

SUSTAINABILITY REPORT

2021



GRI 2-22

A Message From Our Leadership

Welcome to the Penske Transportation Solutions Sustainability Report, which shares our continued progress in 2021 toward advancing sustainability in our organization and our industry.

As an essential provider of transportation services and supply chain solutions, our rental, leasing and logistics businesses played a critical role in responding to the transportation and supply chain challenges of 2021 and beyond. We navigated a business environment marked by unprecedented supply chain disruptions and ongoing concerns related to health, safety and well-being. Yet, despite those challenges, we continued supporting our customers, communities and each other while also continuing to deliver exceptional business results. Our associates responded with incredible determination, resiliency and the unstoppable spirit to Move the World Forward that runs deep within our organization.

While delivering strong business results, we continued to lead the industry by focusing on the advancement of our key sustainability pillars. One powerful example is our early experimentation with zero-emission vehicles (ZEVs). We introduced real-world use of new commercial ZEVs within our fleet operations, opened the first heavy-duty electric vehicle charging station, invested in new and upgraded facilities to meet ZEV needs and solidified our position at the forefront of knowledge related to this new technology.

We also remained focused on important diversity and inclusion (D&I) and social sustainability initiatives that speak to our long-standing core values: progress, partnership, responsibility, learning and diversity. In 2021, led by our D&I team, we began the process to launch Penske's

first business resource groups, which are associate-led groups designed to foster a diverse and inclusive workplace aligned with our culture. Additionally, our place as a Top Company for Women to Work was upheld by the Women in Trucking Association and we reaffirmed our commitment to Truckers Against Trafficking. As an organization, we remain dedicated to the health and safety of our associates, customers and communities.

In preparation for our report, we conducted a materiality analysis to identify priority issues and have used our findings and this report to establish additional data collection standards and reporting baselines. Penske is committed to regular, transparent communication of progress on our sustainability activities, and we look forward to sharing additional information about our sustainability journey in future reports.

At Penske, corporate responsibility is embedded in the work we do to help move lives and businesses forward. We thank our stakeholders, customers and associates for joining us on this journey, and we invite you to explore this report and learn about Penske's commitment to our customers, planet, associates and communities.

Thank you.




Brian Hard

President and CEO,
Penske Transportation Solutions



About Penske Transportation Solutions

Penske Transportation Solutions (PTS) is the universal brand for Penske Truck Leasing (PTL) and Penske Logistics (PL), collectively referred to in this report as Penske. We are a leading provider of transportation and supply chain services, with a broad product offering that includes full-service truck leasing, truck rental and contract maintenance, along with logistics services such as dedicated contract carriage, distribution center management, transportation management, brokerage, lead logistics provider and dry van truckload carrier services.

Our Sustainability Pillars

In preparing this report, we used the Global Reporting Initiative (GRI) standards and the Sustainability Accounting Standards Board (SASB) Air Freight & Logistics and Road Transportation sector standards to guide our disclosure topics and metrics. Throughout the report, we mark the information and data that align with these standards.

This report is our first opportunity to showcase our ongoing commitment toward advancing these key areas:

Driving Environmental Progress

Supporting Our People

Lifting Communities

Managing With Integrity

Our Culture and Values

Our Values

We have a passion for **PROGRESS**.

We know the power of **PARTNERSHIP**.

We are guided by deep sense of **RESPONSIBILITY**.

We take pride in associate **LEARNING**.

We understand we're made stronger by **DIVERSITY**.

At Penske, we have embedded these values into everything we do, from serving our customers to engaging our associates. We recognize the importance of acting responsibly, and our culture of progress extends to continuous improvement in sustainability performance. Our values underpin the commitments and progress we have made across our four sustainability pillars: Driving Environmental Progress, Supporting Our People, Lifting Communities and Managing With Integrity.



GRI 3-1





Issues Prioritization

In 2021, we conducted our first materiality analysis. The process helped to determine the sustainability priorities that are most essential to our business success and reflect the topics of highest concern to us and our stakeholders. With the support of an independent firm, we engaged both internal and external stakeholders. We interviewed Penske leaders, surveyed internal subject matter experts, reviewed the input of external stakeholders and analyzed industry publications to gain a broader understanding of the issues our industry faces.

GRI 3-2

Our Priority Issues

Based on stakeholder input and our materiality analysis, we identified the following prioritized issues that are linked to the United Nations (UN) Sustainable Development Goals (SDGs) and have incorporated them into our four sustainability pillars:

PILLAR	PRIORITY ISSUES	UN SDG
Driving Environmental Progress	<ul style="list-style-type: none"> Sustainable fleet and vehicles* Environmental sustainability* 	 <p>Goal 13: Climate Action</p>
Supporting Our People	<ul style="list-style-type: none"> D&I* Talent management and engagement* Occupational health & safety 	 <p>Goal 8: Decent Work and Economic Growth</p>
Lifting Communities	<ul style="list-style-type: none"> D&I* Community engagement 	 <p>Goal 8: Decent Work and Economic Growth</p>
Managing With Integrity	<ul style="list-style-type: none"> Data security and privacy* Business optimization and governance 	 <p>Goal 9: Industry, Innovation and Infrastructure</p>

*Priority issues identified in our 2021 materiality analysis

Throughout this report, we describe how we are addressing these priority issues as well as additional issues that remain important to who we are as an organization. As our sustainability management program continues to grow and develop, we seek to expand our engagement with relevant stakeholders to further understand their perspectives and position ourselves as an industry leader.

Our Stakeholders

- Executives
- Employees
- Customers
- Partners
- Environmental experts

DRIVING ENVIRONMENTAL PROGRESS



Environmental issues are a growing concern among our customers and the public. Global transport was the fourth largest source of Greenhouse Gas (GHG) emissions in 2019 following the power; industry; and Agriculture, Forestry and Other Land Use (AFOLU) sectors. [The transport sector accounts](#) for roughly 15% of total GHG emissions and about 23% of global energy-related carbon dioxide (CO₂) emissions.

Our customers have prioritized the reduction of GHG emissions throughout their supply chain and look to us for the latest technology, optimization and sustainable options, including innovative fleet vehicles, efficient freight management, vehicle optimization through spec'ing and reduced downtime/increased uptime. We play an important role in their efforts to decarbonize their supply chains.

Today, we are seeing more interest in the use of alternative-fuel vehicles, including electric, hydrogen fuel cell, compressed natural gas (CNG), liquified natural gas (LNG) and propane, to name a few. Penske is at the forefront of the commercial ZEV movement and has been supporting and maintaining alternative-fueled vehicles for more than 30 years. Our customers rely on us as experienced and trusted advisors on these new vehicles and technologies as they come to market.

Our reputation as a responsible corporate citizen includes being a responsible steward of the environment. To maintain our well-respected position within the transportation industry, we are diligent in our efforts to reduce our environmental footprint.



Leading the Way for ZEV Fleets

Vehicle exhaust is the largest source of GHG emissions in our value chain. As part of our commitment to lower our operational emissions and those of our customers, Penske is helping to lead the ZEV movement. For the past decade, our focus has been on furthering the ZEV market and increasing the miles per gallon of internal combustion vehicles in response to the increasing demand within our industry. Through research, pilot projects and innovative partnerships, Penske is supporting new initiatives to help modern fleets understand the environmental benefits of ZEV fleets.

Commercial vehicles for the Penske ZEV fleet are being designed and developed at a rapid pace. We are working with original equipment manufacturers (OEMs), investing in ZEV trucks and building heavy-duty electric high-speed charging stations as well as training our technicians — all while testing everything in real-world applications with our customers.

Penske works with OEMs in the ZEV market to ensure that ZEV commercial trucks are on track to meet customers' transportation requirements by utilizing them in real-world scenarios and daily use. For example, beginning in late 2019, PL completed a [pilot](#) for the electric Freightliner eCascadia, logging more than 10,000 over-the-road miles while making daily multiple store deliveries on dedicated routes in Southern California for a leading quick-service restaurant chain. The company believes it is the first truck fleet operator in the U.S. to achieve such a feat.

The Penske ZEV Fleet includes vehicles such as the Freightliner eCascadia (class 8), the Freightliner eM2 (classes 6 and 7), the Volvo VNR tractor (class 8), the International eMV (classes 6 and 7), the Ford E-Transit (class 2), the FUSO eCanter (class 4), the Kalmar Ottawa Electric Terminal Tractor T2E (class 8 yard tractor) and Ford F-650 battery electric vehicles built to our specifications. We are also testing Hylion's 6X4HE class 8 hybrid system. We are working with customers to evaluate these ZEVs for various markets and deploy ZEV commercial trucks in real-world applications.



Penske First U.S. Fleet to Run International® eMV™ Series

In 2021, Navistar and Penske announced a continued commitment to a ZEV future with the anticipated delivery of the **International® eMV™ Series** medium-duty truck. This marked Navistar's first U.S. delivery of the full-battery electric medium-duty trucks from International. The delivery of the International eMV Series reinforces the partnership of Navistar and Penske on the continued collaboration of various emerging technologies for the commercial vehicle industry.

Penske plans to operate these units at various locations throughout our network to evaluate the operation of electric trucks in real-world situations. We are continuing to expand our electrified fleet and evaluating important related technologies to support a zero-tailpipe-emission commercial vehicle future.

"The International eMV is an exciting addition to our electric fleet," said Patrick Watt, vice president, alternative vehicle and emerging

technology, Penske Truck Leasing. "This is another important first in our ongoing efforts to provide customers with a range of vehicle options and gain experience with the latest electric vehicle technologies."



[Read More](#) >>

Electric Vehicle Charging Network

The availability of charging stations is a key concern for the widescale adoption of electric delivery trucks. Penske has implemented a network of heavy-duty electric, high-speed charging stations in Southern California with select locations that are equipped with an innovative battery energy storage system designed to offset demand on the electricity grid during peak charging times.

We continue to expand our heavy-duty electric vehicle charging network while also challenging ourselves to evaluate new solutions, like the battery storage component. We look forward to putting our new charging facilities to work for our customers and the industry.

— DREW CULLEN, SENIOR VICE PRESIDENT,
FUELS AND FACILITY SERVICES

We believe that standardization around electric vehicle charging will help accelerate adoption. We are a member of the Charging Interface Initiative (CharIN), a worldwide industry alliance focused on promoting the Combined Charging System (CCS) as the global standard for charging electric vehicles of all types and the development of the Megawatt Charging System (MCS).

Sponsored by Penske Transportation Solutions, 2021 State of Sustainable Fleets Report

Produced with support from the report's title sponsors, Penske Transportation Solutions, Shell Oil Company and Daimler Trucks North America, as well as supporting sponsors Cummins, Inc.; DTE Energy; and Geotab, the State of Sustainable Fleets Report offers insights into the key trends shaping the clean vehicle market.

Drew Cullen, Penske senior vice president, fuels and facility services: "As the transportation industry continues its efforts to run cleaner, we are excited to be at the forefront of this movement. Once again, we are pleased to serve as a report sponsor. Our electric truck efforts at Penske have gone well, and its success is a great example of a truly collaborative public and private partnership."

[Read More](#) >>



Penske Truck Leasing Piloting New Ford E-Transit Electric Light-Duty Truck

In 2021, we added to our industry-leading electric truck fleet by piloting the new light-duty preproduction [Ford E-Transit](#) truck.

E-Transit, the first all-electric cargo van from a full-line automaker in North America, is the electric version of the Ford Transit.



Assembled alongside the Ford Transit at the Kansas City, Missouri, assembly plant, the E-Transit is designed to serve a wide range of commercial industries, providing our customers a choice of eight configurations, including a cargo van with three roof heights and three lengths, a chassis cab and cutaway models.

"Penske and Ford have a long-standing and valued relationship," said Art Vallely, president, Penske Truck Leasing. "We're excited to collaborate with Ford Pro on the introduction and real-world testing of these new electric vehicles as the first truck rental and leasing company to do so. We expect to see strong utilization and interest from customers making final-mile deliveries, regional deliveries and eventually consumer use for smaller household moves."

Driving Innovation

Given the rapid pace of innovation in this space, it is more important than ever to engage with regulatory bodies to ensure that regulation and technology are advancing at the same speed. We engage with policymakers advocating for policies that encourage our shared goal of driving environmental progress. We also engage in direct meetings with those same policymakers to help educate and advance our shared goal. By engaging with these policymakers, we believe we can create products that help everyone and show that anything is achievable.



Penske was recognized at the Advanced Clean Transportation Expo in 2021 for its long-term commitment to advancing sustainability in the transportation industry. Based on our early industry leadership in the U.S. Environmental Protection Agency's (EPA's) SmartWay program to our latest efforts with leading-edge ZEV vehicles and electric vehicle charging, the hosts of the conference's annual Fleet Awards gave Penske its highest honor with the "In it for the Long Haul Award."

Beginning in 2018, Penske and Daimler Trucks North America announced a partnership to test commercial electric trucks from their Freightliner brand in real-world situations and drive future improvements to the technology. In August 2019, Penske received the first eCascadia from the truck manufacturer, and the partnership has continued through 2021. The venture is supported by the South Coast Air Quality Management

District (South Coast AQMD), whose \$16.8 million grant helped fund the program. South Coast AQMD focuses on improving air quality in large portions of Los Angeles, Orange County, Riverside and San Bernardino counties, including the Coachella Valley, in California.

Penske is supporting original research that can help transportation leaders to make informed choices about

the future of fleets and to learn more about the key trends and performance metrics that are accelerating the adoption of sustainable vehicles in the U.S. on-road transportation industry.

Transportation and logistics providers must be efficient to compete. In today's operating environment, the need for rapid deliveries, a reduced carbon footprint and decreased expenses increase the productivity demands placed on distribution networks. Digital solutions like the [Penske ClearChain® Technology Suite](#) help customers identify opportunities for improvement, streamline their shipments and eliminate waste.

ClearChain® Technology Suite is a combination of technologies that help us manage our fleet, our warehouses and our customers' freight. Built upon the best commercially available platforms and software, Penske has developed specific applications to enhance these products and solve problems for our most complex customers. ClearChain helps provide greater supply chain visibility, enhances supply chain optimization and drives powerful business results to keep businesses moving forward.



Environmental Compliance

Becoming an industry leader in environmental innovation begins with a proven track record of environmental compliance.

Our operations are governed by a host of local, state and federal laws and regulations, and we take our goal of 100% compliance seriously. Our team of environmental professionals supports more than 1,300 locations in achieving compliance while seeking new and innovative ways to minimize the impact of our operations on the environment. We put these words into action through strict regulatory compliance verified by auditors, prevention programs, response plans, technology, training and our own in-house Environmental Services Department.

We take a proactive approach to identify hazards and minimize the potential for environmental incidents. Our Environmental Compliance Manual (ECM) has been assembled to assist all employees with environmental compliance matters that relate to our business. We also conduct an annual Environmental Self-Review that is audited by a third party. Using an online questionnaire, each facility is required to review its environmental compliance and immediately report and correct any deficiencies. Compliance information from this effort is gathered and analyzed, and programs are revised, as needed, to proactively address any potential issues.



Penske Logistics Transportation Management and Warehousing Services Honored by Logistics Management Magazine

Penske Logistics won a pair of Quest for Quality Awards from Logistics Management Magazine. Both honors came in the Third-Party Logistics category: Transportation Management Solutions and the Value-Added Warehousing and Distributions Solutions. In the latter honor, we recorded the highest score in customer service/value-added services.

The Quest for Quality Awards are the gold standard for customer satisfaction and performance excellence for global carriers, ports and logistics providers. This is the culmination of a six-month research project conducted by Peerless Research Group. There were 4,504 ballots cast by members of the industry.

Marc Althen, Penske Logistics president: "We are very pleased to receive industry recognition for our transportation management and warehousing solutions. Our company's continued investments in our ClearChain technology suite and Tier 1 software systems have allowed Penske Logistics to provide enhanced productivity and customer service."

Facilities Management

With more than 1,300 locations, proper facilities management is a crucial aspect of our business. Safe and efficient buildings not only protect our associates and assets and increase longevity of our facilities, but they also allow our associates to provide best-in-class service to our customers.

We are seeking to expand the number of Leadership in Energy and Environmental Design (LEED)-certified facilities in our global footprint. The goal for LEED is to design and construct buildings to the highest energy and environmental performance standards.



We also initiated a collaboration with a major Penske customer to identify a warehouse location where we can pilot energy-saving actions with the target of a carbon-neutral footprint. The goal is to leverage learnings from this location and apply them to additional locations.

We are continuing to investigate and implement energy-efficiency measures to reduce overall energy usage; investigate and implement cost-effective, on-site generation of renewable energy (e.g., solar); and source renewable energy and purchase renewable energy credits (RECs) to offset usage.

Pollution and Resources

We understand that customers are seeking transportation providers that can help them reduce pollution and carbon emissions and, ultimately, achieve their sustainability goals and carbon-footprint-reduction efforts. We help our customers meet, achieve and exceed these goals through a range of programs.

Penske is focused on various areas of emissions reduction, including renewable diesel at all fueling locations in California, increased deployments of energy-efficient technologies and the growth of renewable energy use at all facilities.

GRI 302-1, SASB TR-RO-110a.3

2021 FUEL CONSUMPTION	
Total Fuel Consumption (Gigajoules)	
Penske Logistics	7,245,386
Penske Truck Leasing	1,725,554

**The vast majority of our fuel consumption is for road transport; however, the numbers in the table include both stationary and mobile fuel use.*



EPA Green Power Partnership



PTL and PL have participated in and supported the EPA Green Power Partnership since 2014. The EPA Green Power Partnership is a voluntary program that encourages businesses and communities to utilize renewable energy as a way to reduce the environmental impacts associated with conventional electricity use. We are one of more than 700 partner organizations voluntarily using billions of kilowatt-hours (kWh) of green power annually.

One of the programs that has helped Penske meet the goals of the EPA Green Power Partnership is our lighting retrofit program to convert the lighting systems in existing facilities into more energy-efficient LED and fluorescent fixtures. Moreover, all new facility construction incorporates this lighting. Other initiatives include motion sensors for interior lighting; energy-efficient appliances; heating, ventilating, and air-conditioning (HVAC) systems; and garage equipment and energy auditing to identify additional opportunities to reduce energy consumption.

Air Quality

The transportation industry is heavily regulated with respect to environmental and safety issues, specifically air emissions. At Penske, we believe that the management and monitoring of air quality throughout our operations involves efforts to minimize air emissions, including nitrogen oxide (NOx), sulfur oxide (SOx) and other particulate matter.

Waste

We seek to minimize waste across our operations by increasing landfill diversion and waste stream recycling. Through our EPA WasteWise partnership, we reduce landfilled waste yearly. Additionally, we have contracted with a third-party waste broker that is obligated to identify waste-diversion opportunities across all our markets.

Penske continually monitors solid waste volumes, optimizes the size and usage of dumpsters and recycles cardboard and plastic wherever feasible. In addition, Penske's environmental services department dedicates considerable attention to managing and reducing waste from truck vehicle maintenance and truck-fueling activities. We recycle virtually all streams, including several million gallons of oil and thousands of drums of

used oil filters every year, in addition to recycling used antifreeze, spent batteries, scrap metal and scrap tires.

We continue to evaluate volumetric environmental impact on our operations, identify waste efficiencies in our operations and set targets to reduce waste volumes and increase recycling and zero-landfill volumes.

Penske requires its waste disposal vendors to meet strict requirements and demonstrate that they comply with environmental regulations and are good corporate stewards. We also audit vendors periodically to monitor compliance.

Water

In our vehicle washing operations, we are implementing new water conservation technologies and practices. Water-conserving truck wash technologies and water-conserving plumbing features are part of our new building plans. These technologies consume approximately 60% less water than traditional fleet washing methods.

Given the presence of aboveground petroleum storage across our business operations, Penske actively manages the spill risks and potential impacts to surface waters. Our rigorous stormwater compliance program ensures that we do not contaminate surface waters from the mismanagement of water usage.

GRI 305-1, 305-2, 305-3, SASB TR-RO110a.1

GHG Emissions and Reduction

As part of our commitment to lower our GHG emissions, we have measured our GHG emissions every year since 2008. Our GHG inventory quantifies CO₂, methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs) used as refrigerants. We conduct the inventory on an annual basis to measure our carbon footprint, from the natural gas and electricity we use to operate our locations to the fuel and refrigerants we use to run our fleet. The annual GHG inventory allows us to identify our primary sources of GHG emissions and target our reduction efforts to those sources that represent our largest impacts. Even though we have tracked GHG emissions since 2008, for purposes of reporting progress against goals, we have set 2021 as our baseline year.

2021 GHG EMISSIONS		
	Penske Logistics	Penske Truck Leasing
Total absolute emissions (metric tons CO₂e)	666,625	12,264,639
Direct (Scope 1) GHG emissions (metric tons CO₂e)¹	521,573	109,484
Indirect (Scope 2) GHG emissions (metric tons CO₂e)²	12,090	34,024
Indirect (Scope 3) GHG emissions (metric tons CO₂e)^{3,4}	132,962	12,121,131

For the Fifth Consecutive Year, Penske Logistics LLC Awarded Top Environmental Performers and Leaders for Freight Supply Chain Efficiency

In 2021, [Penske was honored](#) with a SmartWay Excellence Award from the EPA in recognition of our leadership in freight supply chain environmental performance and energy efficiency.

"For 17 years, EPA's SmartWay Transport Partnership has empowered businesses to move goods in the cleanest, most energy-efficient way possible while protecting public health and reducing air pollution," said EPA Mid-Atlantic Acting Regional Administrator Diana Esher. "We commend the innovation, drive and collaborative spirit of our partners whose efforts are helping to meet the challenge of climate change and to create a healthier environment for us all."

¹ Gases included in this calculation: CO₂, CH₄, N₂O, HFCs, PFCs

² Gases included in this calculation: CO₂, CH₄, N₂O

³ Gases included in this calculation: CO₂, CH₄, N₂O, HFCs, PFCs

⁴ Scope 3 emissions include the following upstream and downstream categories:

- For PTL: Rental Fleet, Rental Fleet MVAC and Rental Fleet Refrigerated
- Vehicles for PL: Employees Commuting and Solid Waste Usage

SUPPORTING OUR PEOPLE



PENSKE

Our people are our biggest asset. As part of our sustainability commitments, we strive to create an inclusive, welcoming and safe place where people can reach their highest potential. Penske is proud to hold diversity as one of our core values. We believe that a diverse, inclusive and respectful work environment yields a stronger company, helps us attract and retain our workforce and enables us to better serve and broaden our customer base. In short, our commitment to diversity helps solidify our status as the transportation provider of choice.

Penske is a company where people help people move ahead. One way we do this is by promoting a culture and an environment that embraces diversity and inclusion. As a result, we are a stronger, more competitive company that better reflects the customers and communities we serve around the globe.

— BRIAN HARD, PRESIDENT AND CEO OF
PENSKE TRANSPORTATION SOLUTIONS



D&I Team

D&I is everyone's responsibility, but our commitment begins at the top with our Executive Council. The council plays the vital role in defining the mission and strategy for our D&I efforts, which are then managed by a dedicated and robust D&I team that defines our approach to managing D&I in the future.

We are looking forward to 2022 as we continue to build the framework to support the launch of new enterprisewide programs, including business resource groups (BRGs), which will provide a space to engage and connect via common interests and affinity; the implementation of a mentorship program; and a new development program focused on building diverse talent. We will relaunch our Valuing Our Differences (VOD) training for all leaders. We have benefited from conducting focus groups with our Black and African American associates. Also, we will hold additional focus groups, beginning with our Hispanic and Latino associates.

— NIKITA RHODES, VICE PRESIDENT,
DIVERSITY AND INCLUSION

A Diverse Workforce Better Reflects the Businesses and Communities We Serve

Penske believes that a diverse candidate pool is one of the best ways to ensure top talent can join the organization and develop productive and meaningful careers. Our recruitment efforts have included:

- Employing a diverse recruiting team from different backgrounds, cultures, languages and perspectives that is focused on building strong diverse candidate pools that mirror the communities in which we work
- Messaging that incorporates language and imagery focused on inclusiveness and teamwork
- Deploying translated employment ads
- Utilizing talent sources that reach diverse candidate pools
- Working with industry associations, including the Council of Supply Chain Management Professionals, to empower today's youth and young professionals to explore careers in supply chain through events and thought leadership initiatives, such as the biannual Young Professionals in Supply Chain report
- Partnering with select schools, such as historically Black colleges and universities (HBCUs); national organizations, such as SkillsUSA, Women In Trucking (WIT) and Inroads; veteran organizations, such as Hiring our Heroes, USO Mentorship and Apprentice Programs; and community organizations, including Goodwill, Job Corps and others
- Preparing to launch the Step IT Up program, which is offered by UST, an IT services and solutions provider, and is a science, technology, engineering and math (STEM) and IT training opportunity focused on providing men, women, minorities and veterans with an accelerated IT education and technical training to mold them into IT consultants



Women In Trucking Association Announces New Partnership With Penske Transportation Solutions

The [Women In Trucking Association \(WIT\)](#) welcomes Penske Transportation Solutions as its newest Gold Level Partner, helping the nonprofit organization empower more women in the transportation and logistics industry. Jennifer Sockel, executive vice president, talent and enterprise services at Penske Transportation Solutions, will serve on the WIT Board of Directors.

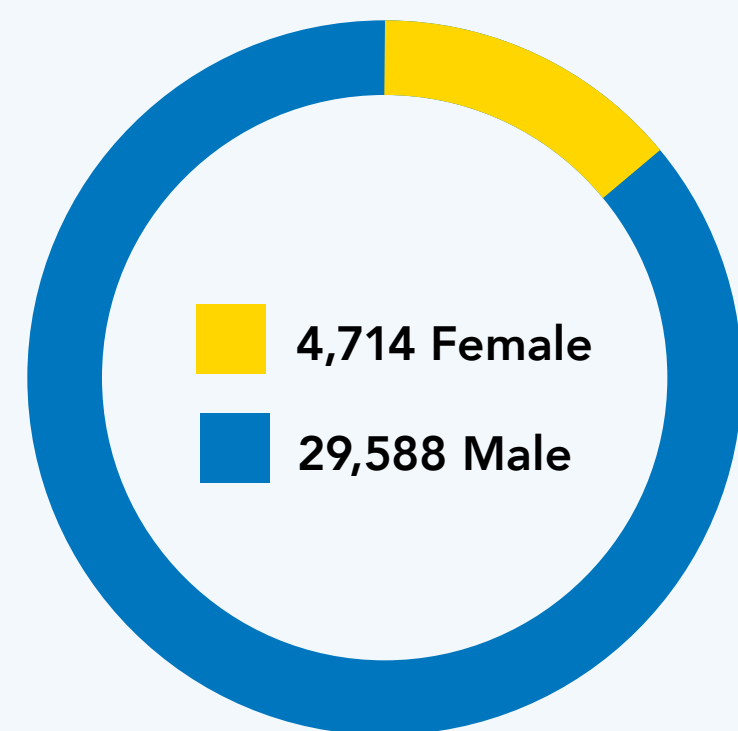
Since joining in 2014, we have actively participated in the association as a corporate member. Now supporting WIT at the Gold Level, the company is furthering its commitment to advancing gender diversity in the industry.

"We are thrilled to support an organization whose mission is to encourage and celebrate women in the trucking industry, and I look forward to working with the board," said Sockel. "At Penske, we support and promote diversity and inclusion, which makes us a stronger and more competitive company. Our expanded relationship with Women In Trucking will help us further our efforts to be an employer of choice for women in the transportation industry."

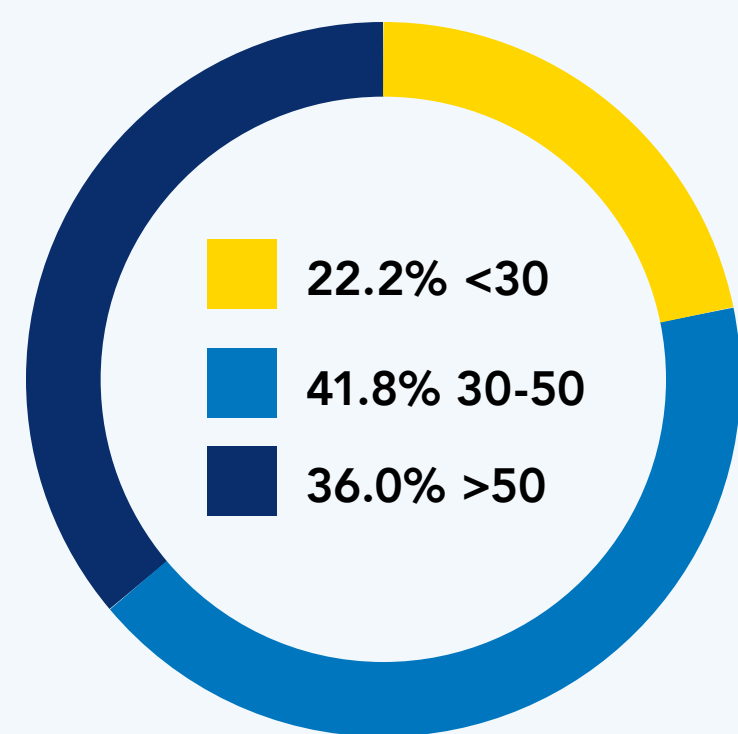
[Read More >>](#)

GRI 2-7 & 405-1, SASB TR-RO-000.C

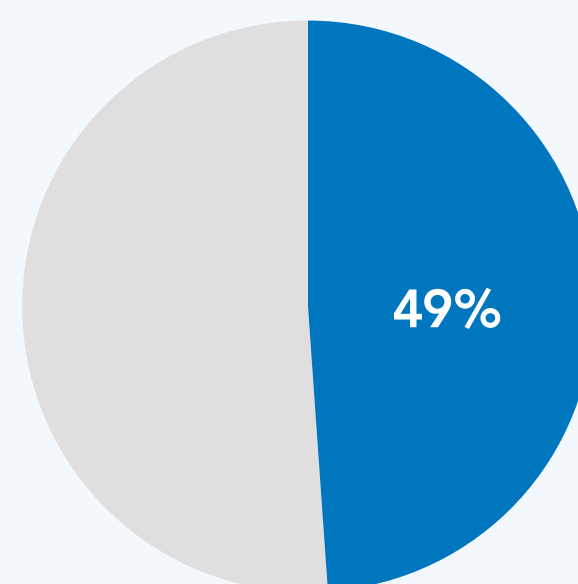
Total Number of Associates in 2021



Age Composition of Workforce



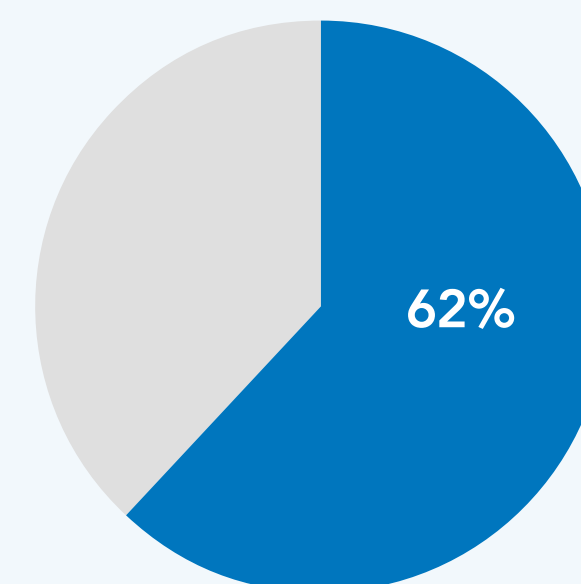
Diversity of Current Workforce (U.S. Only)



Diversity % of Current Workforce¹

¹ Diversity % excludes undisclosed associates
 • Diverse is defined as Female and/or Non-White

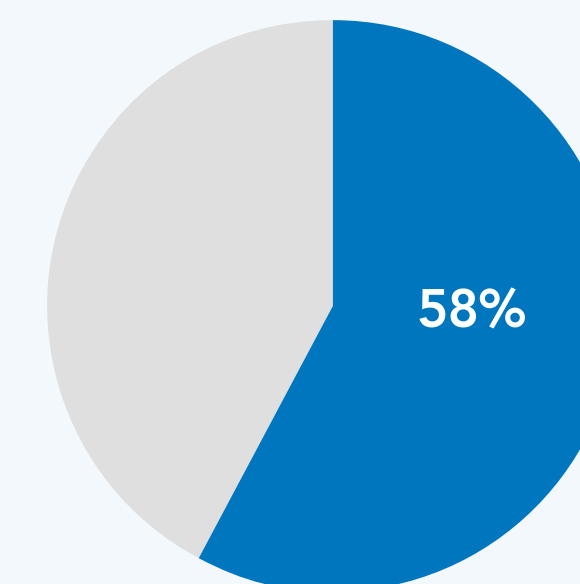
Diverse Hires (U.S. Only) as % of All External Hires



Diverse Hires % of External Hires¹

¹ Diversity % excludes undisclosed associates
 • Diverse is defined as Female and/or Non-White
 • Original BHC Acquisition associates excluded
 • All other acquisitions included

Attracting Management Trainee Diversity



Management Trainee Diverse Hires % of External Hires¹

¹ Diversity % excludes undisclosed associates
 • Diverse is defined as Female and/or Non-White
 • All other acquisitions included

RACIAL/ETHNIC COMPOSITION OF U.S. WORKFORCE

	American Indian/Alaska Native	Asian	Black/African American	Hispanic/Latino	Native Hawaiian/Other Pacific Islander	Two or More Races	White	Not Specified
2021	0.5%	2.2%	16.0%	16.9%	0.5%	1.9%	55.8%	6.2%

Associate Engagement Survey

We conduct an associate engagement survey every two years, which includes questions related to management practices, health and safety, compensation, benefits and D&I. Following the survey, the responses are compiled and provided to the organization's leadership team. Results are shared with employees at all levels. Human resources (HR) and labor relations partners assist locations with holding focus group discussions with our associates to better understand some of the results and to identify areas of opportunity. Execution on opportunities is a collaborative exercise and includes HR, labor relations and operations efforts.

Pay Equity

At Penske, we believe in equal pay for equal work, and we pay our associates equitably. We conduct comprehensive pay equity reviews on a regular basis to ensure we are compensating associates fairly and equitably. In the fall of 2021, we completed our most recent comprehensive pay equity review. When there are areas of opportunity to address, we implement individual action plans to make necessary adjustments as needed.



Impact Groups and Business Resource Groups (BRGs)

Historically, our industry has been heavily male-driven. We recognize the importance of ensuring that women have equal and equitable access to opportunities. We have established two impact programs, Penske Women in the Field and Penske Women in Logistics. These two programs offer women opportunities to network and build connections, share experiences and perspectives and increase awareness while working on high-profile projects that have a direct impact to the business.

As we increase our focus on creating an inclusive environment, we are working to replicate these successful programs for other groups of diverse associates and to launch additional initiatives in 2022. We are in the process of establishing BRGs focused on a number of diverse characteristics, including veterans, Black and African American, Hispanic/Latinix and female associates.

Penske Truck Leasing Dedicates Diesel Training Lab at Lincoln Tech's East Windsor, CT, Campus

Penske Truck Leasing recently held a dedication ceremony at the Lincoln Tech campus in East Windsor, Connecticut, as the company branded a diesel training lab and adjacent corridor. The lab will be utilized for hands-on diesel technology training, which introduces students to various topics, such as vehicle and engine system maintenance and repair, industry certifications and career opportunities in the industry.

Over the last 10 years, Penske has hired more than 1,000 Lincoln Tech graduates nationally to work as truck maintenance technicians in its regional operations.

"Teaming with Penske Truck Leasing will not only help our graduates start rewarding careers in a fast-paced, engaging industry — but it will also help keep the American economy moving forward as the workforce grows," said Lincoln Tech President and Chief Executive Officer Scott Shaw. "Penske's support of our effort to bridge the skills gap will be invaluable in addressing the ongoing shortage of skilled technicians."

[Read More >>](#)

Training

Penske understands that strong D&I programs help employees be the best version of themselves at work. We offer diversity training for all salaried associates through our Valuing Our Differences: Shaping an Inclusive Workplace training program. This training, targeting supervisors and above, focuses on uncovering bias, identifying inclusive and exclusive behaviors and shaping a more inclusive workplace. By empowering D&I champions, we are embedding advocates within the business while developing leaders' skills and capabilities in D&I, engagement and leadership.

Workplace Culture

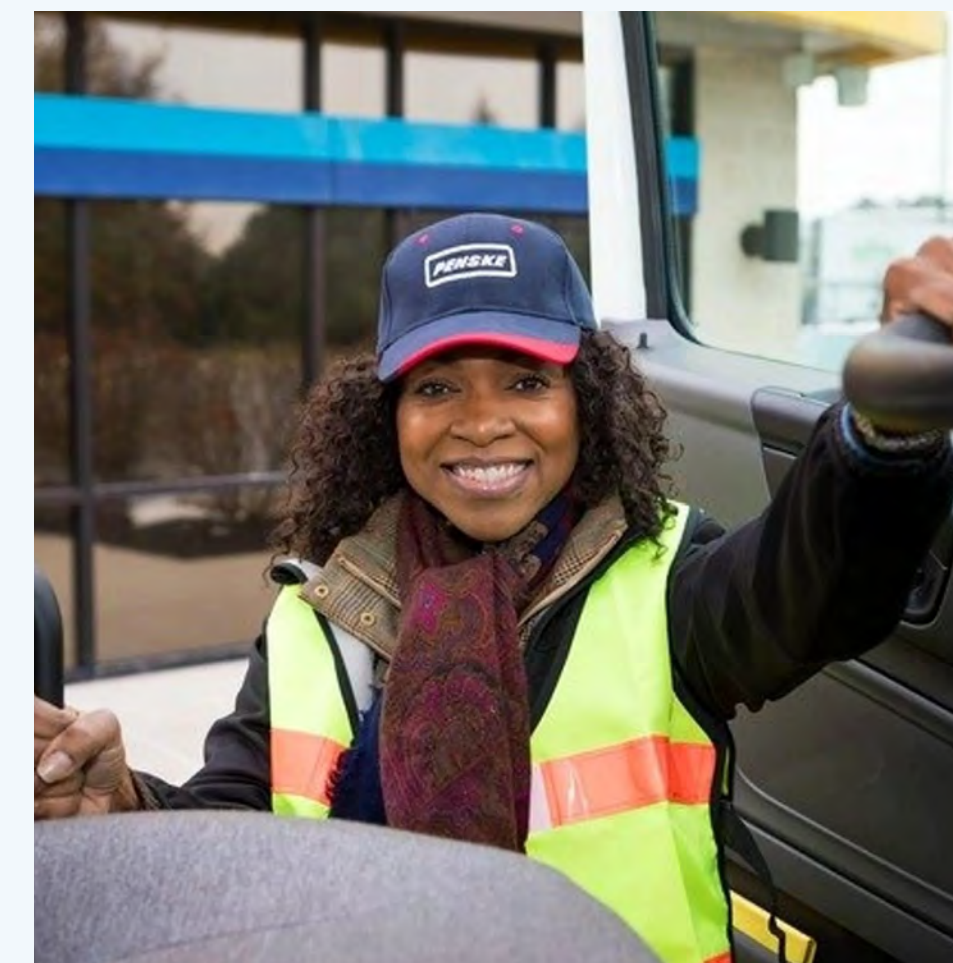
We believe that when a workplace empowers people to learn and grow, they stick around for a long time. In an increasingly complex business environment, it is essential that we constantly look at our organizational capabilities, the design of jobs and the knowledge and skills required to deliver the products and services upon which our customers and communities depend. Talent management practices are foundational for anticipating and building best-in-class associate and organizational capability. At Penske, we work to empower our people through skill training, leadership development, annual talent reviews and succession planning.



Penske Named Top Company for Women to Work

For the third consecutive year, Penske Transportation Solutions was featured on the WIT's list of "Top Companies for Women to Work for in Transportation."

The award, established in 2018, recognizes companies distinguished by several key features, including a corporate culture that fosters gender diversity, competitive compensation and benefits, flexible hours and work requirements and professional development and career advancement opportunities.



[Read More >>](#)

GRI 401-2

Benefits

Our excellent benefits plan keeps associates and their families happy, healthy and secure:

- Medical coverage (including vision, dental and prescription benefits)
- Life insurance (associate, spouse and children)
- More family time with paid holidays and vacations
- Wellness benefits, including a personal health coach program, a 24-hour nurse advice line and telehealth options
- Short- and long-term disability
- Health care and dependent care spending accounts
- Retirement savings plan options
- Employee discounts
- Tuition assistance
- Referral incentives
- Employee Assistance Programs (EAPs) that provide free confidential counseling, legal guidance and financial resources

GRI 401-1

Recruitment and Retention

We recognize that talented candidates can be external or internal and ensure that we have appropriate talent management tools and processes in place to provide equal and compliant employment opportunities throughout all our hiring and promotion decisions.

The structured Selection and Slating Process that we implemented in 2021 for critical roles drives fair and equitable opportunity for promotions of the most qualified candidates for specific roles. This process has also facilitated increased clarity on developmental needs and created more opportunities for meaningful conversations and plans for development to increase capability.

2021 EMPLOYEE TURNOVER	
Employee Turnover	12,049
Employee Turnover Rate	38%

GRI 401-2

Training and Development

Penske offers associates individual training plans. Associates can complete a development plan that aligns with their career interests or a requirement for a future role. Development plans are integral components of ongoing performance and career development conversations between associates and their manager. With support from their manager, associates can engage in their personal learning and development through various on-the-job and formal learning experiences.

Penske offers a wide variety of skills-based training, including an on-demand portfolio for associate-driven development as well as targeted role-specific functional development customized to deepen and broaden expertise in specific roles throughout the organization. Skills-based training needs are often addressed during onboarding and reinforced through individual performance and development planning conversations.

Progression and Leadership Development

Penske seeks to build a work environment where associates can grow and achieve their career ambitions. The company conducts annual talent review and succession planning sessions with all leaders up to the president. These conversations help identify key roles within the organization that require the development and/or recruitment of successor candidates.

The organization engages in an enterprise-wide talent review and succession planning process with formal report-outs to the president and Executive team on an annual basis. In 2021, we've implemented a quarterly talent check-in cadence with our field operations leaders to continually update the status of our succession lists for critical roles and track progress on development plans. We routinely engage corporate and field leaders across HR and operations in this process to ensure alignment. During these meetings, we discuss business priorities, strategic capabilities, succession plans for critical roles, ability to relocate talent, development needs, potential career paths and progress on development plans.

Safety Is Everyone's Priority

At Penske, safety is everyone's priority. With more than 40,000 associates working at more than 1,300 locations in various job functions, safety is paramount. We promote a culture where safety is core to everything we do for the benefit of our associates, customers, suppliers and communities. When both leaders and associates are invested in this culture, we enjoy a safer work environment.

We have robust safety departments and programs in place that support this culture. At Penske, we employ a Safety Management System (SMS) to ensure that training and learning, safety reviews and accident and injury tracking are embedded in our culture. In addition, many locations have safety committees and hold regular safety meetings. Our Safety teams perform periodic facility safety inspections to ensure locations are meeting expectations.

Incident Reduction and Management

Improving safety has many tangible and intangible benefits for a fleet, which is why Penske offers important safety programs as part of our core services, with no additional cost to customers. To improve truck safety, managers have taken a multipronged approach that starts with specifying the right equipment for the job. This approach ensures drivers are operating the equipment correctly and fleet managers are properly maintaining the vehicle throughout its life cycle.

Penske Logistics Improves Safety With Technology and Training

Keeping associates safe is a top priority for Penske, and we use a mix of technology and training to prevent injuries and accidents among our 10,500 professional drivers and 6,300 warehouse associates.

Penske has implemented a program from Worklete, which focuses on the principles of body movement to reduce injury rates whether someone is loading a truck, driving a truck or fueling a truck.

Penske has also rolled out a recognition program that recognizes the company's top professional drivers and safe warehouse associates.

Associates receive points annually that they can spend in a catalog. When associates reach five, 10, 15 and 20 years of safe performance, they receive significant safety milestone recognitions.

Penske has invested in several safety technologies and advanced technology on the truck, like collision mitigation and inward- and outward-facing SmartDrive cameras.

[Read More >>](#)

Our safety principles include:

S **Support** safety as a core value by committing to put human life ahead of all other demands.

A **Accountability** empowers every associate the right and responsibility to look out for their safety and the safety of others.

F **Follow up** with and engage associates by demonstrating and communicating a personal commitment to safety in all our actions.

E **Elevate**, recognize and reward associates who support our culture of safety.

T **Train** our associates to observe at-risk behavior as part of their daily work experience.

Y **You** are the key to an incident-free and injury-free environment.

Two Penske Logistics Truck Drivers Named Finalists for Prestigious ATA America's Road Team

In 2021, a pair of Penske Logistics professional truck drivers were named finalists for the 2022–2023 American Trucking Associations (ATA) America's Road Team. PJ Singh and Scott Wood are among the 36 finalists. Singh and Wood have a combined 50 years of industry-leading safe driving experience.

"These men and women were selected as finalists for America's Road Team because they have outstanding safe driving records, share a passion for the trucking industry and are role models among their peers," said Chris Spear, ATA president and CEO, in a news release. "We owe these professional drivers our gratitude; without them, the American economy would come to a halt."

[Read More »](#)

Safe Driving Programs and Incentives

Delivering relevant training in a timely manner is key to engaging associates in Penske's safety programs. This is achieved through formal courses, a comprehensive database of lessons and advice and a regular drumbeat of updates.

Prior to operating Penske vehicles, newly recruited drivers receive training in critical areas, such as what to do in emergency situations. Penske also utilizes the Smith System — a five-point principal system to encourage and increase safe driving. Additional training courses keep associates informed of the changing safety landscape. Examples include courses on hazardous materials handling, defensive driving, the dangers of driver fatigue and driving tips reinforced with images. Training also encompasses the safe performance of physical duties, like manually lifting heavy loads.

Penske offers driver training to all full-service lease and contract maintenance customers, with classes at customer locations, Penske locations and online. Penske also offers peer management seminars where groups of customers can join with Penske to discuss emerging regulations and safety issues.

Fleet and Vehicle Safety Technologies

Properly maintaining vehicles through rigorous preventive maintenance (PM) supports vehicle responsiveness, which directly relates to safety.

"Every time we do a PM, all safety items are checked," says Chris Hough, vice president of maintenance design and engineering at Penske Truck Leasing. "Safety is just as important to us as it is to our customers."

Penske maintains vehicles at and above Federal Motor Carrier Safety Administration (FMCSA) regulations and provides fleet performance metrics to identify and assess risk. Penske also manages licensing and vehicle tax reporting to ensure fleets are compliant and tracks all aspects of maintenance and repairs.

Penske has implemented fully digital truck PM processes. The innovative digital PM approach improves accuracy and consistency while also reducing and eliminating paperwork and ensuring documentation and compliance with regulations.

Our approach uniquely positions Penske to care for and maintain the increasingly complex vehicles on the market today and the emerging vehicle technologies that will be part of the trucking industry in only a few years. We're putting the technology our technicians need to work smarter and faster right at the point of repair to keep our customers and their businesses moving forward.

— GREGG MANGIONE, EXECUTIVE VICE PRESIDENT OF MAINTENANCE

Penske Truck Leasing Begins Augmented Reality Maintenance Training Journey

Penske has ushered in the next generation of truck maintenance technician training using augmented reality (AR) to instruct a portion of its workforce virtually. We are employing a state-of-the-art interactive classroom concept already in practice by Design Interactive, an Orlando, Florida-based human factors engineering firm whose clients include the U.S. military, the U.S. Department of Transportation and Fortune 500 corporations.

“Penske is proud to be at the forefront of industry innovation by offering this cutting-edge training to our associates,” stated Holly Gerke, Penske vice president of technical training and development. “The virtual nature of the program allows our technical trainers to reach a larger number of technicians in the field more quickly and boost the consistency and scalability of technician training.”

The Penske AR training program is a series of technical lessons retrofitted to meet our needs and industry standards. By leveraging virtual environments and access to AR capabilities, Gerke’s team can better keep pace with training needs. The Penske technical trainer is in one city, at a Penske facility, providing live instruction while wearing a Microsoft HoloLens 2 device and positioned at a truck.

[Read More >>](#)

Penske Adds Video-Based Safety Program to Dedicated Trucking Fleet

Penske Logistics introduced the next generation of truck fleet safety technology through a video-based safety program in more than 3,070 of its heavy-duty trucks by the end of 2021. The foundation includes event-triggered onboard cameras from SmartDrive that face inside the truck cab and outward to the road, along with an ongoing driver safety coaching program.

“We’re committed to running a safe fleet and strive to ensure that our truck drivers are equipped with the latest fleet safety technology, late-model vehicles and ongoing safety coaching,” explained Penske Logistics President Marc Althen. “This new safety technology allows us to take our dedicated carriage fleet safety to another level to the benefit of the motoring public, our drivers and customers.”

[Read More >>](#)



Penske Logistics Welcomes Safest Professional Truck Drivers to Its Wall of Fame



In 2021, Penske recognized and welcomed 22 drivers into its 2020 and 2021 Diamond Classes, the highest level of safety recognition at the company. The inductees have achieved 20 consecutive years of preventable incident- and injury-free driving.

The honor is part of Penske Logistics’ Premier Driver Recognition Program, established to recognize the company’s elite professional truck drivers and celebrate their safety milestones. In

addition to the Diamond Class, the recognition program honors drivers with 15, 10 and five years of incident- and injury-free driving: Platinum, Gold and Silver Class drivers. Those drivers were also recognized this year for their accomplishments.

Members of the Diamond Class have their name inscribed on the Driver Wall Hall of Fame that is on display at the company’s global headquarters in Reading, Pennsylvania.

GRI 403-9, SASB TR-RO-320a.1, TR-RO-540a.1

2021 TOTAL RECORDABLE INCIDENT RATE (TRIR) — DIRECT ASSOCIATES (%)	
Penske Logistics	0.65%
Penske Truck Leasing	3.88%

2021 NUMBER OF ROAD ACCIDENTS AND INCIDENTS	
Penske Logistics	2,751
Penske Truck Leasing	192

2021 FATALITY RATE — DIRECT ASSOCIATES (%)	
Penske Logistics	0.59%
Penske Truck Leasing	0.01%





LIFTING COMMUNITIES

PENSKE

Penske is committed to strengthening the communities in which we live and work and to making our towns and cities healthier and safer. Giving back is in our DNA.

Penske's bright yellow trucks are a beacon of hope when disasters strike. We work behind the scenes with major relief agencies to transport emergency relief and supplies. We support our customers and local nonprofit groups with rental vehicles to help them deliver items to those in need.

Across the country and around the world, our team of passionate and hardworking people have offered their time, effort and resources to their communities. Some of it is visible, but much goes on quietly behind the scenes — and we wanted to bring some of these efforts to light. Actively engaging in our communities also helps Penske attract and retain talented people.

In 2021, we created a vice president of community engagement position to manage our engagement with the local Reading community. As one of the largest employers in southeastern Pennsylvania, Penske wants to take a significant and visible role in community engagement in this region. We also continue to seek additional opportunities to encourage our associates in the field to find effective ways to engage with their local communities.

We've also supported hundreds of charities over the years, including The United Way, Paralyzed Veterans of America, Habitat for Humanity, Support Military Families, Ronald McDonald House, Boys and Girls Clubs, Salvation Army, American Red Cross, Toys for Tots and Truckers Against Trafficking (TAT), among others.



People Supporting People

Penske Gives Back

At Penske, it's our people who make us different — who drive our success. They are our secret ingredient. But their dedication to excellence doesn't stop while on the job. It extends into their communities by helping make the places we live and work stronger. Some of it is visible, but much goes on quietly behind the scenes. This [video](#) highlights a small sample of how we truly are people helping people move ahead.



Associates Assist Relief Efforts After Kentucky Tornadoes



In early December, Kentucky was hit by several tornadoes that caused widespread destruction. Eighty-nine lives were lost, including 74 in Kentucky alone; more than 600 individuals were injured; and thousands lost their homes, possessions and access to basic necessities.

Here are just some of the ways our associates took action to support disaster relief efforts:

- Associates from the Louisville district joined forces with the Denny's Mobile Relief Diner after Denny's reached out for a refrigerated truck. Several Penske

associates traveled seven hours to the volunteer site and served thousands of pancakes and hundreds of coffees.

- Associates at the Georgetown location raised almost \$2,000 for the purchase of diapers, tarps, snacks, hygiene items, pet food and cleaning items for families in need in Mayfield.
- Associates from Penske's Princeton, Indiana, location also collected and assisted with the delivery of donations, including nonperishable food items, blankets, clothing, baby formula, diapers, batteries, flashlights and more.
- When the University of Louisville basketball team donated a busload of toys to Toys for Tots Southern Kentucky, Penske donated a box truck to deliver the toys to the donation warehouse.
- The Romeoville, Illinois, location donated a truck to help local community members deliver donations to Mayfield, Kentucky.



Penske Honored With Paralyzed Veterans of America's Partner of the Year Award

Paralyzed Veterans of America (PVA) honored Penske Truck Leasing with a Partner of the Year Award in recognition of the company's ongoing support to PVA, which advocates on behalf of veterans with disabilities.

Penske Truck Rental joined with the PVA in 2013 to create the #OneWay4PVA campaign, which encourages rental customers to donate \$1 to PVA's Mission: ABLE campaign. The fundraising campaign has raised more than \$4 million to benefit PVA.

Art Vallely, president of Penske Truck Leasing, accepted the award at the PVA 75th Anniversary Gala held at the iconic Indianapolis Motor Speedway. Team Penske drivers Ryan Blaney, Austin Cindric and Joey Logano were award presenters.

Vallely reaffirmed the company's commitment to supporting PVA and thanked all veterans for their service and sacrifice, and he thanked Penske's associates for their steadfast commitment to supporting veterans.

Associates' fundraising efforts at the company's rental locations and in Central Reservations has been integral to the success of the #OneWay4PVA fundraising program, Vallely said.

Roger Penske, via his foundation, made a special \$1 million donation to PVA. In addition, Penske Automotive Group was recognized as a Partner of the Year for its Service Matters fundraising campaign at its dealerships across the U.S.



Penske Joins Fight Against Human Trafficking by Supporting Truckers Against Trafficking

Penske signed on to sponsor the Truckers Against Trafficking (TAT) organization, a 501(c)(3) that exists to educate, equip, empower and mobilize members of the trucking and travel plaza industry to combat domestic sex trafficking.

Through the partnership, we support TAT's Freedom Drivers Project by offering up a semi-tractor trailer to serve as a mobile, educational exhibit on human trafficking. Additionally, we committed to certifying more than 5,500 truck drivers with TAT training, consisting of video series and wallet cards that educate drivers on human trafficking indicators and what to do if a driver suspects it.

Human trafficking has been reported in all 50 states, and victims are often found in locations frequented by truckers.

"This is an extremely important cause, and we are honored to join with others in our industry to support an organization whose mission is so critical," explained Brian Hard, president and CEO of Penske Transportation Solutions. "We are looking forward to providing our drivers with the tools they need to identify and report possible trafficking cases. We are aligned with TAT's overarching goal to saturate the trucking industry with educational information and, ultimately, combat this horrific crime."

"The level of commitment and support Penske is making to TAT not only ensures there will be thousands more trained professionals on the roads assisting law enforcement in the fight against human trafficking, but also makes a statement about the importance the industry places on their role in setting and making social responsibility and sustainability goals that help to improve the lives of those who have been exploited," said TAT Deputy Director Kylla Lanier.

[Read More >>](#)

Creating New Opportunities for the Communities We Serve

At Penske, we believe that providing support for our communities includes providing future work opportunities. The trucking industry hauls more than 70% of all freight transported in the U.S. Truck technicians are an integral part of keeping these essential supply chains moving. Penske is collaborating with leading technical schools and related organizations, such as SkillsUSA and the TechForce Foundation to help meet the current and future demand for technicians.

Penske is a supporter of the TechForce Foundation and its efforts to recruit the next generation of truck fleet maintenance technicians. In addition to a financial contribution, Penske takes part in campaign marketing materials and advertising campaigns while also sharing campaign content on Penske social media channels. Penske also sits on the campaign’s National Leadership Cabinet, participates in the FutureTech video series titled “When Techs Rock, America Rolls” to highlight Penske’s best practices and joins the foundation in speaking events at schools nationwide.

Penske Truck Leasing Dedicates Classroom at Lincoln Tech’s Columbia, Maryland, Campus

Penske Truck Leasing held a dedication ceremony at Lincoln Tech in Columbia, Maryland, as the company branded a 1,000-square-foot multipurpose classroom at the school. The space will mainly be utilized during Lincoln’s Driving Your Performance course, which introduces students to various topics, such as vehicle and engine systems, industry certifications and career opportunities in the industry. Over the last 10 years, Penske has hired more than 220 graduates from Lincoln Tech’s Columbia, Maryland, campus to work as truck maintenance technicians in its regional operations.



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Penske Pink Out Event Sets Records for Breast Cancer Awareness, Support

The 7th Annual Penske Pink Out took place on Oct. 22, 2021 — an enterprisewide event that demonstrates our support for those affected by breast cancer and promotes awareness and early detection. This year’s event saw participation by more than 25,000 associates, family and friends from Australia, Brazil, Canada, China, Mexico, the Netherlands and the U.S.

Associates across Canada and the U.S. raised a record \$134,774.09 to benefit national and local breast cancer charities. The majority of the funds — more than \$80,000 — was raised by 51 Penske teams participating in the American Cancer Society’s Making Strides Against Breast Cancer events.



MANAGING WITH INTEGRITY



PENSKE

Integrity is one of the cornerstones upon which our business stands, and all employees are responsible for fostering a culture in which integrity is at the core of every business activity.

[GRI 2-9, 2-12, 2-13, 2-14](#)

Corporate Governance

Sound corporate governance practices are crucial for Penske's long-term performance and maintaining the trust of our stakeholders.

The company does not have a board of directors but instead has an Advisory Committee made up of shareholder representatives. The Audit Committee is a standing committee of the Advisory Committee. The Audit Committee assists the Advisory Committee in fulfilling its oversight responsibilities relating to: (1) the integrity of Penske's financial statements and financial reporting process and the systems of internal accounting and financial controls, (2) the performance of Penske's internal audit function, (3) the annual independent audit of the financials, (4) compliance with legal and regulatory requirements, (5) the evaluation of enterprise risk and (6) fulfillment of other responsibilities.

In addition, Penske has a robust number of committees that monitor and ensure compliance with various

sustainability-related practices. These include the Compliance Review Board, Compensation Committee, Connected Fleet Committee, Privacy Committee, IT Data Governance Committee and Retirement and Benefits Plan Committee.

Strong corporate governance helps to put structure in place to ensure the company is always acting ethically and provides a mechanism for associates and stakeholders to report potential issues.

Penske regularly engages with its stakeholders with regards to corporate governance, as they are part of the Advisory Committee. In addition, Penske frequently engages regulators to discuss impacts of legislation with regards to compliance efforts and achievability by Penske.

To date, management of sustainability and sustainability-related initiatives has largely been performed by individuals. We are moving to more centralized monitoring of sustainability initiatives, while individual groups remain responsible for their respective initiatives. Our goal is to stay ahead of the curve to keep sustainability a competitive advantage.

In 2021, we established a dedicated, cross-functional team to assess our current sustainability initiatives; set short, medium and long-term goals; and scaled our sustainability efforts.



GRI 2-25, 2-26, 2-27

Penske's Code for Business Conduct

Our [Code for Business Conduct](#) and Code of Ethics set forth general principles on critical integrity issues and guide associates in upholding our ethical commitment. We go beyond simply obeying the law; we embrace the commitment to integrity. The Code for Business Conduct explains what that commitment means by establishing general principles for our associates' daily conduct, whatever their role is at Penske.

Penske has robust nondiscrimination and harassment policies supporting the fair treatment of all associates. In addition, our Code for Business Conduct and Code of Ethics require the organization to comply with all applicable laws, including protecting human rights.

Penske's Code for Business Conduct addresses many topics, including but not limited to, improper payments, keeping accurate books and records, conflicts of interest, handling of personal data, fair competition, fair employment practices and methods for associates to raise concerns.

Penske conducts annual trainings on our Code for Business Conduct to ensure all associates understand the company's expectations. In addition, regular Audit Committee meetings support the reporting of efforts made to ensure the company has a strong corporate governance structure in place.

Supplier Expectations and Supply Chain Resilience

We take a holistic approach in understanding our supplier partnerships. Not only do we consider total cost management, including product pricing, customer service, on-time delivery and quality defects, but we also understand the importance of balancing environmental, social, economic and legal implications. The latter can lead to significant financial and reputational risk to an organization. Our customers and stakeholders expect us to be leaders in the industry and mitigate potential supply chain risks.

Our vision for supply chain management is to maximize collaboration and information flow among our supplier partners, which positively impacts inventory visibility, inventory movement, future disruptions and waste reductions. The seamless movement of goods and information within our supply chain stages improves the quality of the customer experience and maximizes profitability.



Promoting Diverse Suppliers

As a company, we understand the importance of weaving D&I efforts throughout the organization. To that end, Penske seeks to increase diversity among its supply base and increase spend with diverse suppliers to:

- Reflect the communities we serve
- Live our values
- Deliver a higher-quality service to our customers

GRI 418-1

Protecting Data Privacy

Collecting and using customer information allows Penske to tailor and deliver services to its customers. However, we recognize that customer privacy and data security are important to our stakeholders. We take privacy seriously and have robust data security and privacy policies in place. We strive to keep minimal customer information and aim to be transparent about the information we collect from our customers. We also want individuals to be informed about what Penske does with its information.

Penske's data security solutions monitor its systems, the information moving back and forth between them and the associates who access and view data. We have a Privacy Committee and IT Data Governance Committee in place to review and monitor our programs.

We seek to continuously improve our security systems and practices and perform regular testing to ensure

proper data security. Governance controls align with Payment Card Industry (PCI), National Institute of Standards and Technology (NIST) and International Organization for Standardization (ISO) 27001 standards. Independent third-party audits occur annually that review our compliance with governance controls for both general IT and cybersecurity adherence. To date, PTL has not been involved with any data breaches.



Securing Customer, Associate and Company Data

Like many companies, Penske faces cybersecurity challenges that include educating our user community regarding data privacy and security risks, the proliferation of cloud computing solutions to support operational business requirements and the increasing volume of cybersecurity threats. We attempt to limit the amount of sensitive data we maintain for our employees, contractors, vendors and customers. We provide access to sensitive data only when there is a need to know. We adhere to industry standards and frameworks to drive our data privacy and security standards. We monitor the current risks to data privacy and security so we can adapt our protections to the ever-changing threat landscape.



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