



## 2021 Corporate Responsibility Report





01	<b>Who We Are</b>	4
	Our Core Values	6
	A Message From Our CEO	7
	Our Journey	8
	Where We Are Today	9
02	<b>Goals</b>	10
	Environmental Goals	13
	Social Goals	15
03	<b>Commitment to the Environment</b>	16
	Public Education	18
	EV Charging Network	26
	Green Experience	28
	Bright Ideas	32
	Energy Efficiency	34
04	<b>Our Teams</b>	38
	Employee Health & Well-Being	40
	Training & Professional Development	44
	Diversity & Inclusion	52
	Diverse Leadership	58
	Community Involvement	60
05	<b>Reporting &amp; Transparency</b>	70





# 1 Who We Are

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## Growth powered by people.

Our growth is driven by you, bringing your strengths, your energy, your inspiration.



### Earn Customers for Life

We create a welcoming and trustworthy experience for our customers.



### Improve Constantly

We champion one another's growth so we can achieve more together.



### Take Personal Ownership

We enjoy the freedom to make the right choices and own our results.



### Have Fun

We connect as a team through celebration, positivity, passion and purpose.

## A Message From Our CEO

As one of the top automotive retailers in North America, Lithia & Driveway is constantly pursuing positive change in our communities, industry, and throughout our hundreds of store locations.

We do so by attaching our **Core Values**—Earn customers for life, Take personal ownership, Improve constantly, and Have fun—to important and emerging environmental, social, and governance (ESG) goals. Collectively, these efforts further our mission of Growth powered by people.

As an industry leader, we're taking charge of our ESG roadmap in the following areas:

- Sustainable Mobility Education
- Health & Well-Being of our Associates
- Community Engagement

## A Leader in Sustainable Mobility Education

As the industry evolves its focus towards the electrification of vehicles, we're Taking personal ownership of our future role in affordable, sustainable mobility solutions with **GreenCars**—our innovative website that deploys an interactive knowledge center to help consumers assess the environmental benefits of sustainable vehicles including EVs, PHEVs, and Hybrids. Alongside our manufacturers' evolution of offerings, GreenCars is informing consumers on the adoption (and purchase) of planet-friendly, zero-emissions vehicles to reduce our industry's carbon footprint.

To raise awareness of EVs and hybrids, GreenCars will soon partner with National Public Radio to promote sustainability education and programming. Our **Earth Day Program** continues to bring EV education into select high schools across the United States, allowing some student drivers to test drive EVs. We're also excited about our Green Dealer stores across the country who are implementing ESG initiatives at their locations to reduce waste and save energy.

## Taking Care Of Our People

The heart of Lithia & Driveway beats at the store level, where our talented teams work tirelessly to *Earn customers for life*. We care deeply about our associates' safety and health, overall well-being, and professional development. To ensure social sustainability in all corners of the company, we offer generous, **competitive benefits packages**, employee assistance policies, tuition reimbursement, and free career advancement resources via our online **Learning Center**.

To *Improve constantly*, we strive for a more open, diverse, and inclusive workforce where everyone feels comfortable and valued. In that spirit, our newly established **Cultural Council** is dedicated to innovating strategies that attract and retain associates from all walks of life. We're excited to announce that 10 Lithia & Driveway stores ranked as one of the **100 Best Dealerships to Work for in 2021** by Automotive News.

## Giving Back To Our Communities

We're passionate about social sustainability. This means giving back to the communities in which we do business, making a demonstrable social impact where our talented teams live and work.

Lithia & Driveway locations have special partnerships within their communities, raising thousands of dollars for, and engaging in, hundreds of local events and projects. At the Home Office, we give back to communities through **Lithia 4Kids**, which is dedicated to supporting children-centric nonprofits that teach, inspire, strengthen, and empower today's youth.

We're pleased to present our 2021 Corporate Responsibility Report that showcases Lithia & Driveway's determination and sincerity in pursuing this conscientious growth on the road ahead.



Bryan DeBoer  
President & CEO  
Lithia & Driveway



# Our Journey

# Where We Are Today

HEADQUARTERED IN MEDFORD OREGON

LITHIA MOTORS WALT & LORRAINE DEBOER YEAR ENDING DECEMBER 31, 1946		
Assets		\$19,980.00
Cash		
Accounts Receivable		
Inventory		
Fixed Assets		
Liabilities		
Accounts Payable		
Notes Payable		
Capital		
Profit		
Total		\$19,980.00

Lithia Income Statement from 1946



1946

1968

1996

2021

In 1946, Walt DeBoer opened the first Lithia store in Ashland, Oregon, where his hard work and friendly reputation helped support his large family.

In 1968, Walt’s oldest son, Sidney (Sid), took over the store. Unsure whether he could run the business alone, Sid persevered—selling 35 cars that first month.

By 1996, Lithia Motors, Inc., had expanded to six stores in southern Oregon, employing more than 200 associates. Management decided to take the company public that year—a herculean effort as Lithia was only at \$146 million in annual revenues (that’s smaller than many of our individual stores today). Afterwards, Sid tackled the challenges of expanding Lithia’s reach into other states.

21,500+  
Employees

278  
Retail Automotive  
Locations

2  
Countries

40  
Vehicle Brands  
Sold

\$22.8B  
Revenue in  
FY 2021





## 2 Goals

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OUR APPROACH TO ESG

Environmental Goals

Lithia & Driveway has set 10 Corporate Responsibility Goals which are shown below. We drive change everyday through our stores and in our communities as guided by the ESG Council, a cross functional team with over 30 members across the organization. This structure increases collaboration and transparency across all levels of the organization.



GOAL 1

Public Education

Increase sustainability education with a focus on youth, and engage the public on the benefits of electric vehicles (EVs) and hybrids via our GreenCars initiatives.



GOAL 2

EV-Charging Network

Expand EV-charging network to alleviate range anxiety.



GOAL 3

Green Experience

Grow sustainable business practices.



GOAL 4

Bright Ideas

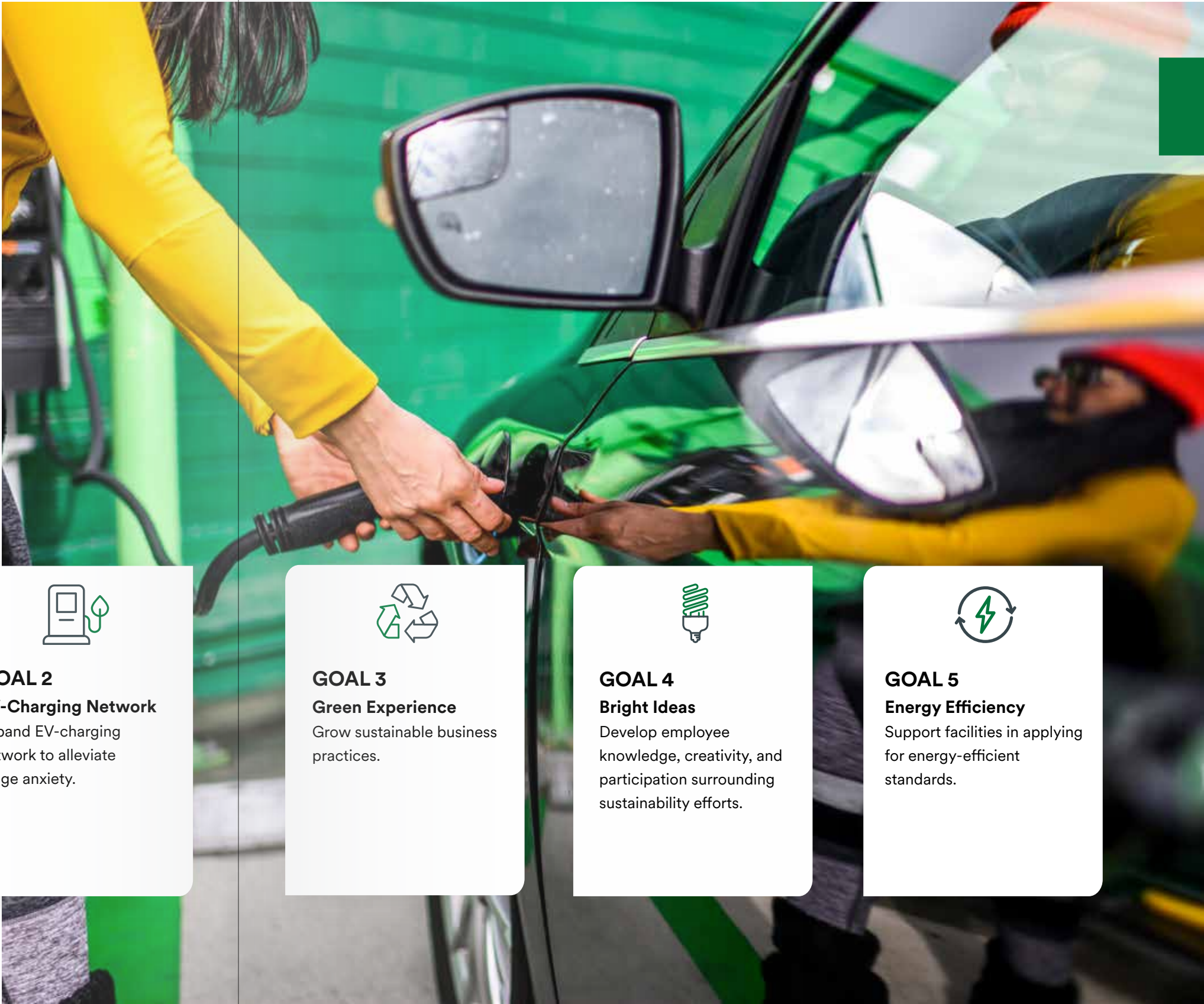
Develop employee knowledge, creativity, and participation surrounding sustainability efforts.



GOAL 5

Energy Efficiency

Support facilities in applying for energy-efficient standards.



# Social Goals



**GOAL 6**  
**Employee Promotion  
& Well-Being**

Encourage internal promotions and employee health and well-being.



**GOAL 7**  
**Training & Professional  
Development**

Increase the breadth and depth of annual training to promote professional growth opportunities.



**GOAL 8**  
**Diversity & Inclusion**

Continue to reflect the diversity of our customers within our workforce.



**GOAL 9**  
**Diverse Leadership**

Increase the diversity of our leadership teams to better reflect a variety of experiences and perspectives.



**GOAL 10**  
**Community  
Involvement**

Increase nonprofit volunteerism and financial support.

“We are passionate about our corporate responsibility goals and are improving constantly to reduce our environmental impact through continued innovation and teamwork. We recognize that responsible growth is crucial to the future success of Lithia & Driveway.”

— Bryan DeBoer, President and CEO



### 3 Commitment To Our Environment

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GOAL 1

## Public Education



### Driving Change Forward With GreenCars

GreenCars exists to accelerate the sustainable mobility revolution by facilitating the adoption of hybrid, all electric vehicles, and emerging technologies through passionate advocacy and tailored education.

GreenCars gives consumers a dedicated resource that provides free, easy access to information about sustainable vehicles. We increase awareness of environmentally-friendly transportation in order to accelerate the adoption of sustainable vehicles; and provide tools and resources to help consumers learn about and shop for hybrid, plug-in hybrid, and zero-emission vehicles.

The GreenCars Learning Center is packed with hundreds of in-depth, information-rich articles, blog posts, the latest EV news, and extensive guides to make learning about and shopping for EVs fun and easy. Whether a consumer wishes to compare EVs side-by-side, or take a deep dive on how electric and hybrid cars work in our articles, GreenCars supports resources to help consumers feel confident, supported, and empowered.

GreenCars provides EV and hybrid intenders a seamless and user-friendly purchasing experience, partnered with Driveway, a leading online automotive retailer. Once visitors have chosen their preferred EV, Driveway lets them purchase it online in a few easy steps.

GreenCars is a carbon-neutral initiative, and even our website is carbon-neutral. On average, websites emit 0.02g of CO<sub>2</sub> for every page viewed; each year, electricity consumed through website pageviews accounts for 2% of the world's air pollution – as much as the entire airline industry combined annually. We've integrated a smart label on our website to track and offset our website's CO<sub>2</sub> emissions by planting trees and supporting forests in need around the world. In 2021, our partnership with Tree-Nation resulted in the planting of 103 trees and offset a total of 4.1 tons of CO<sub>2</sub> to keep GreenCars.com and Lithia.com carbon neutral.

### A Leader In Environmental Education

Lithia & Driveway recognize that we are in a position to make influential, positive changes in the world. As such, we have developed and launched the GreenCars brand to encourage consumers to explore planet-conscious transportation options.

We are driven to increase public awareness regarding the benefits of all-electric and hybrid vehicles by creating hundreds of educational guides and articles on the GreenCars.com site and through public outreach.

With our GreenCars brand and other green initiatives, Lithia & Driveway are ahead of the curve. As a group, we have chosen to embrace the future of sustainable mobility instead of resisting it; and our proactive stance means we are well-positioned for a sustainable future.



# Building A Community Passionate For Change

*Lithia has invested in laying foundations for the green car revolution online, in our businesses, and in our communities.*

## Online

Our GreenCars Learning Center is populated by in-depth guides on what sustainable vehicles are, how they work, and on their advantages in creating a greener world.

In 2021, we developed a rich and informative blog landscape called “Electric Avenue” at a rate of 10-12 new posts per month, showing the human side of EV ownership; the latest news on the growth of EVs in all their guises; and reviews of the latest hybrid and all-electric vehicles. We also began a series of articles about what each of us can do to create a clean and green world – including how to recycle, how to reduce plastic waste, how to reduce our carbon footprint, how to save our oceans, forests, rivers, soil, and more.

The GreenCars website, a powerful tool for customers, has also been valuable for Lithia & Driveway’s sales teams, providing a comprehensive and up-to-date reference for incentives, charging stations, and other elements key to the electric driving experience. We continue to build additional features on the GreenCars site to further educate consumers and internal stakeholders alike.

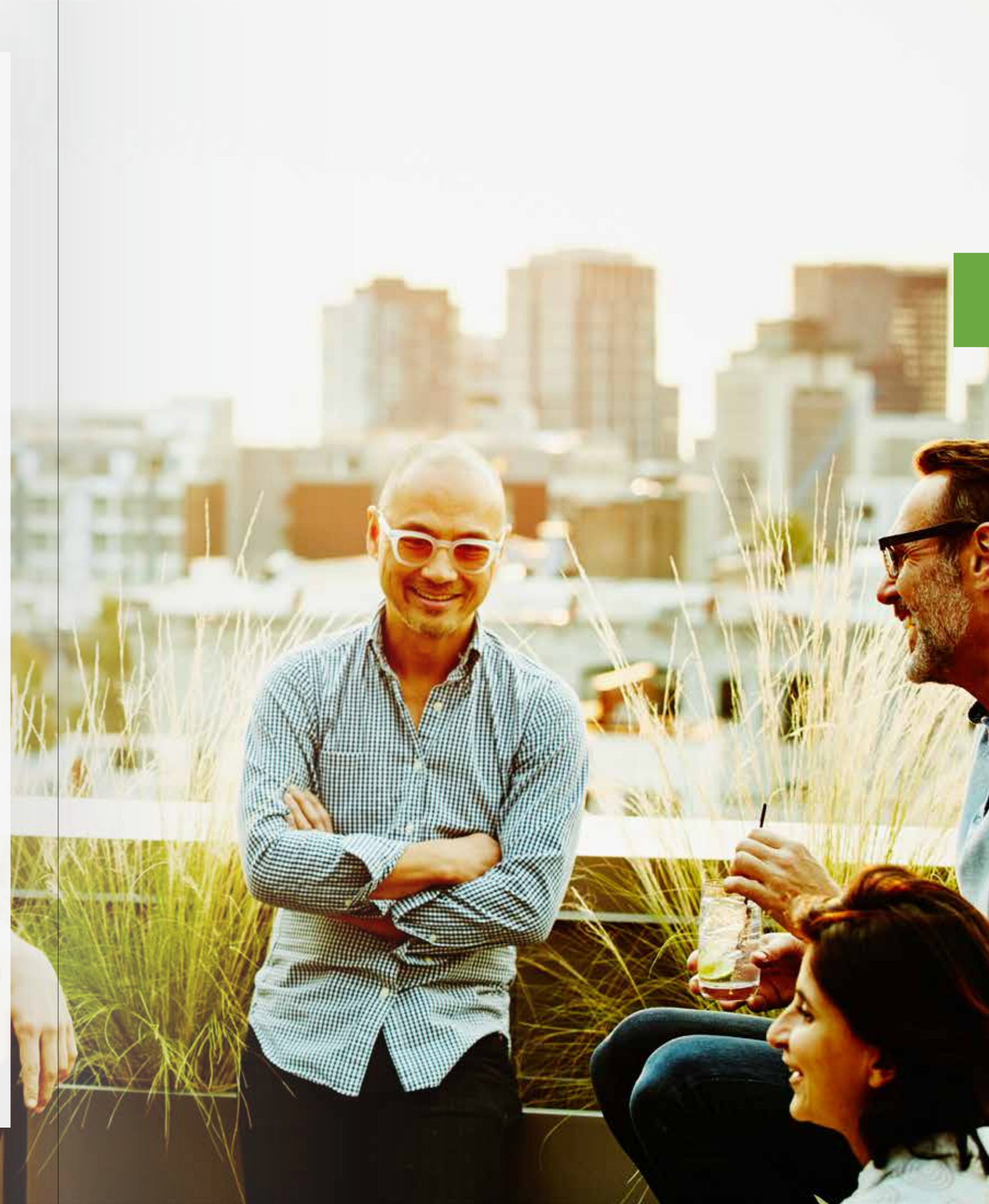
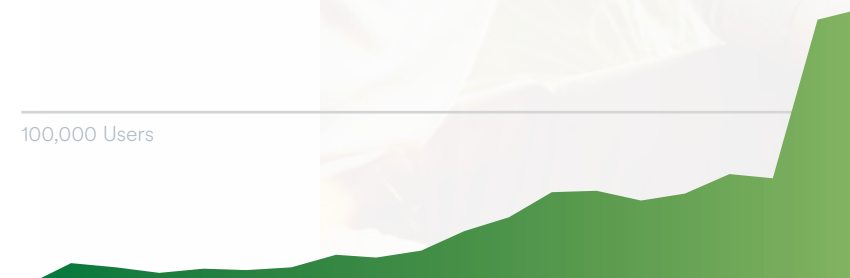
The result of these efforts has been a 963% growth in website traffic year over year. GreenCars in 2020, earned a total of 47,694 unique visitors to the website. In 2021, GreenCars’ website traffic grew to a total of 459,361 unique visitors.



## GreenCars Web Traffic Growth

200,000 Users

100,000 Users







**GreenCars drives sustainability in our business**

Throughout the Lithia & Driveway ecosystem, GreenCars is playing its part in advocating for a rapid transition to sustainable mobility. In 2020, GreenCars launched several initiatives at Lithia’s home office in Oregon, including branded recycling containers, a staff electric vehicle education event with product presentations and test drives, and support for all Lithia & Driveway employees with a comprehensive educational resource.



# Greening Our Communities

At Lithia & Driveway, and GreenCars, we don't just want to sell the message of sustainability, and the cars that go with it. We believe in directly contributing to the sustainability of the communities where we sell, service, and live.



## GreenCars planted 5,000 Trees

As part of our GreenKids initiative and the 2021 Earth Day Celebration, GreenCars partnered with select high schools across the country and the Arbor Day Foundation to plant a tree for every EV test drive at participating locations within the Lithia & Driveway network. Thanks to drivers who participated in this special event, we planted 5,000 trees in Econfinia Creek, Florida to replenish forests that were devastated by Hurricane Michael in 2018. This tree restoration project has provided forage for game and promoted natural ground cover. It is just one of many ways that GreenCars is making real world changes, one EV driver at a time.

## Oregon Cultural Trust

Oregonians value sustainability and embrace green energy. That's one of the reasons why GreenCars.com makes its home in Southern Oregon, leading the way in the promotion and advancement of zero-emission vehicles. In 2021 we were proud to announce that GreenCars was a sponsor of the Oregon Cultural Trust's new license plate design, celebrating Oregon's diverse cultures and amazing geography. Created by Liza Burns of Eugene, the license plate incorporates the GreenCars "leaf" logo that captures our mission of advocating the advancement of zero-emission vehicles to help keep Oregon green.

## Customer Facing Ride & Drive

Our public outreach for the advancement of hybrid and electric cars continues with an on-going program of "Ride & Drive" events at stores, parks, shopping mall parking lots and airports. GreenCars produces these events so that consumers who have never had the opportunity to get behind the wheel of an EV can experience the sheer thrill of piloting a fast and quiet, technologically advanced vehicle with safety and driver assist features that border on autonomous travel.







GOAL 2

## EV Charging Network

We have also invested heavily in charging infrastructure. The total number of charging stations across Lithia & Driveway's network of 278 stores has increased from 396 in 2020, to 602 in 2021. Over 90 are level 3 fast chargers, delivering the ultimate in customer convenience and positioning Lithia & Driveway as an electric vehicle leader.

This includes not only 219 charging stations accessible by the public and to customers, but crucially, also includes hundreds of charging stations that support our service departments. In addition to our belief in electric vehicles, we are also committed to providing superior service to EV drivers, to ensure these vehicles stay on the road as long as possible, further amplifying their positive environmental impact.

In a rapidly changing environment, these efforts have contributed to an impressive adoption of hybrid, plug-in hybrid and electric vehicles across the Lithia & Driveway network. A growing number of our stores have received awards from our manufacturer partners for sustainability.







GOAL 3

## Green Experience

Lithia & Driveway currently sell 40 brands of new domestic and imported vehicles, and all brands of used trucks and automobiles, at 275+ locations nationwide. We encourage all of them to participate in sustainable business-operating programs, and we are particularly proud of our Green Dealers, who have been certified through their manufacturer's specific planet-conscious programs.

### Subaru Eco-friendly Stores

Many of our Subaru stores have been enrolled in The Subaru Eco-Friendly Retailer Program. This is a voluntary program designed for retailers who want to make a positive impact on their communities and local environment.

The Subaru Green Dealer program focuses on five key areas:

- Energy Efficiency
- Water Conservation
- Recycling
- Waste Management
- Community Involvement







## Honda/Acura Green Dealer Program

All of our Honda and Acura stores have enrolled in the Honda/Acura Green Dealer Program to measurably reduce energy and water use while enhancing their environmentally responsible business operations. These stores implement several environmental best practices, such as proper building envelope insulation to minimize heat gain and loss, energy-efficient HVAC systems, energy-efficient interior and exterior lighting, designated recycling areas, water-efficient systems and more.

In addition, to receive an Environmental Leadership Award, stores must reduce their energy consumption by certain verified percentages.

John Eagle Acura  
Honda of Clear Lake  
Honda Cars of Katy  
Hamilton Honda  
Curry Honda  
Rock Honda  
Grapevine Honda

Tampa Honda  
Wesley Chapel Honda  
Howdy Honda  
John Eagle Honda of Houston  
John Eagle Honda of Dallas  
Suburban Honda







GOAL 4

# Bright Ideas



Part of our sustainability goals at Lithia & Driveway is to develop employee knowledge, creativity, and participation surrounding sustainability efforts. It's the little bright ideas around the workspaces that add up in reducing waste and saving energy.

## Green Week

Green Week is our flagship event designed to showcase and invigorate the Green Team's mission to increase employee knowledge, creativity, and participation surrounding sustainability efforts.

In the spirit to take personal ownership, dozens of Home Office & Driveway employees participated in the following activities from September 13-17 in 2021:

- Daily, one-hour Virtual Webinars featuring local keynote speakers who discussed food waste prevention, climate change, recycling strategies, and electric vehicles.
- Having fun with contests to reinforce pro-planet best practices for both adults and children.
- The distribution of free reusable cups to hundreds of employees.



Lithia & Driveway's  
**GREEN TEAM**

To Increase Employee Knowledge,  
Creativity & Participation in Sustainability Efforts

**DRIVE POSITIVE CHANGE!**



**BottleDrop Sponsorship—  
Bear Creek Greenway Foundation**  
All Recyclable Bottle & Can Deposits at the  
Home Offices Support the Rogue Valley's  
Bear Creek Greenway!

**GREEN WEEK**  
Keynote Speakers on Food Waste,  
Climate Change, Upcycling,  
Recycling & GreenCars Plus.  
Have fun Contests to Inspire Us





**Bear Creek Stewardship Day**  
Volunteers Join Forces to Clean up  
Medford's Bear Creek Greenway!





GOAL 5

## Energy Efficiency

Lithia & Driveway is continually working to increase the efficiency of our facilities. This includes reducing our energy usage, waste, and carbon footprint.

In 2021 we accelerated a series of projects to optimize outdoor lot lighting, including the implementation of more LED lighting. Upon completion, these projects will save an estimated minimum of 3,914,708 KW/h annually and reduce our Scope 2 emissions. We also diverted approximately 18% of our waste from landfills through our recycling efforts.

We intend to further increase transparency of our carbon footprint in the coming years.





As one of the fastest-growing companies in the Fortune 500, Lithia & Driveway's success depends on our talented teams nationwide. From the service technicians and customer service reps to our sales managers and operational leaders, without their skills, energy, and inspiration, we would not be where we are today. Despite our growing employee population (21,500+), we strive to maintain a friendly, professional environment where employees feel comfortable, safe, and valued.



## Workplace Excellence: “Best Dealerships To Work For”

10 stores in the Lithia & Driveway network ranked as one of the 100 Best Dealerships to Work for in 2021 by Automotive News. To make the list, an employer must excel in quality workplaces and receive strong employee satisfaction scores from confidential surveys. Lithia stores made up 25% of the top 20 best dealerships, as rated by Automotive News.





## 4 Our Teams

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## GOAL 6

# Employee Health & Well-Being

## Healthiest Employers in Oregon

Lithia & Driveway ranked 6th in our category on Oregon's Healthiest Employers in 2021. This award recognizes organizations committed to creating a healthy workplace. This is Lithia & Driveway's fifth year making the list.

## Preventative Focus Award

Preventative and wellness incentives are one of our top priorities. Our Preventative Focus Award encourages employees and their spouses to stay up to date on their preventative care by offering each a \$250 award for completing a wellness exam.

## Employee Assistance Program

We provide a company-paid Employee Assistance Program to help employees through the pressures of day-to-day living. All employees and their families have access to unlimited consultations and up to three face-to-face counseling sessions

## Free Healthcare Clinics

We currently offer five on-site Free Employee Clinics in Oregon, Pennsylvania, New York, and New Jersey. These clinics provide free medical visits for employees and their spouses. Top services provided include lab work, chronic disease management, preventative exams, referrals for specialist appointments, free health coaching, and more. We are excited to expand our clinic locations in 2022.

## Catapult On-Site Clinics

We also partner with Catapult, a leading provider of digital and on site health solutions, to bring on-site clinics to our stores across the country.

Catapult has performed over 1,000 on-site exams for Lithia stores nationwide, including Texas, Iowa, Montana, Michigan, and Alaska. We were also very excited to expand this benefit to Alaska and Michigan in 2021. We are looking forward to expanding into East Texas in 2022.





## Lithia Benefits Package

Our mission is to provide a competitive, diverse benefit package that supports the physical, financial and work life wellness of our employees and their families.



A focus on the overall health and wellness of our employees and their families

- Medical & Rx Insurance
- Dental Insurance
- Vision Insurance
- Free Preventative Care
- Free Health Coaching
- Free Tobacco Cessation Assistance and Products
- Free Flu Shots
- Free Maternity Support
- \$250 Preventative Focus Award
- Onsite Medical Clinics\*
- Mobile Onsite Preventative Care\*
- Virtual Healthcare (MD Live)\*



A focus on the investment in employees' current and future financial health

- Traditional & ROTH 401(k) with Employer Match
- Employee Stock Purchase Plan
- Health and Dependent Care Flexible Spending Accounts (FSA)
- Life Insurance
- Short & Long Term Disability Insurance
- Long Term Care Discounts
- Commuter Benefit Program
- Tuition Reimbursement Program
- Tuition Discounts
- **Store Discounts**
- Travel Discounts
- Cell Phone Discounts
- UPS Discounts



A focus on a work environment that supports employees' personal lives as well as their professional lives

- Paid Holidays
- Paid Time Off (PTO)
- Employee Assistance Program
- Volunteer Opportunities\*
- Bike Program\*
- Onsite Gym\*
- Private Locker rooms\*
- Mercy Flights\*
- Local Tickets & Business Discounts\*

*\*Offered in select locations.*

## Preventative Focus Award

Preventative and wellness incentives are one of our top priorities. Our Preventative Focus Award encourages employees and their spouses to stay up to date on their preventative care by offering each a \$250 award for completing a wellness exam. In 2021 Lithia & Driveway paid out over \$1 million to employees for completing their wellness exam.

**Free Employee Clinics:** We currently offer Free Employee Clinics. These clinics provide free medical visits for employees and their spouses. Top services provided include lab work, chronic disease management, preventative exams, referrals for specialist appointments, free health coaching, and more. We also partner with Catapult to bring on-site clinics to our stores across the country.

- 5 permanent clinic locations for all employees and spouses use.
- Catapult on-site clinics 28 locations in 5 States (Montana, Michigan, Alaska, Iowa, and Texas)
- Over 4100 visits in 2021







GOAL 7

## Training & Professional Development

Promoting and hiring the best talent available, defining clear expectations, providing excellent training, offering a robust benefits package, and rewarding high performance helps us build dynamic teams to Earn customers for life. We cultivate an entrepreneurial, high-performance culture and develop leaders from within. To accelerate the depth of our talent, we continue to develop tools, trainings, and growth opportunities.





### Jump Start Training Plans

Launched companywide in 2020, the Jump Start training series, based on a broad variety of store positions, delivers customized learning materials via email communications upon achieving major tenure milestones within the first nine months of the role. These training plans have been selected and curated by Lithia & Driveway leadership to provide timely and updated learning activities that deliver relevant resources to participants’ Learning Center accounts. Each Jump Start learning series begins with job-specific trainings, moves to professional development materials, and concludes with career growth and advancement tools.

### Home Office New Hire Orientation

In 2021, Lithia & Driveway launched a centralized orientation training for all Home Office employees. This orientation strengthens our culture by promoting our mission and core values in a group learning environment. We are dedicated to building strong teams and enriching the experience of our new employees through a smooth transition and welcome to our company. Our aim is to ensure that our new employees are aware of the professional development opportunities that we offer in support of our high-performance culture.

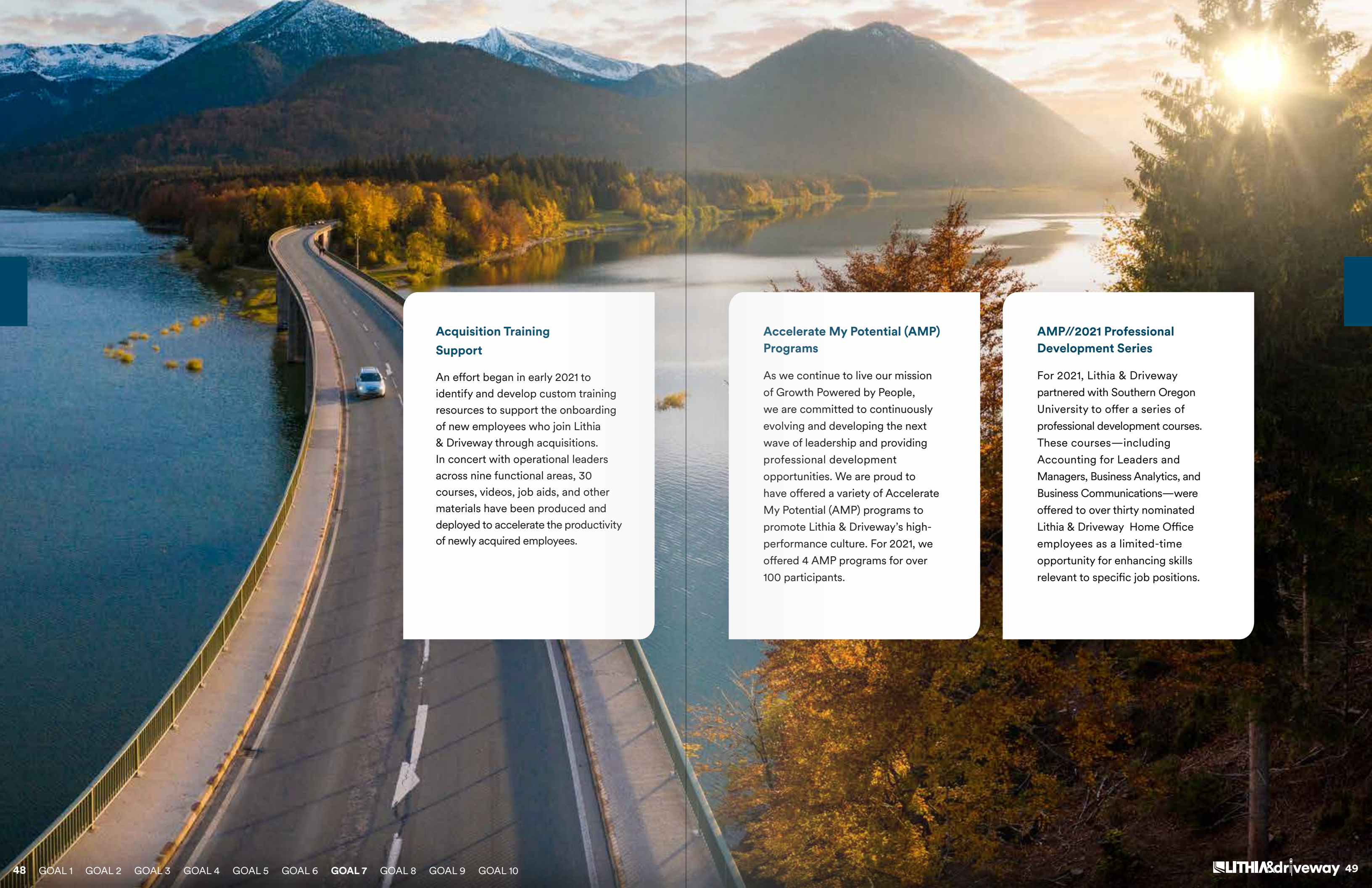
## The Learning Center

Promoting and hiring the best talent available, defining clear expectations, providing excellent training, offering a robust benefits package, and rewarding high performance helps us build dynamic teams to Earn customers for life. We cultivate an entrepreneurial, high-performance culture and develop leaders from within. To accelerate the depth of our talent, we continue to develop tools, trainings, and growth opportunities.

- 1. Job-specific trainings
- 2. New and up-and-coming manager resources
- 3. Professional development tools
- 4. HR resources to hire and grow talent
- 5. New employee resources
- 6. Goal-setting materials
- 7. Practical skill articles and videos
- 8. Career advancement tools







**Acquisition Training Support**

An effort began in early 2021 to identify and develop custom training resources to support the onboarding of new employees who join Lithia & Driveway through acquisitions. In concert with operational leaders across nine functional areas, 30 courses, videos, job aids, and other materials have been produced and deployed to accelerate the productivity of newly acquired employees.

**Accelerate My Potential (AMP) Programs**

As we continue to live our mission of Growth Powered by People, we are committed to continuously evolving and developing the next wave of leadership and providing professional development opportunities. We are proud to have offered a variety of Accelerate My Potential (AMP) programs to promote Lithia & Driveway’s high-performance culture. For 2021, we offered 4 AMP programs for over 100 participants.

**AMP//2021 Professional Development Series**

For 2021, Lithia & Driveway partnered with Southern Oregon University to offer a series of professional development courses. These courses—including Accounting for Leaders and Managers, Business Analytics, and Business Communications—were offered to over thirty nominated Lithia & Driveway Home Office employees as a limited-time opportunity for enhancing skills relevant to specific job positions.





## AMP//Operational Leadership Program

In 2021, Lithia & Driveway launched an elite program known as the Operational Leadership Program (OLP) designed to provide high potential operational leaders an opportunity to showcase leadership competencies, including executive presence, change agency, and critical thinking. In addition, the program offers opportunities to build network connections, gaining visibility to senior leadership, and enhancing leadership skills.

## AMP//General Manager (GM) Readiness Program

Established in 2017, this in-house, career development program targets individuals with the potential to compete for General Manager opportunities within the next two years. Participants are nominated into this elite program by their Group Vice President and General Manager based on their consistent high performance, embodiment of our Core Values and Mission of Growth powered by people, and leadership potential. This nine-month program has evolved over the years and enhances operational knowledge and leadership capabilities, which challenges participants to grow their careers. Since 2017, we've had more than 100 participants enter the program. Twenty-two participants will graduate from the 2021 program.

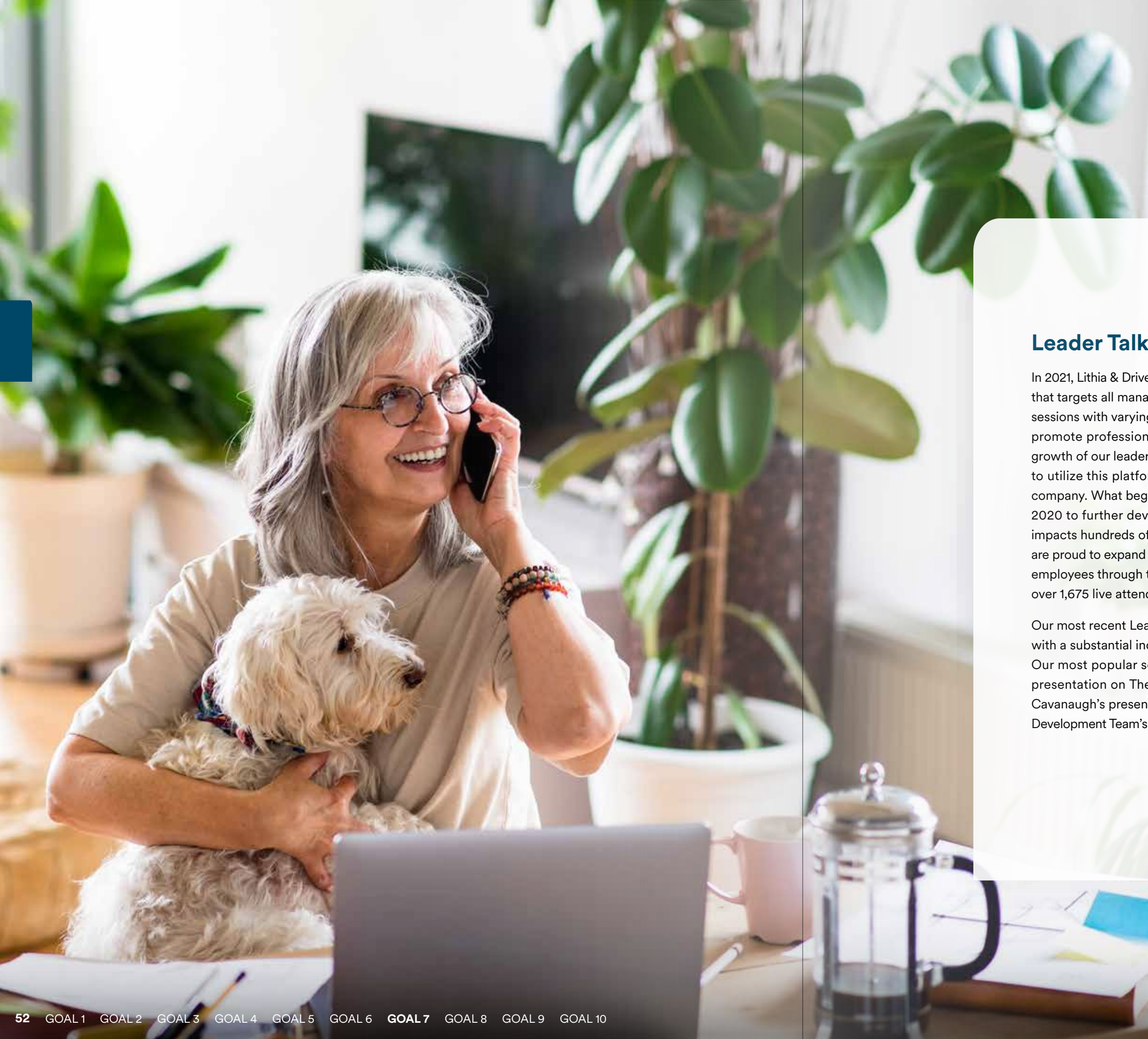
## AMP//2021 Leadership Development Forum

In 2021, Lithia & Driveway partnered with Centerpoint Leadership Services to pilot the AMP//Leadership Development Forum, in which we offered four six-month programs for a total of 42 graduates. This limited-time AMP program accelerates leadership potential and further develops high-performing leaders through expanding knowledge, access to coaching, and connecting fellow leaders through each cohort.

## Tuition Reimbursement Program

The Tuition Reimbursement Program provides employees with an opportunity for continued education pertaining to a current or aspiring position within Lithia & Driveway. To enhance the existing human capital in the Company, we focus our talent management strategy on competitive recruitment and retention of highly effective employees. Since 2016, over 75 employees have utilized this program.





### Leader Talks

In 2021, Lithia & Driveway launched the Leader Talks series that targets all managers and offers monthly, live virtual sessions with varying topics that strengthen our culture, promote professional development, and expand the growth of our leaders. We encourage our top leadership to utilize this platform and connect our fast-growing company. What began as a Human Resources effort in 2020 to further develop Home Office Managers now impacts hundreds of our leaders all over the country. We are proud to expand the access of these trainings to all our employees through the Learning Center. In 2021 we had over 1,675 live attendees.

Our most recent Leader Talks were hugely successful with a substantial increase in the number of attendees. Our most popular sessions include Gary Glandon’s presentation on The Four C’s of Leadership, Michael Cavanaugh’s presentation on Driveway, and the Talent Development Team’s presentation on The Learning Center.





GOAL 8

## Diversity & Inclusion

We strive for our workforce to mirror the communities in which we live and do business. As such, our ongoing goal is to become more diverse and inclusive to empower all in our communities. We recognize that diversity and inclusion can provide a competitive edge, but we also want to ensure that we prioritize Diversity & Inclusion practices throughout the entire employee life cycle, making sure every team member—regardless of demographics—can achieve their highest potential.



### Lithia Women LEAD

Lithia Women LEAD (Learn, Explore, Achieve, Develop) was started in 2015 with several goals in mind:

- Provide an avenue for women in the organization to learn and develop.
- Introduce female leaders to act as role models and inspire one another’s growth.
- Organize events where women could network with one another.
- Enhance skills beneficial to women in their personal and professional lives.

In time, an additional goal was added to provide broader knowledge of the company and the automotive retail business.

Lithia Women LEAD began with a week of daily events for Lithia & Driveway women leading up to the Women’s Leadership Conference of Southern Oregon, which Lithia & Driveway sponsors annually.

Due to popular demand LEAD events expanded their reach by livestreaming to our stores across the nation. After a few years, men were also invited to participate while keeping true to the original mission of being a networking and development forum for women.

Since Lithia Women LEAD’s inception, the number of women in leadership and senior leadership roles at Lithia & Driveway has grown tremendously.

In 2021, we offered a 100% virtual expansion to all employees resulting in over 600 attendees.

2021 Workforce Diversity	Management Diversity	Non-Management Employee Diversity
Total # of Employees	2490	17,903
Asian	110 4.40%	872 4.90%
Black or African American	88 3.50%	1021 5.70%
Hispanic or Latino	324 13.00%	4332 24.20%
White	1624 65.20%	9111 50.90%
Other	344 13.80%	2567 14.30%





GOAL 9

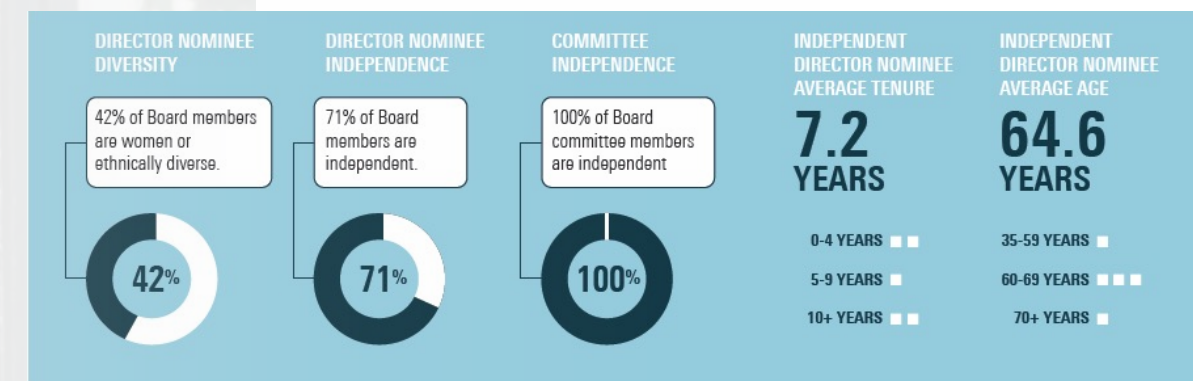
## Diverse Leadership

### Board Diversity

We also recognize the tone on Diversity & Inclusion needs to come from the top. The composition of our Board of Directors reflects the value we place in a diversity of perspectives.

Our objective is to strike a balance between the institutional knowledge that comes with long-term service and the fresh perspective provided by new members. In addition, we aim to be transparent about our board's diversity statistics.

Our independent directors bring a variety of diversity and tenure, effectively balancing the inputs and viewpoints represented on our board.







GOAL 10

## Community Involvement

Throughout our seventy-five years in business, Lithia & Driveway has been dedicated to making communities we serve better places to live, work, and play. We are committed to creating value in the communities around the country where we operate by supporting initiatives that strengthen them through local giving, sponsored events, and volunteerism.





## Giving Local

We strongly believe our people best understand the needs of their own communities and that is why we empower each store to manage their community involvement at the local level. Many of our stores have long-term, ongoing partnerships with nonprofit organizations that matter most to them.

Their commitment runs deep and goes beyond just writing a check. They are often advocating for their causes throughout the year, holding donation drives and volunteer events.

### Lithia4Kids

At our Home Office, we focus our community giving through our Lithia4Kids initiative. We concentrate our efforts on organizations who dedicate their efforts to help educate, advocate, support and strengthen our local communities. We believe the children within the communities are the key to the future, so it only makes sense to focus on organizations who:

1. Create Safe Spaces to Learn and Play
2. Help Build Resilient Communities
3. Provide Enriching Experiences



Partnering With  
Non-Profits Nationwide

From coast-to-coast, Lithia & Driveway associates are a giving group. We partner with hundreds of local nonprofits to serve the needs of public health, youth, education, family, seniors, veterans, athletics, and public safety. Below is a sampling of the national nonprofits we support.



The Suburban Collection -  
Michigan

The Suburban Collection partnered with the Gleaners Community Food Bank to raise over \$100,000 during the 2021 Drive Away Hunger Event.



Growth Powered by People

As a company driven by Our Mission, Growth powered by people, we place a high degree of value in each of our associates and their individual professional success. Volunteering is some of the most meaningful and rewarding work we do. We know that actively engaged employees, loyal customers, and empowered communities are a collaborative formula for success.

We are proud to see our stores making a positive impact in their communities across the country. Next, we spotlight a sampling of stores who engaged with their communities, demonstrating the positive power behind social sustainability efforts.



In 2021, Baierl Subaru and Baierl Ford came together to support the It's About the Warrior Foundation in honor of the 20th Anniversary of the September 11th Attacks. The mission of the It's About the Warrior Foundation, is to assist and empower post 9/11 veterans and their families from the Tri-State Area through various programs that support health and general wellness. Baierl Ford and Baierl Subaru were able to raise and donate \$15,000 altogether for the It's About the Warrior Foundation.

**Baierl Ford & Baierl Subaru  
Greater Pittsburgh Area, PA**



**Subaru of Moon Township  
Moon Township, PA**

Subaru of Moon Township donated over \$20,000 to the Make-A-Wish Foundation in 2021. The Make-A-Wish Foundations mission is to create life changing wishes for children with critical illnesses.

Carbone Subaru of Utica teamed up with Kelberman Center for Autism, which is the leading provider of autism services for children, adults and families in the Mohawk Valley and Central New York. In 2021, Carbone Subaru of Utica was a sponsor of the 2021 Pedal for Autism event which helped raise \$55,000

**Carbone Subaru of Utica  
Utica, NY**



**Lithia Subaru of Fresno  
Fresno, CA**

Lithia Subaru of Fresno sponsored multiple events and raised over \$39,000 for the Down Syndrome Association of Central California in 2021. The DSACC's mission is to enhance the quality of life for all people whose lives are touched by Down syndrome.





## Earth Day Program

Lithia4Kids and Greencars joined forces to launch our pilot Earth Day Program. The purpose of this program is to educate high school aged students of the benefits of electric vehicles. For 2021, the program was virtual – we created a fun, short educational video that teachers played both in the classroom or via online to virtual students. T-Shirts and stickers were distributed to participating schools along with informational flyers on the Earth Day Program and GreenCars.

- Partnered with 5 schools across the country.
- Plant and Drive Change Campaign.
- We planted a tree for every test drive of an electric vehicle that took place at one of our stores in Oregon, Washington and New Jersey.
- We planted a tree for every social media tag celebrating Earth Day.
- Partnered with the Arbor Foundation to plant 5,000 trees.

For 2022, we hope to bring the program to more schools and provide a more hands-on experience with the kids.

## Southern Oregon University Golf Tournament

- For 31 years, we have partnered with Southern Oregon University to raise funds for scholarships for SOU student-athletes.
- This year’s event was the most successful in the event’s history. We raised over \$530,000 for student athletes.

## Lithia4Kids at the Home Office

- Through our Lithia4Kids foundation we donated \$480,000 to local nonprofits.
- Expanded our giving efforts to our Portland home office locations.



# 5 Reporting & Transparency

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## | Reporting & Transparency

We strive to provide transparency on the issues our stakeholders care about. That has resulted in the gathering and publication of the data in the following pages, based on the frameworks of the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI).

Both these frameworks and the metrics disclosed within will help communicate our path to long-term value creation, and, in some cases, areas where we'd like to see improvement. They provide information sought by sustainability-focused investors and express our intent to continuously improve our environmental, social and governance (ESG) practices. More complete reporting on both SASB and GRI can be found at [LithiaCorporateResponsibility.com](https://LithiaCorporateResponsibility.com).



SASB DISCLOSURES

TOPIC	ACCOUNTING METRIC	CATEGORY
Energy Management in Retail & Distribution	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative
Data Security	Description of approach to identifying and addressing data security risks	Discussion & Analysis
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) Number of customers affected	Quantitative
Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Quantitative
	(1) Voluntary and (2) involuntary turnover rate for in-store employees	Quantitative
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Quantitative

The Sustainability Accounting Standards Board (SASB) Foundation is an independent standards-setting organization founded in 2011. This not-for-profit organization seeks to establish and maintain industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability information to investors. The table below references the Standard set out for businesses in the Multiline and Specialty Retailers & Distributors category, some answers of which are truncated for the purposes of inclusion within this report. Full disclosures can be viewed on [LithiaCorporateResponsibility.com](https://lithia.com/corporate-responsibility).

UNIT OF MEASURE	CODE	DATA
Gigajoules (GJ), Percentage (%)	CG-MR-130a.1	2021 – Total energy consumed: 574,264.8 GJ (2) Percent grid electricity: 100% (3) Percent Renewable Energy: 0%
n/a	CG-MR-230a.1	In order to meet the constantly evolving threat to cybersecurity and ensure the integrity, availability and security of our sensitive electronic data, Lithia Motors employs a mature framework of security policies, procedures and control processes. Our Information Security Team, in partnership with a third-party Managed Security Services Provider, work proactively around the clock to evaluate, investigate and mitigate threats and to ensure that multi-layered, redundant preventative technologies are applied to detect and prevent them.  For more information on this topic please visit <a href="https://investors.lithia.com">Investors.LithiaDriveway.com</a>
Number, Percentage (%)	CG-MR-230a.2	(1) 0 (zero) (2) 0 (zero) (3) 0 (zero)
Reporting, Currency, Percentage (%)	CG-MR-310a.1	(1) Total average hourly wage amongst all in-store employees in 2021 including bonuses, commissions, and paid time off was \$44.93 (2) Total percentage of employees earning minimum wage with no bonus or commission opportunities:  To see these amounts broken down by state please visit <a href="https://lithia.com/corporate-responsibility">LithiaCorporateResponsibility.com</a>
Rate	CG-MR-310a.2	(1) 43.04% (2) 8.22%
Percentage (%)	CG-MR-330a.1	(1) 34.8% of Lithia management is comprised of racial/ethnic minorities and 17% are female. By percentage, each racial/ethnic group is represented as follows: Asian: 4.4% African American: 3.5% Hispanic or Latino: 13% White: 65.2% Other: 13.8% (2) 49.1% of Lithia non-management is comprised of racial/ethnic minorities and 19% are female. By percentage, each racial/ethnic group is represented as follows: Asian: 4.9% African American: 5.7% Hispanic or Latino: 24.2% White: 50.9% Other: 14.3%



GRI INDEX

DISCLOSURE #	TITLE	LOCATION OF DISCLOSURE
102-7	Scale of organization	<a href="#">LithiaCorporateResponsibility.com</a>
102-17	Mechanisms for advice and concerns about ethics	<a href="#">LithiaCorporateResponsibility.com</a>
302-1	Energy consumption within the organization	<a href="#">LithiaCorporateResponsibility.com</a>
302-3	Energy intensity ratio	<a href="#">LithiaCorporateResponsibility.com</a>
303-5	Water consumption	<a href="#">LithiaCorporateResponsibility.com</a>
305-1	Direct scope 1 GHG emission	<a href="#">LithiaCorporateResponsibility.com</a>
305-2	Indirect scope 2 GHG emissions	<a href="#">LithiaCorporateResponsibility.com</a>
305-4	GHG emissions intensity ratio	<a href="#">LithiaCorporateResponsibility.com</a>
405-1	Diversity of governing bodies and employees	Pages 57-59
102-14	Statement from senior decision-maker	Page 7
102-1	Name of organization	Page 8
102-2	Activities, brands, products and services	Page 9
102-3	Location of headquarters	150 N. Bartlett St., Medford, OR 97501
102-4	Location of operations	<a href="#">Lithia.com</a>
102-5	Ownership and legal form	Lithia was founded in 1946 and went public in December 1996 with an IPO of \$11 per share. Today, Lithia continues as an Oregon based corporation and trades on the NYSE (ticker symbol: LAD). As of stock market closing on 12/31/21 LAD stock was trading at \$296.95 per share.
102-6	Markets served	Lithia Motors serves the public and private sectors and owns stores in 25 states throughout the U.S., making it one of the largest providers of personal transportation solutions in the country.
102-10	Significant changes to the organization and supply chain	<a href="#">LithiaCorporateResponsibility.com</a>

The Global Reporting Initiative (GRI) is a set of standards issued by the Global Sustainability Standards Board (GSSB) in order to create a common language for organizations and stakeholders, with which the economic, environmental and social impacts of organizations can be communicated and understood.

DISCLOSURE #	TITLE	LOCATION OF DISCLOSURE
102-13	Membership of associations	1. NADA: National Automobile Dealers Association 2. NACD: National Association of Corporate Directors 3. SHRM: The Society for Human Resource Management 4. Various state dealer associations
102-16	Values, principles, standards, and norms of behavior	Pages 6-7
102-18	Governance structure	<a href="#">Investors.LithiaDriveway.com</a> <a href="#">LithiaCorporateResponsibility.com</a>
102-22	Composition of highest governance body and its committees	<a href="#">Investors.LithiaDriveway.com</a> <a href="#">LithiaCorporateResponsibility.com</a>
102-23	Chair of highest governing body	Sidney DeBoer is the current Chairman of the Board. He is not a Lithia executive.
102-24	Nominating and selecting the highest governing body	<a href="#">LithiaCorporateResponsibility.com</a>
102-26	Role of highest governance body in setting purpose, values, and strategy	<a href="#">LithiaCorporateResponsibility.com</a>
202-2	Proportion of senior management hired from the local community	<a href="#">LithiaCorporateResponsibility.com</a>
401-3	Parental leave	<a href="#">LithiaCorporateResponsibility.com</a>
403-1	Occupational health and safety management system	<a href="#">LithiaCorporateResponsibility.com</a>
403-2	Hazard identification, risk assessment and incident investigation	<a href="#">LithiaCorporateResponsibility.com</a>
403-3	Occupational health services	<a href="#">LithiaCorporateResponsibility.com</a>
403-5	Worker training on occupational health and safety	<a href="#">LithiaCorporateResponsibility.com</a>
403-6	Promotion of worker health	<a href="#">LithiaCorporateResponsibility.com</a>



GRI INDEX

DISCLOSURE #	TITLE	LOCATION OF DISCLOSURE
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">LithiaCorporateResponsibility.com</a>
403-9	Work-related injuries	<a href="#">LithiaCorporateResponsibility.com</a>
403-10	Work-related ill health	<p>a. i. 0 Fatality due to work-related ill health</p> <p>ii. 19 instances in 2021</p> <p>iii. Repetitive motion injuries among Service Technicians were the most prevalent cases of worker ill health.</p> <p>b. N/A —</p> <p>c. N/A — no specific hazards can be attributed to cases of work-related ill health as cases were related to repetitive motion injuries from normal job duties.</p> <p>d. We do not employ a significant number of non-employees whose work and/or workplace is controlled by our organization, to report a meaningful and actionable statistic for safety purposes.</p> <p>e. COVID cases were not included in work-related ill-health counts as all were either denied or currently pending investigation.</p>

DISCLOSURE #	TITLE	LOCATION OF DISCLOSURE
404-1	Average hours of training per employee	On average, each employee received 38.31 hours of training in 2021. We are working on expanding data collection in this area.
404-2	Programs for upgrading employee skills and transition assistance programs	Page 44-53



