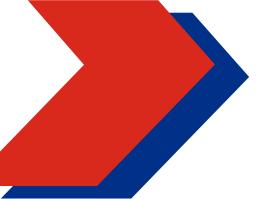
2023 SUSTAINABILITY REPORT



Α Better WAY Forward **STEP BY STEP.**



THE AUTO CLUB GROUP

We're getting it done.

GOING THE EXTRA MILE. DARING TO LOOK FURTHER DOWN THE ROAD. ACKNOWLEDGING WHERE WE'VE BEEN GEARING UP TO DO EVEN MORE.

WE'RE EMBRACING EACH NEW MILE MARKER, AND PUSHING OURSELVES TO DRIVE A SUSTAINABLE WAY FORWARD, FOR EVERYONE.





Joe Richardson President and CEO, The Auto Club Group

AAA – THE AUTO CLUB GROUP Letter from the CEO, Joe Richardson

2023 was a year of incredible action – we continue to be more innovative and build strategic partnerships that will help our Members along life's journey. We've implemented a new retail model in Wal-Mart stores, stepped up in new ways to provide a rewarding work environment for our employees, enhanced our governance operations, focused heavily on going paperless, and developed targets to reduce our greenhouse gas emission use.

The goals that we have developed were done so with our Members in mind. We are careful to consider what is possible, focus on what we can control, and be honest about what we are still working on. You will read more about these targets in the pages ahead, but here is an overview of what we will do by 2030:

- 1. Reduce our facility emissions by 75%
- 2. Reduce our non-emergency roadside vehicle emissions by 75%
- Eliminate all paper use from our operations that isn't a regulatory requirement

Our commitment to our Members and Sustainability has helped us to already make tremendous progress toward these goals. Our transformation of matching our hybrid work model and consumer needs to our facility strategy has already helped us reduce our emissions by nearly 25%, while our focus on digital innovation has allowed us to serve our Members while reducing non-ERS vehicle emissions by almost 35% and reducing our paper consumption.

We plan to achieve the balance of these targets by shifting our non-ERS fleet to a mix of hybrid and electric vehicles, seeking energy efficiencies at our facilities, piloting propane-fueled tow trucks, offering digital-only products/ discounts, and continuing to focus on innovation that will help drive us toward our goals.

In addition to these new targets, our commitment to treating everyone with dignity and respect remains unwavering and is a cornerstone to our Connected Member Vision. As we seek to provide even more value to our Members, we remain focused on safeguarding data and fostering excellence in our business practices to help us serve our Members for another 100 years.

We are excited to take forward action as we help build a better future for our Members.



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DOING WHAT'S RIGHT for the planet

Sustainability is one of our core business principles. We fully comply with the letter and spirit of all applicable environmental laws and regulations and strive for continual improvement in our environmental performance. We work to understand our impact on the environment and then take action to reduce our emissions to mitigate that impact. We incorporate environmental impacts in our decision-making and are proactively focused on reducing greenhouse gas emissions and reducing our paper consumption.

STEPPING IT UP BY SETTING CLEAR TARGETS

SINCE THE INCEPTION OF OUR FORMAL SUSTAINABILITY TEAM IN 2021, WE'VE BEEN WORKING TO BETTER UNDERSTAND THE DRIVERS OF OUR CLIMATE IMPACT SO WE CAN REDUCE IT.

A key component to this is setting climate goals that align with our business strategies, having a clear path toward achievement, and recognizing the areas that are still in need of development. These are our targets for 2030.



REDUCING OUR FACILITY EMISSIONS

Since 2019, our working environment has changed dramatically with a significant number of employees now working primarily from home. This change has allowed us to evaluate our facility needs and make changes accordingly. We are continuing to right-size our locations for this new operating model, and these actions will continue to have a significant impact on achieving a 75% emission reduction. Examples of this include the closure of unused regional administrative buildings, shifting all call-center operations to remote operations, and a new retail model that utilizes space in Wal-Mart facilities so that we can better serve our communities in more remote areas while still limiting our energy consumption.

We are also evaluating the use of alternative energy sources, reviewing our facility operations to find further energy efficiency, and shifting to cleaner electrical grids in partnership with our utility providers.

REDUCING OUR NON-ERS VEHICLE EMISSIONS

Outside of the tow trucks that operate to keep our Members safe on the roadways, we also operate private passenger vehicles to serve our communities for activities such as insurance claims handling and shuttle services in our Car Care facilities. We will shift this fleet to a blend of hybrid and electric vehicles over the next several years to attain the 75% reduction target.

We have already begun this effort by introducing a number of hybrid vehicles in 2023 and planning for electric vehicle pilot projects.

new Seliminating Paper Use

Digital transformation has enabled us to better communicate with our Members, reduce our expenses, and provide a better Member experience. We will continue to provide our Members with new ways to interact with us that do not require the use of paper. Paperless offerings, digital Membership cards, and updated point-of-sale systems will help us to eliminate the need for paper production. While there will still be regulatory needs to deliver paper in the future, we are working toward a future where no other paper is needed to be a part of ACG.

The impact on the climate of eliminating paper consumption is tremendous. First, trees are incredibly important to carbon capture, so reducing our reliance on them will help prevent deforestation. Second, producing paper requires energy (regardless of whether the paper is being produced new or recycled) and therefore more production of greenhouse gas emissions.

EMERGENCY ROADSIDE ASSISTANCE VEHICLES

We recognize that the emissions from diesel tow trucks and light-duty pickup trucks are one of our largest sources of emissions, and optimizing their use is imperative to the reduction of our impact on the climate. There are also excellent strides being made in alternative fuels for larger vehicles but not many cases yet on towing specifically. As our top priority is keeping our Members safe, we are not yet in a position to set targets for these vehicles.

This does not mean that we aren't addressing emissions in the meantime or exploring new technologies. We will be piloting new vehicle types such as propane-fueled towing and have already started to pilot some electric vehicles in our light service fleet for assistance such as battery delivery and lockouts. Our recent implementation of Salesforce is designed to provide an even stronger ability to service Members on the roadways and will help us reduce our en-route mileage along with providing a better understanding of where we may be able to adjust our vehicle fleet to allow for more alternative fuel vehicles.

As we continue to develop these pilots and understand the impacts of our new technology, we will pass these learnings onto our roadside partners that are included in our Scope 3 emissions. As we progress in these areas, we will be able to add these emissions to our sustainability targets.





WE ARE EXCITED ABOUT CAPITALIZING ON POTENTIAL ALTERNATIVE FUEL TECHNOLOGIES LIKE PROPANE TO SERVE MEMBERS WHILE ACHIEVING OUR ENVIRONMENTAL GOALS.

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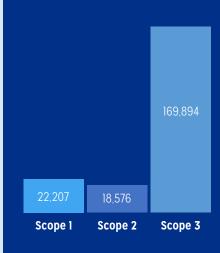
Chris Matthews | AUTOMOTIVE ADMINISTRATION

Greenhouse gas inventory

ACG's greenhouse gas (GHG) emissions inventory is comprised of electricity and natural gas usage from facilities in our 14-state footprint, fuel used by vehicles both in our fleet and by partner emergency roadside providers, the energy associated with producing paper for our operations, and energy consumed by our employees working from home and commuting to our facilities. In 2023, our GHG inventory was 210,677 metric tons (MT) of carbon equivalents (CO2e).

We have used carbon dioxide, methane and nitrous oxide factors from the Environmental Protection Agency (EPA) to determine our GHG inventory. Our scope, method and output for facility and vehicle emissions are verified by an accredited third-party independent firm. This verification was prepared using the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD)'s GHG Protocol Corporate Accounting and Reporting Standard (revised 2004) and associated amendment. No evidence of material errors, omissions or misstatements was found within the boundaries of our inventory scope.

TOTAL EMISSIONS BY SCOPE (METRIC TONS-CO₂E)



Scope 1	Scope I emissions are direct GHG emissions that occur from sources controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces or vehicles). For us, that includes natural gas to heat our 53 owned buildings along with the fuel that is used in our vehicle fleets. Our vehicles are used mainly to keep Members safe on the roadside and support insureds with our best-in-class claims services.
Scope 2	Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling. We rely on electricity at all locations and natural gas at our 199 leased facilities to deliver Members with numerous opportunities to interact with us and use the great benefits of their memberships.
Scope 3	Scope 3 emissions are the result of activities from assets not owned or controlled by ACG but that the organization indirectly impacts in its value chain. There are 15 categories that Scope 3 emissions can fall under, and due to the complexity of the calculation, many firms choose to add these categories over time to their emissions inventory. For us, we have chosen to start with four major contributors of emissions in our indirect operations — Third-Party Emergency Roadside Services, paper consumption, employee commute, and emissions associated with our employees working from their homes.

Understanding roadside emissions

Our close partnerships with tow providers help us deliver peace of mind to Members wherever and whenever they need us. Like our own vehicle fleet, these partners rely heavily on vehicle and fuel usage to rescue Members stranded on the roadside, which comprises the majority of our Scope 3 emissions.

Emissions from paper consumption

We have historically produced a significant amount of paper to support our Members. Everything from insurance documents and billing forms to office printing and our *AAA Living* magazine adds up. Producing this paper requires energy, whether it is being recycled or taking trees and turning them into new sheets of paper. This energy creates emissions that fall into our Scope 3 emissions. Due to this environmental impact and our desire to provide better ways for Members to interact with us, driving paperless options is one of our top priorities.

Partnering with the Arbor Day Foundation

Trees play a vital role in our ecosystem. They capture carbon emissions, support marginalized communities, protect biodiversity, and mitigate the effects of climate change. Without trees, our world would be fundamentally different.

Our 2023 Adopt-A-Charity recipient is the Arbor Day Foundation, a renowned organization dedicated to environmental conservation and tree planting. In addition to the actions we are taking to eliminate our reliance on paper consumption, this partnership gives us an opportunity to make a tangible difference by planting and nurturing trees across the globe.

This partnership funds the planting of 50,000 trees in areas across ACG's footprint that need them most. As a part of our commitment to sustainability, community engagement, and corporate social responsibility (CSR), the Arbor Day Foundation is helping us identify neighborhoods that can be improved with the addition of trees in those communities. Together, we're taking a proactive step toward a greener, healthier future for the communities that we serve.

EMPLOYEE COMMUTE AND WORK-FROM-HOME

Added elements to our Scope 3 inventory this year are emissions associated with employees commuting to and from work along with the energy required for remote employees to work from their homes. These emissions were estimated based on survey data from the U.S. Energy Information Administration and grid data for all states that employees reside. While this adds new emissions to our inventory that were not included in our 2019 baseline, the reduction of employee commute emissions more than offsets the additional emissions associated with employees working from home.

In order to help reduce these Work-From-Home emissions, we have provided employees with a Go Green Guide that displays various tips for greening their home workspaces.



SUSTAINABILITY IN OUR VEHICLE FLEET

2023 brought new opportunities for alternative fuel introduction in our owned vehicle fleets. We began our transition to hybrid vehicles and piloted electric vehicles in our emergency roadside operations. The piloting of two Ford E-Transit vans and three Ford F-150 Lightnings has helped reduce our emissions, provided us with new information on how EVs may fit into our future fleet strategy, and given us a more keen insight into the challenges/opportunities of Members who have already shifted to EV.

We also developed a partnership with Clean City Coalitions, which has helped us evaluate our current fleet's ability to shift to various alternative fuel sources, including electric, hybrid, and propane, along with connecting us to organizations that can assist with that shift.



I AM PROUD TO HAVE THE F-150 LIGHTNING IN OUR FLEET AS IT HELPS US RESCUE MEMBERS WHILE ADDING ANOTHER GREAT SERVICE - ROADSIDE EV CHARGING TO AVOID TOWING.

Adam Bliss | FLEET OPERATIONS SUPERVISOR

SUSTAINABILITY IN OUR FACILITIES

As we worked with employees to understand their preferences, the shift to a greater level of remote work has reduced our need for portions of our facility footprint. These actions have had significant impacts on our energy consumption, even when including emissions associated with employees working from home.

Additionally, we took a significant step to impact emissions associated in our largest facility populations. Working with utility providers in Michigan, we are now able to source half of our energy from clean power grid options, such as wind and solar energy sources.

We will evaluate opportunities to gain efficiency in our current facilities and monitor our overall footprint to continue to ensure optimal space needs for employees.

Our Green Initiatives Real Estate Services (RES) Policy defines standard operating procedures for managing operational and waste-stream activities at all facilities exceeding 25,000 square feet. The policy outlines initiatives to clearly define performance objectives as they pertain to recycling and sustainability, and to help our employees translate the policy into everyday actions.

We employ various techniques and policies to mitigate waste at our facilities. Our Green Initiatives RES Policy ensures that all bidders for waste-hauling contracts have (and use as standard practice) facilities that segregate waste streams by material types like plastics, paper, cardboard, metals, and glass.

Proper disposal of oil, gasoline, and other vehicle fluids at our Car Care facilities helps to reduce pollution. We also recycle about half a million car batteries annually. This recycling breaks down the old batteries into their individual components like metal, plastic, and lead acid that are then used to build new vehicle batteries, making this a closed-loop process. We leverage a vendor to recycle electronic equipment like laptops, monitors and printers that are no longer useful in our operations.

Driving Paperless

As part of our digital transformation, we continue to offer more digital self-service options and the ability for Members to interact with us without the use of paper.

This past year, we piloted a digital-only Membership product for people who join online. During this pilot, we experienced a 96% rate of new Members opting into the digital-only option. This will result in a significant reduction of paper from the 259,000 Members who signed up during the pilot. With the results of this pilot, we will continue to extend these options out to more Members who may be interested in this product.

We have also enhanced the ability for Members to opt into paperless options for their insurance policies. In 2023, we had 433,000 insured vehicles and 134,000 homes opt into the paperless discount.

In the coming year, we will see another large shift to digital for our Members with our *AAA Living* magazine moving to a digital-only form. Not only will this provide Members with even more interactive material and new ways to engage with what they see in the magazine, but it will reduce our total paper consumption. We know that digital options provide a better Member experience, and we will continue to seek new opportunities for Members to interact with us while reducing our impact on the climate.

259,000 NEW MEMBERS SIGNED UP DURING THE PILOT



567,000 INSURED UNITS ARE ON PAPERLESS



SUSTAINABLE TRAVEL. SUSTAINING THE WORLD.

Sustainable travel

Sustainable travel means trip-planning in a way that supports the environment and communities our Members visit. Choosing certifiably green hotels, locally owned businesses, and eco-friendly transportation can ensure travelers have a positive impact on a destination. Staying local can save fuel, while a sustainable vacation to a traveler's dream destination can be had with just a few conscious changes.

Partnering with Tourism Cares

AAA and Tourism Cares are working together to take the guesswork out of sustainable travel. Tourism Cares provides ways for AAA Travel to lead in this space, consistent with our strategies. This partnership helps unite the travel industry as a catalyst of positive social, environmental, and economic impact for the people and places of travel.

Travel Agent experience

Our Travel Agents are now more equipped than ever to advise Members on the benefits of sustainable travel and available options. In 2023, we launched a new training program called *AAA's Guide to Meaningful Travel*. This training provides all employees with a greater understanding of why sustainability is important in the travel industry, as well as more information on the journey we have embarked on to establish ourselves in this arena.

Some of the exciting elements coming up in this journey are exclusive itineraries focused on ensuring a positive joint impact on the planet, its people, and wildlife. These opportunities are a partnership with Trafalgar called MAKE TRAVEL MATTER® and are directly tied to the United Nations Sustainable Development Goals. They place an emphasis on low-carbon-emitting hotels and transportation reduced total mileage through longer stays in each city.



DOING WHAT'S RIGHT for each other

We are committed to treating everyone with dignity and respect. This commitment pushes us to keep stepping up the ways we provide a safe and rewarding work environment that regards differences as a key asset to our success.

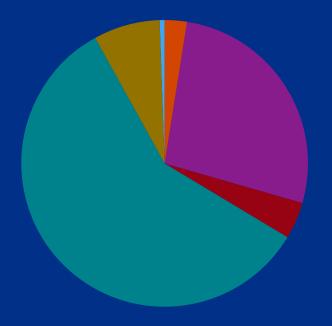


DIVERSITY, EQUITY AND INCLUSION ARE AS VITAL AS EVER. FOR US, THESE ARE NOT JUST CONCEPTS. THEY MAKE UP OUR COLLECTIVE CHARACTER AND DRIVE US FORWARD AS A COMPANY.

Together, we strive to always do what is right for our Members, customers, employees, and the local communities in which we live and work. Employees with diverse perspectives and backgrounds create value for our community, Members and the company as a whole. We enable employees to collaborate in ways that transform differences into strengths and develop each person's potential.

OUR WORKFORCE

We are proud of our workforce of over 9,900 individuals. We believe each one matters.



Workforce Representation by Level

- 1. Total workforce (M-44.7%, F-58.4%), (People of color-35.1%, white/other-58.4%)
- Vice President and above (>1.0% of total workforce; M-64.8%, F-31.6%), (People of color-21.1%, white/other-78.9%)
- **3.** Middle management (12.2% of total workforce; M-53.3%, F-46.7%), (People of color-26.7%, white/other-68.3%, undisclosed-5.0%)
- **4.** Nonmanagers (87.4% of total workforce; M-43.0%, F-57.0%), (People of color-37.8%, white/other-56.1%, undisclosed-6.1%)

Total Workforce by Race/Ethnicity

Asian/Asian American-2.6%African American-26.8%

Hispanic/LatinX-5.5%

- White-57.7%
- Other-6.8%
- Two or more races-0.6%

OBJECTIVES WE ALL LIVE AND WORK BY

Building a successful and sustainable foundation that represents the diverse perspectives of our employees and Members starts with these core principles. Through these, we promote a culturally inclusive environment that energetically connects our vibrant workforce, our Members and the communities we serve.

Organizational Commitment

We're committed to Diversity, Equity and Inclusion through a variety of resource groups and communication channels. We maintain a strategic plan approved and supported by our Executive Leadership team. Our DE&I team provides regular reports to Executive Leadership on efforts and achievements.

Workforce Diversity

We recognize the range of similarities and differences each individual brings to the workplace, including diversity of thought, various experiences and backgrounds. Our goal is to attract, retain and develop a diverse and qualified workforce, adding value to the communities we serve.

Supplier Diversity

Our supplier base must continuously reflect marketplace diversity and represent the communities we serve. Our procurement policy and practices provide diverse businesses with a fair and impartial opportunity to participate and compete in supplying goods and services to us.

Sustainability

We have developed strategies to provide leaders with the skills to manage diversity while evolving a culture of inclusion. Management at all levels is accountable for executing the DE&I Strategic Plan.

Workplace Inclusion

We promote a culture of inclusiveness that recognizes unique contributions and maximizes employee engagement. We value the unique set of skills and experience each employee brings and believe an inclusive culture can unify us, allow everyone to feel connected to our initiatives and maximize satisfaction for all.

Corporate Social Responsibility

We will uphold the dignity and value of all people. Our purpose is to create more just and equitable communities for African Americans and other people of color. We are addressing profound inequities for these communities through our focus on key strategic goals.





HELPING EMPLOYEES SHARE RESOURCES WITH EACH OTHER

The employee experience is enhanced through the work of our nine Employee Resource Groups (ERG). The mission of our ERGs is to build a successful and sustainable foundation that represents the diverse perspectives of our employees and Members.



Investing resources is one thing. But in today's world, we cannot drive the impact we aim to make in any area of sustainability if we don't get people involved and personally invested. As a diverse, passionate membership organization, this is in our DNA. The ERGs have the unique opportunity to network with senior leaders, share ideas, promote cultural awareness, support diversity recruitment, develop professionally, impact communities, and drive business innovation.



ACCELERATING POSITIVE COMMUNITY ENGAGEMENT



Employee giving and volunteerism

Our 2023 Spring Giving Campaign was our most successful we've ever had with employees helping to raise \$560,000 for over 1,000 charitable organizations. These donations will help many organizations in our community and represent causes that mean the most to our employees.

We also saw numerous examples of individuals and teams volunteering with charities throughout the year. From working at food banks to helping community members learn more about vehicle safety, our employees helped serve their communities through the use of Volunteer Paid Time Off.

Auto Club Group Foundation

The Auto Club Group (ACG) Foundation is a private foundation funded by AAA – Auto Club Group to work on behalf of our Members and the communities we serve to create lasting solutions, inspire learning, and provide funding in the areas of traffic safety, driver education, and financial literacy.

The Foundation's approach to grant funding is based on an understanding of the goals and objectives of our local communities. The Foundation's relationships, which have developed from years of community service, allow us to offer support in a more impactful and meaningful way.

In 2023, the Foundation delivered over \$460,000 in grants, including a significant traffic safety grant for a partnership with SafeKids Worldwide to educate families and provide car seats, booster seats, and bike helmets to those who may not have access otherwise.



I AM PROUD TO BE AN EMPLOYEE OF AAA, WHERE DIVERSITY IS CELEBRATED AND PROVIDES AN INCLUSIVE CULTURE THAT LEADS TO ALL-AROUND DEVELOPMENT OF THE EMPLOYEES.

Sirisha A. | SR. CUSTOMER EXPERIENCE ANALYST, DATA RESEARCH AND ANALYTICS

I LOVE WORKING FOR AAA BECAUSE THEY LET ME BE THE PARENT I'VE ALWAYS DREAMED OF BEING. OFFERING EVEYTHING FROM REMOTE WORK – TO PAID MATERNITY AND PATERNITY LEAVE – AAA SUPPORTS EMPLOYEES AND THEIR FAMILIES.



 ${\cal A}$ ndrea ${\cal F}$. | Social media marketing specialist, digital media



I FEEL SO BLESSED TO WORK FOR AAA. OUR FOCUS ON ENRICHING THE LIVES OF OUR MEMBERS IS SO APPARENT IN EVERYTHING WE DO. I CAN WORK CONFIDENTLY KNOWING THAT WE ARE ALWAYS AT THE SERVICE OF OTHERS.

Daniel S. | DIRECTOR, SUSTAINABILITY



WE PROUDLY PRESENT THE AUTO CLUB GROUP AWARDS



We have many awards we use to honor the invaluable contributions of our employees across the organization. Here's the list of our 2023 winners.



DE&I Practices – Top Workplaces Award

Excellence in Supplier Diversity – Advanced Award

(Great Lakes Business Council)

NDC Index Best U.S. Companies for Diversity

Seramount Inclusion Index

DE&I NDC Racial Justice and DE&I Advocacy Award



DOING WHAT'S RIGHT takes all of us

Governance supports how we do business on a daily basis, enabling us to pursue and propel sustainable growth and create value while respecting the interests of our Members and employees.

MEASURING TO A HIGHER STANDARD. WE STAND READY TO CONNECT OUR VISION AND VALUES TO THE WAYS WE OPERATE EVERY DAY, IN THE FIELD AND IN-HOUSE.

Guided by and adhering to many of the requirements of publicly traded companies, we operate with significant rigor to sustain our brand's future. Additionally, our bank is regulated by the Office of the Comptroller of the Currency along with the Federal Reserve's supervisory authority over Auto Club Group/Auto Club Insurance Association.

In 2023, AM Best affirmed our Financial Strength Rating (FSR) of "A" (Excellent) and our Long-Term Issuer Credit Ratings (Long-Term ICR) of "A" for the Auto Club Insurance Association and its wholly owned subsidiaries:

- Auto Club Insurance Company
- MemberSelect Insurance Company
- Auto Club Property-Casualty Insurance Company
- Meemic Insurance Company and Fremont Insurance Company
- Members Insurance Company
- Universal Insurance Company

The outlook of these credit ratings was updated to negative from stable, aligning to AM Best's overall outlook on the U.S. personal lines insurance segment due to catastrophic storm loss activity.

Additionally, our financial statements are audited annually by a third-party to ensure accuracy, safeguard Member assets and ensure that we lead with integrity. The results of these audits are presented to the Board's Finance and Investment Committee.

STRONG COMPLIANCE FOSTERS A STRONG WORKPLACE

The Code of Conduct (Code) demonstrates ethical accountability and personal integrity expected from all employees of The Auto Club Group, including its subsidiaries, affiliates, and joint ventures at any location they perform work. The Code is updated biennially and was last refreshed in 2022.

The Code includes critical corporate policies aimed to create a workplace environment built on honesty and respect while safeguarding our Members and brand. The Code is reinforced through required training for all employees, Compliance Spotlight messaging, and guidance from our well-trained and credentialed Compliance personnel. The effectiveness of our Code and Compliance program is periodically evaluated by independent firms.

We also expect our third-party partners to adhere to the requirements outlined in our Code for Vendors, Contractors and Consultants. These requirements help ensure a business relationship that consistently aligns with our standards of conduct and ethics.

Listening to each other

Employees and vendors are encouraged to ask questions or make reports of actual or suspected misconduct. The Special Investigations Unit investigates all allegations of wrongdoing and maintain the Fraud and Ethics Reporting Line for such activity. The Board of Directors also receives summary findings from the Fraud and Ethics Reporting Line.

Responsible investment

Our Asset-Liability Risk Management policy and partnership with external asset managers (EAMs) helps us incorporate material ESG factors into the normal course of executing investment strategy. We continue to assess and monitor these factors as a part of our investment decision-making.

Both of these Codes are available on AAA.com.







Board of Directors

Our Board of Directors is comprised of our CEO plus eight external members who have a diverse set of backgrounds, experiences and expertise. The Board plays a critical role in setting our strategic direction aimed to enhance the lives of employees, members and communities we serve.

The current Board includes four female (44 percent) and three African American (33 percent) directors. Both our current Board chair and vice-chair are African American women.

All Board members are also members of the National Association of Corporate Directors (NACD), a community of directors driven by a common purpose to be "trusted catalysts of economic opportunity and positive change – in business and in the communities they serve." The NACD offers ongoing professional development and self-assessments on how the Board is performing.

Sustainability reporting framework

We respond annually to the Task Force on Climate-Related Financial Disclosures (TCFD), which is an ESG reporting framework designed to help organizations more effectively disclose climate-related risks and opportunities.

This framework is important to ACG's operations for a variety of reasons, including:

- Insurance regulators in our Illinois and Minnesota markets require us to leverage TCFD
- As we incorporate sustainability factors into our operations, frameworks like TCFD help us to further understand risks and opportunities
- Responding to TCFD helps us be even more transparent through reporting, which is one of the guiding priorities that we identified for our sustainability program

TCFD helps us further understand investment risks and fulfills insurance regulation requirements in our Illinois and Minnesota markets.



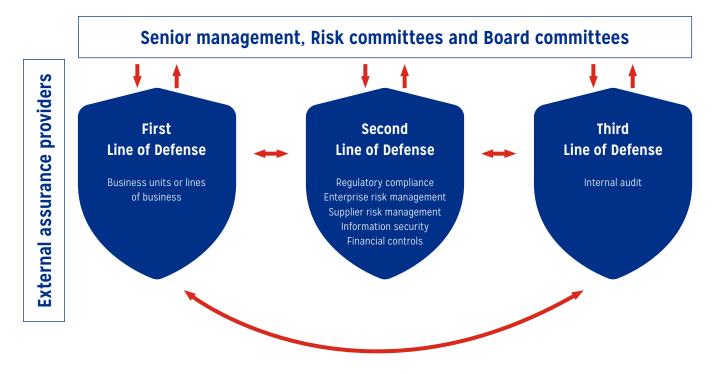
MANAGING RISK

Our understanding of risks lies at the core of our success. Every choice we make in the pursuit of our objectives has risks and rewards. Dealing with risk in these choices is a part of our decision-making. When the reality of risk is taken into account as organizational strategy and business objectives are determined, enterprise risk management helps optimize outcomes.

The Enterprise Risk Management (ERM) team's mission is to help ensure the success of ACG by developing and enhancing risk management strategies, and promoting a culture that manages risk and opportunity when executing and planning enterprise activities. ERM's Core Values include:

- Aligning with our Values and Code of Conduct
- Providing objective, transparent, and independent views of risk and opportunities
- Serving the organization as trusted advisors and thought partners

ERM encompasses many layers of stakeholders and incorporates the "Three Lines of Defense" methodology for governance, interaction, and accountability.



THREE LINES OF DEFENSE

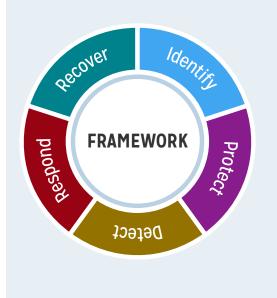
Among the many advantages of having strong enterprise risk management in place, ERM has three direct benefits:

- 1. Reducing financial volatility and protecting capital
- 2. Improving returns on investment
- 3. Satisfying regulatory requirements

CYBERSECURITY

As our business grows in an increasingly digital world, a strong cybersecurity program is imperative. Cybersecurity, or information security, efforts ensure confidentiality, integrity, and availability of information. Our program includes four focuses:

 We follow an industry-standard structured framework called the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) to simplify and standardize cybersecurity processes. In 2022, Accenture evaluated us on this framework, and we exceeded peer scores in every category. The NIST CSF is comprised of five domains: identify, protect, detect, respond and recover.



- Identify: Identification within the business context of systems, assets, data and resources that are used at ACG to support and manage cybersecurity risk.
- Protect: Develop and implement the appropriate safeguards to ensure delivery of critical infrastructure services.
- **Detect:** Develop and implement the appropriate activities to identify an occurrence of a cybersecurity event.
- Respond: Develop and implement the appropriate activities to take action regarding a cybersecurity event.
- Recover: Develop and implement the appropriate activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to a cybersecurity event.
- MITRE Adversarial Tactics, Techniques, and Common Knowledge (ATT&CK) framework for improving our cybersecurity readiness on an incremental and continuous basis.
- Best practices from psychology and human behavior studies in improving the human element in cybersecurity.
- Overall data protection and privacy framework based on classifying all assets on their criticality and risk to the enterprise and its stakeholders.

To help keep continuous focus on these frameworks, we rely on all of our employees and have instituted quick, interactive, and effective trainings to help employees safeguard company and Member information.



TAKING ACTION TO SAVE LIVES

The Auto Club Political Action Committee (ACPAC) is a tool available to employees to strengthen our efforts in the policy and political space. It is a voluntary, bipartisan political action committee that is not affiliated with any political party. It allows our employees to come together with a unified voice to strengthen our advocacy efforts and enhance our Members' experience.

In 2023, ACPAC tracked 1,208 bills. Of those, 172 were related to automotive, 302 were related to traffic safety, 290 were related to insurance, 111 were related to impaired driving, and 443 were related to transportation funding.

Influencing safety at the roadside

Since its initial launch, our Move Over For Me campaign is making significant strides at making our roadways safer. In 2023, we helped an additional five states add laws that require motorists to move over for all disabled vehicles on the roadside. Prior to this campaign, only three states had enacted Move Over laws. We will continue to fulfill our comprehensive strategy targeting motorists, legislators, and Members to expand these laws into more states. With nearly 350 motorists killed every week on the roadside and one tow truck driver killed every other week, these efforts are imperative to keeping our Members and those sent to rescue them safe from peril.



GUIDING PRIORITIES

GUIDING PRIORITIES

WE ARE COMMITTED TO ACHIEVING OUR GOALS ACROSS ALL AREAS OF SUSTAINABILITY AND CONTINUE TO LEVERAGE OUR THREE MAJOR PRIORITIES TO DO WHAT'S RIGHT FOR OUR MEMBERS.

CREATING MEMBER VALUE THROUGH ESG LEADERSHIP

- We will change the way we work by supporting digital transformation and operational effectiveness
- We will innovate our products and services to create a more sustainable future for our communities by first understanding the needs of our Members
- We will engage employees by providing an environment where they can make an even greater impact with the organizations that they care about most

MANAGING ENTERPRISE RISK FROM CLIMATE CHANGE

- We will create a more sustainable footprint by reducing the emissions that we generate across all of our locations
- We will buy alternative energy vehicles to minimize our climate impacts from internal combustion vehicles
- We will actively work to understand climate change impacts on our Members and to our business

EFFICIENTLY PROVIDING APPROPRIATE REPORTING & DISCLOSURES

- We will strengthen transparency by adhering to standard reporting frameworks, communicating frequently with key stakeholders and providing information on actions we are taking to create a positive ESG organization
- We will provide sustainability guidelines to our partners and invest in sustainable companies to help further sustainability progress outside of our company

About us

AAA was founded over 100 years ago for the purpose of advocating for driver and passenger rights, fair laws, and safer vehicles – all to better promote the love of the open road and the adventure of driving. Since then, AAA has grown to over 64 million Members strong while providing valuable membership services such as roadside assistance. Additionally, AAA has broadened its horizons to offer travel services, insurance products, and car repair.

Today's AAA is comprised of individual clubs throughout the United States and Canada. Whether you're traveling around the world or to the corner grocery store; planning a honeymoon or weekend road trip; learning to drive or in need of a battery boost, the best way to begin your journey is with AAA.

Our story for the Auto Club Group (ACG) all began as individual AAA motor clubs serving local communities across the Midwest and South. Together we transformed these former separate businesses and regions into a unified, Member-centric group. Today we serve over 13.5 million Members with a network of offices and centers throughout 14 states and two U.S. territories.



Our Values

These serve as guideposts for all our activities:

- We Serve Our Members by making them our highest priority and striving to create legendary experiences with every interaction
- We Lead in Everything We Do by offering best-in-class products, benefits and services to our Members
- We Do What's Right by advocating and taking action on issues that affect our communities
- We Value Employees by offering opportunities for personal growth and professional development in a diverse and inclusive environment
- We Are OneACG dedicated to helping our Members and each other

CONNECTED MEMBER VISION



Every word serves a purpose

- When we say, "we help AAA Members enjoy life's journey," we mean that we are there for our Members in all aspects of their lives – not just when they're stranded on the roadside. We aspire to be a vital part of the Member's life with our entire portfolio of products and services, from financial services to travel.
- "Peace of mind" refers to the trust our Members have in us, whether it's rescuing them on the roadside or delivering on the promise we make to them when they buy our insurance.
- "Innovative solutions" speaks to our desire to offer products and services that others simply cannot, with the goal of making our Members' lives easier.

- "Advocacy" is something we've been doing for over 100 years – providing a voice for our Members when it comes to traffic safety, corporate social responsibility and doing what's right.
- "Membership benefits" reminds us all that we are a membership organization; everything stems from membership.
- And finally, "wherever and whenever they need us" recognizes that we must offer a seamless customer experience 24/7 through all of our customer touchpoints, whether it's mobile, online, by phone or in person.

OUR LINES OF BUSINESS



Membership

Whether a Classic, Plus or Premier Member, there's a membership product that's right for everyone's needs. As a Member of AAA, you have access to a full range of automotive, travel, entertainment and financial services, as well as auto, home and life insurance products – not to mention many discounts and rewards.



Emergency Roadside Service

An important promise we make to our Members is to provide timely, courteous expert assistance in the event of a vehicle breakdown. To further assist motorists, we also maintain a robust network of approved auto repair facilities and battery services.



Property & Casualty

Our property and casualty insurance operations include three brands: AAA for the broad-based motoring public, Meemic Insurance for educators and their families, and Fremont Insurance in rural markets and through independent agents. Through these brands we underwrite, market and service auto and home insurance products to provide peace of mind that we will be there wherever and whenever Members need us.



Travel Services

AAA Travel helps design amazing vacations and creates memories through tours and cruises with exciting itineraries, engaging experiences and AAA Member exclusive values.



Life Insurance

The Auto Club Group is part owner of AAA Life Insurance Company and offers a wide range of life and annuity products.



Banking/Financial Services

ACG offers a full array of retail banking products through a modern digital platform, including checking and savings accounts in addition to auto and home loans to Members and non-Members. We offer our Members discounted mortgage rates, special offers and credit card rewards.



Car Care Centers

ACG operates 48 Car Care centers, which apply AAA quality and reliability to everyday vehicle maintenance and repair.

