



AutoNation

The image shows a group of people walking through a modern building with large glass windows and dark columns. In the foreground, a silver car is parked. A woman is smiling and looking towards the camera. A man in a white shirt is gesturing towards a woman in a dark dress. Other people are walking in the background.

2022

CORPORATE SOCIAL
RESPONSIBILITY REPORT



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ABOUT THIS REPORT

AutoNation, Inc. (“AutoNation”) is proud of the values we live, our history of success, and our ongoing commitment to our stakeholders, including our stockholders, our customers, our associates, and the communities in which we operate.

This report outlines AutoNation’s environmental, social, and governance (“ESG”) initiatives, activities, progress, metrics, and performance for January 1 through December 31, 2022, unless otherwise noted.

Certain information provided in this report is intended to be responsive to the Sustainability Accounting Standards Board (“SASB”) Standard for the Multiline and Specialty Retailers & Distributors Industry Index and should not be relied on for any other purpose. Our inclusion of information in this report should not be construed as an admission as to the materiality of such information for purposes of applicable securities laws or as used in the context of financial statements and financial reporting.

GREETINGS FROM OUR CEO, MIKE MANLEY

Dear Fellow Stakeholders,

As one of America's most admired companies, we were founded on the values of honesty, respect, and responsibility. AutoNation's dedication to fundamental principles of good corporate stewardship has been a cornerstone of our business and we are always striving to make a difference for the people we serve and in the communities in which we operate. In this report, you'll see the ways in which our commitments build on these values and the progress we've made in the past year to deliver meaningful impact from our efforts.

There are many aspects of running a successful company, but ultimately it is the people within the organization who make it happen. Our associates are at the heart of our efforts, and we are grateful for their continued hard work and dedication. We remain committed to investing in the health, safety, and overall well-being of our associates as well as seeking to develop and foster a diverse, inclusive workforce based on ethics and integrity. In 2022, we launched our "Go Be Great" company-wide initiative which characterizes the collective drive, ambition, and determination of our associates to be the best each and every day. The initiative focuses on multiple aspects of our talent efforts, including recruitment and retention in each of our markets. From retail sales and service technicians to corporate positions, AutoNation provides comprehensive benefits packages, extensive on-the-job training, and opportunities for career growth, inspiring our associates to "Go Be Great!"



Our commitment to our communities and our associates goes beyond being a transportation solutions provider. We encourage our associates to be active members in the communities where they live and work through volunteerism and charitable giving. Cancer touches virtually everyone's life, no matter who they are or where they're from, and we have taken a major role in bringing that message to the world with "DRVPNK". Through the combined philanthropic efforts of our associates, vendors, partners, customers, and executive leadership, we have raised and donated over \$37 million to fund local and national cancer research and treatment facilities from coast to coast. AutoNation is a company of values, and DRVPNK is an important value which sits firmly at the center of our corporate culture.

Our commitment to minimizing environmental impact is what drives our sustainability efforts. We look for opportunities to help reduce environmental impact by implementing green building and operations practices in our new construction plans as well as in our building upgrades and remodeling. We have a dedicated Environmental, Health and Safety Compliance program aimed at ensuring that all of our associates know they have a part to play in the success of AutoNation's sustainability efforts. AutoNation also offers a wide variety of environmentally friendly vehicles, including electric and hybrid vehicles. Given the growing popularity of EVs, we've also created a "Driving Electrified" section of our purchasing website to help customers shop and compare different EV models.

Without exception, taking the high road in all circumstances is imperative.



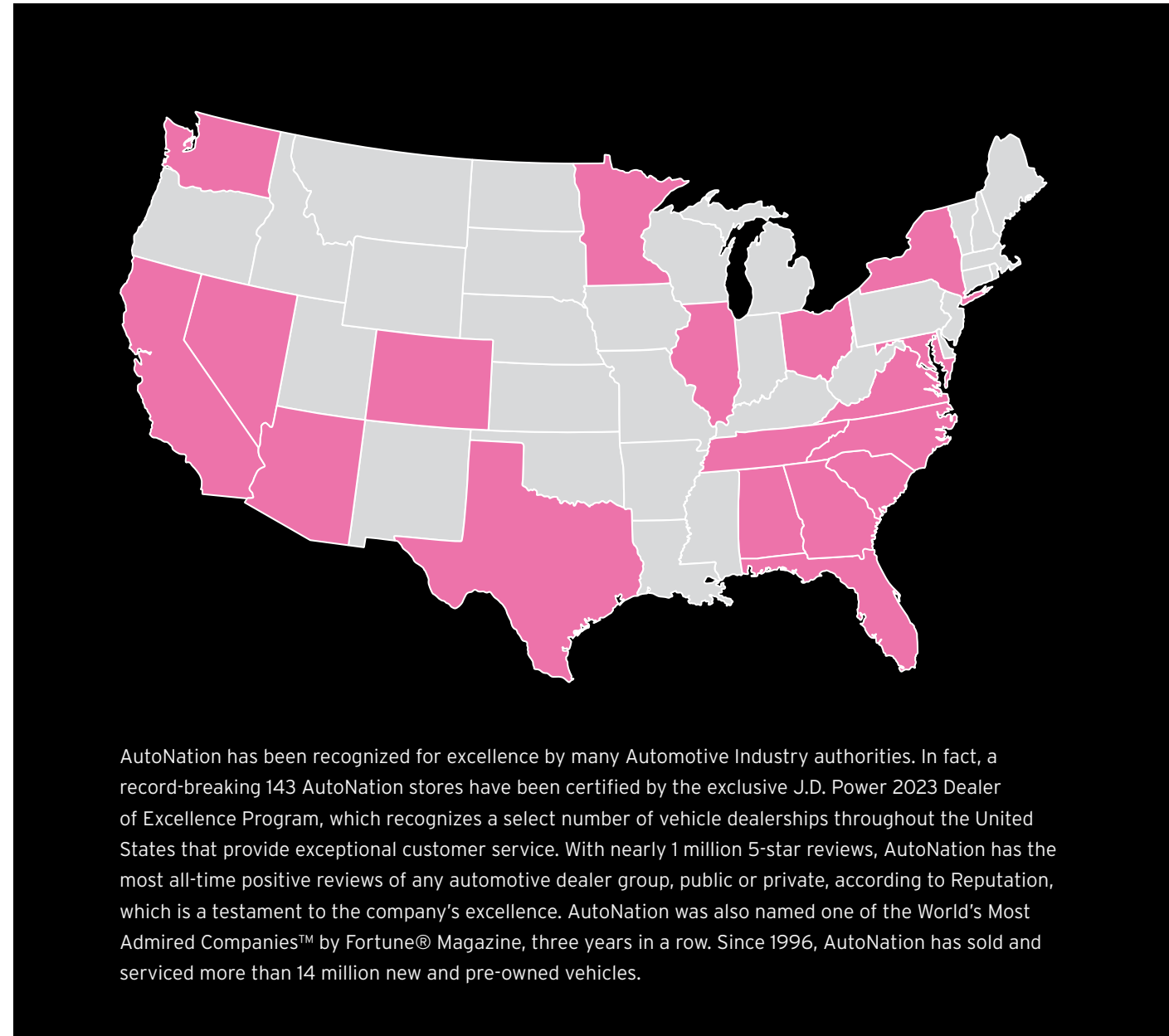
Mike Manley
CEO, AutoNation



ABOUT AUTONATION

AutoNation, a provider of personalized transportation services, is driven by innovation and transformation. As one of America's most admired companies, AutoNation delivers a peerless customer experience recognized by data-driven consumer insight leaders, Reputation and J.D. Power. Through its bold leadership and brand affinity, the AutoNation brand is synonymous with "DRVPNK" and "What Drives You, Drives Us." AutoNation is committed to being the nation's most comprehensive transportation solutions provider with easy, transparent, and customer-centric services. As of December 31, 2022, we owned and operated 343 new vehicle franchises from 247 stores located in the United States, predominantly in major metropolitan markets in the Sunbelt region. Our stores, which we believe include some of the most recognizable and well-known in our key markets, sell 33 different new vehicle brands. The core brands of new vehicles that we sell, representing approximately 89% of the new vehicles that we sold in 2022, are manufactured by Toyota, Honda, Ford, General Motors, Stellantis, Mercedes-Benz, BMW, and Volkswagen. As of December 31, 2022, we also owned and operated 55 AutoNation-branded collision centers, 13 AutoNation USA used vehicle stores, 4 AutoNation-branded automotive auction operations, 3 parts distribution centers and an auto finance company.

We offer a diversified range of automotive products and services, including new vehicles, used vehicles, "parts and service" (also referred to as "After-Sales"), which includes automotive repair and maintenance services as well as wholesale parts and collision businesses, and automotive "finance and insurance" products (also referred to as "Customer Financial Services"), which include vehicle service and other protection products, as well as the arranging of financing for vehicle purchases through third-party finance sources. We also offer indirect financing on certain vehicles we sell, as well as on installment contracts acquired by our captive finance company through third-party independent dealers.



AutoNation has been recognized for excellence by many Automotive Industry authorities. In fact, a record-breaking 143 AutoNation stores have been certified by the exclusive J.D. Power 2023 Dealer of Excellence Program, which recognizes a select number of vehicle dealerships throughout the United States that provide exceptional customer service. With nearly 1 million 5-star reviews, AutoNation has the most all-time positive reviews of any automotive dealer group, public or private, according to Reputation, which is a testament to the company's excellence. AutoNation was also named one of the World's Most Admired Companies™ by Fortune® Magazine, three years in a row. Since 1996, AutoNation has sold and serviced more than 14 million new and pre-owned vehicles.

AUTONATION'S ESG PROGRAM

We are committed to conducting operations in an ethical and socially responsible way, and we are sensitive to the needs of the environment, our customers, our suppliers, our stockholders, our associates, and the communities in which we operate.

Oversight

Our Board of Directors has delegated oversight of our ESG practices and policies to its Corporate Governance and Nominating Committee. The Committee reviews and evaluates the Company's programs, policies and practices relating to social and environmental issues and receives updates from the Company's management team responsible for significant social and environmental activities.

To demonstrate our ongoing commitment to ESG matters, we formalized our ESG governance structure in 2021. Reporting directly to our Executive Committee, our cross-functional ESG Leadership Team is comprised of senior leaders from across the Company who establish the strategy and direction for AutoNation's approach to ESG, including representatives from the human resources, procurement, facilities, legal, investor relations, and finance departments.



A smiling woman with long dark hair, wearing a black BMW jacket with a BMW logo on the chest and 'VEGAS' on the sleeve, is the central focus. She is surrounded by other people in a bright, indoor setting, possibly a convention or event. The background is slightly blurred, showing other attendees and bright lighting from large windows.

OUR PEOPLE

FOCUSING ON OUR PEOPLE

We believe our people are the foundation of our success as an organization at AutoNation, and we are committed to ensuring we create an environment where all associates feel valued, respected, and empowered to achieve at their highest potential. We seek to develop and foster a diverse and inclusive culture based on ethics and integrity that truly enables our associates to Go Be Great.

How we attract, develop, and retain great people is crucial to driving the kind of culture we want to create at AutoNation. While there are many aspects to running a successful company, none matter as greatly as our associates who make it happen each day.

In 2022, AutoNation launched its “Go Be Great” company-wide initiative which characterizes the collective drive, ambition, and determination of our associates to be the best each and every day, leading the way in customer excellence. The initiative focuses on multiple aspects of our talent efforts, including recruitment and retention in each of our markets from retail sales and service technicians to corporate positions. AutoNation provides comprehensive benefits packages, extensive on-the-job training and opportunities for career growth, inspiring employees to “Go Be Great.”

With over 320 locations from coast-to-coast, our recruitment efforts are extensive, with branded advertising nationwide on several well-known online job websites. As of December 31, 2022, we employed approximately 23,600 full-time and part-time employees, whom we refer to as “associates.”

We also recruit via colleges and universities, including a summer paid internship experience—a coveted 10-week opportunity to gain exposure to executive leaders, training and learning experiences. In addition, we also offer other internship opportunities at our local dealerships and in our corporate headquarters throughout the year.

In 2023, we look to continue building upon these efforts by further enhancing the opportunities and benefits we provide to our associates. Offering competitive total rewards programs, promoting a high-performance culture that engages a diverse and innovative workforce, and providing development opportunities to help advance our associates are key focuses of our people priorities.



Developing Our Talent

Investment in AutoNation's most promising talent helps us prepare leaders with the vision, integrity, and expertise that enhance our operational excellence every day, drive store profitability, and create both positive employee and customer experiences.

AutoNation offers job-specific training programs to both new and existing associates to encourage continuous growth and development. Throughout the Company, sales associates and managers, general managers, service advisors, directors, parts associates, and others benefit from our commitment to constant learning and growth. Associates are also offered e-commerce training and access to external online learning resources as well as the opportunity to create individual development plans that target their own specific needs and career aspirations.

General Management University ("GMU") is an investment in some of our most promising talent within AutoNation aimed at developing existing and future leaders. GMU is a rolling program comprised of classroom and structured on-the-job learning activities that occur throughout the year where participants attend multiple sessions that combine comprehensive classroom-style learning with hands-on application through pre- and post-work, action planning, and touchpoints with members of leadership. Since its inception, we've had approximately 300 associates graduate from our GMU program with over 70% of graduates currently serving in General Manager and above leadership positions. In 2022, our GMU program included a total of 43 students.

Illustrating our consistent commitment to elevating the leadership skills of associates through best practices, AutoNation has continued its partnership with the University of Miami Executive Education department in 2022 to enhance our GMU Leadership

program as well as further expand to include other leadership development offerings that reach more of our associates in 2023.

Providing Continuous Learning

At AutoNation, our Leader Education and Development ("LEAD") program for high-potential associates is designed to facilitate development of our up-and-coming talent. Participants are selected for the program through nominations from management as well as from top results gleaned from our annual corporate talent review process.

We also host "Lead & Learn" online events, a series of 45-minute optional training courses, that present opportunities to learn fresh perspectives and actionable tips on innovative ways to get results on the job. These types of courses help foster our culture of continuous learning and growth, which in turn enriches the work environment for all. In 2022, more than 1,055 AutoNation managers participated in our Lead & Learn webinars.

These programs provided the opportunity for our associates to achieve personal growth through education. By making these investments in our talent within AutoNation, we best support the personal development of our associates as well as positively impact every aspect of our business that benefits from having great people achieving greatness each day.

Fostering Career Growth

In 2022, AutoNation promoted over 1,000 managers company-wide, a clear testament to the effectiveness of our recruitment, training, and retention efforts. When employees are promoted and cross-developed internally, both our current and future associates know they have a solid future with us and can be encouraged by the opportunities available to them at AutoNation.



Our organization reviews the talent within AutoNation on a regular basis to ensure our associates have the opportunity to receive the tools and information they need to help them grow and advance in their career. This also allows us to identify high potential talent and deepen our organizational knowledge of talent across the business. Through these activities, we are able to conduct discussions around potential career advancement opportunities for associates and a review of how we can best support progress towards achieving their goals.

We have also established a formal Mentorship Program that was created to offer opportunities for associates to accelerate their personal and professional development through regular interactions specific to career growth and expansion opportunities within the organization. As we look towards the future, we are excited about how we can continue to find new ways to further engage, develop, and retain our talent within AutoNation.

TOTAL REWARDS & ASSOCIATE WELL-BEING

AutoNation offers a variety of employee benefits that make up our total rewards program, such as competitive salaries and compensation plans, incentive compensation potential, and health and welfare benefits. AutoNation also provides eligible employees with a company match under its 401(k) and/or deferred compensation programs (“DCP”).

We offer many benefits at no additional cost to our associates, including our Employee Assistance Program, Company Paid Maternity Leave, and our innovative “Drive Pink”-inspired Company-paid cancer insurance plan that provides financial assistance to associates and their eligible dependents who are diagnosed with cancer. This Company-paid benefit is offered by fewer than 5% of companies nationally and it underscores our DRVFNK commitment to driving out cancer.

We also encourage our associates and their families to be mindful of their physical and mental health, and we offer programs that provide free and confidential support services for a multitude of personal issues, such as legal, family and marital, and stress and anxiety, among others.

In addition, we provide a complimentary biometric screening for our associates and their spouses to raise their awareness of certain factors that can affect their health and increase the risk of serious health-related issues.

Employees are eligible to receive annual company contributions to a health savings account from the Company based on the type of coverage selected.



Health	Financial	Work - Life Balance
Medical and Prescription Drug Coverage	Identity Theft Protection	Company Paid Maternity Leave
Free Expert Medical Opinion Program	401(k) and/or DCP Match (includes pre & post tax (Roth) contributions & a professional financial management option)	Pet Insurance and Inside Rx® Pets discount program
Dental Coverage	Flexible Spending Accounts ("FSA")	YouDecide™ Discount Programs
Vision and Hearing Discount Coverage	Tuition Reimbursement	Employee Assistance Program
Critical Illness Insurance	Health Savings Account ("HSA") Company & Associate Contributions	Fertility, Surrogacy & Adoption Programs
Supplemental Medical Accident Insurance	Short-Term & Long-Term Disability	
Supplemental In-Hospital Insurance Program	Associate Discount Programs for Automobile Purchases and Repairs	
Telemedicine and Preventative Care	Life and Accident Insurance Programs	
Company Paid Cancer Insurance	Legal Insurance	

Providing a Safe Workplace Environment

Our associates are trained and expected to abide by all applicable environmental, health and safety polices, as well as applicable environmental laws and regulations that govern the specific work they do.

Maintaining facilities free from recognized hazards, operating equipment safely with all safety devices in place, and wearing personal protective equipment wherever required are some of the many ways we make the proverbial "ounce of prevention" work toward the overall success of our ESG program.

Working at AutoNation

Interesting and challenging work, a great team environment, and competitive pay is the kind of company culture we're focused on driving at AutoNation—one in which people feel they can build a career and support their future.

AutoNation proudly reports the average hourly wage for our in-store associate base (excluding corporate management and associates) is approximately \$36.87, with less than 1% of in-store associates earning minimum wage.

OUR CULTURE

AutoNation strongly believes that building an inclusive, diverse culture is essential to attract and retain the best talent that will foster a welcoming customer experience in the communities where we live and work. We believe that nurturing a culture that respects, values, and celebrates our differences is not only the right thing to do but is also vital for driving long-term sustainable growth. We are committed to creating an environment where our associates bring their authentic selves to work.

Our approach is to cultivate the talent that reflects the markets we serve and live in, to build an inclusive culture that engages and unleashes the brilliance of our full workforce, and to impact the business by providing innovative products and services, resulting in better business outcomes.

Listening to Our Associates

As we continue to establish a culture where all associates live our “Go Be Great” values each and every day, we recognize how critical listening to our associates is to shape our future. When we understand what our associates need, we are better able to identify what actions we must take to create a better workplace for all. Our open-door culture is based on trust, respect, and two-way communication among team members. More than simply listening to associates, AutoNation provides managers with tools they need to be able to address associate feedback constructively with actionable next steps.

In October 2022, we conducted a company-wide associate engagement survey, and key findings from the survey have been used to establish performance objectives. Actions derived from the engagement survey created a catalyst that made positive improvement on both a company-wide scale, as well as down to individual teams. The survey asked questions on

12 different topics, including overall engagement, manager relationship, growth and development, and safety. Open-ended topics, such as identifying strengths and opportunities were asked as well, with an extremely high response rate. More than 14,000 associates took the time to share their thoughts on life at AutoNation during the 2022 annual survey. Moving towards the future, AutoNation will continue to survey our associates from time to time to capture the momentum that was started in 2022. We intend to expand this program to include more robust onboarding and associate check-ins. These additional opportunities will allow the company to see holistic information on the lifecycle of our associates. The combined effort of these touch points drives AutoNation to improve the culture of the organization.





ONE AUTONATION

At AutoNation, our associates reflect the diverse demographics of the customers we serve, representing various ethnicities, races, genders, ages, physical abilities, and personal backgrounds. Leveraging the strengths of our associates, we gain a deep understanding of the vehicles and services our customers desire. We are dedicated to ensuring that each individual feels valued, respected, and heard throughout their journey with AutoNation. Working to attract and retain diverse talent throughout our Company, we place great importance on leadership development and the need for equal ladders to advancement.

While AutoNation operates as a national company, our success is determined locally every day at each of our locations nationwide. We foster relationships with our associates and customers, viewing them as neighbors, colleagues, and friends. We understand that our achievements as a company are deeply intertwined with the well-being of our associates and customers. By prioritizing their satisfaction and support, we strive to create a positive impact within our local communities and ensure the success of AutoNation as a whole.

In recent years, we introduced ONE AutoNation, an associate-focused initiative aimed at embracing diversity, creating a culture of belonging, and fostering continuous opportunities for learning, growth, and leadership. Our ONE AutoNation mission remains dedicated to advancing towards a more inclusive world. To uphold these principles, our associates are guided by current policies, procedures, and training programs that prioritize treating everyone with respect and providing equal opportunities for reaching their full potential.

As a component of our ONE AutoNation initiative, we have implemented an enterprise-wide social networking service to foster engagement among associates. This platform encourages interaction, facilitates exploration of monthly celebrations and observances, supports diversity and inclusion through community chat groups, nurtures growth and development opportunities, and promotes active community involvement. By leveraging this networking service, our associates can connect, share knowledge, and contribute to a collaborative and inclusive environment.

Building Our DEI Foundation

We started our journey by creating the Diversity Council and developing our ONE AutoNation framework, which was instrumental in building the foundation to help drive awareness of diversity and inclusion across the organization. We launched four business resource groups (“BRGs”), BELEAF (Black Employees Lead Empower Aspire for the Future), HALO (Hispanic and Latinx Outreach), WIN (Women’s Innovation Network), and Pride, with a purpose to help create an inclusive culture that supports the overall culture, diversity, equity, and inclusion strategy at AutoNation.

The BRGs play a critical role in shaping our culture, fostering inclusion, and developing future leaders. To continue to drive awareness, the BRGs partner with various departments to create heritage events throughout the year (e.g., Black History Month, Juneteenth, Women’s History Month, Hispanic Heritage Month, and Pride Month), and fireside chats to discuss diversity and inclusion topics.

Through ONE AutoNation, we’ve taken our first steps by establishing the Diversity Council to promote a more diverse workforce and cultivate a sense of belonging. As we continue to evolve as an organization, we remain committed to improving the Associate experience by encouraging an environment that values, respects, and celebrates our differences with ongoing education and collaboration.



Next Steps

We are proud of the progress we have made in developing a culture that is diverse and inclusive, but we also acknowledge that our journey is far from having achieved our true potential. We are continuing to build and strengthen our current Diversity and Inclusion framework that will position us as a great place to work for future generations.



COMMUNITY



AutoNation is committed to supporting the communities in which we operate, and we encourage our associates to be active members in the communities where they live and work through volunteerism and charitable giving.

As the visual reminder of a pink ribbon signifying breast cancer awareness has evolved over the years to symbolize general awareness that cancer touches virtually everyone's life, no matter who they are or where they're from, we're proud to have taken a major role in bringing that message to the world through our DRVPNK mission.

More than a charitable focus on cancer research and treatment, DRVPNK is a core element of our corporate culture and has impacted customers, associates, and our communities in meaningful ways. Every car we sell helps to raise awareness with a "DRVPNK" plate. Vehicles sold at our AutoNation locations are fitted with a "DRVPNK" license plate frame as a symbol of our commitment to "driving out" cancer. More than two million license plate frames have been distributed to date.

Through the combined efforts of our associates, vendors, partners, customers, and executive leadership, we have raised and donated over \$37 million to fund national cancer research and treatment facilities from coast to coast through our philanthropic activities. Those have included founding the AutoNation Institute for Breast Cancer Research and Care at the NSU Center for Collaborative Research, supporting the Moffitt Cancer Center, the Breast Cancer Research Foundation at Cleveland Clinic, and other leading cancer facilities.

AutoNation has awarded more than 30 research grants through the Breast Cancer Research Foundation, with nearly \$1 million raised through the credit card donation part of the DRVPNK program in 2022. Similarly, through the organization ZERO—the End of Prostate Cancer, we helped enhance access to cancer screenings for minority communities, and we were awarded the Bold for Blue Award from ZERO for our impact on their mission to end prostate cancer. We also launched the AutoNation Institute for Cell Therapy & Cancer Research at Cleveland Clinic Florida's Research and Innovation Center.

Thanks to amazing partnerships, like the one we share with Inter Miami CF, an American professional soccer club based in South Florida, and the DRVPNK Stadium, we have been able to make a considerable impact in the fight against cancer. Located in Fort Lauderdale, DRVPNK Stadium is home to Inter Miami CF. More than just a place to watch soccer, the DRVPNK Stadium is about driving awareness of a proven mission that has raised millions for cancer research and treatment. Together, the two companies leverage the power of their brands to raise funds and awareness for cancer, a cause that touches everyone.

Through our individual locations, we have created relationships with more than 75 local and national cancer charities. Our presence is felt at local community-based cancer events, as teams of our associates represent AutoNation at runs, walks, and other fundraisers.

Each year since 2015, AutoNation associates from coast to coast unite to honor those touched by cancer on "DRVPNK Across America Day." Through DRVPNK, AutoNation annually assembles and delivers thousands of "Totes for Hope" bags stuffed with comfort items for children and adults undergoing cancer care at hospitals in our markets.



ENVIRONMENT

DRIVING FORWARD RESPONSIBLY

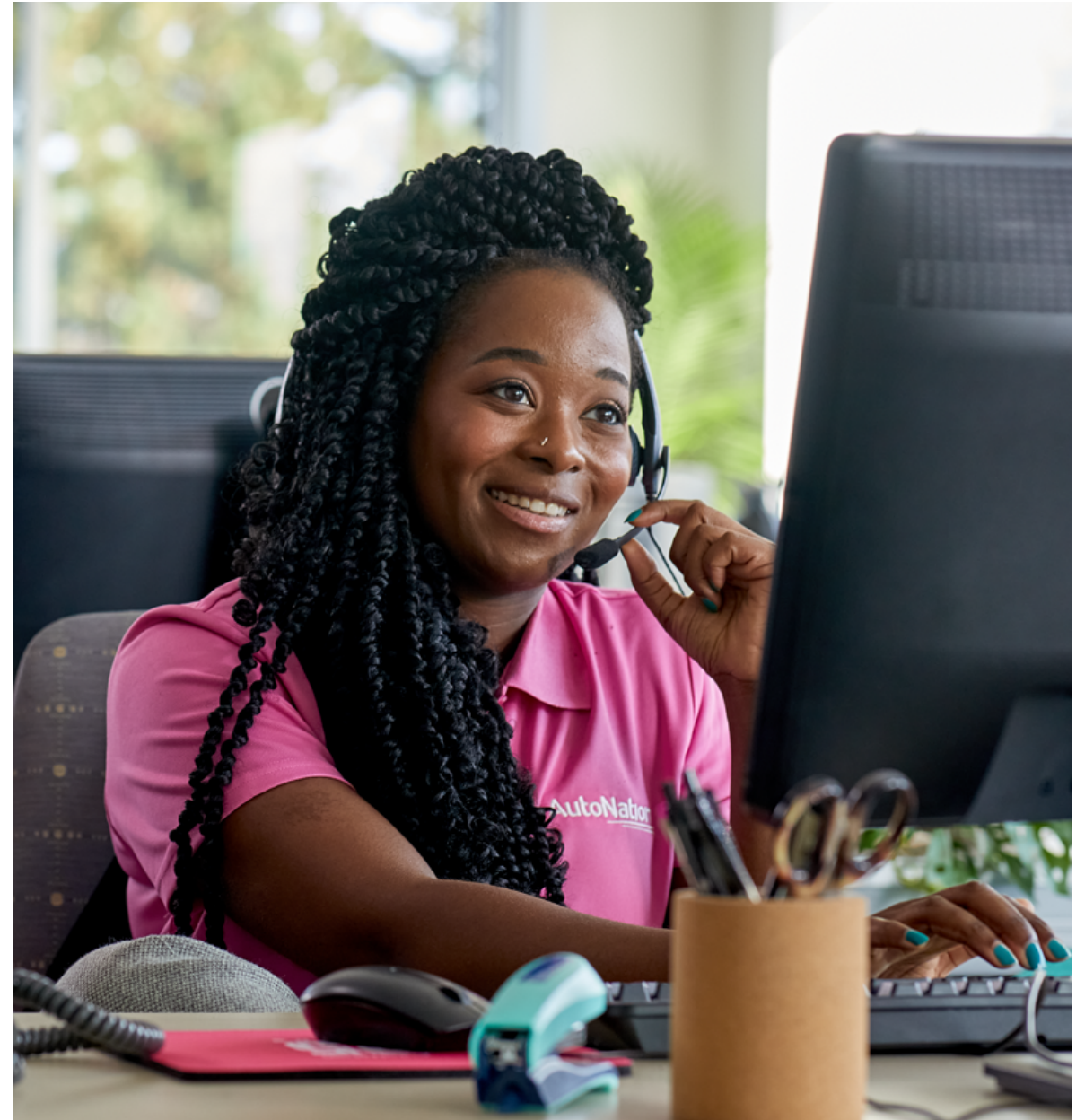
AutoNation takes our customers' trust to heart as the nation's most admired automotive retailer, and we are committed to environmental stewardship through reducing our environmental impact. Our commitment to minimizing environmental impact is what drives our sustainability efforts. That's why we have a dedicated Environmental, Health and Safety ("EHS") Compliance program aimed at ensuring that all of our associates know they have a part to play in the success of AutoNation's sustainability efforts.

Being sensitive to the needs of the environment, our customers, our suppliers, our stockholders, our associates, and the communities in which we operate means we are committed to conducting operations in an ethical and socially responsible way and complying with environmental laws and regulations that govern our business.

Our commitment to reducing our environmental impact goes hand in hand with workplace safety, employee health, and good governance. We have given our associates step-by-step tools to help them comply with applicable EHS requirements and to encourage ways to reduce our Company's environmental footprint.

Through management, monitoring, feedback and evaluation, AutoNation is actively working to reduce environmental impacts of our operations, while developing the most optimal and appropriate operational standards and programs to improve our environmental performance.

Putting best practices to work like recycling initiatives, hazardous waste reduction, and pollution prevention isn't just something to talk about, it's the AutoNation way.



DEDICATED, RESPONSIBLE ENVIRONMENTAL MANAGEMENT POLICY

Proactive management of environmental impact, workplace safety, and employee health is important to the long-term success of each of our locations, as well as AutoNation as a whole.

We are committed to pursuing strategies that reduce environmental impacts in relation to our operations and seek to develop, monitor, and manage appropriate operational standards and programs to improve environmental performance.

AutoNation's EHS Compliance Program, which includes training and consulting support at all AutoNation locations, is designed to meet our commitment to reducing our environmental impact by:

- implementing AutoNation's standards of practice for managing compliance with applicable EHS regulations and developing step-by-step guidance for compliance with all applicable EHS requirements in the form of standard operating procedures;
- supporting recycling initiatives and pollution prevention practices throughout our organization;
- encouraging ways to reduce the generation of hazardous waste;
- promoting environmental awareness to all associates and encouraging solution sharing and best practices at all AutoNation locations;

- assessing the environmental impacts of our activities and setting appropriate environmental improvement objectives.

It is the responsibility of management at all AutoNation locations to ensure compliance with AutoNation's environmental policies and applicable environmental laws and regulations.

We are committed to pursuing strategies that reduce environmental impacts in relation to our operations and seek to develop, monitor, and manage appropriate operational standards and programs to improve environmental performance.

Good leadership in this regard can substantially mitigate the auto industry's environmental impact, so AutoNation has stepped up to the task. For example, AutoNation's recycling programs have managed to successfully divert nearly one-quarter of our overall solid waste from landfills in 2021 and in 2022.

We seek to maximize our recycling efforts and hazardous waste management in every facet of our auto sales, service, and repair business, whether it's water, oil, tire rubber, scrap metal, paper, plastic, car batteries, radiator cores, or other related materials.

In 2022, AutoNation recycled approximately 23% of the total solid waste we generated. Our company-wide sustainability efforts resulted in approximately:

3,600,000
gallons of used motor oil recycled

358,000
gallons of used oil filters recycled

73,000
gallons of antifreeze recycled

1,054
tons of cardboard recycled

The numbers above were derived from reports made available to AutoNation by our national partners at Safety-Kleen, Quest Resource Management, Factory Motor Parts, and ENGIE Insight, and are only a partial account of all of AutoNation's sustainability efforts for 2022.

MANAGING SUSTAINABILITY EFFORTS

We continue to expand our AutoNation USA used vehicle store footprint throughout the country. The current expansion of our AutoNation USA pre-owned vehicle store network has presented us with opportunities to help reduce environmental impact by implementing green building and operations practices in our new construction plans as well as in our building upgrades and remodeling. In our construction plans for new buildings, we are incorporating a variety of environmentally-conscious ways to reduce our carbon footprint where practicable and possible, such as reducing water consumption by installing waterless and low-flow plumbing fixtures, utilizing locally sourced materials, retrofitting building coolant systems, and providing alternative energy sources.

Another seemingly small change we've made that carries a big overall impact has been installing or converting to LED lighting where possible and practicable. To date, more than 55% of AutoNation dealerships have upgraded to exterior LED lights—a substantial change given the amount of required lighting on showroom floors and acreage comprising our shopping and service areas nationwide.

Commitment starts at the top, which is why our headquarters in Fort Lauderdale, Florida is a LEED (Leadership in Energy and Environmental Design) “Gold Certified” corporate building and an Energy Star-rated building. It is one of several LEED-certified properties that we occupy as an organization. In addition, our headquarters was recently recertified as “Gold” by the United States Green Buildings Council. Among its numerous awards, the building is the recipient of the National Association for Industrial and Office Parks' Green Project of the Year and has been a consecutive winner in the Building Owners & Managers Association, The Outstanding Building of the Year Earth Category, given its extensive environmentally friendly construction and management.

AutoNation owns 11 current and pending LEED certified facilities. LEED, which is the most widely used green building rating system in the world, provides a framework for healthy, highly efficient, and cost-saving green buildings.

In addition, 9 of our Honda and Acura dealerships received the Honda and Acura Environmental Leadership Award, which recognizes independently owned dealers' efforts to reduce their carbon footprint measurably and verifiably.





DRIVING ELECTRIFIED

As America transitions increasingly toward electric vehicles (“EVs”), AutoNation offers a wide variety of environmentally friendly vehicles, including electric and hybrid vehicles. Given the growing popularity of EVs, we’ve also created a “Driving Electrified” section of our purchasing website to help customers shop and compare different EV models.

We expect our manufacturer partners to continue to enhance their offerings of these types of vehicles and we’re getting ready for a whole new way of selling and servicing vehicles. AutoNation participates in all available manufacturer EV programs and has completed several of these programs as of December 31, 2022.

These programs are helping guide us with exciting new showroom branding elements and making sure we’re prepared to keep our customers’ EVs running smoothly with the proper service equipment. At many of our locations, we’ve installed electrical infrastructure upgrades such as service lifts and special tools, like forklifts and battery containment centers needed to get EV owners and their vehicles in and out of the service department as expeditiously as possible.

Most popular with our customers has been the addition of customer-facing EV charging capabilities at many of our locations, many of which offer EV charging free of charge to customers. We have installed over 1,100 EV chargers at our locations throughout the country.

A man and a woman are standing in a car dealership, looking at a tablet together. The man is wearing a dark blue polo shirt with the Mercedes-Benz logo and the text 'Mercedes-Benz' on it. The woman is wearing a light-colored top and a reddish-brown blazer. They are both smiling. In the background, there are cars on display and large windows.

GOVERNANCE & ETHICS

Whether we act as a company or as individuals, we can only achieve long-term success by making ethical decisions and fully complying with the laws that govern our business. Without exception, taking the high road in all circumstances is our imperative.

To help our associates make the best decisions, AutoNation policies are available online where they can be referenced by those seeking more detailed information in situational examples where standards of conduct are concerned.

Trust Starts at the Top

Good corporate governance and strong ethics require a dedicated, structured commitment to oversight and accountability. At AutoNation, that starts at the top with our Board of Directors.

To put words into deeds, our Board and its Corporate Governance and Nominating Committee developed and oversee a Code of Business Ethics (“The Code”) as the guiding framework. They’ve also established support tools such as required companywide training to ensure each member of our AutoNation team understands and follows the same principles and protocols.

The Code and related policies support our commitment to lawful and ethical business conduct, and covers everything from how to maintain a safe and ethical workforce, to guidelines for keeping accurate records, social media best practices, and dealing with government officials in the political community. We also adopted a Code of Ethics for Directors and a Code of Ethics for Senior Officers.

AutoNation’s high standards play a vital role in letting our stockholders, associates, customers, suppliers, regulators, and others know they can trust and depend on us.



The Code helps us navigate the legal and ethical challenges the AutoNation team can face. Because our business depends on our reputation for integrity, the policies referenced in the Code often go beyond the requirements of the law.

No matter what position someone at AutoNation may hold, their guiding principle should be honesty, fairness, respect, and responsibility in all workplace interactions and business dealings.

Everyone at AutoNation has a responsibility to report known or suspected violations of law or Company policy so that potential problems can be addressed in a timely manner, thus enabling us to maintain our high standards of conduct.

AutoNation maintains a 24-hour toll-free, third-party “AlertLine” for anyone to report any knowledge or suspicions of Company policy violations of our Business Ethics Program. Associates can choose to make their report anonymously. This service connects callers with a trained, independent representative from whom they can also simply seek guidance, whether it’s a routine workplace issue, or something more serious such as harassment, illegal discrimination, fraudulent sales practices, or any violation of law. Reports can also be made anonymously online and in the local language of the particular geographic area.

AutoNation strictly prohibits retaliation against any associate who makes a report or participates in any investigation of a report.

Board Oversight

To help ensure that our Corporate Governance Guidelines remain responsive to the auto industry’s dynamic needs, our Board’s Corporate Governance and Nominating Committee conducts a periodic review and recommends annually to the Board any appropriate changes in light of updates to applicable laws and regulations, standards identified by leading governance authorities, and our Company’s evolving needs.

A diverse group of leaders, our Board members have experience serving as executive officers or on other boards and board committees of major companies. Many of them also have extensive corporate finance and investment banking experience, as well as a broad understanding of capital markets. They oversee AutoNation’s business and affairs and, along with stockholders, serve as the ultimate decision-making body of the Company.

A majority of our Board of Directors is independent and each member of our Audit, Compensation, and Corporate Governance and Nominating committees is also independent. All of our directors must stand for re-election annually and be elected by a majority of our stockholders.

Rick L. Burdick, one of our independent directors, currently serves as our Chairman of the Board.

The Board’s mission is to maximize long-term stockholder value. Engaging with current and prospective stockholders and obtaining their perspectives is an important driver of AutoNation’s success. Our integrated outreach team proactively communicates the Company’s direction to our stockholders by participating in activities such as quarterly financial results conference calls, industry conferences and events, and one-on-one meetings.

Dignity for All

AutoNation formalized our corporate values into a Human Rights Policy published on our Investor Relations website. Setting high standards in human rights means we expect our business partners, vendors, and suppliers to share in our commitment to stop human trafficking, forced labor, child labor, harassment, or abuse of any kind. In our “Rules of the Road,” we state our expectations and monitor our business relationships to ensure our partners consistently operate with these same ethical principles.

In the United States, for example, we’re affiliated with the Florida State Minority Supplier Development Council, one of 23 local councils affiliated with the National Minority Supplier Development Council which focuses on advancing business opportunities for certified minority business enterprises.

To do our part in driving an economic cycle that follows International Labor Standards in valuing human dignity and prosperity for all, AutoNation is committed to purchasing products and services at a fair value regardless of the manufacturer or provider, or their location in the world.

With these strong policies and clear-sighted self-evaluation, our goal is to make a positive impact so people can thrive, whether they’re our employees, customers, vendors, or manufacturers.

A Safe, Ethical Workplace

It's often said that a little respect goes a long way. At AutoNation, we believe employees who know they are valued and appreciated are always our best ambassadors.

People devote their best efforts to an environment where they can grow and succeed unhindered by illegal discrimination or harassment. At AutoNation, equal employment opportunity is more than a legal requirement. It's about knowing each person has a unique and special contribution to make toward our success, no matter who they are, where they're from or what they look like or believe in.

Harassment can take many forms, especially in the workplace. Whether it's intentional or unintentional, sexual or not, harassment has no place at AutoNation and is not tolerated in any manner. Both employees and managers know they must work together to prevent and report any intimidating, hostile, or offensive conduct, even by a non-employee, if necessary. Similarly, workplace violence or even threats of harm are unacceptable, as are bringing any weapons to work, regardless of whether the individual is licensed to carry them. If lawful searches on Company property are required to ensure that dangerous materials or items are not present, AutoNation cooperates fully to ensure they are carried out.

AutoNation is committed to maintaining an alcohol and drug-free working environment. We prohibit the unlawful possession, use, sale, manufacture, distribution, or dispensation of illegal substances or other unauthorized, mind-altering, or intoxicating substances by any associate while on Company premises or on Company business.

AutoNation also believes in the fundamental right of all employees to engage in freedom of association and collective bargaining, and we comply with all applicable state and federal laws. As of December 31, 2022, we employed approximately 23,600 full-time and part-time associates, approximately 175 of whom were covered by collective bargaining agreements.

We also follow the requirements of federal, state, and local law, as applicable, in the payment of minimum wages, overtime compensation and other pay practices.

Cybersecurity

In our digital world, ensuring cybersecurity and data privacy risk management on all levels is a paramount component of good business. We have developed and continue to enhance our cybersecurity governance program to protect the security of our computer systems, software, networks, and other technology assets against unauthorized attempts to access confidential information or to disrupt or degrade business operations.

Our cybersecurity governance program is an integrated IT risk management process that aims to (1) proactively manage cyber and information security risks at AutoNation; (2) implement the internal controls required by cybersecurity regulatory requirements as well as AutoNation's information security control objective documents and information security standards, and (3) improve the efficiency, maturity, and effectiveness of technology functions and processes.

We regularly evaluate new and emerging risks and ever-changing legal and compliance requirements and examine the effectiveness and maturity of our cyber defenses through various means, including internal audits, targeted testing, incident response exercises, maturity assessments, and industry benchmarking.



In addition, we dedicate significant resources to securing our systems and protecting confidential information such as firewalls, endpoint protection and behavior analysis tools, among others.

To substantially curtail breaches, our associates and contractors are actively engaged in maintaining our cybersecurity integrity through training and annual refresher courses to help them spot the myriad ways hackers can attack.

Our Board of Directors has delegated oversight of our cybersecurity risk management to its Audit Committee. On a quarterly basis, the Committee reviews with management significant risks related to cybersecurity and receives regular updates on our cybersecurity policies and protocols to stay informed on all information technology system and network metrics.

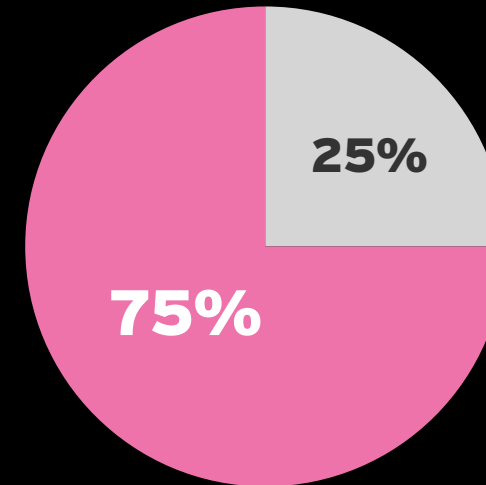
BOARD COMPOSITION

Governance structure and composition:

Our Board of Directors is committed to sound corporate governance principles and practices, which are set forth in our Corporate Governance Guidelines that serve as a framework within which our Board conducts its operations. The Corporate Governance and Nominating Committee of our Board is charged with reviewing annually, or more frequently as appropriate, the Guidelines and recommending to our Board appropriate changes in light of applicable laws and regulations, the governance standards identified by leading governance authorities, and our Company's evolving needs.

Gender Diversity (%)

● Men ● Women



Racial/Ethnic Diversity (%)

13%
People of Color

10

Average tenure
(in years)

61

Average age
(#)

88

Independence
(%)

Table 1

SASB INDEX

Table 1 sets forth disclosures and data as of December 31, 2022, related to the industry-specific disclosure topics and accounting metrics pursuant to the Sustainability Accounting Standards Board (“SASB”) Standards for Multiline and Specialty Retailers & Distributors industry.

Topic	Accounting Metric	SASB Code	Disclosure or Data
Energy Management in Retail & Distribution	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-MR-130a.1	(1) 1,363,168 gigajoules (GJ) . (2) 100% (3) 0%
Data Security	Description of approach to identifying and addressing data security risks	CG-MR-230a.1	<p>We have developed and continue to enhance our cybersecurity governance program to protect the security of our computer systems, software, networks, and other technology assets against unauthorized attempts to access confidential information or to disrupt or degrade business operations. Our cybersecurity governance program is an integrated IT risk management process that aims to (1) proactively manage cyber and information security risks at AutoNation; (2) implement the internal controls required by cybersecurity regulatory requirements as well as AutoNation’s information security control objective documents and information security standards, and (3) improve the efficiency, maturity, and effectiveness of technology functions and processes.</p> <p>We regularly evaluate new and emerging risks and ever-changing legal and compliance requirements and examine the effectiveness and maturity of our cyber defenses through various means, including internal audits, targeted testing, incident response exercises, maturity assessments and industry benchmarking. In addition, we dedicate significant resources to securing our systems and protecting confidential information such as firewalls, endpoint protection and behavior analysis tools, among others.</p> <p>Despite our efforts to ensure the integrity of our computer systems, software, networks, and other technology assets, we may not be able to anticipate, detect, or recognize threats to our systems and assets, or to implement effective preventive measures against all cyber threats, especially because the techniques used are increasingly sophisticated, change frequently, are complex, and are often not recognized until launched.</p>

Topic	Accounting Metric	SASB Code	Disclosure or Data
Data Security (continued)	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	CG-MR-230a.2	(1) 0 (2) 0 (3) 0
Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	CG-MR-310a.1	AutoNation's average hourly wage for the employee base described below is \$36.87. The percentage of in-store employees earning minimum wage is 0.67%. Most employees earn above the minimum wage in all states in which we operate.
	(1) Voluntary and (2) involuntary turnover rate for in-store employees	CG-MR-310a.2	(1) 36% (2) 3%
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	CG-MR-310a.3	There were no material monetary losses as a result of legal proceedings associated with labor law violations in 2022.

Topic	Accounting Metric	SASB Code	Disclosure or Data					
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	CG-MR-330a.1	Gender Workforce Representation					
				Women %	Men %			
			Management	19%	81%			
		All Other Employees	19%	81%				
			Racial/Ethnic Group Workforce Representation					
			Asian %	Black or African American %	Hispanic or Latino %	White %	Other %	
			Management	6%	7%	19%	64%	4%
			All Other Employees ¹	6%	11%	33%	44%	6%
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	CG-MR-330a.2	There were no material monetary losses as a result of legal proceedings associated with employment discrimination in 2022.					

¹ Includes the classifications: Native American or Alaska Native, Native Hawaiian or Pacific Islander, and "Two or More Races." Figures may not sum to 100% due to rounding.

Table 2

ACTIVITY METRICS

Table 2 discloses a set of metrics that quantify the scale of the company's business as of December 31, 2022 and are intended for use in conjunction with the SASB accounting metrics to normalize data and facilitate comparison.

Topic	Accounting Metric
Total revenues (\$M)	26,985
Associates	23,600
Number of: (1) retail locations and (2) distribution centers	
Franchise stores	247
Collision centers	55
AutoNation USA stores	13
Auctions	4
Parts distribution centers	3

Forward Looking Statements

This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Words such as “anticipates,” “expects,” “intends,” “goals,” “targets,” “projects,” “plans,” “believes,” “continues,” “may,” “will,” “could,” and variations of such words and similar expressions are intended to identify such forward-looking statements. Statements regarding our strategic initiatives, partnerships, or investments, statements regarding our expectations for the future performance of our business and the automotive retail industry, and other statements that describe our objectives, goals, or plans, are forward-looking statements. Our forward-looking statements reflect our current expectations concerning future results and events, and they involve known and unknown risks, uncertainties, and other factors that are difficult to predict and may cause our actual results, performance, or achievements to be materially different from any future results, performance, and achievements expressed or implied by these statements. These risks, uncertainties, and other factors include, among others: our ability to implement successfully our strategic initiatives, partnerships, and investments, including the planned expansion of our AutoNation USA stores; our ability to identify, acquire, and build out suitable locations in a timely manner; our ability to integrate environmentally-conscious building and operating standards at our locations, including manufacturer-related environmental initiatives and programs; our ability to develop successfully our digital and online capabilities; our ability to maintain and enhance our retail brands and reputation and to attract consumers to our own digital channels; our ability to acquire and integrate successfully new franchises; restrictions imposed by vehicle manufacturers and our ability to obtain manufacturer approval for acquisitions; economic conditions, including changes in unemployment, interest, and/or inflation rates, consumer demand, fuel prices, and tariffs; supply chain disruptions and inventory availability; new and used vehicle margins; our ability to attain planned sales volumes within our expected time frames; our ability to successfully implement and maintain expense controls; the success and financial viability and the incentive and marketing programs of vehicle manufacturers and distributors with which we hold franchises; the response by federal, state, and local governments and other parties to, and the economic impacts of, the COVID-19 pandemic; natural disasters and other adverse weather events; the resolution of legal and administrative proceedings; regulatory factors affecting our business, including fuel economy requirements; the announcement of safety recalls; factors affecting our goodwill and other intangible asset impairment testing; and other factors described in our news releases and filings made under the securities laws, including, among others, our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. Forward-looking statements contained in this report speak only as of the date of this report, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.



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