

Lithia Motors, Inc.

Fraud and Ethics Reporting

Purpose

At Lithia we strive to communicate the importance of ethics across all layers of our Company. Without a standard of ethics our daily efforts would be misguided and we could not generate the long-term growth we seek to achieve. As a large, publicly traded organization, Lithia is committed to ensuring each employee in our vast network has access to reliable and user-friendly tools to anonymously report concerns. Specifically, concerns may include: financial reporting and accounting matters, employee relations matters, such as harassment, misconduct, violation of company policy, and/or any other matters that may arise.

Mechanisms for Reporting

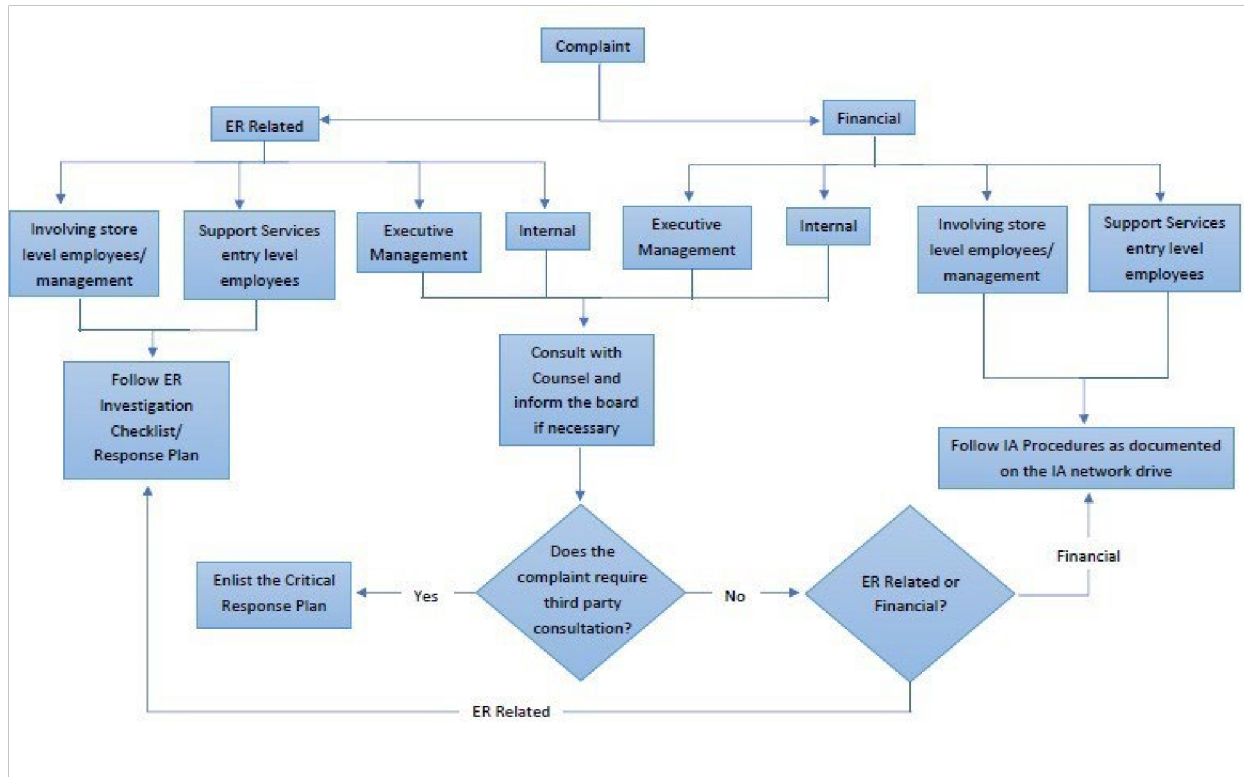
Several processes related to fraud and ethics reporting have been formalized under our Fraud Risk & Ethics Monitoring Program. The Internal Audit Department has leadership responsibility oversight of this Program and reporting of unethical behavior. Internal Audit coordinates and communicates at least monthly with the Employee Relations and Legal departments to discuss employee reports and actions taken. In addition, a quarterly Ethics and Fraud reporting package is compiled and presented to our Board's Audit Committee.

The ways in which ethics concerns can be reported are numerous and include the following:

- Corporate Whistleblower Hotline – Internal Audit employs a third-party service provider for the capture of anonymous employee reports. The interface is available 24 hours a day, seven days a week, and has both a web interface which can be accessed from any computer in addition to a call center. The third party call center supports multiple languages, should a complainant need assistance. Lithia employees receive communication about the existence and method to access the hotline via the Employee Handbook, breakroom posters, the annual Ethics and Fraud Survey, and a direct link via the company intranet.
- Annual Ethics and Fraud Survey – Each year an ethics and fraud survey is administered by Internal Audit via an anonymous third-party service, Survey Monkey. Every employee receives a ten-question survey which provides them the opportunity to report any issues to Internal Audit. This survey is executed on a rolling basis across stores and other entities, with employees at each entity receiving the survey at least once per year. The entities included in the survey are all stores, APCs, Support Services, and Driveway Financial Corporation.
- Problem Solving/Open Door Guidance – Throughout the Employee Handbook employees are encouraged to discuss and report issues to their supervisors and management and are provided with the address to contact the Board's Nominating and Governance and/or Audit Committees for any unresolved issues. Reports are kept as confidential as possible for investigative purposes.

Investigation Process

The investigation process is flowcharted and presented to our Board's Audit Committee on an annual basis.



Non-Retaliation

We make clear to employees, as outlined in the Key Policies section of the Employee Handbook, that retaliation for reporting will not be accepted. The Policy states, “Retaliation against any employee for the good faith reporting, filing, testifying, assisting or participating in any investigation, proceeding, or hearing conducted by us or a federal or state enforcement agency is prohibited.” It is our intent that our reporting mechanisms and processes provide employees with the most comfortable means of reporting their concerns.

Approved: July 31, 2026