

# Sustainability Report

## Sustainability is at the heart of ATG

Facilitating the circular economy is imperative for a sustainable future.

We are committed to playing an important role within the circular economy, with our online auction marketplaces providing a channel of 're-commerce' for second-hand goods, ensuring that millions of items are resold for re-use or repurpose each year, extending their lifespans and value within the economy and preventing waste.



**Richard Lewis**

COO and Sustainability and ESG Committee Chair

### Introduction from the Chair of the Sustainability and ESG Committee

ATG has over 50 years' experience in the auction industry. Our shared success model helps to ensure the long-term sustainability of our business by aligning ATG's ambitions with those of our auctioneer partners. Together we are united in growing the online auction industry.

The Group's sustainability strategy is underpinned by our purpose: to unlock the value of the secondary goods market and to facilitate the growth of the circular economy. In FY23, our marketplaces helped to ensure a minimum three million tonnes of carbon were saved<sup>1</sup>. We are committed to integrating sustainability into every aspect of our business, including through minimising our own environmental impact, ensuring all our employees feel they belong and can reach their full potential and through operating a trusted and responsible marketplace. Our proposed updated executive management remuneration framework for FY24 includes a climate change target, highlighting our commitment.

We have made good progress on our sustainability strategy in FY23 which is outlined in this report. We are also proud that our sustainability credentials have been recognised through ATG's inclusion in the FTSE4Good Index as well as our near-term (2030) greenhouse gas emissions reduction target being approved by the Science Based Target initiative ("SBTi"). We are also proud in this report to announce our commitment to become Net zero as a Group across all scopes by 2040 in line with the SBTi.



<sup>1</sup> Carbon saving for 15 popular items on our marketplaces versus the impact of buying these items new



## Sustainability Report continued

### Our sustainability strategy

#### Our Environment

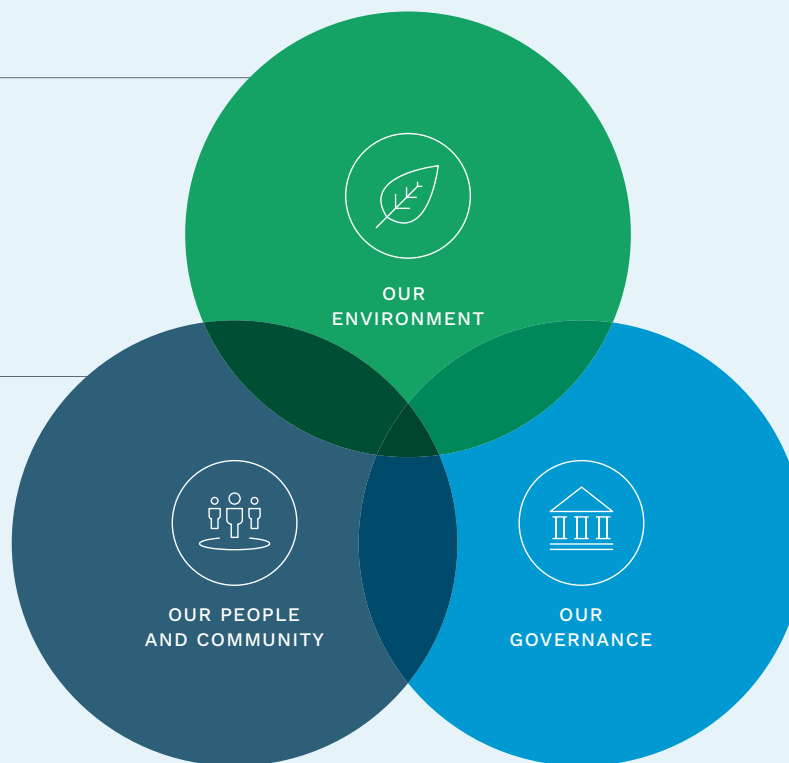
- Minimise our own environmental impact
- Invest to create a seamless buying and selling experience in online auctions in order to further accelerate the circular economy

#### Our People and Community

- Ensure our people feel they belong and can reach their full potential
- Develop diverse teams with an engaged and inclusive culture
- Serve as a force for good in the communities in which we operate

#### Our Governance

- Operate a trusted and responsible marketplace with secure and trusted technology
- Operate within a strong governance framework
- Behave ethically and with integrity at all times



## Sustainability Report continued

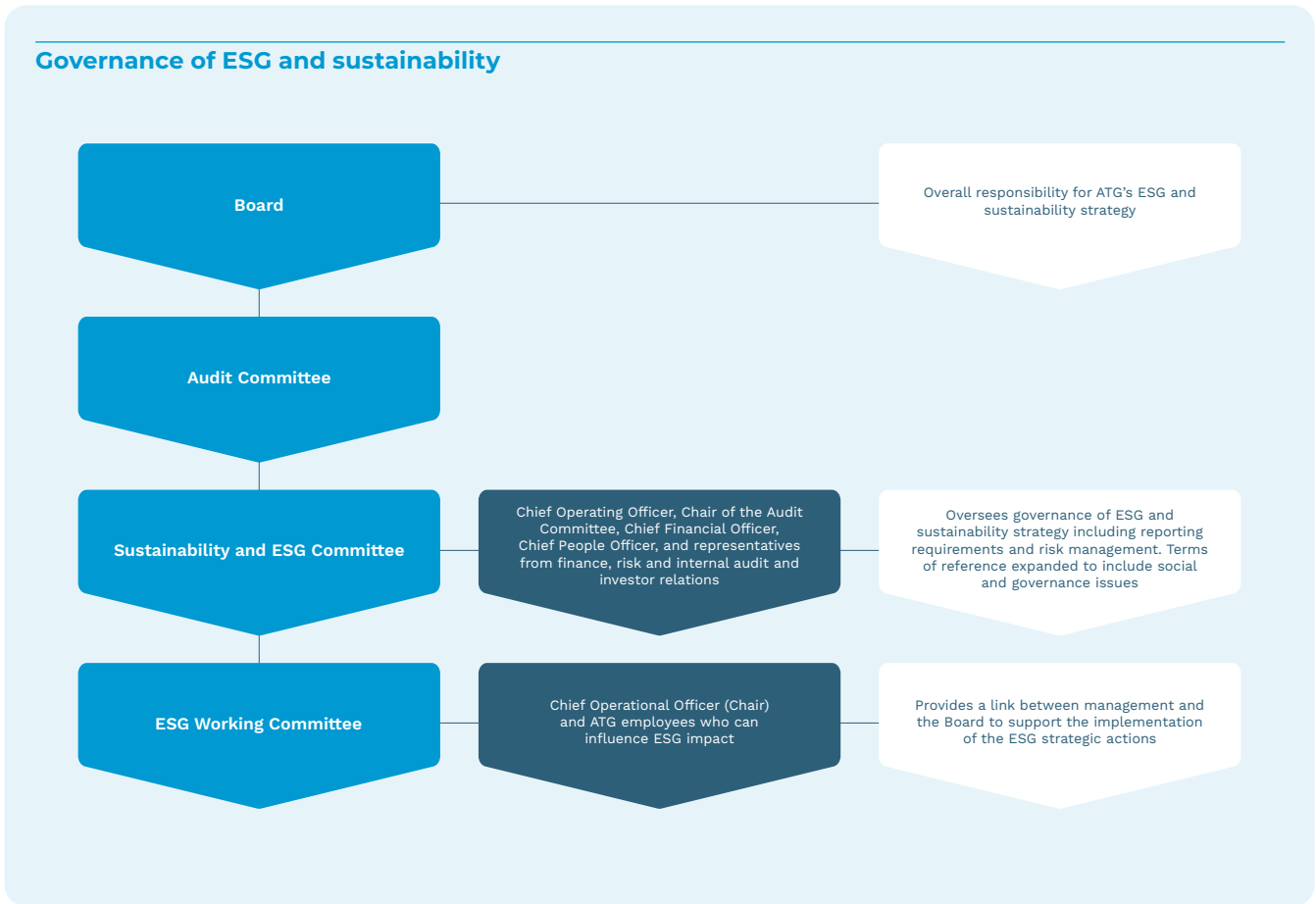
### Governance: Sustainability and ESG Committee

The Board has overall responsibility for the Group’s sustainability strategy. The Board considers climate-related issues when reviewing and guiding strategy, including but not limited to in FY23, considering the environmental footprint of the ESN acquisition and the setting of FY24 remuneration targets for the Executive Directors which include an element linked to the Group achieving its carbon emission reduction targets.

In FY23, the terms of reference for the Sustainability and Climate Risk Committee were expanded to include the governance and oversight of other corporate responsibility matters including social and governance issues. The committee was renamed the Sustainability and ESG Committee (“SEC”). The SEC meets twice per year and reports at least annually to the Audit Committee, ensuring climate-related and other ESG issues are incorporated into our business strategy, organisational risk management and financial planning and reporting. The Audit Committee reports risks annually to the Board, providing the Board with oversight of risks and opportunities as well as progress against goals and targets for addressing climate-related issues.

The SEC is chaired by Richard Lewis, and its members include the Chief Financial Officer, Chief People Officer, Chair of the Audit Committee, Company Secretary and representatives from finance, risk and internal audit and investor relations. The Director of Investor Relations joined the SEC during the year to ensure the views and requirements of investors are being incorporated into the climate risk assessment and taken into account in strategic decision-making. The Group Head of Risk and Internal Audit also joined the SEC, which has strengthened the link between the climate risk assessment and the Group’s risk management framework. The Chief People Officer also joined to oversee the governance of social issues. Our external sustainability consultants are invited to attend meetings as and when appropriate.

Further details on the governance of the SEC can be found in the Corporate Governance Report on page 72.



## Sustainability Report continued

### Stakeholder engagement

In FY23, we actively engaged and collaborated with our stakeholders and conducted a materiality assessment to define the issues which matter most to our business and strategy, from a financial perspective, and the issues which matter most to our stakeholders.

#### Our process

##### Step 1

Working with an external consultant, we considered issues of internal importance as well as incorporating external issues shaping our current strategy, referencing them to current and emerging industry trends and sustainability reporting standards.

##### Step 2

We held a workshop with our senior Leadership Team to prioritise these issues based on their relative importance to the business.

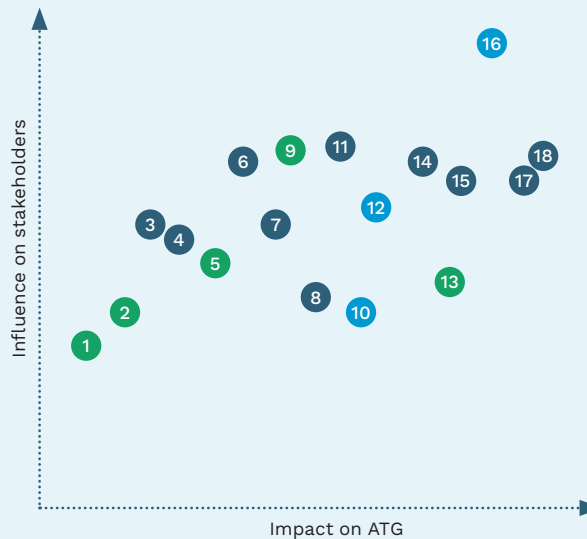
##### Step 3

Through external consultants, we surveyed a wide range of internal and external stakeholders to incorporate their views into our analysis and to help improve our understanding of the issues that are of importance to them. The stakeholders included our employees, auctioneer customers, lenders, suppliers and investors.

##### Step 4

Through the use of external consultants, we created a double materiality matrix to help identify and prioritise issues that matter most to us and to our stakeholders in order to focus on the issues that we should use to shape our sustainability strategy and reporting with associated KPIs to enable us to monitor progress.

#### Materiality matrix



● Environmental ● Social ● Governance

##### Key:

- 1 Waste management and water use
- 2 Packaging and plastic
- 3 Responsible tax strategy
- 4 Supply chain management
- 5 Energy management
- 6 Human rights
- 7 Health and safety
- 8 Communities and partnerships
- 9 Climate change and emissions
- 10 CEO remuneration
- 11 Employment practices & labour management
- 12 KPIs
- 13 Innovative and efficient services
- 14 Diversity and inclusion
- 15 Talent and workforce development
- 16 Ethical conduct and integrity
- 17 Product quality and safety
- 18 Cyber security

### Materiality results

The analysis has identified the most material issues as outlined in the table below. The materiality assessment was carried out towards the end of the year. We will look to use the results of the assessment to further define our ESG strategy for FY24 including a management information framework to help us develop KPIs and targets where appropriate.

Key issue	Why	Progress in FY23 and plans for FY24
<b>Cyber and data security</b>	Ensuring the safe collection, retention and use of confidential data of our auctioneers, bidders, and employees. Safeguarding this data against security breaches and cyber crime is a cornerstone of our business.	See page 67 of this report
<b>Ethical conduct and integrity</b>	Managing our business with integrity in an honest, ethical and responsible manner is a key area of focus for us and our stakeholders.	See page 67 to 68 of this report
<b>Product quality and safety</b>	Although we have no direct responsibility for the products sold, their specification or quality, adherence to their specifications is crucial to maintaining our strong reputation.	See page 67 of this report
<b>Talent and workforce development</b>	Recruiting and retaining high-performing talent is essential to ensure our business maintains competitiveness and is able to continue to innovate.	See page 66 of this report

## Sustainability Report continued



### Our Environment

We recognise that the changing climate could impact all our stakeholders. Although we have a relatively small carbon footprint, we aim to minimise our own environmental impact whilst recognising the pivotal role we can play in facilitating the circular economy and reducing the carbon emission impact from the manufacturing of new items.

#### Our roadmap to Net zero

We have publicly committed to a science-based reduction target of 42% on our direct emissions in the near term (2030) from our FY22 base year and to reduce Scope 3 emissions as part of this plan, validated by the Science Based Target initiative (“SBTi”) and in line with the Paris Agreement’s goal of limiting global temperature rise to 1.5°C above pre-industrial levels.

As a Group, we are also now pledging to achieve Net zero across all scopes by 2040 and we plan to validate this commitment with the SBTi in FY24. To meet the SBTi’s definition of Net zero, we need to reduce our emissions by at least 90% and then use carbon removal initiatives to neutralise any limited emissions that cannot yet be eliminated. To assist us in meeting this target, we have reviewed our current sources of emissions and determined the actions required to be able to achieve this target.

#### Task Force on Climate-related Financial Disclosure

This is the second year for the Group reporting on climate-related issues in line with the Task Force on Climate-related Financial Disclosures (“TCFD”) framework, recognising the need to provide clear, comprehensive and high-quality information on the impacts of climate change. We have outlined in this report how we understand and manage the risks and opportunities associated with climate change for the Group across the four pillars of TCFD, governance, strategy, risk management and metrics and targets.

#### Compliance statement

We have continued to make good progress towards full compliance with all the requirements of the TCFD framework, with the exception of not yet defining the key performance indicators used by the organisation to monitor climate-related risks and opportunities in line with the Group’s strategy and risk management process. As the Group has now committed to reaching Net zero by 2040 and set near-term science-based targets there will be a focus during FY24 of setting the appropriate metrics to monitor progress for the Group.

We have set out a summary of our compliance against each of the TCFD disclosures in the table on pages 49 to 50.

#### Year two progress and materiality

We have made good progress against the four pillars of TCFD during FY23. The key areas of focus this year have been:

- identifying and agreeing reduction strategies to achieve our near-term target of reducing Scope 1 and 2 emissions;
- publishing our environmental policy;
- establishing the ESG Working Committee; and,
- conducting the materiality assessment.

Materiality is considered in the context of TCFD in terms of the impact on financial performance (revenues and expenditures), as well as capital and financing implications. Materiality is also considered with respect to legal and reputational hazard. Due to the nature of the Group’s business and operations, we believe our overall exposure to climate-related risk is low, and we therefore do not include climate change as a principal risk to our business. Our disclosures are therefore proportional to our exposure.

We review climate-related risks and opportunities annually, both to ensure we disclose in line with issues pertinent to investors and stakeholders and also to ensure that our disclosures remain in proportion to our exposure given the nature and scale of our business. We recognise that climate change affects all industries, can interact with our principal risks, and that there is an opportunity for the Group to contribute to combating the climate crisis.

## Sustainability Report continued

### TCFD compliance index

TCFD framework pillars	Recommended disclosures	FY23 compliance	Description, location of disclosure progress to date and reason for omission (if appropriate)
Governance	a) Describe the Board's oversight of climate-related risks and opportunities	Full	<ul style="list-style-type: none"> <li>The Board's oversight of climate-related issues is outlined in the 'Governance' section on page 51 and the Group's governance structure is set out on page 46.</li> </ul>
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Full	<ul style="list-style-type: none"> <li>Management is represented on the SEC and are responsible for ensuring climate-related and other ESG risks are incorporated into organisational risk management, strategy, financial planning and reporting for the Group. Further details of the Committees are set out on page 46.</li> <li>During the year we have also established the ESG Working Committee which is led by the SEC chair and comprises passionate individuals who are keen help improve employee awareness of sustainability and drive change for the business. Further details are set out in the 'Management' section on page 51.</li> </ul>
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Full	<ul style="list-style-type: none"> <li>The Group's approach, methodology and scenario analysis to identifying climate-related risks and opportunities is set out on page 54.</li> <li>During the year we have expanded the assessment undertaken in FY22 to cover the short, medium and long-term horizons and developed the methodology and scoring criteria, which also considers vulnerability. Further details of the approach are detailed in the 'Strategy' section on page 51.</li> <li>The identified climate-related risks and opportunities are shown on pages 52 to 53.</li> </ul>
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Full	<ul style="list-style-type: none"> <li>A qualitative review of the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning can be found in the 'Strategy' section on page 51.</li> <li>Based on the quantitative analysis performed to date, at this stage the climate-related risks and opportunities are not considered to be material to the Group.</li> <li>Future work will focus on more detailed quantitative analysis and ensure that any material financial risk identified is incorporated into financial plans for the business.</li> </ul>
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate scenarios, including a 2°C or lower scenario	Full	<ul style="list-style-type: none"> <li>Given the Group's purpose, the nature of our operations and the fact that climate change provides potential opportunities as well as threats for the business the Group's strategy should be resilient to climate change. Conclusions on the resilience of the Group, considering the results of scenario analysis, can be found in the "Strategy" section on page 53.</li> </ul>
Risk Management	a) Describe the organisation's processes for identifying and assessing climate-related change	Full	<ul style="list-style-type: none"> <li>Our processes for identifying and assessing climate-related risks are shown within the 'Risk management' section on page 54 which includes an overview of our internal processes, 'Year two progress and materiality' on page 48 which explains how materiality is determined and the 'Strategy' section on page 51 which outlines our process for assessing the potential size and scope of identified climate-related risks and the frameworks applied.</li> <li>Our processes for identifying and assessing climate-related risks are considered as part of our wider risk management framework and are discussed in the 'Risk Management' section of the Annual Report on pages 28 to 30.</li> </ul>

## Sustainability Report continued

TCFD framework pillars	Recommended disclosures	FY23 compliance	Description, location of disclosure progress to date and reason for omission (if appropriate)
Risk Management (continued)	b) Describe the organisation's processes for managing climate-related risks	Full	<ul style="list-style-type: none"> <li>Our processes for managing climate-related risks are considered as part of our wider risk management framework and are discussed in the 'Risk Management' section of the Annual Report on page 28 and in the 'Strategy' section of this report on pages 16 to 20.</li> <li>Given the nature of our business, as the provider of online marketplaces, climate change risks are generally considered to be low, and therefore are not deemed a principal risk for the Group. Climate-related risks have been considered where appropriate within the Group's principal risks. However, given the low risk there has not been a requirement to date to focus on mitigating the potential risks arising from climate change. As exposure is currently assessed to be low, we will focus on improving our management of climate-related risks in future years when interactions with principal risks become more prominent.</li> </ul>
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Full	<ul style="list-style-type: none"> <li>During the year we undertook a materiality assessment to define which issues matter most to the business from a financial perspective and the issues which impact society and influence our stakeholders. The results of this are set out on page 47.</li> <li>The Group Head of Risk and Internal Audit has joined the SEC which has strengthened the link between the climate risk assessment and the Group's overall risk management framework.</li> <li>An overview of how we are integrating climate-related risks and opportunities into our existing risk management processes can be found in the 'Principal Risks and Uncertainties' section of the report on page 30 to 33.</li> <li>The current processes for identifying, assessing and managing climate-related risks are summarised on page 54. As our overall exposure to climate change is deemed to be low risk, we will continue to monitor our climate-related risks and opportunities and update our processes accordingly.</li> </ul>
Metrics & Targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	In progress	<ul style="list-style-type: none"> <li>Now we have set the Group's near (2030) and long-term (2040) emissions reduction targets, in subsequent years we will establish key performance indicators in line with our business strategy and risk management processes to monitor progress against the targets. The metrics set are detailed in the 'Metrics and Targets' section of this report. Executive remuneration for FY24 will include an element linked to the Group achieving its carbon emission reductions. Further details on the Executives FY24 remuneration targets is set out on page 95.</li> </ul>
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks	Full	<ul style="list-style-type: none"> <li>A comprehensive breakdown of Scope 1, 2 and 3 GHG emissions can be found in the 'Metrics and Targets' section of this report.</li> </ul>
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Full	<ul style="list-style-type: none"> <li>During the year we have made good progress in setting our near and longer-term emissions reduction targets. The targets set have been outlined on page 48 in 'our roadmap to Net zero and in the 'Metrics and Targets' section on page 55. Executive remuneration for FY24 will include an element linked to the Group achieving its carbon emission reductions. Further details on the Executives FY24 remuneration targets is set out on page 95.</li> </ul>

## Sustainability Report continued

### Governance

#### Board

The Board oversees climate-related issues. The Sustainability and ESG Committee (“SEC”) focuses on climate-related risks and opportunities, the setting, measurement and monitoring of near-term and long-term carbon reduction targets, strategies and compliance with TCFD as outlined on page 46. The communication of climate-related matters up to the Board is outlined on page 46. The Audit Committee receives an overview from the SEC of the latest developments in climate change regulations, activities undertaken during the year by the business as well as feedback from investors on ESG and climate-related matters in the FY22 Annual Report and AGM and the proposed plans for compliance with the TCFD requirements in FY23. The SEC works closely with external advisors to ensure they remain up to date with the latest developments and guidance on TCFD requirements.

#### Management

During FY23, the ESG Working Committee was established, led by the Chief Operating Officer. Our employees play a pivotal role in the Group achieving its environmental strategy and this committee provides a link between management and the Board to help support the implementation of strategic actions to reduce the Group’s carbon footprint. The ESG Working Committee comprises passionate individuals who are keen help improve employee awareness of sustainability and drive impactful changes for the business. The ESG working Committee reports into the SEC, has climate change as a standing agenda item and met five times during the year. Key actions related to climate change included:

- auditing all of office facilities for energy metering, HVAC controls, LED lighting and use of appliances;
- agreeing to reduce heating to 21.5°C in the winter and cooling to 23°C in the summer;
- ensuring all offices have LED lighting;
- ensuring all offices turn off HVAC and appliances out of hours, days when staff are not working in the office and weekends; and,
- replacing two print editions of the Gazette with two digital editions in FY23 and three editions in FY24.

The Chief Operating Officer presented at the Group’s ‘All Hands’ meeting, which all employees are invited to attend globally, where he outlined the Group’s relationship with the environment, its current emissions and the future plans to reduce our emissions, with suggestions being welcomed by all employees.

#### Strategy

We incorporate climate resilience into our business strategy through assessing and identifying climate-related risks and opportunities. As an online marketplace, due to the nature of our business we have a relatively low carbon footprint and therefore our business model is sustainable in a minimal carbon environment.

Ongoing monitoring is required to evaluate the scale of identified and emerging risks, and these are reviewed annually to understand the impact of any material risks which help inform financial planning within corporate risk management processes. The Group recognises the pivotal role we can play in facilitating the circular economy, and we see this as a priority opportunity for our business.

In FY23, the scenario analysis that was conducted in FY22 was updated and expanded upon to widen the Group’s understanding of climate-related risks and opportunities. The FY22 assessment investigated the physical and transition climate-related risks and opportunities under three climate scenarios utilising quantitative data from the Network for Greening the Financial System (“NGFS”), such as carbon pricing and climate data, which is accredited by the Bank of England. A qualitative assessment of risks and opportunities, scoring impact and likelihood of occurrence at 2050 was conducted, whilst a workshop was carried out to discuss short-term (2025-2030) and medium-term (2030) risks and opportunities.

The FY23 assessment built on the analysis carried out in FY22, expanding the qualitative assessment to cover the short to medium (2025-2030) and long-term (2050) time horizons, scoring risk and opportunity impact and likelihood across the Group’s key business functions and geographical locations.

Three scenarios were applied, as in FY22: Net zero by 2050, Delayed transition and Current Policies. Climate data was taken at 2025, 2030 and 2050 to inform scoring, however, trends over time and risks/opportunities throughout the time horizon were considered.

### Scenarios used to analyse future climate-related risks and opportunities posed to ATG

NGFS scenario	Key characteristics	Justification
<b>Net zero 2050</b>	Policies in alignment with the Paris Agreement goals.	Alignment with the Paris Agreement goals consistent with a transition to a lower-carbon economy, as per TCFD recommendations.
<b>Delayed Transition</b>	Assumes new climate policies are not introduced until 2030 with the availability of carbon dioxide reduction technologies kept low, pushing carbon prices higher than in Net zero 2050.	Simulates higher transition risks compared to other scenarios and is used to show worst case scenario for transition risks.
<b>Current Policies</b>	Assumes that only currently implemented policies are preserved, and no further political intervention on climate change is undertaken, leading to 3°C warming and severe physical risks.	A scenario that simulates low transition risks but severe physical risks.

Consistent with FY22, the likelihood and impact scores for each potential risk and opportunity were consolidated by taking average scores to assess overall materiality of risks and opportunities across the three time horizons.

In addition for FY23, an assessment of vulnerability was then applied to the consolidated risk and opportunity scores. Vulnerability considered three parameters: sensitivity, exposure and adaptive capacity, to provide a vulnerability score. Risk scores are calculated through the multiplication of impact, likelihood and vulnerability, enabling risks and opportunities to be prioritised.



## Sustainability Report continued

### Climate-related risks and their impact

By following the process summarised above we identified 26 potential climate-related risks to the Group. The consideration of risks took into account transition risks to a low-carbon economy and risks related to the physical impacts of climate change. The risks identified are not expected to have a material impact on the business in the short, medium or long-term and therefore only the top three highest ranked risks are outlined and discussed in detail below, the remaining risks are documented internally. The top two risks risk require active monitoring as they could cause disruption to our business and the next highest risk also requires monitoring however is highly unlikely to be disruptive.

### Highest ranked climate-related risks to the Group

Risk type	Impact	Mitigation/response	Risk-sub category	Geographic location	Business operation	Financial impact category	Financial impact
<b>Transition and physical</b> Data centre downtime leading to loss of revenue and expenditure on customer compensation	Due to the digital nature of the Group's operations, the highest risk to our operations is third-party data centre downtime and the implications of this on revenue and expenditure. We understand that, whilst we do not operate data centres ourselves, the impact of physical climate-related risks on our data centre suppliers, resulting in us being unable to access our services, would be significant.	We have a business continuity plan which takes into consideration the performance of our third party suppliers. Whilst the severity of this risk is high, the likelihood of our suppliers being impacted by physical climatic changes and events is low and there is also high resilience within the sector.	Acute (physical), market and reputational (transition)	All	Data centres	Revenues and expenditure	Low: not expected to have a material impact on the business
<b>Transition</b> Carbon pricing mechanisms leading to increased costs and reduced sales and commission	A future carbon price may pose a number of risks to the Group. As already seen in the UK with rising energy and living costs, a carbon price in the future may put further stress on our labour costs, increasing expenditures and reducing overall profitability of the Group.  Furthermore, any increased costs associated with data centre operations could result in additional costs being passed on to the Group by our suppliers. Assuming a reasonable worst case that all costs are passed through at \$200-300/tCO <sub>2</sub> e, increased hosting costs due to a carbon price are not considered to have a significant adverse impact on overall business viability, but this will be monitored.  Finally, there is uncertainty around how a carbon pricing mechanism may be applied to second-hand goods. Should second-hand goods be subject to a carbon price, demand may reduce and sales may be affected.	Due to the global and flexible nature of the Group's business operations, we are able to adjust our operations in response to changing labour costs and taxation. Our resilience is further increased as our business operations are already lean and efficient. We will continue to monitor our costs and improve efficiency. The Group has an understanding of the Scope 3 emissions associated with data hosting services and has supplier-specific emission factors for top suppliers in calculating our footprint. Data centre providers are pursuing their own de-carbonisation activities and we plan to improve efficiency in future years.	Policy and legal	All	All	Revenues and expenditure	Low: not expected to have a material impact on the business
<b>Transition</b> Increased competition in the secondary goods market resulting in more choice, diluting our market share	Whilst it is unlikely that the breadth of the Group's business operations would be equalled by an existing or new entrant to the market, overall competition in the secondary goods market has been highlighted as one of the most material risks to the Group. This risk recognises that with growing awareness of the environmental benefits of the circular economy, consumers will likely have more options to purchase secondary-market goods in the future.	Key to the Group's business model is the ease of use and the reach of all platforms. The Group is deeply involved in the world of technology and innovation, so is well positioned to take advantage of any emerging technology to ensure sellers and buyers of secondary-market goods continue to choose our platforms when faced with increased options. Maintaining continued awareness of options within the secondary goods market will be key to maintaining this position.	Market	All	All	Revenues	Low: not expected to have a material impact on the business.

## Sustainability Report continued

### Highest ranked climate-related opportunities to the Group

By following the process summarised above we identified 29 potential climate-related opportunities to the Group. The consideration of opportunities took into account resource efficiency and cost saving, adoption of low emission energy sources, the development of new products and services, access to new markets and building resilience along the supply chain. The top three potential opportunities are outlined and discussed below, the remaining opportunities are documented internally.

Opportunity type	Impact	Response	Opportunity- sub category	Geographic location	Business operation	Financial impact category	Financial impact
<b>Transition</b> Higher demand for secondary goods due to increased public awareness of the environmental implications of buying new items and the circular economy, increasing overall sales and commission	The Group's business model enables the circular economy, facilitating the sale of secondary goods, keeping materials in circulation for longer. As a result, in the future it is likely that there will be increased public awareness of the environmental impacts of purchasing new items and a consumer shift to secondary items.	The Group is already a leading player in this market; and is well placed to maximise this opportunity and further facilitate the circular economy. We will continue to investigate how we can further contribute to the circular economy and the role we can play in enabling the re-use of goods.	Products, services, markets	All	All	Revenues	High: potentially a material opportunity for the business
<b>Transition</b> Investor preferences to invest in low carbon companies increasing the Group's ability to raise finance	Increasingly investors will be looking to invest in companies that are providing goods and/or services that are beneficial to the environment.	The Group's activities contribute to the circular economy, and we are actively reducing our own carbon footprint. The Group therefore is likely to be well placed to attract environmentally conscious investors in future years.	Markets	All	All	Capital and financing	High: potentially a material opportunity for the business
<b>Transition</b> Higher demand for secondary goods due to climate-related economic contraction increasing sales for the Group	As public disposable income shrinks, and carbon prices increase, consumers are less likely to purchase luxury goods and services. New, full price goods may see a fall in demand, but there may be a spike in the secondary goods market which are seen as a cheaper alternative during a period of economic downturn.	The Group will continue to invest and develop its technology and services to ensure that we maintain our leading position in this market and take advantage of the future potential opportunities	Markets	All	All	Revenue	High: potentially a material opportunity for the business

### Our resilience to climate-related risks

Following a thorough review of the Group's climate-related risks and opportunities, which takes into account the three scenarios identified on page 51, the nature of our business, which is a low-emission business and whose purpose is to promote the circular economy it has been concluded that the Group's overall exposure to climate-related risks is low. Ongoing monitoring will continue to ensure there are no changes to the scale of identified and emerging risks.

## Sustainability Report continued

### Risk management

#### Risk management overview

The Board has overall responsibility for determining the principal and emerging risks to the Company. The Board ensures there is an appropriate risk management framework in place to identify and manage significant strategic, operational, financial, compliance and reputational risks to the Company and annually approves the Group’s strategic risk register. The Board is also responsible for understanding risks and issues that are new, developing, growing or becoming more prominent. This is done through a combination of operational risk assessments and other horizon scanning initiatives.

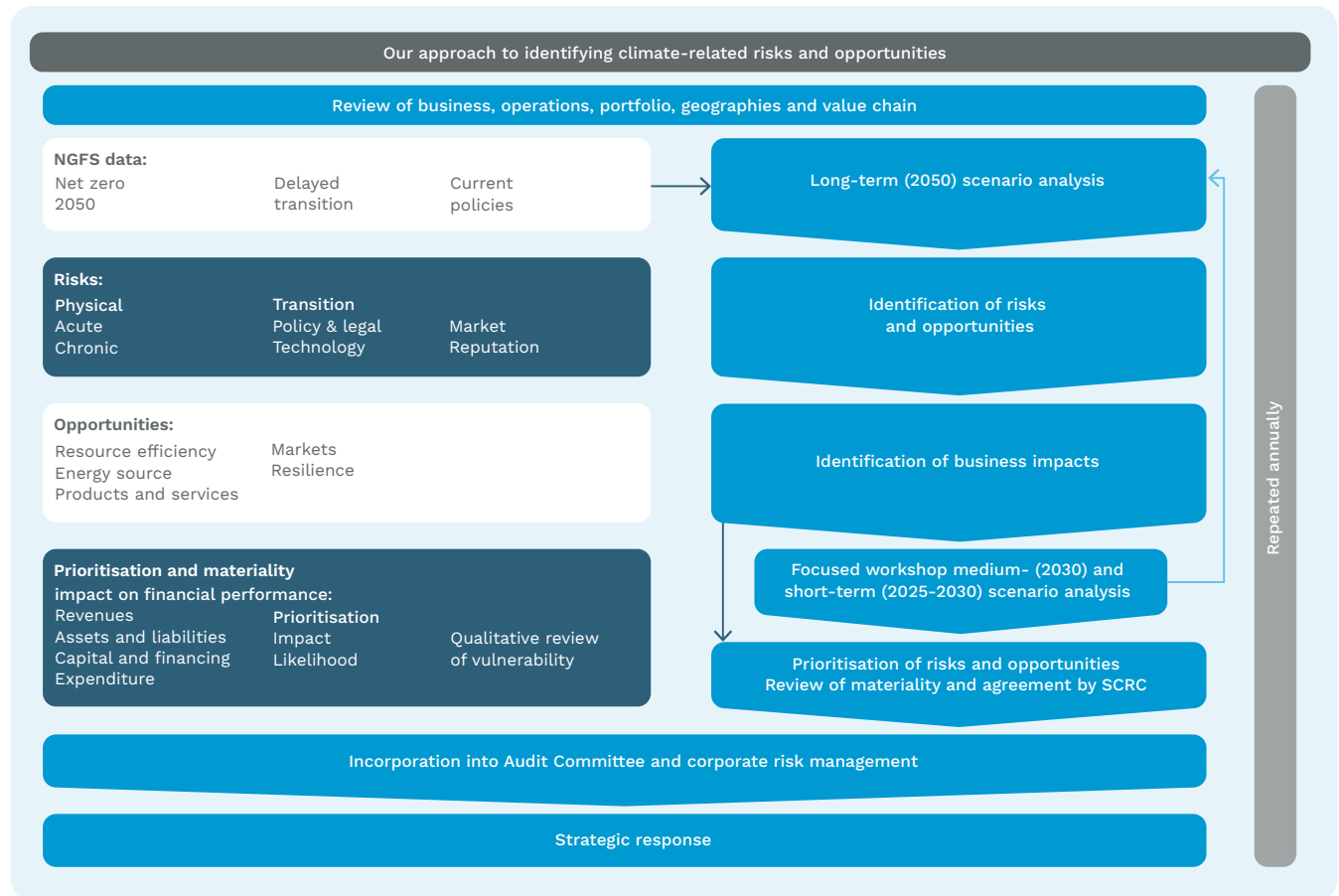
Day-to-day responsibility of risk management is delegated to the senior management team, whilst the overall monitoring and review of the effectiveness of the internal controls and risk management is delegated to the Audit Committee.

The Group’s risk management framework applies the principles of the “Three Lines of Defence” and sets out a process for identifying, assessing, managing, mitigating and monitoring risks. Further details of our risk management approach can be found on page 28.

#### Integrating climate-related risks

The Board has conducted a robust assessment of the principal risks facing the Group, including those that would threaten our business model, future performance, solvency or liquidity. Whilst climate change is not considered to be one of these principal risks, the changing climate may interact with our principal risks and affect our value chain. The Group’s Head of Risk and Internal Audit, as a member of the SEC, assists in ensuring that the interactions between climate-related issues and the Group’s principal risks are understood.

For example, as a predominantly online business, we are reliant on data centre providers, and acknowledge that the risks posed by climate change on our key providers may affect us. Climate change may pose a threat to our online platforms through climate-driven weather events affecting our data centres which impact the stability and continuity of our auction platforms, one of our principal risks.



Climate-related issues may also increase competition within the secondary goods market, exacerbating our principal risk of competition. Additionally, climate change may worsen the principal risk of economic and geo-political uncertainty, leading to rising operating costs. Due to these interactions, we closely monitor climate change risk and the interaction with our principal risks and will further build on this integration in the future risk management processes.

#### Integrating climate-related opportunities

Climate-related opportunities are reviewed as part of our business development activities. In FY22 we conducted a review of the carbon savings associated with buying secondary items in place of new and published this in our 2022 Carbon Impact Report. We updated the calculation for FY23 and are continuing to build this into our climate-related opportunities as part of our future business plans.

## Sustainability Report continued

### Metrics and targets

#### Introduction

The Group's understanding of our climate-related impacts has developed significantly over the last three years. We have progressed from reporting our full Scope 1-3 emissions for the first time in FY21, to an established methodology of annual reporting of our direct and indirect emissions in line with the World Resources Institute GHG Protocol, a Corporate Accounting and Reporting Standard, Revised Edition ("the Protocol")<sup>1</sup> across our international businesses in FY22. Our focus this year has been to build on this, consider the practical steps to reduce our carbon emissions and plan our transition to Net zero. The shift to a more circular economy itself is a vital component to the transition to a global Net zero future.

#### Our FY23 focus

In previous years, we have fully calculated our Greenhouse Gas ("GHG") emissions, accounting for all relevant emissions associated with our operations. This has provided us with a detailed understanding of our largest emission sources, where we need to focus future efforts and an awareness of our climate-related risks. Direct emissions (Scope 1 and 2) have been quantified annually, as required by the Companies Act 2006 and the Companies (Directors' Report, Regulations 2013) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, and we have comprehensively calculated and reported indirect (Scope 3) emissions since FY21.

In FY22, we committed to a near-term SBT to reduce Scope 1 and Scope 2 GHG emissions by 42% by 2030 (FY31) from a FY22 base year, and to continue to measure and reduce Scope 3 emissions.

In FY23 we have focused on building upon this commitment including:

- Validating our near-term (2030) science-based reduction target with the SBTi, as can be viewed on the SBTi's 'Companies Taking Action' dashboard, and engaging with teams across our geographies in our newly formed ESG Working Committee, to identify and implement reduction strategies.
- Planning our transition to Net zero and committing to become Net zero as a Group across all scopes by 2040 in line with the Corporate Net zero Standard, with an aim to validate this commitment with the SBTi in FY24.

- Continuing to understand and quantify our direct emissions (Scope 1 and 2), which are reported as per our statutory duty in the Streamlined Energy Carbon Reporting, ("SECR"), table on page 60, and continuing to comprehensively calculate and report our indirect Scope 3 emissions.
- Expanding the scope of our carbon footprint to cover our newly acquired businesses and applying supplier-specific emission factors to our top suppliers to improve our calculation methodology (as discussed in Methodology, page 51).
- Ensuring we disclose our GHG emissions in line with the Metrics and Targets recommendations of the TCFD and increasing the granularity of our ESG data to disclose additional climate-related metrics.

Each year, we will strive to improve our methodology to ensure we fully understand and are reporting upon the GHG emissions associated with our business and wider operations. This approach is in line with the TCFD and the UK's Competition and Markets Authority ("CMA") Green Claims Code<sup>2</sup>.

No external assurance has been provided over the TCFD disclosures but we have worked closely with our external advisers during the year particularly around the scenario analysis undertaken to identify the potential opportunities and threats and also to assist in collating and reviewing the emission, waste and water data.

### Methodology

#### Greenhouse gas emissions

We were supported in calculating our GHG emissions by an external energy and sustainability consultant.

An operational control<sup>3</sup> approach has been taken, meaning that the inventory covers emissions from all operations that are under the Group's operational control, including operations in the UK, North America and Germany. Emission factors have been chosen based on the location of the emissions. However, where emission factors are not available, UK Government emission factors have been applied. Emissions are reported in line with the Group's financial year. A Scope 3 screening process is conducted annually to ensure all relevant emissions are captured.

We use primary data wherever possible, and this year have worked with representatives from all sites, (now members of the newly formed ESG Working Committee), to improve data quality. We apply a 'data hierarchy', with primary data being the highest preference and generic, intensity-based factors as least preferable. The ESG Working Committee members work to improve data, moving up the hierarchy each year and standardising the approach across business units.

In particular, we have improved the emission factors applied to procured goods and services within the Scope 3 – Purchased Goods and Services category, focusing on IT suppliers. Applying the approach outlined in the GHG Protocol, we have obtained detailed supplier-specific emissions for 14% of our IT and hosting suppliers where there is publicly available data. We will improve on this methodology in subsequent years with a supplier engagement strategy, to further improve data accuracy and inform our procurement decisions.

We continue to calculate emissions from all relevant Scope 3 categories, covering nine out of the GHG Protocol's 15 categories, including the use of our sold products and remote working emissions, ensuring we account for all emissions that result from the Group's operations and services. The remaining Scope 3 categories, including emissions from upstream and downstream leased assets, franchises, processing of sold products and investments, remain not applicable to the Group as none of our activities fall within these categories. Insufficient data was available for upstream transportation and distribution emissions to be established and due to our low consumption of physical materials, this category is considered de-minimis. Our GHG emissions, therefore cover all operations, excluding this de-minimis category.

In line with the GHG Protocol, and to ensure consistency with our previous year's reporting, we are reporting location-based emissions from purchased electricity across our business. This year, we have begun to additionally report market-based purchased electricity emissions where we have certificates to prove the origin of the electricity, for example in our London headquarters. To ensure we fully account for the emissions from the actual electricity we consume and to ensure real reductions in carbon emissions, we use location-based purchased electricity emissions in our reduction targets and Net zero commitment.

1) WRI GHG Protocol Corporate Standard. Available: <https://ghgprotocol.org/corporate-standard>.

2) HM Government, 2021. Green Claims Code. Available: <https://greenclaims.campaign.gov.uk/>.

3) Note for FY23 the methodology has been updated to an operational control approach from a financial control approach. This has no impact on the scope of the emissions ATG reported to date as we have financial and operational control on all in-scope emissions.

## Sustainability Report continued

Our FY23 carbon footprint includes part-year emissions from our new acquisition, ESN. The addition of ESN has increased our direct emissions by 12% (from FY22 emissions). Whilst this does exceed a 10% significance threshold and could trigger recalculation of the base year, we have decided not to do this for the current financial year. However, FY23 data does not include a full year's emissions from ESN and we will therefore revisit whether a recalculation is required in future years if any other significant changes to the Group occur. Our aim is to avoid the recalculation of our base year where possible to focus on reduction strategies, however, we do need to ensure our growing business has realistic, achievable targets. As has been shown with previous acquisitions, consolidating auction platforms and related services under our carbon extensive business model has been shown to reduce the carbon intensity (i.e., tCO<sub>2</sub>e per £million turnover) of these new acquisitions.

### Our FY23 carbon impact

#### Total greenhouse gas emissions

GHG emissions (tCO <sub>2</sub> e) <sup>4</sup>	FY23	FY22	FY21	% Change	
				(in last fiscal year)	(from FY22 base year)
Scope 1	23.4	32.5	35.2	(28)%	(28)%
Scope 2 – location based	289.2	391.3	251.3	(26)%	(26)%
Scope 2 – market based	194.3	–	–	–	–
<b>Total (Scopes 1 &amp; 2)</b>	<b>312.6</b>	<b>423.8</b>	<b>286.5</b>	<b>(26)%</b>	<b>(26)%</b>
Scope 3	2,935.1	2,445.4	1,900.3	20%	20%
<b>Total (Scopes 1, 2 &amp; 3)</b>	<b>3,247.7</b>	<b>2,869.2</b>	<b>2,186.8</b>	<b>13%</b>	<b>13%</b>

#### GHG emission intensity – Scopes 1, 2 & 3

Turnover (£)	£135,225,000	£119,846,000	£70,100,000	13%	13%
Average employee number (FTEs)	396	337	243	18%	18%
<b>Carbon intensity (emissions per £million turnover)</b>	<b>24.0</b>	<b>23.9</b>	<b>31.2</b>	<b>0%</b>	<b>0%</b>
<b>Carbon intensity (emissions per average FTEs)</b>	<b>8.2</b>	<b>8.5</b>	<b>9.0</b>	<b>(4)%</b>	<b>(4)%</b>
<b>Percentage of operations included</b>	<b>&gt;95%<sup>5</sup></b>				

4) GHG emissions reported in metric tonnes CO<sub>2</sub> equivalent (tCO<sub>2</sub>e).

5) This is the first year we have reported percentage coverage. Gaps include S3-4 Upstream Transportation and Distribution. We have estimated percentage coverage in this first year and will endeavour to increase coverage to as close to 100% as feasible.

### Our direct emissions

A breakdown of our FY23 emissions is shown in Figure 1. In FY23 10% (312.6 tCO<sub>2</sub>e) fell into Scopes 1 and 2, direct emissions associated with our operations. Purchased electricity (65%) was the largest contributor to our Scope 1 and 2 emissions (201.9 tCO<sub>2</sub>e), followed by purchased heat at 28% (87.3 tCO<sub>2</sub>e). Stationary combustion, i.e., fuel combusted within stationary equipment such as a boiler, accounted for 3% (9.3 tCO<sub>2</sub>e) of Scope 1 and 2 emissions, fugitive emissions such as refrigerant leaks, also made up 3% (9.3 tCO<sub>2</sub>e), whilst mobile combustion accounted for less than 1.5% (4.8 tCO<sub>2</sub>e) of overall emissions.

■ Scope 1, 23.4 tCO<sub>2</sub>e  
 ■ Scope 2, 289.2 tCO<sub>2</sub>e  
 ■ Scope 3, 2,935.1 tCO<sub>2</sub>e

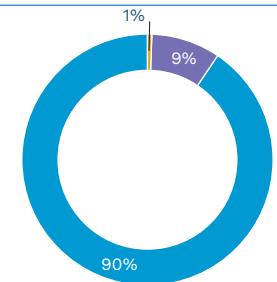


Figure 1: ATG's direct (Scope 1, 2 and 3 emissions) in FY23.

## Sustainability Report continued

### Our corporate value chain emissions

90% of the Group’s emissions fall into Scope 3, our corporate value chain emissions. Scope 3 emissions, which are under a reporting organisation’s influence but not control, typically make up the largest proportion of a company’s carbon emissions, particularly when Scope 3 emissions are comprehensively covered. A breakdown of our Scope 3 emissions is shown in Figure 2.

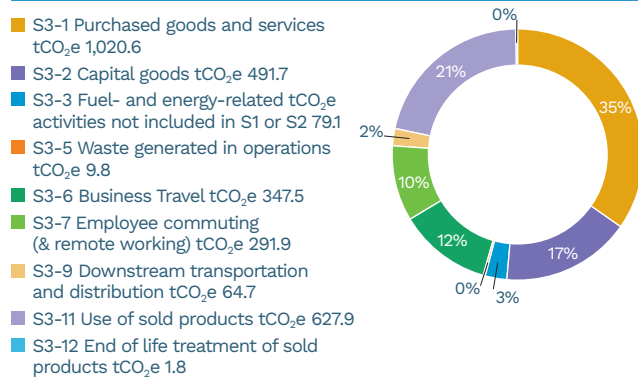


Figure 2: ATG’s corporate value chain (Scope 3 emissions) in FY23.

This year, the Group’s largest emission Scope 3 emission source continues to be from purchased goods and services (35% of Scope 3 emissions), which arise from the hosting of our online platforms in data centres operated by others. Other significant Scope 3 categories include the use of our products (21% of Scope 3 emissions), employee commuting and remote working (10% of Scope 3 emissions) and business travel (12% of Scope 3 emissions).

### Additional climate-related metrics

We collect additional climate-related metrics as part of our GHG accounting processes and we disclosing these for the first time this year. The SEC is responsible for governance of these metrics and ESG Working Committee members collate data across our geographies in line with the operational control approach and scope boundaries of our GHG emissions.

Water usage is minimal due to ATG’s operations. Water withdrawal refers to all water drawn into the boundaries of the organisation from all sources. We follow the CDP’s definition of water withdrawal which is adapted from the GRI Standards Glossary 2016<sup>6</sup>.

We are committed to preventing waste within our operations alongside preventing wasted raw materials through our services. We are committed to recycling office waste and ensuring that IT equipment, at end of life, is recycled or repurposed to minimise waste going to landfill. We recognise the consequences of long-term damage to biodiversity and we aim to reduce the impact of our operations on the local environment. Waste is reported in total tonnes generated, classified as recycled and non-recycled.

As with our GHG reporting, a data hierarchy is applied and we are working across the Group to improve data quality annually, as well as align with internationally recognised reporting standards and frameworks (such as GRI) in future years.

### Additional climate-related metrics

#### Energy

Energy consumption (kWh)	FY23
<b>Non-renewable</b>	<b>1,031,326</b>
<i>Non-renewable by fuel type:</i>	
Stationary combustion (gas)	50,715
Purchased electricity (fossil fuel)	417,290
Purchased heat (gas)	543,057
Mobile combustion (diesel)	20,264
<b>Renewable</b>	<b>37,126</b>
<i>Renewable by fuel type</i>	
Purchase electricity (REGO backed)	37,126
<b>Total</b>	<b>1,068,452</b>
<b>Percentage of operations included</b>	<b>&gt;95%</b>

#### Waste

Waste generation (tonnes)	FY23
Total recycled	4.0
Total non-recycled	17.7
<b>Total</b>	<b>21.7</b>
<b>Percentage of operations included</b>	<b>&gt;95%</b>

#### Water

Water withdrawal* (tonnes)	FY23
Water withdrawal	1,514
Water withdrawal intensity (withdrawal per £million turnover)	11.2
<b>Percentage of operations included</b>	<b>&gt;95%</b>

\* Water withdrawal refers to all water drawn into the boundaries of the organisation from all sources. We follow the CDP’s definition of water withdrawal which is adapted from GRI Standards Glossary 2016.

Changes against previous years will be disclosed going forward from FY24.

<sup>6</sup> GRI Standards Glossary, 2016. Available: <https://reportadviser.com/wp-content/uploads/2021/05/GRI-standards-glossary-2016.pdf>.

## Sustainability Report continued

### Comparison with previous years

#### Greenhouse gas emissions

As in previous years, the Group accepts that our overall emissions have and may continue to rise as a growing and acquisitive company. Trends since we began reporting our emissions can be seen in Figure 3.

Our total absolute emissions across all scopes have increased by 13%. Scope 3 has increased by 20%, which predominantly is due to growth in our business and the associated growth in our value chain emissions. Scope 1 emissions have, however, decreased by 28% and Scope 2 (location based) have also decreased by 26%, with an overall 26% reduction seen in our Scope 1 and 2.

The reduction in our Scope 1 and 2 emissions is predominantly due to the relocation of our Omaha office to a smaller, more carbon efficient premises. The impact of this move was slightly offset by the acquisition of ESN and the organic growth of our business.

Our carbon intensity metrics, our measures of carbon emissions as a proportion of our overall activity, have however either remained constant or decreased. Carbon intensity when compared to our turnover has remained constant, whilst carbon emission per FTE have declined by 4%. This indicates that our carbon emissions are not increasing in line with our growth.

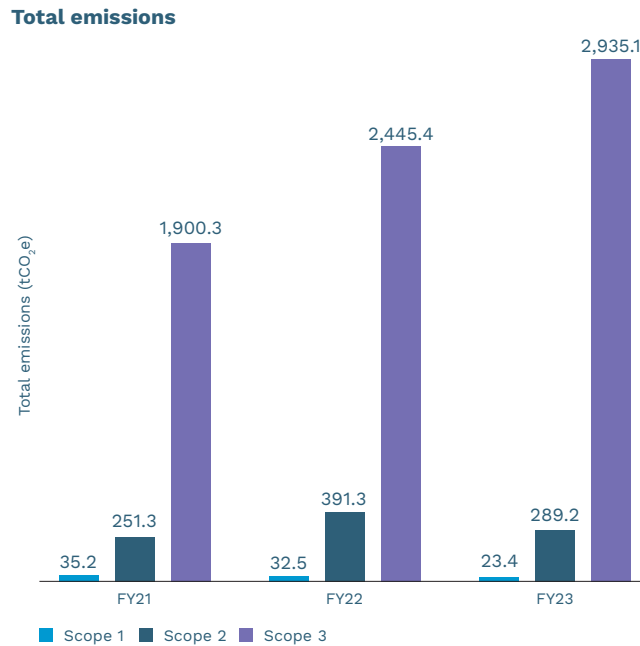


Figure 3: ATG's corporate value chain (Scope 1,2 and 3 emissions) in FY23.

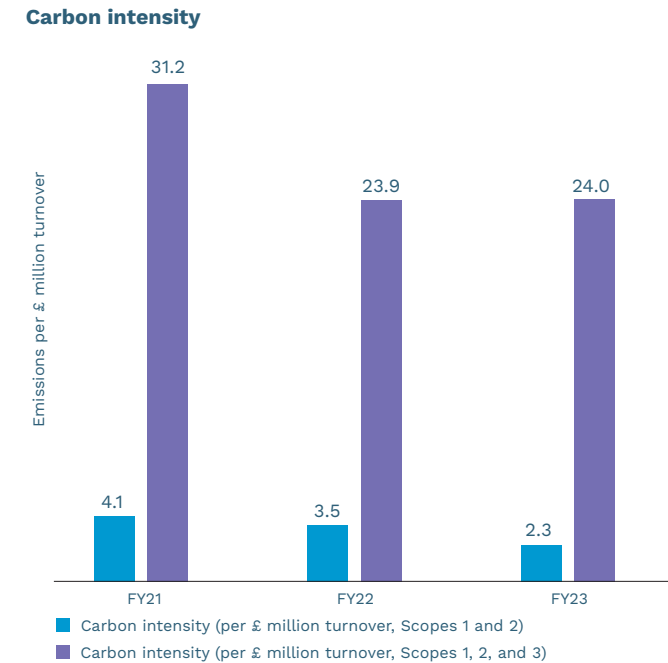


Figure 4: ATG's corporate value chain (Scope 1,2 and 3 emissions) in FY23.

## Sustainability Report continued

### Reducing our impact – planning our journey to Net zero

#### Near-term reduction target

Our main focus this year has been to identify and agree upon reduction strategies to achieve our near-term target of reducing absolute Scope 1 and 2 emissions by 42% by 2030 (FY31) from a FY22 base year, led by the ESG Committee. We are on track to achieve this target with a reduction of 26% in our first year of reporting.

Whilst our relocation of our Omaha office has contributed significantly to achieving this target, we are aware that more needs to be done to reduce our direct emissions and we will continue to improve the energy efficiency of our offices. We have identified a number reduction strategies to implement in FY24 through a carbon survey of our six office locations. For example, these include:

- Setting standard heating and cooling temperatures to minimise wasted energy associated with Heating, Ventilation, and Air Conditioning (HVAC);
- Ensuring HVAC systems are not in use outside of hours;
- Switching off appliances when not in use and investigating energy efficient alternative technologies; and
- Updating to LED lighting throughout our offices.

#### Our future commitment

We will continue to take a rigorous approach to calculating our overall climate impact by improving our approach to emission calculations annually and working to reduce our absolute emissions, including our value chain emissions to achieve our science-based reduction targets. As our Scope 3 makes up 90% of our carbon footprint, we plan to develop a supplier engagement strategy to work with our suppliers to improve the accuracy of our carbon emissions and inform our future procurement decisions. We intend to validate our long-term Net zero target with the SBTi in FY24 and publish a transition plan to outline how we will achieve this.

### Streamlined Energy and Carbon Reporting (“SECR”)

#### SECR overview

Descriptive Information	
<b>Methodology used</b>	The methodology used to calculate our greenhouse gas emissions, our ‘GHG inventory’, is based on the World Resources Institute GHG Protocol – A Corporate Accounting and Reporting Standard, Revised Edition (the Protocol) and follows the Protocol’s guiding principles of relevance, completeness, consistency, transparency and accuracy. We were supported to do this by energy and sustainability consultants.  An operational control approach has been taken, meaning that the inventory covers emissions from all operations that are under the Group’s operational control, including operations in the UK, Germany and the USA. Emission factors have been chosen based on the location of the emissions. However, where emission factors are not available, UK Government emission factors have been applied. Emissions are reported in line with the Group’s financial year.
<b>Emission factors used</b>	UK Government emission factors have been applied from “UK Government conversion factors for GHG reporting”, as well as “European Residual Mixes Association of Issuing Bodies” and US location based emission factors for MROW, NYCP, and NWPP electricity and waste.
<b>Intensity ratio</b>	The intensity ratio used displays total gross emissions (tCO <sub>2</sub> e) within scope 1 and 2 per million £ turnover.
<b>Measures undertaken to improve energy efficiency</b>	This year, we have established an ESG Working Committee with representatives from across our locations to focus improving the energy efficiency of our buildings, including improving monitoring, reducing heating temperatures, increasing cooling temperatures, installing LED lighting throughout our offices and ensuring all electronic appliances are switched off when our offices are closed or the appliances are not needed.
<b>Additional voluntary reporting activities</b>	As well as quantifying our direct emissions (Scope 1 and 2), as required by the Companies Act 2006 and the Companies (Directors’ Report, Regulations 2013) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, ATG is committed to going beyond our statutory duty and comprehensively calculating and reporting indirect (Scope 3) emissions. As these emissions would not occur if we were not in existence, we consider it important for us to voluntarily report these emissions, providing our customers, clients and stakeholders with full transparency.



## Sustainability Report continued

### SECR data

Category	Scope	Current reporting year FY23		Previous reporting year FY22	
		UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)
Emissions from activities which the Company owns or controls including the combustion of fuel and operation of facilities (tCO <sub>2</sub> e)	1	7.8	15.6	7.1	25.4
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (location based, tCO <sub>2</sub> e)	2	19.2	270.0	20.6	370.7
Total gross Scope 1 and Scope 2 emissions (tCO <sub>2</sub> e)	1 & 2	27.0	285.6	27.7	396.1
Energy consumption used to calculate the above emissions (kWh)	1 & 2	120,309.9	948,142.0	125,265.3	1,342,370.8
Total gross Scope 1 and Scope 2 emissions UK and global (tCO <sub>2</sub> e)	1 & 2		312.6		423.8
Intensity ratio UK and Global: emissions (tCO <sub>2</sub> e) per million £ budget	1 & 2		2.3		3.5

### SECR change log

#### Change in consumption, emissions, and intensity ratio between the previous and reporting year

Category	Percentage change
Consumption (kWh)	53%
Emissions (tCO <sub>2</sub> e)	(26)%
Intensity ratio (emissions tCO <sub>2</sub> e / million £ budget)	(34)%

Description of changes in consumption, emissions, and intensity ratio between the previous and reporting year.	<p>Absolute Scope 1 and 2 emissions have decreased by 26%, whereas our carbon intensity, i.e., a measure our carbon emissions as a proportion of our overall activity, has decreased by 34%, indicating that we are becoming more carbon efficient as we grow.</p> <p>Our absolute Scope 1 emissions have declined by 29% since the prior reporting year and our absolute Scope 2 emissions have decreased by 26%. This can be predominantly attributed to our move to a smaller office in Omaha (which occurred half way through FY23). Our emissions this year include those from our newly acquired company, ESN</p> <p>We continue to measure and improve upon our understanding of our Scope 3 emissions. In total, our absolute Scope 1, 2, and 3 emissions have increased by 14%, however, have increased by 1% relative to turnover. As last year, we have included remote working emissions and emissions associated with the use of sold products in our carbon footprint to ensure we account for our home-based employees and continued growth in our online auction services.</p>
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External assurance statement	We confirm that this SECR report has been reviewed by external auditors as part of their full financial audit.
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3. ATG's corporate value chain (Scope 3 emissions) in FY23.

Sustainability Report continued

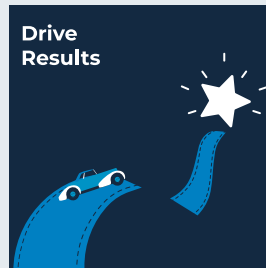


## Our People and Community

At ATG, we aim to ensure our employees feel they belong and can reach their full potential. Our people are our most valuable resource and asset. Ensuring that we attract, nurture and retain our people is key to ATG's success.

### ATG Values

Our values encompass everything that we do, driving the way all ATG businesses operate, with a winning team made up of smart, passionate individuals who connect to our purpose of unlocking the value of the curated secondary goods market and accelerating the growth of the circular economy.



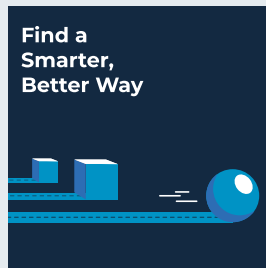
#### 1. Drive Results

- Execute with excellence on the right priorities
- Take ownership on what matters and be accountable
- Set a pace that pushes ATG ahead of the competition



#### 2. Create Customer Value

- Know your customer
- Understand how ATG creates value for buyers and sellers
- Act with trust, integrity and consistency



#### 3. Find a Smarter, Better Way

- Innovate and seek improved ways of working
- Deliver today but also be future-focused
- Be creative in seeking ways to enhance efficiency, delivery or impact



#### 4. Collaborate to Win

- Think, act and win as One ATG
- Work together across teams and borders to achieve and celebrate shared success
- Know the vision, work on the right priorities and be an expert in your discipline



#### 5. Empower People to Grow

- Be ambitious in seeking ways to develop yourself and others
- Create an environment of respect, diversity and inclusion
- Start with trust and professional honesty

Sustainability Report continued

Engagement

We want to ensure that ATG remains a great place to work and we regularly engage with our employees to understand their feedback and concerns. In FY23, we ran a newly designed Group-wide survey to understand sentiment, which showed that our employees not only feel highly engaged with ATG, but are also confident in its strategy and outlook. The survey is testament to the positive and collaborative culture that we are creating, with 83% employees responding to the survey, 76% feeling favourable to ATG and 95% of employees stating they enjoy working with their team. Respondents to the survey also reported having a passion for serving the customer (91%). Scores across the engagement survey were closely aligned across males and females.

In FY23, we welcomed the ESN team to ATG and have worked hard to integrate their team, culture and ways of working into the business, for example through including them in all ATG employee offerings such as ATG Academy and Global All Hands meetings.



We also ran a pulse survey with ESN employees which showed positive results. Overall participation was 84%, with scores of 83% for favourability and 76% engagement, both in line with ATG Global scores. The following three items scored 100% for the ESN pulse survey: working with their team, accountability for results and passion for the customer. Questions focused on the integration with ATG scored 90% or higher, showing the positive experience for employees following the acquisition.

In FY23 we launched All ToGether, our connection and development programme which includes a range of training programmes, networking events and other programmes to support the development and engagement of our employees.

Tamsin Todd took over from Breon Corcoran during FY23 as the Board's designated Director for workforce engagement and the outputs of her twice-yearly meetings with employees were reported to the Board as detailed on page 36 of this report. As a result of these discussions, UK parental leave policies were enhanced, as detailed on page 36 of this report.

Reward and recognition

ATG offers employees competitive reward schemes and benefits programmes to ensure that we retain and recruit the best talent. As well as offering competitive remuneration and retirement arrangements, we offer comprehensive physical and mental healthcare benefits such as the provision of eight video counselling sessions with trained therapists each year. We offer our employees hybrid working practices whilst also offering permanent opportunities to work from home for some employees. We also offer flexible working practices for parents and enhanced maternity and paternity packages.

Each employee is rewarded for long service and performance through an employee voucher scheme at key milestones and commendable achievements. Employee performance is also celebrated with an annual awards ceremony known as the ATG Spotlight Awards, bonuses to recognise exceptional commitment to work, as well as the regular celebration of achievements at Group wide All Hands meetings.

This year, ATG launched our first Employee Swag offering where all employees chose from four high-quality apparel or accessory items. Over 300 employees placed orders and items were custom made and fitted with an in-house designed ATG badge. All new joiners will now be offered a piece of ATG Swag in their first three months.



## Sustainability Report continued

### Employee share schemes

To encourage our employees to align their interests with shareholders and to benefit from their contribution to ATG's success, employees are offered equity awards. In FY23, all employees were offered equity under the Long Term Incentive Plan, which vests over a two, three or four-year period, or through other equity schemes.

Furthermore, UK and German employees have the opportunity to take part in a Share Incentive Plan ("SIP"). For every share an employee purchases, ATG will match it. US employees will be invited to buy shares under the Employee Share Purchase Plan ("ESPP"), purchasing shares at a 15% discount. 37% of eligible employees participate in one of the current schemes.

	Number of employees by region	
	FY23	FY22
Europe	116	109
N America	275	236
Asia	–	–
RoW	–	–
<b>Total</b>	<b>391</b>	<b>345</b>

	Employee turnover Voluntary (permanent employees only)		Total	
	FY23	FY22	FY23	FY22
Europe	9	17	20	22
N America	35	44	73	64
Asia	–	–	–	–
RoW	–	–	–	–
<b>Total</b>	<b>44</b>	<b>61</b>	<b>93</b>	<b>86</b>



## Sustainability Report continued

### Diversity and inclusion

At ATG, we value the differences that a diverse workforce brings to our organisation and are fully committed to the elimination of unlawful and unfair discrimination. We know that our continued success relies on people having a wide range of experience and skills to bring different perspectives, promote innovation and provide constructive challenge. In accordance with our Board diversity policy which can be found on our website at [www.auctiontechnologygroup.com](http://www.auctiontechnologygroup.com), in FY23 we implemented our workforce Diversity & Inclusion (“D&I”) and Equal Opportunities policy. The policy does not discriminate against employees based on gender, race or ethnic origin, age, religion, sexual orientation, pregnancy or maternity, gender identity, disability, marriage or civil partnership, social background, nationality, or political opinion. The Board has oversight of this policy.

In FY23, we launched a series of D&I training and development programmes, as well as establishing a series of networking events. This included two sessions run by female Board members and female senior leaders where over 78 employees attended.

The sessions focused on sharing insights into the challenges women face in the workplace. As an action from these sessions, ATG developed a guide and training on appropriate workplace behaviour and set up a global hotline to report any issues. 89% of employees in the engagement survey felt that employees are treated equally regardless of race, ethnicity, gender, disability, religious beliefs and sexual orientation.

### Gender diversity

The Group is diverse in terms of gender mix, with women comprising 41% of the total workforce, an increase from 3% last year and we have achieved a gender balance in our UK and German businesses. ATG is committed to gender pay equality. The Group’s employee base is diverse at the management level, with five females on our Senior Leadership Team, and one female leader in a senior management role. As illustrated on page 70, the Board comprises five males and three females. The Board reviewed its diversity policy in FY23 in light of the updated targets announced by the FTSE Women Leaders Review and the FCA’s Policy Statement in respect of diversity and inclusion on

company boards and executive management. As disclosed more fully on page 92, the Nomination Committee has considered the revised minimum target of 40% women on listed company boards and the provision that at least one of the positions of Chair, CEO, CFO or SID is filled by a woman, and aims to achieve this target by the end of 2025.

### Ethnic diversity

ATG’s employees are diverse in terms of ethnicity, with 24% having disclosed as identifying as non-white (FY22: 25%). We are committed to increasing ethnic diversity across all levels throughout the organisation through recruitment and succession planning. The Board has considered the Parker Review recommendation for all FTSE 250 Boards to have at least one director from an ethnically diverse background by 2024, and following consultation with the Nomination Committee, the Board considers that it has achieved this target, with John-Paul Savant representing a Eurasian ethnically diverse background.

### Gender diversity statistics

	Male		Female		Other/ Prefer not to say		Total
	No.	%	No.	%	No.	%	%
Board	5	62	3	38	–	–	100
Number of senior positions on the Board (CEO, CFO, SID and Chair)	4	100	0	0	–	–	100
Senior Management	7	88	1	12	–	–	100
Senior Leadership Team	12	71	5	29	–	–	100
New recruits	54	63	32	37	–	–	100

## Sustainability Report continued



### Ethnic diversity statistics

	White British or other White (including minority-white groups)		Mixed/Multiple Ethnic Groups		Black/African/Caribbean/Black British		Asian/Asian British		Not specified	
	No.	%	No.	%	No.	%	No.	%	No.	%
Board	7	88	1	12	–	–	–	–	–	–
Number of senior positions on the Board (CEO, CFO, SID and Chair)	3	75	1	25	–	–	–	–	–	–
Senior Management	5	63	1	13	–	–	2	25	–	–
Senior Leadership Team	10	59	2	12	–	–	4	24	1	6
New recruits	37	45	6	7	3	3	11	13	25	30

### Employees with disabilities

We strive to be an inclusive employer and are committed to ensuring that people with disabilities are not disadvantaged in our hiring process, training, career development or promotion opportunities. Applicants with disabilities are given full and fair consideration during recruitment processes. We offer flexibility and support to any employees who are disabled upon joining or who become so during employment, including equipment or schedule accommodations. People with disabilities are treated equally in all internal processes including training, career development and promotions.

### Recruitment

Our hiring practice is committed to fair and equal treatment regardless of an individual's race, age, gender, ethnic background, religion or beliefs, gender assignment, sexual orientation, marital or civil partnership status, or disabilities. Our recruitment and selection process focuses on selecting the best candidate for each role and we hire based on merit and the right skills for the role. In the last 12 months, 37% of our new joiners have been female.

## Sustainability Report continued

### Talent and career management

We ensure that all employees have access to the training they need to support their development. All employees are required to undertake mandatory training annually to ensure they understand their legal and regulatory duties in relation to insider trading, cyber security and data security. In FY23 we launched ATG Academy, our new global learning and development programme, which included 60 carefully designed courses that were bespoke to working at ATG, delivered by our own experts, as we believe that training from such employees can provide a more meaningful and tailored learning experience for roles within ATG.

We also launched a new on boarding programme to help set new employees up for success, which includes a day one induction, 30-day HR check in, a small group lunch or breakfast with the CEO and a thorough Global Orientation session where new employees have the opportunity to meet multiple executives. Professional qualification sponsorship is available for all employees to apply for. During objective-setting periods, employees review training needs with their managers and training will be offered on a case-by-case basis to support specific developmental skills.

Performance reviews are conducted at least twice a year across all employees in the Group by line managers, to enable meaningful discussions about an individual's progress and career development. Over 80% of the Group received an annual performance evaluation. To support these conversations, we offer access to development plans and 360 feedback tools.

Over the year, over 70 hours of internally provided training were completed by our employees.

ATG supports apprenticeship schemes in the UK and Germany, to offer young people, or those without the opportunity to study further education, a placement at ATG. This provides qualifications, training and on the job corporate experience in entry level roles.

### Health and safety

We are committed to supporting our employees in all aspects of their health and well-being. We provide a comprehensive range of healthcare benefits as detailed on page 62.

The health and safety of all ATG employees and visitors to our offices is a priority for the business, and during the year we have ensured that our offices provided a safe working environment for both our employees and any visitors. ATG has a health and safety policy and appropriate insurance for all employees. We are pleased to report that we have had no fatalities or serious injuries during the year, and there was no impact to our operations due to work-related incidents or work-related occupational disease.

### Political donations and expenditure

The Company and its subsidiaries did not make any political donations or incur any expenditure during the year.

### Community partnerships

Developing the next generation of talent and fostering new ways to encourage entrants, of all backgrounds, into the auction and technology sectors are important to the future success of the online auction industry. An example of this is our support of BADA Friends – the British Antique Dealers Association – which provides a platform for the public to support the work of BADA's Cultural and Educational Trust, and to promote learning and expertise in the fine art and antiques trade.

ATG is a key supporter of auction industry events and conferences, whether through sponsorship or provision of expertise. This included Industrial Auctioneers Association events in both North America and in France.

### Charities

As part of the Proxibid office move, ATG donated furniture, monitors and office suppliers to local schools and libraries.

Employees at ESN volunteered within the local community during the year, including at local food banks and at the Safe House of Southeast Missouri's thrift shop in Cape Girardeau where employees helped to unpack and sort donations.

UK employees participated in a Christmas donation scheme to support local families around the festive period.

We also facilitate hundreds of charity auctions on our marketplaces each year, waiving our fees to ensure that all proceeds go to the charities. In the past 12 months, charity auctions hosted on our marketplaces have raised over £4.0m for good causes (FY22: £6.0m).



## Sustainability Report continued



### Governance

ATG is committed to operating in a transparent, responsible and ethical manner, within a strong governance and compliance framework.

### Operating a trusted marketplace

As a leading online marketplace, we are committed to operating a marketplace that is responsible, reliable and fair. Our aim is to provide a valuable platform for our consumers and customers to ensure we deliver relevant innovation, protect consumer data and provide an engaging user experience.

#### Restricted items

The Group has rules in place with regard to the listing of prohibited items on its marketplaces, such as offensive items, illegal firearms and weapons, and illegal wildlife products. We employ a compliance team to monitor adherence to these rules. The internal audit function audits and reviews the policy and its application on an annual basis.

#### Security of buying on our marketplaces

It is important that bidders can trust the buying experience on our marketplaces and that they know that auctioneers are following best practice. We vet all auction houses before allowing them to sell on our marketplaces. Equally, it is important that auction houses are protected against fraudulent bidders through bidder security teams dedicated to minimising the number of marketplace bidders who default on their purchases. The Internal Audit function audits and reviews these processes on an annual basis.

#### Information systems and technology (“IS&T”)

As highlighted in our materiality assessment, IS&T is a key priority for ATG and core to our operations. ATG has strengthened its IS&T capabilities in FY23 to ensure it has robust incident response procedures in place to manage information security, cyber security and/or breaches of confidential information. This includes the implementation of a new information security management system, which has been based on a recognised international standard. We also established an Information Security Steering Committee whose members include the Data Protection Officer, Chief Information Security Officer and Internal Risk Officer, whose responsibility is to oversee our IS&T programmes. This includes regular internal and external risk assessments on ATG’s technologies, cyber security and practices affecting user data. The committee report its findings to the Audit Committee.

We have an internal governance framework for data protection and information security including various policies, procedures and training. We undertake periodic analysis to identify potential vulnerabilities and risks, and we have processes in place to identify potential incidents and mitigate accordingly. Our policies are regularly reviewed and updated. Further specialised policies and standards are required for employees in engineering, product and design. ATG has had zero data breaches in both FY23 and FY22.

Card payments from bidders are handled by third-party supplier payment processors on behalf of the Group and by auction house clients. Therefore, the Group does not store card details, and follows all relevant regulations to comply with the Payment Card Industry Data Security Standard (“PCI DSS”). Under its contract with the Group, the supplier agrees to comply with the PCI DSS in respect of the storage of bidder card data.

In FY23, ATG deployed an industry leading security threat detection platform and 24x7 managed extended detection and response (MXDR) solution with end-to-end remediation. ATG also developed procedures to conduct regular security risk assessments and audits on the companies, technologies, and practices affecting user data. ATG tests its business continuity plans and incident response procedures every three years and in FY24, this will include external testing of an updated and integrated business continuity plan which is being rolled out.

#### Supply chain

As a technology platform, ATG’s supply chain is largely data centres, software and other services providers. We engaged with suppliers as part of our materiality assessment and will look to create a supply chain policy in the next year.



## Sustainability Report continued

### Modern slavery

ATG supports the Modern Slavery Act 2015. We are committed to ensuring that slavery and human trafficking are not taking place in any part of our business or our supply chain. We expect the same commitment from our suppliers, contractors and business partners. We will not tolerate the mistreatment of people in our employment and, wherever possible, employed in our supply chain. We continue to be compliant with the annual reporting requirements contained within section 54 of the Modern Slavery Act 2015. Our Modern Slavery Statement, which is reviewed and approved by the Board on an annual basis, can be found on our website [www.auctiontechnologygroup.com](http://www.auctiontechnologygroup.com).

During FY23, no incidents of modern slavery or human rights abuse were identified within the Group or our supply chain. We provide training to all colleagues working within procurement and HR on modern slavery.

### Whistle-blowing

We are committed to maintaining the highest standards of honesty, openness and accountability both within the organisation and in all its business dealings. ATG and its employees must behave honestly, and customers must be able to have absolute confidence in us. The Group recognises that employees have an important role to play in achieving these goals.

ATG has a whistle-blowing policy which includes access to a whistle-blowing telephone service run by an independent organisation, allowing employees to raise concerns on a strictly confidential basis. New employees are made aware of the whistle-blowing policy when they are on boarded, whilst existing employees were reminded about the policy in the year through the roll out of the updated ATG handbook. As detailed on page 84 of the Audit Committee receives regular reports on the use of the service, and any issues that are raised, the findings of any investigations and any actions arising. There were no reports made under the Group's whistle-blowing policy during the year.

### Anti-bribery and corruption

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery and corruption. Our anti-bribery and corruption policy is published on our website at [www.auctiontechnologygroup.com](http://www.auctiontechnologygroup.com). There were no instances of bribery reported within the Group during the year.

### Human rights

ATG supports the principles set out in the UN Declaration of Human Rights and is committed to supporting human rights through our compliance with national laws and through our internal policies which adhere to internationally recognised human rights principles. Our human rights and associated policies require respect and equal and fair treatment of all persons we encounter.

### Tax transparency

The Group is committed to compliance with all applicable tax laws and regulations and manages tax matters in line with our tax principles as set out in the Chief Financial Officer's review on pages 23 to 27. The Group's taxation policy for conducting its tax affairs and managing tax risk is published on our website [www.auctiontechnologygroup.com](http://www.auctiontechnologygroup.com). The tax policy has been approved by the Board of ATG and will be reviewed annually, including a formal consideration by the Audit Committee.

The Chief Financial Officer of the Group takes overall responsibility for the management of the tax policy and governance. On a day-to-day basis, in each local territory where ATG has a taxable presence, tax is managed by the Head of Tax and local financial controllers. In territories where there is no local financial controller, it is managed by the Group Financial Controller. The local financial controllers are supported by external advisers, where additional support and tax knowledge is desirable to assist with areas of complexity and specialist tax areas.

The Strategic Report, comprising the information on pages 03 to 68 inclusive, was approved by the Board of Directors on 30 November 2023 and signed on its behalf by:



**John-Paul Savant**  
Chief Executive Officer

