, we strengthened the bans on hate speech, discrimination, harassment, abuse of power, and similar infractions as well as our commitment towards communication and the encouragement of our employees to report instances of non-compliance. We also reinforced our position regarding the inclusion of sustainability considerations in our strategic business decisions, highlighting that we feel they are an integral part of our ongoing success.

Our commitment towards our workforce is substantiated by the fact that we did not lay off any of our employees during the ongoing COVID-19 pandemic. In contrast to other players which cut their workforce on the basis of this crisis, we followed a policy of keeping and indeed increasing our workforce during the same period. In 2021 our headcount increased by approximately 1,800 employees across the EU, strengthening our impact as an employer and emphasizing our commitment towards our employees and the SDG of economic growth.

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

Diversity Chart

6,000+

Employees



21

Countries
with employees



95

Unique
nationalities



Women in
management positions



22.3%

Employees



72.7%

Men



27.3%

Women

Commitment
by 2026



25%

Women in
Management Board



25%

Women in the two
management levels
below Board

SASB Labor KPIs

Average wage
per hour



17.36€

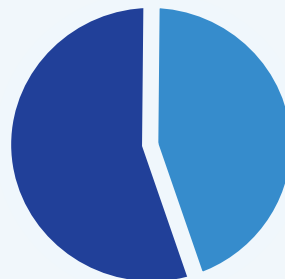
Minimum wage
employees



0%

Voluntary & involuntary turnover rate
employees

54%



46%

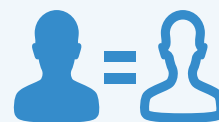
■ Voluntary ■ Involuntary

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



37K

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



0



Interview Anne Müller

VP People & Operations

1. Hi Anne, could you introduce yourself for those who don't know you?

*Hi, my name is Anne-Kristin Müller and I am the VP People & Operations at AUTO1 Group. I was one of the earliest employees, having joined in January 2013. At that time, all employees, including Christian and Hakan, were still sitting in one office next to the first *wirkaufendeinauto.de* branch in Berlin-Pankow.*

I was hired as the first sales employee and started acquiring dealers and selling our cars on the phone – there was no AUTO1.com platform yet. Since the beginning, this has been an exciting ride with a steep learning curve, countless development opportunities, and has been accompanied by extremely smart, ambitious, and hard working people.

2. Why did you choose to work at AUTO1 and how has your career developed since then?

Coming from a family of car professionals and enthusiasts in Southern Germany, I was very eager to find my own path outside the car industry, in Berlin. But when Christian and Hakan reached out to me in 2012 to discuss job opportunities within their newly founded and top secret startup, I was immediately impressed by

two things. First, the drive, motivation, and belief of the founders. They were thrilled about the huge opportunity ahead and their energy was contagious from day one. Second, I was immediately convinced that digitalizing the used car selling and buying experience was a simple yet genius idea which would allow me to combine my interest in online and digital business with my "inherited" car knowledge.

Due to our disruptive business model, and the extremely fast growth and expansion, we obviously faced many new challenges along the way. To overcome these, I focussed on identifying many opportunities and used the chance to define and implement solutions by working closely with our tech department, focusing on data-driven, scalable tools and processes and building & leveraging a team of extremely talented and skilled people.

So since the beginning, my career has developed constantly: From Account Manager B2B to Head of Key Account Management in 2013, Head of Operations in 2014, Senior Director Operations Europe in 2017, VP Operations and Inventory Management in 2019 and since the end of 2020 VP Operations & People for the Group.

3. What are your current areas of focus?

We are building the largest and most profitable car dealer in the EU. In order to do so, the Operations teams are focussed on both further developing our customer facing tech platform to create outstanding experiences for our customers, as well as our internal applications to keep up the scalability of our operations.

On the People side, we're of course focused on finding the best talent when and where needed. But it doesn't stop here. Our daily People operations target the engagement and development of our employees, which benefits the employee, and as a result, the company as a whole. AUTO1 Group is going through a hyper-growth phase and committed, engaged and talented people are the foundation of our business success.

4. What are the main initiatives that the People team is developing to attract and engage the best talent?

First of all, we believe the best way to attract talent is to ensure the people on board are highly motivated, engaged, and have sufficient development opportunities along the way. That's why we have developed and implemented a set of frequent employee engagement surveys in the past months (e.g. Employee Net Promoter Score), as it allows us to monitor developments closely, and to make data-driven decisions when it comes to prioritizing next steps.

For example, we cover initiatives aiming at expanding and standardizing our training and learning offering, in order to cover the needs of each job across the Group. We worked at aligning our feedback culture, with the goal to bring clarity and transparency to the employees on their career development. In that same direction, we are documenting our typical career paths, to guide employees into finding their career next step.

5. Why do you enjoy working at AUTO1?

What I enjoy most about working at AUTO1 is the high density of incredibly talented and driven people from all over the world who work together as a team, pursuing the shared mission to build the best way to buy and sell cars online. Within that team, we see challenges as opportunities and encourage individuals to contribute directly to our business success, which results in a constantly steep learning curve, even after 9.5 years within the company.

Employee Initiatives

Introduction

As part of our People experience program, we have implemented a number of measures which aim at enhancing diversity, inclusion, and development among our workforce. This effort can be seen from both a training and development perspective, as well as from a so-called employee involvement perspective. Through our employee involvement program, we offer our employees various opportunities to get involved with both the company as well as other initiatives and external sustainability related initiatives.

Training

Onboarding

At AUTO1, our employee training and development program starts with onboarding. During these sessions, whether offline or online, new joiners are given introductory information on the company, focusing on our business model, mission, values and teams. The program also focuses on compliance and sustainability training and quizzes. Our onboarding program also supports the integration of our employees by allowing them to connect with colleagues across departments from day one.

These sessions offer our employees an introduction to the topics which will be consolidated in further targeted training sessions and introduce the principal stakeholders responsible for them. They also describe our whistleblowing and reporting channels so that instances of non-compliance and employee concerns can be effectively communicated to us.

Apart from our general onboarding program, our AUTO1 academy offers our employees various department-specific onboarding programs, which aim, for example, at ensuring the quality of our customer facing interactions and therefore improving the experience of our customers in their interactions with us. In addition, we ensure that our car quality standards are upheld by running detailed and regular training programs for our Purchasing, Pricing and Retail teams. This training ensures that we maintain a uniform definition of quality across the platform and provide our end customers with optimal car quality.

Compliance Training

Once onboarded, our teams receive annual compliance training sessions, primarily through our AUTO1 Academy, a platform administered by the People team which offers the possibility to host web-based training sessions. Our web-based training sessions, which we offer to all of our employees, cover our Code of Conduct, anti-money laundering, and data protection, and will integrate material relating to all our principal policies as the program develops.

Specific teams are provided in-person training such as our Sales teams, Cash Management teams, or Sports Marketing teams who receive general compliance training, anti-money laundering training, and anti-bribery and corruption training sessions.

Further Training & Development

Apart from compliance training, we offer our employees a host of other training and development possibilities. The training journey starts during onboarding. All employees receive a full introduction to our Group and business model. In parallel, we provide technical onboarding for Customer Service agents, Handover Experts and Pricing Managers. These programs develop our teams' knowledge around processes and skills specific to these jobs. Our goal is to expand this offering and provide specific technical onboarding to all jobs in the company.

After onboarding, we offer continuous training with programs specific to new processes or products launched. Besides this, we launched an educational budget program as a pilot project which enables individual employee growth by providing a fixed educational budget per employee.

Currently, training budget allocation varies from department to department and function and seniority level. Nevertheless, in 2021 we offered a total of 41 training courses to our employees in various departments. We have also hired 17 in-house trainers who offer coaching to various teams across the Group, such as for example our Purchasing, Customer Service, and Production teams. In parallel, we run multiple educational benefits programs such as tandem and reduced-price online language courses which are available to all employees irrespective of seniority, tenure, or position.

Apart from our general onboarding and training program, we are currently rolling out a leadership training program as a designated program for the entire AUTO1 leadership team. This program will cover organizational management related topics such as our recruitment process, feedback process, salary raises, and promotions, with the goal of ensuring a uniform process across the Group for the benefit of our employees.

Involvement

a. Groups

As part of our effort to promote diversity, equity, and inclusion within the Group, we are offering our employees the possibility to form funded AUTO1 Communities. Our goal is to create a safe space for employees to exchange ideas and experiences, network, create awareness within the company on certain topics, and nurture the exchange of ideas.

To create these groups, we will be launching a pulse check survey to gauge the interest of individuals to form them and will launch a communication campaign around our company value "team up". After gauging interest, the Communities shall nominate its leaders who will be supported by a senior sponsor who will help them define their goals and structure. The Community leaders will then present their vision to the ESG Steering Committee for budget approval.

To support the development of our AUTO1 Communities, our ESG Steering Committee will work closely with these groups, helping to define their KPIs and supporting in the implementation of goals by way of an exchange of ideas. This exchange is envisioned as a driving factor within our diversity and inclusion strategy as it will give us valuable insight into issues to which we previously had no access.

Commitment to Health of Employees

To support the health of our employees we provide daily fresh fruit and healthy drinks at our premises. We have also started to develop our own internal health programs, such as the AUTO1 running group at our HQ in Berlin.

b. AUTO1 Berlin Runners

Under the motto "Teaming up to run and exchange experiences and perspectives" we are founding an AUTO1 running group which shall meet on a weekly basis for leisurely runs after work. The group is meant for runners of all levels and aims to include a diversity of AUTO1 employees from all departments / all levels of seniority, serving as a platform to encourage an active lifestyle while also allowing for social and cultural exchange within the company.

On a bi-yearly basis the group plans to participate in a local race together.

Pulse Check Surveys

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

In the second half of 2021, we launched a monthly pulse check survey which was completed by 50% of our workforce on average - and we are proud of the results. Indeed, satisfaction with managers obtained a score of 7.9 / 10 on average and 7.0 / 10 regarding general satisfaction with the job.

WHAT OUR EMPLOYEES THINK ABOUT WORKING AT AUTO1 GROUP



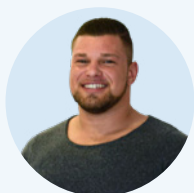
"Not only has the company grown but so have I. I started as a customer service agent and now I am Team Lead. My team has grown, not only in numbers but also in trust, empathy, teamwork."

Natalia Enriquez
Team Lead Customer Service Booking



"AUTO1 enables you to work with many nationalities. Those cultural differences and ways of working make you more empathic and adaptable to quick changes."

Baptiste Lenain
Product Manager



"I must say that I have also grown personally since my first day. I came here as a sales rookie and after three years I am a team leader. AUTO1 means a lot to me personally because it has allowed me to learn about my professional strengths."

Patrik Göbel
Team Lead Account Management



"When I talk about AUTO1 I talk about passion, challenge, development and of course personal and professional growth. One cannot go through years of such intensity without being shaped by it. I have grown a lot due to the empowerment I received from my supervisor and due to the open culture of this organization."

Bianca Szeibert
Head of Document Management SEE

Impact as an Employer



As a pan-European employer with a diverse workforce of over 6000 employees, AUTO1 has an impact as an employer both locally as well as on a European level. Indeed, as a fast-growing company we are constantly increasing the number of job opportunities we offer. These cover a diverse range of experiences and qualifications aiming to improve the employment offerings both locally as well as internationally. For example, with the development of our production centers, we have become large employers in various locations, such as in Toledo, Spain, or Warsaw, Poland – and this is just the beginning, we plan to expand our production capabilities to over 500 thousand units by the end of 2023, thus increasing our impact as an employer across Europe.

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

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

Health & Safety

In order to support the physical and mental wellbeing of our employees, we comply with applicable laws around workplace health & safety and invest in protective equipment to ensure their safety. We also cooperate with different institutions on a national level for occupational health and safety, such as DEKRA in Germany or MPE Grupo in Spain.

Furthermore, as a result of the COVID-19 pandemic, we have implemented a number of additional measures in support of workplace safety and employee wellbeing.

COVID-19 Measures

Despite the implications of the COVID-19 pandemic across Europe, through a dedicated contingency plan which evolved around the health and safety of our customers and employees, we were able to continue purchasing and delivering vehicles throughout the pandemic. Indeed, despite the obligation to temporarily close our purchasing centers as a result of governmentally imposed restrictions, we were able to continue delivering vehicles as a result of our permanent and comprehensive vehicle stock of over 30,000 vehicles. This ensured that we were able to continue offering our customers mobility solutions in a time in which other players were not.

On top of this, we implemented a host of protective measures to ensure the safety of our employees and customers. Our comprehensive COVID-19 protection measures included disinfection stations throughout all our premises, the provision of FFP2 standard masks to our employees, and free weekly antigen tests for all employees, among other things.

In addition, we implemented a host of organizational measures to ensure that a maximum of 50% of available workspaces were occupied at one given time. We further introduced a temporary group-wide work from home policy on the basis of which over 90% of our workforce has been working from home since the beginning of the pandemic. For those employees who, due to their job responsibilities, could not work from home, we introduced a flex desk policy which guaranteed social distancing at work.

Beyond this, we have offered all our employees at our HQ in Berlin the possibility to be vaccinated against COVID-19 by our company doctor. Since then, we have also offered our employees the possibility of a booster vaccination as well as the possibility to be vaccinated against the flu on a yearly basis. As we believe vaccination to be an effective measure to combat the COVID-19 pandemic, we reinforced our in-house vaccination effort and incentivised our employees' effort to get immunized by offering a COVID-19 bonus to all those employees across the Group who had received the vaccination.



OUR COMMUNITY



- PAGE 30** **Impact on Mobility**
- PAGE 31** **Transparency and Consumer Protection**
- PAGE 32** **Economic Growth**
- PAGE 33** **Social Initiatives**

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

Impact on Mobility

By nature, our business model underlines an important social principle: affordable access to mobility. Currently, secondhand cars are more sought after than ever, and while this is partially due to a shortage in the parts required to produce new vehicles, it is also since in times of crisis affordable mobility is an absolute priority. By purchasing and selling from both companies and consumers, we give people access to vehicles of all price classes as well as reliable and fast liquidity. We believe that our unparalleled, europe-wide, access to used vehicles brings economic growth to companies and access to affordable mobility to consumers who can choose from a large range of vehicles at all price classes, while experiencing the guarantees that are usually reserved to a higher pricing segment or purchases directly from Original Equipment Manufacturers (OEMs).

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



Transparency and Consumer Protection

According to the Consumer Market Study on the Functioning of the Market for Second-hand Cars from a Consumer Perspective by the EU Commission,³ the secondhand car market is considered one of the most opaque industries in the EU, noting that it was the worst functioning goods market in the EU

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

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

AUTO1's business model is based on transparency and our aim is to increase the transparency, and therefore the consumer trust in our market, by applying our business model to the traditional used car market. Indeed, we offer consumers the haggle-free possibility to purchase and sell used vehicles based on our transparent evaluation and pricing model. In addition to this, we follow a strict non-cash business model, as a further measure to enhance transparency and counteract the risk of money-laundering which is traditionally present in highly fragmented markets. We also offer a guarantee of up to 36 months on all vehicles we sell via our Autohero brand and comply with applicable consumer protection laws.

This effort to maximize transparency directly affects consumer trust and protection. Indeed, over 90% of our C2B customers who book an appointment based on our online price sell their vehicles to us. We believe that this underlines that we provide a more transparent, reliable, and trustworthy solution when compared with the traditional used car market. And we continue to build on this achievement on a daily basis as we believe that our e-commerce focused and customer centric approach towards a sector which is often characterized as untransparent for consumers will continue to have a positive impact on the experience of consumers wanting to buy or sell used cars and therefore the secondhand car market in general.

³https://ec.europa.eu/info/publications/study-second-hand-cars-market_enhand-cars-market_en market_en

Economic Growth

The effect our business model has on consumers translates to our B2B segment in which we have seen that small and medium enterprises Europe-wide have strongly benefitted from working with AUTO1. Indeed, our sourcing opportunities and transparent claims and pricing policies have helped empower the used-car entrepreneurial ecosystem on a European level and have provided businesses across Europe with a transparent and reliable business partner.

For example, we spoke with Mr. Tetzlaff, who owns the car dealership "Die Autogesellschaft" and has been working with AUTO1 for over 8 years, to see how our collaboration has impacted his business:

AUTO1: Hello Enrico, maybe you could introduce yourself and tell us a little bit about your career so far?

Yes, of course. My name is Enrico Tetzlaff, I am 38 years old and was born in Dresden. I am a professional car dealer. At "Die Autogesellschaft" we purchase and sell "young used cars", old-and youngtimers, and exotics; in fact, we practically deal with everything that has four wheels and can be driven under its own power.

I have been active in this job for more than 15 years now and have accompanied and helped to build up several companies in the industry over the last 15 years, in total we have traded well over 20,000 vehicles.

AUTO1: How and why did you become an AUTO1 partner merchant? And since when?

It happened by chance, I received a tip from a dealer colleague who told us about AUTO1 in 2013. He told me that you can get good and well-priced cars there. And then I simply signed up and registered on the platform. Then my account manager at the time called me directly. Who incidentally still works at AUTO1, and then the whole thing started to pick up speed. Since 2013 or 2014, we have been growing together constantly.

AUTO1: And how has the cooperation with AUTO1 impacted your company?

We actually grew together with AUTO1. So AUTO1 has definitely contributed to our growth - 100%. We more or less said goodbye to the common auction platforms that existed in 2013/2014/2015 and used AUTO1 consistently for a few years during that period as our main source of purchases.

AUTO1: Do you think the sourcing problem that many dealers have has improved as a result?

Yes, definitely. You can quickly, comfortably, and easily - from your sofa, so to speak, and if you have been productive - buy 6, 8 or even 10 cars in a morning. That also brings with it a very big time saving.

AUTO1: Our last question, how do you see the future of this cooperation?

Of course, the answer to this depends on the entire trend in Europe. After all, we are dependent on what comes onto the market and what is returned.

If the situation develops as it has this year, that will have an impact on our growth. And the exponential growth will possibly not be as big as hoped for and expected. If things were going normally, I would continue to purchase as always. But that is difficult to calculate at the moment. Under normal market conditions, I would say that it should continue to develop well.

In addition to our contribution towards transparency and trust in the used car market, by exclusively sourcing our stock directly in the EU, we minimize the social risk in our supply chain. For example, by working with EU companies, we reduce the risk of human rights infractions when sourcing vehicles, thus underlining our firm commitment towards their support, as expressed in our Code of Conduct and underlying policies. To build on this, we are currently rolling out an enhanced third-party due diligence process which takes into consideration anti-corruption & bribery principles as well as the adherence by our business partners to human rights principles and our company values.

Social Initiatives



In 2019, we initiated our collaboration with the Berliner Tafel, a food bank operating in the Berlin area, by donating vehicles such as refrigerated delivery trucks and other vehicles to provide food delivery and mobility solutions to the organization. We continued our collaboration by providing the Tafel with funds for vehicle maintenance and the expansion of their fleet.

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

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

In the Words of the Tafel:

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

This year we have built on this collaboration, launching an international project in multiple countries with the aim of extending this initiative into further territories in which we are active. On this basis, we have worked with various organizations such as the Stadtmission in Stockholm, or the International Red Cross in Belgium, France, and Spain using our transparent sourcing and fleet-evaluation capabilities to support non-profit initiatives across Europe. In 2022 we plan to extend this type of collaboration to further social initiatives.

04 OUR GOVERNANCE



- PAGE 35** Introduction
- PAGE 36** ESG Governance Chart
- PAGE 37** Compliance

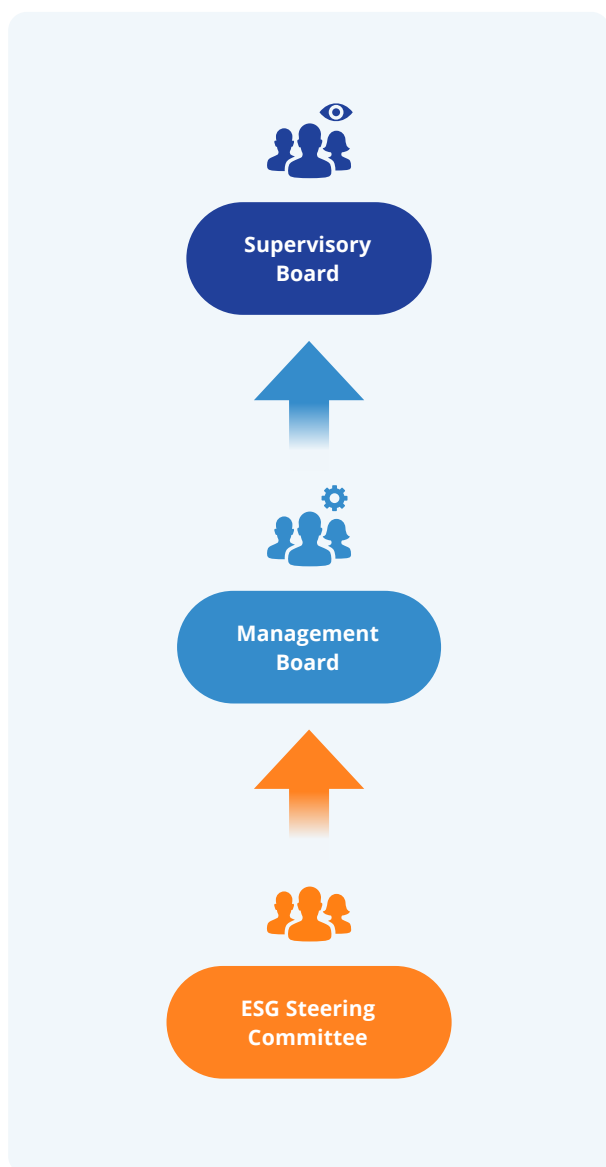
Introduction

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

At the heart of our corporate governance structure are the principles laid out in the German Corporate Governance Codex, which we have comprehensively implemented as we believe it offers us the best organizational guidelines to ensure that they meet our legal, ethical, and sustainability goals and requirements. On this basis we have ensured that we have an independent supervisory board in place and have committed to a 1/3 female representation within that body by 2023. Additionally, we have nominated our Supervisory Board member, Gerd Häusler, as responsible for ESG topics within the Supervisory Board and are in the process of creating an ESG Committee which will be dedicated exclusively to the topic at Supervisory Board level. In addition to these bodies, we have a dedicated Audit Committee which was established prior to our IPO. Finally, we also have a Presidential Committee. Outstanding elements of implementation can be found in our annual declaration of compliance.

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

ESG Governance Chart



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

Supervisory Board

Receives quarterly ESG update.

Management Board

Responsible for the topic. Quarterly meetings with the ESG Steering Committee will be scheduled.

ESG Steering Committee

Reports directly to the Management Board. Quarterly meetings with the Management Board to push forward strategy. Members: SVPs, VP Operations & People, Head of Investor Relations, ESG Team.

Example Decision

ESG Steering Committee proposes a new environmental initiative. Agreed during quarterly meetings with the Management Board. ESG team to work with the relevant departments to implement and keep track of KPIs for reporting. Reported to the Supervisory Board accordingly.

Compliance

Commitment to Compliance

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

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

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

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

To ensure that this governance standard is met, we have a dedicated Compliance Committee consisting of Markus

Boser (CFO), Timo Wilke (General Counsel / VP Legal), Christian Schroeder (Vice President Tax and Risk Management), and Matthew Perry (Head of Compliance). The compliance committee meets quarterly for a session. In case of determined circumstances, such as grave compliance infringements, or other urgent matters, the Head of Compliance convenes a session immediately. This structure ensures the involvement of the Management Board as well as risk function in all major compliance related matters.

During the regular sessions, the Head of Compliance reports on the status of the Compliance Management System at AUTO1, as well as on any breaches of compliance, ongoing investigations, and any reports which the Compliance team has received through our whistleblowing channels. Further topics include risk management and sustainability considerations. Should disciplinary measures be required due to a compliance infringement, these shall be set by the Compliance Committee within the limits of the applicable statutory provisions. If necessary, non-permanent members of the Compliance Committee, such as for example the Head of People, shall be called upon to assist in this process. No material breaches of compliance were brought to our attention during the fiscal year 2021.

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

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

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

Apart from our Code of Conduct, which states that we do not accept corruption and bribery in our business practices, we have implemented an Anti-Bribery and Corruption policy which builds on this principle, offers our employees a guideline on how to act in such situations, and forms the basis on which we maintain compliance with our values and all applicable anti-corruption and bribery laws. This policy covers dealing with public officials, facilitation payments, political

and charitable contributions, and conflicts of interest. The topic of gifts & invitations, which we see as a central element within our anti-corruption and bribery effort, is laid out in our Gifts & Invitations policy.

To consolidate the communication of the principles set out in the above compliance documents, we have a dedicated compliance training program which starts during the onboarding of employees and continues during their tenure at the company. In 2021, all our employees were given access to the AUTO1 Academy Legal and Compliance training program which included the topic of anti-corruption and bribery by covering the principles laid out in our Code of Conduct as well as its complementing policies.

Human Rights Considerations

AUTO1 is committed to the respect of human rights, both internally as well as with regards to its business partners. We acknowledge the importance of human rights in our daily work and the implications they have with regards to labor considerations. As a result, we subscribe to the UN Charter and the UN Universal Declaration on Human Rights.

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

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

As a further preventive measure, we screen business partners for sanctions. On the one hand, this ensures that we comply with applicable sanctions as well as import and export regulations. On the other, it ensures that we do not participate in the financing of terrorist activities and ensures that we adequately identify all of our business partners, thus also avoiding counterparties which are more likely to pose a risk from a human rights perspective.

Finally, we are currently rolling out a comprehensive third-party due diligence program through which we will implement various levels of due diligence within our contract signing process. This means that transactions in certain territories and industries, and / or those with an elevated contractual sum or binding period, which pose a heightened risk to us, will undergo a dedicated third party due diligence process. Through this process, we will require potential business partners to provide the necessary information for the compliance team to complete a comprehensive background check on the party. These background checks will ensure that we avoid business partners which pose a heightened risk of compliance infringements, including instances of bribery and corruption and human rights infractions.

Beyond this, our Code of Conduct clearly expresses our position and commitment towards human rights. To communicate this externally and ensure that our business partners are aware of our position, our CoC is published on our Group website for public access and is forwarded to business partners as part of our third-party due diligence program. In the financial year 2021, we did not receive reports of human rights infractions through our dedicated whistleblowing channels.

Whistleblowing

As a detection method, and to ensure that our compliance principles are upheld, we have implemented a whistleblowing governance structure which meets the requirements of the EU Whistleblowing Directive ahead of the formal legal requirement to do so. Indeed, we believe that enabling whistleblowing and protecting reporting persons from retaliation is central to ensuring our principles as a company and encourages a healthy exchange between us, our employees, and third parties.

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

The channel compliance@auto1.com, which is administered by our compliance team, is our principal reporting channel and is a confidential way for our employees or third parties to report any (suspected) compliance breach. Alternatively, and for anonymous reports, AUTO1 has retained the services of Dr. Margarete Gräfin von Galen as an external ombudsperson.

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

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

In 2021, no confirmed compliance infringements were brought to our attention or reported through the above channels.

Data Protection and Security

As a data-driven company, we process large amounts of data, some of which falls within the category of so-called personal data. We consider data to be a sensitive asset and therefore address the regulatory requirements relating to data protection and the responsibility we feel as data processors by following a company policy which ensures the responsible handling of data. Indeed, we consider the safeguarding of personal data to be part of our corporate and social responsibility, recognizing that data privacy is fundamental to maintaining the trust of our customers and sustainably growing our business.

Our company is impacted by current and emerging federal, state, and international privacy and data protection laws. Therefore, privacy protection is a strategic priority for AUTO1, and we have established strong governance measures to protect the confidentiality and security of customer information and ensure compliance with applicable legislation. In addition, AUTO1 has adopted corporate policies and operating procedures governing collecting, using, retaining, and protecting data.

As the basis of our data protection measures, and therefore underlying data protection management system, we perform a yearly compliance risk analysis which evaluates the risk of non-compliance with data protection requirements as well as the possibility of data breaches at AUTO1. In parallel, we commissioned an external audit of our data

protection management system which was performed by PriceWaterhouseCoopers. The audit confirmed that there were no red flags or serious data protection concerns in our organization. Nevertheless, according to our risk analysis, and due to our nature as a data driven company, we feel that data protection is central to us as a company and holds a particularly central position within our compliance and regulatory considerations.

On this basis, our Code of Conduct states that each AUTO1 employee is responsible for upholding a high standard of data protection. Our Data Protection Policy is built on this principle, offers our employees an overview of what to consider when dealing with personal data, and is the basis on which we maintain compliance with the General Data Protection Regulation ("GDPR"). In parallel, our IT Security policy covers the technical aspects of securing data and is a guideline for our employees regarding the protection of data in their everyday work.

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

Finally, responsibility for data protection lies with the Management Board, which is involved in all major data protection considerations by way of continuous reports through the Compliance Committee. Above Board level, the Audit Committee and Supervisory Board also receive regular data protection reports. Furthermore, as mentioned in the section on employee training, data protection forms part of the AUTO1 Academy legal training course to which all AUTO1 employees across the Group are subject.

For reporting purposes, we consider breaches or incidents with material (financial) impact. While there might have been attempts from malicious actors to breach our security measures, in 2021, we did not have any material incident to the detriment of our customers, employees, or third parties.



LOOKING AHEAD

2021 was a milestone year for AUTO1, as we made significant progress in our goal to digitize the used car transaction experience, the last major vertical untouched by e-commerce, while also making progress on the sustainability goals we have set ourselves. As we continue to create the best way to buy and sell cars online, our push for efficiency has meant that we were able to work towards the transition to the circular economy we strive for. Indeed, we are actively reducing the need for new cars and are accelerating the transition towards used electric and hydrogen-powered vehicles. In the upcoming years, we plan to continuously build our Autohero segment and offer our customers a wider selection of young and increasingly environmentally friendly vehicles.

By launching our CO2 compensation project, Project Greencar, and simultaneously working on the efficiency of our distribution network and energy usage, we have also taken an important step towards our goal of being a carbon neutral company by 2030. In 2022 and beyond, we plan on developing these initiatives, finding new ways to improve our environmental impact and effectively mitigating our greenhouse gas emissions from scope I through III.

We are also very proud of our diverse team, which forms the basis of our success and enables the development of our goals, including those relating to sustainability. Over the course of the year, we continued to build our team internationally leading to a representation of over 95 unique nationalities across the Group. Beyond increasing our impact as an employer, we have

worked hard on improving our training and development offering as well as our feedback and career development measures. Looking ahead, we will launch our new work strategy at our HQ in Berlin and work towards increasing female representation at management level.

Our impact on the community also progressed in 2021. By pursuing our goal of building the best way to buy and sell cars online, we were able to positively impact mobility across Europe while also improving transparency and consumer protection in the used car market, one that has traditionally plagued by low scores of consumer trust. This effort was supplemented by our social initiatives, such as our continued collaboration with the Berliner Tafel. In the upcoming years we plan to fully roll out that project across the Group and build on its foundation by applying our business model to further social initiatives.

Finally, we are proud of our governance measures that have enabled us to work towards our ESG goals while supporting the sustainable growth of our business. We closed the year without receiving reports of compliance infringements over our whistleblowing channels and we were able to successfully develop our sustainability strategy through the collaboration between our Supervisory Board, Management Board, and ESG Steering Committee. In 2022, we plan to increase the number of ESG Steering Committee meetings and further develop our reporting governance with regards to key sustainability topics, such as data protection and security.

All in all, we are pleased to offer you this first comprehensive overview of our sustainability strategy, goals, and achievements and look forward to sharing many more with you in the upcoming years!

Sustainability Accounting Standards Board Disclosure

TOPIC	SASB ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	DATA AVAILABLE IN THE REPORT
Energy Management in Retail & Distribution	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (Gj), Percentage (%)	(1) 15754 GJ (2) 100% (3) >85%
Data Security	Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	Data present on pages 48-49
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Quantitative	Number, Percentage (%)	Data present on page 48
Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Quantitative	Reporting currency, Percentage (%)	Data present on page 25
	(1) Voluntary and (2) involuntary turnover rate for in-store employees	Quantitative	Rate	Data present on page 25
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Quantitative	Reporting currency	Data present on page 25
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Quantitative	Percentage (%)	Data present on page 25
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Quantitative	Reporting currency	Data present on page 25
Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	Quantitative	Reporting currency	0%
	Discussion of processes to assess and manage risks and / or hazards associated with chemicals in products	Discussion and Analysis	n/a	In 2021, we did not handle a material amount of chemicals.
	Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	n/a	We do not ship packaged products, i.e., used cars, and try to recycle all packaging we receive.

Sustainability Accounting Standards Board Disclosure

ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	DATA AVAILABLE IN THE REPORT
Number of: (1) retail locations and (2) distribution centers	Quantitative	Number	We have (1) one showroom for the retail sale of used cars and (2) no own distribution centres.
Total area of: (1) retail space and (2) distribution centers	Quantitative	Square meters (m ²)	(1) Less than 250 square meters and (2) nil.



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