

An aerial photograph of a multi-lane highway stretching into the distance under a dark, cloudy sky at dusk. The highway is flanked by fields and trees. A large, curved yellow graphic element separates the image from the title below.

2024 Environmental, Social & Governance Report

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01

Introduction





1.1

About This Report

AutoCanada's 2024 Environmental, Social, and Governance (ESG) Report communicates our progress in the ESG areas most important to our business. This ESG Report outlines the way in which we positively impact our people, customers, communities, and the environment, describing our ESG activities and performance from the period of January 1 to December 31, 2023. In some cases, we also present certain information about upcoming plans and projects within priority ESG areas. Please see our forward-looking information statements at the end of this report for more information.

The ESG Report has been prepared considering the accounting standards published by the Sustainability Accounting Standards Board (SASB), now part of the International Financial Reporting Standards (IFRS) Foundation, related to the Multiline and Specialty Retailers & Distributors industry. We also have identified certain United Nations Sustainable Development Goals (SDGs) that we believe AutoCanada's business activities and key priority areas support. Both tables are included in the Standards & Frameworks section of this ESG Report.

For more information, please visit AutoCanada's Investor Relations web page at <https://investors.autocan.ca>

1.2

A Message from Our Leaders

Paul W. Antony
Executive Chair



As we present our second ESG Report, I am reminded of the unique position we hold as the only Canadian publicly traded multi-location dealership group. This distinction brings both an immense set of pride and a profound responsibility. To uphold our responsibility and to deliver value for our team members, customers, communities, and shareholders, we believe in embedding sustainable and resilient business practices into our operations.

This report provides an update on our actions and progress during 2023 to advance our sustainability program, including our efforts in the areas of talent development, community and customer engagement, environmental sustainability, and responsible business practices. Our Board of Directors and our senior leadership team are highly engaged and committed to delivering on our ESG strategy to ensure it plays an integral part in our business decisions.

While this ESG Report reflects progress toward our ideals, we have a lot more work ahead of us. I am proud of the work we have already done and even more excited for the innovation, dedication, opportunity, and support we will provide in the years to come. We look forward to continuing to share updates on our performance more comprehensively and transparently as we progress through our ESG journey.



Jeff Thorpe
President, North American Operations

I'm excited to share AutoCanada's 2023 ESG Report, showcasing the strides we've made over the past year in areas critical to our long-term success.

In 2023, we celebrated the first AutoCanada Values Day across all our locations, where leaders communicated our commitment to our Values and to one another. At the very core of everything we do are our six core values: People, Operational Excellence, Customer Loyalty, Integrity, Innovation, and One Team. These values guide our every interaction as well as how we engage with our customers, OEM partners, suppliers, communities, and shareholders.

This ESG Report, and all the actions behind it, underscores our commitment to our team members. This year, we launched AutoCanada University, with our first playbook focused on used vehicle sales. AutoCanada University was designed and exists to support the ongoing growth and leadership development of team members across our network. During my visits to nearly every AutoCanada location, I've had the pleasure of meeting our talented, dedicated, and ambitious team members. I can confidently say, without a doubt, that this team has what it takes to deliver value for our customers and the broader stakeholder community.

Our commitments extend beyond our own teammates. We're dedicated to building loyalty by providing industry-leading and best-in-class

customer service. I'm thrilled to report that our customer reputation score jumped by more than 13% in 2023, outpacing the industry average. Our commitment drives results.

We're also dedicated to making a positive environmental impact. From offering electric and hybrid vehicles to adopting sustainable practices like paintless dent repair and material recycling, we're committed to working with our partners to offer green solutions. In 2023, we set up a dedicated procurement team to boost efficiency and continued to work closely with our OEM partners and vendors to meet our shared ESG goals.

Throughout this ESG Report you will read about other commitments we have made for years to come as well as milestones we have achieved throughout this past year. I hope you find them inspiring.

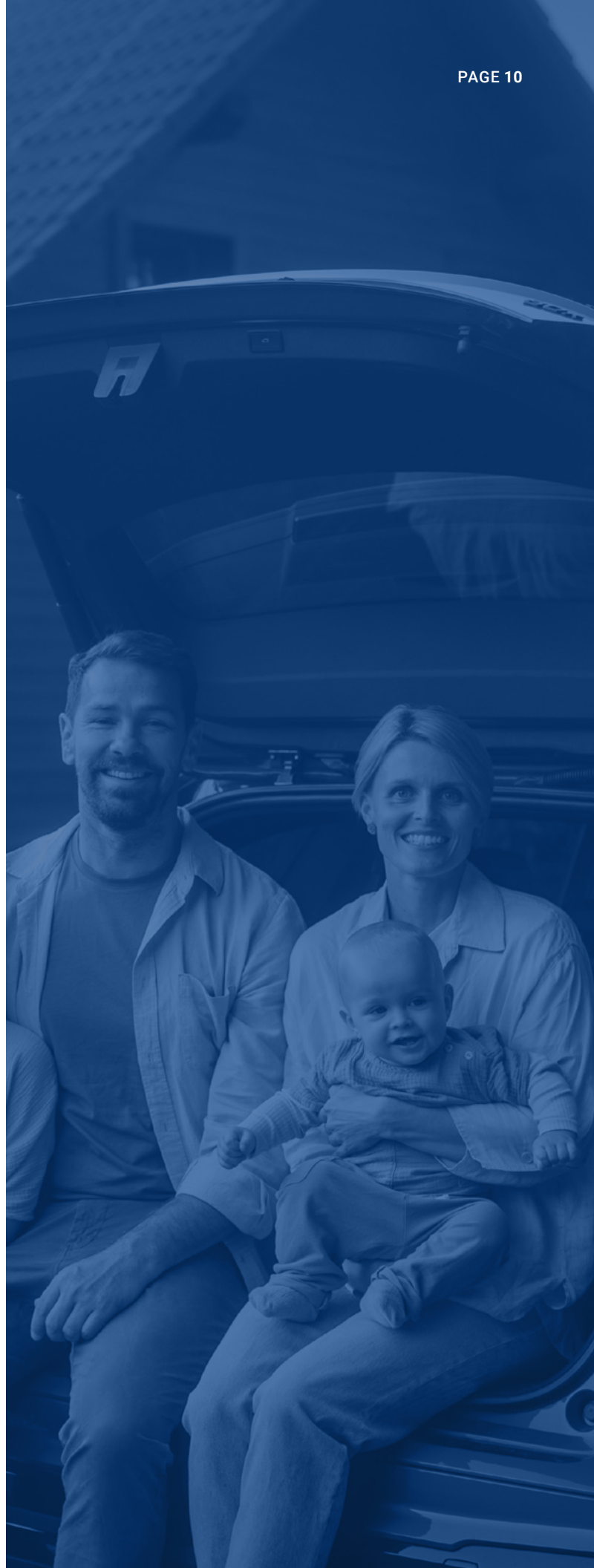
Our commitment to sustainability is woven into the fabric of our company and the communities we serve. This ESG Report celebrates our achievements while recognizing areas where we can do even more and gear up for future challenges. As One Team, our actions, reactions, and commitment to each other and the communities and customers we serve are driving sustainable impact for the long-term.

1.3

About AutoCanada

Founded in 2006, AutoCanada is Canada's only publicly traded multilocation dealership group operating in both Canada and the US. AutoCanada is a leader within the personal transportation ecosystem, with a dynamic, diversified, and customer-centric business model, offering a full range of products, services, and brands across a variety of channels, including franchise dealerships, used car dealerships, and a network of collision repair facilities. AutoCanada trades on the Toronto Stock Exchange under the symbol ACQ.

We are in constant pursuit of taking our industry-leading platform to the next level in automotive excellence. Each of our dealerships is structured to serve the automotive life cycle of our customers by operating sales, service, and parts departments. In addition, we have developed stand-alone profit centres—including wholesale auction, export, and e-commerce—that have contributed to our significant growth and earnings while also serving additional customer segments through the entire vehicle ownership life cycle.



67 Franchised
Dealerships in
Canada

18 Franchised
Dealerships
in Illinois,
U.S.

28 Automotive
Brands

27 Collision
Centres

100k⁺ New & Used
Vehicles
Sold in 2023

1,300⁺ Service Bays
in 2023

AutoCanada is Canada's only publicly traded multi-location dealership group operating in both Canada and the U.S.



Our Dealerships

We currently offer the following new vehicle brands through our dealerships:

Chrysler, Dodge, Jeep, Ram, FIAT, Alfa Romeo, Chevrolet, GMC, Buick, Cadillac, Ford, Infiniti, Nissan, Hyundai, Subaru, Audi, Volkswagen, Kia, Mazda, Mercedes-Benz, BMW, MINI, Volvo, Toyota, Lincoln, Honda, Acura, and Porsche.

In addition, we sell a broad range of used vehicles and offer many parts, service, and collision repair services. We also facilitate the sale of third-party

finance & insurance products, extended warranties, and replacement and aftermarket automotive products.

AutoCanada currently employs over 6,000 full-time team members across Canada and the U.S.

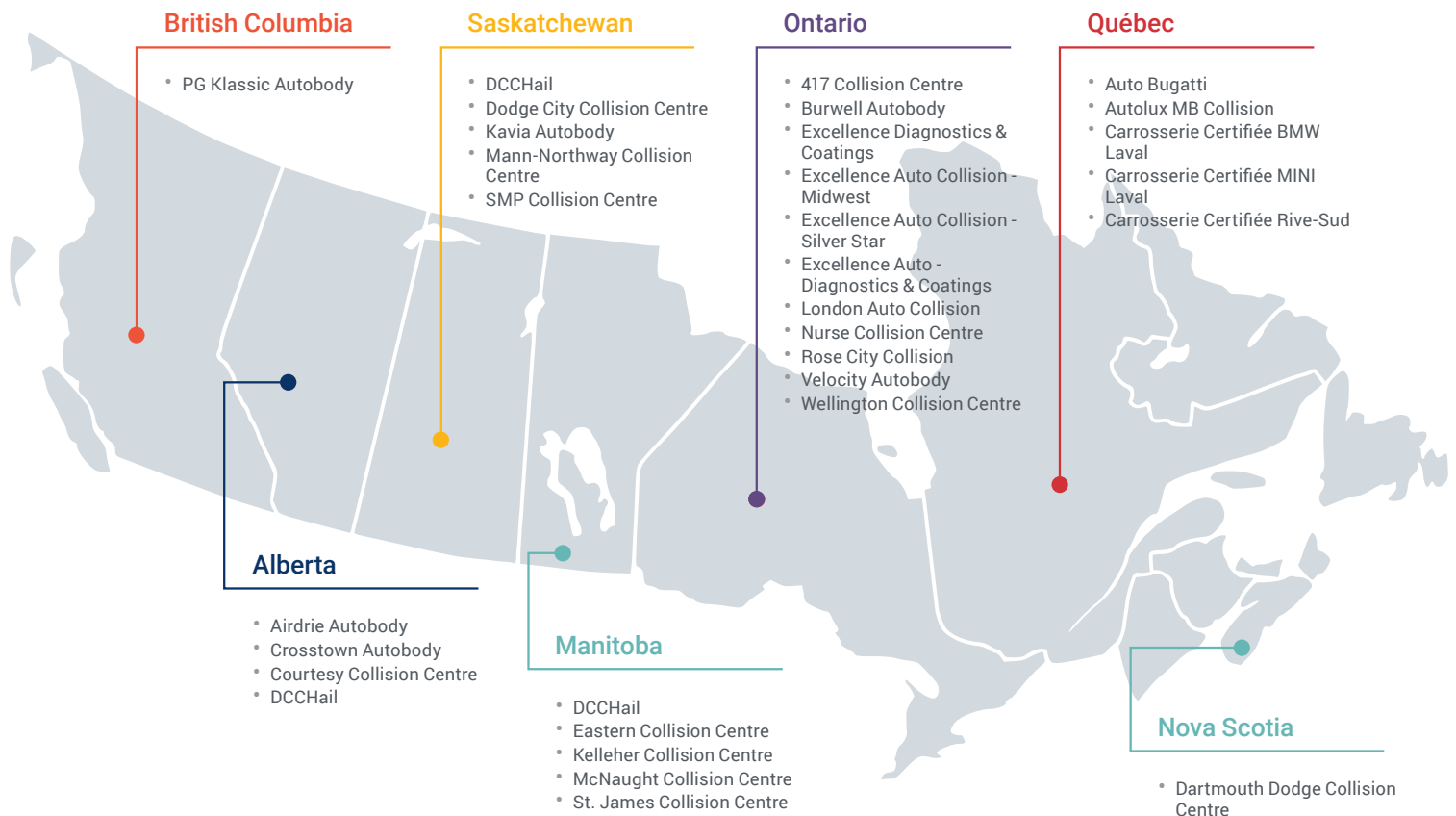
Canadian Operations

AutoCanada's Canadian operations segment currently operates 67 franchised dealerships, composed of 25 brands, in eight provinces. In addition, we operate three used vehicle dealerships and one used vehicle auction business supporting our used digital division, 13 RightRide special finance division locations, and 27 collision centres. In 2023, our Canadian dealerships sold approximately 89,600 new and used vehicles.

U.S. Operations

AutoCanada's U.S. operations segment, branded as Leader Automotive Group, currently operates 18 franchised dealerships, composed of 16 brands, in the state of Illinois. In 2023, our U.S. dealerships sold approximately 13,800 new and used vehicles.

Our Collision Centres



Our Core Values

Our values are our north star, guiding how we conduct our operations, how we make decisions, and how we interact with our stakeholders.

We celebrated the first-ever AutoCanada Values Day in September 2023 and held several town halls across the company during which leaders communicated the significance of AutoCanada's six values in guiding our business.

1 People

We are dedicated to the *retention*, *growth*, and *recognition* of our team members.

2 Operational Excellence

We set an unwavering standard of *best in class*.

3 Customers

We build customer *loyalty*.



4 Integrity

We have the *courage to do what's right*.

5 Innovation

We challenge the boundaries of what is possible and *embrace change*.

6 One Team

We win *together*.

Purpose

We win when our values are the driving force behind all we do.

Vision

Our people drive the evolution of automobility.

Mission

To be the network of choice for automobility.



“

I want us to have values that we can believe in that are powerful motivators for good.

— Jeff Thorpe, President,
North American Operations

”

1.4

Our ESG Approach

We believe that integrating key ESG factors into our business strategy reduces risk and enhances long-term resilience. We are committed to conducting our business responsibly and with accountability to our key stakeholders: investors, team members, customers, OEM partners, and communities.

Project Elevate

In 2023, AutoCanada launched Project Elevate, our five-year corporate strategy aimed at enhancing operations and driving sustainable growth by maximizing gross profits, optimizing our cost structure, and modernizing our corporate infrastructure. Rooted in AutoCanada's core values, this initiative integrates our ESG strategy and priorities, setting the stage for future action. As part of Project Elevate, we are concentrating on the following:

- › **Employee Training & Development:** Build best practice modules and offer development opportunities through AutoCanada University.
- › **Data Security:** Create a scalable, centralized shared services platform to support future growth and minimize risk. Replace outdated hardware, and upgrade the software and systems at each store.
- › **Vendor Management:** Centralize procurement to realize economies of scale with vendors.

Our ESG priorities are focused on three core pillars:

1 Our People and Communities

We strive to provide our team members 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 delivering quality services for our customers and aim to strengthen and support the communities in which we live and work.

2 Environmental Sustainability

We are committed to minimizing the environmental impact of our own operations and delivering environmentally friendly products and services to our customers.

3 Responsible Business Practices

We consider good corporate governance to be central to AutoCanada and are committed to reviewing and adapting sound governance practices and maintaining a culture of integrity. Our commitment to product and service quality, safety, and customer satisfaction drives our business decisions.

ESG Oversight

AutoCanada’s Board of Directors believes that strong ESG practices are fundamental to creating sustainable value for our key stakeholders for years to come.

The Governance and Nominating Committee (GNC) oversees AutoCanada’s ESG policies, practices, and performance. The committee also evaluates emerging trends and rules applicable to our business and oversees ESG reporting standards and disclosures.

To strengthen AutoCanada’s governance structure and practices, in 2023, the Governance and Compensation Committee was split into

the GNC and the Human Resources Committee (HRC) of the Board. The HRC was created to oversee human resources strategies, policies, and practices in regard to recruitment, retention, workplace diversity, employee engagement, talent management, training and development, and more.

At the management level, our ESG Leadership Team ensures the advancement of our ESG practices across our operations. The ESG Leadership Team is led by our President, North American Operations and also includes our Chief Financial Officer and Chief Administrative and Transformation Officer. The team has representation from functional groups across the company, including Operations, People & Culture, Finance, Facilities, and Legal. The ESG Leadership Team provides quarterly updates to the GNC.





Stakeholder Engagement

We recognize that active and continuous engagement with our stakeholders is critical to successfully developing and maintaining an ESG strategy. There are various ways in which AutoCanada currently engages with our stakeholders.

Team Members

Ways We Engage

- › Internal communication
- › Training and development
- › Competitive compensation
- › Rewards and recognition of top performers
- › Results reports
- › Annual strategic planning and Project Elevate
- › Performance group meetings
- › Engagement survey

Topics of Engagement

- › Workplace culture, purpose, and values
- › Company and business performance
- › Operational excellence
- › Goals and targets
- › Key performance indicators
- › Alignment as one team
- › Short- and long-term objectives
- › Continuous improvement

Original Equipment Manufacturers (OEMs) & Vendors

Ways We Engage

- › Regular meetings
- › Conferences
- › Site visits
- › Participation in internal and external dealer performance groups
- › Facility audits
- › National and regional meetings

Topics of Engagement

- › Strategy alignment
- › Sales programs
- › Customer satisfaction
- › Annual business planning
- › Inventory levels and procurement/production
- › Training
- › Innovation
- › EV programs
- › Reimaging/capital improvements

Customers

Ways We Engage

- › Customized in-person guest experiences
- › Store websites
- › Phone, email, and text messaging
- › Digital marketing and social media
- › Traditional advertising media
- › Customer engagement surveys

Topics of Engagement

- › Tailored customer experience
- › Quality service and experience
- › Product and service information and expertise
- › Continuous improvement
- › Community engagement

Communities

Ways We Engage

- › Donations to local charities
- › Sponsorships
- › Volunteering

Topics of Engagement

- › Grassroots community support
- › Engagement with the community

Investors & Financial Markets

Ways We Engage

- › Quarterly earnings calls
- › Financial results and related management discussion and analysis
- › Investor presentations and one-on-one investor meetings
- › Investor conferences
- › Press releases
- › Annual shareholders’ meeting
- › Public disclosure documents

Topics of Engagement

- › Financial results
- › Operational performance
- › Business and strategic updates
- › Risks and opportunities
- › Corporate governance
- › Capital deployment strategy
- › Industry insight and current trends



As AutoCanada continues on its ESG journey, we are committed to transparent reporting and communication on our ESG practices.



02

Our People & Communities



AutoCanada is people driven.

We are committed to hiring the best people and curating exceptional experiences for our customers. We strive to provide our team members with competitive compensation, meaningful and challenging work, an engaging and collaborative environment, recognition for performance, and opportunities for growth and advancement.

2.1

Team Member Engagement, Training, and Development

We are dedicated to the growth, engagement, and recognition of our team members. In 2023, we took several steps to expand learning and development opportunities, hear directly from team members, and improve the team member experience.

TECHTalks

TECHTalks is an engagement initiative rolled out across five dealerships in 2023. The TECHTalks program provides structure and cadence for our general managers to engage with our technicians in a way that creates effective and transparent communication, supports growth, and fosters collaboration. The goal is to help both groups understand each other's challenges and address topical issues to create a positive and productive work environment.

Team Member Engagement

Understanding what matters to our team members and learning how we can do better to support their growth and success is important to AutoCanada. Feedback is gathered formally through an all-company annual engagement survey. We also encourage team members to reach out to leadership and the People and Culture team on a more informal basis to provide any feedback.

Employment Surveys

We conducted two employee surveys in 2023 to gather input and improve the employee experience. In early 2023, AutoCanada partnered with Gallup to launch our new team member engagement survey, *Your Voice Counts*. We view this not just as an annual team member opinion survey but as part of an ongoing effort to ensure all team members have expanded opportunities to share thoughts and ideas. Importantly, running this survey and actioning feedback tells our people their voices matter. Survey results are shared with every leader to ensure transparency and to allow leaders to work with each business unit to identify areas for increased engagement.

The second employee survey, conducted at the end of 2023 through *AutoSphere*, expanded our scope of data collection and will allow us to formulate specific action plans in 2024.

Your Voice Counts Survey Highlights

3,000+

The survey had over 3,000 respondents.



The following statements received a score of 4 out of 5 or higher by participants, indicating agreement:

- > "I have the materials and equipment I need to do my work right."
- > "At work, I have the opportunity to do what I do best every day."
- > "There is someone at work who encourages my development."
- > "I know what is expected of me at work."

As a direct result of survey feedback, we are taking steps to design and roll out training programs for team members. Throughout 2024, we will continue to develop and implement action plans based on survey results.



Talent Management & Recognition

Recruitment and Mobility

We are committed to attracting and retaining talent, which contributes to AutoCanada's long-term success. In 2023, we took steps to streamline our recruitment process by building a recruitment function to improve efficiency in effectively attracting, identifying, and hiring qualified candidates in each of our markets.

Performance Management

In addition to maintaining a culture that promotes continuous and real-time feedback, certain departments and stores have implemented performance improvement processes to support team member growth. In years to come, we aim to expand and formalize these processes companywide.

Team Member Recognition

Our team members expend incredible effort all year, and it does not go unnoticed. The commitment from team members to create an exceptional buying and ownership experience for every AutoCanada customer deserves to be both applauded and rewarded. A few ways we do this include:

- › **Chairman's Club Awards:** The Chairman's Club Awards recognize leadership and performance in our Sales, Service, and Finance & Insurance departments.
- › **Dealership Awards:** The AutoCanada Dealership Awards recognize best-in-class performance across a number of operational metrics within our Sales, Service, and Finance & Insurance departments at a dealership level.
- › **The President's Award:** A new peer-nominated award in 2023, the President's Award recognizes the General Manager who most exemplifies AutoCanada's values.



ABOVE: Scott Ohler, General Manager of Rose City Ford, received the President's Award in 2023 for his leadership, the love he shows to his people, immeasurable integrity in the face of difficulty, and an unparalleled dedication to operational excellence.

Awards

We are proud to be recognized for exemplary performance across our dealerships and collision centres, driven by the contributions of our outstanding team members. Highlights of awards granted to our stores in 2023 and early 2024 are included below.

Employer of Choice

In 2024, AutoCanada was a recipient of AutoSphere's Dealership Employer of Choice Award recognizing our commitment to the employee and customer experience. Part of the evaluation process included an employee survey to measure how our employees feel about the workplace. The award is one way we have demonstrated our commitment to team member development, company culture, and an inclusive work environment. Additionally, AutoCanada was recognized in January 2024 by Forbes as one of the 300 companies who received Canada's Best Employers recognition.

Store Awards

- BMW Montréal Centre received the 2023 Dealer of the Year and Consumer Satisfaction award.
- St. James Volkswagen, Chilliwack Volkswagen, and Grand Prairie Volkswagen received the 2023 Wolfsburg Crest Club award.
- Auto Gallery of Winnipeg received the 2023 awards for AutoTrader Best Priced Dealer and the DealerRater Dealer of the Year.
- Sherwood Park Hyundai received the Hyundai President's Award of Merit.



- BMW / MINI Laval ranked No. 1 in Eastern Canada for new retail sales volume (BMW), as well as No. 1 in Canada for used retail sales volume (BMW and MINI).
- BMW / MINI Montréal Centre ranked No. 1 in Canada for new retail sales volume (MINI).
- Grande Prairie Hyundai was recognized with Platform Signature Certification from Hyundai.
- Grande Prairie Nissan was recognized as Dealer of the Year Alberta and Dealer of the Year by DealerRater.
- Hyatt Infiniti received 5 Star Status from INFiniti Motor Company.
- Hyundai of Palatine ranked as No. 1 retailer of the IONIQ 5 Electric SUV in the Central Region.
- Auto Bugatti was awarded BMW Group Canada CCRC of the Year for Eastern Canada.
- Carrosserie Certifiée BMW MINI Laval was recognized by BMW Group Canada CCRC in 2023 for 20 Years of service and excellence.

Training & Development

We believe in fostering a culture that fuels our team members' careers and are committed to providing opportunities for continuous learning and development.

AutoCanada University

In 2023, we launched AutoCanada University to continue the education and skills development of our team members. Specifically, two comprehensive training programs that we call "playbooks" were rolled out for our dealership and customer-facing team members. The Used Vehicle Playbook program is focused on strong quality assurance, leveraging technological advancements, and developing effective customer engagement strategies. The Service Advisor Playbook provides detailed guidance and training on facilitating AutoCanada's customer-centric approach. Read more about these programs under the [Product Quality and Safety](#) section of this report.

Custom Training Programs

Other custom training programs offered to team members across AutoCanada include the Automotive Dealership Management (AUDM) program through Georgian College, Lean Six Sigma certification, finance & insurance training, and Strength Deployment Inventory assessment.

Automotive Dealership Management Training

In partnership with the Automotive Business School of Canada at Georgian College, we sponsor team members to participate in AUDM training. In this nationally recognized program, current and future general managers and dealer principals at AutoCanada focus on the current issues,

trends, and technologies in automotive dealership management that are key to remaining competitive in a demanding market. Team members have the opportunity to participate in courses focused on dealership management, customer experience, parts and accessories management, new and used sales, and more.

This program teaches our future and existing leaders key skills required to perform in their existing roles more effectively and positions them to take on more responsibility in the future.

AUDM Statistics



31

Thirty-one team members have completed the AUDM program since 2017.



22

Twenty-two team members are currently enrolled.



12

Twelve alumni are in General Manager positions at our dealerships.



252

The program incorporates 252 hours of learning in total over the course of two years.

Lean Six Sigma Certification

A number of our collision centre team members have received Lean Six Sigma certification training. These courses, which are mandatory for our collision centre Managers, teach methods for developing and improving products, services, and processes. Team members learn to apply problem-solving frameworks, such as DMAIC: define, measure, analyze, improve, and control. The primary goal is to teach our collision centre Managers how to identify errors and or defects in a process and eliminate them.

Finance & insurance Training

The success of the Finance & Insurance (F&I) division is a result of leveraging industry-leading data analytics paired with an in-house national training and development model focused on maximizing opportunity. We invest thousands of hours annually in producing proprietary training materials and delivering industry-leading performance coaching and training programs to our dealerships. Due to the success of this systematic process in our training program, we are taking steps to roll out similar learning experiences across other departments.

In addition to offering formal AutoCanada certification courses to all Financial Services Managers, in 2023 AutoCanada launched a two-day General Manager and General Sales Manager course focused on the F&I process, as well as providing knowledge, resources, and tools to help our managers lead the Financial Services Office within their dealerships. Team members have the opportunity within these courses to enhance the application of their learning and knowledge through real-life scenarios and roleplay.

Strength Deployment Inventory

The Strength Deployment Inventory (SDI) is a self-scoring motivational assessment tool that provides an understanding of what drives you and what drives others. AutoCanada managers can choose to receive SDI assessments and ongoing training to help them with team building, conflict management, leadership development, and communication enhancement.

Industry Organizations

Employee membership in industry groups is also supported and encouraged. In 2023, one of our AutoCanada Collision Centres Operations Managers was appointed to the steering committee of the Canadian Collision Industry Forum (CCIF), a leading organization providing a national venue for all collision industry stakeholders to network, share information, and collaborate to develop solutions to common industry issues and challenges.

Two of our Collision Centre Managers were also elected to the board of the Saskatchewan Association of Automotive Repairers (SAAR), a nonprofit industry association. SAAR promotes the automotive repair industry, arranges discussions between the industry and various governing bodies, and provides a forum to attract, recruit, and retain industry talent.

2.2

Labour Practices and Team Member Well-Being

We are committed to fair employment practices and protecting the health, safety, and security of our team members, customers, and those with whom we do business.

Labour Practices

AutoCanada complies with applicable employment regulations, including all provincial employment statutes and regulations and provincial safety legislation, with respect to employment practices, including minimum wages, hours of work, overtime, and more. We respect the right of team members to unionize. Eleven of our 85 dealerships have team members who are represented by labour unions, accounting for about 9% of AutoCanada employees.

Team Member Health & Safety

Providing a safe and accident-free workplace is a key objective. Health and safety procedures are currently carried out independently by location. We are working to roll out a more centralized approach including conducting safety assessments across our stores to identify improvement opportunities.

Benefits

All full-time team members and their dependents are eligible to participate in our group benefits plans, which generally include insurance for healthcare, prescriptions, and dental care; life insurance; and short- and long-term disability insurance. We also offer a vehicle purchase plan that allows team members to purchase new or used vehicles from AutoCanada dealerships at a preferred price.

Team Member Well-being

To support the mental health and well-being of our team members, we offer an Employee Assistance Program that provides team members with access to resources related to mental health, relationships, fitness and physical health, finances, elder care, and more. Team members and eligible family members can speak to clinical counsellors and certified coaches, and there are several online resources available.

Performance-Based Compensation

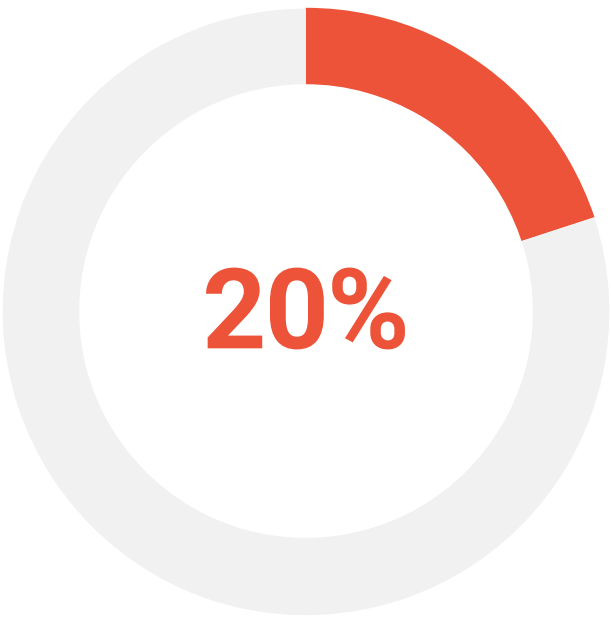
We provide several opportunities to reward performance. Our compensation programs include performance-based bonuses for almost all team members.

2.3

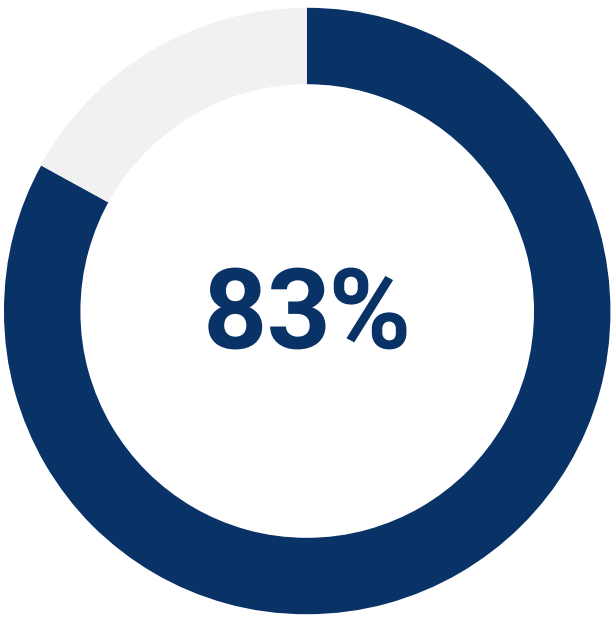
Diversity, Equity, and Inclusion

We are committed to fostering an inclusive workplace that welcomes, respects, and values the diversity of our team members.

In 2023, we began to brainstorm what an organization-wide diversity, equity, and inclusion (DEI) strategy would look like at AutoCanada. We recognize and embrace the many benefits that come with diverse backgrounds and experiences across all levels of the organization and look forward to sharing our progress in this area in the years to come.



20% of executive officers identify as ethnic minorities



83% of respondents in the 2023 AutoSphere employee survey indicated that AutoCanada supports diversity in the workplace

Using our Diversity Policy as a framework, we seek to achieve:

- ⊕ A workplace environment in which individual differences are respected
- ⊕ A diverse and skilled workforce
- ⊕ A workplace culture characterized by inclusive practices and behaviours for the benefit of all team members
- ⊕ Improved employment and career development opportunities for women
- ⊕ Awareness in all team members of their rights and responsibilities with regard to fairness, equity, and respect for all aspects of diversity



Recruitment and Employment

When identifying candidates for positions, including senior management and the Board of Directors, we consider various diversity criteria. It is our policy to recruit, hire, promote, compensate, and provide equal treatment to team members without discrimination due to race, ethnic origin, citizenship, religion, sexual orientation, handicap or disability, age, and other factors. We do not discriminate on the basis of these factors with respect to compensation and are committed to providing fair and equitable compensation to our team members. We are in the process of updating our compensation framework.

Legal Department Internship

AutoCanada's Legal Department has participated in the National General Counsel Network's Summer Law Student Fellowship for the past three years. The fellowship, for first-year law students who self-identify as IBPOC (Indigenous, Black, People of Colour), aims to provide participants with quality work experience and skills training.

Anti-Harassment

We are committed to providing a workplace free of harassment and will take steps to prevent harassment when possible. Our Harassment Policy, which applies to all team members, directors, and contractors, outlines prohibited conduct and provides a process for addressing and investigating complaints of harassment and discrimination. We encourage team members who witness or experience harassment to report the issue immediately to allow incidents to be promptly recorded, investigated, and addressed.



2.4

Community Engagement and Impact

Our business is centered on partnership and engagement with local communities. AutoCanada and our network of stores strongly believe community involvement and charitable giving enrich our neighbourhoods. AutoCanada dealerships provide job opportunities, contribute to local supply chains, conduct fundraisers, donate, and spend time volunteering in their communities. Initiatives include partnerships with local food banks, shelters, hospitals, school districts, children’s charities, and various other charitable organizations. We are proud of these efforts and will continue to encourage companywide participation.

Local Community Partnerships

Throughout 2023, our dealerships and home office participated and led several community initiatives, a few of which are highlighted opposite.

Audi Winnipeg

Audi Winnipeg team members volunteered at seven different organizations during the holiday season, participating in activities such as sorting donations, delivering meals to more than 400 people, giving blood, providing safe rides home, and dropping off snacks for the emergency team at a children’s hospital.



Mann-Northway Chevrolet Buick GMC

Mann-Northway Chevrolet Buick GMC hosted a fundraiser for the Boreal Healthcare Foundation’s 18th annual “Give a Little Life Day” in December 2023. The dealership shut down operations for the entire day and helped to raise more than \$464,000 for the charity for equipment upgrades at Prince Albert’s Victoria Hospital.



Tower Chrysler Dodge Jeep Ram

Team Tower joined together to raise and donate over \$10,000 for the Adopt-a-Family program in Calgary. Always up for supporting the community as much as possible, the team also joined forces with a local podcast partner to raise more than \$31,000 to support more than 47 families during the holiday season.

McNaught Buick GMC & McNaught Cadillac

The team at McNaught Buick GMC & McNaught Cadillac supported Community Living Interlake, a non-profit organization dedicated to supporting individuals living with an intellectual disability, by donating a wheelchair-accessible van to help individuals receiving support through the program lead meaningful lives in a fully integrated community.



Toyota of Lincoln Park

Toyota of Lincoln Park was proud to be a sponsor of the Chicagoland Walk Out of Darkness event put on by the American Foundation for Suicide Prevention Illinois Chapter. This powerful event had 6,000 attendees and raised over \$700,000.



AutoCanada Home Office

The AutoCanada home office team supported the Excel Society, a nonprofit dedicated to providing safe environments for people with disabilities in its care homes. Members of our People & Culture team collected donations and wrapped gifts for over 100 people.

03

Our Customer-Centric Approach



Customers are at the forefront of every decision.

Building customer loyalty by delivering high-quality products and services is central to how we do business.



3.1

Product Quality and Safety

While vehicle quality and safety standards are driven by our OEM partners and applicable legislation, we also took steps in 2023 to develop in-house programs that enhance AutoCanada's protocols around quality, safety, and customer service.

OEM Training & Compliance

Training and development programs for our technical and sales team members are fundamental to the success of our Sales, Service, Parts, and Collision Centre departments. These programs prepare our team members with vehicle knowledge and training on safe vehicle maintenance and repair according to each manufacturer's specified repair procedures.

While each OEM has different requirements when it comes to training for sales team members, service advisors, parts advisors, and technicians, there are processes in place to maintain compliance with the various requirements. Programs can consist of instructor-led or web-based trainings, role-specific certification programs, and management training. Courses range from technical product knowledge to nontechnical brand awareness to service advisory. Across the business, communication of training expectations and objectives to all team members is prioritized.

Used Vehicle & Service Playbooks

In addition to OEM-led mandatory trainings, we introduced two comprehensive training programs for our dealership employees in 2023: Used Vehicle University and Service Advisor Playbook. These programs were created by our best-in-class leaders and emphasize specific inspection and certification processes as well as a customer-centric approach to uphold the highest-quality standards.

Used Vehicle University (UVU)

- The UVU program aims to ensure our dealerships adhere to quality assurance standards and leverage processes to deliver quality used vehicles, as well as transparency throughout the buying process, instilling confidence in our customers' purchase decisions. As part of the program, all used vehicles sold through AutoCanada undergo an inspection to certify the quality and safety of the vehicle. As of early 2024, 24 dealerships in Canada and 18 dealerships in the U.S. have completed this training.

Service Advisor Playbook (SAPB)

- Designed to promote a guest-centric approach, the SAPB equips our service advisors with the necessary skills and expertise to provide exceptional customer and vehicle service quality. Currently, SAPB training has been deployed across all our U.S. dealerships.

We closely monitor performance and outcomes through implementation store visits and Performance Execution Assessments for all dealerships that have completed the training. Additionally, we actively seek feedback from team members, customers, and stakeholders to identify areas for improvement.

Product Recalls

Product recalls in Canada are driven by OEMs and regulated by Transport Canada, a federal government department. Recall notices are directly mailed to customers by OEMs. AutoCanada's dealerships maintain standard operating procedures to complete any recalls, and vehicles

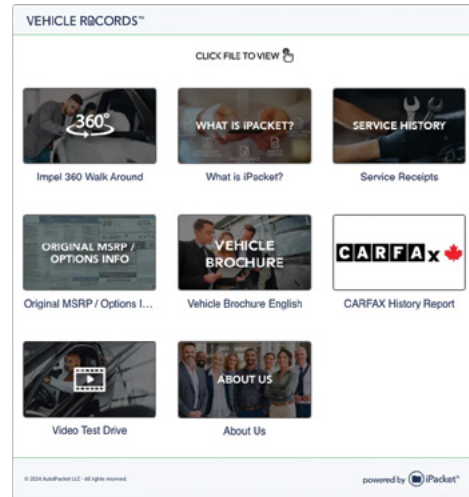
are serviced accordingly. In addition to direct follow-up by our dealerships, we provide a list of recalls to our third-party call centre, which provides outbound communication through phone, email, or text to notify affected customers of the recall and to book their service appointments for the repair. All vehicles serviced at our dealerships for regular maintenance are also checked for outstanding recalls at the time the appointment is booked.



3.2

Transparency and Affordability

AutoCanada is committed to assisting customers in making informed decisions when purchasing and servicing vehicles. We utilize multiple digital platforms and applications to offer customers a seamless and transparent experience for buying and owning a vehicle.



Information Transparency

AutoCanada has begun implementation of an integrated web-based application across dealership websites that aggregates vehicle information from various sources, such as title records, ownership information, maintenance records, service histories, and inspection records. These resources provide customers with transparency regarding the history of a listed vehicle.

We also offer a web application at service centres, implemented across most AutoCanada dealerships, that enables customers to manage every aspect of their service appointments digitally. This enhancement has improved the customer experience by clearly communicating accurate pricing and providing transparency on services performed.

Access & Affordability

At AutoCanada, we believe in making vehicle ownership accessible to all. The company provides reliable vehicle financing options to individuals who face challenges getting auto loans.

We enable customers to browse affordably priced vehicles online within their desired price ranges and facilitates pre-approval for financing. AutoCanada works with most major banks to extend financing options to non-prime customers seeking reliable vehicles.

AutoCanada offers a number of finance & insurance products to increase the longevity of vehicles, including optional warranty protection plans that help give customers peace of mind, protect their investments, avoid unexpected costs, and properly maintain their vehicles.

3.3

Customer Satisfaction

As one of AutoCanada's core values, building customer loyalty is about establishing meaningful relationships with our customers. We listen and learn from customer feedback, continuously measuring satisfaction for both sales and service for all brands across the organization.

Capturing Customer Feedback

Since 2022, AutoCanada has partnered with a reputation and customer experience management company to provide our Canadian dealerships and collision centres with a robust tool for capturing customer insights. As an enterprise-wide solution, this allows us to monitor, respond to, request, and analyze customer reviews across multiple platforms. On a monthly basis, we review these insights and act on opportunities to improve customer satisfaction.

2023 Feedback Results

⬆ 13.2%

Our reputation score increased 13.2% in 2023 compared to our 2022 score, surpassing the industry average.

⬆ 4.5

Across various online platforms, our average rating increased to 4.5 out of 5 in 2023, up from 4.4 out of 5 in 2022.

⬆ 11.8k

Feedback volume increased in 2023, with 11,800 more online reviews received when compared with 2022.



We received consistently high scores for the customer service, staff, and sales experience.



04

Environmental Sustainability





We are committed to assessing and managing the environmental impact of our business and complying with all relevant environmental regulations.

We acknowledge that we are at the beginning stages of our journey and plan to disclose more information on our progress in the years to come.



4.1

Energy Efficiency and Green Facilities

We strive to meet or exceed energy-efficiency requirements for our facilities, including design and operational elements for new facilities and renovations of existing facilities.

We utilize a facility checklist to review safety concerns and budget for efficiency upgrades and necessary maintenance. The process also helps us monitor dealership compliance with local and national requirements and energy codes. The checklist includes assessments on building maintenance, the customer and team member experience, and environmental measures such as electric vehicle charging.

Environmental Management & Efficiency Measures

To bolster efficiency and encourage diligent management of environmental resources throughout our dealerships, collision centres, corporate sales locations, and home office, we:

- Incorporate LED lighting into all new construction projects as indicated by our manufacturer partners (OEMs) and LED retrofits anytime site lighting is updated; more than 60% of dealerships have replaced outdoor lighting with LED lighting.
- Implement occupancy sensors to control energy usage in lighting for new construction or major renovations.
- Model energy use in the design phase of our major construction projects to support energy management decisions before construction.
- Leverage low-flow water fixtures to reduce water and energy consumption.
- Utilize high-speed overhead doors in service drive-throughs to reduce heating requirements and natural gas consumption.
- Incorporate de-stratification fans into our showroom designs for comfort and energy savings.
- Upgrade roof insulation during roof replacement projects.
- Invest in EV chargers to align with electromobility initiatives and promote EV vehicles.
- Deploy building management systems to automate and monitor energy systems.
- Comply with local building codes as well as OEM requirements.

In certain dealerships, we have gone beyond regulatory requirements to install a more advanced heat recovery ventilator (HRV), which is a better choice for energy conservation. Several dealerships also engage with third-party waste management companies to responsibly remove waste, including outdated electronic waste.

Sustainability Audits & Surveys

**AutoCanada participates
in several sustainability
surveys and audits at the
dealership level driven by our
manufacturing partners, who
are working to decarbonize
their value chains.**



Audi & Volkswagen

In partnership with Volkswagen Group of Canada, all our Audi and Volkswagen dealerships provided data points, such as utility bills, solid waste volume, company vehicle fuel consumption, on-site renewable energy generation, and EV charging infrastructure metering, as part of an annual survey in 2023 to aid in the company's long-term sustainability plan. Compiling this data also helps us understand our footprint and identify consumption-reduction initiatives.

BMW Laval

BMW Laval participated in a CO2 baseline audit in 2023 to assess and quantify retailer-driven sustainability activities for the BMW Group Canada Awards. The audit referenced the ISO-14064-65 and Greenhouse Gas Protocol methodologies and was based on the criteria of CO2 reduction, driving electrification, and circular economy.

Porsche Centre London

Porsche Centre London completed a third-party sustainability audit in 2023 to assess its current sustainability performance and to receive concrete, dealer-specific recommendations to improve performance in decarbonization, recycling, and waste management. The audit included an energy consumption analysis, suggestions for HVAC efficiency and building envelope improvements, a renewable energy generation and supply analysis, a carbon-reduction roadmap, and more. The audit results will inform the dealership's environmental planning going forward.

Honda Green Dealer Program

Our Honda dealerships are in the process of participating in the Honda Green Dealer program, which recognizes dealers across Canada that implement environmentally sustainable changes. The program includes measuring a dealer's energy-use intensity and conducting a site assessment to review existing lighting, HVAC systems, water usage, recycling practices, and more.

Dealership Recognition

2023 BMW Group Canada Retailer of the Year Sustainability Award

BMW MINI Laval continues to champion sustainability, receiving the Retailer of the Year Sustainability Award from BMW Group Canada for the second consecutive year. The award recognizes retailers that have significantly improved environmental performance and have thoroughly implemented sustainability measures and processes.

BMW MINI Laval's 2023 initiatives include:

- › Engaging with a third-party consultant to establish a carbon emissions baseline and set corresponding reduction targets
- › Providing electric bikes as an alternative courtesy loaner for customers
- › Replacing our propane forklift with an electric model
- › Eliminating single-use plastics in our bistro
- › Introducing a smart building control system to manage building heating and cooling systems depending on seasonal or occupancy needs and to reduce overall electricity and natural gas consumption
- › Installing 16 on-site EV chargers, providing over 34,000 kWh of electricity to EVs
- › Reducing waste pickups from 20 times to one time per month by investing in a cardboard compactor as part of our in-house recycling infrastructure
- › Creating a Sustainability Committee at the dealership consisting of team members from every department

BMW Montréal Centre

BMW Montréal Centre implemented a bulk filling system for its windshield washer fluid to mitigate the use of smaller, 4-litre plastic bottles of fluid. This initiative decreases plastic consumption by replacing about 7,200 4-litre bottles per year.

As part of our commitment to a more sustainable future, we are proud of our dealerships like BMW Laval, which received recognition from our OEM partner as part of their sustainability program.





4.2

Sustainable Solutions and Innovation

We embrace sustainable innovation throughout our value chain and facilitate partnerships and internal process improvements to increase efficiency, decrease negative environmental impacts, and meet shifting customer demands.

Hybrid & Electric Vehicles

Our dealerships sell and service vehicles that are engineered and manufactured by many of the world’s leading automotive OEMs. The range includes a variety of hybrid and electric-powered vehicles, which generate fewer tailpipe emissions than standard internal combustion engine (ICE) vehicles while in their use phase.

We are committed to working closely with our OEM partners on the promotion and sale of hybrid and electric vehicles. However, we acknowledge that supply of these products and allocation to dealerships are currently limited in Canada. We are nonetheless working to increase the infrastructure needed to support these vehicles, with more than 75% of our dealerships maintaining EV chargers. Several of our collision centres are also certified for EV and hybrid collision repair.



235

Number of EV Chargers

Over 235 EV chargers across our dealership network

1k+

Number of New EV Vehicles Sold

Over 1,000, representing 2.65% of total new vehicle sales

900+

Number of New Hybrid Vehicles Sold

Over 900, representing 2.29% of total new vehicle sales

Sustainable Solutions

Paintless Dent Repairs

In early 2023, AutoCanada completed the acquisition of DCCHail, a specialized paintless dent repair company whose process decreases the environmental impact of its services. By minimizing the need for paint, primer, and clearcoat, the carbon footprint of this service is reduced. This is demonstrated through a third-party comparative life-cycle analysis, in which DCCHail found that its process produces 96% fewer carbon emissions as compared to the conventional process.

Eco-Friendly Paints & Material Recycling

We strive to source eco-friendly substances, such as water-based paints and biodegradable products, whenever possible. In 2023, our collision business partnered with BASF, a paint provider, to source its sustainable 100 Line paints, which have 40% lower volatile organic compound (VOC) levels than current VOC regulations require. These paints also offer reduced drying times to save energy and less material consumption. BASF and AutoCanada are closely aligned in training AutoCanada's collision centre representatives and technicians in the efficient application of these paints to optimize their usage and minimize the paint used. Additionally, we partner with local recyclers for sheet metal, plastic bumpers, and total-loss vehicles.

Low-Emission Service Transportation

Selling and servicing electric and hybrid vehicles isn't the only way we provide our customers with lower-emission transportation options. We partner with Enterprise Holdings, the world's largest car rental provider, for our dealership and collision centre network. Enterprise is actively working to progress the electrification transition by offering sustainable mobility options and facilitating the ongoing installation of EV charging stations. In addition, many of AutoCanada's dealerships and collision centres have supplemented or replaced shuttle driver services with Uber Central, which offers electric or hybrid vehicle rides for customers to reduce emissions per trip.

↓ 40%

lower volatile
organic
compound
(VOC) levels

In 2023, our collision business partnered with BASF, a paint provider, to source its sustainable 100 Line paints, which have 40% lower volatile organic compound (VOC) levels than current regulations require.



4.3

Climate Risk Management

We recognize that climate-related impacts can lead to potential risks and opportunities for our business.

In early 2024, we conducted an exercise with a third-party consultant to lay the foundation for AutoCanada's climate-readiness strategy. While we are just beginning to identify, assess, and review relevant climate-related risks and opportunities, we intend to expand our assessment in the years to come and look forward to sharing updates with our stakeholders accordingly.





05

Responsible Business Practices





5.1

Corporate Governance

Good corporate governance is central to AutoCanada and our effective and efficient operations. We are committed to reviewing and adapting our governance practices to meet our stakeholders’ changing needs and ensure compliance with regulatory requirements.

Board of Directors

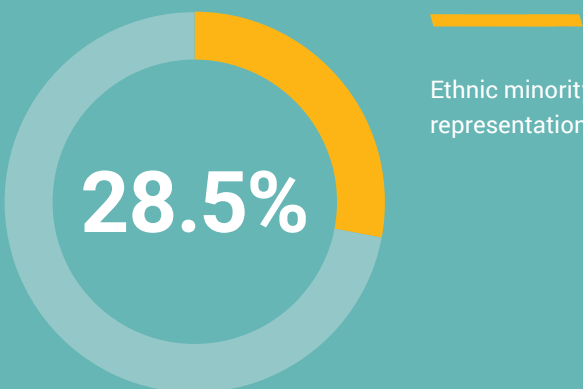
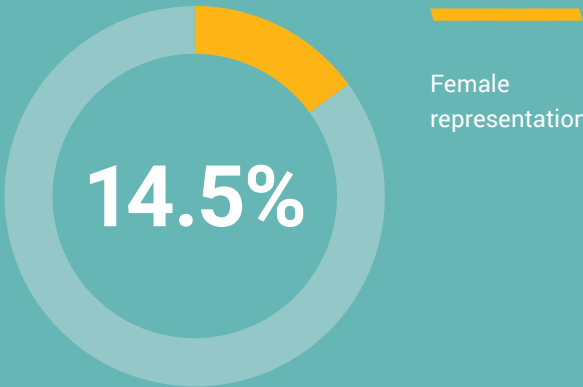
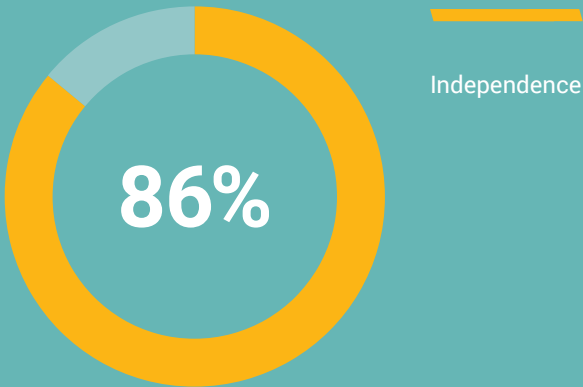
The Board is responsible for the stewardship of the affairs of AutoCanada and maintains a culture of integrity.

In 2023, AutoCanada’s Board committees were restructured to effectively address and oversee the company’s most critical areas of focus, including our commitment to advancing ESG. The Board now has three standing committees: the Audit Committee, the Governance and Nominating Committee, and the Human Resources Committee. Each committee is composed solely of independent directors.

Board Diversity

We recognize and embrace the many benefits arising from team member and board diversity, including having a broader pool of high-quality team members, improving team member retention, accessing different perspectives and ideas, and benefiting from all available talent. Our Diversity Policy, in place since 2015 and updated in 2024, specifically seeks to increase diversity throughout AutoCanada, including at the senior management and Board levels, to reflect the communities in which we do business.

Board Metrics



The Diversity Policy aims to ensure there are a broad range of approaches, backgrounds, skills, and experience represented on the Board. The selection process for new director nominees is conducted by the GNC, taking into account gender and racial or ethnic diversity. The Board currently has one female director and two directors who identify as ethnic minorities.

Policies

In early 2024, we refreshed several policies and governance documents in line with our operating protocols. The updated policies and governance documents include the following:

- › Audit Committee Charter
- › Governance and Nominating Committee Charter
- › Human Resources Committee Charter
- › Code of Business Conduct
- › Disclosure Policy
- › Insider Trading Policy
- › Diversity Policy (Board and senior management)
- › Majority Voting Policy
- › Whistleblower Policy

Please refer to the [Corporate Governance](#) section of our Investor Relations website and our Management Information Circular dated March 18, 2024 for further details about our Board, its committees, our policies, and our corporate governance practices.

5.2

Business Ethics

At AutoCanada, we strive to maintain the highest ethical standards in all of our business activities and to comply with applicable laws and regulations. One of our core values at AutoCanada is integrity, which we view as having the courage to do the right thing, even when no one is watching.



Code of Business Conduct

AutoCanada's Code of Business Conduct (Code) describes the fundamental principles, policies, and procedures that guide our company. The Code is founded on our company values and applies to all AutoCanada team members as well as the Board. It forms the basis of how we conduct our operations, make decisions, and interact with our stakeholders.

The Board monitors compliance with the Code, and the GNC is responsible for reviewing and evaluating the Code from time to time to make recommendations for any necessary or appropriate changes. The Code recently underwent a comprehensive review and approval by the GNC in 2024.

Issues covered in our Code:

- › Respect, Inclusion, and Diversity
- › Human Rights
- › Health, Safety, and Well-being

- › Social Responsibility and Environmental Sustainability
- › Competition and Anti-trust Legislation
- › Anti-corruption and Bribery
- › Conflicts of Interest
- › Privacy
- › Use of Technology (cybersecurity and maintenance of data security)
- › Remote Work
- › Use of Artificial Intelligence
- › Charitable Donations, Political Engagement, and Lobbying
- › Intellectual Property
- › Reporting a Concern

In addition to the Code, our Insider Trading Policy and our Disclosure Policy address insider trading and confidentiality, respectively.



Use of Artificial Intelligence

As the pace of technological change and capability continues to evolve, we expect that artificial intelligence (AI) will increasingly be integrated into our operations in the coming years. AutoCanada is committed to using AI transparently, with proper regard for privacy, data security, and risk mitigation, with human oversight. In 2024, we plan to implement an Artificial Intelligence Policy to guide the implementation and usage of AI in our operations in a way that complies with all relevant laws, regulations, and industry standards.

Whistleblower Policy & Reporting Procedures

The integrity, transparency, and accountability of our financial, administrative, and management practices are critical. We are committed to maintaining a workplace in which concerns regarding questionable business or financial practices can be raised without fear of any discrimination, retaliation, or harassment. AutoCanada's Whistleblower Policy encourages all directors, officers, team members, and consultants to promptly report any breaches of our Code or

legal requirements. For confidential & anonymous reporting, we maintain a third-party ethics hotline and an online interface that is available 24 hours a day, seven days a week.

All complaints made through our Whistleblower Policy are investigated and remedial action will be taken, where necessary. Any individual who reports such incidents in good faith is protected from threats of retaliation, harassment, discharge, or other types of discrimination.

Responsible Selling Practices

We strive to ensure we advertise, market, and sell our products and services in compliance with federal and provincial laws and regulations, as well as responsible selling practices mandated by each of our OEM partners. Within each jurisdiction in which AutoCanada operates, we endeavour to comply with the respective guidelines that regulate how vehicles are advertised, including any type of solicitation that is oral, written, visual, or descriptive.

Political Activities & Contributions

AutoCanada does not engage in political activities. The direct or indirect use of the company's funds, goods, or services as contributions to political parties, campaigns, or candidates for election to any level of government requires the approval of the Board. In 2023, we did not make any contributions to political parties or candidates.

5.3

Data Security and Customer Privacy

Data Security

As an auto dealer, retailer, and provider of financial products and services, robust data security and privacy practices are fundamental to our success. We are committed to maintaining strong data security and controls to address evolving threats, protect customer data, and comply with emerging regulatory risks.

Data Security Oversight and Policies

The Audit Committee of the Board oversees data security and cybersecurity at AutoCanada, with support from the Executive Committee and the Cybersecurity Incident Response Team (CSIRT). The CSIRT was formally established in 2023 and includes representatives from the IT, Legal, and Finance departments and third-party forensic and legal resources.

AutoCanada maintains comprehensive policies to support strong data security throughout the company and follows the Center for Internet Security Critical Security Controls Version 8 framework. Our Cybersecurity Incident Response Plan (the Plan) outlines procedures for managing security and privacy incidents that impact our IT systems, operations, or information, including the personal and business information of team members, customers, automakers, vendors, and other parties. The Plan is reviewed periodically by the CSIRT, and required updates and improvements are incorporated to respond to factors such as new threats, vulnerabilities, or regulatory requirements. Stress-testing activities, such as tabletop exercises, technical simulations, and cyber fire drills, are to be performed periodically.

An Increased Focus on Technology and Security through Project Elevate

In 2023, as part of Project Elevate, we committed to investing in technology and security upgrades to support growth and minimize risks. A big focus is replacing outdated hardware and upgrading software and systems at each store to reduce operational and data privacy risks. As of early 2024, upgrades were complete at over 20 stores.

We also invested in a new email security technology that significantly reduces inbound phishing, impersonation, and fraudulent emails. As a large majority of corporate data security threats originate through email, this was a critical upgrade to significantly reduce data security-related risks within AutoCanada.

Ongoing Monitoring

In July 2023, we engaged a third-party security services firm to perform a comprehensive security assessment and cyber risk health check. Following the assessment, a cybersecurity roadmap was established. Roadmap progress and deliverables are reported to the Audit Committee on a quarterly basis.

Training

We provide data security training to our team members, with a focus on sender impersonation and credential harvesting email threats. The training also covers phishing scams, work-from-home safety, the importance of two-factor authentication, password strength, and more. For ongoing awareness and education, a different data security training campaign is introduced each quarter. We monitor team member completion and success rate and provide retraining for team members who failed the simulation.

Protecting Customer Privacy

Compliance with federal and provincial laws to protect customer privacy and personal information is critical to our operations. AutoCanada's Privacy Policy details how we collect, use, and disclose the personal information that we control and outlines customer rights regarding customers' personal information.

We have implemented physical, organizational, contractual, and technological security measures as part of our efforts to protect personal information from loss or theft and from unauthorized access, use, or disclosure. Third parties that are provided access to personal information by AutoCanada for business reasons (e.g., financing requests and insurance applications) are contractually required to protect customers' confidentiality in a manner consistent with our Privacy Policy and as required by law.

Protecting the security of our information systems, business assets, and the privacy of customer information is paramount to our success.



In 2023, as part of Project Elevate, we invested in technology and security upgrades to support growth and minimize risks.

5.4

Vendor Management

At AutoCanada, we recognize the importance of maintaining ethical business conduct and upholding human rights throughout our supply chain. Our interactions with all stakeholders, including our vendors, are guided by our corporate values and AutoCanada's Code.

In 2023, we established a dedicated procurement team to increase efficiency and improve productivity.

AutoCanada's principal suppliers are OEMs, which supply vehicles and parts to our stores. OEMs have clear expectations regarding operating standards to be met by dealer partners, including a focus on sustainability. Read more about our sustainability initiatives with OEM partners in the Environmental Sustainability section of this ESG Report.

Other supply chain partners include IT companies that provide platforms and data management, outsourced field services, hardware, software, and equipment. IT vendors may go through an RFP process to ensure that they meet AutoCanada's standards relating to legal, financial, cybersecurity, and privacy-related risk management. Our Software Policy outlines expectations for all new software purchases, which includes vetting by our cybersecurity team.



Forced Labour & Child Labour Report

We take a zero-tolerance approach to all forms of modern slavery in our organization and seek to minimize and eliminate the risk of modern slavery in our supply chain. In accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act, we published a *Forced Labour and Child Labour Report* for 2023. This report outlines the efforts and actions AutoCanada has taken to identify and understand the risk of forced labour and child labour in our operations and supply chain and to strengthen our controls to reduce and mitigate these risks.



06

Standards & Frameworks





6.1

United Nations Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) are a collaborative, global effort to achieve a better and more sustainable future for all. Represented by 17 Global Goals and 169 targets, the SDGs address challenges of poverty, inequality, climate change, and economic growth. We identified the key areas where we have the greatest influence and impact through our business strategy, products, and services.

Goal	Description	Alignment to AutoCanada	Report Section
<div><div>4</div><div>QUALITY EDUCATION</div><div></div></div>	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<p>AutoCanada provides several training and development opportunities, such as:</p> <ul style="list-style-type: none">Our relationship with the Automotive Business School of Canada at Georgian College to sponsor team member participation in the Automotive Dealership Management trainingAutoCanada University, an in-house platform that continues the education and skill development of our team membersSpecialized data analytics training for our Finance & Insurance team	Team Member Engagement, Training, and Development
<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div>	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	<p>We offer fair employment and group benefit plans to all full-time team members. Our compensation programs include performance-based bonuses for almost all team members and opportunities to reward performance.</p>	Labour Practices and Team Member Well-being
<div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div>	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	<p>Our dealerships sell and service a variety of hybrid and electric-powered vehicles, which generate fewer emissions and contribute to a lower environmental impact. We have built infrastructure needed to support these vehicles, with approximately 235 chargers across the dealership network.</p> <p>Whenever possible, we source eco-friendly substances, such as water-based paints and biodegradable products. In 2023, our collision business partnered with a sustainable paint provider to source products with 40% lower volatile organic compound (VOC) levels than current VOC regulations require.</p>	Sustainable Solutions and Innovation

6.2

SASB Standards

The following tables incorporate the SASB Standards—now housed under the International Financial Reporting Standards (IFRS) Foundation—related to the Multiline and Specialty Retailers & Distributors industry. They include the relevant topic metrics, when available, and/or references to sections within this ESG Report where specific topics are discussed.

Topic	Accounting Metric	SASB Code	Report Reference
Energy Management in Retail & Distribution	1. Total energy consumed	CG-MR-130a.1	Refer to the Energy Efficiency & Green Facilities section
	2. Percentage grid electricity		
	3. Percentage renewable		
Data Security	Description of approach to identifying and addressing data security risks	CG-MR-230a.1	Refer to the Data Security & Customer Privacy section
	1. Number of data breaches	CG-MR-230a.2	
	2. Percentage involving personally identifiable information (PII)		
	3. Number of customers affected		
Labour Practices	1. Average hourly wage	CG-MR-310a.1	Refer to the Team Member Health & Safety section
	2. Percentage of in-store team members earning minimum wage, by region		
	1. Voluntary turnover rate for in-store team members	CG-MR-310a.2	Refer to the Team Member Engagement, Training & Development section
	2. Involuntary turnover rate for in-store team members		
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	CG-MR-310a.3	Refer to AutoCanada's Annual Information Form 2023
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for	CG-MR-330a.1	Refer to the Diversity, Equity, & Inclusion section
	1. Management		
	2. All other team members		
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	CG-MR-330a.2	Refer to AutoCanada's Annual Information Form 2023
Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	CG-MR-410a.1	Refer to the Sustainable Solutions and Innovation section
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-MR-410 a.2	
	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-410a.3	

Forward-Looking Statements

Certain statements contained in this ESG Report are “forward-looking statements” within the meaning of applicable securities laws. Forward-looking statements reflect management’s expectations regarding the future growth, results of operations, performance, prospects, and opportunities of AutoCanada. Without limiting the foregoing, the words “expects,” “anticipates,” “intends,” “estimates,” “projects,” and similar expressions are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements.

All statements other than statements of historical fact contained or incorporated by reference herein may be deemed to be forward-looking statements. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. AutoCanada cannot assure investors that actual results will be consistent with any forward-looking statements, and other than as required by applicable law, AutoCanada assumes no obligation to update or revise such forward-looking statements to reflect actual events or new circumstances. All forward-looking statements contained in this ESG Report are qualified by this cautionary statement. Forward-looking statements may involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results expressed or implied in forward-looking statements. Please refer to the section titled “Risks Factors” in AutoCanada’s 2024 First Quarter Management Discussion & Analysis and the section titled “Risk Factors” in AutoCanada’s Annual Information Form dated March 18, 2024, for additional information regarding risks and uncertainties.



For More Information

For more information about AutoCanada or AutoCanada's approach to ESG, please visit AutoCanada's website at <https://investors.autocan.ca> or contact ESG@autocan.ca.



 investors.autocan.ca

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2024 Environmental, Social & Governance Report