PACCAR Inc

PACCAR IFRS-SASB-ESG Report

2026

SASB Standards Disclosure Table

Industrial Machinery & Goods Sustainability Accounting Standard Version 2023-12

Topic	Metric	Disclosure
Energy Management See TCFD-CDP Report: 7.30.1	Total energy consumed	927,460 MWh
	Percent grid electricity	43.7%
	Percent renewables	23.2%
Employee Health & Safety	Total recordable incident rate	This document: p. 19
	Fatality rate	This document: p. 19
	Near miss frequency rate	Consistent with Total Recordable Incident rate.
Fuel Economy & Emissions in Use Phase	Sales weighted fleet fuel efficiency for medium and heavy duty vehicles (Gallons/1,000 ton-miles)	In 2025, the latest models of Kenworth, Peterbilt, and DAF trucks have improved fuel efficiency up to 40% since 2010 compared to previous models (This document: p. 10-15). By 2030, Kenworth, Peterbilt and DAF trucks will improve fuel efficiency by at least 50% when compared to 2010 levels.
	Sales-weighted fuel efficiency for non road equipment (Gallons/hr.)	Not applicable to PACCAR's business.
	Sales weighted fuel efficiency for stationary generators (Watts/gallon)	Not applicable to PACCAR's business.
	Sales weighted emissions of NOx for Marine diesel engines, locomotive diesel engines, on-	PACCAR products are low NOx and compliant with all NOx emissions regulations in all its

	road medium- and heavy duty engines, and other non road diesel engines	markets.
	Sales weighted emissions of particulate matter for Marine diesel engines, locomotive diesel engines, on road medium- and heavy duty engines, and other non-road diesel engines	PACCAR products are low PM and compliant with PM emissions regulations in all its markets.
Materials Sourcing	Description of the management of risks associated with the use of critical materials	This document: pages 6-8, 23-30
Remanufacture Design & Services	Revenue from remanufactured products and remanufacturing services	PACCAR's aftermarket parts division sells remanufactured engines and many other remanufactured components.
Activity Metrics	Number of units produced by product category	PACCAR delivered 144,200 new trucks in 2025
	Number of employees	25,900 as of December 2025

Forward Looking / Cautionary Statements

This report 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 the most recent earnings release available on the Investor Relations page of Investors.PACCAR.com.

Report Boundaries

This report covers PACCAR Inc. and its consolidated subsidiaries, including manufacturing facilities, operations, and offices worldwide. The data and disclosures encompass product lifecycle environmental, social, and governance performance for the fiscal year ending December 31, 2024, unless otherwise specified. The report excludes joint ventures, independent dealers, and suppliers not under PACCAR's direct operational or financial control.

Compliance and Risk Management

PACCAR maintains a multi-layered governance framework that provides oversight and accountability from the Board of Directors to operational teams. The Board, through its Audit and Nominating & Governance Committees, monitors key sustainability-related risks, evaluates controls, and oversees responses to regulatory and ESG challenges.

The Compliance & Risk Steering Committee, comprised of executive and senior leaders, is the central forum for compliance and risk strategy. It reviews emerging risks and guides solutions requiring coordinated leadership action. Supporting this, the Global Compliance Working Group brings together leaders from key functions to drive cross-functional collaboration, implement controls and processes, and ensure best practices are applied consistently across the organization.

Sustainability Strategy

PACCAR's Sustainability function operates within the same governance structure, aligning strategic oversight, execution, and accountability. It serves as both an input and a beneficiary of enterprise governance by providing sustainability risk insights and leveraging compliance and risk assessments to shape priorities.

A cornerstone of this risk management approach is the annual Double Materiality Assessment (DMA), which informs strategic decisions, risk prioritization, and resource allocation. By embedding DMA into governance, PACCAR strengthens transparency, accountability, and sustainable growth.

Stakeholder engagement is integral to the DMA and sustainability strategy. In 2024–2025, PACCAR engaged employees, customers, suppliers, investors, regulators, and community partners through interviews, surveys, working groups, and awareness sessions across divisions including DAF, Kenworth, Peterbilt, PACCAR Parts, and PACCAR Financial Services. This process ensures sustainability priorities reflect stakeholder expectations and global standards.

The Global Sustainability Working Group coordinated cross-functional input, aligning themes with product planning, development, purchasing, manufacturing, quality, and aftermarket services. Feedback informed PACCAR's sustainability matrix, metrics, and reporting boundaries.

PACCAR identified substantive sustainability topics through the DMA, considering both financial (enterprise value risks/opportunities) and impact (societal and environmental effects). This report details these topics in alignment with the SASB framework for Industrial Machinery & Goods and IFRS S1 standards.

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PACCAR Environmental, Social and Governance (ESG) Report

PACCAR is a global technology leader in the design, manufacturing and customer support of premium medium- and heavy-duty trucks under the Kenworth, Peterbilt and DAF nameplates. PACCAR also designs and manufactures advanced powertrains, provides financial services and information technology, and distributes aftermarket parts related to its principal business.

PACCAR conducts business to achieve above-average market returns for stockholders, reflect the highest ethical standards, fulfill our legal obligations, and meet our social responsibilities. We strive to gain the favorable regard of customers, shareholders, employees, regulatory authorities, and the general public through superior performance and effective communications.

PACCAR's Sustainability approach that enhances shareholder value is focused on:

- Environmental leadership
- Social responsibility and ethical business conduct
- Corporate governance practices

Environmental Leadership

Reducing the environmental impact of our activities and products is an integral part of our process of continuous improvement. Our commitment to the environment is demonstrated in our energy efficient operations and technologically advanced products.

PACCAR's global industrial leadership includes addressing the environmental challenges facing our own and future generations. PACCAR's environmental management system and policy are designed to focus on the reduction of the environmental impact of the company's activities, products and services. A key premise of PACCAR's environmental policy can be stated simply: It is more environmentally prudent and cost effective to identify a problem before it occurs, than to correct or clean it up afterwards.

Environmental Policy

The following principles are used to implement PACCAR's environmental policy:

- Commitment to compliance with environmental laws.
- Development and implementation of prudent practices in company facilities around the globe that often go beyond regulatory compliance.
- Comprehensive industry leadership in policy, procedure, training programs and operation audits at all company facilities.
- Commitment to continual improvement.
- Prevent pollution by continued evaluation of our industrial processes and procedures.
- Proactively seek new information and training in order to create, initiate and advance new ideas and approaches to manage environmental exposures before they are mandated by regulations.

Operations

PACCAR has focused on responsible environmental stewardship since its founding in 1905. The Company is committed to environmental responsibility in the vehicle production process. Finding ways to reduce waste, reuse materials, conserve energy and reduce the environmental impact of our activities occurs daily in both small and significant ways across the Company. PACCAR is driving smart manufacturing into every aspect of its business because it helps the environment and makes good long-term business sense.

- Comply with applicable environmental laws, regulations, and best practices, and obtain and maintain all required permits (e.g., air emissions, stormwater).
- Measure and report greenhouse gas emissions using internationally recognized standards and methodologies and demonstrate alignment with the Paris Climate Agreement.
- Measure and report energy consumption and highlight improvements in energy efficiency across vehicles, facilities, equipment, processes, and products. Measure, report, and maximize transition to renewable energy.
- Measure and monitor water use, discharge, and quality indicators and comply with laws, regulations, and best practices to protect water.
- Take appropriate and adequate measures to minimize water consumption at facilities
- Source high quality and cost-effective materials while continuously maximizing circularity by working for reuse, repair, remanufacture, recycle and recovery of materials.
- Minimize the amount and weight of packaging materials used for delivering goods. Make every effort to use packaging materials that are recyclable, reusable, or biodegradable, and avoid materials that are harmful to the environment.
- Use and report chemicals in compliance with applicable local, national, and international laws and regulations.
- Reduce or eliminate the use of forever chemicals (including, without limitation, per- and polyfluoroalkyl substances) and other toxic and hazardous substances to the extent possible in parts and products, in accordance with applicable laws.
- Identify and classify both nontoxic and toxic waste while storing, handling, transporting, and disposing, according to local, national, and international standards and regulations.
- Refrain from any illegal dumping and any other illegal practices which are harmful to the environment.
- Measure, monitor continuously improve environmental compliance activity and associated environmental aspects and impacts including, but not limited to, air and greenhouse gas emissions, land and biodiversity impacts, water utilization, energy consumption, chemicals and materials composition inventory, waste generation, and circularity activity.

Environmental Management System

PACCAR's manufacturing locations are ISO 14001 certified providing assurance to management, employees, and shareholders that the environmental impact is being measured and managed. ISO 14001 certified management system measures, monitors and maintains compliance at each manufacturing site including:

- Air emissions – sites are monitoring and reporting local and federal jurisdiction air

standards and maintaining compliance.

- Water consumption & discharge – monitoring and reporting local and federal jurisdictions water use and maintaining water standards.
- Energy usage – sites measure and monitory energy usage (electricity, natural gas, etc.) including access to renewable power options.
- Materials & waste – sites annually target achieving zero waste-to-landfill.

The table below contains environmental metrics monitored on an annual basis by PACCAR across the manufacturing sites.

IS0 14001, Air Emissions, Water Conservation, Zero Waste to Landfill

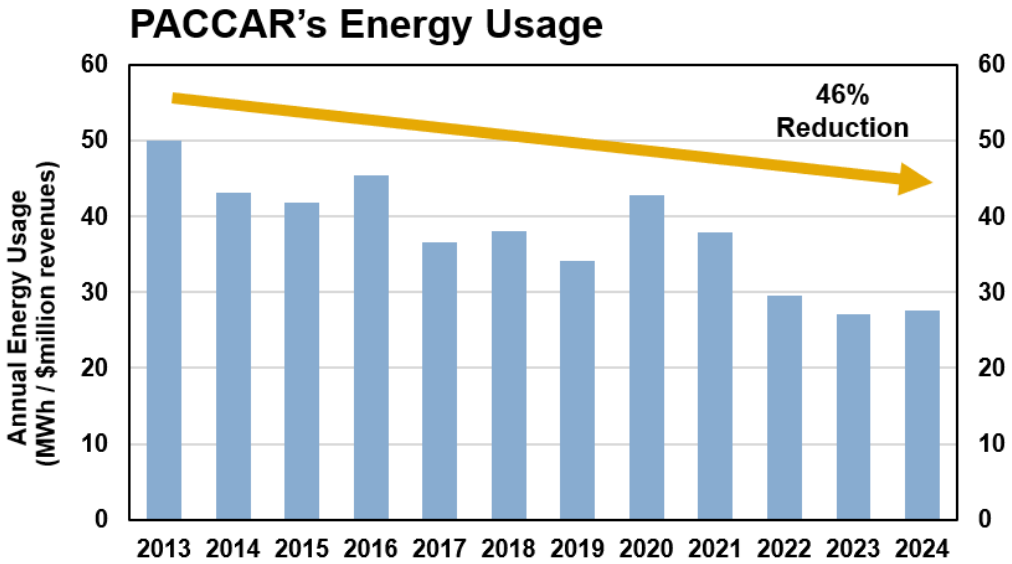
Manufacturing Sites (%)	2025	2024	2023
ISO 14001 Management Certified	100%	100%	100%
Meeting Air Emissions Standard	100%	100%	100%
Meeting Water Conservation Standard	100%	100%	100%
Zero Waste-to-Landfill	>80%	85%	87%

Energy Management & Efficiency

Energy use is measured and monitored across PACCAR manufacturing and non-manufacturing sites. The chart below contains the total energy usage across PACCAR locations.

Energy (MWh)	2024	2023	2022
Manufacturing & Non-Manufacturing Locations	927,460	953,385	975,978

From 2013 to 2024, PACCAR reduced its energy usage by 46% on a per revenue basis as shown below.



PACCAR Inc

Climate Strategy

In 2025, PACCAR achieved an A score from CDP on the Company's Task Force for Climate Related Financial Disclosures (TCFD) aligned climate transition plan, placing it in the leadership tier of over 22,000 companies reporting and demonstrating a robust approach to reducing greenhouse gas emissions in Kenworth, Peterbilt and DAF vehicles and from our global facilities. PACCAR has earned an "A" or "A-" rating for eleven consecutive years.

Climate & Energy Transition Plan

The Company's IFRS S2 (TCFD) CDP Climate & Energy Transition Plan provides details including governance, strategy, risk management and metrics & targets consistent with the TCFD framework as outlined below:

Governance

- Board Level Oversight
- Board Expertise on Climate Change
- Senior Management Accountability & Feedback Mechanisms
- Executive Remuneration Linked to Climate & Energy KPI's

Strategy

- WB2D & 1.5°C Aligned Transition Plan in Business Strategy & Shareholder Feedback
- Link Between Climate Related Risks, Opportunities & Strategy
- Details of Scenario Analysis
- Financial Planning Details Associated with Climate Transition
- Low Carbon Product & Services
- Low Carbon Initiatives – Direct Operations
- Value Chain Engagement – Suppliers, Dealers, and Customers
- Alignment of Public Policy Engagement with Climate Strategy

Risk Management

- Process for Identifying and Managing Climate Related Risks and Opportunities
- Climate Related Risks, Potential Financial Impact, and Response Strategy
- Climate Related Opportunities, Potential Financial Impact, and Response Strategy

Metrics and Targets

- Approved Science-Based Targets
- Other Climate & Renewable Energy Related Targets
- Net Zero Target, In Line with Latest Climate Science & Available Renewable Energy
- GHG Protocol Annual Scope 1, 2, 3 GHG Inventory (3rd Party Verified)

PACCAR's complete CDP report is publicly available on the CDP website and TCFD-CDP Report at Investors.PACCAR.com

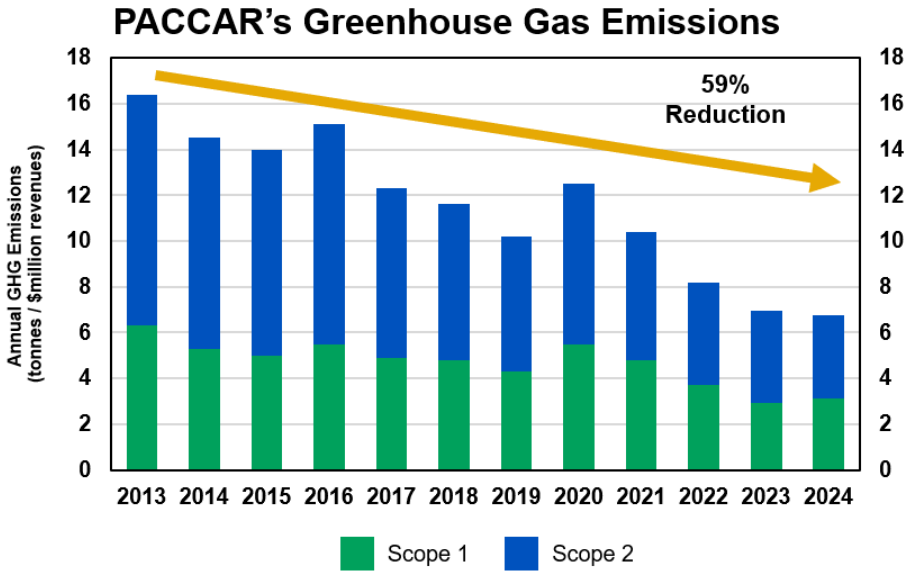
GHG Emissions

Scope 1 and 2 emissions at PACCAR locations include both purchased electricity, stationary and

mobile sources of greenhouse gas emissions while performing business activities. Scope 3 emissions are upstream and downstream in PACCAR's value chain as the Scope 1 and 2 emissions of suppliers, customers, partners etc. PACCAR regularly evaluates and updates its current and historical Scope 1, 2, and 3 emissions based on emerging science, feedback from stakeholders and market needs for greater environmental transparency. The chart below is scope 1, 2, and consolidated Scope 3 greenhouse gas emissions. For more information, visit PACCAR's full annual IFRS-TCFD-CDP Climate Report.

Tonnes C02e (000's)	2024	2023	2022
Scope 1 & 2 (location based)	227	245	271
Scope 3	112,236	122,676	114,542

PACCAR monitors both absolute greenhouse gas emissions and greenhouse gas emissions inventory per unit of revenue, which normalizes the data for fluctuations in our business that occur due to industry cyclicality. From 2013 to 2024, PACCAR reduced scope 1 and 2 greenhouse gas emissions by 59% on a per revenue basis as shown below.



Science Based Targets

In 2021, PACCAR established greenhouse emissions reduction targets approved by the Science Based Targets Initiative (SBTi). SBTi works with over 7,480 companies worldwide to create a clearly defined path to reduce greenhouse gas emissions, with the goal of helping limit global warming to well below 2 degrees Celsius compared to pre-industrial levels. PACCAR's targets are publicly disclosed at https://sciencebasedtargets.org/.

The Scope 1 and 2 science based target (SBT) is a 35% absolute reduction of CO2 emissions from PACCAR's global facilities between a baseline year of 2018 and a target year of 2030 and is based on SBTi's other industry sectoral decarbonization approach (SDA) using the absolute contraction method for well below 2°C.

Scope 3 SBT is a 25% reduction in product use greenhouse gas emissions in grams of CO2e emissions per vehicle kilometer, well to wheel, from the heavy-duty vehicles PACCAR sells in the US, Canada and Europe, and the medium duty vehicles PACCAR sells in the US and Canada between a baseline year of 2018 and a target year of 2030. This SBT is a medium-term target for product use emissions based on the SDA Transport Tool for well below two degrees Celsius.

SBT Progress	2018 Baseline	2022	2023	2024	2030 Target
Scope 1 & 2 tonnes CO2e (000's)	293	271	245	227	190
Scope 3, Category 11 (g CO2e/vkm WTW)	1006	1059	1066	1073	754

In 2022, the Science Based Target Initiative (SBTi) paused target validations & updates recognizing there is currently not a viable SDA for transport sector allowing companies like PACCAR to align their use-phase emissions targets of new road medium and heavy duty vehicles with 1.5°C pathways. PACCAR's well-below 2°C trajectory approved science based targets are granted extensions until an SDA is developed and approved a viable SDA for heavy & medium duty trucks.

For operational scope 1 and 2 emissions at PACCAR locations, the three main levers for decoupling greenhouse gas emissions from energy consumption are ISO 14001 aligned demand side energy efficiency projects, purchasing renewable power from local utilities, and electrifying equipment.

Product use phase, scope 3 category 11, emissions reductions are through continued technology investment and manufacturing of efficient diesel engines while transitioning, with customer demand, towards manufacturing zero emission battery electric and hydrogen fueled vehicles. Peterbilt, Kenworth and DAF lead the industry with thirteen battery electric vehicle models. DAF XF and XD Electric won International Truck of the Year in 2026. The trucks have a range of 200 to 500 kilometers due to the highly efficient drivelines, battery management system, which distributes the energy stored in the battery for maximum efficiency.

Products Innovation & Stewardship

A key element of PACCAR's environmental strategy is to offer our customers commercial vehicles that reduce environmental impacts. PACCAR invests in technologies that reduce greenhouse gas emissions such as fuel-efficient diesel engines, natural gas and biofuel engines, and next-generation battery- electric, hybrid, hydrogen combustion, and hydrogen fuel cell powertrains. To develop and manufacture leading products and technologies in the industry, the Company makes significant investments in &D expenditure and R&D each year.

($ in millions)	2025	2024	2023
Capital Investment	$728.5	$795.8	$698.3
R&D	$445.5	$452.9	$410.9

Customer Engagement

PACCAR's commitments to making the highest quality, most sustainable vehicles begin with continuous and intensive engagement with customers for ongoing feedback on vehicle performance and new specifications for future product designs. Our engineers use life cycle assessment (LCA) modeling as well as "Design for Environment" or Eco Design software as part of PACCAR's Product Creation Process (PCP). This includes identifying non-hazardous, lighter weight materials while improving overall vehicle recyclability rates to over 90% and material recoverability greater than 95%. In addition, scientists, engineers, and economists utilize evaluation tools for life-cycle assessment (LCA) modeling to incorporate effects on health, ecosystems, and resource consumption into design considerations.

Pathway Towards Zero Emissions

PACCAR is a leader in the development of battery-electric vehicles. Kenworth, Peterbilt and DAF have eight zero emissions models in production. PACCAR has a 30% ownership in the new U.S.-based joint venture, Amplify Cell Technologies, that began construction of a manufacturing plant in Mississippi to produce high performing lithium-iron-phosphate (LFP) battery cells designed specifically for electric trucks. PACCAR is a leader in developing hydrogen energy solutions, including the development of hydrogen combustion and fuel cell vehicles. Overall, PACCAR is prepared to meet customer demand for zero emission vehicles and continue fulfilling its contribution to the net zero carbon economy by continuing investment in research, testing, and capabilities for manufacturing and aftermarket support of commercial medium and heavy duty zero emission trucks.

PACCAR's consistent long-term profits, strong balance sheet, and intense focus on quality, technology and innovation have enabled the company to invest $9.2 billion in the past decade into:

- Innovative technologies such as hydrogen internal combustion engine and hydrogen fuel cell powertrains.
- Efficient manufacturing and distribution facilities to support the manufacturing and servicing of zero-emission vehicles.
- Advanced new vehicles, including thirteen zero-emission vehicles currently in production.
- A U.S. battery manufacturing joint venture, Amplify Cell Technologies

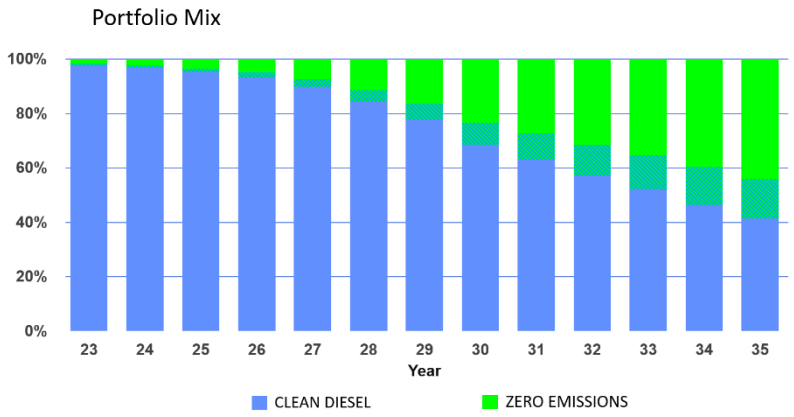
PACCAR invested $729 million in capital projects and $446 million in research and development expenses in 2025. In 2026, capital expenditures are projected to be in the range of $725-$775 million and research and development expenses are estimated to be in the range $450-$500 million. In addition to capital and R&D investments, the Company expects to continue investing in its joint battery venture, Amplify Cell Technologies.

Requests for a net zero pledge, commitment, or target are reviewed annually. Renewable energy is required to fuel or charge zero-emission commercial trucks. When renewable energy is not available, companies do not purchase zero-emission trucks. Recent IEA, Bloomberg NEF, and IPCC reports are consistent that investment must triple by around 2030 to $4T a year to supply the

renewable energy to achieve net zero by 2050. A credible net zero commitment requires investment and infrastructure to supply renewable energy and create demand for vehicles.

Currently, even with zero emission truck technology, a fact-based long term scenario analysis for zero emissions by 2050 does not exist for medium and heavy duty trucks due to under-investment and lack of physical infrastructure necessary for supplying reliable renewable energy. There is encouraging activity in policy commitments and investments by major economies for the energy sector's physical infrastructure for generating renewable energy supply, as well as fueling networks for battery electric and zero emission vehicles.

PACCAR has communicated a progression through 2035 towards lower emissions when considering a combination of state and federal air quality standards, carbon regulations and zero emission vehicle sales and fleet mandates. From 2023 to 2035, a portfolio adoption mix may appear as below.



More information on PACCAR's pathway to zero emissions may be found at Investors.PACCAR.com in the Annual Reports, SEC filings & Investor Presentations.

Battery Manufacturing

PACCAR, Cummins, Daimler Trucks and EVE Energy have partnered to produce state-of-the art commercial vehicle batteries in a 21-gigawatt hour (GWh) factory in Marshall County, Mississippi. The factory is expected to start production in the next few years.

Zero Emission Trucks

PACCAR's research and development efforts include demonstration and development projects for Kenworth, Peterbilt and DAF vehicles, including battery-electric, hydrogen fuel cell, hydrogen combustion and hybrid technologies.

PACCAR currently produces battery-electric Kenworth, Peterbilt and DAF trucks with thirteen different zero emissions trucks in the heavy and medium duty markets. Our zero-emissions vehicle portfolio covers applications ranging from refuse and drayage to regional haul and local pick-up and delivery. So far, PACCAR has received hundreds of orders. Production is underway and we are now delivering these products to customers around the world.

(# Models)	2025	2024	2023
Battery Electric Vehicle	13	8	9

Peterbilt has developed a battery electric Peterbilt 579EV for port and regional haul applications. Peterbilt has designed a battery electric Peterbilt 520EV truck for the refuse segment. The truck's range and quiet operation is an excellent solution for residential neighborhood refuse operations.

The zero-emissions Peterbilt 220EV and Kenworth K270E cabover trucks have a range of up to 200 miles. These trucks are designed for use in a variety of applications including local pickup and delivery and short regional haul operations.

DAF has developed battery electric DAF CF and DAF LF trucks, which offer zero emissions and ultra-low noise for heavy- and medium-duty urban distribution and refuse applications. DAF CF Electric was named Green Truck Logistics Solution 2019, a prestigious award for the deployment of emerging technologies in Europe. The DAF LF Electric is a medium-duty truck with a modular battery pack that can be scaled to the range required by customers.

The DAF CF Hybrid has been developed for driving with zero emissions in urban areas, while offering a much longer range to operate beyond those urban areas, thanks to the efficient PACCAR MX-11 engine. The combination of electric and diesel power ensures the highest logistical efficiency.

Low Carbon and Renewable Fuels

All truck sales and diesel engine unit sales are certified to use biofuels. PACCAR's MX-13 and MX-11 engines are certified to use B10/B20/B30 and XTL biofuels in Europe and B20 biofuel in the U.S. Engines used in PACCAR trucks not manufactured by the Company are certified to use up to B20 biofuels.

(% global truck deliveries)	2025	2024	2023
Engines certified for biofuels use	100%	100%	100%

PACCAR is a market leader for natural gas heavy-duty vehicles. Based on the latest information from the research firms R.L. Polk and ACT Research, Kenworth and Peterbilt achieved market share of over 48.9% of compressed natural gas heavy-duty vehicle registrations in the U.S. and Canada in 2024.

(%, US and Canada market share)	2025	2024	2023
CNG heavy-duty vehicles	33.5%	48.9%	56.3%

Advanced Vehicles

PACCAR participated in the Department of Energy's SuperTruck 3 program, with the goal of electrifying medium- and heavy-duty trucks, expanding electric vehicle infrastructure and lowering emissions for on- and off-road vehicles.

DAF is the only truck manufacturer to introduce a new generation of trucks fully utilizing the new European regulations for truck masses and dimensions, resulting in a range of highly attractive and aerodynamic trucks which feature industry-leading fuel efficiency, safety and a luxurious cab for driver comfort. DAF XF, XG and XG+ models were honored as International Truck of the Year 2022. These trucks are equipped with highly efficient PACCAR MX engines, a new compact after-treatment system, and sophisticated software and aerodynamic optimization, reducing fuel consumption and CO2 emissions by up to 10% compared with previous models.

The new DAF XD truck earned the International Truck of the Year 2023 award. The new DAF XD truck represents a new generation of distribution and vocational vehicles. The versatile DAF XD is available as a tractor or rigid truck with a high-performance PACCAR engine. DAF also introduced the DAF XDC truck, which is designed specifically for construction and vocational segments and features two-, three- or four-axle configurations with single or double drive axles

Peterbilt and Kenworth recently introduced major enhancements to the Peterbilt 579 and the Kenworth T680 trucks, which reduce fuel consumption and CO2 emissions by up to 7% over previous models. Enhancements included a new aerodynamic design, the PACCAR Powertrain, a quieter cab, customizable 15” digital display, connectivity technology, and new ADAS safety features.

PACCAR continued its SuperTruck 3 program to develop and deploy next generation Class 8 Kenworth and Peterbilt battery-electric vehicles, along with its vehicle charging infrastructure. SuperTruck 3 is a U.S. Department of Energy (DOE) initiative to develop state-of-the-art zero emissions medium- and heavy-duty trucks. The SuperTruck initiative was launched in 2009 by the DOE to improve heavy-duty truck freight efficiency. Kenworth and Peterbilt successfully developed state-of-the-art vehicles in the prior SuperTruck and SuperTruck 2 programs. Many of the technologies developed in the earlier SuperTruck programs were deployed in production vehicles, benefiting the environment and PACCAR’s customers.

Remanufacturing

Remanufacturing is the industrial process of returning a previously used component to “like-new” condition. Remanufacturing helps the environment by reducing waste. PACCAR’s aftermarket parts division sells remanufactured engines and many other remanufactured components. PACCAR is investing in additional global engine manufacturing capacity, and completed construction of a new engine remanufacturing facility in Columbus, Mississippi. The Company also has engine remanufacturing capacity on its Eindhoven Campus in the Netherlands.

Connected Trucks and Driver Training

PACCAR’s newly formed Global Electronics organization and Connected Solutions team support the expansion of PACCAR Connect, a platform that creates software and applications to benefit customers and provide incremental revenue and profit for PACCAR. This configurable system consists of proprietary hardware and software that deliver robust data security, over-the-air software update capability and advanced fleet management tools. In 2025, PACCAR Connect was installed in over 475,000 PACCAR vehicles.

PACCAR Connect fleet management system gives fleet customers real-time information on vehicle and driver performance including fuel consumption, fleet utilization, idle time and route optimization. This information enables customers to improve fleet operating efficiency and reduce fuel consumption and GHG emissions.

PACCAR Connect is a configurable system consisting of proprietary hardware and software that provides robust data security, over the air software updates and advanced fleet management tools, while enabling customers to cost effectively integrate their existing fleet management systems and applications. PACCAR began installing PACCAR Connect on DAF XF, XG and XG+ trucks in October 2021. The information provided by this system enables customers to improve fleet operating efficiency and reduce fuel consumption and CO2 emissions.

PACCAR announced a new collaboration to integrate Platform Science's Virtual Vehicle technology in Kenworth and Peterbilt trucks using the PACCAR Connect telematics system. The integrated PACCAR Connect and Virtual Vehicle solution will offer customers a state-of-the-art telematics operating system and application store, enabling customers to access software solutions, real-time vehicle data, and third-party applications. The new PACCAR system will reduce the requirement of multiple telecommunications devices and will enhance customers' productivity. PACCAR will continue collaborating with the Platform Science team to create the industry's most user-friendly, customizable and productive connected truck solution.

PACCAR has introduced technologies that train drivers to operate vehicles more efficiently. Kenworth and Peterbilt's Driver Performance Assistant offers interactive in-dash coaching to drivers to reduce fuel consumption and CO2 emissions. DAF's EcoDrive Training enhances driver efficiency, resulting in up to 5% reduced fuel consumption and CO2 emissions from properly trained drivers.

Social Responsibility and Ethical Business Conduct

Global Code of Business Conduct

The way PACCAR conducts its business, and the opinion of our shareholders, employees, customers and the public, are very important to the continued success of PACCAR. PACCAR has a long history of achieving high standards of performance related to human rights and compliance with laws and regulations in countries where the Company does business. Over the years PACCAR, through its commitment to integrity and honesty as demonstrated by PACCAR's directors, officers and employees, has earned an excellent reputation as a responsible corporate citizen. It is the responsibility of each director, officer and employee of PACCAR to review the Code of Business Conduct and become familiar with how it applies to specific business situations (Current version of the Global Code of Conduct is available at paccar.com/about-us/board-of-directors/code-of-conduct.). PACCAR employees receive ongoing training regarding the Code of Conduct and are expected to comply with the law and the highest standards of honest and ethical conduct.

The PACCAR Code of Business Conduct contains information explaining how employees can confidentially report violations of the Code through a hotline, and PACCAR's anti-retaliation policy. Continuous PACCAR employee development and training include mandatory annual training

focusing on aspects of the Code of Business including the topics:

Commitment to Integrity

- Harassment Free Workspace
- Dedication to Diversity & Inclusion
- Appropriate Workplace Behavior
- Anti-violence

Commitment to Human Rights

- Expect Employees, Dealers, Partners, Suppliers to Uphold Human Rights
- Everyone Should be Treated with Dignity, Fairness, and Respect
- No Tolerance for Slave or Child Labor, Human Trafficking, Unsafe Working Conditions
- Commitment to Compliance with Human Rights Laws

Commitment to Environment, Health, and Safety

- Environmental Responsibility is One of PACCAR's Core Principles
- Maintain the Highest Standards and to Put Safety First – Without Exception
- PACCAR Drives for Excellence, Safety, and Integrity in Everything it Does

Honest and Ethical Business Practice

- Antitrust and Fair Competition
- Anti-Bribery and Corruption
- Anti-Money Laundering
- Business Hospitality – Gifts, Entertainment and Travel
- Conflicts of Interest
- Charitable and Political Contributions

Financial Integrity

- Accurate Financial Results
- Disclosure Requirements
- Use of Company Assets
- Retaining Proper Business Records

Interaction with PACCAR Partners

- Customer Interaction and Information
- Dealers, Suppliers, and Other Partners
- Government Business and Contracting

Global Trade Compliance

- Import and Export
- Trade Sanctions and Embargos
- Economic Boycotts

Responsibility to Investors and Shareholders

- Confidential Information
- Protecting Company Assets
- Audits and Investigations
- Intellectual Property
- Cybersecurity and Electronic Communications
- Inside Information
- Privacy
- Interactions with the Media, Investors, and the Public
- Use of social media

PACCAR Resources for Reporting Concerns

- Reporting Concerns
- EthicsLine Reporting System
- EthicsLine 1.800.300.1826
- EthicsLine.PACCAR.com

Review PACCAR's complete 32-pages Global Code of Business Conduct at:
https://www.paccar.com/media/quhf422t/code-of-conduct-2021-final.pdf

Talent Training & Development

PACCAR's employee training and development programs are extensive and comprehensive. New employees receive orientation and training for their specific positions. Ongoing job-related training is available to meet employees' and the Company's needs. Training programs include professional and technical skills training, compliance training, leadership development and management training. Many PACCAR divisions offer apprenticeship and tuition assistance programs to enhance skills through education. PACCAR also offers extensive internship programs to attract future employees.

Training on PACCAR's Global Code of Conduct topics as well as employee development occurs in multiple setting annually and throughout the career of employees from regular on-line interactive instructional and refresher courses to development opportunities like PACCAR Institute for Management Leadership (PIML), Executive Leadership Program, Leadership Development Rotational Program, and Situational Leadership Program.

(# employees)	2025	2024	2023
Global employees as of Dec. 31	25,900	30,100	32,400

Continuous Improvement

Employee development drives continuous improvement at PACCAR. Six Sigma, data analytics, machine learning, Industry 4.0 and lean process development are integrated into business activities at PACCAR as well as at many of its suppliers, dealers and customers. These tools help to

continuously enhance the creation of state-of-the-art new product designs, customer services and manufacturing processes. Thousands of PACCAR employees have been trained in the use of these tools and have delivered billions of dollars in savings in all areas of the company.

Workplace Safety

The continuing focus on workplace safety keeps our employees and contractors safe and our facilities profitable. Safety is a key priority during employee orientation at facilities and safety is the responsibility of every PACCAR employee. PACCAR's major manufacturing facilities are equipped with safety and health departments staffed with trained medical personnel.

Company managers address safety enhancements every day in morning meetings; they provide regular and ongoing safety training; and they use displays located in factories to provide employees with safety-related information. Senior management demonstrates its commitment to workplace safety by awarding the President's Cup for Excellence in Safety at an annual Company ceremony attended by senior executives from Company locations. Additional investments in safety include implementing PACCAR Safety College training to enhance safety leadership, a project to create enhanced safety standards and training for working on battery electric vehicles and deploying safety software across the company to support tracking and reporting safety data.

See the chart below for safety metrics for PACCAR employees and contractors:

(Recordables per 200,000 hrs. worked)	2025	2024	2023
OSHA Injury / Illness employees & contractors	1.36	1.6	2.1
US Heavy Duty Truck Manufacturing Industry Average	Pending	4.1	4.5

PACCAR's consistent focus on workplace safety has resulted in a recordable injury/illness rate more than 50% lower than the U.S. industry average as seen in the table above. In the last decade, one workplace fatality occurred in 2023.

Employee Well-Being

PACCAR provides robust benefits packages that support physical, emotional and financial well-being. Employee satisfaction and engagement are measured through periodic surveys that result in quantitative metrics leading to workplace enhancements. PACCAR is committed to hiring, developing and promoting the most talented people and ensuring that our employees represent the diversity present in the global community. PACCAR is proud to have been honored for the past several years as a Top Company for Women to Work for in Transportation by the Women in Trucking Association.

PACCAR is an equal opportunity employer and provides a workplace free from discrimination and harassment. PACCAR recruits and develops a diverse workforce and supports their careers with resources such as the PACCAR Women's Association, Diversity Councils, and training designed to develop leadership opportunities. PACCAR values workplace diversity. PACCAR diversity councils operate throughout PACCAR's global businesses. The diversity councils' goals are to enhance

business success through diverse and inclusive workplaces. The PACCAR Women's Association seeks to increase women in PACCAR leadership roles by providing educational, networking and mentoring opportunities to employees at all levels. More information about PACCAR's commitment to diversity and inclusion can be found at: https://www.paccar.com/media/quhf422t/code-of-conduct-2021-final.pdf

Cybersecurity and Systems Availability

Management and Training

The Company maintains a robust and comprehensive cybersecurity management and governance program. Our information security management system is based upon the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF). As part of its cybersecurity program, the Company engages internal and external auditors and other third parties to assess the program. The Company conducts penetration and compromise assessment tests, implements detection and prevention tools, monitors cyber events and has active disaster recovery plans. For third-party IT services, the Company conducts architectural, privacy and security analysis of their solutions. If gaps are identified, the third-party remediates or mitigates the risk. The Company simulates potential cyber-attacks and performs incident responses to test preparedness. These exercises are used to train and update the Company's Incident Response plan.

The Company conducts annual information security training for executive management and non-executive employees. PACCAR conducts ongoing phishing tests that result in more frequent, additional cybersecurity training for employees as appropriate.

Oversight and Governance

The Company's Security Risk Council, including the Chief Information Security Officer, meets regularly to discuss risks, plans and updates to the security program, and to receive advanced training such as breach simulation exercises. It briefs the Board of Directors and/or the Audit Committee of the Board of Directors on technology and information security matters at least annually. Members of PACCAR's Board of Directors with technology/cybersecurity experience and skills include:

- R. Preston Feight
- Brice A. Hill
- Barbara B. Hulit
- Ganesh Ramaswamy

Management and the Board of Directors receive periodic updates on the status of cybersecurity investments. If a security incident were to occur, the Company's Security Risk Council and Management would evaluate its significance and brief the Board of Directors.

The Company has not experienced a material security breach, and as a result, has not incurred any net expenses, penalties and settlements from such breaches, in the last five years. Certain independent dealers and suppliers have reported they have experienced information security breaches in the last year, which have not had any material impact on the Company.

Philanthropy & Community

PACCAR charitable giving	2025	2024	2023
Grants approved (#)	85	73	82
Total ($ millions)	$10.0	$7.2	$14.1

PACCAR's proud tradition of giving back to the community began with the founding of the company and continues today through PACCAR and the PACCAR Foundation. PACCAR has contributed over $260 million to educational, social services and arts organizations since 1951.

PACCAR’s philanthropy reflects its support of charitable institutions in many countries. PACCAR donates generously to education, the arts and social services in locations in which its employees work and live worldwide.

PACCAR’s philanthropy recognizes that education is the key to providing people with an opportunity to improve their livelihood. The PACCAR Foundation funds university scholarships and professorships in science, business and humanities, as well as supports the construction of world-class facilities for students and faculty. PACCAR supports many institutions, including the Whitworth University, University of Leuven (Belgium), Mississippi State University and independent college organizations.

PACCAR’s philanthropy is focused on health and social well-being, supporting organizations such as Fred Hutchinson Cancer Research, the Baylor Health Care System and the Cystic Fibrosis Foundation. PACCAR employees contribute their time and resources as volunteers and fundraisers for organizations worldwide.

PACCAR contributes generously to nonprofit organizations that promote strong local communities, including UNCF, YWCA, Landesa, Cristo Rey Jesuit Seattle High School, The Lighthouse for the Blind, Habitat for Humanity, Page Ahead Children’s Literacy and United Way. More information can be found at https://www.paccar.com/about-us/philanthropy/

Community

PACCAR and its employees are leaders in our communities. Strong communities assist those less fortunate with a range of social services. Employees organize support for various charities and civic organizations such as United Way, Juvenile Diabetes Research Foundation, Race for the Cure, and local food banks. To prepare school-age children for the skills to succeed in the 21st century workforce, PACCAR and its many committed employee volunteers support literacy and other educational programs. This includes purchasing books for children in need and contributing funds and volunteer time to supplemental education programs such as Junior Achievement.

Government Relations & Public Policy

As a manufacturer of trucks, PACCAR is subject to the National Traffic and Motor Vehicle Safety Act and Federal Motor Vehicle Safety Standards promulgated by the National Highway Traffic

Safety Administration as well as environmental laws and regulations in the United States. PACCAR is subject to similar regulations in all countries where it has operations and where its trucks are distributed. In addition, PACCAR is subject to certain other licensing requirements to do business in the United States and Europe.

Public Dialogue is an Important Civic Responsibility

PACCAR engages with government agencies and policymakers seeking public comment and technical input on legislative, regulatory, and other public policy issues affecting supply chains, manufacturing, sales, and operations of medium- and heavy-duty commercial vehicles. This public input is important for elected officials and civil servants who rely on the expertise of engineers, scientists, economists, business analysts, and other industry professionals to ensure that the public policies they are pursuing will achieve positive real-world outcomes.

Government Relations Oversight

PACCAR's engagement at the local, state, and national levels is managed with the oversight of the General Counsel. The General Counsel reports to the Chief Executive Officer, who is a member of the Board of Directors. All government relations and public policy engagements are made in support of company objectives and not based on the personal preferences of directors, officers, or employees.

Company Contributions

PACCAR corporate contributions to:	2024	2023	2022
Candidates, political parties, and political committees	$0	$0	$0
Section 527 organizations	$0	$0	$0
Ballot measure groups	$0	$0	$0
Independent expenditures for communication, i.e., advertisement	$0	$0	$0
501(c)(4) groups	$0	$0	$0

The Benefits of Trade Associations

PACCAR is a member of U.S. trade associations including the Truck and Engine Manufacturers Association, National Association of Manufacturers, American Trucking Associations, Truck Renting and Leasing Association, U.S. Chamber of Commerce, and state manufacturing and business associations where PACCAR facilities are located. Trade associations provide an industry perspective and bring additional expertise to inform public policy debates and rulemaking activities in areas such as vehicle safety, electrification, emissions reduction, alternative fuels, tax and trade policies, automation, and driver assistance technologies.

The table below provides a list of U.S. trade association memberships with 2024 fees greater than $25,000. Overall, PACCAR’s U.S. trade associations fees in 2024 were approximately $1M or 0.003% of PACCAR 2024 total revenues. The percentage of the 2024 fees that are non-deductible under United States Internal Revenue Code §162(e) is provided by each trade association below:

U.S. trade associations with 2024 fees greater than $25,000	% fee lobbying
American Trucking Associations	14%
National Association of Manufacturers	18%
Truck and Engine Manufacturers Association	0%
United States Chamber of Commerce	40%

Proactive Climate Engagement

PACCAR's operations and products are subject to extensive statutory and regulatory requirements governing greenhouse gas and other emissions in the markets in which it operates.

PACCAR evaluates and publicly discloses its direct and indirect (i.e., through industry trade associations) climate policy engagement activities. These activities are aligned with the goals of the Paris Climate Agreement and are publicly disclosed through PACCAR's annual environmental report to CDP (formerly Climate Disclosure Project). PACCAR's current CDP report is available at PACCAR's and CDP's website. The relevant section of the CDP report is 4.11 Policy Engagement.

Employee Political Action Committee

PACCAR employees may make voluntary contributions to the PACCAR Inc Employees Organized for Political Leadership and Education Political Action Committee (PEOPLE PAC) that is registered with the Federal Election Commission. All contributions are reported per the FEC required filing schedule and information is available at www.fec.gov.

Supplier Sustainability

PACCAR is driven to provide its customers with the highest quality truck with the lowest lifetime operating costs especially related to fuel economy, safety, reduced emissions, and next generation transport technology. PACCAR challenges all suppliers to improve vehicle fuel efficiency and reduce greenhouse gas emissions using cutting-edge technology. Active collaboration with the top 100 suppliers annually, which accounts for over 80% of PACCAR's total expenditure, is strategically focused on those suppliers who can best contribute to vehicle fuel economy improvements and reduced emissions. In addition, the top 100 suppliers are screened using the International Sustainability Standard Boards (ISSB, part of the International Financial Reporting Standards Foundation) to identify relevant ESG issues attributed to the industry sector associated with each supplier (https://sasb.org/standards/materiality-finder/find/); as well as evaluating each supplier's annual sustainability scoring for S&P Global CSA, Sustainalytics, and CDP Climate and noting Science-based Target Initiative (SBTi) greenhouse emission reduction targets commitments.

(% suppliers by procurement spend)	2025	2024	2023
Suppliers screened for industry sector ISSB Relevant Issues, SBT targets, and CDP Climate score	83%	82%	82%

PACCAR’s Purchasing and Quality managers may then use the supplier specific sustainability information when evaluating supplier performance, contracts, and discussions during quarterly and annual reviews.

Supplier Engagement

PACCAR actively collaborates with its suppliers to ensure quality, efficiency, and sustainability throughout the supply chain. Key initiatives include the Production Part Approval Process (PPAP) and Supplier Quality Management, which establish rigorous standards for product quality and supplier performance. PACCAR targets a defect rate of 10 parts per million (10 PPM) to drive continuous improvement. Utilizing Six Sigma methodologies, the company works closely with suppliers to identify and eliminate process variations. Additionally, there is a focus on advancing innovation and sustainability in supplier operations, reinforcing PACCAR’s commitment to responsible and resilient supply chain management.

Supplier Performance Monitoring

Enhancing PACCAR's supplier engagement is its approach to continuously monitoring and evaluating supplier sustainability performance, regulatory compliance and risk. This is achieved by integrating sector specific risk frameworks (e.g., SASB Standards), continuous internal and external risk assessments, public data analysis, and targeted supplier disclosures. This enables PACCAR to monitor sustainability-related risks and opportunities that could reasonably be expected to affect supplier performance.

Supplier Code of Conduct

PACCAR’s most current Supplier Code of Conduct is available on the PACCAR Purchasing supplier requirements page located online at https://www.paccar.com/products-services/paccar-purchasing/supplier-requirements/.

PACCAR requires its suppliers and all sub suppliers to comply with the requirements set forth in this Supplier Code of Conduct, and all applicable laws, rules, and regulations.

As a global leader in the design, manufacture, and distribution of high-quality commercial vehicles, engines, and components, PACCAR is committed to upholding the highest ethical standards in all aspects of its business operations. The supplier code outlines the principles and standards that we expect of suppliers when conducting business with and on behalf of PACCAR.

PACCAR selects suppliers after performing due diligence, including detailed reviews of their operations. PACCAR conducts ongoing supplier performance assessments, including periodic on-site supplier visits, announced and unannounced, to verify adherence to the Code and contractual compliance. Suppliers must require all sub-suppliers to comply with the Code. Suppliers are expected to regularly assess both their and their sub-suppliers’ compliance with this Code.

The requirements apply to all PACCAR suppliers and their affiliates’ locations worldwide. Suppliers who do not meet these requirements and fail to implement mitigation measures risk the loss of all existing and future business with PACCAR. Within the Code, suppliers will find PACCAR’s

requirements related to the following topics:

- Ethical Business Conduct
- Labor and Human Rights
- Health and Safety
- Responsible Sourcing
- Environment
- Data Management
- Sustainable Purchasing
- Feedback and Violations

Ethical Business Conduct

Uphold the highest standards of integrity in all business interactions, maintain proper policies, management systems and procedures, provide training, perform third-party due diligence, and assess and monitor risks to detect and address misconduct.

Comply with anti-corruption laws in every country in which business is conducted. Never directly or indirectly receive or offer bribes, kickbacks, or other improper payments, to or from any person or organization including government and private organizations, their officials, agents, and employees.

Comply with all applicable import and export control laws, including, without limitation, sanctions, embargoes and other laws, regulations, government orders and policies controlling the transmission or shipment of goods, software, technology, services, and payments.

Adhere strictly to all applicable laws and regulations governing money laundering and the prevention of terrorist financing.

Conduct all business activities in compliance with all applicable antitrust and competition laws to ensure fair and free competition.

Avoid conflicts of interest by conducting all business dealings with the highest levels of professional integrity both organizationally and personally. Suppliers will allow business decisions to be made only with topic-relevant criteria, ensuring business relationships are not influenced by gifts, loans, employment opportunities, family relationships or other unethical incentives. Suppliers will make timely disclosures of all potential private and personal interests that may interfere with business decisions.

Utilize comprehensive and complete supply chain traceability systems and disclose relevant information in accordance with applicable laws and regulations as well as prevailing industry business practices.

Provide documentation of management systems or other processes (such as third-party verifications) that mitigate and prevent sustainability risks in the supply chain.

Labor and Human Rights

Respect and enforce human rights and fair working conditions as informed by internationally

accepted standards such as the UN Guiding Principles on Business and Human Rights.

Identify, publicly report, and counteract potential human rights violations as required by law.

Comply with all applicable laws concerning minimum employment age, working conditions, compensation, and benefits.

Strictly prohibit all forms of forced labor and human trafficking in all supply chains, including without limitation, slavery, child labor, indentured labor, mandatory recruitment fees, retaliation against workers, restricting personal movement or transportation, retention of personal documents and forced bank accounts.

Treat employees with dignity and respect; never discriminate or harass on any basis, including race, color, gender identity or expression, sexual orientation, nationality, religion, age, marital status, medical condition, mental or physical disability, military or veteran status, genetic information, or any other legally protected status.

Provide equal opportunities to all employees by practicing inclusion, encouraging diversity in the workplace, and respecting the rights of indigenous peoples wherever business is conducted.

Respect applicable laws governing the right of employees to join or not to join lawful organizations.

Health and Safety

Ensure employee safety and health through proper workplace design, operational controls, preventative maintenance, fire suppression systems, safe work procedures and accident prevention measures.

Comply with all relevant Health & Safety regulations including a management system such as ISO45001 or similar, ensure the manufacture of safe products, ensure access to personal protective equipment, implement training, processes, and facility investments to appropriately respond to emergency situations that may threaten the well-being of employees.

Comply with all warning and labeling requirements and safe handling procedures regarding hazardous, toxic, and dangerous goods and chemicals. Minimize the use and the effects of the use of such chemicals in all facilities to the extent possible.

Establish product design and manufacturing processes that ensure the integrity, safety, conformity, and compliance of products. Inform PACCAR immediately if there are any safety concerns regarding a product sold to PACCAR.

Use IMDS or equivalent methods to disclose the material composition of products and components to ensure that data entries are accurate, complete, and up to date.

Responsible Sourcing

Conflict Minerals - Responsibly source minerals and implement due diligence systems and risk management plans to prevent and mitigate the risk of supporting non-state armed groups in conflict-affected and high-risk areas.

Comply with applicable laws and regulations on conflict minerals, and implement an internationally recognized due diligence framework, such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Critical Materials - have that definition provided in any applicable laws. For general purposes, critical raw materials are those materials that are produced or mined in a limited geographical area(s), are characterized by high strategic importance, which cannot be readily substituted with another material, and which are limited in availability.

Create a safe and sustainable supply chain for the manufacture and remanufacture of components and products such as batteries which contain critical materials and toxic substances.

Conform to all sourcing design, production, safety, performance, storing, recycling, disposal, and marketing requirements in applicable laws and regulations.

Restrict or eliminate the use of substances such as cadmium, lead, and mercury in components and products in conformance with applicable regulations.

Design products to maximize opportunities for the recycle and reuse of critical raw materials.

Environment

Comply with applicable environmental laws, regulations, and best practices, and obtain and maintain all required permits (e.g., air emissions, stormwater) when producing and manufacturing parts, goods, and products.

Maintain an environmental management system with policies, procedures, and practices to ensure certification to an internationally accepted standard such as ISO 14001. Measure and report greenhouse gas emissions using internationally recognized standards and methodologies and demonstrate alignment with the Paris Climate Agreement.

Measure and report energy consumption and highlight improvements in energy efficiency across vehicles, facilities, equipment, processes, and products. Measure, report, and maximize transition to renewable energy.

Measure and monitor water use, discharge, and quality indicators and comply with laws, regulations, and best practices to protect water. Take appropriate and adequate measures to minimize water consumption at supplier’s facilities and within supplier’s supply chains, prioritizing water stressed regions.

Source high quality and cost-effective materials while continuously maximizing circularity by working with PACCAR for reuse, repair, remanufacture, recycle and recovery of materials.

Minimize the amount and weight of packaging materials used for delivering goods. Make every effort to use packaging materials that are recyclable, reusable, or biodegradable, and avoid materials that are harmful to the environment.

Use and report chemicals in the supply chain and products in compliance with applicable local, national, and international laws and regulations. Reduce or eliminate the use of forever chemicals

(including, without limitation, per- and polyfluoroalkyl substances) and other toxic and hazardous substances to the extent possible in parts and products, in accordance with applicable laws.

Identify and classify both nontoxic and toxic waste while storing, handling, transporting, and disposing, according to local, national, and international standards and regulations. Refrain from any illegal dumping and any other illegal practices which are harmful to the environment.

Upon request, provide PACCAR at the product level with information on environmental compliance activity and associated environmental aspects and impacts including, but not limited to, air and greenhouse gas emissions, land and biodiversity impacts, water utilization, energy consumption, chemicals and materials composition inventory, waste generation, and circularity activity.

Data Management

Ensure compliance with applicable laws and regulations related to data protection, including data privacy, cybersecurity, and artificial intelligence.

In agreement with PACCAR maintain accreditation to an appropriate internationally recognized standard (such as TISAX Level 3 or ISO27001).

Develop and maintain cyber security incident response plans and business continuity plans to protect the supply of goods and services to PACCAR. This development and deployment shall ensure that data security is properly maintained, personal privacy and intellectual property is adequately protected, and is developed and used in accordance with all applicable laws and regulations.

Establish clear rules and expectations pertaining to the responsible development and deployment of artificial intelligence in an ethical manner.

Protect PACCAR and other third-party intellectual property rights and safeguard customer and PACCAR's information and technologies by implementing appropriate organizational and technical measures.

Sustainable Purchasing

Implement and maintain a continuous improvement program to ensure supplier policies, procedures, and processes are efficient and comply with this Code. Nominate company representatives to be responsible for the implementation of management systems supporting Code adherence, business continuity, risk assessments, record keeping, asset and personnel security and emergency preparedness. Conduct audits on such systems for continuous improvement and effectiveness.

Commitment to compliance and continuous improvement is reinforced by implementing training programs for managers and workers. These programs aim to ensure that the supplier's policies, procedures, and improvement objectives are effectively implemented and that all applicable statutory and regulatory requirements are met. In addition, ongoing processes must be in place to assess employees' understanding of the practices and conditions covered by this Code. Feedback

is actively sought to foster continuous improvement and enhance compliance with this Code.

Provide full supply chain transparency at PACCAR's request for PACCAR to fulfill its legal obligations. Suppliers shall also require a corresponding disclosure obligation on their suppliers, which they in turn are required to pass on to their suppliers. This includes without limitation disclosure of the full supply chain at the material level, including without limitation, country-of-origin data as requested. Perform due diligence throughout the supply chains to ensure accurate reporting and compliance with all applicable laws and regulations.

Provide evidence of management systems or third-party verifications demonstrating processes that prevent or mitigate sustainability risks in the supply chain.

Feedback and Violations

Establish a robust feedback mechanism that includes a grievance mechanism and whistleblower channels for supplier's employees and stakeholders to report any concerns or violations of the Code, or any applicable law or regulation.

Communicate the availability and accessibility of the feedback mechanism to all relevant stakeholders.

Ensure the confidentiality and protection of individuals who report potential unethical or illegal activity.

Promptly and thoroughly investigate all reported incidents and take appropriate actions to address any violations.

In the event there is any substantiated violation of this Code, supplier will promptly notify PACCAR. Supplier shall prepare a risk mitigation plan within seven (7) days of the violation and shall take prompt action to implement such plan. PACCAR reserves the right to require additional improvement measures as needed. PACCAR shall have the right to verify any improvement measures taken. If supplier fails to implement such measures, or if the nature of the violation is such that the supplier cannot end it in a prompt manner, PACCAR shall have the right to exclude supplier from new orders or to cancel existing ones. PACCAR may waive its termination rights in its sole discretion if supplier can show that it has implemented adequate measures to promptly remedy the violation and to prevent future violations. Supplier will support PACCAR's implementation of legally required and based on the risk exposure, other due diligence processes by actively participating in related initiatives, e.g. self-assessment questionnaires or formal certification of compliance.

If substantiated information indicates that human rights or environmental obligations may have been violated in the supply chain, supplier shall, without undue delay: (1) participate in a risk analysis by PACCAR, (2) take appropriate prevention measures, (3) assist PACCAR with the preparation and implementation of a plan to prevent, stop or minimize the violation, and (4) assist with reporting obligations, if any.

PACCAR reserves the right to conduct or require an audit regarding supplier's compliance with this Code. Any audit shall be scheduled at a time mutually agreed upon by supplier and PACCAR, and

supplier shall provide an appropriate level of documentation which evidences in a clear and transparent manner supplier's adherence to this Code.

State of California Transparency in Supply Chains Act

PACCAR is committed to ensuring that its suppliers do not use slave labor or engage in human trafficking. PACCAR's Supplier Code of Conduct prohibits suppliers from using forced labor of any kind.

PACCAR suppliers certify that they comply with laws regarding minimum employment age, working conditions and compensation, and do not engage in slavery or human trafficking. Noncompliance is grounds for termination and elimination from the PACCAR supply base.

Conflict Minerals and Critical Materials

PACCAR is committed to complying with the Dodd-Frank Act's disclosure requirements concerning "Conflict Minerals" – tin, tungsten, tantalum, and gold – whose sourcing has been identified with human rights abuses in the Democratic Republic of Congo and adjoining countries (the "Conflict Area"). PACCAR has developed a due diligence process, based on the guidance provided by the Organisation for Economic Cooperation and Development (OECD), to mitigate the risk of inclusion of Conflict Minerals in its products. This process requires the Company and its suppliers to perform due diligence and document either (1) that the Conflict Minerals used to manufacture products for PACCAR originate outside the Conflict Area or come from recycled or scrap sources, or (2) if sourced from within the Conflict Area that they come from mines or smelters certified by an independent third party not to benefit armed groups ("Conflict-Free"). PACCAR is participating in the Automotive Industry Action Group and the Conflict-Free Smelter Program developed by the Electronic Industry Citizenship Coalition, Incorporated and Global e-Sustainability Initiative to identify the sources of Conflict Minerals in its products. If any sources within the Conflict Area are identified, PACCAR will work with its suppliers, in accordance with OECD guidance, to take reasonable steps to verify that they are Conflict-Free.

A critical material is defined as a material both essential in use and subject to the risk of supply restriction. PACCAR uses a limited number of critical materials in its business, including platinum group metals. PACCAR does not directly source any critical materials. Rather, these materials are present primarily in exhaust aftertreatment system components provided by suppliers. PACCAR mitigates risk from critical materials by entering long-term agreements with high quality, reputable suppliers that adhere to PACCAR's Code of Supplier Conduct. PACCAR is also prepared to work with alternative suppliers in the case of supply disruption of critical materials.

Corporate Governance

PACCAR has excellent corporate governance policies and practices that enhance stockholder returns. Its policies ensure that the Company is governed in accordance with the highest standards of integrity and in the best interest of its stockholders.

Sustainability

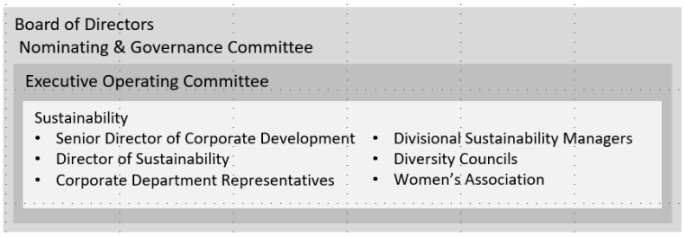
The Board of Directors and the Nominating & Governance Committee hold responsibility for environmental, social, and governance strategy. The Executive Operating Committee, pictured below, has responsibility for executing the sustainability strategy.



PACCAR Executive Operating Committee

Front Row Left to Right: Jim Walenczak, Laura Bloch, Paulo Bolgar, Lily Ley, Preston Feight, Mike Dozier, Jake Montero, Brice Poplawski, Harry Wolters.
Second Row Left to Right: Craig Gryniewicz, Bryan Sitko, Kevin Baney, Harald Seidel, Darrin Siver, John Rich, Mike Walton.

The sustainability strategy is delivered by Corporate Functions working collaboratively with PACCAR Divisions performing tasks including ESG risk and opportunity assessments, scenario analysis, planning, project delivery and collaboration across a matrix of directors and managers.



Board of Directors

PACCAR's Board of Directors is comprised of 12 directors who bring a diversity of perspectives, skills and business experience relevant to the Company's global operations. Each director has achieved significant success in business, education or public service and has demonstrated the highest ethical standards and integrity as well as mature judgment, objectivity, practicality and a willingness to ask difficult questions. The directors are committed to working together to reach consensus for the betterment of the stockholders and the long-term viability of the Company. In selecting nominees for the Board of Directors, the Nominating and Governance Committee recognizes the importance of having a diversity of gender, heritage and backgrounds to ensure that a variety of opinions and perspectives are represented on the Board; accordingly, initial lists of candidates from which new director nominees are chosen will include qualified female and racially/ethnically diverse candidates.

PACCAR's Corporate Governance Guidelines are available at https://www.paccar.com/about-us/board-of-directors/governance-guidelines/ and are structured to ensure the Board has the necessary authority and practices to evaluate business operations and to make decisions independent of PACCAR's management. Each director is expected to act with integrity, understand the importance of representing the entire shareholder constituency and increasing shareholder value, contribute actively and objectively at Board and Committee meetings and participate in management evaluation and succession planning.

Key facts about the Board of Directors include:

- 83% of PACCAR's directors are independent.
- 2 of 12 directors are women.
- 10 of 12 directors have been CEO and/or Chair
- 2 directors are racially/ethnically diverse
- One director serves as the lead independent director.
- The Board is required to evaluate its performance on an annual basis.
- Directors are required to own PACCAR stock and/or deferred stock units in an amount equal to five times their annual cash retainer.
- All directors on the Compensation, Nominating & Governance and Audit Committees are independent.
- The average compensation of non-employee directors is comparable to the median of company peers.
- The Board has a mandatory retirement age of 74.

Executive Compensation

PACCAR's compensation programs are directed by the Compensation Committee of the Board of Directors, which is composed exclusively of independent directors. The objective of the

programs is to attract and retain high-quality executives, link incentives to the Company's performance and align the interests of management with those of stockholders. The Company emphasizes pay for performance and uses equity-based incentive programs designed to compensate executives for generating outstanding performance for stockholders. Each of the Company's Say-on-Pay proposals were approved by 90% or more of the shares voted in 2011, 2014, 2017, 2020, 2023, 2024, 2025, and 2026.

Key compensation practices include:

- PACCAR does not have an employment agreement with its CEO or any other officer.
- No employees are eligible for multi-year guaranteed bonuses.
- PACCAR does not discount, backdate, reprice or retroactively grant equity awards and prohibits the buy-out of underwater options.
- The Company prohibits the hedging or pledging of Company stock or purchasing of stock on margin by executive officers.
- Executive Officers do not have golden parachutes.
- The CEO is required to own PACCAR stock in an amount equal to five times the CEO's annual base salary.
- PACCAR discloses information on the performance measures used in the long-term incentives granted to executives. https://www.paccar.com/investors/sec-filingsdata-archive/
- The Company does not provide for excise tax gross-ups on change-in-control payments.

Shareholder Rights

The Company's corporate governance structure provides for meaningful and significant stockholder input in director elections and governance. Stockholders have the opportunity to include their own proposals and director nominees for election in the Company's proxy and to present them at the annual meeting of stockholders. The Nominating and Governance Committee of the Board of Directors regularly reviews developments in corporate governance and recommends governance enhancements to the Board of Directors.

PACCAR's excellent stockholder rights and corporate governance practices include:

- PACCAR has one class of stock with equal voting rights.
- All common shareholders are entitled to vote for all current director nominees.
- Directors are elected annually.
- Shareholders have a proxy access right.
- Shareholders holding 25% of PACCAR's total outstanding shares may convene a special meeting.
- There are no material restrictions on shareholders' right to call special meetings.
- The Company does not have a controlling shareholder.
- The Company does not have a poison pill in effect.

Audit and Risk Oversight

The Company's audit committee is made up of four independent directors. The committee reviews the Company's annual and quarterly financial statements, monitors the integrity and effectiveness of the audit process and reviews the corporate compliance programs. It also monitors the Company's system of internal controls over financial reporting and oversees the internal audit function and risk management.

- There are four financial experts serving on PACCAR's audit committee.
- The Company has not restated its financial statements for any period within the past five years.
- The Company has timely released all financial disclosure filings in the past five years.
- The Company has disclosed no material weaknesses in its internal controls in the past five years.
- Non-audit fees represented 10.2% of total auditor fees in 2025.
- A regulator has not taken action against a director or officer of the company in the past five years.
- The Nominating and Governance Committee Charter states that the Committee has responsibility for environmental, social and governance matters.

Additional governance information can be found at https://www.paccar.com/about-us/board-of-directors/governance-guidelines/ and in PACCAR's Proxy Statement at https://www.paccar.com/investors/sec-filingsdata-archive/.