

## ENVIRONMENT SOCIAL & GOVERNANCE (ESG) OVERVIEW

At **AutoCanada**, we recognize that we are accountable to key stakeholders and the communities in which we do business. We are currently working towards focusing our ESG efforts where we can have the most positive impact on our business and society, including issues related to community participation, workplace and people, environmental sustainability and governance practices. AutoCanada believes the integration of key ESG factors into its strategy will reduce risk and enhance long-term business resilience. Clear, consistent disclosure of ESG information allows our stakeholders to understand our commitment to building our sustainability factors.

Over time, AutoCanada intends to establish short and long-term ESG goals that will lead to integrating ESG practices into our operations. We will start by identifying focus areas that have a material impact on our business. We also expect to establish objectives and targets relative to each material focus area, and eventually integrate these objectives and targets throughout the organization.

We are committed to responsible business practices and driving continuous improvement of our operations and our relationships with our employees and the communities in which we live and work. The following is an outline of our current ESG metrics and practices.

### Community

Since their inception, automobile retailers have supported the communities they serve. AutoCanada and its dealer family believe community involvement and charitable giving enrich our local neighbourhoods. Our initiatives include employee volunteer opportunities and partnerships with local food banks, shelters, hospitals, school districts, sports teams, children’s charities, animal rescue organizations and various other charitable organizations. We are proud of these efforts, and we encourage participation by all dealerships and employees. The organizations that we support as part of our commitment to giving back include:

COMMUNITY	
Number of organizations supported in 2020	• 33
Organizations supported include:	
<ul style="list-style-type: none"> <li>• Adopt-A-Family</li> <li>• Toy Mountain</li> <li>• Grace Hospital Foundation</li> <li>• 3D Children’s Society</li> <li>• Calgary Food Bank</li> <li>• GRIS Montreal</li> <li>• Spirit of the North Healthcare Foundation</li> </ul>	<ul style="list-style-type: none"> <li>• United Way</li> <li>• Lighthouse Mission</li> <li>• Heart and Stroke Foundation</li> <li>• Diabetes Canada</li> <li>• St. Boniface Hospital Foundation</li> <li>• Mustard Seed</li> <li>• Cancer Society - Relay for Life</li> </ul>

### People

We are cultivating a culture of excellence and aspire to be best-in-class in the industry. We know that to be successful we need the best people. We aim to be the destination for top talent and are committed to hiring the best people to curate exceptional experiences for our customers. We strive to provide our employees with competitive compensation, meaningful and challenging work, an engaging and collaborative environment, recognition for performance, and opportunities for growth and advancement.

We are committed to providing a work environment where our employees are treated fairly without discrimination by reason of race, national or ethnic origin, colour, religion, age, gender, sexual orientation, marital status or physical disability. Refer to the company’s [Code of Business Conduct](#) for more information.

In 2020, we worked with a third-party vendor to conduct Employee Satisfaction Surveys for our dealership employees. The results of such surveys are shared with the respective leadership platform team and Vice President of Operations, and other management groups as deemed relevant.

Building bench strength, promoting succession planning, and enhancing skill development is one of our key initiatives and as such, AutoCanada has created a unique relationship with the Georgian College Canadian Dealer Academy. Each year, a group of high-potential individuals are selected for enrollment in the Georgian College Canadian Dealer Academy. AutoCanada enrolls enough people in this program that we can create our own cohort, which promotes internal relationship building and information sharing. This program teaches our future leaders key skills required to perform their existing roles better and positions them to take on more responsibility in the future. Currently, ten alumni have been promoted to General Manager positions in AutoCanada dealerships.

Below are some additional ESG-specific metrics that relate to our People:

PEOPLE	2020
Number of employees	4,035
Women in management	26%
AutoCanada custom training programs: <ul style="list-style-type: none"> <li>• Georgian College Canadian Dealer Academy</li> <li>• Lean Six Sigma Certification</li> <li>• Finance &amp; Insurance Training</li> <li>• Strength Deployment Inventory (SDI)</li> </ul>	

### Environment & Safety

We are committed to managing the environmental impact of our businesses and to protecting the health, safety and security of our employees, customers and those with whom we do business. Our dealerships sell and service vehicles at the retail level that are engineered and manufactured by many of the world’s automotive OEMs. As such, we offer a variety of hybrid and electric-powered vehicles which generate far fewer emissions into the atmosphere, making them environmentally friendly.

AutoCanada has a Health & Safety Committee at the corporate office that meets quarterly to ensure that company health and safety protocols are followed and to assist in compliance with specific local and federal regulations regarding environmental and safety issues. A joint Health and Safety committee course is taken by a representative from management and one from the employees. Semi-annual third-party Occupational Health & Safety audits are performed to assure compliance. Depending on the size and number of employees, AutoCanada’s dealerships also have similar safety committees.

ENVIRONMENT
<p><b>Environmental practices:</b> We currently have 60 Electric Vehicle charging stations at 36 of our locations in Canada. We also strive to meet or exceed all regulatory requirements on our buildings, including environmental requirements. Our new and renovated facilities are outfitted with energy efficient design including LED lighting, automatic-sensor enabled lighting, and high-efficiency HVAC systems. Going forward, AutoCanada expects that all new facilities and renovations will include energy efficient design elements that meet or exceed regulatory requirements.</p>

### Governance

AutoCanada considers good governance to be central to AutoCanada and our subsidiaries’ effective and efficient operation and we are committed to reviewing and adapting our governance practices so that they meet AutoCanada and our subsidiaries’ changing needs and to ensure compliance with regulatory requirements. The Board of Directors is responsible for establishing and maintaining a culture of integrity in the conduct of its affairs. Our Diversity Policy recognizes many benefits arising from employee and Board diversity, including a broader pool of high quality

employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. The Board seeks to discharge this responsibility by satisfying itself as to the integrity of its senior management team, and by overseeing and monitoring the senior management team to ensure a culture of integrity is maintained. The best interests of AutoCanada and its shareholders must be paramount at all times. Please refer to our [Corporate Governance](#) section of our website for further details about our Board, Committees and Conduct & Policies.

GOVERNANCE	2020	2019
Size of the Board	8	7
Independent Directors	75%	71%
Women on the Board	12.5%	14%
Average board meeting attendance	98%	97%
Majority voting policy	✓	✓
Whistleblower policy	✓	✓
Diversity policy	✓	✓
Code of conduct	✓	✓
Board Oversight of ESG Strategy and Implementation (beginning in Q3 2020)	✓	

#### Data Security

We rely on our information systems to manage, among other things, our sales, inventory, and service efforts, including through our digital channels, and customer information, as well as to prepare our consolidated financial and operating data. We invest in security technology to protect our data and business processes against data protection breaches and cyber-attacks.