



**SUSTAINABILITY
REPORT
2022**

GROUP 1 AUTOMOTIVE®



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Letter from our CEO



Daryl Kenningham
President and Chief
Executive Officer

As Group 1 Automotive's new Chief Executive Officer, it is an honor for me to lead our company and our 15,400 teammates whose customer focus, drive for excellence, innovation and commitment to our core values, make us successful.

The automotive industry is poised to change more in the next five years than it has over the past 20 years. At Group 1, we are positioning ourselves for these changes, and our ESG journey is critical to preparing for the future.

We are committed to being great partners with everyone — our employees, customers, partners, philanthropies, vendors, and the communities where we do business. We continue to be committed to our diversity, equity, and inclusion (DEI) initiatives and our management team's goals include ESG objectives.

Employees must feel great about where they work, their contributions, and the opportunities available to them. Our commitment to our employees, vendors, and stakeholders is to conduct all business dealings in alignment with our Core Values of Integrity, Professionalism, Respect, Teamwork, and Transparency. Our success stems from integrating these core values at every level of our organization — from our dealerships, departments, and offices — everywhere we do business.

We recognize the unique position we are in to operate in a more sustainable way, from preparing for increased sales and service of electric vehicles (EVs), moving from heavy paper transactions, to digitizing car deals with AcceleRide®, our digital retail experience, and the use of robotic process automation (RPA) to eliminate paper processing of thousands of invoices every month.

Our technology and marketing investments will position Group 1 to be a substantial player in EV sales, distribution, and service. The U.K. market is much further ahead in EV adoption, and we believe the lessons we learn from EV's impact in our U.K. operations — from staffing, to margins, and pricing — will give us a unique advantage as demand for EVs in the U.S. market increases. We will continue to construct all our facilities to be leaders in environmental efficiency, with the transition to LED lighting, solar initiatives, and managing water use, with the goal of reducing waste and maximizing energy efficiencies.

Group 1 has seen great success over our first 25 years, and working together we will be positioned for success as we enter our next 25 years. This Group 1 Automotive 2022 Sustainability Report offers a look into how our Core Values and ESG initiatives are ingrained in all aspects of our Company.



About our Company

Group 1 Automotive, Inc. (Group 1 Automotive or Group 1 or the Company), headquartered in Houston, is a Texas-based Fortune 300 automotive retailer with 204 dealerships and 275 franchised locations in the United States (U.S.) and the United Kingdom. (U.K.)

Our synergistic operating model is comprised of core business lines: new and used vehicles, parts and service and financing and insurance. We offer sales and leasing packages for new and used cars and light trucks through our dealerships as well as through our digital retail experience, AcceleRide®.

The Group 1 Automotive network covers 17 states in the U.S. and operates across 35 locations in the U.K. In 2022, we acquired a BMW/Mini dealership and collision center in Southend, Essex, England, expanding the number of our U.K. dealerships to 55 (78 franchises). We also expanded our U.S. operations with the acquisition of Mercedes-Benz Anaheim in Anaheim, California, three dealerships and collision centers in Shreveport, Louisiana, Sandia Toyota in Albuquerque, New Mexico and Toyota of North Austin in Texas to a total of 149 U.S. dealerships (197 franchises) as of December 31, 2022. Deploying capital,

whether through share buybacks and dividends or strategic acquisitions are all a part of how we maintain longevity and continue to grow as a leading international automotive retailer.

We attribute our success to a strategy that leverages management experience, while emphasizing geographic and brand diversity, interrelated revenue streams, operational efficiencies and the prudent deployment of capital.

Our Core Values

As an automotive company, at our core, we are a people business. Our business success depends on our customers and the people that make up our Company. Consequently, our values underpin our commitment to conduct business in ways that are principled and accountable to key stakeholders and the business community:



Teamwork

We put the interests of the group first before our individual interests as we know that success only comes when we work together.



Respect

We treat everyone—our customers, colleagues and other stakeholders—with dignity and equality.



Transparency

We promote open and honest communication between each other and with our customers.



Integrity

We conduct ourselves with the highest level of ethics, both personally and professionally, when we sell to and perform service for our customers and we never compromise our honesty.



Professionalism

We set our standards high so that we can exceed expectations and strive for perfection in everything we do.



Fast Facts

HQ

Headquartered
in Houston, Texas



15,400+

Employees



275

Franchises



35

Brands



204

Dealerships



46

Collision Centers



51%

of U.S. Employees
are People of Color



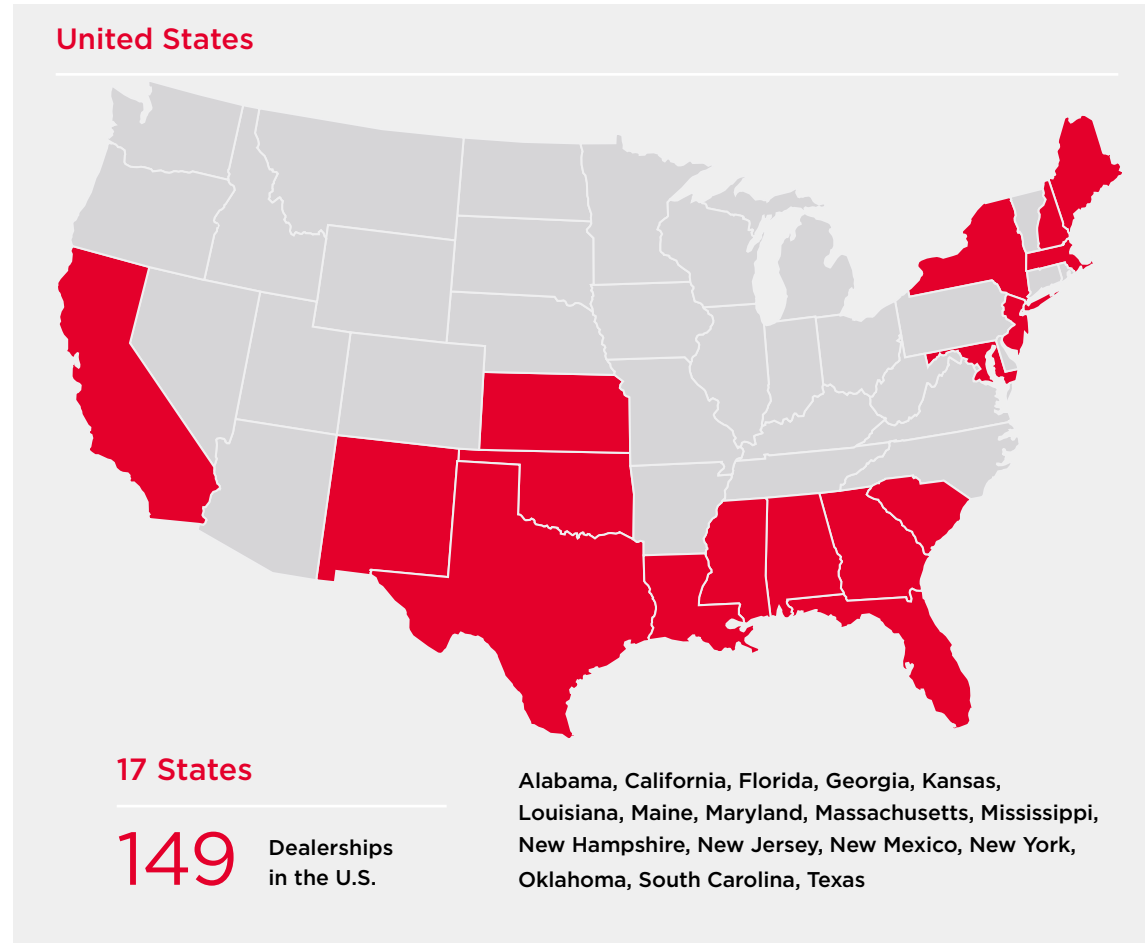
44%

of our Board of
Directors are Women
or People of Color



U.S. and U.K. data as of December 31, 2022

International Geographical Footprint



Dealership count as of December 31, 2022

About this Report



Group 1 Automotive's Sustainability Report covers our environmental, social and governance (ESG) strategies, activities, progress, metrics and performance. This year we undertook a comprehensive ESG materiality assessment, which identified a number of key topics on which the Company should focus, which we discuss in this report.

We are committed to transparently sharing our sustainability progress. Unless stated otherwise, this report reflects the progress made between January 1st and December 31st, 2022, as well as the activities and goals we hope to achieve in the future. We publish our ESG performance indicators in this report, refer to the Global Reporting Initiative (GRI) and strive to align our disclosures to

the Sustainability Accounting Standards Board (SASB). We also support the United Nations Sustainable Development Goals (U.N. SDGs) and continually endeavor to align our initiatives to seven U.N. SDGs, on [page 54](#).

For updates on our progress, please visit www.group1corp.com/ESG.

2022 ESG Highlights



First U.S. Greenhouse Gas (GHG) inventory analysis of our Scope 1 and Scope 2 GHG emissions conducted by a third-party expert



Our Chief Diversity Officer who provides executive oversight of diversity, equity and inclusion (DEI), was named a Notable Champion of Diversity in October 2022 by Automotive News



Completed an ESG Materiality Assessment that identified key ESG topics, which will be a guide for our integrated business and ESG strategy



Installed over 2,000 solar panels in 2022; with a grand total of over 8,000 panels at locations across the U.S. and U.K.



Over 600 health and safety audits conducted by a third-party expert



Made progress to align the Company's ESG disclosures with reference to the Global Reporting Initiative (GRI) Framework



Avoided an estimated 3,700 tons of GHG emissions from 2019 through 2022 by transitioning to solar power in the United States



Donated hundreds of thousands of dollars to communities in our operating regions



Appointed a Compliance Officer to oversee Group 1's U.S. compliance with laws and regulatory requirements, policies and procedures



Over 9,900 employees representing almost 90% of our U.S. workforce, took part in the U.S. Employee Engagement Survey



Our Commitment to Sustainability

Through our internal evaluation and review of our operations, including our environmental impact, health and safety efforts, employee benefits, hiring and pay practices and community engagement, we have identified opportunities to enhance our ESG efforts. In 2022, we expanded our ESG evaluation by hiring a third-party expert to do an in-depth materiality assessment of our operations. By identifying ESG priority issues, we intend to develop a comprehensive strategy to address the ESG priorities most relevant to our shareholders, while securing long-term growth, profitability and competitiveness. For more information on our materiality assessment, please go to [page 10](#).

Our Approach to ESG

ESG MATERIALITY ASSESSMENT

Building off our initial analysis in 2021, we performed our second ESG materiality assessment in 2022. Our ESG materiality assessment focused on understanding both the impact our business has on select ESG issues and the importance these issues may have on the financial success of the Company. Our assessment identified a number of issues that rank high on both scales as well as opportunities to further integrate these issues into our existing ESG strategy.

This effort included a detailed desktop study of key ESG topics relevant to the automotive industry, an analysis of survey responses from our internal and external stakeholders and interviews with executive leaders across our various business units and the members of our Board of Directors (the Board). In total, more than 750 data points were used to calculate our priority issues.

The ESG materiality assessment results enable us to prioritize our most pressing ESG issues and allocate resources for managing



them. We will continue to be attentive to opportunities to advance topics important to internal and external stakeholders while addressing the priority issues indicated by the ESG materiality assessment: employee engagement, workplace health and safety, community engagement, DEI, GHG emissions and energy and ethics and compliance.

In addition to the ESG topics identified by our ESG materiality assessment, data privacy and protection ranks highly among the ESG priority issues and Group 1 considers this a critical area to include in our ESG strategy.



PROTECTING CUSTOMER PRIVACY

Protecting our customers' personal information is one of the highest priorities for Group 1 Automotive. We collect two types of user information: personal information customers provide when doing business with us and anonymous information gathered from consumer visits to our websites. We comply with the data regulations applicable to the regions in which we operate, including the UK General Data Protection Regulation (GDPR) and California Consumer Privacy Act (CCPA). Each Group 1 Automotive location is subject to our document retention policy, which is maintained by our Legal Department. For more information on the data we collect and how we use it, please see our [Privacy Policy](#).

We believe one of the best ways to mitigate customer privacy issues is by limiting access to personally identifiable information (PII) and by frequently deleting sensitive information from our Dealer Management Systems. We require our teams to protect sensitive personal information from inappropriate or unauthorized use or disclosure and to report issues as they arise. Employees are trained to understand how to manage, use and protect PII. We also

employ multiple programs that monitor our retained data by identifying PII and take the appropriate actions to secure the data.

We also work to manage risks to customer information through our vendor and partner relationships. Any vendor with access to PII is required to enter into our data processing services agreement and must adhere to our policies and standards.

We have a multi-layered system to protect and monitor data and technological risk. In addition to our firewalls and protection software, we rely on a third-party vendor for additional alerts regarding suspicious activity. Independent cybersecurity experts assess our security safeguards regularly. We align our cybersecurity framework to national and international standards such as the Center for Internet Security's Top 20 Critical Security Controls as well as cybersecurity regulations and industry guidelines.

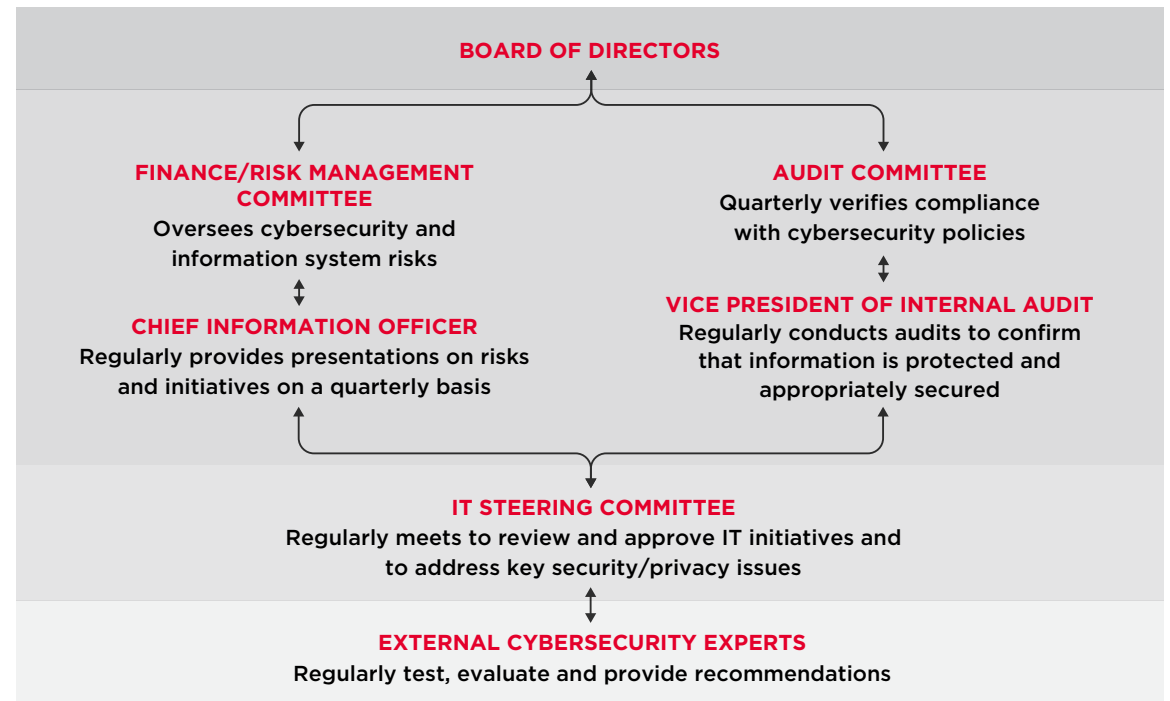
All employees who access our systems undergo annual cybersecurity training. Every year, our employees are tested on their understanding of our cybersecurity policies and are offered additional training. We regularly communicate with our employees

about security risks, requiring them to use multifactor authentication and regularly update their passwords. In 2022, there were no material cybersecurity incidents at Group 1.

Our Information Technology team, headed by our Chief Information Officer, is responsible for ensuring compliance with security standards,

establishing industry-recognized protocols and protecting the integrity, confidentiality and availability of Group 1 Automotive's information technology infrastructure.

The flowchart (below) shows the team responsible for monitoring and securing cyber and customer data.



STAKEHOLDER ENGAGEMENT

People make up the foundation of everything we do at Group 1 Automotive. Therefore, open communication with our employees, customers, investors, trade associations, industry experts, community members and others are crucial to ensuring the continued success and well-being of our company. Through regular engagement and collaboration with our stakeholders, we can address concerns and stay ahead of emerging issues, while also identifying unseen risks and harnessing time-sensitive opportunities.

Our leadership team engages in various formal and informal conversations held to better understand our employees' needs. We routinely survey our workforce to gauge their concerns and gain a better understanding of how we can improve our practices and meet their expectations. Through meetings and training sessions, our findings inform and standardize the policies and procedures we set in place. Additionally, informal company-sponsored events provide us with further opportunities for information gathering, team building and team member engagement. By purposefully interacting with individuals at every level of our organization — people from

diverse backgrounds and differing interests — we are able to understand and address a broad spectrum of operational concerns. As a result, we have taken steps to meet employee expectations and the results are disclosed within this report.

Group 1 strives to exceed customers' expectations and understands consumers want to buy from companies whose priorities align with their own. This unique perspective ensures that we sponsor community outreach events as unique as the cities and towns — and people — that inspire them.

We have found that by listening to our employees and proactively addressing their concerns we deliver exceptional service to our customers and ultimately achieve exceptional results for our investors.



Stockholder and Investor Engagement

Our leadership team regularly interfaces with prospective investors, existing stockholders and research analysts in a variety of event formats to discuss Group 1 Automotive's publicly disclosed performance, business strategy and outlook and corporate governance. These interactions help the leadership team and the Board understand and consider stockholder and investment community interests while enabling us to dynamically operate in an evolving industry and economy with the goal of maximizing returns.

We also actively engage with certain organizations that are integral to promoting best practices, a healthy regulatory environment and the financial success of the automotive industry.

Group 1 Automotive is a member of strategic organizations such as:

- NADA (National Automobile Dealers Association)
- AIADA (American International Automobile Dealers Association)
- Retail Motor Industry Federation (U.K.)
- DEI Automotive Retail Champions
- State Automobile Dealers Associations of all 17 states in which Group 1 operates
- Key municipal automotive dealers associations across our footprint
- Evolve Houston (Evolve aims to improve air quality and reduce GHG emissions by supporting and enabling the Greater Houston Area to increase electric vehicle (EV) adoption. See evolvehouston.org)

Political Engagement

Our nonpartisan political action committee — Group 1 Automotive, Inc. PAC, — solicits voluntary contributions from stakeholders to encourage a responsible, ethical and efficient government, further the competitive enterprise system and support the long-term interests of our dealerships and the automotive industry. The Group 1 Automotive PAC, with oversight from the Board's Governance & Corporate Responsibility Committee, has allocated funds to organizations and local, state and federal political candidates who share our positions regarding the retail automotive business.





Our People and Communities

Confirmed by the 2022 ESG materiality assessment results, we have learned that employees who feel connected to their workplace in a meaningful way are more likely to engage with each other, their customers and their communities. An engaged workforce creates better work and innovation, propelling the business forward. Creating and fostering a highly engaged and connected work environment enables us to attract and retain high-quality talent and remain competitive in the market space.



Talent Management and Employee Engagement



At Group 1 Automotive, our employees are the keystone to our operations and business success. We are invested in our talent management, development and work environment. As part of our talent management strategy, our team focuses on improving the full employment lifecycle – talent recruitment, talent development, retention and succession planning. For more information on this, please read [page 17](#).

We have developed a work culture of meritocracy, which means promotions and hiring are based on merit such as education, effort, knowledge and experience. We prioritize training and development as part of our business strategy to retain diverse, long-term talent across all levels of our organization. For more information on our development and training programs, please read [pages 18-19](#).

The success of our talent management efforts starts with engaged employees. Engaged employees deliver on our purpose to improve business performance, serve our customers and communities and enhance our competitive advantage. Therefore, we take an active role in engaging with our workforce. Throughout 2022, we held a variety of informal and formal events to engage our workforce, build a dedicated team and simply connect. Last year, we continued to harness feedback from employees to improve our DEI training and employee experience. We consistently review our performance and act based on the feedback and effectiveness of current results. For more information on our employee programs and demographics, please read [pages 17-22](#).

We believe, and our data supports, that our talent management tactics and strategy have proven to be successful.

The success of our talent management efforts starts with engaged employees.



U.K. Employee Celebrates 65 years at Group 1 Automotive

In 1957, Neville Batt began his career as an apprentice technician and, by the time he turned 21, he had worked his way up to workshop foreman. Then in 2013, through an acquisition of his workplace, Neville joined the Group 1 Automotive family and recently celebrated his 65th year in the field at Ford Wokingham. Jim Farley, Chief Executive Officer of Ford Motor Company, commemorated the occasion with a personal letter. Mr. Batt turned 80 this year, works three days a week and still runs a Sunday football league!

Employee Feedback

To help our workforce feel heard and supported, we solicit employee feedback through multiple channels. Our annual employee survey provides our leadership team with valuable insight into employees' perception of workplace culture and progress on our corporate mission. The results of the annual engagement survey and these discussions inform our overall human capital management methods and other growth strategies.

Overall, a substantial majority of employees agreed with the statements:

"I can be myself at work."

"There is an equal opportunity for people to succeed."

In 2022, almost 90% of our U.S. workforce completed the survey. Responses were measured against the Perceptyx Benchmarking Database. Data was gathered over a rolling 3-year period and includes data from hundreds of organizations with millions of respondents across all industries.



We continue to develop action plans to address the opportunities identified by these surveys, primarily with respect to work-life balance, recognition and cross-collaboration.

In 2022, Group 1 Automotive launched the Meta-based Workplace app, an intracompany communication platform that keeps our U.S. and U.K. employees up to date on the latest company news and brings our teams together digitally. The app also offers our executive team the ability to engage in direct and more frequent, real-time communication with our employees. Workplace features targeted announcement capabilities, houses

company documents such as policies, guidelines and benefits plans and provides quick access to employee and department directories. We believe that working together is critical to preparing for opportunities and changes affecting us internally and externally.

The Group 1 Hotline allows all employees to report concerns about possible violations of our Company's policies or our Code of Conduct. The Company's Legal Department handles the day-to-day administration of the Code. Reported issues are investigated by management and forwarded to the chair of the Audit Committee.



Providing Training and Development

With teamwork and professionalism as core values, supporting one another's career development is fundamental to our culture and business success.

We create and offer department or job-specific training and professional development opportunities to meet employees' needs. We track employee scores and completion rates and update these courses regularly.

Group 1 Automotive facilitates open lines of communication between leadership levels. We encourage management to be receptive to employee input regarding the training and knowledge programs we offer for advancement, and we encourage our employees to communicate with their managers regarding new ways for us to help them further their careers.

In 2022, we continued to make strides toward implementing our ongoing succession planning. We developed a talent strategy, which includes succession planning and best practice tools, and more than two-thirds of our General Managers participated in the process.



Management Training Program

Through our two-year Management Training Program, Group 1 Automotive recruits and develops early-career college graduates from 16 colleges and universities in regions where we operate. Trainees spend 24 months rotating through Aftersales, Sales and Finance to get a holistic view of the entire automotive business.

- **2 Years** Dealership Training
 - **10 Months** in Aftersales
 - **14 Months** in Sales and Finance
- **Partnered** with 16 Colleges and Universities in regions where we operate

Since 2015, apprentice technician enrollment has increased by more than **300%**

Technician in Training Program

We established our Technician in Training Program to enlist graduates from technical training institutions for career development at our dealerships. **The 18-month program offers:**

- **Tuition Reimbursement:** \$150/month for up to five years
- **Tools:** \$2,000 in tool assistance
- **Relocation:** \$1,500 for moving more than 100 miles to a new location
- **Mentorship:** Trainee is assigned a master technician for individual support and guidance

In the U.K., Group 1's Apprentice Technician Program is a three-year program and provides participants with hands-on training, certifications and tools.

Sponsorship Program

In 2022, Group 1 Automotive implemented a pilot sponsorship program that pairs senior level leaders with high potential/high performing female employees. The partnership is designed to accelerate career development and open opportunities for female employees. The pilot program lasted 9-12 months. Sponsors and the individuals they sponsor met frequently to work on development activities and exchange knowledge on topics related to:



BACKGROUND Sharing career history and experience



INFORMATION Technical, cultural, corporate



THINKING PROCESSES Decision-making, problem-solving, creating, innovating, etc.



PERSPECTIVES Leadership, management, employees, customers



GOALS Career, personal, organizational

The pilot program included seven female employees and six sponsors.

Fostering DEI

ADVANCING DEI IN THE AUTOMOTIVE INDUSTRY

To improve business performance, better serve our customers and communities and enhance our competitive advantage, Group 1 Automotive is focused on becoming a global role model for DEI.

We believe that embracing the tenets of DEI allows us to attract and develop high-performing employees, which leads to a more engaged workforce and lower turnover. Our DEI strategy and principles are aligned with our core values of integrity, transparency, professionalism, teamwork and respect. Though we formalized these values more than a decade ago, in recent years we have recognized that we should more actively commit to addressing the scarcity of diversity in the automotive field.

We have found that our DEI strategy, focused on the employee lifecycle, creates a sense of belonging for our employees.

In 2021, we appointed one of the retail automotive industry's first diversity executives, Edward McKissic, Senior Vice President, Chief Human Resources Officer and Chief Diversity Officer. This role reports to the CEO and to the Board quarterly to ensure that we execute on our mission to create a more diverse workforce and continue to foster a culture of inclusion. Responsibilities include managing the full lifecycle of our employees and ensuring that our DEI strategy integrates with every team in our workforce. This role also oversees our DEI Council, which measures progress across four key pillars and reports to the Compensation & Human Resources Committee of the Board on a quarterly basis.

With support from the Board, we developed a DEI mission statement and strategy to track our progress and increase representation of women and people of color in professional, management and VP positions.

Group 1 Automotive DEI Mission Statement

To create a culture where all employees are engaged to deliver on our purpose to improve business performance, serve our customers and communities and enhance our competitive advantage.

Group 1 Automotive DEI Vision Statement

To become a global role model for diversity, equity and inclusion.



Over the past two years, we expanded our DEI activities in both the U.K. and U.S. For example, last year we revised our internal and external websites to include DEI-related topics and initiatives; this modification keeps prospective and current employees apprised of our DEI strategy. Then, in response to our 2021 employee survey, our leadership team implemented formal Respect Training to educate employees on how to foster a diverse and inclusive environment. Through informal discussions at individual dealerships, we gather and analyze DEI-related information to identify trends or deficiencies and record any actions taken.

To integrate DEI into our work culture, we also highlight and celebrate employee cultural diversity throughout the year.

We are proud of the year-over-year progress we continue to make in our diversity strategy and hiring practices creating a more diverse talent pipeline and a more diverse leadership team.

Strategic Objectives



ACTIVATE OUR CULTURE

Equip every employee to be an inclusive leader who leads and makes decisions based upon our Core Values of Integrity, Professionalism, Respect, Teamwork and Transparency.



EMPLOYEE LIFECYCLE

Integrate Culture and DEI principles into all facets of the employee lifecycle: recruitment, hire, develop, performance management, promote and retain.



BRAND

Build an inclusive brand experience that makes people feel like there is a place for them in the Group 1 ecosystem - as a customer, employee and supplier.



MEASUREMENT

Leverage technology to monitor key performance indicators on diversity and engagement to inform strategic action plans for continued progress.



BENCHMARK DATA

Benchmark U.S. workforce, Business of Labor Statistics (BLS) and Fair360 (formerly DiversityInc) data against Group 1 data.

AS PART OF OUR STRATEGY, WE HAVE MADE THE FOLLOWING COMMITMENTS TO UNDERScore THE PROGRESS WE INTEND TO MAKE AS A COMPANY:

Talent Acquisition

Led by our Senior Vice President, Chief Human Resources Officer and Chief Diversity Officer, Group 1 Automotive's talent acquisition strategy focuses on selecting business partners with diverse talent acquisition priorities, conducting DEI training, recruiting early-career professionals at local colleges and universities, ensuring diverse candidate pools for job openings and finally, striving to include underrepresented employees on the interview panel. We also enhanced our onboarding and interview process by providing training for our managers on the best interviewing practices and avoiding questions that are discriminatory.

Talent Development

Developing our team members is part of our talent retention strategy. We strive to enhance our teams' skills sets, experience and knowledge through talent development and training. As part of our development and training, we collect feedback on diverse factors from employees, support employee membership in industry groups and develop career paths that include experience, exposure and education. Our talent management strategy is a multi-year strategy for achieving the desired state of people management across all departments. The strategy supports the

Company's priorities and core values by fostering employee growth and development, encouraging ongoing feedback on performance and promoting diverse leadership at all levels.

Community Building

The communities we serve are the foundation of our operations — many of our employees live, work and play in these areas, as do many of our customers. Consequently, it is important to promote our core values, foster our employee resource groups and encourage volunteering and philanthropy within our communities. Supported by our Chief Executive Officer, that is exactly what we are doing.

Women in the Workplace

Understanding our industry and Company, gender demographics helps us put together a plan to support and develop women in the workplace. Led by our Chief Executive Officer, we have formalized mentorship opportunities for women in the workplace, developed future leaders through additional development programs and enhanced pay parity.

Network Development

Our U.K. Network Leadership Program is a 12-month training and development course that draws applicants from all departments and promotes inclusion and upward mobility. Directed at employees seeking general manager positions, the program includes classroom sessions, coaching, mentoring, peer-to-peer engagement and practical and self-directed learning.

Management Essentials

By teaching participants to incorporate Company values into their individual management styles, our U.K. Management Essentials program focuses on training our employees to better lead and delegate. Human Resources or department managers nominate candidates for the program, which runs every six months. Management Essentials is a highly regarded qualification for applicants seeking internal progression at Group 1 Automotive.

GROUP 1 AUTOMOTIVE U.S. EMPLOYEES BY RACE/ETHNICITY

Ethnicity	Non-Management	Management	Officer	Total
Native American/ Alaskan Native	.88%	.59%	0%	.84%
Asian	5.24%	4.93%	5.56%	5.2%
Black	10%	6.70%	5.56%	9.57%
Hispanic	32.59%	17.08%	0%	30.54%
Native Hawaiian/Pacific Islander	.18%	.13%	0%	0.17%
Two or More Races	4.56%	3.22%	0%	4.38%
White	45.94%	67.35%	88.89%	48.77%
Unknown ¹	.61%	0%	0%	.53%

¹ Represents the employees who declined to disclose their race/ethnicity

We are proud of the year-over-year progress we continue to make in our diversity strategy and hiring practices creating a more diverse talent pipeline and a more diverse leadership team.

GROUP 1 AUTOMOTIVE U.S. EMPLOYEES BY GENDER

Gender	Non-Management	Management	Officer	Total
Women	19%	17%	17%	19.1%
Men	81%	83%	83%	80.9%

Celebrating International Women's Day

On March 8, 2022, Group 1 Automotive employees across our entire organization celebrated International Women's Day — a global holiday recognizing the social, economic, cultural and political achievements of women. To coincide with the celebration, our U.K. team launched its "Women in the Workplace" group. The group — which includes both women and men — airs live broadcasts on the Workplace app, covering topics important to women in business. The group facilitates cross-dealership discussion and relationships while creating a space to meet virtually, share stories and seek advice on overcoming challenges.



Promoting Employee Safety and Well-Being



One of our primary concerns is the health, safety and general well-being of our employees. It is common for people working in the automotive industry to operate heavy machinery and other inherently dangerous equipment, including handling hazardous substances. We maintain policies and procedures to mitigate personnel health and safety risks and to help prevent accidents. Partnering with health and safety expert, KPA, we take measures to ensure our working environments are safe and all employees receive department-specific training on how to report potential hazards and respond to emergencies.

Recognizing the importance of safety in the workplace, Group 1 created a position to oversee this area. In early 2023, the new Safety Manager joined the team to foster a renewed culture of safety at all our offices and facilities. The Governance & Corporate Responsibility Committee of the Board also oversees the Company's health and safety programs and performance. Each quarter, the Committee reviews a report on the Company's health and safety. The Risk Department sends out a weekly summary of all injuries and accidents to senior management to ensure timely reporting. For more information on our corporate governance, please see [page 32](#).

WORKPLACE HEALTH AND SAFETY

Safety Training

All new Group 1 Automotive employees must complete basic health and safety training during their onboarding process. We provide additional, job-specific health and safety training in line with the roles and responsibilities of each position. All our employees have the authority to stop work if deemed unsafe to themselves or others. If an incident were to occur, our team investigates the cause of the incident and acts to prevent similar incidents from occurring in the future.

Safety Meetings

In addition to equipment- or hazard-specific safety discussions, we conduct and document regular weekly safety meetings. These meetings may cover reported claims, recent alerts, issues regarding new policies or procedures or findings from our quarterly safety checklist. At times, we invite equipment or process vendors to our dealerships to discuss the safety measures specific to their products. Safety meetings give managers and employees the opportunity to discuss safety-related matters without fear of reprisal.

Safety Audits

KPA, an environmental health and safety consulting company, performs onsite visits at our facilities to address various regulations from the Occupational Safety and Health Administration, Environmental Protection Agency, Department of Transportation, Federal Trade Commission and state regulatory agencies, such as:

- Personal protective equipment and eye safety.
- Record-keeping, regulatory postings and document security.

Mental Health Awareness

In response to requests from managers, Group 1 developed monthly mental health awareness training to help managers identify symptoms of mental illness and offer avenues of support to our workforce. Partnering with vendor Cigna, we offer a free, completely confidential, Life Assistance Program (LAP). We have also established a mental health first aid team—a group of dedicated specialists trained to support colleagues in the U.K. dealing with mental health-related issues.

- Environmental exposures.
- Identity theft exposure.
- Equipment maintenance.
- First aid and training.
- Lift and electrical safety.

KPA also performs quarterly audits to address specific workplace injury trends, inclement weather preparation, fire prevention, housekeeping and other areas

of concern. These audits help our team find ways to identify and prevent potential hazards and protect our employees. Group 1 also has an internal audit team that reviews, analyzes and discusses health and safety findings regularly.

Natural Disaster Response

Many of our dealerships are in regions that regularly contend with natural disasters and weather-related events such as hurricanes, tornadoes, hail, wildfires, flooding and heat stress. We are acutely aware of the risk of dangerous weather events and prepare accordingly. We monitor these events closely and train our employees in disaster response to maintain the continued safety of our workforce and customers.

Our Emergency Response Guide aids dealerships in natural disaster preparation and expedites the return to normal operations. Following natural disasters and other instances of catastrophic loss, Group 1 Automotive checks in on affected employees and frequently offers financial assistance from the Group 1 Foundation. For more information on the foundation, please see [page 28](#).



Menopause Awareness

Stemming from our Women in the Workplace initiative, our menopause awareness training is open to any employee seeking a better understanding of the topic. We recently marked World Menopause Day in our U.K. dealerships with a month of initiatives, including support groups, an interview with a menopause expert, podcasts, videos, resource packs and other tips to help women experiencing menopause feel more comfortable in the workplace.

Compensation and Benefits

We recognize the importance of providing support for our employees' physical, mental and financial wellness. Our competitive pay and benefits packages include paid family leave, flexible work schedules and a comprehensive health and wellness program. We offer medical, dental and vision insurance plans for employees and dependents, 401(k) matching and an employee stock purchase plan. In select locations, Group 1 Automotive also offers commuter benefits that save employees commuting costs through subsidized public transportation and parking fees.

We continue to modify our benefits to better suit the needs of our diverse employees. In 2022, we offered Parental Bonding Leave, a form of leave that provides up to 40 hours of leave time for eligible employees who have completed one year of continuous full-time employment at the actual date of birth or adoption of a child. This is just one step to supporting our employees to further connect with new members of their families.

FLEXIBLE WORK HOURS

Committed to creating a workplace for all to thrive, in 2017 we piloted Flexible Work Hours, our first flexible four-day work schedule in the service departments at four of our dealerships. This flexible model allows technicians or service advisors to work the same total number of hours as they would on a traditional schedule, in fewer days — freeing up more personal time. These efforts improved technician and advisor retention and increased employee engagement. Ninety-three locations have elected to adopt a flexible work schedule.

PAY EQUITY

Pay equity is a major factor when it comes to attracting and retaining a diverse and inclusive workforce. We rigorously review our compensation practices to assess how our pay is aligned across demographics and evaluate the financial well-being of our employees. In the U.K., we review our gender pay gap and disclose the results in our [Gender Pay Gap Report](#). We use this report to track improvements in any imbalances in pay between genders and it serves as a driving force behind inclusivity and diversity initiatives.



For more information, please see the [Careers](#) section of our website.

Contributing through Philanthropy and Volunteering

Group 1 Automotive has a history of philanthropy and volunteerism. As a leading automotive retailer, we have seen how community outreach and charitable giving can enrich a dealership's local neighborhood and culture. We actively contribute to our local communities in different and meaningful ways. Our efforts include employee volunteering, donations to local causes, support to educational programs and hosting community gatherings at our dealerships.

Group 1 Automotive aligns efforts across the organization to support the communities they serve. The employees, Board members and management teams are committed to this practice, as we believe community participation and charitable donations enrich our local neighborhoods. In 2023, the role of Corporate Communication and Community Engagement Manager was created to align our efforts across the Company. Our focus is centered around helping children, fostering education and addressing the needs of first-responders and the homeless.



“Partnering with Group 1 Automotive has been instrumental in helping Kids’ Meals work towards our mission of ending childhood hunger in Houston. Group 1’s ongoing commitment to supporting Kids’ Meals, including through monthly volunteering and the donation of delivery vans, has made a tangible impact on the lives of the preschool-aged children and families we serve. We are grateful for their partnership and look forward to continuing to work together towards a hunger-free future for Houston.”

BETH HARP CHIEF EXECUTIVE OFFICER, KIDS’ MEALS

A few examples of our partnerships and efforts include:

KIDS’ MEALS

Group 1 Automotive volunteers have a long-standing relationship with **Kid’s Meals**, a nonprofit organization that feeds over 7,500 pre-school aged children each day. Every month, Group 1 volunteers help make healthy lunches that are delivered to children in the Houston area. We also donate vans to the organization for use in meal distribution.

RED NOSE DAY

Group 1 Automotive U.K. employees raised money for **Red Nose Day**, an ongoing campaign to end child poverty by funding programs that keep children safe, healthy, educated and empowered. Over 25 million

children have been positively impacted by this campaign.

FIRST RESPONDERS

Many of our dealerships are near military bases and offer financial support and community engagement opportunities with the residents. Among events to support local first-responders, our dealerships support a number of regional and national first-responder, military and veteran organizations such as **Tunnels to Towers, Marine Corps – Law Enforcement Foundation, Marine Toys for Tots Foundation** and **Wounded Warrior Project**.

HARMONY HOUSE AND HABITAT FOR HUMANITY

Our team supports **Harmony House** with

financial support as well as holiday bags filled with necessities for the organization’s homeless clientele. **Harmony House** is a transitional living facility, providing a low barrier housing option to homeless working men and assistance providing quality permanent supportive housing for their homeless clientele. We also support **Habitat for Humanity** by volunteering to help frame out homes for families in the Northeastern U.S. **Habitat for Humanity** improves the lives of hardworking families through access to affordable homeownership.

Beyond these philanthropic and community initiatives, our dealerships are proud to be part of the community in a variety of different ways.





Other 2022 Activities

Our Audi El Paso dealership provided the luxurious thrill of Audi toy vehicles to the children at **El Paso Children's Hospital**. These electric-powered toy vehicles are used to “transport” kids from one hospital department to another. The experience behind the wheel of a mini-Audi makes the trip to the hospital less daunting, by helping to ease the children's separation anxiety from parents as they receive the treatment and care they need.

Group 1 Automotive supports educational excellence and the hardworking teachers that play a key role in preparing children for success. We work closely with **Junior Achievement**, the world's largest organization dedicated to giving young people the knowledge and skills they need to own their economic success. Our dealerships partner with local education organizations, such as **Black Literacy and Arts Project**, **Folsom Cordova Education Foundation** and **Granite State Foundation** to support their community. Group 1 has been instrumental in recognizing Teacher of the Month in school districts in Houston, Lubbock and El Paso, Texas. Employees mentor students in a technical training program at technical high schools and colleges throughout the U.S., such as **Fort Bend ISD**, **Manchester School of Technology** and **Lone Star College**. Giving students the opportunity to shadow our employees aids in networking and connects us to a new talent pipeline.

Ira Motor Group, in New England, launched 14 Days of Kindness to support **Autism Speaks**, an advocacy organization that promotes solutions across the spectrum and throughout the lifespan for individuals with autism and their families.

Additional fundraisers and events were dedicated to supporting first responders, animal rescue and adoption, food drives, school supplies and other community initiatives.

These partnerships and initiatives help enhance our culture by making a difference in our local communities and creating a bond among Group 1 Automotive employees. Our focus is to facilitate and encourage cross-functional interaction and collaboration by sponsoring community-based activities and involvement. For more information about Group 1 Automotive's community involvement, please visit group1auto.com/group1cares.

In response to Hurricane Katrina, in 2005 we formed the Group 1 Foundation (“Foundation”), the 501(c)(3) charitable arm of our Company. We continue to serve our employees through this foundation by providing guidance, emotional support and financial assistance to our employees and their immediate families in the wake of hardships resulting from emergencies and other special situations beyond their control. Funds for these critical expenses are made available through fundraisers and contributions from employees, Board members and vendors. Our Governance & Corporate Responsibility Committee oversees the Foundation's management and allocation of funds.

Since 2015, we have disbursed more than **\$1.5 million** to more than **450 employees** in various relief efforts.





Our Customer-Driven Approach

The pace at which the automotive industry moves must be matched with customers' needs and expectations. Group 1 Automotive keeps up with this rapid evolution by continuously updating our policies and the educational materials that we provide to our teams. As new and innovative tools become available, we seek to quickly adopt those that provide a benefit to our customer base. We believe it is this level of commitment to our customers that separates us from our competition. Excellent customer experience is our ultimate goal.



Facilitating Access and Affordability



We strive to offer vehicles for every customer. We work to keep our products accessible and affordable for the various markets in which we operate. As personal vehicles are critical for most families, our goal is to facilitate a seamless buying process that makes vehicle ownership attainable for everyone regardless of circumstance.

Our VAL-U-LINE® vehicles offer our customers high-quality, professionally inspected used vehicles at an affordable price. Customers can search for a low-cost used vehicle based on their desired price range on the [VAL-U-LINE® website](#). In addition to offering a large used inventory, we help our customers with financing and other benefits to facilitate their purchase.

Group 1 Automotive also developed [AcceleRide®](#), an innovative and easy-to-use platform that allows our customers to buy, sell or trade-in their vehicles online. AcceleRide® allows customers to complete transactions entirely online or start the process online and finish it at one of our dealerships. The platform has increased our potential customer base and allowed us to



reach a larger population of individuals who may have limited mobility or access to the type of vehicle they need.

AcceleRide's® adoption has increased since its inception in 2019. New and used vehicle retail revenues benefited from the sale of approximately 30,500 units from our online digital platform, AcceleRide®, a 55.5% increase as compared to 2021. We will continue to invest in AcceleRide® because it contributes to a better customer online

buying experience, as well as a positive social impact, increased productivity and efficiency and enhanced revenue growth.

Our relationship with our customers extends beyond their purchase. We also provide service and replacement parts to extend a vehicle's useful life. Our high-quality aftersales products are competitively priced to effectively compete in the market for high-volume products.

Providing Quality and Safety



To promote customer retention and growth, we constantly work to deliver safe, high-quality vehicles and products. In everything we do, our focus is on earning and maintaining the trust of our customers. That includes expanding our automotive and technical expertise. In addition to our mandated training, many of our dealership employees take advantage of manufacturer-specific training courses to become brand-certified experts or technicians. For more information on employee development programs, please see [page 18](#).

Our efforts also include protecting customers from undue risk. Risk assessments designate certain dealerships as subject to additional internal audits. Audits include a review of the

dealership's transactional documentation, rebate process, manufacturer warranty process, credit application process, product enrollment execution, lease agreement execution, used car buyer guides, privacy issues and other relevant areas. Our Internal Audit team works with dealership managers to address any issues that arise during their review. Audit reports are distributed to the leadership team, who review and implement corrective action plans. The Audit Committee of the Board oversees all audit functions, including reviews of all audit reports and subsequent action plans.

Risk can also arise through manufacturing issues. Group 1 Automotive is proud of our

strong relationships with reputable suppliers. Our manufacturer partners regularly issue bulletins and other communications regarding the performance and safety of their vehicle lines. If a manufacturer issues a recall, we act swiftly to protect customers.

We also partner with environmental and safety consultation firms to assist us in complying with environmental, health and safety laws, rules and regulations. These firms periodically visit each of our dealerships and collision centers to conduct on-site assessments. They also train our employees in hazardous waste management and minimization, injury prevention and safe workplace practices.



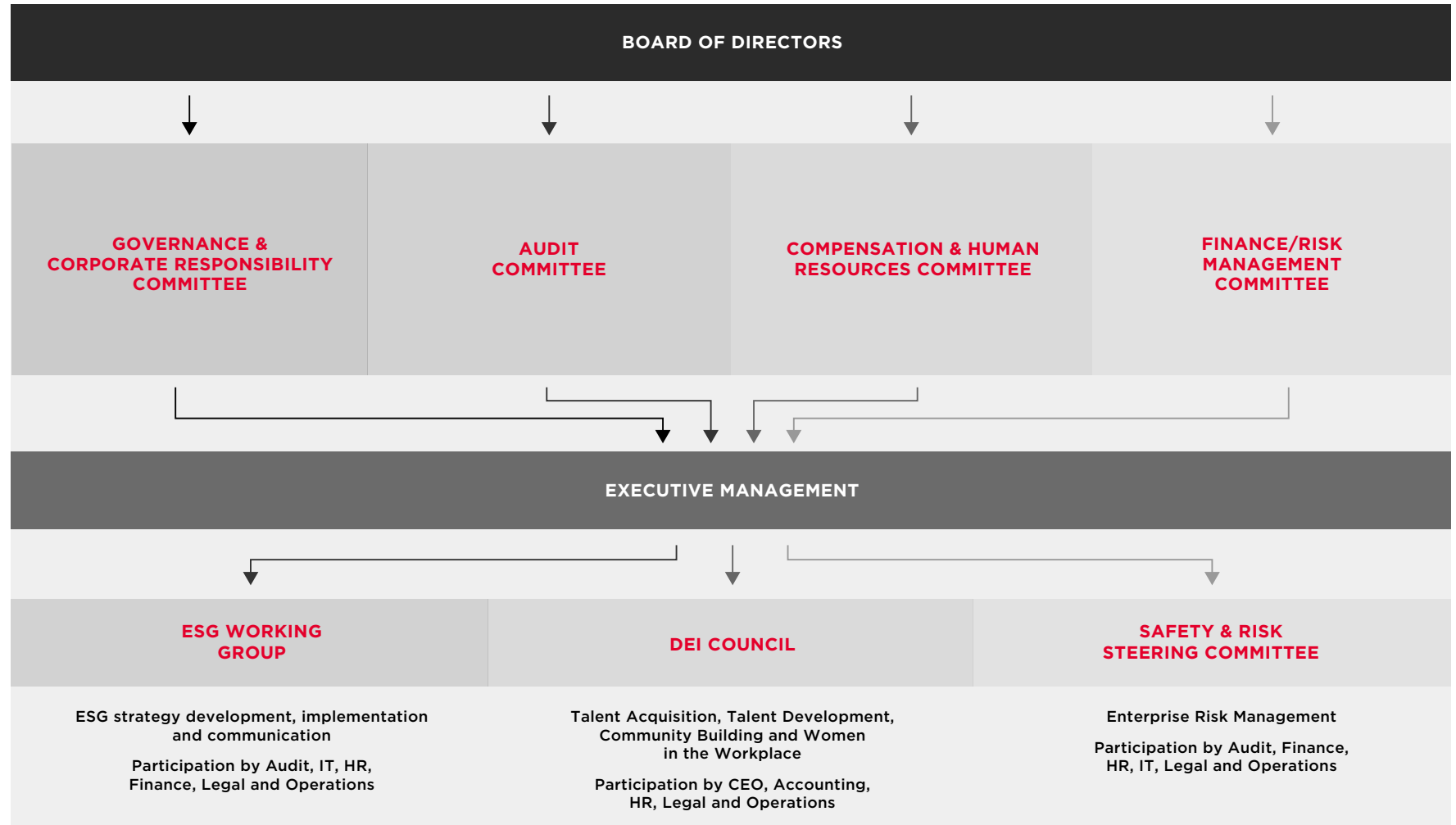


Our Governance

To fulfill its oversight responsibilities, our Board has four standing committees: the Audit Committee, the Compensation & Human Resources Committee, the Governance & Corporate Responsibility Committee and the Finance/Risk Management Committee.

Our Governance & Corporate Responsibility Committee advises the Board on appropriate corporate governance guidelines and has direct oversight of our ESG policies and practices. Other Board committees also play a role in ESG: our Finance/Risk Management Committee oversees our Enterprise Risk Management processes and cybersecurity matters, our Compensation & Human Resources Committee oversees human capital management and health and safety matters and our Audit Committee oversees financial reporting, legal and regulatory compliance risks. Additionally, our management team and cross-functional subject matter experts are responsible for the implementation of our ESG strategy, initiatives and communications.

Our ESG Governance Structure



Enriching Board Independence and Diversity

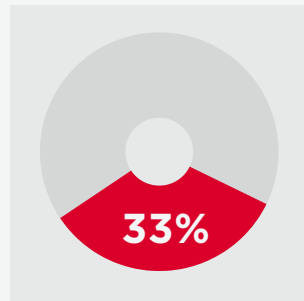
To improve business performance, better serve our customers and communities and enhance our competitive advantage, Group 1 Automotive is focused on becoming a global role model for DEI. This starts with our Board. As Group 1 Automotive continues to evolve,

so do the perspectives, skills and experiences the Board seeks in its director nominees.

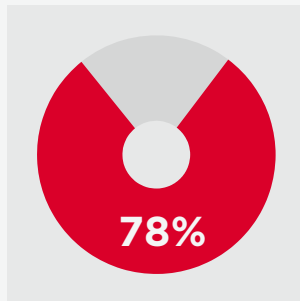
We believe the composition of our Board is critical to our success. As such, one-third of our directors are women, all of whom serve

as committee chairs. To learn more about our Board diversity and our leadership's oversight of sustainability, please see our [2023 Proxy Statement](#).

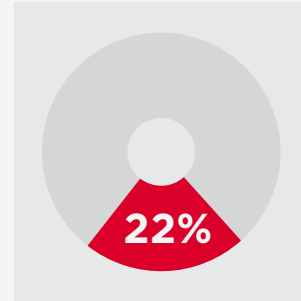
9 Total Directors on Our Board



FEMALE DIRECTORS

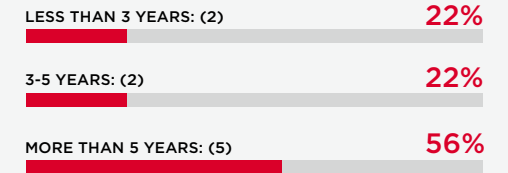


INDEPENDENT DIRECTORS

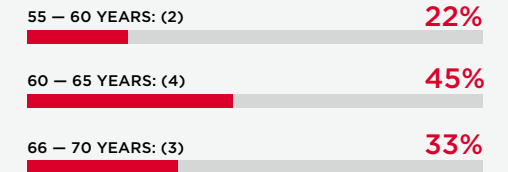


DIRECTORS FROM TRADITIONALLY UNDERREPRESENTED RACIAL/ETHNIC GROUPS

Tenure



Age



Overseeing Risk Management

Much of our Board's oversight work is delegated to committees that meet regularly and report back to the full Board. All committees have significant roles in carrying out the risk oversight function. Each committee is comprised entirely of independent directors (except the Finance/Risk Management Committee) and oversees risks associated with its respective area of responsibility as detailed below.

At the corporate level, we established a Safety and Risk Steering Committee that reviews the effectiveness of the Company's

enterprise risk management system. Our enterprise risk management (ERM) process takes place at least once per year with executive participation. Together, they identify and track existing and potential risks associated with our business operations and regularly define and monitor mitigation plans accordingly.

In late 2022, Group 1 Automotive appointed a Compliance Officer to oversee compliance across U.S. operations. As the compliance leader, this individual is responsible for establishing standards and implementing

procedures designed to ensure that the compliance programs throughout the organization are effective and efficient in identifying, preventing, detecting and correcting noncompliance with company policies, applicable laws and regulations.



Finance/Risk Management Committee

Oversees our enterprise risk management processes and exposure related to operations, cybersecurity and financial matters



Audit Committee

Oversees Company risks relating to financial reporting, legal and regulatory compliance



Compensation & Human Resources Committee

Oversees risks relating to employment, compensation policies, senior officer succession planning and human capital



Governance & Corporate Responsibility Committee

Responsible for oversight of ESG and succession planning for CEO and directors



Our Environmental Impact

The Group 1 Automotive sustainability improvement plan centers on reducing waste and our collective environmental impact wherever possible. We look for opportunities to reduce our energy consumption, eliminate waste and accommodate the growing EV market. These opportunities include technological solutions such as: climate control thermostats and LED lighting to improve energy efficiency, solar panels to increase our use of renewable energy and updated waste management systems to improve handling of chemicals and other byproducts.

Managing GHG Emissions and Improving Energy Efficiency

Our ongoing efforts to reduce Group 1 Automotive's overall carbon footprint include several relatively small changes that have big results. Since 2013, we have been converting to LED bulbs and lighting systems across all Group 1 Automotive operations. LED options use less energy and offer comparable or better lighting quality when compared to previous technologies. Over the years, this initiative resulted in savings of approximately \$24.6 million in energy costs and \$7.9 million in maintenance costs in the U.S. alone. We have also recouped over \$2.2 million in energy incentives.



Our Transition to LED Lighting

U.S.: More than 90% of our exterior lighting and 50% of our interior lighting

U.K.: More than 60% of our exterior lighting and 60% of our interior lighting

ESTIMATED USD \$34 million¹

in total cost savings from 2013 to 2022

Impact of LED Lighting

Over the past nine years, we believe our LED lighting efforts have had a positive impact on the environment and generally reduced our energy costs. By incorporating LED lighting across our facilities, our kilowatt hour energy reduction is estimated to save:

OVER 20 million

gallons of gasoline consumed²

OVER 200 million

pounds of coal burned³

OVER 400,000

barrels of oil consumed⁴

¹ This number includes the total reduction in energy usage costs, reduction in maintenance costs and the amount collected in utility incentives.

^{2,3,4} Metrics were calculated using the [EPA's Greenhouse Gas Equivalencies Calculator](#).

Solar Panel Initiative

In 2019, we began installing solar panels at select U.S. and U.K. dealerships to take advantage of energy savings and reduce our environmental footprint. By the end of 2022, more than 8,000 solar panels have been installed across the entire company.

Utility offsets at our dealerships with solar panels ranged from 30% to over 90% in 2022, with a total estimated reduction in electrical energy usage of over 5,500,000 kWh. Since its inception, the Group 1 Automotive's solar panel initiative is estimated to have avoided the emission of over 4,600 tons of CO₂.⁵

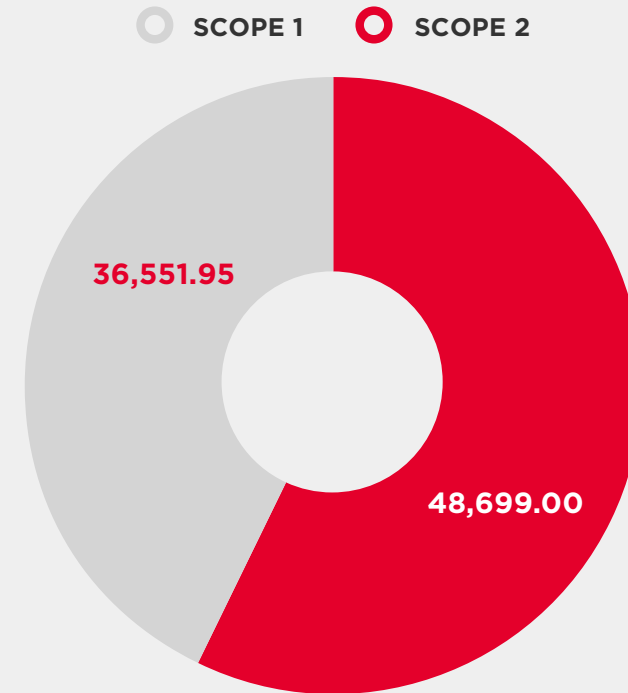
Group 1's First U.S. GHG Emissions Accounting

In order to have a baseline to measure our expanded environmental efforts, we performed a U.S. GHG emissions inventory in 2022. The assessment included a detailed inventory of our 2021 Scope 1 and Scope 2 GHG emissions as defined by the GHG Protocol. Scope 1⁶ GHG emissions include emissions from sources that are owned or controlled by Group 1 Automotive GHG and

Scope 2 GHG emissions⁷ include emissions associated with the consumption of purchased energy.



Group 1 Automotive GHG Emissions by Scope (MTCO₂e)



⁵ Metrics were calculated using the [EPA's Greenhouse Gas Equivalencies Calculator](#).

⁶ Our natural gas emissions, Scope 1, were calculated using the total amount of natural gas consumed for all USA sites and converting it with the emission factors for natural gas (published by EPA in 2022) to metric tons of CO₂ Eq.

⁷ Emissions from purchased electricity, Scope 2, were calculated on a per-site basis using the location-based emission factors of the eGRID location of each USA site (published by EPA in 2022) and summarized as metric tons of CO₂ Eq.

Preparing for the Market Shift to EVs

Group 1 Automotive's full product portfolio includes traditional internal combustion engines, hybrid gasoline, plug-in hybrid electric and EVs.

The widespread adoption of EVs is accelerating. In response, we established an EV team charged with driving capital allocation recommendations to build an industry-leading EV infrastructure across our dealerships. This team is responsible for working with partners and Original Equipment Manufacturers to secure access to these vehicles, to meet current needs and anticipate growth to 2030. As with all technological advancements Group 1 Automotive continues to educate our employees to best serve our customers' EV needs.

In addition to selling more EVs, we anticipate playing a large role in maintaining them going forward. We are certified in EV service and repair. We have equipped our facilities with EV charging equipment, specialized lifts, EV-specific shop equipment and battery storage to sufficiently cater to the emerging EV market. We believe that properly equipping and training our dealerships to sell and service EVs effectively will advance our ESG efforts and serve as a competitive differentiator for Group 1.

Our dealerships have more than 590 EV charging stations combined. Some of these chargers are available for customer use, while others are used exclusively by technicians at our service centers.



Managing Water Use

Although water risk is substantially lower in sales and service than it is at the manufacturing end of the automotive production chain, we are highly conscious of water use in our operations. To prevent any adverse impact on the environment and to protect local water supplies, all of our U.S. service centers utilize oil water separators to properly manage wastewater. In addition, all U.S. dealerships that feature car wash services have processes in place to maximize water recycling between uses.

Reducing Waste

At all U.S. and U.K. Group 1 Automotive locations, we manage recycling of waste materials. In 2022, our U.S. locations generated and processed approximately 9,000 tons of solid waste through our recycling efforts. Through our recycling efforts, we diverted an estimated 8,000 additional tons of waste in 2022. We also recycle IT hardware, tires, oil, paint and damaged automotive parts.

In 2022, Group 1 Automotive processed more than 3,800 pounds of electronic equipment (e-waste) through an International Organization of Standardization certified third-party operator. The e-waste was disposed of in compliance with all state, local and federal laws.



We partner with recycling vendors that upcycle tires for use as rubberized asphalt, running tracks, control barriers, floor mats and other rubber-based products.



We partner with vendors that are contracted to collect and recycle 100% of our used oil, anti-freeze and other harmful liquids. We estimate that our U.S. dealerships recycled 1.4 million gallons of these products in 2022.



We partner with suppliers who are leading the charge to eliminate heavy metals from their products. 97% of our U.S. collision centers have transitioned to waterborne paints and primers that are better for the environment than traditional solvent-based products. By switching to a cleaner alternative, we estimate that we have kept more than 300,000 pounds of volatile organic compounds out of the environment since 2018.



Our Business Practices

Every day, our dealerships, collision centers and business offices exemplify Group 1 Automotive's dedication to ethical business practices. We regularly update our policies, practices and procedures to align with our core values and any changes in the operating environment. We seek to partner only with suppliers and vendors who uphold the same high standards and demonstrate equally ethical business practices.

Prioritizing Business Ethics

Group 1 Automotive is committed to the pursuit of excellence in its business practices. We adhere to the highest standards of professional and personal ethical conduct. We expect our employees to conduct their affairs with uncompromising honesty and integrity, consistent with all five of our core values. We expect every employee, director and agent of Group 1 Automotive to read and understand our [Code of Conduct](#) and apply good judgment and the highest personal and ethical standards when making business decisions. We hold our Chief Executive Officer, Chief Financial Officer and all other financial and accounting officers accountable to our [Code of Ethics for Specified Officers](#). All employees are required to complete training courses covering the Code of Conduct, anti-corruption, anti-harassment, anti-discrimination, diversity and inclusion and other relevant topics. We track the completion of these courses and update them on a regular basis.

We encourage employees to raise concerns, be alert to possible violations and to report potential issues without fear of retaliation. The Group 1 Automotive Hotline, hosted by an independent third-party provider with multi-language support, enables employees and other stakeholders to report questions, concerns or suspected violations 24 hours a day, seven days a week. The Chair of the Audit Committee reviews all hotline calls and escalates them to the full committee when appropriate.

Managing Our Supply Chain

We regard our suppliers and vendors as partners and we rely on them to deliver high-quality products and services for our customers. We work closely with our partners and regularly communicate with them regarding material sourcing, marketing, recalls, safety and other factors that influence our business relationship and the customer experience.

At a minimum, we expect these partners to comply with all applicable laws and regulations. Each Group 1 Automotive supplier and vendor must adhere to stringent requirements and uphold the highest standards with respect to quality, safety, environmental management and labor practices. Suppliers and vendors who play a more critical role in Group 1 Automotive's operations must agree to additional security, safety and insurance requirements. Our Legal and Risk Departments establish the criteria by which they are measured and enforce such requirements, including requisite insurance limits. If we discover that a vendor's business or privacy standards do not align with our commitment to high-quality products and services, we re-evaluate our relationship with them.

Continuing Compliance with Laws and Regulations

We operate in a highly regulated industry. Several laws and regulations applicable to automotive companies affect our business and conduct. Our corporate governance structure and strategy are designed to ensure that we comply with all regulations and laws. Additionally, our Board has adopted, and our leadership team enforces throughout the Company, our anti-corruption policy.

Each of our U.S. dealerships operates under franchise agreements with vehicle manufacturers or authorized distributors. As part of these agreements, the dealerships comply with operational requirements and restrictions around the sales process, performance requirements, customer satisfaction standards, marketing and branding, facility standards, changes in financing and business continuity.





Frameworks and Standards

SASB Index

SUSTAINABILITY ACCOUNTING STANDARDS (SASB): Group 1 has reported with reference to the SASB Sustainability Accounting Standards for the period January 1, 2022 to December 31, 2022.

SASB Code	Accounting Metric	Category	Unit of Measure	2022 Response
MULTILINE AND SPECIALTY RETAILERS & DISTRIBUTORS - SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS				
Energy Management in Retail & Distribution				
CG-MR-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	(1) Total Energy Consumed: 1,358,499 GJs (2) Percentage of grid electricity: 99% (3) Percentage of renewable energy used: 1%
Data Security				
CG-MR-230a.1	Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	Details about our approach can be found in the Protecting Customer Privacy section, page 11.
CG-MR-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Quantitative	Number, Percentage (%)	Group 1 Automotive did not experience any material data breaches in 2022.
Labor Practices				
CG-MR-310a.1	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Quantitative	Reporting currency, Percentage (%)	U.S. average hourly rate: \$24/hour U.K. average hourly rate: £16.25/hour 0.26% of U.S., in-store employees earning minimum wage 5.7% of U.K., in-store employees earning minimum wage

SUSTAINABILITY ACCOUNTING STANDARDS (SASB): Group 1 has reported with reference to the SASB Sustainability Accounting Standards for the period January 1, 2022 to December 31, 2022.

SASB Code	Accounting Metric	Category	Unit of Measure	2022 Response
CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover rate for in-store employees	Quantitative	Rate	U.S. voluntary turnover rate: 33% U.S. involuntary turnover rate: 6% The U.K. data is not available for 2022.
Workforce Diversity & Inclusion				
CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Quantitative	Percentage (%)	This data and a summary of our DEI efforts can be found in the Fostering DEI section, page 19.
Product Sourcing, Packaging & Marketing				
CG-MR-410a.1	Revenue from products third-party certified to environmental and/or social sustainability standards	Quantitative	Reporting currency	We do not sell products third-party certified to environmental and/or social sustainability standards. We also sell and service hybrid gasoline, plug-in hybrid electric and full electric vehicles at select U.S. and U.K. dealerships.
CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	Details about our processes can be found in the Providing Quality and Safety section, page 31 and Our Environmental Impact section, page 36.
CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	n/a	The implications of packaging are not directly applicable to our business.



SUSTAINABILITY ACCOUNTING STANDARDS (SASB): Group 1 has reported with reference to the SASB Sustainability Accounting Standards for the period January 1, 2022 to December 31, 2022.

SASB Code	Accounting Metric	Category	Unit of Measure	2022 Response
ACTIVITY METRIC				
CG-MR-000.A	Number of: (1) retail locations and (2) distribution centers	Quantitative	Number	Details about our locations can be found on page 6
CG-MR-000.B	Total area of: (1) retail space and (2) distribution centers	Quantitative	Square meters (m ²)	This data is not available for 2022.



GRI Content Index

STATEMENT OF USE

Group 1 has reported with reference to the GRI Standards for the period January 1, 2022 to December 31, 2022.

GRI Standard	Disclosure Description	2022 Explanation and Location
GRI 1 USED GRI 1: FOUNDATION 2021		
General Disclosures		
2-1	Organizational details	2022 10-K ; pages 3-12 Group 1 Automotive, Inc. 800 Gessner, Suite 500 Houston, TX, 77024 USA
2-2	Entities included in the organization's sustainability reporting	2022 10-K ; pages 3-4
2-3	Reporting period, frequency and contact point	Reporting period: January 1, 2022-December 31, 2022 We aim to report sustainability information annually. Publication date: October 20, 2023 For questions about this report, please email ir@group1auto.com . Thank you.
2-4	Restatements of information	There have been no restatements of information.
2-5	External assurance	Keramida assured Group 1's greenhouse gas (GHG) emissions inventory data.
2-6	Activities, value chain and other business relationships	2022 10-K ; pages 3-12

STATEMENT OF USE

Group 1 has reported with reference to the GRI Standards for the period January 1, 2022 to December 31, 2022.

GRI Standard	Disclosure Description	2022 Explanation and Location
2-7	Employees	About this Report; page 7 Fostering DEI; page 19 2022 10-K ; page 10
2-9	Governance structure and composition	Our ESG Governance Structure; page 33 2022 10-K ; page 11 2023 Proxy Statement ; pages 5, 9 Corporate Governance Website
2-10	Nomination and selection of the highest governance body	2023 Proxy Statement ; pages 17, 86 Corporate Governance Guidelines Governance & Corporate Responsibility Committee Charter
2-11	Chair of the highest governance body	Our ESG Governance Structure; page 33 2023 Proxy Statement ; pages 5-6 Charles L. Szews serves as the Chairman of the Board and Daryl Kenningham serves as the President & CEO

STATEMENT OF USE

Group 1 has reported with reference to the GRI Standards for the period January 1, 2022 to December 31, 2022.

GRI Standard	Disclosure Description	2022 Explanation and Location
2-12	Role of the highest governance body in overseeing the management of impacts	<p>Our Approach to ESG; page 10 Overseeing Risk Management; page 35 2023 Proxy Statement; pages 19-25 Corporate Governance Guidelines Governance & Corporate Responsibility Committee Charter Committee Charters</p>
2-13	Delegation of responsibility for managing impacts	<p>Our Approach to ESG; page 10 Our ESG Governance Structure; page 33 Overseeing Risk Management; page 35 2023 Proxy Statement; pages 11-14, 16 Governance & Corporate Responsibility Committee Charter</p> <p>Group 1 has appointed a Chief Diversity officer and all leadership executives are evaluated on how they progress toward ESG outcomes. Our Governance & Corporate Responsibility Committee reviews ESG matters.</p>
2-14	Role of the highest governance body in sustainability reporting	<p>2023 Proxy Statement; page 22</p> <p>The Board reviews the results of our materiality assessment.</p>

STATEMENT OF USE

Group 1 has reported with reference to the GRI Standards for the period January 1, 2022 to December 31, 2022.

GRI Standard	Disclosure Description	2022 Explanation and Location
2-15	Conflicts of interest	2023 Proxy Statement ; page 88
2-16	Communication of critical concerns	Code of Ethics for Specified Others
2-17	Collective knowledge of the highest governance body	Code of Conduct Our Approach to ESG; page 10 2023 Proxy Statement ; page 20 Code of Ethics for Specified Others Code of Conduct 2023 Proxy Statement ; page 6
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Guidelines
2-19	Remuneration policies	2023 Proxy Statement ; page 18
2-20	Process to determine remuneration	2023 Proxy Statement ; pages 33-35
2-21	Annual total compensation ratio	Compensation & Human Resources Committee Charter 2023 Proxy Statement ; page 33-35 2023 Proxy Statement ; page 68
2-22	Statement on sustainable development strategy	Letter from our CEO; page 3
2-23	Policy commitments	2022 10-K ; pages 7-12 For more information on our policies and commitments, visit our Corporate Governance Website .

STATEMENT OF USE

Group 1 has reported with reference to the GRI Standards for the period January 1, 2022 to December 31, 2022.

GRI Standard	Disclosure Description	2022 Explanation and Location
2-24	Embedding policy commitments	Our Business Practices; page 41 For more information on our policies and commitments, visit our Corporate Governance Website
2-25	Processes to remediate negative impacts	Our People and Communities; page 14 Code of Ethics for Specified Others
2-26	Mechanisms for seeking advice and raising concerns	Code of Conduct ; pages 2-4
2-27	Compliance with laws and regulations	2022 10-K ; page 20
2-28	Membership associations	Evolve Houston, National Automobile Dealers Association, American International Automobile Dealers Association, DEI Automotive Retail Champions, State Automobile Dealers Associations of all 17 states in which Group 1 operates such as Texas Automobile Dealers Association and Georgia Automobile Dealers Association, U.S. Chamber of Commerce, Texas Association of Benefit Administrators, Texas Economic Development Corporation, and key municipal automotive dealers associations across our footprint such as Houston Automobile Dealers Association and the El Paso New Car Dealers Association. For more information on this, please visit Our Approach to ESG on page 10 .
2-29	Approach to stakeholder engagement	We engage with stakeholders through regular employee surveys, our materiality process, community engagement efforts and our investor-related events. In 2022, we expanded our stakeholder engagement by undergoing an ESG materiality assessment. For more information on this, please go to page 10 .

STATEMENT OF USE

Group 1 has reported with reference to the GRI Standards for the period January 1, 2022 to December 31, 2022.

GRI Standard	Disclosure Description	2022 Explanation and Location
MATERIAL TOPICS		
3-1	Process to determine material topics	<p>Group 1 conducted a materiality assessment by engaging with internal and external stakeholders through interviews and surveys and by conducting industry research.</p> <p>For more information on this, please go to page 10.</p>
3-2	List of material topics	<ol style="list-style-type: none"> 1. Employee Engagement 2. Workplace Health & Safety 3. Community Engagement 4. Diversity, Equity & Inclusion 5. GHG Emissions & Energy 6. Ethics and Compliance <p>For more information on this, please go to page 10.</p>
3-3	Management of material topics	<p>Our Commitment to Sustainability; page 9</p> <p>Our Approach to ESG; page 10</p> <p>Throughout this report, Group 1 Automotive discusses its management for all material topics.</p> <p>For additional information about our management of risk factors that have had, or in the future could have, a material adverse effect on our business and results of operations, please visit pages 12-20 in our 2022 10-K.</p>



United Nations Sustainable Development Goals

In furtherance of both the United Nations Sustainable Development Goals (U.N. SDGs) and our ESG strategies, Group 1 Automotive has committed to reporting with reference to seven U.N. SDGs that most align with our current initiatives and company values.

U.N. SDG	DESCRIPTION OF GOAL	REFERENCE IN REPORT
Zero Hunger	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	<u>Contributing Through Philanthropy and Volunteering</u>
Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	<u>Providing Training & Development</u> <u>Contributing Through Philanthropy and Volunteering</u>
Gender Equality	Achieve gender equality and empower all women and girls.	<u>Fostering DEI</u>
Decent Work and Economic Growth	Promote inclusive and sustainable economic growth, full and productive employment and decent work for all.	<u>Compensation and Benefits</u>
Industry, Innovation and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	<u>Preparing for the Market Shift to EVs</u>
Reduced Inequalities	Reduce inequality within and among countries.	<u>Fostering DEI</u>
Responsible Consumption and Production	Ensure sustainable consumption and production patterns.	<u>Our Environmental Impact</u>



Forward Looking Statements

This report includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may be identified by words such as “may,” “could,” “project,” “believe,” “anticipate,” “expect,” “estimate,” “potential,” “plan,” “forecast,” “intend” and other similar words. All statements, other than statements of historical fact, included in this report that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future, are forward-looking statements. Some of the data provided in this report may be estimated or reliant on estimated information, which are inherently imprecise. While we endeavor to note throughout this report where such estimates are made, we cannot guarantee that estimates are identified as such in every instance. Furthermore, unless explicitly noted in each instance where it occurs, the relevant sustainability or ESG-related data provided in this report has not been audited or subject to any third-party assurance process.

These forward-looking statements include, but are not limited to, statements concerning the Company’s strategic plan, priorities, outlook and expected performance; ESG-related goals, strategies, priorities and initiatives, including, among others, those related to diversity, equity, and inclusion, training and development programs, safety and well-being initiatives, philanthropy and volunteering, customer-facing technology and tools, customer privacy protection, cybersecurity, human capital management, health and safety efforts, waste reduction, improving energy efficiency, managing greenhouse gas emissions, managing water use, managing our supply chain, and seeking alignment with certain reporting frameworks; our plans to achieve our ESG-related goals and to monitor and report our progress thereon; commitments and disclosure; and other related items.

The actual conduct of our activities, including the development, implementation or continuation of any goals, strategies, priorities and initiatives discussed or forecasted in this report may differ materially in the future. Moreover, many of the assumptions, standards, metrics

and measurements used in preparing this report continue to evolve and are based on assumptions management believed to be reasonable at the time of preparation, but should not be considered guarantees. The Company’s forward-looking statements in this report rely on a number of assumptions concerning future events and involve significant risks and uncertainties, many of which are outside the Company’s control, which could cause actual results to differ materially from those in any forward-looking statements.

Thank You

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