



## **Occupational health and safety management system**

Lithia has various systems in place to both proactively deter work injuries as well as efficiently handle claims that are reported. In coastal states where state OSHA requirements are more stringent than Federal, although not required by law, Lithia pays a 3rd party (KPA) to conduct quarterly on-site checks to confirm that required Safety Meetings are kept and documented, OSHA 300 logs are current, Hazardous Waste Training is conducted, etc.

Our system is based on historical company best practices and continually refined and updated by comparing to the industry standard via feedback and comparisons with our leading competitors at annual roundtable meetings and email exchange.

Our industry is considered 'high-risk' given many of our locations employ Service Technicians who work on vehicles, but we also employ less physically demanding workers such as sales/general managers, F&I managers, receptionists, and lot attendants/Porters - all of which are covered through our occ. health and safety management system.

## **Hazard identification risk assessment and incident investigation**

On a routine basis, work related hazards and risks are brought to light via quarterly on-site visits and walkarounds by our Safety and Compliance vendor, KPA, and addressed by the designated Safety Committees at each store location. Non-routinely, as risks are logged into the KPA portal, stores are held accountable by how many risks have been addressed and whether their risk incidents are trending downwards. To make it easier to report hazards, managers utilize the KPA app, which allows them to report and address hazards on the spot with their mobile phones.

Risks and hazards logged into the KPA portal are continually addressed with each location so they are held accountable with bringing the number of incidences down. We've recently revamped the process in which workers can report hazards and work injuries via the KPA app and our NurseLine phone number, as opposed to our previous method of workers reporting to their managers, who in turn report to Corporate Risk via an incident report. If workers do not feel comfortable reporting hazards to their supervisors or Safety Committees because of reprisals, we encourage them to report, anonymously, to OSHA.

Our employee handbook specifically states that all workers "Report to your immediate supervisor any faulty equipment, hazardous conditions, damaged property, blocked passageways or exits, or any conditions that may be deemed a safety hazard, even if you believe you have corrected the problem." Attendance is required at periodic health and safety meetings/trainings and is offered as an alternative form of reporting hazards if they are not comfortable reporting to their supervisor for fear of reprisal.

Lithia utilizes our relationship with Third Party Administrator, CorVel, so trained adjusters can investigate all work-related incidents reported while gathering all facts surrounding the incident from the direct supervisor, injured worker, and medical provider. Monthly reports from CorVel identify the most frequent incidents among each job class so that the Risk team at corporate

can issue corrective action recommendations in the Safety Newsletter or inform store Group Leaders so management can address.

### **Occupational health services**

Lithia is dedicated to the identification and elimination of hazards and minimization of risks by proactively engaging in the occupational health process with its employees and streamlining the handling of claims. Two of our locations have on-site medical clinics where employees and their spouses can receive prompt medical attention free of charge - it is well understood that recovery from an injury is greatly dependent on the speed at which the injured employee can receive quality medical attention.

When an injury occurs, we have recently eased the burden of reporting a claim by making the process 100% telephonic for employees and managers as opposed to employees having to report to their managers who in turn were required to fill out incident reports, greatly reducing lag time. Lithia utilizes our relationship with KPA, our Safety and Compliance vendor, who conducts quarterly on-site visits to store locations. KPA confirms store employees are apprised of OSHA regulation changes and Safety Committee meetings are conducted and logged and employee safety concerns are being addressed. Every month, the corporate Risk Management team issues a Safety Newsletter to all locations' management with rotating safety topics based on relevance to the season and most reported OSHA violations in our industry. In addition, KPA logs all identified risks for each location online, accessible to the corporate Risk Management team in order to track all risks and hold each location accountable to remediating all issues.

### **Worker Training on occupational health and safety**

Occupational Health and Safety trainings are provided online through our intranet via a collection of videos on 70 different topics ranging from 'Accident Investigation Training' to 'Active Shooter Training.' KPA also provides on-site training for topics such as 'Respiratory Protection' to 'Hazardous Material Training.'

Historically, the most frequent and most medically expensive occupational health incidents occur with our Service Technicians who suffer sprains/strains to their back. Our plan to address this demographic is to implement more robust safe-lifting training programs online via the intranet as well as onsite through KPA.

### **2020 Work-Related Injuries**

0 fatalities in 2020

2020 Rate of high-consequence work related injuries is .2759 (9 instance in 2020)

Our 2020 Rate of recordable work injuries is 16.6137 (*annualized rate*).

The main types of work-related injury are: Sprains/strains from lifting/pushing/pulling, slip and falls, cumulative trauma/repetitive motion.

The work-related hazards that pose a risk of high-consequence injury include MVAs, slip and falls, and heavy lifting in awkward positions. These hazards were the most prevalent mechanisms of injury (MOI) from our most recent loss run. In order to minimize MVAs, we actively vet the driving history of every potential employee hired.

Systematically, all recognized work-related hazards can be reported, online, by either an employee or KPA consultant to a portal which is accessed by the Risk team. Every Quarter, KPA and Risk review the open incidents and trends to make sure stores are responding appropriately and timely.

*Rates have been calculated based on 1,000,000 hours worked. We do not employ a significant number of non-employees whose work and/or workplace is controlled by our organization, to report a meaningful and actionable statistic for safety purposes.*

### **Work related ill-health**

In 2020, 1 fatality occurred as a result of employee work-related ill-health. The total number of cases of recordable work-related ill health in 2020 was 19.

The main types of work-related ill health include: tendonitis, carpal tunnel syndrome, stress and Chronic Regional Pain Syndrome (CRPS). Work-related hazards that pose a risk of ill health include any type of repetitive motions with hands or lifting experienced by desk workers and Service Technicians. These hazards are confirmed through analysis of our loss runs and identification of the most prevalent mechanisms of injury (MOIs).

Within the noted reporting period, repetitive lifting or motions are the hazards which have contributed to cases of ill-health, including both tendonitis and carpal tunnel syndrome. Lithia plans to address cumulative trauma disorders by implementing a more robust ergonomic training approach that can help either reduce the number of repetitions, reduce force required to perform certain duties (ie. tire changes), and eliminating awkward postures as much as possible

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