



2022

Corporate Social
Responsibility Report



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About CarGurus

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 digital wholesale platform. The combination of CarGurus' foundational listings business, digital wholesale, and digital retail creates an end-to-end transaction-enabled platform that serves both its dealer partners and largest consumer audience. CarGurus' transaction-enabled platform gives consumers the confidence to shop, finance, buy or sell a vehicle either online or in-person, and it gives dealerships the ability to source, market and sell, all with a nationwide reach. The company uses proprietary technology, search algorithms and data analytics to bring trust, transparency, and competitive pricing to the automotive shopping experience. CarGurus also operates online marketplaces in Canada and the United Kingdom. In the United States and the United Kingdom, CarGurus also operates 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 growing responsibly by integrating sustainable practices into every aspect of our business and its operations, globally. We always challenge ourselves to continuously improve upon our environmental, social and governance ("ESG") efforts and lead by example.

Our Core Values

We are
pioneering

We are
data-driven

We are
collaborative

We are
transparent

We move
quickly

We have
integrity



About this report

This Corporate Social Responsibility (“CSR”) Report covers CarGurus’ ESG initiatives during our 2022 fiscal year, unless otherwise specified. We believe that this CSR Report is an important element of CarGurus’ ESG disclosure program. As we continue to invest in our employees, culture, and community, we expect to consider and report on ESG factors as they evolve within the Company. 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 2022 fiscal year. As used in this CSR Report and in the Appendix thereto, 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.



A message from our CEO

At CarGurus, we're focused on becoming 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. Importantly, we believe in keeping integrity at the heart of everything we do; 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 CarGurus' annual CSR Report.

As a business, we made great progress in 2022 activating our transaction-enabled capabilities and adapting our offerings to best meet the evolving needs of both our largest consumer audience and our dealer partners. We also continued to invest in our employees, fueling growth for CarGurus and our community members. The year wasn't without headwinds; macroeconomic uncertainty continued to challenge businesses globally and CarGurus was no exception. However, I'm proud of our ability to stay flexible and 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're focused on making a positive impact in the areas of environmental, social, and corporate governance. We review how we continue to reduce our environmental impact through energy-efficient and sustainable workspaces, climate-friendly innovation in our products and operations through employee-led events like our Hackathon, and a selection of environmentally conscious employee benefits. In addition, we share 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.

While we believe that there is still more that we can do and more that we can learn as a company as we advance our ESG initiatives, I want to acknowledge the tremendous work the team has done thus far. These initiatives would not be possible without their leadership and unwavering 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 stylized, handwritten signature in black ink, appearing to read 'JMT'.

Jason Trevisan

Environmental

We represent and realize our Core Value of Integrity through responsible actions and consideration of our impact on each other, our partners, and the environment. Our facilities and business operations have limited impact on the environment, but we take every opportunity to improve our conservation, recycling, and waste reduction efforts.

In June 2022, CarGurus employees returned to our offices following two years of remote and limited hybrid work while our offices were closed due to the COVID-19 pandemic. As a company, we developed return-to-office guidelines based on our Future of Work (FOW) policy, which requires employees to be in the office for at least 40% of their working days. To minimize unnecessary commuting solely for the purpose of meeting the in-office requirement, our policy suggests a minimum of 6 hours in the office. We also incentivize low-carbon transportation methods by offering public transportation subsidies and a generous annual stipend for employees who walk or bike to work, along with bike storage in our garage.

With the return to our offices, CarGurus resumed offering a lunch stipend for those employees in the office, and we stocked our kitchens with free food and drinks. We are mindful of the potential for food waste, so we send daily reminders to encourage employees to communicate to others when they have ordered a lunch that they will be unable to eat. In our offices, we encourage our employees to participate in our robust recycling program. This includes 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 in our office kitchens and cafeterias, we include signs with guidelines to clarify what can and cannot be recycled to improve usage.

As our business continues to grow, so too does our employee count and therefore our need for more office space, which represents an opportunity to reduce our carbon footprint. To that end, our new headquarters, which is currently under construction in Boston, Massachusetts, is expected to offer a leading energy-efficiency and sustainability profile. We expect the building to receive LEED Gold certification upon completion. The building will have EV charging stations in the garage and indoor bike racks, and the project scope includes improved sidewalks and bike lanes in the immediate vicinity of the building. Additionally, the project 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. As construction progresses on our new corporate headquarters, we continue to introduce and implement new sustainability practices to further our commitment to reducing our environmental impact.

We have also offered an ESG-focused fund option since 2020 through Calvert Investments (the “Calvert Fund”) with our available lineup of funds under our Section 401(k) plan for our eligible U.S. employees. The Calvert Fund targets responsible investments in companies that provide positive leadership by using business operations to materially improve societal outcomes, especially those that will affect future generations.



In 2022, we held our second CarGurus Hackathon, which allows employee participants to collaborate on innovative ideas and present a pitch to a panel of senior leadership. Our Hackathon empowers teams to embody our core values of moving quickly, collaborating and pioneering, and it also promotes idea generation that can influence or become new products or features for our customers. Our 2022 Hackathon had two key themes: Sustainability and diversity, equity, inclusion, and belonging (“DEIB”). Several relevant award-winning projects this year targeted new ways to find and compare eco-friendly cars and provide more information on electric vehicle (EV) ownership. These ideas could be additive to the EV search functionality already available on our Listings product, where we continue to see increases in the number of EV and hybrid vehicles

listings from our dealer partners. As one of the largest online automotive marketplaces, we are well-positioned to make a positive difference in the fight against climate change by encouraging consumers to make more fuel-efficient choices.

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

Social

We believe that investing in our employees, the communities in which we operate, and the global communities in which many of our employees, dealers, and stakeholders live is essential to being a good corporate citizen. CarGurus actively fosters a global culture where inclusiveness is a reflex, not an initiative, and we believe that DEIB are key drivers of a collaborative and innovative work environment. We envision a workplace where everyone feels safe expressing their true selves and supported in reaching their full potential at work every day – where employees don't just fit in, they thrive. We are committed to making impactful donations to charities and organizations that our employees are invested in through CarGurus' 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.



Employee Resource Groups (ERGs) are employee-led groups that are formed based on shared characteristics or life experiences. CarGurus ERGs include:

Extra@CarGurus

CarGurus Salutes Service

Women@CarGurus

POC@CarGurus

Parents@CarGurus

AAP@CarGurus (new in 2021)

Diversity, Equity, Inclusion and Belonging

We believe diversity, equity, inclusion and belonging promote our core values, and fulfilling these core values depends on our ability to create a workplace where everyone has an equitable opportunity to thrive. As a company, CarGurus actively seeks to hire and retain a workforce that reflects the diversity of our customers and the world around us, and this mission is supported by our DEIB Advisory Council, which aims to guide and support company efforts related to DEIB goals. We want employees to feel as though they are represented by leadership and across the company, and we are committed to fostering an inclusive workplace that provides equitable opportunities for growth, development, and contributions to our vision. We remain dedicated to creating a culture of belonging where we embrace and celebrate each other's unique stories and perspectives. As a company, we commit to being increasingly transparent about representation across our organization to inspire accountability from every member of our community in the areas where we're seeing progress and, importantly, where we need to improve.

Some of the ways we acted on these commitments during 2022 included: promoting and providing learning opportunities related to various history and pride months with activities, speaker series, and guided conversations; cultivating our collective understanding of DEIB through the CarGurus social justice learning group, a new iteration of the company's anti-racism book club; and continuing to incorporate targeted

improvements in representation of underrepresented populations at the Company in the U.S., including by strategically selecting vendors that represent traditionally marginalized groups. We continue to support our six Employee Resource Groups (“ERGs”), and we are pleased that there are over 800 members¹ across ERGs globally in 2022, representing ~300 new members since 2021. Additionally, these groups sponsored more than 50 events or programs, drawing more than 1,400 attendees in 2022. CarGurus also supports Communities of Practice (CoPs), 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 Women in Sales and Women in Technology. In the first quarter of 2022, CarGurus also launched the Elevate Mentorship Program. Elevate is a six-month engagement focused on establishing connections between women, nonbinary, and Black, Indigenous, and People of Color (BIPOC) employees and leaders. In the first year, an impressive 97 mentors and 102 mentees participated in Elevate.

Additionally, based on data from U.S. CarGurus employees who chose to self-identify (87.4%), we increased representation among women and non-binary employees (35.1% to 37.4%) and traditionally marginalized racial/ethnic groups (30.1% to 34.4%) within our U.S. workforce. We also saw year-over-year increases in the U.S. among women and non-binary employees in technical roles (25.9% to 26.2%) and among traditionally marginalized racial/ethnic groups in technical roles (45.7% to 49.4%) and management-level roles (19.4% to 21.6%). At CarGurus, we also have continued our diverse interview panel requirements, established in 2021 (minimum of two candidates from traditionally marginalized groups at the interview stage), during our hiring process for all director-level and above positions across the Company. Our DEIB Council continues to review and evaluate various workstreams to ensure that CarGurus approaches recruiting, training, and career development from a career equity perspective, including reducing bias in job descriptions to attract candidates from traditionally marginalized groups.

¹Employees are represented in multiple ERGs.

Corporate and Global Citizenship

Corporate citizenship and social responsibility are part of how we define Integrity: do the right thing by each other, our customers, and the world around us. During 2022, we demonstrated our commitment to giving back to our communities and beyond in various ways.

CarGurus Gives Back: CarGurus encourages 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, CarGurus occasionally makes off-cycle corporate donations inspired by current global events. In 2022, CarGurus awarded more than \$195,000 in grants to over 30 charitable organizations. Through the Charitable Giving Program and our corporate donations, CarGurus has donated more than \$1,000,000 since inception to charities across the communities in which we operate.

GurusGiveBack: Each year, CarGurus hosts a company party to celebrate our business, our customers, 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 CarGurus matches all employee donations.

CarGurus Service Week 2022: Inspired by employee feedback to expand our community impact and live out our Core Value of Integrity, CarGurus held its first annual company-wide Service Week in November 2022. Through a partnership with Building Impact, we curated 12 volunteer opportunities for our employees to serve in our communities through partners like the Greater Boston Food Bank and Ronald McDonald House. All in, more than 450 CarGurus volunteers made contributions of \$87k and volunteered 966 hours to these great causes.

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. CarGurus has budgeted funds to support these initiatives and to continue to grow our partnership with our loyal customers. In 2022, CarGurus supported 44 causes and organizations by donating over \$200,000 on behalf of 44 dealership customers.

Conflict in Ukraine: In March 2022, CarGurus made a \$10,000 donation in support of the Save the Children Ukraine Crisis Relief Fund. Funds raised through this initiative provided immediate aid to the 7.5 million Ukrainian children and families caught in the crisis in the form of food, hygiene kits, psychosocial support and financial support. CarGurus also donated money to the Irish Red Cross - Ukraine Crisis Appeal for each employee who participated in a St. Patrick's Day event.

CEOs for Gun Safety: As a CarGurus community, part of living our commitment to Integrity means listening to each other's experiences with compassion and respect. In the wake of numerous mass shootings in 2022, 550 American CEOs and business leaders, including CarGurus CEO, Jason Trevisan, came together to sign a letter to the U.S. senate demanding passage of meaningful legislation to prevent gun violence and protect our communities.

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 2022, CarGurus employees and guests have donated over \$200,000 to this meaningful cause on behalf of the employees riding.

Workforce Development and Investment

At CarGurus, we believe that individual and team learning and development is essential to growth. Learning is an ongoing process that happens every day, and not just inside classroom walls. 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, including several development programs.

Learning & Development: We foster a learning culture at CarGurus, and we view continuous learning as a journey that requires support and opportunities to share learnings with others, and we encourage each employee to take responsibility for their own growth roadmap. We challenge employees to grow, learn, and become better versions of themselves while helping others to do the same. In 2022, 100% of our employees globally 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 have created several programs to promote development and shared learning, as we believe that enabling career development opportunities for our employees is a critical element of our people and talent strategy. Our programs include First Gear, our mandatory new-hire training program, which includes a DEIB-specific training session; Drive, our internal career development program; and Campus & Early Career Programs, which provide opportunities for undergrads, MBA interns, co-ops, and entry-level engineers. First Gear focuses on educating new hires on who we are, what we do and how to succeed in their roles, and it also provides sessions specific to DEIB efforts so new employees can be involved from the onset of their CarGurus career. Throughout 2022, we hosted internal workshops and events to promote professional development. We also provide all employees with access to LinkedIn Learning, and we offer tuition reimbursement at qualified educational institutions for relevant advanced degrees and certifications.

Leadership Development: At CarGurus, leadership is about creating the conditions for people to achieve great things together. We've learned that there are some simple but powerful actions the best leaders demonstrate to make this happen and we have translated these into our Leadership Capabilities. While it is not always easy, we strive to lead by demonstrating these behaviors, which fuels growth for ourselves, our teams, our customers, and our business. We define leadership capabilities by organizational level, and we provide structured learning and development resources for leaders at all levels. For example, Boost is our leadership development program for more experienced people managers to enhance their capabilities and practice applying them to real-life situations.

Employee Engagement

Each year, we conduct an employee engagement survey to help our management team gain insight into and gauge employees' feelings, attitudes, and behaviors around working at CarGurus. Our latest survey, completed in September 2022, had a participation rate of approximately 90% of our eligible employees worldwide. The survey results indicated that we continue to excel in areas including manager empathy, career development, belonging, as well as overall excitement about CarGurus' future. Based on employee feedback, we launched Employee Growth Strategy, a formal individual objective setting program that provides growth check-ins as well as Bonusly, a new employee-to-employee recognition system.

In 2022, the daily impact of the COVID-19 pandemic began to subside, but world events continued to cause substantial stress among our employees and in our communities. Throughout the year, we provided several company-wide mental health days, and we held numerous conversations to address employee mental health concerns after countless and continuing incidents of gun violence, the Supreme Court decision to overturn *Roe v. Wade*, and the war in Ukraine. In the wake of the *Roe v. Wade* decision, we worked quickly with our company's healthcare provider to add a transportation benefit for covered individuals who need to travel outside of their home states for both elective and medically necessary procedures. We also held facilitated counselor-led spaces in partnership with our Employee Assistance Program to provide professional support. For our employees' physical health, in April we reinstated our Gym Membership benefit; CarGurus offers a fully paid gym membership at Cambridge Athletic Club.

Our culture and commitment to building a workplace where we can all thrive was recognized externally in 2022 with awards for Built In Boston's "Best Places to Work," Boston Business Journal's "Best Places to Work," The Boston Globe's "Top Places to Work 2022," and Comparably's "Best Perks & Benefits," "Best Company Happiness," and "Best Work-Life Balance." Further, as a result of CarGurus' ongoing efforts in 2022, the Human Rights Campaign Foundation rated CarGurus as one of the "Best Places to Work for LGBTQ+ Equality."

Our Leadership Principles



Lead yourself

Our leaders are intentional about how they show up, manage themselves, and take responsibility for their decisions and the impact they have on others.



Create a shared purpose

Our leaders tap into motivation by aligning people around a common purpose. They connect strategy and success by focusing their teams on clear objectives and helping people understand how their individual roles contribute to our collective Mission.



Inspire ownership and accountability

Our leaders create a shared commitment to success and therefore a mutual accountability for results. They enable and empower others but know when to roll up their sleeves and provide support. The best leaders develop more leaders.



Communicate openly

Our leaders communicate proactively and transparently about goals, challenges, and opportunities. They listen with the intent to understand. They seek opportunities to collaborate across the business.



Invest in growth

Our leaders embody a growth mindset. They challenge themselves and their teams to be curious and actively seek opportunities for learning and improvement, even when it's uncomfortable.



Cultivate environments of respect and trust

Our leaders care about people. They value diverse perspectives and are committed to building a culture where everyone can show up as themselves and do their best work together.



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.

Corporate Governance

CarGurus is 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. During 2022, we achieved nearly 100% employee participation in our annual Code of Conduct compliance training course.

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.

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 the 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, in compliance with current legal standards including Europe’s General Data Protection Regulation, the California Consumer Protection Act, the Colorado Privacy Act, the Connecticut Data Privacy Act, the Nevada Privacy Act, the Utah Consumer Privacy Act, the Virginia Consumer Data Protection Act, and continuing as laws are passed in additional jurisdictions.



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 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 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.

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. In 2022, we completed the implementation of several large security platform investments, increasing our security maturity level. We also completed our annual security controls framework assessment and introduced a new Risk and Compliance platform that allows us to track and monitor organizational risks and benchmark our framework controls. Additionally, during 2022 we continued to build out our application security function and have been successfully able to provide continuous secure development training to our engineers. This engineering specific learning path coupled with our annual employee security awareness training (which all employees are required to complete) provides better secure code decisions. Our security and privacy by design assessments are embedded into our product and engineering design processes, affording our security and legal teams the ability to make recommendations early in the process to ensure that compliance and privacy requirements are met.

Concluding remarks

We are excited to share CarGurus' third CSR report. As described throughout the Report, CarGurus continues 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 pleased to share this CSR Report, and we are proud of our progress in our ESG journey. As a company, we continue to seek out areas for improvement, and we are committed to our ongoing evolution as we take additional steps to continue making a positive impact across the ESG spectrum. We look forward to sharing our progress with you in next year's Report.





Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this CSR Report and the Appendix thereto may include “forward-looking statements.” We may, in some cases, use terms such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “likely,” “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 thereto other than statements of historical facts are forward-looking statements. 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 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 the date of this CSR Report, and we undertake no obligation to update such forward-looking statements to reflect subsequent events or circumstances.

This CSR Report and the Appendix thereto 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.

CarGurus® is a registered trademark of CarGurus, Inc. All other product names, trademarks and registered trademarks are property of their respective owners.

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Appendix to CarGurus FY 2022 CSR Report

The Sustainability Accounting Standards Board's ("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 environmental, social and governance ("ESG") issues and have provided key details below.

SASB CODE	METRIC	FY 2021	FY 2022
Employee Recruitment, Inclusion & Performance			
TC-IM-330a.1	Percentage of employees that are foreign nationals	2021: 5.5%	2022: 5.6%
		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	2021: 62%	2022: 68%
		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 2021 and 2022 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 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 85% and 90% for the surveys we conducted in September 2021 and September 2022, 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 2021 and 2022, as applicable, which consists of survey results from companies that are primarily internet-based or focused on creating new technologies. In 2022, we updated the way we calculate overall engagement based on recommendations from our survey provider, CultureAmp. Historically we have calculated engagement based on 3 questions; in September of 2022 we used 5 questions.	
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	FY 2021	FY 2022
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 Europe's General Data Protection Regulation ("GDPR") and the California Consumer Protection Act ("CCPA"), 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	2021: None	2022: 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 2021 and 2022, 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.	

SASB CODE	METRIC	FY 2021	FY 2022
Data Security			
TC-IM-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	2021: (1) 0 (2) N/A (3) N/A	2022: (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 2021 and 2022 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	FY 2021	FY 2022
Environmental Footprint of Hardware Infrastructure			
TC-IM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	2021: (1) 3,044 GJ (2) Data not available (3) Data not available	2022: (1) 4,363 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	2021: (1) 2.78 m ³ (2) Data not available (3) Data not available	2022: (1) 1.68 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 2021 and 2022, 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, 2021 ⁽³⁾	As of December 31, 2022	Improvement/ (Decrease) YoY
Female and Non-Binary⁽¹⁾	Manager and Above ⁽²⁾	38.6%	38.3%	-0.3%
	Technical Roles	25.9%	26.2%	0.3%
	All Other Employees ⁽²⁾	34.1%	37.2%	3.1%
Underrepresented Racial Minorities⁽¹⁾	Manager and Above ⁽²⁾	19.4%	21.6%	2.2%
	Technical Roles	45.7%	49.4%	3.7%
	All Other Employees ⁽²⁾	33.3%	38.6%	5.3%

(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".



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