



2023

Corporate Social Responsibility Report

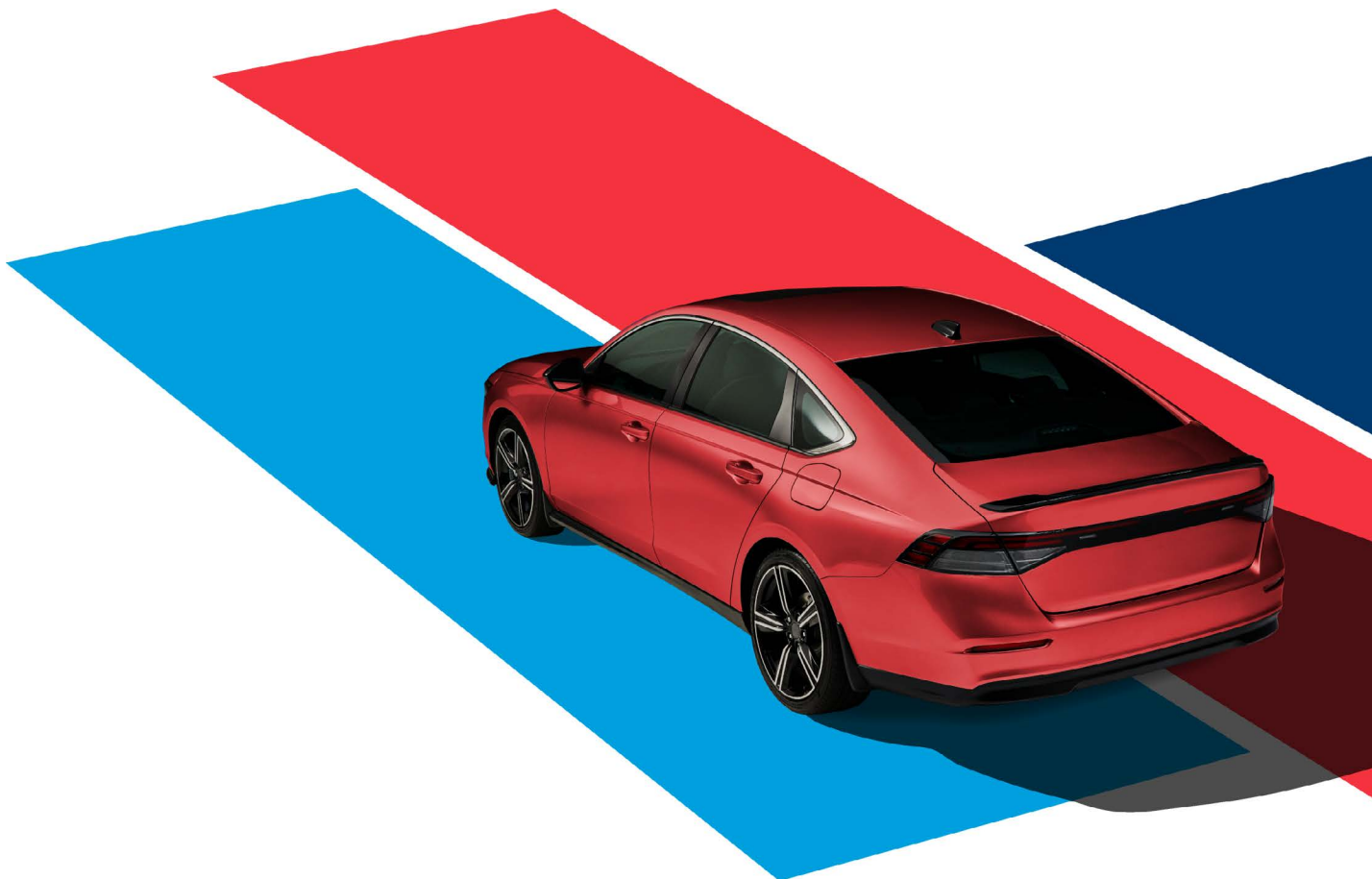




Table of contents

03 Introduction

- 03 A Message From Our CEO
- 04 CarGurus Overview
- 06 About This Report
- 08 Our Approach

09 Framework

09 Environment

12 Social

- 13 Diversity, Equity, Inclusion, and Belonging
- 15 Employee Resource Groups (ERGs)
- 17 Corporate and Global Citizenship
- 17 Charitable Giving
- 18 CarGurus Week of Service
- 20 Workforce Development and Investment
- 22 Employee Engagement
- 23 Company Awards

24 Governance

- 25 Corporate Governance
- 26 Corporate Governance Highlights
- 27 Data Privacy and Security

28 Concluding Remarks

30 Appendix

A message from our CEO

At CarGurus, our mission is to become the #1 digital destination for consumers and dealers to confidently and conveniently buy and sell any vehicle, anywhere, with the best selection and price. Our pioneering mindset, collaborative spirit, data-driven approach, and commitment to speed and transparency fuel our success. We believe in keeping integrity at the heart of everything we do by acting responsibly and considering the impact of our actions on each other, our customers, and the world around us. With those values in mind, I am honored to share our 2023 Corporate Social Responsibility Report.

In 2023 we accelerated growth in our core marketplace business while activating our transaction-enabled capabilities to best meet the evolving needs of both consumers and dealers. I'm proud of our ability to stay flexible, adapt quickly where necessary, and remain focused on the journey ahead, including our continued commitment to the social and environmental initiatives that have contributed to progress both at CarGurus and within the communities in which we operate.

This report covers the ways in which we are focused on making a positive and meaningful impact across our environmental, social, and corporate governance initiatives. We review how investing in our employees and the communities in which we operate shaped our diversity, equity, inclusion, and belonging strategy, employee engagement, and charitable giving efforts over the past year. To that end, we also introduce how in 2023 we began developing a more focused ESG strategy called *Drive Change*, which we expect to develop throughout the year.

While we believe that there is still more that we can do and learn as a company as we advance our ESG initiatives, I want to acknowledge the outstanding work our team has done thus far. Our ESG-related work would not be possible without employee leadership and their commitment to our values, our customers, each other, and our communities. I look forward to continuing the momentum and sharing our progress along the way.



A handwritten signature in black ink, appearing to read 'JMT', positioned above the printed name and title.

Jason Trevisan

Chief Executive Officer & Director

CarGurus overview

CarGurus is a multinational, online automotive platform for buying and selling vehicles that is building upon its industry-leading listings marketplace with both digital retail solutions and the CarOffer online wholesale platform. The CarGurus platform gives consumers the confidence to purchase and/or sell a vehicle either online or in person, and it gives dealerships the power to accurately price, effectively market, instantly acquire, and quickly sell vehicles, all with a nationwide reach. We use proprietary technology, search algorithms, and data analytics to bring trust, transparency, and competitive pricing to the automotive shopping experience. In addition to the U.S., we operate online marketplaces under

the CarGurus brand in Canada and the U.K. In the U.S. and the U.K. we also operate the Autolist and PistonHeads online marketplaces, respectively, as independent brands.

At CarGurus, we are aware of the impact we have on the environment and the community around us. We are committed to fostering responsible growth by embedding sustainable practices throughout our business operations. By continuously striving for improvement, we uphold our commitment to environmental, social, and governance (ESG) initiatives.



Our core values

We are pioneering.

From the beginning, we set out to radically change how people buy and sell cars. We tackle difficult problems head on. We are curious. We are risk takers. We embrace change even if it's uncomfortable.

We are transparent.

We believe transparency is the foundation of trust and enables better decision making. We communicate clearly and honestly. We deliver unbiased guidance. Our products, services, and company culture are built on these principles.

We are data-driven.

We rely on data, not hunches, to make decisions. We listen to our instincts but we validate through rapid testing, learning, and optimizing. We translate complex data into actionable insights for our users, our customers, and our people.

We are collaborative.

We celebrate our individual strengths and perspectives but know that our success requires teamwork. We partner, we listen, and we leverage feedback from each other, our users, and our customers.

We move quickly.

We believe there's power in speed. We iterate quickly and often, continuously improving as we go. We are not afraid to break things. If we fail, we do it fast, learn from it, and move on.

We have integrity.

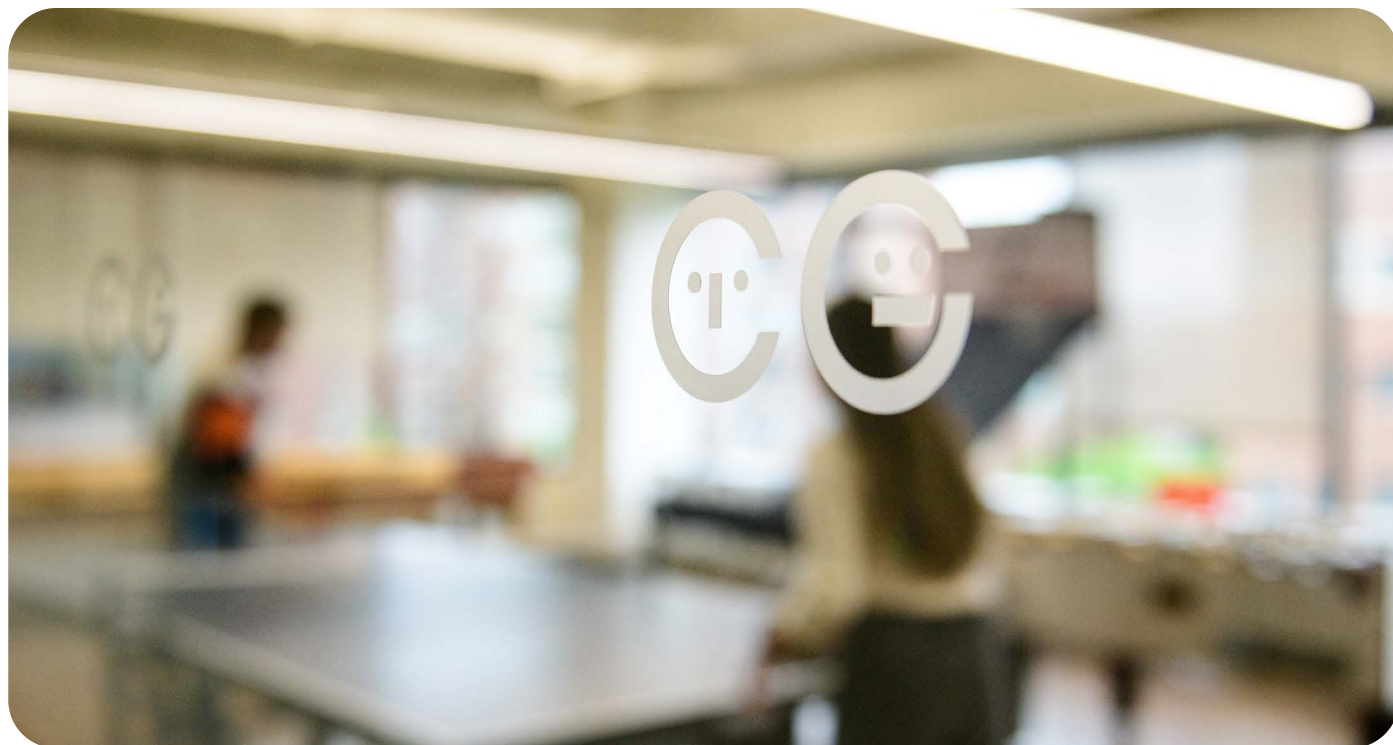
We act responsibly and consider the impact of our actions on each other, our partners, and the world around us. We believe empathy, respect, and fairness are essential. We set high ethical standards and expect principled leadership from our people.

About this report

This Corporate Social Responsibility (CSR) Report covers CarGurus' ESG initiatives during our 2023 fiscal year, unless otherwise specified. We believe that this CSR Report is an important element of our ESG disclosure program. In preparing this CSR Report and selecting the topics and metrics to include, we have referenced the reporting frameworks developed by the Sustainability Accounting Standards Board (SASB). Please see the Appendix to this CSR Report for our SASB disclosures for our

2023 fiscal year. As used in this CSR Report and in the Appendix, the terms "CarGurus," "the Company," "we," "us," and "our" mean CarGurus, Inc. unless the context indicates otherwise.

For questions or for more information, please visit the Investor Relations section of our website, <https://investors.cargurus.com>, or email investors@cargurus.com.



Key Performance Indicators and Financial Metrics

Global Average Monthly Unique Visitors¹

36M

U.S. Average Monthly Unique Visitors¹

29M

Global Monthly Sessions²

93M

U.S. Monthly Sessions²

76M

Global Paying Dealers³

30,935

U.S. Paying Dealers³

24,318

QARSD⁴

\$5,503

U.S. QARSD⁴

\$6,532

Employees

1,343

Global Offices

10

FY 2023 Revenue

\$914M



1: As of 12/31/2023, represents monthly average for the fourth quarter of 2023. Please refer to the Appendix for a definition of Average Monthly Unique Visitors.

2: As of 12/31/2023, represents monthly average for the fourth quarter of 2023. Please refer to the Appendix for a definition of Monthly Sessions.

3: As of 12/31/2023. Please refer to the Appendix for a definition of Paying Dealers.

4: Represents the quarterly average revenue per subscribing dealer (QARSD) for the fourth quarter of 2023. Please refer to the Appendix for a definition of QARSD.

Our approach

In 2023 we began developing a three-pillar ESG strategy called *Drive Change*, and we formed a steering committee to expand and advance this strategy. We expect this program to focus on engagement with employees, dealers, and the communities in which we operate. We plan to start implementing elements of this program in 2024 as part of our broader ESG initiatives. For our employees, we will continue to support public service and charitable giving efforts that align with our Core Values, including volunteer programs and

Company-matching donation programs. Our dealer customers can apply for charitable donations, programs, and sponsorship support of non-profit organizations with which they work and support. For the communities in which we operate, we plan to create intentional partnerships focused on youth and education as well as the environment. As we continue to develop and roll out this program, we plan to update investors and stakeholders with our progress. We are very excited to be kicking off the *Drive Change* program in 2024!



Proposed Drive Change Program Elements

Employee Engagement

We plan to support service and charitable giving that aligns with our Core Values, business functions, and employee interests through:

- Employee-led charitable giving
- Volunteer programs
- Function-led programs
- Company-matching donation programs

Dealer Engagement

We recognize and support our dealers who make an impact in the communities they serve.

Dealer Difference

Dealer customers can apply for charitable donations, programs, and sponsorship support of 501(c)(3) non-profit organizations they work with and support.

In addition, we strive to focus our dealer outreach efforts with dealers to donate and support dealer communities impacted by natural disasters and adverse current events.

Community Impact

Our community impact will be focused in two main areas in order to optimize our collective good and to better measure impact.

1. Youth and Education

We support 501(c)(3) non-profit organizations, programs, and activities that help traditionally marginalized youth and education programs.

2. Environment

We support 501(c)(3) non-profit organizations, programs, and activities that help conserve our environment in the fight against climate change.

Environment

At CarGurus, we prioritize responsible action and conscientiously evaluate our environmental footprint. Although our facilities and operations have a limited environmental impact, we actively seek opportunities to enhance our conservation, recycling, and waste reduction practices at both individual and organizational levels.





Since 2019 we have reduced our total water usage by **45%**.

As our business grows, so too does our employee count and therefore our need for more office space, which represents an opportunity to reduce our carbon footprint. In 2023 we consolidated our offices to reduce unused space and operate more efficiently ahead of our planned move to our new headquarters, which is currently under construction in Boston, Massachusetts. For commuters, the building will have EV charging stations in the garage and indoor bike racks, and the sidewalks and bike lanes in the surrounding area will be redesigned and improved to accommodate the increased commuter traffic. The broader project also will improve access to bus lines and redevelop a pedestrian tunnel to a new Green Line T station entrance, which we believe will encourage greater use of public transit. We continue to assess in-office sustainability practices that could be implemented to further our commitment to reducing our environmental impact.

As a company, we operate under the return-to-office guidelines based on our Future of Work policy, which currently requires employees to be in the office for at least 40% of working days each month. As part of our efforts to reduce the environmental impact of commuting, we offer an annual stipend for employees who walk or bike to work, and we incentivize low-carbon transportation methods by offering public transportation subsidies. In 2023 we continued offering a lunch stipend on days when employees are in the office, but we remain mindful

of the potential for food waste. To limit our waste, we send daily reminders to encourage employees to cancel lunch orders if they will not be in the office or communicate to others when they have ordered a lunch that they will be unable to eat and is available for an employee who may not have ordered lunch that day. In our offices, we also encourage our employees to recycle by putting recycling bins at every employee desk, in every conference room, and next to all trash receptacles in our office kitchens and cafeterias. Alongside the recycling bins, we provide signage with guidelines on what can and cannot be recycled to improve usage.



As we discuss later in this CSR Report, we support Communities of Practice (CoP), and our Climate Gurus community is a resource for employees who are concerned about sustainability and the Company's and their own individual impact on the environment. In 2023 this community supported an Earth Day engagement event, discussions on how to reduce individual environmental impact, and the benefits of electric vehicles and other new transportation technology.

We recognize our ability to effect positive change with consumers and dealers. Our day-to-day operations have a relatively limited environmental impact; nevertheless, we continue to evaluate new opportunities and new processes to further reduce our environmental footprint. We encourage employees to think about their impact on the external environment, and we promote their success at CarGurus by promoting a welcoming and inclusive work environment.

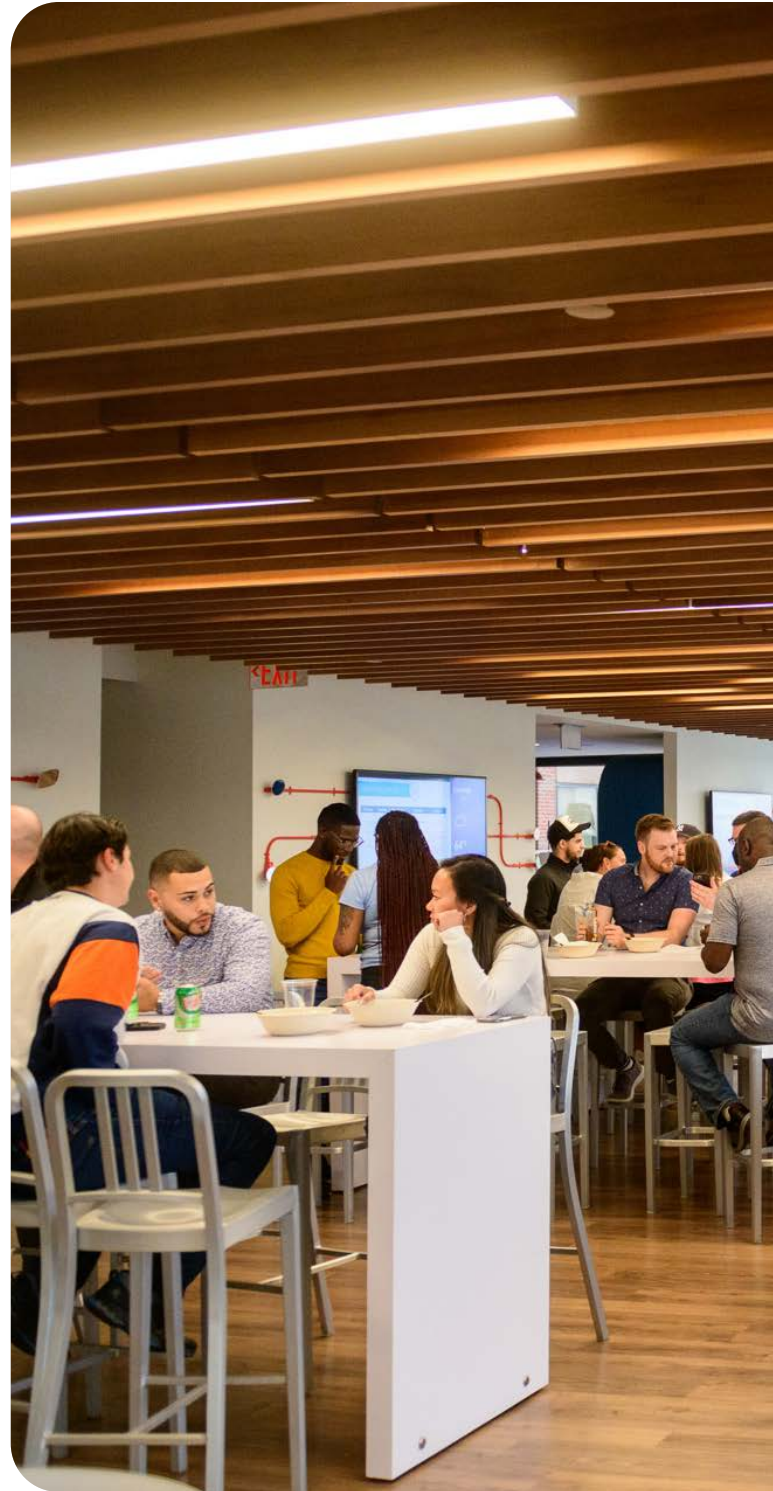


Our new headquarters is expected to offer a **leading energy-efficiency and sustainability profile**, and we expect the building to receive LEED Gold certification upon completion.



Social

At CarGurus, we actively nurture a global culture where inclusiveness is a reflex, not an initiative, and we believe that diversity, equity, inclusion, and belonging are key drivers of a collaborative and innovative work environment.



We are committed to:

- Building a diverse workforce
- Creating a workplace that provides equitable opportunities for growth and development
- Fostering a culture of belonging

We strive to be a good corporate citizen by investing in our employees, the communities in which we operate, and the global communities in which many of our employees, dealers, and stakeholders live. As a company, we aim to create a workplace where everyone feels safe expressing their true selves and supported in reaching their full potential at work every day – where employees can come as they are to thrive where they are. We are committed to making impactful donations to charities and organizations that our employees are invested in through our Charitable Giving Program, and we are dedicated to providing best-in-class workforce development and training by fostering a learning culture to aid in growth for all our employees.

Diversity, Equity, Inclusion, and Belonging

Diversity, equity, inclusion, and belonging (DEIB) promote our core values, and fulfilling these core values depends on our ability to create a workplace where everyone has equitable opportunities. We actively seek to recruit from candidate pools that reflect the diversity of our customers and the world around us, and this mission is supported by our DEIB Council. Employees should be represented by leadership, so we foster an inclusive workplace with a culture of belonging where we embrace and celebrate each other's unique stories and perspectives. As a company, we regularly assess representation across the organization to see where we have made progress and, importantly, where we can improve.



In 2023 we refocused our DEIB strategy around four key areas with the goal of continuing to build on our success. The four key areas are:

1. Representation

Approach representation more holistically

2. Retention and Internal Mobility

Create equity across the organization so that all employees can thrive and succeed in ways that work for them

3. Ownership & Accountability

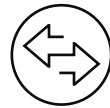
Activate an ownership-oriented approach to DEIB

4. Anti-Racism

Cultivate anti-racism throughout the organization

We acted on these commitments during 2023 in several ways. For example, we promoted and provided learning opportunities related to various history and pride months with activities, speaker series, and guided conversations. The CarGurus social justice learning group cultivates our collective understanding of DEIB, and we continued to incorporate targeted improvements in representation of traditionally marginalized populations at the

Company in the U.S. In 2023 we also introduced Gender Transition Guidelines to ensure that all employees feel as though they can safely be their true selves in the workplace. These guidelines cover best practices for employees and managers and provide a variety of resources to help create a supportive environment within specific teams and the Company.



We are proud to announce that in 2023 we established our seventh ERG, **AccessAbility**, the mission of which is to create a workspace that is accommodating for all employees, including those with neurological differences and disabilities.



Employee Resource Groups (ERGs)

ERGs are employee-led groups that help foster a diverse, inclusive workplace aligned with our organizational mission, values, and goals. We currently support seven employee-led ERGs that are formed based on shared identities, characteristics, or life experiences. Each ERG has a sponsor from our Senior Management Team and there are several Executive Team sponsors too. In developing new ERGs, we take into account employee feedback and needs. Across all seven of our ERGs, there were over 1,000 members in 2023, representing ~300 new members as compared to 2022.

The goals of ERGs are to:

- 1. Create a welcoming environment** by providing support, networking, and professional development opportunities.
- 2. Act as a strategic business partner and resource for the Company.**
- 3. Enable the enhancement of our internal culture and the CarGurus brand.**

We currently have seven ERGs at CarGurus:

- AAPI
- AccessAbility
- LGBTQ+
- Parents
- POC
- Salutes Service
- Women



Events

From cultural celebrations to our speaker series to volunteer and training opportunities, our ERGs and DEIB team had a busy, fun, and informative year! Each curated event enabled us to bring our community together, learn alongside other employees, and strengthen our culture of belonging.

This year our ERGs and DEIB team hosted 50+ DEIB events.

1,000+

employees engaged as members of ERGs

1,500+

event attendees / program participants

79

mentor-protégé pairs participated in the Elevate Mentorship Program

We also support Communities of Practice (CoP), which are employee-led groups that drive business strategy, create best practices, and promote cultural and personal development for its group members. Today, CoP groups include Climate Gurus, Women in Sales, and Women in Technology.

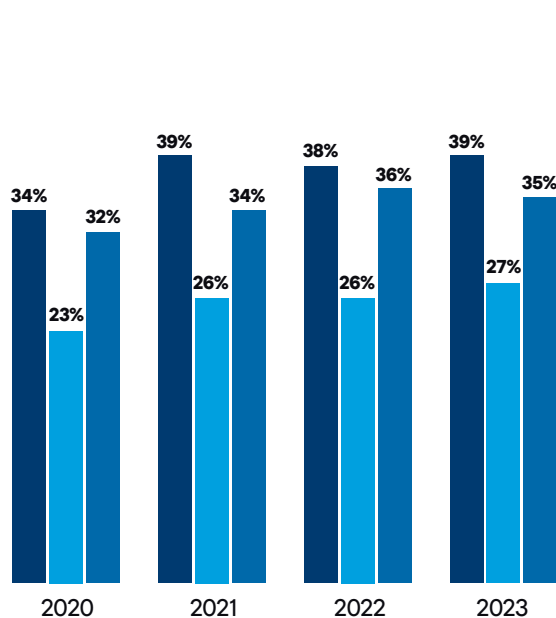
We also offer our Elevate Mentorship Program, a six-month engagement focused on establishing connections between women, nonbinary, and Black, Indigenous, and People of Color employees and allies and leaders. In the program’s second year, an impressive 79 mentor and protégé pairs participated in Elevate.

Our commitment to these efforts helps us attract and retain the best talent, enables employees to realize their full potential, and drives high performance through innovation and collaboration. In 2023, based on data from U.S. CarGurus employees who chose to self-identify (85.4%), we increased representation among traditionally marginalized racial/ethnic groups year-over-year (34.4% to 35.4%) within our U.S. workforce.

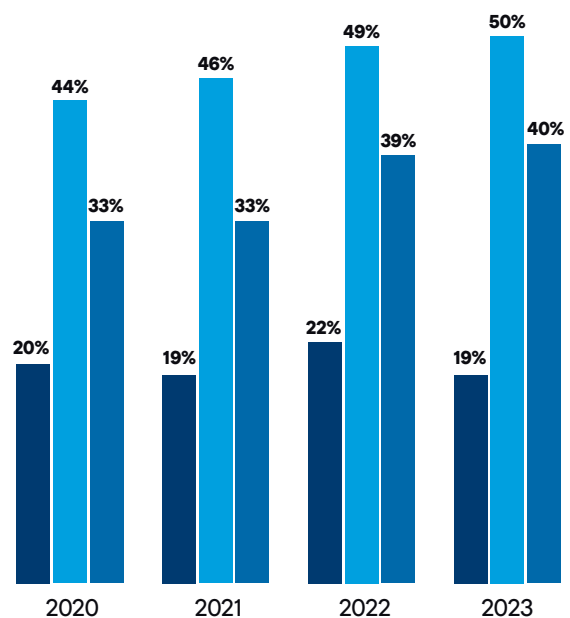
Our DEIB Council continues to review and evaluate various workstreams to ensure that we approach recruiting, training, and career development from a career equity perspective, including reducing bias in job descriptions to attract candidates from traditionally marginalized groups.

● MANAGER AND ABOVE ● TECHNICAL ROLES ● ALL OTHER EMPLOYEES

CarGurus Female and Non-Binary Employee Representation



CarGurus Traditionally Marginalized Racial/Ethnic Group Representation



Corporate and Global Citizenship

Corporate citizenship and social responsibility are important tenets of our Company culture as we strive to do the right thing by each other, our partners, and our communities. During 2023 we continued to give back in various ways.

CarGurus Gives Back: We encourage employee participation in charitable giving through our Charitable Giving Program and our corporate donations. Our Charitable Giving Program, which began in 2018, encourages employees to submit

nominations for grants to tax-exempt organizations, which are then reviewed by a committee of our employees and awarded to selected charities on a quarterly basis. In addition to our quarterly Charitable Giving grants, we occasionally make off-cycle corporate donations inspired by current global events. In 2023 we awarded over \$130,000 in grants to various charitable organizations. Through the Charitable Giving Program and our corporate donations, we have donated more than \$1,000,000 since inception to charities across the communities in which we operate.



Charitable giving

CarGurus donated over \$130,000 in 2023

to a wide range of incredible non-profit organizations making an impact through our employee-led Charitable Giving program and off-cycle corporate donations.

Charitable Giving grant recipient:

- The Food Project
- RESPOND
- St. George's Hospital Charity
- Lasagna Love
- Project Bread
- OneMission
- SOS! Special Educational Needs

Off-cycle donations:

- Human Rights Campaign
- American Civil Liberties Union
- Clean Air Task Force
- Charles River Association
- AISES (American Indian Science and Engineering Society)
- Trevor Project
- Catalyst
- United Hatzalah

GurusGiveBack: Each year, we host a Company party to celebrate our business and each other. We expand that celebration to support the communities in which we operate by adding a charitable giving component. Employees are encouraged to donate to various charitable organizations, and we match all employee donations. In 2023 employees raised \$17,283, which we matched to make a grand total of \$34,566 donated to various organizations and charities, including Youth Villages, Wounded Warrior, Year Up, and the Great Ormond Street Hospital for Children.

Human Rights Campaign Business Statement Opposing Anti-LGBTQ+ State Legislation: In 2023 we recognized and celebrated Transgender Visibility Day on March 31 by becoming the 300th signatory on the Human Rights Campaign Business Statement Opposing Anti-LGBTQ+ State Legislation. In signing, we expressed our support for the LGBTQ+ community, and we added to this by donating \$5,000 to the Human Rights Campaign and the ACLU to support efforts to combat these anti-LGBTQ+ legislative initiatives.

2023 CarGurus Week of Service

Volunteer hours

931

Volunteers engaged

416

Nonprofit partners

20

Students inspired

95

Care kits assembled

315

Lives impacted

15,020

Meals provided

40,300

\$76,215

In total contribution to community given through volunteering

Supporting CarGurus' communities:



Michigan, U.S.
Sorting Food Donations
at Focus: Hope



Massachusetts, U.S.
Processing Furniture
Donations at Household Goods



Dublin, Ireland
Creating Welcome Bags for Families
Staying at the Ronald McDonald House



Massachusetts, U.S.
Packing and Serving Meals
at Community Servings

Dealer Sponsorship Program: Dealers are known for their charitable giving and community service. The Dealer Sponsorship program supports customer requests for CarGurus to make financial contributions to their charitable events. We have budgeted funds to support these initiatives and to continue to grow our partnership with our loyal customers.

Pan-Mass Challenge: Each year since 2019, a cross-functional group representing CarGurus has ridden in the Pan-Mass Challenge to raise money for the Dana-Farber Cancer Institute to help fund the life-saving research and treatments they provide. From our first ride in 2019 through 2023, CarGurus employees and guests have donated over \$240,000 to this meaningful cause on behalf of the employees riding.



In 2023 we supported **37 causes** and organizations by **donating over \$100,000** on behalf of 37 dealership customers.



Workforce Development and Investment

At CarGurus, we provide our employees with opportunities to grow by providing programs and tools that fuel development and foster individual and organizational effectiveness. Learning is an ongoing process that happens every day, and development comes from a culture of curiosity, experimentation, and a willingness to push ourselves out of our comfort zones to maintain our organization's pioneering spirit. Investing in and developing our employees is core to our people and talent strategy, so we created several development programs to help employees understand their strengths and areas for growth and development.

Learning & Development: We are defined by a culture of continuous learning and improvement, which we view as a journey that requires support and opportunities to share learnings with others. In 2023 we introduced our Career Development Model, which aims to help employees understand what success and growth looks like in their current roles and their next roles. We encourage each employee to take responsibility for their own growth roadmap, and we challenge employees to grow, learn, and become better versions of themselves while helping others to do the same. In 2023 100% of our employees participated in learning and development activities, ranging from mandatory quarterly compliance training courses to one-on-one, virtual, social, and self-directed learning, mentoring, coaching, and external development sessions.

Career and Professional Development: We offer several programs to promote employee development and shared learning; enabling career development opportunities for our employees is a critical element of our people and talent strategy.

First Gear focuses on educating new hires on the CarGurus culture, including sessions specific to our DEIB efforts, and how to succeed in their new

roles. Our Drive program uses curated content and live meetings with peers to help employees understand how to develop their careers and expand their networks internally and externally. We also offer tuition reimbursement at qualified educational institutions for advanced degrees and certifications relevant to the employee's role at the Company. Additionally, we provide all employees with access to LinkedIn Learning.

Career and Professional Development

First Gear

Mandatory new-hire training program, which includes a DEIB-specific training session

Drive

Internal career development program

Campus & Early Career Programs

Provide opportunities for undergrads, MBA interns, co-ops, and entry-level engineers



Leadership Development: We offer leadership development opportunities for new and experienced managers at CarGurus, as we believe that leadership is about creating the conditions for people to achieve great things together. There are some simple but powerful actions that the best leaders demonstrate to create these conditions, and we have translated these into a Leadership Capabilities model, which outline the capabilities that we believe differentiate our leadership and define the skills needed to raise the bar on performance for individuals, teams, and the organization broadly. We define leadership capabilities by organizational level, and we provide structured learning and development resources for leaders at all levels. For example, for new managers we offer Accelerate, a management-focused training program designed to educate new and aspiring managers on best practices. For more experienced people managers, we offer Boost, our leadership development program designed to enhance their managerial capabilities and practice applying them to real-life situations.

Employee Recognition: We want our employees to know that their contributions are valued and appreciated, so we provide various opportunities to recognize and celebrate behaviors and efforts that support our values and our business. Each quarter, employees who embody our core values and leadership capabilities are recognized with awards at quarterly Town Hall meetings. On an ongoing basis, we also encourage employees to recognize one another for their hard work and contributions to each other and to the Company culture through our employee recognition and rewards platform Bonusly. We provide each employee with an allowance of points in Bonusly that can be used to give small bonuses to colleagues who have gone above and beyond. Employees can save up Bonusly points and redeem them for rewards including gift cards, cash, and charitable donations.



CarGurus Leadership Capabilities

Catalyst for Impact

We set high standards and take full ownership for our work. We are decisive, results-oriented, and have a bias for action.

Coach

We embody a growth mindset and foster an environment of learning, developing, and growing together.

Communicator

We share our vision and bring people along. We communicate clearly and simply, using data and facts to inform and shape our priorities.

Change Leader

We challenge ourselves and others to innovate and experiment. We are comfortable with ambiguity and adapt quickly when priorities change, remaining focused on the big picture.

Caring Collaborator

We create meaningful partnerships and a sense of belonging, setting a foundation of trust, respect, inclusion, and empathy in how we work.

Employee Engagement

Each year we conduct an employee engagement survey to help our management team gain insight into and gauge our employees' feelings, attitudes, and behaviors around working at CarGurus. Our latest survey, completed in September 2023, had a participation rate of approximately 90% of our employees. We recognized strengths related to manager-employee relationships and progress around learning and enablement. Based on employee feedback, we also identified several Company-wide opportunity areas to improve engagement and drive long-term success.

In 2023 we provided two Company-wide mental health days, and we continued to address employee mental health concerns by offering conversations and counseling related to current events. In 2023 we hosted counselor-led conversations to support employees who are connected to Palestine or Israel following the outbreak of violence in that region. Another way we promote our commitment to the health and happiness of our employees is our transportation benefit for both elective and medically necessary procedures that require travel to another

state, which we added in the wake of the *Dobbs v. Jackson Women's Health Organization* decision in 2022. In 2023 we added to this commitment by partnering with Carrot Fertility to offer inclusive fertility health and family-forming benefits for employees, including support for fertility health, preservation in the form of freezing sperm or eggs, adoption, surrogacy, and other benefits.

We also make an effort to keep employees apprised of what is happening in other parts of the Company through our Welcome! Ask Me Anything (WAMA) series, in which we invite department leadership to participate in a webinar with Q&A provided by employees. The webinars cover a wide variety of topics; in 2023 our WAMA topics included brand marketing, product commercialization, software development, and corporate strategy, among others. Employees are encouraged to submit questions online and attend the live event if they can. By holding these events, we believe that we develop cross-functional collaboration and understanding that helps employees see the broader scope of their respective roles.





In 2023 CarGurus received numerous awards including:

The Boston Globe
Top Places to Work 2023
Massachusetts

Human Rights Campaign
Human Rights Campaign's
Equality 100 Award: Leader in
LGBTQ+ Workplace Inclusion

Boston Business Journal
2023 Best Places to Work

Comparably
Best Perks & Benefits

Comparably
Best Company Culture

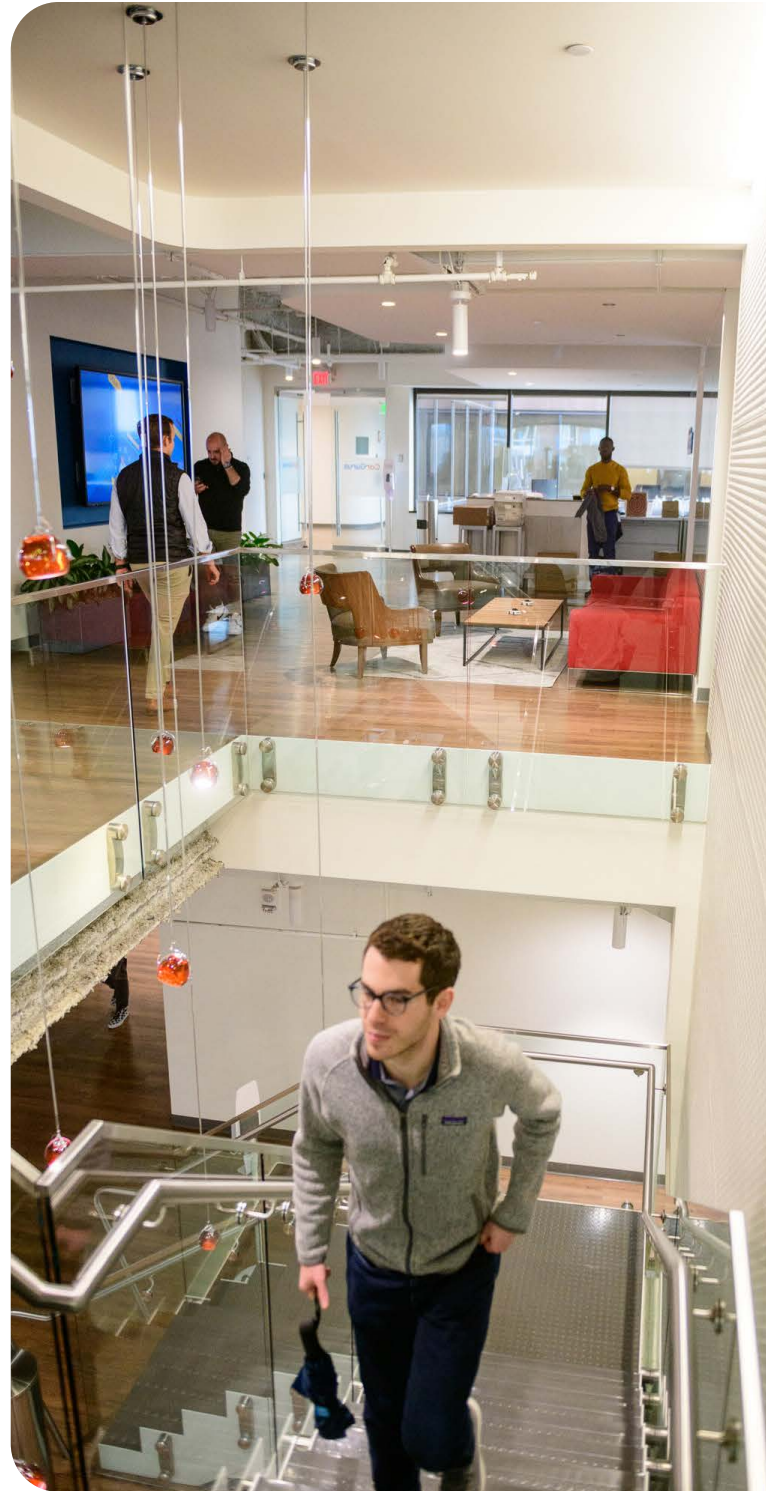
Comparably
Best Work-Life Balance

Fortune
Best Workplaces in Technology

Built In
2023 Best Places to Work
Boston

Governance

Our values of Integrity and Transparency are at the core of our approach to responsible governance. We are committed to continuously improving and refining a sustaining governance structure that fosters long-term stockholder value, focusing on legal compliance and building value for all stakeholders.



We act responsibly and are committed to the highest standards of ethics, business integrity, and corporate governance. We maintain a number of policies and guidelines to facilitate strong corporate governance practices in alignment with the best interests of our customers, partners, and stockholders.

Corporate Governance

We are led by a majority-independent Board with a commitment to DEIB. Our Board provides oversight and counsel to management and represents the interests of our stockholders. Since our initial public offering in 2017, our Board has been composed of a majority of independent members, including directors in leadership positions. For example, since 2018, Lori Hickok has served as Chair of the Audit Committee of our Board (the Audit Committee).

Our Board has also adopted and maintains Corporate Governance Guidelines that set forth our Board's commitment to diversity. Specifically, our Board believes that diversity, including differences in backgrounds, qualifications, and personal characteristics, is important to the effectiveness of its oversight of the Company and that its membership should reflect a diversity of personal characteristics. Our Board is committed to this policy of inclusiveness and will therefore continue to take reasonable steps to ensure that candidates from traditionally marginalized groups are considered for the pool of candidates from which our director nominees are chosen.

The CarGurus Code of Conduct is the operative policy helping us drive forward our sustainable governance practices. We believe our reputation for integrity is one of our most important assets. Accordingly, the Code of Conduct sets forth our expectation that all of our employees, officers, and directors, and those of our subsidiaries and affiliates, are to conduct

themselves according to the highest ethical and professional standards of conduct, guided by fundamental principles of trust, honesty, objectivity, fairness, and respect for oneself and others.

We do not engage in or tolerate bribery, corruption, discrimination, fraud, or unethical behavior of any kind. We communicate our expectations broadly — when new employees join our team, they complete onboarding training on our Code of Conduct. Once onboarded, employees undertake additional periodic training, including signoff and acknowledgement of ongoing compliance with our policies.

We expect and encourage our employees to speak up if they see or suspect any illegal or unethical behavior, or they have a question about what to do in a certain situation. We also expect and encourage our employees to report any suspected violations shared with them by another employee.



Our Code of Conduct and our Whistleblower Policy detail our expectations for reporting and includes our no-retaliation policy for reports made in good faith. All reports are documented, investigated, and escalated, including to our Board of Directors where necessary.

We adhere to the U.K. Modern Slavery Act of 2015 and have published a Modern Slavery Act Statement. Updated in February 2024, the statement outlines how we undertake due diligence to evaluate whether third parties have the relevant policies and procedures in place to address modern slavery risks.

Corporate Governance Highlights

- Five of seven directors are independent
- All committee members are independent
- Annual Board and committee anonymous self-evaluations
- Regular executive sessions of independent directors
- Board member participation in other public company boards is limited
- Pay-for-performance compensation philosophy
- Prohibition of short sales, transactions in derivatives, and hedging and pledging of our stock by our directors and executive officers
- Compensation recoupment policy
- Comprehensive Code of Conduct and Corporate Governance Guidelines
- Related Person Transaction Policy with oversight by the Audit Committee

Key statistics about our directors

Tenure

0-4 years

2

5-9 years

3

10+ years

2

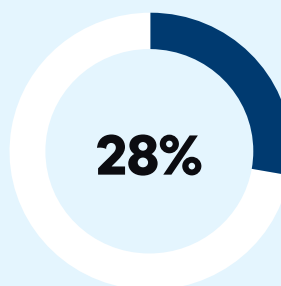
Age

<50

3

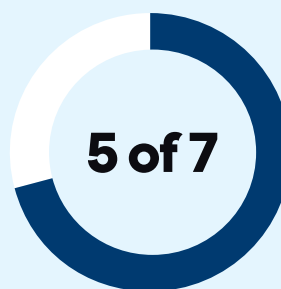
50-61

4



of the Board is women or ethnically diverse*

* Ethnically diverse categories include African American or Black, Alaskan or Native American, Asian, Hispanic or Latinx, Middle Eastern, Native Hawaiian or Pacific Islander, or two or more races or ethnicities.



Board members are independent



Our Whistleblower hotline (www.whistleblowerservices.com/CARG/ or **1-877-325-9953**) is available 24/7, 365 to anonymously report concerns regarding accounting, internal accounting controls, and auditing matters and other matters relating to our business conduct and ethics.

Data Privacy and Security

We also believe privacy and data protection are the foundation for building trust with our employees, customers, communities, and partners. Accordingly, we maintain comprehensive information security and privacy policies that govern all aspects of our business that are regularly updated to reflect legal developments and evolving best practices regarding data privacy and security.

We address the complex issues of privacy and data security by assessing both our legal and regulatory obligations as well as our customer and user expectations. We maintain a global privacy program that grows with prevailing industry practices, including the implementation of controls that are commensurate with the sensitivity of the data being processed. We regularly review and enhance our privacy measures based on legal changes, in compliance with current legal standards largely beginning with the European Union's General Data Protection Regulation and the California Consumer Protection Act, and continuing as laws are passed in additional jurisdictions.

Employee training is a key element of our privacy program. We require all new employees to complete privacy and security compliance trainings during their onboarding, and we update those trainings annually for all other employees. We also provide targeted training from time to time on varying topics and to different audiences as regulations or our products and operations evolve.

As a reflection of our commitment to transparency, we provide appropriate privacy notices through our product design, our customer contracts, and our privacy policies. Our written policies detail our privacy practices, which vary depending upon the user's geography or product context. They include: descriptions of the user information that we collect or receive; the choices and control that a user has in relation to this data; the purpose for which we use such information (including regarding advertising); our policies relating to our usage and sharing within CarGurus, our affiliates, and partners; and disclosures about third-party partner privacy policies and user controls for sharing and controlling such information. We update our privacy policies from time to time as our products, user expectations, and the law develops around the world. At CarGurus, we understand that privacy is an evolving topic, and we're committed to privacy principles as we build and expand our products and services.

The Audit Committee maintains oversight of our compliance with cybersecurity principles. As part of this function, the Audit Committee regularly meets with members of management responsible for data privacy, technology, and information security risks to discuss these risks, risk management activities, and the effectiveness of our security measures and is debriefed quarterly on open and resolved technology risks and incidents.

Concluding remarks

We are pleased to share our fourth CSR report, and we are excited to promote new programs and initiatives that are consistent with our Core Values and build on existing programs that have been part of our corporate DNA since inception. Through these programs, we strive to demonstrate ESG leadership as we support our customers, employees, and the communities in which we operate.

We are proud of our progress in our ESG journey, and we continue to seek out areas for improvement. We remain committed to our ongoing evolution as we take additional steps to continue making a positive impact across the ESG spectrum. We are excited to develop and roll out our *Drive Change* program, and we look forward to updating investors and stakeholders with our progress. We are very excited by what comes next, and we look forward to providing more updates in the future!



Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this CSR Report and the Appendix may include forward-looking statements within the meaning of the federal securities laws. We may, in some cases, use terms such as “aim,” “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “may,” “might,” “plans,” “potential,” “predicts,” “projects,” “seeks,” “should,” “target,” “will,” “would,” or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. All statements contained in this CSR Report and the Appendix hereto other than statements of historical facts are forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. These forward-looking statements are subject to a number of risks and uncertainties, which could cause them to differ materially from actual results. Information concerning those risks is available in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q and other reports we file with the U.S. Securities and Exchange Commission. These factors could cause actual results and developments to be materially different from those expressed in or implied by such statements. Forward-looking statements do not guarantee future performance and actual results may differ materially from those projected. The forward-looking statements are made only as of April 18, 2024, and we undertake no obligation to update such forward-looking statements to reflect subsequent events or circumstances.

This CSR Report and the Appendix also contain estimates and other statistical data that we have obtained or derived from internally prepared studies and surveys. You are cautioned not to rely on our extrapolations of internally prepared studies and surveys, as these are estimates involving a number of assumptions and limitations, which we are unable to ensure will be reached.

Website addresses referenced in this CSR Report and the Appendix are inactive textual references only, and the content on the referenced websites specifically does not constitute a part of this CSR Report and the Appendix and is not incorporated by reference herein.

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Appendix

The SASB mission is to establish and maintain industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability information to investors. We have considered SASB's Technology & Communications sector – Internet Media & Services industry standard when reporting on ESG issues and have provided key details below.

SASB CODE	METRIC	FY2022	FY2023
Employee Recruitment, Inclusion & Performance			
TC-IM-330a.1	Percentage of employees that are foreign nationals	2022: 5.6%	2023: 7.7%
		Methodology: Reflects CarGurus' foreign national employees in the U.S. under nonimmigrant visas as of December 31 of the applicable year as a percentage of CarGurus' total U.S. employees as of each such date.	
TC-IM-330a.2	Employee engagement as a percentage	2022: 68%	2023: 67%
		<p>Methodology: In order to ensure that we are meeting our people and talent objectives, we conduct an employee engagement survey at least annually to help our management team gain insight into and gauge employees' feelings, attitudes, and behaviors around working at CarGurus. Our employee engagement surveys for each of 2022 and 2023 were conducted with our employees worldwide through the Culture Amp platform. These surveys consisted primarily of rating questions on which employees were asked to indicate their level of agreement with a statement based on a five-point scale from Strongly Agree to Strongly Disagree, and it also included a limited number of free-text questions to which employees were asked to write out a response. We had participation rates of approximately 90% and 90% for the surveys we conducted in September 2022 and September 2023, respectively. Our employee engagement metrics presented above reflect the percentage of favorability in response to survey questions (i.e., responses indicating Strongly Agree or Agree). Survey results are analyzed against prior year survey results and CultureAmp's New Tech (500-1K employees) Benchmark for 2022 and 2023, as applicable, which consists of survey results from companies that are primarily internet-based or focused on creating new technologies.</p>	
TC-IM-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Please see the "Employee Diversity, Inclusion, and Belonging Metrics" table below.	

SASB CODE	METRIC	FY2022	FY2023
Data Privacy, Advertising Standards & Freedom of Expression			
TC-IM-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	<p>CarGurus addresses the complex issues of privacy and data security by assessing both our legal and regulatory obligations as well as our customer and user expectations. We maintain a global privacy program that grows with prevailing industry practices, including implementation of controls that are commensurate with the sensitivity of the data being processed. CarGurus regularly reviews and enhances its privacy measures based on legal changes, largely beginning with the European Union's General Data Protection Regulation and the California Consumer Protection Act and continuing as laws are passed in additional jurisdictions.</p> <p>Employee training is a key element of our privacy program. CarGurus requires all new employees to complete privacy and security compliance trainings during their onboarding, and we update those trainings annually for all other employees. We also provide targeted training throughout the year on varying topics and to different audiences as regulations or our products and operations evolve.</p> <p>CarGurus believes in transparency. We provide appropriate privacy notices through our product design, our customer contracts, and our privacy policies. Our written policies detail our privacy practices, which vary depending upon the user's geography or product context. They include descriptions of the user information that we collect or receive, the choices and control that a user has in relation to this data, the purpose for which CarGurus uses such information (including regarding advertising), our policies relating to our usage and sharing within CarGurus, its affiliates, and partners, and disclosures about third-party partner privacy policies and user controls for sharing and controlling such information. We update our privacy policies from time to time as our products, user expectations, and the law develops around the world. At CarGurus, we understand that privacy is an evolving topic, and we're committed to privacy principles as we build and expand our products and services.</p>	
TC-IM-220a.2	Number of users whose information is used for secondary purposes	CarGurus utilizes its population of user data for secondary purposes, including to improve our products and service offerings.	
TC-IM-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	2022: None	2023: None
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	CarGurus reviews all law enforcement requests for scope and legality and responds to all such valid requests. In 2022 and 2023, CarGurus received less than ten requests per year, affecting an average of two to three users each.	
TC-IM-220a.5	List of countries where core products or services are subject to government - required monitoring, blocking, content filtering, or censoring	We are not aware of any countries which subject CarGurus to monitoring, blocking, content filtering, or censoring.	
TC-IM-220a.6	Number of government requests to remove content, percentage compliance with requests	2022: None, N/A	2023: None, N/A

SASB CODE	METRIC	FY2022	FY2023
Data Security			
TC-IM-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	2022: (1) 0 (2) N/A (3) N/A	2023: (1) 0 (2) N/A (3) N/A
TC-IM-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	<p>CarGurus performs regular information security risk assessments covering our facilities, systems, and information assets. These risk assessments are performed using third party-cybersecurity standards such as National Institute of Standards and Technology (NIST) and Center for Internet Security (CIS) benchmarks as guidelines. We share risk assessment results and risk mitigation suggestions with senior management, as appropriate. Our risk assessment results specify proposed changes to systems, processes, policies, and tools to reduce security vulnerabilities and threats to CarGurus, its customers, and its website visitors. We mitigate risks through the implementation of policies, procedures, and controls.</p> <p>CarGurus conducts and records vendor security assessments for its third-party service providers. These assessments evaluate the vendors' security posture and their criticality to the business, as well as analyze the technology risks to the organization. Critical service providers are reviewed at least annually.</p> <p>Data security is overseen by our Vice President of Information Security and Technology who reports to our Chief Technology Officer. Additionally, during 2022 and 2023 we maintained a Security and Compliance Committee comprised of members of senior leadership from across our organization that met regularly to consider information security matters, including cybersecurity, IT infrastructure, data privacy, and other compliance issues. The Audit Committee of our Board of Directors ultimately monitors our compliance with cybersecurity matters. As part of this function, the Audit Committee regularly meets with members of management responsible for data privacy, technology, and information security risks to discuss these risks, risk management activities, incident response plans, best practices, the effectiveness of our security measures, and other related matters.</p>	

SASB CODE	METRIC	FY2022	FY2023
Environmental Footprint of Hardware Infrastructure			
TC-IM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	2022: (1) 4,363 GJ (2) Data not available (3) Data not available	2023: (1) 4,389 GJ (2) Data not available (3) Data not available
		Methodology: Reflects energy consumption for the Company's proportionate share of occupancy in the buildings that comprise the Company's U.S. headquarters in Cambridge, MA during the applicable time periods.	
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	2022: (1) 1.67 m ³ (2) Data not available (3) Data not available	2023: (1) 3.25 m ³ (2) Data not available (3) Data not available
		Methodology: Reflects water consumption for the Company's proportionate share of occupancy in the buildings that comprise the Company's U.S. headquarters in Cambridge, MA during the applicable time periods.	
TC-IM-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	In 2022 and 2023, our development servers and U.S. and international websites were hosted at third-party data centers in the U.S. as well as through third-party cloud computing services in the U.S. and in Europe. Since we lease space for our data center needs, we are limited in our ability to address the source of our energy use directly or implement other environmental improvements. Nonetheless, in 2022 we expanded our development server and website hosting operations through Amazon Web Services, a provider of cloud infrastructure services.	

Employee Diversity, Equity, Inclusion and Belonging Metrics				
		As of December 31, 2022 ³	As of December 31, 2023	Improvement/ (Decrease) YoY
Female and Non-Binary¹	Manager and Above ²	38.3%	38.5%	0.2%
	Technical Roles	26.2%	27.3%	1.1%
	All Other Employees ³	35.5%	35.0%	-0.5%
Traditionally Marginalized Racial/Ethnic Groups¹	Manager and Above ²	21.6%	19.0%	-2.6%
	Technical Roles	49.4%	49.9%	0.5%
	All Other Employees ³	38.6%	40.3%	1.7%

(1) Based on CarGurus' U.S. population of employees who chose to self-identify.

(2) Reflects internal designations. "All Other Employees" includes U.S. employees not categorized as "Manager and Above".

(3) Figures for FY2022 have been updated from CarGurus' FY2022 CSR Report to reflect corrections to the data presented therein.

Definitions:

Monthly Unique Users: For each of our websites (excluding the CarOffer website), we define a monthly unique user as an individual who has visited any such website within a calendar month, based on data as measured by Google Analytics. We calculate average monthly unique users as the sum of the monthly unique users of each of our websites in a given period, divided by the number of months in that period. We count a unique user the first time a computer or mobile device with a unique device identifier accesses any of our websites during a calendar month. If an individual accesses a website using a different device within a given month, the first access by each such device is counted as a separate unique user. If an individual uses multiple browsers on a single device and/or clears their cookies and returns to our website within a calendar month, each such visit is counted as a separate unique user. We view our average monthly unique users as a key indicator of the quality of our user experience, the effectiveness of our advertising and traffic acquisition, and the strength of our brand awareness. Measuring unique users is important to us and we believe it provides useful information to our investors because our marketplace revenue depends, in part, on our ability to provide dealers with connections to our users and exposure to our marketplace audience. We define connections as interactions between consumers and dealers on our marketplace through phone calls, email, managed text and chat, and clicks to access the dealer's website or map directions to the dealership.

Monthly Sessions: We define monthly sessions as the number of distinct visits to our websites (excluding the CarOffer website) that take place each month within a given time frame, as measured and defined by Google Analytics. We calculate average monthly sessions as the sum of the monthly sessions in a given period, divided by the number of months in that period. A session is defined as beginning with the first page view from a computer or mobile device and ending at the earliest of when a user closes their browser window, after 30 minutes of inactivity, or each night at midnight (i) Eastern Time for our U.S. and Canada websites, other than the Autolist website, (ii) Pacific Time for the Autolist website, and (iii) Greenwich Mean Time for our U.K. websites. A session can be made up of multiple page views and visitor actions, such as performing a search, visiting vehicle detail pages, and connecting with a dealer. We believe that measuring the volume of sessions in a time period, when considered in conjunction with the number of unique users in that time period, is an important indicator to us of consumer satisfaction and engagement with our marketplace, and we believe it provides useful information to our investors because the more satisfied and engaged consumers we have, the more valuable our service is to dealers.

Number of Paying Dealers: We define a paying dealer as a dealer account with an active, paid marketplace subscription at the end of a defined period. The number of paying dealers we have is important to us and we believe it provides valuable information to investors because it is indicative of the value proposition of our marketplace products, as well as our sales and marketing success and opportunity, including our ability to retain paying dealers and develop new dealer relationships.

Quarterly Average Revenue per Subscribing Dealer (QARSD): We define QARSD, which is measured at the end of a fiscal quarter, as the marketplace revenue primarily from subscriptions to our Listings packages, Real-time Performance Marketing, our digital advertising suite, and other digital add-on products during that trailing quarter divided by the average number of paying dealers in that marketplace during the quarter. We calculate the average number of paying dealers for a period by adding the number of paying dealers at the end of such period and the end of the prior period and dividing by two. This information is important to us, and we believe it provides useful information to investors, because we believe that our ability to grow QARSD is an indicator of the value proposition of our products and the ROI that our paying dealers realize from our products. In addition, increases in QARSD, which we believe reflect the value of exposure to our engaged audience in relation to subscription cost, are driven in part by our ability to grow the volume of connections to our users and the quality of those connections, which result in increased opportunity to upsell package levels and cross-sell additional products to our paying dealers.