

PACCAR

ESG Presentation



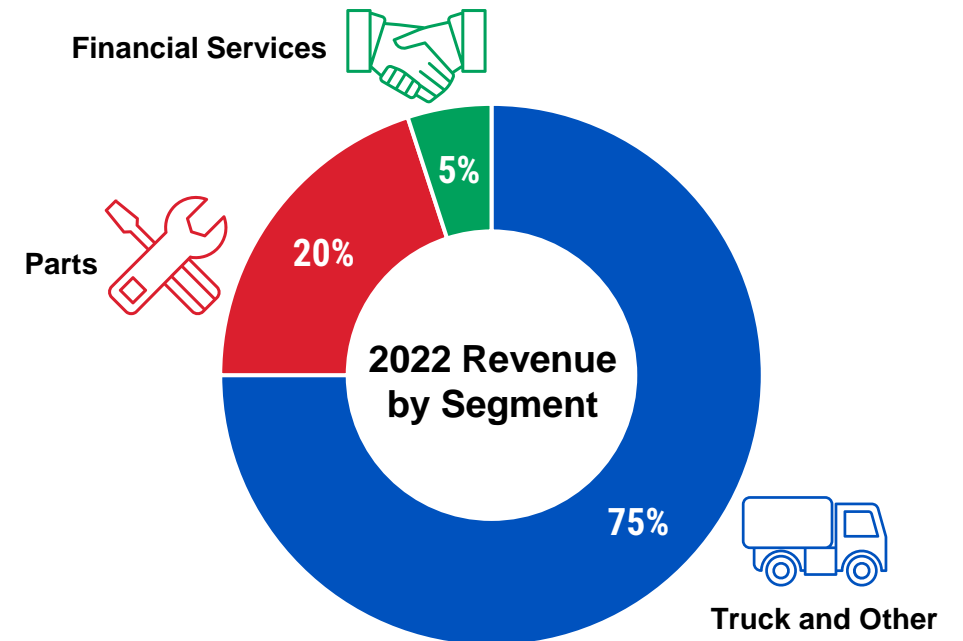
Forward Looking / Cautionary Statements

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

\$505M	\$341M	9
2022 Capital Investments	2022 R&D	# of Kenworth, Peterbilt and DAF zero emissions truck models in production
\$7.3B	2014	35% / 25%
Invested over the last decade in: <ul style="list-style-type: none"> • Environmentally friendly manufacturing and distribution facilities • Advanced new vehicle models • Innovative technologies 	The year we started reporting emissions data to CDP ; last 8 years rated A or A-; 2022 A rating represents top 1.5% of 18,000+ companies that reported to CDP	Science Based Targets by 2030: <ul style="list-style-type: none"> • Reduce Scope 1 (internal operations) and Scope 2 (purchased energy) by 35% • Reduce Scope 3 Use of Sold Product by 25%*



*from 2018 base year; Scope 3 is inclusive only of use of sold products

Driven by Quality, Technology and Innovation

Long history

of positive returns
for shareholders

84 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.



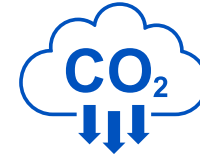
Increased societal concerns
about climate change



Investor push for **ESG**



Customers' **sustainability and operating efficiency goals**



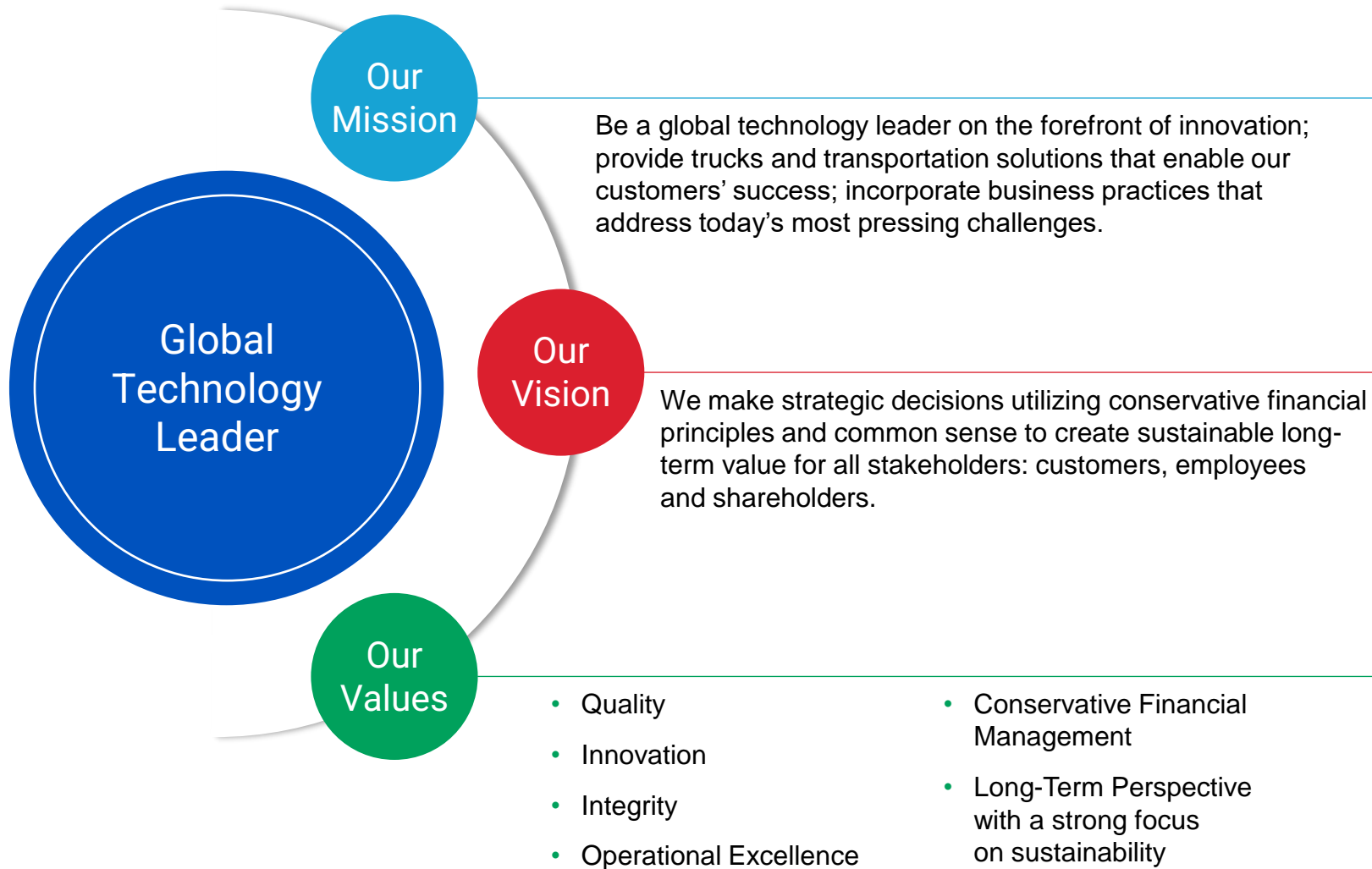
Legislation requiring **lower GHG emissions**



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.

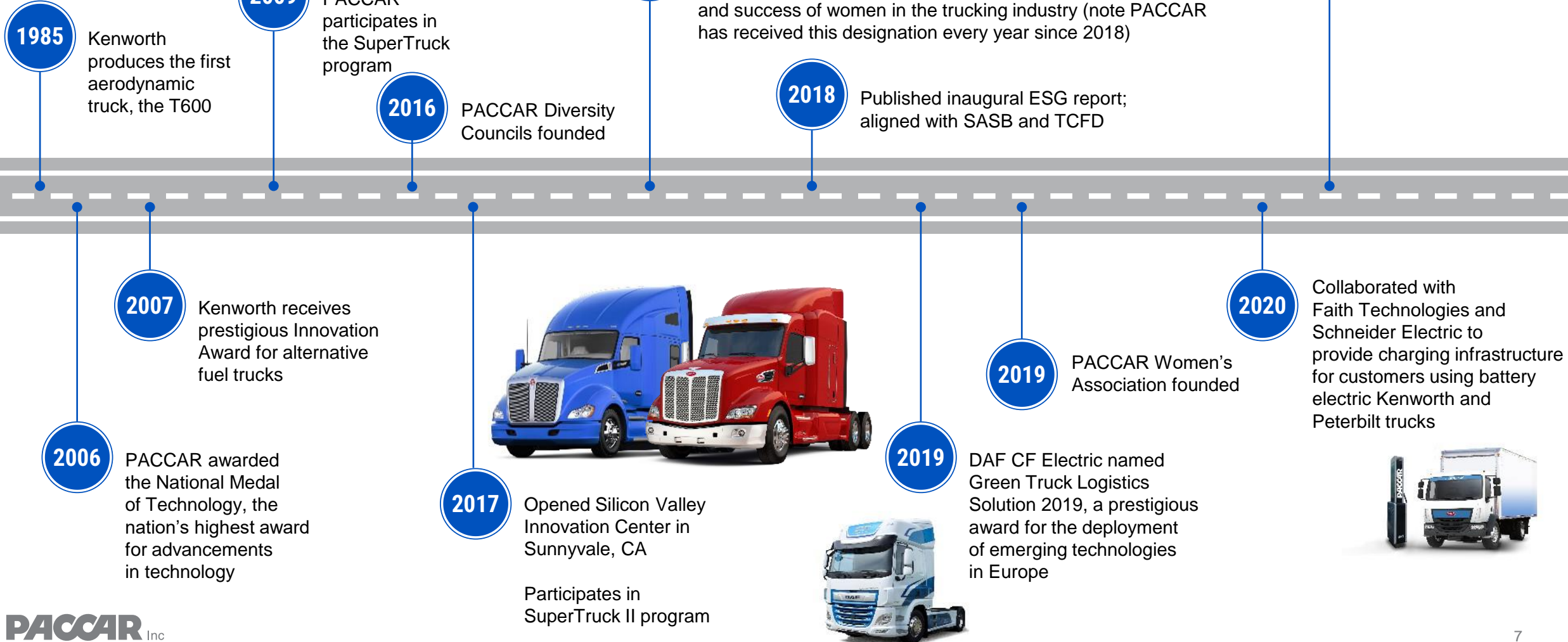
We are committed to:

- 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



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



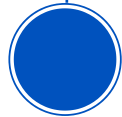
Kenworth was honored with the Clean Energy Entrepreneur Award, by Clean & Prosperous Washington, a Washington state environmental group



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 72% 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.

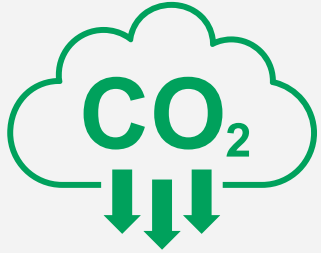
We're investing in **cutting-edge technology**, from new, more efficient engines, to autonomous and zero emissions technology.



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

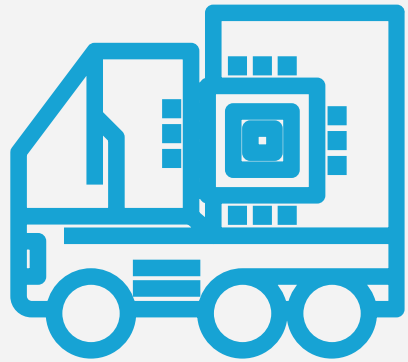
Proactively Creating Innovative Solutions to Meet Customer Needs

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



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

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 \$846M in capital projects and R&D in 2022 to:

- Launch a new range of vehicles across truck brands
- Enhance our manufacturing capability
- Develop aerodynamic truck models, integrated powertrains including diesel; electric; hybrid; and hydrogen fuel cell technologies, autonomous systems, and connected vehicle services
- Strengthen our aftermarket transportation solutions

Manufacturing & Distribution



Augmented Reality



Voice Pick



Environmentally Friendly Robotic Paint Equipment

Zero Emissions



Hydrogen Powertrains



Electric Vehicles

Autonomous Driving

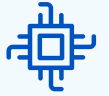


SAE Level 4 Autonomous Driving



Advanced Driver Assistance Systems (ADAS)

Connectivity



Fleet Management, Diagnostics, Prognostics



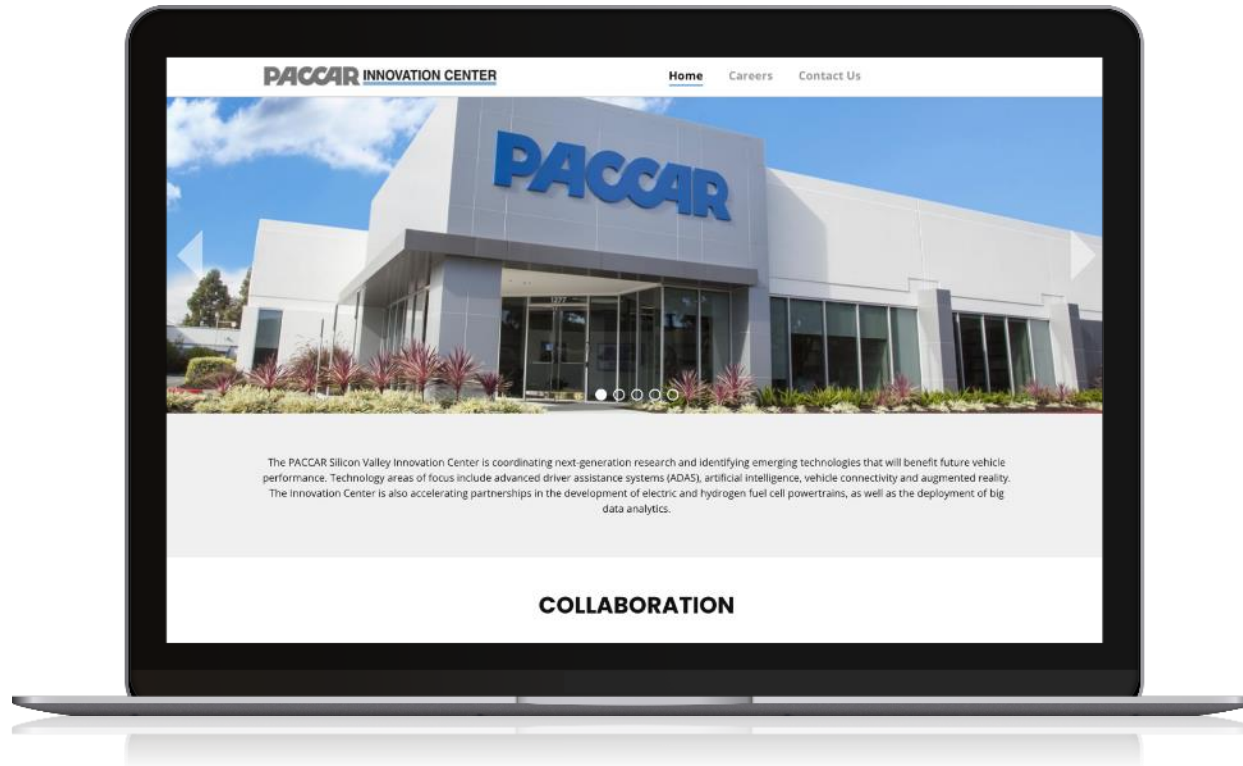
Big Data Analytics



Artificial Intelligence

We're at the Center of Innovation

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



To complement our research and development efforts we've established strong relationships with Silicon Valley's best tech companies as part of developing purposeful innovation for future products.

Innovation Center areas of focus include:

- Autonomous vehicle technology SAE Levels 1-4
- Vehicle connectivity
- Zero emissions vehicles
- Accelerating technology partnerships

“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

PACCAR is Leading the Charge

Early adopter of zero emissions technology

Zero emissions vehicles are the next generation of transportation technology.

That's why we're heavily invested in building **strategic partnerships** with several companies paving the way in electric vehicle technology:



We have a **3-prong strategy** for zero emissions truck development:

- 1** Equip our vehicles with both battery-electric and hydrogen fuel cell **technology**
- 2** Utilize our **extensive dealer network**, consisting of successful independent entrepreneurs
- 3** **Manufacture zero emission trucks** in PACCAR's efficient factories using state of the art technology and processes

PACCAR is Leading the Charge Continued

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 the second quarter of 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 the global launch of electric vehicles.

We are currently collaborating with EnTech Solutions and Schneider Electric to provide charging infrastructure solutions for customers who purchase Kenworth and Peterbilt electric trucks in the U.S. and Canada.

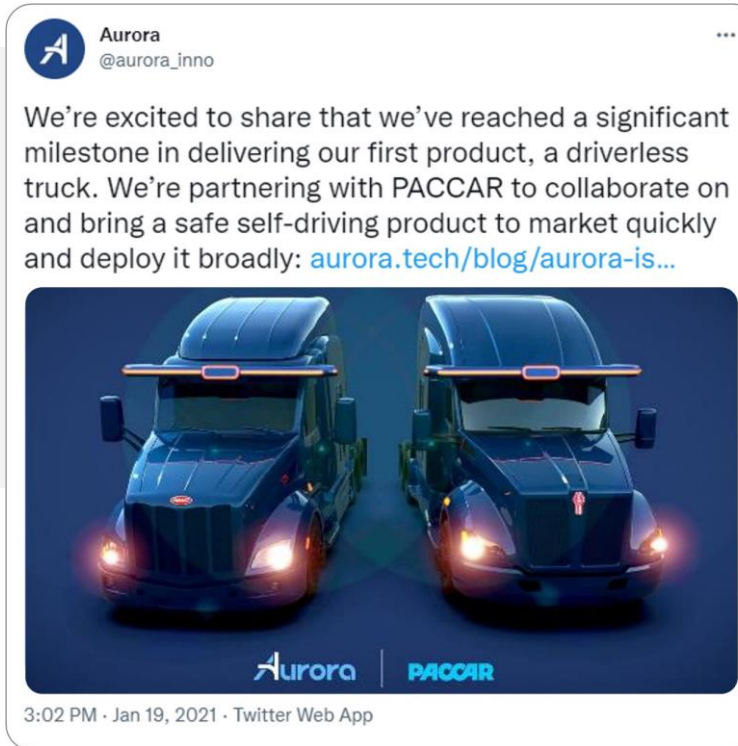
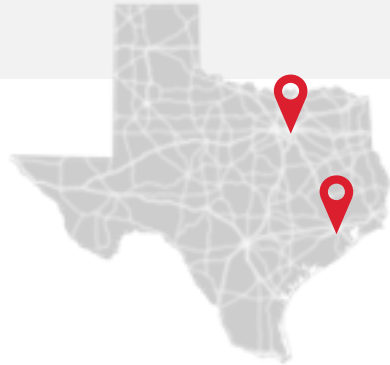


Autonomous Driving

We're investing significantly in autonomous technology with our partners

In January 2021, we announced an exciting partnership with **Aurora**, a leader in autonomous vehicle technology.

In September 2021 we partnered with FedEx and Aurora on an autonomous technology pilot, hauling freight between Dallas and Houston, a 500-mile round trip.



PACCAR is the provider of choice for autonomous driving technology companies.

The majority of the autonomous test trucks on U.S. roads today are Peterbilt and Kenworth.



PACCAR Connect

New state-of-the-art global connected truck platform

The PACCAR Connect system provides reliable data security, over the air software updates, and advanced fleet management tools that each customer can choose from a catalog of available third-party applications. Customers are able to cost effectively integrate their existing fleet management systems and applications into the PACCAR system.

Our connected truck services provide critical real-time data analytics on driver and vehicle performance.

We supply customers with real-time information including:

- Engine diagnostics
- Fuel consumption
- Fleet utilization
- Idle time
- Route optimization

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.

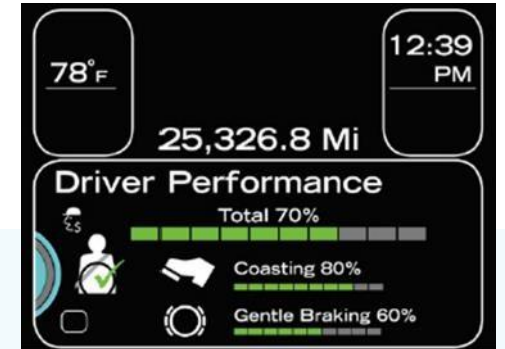
BART LORE, PACCAR Senior Director of Connected Services



What Customers Have: Multiple Standalone Devices



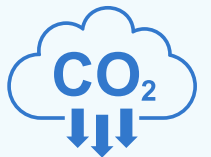
What PACCAR Connect Delivers: Secure and integrated OEM Platform



Kenworth, Peterbilt and DAF trucks are equipped with driver training technologies that coach drivers in engine efficiency, resulting in:



reduced fuel consumption



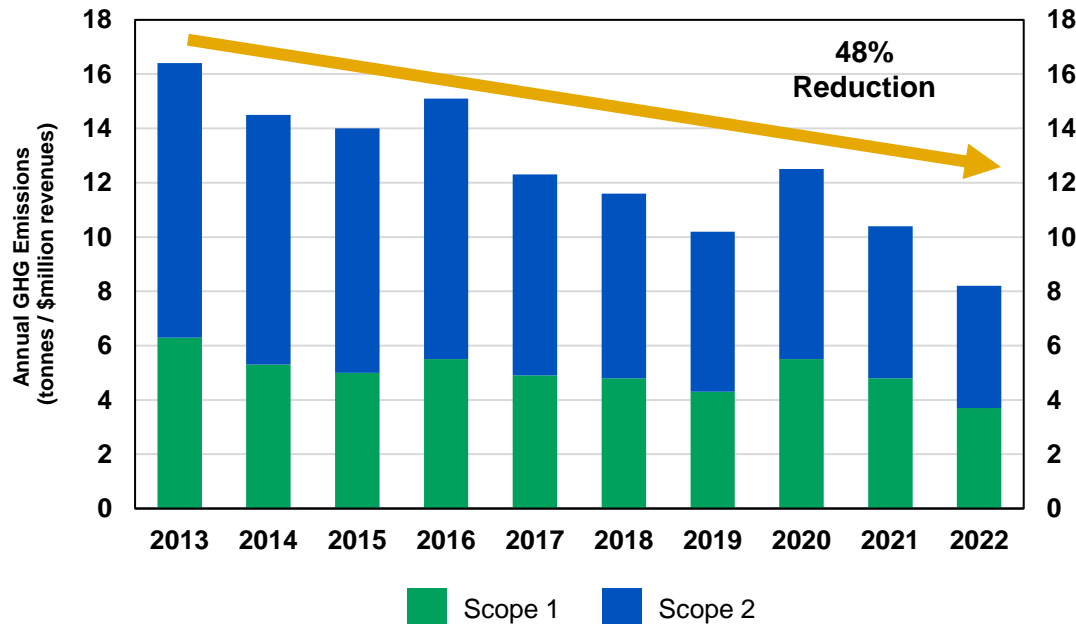
reduced CO2 emissions

Continuous Improvement on Environmental Efforts

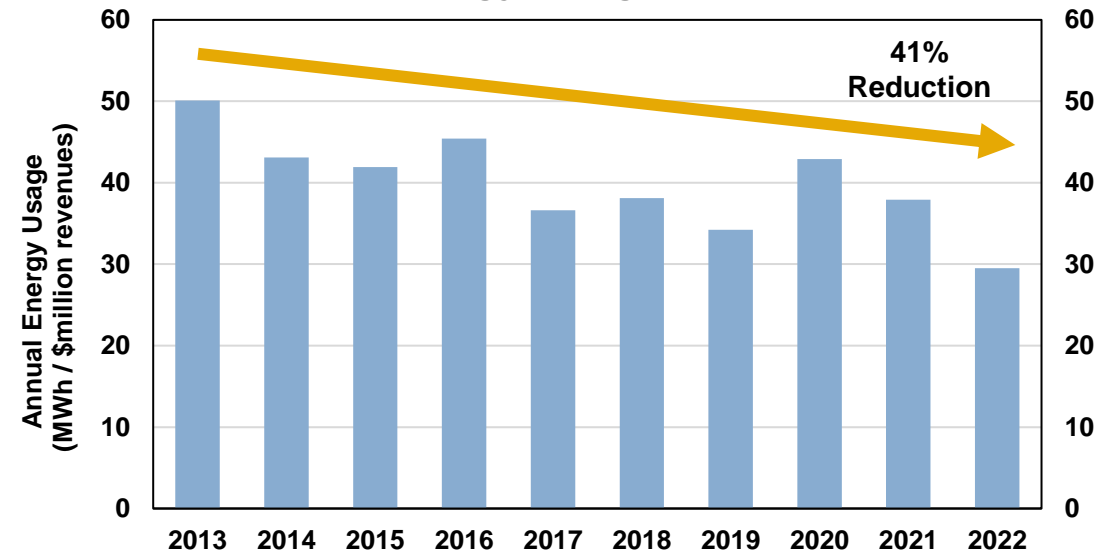
We're proud of the progress we've made to date...

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

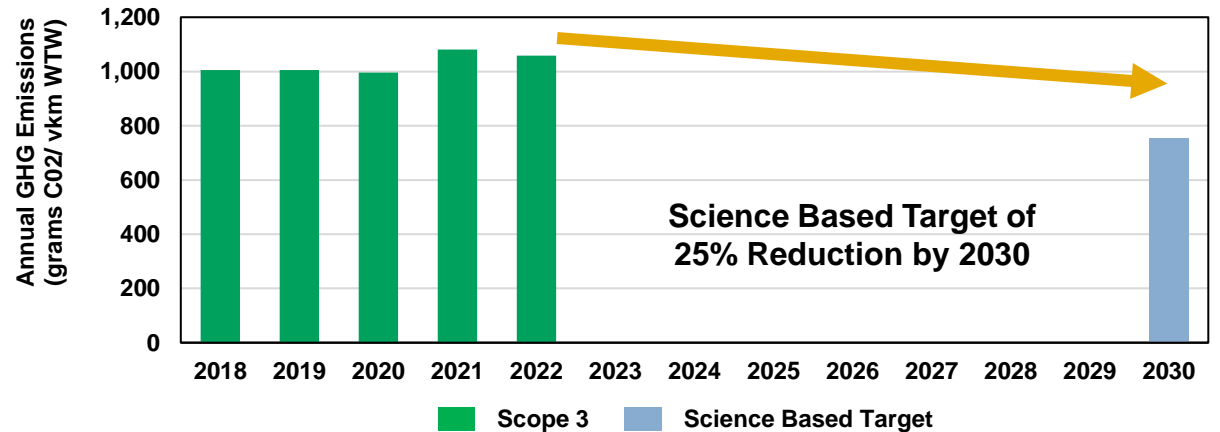
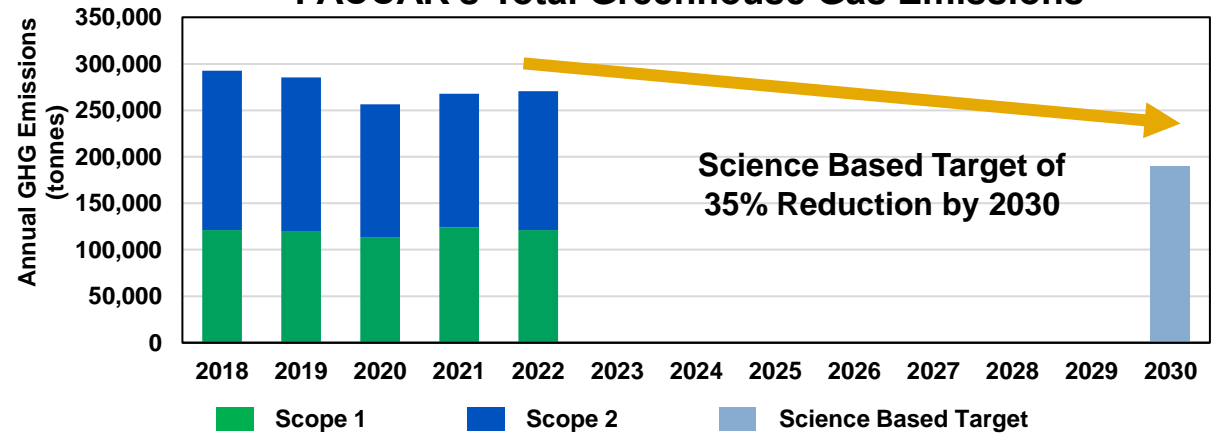


Reduce Scope 3 emissions from use of sold products **25%** per vkm by 2030 from a 2018 base year*

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 8 consecutive years



In 2022, we received an **A** rating

Of the 18,000+ companies that reported to CDP in 2022, an A rating represents the top 1.5%



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.”

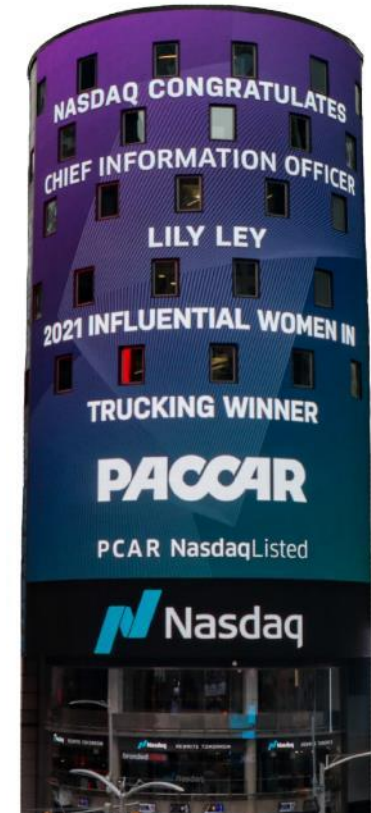
MICHELE RODGERS, Dynacraft Director of Business and Product Development and Women in Trucking Board Member

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.



Lily Ley, PACCAR’s VP & Chief Information Officer, was honored as the 2021 Influential Women in Trucking award by WIT



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

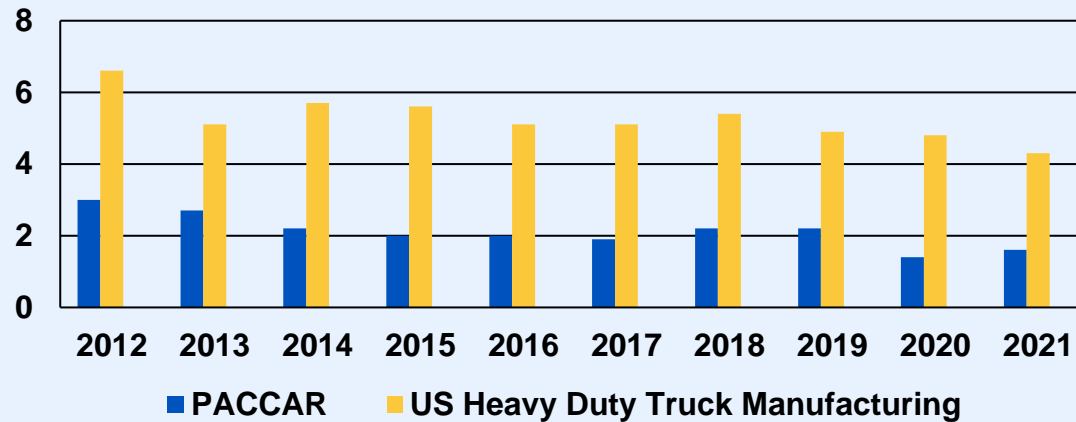
Caring for Our Employees – Health & Safety

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 60% 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 \$220M in grants since its founding in 1951

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

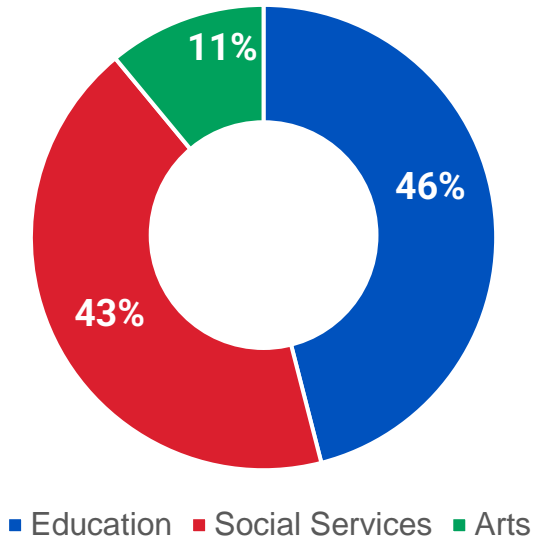
Foundation Values: We are committed to philanthropic efforts that support the areas of Education, Social Services and the Arts. We believe that with education comes opportunity and that the arts and social services enhance and enrich our communities.

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
- Hamlin Robinson School
- 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 advanced vehicle technology strategies 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

Vigilance, Incident Management, Internet Firewall, Patching & Fishing, E-mail Protection

Comprehensive Cybersecurity Program

- Audits
- Vulnerability Assessment
- Security Risk Council
- Roadmap Review
- Security Awareness Training
- Penetration Training
- Compromise Assessment
- Security Program Evaluation

Performance Benchmarking (2023)

	SecurityScorecard	BitSight
Company	Score	Score
PACCAR	90	690
AB Volvo	74	550
Iveco	76	650
Deere & Co	78	720
Cummins	82	650
Daimler	83	550
Eaton	84	730
Premera	85	730
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



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

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



Multiple PACCAR divisions were each recognized as top places for women by the Women in Trucking Association 2018-2022



Queen's Award for Enterprise in International Trade 2020

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



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

DAF XD awarded 'International Truck of the Year 2023



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



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





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

PRESTON FEIGHT, CEO

