Desire is the key to motivation, but its determination and commitment to an unrelenting pursuit of your goal, a commitment to excellence, that will enable you to attain the success you seek.

– Mario Andretti
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A Message From Our CEO

Our world has changed so much since we started selling and servicing cars in 1946. Today we face many new and exciting business challenges, which will be achieved in an environmentally friendly manner. We proactively manage the sustainability within our businesses by finding ways to reduce our carbon footprint; discovering new ways to recycle and reuse resources; and empowering communities we live and operate in through education, motivation and leadership.

Our heritage of innovation, social responsibility, community involvement, and growth are building a legacy to inspire current and future generations of employees and customers, creating a “green-print” for sustainable business.

We are making great strides by listening and engaging each other and our customers. Driven by our core values – Earning Customers for Life, Taking Personal Ownership, Improving Constantly and Having Fun – each of us can become a role model for sustainability and social responsibility.

We eagerly embrace the challenge to achieve profitable growth while continuously reducing our environmental impact through innovation and teamwork. Being sustainable is more than just best utilizing physical resources. It also entails the best possible use of our people’s skills, ideas and efforts. Our headquarters here in Medford, Oregon, along with each of our dealerships and departments, have the ability to foster and assist our communities and customers to further our global sustainability efforts.

Our new corporate headquarters is seeking Silver LEED certification, and we continue to support this endeavor in a variety of ways.
- We’re solar powered and we’re conscious of our energy consumption, turning off lights and powering down devices when not in use.
- We proactively recycle paper and water bottles.
- We purchase recycled paper products and go paperless when possible.
- We continue to look for new ways to streamline processes in order to cut more waste.

Our stores are also integrating energy-efficient practices and materials.
- Our service departments have developed and instituted programs to reuse and recycle service-related products.
- They also promote the use of nitrogen to extend the life of their customers’ tires.
- Our detail teams are integrating bio-degradable, environmentally-friendly cleaning chemicals into daily practice.

“GREEN-PRINT
FOR SUSTAINABLE BUSINESS”
Lithia Auto Stores encourages individual recycling and reuse efforts in all of our facilities.

**Our manufacturer partners**, to their credit, are building vehicles with recyclable products that are more fuel efficient and have greatly reduced emissions.

To have the greatest impact, we must lead by example. We will educate, promote and conveniently provide sustainable practices with our customers. We will remain active in our many communities, working with children and charitable organizations, through business-to-business networking and fund raising. We will continue to be involved in the communities where we live, contributing to their overall health and taking personal ownership of social responsibility.

Each individual effort, some of which are highlighted in the pages ahead, may have limited impact. Taken as a whole, however, they constitute a giant step toward creating a sustainable model that we can pass along to future generations of employees and customers.

Buckle up. We’re on an exciting journey.

Bryan DeBoer  
President & CEO
WHO WE ARE
Company Overview
Lithia Motors, Inc., is the ninth largest automotive retailer in the United States and the leading retailer in each of our markets. Our stores serve urban and rural populations throughout the Western and Midwest United States. Lithia sells 27 brands of new and all brands of used vehicles at 87 stores, which are located in 11 states. We also arrange finance, warranty, and credit insurance contracts and provide vehicle parts, maintenance and repair services at all of our locations.

History & Future
Walt Deboer started Lithia in 1946 as a single store, a Chrysler Plymouth Dodge dealership, in Ashland, Oregon. Following Walt’s passing in 1968, Sid Deboer reorganized and took control of the small Chrysler-Dodge store.

In 1970, Sid purchased Dodge Center in Medford and moved operations there. He convinced Dick Heimann to leave his position with Chrysler and join him in running the Medford store. During the mid-90s, Sid had a vision of becoming a public company. Under the stewardship of Sid and the leadership team, Lithia Auto Stores grew from five stores in Southern Oregon to a publically traded company [LAD] with 87 stores in 11 states representing 27 brands.

For more than 65 years Lithia Auto Stores has represented quality, integrity and dependability. Today the Lithia team, led by the current CEO, Bryan Deboer, is in a position for continued improvement and growth. By promoting a culture of high performance through teamwork, customer-oriented decision making and entrepreneurship, Lithia Auto Stores is the leading automotive retailer in each of our markets.

Our customers, our communities and our shareholders trust us because of the commitment to delivering a great experience every step of the way. We are focused on providing customers with an honest and simpler buying and service experience. We are giving customers straightforward information so that they can make confident decisions. This is what makes us successful – and it’s all thanks to our people.

We believe we can make a difference in our communities. By teaming up with charities and local businesses, we can positively impact those in need around us.

In the true spirit that embodies Lithia Auto Stores, we continue forward with a focus on living and working our core values:

Earn Customers For Life – By engaging everyone as our customer and treating them well, they will recommend us to family and friends.

© Lithia Motors, 2012 Corporate Sustainability Report
Take Personal Ownership – We take pride in creating exceptional experiences and results.

Improve Constantly – We will be the best we can be by building upon our success together.

Have Fun – Our love for people and cars fuels our enthusiasm.

We live the commitment to our mission in all of our actions. Through the leadership of our people and the preference of our customers, Lithia Auto Stores has become the dominant auto retailer in each of our markets. We embrace the challenge of building upon our history with a strategic forward-mindedness to care for our planet and our communities because it encompasses what Lithia Auto Stores is all about and because it is simply the right thing to do.

Lithia Leadership Team
Our leaders are committed to driving our business forward and creating great opportunities for our customers and our employees.

We are governed by a board of directors made up of seven members and an executive leadership team made up of 13 executives with a combined 221 years of work experience within our family.

Services
Lithia Auto Stores currently has 87 stores in 11 states, including Alaska, California, Idaho, Iowa, Montana, Nevada, New Mexico, North Dakota, Oregon, Texas and Washington.

Each of our 87 dealerships offers new and used automobile sales, service department maintenance, auto repair and retail parts services.
We serve our customers by understanding them, anticipating their preferences, recognizing varied buying patterns, and providing superior customer service that builds the kind of customer loyalty leading to higher retention and referrals. To exceed our customers’ expectations, we perform the basics impeccably with personalized service. Our teams work together to ensure that we deliver the best customer experience in the marketplace.

**Manufacturer Partners**

We sell 27* manufacturer brands of new vehicles with offerings from nine domestic brands – Buick, Cadillac, Chevrolet, Chrysler, Jeep, Dodge, Ford, GMC, Lincoln; 12 import brands – Acura, Audi, Honda, Hyundai, Kia, Mazda, Mitsubishi, Nissan, Scion, Subaru, Toyota, Volkswagen; and six luxury brands – BMW, Fiat, Mercedes-Benz, MINI, Porsche and smart.

*In 2012 Lithia sold a few vehicles from a 28th brand, Suzuki. Japan’s Suzuki Motor Corp. no longer sells its vehicles in the United States.*
2 ENVIRONMENTAL SUSTAINABILITY
Overview
Part of Lithia’s success is our focus on continuing our company-wide effort to make sustainability-minded choices in our daily operations and improving our environmental footprint because it is an important aspect of the legacy that we will leave for the communities that we cherish.

We are committed to being environmentally responsible in our daily processes and in our future endeavors. We are proud to sell automobile brands that are environmentally respectful in the ‘greening’ of their manufacturing processes and innovative in the integration of sustainable products in their automobiles. We understand that their sustainability stories inform our own and we, in turn, do our part to pay the story forward to our customers and the communities in which we do business.

Corporate LEED Story
Lithia is committed to furthering environmental sustainability throughout our facilities and operations by practicing our core value, “Improve Constantly, we will be the best we can be by building on our successes together.” Part of that success is our focus on improving our environmental footprint and continuing our company-wide effort to make sustainability-minded choices in our daily operations.

The most environmentally significant change at Lithia Auto Stores this year occurred with the construction of the new Headquarters Building in Medford, Oregon. For the first time in the history of the company we have all 284 corporate employees housed under one roof, a great change from the days of being fragmented departmentally in various office spaces throughout the downtown area. This move created a more efficient working environment and promotes interaction between departments and employees. The sustainability impact associated with the move continues to unfold as we settle into our new space. We are encouraged by the experience to date that our efforts in both green construction and sustainable practices will continue to emerge as great successes.

Our new corporate building was constructed with “green” building principles at the forefront of the process and is currently seeking LEED Silver certification from U.S. Green Building Council.

What is LEED Certification? LEED, or Leadership in Energy and Environmental Design, is redefining the way we think about the places where we live, work and learn. As an internationally...
recognized mark of excellence, LEED provides building owners and operators with a framework for identifying and implementing practical and measurable green building design, construction, operations and maintenance solutions.

During construction, 83% [1,594 tons] of existing building materials and site concrete waste were recycled. Nearly 500 tons of that was used in the new Park Blocks site adjacent to the building. This recycling effort saved enough waste to fill about 122 trash trucks!

The new building contains environmentally-sustainable building products, furniture and furnishings, many of which contain a significant amount of recycled-content materials. The energy-efficient heating and cooling system circulate fresh outdoor air into the building for both efficiency and comfort. A conservation-friendly water system and energy-efficient lighting are installed throughout.

The exterior of the building was constructed with a wet wall system. SWISSPEARL® panels, which are manufactured using an environmentally friendly process, direct rain water down a water barrier behind the panels. The runoff water is then collected at the base of the building and used to water the planters.

The new building incorporates roof-mounted solar panels to offset energy usage. In fact, we get about 60% of our energy from this passive system. For the curious, the solar power collection can be viewed in real-time online as well as at the kiosk installed in the main building lobby. You can review energy currently being generated and compare that to the number of 60 watt light bulbs burning for 8 hours a day/year, the equivalent gallons of gas, the amount of carbon dioxide saved and the equivalent number of trees needed for that carbon dioxide offset.

The energy savings generated by the move from multiple buildings into a single, energy efficient and partially solar powered office space is an estimated 11% energy cost savings for the current year. The move occurred in August 2012 and the estimated savings are based on usage for August through December, taking into account the decrease in power cost associated with multiple office space locations and the addition of both energy efficiency and solar energy offsets in the new building.

Lithia’s sustainability story continues through implementation of operations and maintenance solutions that are green-minded.

The walls of windows and open architecture allow natural light to permeate nearly every interior space, allowing for less overall...
60% of our energy comes from solar panels at Corporate.

1,594 tons of existing building material were recycled.

6,031 bottles saved with our bottle refilling station.

96% of employees recycle at their desk daily.
lighting on each floor and providing a connection to the outdoors for all staff. In fact, the overwhelming majority [83%] of building employees surveyed turn off their overhead lighting and utilize the natural daylight for daily tasks when weather permits. The building also has occupancy sensor lighting controls, which shut off lights in an unoccupied space.

Due to a building-wide recycling effort, recycling containers are situated at each individual work station and recycling centers can be found in the copy room “hub,” which is located centrally on each floor. The accessibility of recycling containers seems to be an initial success in the new facility, as survey responses by corporate employees reveal that 96% of employees recycle at their desks on a daily basis.

The Cafes placed on floors 2, 3 and 4 are stocked with recycled-content paper products, and use of individual water bottles and coffee mugs are encouraged to reduce paper product waste. Of those corporate employees surveyed, 78% use a reusable water container in lieu of a plastic bottle at work, and 91% of those surveyed use a reusable coffee mug or recycled content paper cup for their morning coffee.

A water bottle filling station is located on the ground floor of the new building to promote sustainable bottle use. At last count from the water bottle filling station, the reduction in bottles used was 6,031 bottles. When taking into account the bottle-filling habits of building users, Lithia corporate has an overall reduction of 12,062 bottles. This equates to more than 1.5 miles if the bottles were placed end to end or the equivalent of 468 standard-size pickup trucks parked bumper to bumper. That’s a lot of bottles saved!

Dyson Airblade™ hand dryers have been installed in all restrooms and locker rooms to reduce paper towel waste. The average person in the United States uses 14 pounds of paper towels each year. By adding the hand dryers in the building, about 12,000 pounds of paper waste in our immediate environment are eliminated each year.

Another valuable result of the combined workspace and modern, efficient amenities has been a noticeable shift in workplace culture. Not only has the speed of communication vastly improved by housing everyone under one roof, but transparency has greatly improved, too. A wonderful culture of employee collaboration has evolved as the new space celebrates and supports our value of “Having Fun.”
In 2009 Lithia Auto Stores constructed our first LEED-certified dealership facility, BMW Seattle.
The following LEED criteria were met for a Silver certification:

**SEATTLE SITE**

**Site Selection:** A previously developed urban site was chosen for this project. Choosing a location with existing municipal infrastructure helps sustain existing water, sewer and roadway systems, while preserving green, undeveloped property elsewhere.

**Alternative Transportation:** The site is close to a variety of public transit options and numerous community services. A bike rack and showers are provided to encourage staff to use alternative modes of transportation.

**Brownfield:** All three of the existing buildings on the site contained asbestos that was mitigated during their demolition.

**Heat Island:** A light-colored roof reflects solar heat and helps to keep the building cool in summer months, reducing overall energy consumption.

**WATER USE**

**Water Efficient Landscaping:** Landscaped areas incorporate drought tolerant plants and use highly efficient drip irrigation to reduce water used for irrigation by more than 70% versus a conventional approach.

**Water Use Reduction:** Water fixtures inside the building include low flow toilets, urinals and lavatory faucets with sensor controls to reduce water use of the occupants and visitors by 40% over more conventional fixtures.

**ENERGY USE**

**Optimized Energy Use:** To reduce energy use more than 27% over the national benchmark for a conventional building of this type, the building was designed with thermal glass, efficient mechanical and lighting systems, and added insulation to improve the envelope performance.

**Enhanced Refrigerants:** HVAC systems use environmentally friendly refrigerants to minimize global warming gasses released into the atmosphere.

**MATERIALS & RESOURCES**

**Construction Waste:** Throughout the demolition of the three existing buildings and the construction of the showroom, 81% of the construction debris was salvaged or recycled and did not enter the landfill.

**Recycled Content Materials:** Through careful selection and sourcing, recycled content materials comprise more than 16% of the total cost of all building materials used [excluding mechanical, electrical and plumbing systems].

**Local/Regional Materials:** Attention was also paid to identifying local building materials providers so that 13% of the total cost of all building materials used [excluding mechanical, electrical and plumbing systems] benefits businesses in our region.

**Certified Wood:** To encourage sustainable forestry practices, more than 50% of the wood materials used on the project are Forest Stewardship Council certified.

The LEED process and end result for this facility were inspiring. Based upon the successful outcome of Seattle BMW and in order to grow our sustainability story at the dealership level, there are plans for two additional LEED-certified facilities in Redding, California and Missoula, Montana.
Innovative Efforts at Subaru of Spokane

Spokane Subaru embodies the spirit of Lithia’s core value, “Take Personal Ownership”. General Manager John Le Friec and Service Department Manager Joe Wilmouth have introduced innovative green practices with great success.

The Service Team repurposes 100% of their ‘used’ engine oil. Most of the oil is used to fuel heaters in the shop area in the cooler Washington winter months. Oil burning heaters are not a new invention, but have become increasingly efficient and clean burning over the past decade. They offset energy costs while recycling an otherwise wasted product. The excess oil not used in the heaters, used automobile fluids, used tires, metal scrap, oil filters and antifreeze are picked up by a local recycling company and recycled each year.

An effort is made for all paper waste, cans and bottles to be recycled, which results in a greatly reduced amount of waste being generated by the dealership.

To build on this effort, Lithia Auto Stores has recently partnered with Ecova™. Ecova™ is a total energy and sustainability company whose sole purpose is to see more, save more and sustain more for their clients. Lithia Auto Stores tasked Ecova™ with assessing ways to decrease waste and ultimately reduce cost for waste removal at all of our facilities.
Service Departments

Lithia Service Departments at our dealership locations have integrated sustainable practices into their daily workflow – without prompting from headquarters. Many waste disposal practices are regulated, but the choice to do them in a sustainable manner and do more than is required speaks to our value “Improve Constantly.” We look ahead strategically to what regulations may be required in the future and model our practices after those indications. Of the dealerships reporting in a company-wide survey, 100% recycle their used tires, used engine oil, used oil filters and scrap metal at their facilities and 82% use biodegradable products in their detail services. While there is not a formal sustainability policy in place at Lithia Auto Stores, we found that there is a grassroots, employee-driven effort to incorporate sustainable practices into our services because it’s the right thing to do.

Lithia Auto Stores works closely with Thermo Fluids™, an environmental services leader in the automotive industry that operates recycling facilities throughout the western United States. Thermo Fluids specializes in recycling used oil, antifreeze, filters, oily water and oily absorbents in a manner that demonstrates best practices for a sustainable environment. A network of more than 25 processing facilities convert recyclable waste materials into valuable resources such as industrial fuel, clean water and raw materials.

We take great measures to ensure that the used tires removed from automobiles at all Lithia facilities are not resold for use on the roads. So what does happen to those 8,000 tires per year per dealership after their useful life? Recycling companies grind the tires into aggregate, which is used in many civil engineering applications, such as road and landfill construction. Tires we once used to travel roads have a second life as rubberized asphalt in the construction of those roads. In fact, rubberized asphalt is a more safe, durable and quiet alternative for roads.

The ground-rubber aggregate may also be recycled into new products, playground and sports surfaces. The new play area constructed by Lithia Auto Stores at the Park Blocks next to the new corporate headquarters incorporates a rubberized surface beneath the new play structure.

Tire-derived fuel can also be used as a replacement for fossil fuels in approved devices, such as cement kilns with proper controls.

And what about used motor oil? In addition to fuelling oil-burning heaters in our garage areas during cold winter months, used motor oil can be refined into a base stock for lubricating oil, a process very similar to the refining of crude oil. The refined oil is of as high a quality as a virgin oil product. Not to mention, refining used oil requires 50 to 85 percent less energy than refining crude oil.

Used oil can also be used to fuel large industrial boilers, which can efficiently burn the repurposed fuel with minimum pollution. As a result, some used oil is sent to power plants or cement kilns to be burned as fuel.
Environmental Leadership at Lithia Body & Paint of Medford

Lithia Body & Paint of Medford is one of the first “Eco-Logical Business” body shop in the State of Oregon and the only “Eco-Biz” body shop in the Southern Oregon area. Commissioned by the Pollution Prevention Outreach [P2O] Team of the Portland Metropolitan Area in 2008, Lithia Body & Paint has maintained its Eco-Logical Business status for the past five consecutive years. We are proud to be one of a very small number of body and paint shops with this credential in the state.

The Eco-Logical Business Program, also known as EcoBiz, recognizes businesses that reach the highest standards in minimizing their environmental impact. The goal of the program is to prevent and minimize pollution generated by small businesses. EcoBiz is the first multi-media (air, water, solid waste) certification program in the nation. It identifies ecologically minded businesses whose practices prevent pollution and conserve natural resources. Each site is verified for compliance with program eligibility criteria and is subject to ongoing verification to maintain eligibility. Steve Potter, Body Shop manager, led the three-month process to obtain the initial certification and continues to lead the effort in maintaining the shop’s EcoBiz status. A certified EcoBiz exceeds local environmental requirements and ensures that Best Management Practices are followed. The certification also ensures customers that the business has taken the necessary steps to reduce water and air pollution, hazardous and solid waste.

Lithia Body & Paint has switched entirely to paint which is free of both lead and heavy metals. Not only is this a shift in the automotive industry in general, but it is an environmentally minded change for the better. In a forward-thinking effort, the paint gun cleaning and paint waste process at the shop has been upgraded. This change isn’t mandated yet; it was implemented because it’s the right thing to do. A closed-loop recycling unit maintaining waste streams on paint guns has reduced the amount of solid paint waste significantly since it was added to the shop. The system separates solids from liquids in a distillery type process and returns the useable liquids back to the paint gun system, while removing the compacted solid waste. Not only is waste decreased significantly, but the process is closed-loop, so volatile organic compound [VOC] release and handling of toxic liquids is also reduced. In another forward-thinking environmental effort, the shop is nearly complete with the installation of new, energy efficient and environmentally friendly spray booths.

The shop has many environmentally minded practices integrated into daily business. Recycling of paper waste is a building-wide effort. Recycling bins are located at each work station in the office area. Lights have motion detection sensors and shut off when rooms are not in use. Recycled-content paper cups are used at the customer amenity coffee service area in lieu of STYROFOAM™ cups. Having EcoBiz status at Lithia Body & Paint of Medford is a response to what our customers want, an integrated part of our daily business and, according to Steve, “It’s just good common sense.”
Commitment to our Customers

Tires require constant maintenance to ensure driver safety on the road and at Lithia Auto Stores we are committed to giving our customers the best quality service that they deserve.

Do you ever start your car on a cold morning and have the “low tire pressure” indicator blink on your dashboard? By providing nitrogen in lieu of standard air in customer’s tires we have greatly reduced that occurrence.

Air contains 78% nitrogen, 21% oxygen and trace amounts of water vapor, carbon dioxide and noble gases such as neon. According to Popular Mechanics, there are compelling reasons to use pure nitrogen in tires:

- Nitrogen is less likely to migrate through the tire rubber than oxygen, which means tire pressure remains more stable over the long term. Nitrogen also exhibits less pressure change with temperature swings.

- Humidity is a bad thing to have inside a tire. Water causes more of a pressure change with temperature swings than dry air does. It can also promote corrosion of the steel or aluminum rim. Any system that delivers pure nitrogen also delivers dry nitrogen. Lithia Auto Stores provides nitrogen-generating filling systems in most of their service departments, which delivers this dry nitrogen. This option provides a more constant tire pressure, saving customers a small amount of fuel while lowering tire maintenance costs.

In a forward look at upcoming requirements that will affect our customers and business process, we are proactive in recognizing the impact of innovation and efficiency. By 2025 passenger cars and trucks in the United States will require a fuel economy equivalent to 54.5 miles per gallon. We actively anticipate that this change in efficiency will result in the evolution of how we take care of our customers and their vehicles.

Innovation in our daily service practices results in both cost savings and better service to our customers. It is reflected in our mission “Earn Customers for Life,” and we are constantly bettering our process to ensure that we do that successfully.
Manufacturer Partners
Each of the automobile brands we sell has its own company sustainability story, which in turn influences our corporate sustainability story. We are proud to offer our customers the following brands and be a part of these automakers’ environmentally responsible efforts by representing their products in the marketplace.
96% of employees recycle paper at their work stations daily.

83% of employees turn on overhead lights when ample daylight is available.

82% of dealerships have a recycling program & use recycled content copy paper.

74% of employees turn off powered devices at the end of each day.

87% of employees want to increase sustainability in their workplace.

1 ream or 500 sheets of standard copier paper requires raw material equal to 6% of a tree.

1–100 watt bulb costs on average $100 per year if left on continuously.

88% of dealerships have energy-efficient bulbs or LED light fixtures installed.

82% of service departments utilize biodegradable cleaning chemicals in their detailing services.

91% of employees use a reusable coffee mug in lieu of paper daily.

78% of employees use a reusable water bottle in lieu of plastic daily.

87% of dealerships purchase renewable energy for their power source.
3 SOCIAL RESPONSIBILITY
Overview

Lithia Auto Stores is a company that has been committed to giving back to our communities since we began in 1946. We support organizations in our communities through funding, actively supporting events and volunteerism. Not only is it important for us to make a difference, but our ability to support our local communities in this way is part of how we measure our success as a company.

Corporate-Level: Lithia 4Kids

OUR COMMITMENT

Since 1946, Lithia has been committed to making our communities a better place.

MAKING A DIFFERENCE

Lithia believes that the children of our communities are our future, so it makes sense to support programs that focus on youth development; those that Teach, Inspire, Strengthen and Empower.

Here at Lithia, we support many organizations and efforts that provide opportunities for us to give back. It has always been and will continue to be a priority to actively contribute in the communities in which we do business. Our goal is to have more focused giving locally, so that we have a significant impact on the organizations and communities where our employees and customers live and work.

Over the past ten years Lithia has consistently provided financial support to various organizations in the areas where we live and work. In 2012, Lithia Auto Stores is on track to donate nearly $400,000 to community organizations, with a focus on organizations that support the children in our areas. In fact, two-thirds of our annual giving budget is earmarked for organizations that enrich the lives of the children in our communities.

Organizations which we are proud to partner with embody our spirit of giving back and impact our local families and children.
Kids Unlimited helps our community by mentoring our youth and providing a safe place to learn and play. In addition to mentoring, they organize various team sports programs.

The mission of The Boys & Girls Clubs of America is to enable all young people, especially those who need help most, to reach their full potential as productive, caring and responsible citizens.

At the YMCA, “We know that lasting personal and social change comes about when we all work together. That’s why, at the Y, strengthening community is our cause. Every day, we work side-by-side with our neighbors to make sure that everyone, regardless of age, income or background, has the opportunity to learn, grow and thrive.”

Children’s Miracle Network Hospitals has grown dramatically since its founding in 1983 from a televised fundraiser in a small studio to one of North America’s leading children’s charities. Children’s Miracle Network Hospitals was founded with two simple goals: Help as many children as possible by raising funds for children’s hospitals and keep funds in the community in which they were raised to help local children.

CASA of Jackson County serves the Southern Oregon Community through advocating for children’s welfare. CASA volunteers are well-trained, everyday citizens appointed by judges to advocate for the safety and well-being of children who have come under the care of Child Welfare due to parental abuse and/or neglect. CASA volunteers speak up for these children and work hard to better their lives. Children helped through CASA and the court system are far less likely to experience re-abuse, spend less time in foster care, and receive needed services more often. CASA volunteers have helped more than two million children nationwide find safe, permanent homes.

We believe that children who are confident and learn to make the right choices will be better equipped to take on the challenges presented in the adult world. Through our Lithia4Kids initiative, we create strategic partnerships with select not-for-profit organizations or programs that provide positive experiences to support youth development. By focusing our efforts on these programs, we hope to assist with resources that will have a significant impact on the youth in our communities. Learn more at: lithia4kids.com

Access Inc. is committed to helping people help themselves in Jackson County, Oregon.
Thank you banner from the Boys & Girls Clubs of the Rogue Valley.

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Corporate Level: Volunteerism

GETTING INVOLVED
Together we can make a difference.

Lithia Auto Stores recognizes it’s our responsibility as a good corporate citizen to help strengthen the communities in which we live and work. We encourage our employees to build ties and become involved in their communities, lending their voluntary support to programs that enrich the quality of life and opportunities for all. Actively engaged employees, customers and communities can work together sharing time, energy, and expertise to drive change and make our communities stronger.

We strive to emphasize employee volunteerism and community involvement. Our Lithia4Kids program emphasizes involvement through organizations and efforts that promote and enhance local youth development specifically, while our Community Giving program strives to improve the vitality of each store’s healthy community overall.

Of employees surveyed, 72% believe being a part of support efforts in their communities is of great importance; 87% are involved in charitable events or employee-giving programs through Lithia; and 74% are active in individual volunteer efforts.

Our employee volunteer efforts range from Bring Your Child to Work Day to Food Drives and helping at Habitat for Humanity. In Idaho, Lithia volunteers participate in ‘Rake Up Boise,’ helping clean up yards for those unable to do so on their own. In Southern Oregon, volunteers participate in the annual Kyle Singler Basketball Tournament to support Kids Unlimited, which provides opportunities for young people in their community. In Abilene, Texas, Lithia employees participated for the first time this year in the Cattle Barons Ball for the American Cancer Society.

It is this spirit of volunteerism that embodies our core values to “Take Personal Ownership” and “Have Fun” while giving back to our local communities.

TEACH
Support academics and enrichment.

INSPRIRE
Promote & share a commitment toward positive values, citizenship and community service.

STRENGTHEN
Improve and encourage the physical and mental development, health and well being.

EMPOWER
Provide advocacy and awareness for abuse, neglect and intervention.
Corporate Level: Community Giving Program

**OUR COMMITMENT**

Lithia believes that our employees understand their community and neighborhood needs the best. We empower them to manage their involvement with not-for-profit organizations and local community efforts. This is a fun and gratifying way to team up with other businesses and groups to provide support that positively impacts our communities. Stores also have the discretion to support local not-for-profit organizations with a limited donation of gift certificates or products and services.

Our Community Giving Program is focused on community-wide efforts that allow for local support that positively impacts and improves the vitality of a healthy community.

Lithia Auto Stores reviews Community Giving Requests from organizations that have current 501[c][3] tax status and demonstrate positive results in specific community need. Special consideration will be given to programs or efforts that:

- Serve a diverse population in a local or regional community;
- Positively impact the local community;
- Encourage and expand opportunities for the community to become involved or volunteer;
- Support real-world, value-directed efforts that build and grow community support for future generations.

Requests are evaluated and scored individually using criteria based on our mission and vision for giving in our communities.

In 2012 Lithia had a corporate giving plan in place with more than $250,000 allocated to Lithia4Kids supported programs and $150,000 for other giving opportunities in the many communities where we work and live.
Corporate Level: Polar Plunge in Medford, Oregon

OUR COMMITMENT
Since 1946, Lithia Auto Stores has been committed to making our communities a better place.

Lithia Auto Stores not only participated in the third annual Polar Plunge Medford this year, but had a hand in helping with its organization and set up at the Jackson Aquatic Center. Twenty-five of our employees volunteered their time to support this fun and fantastic community event.

The Polar Plunge is a unique opportunity for individuals, organizations and businesses to support Special Olympics Oregon athletes by jumping, walking or slowly crawling into frigid and icy Oregon waters. Participants were required to raise a minimum of $50 for the privilege of taking a wintry dip into the swimming pool in February 2012.

The Special Olympics Oregon mission is to provide year-round sports and athletic competitions in a variety of Olympic-type sports for children and adults with intellectual disabilities, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in a sharing of gifts, skills and friendship with their families, other athletes and community. In Oregon, Special Olympics serves the largest disability population in the state by offering year-round sport training and competition programs with 15 Olympic-type sports at 29 statewide Regional Competitions and one Summer State Games, at no cost to athletes or their families. In the Special Olympics program, people with intellectual disabilities enjoy the rare opportunity to be treated as people, not just as disabled. Through sport, athletes gain self-confidence, social competency, and other enhanced skills, both physical and social.

Polly Ficek, Lithia Community Relations Coordinator, is one of the founding members of the Lithia Polar Plunge Event Committee. According to Polly, the committee helps plan and coordinate the annual event in Southern Oregon and also participates in the fun of the day. The many Lithia volunteers participate in a broad range of registration, set-up and athlete/participant check-in tasks as well as fundraising and taking the icy plunge!

For 2013, Lithia stores in the State of Oregon have already collaborated on a statewide Polar Plunge sponsorship at the $10,000 level as well as committed volunteer time to the upcoming event.
GIVING BACK TO OUR LOCAL COMMUNITIES

Giving back through personal involvement in their community is part of what makes Lithia Toyota of Abilene such a gem in the Lithia family of businesses.

Lithia Toyota of Abilene gives back to their community in a variety of ways, which is partly why this dynamic dealership is such a standout in their city. In an innovative move utilizing social media, Lithia Toyota of Abilene has greatly increased their “likes” and interaction by showcasing their store in ways that other dealerships don’t. They feature employee stories and positive community notes on their Facebook page to create a true community connection.

They are very proud of a new project in their community, where they have recently partnered with a local television station to promote a “no text and drive” campaign. Kenan Pyeatt, the store’s general manager, states that “We believe that this is a major problem in our society now and we want to be part of the change in the Big Country.”

The team members from this store are extremely active in their community. In 2012 they participated in the Cattle Barons Ball for the American Cancer Society, The 1st Annual Abilene Beer Summit for New Horizons and Business Mercato and were active in the Hispanic Chamber of Commerce. In addition, Kenan Pyeatt, was recognized in the Top 20 business leaders under 40 years old by the Abilene Reporter-News.
Dealer Level: Lithia Auto Stores of Alaska

go above-and-beyond

GETTING INVOLVED

Alaska dealer stores go above-and-beyond in efforts to support their communities and the men and women of the Armed Forces. Our dealership stores in Alaska are known for their commitment to supporting the communities in which they live and work. In addition to supporting many local community organizations throughout the State through fundraising and volunteerism, there is a special connection to the widespread support of the United States Armed Forces serving our country in the Alaska region.

Anchorage BMW, Anchorage Chrysler Jeep Dodge and Kia of Anchorage all support the US Air Force 673rd Force Support Squadron at Joint Base Elmendorf, which is comprised of many service members. The 673d Mission Support Group is comprised of four Squadrons with a total work force of over 1,900 military, civilian and non-appropriated fund [NAF] personnel supporting the 673d Air Base Wing and more than 40 associate and tenant units assigned to Joint Base Elmendorf – Richardson. The Medical support group is a combined DoD and VA workforce of more than 1,100 personnel in six squadrons who provide world class care to Alaska’s past and present warriors and their families.

Anchorage Chrysler Jeep Dodge supports the US Army Arctic Airborne Warriors of the 425th Brigade Special Troops Battalion and the Elmendorf 1st Sergeant Council, which provides holiday food baskets to those in need in the community. Anchorage CJD is also an active supporter of the Armed Services YMCA of Alaska, which provides many services including holiday meals to single soldiers unable to be with their families for the holiday season.

“This level of support and volunteerism continues further north in the State at Chevrolet of Fairbanks. Each year, a banquet is held by the Fairbanks Chamber of Commerce which serves to honor the relationship between the United States military and the Fairbanks community. It is a banquet with strong historic ties to both. More than 50 years ago Fairbanks residents Jim and Rosemerry Messer started the tradition of military appreciation banquets on a small scale by inviting military families to have dinner in their home. This grass roots appreciation effort grew over the years into a very successful annual event which includes more than 500 people in attendance. It is both an evening of appreciation for military guests and a time to honor those from the community that support the many individuals serving in the region.”
Of the awards given during the evening, only one, The Messer Award, is not announced in advance. This award honors outstanding service by an individual in the area of military and community relations over the past year. The 2012 Messer Award recipient is Kevin Robinson, General Manager at Chevrolet of Fairbanks. Kevin and Chevrolet of Fairbanks are frequent sponsors of military events and Kevin is a constant presence at ceremonies for returning and departing soldiers and airmen.

In addition to this amazing honor, Kevin went even further in committing to his community through charitable giving and volunteerism. He spearheaded an annual contribution from the dealership given to the Fort Wainwright Family Morale, Welfare and Recreation fund, which raised over $21,000 this year to help provide beneficial opportunities to military families on base. This effort is a long standing tradition at Chevrolet of Fairbanks and has included many events at the dealership.

Kevin and his wife Ann have gone above and beyond in dedication and volunteerism in the Fairbanks military community. They were recently co-chairs for the annual A.S.Y.M.C.A. Father Daughter Ball, which gives military fathers and daughters the opportunity to enjoy a celebratory evening together. They also volunteered as part of the A.S.Y.M.C.A. “Snack-Attack”, which provided meals and refreshments to deploying soldiers of the 125th Combat Stryker Group. The “Snack-Attack” provided amenities to soldiers during their long wait for transportation to their place of deployment. The Robinsons continued this effort by joining the A.S.Y.M.C.A. group to greet the returning planes of the 6-17th Cavalry Squadron and provide meals and refreshments for the soldiers’ long journey home from deployment.

In a community-wide effort to honor military veterans and those Service members who have given their lives while serving, Kevin volunteered a great deal of time helping with various beautification projects at the Monterey Lake Memorial Park at Fort Wainwright. Airmen from Eielson Air Force Base joined Soldiers from Fort Wainwright and members of the local community for the 12th Annual Community Partnership Day at Memorial Park. This event has taken place every year since 2001, and was started to strengthen relationships between Airmen, Soldiers and the local community. The annual community service project event alternates each year between Eielson Air Force Base and Fort Wainwright.

Kevin also received the following highly regarded awards:
- Outstanding Civilian Service Medal, the 3rd highest honor awarded to a civilian, given to him by Major General Michael X. Garrett of the United States Air Force.
- Commander’s Public Service Medal, given to him by Brigadeer General Mark D. Kelly of the United States Air Force.
- Civilian Public Service Medal, given to him by Colonel Ronald Johnson of the United States Army.

Kevin Robinson exemplifies our core value, Taking Personal Ownership. He takes pride in creating exceptional experiences and results in the Fairbanks community.
Kevin Robinson, General Manager of Chevrolet of Fairbanks receiving the 2012 Messer Award.
Manufacturer Partner: Lithia Toyota Scion of Medford & Hope Equestrian Center

GIVING BACK TO OUR LOCAL COMMUNITIES
A new arena roof for Hope Equestrian Center.

When Mike Myers, service manager at Lithia Toyota Scion of Medford, heard that Hope Equestrian Center needed support to complete the roof on their arena in order to continue services to their riders, he remembered something: Toyota corporate has a program where they generously provide a matching gift to deserving organizations nominated by local Toyota dealers. Mike, who has been with Lithia Auto Stores in different capacities for 35 out of the past 43 years, joined forces with general manager Steve Phillips and office manager Sharon Belden to complete the request process with Toyota and secure the needed funds to finish the arena roof at Hope. The impact on their community was immediate and significant.

Hope Equestrian Center is a not-for-profit organization providing therapeutic horseback riding to special-needs individuals throughout Southern Oregon. Since 1988, its mission has been to promote the well-being of disabled individuals, at-risk youth, and wounded veterans through the provision of therapeutic horseback riding, and to provide proper training for instructors and volunteers for the these purposes. For many individuals with disabilities, therapeutic horseback riding allows them opportunities to accomplish things previously considered beyond their capabilities. Most importantly it provides an overwhelming sense of accomplishment for everyone involved – riders, volunteers, parents and instructors.

Lithia Toyota Scion of Medford saw the need in their community, determined that by partnering with Toyota corporate they could help and did what it took to get it done. This proactive determination exemplifies our Lithia core value “Take Personal Ownership.”
Social Responsibility In Our Communities

AWARDS
In 2012 we received many awards at corporate and dealer levels. Hard work and a collective focus on our mission have resulted in Lithia Auto Stores being honored for what we love to do.

Lithia Motors, Inc. was recognized for its total shareholder value return in the U.S. Retailers category for performance over both one-year and three-year periods, as part of the 13th Annual Global Automotive Shareholder Value Awards. Recognition of this prestigious accomplishment took place in January 2012 at the Automotive News World Congress Gala in Detroit, Michigan. The Shareholder Value Awards are jointly presented by PricewaterhouseCoopers LLP and Automotive News.

In the June 2012 issue of Auto Remarketing Magazine, Lithia Auto Stores was recognized as one of the year’s Top 125 Used-Car dealer groups.

In September Lithia Motors, Inc. was recognized by The Portland Business Journal as the recipient of a Corporate Philanthropy Award in the medium-size company category. The Portland Business Journal selects award recipients based upon the great work that they do in their communities.

The collaborative effort of all our talented people have shone a spotlight on these wonderful accomplishments and, again, reinforce our successful efforts to live and work our core values as a team.

“HONORED FOR WHAT WE LOVE TO DO.”

TOP 125
USED CAR DEALER GROUPS
87% of employees take part in community events or charitable giving campaigns

72% of employees believe that being a supportive member of their community is very important

74% of employees are active in community service outside of work

70% of employees have helped organize or participated in a Lithia-Sponsored community project

1/5 of dealerships have a carpool or bike to work program in place

$400,000 in funds budgeted overall for community support in 2012

$250,000 in funds budgeted for kids programs & charities in 2012

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Overview
Every one of us plays a key role in carrying our legacy forward. We do this while working alongside the most knowledgeable, enterprising and talented auto retail professionals around. Each day at work is an opportunity for us to make a positive difference in the workplace and in our communities. We count on each other to earn customers for life, take personal ownership, improve constantly and have fun – to live our company values.

It is our employees who make the Lithia Team great. The experience of working alongside motivated and engaging individuals builds our mission to “Earn Customers for Life.”

Individual commitment to a group effort, that is what makes a team work, a company work, a society work, a civilization work.
– Vince Lombardi

Corporate Level: Continuing Education
Lithia Auto Stores wants to improve constantly and continue to foster building our employees’ skills, knowledge and abilities.

Our culture motivates and inspires people to grow, which enables us to succeed. We encourage ingenuity and diligence in our people in order to create and sustain an environment where talented individuals thrive. Stores and Support Services collaborate to remove obstacles that impede progress, simplify processes, question the status quo, perfect customer service, challenge each other to improve and enable stores to execute their own plans. Store teams drive performance by developing entrepreneurial retail models that perform well in their communities and by sharing these with other stores in our family to extend the knowledge of their success.

In addition to manufacturer training and continuing education for all departments, multiple resources are available to employees – through the Lithia Learning Center on eLithia, our employee intranet system, and a wide range of manufacturer training opportunities. Our goal is to build dynamic teams ready to serve our customers and to provide all employees the tools do that successfully.

Part of building success as a team is to have open communication. We maintain an area on eLithia for suggestions and feedback. We encourage innovation and enable an open venue for sharing ideas and recommendations to help fulfill our mission.
Corporate Level: Community Leadership
Not only are our people integral to our daily operations as a company, but Lithia Auto Stores is well represented in community leadership throughout the communities where we live and work. Members of our team represent Lithia Auto Stores by giving back through involvement on local boards and in various not-for-profit programs. Among our talented people is a voting member on the Bear Creek Greenway Joint Task Commission, a Chairperson for the LADPC’s Prevention Coalition and a reader for SMART. Start Making A Reader Today [SMART] is a not-for-profit, volunteer driven tutoring program local to Oregon for at-risk K-3 readers.

In addition to the many leadership positions held by Lithia employees in the community, we are very active in professional organizations at the local, regional and national levels.

Corporate Level: Bring Your Child To Work Day 2012
Inspiring the next generation of Lithia Employees, Bring Your Child To Work Day 2012 was an enormous success and, in the words of our CEO Bryan Deboer, “it was a blast!”

The children who attended the event at the new headquarters building in Medford, Oregon, were bright and attentive. They clearly enjoyed touring the new facility and working alongside their parent to see just what we do here at Lithia Auto Stores. What a great way to introduce them into the Lithia family and lay the foundation for their success and a lifetime of growth.

“...IT WAS A BLAST!”
Corporate Level: ‘MO’vember
As reported by Tyler Soward in the December edition of the employee newsletter “Common Crossroads,” things got rather “hairy” around Computer Services during the month of November. Male members of Lithia’s IT staff put away their razors to raise awareness of men’s health issues, particularly prostate cancer, which affects one in six men, and testicular cancer, which is the most common form of cancer associated with men between ages 15 and 35.

“The intent was to draw attention to men’s health and have fun as a team,” said Travis Drennan, the mastermind behind the no-shave initiative. For those who persevered, the rewards were great. All involved enjoyed a sense of camaraderie and accomplishment.

Drennan plans on making MO’vember an annual tradition in Computer Services to continue awareness of men’s health issues.

Dealer Level: Employee Appreciation
Lithia promotes a culture of creativity, teamwork and personal responsibility to achieve extraordinary results. Our employees fuel our success. Every one of our employees counts and makes the business what it is today. We believe that the people closest to the customer understand them best, and we know we can’t accomplish anything without our people.

In 2012, we held many events to show our employees just how thankful we are for their hard work and dedication to Lithia Auto Stores. We’re pleased to know that 47% of our stores host employee appreciation events, including quarterly barbeques and holiday luncheons, and 53% of our stores host a family appreciation event.
Corporate Level & Dealer Level: Safety Committee
At Lithia Auto Stores, safety and health are important to all of us; in fact, employee safety and health are paramount. Lithia has a comprehensive and effective environmental health-and-safety program in place that strives to eliminate unsafe conditions and minimize the impact of hazardous situations to our employees, customers and property.

Keeping all of us safe requires observing basic safety practices around automobiles, applying sound management practices, and compliance with applicable federal, state and local laws and codes.

Preventing accidents and maintaining safe work conditions is the shared responsibility of Lithia Auto Stores and its employees. Every Lithia location has a Safety Committee that is an integral part of our organization. The Safety Committee ensures that any employee questions, concerns or suggestions regarding safety at each location will be fielded immediately and communicated properly. Not only does making safety a priority at all of our locations create a good working environment, it also speaks to our company value of “Improve Constantly.”

In 2012 exemplifying that value was seen in many safety aspects at Lithia. The employees of Corporate Support Services went 105 days without an at-work injury. Seven dealer stores went the entire year without an at-work injury in a show of exceptional commitment to safety standards. Building upon their safety success as a team to be the best that they could be in 2012 were Abilene Honda of Texas, Eureka Chrysler Jeep Dodge of California, Great Falls Honda of Idaho, Odessa Chrysler Jeep Dodge of Texas, Odessa Hyundai of Texas, Roseburg Ford of Oregon and Seaside BMW of California.
EMPLOYEE ENGAGEMENT

5,469 Lithia Employees Nationwide

87% of employees actively take part in employee initiatives and events

9% of dealerships have a flex car for employees to use, 69% would use one if it were available

35% of dealerships have employees who use public transportation for their daily commute

18% of dealerships have an employee carpool in place, 48% would use one if it were available

105 number of days without an at work injury at the corporate office

1/10 percentage of dealerships reporting no at work injuries in 2012

70% of Lithia employees take part in organizing and attending employee driven charitable events.

35% of employees are active in professional groups and affiliations outside the workplace

28 – Guinness Book of World Records for the number of people that can fit in a car.
5 THE ROAD AHEAD
Our Goals
At Lithia Auto Stores our goals serve as our road map to a continuation of the success that we have achieved in environmental sustainability, social responsibility and employee engagement.

Lithia’s vision is to be the best in our class of automotive retailers according to our customers, our people, our manufacturer partners and our shareholders. We will continue to remain humble and allow our results to speak for themselves.

In an effort to continue our forward drive toward excellence we have established the following goals for the year ahead:

- Consider LEED certification in all upcoming construction projects.
- Continue our partnership with Ecova™ to manage and reduce waste enterprise-wide.
- Continue to make environmentally-minded decisions that will positively impact our customers and communities.
- Be proactive in preparing for the federally mandated, 2025 MPG [miles per gallon] requirement revisions and work with our manufacturer partners to be a steward of this change.
- Continue to support our communities through socially responsible efforts in all of our markets.

Continuous improvement is our hallmark, and our engine for growth continues to be our talented people. Our company emerged from the recent economic crisis stronger and poised for growth. Dedicated, dynamic people who live our values are creating our competitive advantage. We will continue to challenge ourselves and each other to attain world class performance.

This land, this water, this air, this planet – this is our legacy to our young.

–Paul Tsongas
REPORTING & TRANSPARENCY
About This Report
Corporate Sustainability and Responsibility Reporting at Lithia Auto Stores is a new and evolving process. The 2012 “Taking the Green Road” Corporate Sustainability & Responsibility Report is the first CSR report released by Lithia Motors, Inc. We have addressed various aspects of the report on our website www.lithia.com and www.lithiainvestorrelations.com, but this is the first compilation of focused materials on Corporate Sustainability, Social Responsibility and Employee Engagement. We are excited to share this with our many stakeholders including past, present and future customers, employees and stockholders.

Report Framework
This report is intended to draw all of these topics together in a cohesive narration of our ongoing story. It is our intent to build upon this framework to publish an annual CSR report, with the next report covering calendar year 2013.

Scope And Structure Of Report
The policies, performance data, survey results and programs presented in this report are for the year 2012 from January 1st through December 31st. Various awards and information from previous years which pertain to or inform the current content were included and noted to provide a comprehensive report. Information relating to a different time period has been indicated in the report.

Focus Areas
In this report, we have divided corporate responsibility into three categories, which are structured as chapters – Corporate Sustainability, Social Responsibility and Employee Engagement.

This report aims to look at these three categories from various aspects, including:

- Impact of sustainability on our business, employees, consumers, manufacturer partners, shareholders and the communities where we work and live.
- Automobile industry standards and regulations.
Opportunities to improve sustainability and social responsibility for the company and communities where we work and live.

Components that are unique to our company, including Lithia4Kids and community support by Manufacturer Partners.

Areas of Stakeholder interest.

As we develop our corporate responsibility strategy, we look forward to feedback from stakeholders to improve and grow our efforts.

Data And Assurance
We utilized the Global Reporting Initiative, the commonly accepted guideline used by companies to report on corporate responsibility issues, as a framework for collecting information and presenting material in this report. We used the GRI for guidance on specific reporting principles regarding quality, content and reporting boundaries. Not all of the guidelines outlines are pertinent to our business, and we have applied flexibly those that are appropriate.

This report presents our best effort at accuracy and transparency in reporting information. It is our best effort at depicting our efforts, impacts and results in the areas presented. Many considerations and stakeholder feedback have guided the development of this report. These include stakeholder inclusiveness and survey feedback, sustainability context, accuracy, completeness, understanding that the report is an evolving presentation of information, timeliness in presenting data, honesty and clarity. Performance data and data presentation is included throughout this report. Where relevant, details on scope, scale and collection process have been included. Utilizing the GRI guidelines for accuracy and direction, we believe the data we present in this report is sufficiently detailed to allow for a clear understanding of our disclosures. There are some instances where we have included estimations to communicate results. These estimations are identified in the report.

We have discussed CSR goals and future efforts in this report. Goals are forward-looking statements and are based on our current understanding of the operational and financial environment of our business and industry. Goals are subject to change and evolution based upon changes in business strategy and uncertainties in the industry.

Vocabulary
This report often refers to “us”, “we”, “our employees”, “family of businesses”, which refers to Lithia Auto Stores or Lithia Motors, Inc.

GRI Application Level Criteria

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<td>Respond on each core and Sector Supplement** indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.</td>
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**Performance Indicators may be selected from any finalized Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines

*** Performance Indicators may be selected from any finalized Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines

** Sector supplement in final version

* Sector supplement in final version

** Performance Indicators may be selected from any finalized Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines

*** Performance Indicators may be selected from any finalized Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines
GRI – G3.1 Index, Application Level C

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**PROFILE DISCLOSURE** | **DISCLOSURE** | **LOCATION OF DISCLOSURE** |
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**4. Governance, Commitments, and Engagement** | | |
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<td>EC2</td>
<td>Financial implications and other risks and opportunities for the organization’s activities due to climate change.</td>
<td><a href="http://www.lithiainvestorrelations.com">www.lithiainvestorrelations.com</a></td>
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<tr>
<td><strong>Indirect Economic Impacts</strong></td>
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<td>EC8</td>
<td>Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.</td>
<td>Pages 26, 32, 43</td>
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<td>Understanding and describing significant indirect economic impacts, including the extent of impacts.</td>
<td>Pages 26-34, 41, 43</td>
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<td>EN5</td>
<td>Energy saved due to conservation and efficiency improvements.</td>
<td>Pages 9, 11</td>
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<td>EN6</td>
<td>Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.</td>
<td>Pages 8-12, 54</td>
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<td>EN26</td>
<td>Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.</td>
<td>Pages 15, 18, 19</td>
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<td>EN27</td>
<td>Percentage of products sold and their packaging materials that are reclaimed by category.</td>
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<td>Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.</td>
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<td>SO1</td>
<td>Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.</td>
<td><a href="http://www.lithia4kids.com">www.lithia4kids.com</a></td>
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**TRAINING & EDUCATION**

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