

PACCAR

Sustainability
Presentation



Forward Looking / Cautionary Statements

This presentation may contain statements that are forward looking. These statements are based on current expectations and assumptions that are subject to risks and uncertainties, which may cause actual results to differ materially. A summary of risks and uncertainties is described in more detail in our periodic reports filed with the Securities and Exchange Commission (SEC). We undertake no duty to update or revise this presentation, whether as a result of new information, future events or otherwise. For the most recent financial, risk and other information about PACCAR, please see our SEC filings and most recent earnings release available on the Investor Relations page of www.paccar.com.

PACCAR

Sustainability At a Glance

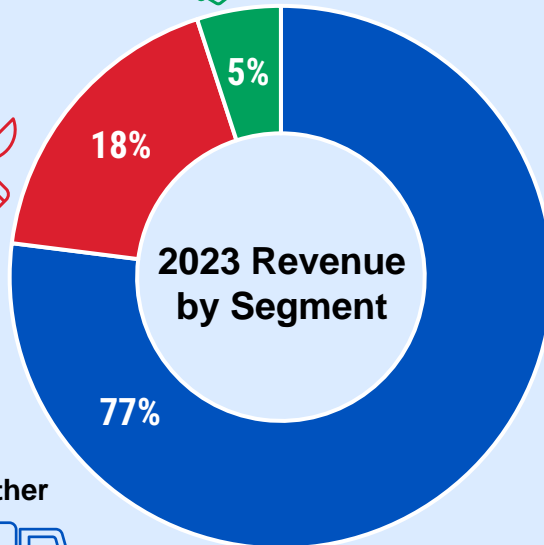
Financial Services



Parts



Truck and Other



\$698M

2023 Capital Investments

\$411M

2023 Research & Development Investments

9

of Kenworth, Peterbilt and DAF **zero emissions** truck models in production

\$7.8B

Invested over the last decade in:

- Environmentally friendly manufacturing and distribution facilities
- Advanced new vehicle models
- Innovative technologies

2014

The year we started reporting to **CDP**; last 9 years rated A or A-; 2023 A- rating represents **leadership tier** of 21,000+ companies that reported to CDP

35% / 25%

Science Based Targets by 2030:

- Reduce Scope 1 (internal operations) and Scope 2 (purchased energy) by 35%
- Reduce Scope 3 Use of Sold Product by 25%*

Driven by Quality, Technology and Innovation

Long history

of positive returns
for shareholders

85 years

of consecutive
profitability

Dividends paid

every year
since 1941

Proven commitment

to environmental leadership, social
responsibility and philanthropy



Strategy and Leadership for the Future

PACCAR has always believed that environmental responsibility is essential to the company's success. Additionally, we're attuned to various external trends driving development and adoption of new technologies in the transportation industry.



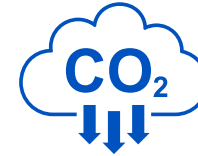
**Increased
societal concerns**
about climate
change



Investor
push for **ESG**



Customers'
**sustainability
and operating
efficiency
goals**



Legislation
requiring
**lower GHG
emissions**



Advancements
in battery
and **charging
technology**

SUSTAINABILITY DRIVERS

Our Values



Our Approach to ESG

We're investing in sustainability for the long-haul. The key values of quality, innovation, integrity and operational excellence are central to our business strategy; our ESG efforts support those values in a way that is authentic to PACCAR and meaningful to our customers.

We are committed to:

- investing in cutting edge technology
- continuing to innovate as the industry evolves
- curbing our environmental footprint and the footprint of our trucks
- hiring, developing and promoting the most talented people
- ensuring that our employees represent the diversity in the global community



Our Sustainability Journey

ESG Related Highlights Over Time

1985

Kenworth produces the first aerodynamic truck, the T600

2009

PACCAR participates in the SuperTruck program

2016

PACCAR Diversity Councils founded

2018

Peterbilt and Kenworth recognized as top workplaces for women by Women in Trucking, an organization that promotes the employment and success of women in the trucking industry (note PACCAR has received this designation every year since 2018)

2018

Published inaugural ESG report; aligned with SASB and TCFD

2020

Kenworth and Peterbilt Zero Emissions Trucks Summit 14,115-Foot Pikes Peak

2007

Kenworth receives prestigious Innovation Award for alternative fuel trucks

2006

PACCAR awarded the National Medal of Technology, the nation's highest award for advancements in technology

2017

Opened Silicon Valley Innovation Center in Sunnyvale, CA

Participates in SuperTruck II program



2019

DAF CF Electric named Green Truck Logistics Solution 2019, a prestigious award for the deployment of emerging technologies in Europe



2019

PACCAR Women's Association founded

2020

Collaborated with Faith Technologies and Schneider Electric to provide charging infrastructure for customers using battery electric Kenworth and Peterbilt trucks



Our Sustainability Journey

ESG Related Highlights 2021+

Set Science Based 2030 Emissions Reduction Targets for Scope 1, 2 and 3 from 2018 base year

Partnered with Aurora, to develop and commercialize autonomous trucks



DAF produces first aerodynamic heavy-duty truck in Europe, improves fuel efficiency by up to 10% compared to prior model



Kenworth was honored with the Clean Energy Entrepreneur Award, by Clean & Prosperous Washington, a Washington state environmental group

Peterbilt, Kenworth and DAF lead the industry with 9 battery electric vehicle models available for customers

Launched SuperTruck 3 program to continue the development of its Class 8 Kenworth and Peterbilt battery electric and fuel cell vehicles, along with its vehicle charging stations. SuperTruck 3 is a DOE initiative to develop state of the art zero emissions medium-and heavy-duty trucks

Revised Charter for Nominating/Governance board committee, officially establishing ESG oversight at the board level



DAF XF, XG and XG+ trucks awarded *International Truck of the Year 2022*

Hydrogen Internal Combustion DAF XF earned *Innovation Truck of the Year 2022*



DAF XD distribution and vocational truck, earned the prestigious *International Truck of the Year 2023*

Kenworth T680 and Peterbilt Model 579 improve fuel efficiency by up to 7% compared to prior model

Sustainability Matters in Trucks and Transportation

The transportation industry is changing — now more than ever before — and we're at the forefront

Trucks move over 74% of all freight transported within the U.S.*

36.9 million commercial vehicles, including **3.9 million heavy-duty trucks**, move that freight.

Our economy relies on trucking now and in the foreseeable future and our customers rely on us to supply them with innovative products that keep them moving efficiently in an ever-changing landscape.



We are taking a **proactive approach** to the changes within the transportation industry.

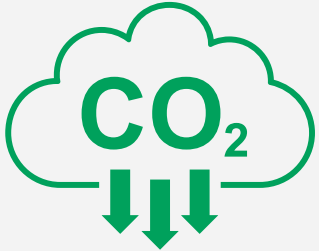
We're investing in **cutting-edge technology**, from new, more efficient engines, to autonomous and zero emissions technology.



We are leading the charge on innovation in the commercial vehicle industry

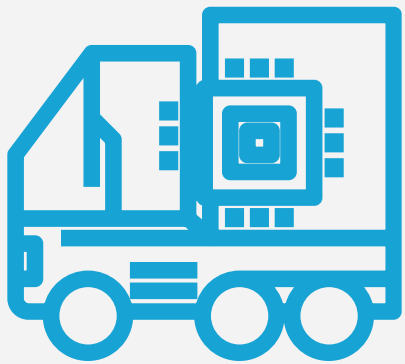
Proactively Creating Innovative Solutions to Meet Customer Needs

We anticipate our customers' sustainability related challenges



Environmental

Our customers are demanding cutting edge **emissions reduction technology**; we have been investing and innovating in sustainable technology for many decades



Social

Our customers and their drivers expect their trucks equipped with the latest in **safety technology** and **premium interior accommodations** in order to attract and retain the best talent and keep our roads as safe as possible



Multi-Faceted Approach to Innovation

We're investing in a diverse array of new technologies through in-house innovation as well as strategic partnerships

Our financial strength enabled us to invest over \$1.11B in capital projects and R&D in 2023 to:

- Integrated powertrains including state to the art diesel; electric; hybrid; and hydrogen fuel technologies
- Enhance our manufacturing capability for better efficiency
- Strengthen our aftermarket transportation solutions
- Leadership in autonomous systems, and connected vehicle services

Zero Emissions



Hydrogen Powertrains



Electric Vehicles

Manufacturing & Distribution



Battery Cell Production



Voice Pick



Robotic Paint Equipment

Autonomous Driving



SAE Level 4 Autonomous Driving



Advanced Driver Assistance Systems (ADAS)

Connectivity



Fleet Management, Diagnostics, Prognostics



Big Data Analytics



Artificial Intelligence

PACCAR is Leading the Charge

Zero emissions is a reality at PACCAR

Zero emissions vehicles are growing in popularity in several applications including refuse, port and regional delivery.

We're also exploring hydrogen technology, which is promising for long-haul applications due to its extended range and its relatively fast refueling times.

We began production of battery electric trucks in 2021 and continue fulfilling customer orders for several hundred battery electric vehicles. Our customers are using Kenworth, Peterbilt and DAF zero emissions trucks to haul freight.



As part of the transition to zero emissions, PACCAR has introduced new electric vehicle charging stations to support electric vehicles.

PACCAR is collaborating with Faith Technologies and Schneider Electric to provide charging infrastructure solutions for customers who purchase Kenworth and Peterbilt electric trucks in the US and Canada. Charging power from 20 kW up to 350 kW.



Zero Emission Trucks

- Peterbilt, Kenworth and DAF lead the industry with nine battery electric vehicle models available for customers.
- Kenworth T680 and Peterbilt 579 models featuring Toyota's hydrogen fuel cell powertrain kit, with initial customer deliveries planned for 2025.



**Kenworth T680 & Peterbilt 579
Hydrogen Fuel Cell Trucks**



Peterbilt 220EV



Peterbilt 579EV



DAF LF Electric



Peterbilt 520EV



Kenworth 270E



DAF CF Electric



Kenworth T680E



**DAF XF and XD
Electric**



Battery Cell Production Joint Venture

- PACCAR has partnered with Accelera by Cummins, Daimler Truck, and EVE to manufacture LFP batteries in the United States for the North American commercial vehicle market
- PACCAR, Accelera, and Daimler will each own 30% of the JV and EVE will own 10%
- The JV enables the necessary scale for cost effective and differentiated battery cell technology
- US factory location Marshall County, Mississippi
- Total investment \$2-\$3B; 21 GWh capacity
- Transaction close in 2024; start of production in 2027

PACCAR



EVE

DAIMLER TRUCK

Commitment to Leading with the World's Cleanest Engine Technology

Over time, we've **increased the efficiency** of our MX-11 and MX-13 engines and incorporated environmentally friendly technology. We work tirelessly to make diesel engine technology as clean as possible.

The near-zero emissions hydrogen internal combustion DAF XF technology truck was honored as *Innovation Truck of the Year 2022*.

With the transition to zero emissions technology, we'll continue to **lead in engine innovation**.



We continue to innovate as part of our effort to supply customers with **practical** solutions today and **revolutionary** solutions tomorrow.

Every PACCAR engine is meticulously designed for maximum uptime, performance and fuel efficiency

Autonomous Driving

We're investing significantly in autonomous technology with our partners

- PACCAR has invested in a strategic partnership with Aurora to develop, test and commercialize autonomous Peterbilt and Kenworth trucks
- PACCAR's autonomous vehicle platform will be integrated with the Aurora self-driving technologies
- PACCAR Customers will benefit from the autonomous vehicles' enhanced safety and operational efficiency
- PACCAR and Aurora have three customer trials underway with FedEx, Uber Freight and Werner Enterprises – each operating in Texas



Aurora

Uber Freight

FedEx

WERNER

Connected Services

New proprietary Hardware and Data platform

- Cybersecurity Protection & Monitoring
- Over-the-Air Software Updates
- Access to Industry Leading Business Applications
- Transportation Solutions for Uptime & Fleet Management
- Data as a Service Capabilities

PACCAR's connected services create real value for customers. For the customer, this translates into cost savings, efficiencies, the creation of new services and a greatly improved customer experience.

BART LORE, PACCAR Senior Director Global Connect Services



PACCAR Connect is PACCAR's state-of-the-art global connected truck platform

PACCAR and Platform Science Connected Vehicle Partnership

PACCAR has made a strategic investment in Platform Science

- PACCAR and Platform Science will collaborate on connected trucks
- PACCAR will integrate the Platform Science Virtual Vehicle into Kenworth and Peterbilt trucks
- The solution enables fleets to access telematics, software solutions, real-time data, and third-party applications directly from their vehicles
- Customers will have access to a customizable platform elevating their capabilities to innovate and utilize, manage and deploy digital applications



We're at the Center of Innovation

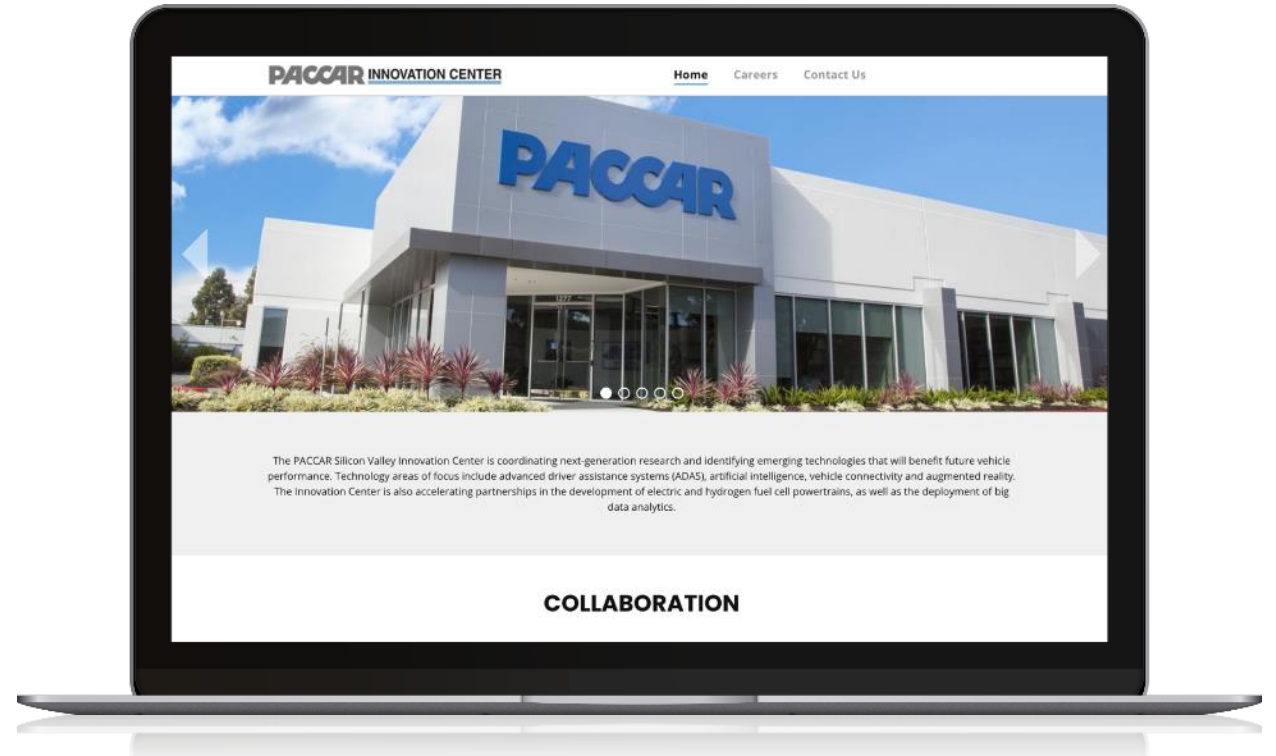
Our Innovation Center attracts the brightest talent and sits right in the heart of Silicon Valley

PACCAR Innovation Center in Silicon Valley enhances access to emerging technologies and talent from around the world

- The Innovation Center collaborates with other PACCAR engineering teams to develop next generation technologies such as autonomous trucks
- PACCAR Innovation Center establishes strategic partnerships, such as the autonomous vehicle collaboration with Aurora
- The Innovation Center truck lab is equipped with the tools needed to integrate emerging technologies

“Purposeful innovation is continuously ingrained in every aspect of our business.”

JOHN RICH, PACCAR CHIEF TECHNOLOGY OFFICER



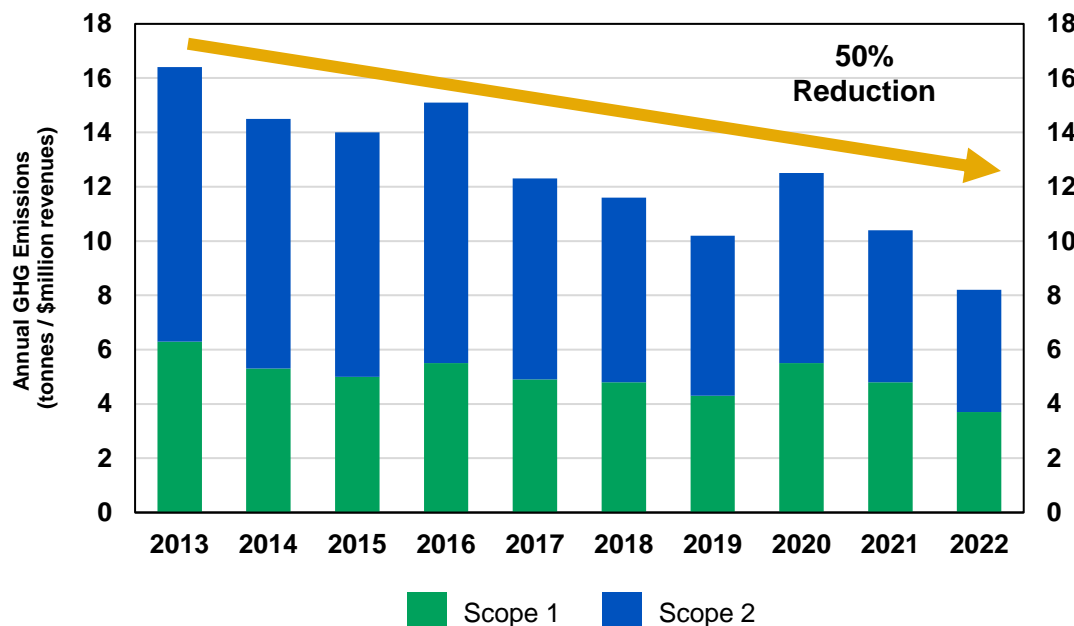
The PACCAR Innovation Center is a central player in the truck and transportation innovation ecosystem

Continuous Improvement on Environmental Efforts

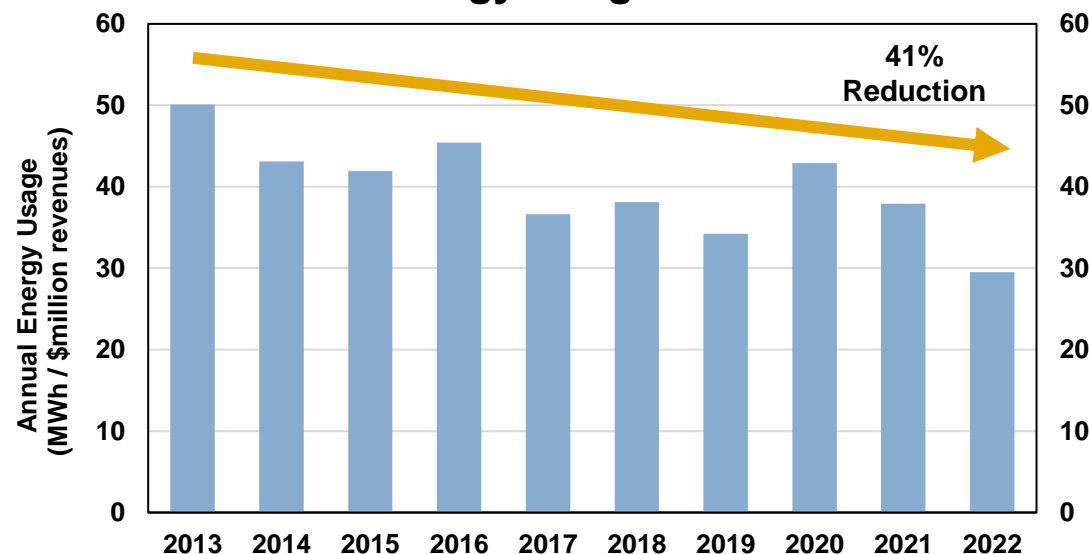
We're proud of the progress we've made to date...

100% of our manufacturing locations are ISO 14001 certified and more than 80% are zero-waste-to-landfill. We continue making meaningful progress over time.

PACCAR's Greenhouse Gas Emissions



PACCAR's Energy Usage



Reporting Standards, Goal-Setting and Science Based Targets

...and the goals we set for the future



Reduce absolute Scope 1 (internal operations) and Scope 2 (purchased energy) GHG emissions **35%** from a 2018 base year

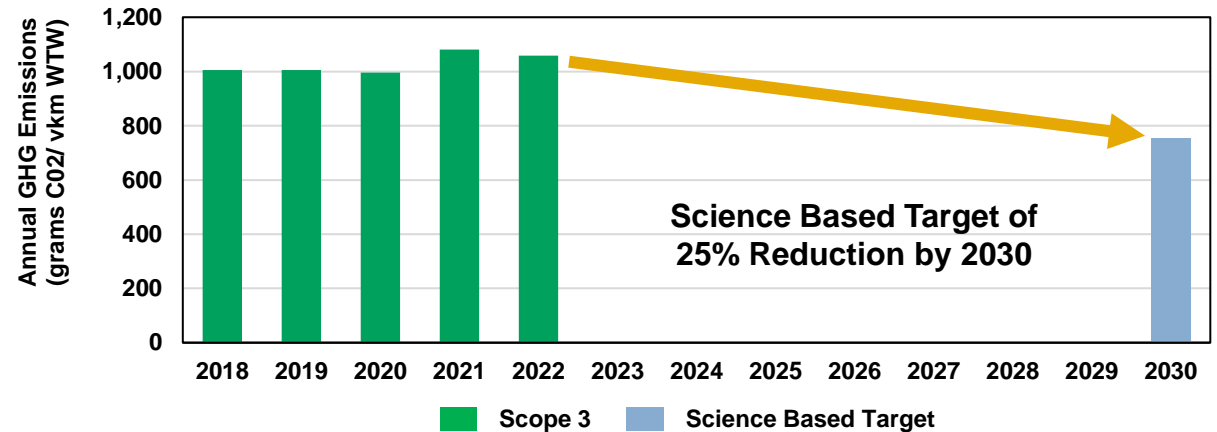
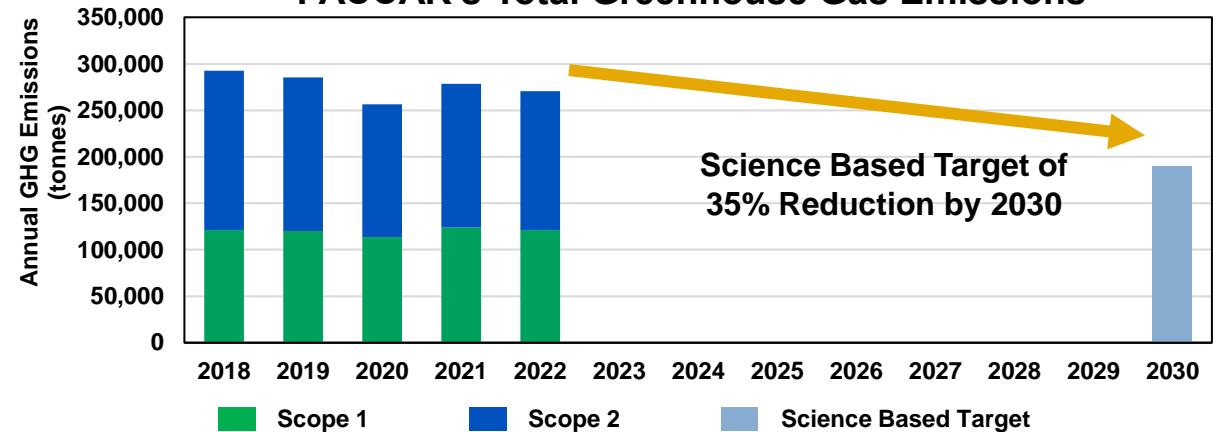


Reduce Scope 3 emissions from use of sold products **25%** per vkm by 2030 from a 2018 base year*

We are currently reporting to CDP and aligned with the ISSB and TCFD standards.



PACCAR's Total Greenhouse Gas Emissions



*Scope 3 target is inclusive only of use of sold products US, Canada, and EU.

Historical Commitment to Environmental Disclosure

Among top companies receiving highest rating from CDP



Since 2014, we have been reporting emissions data to CDP, formerly the Carbon Disclosure Project



We have received A or A- rating in 9 consecutive years



In 2023, we received an **A-** rating

Of the 21,000+ companies that reported to CDP in 2023, an A/A- rating represents Leadership tier



Attracting and Retaining the Best Talent

As an industry leader, it is imperative that we maintain an environment that attracts and retains world class talent

We regularly conduct an employee survey to measure job satisfaction, obtain supervisor/managerial feedback, and to understand the perception of PACCAR from the viewpoint of our global employees. We take this survey seriously and value the voice of our employees.

Notable results from a recent survey are below:

Over **90%** of employees Strongly Agree or Agree with the statement, **“I understand how my work directly contributes to the overall success of PACCAR.”**



Over **85%** of employees Strongly Agree or Agree with the statement, **“My department produces high quality products and services.”**



Over **80%** of employees Strongly Agree or Agree with the statement, **“I am encouraged to exceed customer expectations.”**



Nearly **80%** of employees Strongly Agree or Agree with the statement, **“My direct supervisor understands the importance of maintaining a balance between work and personal life.”**



Over **85%** of employees Strongly Agree or Agree with the statement, **“I have a good understanding of PACCAR’s overall mission and goals.”**

PACCAR is a Top Company for Women to Work in Transportation

We are proud to receive regular recognition from the Women in Trucking Association (WIT) for our success in attracting and retaining the best talent

“Women in Trucking is an organization with diversity-focused initiatives that parallel our own,” said Rodgers. “Inclusion initiatives within PACCAR and the industry drive success and open doors to all.”

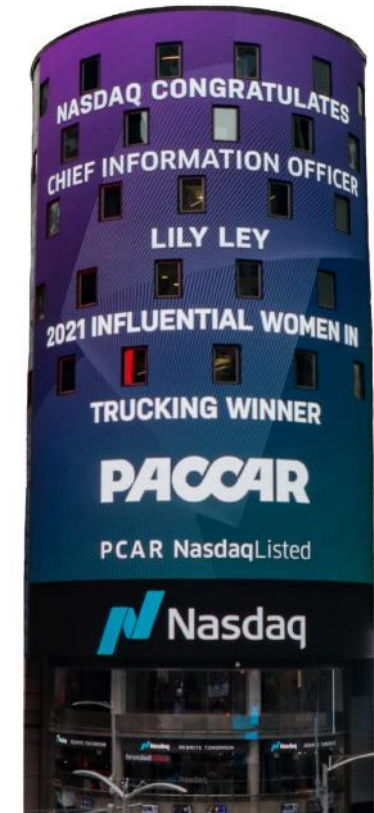
MICHELE RODGERS, Peterbilt Senior Engineering Section Manager & Women in Trucking Board Member

Since 2018, PACCAR has received recognition by WIT as a “Top Company for Women to Work For in Transportation”.

The mission of the PACCAR Women’s Association (PWA) is to provide resources through education, networking and mentoring to female PACCAR employees. The PWA promotes equity and supports the empowerment of these employees to achieve both career and personal success.



**Women In Trucking Association
Names PACCAR 2023 Top Company
for Women to Work For in
Transportation**



Caring for Our Employees – Benefits

In addition to providing our employees and their families comprehensive health and welfare benefits, we are pleased to offer the following non-traditional benefits:



Tuition Reimbursement
for eligible degree programs
and a cash recognition
award upon successful
completion



Retirement & Pension
401(k) match (1:1 up to 5%)
AND a fully-funded defined
benefit pension

Less than 12% of
Fortune 500
employers offer an
open defined benefit
pension plan



Resources,
referrals and
discounts for **child**
and **elder care**



**Educational Employee
Matching
Gift Program**
1:1 match up to \$5,000
per employee/annually



Scholarship Program
offering up to \$10,000
scholarships for selected
college freshmen
of employees

Caring for Our Employees – Training & Development

We're investing in development opportunities that enhance the careers of our valued employees

PACCAR leadership development programs are cultivating the next generation of leaders



PACCAR Institute for Management Leadership (PIML)

- Identifies, trains and nurtures the next generation of PACCAR leaders
- The bond that participants build with each other during the program extends long beyond the program itself



Executive Leadership Program

- Leadership training for high potential executives
- Team based case studies to develop and present growth strategies



Leadership Development Rotational Program

- Mentorship program for young professionals
- Cultivates a “promote from within” culture



Situational Leadership Program

- Teaches effective leadership skills
- Helps managers tailor their leadership style to the different needs of their team members
- Offered multiple times a year; very popular with employees

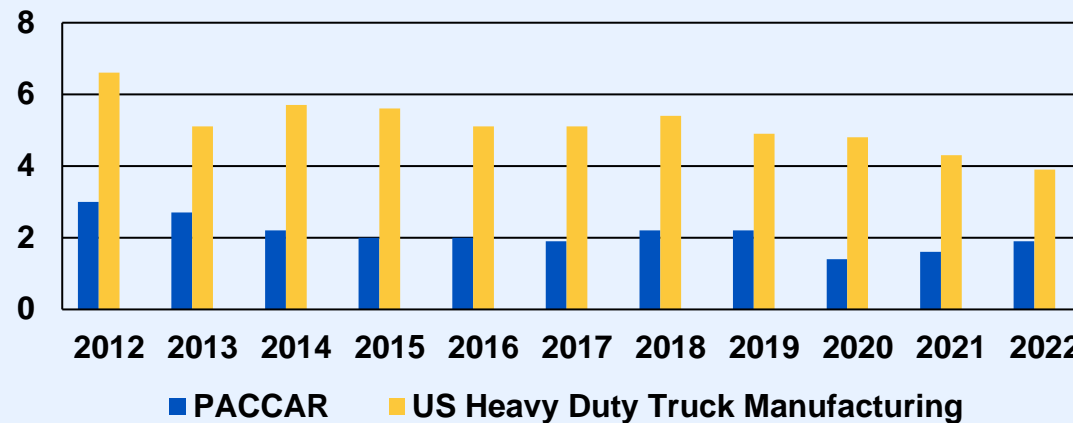
Caring for Our Employees – Health & Safety

The health and safety of our employees and contractors is a critical priority, particularly for those who work in our manufacturing facilities

We have a Global Safety team

that is led by our Global Safety Director and a Manager of Ergonomics. These leaders work to ensure that our employees and contractors are safe and healthy while they're inside a PACCAR facility. For the last decade, our global OSHA recordable rate is 59% lower than industry average, and there have been no fatalities.

OSHA Recordable Injury/Illness Rate
Injuries Per 200,000 Hours Worked



Hearing
Protection



Fall
Protection



Protective
Clothing



Bump
Cap



Safety
Shoes



Full Face
Shield



Gloves



Eye
Protection

The PACCAR Foundation

The Foundation has made over \$240M in grants since its founding in 1951

Foundation Vision: To enhance, enrich and positively impact the communities in which our employees live and work.

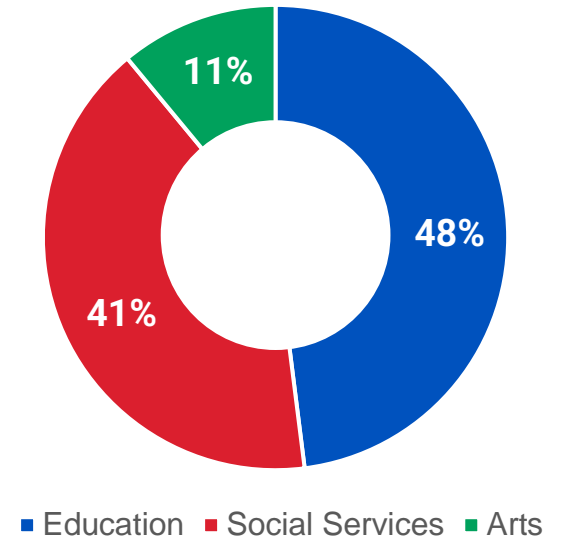
Foundation Values: We are committed to philanthropic efforts that support the areas of Education, Social Services and the Arts. We believe that with education comes opportunity and that the arts and social services enhance and enrich our communities.

A small sampling of grants:

- United Way
- UNCF
- Junior Achievement
- Washington First Robotics
- Page Ahead Children's Literacy
- American Red Cross
- Northwest African American History Museum
- The Lighthouse for the Blind
- Boys and Girls Club
- Landesa



**PACCAR Foundation
Average Last 10 Years
Grant Allocations**



Investing locally in the communities where we live and work

PACCAR Foundation Supports Diversity and Inclusion

Select grants to organizations the support Diversity and Inclusion



A major priority of the United Way is supporting Social Justice



Provides scholarships to economically disadvantaged individuals



Supports career opportunities for visually impaired individuals



Provides opportunities for students with language-based learning differences



Highlights African American culture and history



Provides books to low-income children



Provides scholarships for African Americans



Develops laws, policies, and programs that strengthen land rights and food security for economically disadvantaged people, especially women



Mission is to eliminate racism and empower women



Creates programs for children with life-altering medical conditions

PACCAR Foundation Major Donations

Education



PACCAR Technology Institute – UNT



PACCAR Hall – University of Washington



PACCAR Environmental Technology Building – WSU

Health & Social Services



Seattle Children's Hospital - Bellevue



Northwest Harvest Market - Seattle



PACCAR Medical Education Center – Chillicothe, OH

Arts & Culture



National Library of France



Special Olympics – Seattle



Rijksmuseum – Amsterdam

Governance

We are committed to ESG oversight at the board level

The Charter for the **Nominating and Governance Committee** includes oversight of ESG matters. This adjustment to the charter is meaningful as it represents our commitment to incorporating ESG into overall business strategy.

The board of directors is deeply engaged in the oversight of advanced vehicle technology development related to ESG.

We're proud of our Excellent Governance practices:

- Board leadership includes an Executive Chairman, CEO and an Independent Lead Director
- Annual election of directors
- Majority voting for directors
- Proxy access
- Board membership guidelines to promote diversity
- Separate Chairman and CEO roles
- Fully independent Board committees
- Stockholder right to call a special meeting
- Stock ownership policy for directors and executive officers

Board Skills

We value diversity of thought around the boardroom table. Our board members have a diverse array of professional experiences including:

Leadership / Management

100%

C-Suite Executive

82%

Industrials / Manufacturing

82%

Technology

64%

Engineering

55%

The Company's Executive Compensation program — “Say On Pay” — passed with 93% shareholder support in 2023

Cybersecurity & Systems Availability

PACCAR maintains a robust and comprehensive cybersecurity management and governance program

- Security Risk Council, including Chief Information Security Officer
- Internal & external auditors; plus, third party assessments
- Detection and prevention tools
- Penetration and compromise assessment tests
- Simulations & incident responses to test preparedness
- Monitoring cyber events and active disaster recovery plans
- Architectural & privacy/security analysis for third-party IT services
- Regular awareness and annual training for employees
- No material breaches in the last five years

Performance Benchmarking (2023)		
	SecurityScorecard	BitSight
Company	Score	Score
PACCAR	91	660
Deere & Co	78	680
AB Volvo	83	630
Iveco	84	600
Cummins	85	640
Eaton	85	680
Daimler	86	620
Premera	90	740
Fidelity	94	810
Range	0 – 100	250 - 900

PACCAR follows the National Institute of Standards and Technology Cyber Security Framework (NIST CSF)

Industry Recognition

Select awards from industry groups and ESG standard setters



Recognized as One of the Top 0.26% Workplaces in America by Newsweek and Plant-A Insights Group



Multiple PACCAR divisions were each recognized as top places for women by the Women in Trucking Association 2018-2023



PACCAR Parts was awarded the Military Friendly employer designation by providing rewarding career paths for veterans in 2021



DAF CF & XF Model Ranges earned the International Good Design Awards 2020 for Outstanding Design and Innovation



Queen's Award for Enterprise in International Trade 2020



DAF XF hydrogen internal combustion technology truck earned the Truck Innovation Award 2022



The Kenworth T680 was awarded the SmartWay designation by the U.S. Environmental Protection Agency for its use of efficient aerodynamic design in 2021

Kenworth and Peterbilt received six Manufacturing Leadership Awards from the National Association of Manufacturers

DAF XF truck earned "Fleet Truck of the Year" for the fourth consecutive year in 2022

DAF XF, XG and XG+ trucks awarded International Truck of the Year 2022

DAF XD awarded 'International Truck of the Year 2023

Kenworth was honored with the 2022 Clean Energy Entrepreneur Award, by Clean & Prosperous Washington, a Washington state environmental group.

MANUFACTURING LEADERSHIP AWARDS
NATIONAL ASSOCIATION OF MANUFACTURERS





“We have been committed to innovation and sustainability for many years and will continue to embed ESG into our business decisions.”

PRESTON FEIGHT, CEO

