



# Corporate Sustainability Report 2023



THE MISSION

## Growth Powered by People.

Driven by our employees and preferred by our customers, Lithia & Driveway is the leading automotive retailer in each of our markets.

OUR VALUES

## The fuel behind Lithia & Driveway



### Earn Customers for Life

Create welcoming and trustworthy experiences for our customers.



### Improve Constantly

Champion one another's growth to achieve more together.



### Take Personal Ownership

Enjoy the freedom to make the right choices and own our results.



### Have Fun!

Connect as a team through celebration, positivity, passion, and purpose.

Leading the modernization of personal transportation solutions  
**wherever, whenever, and however** consumers desire.

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# A Message from Bryan

At Lithia & Driveway, our mission and core values ground us as a winning team and sustain us as an organization.

Since 1946, Lithia & Driveway has been building relationships with—and value for—our customers, communities, and associates. Our rise as one of the largest global automotive retailers has been fueled by our mission, *Growth Powered by People*, and living our core values daily so we can meet consumers wherever, whenever, and however they desire.

As we move forward with our growth strategy, we want to ensure the sustainability of our environment and communities—as well as our company, which supports tens of thousands of associates and their families across an expanding international footprint.

To accomplish this goal, we *Improve Constantly* to deploy sustainable technologies, offerings, and practices that are good for the environment and good for business—as outlined in the 2023 Corporate Sustainability Report.

Highlights in this report illustrate how we're putting our environmental and social goals into action—from our online resource, GreenCars, assisting and educating the public to make the switch to a more sustainable ride to our ongoing efforts to support a welcoming workplace for our valued associates and enrich the communities we serve. I hope you're inspired by the spotlight stories and metrics showcasing how we're weaving sustainability into our operations.

As you review the 2023 Corporate Sustainability Report, I encourage you to *Take Personal Ownership* of a more sustainable course at work and home. Let's join forces for a healthier environment and a more sustainable organization.

Better Together!



**Bryan DeBoer**  
President & CEO

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President & CEO

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# Lithia & Driveway's Sustainability Approach




Lithia & Driveway strives to be an industry leader in responsible growth.

For us, sustainability is not about saving the world. Rather, it's about doing our part to consume resources respectfully, putting the right kinds of vehicles on the road, and reducing waste throughout our operations.



Our corporate sustainability goals align with our core values to fuel our commitment towards a carbon-neutral future.


## ENVIRONMENTAL GOALS


-  **Increase GreenCars on the Road**
-  **Operate Sustainable Stores**
-  **Extend Vehicle Lifecycles**


## SOCIAL GOALS


-  **Strengthen Our Communities**
-  **Maximize Employee Health, Wellness & Safety**
-  **Champion a Diverse, Inclusive & High-Performance Culture**

## CORE VALUES

 **Earn Customers for Life**  
Create welcoming and trustworthy experiences for our customers

 **Improve Constantly**  
Champion one another's growth to achieve more together

 **Take Personal Ownership**  
Enjoy the freedom to make the right choices and own our results

 **Have Fun!**  
Connect as a team through celebration, positivity, passion, and purpose



ENVIRONMENTAL GOAL

# Increase GreenCars on the Road



With nearly 500 international locations, our scale puts us in a unique position to drive the adoption of more sustainable mobility options as consumers enjoy our wide range of brands, the expertise of our thousands of associates, and our inviting showrooms. By responding to consumer demands for greener vehicles, we *Earn Customers for Life*.

To increase our share of sustainable vehicles sold, we have invested in **GreenCars**—our online resource center on electric and hybrid vehicles. The website educates hundreds of thousands of visitors every month with a library of informative articles, an innovative Buyer’s Guide, tools to research available financial incentives, and resources to investigate charging options.



**Fast Fact**

In December 2023, our online hub for electric and hybrid vehicles, GreenCars, eclipsed **one million** unique visitors for the first time since its launch in 2021.

## Spotlight: Promoting Electric Vehicles



**David Kohan, General Manager**

Keyes European (California)

Years with Lithia & Driveway: 13



By encouraging consumers to switch to an electrified vehicle (EV)—or another alternate-fuel vehicle—when they are ready for their next ride, we can reduce the emissions impact of hundreds of thousands of vehicles annually. In 2023, our U.S.–based stores sold over 16,000 zero-emissions vehicles (ZEVs), and one of our top-selling general managers of EVs was David Kohan of Keyes European:

### What do you consider the most impactful behaviors in selling a high volume of sustainable vehicles?

- Acquire in-depth product knowledge.
- Build the right sales team with the comprehensive knowledge of the EV lineup.
- Appoint brand ambassadors who can convey the technical and luxury aspects of a Mercedes Benz EQ and other brand EVs.
- Use GreenCars.com—It’s a great resource.
- Develop comprehensive and targeted marketing campaigns to create awareness about your store and vehicles.
- Utilize various channels—such as social media and online platforms—to reach a wide audience and demographics.
- Simplify the sales process to reduce friction for customers and ensure a seamless online and offline buying experience.
- Offer competitive pricing.
- Be a leader.

**Note:**

The LPG logo above stands for "Lithia & Driveway Partners Group," which recognizes our highest-performing stores that maximize their profit potential and embody our core values.

### What are some challenges you’ve experienced and overcome when selling green cars?

- *Inventory Availability*—My team and I purchase vehicles from dealers all over the United States.
- *Customer Range Anxiety for EVs*—Our customers were concerned about the limited range of EVs and availability of charging infrastructure. To solve this roadblock, we partnered with a few companies that installed home chargers and educated our clients on how to navigate finding charging stations when needed.



## Spotlight: Promoting Electric Vehicles (Continued)



### How has each department and employee played a part in your store's success?

Our dealership fosters strong communication and coordination between the sales, service, and parts departments. This coordination ensures a seamless customer experience, from the initial sale to ongoing maintenance and repairs.

- The sales department is crucial for acquiring new customers and selling vehicles. Our successful sales team focused on understanding customer needs, providing excellent product knowledge, and offering a positive buying experience. They also play a big role in building and maintaining strong customer relationships, which leads to repeat business and beneficial word-of-mouth referrals.
- Our service department, led by Bryan Radin, is essential for retaining customers by ensuring the vehicles remain in optimal condition. Providing quality maintenance and repair services contributes to long-term customer satisfaction.
- Efficient management of parts inventory ensures the availability of essential components for repairs and maintenance. John Smith, our parts manager, played a crucial role in optimizing inventory levels and minimizing costs.

#### Advice to Improve Constantly

**Know your market.** Educate yourself and others. **Lead by example.**  
Be innovative. Don't be afraid.

David Kohan, General Manager

*We Earn Customers for Life* by responding to demands for greener cars and more responsible business practices.





ENVIRONMENTAL GOAL

# Operate Sustainable Stores



To reduce our carbon footprint throughout our vast network of stores and service facilities, we strive to reduce energy usage, adopt cleaner energy, and prevent waste. To promote these sustainable goals within our industry, many auto manufacturers, such as Subaru and Honda/Acura, also offer participation in Green Dealer Programs. At Lithia & Driveway, we encourage stores to *Improve Constantly* with facility updates and **ENERGY STAR certification**.

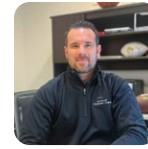
To be certified as ENERGY STAR, a building must meet strict energy-performance standards. A partnership between the U.S. Environmental Protection Agency and the North American Dealers Association (NADA) survey, the ENERGY STAR score for car dealerships gathers detailed information—on building characteristics, energy use, and water use—and compares it to the expected use for a similarly sized building. In 2023, we launched an ENERGY STAR effort and expect a growing number of certifications in the future.



**Fast Fact**

**100%** of our Honda/Acura dealerships are enrolled in the Honda Environmental Leadership Award (Green Dealer) Program. DCH Honda of Oxnard received the 2023 Environmental Leadership Award for meeting strict energy thresholds.

## Spotlight: Conserving Energy across Operations



**Drew Holbrook, General Manager**

Acura of Sherman Oaks (California)

Years with Lithia & Driveway: 9

For 2023, NADA recognized three Lithia & Driveway stores—Acura of Sherman Oaks, DCH Tustin Acura, and Island Honda—for being ENERGY STAR certified. In Canada, only seven dealerships in the entire country were certified and three of them were Lithia & Driveway locations. Acura of Sherman Oaks received a 95 out of 100 ENERGY STAR score primarily due to its showroom energy usage and the number of vehicles floored/sold compared to its overall size.

### What would you consider the most impactful behavior you have taken to operate your building sustainably?

We utilize state and government programs to upgrade our facility. We also changed all our lights, interior and exterior, to LED. We investigate government programs for assistance when upgrading to a cleaner, greener facility.

### What are some challenges you've experienced and overcome in operating your facility?

We have Google Nest thermostats to intuitively adapt to our specific environment to save energy whenever possible. We also put timers on all lighting fixtures to maintain efficiency.

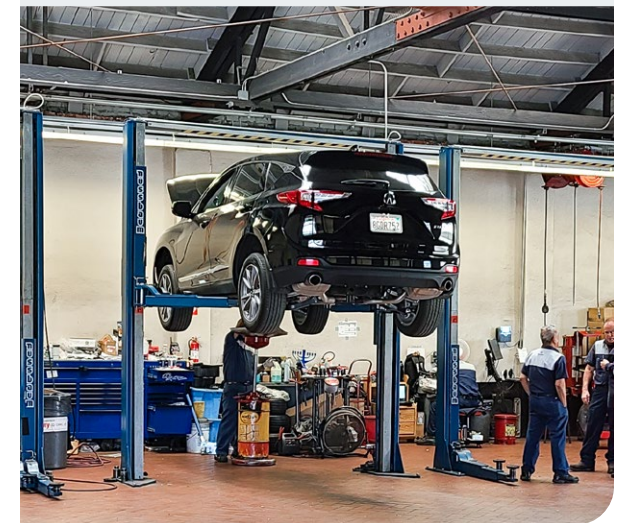
### How can employees contribute to store sustainability and efficiency?

We make sure to create an overwhelming awareness, so everyone becomes energy conscious. We're all aware—we all care!

### Advice to Improve Constantly

**Thank and recognize employees** for their efforts and ideas.

**Drew Holbrook**  
General Manager





ENVIRONMENTAL GOAL

# Extend Vehicle Lifecycles



At Lithia & Driveway, **value autos**, or vehicles with over 80,000 miles, play an integral part to our sustainability business model. The resale and servicing of value autos and used cars encourage a circular economy by extending the lifespan of automobiles and reducing waste. By offering refurbished vehicles and affordable servicing options, customers gain access to reliable transportation at a lower cost, and we promote increased sustainable mobility on the road.

Other key components of this operational goal reside within the service/office facilities across our network and include maximizing service retention; recycling solvents, oils, and tires; and using water reclamation systems.



**Fast Fact**

In 2023, the Lithia & Driveway retail network sold over **125,000** value autos and serviced more than **825,000**.

## Spotlight: Celebrating Sustainable Innovation

Every year, we honor company associates who *Take Personal Ownership* to create and implement sustainability practices in their workplaces with our **GreenCars Sustainability Award**. In 2023, we honored three associates, nominated by their peers, for their creativity in sustainability efforts.

### 2023 GreenCars Sustainability Award Winner



#### Matthew Snipes, Service Manager

Lithia Toyota of Klamath Falls (Oregon)  
Years with Lithia & Driveway: 19



Matt and his colleagues, Juan Maldonado and Tim Boozer, switched over their entire service rental/loaner fleet to electric vehicles! As part of this sustainable-mobility business model, customers received information educating them on the benefits of driving and owning an electric vehicle and how to conveniently charge them. The win-win benefits included lower gas emissions, fuel savings, and customer optionality.

### Award Honorable Mention

#### Nick Desroches, Shop Foreman

Airstream Adventures (Fairfield, California)  
Years with Lithia & Driveway: 4

Nick engineered an ingenious Reclamation Station that recaptures the water used during pre-delivery inspections of new travel trailers, saving an average of 60 gallons per trailer.



### Award Honorable Mention

#### Angela Sutton-McCartney, Clerk

Wilde Toyota (West Allis, Wisconsin)  
Years with Lithia & Driveway: 2

Angela initiated a paper-recycling system that reuses the blank sides of scanned docs for other printing needs. In 2023, her efforts saved approximately 40,000 sheets of new paper.







SOCIAL GOAL

# Strengthen Our Communities

Connecting with the communities where we live and work is a core pillar of Lithia & Driveway’s social sustainability outlook. When we stand shoulder-to-shoulder with our neighbors, we cultivate strong bonds, build bridges, foster teamwork, and *Have Fun!*

Our **Lithia 4Kids Program** educates, advocates, and strengthens the youth in and around the cities, towns, and neighborhoods we serve. A “*giving powered by people*” mindset runs deep throughout our organization, and our stores’ volunteerism and sponsorships make powerful social impacts.



## Spotlight: Giving Powered by People



**Evelin Williams, Community Relations Director**

Wesley Chapel Regional Auto Group (Florida)

Years with Lithia & Driveway: 3

Most of our stores prioritize community partnerships with local or national nonprofits that matter most to them in their area. While we can’t showcase each store’s community contributions, the following stories are representative of how our hundreds of stores across Canada, the United Kingdom, and the United States give back to their communities.

### What are some social-impact events your teams did in 2023?

- *Holiday Wish List Sponsorship Program*—Our store group sponsored 200 children who live at Metropolitan Ministries (of Tampa Bay) by fulfilling each child’s holiday gift wish list. On Christmas morning, employees became Santa helpers, delivering the gifts. It was a huge effort resulting in smiles all around.
- *Birthday Celebration*—Our Mazda store hosted a foster child’s birthday party. It was the first time any of our stores have done this type of event. Everyone is going to remember that party—a wonderful, core memory for the young birthday boy and all the employees who celebrated with him.

### What is the best part about the community events or drives that you’ve been a part of?

It’s the sense of TEAM—not only for work, but for something that serves the world we live in—and creating a ripple effect.

### Advice to Improve Constantly

**Do it! Go! Give!** Tell your team how you felt and what you saw. The strongest tool is word of mouth.

**Evelin Williams**  
Community Relations Director



## Spotlight: Giving Powered by People (Continued)

### Why do you think community involvement is so important?

When we provide outlets for our employees to give back to the community, employees can put their social passions into action, increase self-esteem, gain new perspectives, and develop empathy. By volunteering with other employees from different stores and walks of life, they expand their social and professional networks. Community involvement is an investment in our employees' well-being, helping them become more well-rounded and socially conscious.

### Community Spotlights



Oil Change  
for  
**CHANGE**

#### Oil Change for Change

On May 24, 2023, 78 of our U.S. Pacific Northwest stores came together to honor veterans' organizations. For every oil change on that date, \$25 went to a store's chosen community nonprofit. Together, their one-day donations totaled over \$35,000.



#### Men-Wear-Pink Golf Tournament

In 2023, 12 of our U.S. dealerships participated in—and 24 more donated to—a “Men Wear Pink” golf tournament in Springfield, Oregon, to benefit breast cancer research. Matt Sidman, our U.S. Northwest Fixed Operations Director, and an ambassador for the American Cancer Society, hosted the event that raised over \$38,000.

#### Advice to Improve Constantly

**Find a charitable cause that touches your heart.**

Put that passion into action, and watch others catch the spirit.

**Brittany Osterhout**, Recruitment & Engagement Strategist



*We Have Fun* connecting with our communities.  
Our giving is truly powered by people.



SOCIAL GOAL

# Maximize Employee Health, Wellness & Safety



The health and safety of our thousands of associates are top priorities. From our service techs and staff (and their families) to our store leadership and support services, we strive to nurture a workplace where associates feel engaged and inspired.

To achieve this goal, we offer **Total Rewards**, which is a uniquely designed benefits package to provide a comprehensive array of perks and programs to strengthen each associate's overall well-being and financial security. These total rewards contribute to excellence in the workplace.



**Fast Fact**

Since 2019, Lithia & Driveway has awarded over **\$5 million** to 20,000+ employees through our Wellness Bonus Program, which incentivizes annual check-ups.

## Spotlight: Building Strong Workplaces



Every year, *Automotive News* magazine selects the Top 100 “Best Dealerships to Work for” to honor their ability to create a positive work environment for their employees. In 2023, 13 of our U.S. stores and 3 Pfaff stores in Canada made their respective lists. Notably, in the United States, Audi Millburn, DCH Kay Honda, and Wesley Chapel Toyota made the list's Top 20.



**Ray DeSimone, General Manager**

Wesley Chapel Toyota (Florida)  
Full-Time Employees: 157

### What employee relations area(s) helped you achieve Top 20 Best Dealership ranking?

Our management is very active with our staff to keep our finger on the pulse of how everyone is doing. I believe we're proactive in looking for daily obstacles and offering advice and solutions as needed. This key communication helps employees know we're all on the same page and on the same team. We make sure managers are accessible and ready to help.

#### Advice to Improve Constantly

Make sure managers are accessible and helpful on a daily basis to **be proactive and not reactive.**

Ray DeSimone, General Manager

## Spotlight: Building Strong Workplaces (Continued)



RANKED  
**16<sup>th</sup>**



**Alfred Khouri, General Manager**  
Audi Millburn (Maplewood, New Jersey)  
Full-Time Employees: 55

### What employee relations area(s) helped you achieve Top 20 Best Dealership ranking?

We encourage all employees to give feedback on how we're doing as a dealership. We believe our mentorship program helps us retain employees by making them feel welcome and offering guidance and sharing experiences in the automotive industry.

We promote from within to give employees an opportunity for growth and advancement. We strive to know employees' interests and offer training to find a desired pathway.

#### Advice to Improve Constantly

We focus on helping employees build their career paths by understanding their **passions, strengths, and interests**, and offering a healthy **work-life balance**.

**Alfred Khouri**, General Manager



RANKED  
**18<sup>th</sup>**



**Mark Clifton, General Manager**  
DCH Kay Honda (Eatontown, New Jersey)  
Full-Time Employees: 69



### What employee relations area(s) helped you achieve Top 20 Best Dealership ranking?

We offer our employees a competitive benefits package, including the Employee Stock Purchase Plan; a 401(k); great medical, dental, and vision benefits; and flexible work schedules. We also offer mentorship programs to help our high-performing employees achieve their goals.

To advance skills, we train our employees to one day take on a leadership role by preaching our core values and holding them accountable.

#### Advice to Improve Constantly

We **help employees grow** and become better leaders for potential managing roles in the future by **offering ongoing support**.

**Mark Clifton**, General Manager



SOCIAL GOAL

# Champion a Diverse, Inclusive & High-Performance Culture



Diversity, equity, and inclusion are core to our mission, **Growth Powered by People**. We understand that a culture of belonging in all corners of the company fuels innovative solutions, promotes teamwork, invites personal development, and accelerates community engagement.

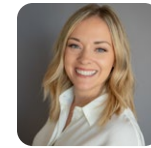
To help associates thrive in our high-performance culture, we champion leadership programs where internal promotion serves as a pathway to career advancement, and recognition programs honor employee achievements. This employee-centric approach empowers individuals to *Take Personal Ownership* of their career at Lithia & Driveway and feel celebrated and valued.



**Fast Fact**

In 2023, more than **2,000** Lithia & Driveway associates were promoted across the organization, resulting in an internal promotion rate of over **8%**.

## Spotlight: Supporting Internal Leadership



**Shelby Burnett, Director of Vehicle Inventory**

Home Office (Medford, Oregon)

Years with Lithia & Driveway: 9

Lithia & Driveway's **Accelerate My Potential (AMP) Program** provides deliberate development of high-potential associates and managers at various levels of the company to enhance internal promotions and facilitate leadership development. One of those AMP participants was Shelby Burnett.

### Why did you pursue the AMP Program?

After working up through several positions, it was a good next step for future growth, particularly in building my leadership skills. It wasn't necessarily for a promotion but more like discovering what dragons I could slay for the company and what types of solutions could I create with increased knowledge and insights.

### What skills did you learn?

I really enjoyed the Implementing Winning Strategies Course because it taught me a new perspective on decision making that involved considering a hierarchy of needs. The coaching and assessments I received created a roadmap on how I could improve and develop skills I needed as an effective leader.

### How did the AMP skills help you after your promotion?

One year after completing the AMP Program, I was promoted to director, and I have used the AMP skills every day with my team to create closer connections, implement new processes, and provide feedback to help them grow in our entrepreneurial culture.

### Advice to Improve Constantly

**Master the art of riding the wave.** High performance comes with peaks and valleys.

Remember how you navigated them to stay on course.

**Shelby Burnett**  
Director of Vehicle Inventory



# Spotlight: Honoring Female Leaders



**Gina Morse, Director of Employee Relations & HR Business Partner of NW Operations**

Home Office (Medford, Oregon)  
Years with Lithia & Driveway: 17

The *Portland Business Journal* in Oregon honored Gina with a 2023 Human Resources Leadership Award for her outstanding execution of organizational strategy, successful solutions to major HR challenges, and innovative management practices.



**Tina Miller, Senior Vice President & Chief Financial Officer**

Home Office (Medford, Oregon)  
Years with Lithia & Driveway: 19

Tina received the 2023 Barbara Cox Woman of the Year Award at the National Automobile Dealers Association Conference, honoring her successes leading our ambitious acquisitions strategy, while also embracing community engagement.



**Kara Sepulveda, Senior Corporate Risk Manager**

Home Office (Remote, Georgia)  
Years with Lithia & Driveway: 1

Kara's transformative risk management led to sweeping operational improvements that resulted in *Risk & Insurance Magazine* naming her a 2023 Risk All-Star.

# Amplifying Sustainability

[responsibility.lithiadriveway.com](https://responsibility.lithiadriveway.com)