

# 2022 ESG REPORT



*Automotive*



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## About This Report

Welcome to the 2022 ESG Report of Penske Automotive Group, Inc. (we, our, and the Company | NYSE: PAG). We are a diversified international transportation services company and one of the world's premier automotive and commercial truck retailers. We operate dealerships principally in the United States, the United Kingdom, Canada, Germany, Italy, and Japan and are one of the largest retailers of commercial trucks in North America for Freightliner. We also distribute and retail commercial vehicles, diesel and gas engines, power systems, and related parts and services principally in Australia and New Zealand. Additionally, we own 28.9% of Penske Transportation Solutions, a business that manages, as of June 30, 2022, a fleet of over 386,000 trucks, tractors and trailers, providing innovative transportation, supply chain, and technology solutions to North American fleets. Penske Automotive Group is a member of the Fortune 500, Russell 1000, and Russell 3000 indexes and is ranked among the World's Most Admired Companies by Fortune magazine. In 2022, 46 of our dealerships were named to the Automotive News 100 Best Dealerships to Work For.

In this report, we will share with you Penske Automotive Group's activities, metrics, and performance with respect to certain environmental, social, and governance matters, along with some of our key strategic initiatives to promote a more sustainable future and minimize our impact on the environment. This report covers the period of January 1, 2021, through December 31, 2021, unless otherwise noted.

This report is responsive to the Sustainability Accounting Standards Board (SASB) Multiline & Specialty Distributors standard and includes an Appendix setting forth additional information about the Company based on the disclosure framework established by the Task Force on Climate-Related Financial Disclosures (TCFD).

**For additional information about our company, please visit [penskeautomotive.com](https://penskeautomotive.com)**



## A Message From Our Chair and CEO

Thank you for your interest in the Penske Automotive Group 2022 ESG Report. We are pleased to share our journey with you. As a leading diversified transportation services company, it is our responsibility to ensure that we contribute to a more sustainable and equitable future by making a positive impact in the communities we serve. Good corporate citizenship, a culture of uncompromising ethics, unwavering integrity, and a dedicated commitment to serving our customers, employees, and communities represent the core values of our Company.

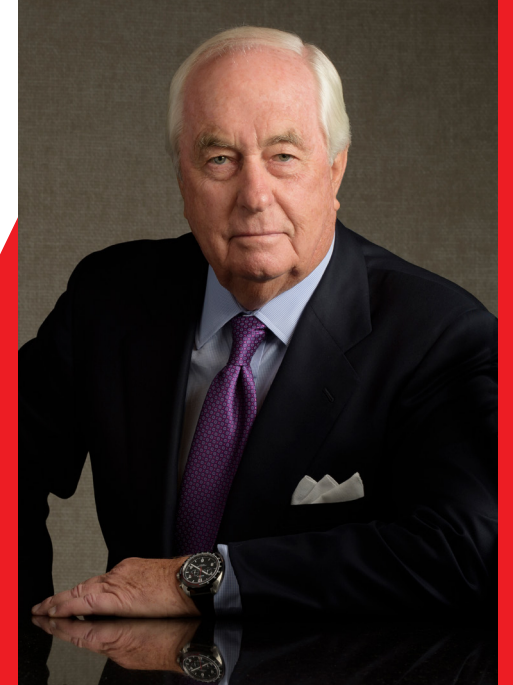
Over the course of the last 12 months, we continued to integrate environmental, social, and governance (ESG) initiatives into the culture of our organization. These efforts have been strengthened by the appointment of a Vice President of Sustainability and a Sustainability Program Leader, both helping to execute a number of the initiatives discussed in this report. We have also established a dedicated sustainability team to evaluate our existing

strengths and weaknesses while developing our road map towards a more sustainable future. This team helps manage our environmental impacts with assistance from others inside and outside of the Company, including environmental consulting firms that help us measure, monitor, and manage our overall carbon footprint. For example, to facilitate the adoption and acceptance of electric vehicles, we continued to leverage our extensive dealership networks to invest in electric infrastructure and, as of the end of 2021, had installed over 1,150 charging stations across our locations.

At Penske Automotive Group, Human Capital is our most important asset. We are committed to creating a culture that fosters collaboration, teamwork, and opportunity. This includes recruiting and retaining top talent, providing learning and development opportunities for our team members, and promoting diversity, equity, and inclusion throughout our organization.

“It is our responsibility to ensure that we contribute to a more sustainable and equitable future by making a positive impact in the communities we serve.”

– Roger Penske



**Roger Penske**  
Chair of the Board and CEO

To further this commitment, we have implemented a values-based diversity and inclusion training program throughout our broader organization to help our team better communicate with and understand one another. In the U.K., we appointed a Head of Diversity & Inclusivity, launched recruitment initiatives, and rolled out interactive and e-learning training programs designed to promote an inclusive workplace. In the U.S., we recently appointed an Executive Vice President of Talent and Development to further enhance our initiatives regarding leadership development and employee recruitment and retention, as well as our diversity and inclusion efforts. In addition, annually our company regularly receives accolades from well-known, independent organizations such as Automotive News as a top workplace.

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“Through the dedication and support of our team members, our dealerships worldwide regularly support their local communities through charitable efforts.”

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Through the dedication and support of our team members, our dealerships worldwide regularly support their local communities through charitable efforts, including employee volunteer opportunities and partnerships with local food banks, homeless shelters, hospitals, school districts, animal rescue organizations, and other philanthropic organizations. At the same time, we drive a commitment to ethical behavior through a continuing focus on honesty and integrity. Our Board of Directors provides strong oversight and accountability for risk management, including risks related to sustainability and climate change.

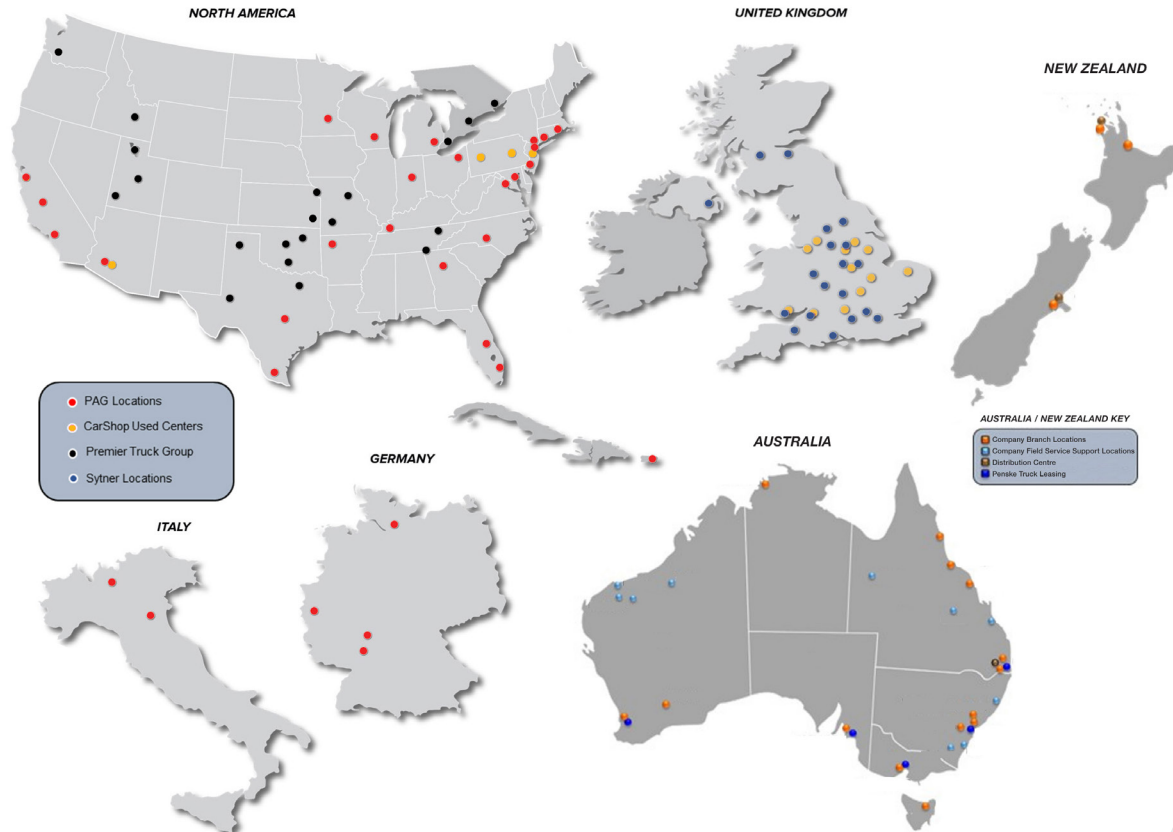
I am proud of our progress and am confident that we are establishing a strong foundation to make even greater contributions toward a more sustainable future. I hope you enjoy reading about our accomplishments and our vision for the future.

**Roger Penske**  
Chair of the Board and CEO



# About Penske Automotive Group, Inc.

Operating in nine countries across four continents, we are a diversified international transportation services company and one of the world's premier automotive and commercial truck retailers. As of June 30, 2022, we operated over 390 automotive dealerships and commercial truck locations, representing more than 35 distinct brands, and are one of the largest global automotive and commercial truck retailers.



**A Diversified Transportation Services Company**

Headquartered in Bloomfield Hills, Michigan, USA

As of June 30, 2022:

**26,000+**  
employees worldwide

**\$25.6B**  
in FY21 revenue

**332**  
retail automotive  
franchised dealerships

**4**  
continents

**9**  
countries

**Markets in North America**

**152**  
automotive  
franchised  
dealerships

**8**  
CarShop  
used vehicle  
locations

**39**  
commercial  
truck locations

**Markets Outside of North America**

**180**  
automotive  
franchised  
dealerships

**13**  
CarShop  
used vehicle  
locations

# Doing Business, the Penske Way

At Penske Automotive Group, we recognize that we are accountable to key stakeholders and the communities in which we operate. We are committed to responsible business practices, continuous improvement of our operations, and strengthening relationships with our stakeholders.

We aim to deliver excellence to our customers, value to our stakeholders, opportunity to our team members, and to be the best growth-oriented transportation retail and services company wherever we operate. This mission is supported by a set of values embedded throughout our organization to exceed, excel, and encourage at all levels.

- >> **Exceed:** Provide a superior customer experience that exceeds expectations at every touchpoint and establishes trust and loyalty through honesty, transparency, and accountability
- >> **Excel:** Deliver long-term value to our stakeholders through continuous improvement, organic growth, strategic acquisitions, and increased profitability
- >> **Encourage:** Provide opportunities for team members to succeed in our organization by cultivating talent, rewarding achievement, and maintaining the highest standards of respect for each other

These values are deeply integrated into our culture and are critical to driving our business objectives. We believe that exceptional customer service and long-term stakeholder value can only be consistently delivered by attracting, motivating, training, and retaining the very best team members. As a result, we view Human Capital as our most important asset and our employees are at the heart of everything we do.

## Our Approach to ESG

Throughout 2021, we continued to integrate ESG initiatives into our business, culture, and individual dealership operations, focusing on enriching our communities, limiting our environmental impact, protecting the health and safety of our team members and customers, and promoting a diverse and inclusive workplace — all while creating value for our stakeholders. We have strengthened our ESG integration into our broader organization by strategically assembling a dedicated team to help evaluate our ESG strengths and weaknesses. This team includes our Vice President of Sustainability and Sustainability Program Leader who together continue to develop and implement certain processes and strategies to evaluate, monitor, and manage potential climate-based risks facing the Company and the environmental impact of our operations. Through these efforts, we continue to work together as one team, diverse yet united, in addressing key ESG matters. We direct our efforts where we believe we can have the most positive impact, focusing on:

- >> **Human Capital**
- >> **Community Participation**
- >> **Environmental Sustainability**
- >> **Investor Outreach**

# 2021 Highlights

## DIVERSITY, EQUITY AND INCLUSION

- Enhanced our diversity, equity, and inclusion training programs
- Seven dealerships ranked in the Top 10 in the U.S for their efforts to promote Diversity, Equity & Inclusion, including the top three places
- Hired a Head of Diversity & Inclusivity in the U.K.

## ENVIRONMENTAL SUSTAINABILITY

- Established a dedicated Sustainability Team in the U.S.
- Installed electric vehicle charging stations to support and encourage electric and hybrid electric vehicle adoption
- Enhanced training and development for employees regarding the sale and maintenance of electric vehicles and electric vehicle technology
- Made additional efforts to purchase renewable energy within our global footprint
- Over 88% of the new and used cars we sold in the U.K. were EU6 emissions compliant\*
- Avoided the equivalent of 15,473 metric tons of U.S. GHG emissions by recycling used oil and other liquids

## WORKING FOR THE BEST

- Recognized as one of the World’s Most Admired Companies by Fortune magazine
- 35 retail automotive dealerships recognized among Automotive News’s Best To Work For 2021, with 46 retail automotive dealerships recognized on the 2022 list
- Audi Turnersville was named #1 Best Dealership to Work For in the U.S. (Small Dealership Category) and 6 dealerships were named in the top ten in the U.S. as Best Dealerships to Work For
- Received “Top Workplace Award” for five consecutive years at several of our Atlanta dealerships
- Maintained employee turnover rates significantly below industry averages
- Donated over \$2.6 million to charitable organizations

\*From September 1, 2015, all new cars registered in the U.K. had to meet EU6 emissions requirements. In 2021, we retailed 173,822 vehicles. Of these, 152,967 (88%) were brand new or registered after September 1, 2015 and were EU6 compliant.





# SUPPORTING TEAM MEMBERS

# Putting our People at the Heart of Everything We Do

Exceeding expectations is our guiding principle and is embedded within our culture. We work as a team so that when any one of us succeeds, we are all in the winner's circle together.

To achieve the highest levels of success, our team members are at the heart of everything we do. In fact, Human Capital is our most important and valuable asset. Our success is attributable to the hard work of our motivated team members, and our ambitious vision for the future depends entirely on them.

## Prioritizing Health and Safety

We protect our team members, employing a culture of continuous safety, supported by robust health and safety policies, procedures, and guidelines.

Throughout all levels of the organization, we instill the message that the overall health and safety of our workforce is everyone's job. We empower individuals and teams to challenge unsafe practices whenever and wherever they are observed and reward those committed to improving safety within the organization.

We comply with all applicable federal regulations and local ordinances. We also adhere to recommended procedures and provide the proper safety equipment for each of our operating environments, but recognize that truly safeguarding our personnel means going further than just checking boxes and observing relevant mandates.

To enforce and enhance the safety culture at Penske Automotive Group, our employees receive regular safety trainings and we audit compliance with our safety policies. Our safety trainings allow our employees to expand their knowledge on a variety of safety topics associated with their job. It further assists an understanding of approved practices and safety expectations, with a goal of reducing injuries and protecting each other.

### 2021 HEALTH AND SAFETY HIGHLIGHTS

**9,000+**

Number of employees completing on-site Health, Safety and Environment (HSE) group training

**200+**

U.K. managers trained in the Safety and Health Accreditation Program

**16,000+**

Number of online HSE training courses completed by employees

**7,500+**

eLearning modules completed by U.K. personnel

## Mitigating Risk and Ensuring Compliance

When it comes to the health and safety of our team, we encourage a steadfast culture of compliance. If something is not working or appears unsafe, we encourage team members to communicate their concerns to their managers. By creating open lines of communication, including an anonymous employee feedback system, we create safe workplaces and instill in our team members a sense of ownership over their health and safety and that of their colleagues.

**Health, Safety and Environment Audits and Training.** Our dealership team members receive thorough environmental protection, safety awareness, and emergency response training centered on injury prevention, respiratory protection, hazard communication plans, hazardous waste management, and other matters. Our team monitors compliance with our mandated safety practices through regular on-site audits.

We remain committed to ensuring compliance with local, state, and federal laws and regulations regarding environmental issues and safety conditions. Efforts include contracting third-party firms to perform in-person assessments of our facilities and to provide additional staff training in areas of heightened focus. On-site inspections consist of a full-range review of all employee training certifications, environmental, health, safety compliance, and an evaluation of all injury/accident reports. Management reviews all accident reports to determine the root cause and to identify preventative action to avoid similar accidents in the future. Furthermore, we require facility equipment to be professionally maintained and inspected on an annual basis with necessary corrections being made as needed.

Our commitment to the well-being of our workers and guests is outlined in our [Health and Safety Policy](#). We update our health and safety policy as new information and new technologies develop, communicating those changes through safety advisories and help guides delivered across the broader organization. We also conduct continuing emergency response training.

### RoSPA Makes Better Drivers

Safe driving makes a difference. In the U.K., The Royal Society for the Prevention of Accidents (RoSPA) provides safety-related training and qualifications, including the RoSPA Driver Profiler, an innovative online tool to identify driver behaviors that may contribute to road accidents.

From January 1 through August 31, 2022, more than 7,000 of our U.K. colleagues completed the Driver Profiler.

### In 2021, our U.S. operations maintained an average compliance score of 93 out of 100 in connection with compliance audits from our third-party environmental advisor, KPA.

We partner with KPA nationally to conduct fully transparent audits of our facilities. These audits help us remain compliant with federal and state environmental regulations, and KPA works directly with our managers to develop plans for resolving any identified issues. Over the course of 2021, over 9,000 U.S. employees completed on-site KPA training sessions, and our U.S. team completed more than 16,000 online HSE training courses.

## Building a Great Place to Work

Our workforce is driven by a culture of performance, teamwork and camaraderie. Our team has established a collaborative work environment that empowers our employees to do meaningful work while fulfilling their passions and balancing work and life goals. We look for candidates who can contribute to the work environment we have developed, and in return, we do our best to make it easy for them to stay with us for the long haul — a major contributing factor to our below-industry-average employee turnover.

**Fostering a Great Workplace Culture.** Our success stems from a unique workplace culture that is hospitable to growth and prosperity for every member of our team. We maintain zero-tolerance policies with respect to harassment, intimidation, workplace violence, and similar issues.

Our customers are diverse. They come to our dealerships with various backgrounds, experiences, and perspectives, so we build diversity into the teams we assemble to serve them. We invest in proven methods of values-based diversity training and survey participants to gauge our program’s effectiveness.

**Recruiting and Retaining Top Talent.** We cultivate an entrepreneurial, high-performance workplace environment

and endeavor to develop leaders from within. We post new job openings on a dedicated internal career site available to our team members.

We have also taken meaningful action to retain and develop our top talent, including by setting clear expectations of management and benchmarking our pay metrics against the local market. We also provide our team with the tools, guidance, and support to develop their careers, learn new skills, and progress into leadership roles.

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“Our team is comprised of a diverse group of individuals, each with different experiences and perspectives. This broad range of backgrounds and skillsets empowers us to forge lasting relationships with our brand, our team, and our customers.”

– Tracy Cassidy  
Executive Vice President,  
Marketing



**Mitigating Unconscious Bias During Recruiting.**

Hiring high-quality candidates is integral to our success. To build dynamic, capable teams that are ready, willing, and able to serve our customers, we maintain a dedicated recruiting team to hire the best talent available, define clear expectations, provide comprehensive training, and reward outstanding performance. Digital Human Resources tools streamline the recruitment process from start to finish.

We strive to reduce unconscious bias in our hiring using various strategies, such as interviews with a variety of management representatives, measures to remove biased language from job descriptions and interview questions, and a diverse recruiting team. Our team has also expanded our recruiting network by advertising on a wider variety of job sites. Our U.K. team increases the inclusivity of the language used in their employment advertisements by filtering them through gender decoders and adding mentions of flexible working hours wherever applicable.

**Supporting the Next Generation.**

Our U.K. recruitment team is preparing the next generation of our leadership through employability coaching and other programs at local schools. In collaboration with the Institute of the Motor Industry (IMI), the team hosts an annual automotive design competition for students across the U.K.

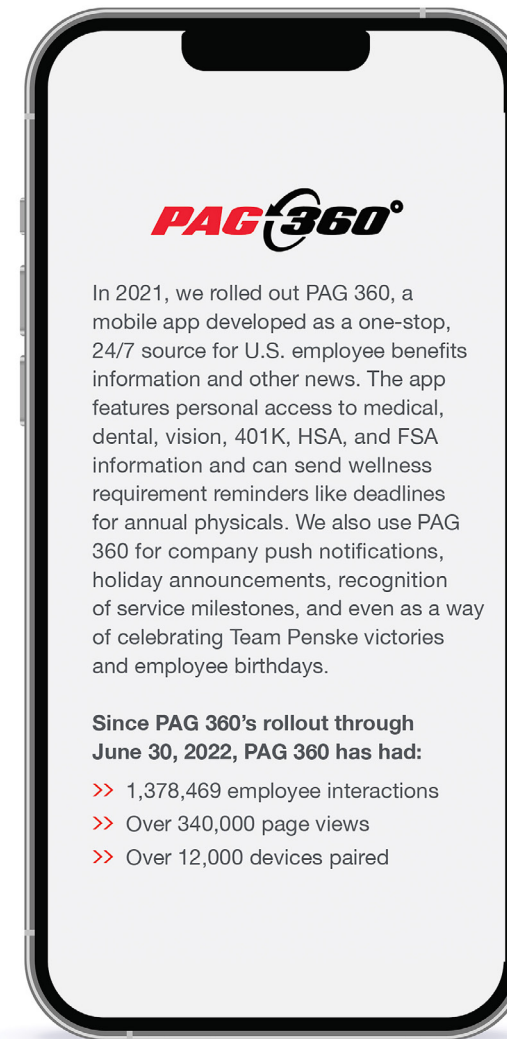
Recruiters also arrange business-centric dealership tours for young people from underrepresented backgrounds to garner interest in the industry.

**Benefits.**

The health and wellness of Penske Automotive Group employees — physical, emotional and financial — are among our top concerns. We know the importance of our workers feeling secure in their medical coverage and retirement plans, and we have seen what a healthy workforce can do when they feel appreciated.

**Our team gives us their best, so we do our best to keep them covered. We offer a benefits package that includes:**

- >> Competitive U.S. 401(k) with employer matching
- >> Competitive medical, dental and vision plans
- >> Company contribution to U.S. health savings plan
- >> Free telemedicine, annual physicals, and smoking cessation programs
- >> Paid time off and sick leave
- >> Company-paid life insurance
- >> Employee discounts and incentives on vehicle purchases
- >> Respiratory and auditory health checks for employees who work with specific chemicals
- >> Maternity benefits
- >> Access to free, confidential helpline, digital support programs, life coaching, and other support services



## Engaging Our Workforce

Employee engagement is a key component to our success. Our Annual Employee Survey asks team members to help us understand what is working, what is not, and to identify opportunities for improvement. We take this feedback seriously. Across the U.S. and U.K., over 80% of team members responded to the Employee Opinion Surveys, providing over 30,000 comments that have offered valuable insights needed to drive progress and improve business performance. We share the results of our annual Employee Opinion Surveys with our local, area, regional, and executive management teams and colleagues.

We have a track record of providing a best-in-class workplace experience. In 2021, our company-wide annual turnover was approximately 20%, well below industry averages.

In 2022, 46 Penske Automotive Group dealerships were named to the Automotive News Top 100 Dealerships to Work For in the U.S, up from 35 the previous year. In addition, our Atlanta area dealerships were named a [2021 Top Workplace](#) by the Atlanta Journal-Constitution.



Automotive News  
**BEST DEALERSHIPS**  
TO WORK FOR<sup>SM</sup> 2022



## Developing Our Team Members

Providing our team members with the tools, guidance, and incentives to accomplish their goals, take on different responsibilities, learn new skills, progress into a leadership role, or completely reinvent their careers is integral to our culture.

**Providing Learning and Development Opportunities.** As the transportation landscape continues to change at a rapid pace, we recognize the need to attract, nurture, and retain top talent with specialized expertise, even during global health and supply chain challenges. We are committed to fostering a growth mindset among all our team members through specialized learning and development programs, both in-person and online. We provide skills-based and professional development training that includes:

- >> **Leadership training program:** Offered in the U.S. through the National Automobile Dealers Association (NADA), we have graduated more than 330 individuals, many of whom now hold management positions within Penske Automotive Group.
- >> **Penske Automotive Group Elite Technician program:** Offered in the U.S. and U.K., this annual program recognizes and rewards our top-performing technicians for their outstanding credentials, abilities, and technical exam scores and carries a high honor throughout the organization.

**U.S. Elite Technicians:** Each dealership can nominate at least one Elite Technician who has demonstrated exceptional production, proficiency, and technical training/certification for their respective brand. Top scoring technicians in the Elite Technician Challenge for each brand are invited to attend a national racing event where they will compete to be named Penske Automotive Group’s Elite Technician of the Year. In 2021, 130 technicians were recognized as Penske Automotive Group’s Elite Technicians through this program.

**U.K. Elite Technician Challenge:** Offered in the U.K., the Elite Technician Challenge seeks to recognize and reward the technical talent within our business. The competition is rigorous and includes a number of challenges. Just 13 out of the more than 500 of our U.K. technicians who entered were named as an “Elite Technician” for their category.

- >> **U.K. Elite Management:** E-courses and digital classroom development opportunities are designed with our future management and leadership in mind. Elite Management prepares future General Managers while the Aspiring Managers Program (AMP) is for colleagues with the potential to progress to management in the near future. In 2021, 59% of those completing the AMP course were promoted.

- >> **Cox Leadership Academy:** The U.S. Cox Leadership Academy is a program that helps grow the skills and business acumen needed to successfully fulfill the role of a senior leadership team member or enterprise leader. More than 100 managers attended the virtual leadership program the AMP course were promoted.



## Promoting Diversity, Equity, and Inclusion

As we focus on exceeding expectations and driving loyalty across our broad customer base, we recognize that diversity, equity, and inclusion (DEI) are fundamental to our success. To build our team, we focus on bringing individuals from varied backgrounds together around a common cause. We believe the diverse backgrounds and abilities of our team members complement one another and foster an inclusive work environment that promotes equity, free from any form of discrimination.

### DEI Training

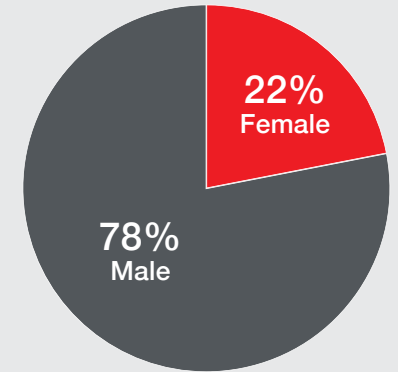
**Connecting with Each Other.** Our U.S. values-based training program derived from the Barrett Institute Personal Values Assessment helps our associates connect with other team members while learning to respect differing origins, cultures, and personal experiences. The program also provides tools to help our team better communicate with and understand one another.

Over 94% of those who participated in our U.S. values-based training either agreed or strongly agreed that the training aided in their learning regarding diversity and inclusion topics.

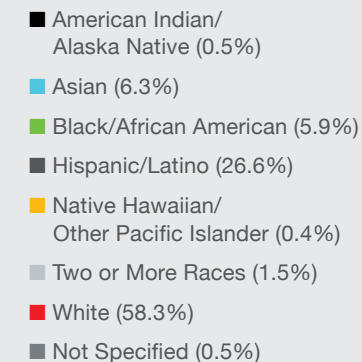
### U.K. Diversity and Inclusion.

- >> **Pride:** Our U.K. team was the main sponsor of Leicester Pride 2021, with colleagues from across the group supporting this initiative.
- >> **The Shared Shelf:** In addition to regular DEI sessions addressing unintended or indirect discrimination, equity, and inclusive leadership, participants in this U.K.-based program consider a specific diversity and inclusion theme and discuss their insights with each other online.
- >> **Learning Opportunities:** Our U.K. team offered a number of learning opportunities for colleagues to better understand and champion diversity, equity, and inclusion across the business. Some of these opportunities included webinars, workshops, and events sponsored by our partners.

North American and U.K. Gender Diversity



North American Racial/Ethnic Diversity





## Promoting Women

We are proud to have female leaders at every level of our organization. Throughout 2021, we featured female leaders from the organization who are helping change the face of the automotive industry. We hope that sharing their stories on social media will inspire others to take an interest in the automotive industry.



Our **Women at the Wheel** mini documentary, featured on our social media platforms, highlights prominent women in our organization speaking about their experience and opportunities at Penske Automotive Group. [Watch now](#)

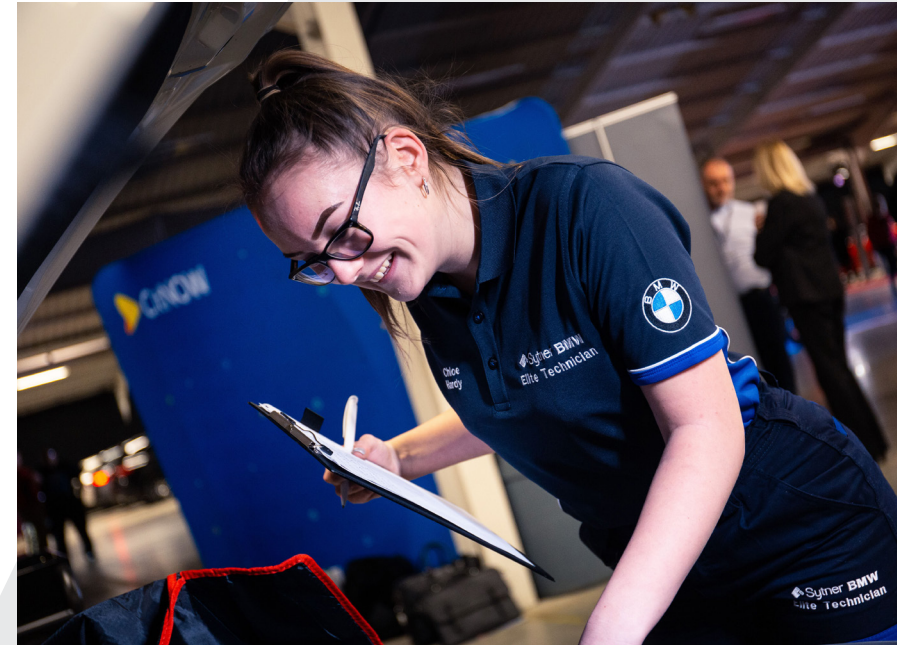
### The **NADA Women Driving Auto Retail Contest**

celebrates women in the auto retail industry through three-minute videos about their experiences working inside a dealership and how their automotive careers began. Penske Automotive Group had 28 entrants in 2021 and 50 in 2022. [Watch now](#)

Since 2016, Penske Automotive Group’s internal program, **Women in the Driver’s Seat**, has featured our female leaders sharing their earliest interest in the industry and discussing their proudest moments. We share how these women got their start, gained valuable mentors, and are helping change the face of the industry in positive ways for women considering automotive industry careers.

### **Beaming a Light on Michelle.**

Auto Remarketing named Michelle Petrenko a 2022 Women in Retail honoree for her work as General Manager at Mercedes-Benz of North Scottsdale, where she fulfills her personal mission of making every visitor feel welcome, respected, and appreciated. Michelle names her ability to build powerful teams by recruiting members from diverse backgrounds with unique skills and mindsets as critical to her success. [Read the full spotlight](#)





# OPERATING SUSTAINABLY

# Taking action to manage the environmental impact of our operations

At Penske Automotive Group, sustainability is part of our culture and a shared value across the organization.

We regularly examine our operations, seeking opportunities to reduce our carbon footprint and push ourselves to operate more efficiently and use resources responsibly. More information on our commitment to sustainability and our Environmental Policy can be found on our [website](#).

As part of our efforts to build a strong foundation with respect to our sustainability efforts, we appointed both a Vice President of Sustainability and a Sustainability Program Leader in 2021. These roles help to sharpen the strategy of our existing sustainability team, including through technology-driven initiatives designed to collect, review, and analyze data from sources throughout our organization.

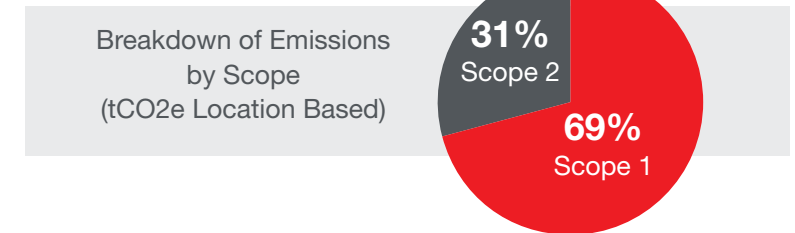
To support our sustainability efforts, our own environmental teams work alongside environmental and safety consulting firms to gain a deeper understanding of the impact and progress of our ESG initiatives, programs, and performance indicators. These firms also help us audit our compliance with applicable laws and regulations relating to environmental, health, and safety issues.

**Measuring and Managing Our Energy Use Climate Change.** As a performance-driven company, we are committed to monitoring and managing the environmental impacts of our businesses.

This year, we have identified potential climate-based risks and opportunities in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. You may find these disclosures in the Appendix to this report. We have begun to do our part to measure our emissions and have implemented strategies designed to reduce greenhouse gas (GHG) emissions, which we believe will help reduce the effects of climate change. We measure our GHG emissions in the U.K. and we have begun measuring our GHG emissions in the U.S. We expect to share those figures next year.

## U.K. Operations

kWh Energy Consumed 2021	tCO2e Emitted 2021	
<b>Total</b> 161,695,034	<b>Scope 1</b> 23,544	<b>Scope 2</b> 10,826



The above information is aligned with the GHG Protocol methodology and reflects data from the U.K. group's (Sytner Group Ltd.) operations. Estimation techniques have been required where there are gaps within invoiced supplier data. One electricity meter and twelve gas meters have been estimated for the full reporting period and a number of part-year estimates have also been required. Estimates have been completed using either a direct comparison or pro rata method. Estimations within this report are within the reasonable limits outlined within the applicable U.K. legislation.

## Embracing Energy Efficiency

Reducing our energy use is important to our customers, team members, and other stakeholders. We recognize our responsibility to advocate for a cleaner environment through self-awareness, leveraging our global partnerships and promoting the sale of electric vehicles developed by our original equipment manufacturing partners through our dealerships.

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While our main focus is on optimizing our energy efficiency, we are also supplementing our power supplies with electricity generated from renewable energy sources, and are making additional efforts to purchase renewable energy within our global footprint.

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To date, LED lighting upgrades are in place at approximately 71% of our U.S. retail automotive dealerships and collision centers. Our stores throughout the U.S. continue to incorporate energy-saving features like high-efficiency heating, ventilation, and air conditioning (HVAC) systems and energy-efficient glass installations into their renovations.

In the U.K., our new buildings must comply with more stringent construction regulations. Since 2013, every one of our new building projects in the U.K. has received a grade of B or above for their energy plans. Over the past year, we have partnered with a third party to conduct building energy audits at 20 sites. These audits resulted in a list of recommendations for each site to reduce energy usage.

### Leveraging Partnerships to Reduce Energy Use

**Shell Energy Solutions.** As part of our long-term collaboration with Shell, we have piloted an energy savings program at one of our largest campuses, including 10 dealership and service locations. This program enhances energy efficiency while reducing operating costs through a unique platform of activity-monitoring sensors integrated within the HVAC units that enables us to audit and decrease our energy consumption. In 2021, we saw a 20.4% reduction in aggregate electricity and natural gas usage at this campus, reducing our carbon emissions by 907 metric tons or the equivalent of greenhouse gas emissions from 102,059 gallons of consumed gasoline, or the electricity used by 109 homes for an entire year.



## Offering Electric Vehicles

A meaningful increase in consumer interest toward electric vehicles (EVs) is creating new sales opportunities and new potential customers for our dealerships, helping to facilitate a transition toward more EVs on the road.

Our new car dealerships offer the full suite of vehicles produced by our manufacturer partners, including gas, hybrid, plug-in hybrid, and pure electric vehicles.

EV service opportunities, including range maintenance and optimization, cooling protection, torque protection, and battery replacement are accompanied by potential safety hazards and environmental concerns. Our teams prepare for these issues through manufacturer-specific training in work safety precautions and the proper electrical component and battery waste disposal.

We encourage the sale and use of EVs and are actively placing charging stations across our network to facilitate a reliable infrastructure for their use.

As of December 31, 2021, our network of EV charging stations across the U.S. and internationally totaled over 1,150, including a combination of Level 1 (standard), Level 2 (240V), and Level 3 (fast charging) capabilities.

We expect to install additional charging stations to support EVs as our manufacturer partners introduce more of these products to the marketplace. We estimate that approximately 22.6% of our new vehicles sold in 2021 were either electric or hybrid electric vehicles.



## Eliminating Pollution and Waste

We continue to reduce the amount of waste produced by our operations and further abate our impact on the environment. To promote efficient and environmentally conscious use of resources and the responsible disposal of waste products — including hazardous materials — we employ numerous strategies across our facilities worldwide.

**Managing Hazardous Substances.** The containment and proper handling of hazardous materials is our safety team’s top priority. In the U.K., approximately 99% of our hazardous waste, including engine oil, oil filters, anti-freeze, and lead acid batteries, is recycled. The other 1% is properly disposed of through the waste management process. Our waste storage tanks are double-walled, providing a layer of secondary containment in the unlikely event of a spill. These tanks are also inspected on a regular basis.

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In the U.K., we recycled 99% of hazardous waste, equivalent to 2,052,769 kg of carbon that would have otherwise been released.

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Our 2021 closed-loop recycling program for used oil and solvents through Safety-Kleen avoided 12.5% more GHG emissions than in 2020.

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In the U.S., we use a third party to manage, collect, and process recycling for many of the hazardous and non-hazardous materials that pass through our service departments. These products include mercury bulbs, used oil, oil filters, brake and parts waste, used antifreeze, parts solvent, and drain waste.

Throughout 2021, we continued to take action to enhance a closed-loop recycling program for used oil and solvents. This program not only eliminates potentially unnecessary waste products, but also avoids the associated GHG emissions. In 2021, we avoided the equivalent of 15,473 metric tons of GHG by subscribing to Safety-Kleen’s environmental programs and by recycling used oil and other liquids.

This level of emissions avoidance translates to the EPA greenhouse gas equivalent of any of the following:

- >> 1,741,033 gallons of gasoline consumed
- >> 35,822 barrels of oils consumed
- >> 5,263 tons of waste recycled instead of sent to a landfill

### U.K. Detailing Chemicals Program

Our U.K. detailing centers rely on a set list of 22 approved main products from a single ISO 14001 accredited provider, Autosmart. The agreed-upon and approved products are selected to be less hazardous and more effective for each product type. Ten of these 22 products are fully biodegradable — this equates to 45% of the approved substance inventory.

The team also worked with Autosmart to develop the “Bespoke Valet Bay Set-Up” — an initiative to ensure the safe storage of chemicals. Under this initiative, corrosive chemicals are stored in lockable storage cabinets, while additional cabinets have been procured for the storage of flammable and non-hazardous substances. Custom signage has been created to clearly display information on the different products used and stored onsite. These units are also built to contain a spill of 110% of the largest container found in the cabinet, meaningfully reducing the risk of the spill entering the environment. Spill kits are also located throughout the area to aid in immediate spill clean-up action if necessary.

## Other strategies Penske Automotive Group employs to reduce pollution and waste include:

Recycling 77% of the 100,000+ worn-out tires collected from participating U.S. retail dealerships.

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Eliminating the use of paper for internal communications at dealerships by switching to digital tools. We estimate that this change yields annual reductions amounting to millions of pages.

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Using water reclamation systems at many of our U.S. dealerships that typically recycle a majority of the water used in our onsite car washes.

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Using water-based paints and solvents at our collision and repair centers. These pose significantly less risk to environmental and human health than traditional paints, which can contain hazardous substances.

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Disposing electronic equipment through a specific certified electronics recycler that maintains a zero landfill, zero export policy of unprocessed equipment to non-OECD countries.

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Facilitating the disposal of approximately 370,000 gallons of customer waste oil through the CalRecycle used oil recycling program.



Orange County Rescue Mission  
Hurtt Family Health Clinic



# SERVING COMMUNITIES



# Giving Back to the Communities Where We Live, Work, and Play

An important aspect of our culture and business practices is to be a leader within our communities. We encourage our dealerships to support their local communities and philanthropic organizations through both financial investment and volunteerism.

We believe community support fosters an outstanding relationship with stakeholders and positively impacts our business. Earning the trust and acceptance of local communities is aligned with our core values and essential for our success.

Our dealerships invest locally by providing job opportunities and supporting local supply chains. Beyond this, our team members raise money, donate their own dollars, and spend hours volunteering. Their efforts are making a difference at hospitals, animal rescue organizations, school districts, homeless shelters, food banks, and many other philanthropic institutions.

**Making a difference, near and far.** As a company with a presence spanning four continents, our reach is global, and we are able to make positive impacts well beyond the borders of the communities where our dealerships are located. After the outbreak of the war in Ukraine, we and our affiliate Penske Transportation Solutions made a \$1 million contribution to [World Central Kitchen](#), an organization working to supply meals to those in need at the frontlines of humanitarian, climate, and community crises. We encouraged team members to also donate to this cause, raising over \$150,000 from employees of both Penske Automotive Group and Penske Transportation Solutions.



## Pedal Power

Our Scottsdale-based dealerships began an initiative four years ago to encourage team members to improve their health through cycling. In addition to promoting fitness, the team participates in several charity rides throughout the year.

**Tour to the Bank:** In 2021, our team members joined more than 100 other riders on a 75-mile out-and-back ride from North Scottsdale, Arizona, to the Mission Food Bank in Gilbert, Arizona, where riders packed more than 5,000 food boxes for underprivileged children and the homeless.

**Tour de Scottsdale:** This annual event supports the McDowell Mountain Preserve and attracts more than 3,500 participants. This year, our dealerships donated three SUVs for use as support-and-gear (SAG) vehicles during the event, and more than 35 of our riders participated.

## We are proud to highlight a small selection of our many notable charitable contributions from 2021.

Donated over \$11,000 to the Children’s Hospital of Orange County, helping complete the construction of an outdoor recreation area at the hospital’s pediatric psychiatric facility.

Donated \$20,000 to Bosom Buddies of Arizona to further advance their incredible work supporting individuals and families impacted by breast cancer.

Joined in a local Ramadan fair and fundraiser for the neighboring Noor-UI-Iman School in New Jersey. The successful event drew a large crowd and showcased the dealership’s efforts to deepen its ties within its community.

Participated in World of Work Tours in conjunction with local charity Leicestershire Cares. This organization invites young people to tour workplaces as a strategy to showcase future career opportunities.

Participated in the 2021 Ft. Lauderdale Art Gala benefitting Kids in Distress, an organization dedicated to preventing child abuse and providing treatment for children who have faced abuse and neglect.



In a partnership with the Make-A-Wish Foundation, Wolfchase Toyota in Memphis, Tennessee continued their weekly tradition of collecting donations from team members in exchange for permission to participate in “Casual Friday” attire. The practice generates conversations with customers, often inspiring them to contribute to the cause. These funds are helping to provide transportation for an out-of-town family seeking treatment for their son at St. Jude Children’s Research Hospital. [Learn more.](#)

## Supporting American Service Members

We proudly support American veterans and current members of our armed forces. We provide employment opportunities for individuals in transition from active duty to civilian life and also contribute to organizations benefitting both veterans and active-duty members of the military.

**Paralyzed Veterans of America.** Since 2015, our dealerships have supported the Paralyzed Veterans of America (PVA), an organization working to ensure paralyzed and disabled veterans receive the care, benefits, and job opportunities they deserve. Every year, Penske Automotive Group matches up to \$500,000 in donations from our customers and team members to the PVA, including to PVA’s Mission: ABLE campaign in 2021. To date, we have contributed more than \$7.4 million to the group.

During promotional events held for Labor Day, Independence Day, and additional military appreciation days, some of our stores create special events to increase exposure and support. Local PVA members visit our dealerships to show support and share their stories, which is inspirational to our team and helps create a renewed drive to support the effort.

**Hiring our Heroes.** We are committed to hiring veterans because we believe they have what it takes to be outstanding team members, including a strong, goal-oriented work ethic, the ability to work with a team and — in many cases — expertise with the sophisticated equipment necessary to provide exceptional service to our customers.

In 2021, we hired 117 U.S. team members who previously served in our Armed Forces or Coastal Defense and, since 2015, we have hired more than 700 individuals through the Hiring Our Heroes program.

“Paralyzed Veterans of America’s work for veterans is both admirable and important. It’s an honor for Penske Automotive Group to be a part of this fundraising effort. Through our strong partnership, we can continue to change the lives of our American heroes and remind our customers, team members, and communities that service really does matter.”

– Robert H. Kurnick Jr.  
President  
Penske Automotive Group



“The entire PVA Family — including our members, volunteers, and staff across the U.S. — cannot thank Penske Automotive Group and their employees, and generous customers enough for their heartfelt donations and ongoing support.”

– Charles Brown, National President of Paralyzed Veterans of America

\$7.4M+ dollars donated to Paralyzed Veterans of America’s Mission: ABLE campaign

## Partnering For Positive Impact

We believe that cultivating long-term strategic partnerships with organizations sharing a similar vision and commitment to excellence provides us with an opportunity to further enrich our culture, goals, and values. We engage with other third-party companies and affiliates of Penske Corporation, such as Penske Transportation Solutions (PTS), Penske Entertainment, and Penske Racing, in various partnerships and ESG-based initiatives that broadly serve our respective communities.

“We remain very fortunate to have Team Penske offer its guidance and mentorship. I have been in and around the sport for 40 years. Force Indy remains a labor of love, and our goals are unchanged: focusing on diversity with an eye toward competing in the NTT INDYCAR SERIES and, in honor of Rajo Jack, the Indianapolis 500.”

– Rod Reid  
 President and CEO  
 NXG Youth Motorsports  
 Force Indy Team Principal



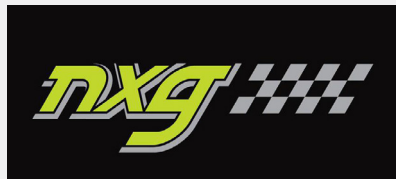
## Penske Entertainment



**Motorsports.** Through a longstanding partnership with Shell and Bridgestone, Penske Entertainment has worked closely with these organizations to develop and implement many initiatives designed to advance the goals of the Indianapolis Motor Speedway and INDYCAR Series to work toward carbon neutrality. These sustainability initiatives span various elements of the sport — from carbon offset programs for ticketholders, facility lighting upgrades, renewable racing fuel, emissions-free equipment transportation methods, tire components, and more.

- >> While working to develop a 100% renewable racing fuel, Penske Entertainment developed a renewable diesel program that supplies fuel to help INDYCAR teams move across the country in a more sustainable manner.
- >> Firestone is a trailblazer in the charge for alternative and renewable sources of natural rubber and will debut a new eco-friendly tire designed for use by all INDYCAR teams. This program was piloted in 2022 at the Indianapolis 500 Pit Stop Contest and the Music City Grand Prix in Nashville.
- >> An EV Truck Charging station was installed at Indianapolis Motor Speedway grounds in 2022.
- >> This year, through the “CHOOOSE” program, when fans buy tickets to certain races, including the Indianapolis 500, they are offered the option to offset their travel to and from the race.

**Force Indy.** Penske Entertainment and the Indianapolis Motor Speedway continue to support Force Indy, a USF2000 race team with a focus on hiring and developing men and women of color as mechanics, engineers, drivers, and other staff. Force Indy made history in 2021 when they became the first African American-owned-and-driven race team to win an INDYCAR-sanctioned race. Driver Myles Rowe was at the wheel of their signature #99 racecar — a tribute to the most successful African American driver in auto racing history, the late Dewey “Rajo Jack” Gatson. Team Penske continues to mentor Force Indy as part of Penske Entertainment’s “Race for Equality and Change” initiative, which is committed to recruiting and developing a diverse workforce throughout NTT INDYCAR and the Indianapolis Motor Speedway.



**NXG Racers.** Penske Entertainment and the Indianapolis Motor Speedway continue to partner with NXG Youth Motorsports Inc., an Indianapolis-based nonprofit organization focused on introducing STEM concepts and applications to students aged 11 to 15 from under-represented communities. In 2021, the success of this program enabled NXG to expand to Detroit, where the organization continues to spread excitement for STEM by linking the fields to go-karting and motorsports. [Learn more.](#)

## Penske Transportation Solutions

Part of Penske Automotive Group’s diversification strategy includes a 28.9% ownership interest in Penske Transportation Solutions (PTS). PTS provides innovative transportation, supply chain, and technology solutions to North American fleets. Some examples of activities where PTS is driving a more sustainable future include:

**Freightliner Trucks Battery Electric Vehicle.** PTS engaged in a strategic collaboration with Freightliner, a Daimler brand, to develop, test, and pilot new electric vehicles and has played a pivotal role in providing on-the-road testing for Freightliner eCascadia and eM2 electric trucks. This partnership is also focused on developing and expanding charging infrastructure for medium- and heavy-duty trucks.

**Green Supply Chain and Green Lanes.** PTS remains committed to developing environmentally sustainable U.S. routes for its customers by employing battery electric vehicles (BEV) and other energy-saving technology. The combination of battery electric tractors and solar-electric, multi-temperature refrigerated trailers allows for some routes to be completed with zero on-vehicle emissions. Renewable Energy Credits (RECs) are bought in connection with electricity used to charge these vehicles.

**EV Charging.** PTS continues to build out a footprint of charging stations to support electric vehicles in its fleet, with initial efforts focused in California. In 2022, PTS and Shell Recharge Solutions announced a new project to deploy Level 2 (L2) electric truck charging stations with plug-and-charge capabilities to support PTS’s growing battery-electric truck fleet in California. Additional sites are being rolled out in four U.S. states in 2022 with more locations expected to be added in future years. Of the 33 PTS sites that will feature Shell Recharge Solutions, 23 will be constructed in California; three in Washington state; two each in Colorado, Illinois, and Oregon; and one station will be located in Reading, Pennsylvania.

**Tire Recycling/Retread Initiative.** Through an innovative collaboration with Bridgestone’s Bandag, PTS has undertaken an aggressive tire recycling and retreading program for its expansive truck fleet. By recycling its Bridgestone tires, PTS diverts unnecessary landfill waste, and reduces energy consumption.



**Electric Trucks.** PTS has been an early adopter of electric truck technology, working with leading manufacturers, including Freightliner, Volvo, and International. PTS continues to invest in and test numerous light-, medium-, and heavy-duty commercial electric vehicles for its customers and also within its own rental and logistics fleet. Notable recent initiatives include the incorporation of light-duty electric Ford E-Transit vans into the PTS rental fleet, as well as using heavy-duty electric yard tractors from Orange EV to move trailers within distribution centers and truck yards.



# CORPORATE GOVERNANCE AND ACTING WITH INTEGRITY

# Securing and Maintaining the Trust of Our Stakeholders

It is our policy to be a good corporate citizen. Wherever we do business, our associates are required to comply with all applicable laws, rules, and regulations. We are dedicated to maintaining the highest standards of business integrity and ethical conduct.

Adherence to sound principles of corporate governance is vital to protecting our reputation, investor confidence, and customer loyalty. Corporate governance is an integral part of the foundation that guides our corporate culture, business objectives, and helps accommodate stakeholder interests.

We promote a culture of uncompromising ethics and integrity in all that we do, including corporate governance, oversight, accountability, and transparency. Simply complying with the law is not enough. Leading responsibly means that each member of our team is personally responsible for making sure that business decisions and actions comply at all times with our company policies. [Learn more.](#)

## Our Board of Directors

Our business is managed under the direction of our Board of Directors (the Board), elected by the shareholders, including a majority of independent members. The role of the Board is to guide the Company’s long-term strategy, and it represents the highest level of oversight at the Company. Our Board remains committed to promoting a culture of

uncompromising ethics and integrity in all that we do and views the identification and effective management of ESG-related priorities, risks, and opportunities as a critical component of the Board’s overall risk management and oversight responsibilities. The Board also helps to ensure our policies and processes support the Company’s business objectives and contribute to sustainable value creation for the Company’s stakeholders.

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“The Board of Directors is committed to guiding the Company’s long-term strategy, promoting uncompromising ethics and integrity, and fostering the Company’s commitment to sustainability through its environmental, social, and governance initiatives.”

– *Kim McWaters*  
*Chair,*  
*Nominating and Corporate*  
*Governance Committee*



## Board Committees

The Board maintains four standing committees: Audit, Compensation and Management Development, Nominating and Corporate Governance, and Executive. Other than the Executive Committee, each committee is chaired by an independent director and governed by its own charter. These standing committees each have a written charter setting forth their respective responsibilities and authorities and enhancing the Board's oversight over the Company. Our board members attended 98% of the Board and committee meetings in 2021.

**Audit Committee.** The Audit Committee is responsible for upholding the integrity of the Company's financial statements and monitoring the qualifications, independence, and performance of our independent and internal audit functions. Additionally, this committee is responsible for reviewing the Company's key risk areas. The TCFD Appendix to this report includes additional information about the role of the Audit Committee with respect to the Company's risk oversight.

### **Compensation and Management Development Committee (Compensation Committee).**

The Compensation Committee reviews and approves the compensation of each of the Company's executive officers. Additionally, the committee approves corporate goals and objectives tied to compensation.

### **Nominating and Corporate Governance Committee (NCG Committee).**

The NCG Committee reviews the size, responsibilities, and composition of the Board and evaluates new Board candidates as needed. Additionally, the NCG Committee is responsible for the development and implementation of the corporate governance guidelines and our Code of Business Conduct and Ethics. The NCG Committee has been delegated oversight over ESG matters and is tasked with (i) recommending to the Board our overall strategy with respect to ESG matters, (ii) overseeing our policies, practices, and performance with respect to ESG matters, and (iii) overseeing our reporting formats and standards with respect to ESG matters. The NCG Committee also reviews our ESG disclosures, certain ESG third-party evaluations and scoring metrics, and discusses our ongoing ESG initiatives with management at least annually.

**Executive Committee.** The Executive Committee's purpose is to be available to act upon matters when the Board is not in session.



## Maintaining High Standards

Our commitment to conducting business with honesty and integrity is captured in our [Code of Business Conduct and Ethics](#). The Code, which includes procedures for reporting ethical concerns, serves as a source of guiding principles and applies to our global workforce, modified to fit local country circumstances. We are committed to dealing fairly and honestly with our customers, manufacturers, suppliers, competitors, lenders, and associates. Our goal is to satisfy our customers' expectations 100% of the time. Associates, officers, and directors should gain the respect and loyalty of our customers with honesty, fairness, and friendly, courteous, forthright service. Each of us must deal with our customers, lenders, manufacturers, and other suppliers with honesty and integrity.

**Data Privacy.** In our increasingly information-based society, individual consumer information must be adequately protected. Respecting the privacy of our stakeholders is of priority in all areas of our business. Our team members are required to protect sensitive personal information from inappropriate or unauthorized use or disclosure. We have also implemented fair and responsible privacy and information protection procedures and data breach response plans that comply with applicable laws. In addition, we are committed to enabling our team members and customers to exercise full rights to their data. In the U.K., we fully comply with the General Data Protection Regime (GDPR), which gives team members and customers the right to see, and in some cases delete, their data. We also fully comply with the California Consumer Privacy Act (CCPA) which details similar rights for our California customers.

**Data Security.** We are committed to maintaining data security awareness for all team members in light of increasing third-party cyberattacks and the threat of ransomware. Starting with onboarding, we introduce information security awareness as part of every employee's job and reinforce this through training on topics such as phishing, physical security, and protecting sensitive information. This initial training is reinforced with periodic communications and follow-up training.

In addition to training, we:

- >> Completed a crisis communication playbook to address considerations for specific situations including a data breach, ransomware, distributed-denial-of-service attacks, and phishing
- >> Audit our data security through simulated attacks on our digital infrastructure
- >> Review incidents with senior management and our Board of Directors at least annually
- >> Assure we update our infrastructure to provide the most current data protection technologies

**Discrimination or Harassment.** We are committed to providing a work environment that is free from any form of discrimination on the basis of race, color, creed, religion, sex, pregnancy, sexual orientation, gender identity and expression, marital status, national origin, ancestry, citizenship status, uniform service member and veteran status, age, genetic information, protected medical condition, disability, or any other protected status in accordance with all applicable federal, state, and local laws. It is our policy to provide equal opportunity to all associates with regard to hiring, pay rates, training and development, promotions, and other terms of employment.

We will not tolerate harassment, including sexual harassment, in any form. This includes verbal or physical conduct that demeans or threatens any employee, officer, or director, creates a hostile work environment, unreasonably interferes with an individual's work performance, or otherwise adversely affects an individual's employment.

**Human Trafficking.** Our businesses have a zero-tolerance approach with respect to slavery and human trafficking in our operations. We support the California Transparency in Supply Chains Act of 2010 and the United Kingdom's Modern Slavery Act of 2015 and their intent to prevent and eliminate slavery and human trafficking from global supply chains by increasing transparency. [Learn more.](#)

## Looking Ahead

We are pleased to share how we advanced our environmental, social, and governance initiatives in this year's report. We intend to continue to report on our ESG and other initiatives as we move into next year. We direct you to the new TCFD-responsive disclosures in the Appendix and hope you find them informative. We are confident that by continuing to be faithful to the principles supplied in this report, we are well positioned to create sustainable value for our team members, customers, communities, and shareholders well into the future. We welcome feedback, comments, or questions from our stakeholders regarding the contents of this report. We value this input and recognize that it is fundamental to our continued success.



# APPENDIX

## 2021 Performance Data **Workforce**

RACIAL/ETHNIC COMPOSITION OF NORTH AMERICAN WORKFORCE AND BOARD OF DIRECTORS												
	American Indian/ Alaska Native			Asian			Black/African American			Hispanic/Latino		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
<b>Total</b>	0.5%	0.5%	0.5%	6.3%	6.2%	6.2%	5.9%	6.2%	6.8%	26.6%	26.7%	27.1%
<b>Board of Directors</b>	0.0%	0.0%	0.0%	7.7%	7.7%	7.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Management</b>	0.3%	0.2%	0.3%	4.6%	4.8%	4.5%	3.8%	3.6%	3.8%	15.4%	14.7%	13.9%
<b>All other employees</b>	0.5%	0.6%	0.5%	6.5%	6.4%	6.3%	6.3%	6.6%	7.2%	28.3%	28.3%	28.7%

RACIAL/ETHNIC COMPOSITION OF NORTH AMERICAN WORKFORCE AND BOARD OF DIRECTORS												
	Native Hawaiian/ Other Pacific Islander			Two or More Races			White			Not Specified		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
<b>Total</b>	0.4%	0.4%	0.4%	1.5%	1.2%	1.2%	58.3%	58.6%	57.7%	0.5%	0.3%	0.3%
<b>Board of Directors</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	92.3%	92.3%	92.3%	0.0%	0.0%	0.0%
<b>Management</b>	0.2%	0.3%	0.4%	1.2%	0.9%	0.8%	74.1%	75.5%	76.2%	0.4%	0.1%	0.1%
<b>All other employees</b>	0.4%	0.4%	0.4%	1.6%	1.2%	1.2%	55.9%	56.3%	55.4%	0.5%	0.4%	0.3%

## 2021 Performance Data **Workforce**

<b>GENDER COMPOSITION OF NORTH AMERICAN AND U.K. WORKFORCE</b>						
	<b>Women</b>			<b>Men</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Total</b>	22.0%	23.0%	23.0%	78.0%	77.0%	77.0%
<b>Employee Category</b>						
<b>Board of Directors</b>	23.0%	23.0%	23.0%	77.0%	77.0%	77.0%
<b>Management</b>	18.4%	17.0%	20.0%	81.6%	83.0%	80.0%
<b>All other employees</b>	22.5%	24.0%	24.0%	77.5%	76.0%	76.0%
<b>Region</b>						
<b>North America</b>	20.0%	20.0%	20.0%	80.0%	80.0%	80.0%
<b>United Kingdom</b>	26.0%	27.0%	28.0%	74.0%	73.0%	72.0%

<b>RETAIL EMPLOYEE TURNOVER OF NORTH AMERICAN AND U.K. WORKFORCE</b>			
	<b>Employee Turnover (percentage)</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Total</b>	20.5%	19.1%	21.9%
<b>Voluntary</b>	19.0%	15.0%	18.4%
<b>Involuntary</b>	2.0%	4.1%	3.4%

# 2021 SASB Index **SASB Sector Standards 2018\***

\*Penske Automotive Group's 2022 ESG Report applies the 2018 version of the Multiline and Specialty Retailers & Distributors Sustainability Accounting Standards; "2018" refers to the Standards issue date, not the date of information presented in this report.

2021 SASB INDEX		
Multiline and Specialty Retailers & Distributors Sector Standards 2018*		
SASB Code	Accounting Metric	Answer, Cross-Reference, Omissions, and Explanations
<b>Data Security</b>		
CG-MR-230a.1	Description of approach to identifying and addressing data security risks	<p>We are aware of the increased incidence of internet-based attacks and their potential impact on cybersecurity and data protection. Our control processes constantly evaluate service attacks for origination. In order to secure all of our systems that store or transmit electronic information, we have implemented multi-layered preventive controls, such as web and cloud application firewalls, which use aggregated intelligence to proactively detect and block an overwhelming majority of attacks. We identify vulnerabilities in our information systems through proactive scanning of system assets for known vulnerabilities published by the National Institute of Standards and Technology (NIST). Our outsourced managed security source operates 24/7, identifying threats and vulnerabilities. Additionally, we proactively manage vulnerabilities from major software publishers through a global patching program. We continue to monitor and enhance our internal processes and conduct an annual security assessment performed by a third party.</p> <p>In order to prevent unauthorized access to our information systems, we have a system of controls in place to manage user access under auditing from a third party and as part of management's Sarbanes-Oxley (SOX) controls. Our employees acknowledge an acceptable use policy and are trained on how to identify information security risks in the workplace and in their personal lives. Our information security policy is aligned with the NIST, COBIT and the Center for Internet Security (CIS) as it relates to procedures, processes, training and awareness and critical technology controls.</p>

# 2021 SASB Index **SASB Sector Standards 2018**<sup>1</sup>

<sup>1</sup>Penske Automotive Group's 2022 ESG Report applies the 2018 version of the Multiline and Specialty Retailers & Distributors Sustainability Accounting Standards; "2018" refers to the Standards issue date, not the date of information presented in this report.  
<sup>2</sup>Reflects total full-time employee compensation divided by full-time regular hours.  
<sup>3</sup>Based on 2021 average exchange rate of GBP to USD

2021 SASB INDEX		
CG-MR-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	We did not experience any material data breaches in 2021.
<b>Labor Practices</b>		
CG-MR-310a.1	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	(1) Average hourly wage <sup>2</sup> (a) North America: \$52.33 (b) United Kingdom: \$21.83 (15.97 GBP <sup>3</sup> ) (2) Percentage of in-store employees earning minimum wage (a) United States: 0.6% (b) United Kingdom: 0%
CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover for in-store employees	<a href="#">2021 Performance Data, p. 37</a>
CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	We did not sustain any material monetary losses as a result of legal proceedings associated with labor law violations in 2021.
<b>Workforce Diversity &amp; Inclusion</b>		
CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees.	<a href="#">2021 Performance Data, p. 36-37</a>
CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	We did not sustain any material monetary losses as a result of legal proceedings associated with employment discrimination in 2021.

# 2021 SASB Index **SASB Sector Standards 2018\***

\*Penske Automotive Group's 2022 ESG Report applies the 2018 version of the Multiline and Specialty Retailers & Distributors Sustainability Accounting Standards; "2018" refers to the Standards issue date, not the date of information presented in this report.

2020 SASB INDEX		
Product Sourcing, Packaging & Marketing		
CG-MR-410a.1	Revenue from products third-party certified to environmental and/or social sustainability standards	We do not sell products third-party certified to environmental and/or social sustainability standards. We do, however, sell electric vehicles at our automotive retail locations.
CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	<p><a href="#">Operating Sustainably, p. 19-23</a></p> <p>Our collision and repair centers use water-based paints and solvents that pose significantly less risk to environmental and human health than traditional paints, which can contain hazardous substances.</p> <p>In the U.S., we use a third party to manage, collect and process recycling for many of the materials that go through our service departments. These products use mercury bulbs, used oil, oil filters, brake and parts waste, used antifreeze, parts solvent and drain waste. In the U.K., all hazardous waste is collected and processed by an ISO-accredited waste management company, which recycles approximately 99% of our hazardous waste—including engine oil, oil filters, antifreeze and lead acid batteries. The other 1% is properly disposed of through the waste management process. Our waste storage tanks are double walled, providing a layer of secondary containment in the unlikely event of a spill. These tanks are also inspected on a regular basis.</p>
CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	This disclosure is not applicable.
SASB Code	Accounting Metric	Answer, Cross-Reference, Omissions, and Explanations
CG-MR-000.A	Number of (1) retail locations and (2) distribution centers	As of June 30, 2022: (1) retail locations: 332 retail automotive franchises, 21 used vehicle dealerships and 39 commercial truck facilities; (2) distribution centers: 1. As of December 31, 2021, we also operated 34 collision centers.
CG-MR-000-B	Total area of (1) retail space and (2) distribution centers	This information is not available.



## Task Force on Climate-Related Financial Disclosures Index

Penske Automotive Group, Inc. (we, our, and the Company) remains committed to transparency with respect to our sustainability initiatives and climate-based risk management. In addition to our 2022 ESG Report being responsive to the Sustainability Accounting Standards Board (SASB) Multiline & Specialty Distributors sector reporting standard, this Appendix includes additional information responsive to the recommended disclosure framework established by the Task Force on Climate-related Financial Disclosures (TCFD).

### Governance

#### a) Describe the board's oversight of climate-related risks and opportunities.

Our Board of Directors (the Board) remains committed to promoting a culture of uncompromising ethics and integrity in all that we do and views the identification and effective management of environmental, social, and governance (ESG)-related priorities, risks, and opportunities as a critical component of the Board's overall risk management and oversight responsibilities.

The Board maintains robust corporate governance policies that are designed to promote our culture of uncompromised integrity and have been implemented in a manner that facilitates active oversight and engagement regarding a variety of ESG matters, including those with respect to climate-related risks and opportunities.

Consistent with these policies, the Board receives frequent updates regarding climate-related risks and opportunities in connection with its regularly scheduled meetings and, as part of ongoing strategy and risk-management sessions, engages in discussions regarding ESG initiatives and risks to our operations associated with climate change. In addition to this direct oversight, the Board has also delegated

oversight responsibilities with respect to climate-related risks to the following standing committees of the Board, each of which maintains ESG, sustainability, or climate-related responsibilities:

- Nominating and Corporate Governance Committee (NCG Committee).** The NCG Committee has been broadly delegated oversight over ESG matters and is tasked with (i) recommending to the Board our overall strategy with respect to ESG matters, (ii) overseeing our policies, practices, and performance with respect to ESG matters, and (iii) overseeing our reporting formats and standards with respect to ESG matters. The NCG Committee also reviews our ESG disclosures, certain ESG third-party evaluations and scoring, and discusses our ongoing ESG initiatives with management at least annually.
- Compensation and Management Development Committee.** To align ESG initiatives across the broader organization, the Compensation and Management Development Committee has set specific targets and objectives tied to our ESG initiatives in developing and awarding compensation for our named executive officers.

- Audit Committee.** In addition to the Audit Committee's oversight of the quality and integrity of the Company's financial statements and internal audit functions, the Audit Committee is also responsible for reviewing the Company's key risk areas, including climate-related risks. In light of these responsibilities, the Audit Committee regularly reviews and evaluates climate-related risks and opportunities, including those identified by management and further discussed in this Appendix.

## Task Force on Climate-Related Financial Disclosures Index

### b) Describe management's role in assessing and managing climate-related risks and opportunities.

We maintain management processes, reporting systems, and management-led committees to facilitate our ESG efforts and otherwise assess and manage climate-related risks and opportunities.

- **Risk Report.** At least quarterly, our senior leadership team, including our Chief Financial Officer, General Counsel, and Executive Vice President, Financial Services and Global Risk Management, prepare a comprehensive summary of certain key risks facing the Company (the Risk Report). The Risk Report includes feedback from multiple constituencies within the Company, incorporating and evaluating heightened risk areas identified by members of senior management, the Company's Compliance and Risk Review Boards (discussed below), functional area teams within the organization (i.e., audit, information technology, sustainability), and management at the regional and local dealership levels. In addition to a variety of enterprise-wide risks identified throughout this management-led process, the Risk Report highlights environmental and climate-based risks and opportunities. Identified risks are each assigned to members of senior management or designated committees who are tasked with monitoring such risks and, where appropriate, implementing risk mitigation efforts. The Risk Report also

clarifies Board oversight of each risk. The Risk Report is shared and discussed at least quarterly with the Audit Committee and periodically with the full Board, with certain specified risks and mitigation efforts reported to the Board or designated standing committees on a more frequent basis, as appropriate.

- **Sustainability Steering Committee.** Management is also represented on a cross-disciplinary Sustainability Steering Committee (the Sustainability Committee), which includes members of senior management of the Company and representatives from the Company's affiliates Penske Corporation (including Penske Corporation's racing subsidiaries) and Penske Transportation Solutions. The Sustainability Committee facilitates collaboration across the Penske companies with respect to sustainability best practices and is guided by functional personnel with relevant experience in climate-based disclosure matters, environmental initiatives, and climate-related risk management. The Sustainability Committee coordinates the development of strategic initiatives and policies to assist our efforts in the areas of energy consumption, climate change management, greenhouse gas emissions, water use and waste disposal, and other sustainability and climate-related risks and opportunities.

- **Designated Sustainability and Risk Management Personnel.** We have appointed a Vice President of Sustainability as well as a Sustainability Program Leader whose roles are to direct our sustainability efforts from a management perspective. Our Executive Vice President, Financial Services and Global Risk Management, and Treasurer is responsible for guiding and overseeing various aspects of the Company's risk management function. Among other things, this position leads management to identify and mitigate enterprise-wide risks, including through the maintenance of adequate insurance programs.
- **Dealership Risk Management.** At the dealership level, regional executive managers and local general managers are responsible for tracking energy consumption and identifying and implementing dealership-level sustainability initiatives to minimize environmental impacts, including through the purchase of renewable or alternative energy sources, managing and recycling hazardous waste, adopting paper elimination initiatives, and installing water reclamation systems for onsite car wash facilities.

## Task Force on Climate-Related Financial Disclosures Index

### Strategy

- a) Describe the climate-related risks and opportunities the organization has identified over the short-, medium- and long-term.**
- b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.**

The processes identified above have been instrumental in helping to evaluate climate-related risks and opportunities with the potential to impact our operations. Climate-related risks are separated into two categories:

- Transition Risks that arise from actions associated with the transition to a low-carbon economy, including the introduction of new climate policies or low-carbon technologies, and
- Physical Risks that arise from the physical impacts of climate change. Where applicable, this process also describes corresponding climate-related opportunities.

See following pages for discussion of identified climate-related risks and opportunities.

- c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.**

Set forth below are the key risks and opportunities to our business in regard to climate change. We are fortunate that the vast majority of our locations are not in areas that are more prone to adverse impacts due to flooding, and that we are diversified in our revenue streams, our suppliers, and our geographic operations, so we expect to be less affected by isolated adverse climate effects. We believe the principal effect on our operations of different climate scenarios such as those generating higher global temperatures will be to increase the rate of adoption of electric vehicles and, potentially, other alternate, and more environmentally friendly, vehicle propulsion systems, in accordance with the discussion below. We offer over 35 vehicle brands for sale at our franchised automotive

dealerships, and we expect to continue to offer the full range of vehicles provided to us by these manufacturers. Most of our principal vehicle suppliers have announced plans to increase the electrification of their vehicle fleets and we expect our manufacturer partners over time to adapt to consumer sentiment toward electrification, which we believe will alleviate some of the risks posed by different climate scenarios.

## Task Force on Climate-Related Financial Disclosures Index

CLIMATE-RELATED RISKS AND OPPORTUNITIES	
Transition Risks	Description and Impacts
Vehicle Emission Regulations	Federal and state governments in our markets have increasingly placed restrictions and limitations on the vehicles sold in the market in an effort to combat perceived negative environmental effects. For example, in the U.S., automotive manufacturers are subject to federally mandated corporate average fuel economy standards, which will increase substantially through 2026. Representatives of the U.K. government have proposed a ban on the sale of gasoline engines in new cars and new vans that would take effect as early as 2030 and a ban on the sale of gasoline hybrid engines in new cars and new vans as early as 2035. Similar legislation has been announced in California, Massachusetts, and New York, which would ban the sale of new vehicles with gasoline-only engines in cars in 2035. The California legislation requires 35% of all new vehicles sold to meet a zero emissions standard by 2026 (with certain allowances for hybrid gas/electric vehicles), which percentage requirement increases until 2035, after which 100% of new vehicles sold must comply. Significant increases in fuel economy requirements and new restrictions on emissions on vehicles and fuels could adversely affect prices of and demand for the vehicles that we sell, which could materially adversely affect us.
Vehicle Electrification Impacting Parts and Service Revenue	Most major vehicle manufacturers have announced plans to electrify some or all of their new vehicle fleets in response to concerns about the environment and due to regulatory requirements to limit vehicle emissions as noted above. While increasing consumer adoption of electric vehicles may present new service opportunities, including with respect to range maintenance and optimization, cooling protection, torque protection, battery replacement, and warranty on newly released models, our service revenues may decline over time as these electric vehicles may require less physical maintenance than gas and hybrid vehicles due to the absence of certain parts systems.
Electric Vehicle Sales Outside the Franchise System	In recent years, new electric vehicle manufacturers have been able to conduct new vehicle sales outside of the franchised automotive system as new entrants. While the sales levels of these new entrants were approximately 3.4% of new vehicles sold in the U.S. for the six months ended June 30, 2022 and approximately 2.7% of new vehicles sold in the U.K. for the six months ended June 30, 2022, continued market share gains by manufacturers operating outside the franchise system may materially and adversely affect us.

## Task Force on Climate-Related Financial Disclosures Index

CLIMATE-RELATED RISKS AND OPPORTUNITIES	
Transition Risks	Description and Impacts
Environmental and Climate Change Regulations	<p>Scientific evidence suggests that the globe is warming, potentially resulting in an environment more prone to natural disasters, such as flooding. To date, we have seen increases in our cost to insure against such risks. These costs could increase should this trend continue. We are subject to a wide range of environmental laws and regulations, including those governing discharges into the air and water, the operation and removal of storage tanks, and the use, storage, and disposal of hazardous substances. In the normal course of our operations we use, generate, and dispose of materials covered by these laws and regulations. In the face of climate change, these laws could become more stringent. We face potentially significant costs relating to claims, penalties, and remediation efforts in the event of non-compliance with existing and future laws and regulations. Furthermore, should climate change continue, we expect further regulation of internal combustion engines and vehicle emissions which may affect the types of vehicles we sell and service. We cannot predict the future costs to our businesses for these developments. Significant adverse weather-related events, supply chain issues, or other events that interrupt vehicle or parts supply to our dealerships would likely have a significant and adverse impact on the industry as a whole, including us, particularly if the events impact any of the manufacturers whose franchises generate a significant percentage of our revenue.</p>
Emissions Regulation for Commercial Trucks	<p>We operate Premier Truck Group (PTG), a heavy- and medium-duty truck dealership group offering primarily Freightliner and Western Star trucks (both Daimler brands) with 29 locations in nine U.S. states and 10 locations in Canada selling new and used commercial trucks, parts and service, and collision repair services. We also own a 28.9% ownership interest in Penske Transportation Solutions (or PTS) and record our share of PTS's earnings on our statements of income as an equity method investment. With a broad product offering that includes full-service truck leasing, contract maintenance, and truck rental, along with logistic services, PTS is one of the largest purchasers of commercial trucks in North America. Commercial trucks are subject to similar regulatory risks as noted above in regard to emissions or other regulatory requirements. Should future regulation or consumer sentiment hinder our or PTS's ability to maintain, acquire, sell, or operate trucks, we may be adversely affected.</p>

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CLIMATE-RELATED RISKS AND OPPORTUNITIES	
Physical Risks	Description and Impacts
Extreme Weather – Supply Chain	Increased intensity, frequency or duration of storms, droughts, flooding, or other significant adverse weather-related events that may result from climate change could disrupt the production, cost, procurement, or supply of products from our manufacturers or suppliers which, in turn, may impact the delivery of vehicle or parts supply to our dealerships and our commercial vehicle distribution business. As a result, the impacts from extreme weather described above on supply chain and manufacturer production may negatively affect our operations to the extent that they cause supply issues for our businesses or those of our partners.
Extreme Weather – Property Loss and Business Interruption	Our business is subject to substantial risk of loss due to the significant concentration of property values, including vehicle and parts inventories at our operating locations. Significant adverse weather-related events at or near our operating locations may cause exacerbated damages due to such property and inventory concentration. While we have insurance for many of these risks, we retain risk relating to certain of these perils which may not be covered by our insurance. Certain insurers have limited available property coverage in response to the natural catastrophes experienced in recent years. If we experience significant losses that are not covered by our insurance, whether due to adverse weather conditions or otherwise, or if we are required to retain a significant portion of a loss, it could have a significant and adverse effect on our business or results of operations.

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CLIMATE-RELATED RISKS AND OPPORTUNITIES	
Opportunities	Description and Impacts
Vehicle Electrification	A shift in consumer preferences toward electric vehicles, including battery electric and hybrid electric, may create new sales and customer opportunities, including new parts and service opportunities, particularly as consumer adoption of electrical vehicles becomes more widespread. To the extent vehicles responsive to these consumer preferences are produced by our manufacturer partners, we could benefit from increased sales. Although the absence of certain parts systems may cause our service revenues to decline as discussed above, electric vehicles will present new service opportunities, including with respect to range maintenance and optimization, cooling protection, torque protection, and battery replacement. We continue to leverage our extensive dealership and service center network to invest in electrification infrastructure, including the installation of over 1,150 charging stations through December 31, 2021, to facilitate a reliable infrastructure for electric vehicle use and to enhance brand awareness as existing and potential customers use and consume our electric vehicle services.
Resource Efficiency and Energy Sources	As of June 30, 2022, we operated 332 retail automotive franchised dealerships and 39 commercial truck dealership locations, and we have the opportunity to implement more energy-efficient resources and to reduce energy consumption, including by installing LED lighting, occupancy sensors, energy-efficient glass, and high-efficiency heating, ventilation, and air conditioning (HVAC) systems. Our new locations can be built to enhance construction and energy efficiency standards, providing energy efficiency and reduced emissions. Additionally, improved battery cell storage, a reduction in the cost per unit of solar panels, and other energy innovations are expected to continue to decrease the cost and improve the availability of renewable and alternative energy sources. By selecting more renewable sources of power, whether directly or indirectly through energy purchases, particularly as such renewable energy becomes more available and less expensive, we may benefit from lower overall emissions and reduced operational costs.
Reputation	We are aware that our reputation as a responsible corporate citizen rests, in part, on whether our customers, suppliers, vendors, and other stakeholders view us as a responsible steward of the environment. We will continue to be cognizant of, and work to manage, the environmental impact of our business and operations. An increasing number of consumers believe that companies should be proactive and focused on their environmental impacts and sustainability initiatives. Meeting the expectations of these customers, including through our initiatives identified in our 2022 ESG Report and through embracing electrification, may strengthen our reputation and enhance our customer loyalty.

# Task Force on Climate-Related Financial Disclosures Index

## Risk Management

### a) Describe the organization’s processes for identifying and assessing climate-related risks.

As previously described, environmental matters and the identification, management, and monitoring of climate-related risks are integrated into Company-wide risk management processes described in the “Strategy” section above, including through the Risk Report, the Sustainability Committee, and efforts at both the senior leadership and local management level. Through institutionalizing climate-related risks as part of the Company’s regular risk management and mitigation function, the Company is better positioned to anticipate and react to climate-related risks on an ongoing basis. In addition, the Company regularly consults with vehicle manufacturers and other supply chain partners to better understand and, where appropriate, proactively develop responses to both upstream and downstream risks that may impact the Company or its industry partners.

Members of the Company’s senior management team are actively involved in reviewing and assessing the risks included in the Risk Report or otherwise identified by the Company’s processes. This process is managed in part by our parent

company Compliance and Risk Review Board (CRRB), which is a group of senior management that meets periodically to identify, assess, control, monitor, and report on risks that may jeopardize our success. We also have CRRBs at each of our principal business units and these boards work collectively to identify risks, including climate-related risks. The relative significance of climate-related risks, including as compared to other identified risks, are determined through discussions with functional experts across the organization, feedback from our partners and suppliers, and, where appropriate, consultation with experts from environmental and safety consulting firms.

As noted above, the Board and, through its delegation of principal authority over ESG matters, the Nominating and Corporate Governance Committee, has the overall responsibility for climate-related risk oversight, focusing on the most significant risks facing the Company and ensuring that management’s responses to such risks are appropriate.

The Company approaches relevant climate-related risks on a case-by-case basis, particularly as the applicable *transition risks* and *physical risks* identified earlier in this Appendix are relevant to different geographic and operational parts of the broader business.

### b) Describe the organization’s processes for managing climate-related risks.

Enterprise-level risks identified in accordance with the processes set forth in this Appendix are managed or mitigated through internal policies and procedures. Senior leadership of the Company engages in a regular cadence of meetings to discuss the Risk Report, including with the applicable risk owners, and work to periodically evaluate whether existing mitigation efforts are successful or whether additional or escalated countermeasures are necessary. Additionally, risk owners are expected to build mitigation controls and actions into their respective business plans or risk oversight responsibilities across the Company’s business units.

### c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.

See the disclosure set forth in “Governance” and “Risk Management” above.



# Task Force on Climate-Related Financial Disclosures Index

## Metrics

**a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.**

We principally rely on the level of new vehicle sales by volumes and by type (internal combustion engine (ICE), hybrid battery/ICE engine, pure electric vehicle) to assess the impact of climate change on our industry. The types of vehicles sold are driven by changing consumer preference, applicable regulations, and the availability of vehicles in a supply-constrained environment. We expect that over time the percentage of electric vehicles will continue to increase, and the resulting vehicle emissions will decrease.

**b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.**

Please see page 19 of the 2022 ESG report for Scope 1 and Scope 2 emissions for our U.K. operations.

**c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets**

We have not set targets with respect to climate-related risks and opportunities.



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**Caution Concerning Forward-Looking Statements**

Statements in this report, including this appendix, may involve forward-looking statements, including forward-looking statements regarding Penske Automotive Group, Inc.'s financial performance, ESG strategy, and growth plans. Actual results may vary materially because of risks and uncertainties that are difficult to predict. These risks and uncertainties include, among others, the duration, severity, and resolution of the COVID-19 pandemic, government mandated restrictions on our business in light of COVID-19 or otherwise, macro-economic and geo-political conditions generally, conditions in the credit markets, inflation including its impact on vehicle affordability, changes in interest rates and foreign currency exchange rates, changes in tariff rates, changes in the distribution model in our international operations via agency or other means, new or enhanced regulations that may impact the sale of certain vehicles through our dealerships, adverse conditions affecting a particular manufacturer, including the adverse impact to the vehicle and parts supply chain due to limited vehicle availability as a result of the COVID-19 pandemic, the war in Ukraine, the shortage of automotive semiconductor chips or other components, natural disasters, recall initiatives or other disruptions that interrupt the supply of vehicles or parts to us, changes in consumer credit availability, changes in consumer preferences, the rate of climate change, the outcome of legal and administrative matters, our ability to respond to new or enhanced regulations relating to automotive dealerships, and other factors over which management has limited control. These forward-looking statements should be evaluated together with additional information about Penske Automotive Group's business, markets, conditions, and other uncertainties, which could affect Penske Automotive Group's future performance. These risks and uncertainties are addressed in Penske Automotive Group's Form 10-K for the year ended December 31, 2021, Form 10-Q for the quarterly period ended March 31, 2022, Form 10-Q for the quarterly period ended June 30, 2022, Form 10-Q for the quarterly period ended September 30, 2022, and its other filings with the Securities and Exchange Commission. This report speaks only as of its date, and Penske Automotive Group disclaims any duty to update the information herein.

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