

Environmental

Better our
COMMUNITIES



Social



ESG 2022

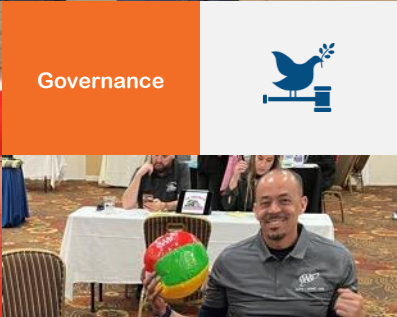
Environmental, Social, and Governance Report



Governance



Better our
WORKPLACE



AAA CLUB ALLIANCE

A Message from Our CEO

We approach each day understanding that “It Begins With Me” – putting our Members, fellow Associates, and Communities first remains core to our rich legacy of service. This focus is unwavering and evident throughout our Organization’s Environmental, Social and Governance (ESG) efforts.

2022 reflects the continuation of our ESG journey. From expanding our environmental efforts including identifying future sustainability goals; to continuing our focus to support our Associates as they bring their best selves to work; to expanding the rigor of our governance and privacy processes, we remain committed to doing what is right – today, every day, and into the future.

It is through our collective efforts that we make the most difference and have significant impact. We are committed to sharing our plans, our work, and our accomplishments on this important ESG journey.

We remain steadfast in pursuing work that strengthens our communities, respects our earth and stays true to our legacy of service.

Sincerely,



Thomas C. Wiedemann
CEO
AAA Club Alliance





ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

We believe in doing what is right.



Environmental
Respecting our earth



Social
Strengthening our relationships



Governance
Conducting responsible oversight

ESG 2022

Environmental, Social, and Governance Report



AAA CLUB ALLIANCE





ENVIRONMENTAL

Respecting Our Earth

We believe in doing what is right and ensuring that our Organization is a responsible environmental citizen. In 2022, we took many important steps on our sustainability journey:

- Conducted sustainability survey with both Members and Associates
- Expanded and updated our Electric Vehicle (EV) strategy
- Responsibly recycled car repair materials
- Initiated an analysis of our largest suppliers for DEI/ESG certifications or advocacy acknowledgments
- Innovated in the EV space to grow our EV fleet and provide support to EV owners across the nation
- Evolved our real estate strategy and evaluation of real estate practices
- Responsibly collected and disposed of E-waste

...and we continue to recycle every single battery we replace.

ESG 2022

Environmental, Social, and Governance Report

Reduce

Reduced Real Estate Energy Consumption
~1,163,000 kWh

Better our COMMUNITIES

Improve vehicle efficiency

Better our WORKPLACE

Reduced CO2 Emissions
~1,135,000 lbs.

ENVIRONMENTAL



Bi-Annual Sustainability Survey

Our Club’s first ever Member and Associate Sustainability Survey was conducted in November of 2022. We introduced the United Nations’ Sustainable Development Goals (SDGs) and asked survey recipients which topics were most important to them.

The results showed priority alignment for three of the top five selections and validated our existing Corporate Social Responsibility (CSR) strategy – Hunger, Volunteerism, and Environment. These results will help shape our future goals.

Members: Most Important Topics (Top 5)

65%
of Members said
sustainability was very
important

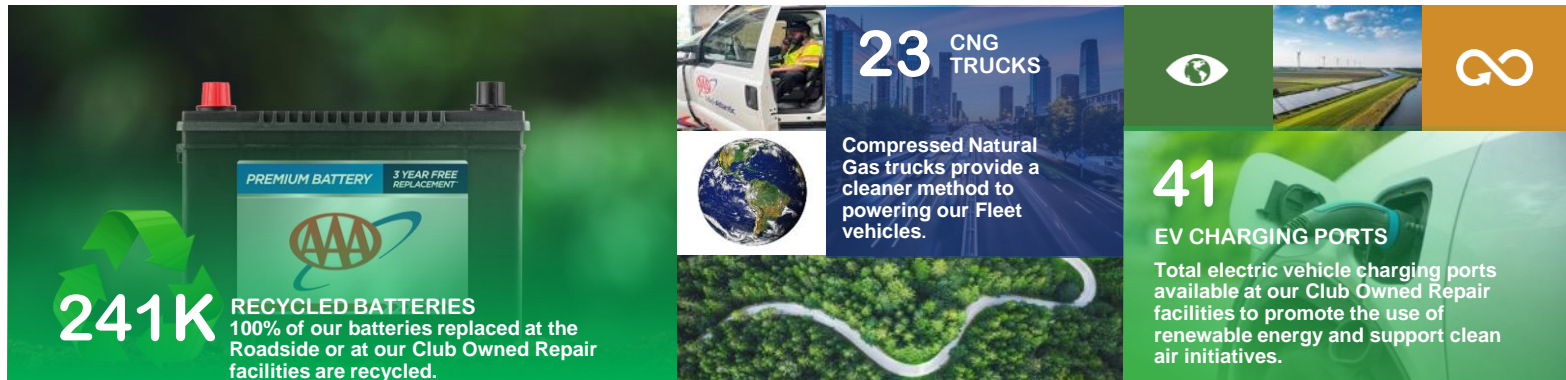


Associates: Most Important Topics (Top 5)

74%
of Associates said
sustainability was very
important



ENVIRONMENTAL



Compressed Natural Gas

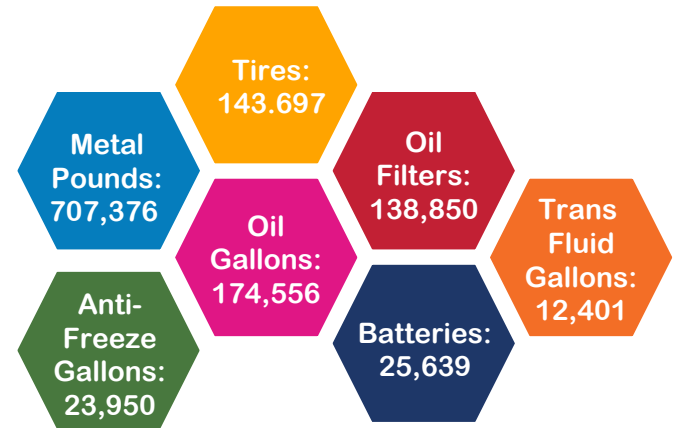
We remain committed to employing alternative fuels to control costs and protect the environment. Our compressed natural gas (CNG) station continues to operate in the Philadelphia area, providing a cleaner method for powering our vehicles. Filling the company’s 23 CNG trucks offsets AAA’s carbon footprint by more than 300 tons of CO2 per year over fossil natural gas.

Electric Vehicle Charging

Electric vehicle charging stations are available at select AAA locations, and we offer mobile electric vehicle charging to AAA Members by a growing number of our Roadside Assistance Fleets. Charging locator functionality, similar to our Fuel Finder, can be found on our AAA mobile app, connecting our Members to the information they need when they need it most and providing peace of mind when they’re on the go.

Recycled Materials

We also responsibly recycled materials at our 89 Car Care and 19 Fleet locations.



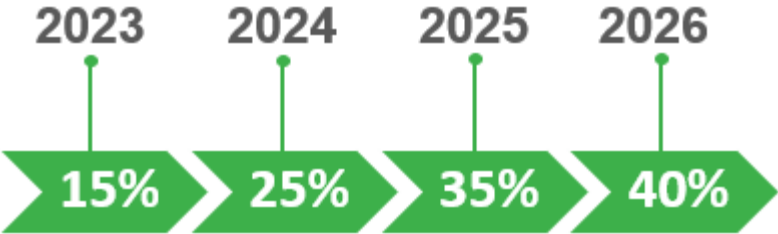
ENVIRONMENTAL

Electric Vehicles

Through our Fleet network of 600 vehicles and our Contract Station Network service providers, we provide service to our Members 24/7. Committed to lessening our impact on the environment, we are transitioning from traditional fossil fueled vehicles to alternative fuel in our roadside fleet.



In 2022, we ordered 17 new electric vehicles (EVs). This initial order of EVs is due to arrive in 2023 and supports our goal of reaching 40% alternate-fueled vehicles in our Fleet by 2026. One way to achieve this goal is through grants, one of which helped us secure six electric light service vehicles.



“ We believe in doing our part to protect the planet and make it a cleaner, better, greener place to live. To support this effort, we are committed to increase the number of vehicles that run on alternative fuels (EV, compressed natural gas or propane). ”

Kevin Micsko, VP, Club Fleet Operations



ENVIRONMENTAL

Electric Vehicles – Informing and Innovating

AAA World and The Extra Mile Blog

Through print and digital content, we regularly published electric vehicle information, including EV car reviews, as well as articles written by subject-matter experts to help readers better understand the technology and determine if an EV was right for them. Many of the topics covered were crowdsourced – using Member questions and common EV search terms to deliver content that reflected reader interests.

Innovation

We partnered with several electric vehicle-related businesses to introduce current products and services to our Members and support consumer adoption of EVs. This includes potential new solutions that establish AAA as a dependable problem solver for EV owners. In 2022, we conducted an analysis of the EV charging marketplace, a market discovery lab and the development of a minimum viable prototype to help EV owners charge their vehicles with confidence.

With new partner Recurrent©, we offered our Members valuable EV reports and insights at no additional charge. These reports contained vehicle-specific information on charging range, market value, vehicle charging performance comparisons, temperature impact on charging, and charging recommendations.

“

Consumer adoption of electric vehicles will impact just about every aspect of our business, and AAA is taking the necessary steps to evolve our current product suite and innovate to find new solutions that address the emerging needs of EV owners.

Colleen St. Leger, VP, Business Acceleration & Innovation ”



SOCIAL

Strengthening Our Relationships

We are an inclusive organization that encourages Associates to bring their best selves to work every day.

Those values are reinforced across the Organization through various practices and efforts including:

- Talent Acquisition
- Diversity, Equity, and Inclusion
- Talent Development
- Engagement
- Health and Safety
- Corporate Citizenship
- Advocacy



Health & Safety

Diversity, Equity & INCLUSION

Succession

Engagement

Talent Review

Hiring and Opportunity

Developing a talent pipeline with diverse representation is a critical component of our goal to reflect the diversity within our communities. We're building a great team by investing in attracting, developing, and retaining the best talent across our industry. We're also building a culture that allows our Associates to reach their full potential and thrive while creating a workplace where their views, opinions, and talents are valued and respected with ample opportunities to learn and grow.

Throughout 2022, we leveraged data and qualitative insights to build a competitive advantage in a changing job market.

Increased Candidate Pipeline

- Ease of application process
- Virtual interview platform
- Mobile recruitment campaigns
- Recruitment texting technology

Showcased ACA's Employer Brand

- Strengthened trade school relationships
- Enhanced candidate experience
- Leveraged career site analytics
- Personalized social content by industry



Market Insight

- Updated job postings ensuring inclusiveness
- Enhanced sign-on bonus program
- Hiring rate investments

“

Our Talent Acquisition team sources top talent that provides ACA with a strategic advantage through its people. Talent Acquisition uses multiple sourcing strategies, data and qualitative insights to ensure that ACA is competitive in the marketplace and an employer of choice.

Pam Balbierer, Managing Director, HRBP Network and Talent Acquisition ”





Fostering Diversity, Equity, & Inclusion (DEI)

We are proud to be an organization comprised of different races, ethnicities, genders, backgrounds, religions, and beliefs. Together, we are united by our purpose and values as we continue to build a culture of belonging, one where we all bring our best selves to work.

We focused on activating DEI initiatives with our Associates, including expanding our DEI framework, implementing best-in-class practices, and leveraging internal and external communication channels to amplify our Associate voices.

Implemented Pronoun Self-Identification in Workday® and Email Signatures to increase the visibility of our LGBTQIA+ Associates' identities, as well as improve our data on organization diversity and inclusion

Created our DEI Brand by developing a DEI logo that aligns with our organization mission and also complements our Business Resource Group identity branding

Spotlighted Associates through “This Is Me” Series designed to highlight the diversity of background, experiences, and perspectives of our Associates

Celebrated the CEO Action for Diversity and Inclusion® Days of Understanding in partnership with three sister organizations to provide “Fostering an Inclusive Workplace” education to all Associates

Introduced Gender Identity Education starting with our senior leaders and cascading to our frontline Associates



DEI and Our Business

Launched Business Resource Groups (BRG)

We launched two BRGs in 2022, a key component of our DEI journey. UNIDOS (Hispanic/Latinx community) and PROUD (LGBTQIA+ community) enable Associates to share ideas, grow professionally and connect to colleagues who have similar interests.



Supplier Diversity

We completed a baseline analysis of our top suppliers, those with spend greater than \$.5M annually. Of 144 suppliers examined, over half have some DEI or ESG certification or advocacy, while 40% listed both DEI and ESG certification or advocacy. This preliminary data will inform our future supplier diversity decisions and goals.

Representing our Diverse Membership Base

The Corporate Marketing team conducted phase one of an assessment of its creative assets and marketing materials to understand how representative we are of the communities that the brand serves. Phase two of the assessment is underway, with the results informing future creative solutions for the brand and its business lines. The Content & Publication team began developing content to meet the needs of all readers.

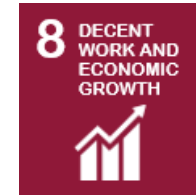
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Our Content & Publications Team worked extensively to better understand the communities and Members served by our Organization. We began these efforts by working with a diverse set of writers that could speak to various travel situations, from providing guidance for those with disabilities and different types of families to sharing the best destinations for different types of travelers.

Ben Young, Director, Content, Brand & Publications ”



Talent Development



58% Promotion Rate

8% Role Expansion

for Associates identified as High Potential during the 2021 Talent Review process

Our Talent Management team focused on enhancing the growth of our Associates by maximizing performance through targeted development activities, continuing to attract and retain talent who set us apart.

- Expanded the Development Planning process to all Supervisors and above (783 Associates)
- Broadened scope of Talent Review conversations to include Manager-level Associates
- Aligned Executive Sponsors with each Business Resource Group to provide business and leadership mentoring as a development opportunity for group co-chairs

Succession

To assist with succession planning, developing our internal talent pipeline, and enhancing Associate retention, we engaged in the following:

- Leadership Development Day provided a unique growth opportunity for up-and-coming leaders to have one-on-one exposure to Executives; the 12 participants also completed a robust skills assessment
- Provided executive education for an additional 12 leaders to virtually attend leadership programs presented by notable business schools through ExecOnline
- Executive leaders participated in talent calibration sessions that identified future talent pipeline



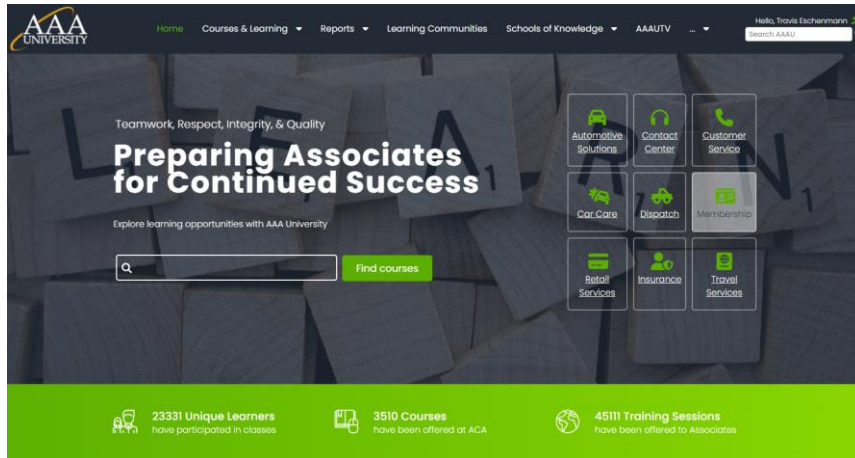
Learning and Development

Throughout 2022 we aligned our competencies to our learning plans and linked them to our learning programs. We also conducted an evaluation of our learning programs and affiliated virtual instructor-led, self-paced, and hands-on instruction to the needs of the Associates and business.

AAA University

Introduced a new user interface for AAA University that provides Associates with a more robust search feature, makes it easier to identify and register for learning programs, and includes the following features:

- Quick click to AAAU-TV
- Search catalogs by business
- Learning Communities



4,601

• Classroom Participants

24,968

• Virtual Webinar Participants

161,637

• eLearning Courses/Videos Completed

3,561

• 1:1 Learning Support Sessions Held

Continuing Education

In addition to internal learning opportunities, we continued to offer tuition reimbursement to both full- and part-time Associates, as a means of further development.



Engagement

We engaged our Associates through an environment centered on ACA's Shared Values – Teamwork, Respect, Integrity, and Quality. We passionately created an inclusive workplace through proactive Associate engagement.

Share Your Voice

Throughout 2022, we regularly asked our Associates what was top of mind – such as the use of technology, well-being, or environmental concerns. We are constantly listening and learning through Pulse Surveys, Town Halls, CEO Forums, Business Summits, and Leadership Forums while incorporating the feedback from our Associates into our future efforts and communications.



AAA Day – Virtual Amazing Race

Engagement was amplified and celebrated during our 4th annual Applauding Associate Achievements (AAA) Day. It's an annual day to pause and recognize our Associates while demonstrating gratitude for their efforts year-round. In support of our flexible work program, the event evolved to include a “Virtual Amazing Race” to connect Associates with the communities where we serve.





Health and Safety

Our Offerings

We remained focused on the health, safety and well-being of our Associates. This included re-evaluating how we responded to Associates' inquiries and expanded partnerships to provide best-in-class wellness offerings.

- Launched new Employee Assistance Program with enhanced services, increasing sessions per event from five to eight
- Implemented medical plan point solution for cancer support for all medical plan participants, providing expert medical opinion solution
- Implemented SWORD, a virtual physical therapy program for all medical plan participants
- Introduced new Financial Wellness platform, UpWise, to all Associates through our partnership with MetLife
- Improved VSP Vision network by expanding the provider network
- Expanded Bright Horizons' services to include college coach program
- Launched centralized Human Resources solution center, myHR, including 24/7 mobile knowledgebase support



SOCIAL



Supporting Our Communities

When it comes to the relationships we foster, build, and maintain with our Members, we understand that trust is paramount. It is important that we are trusted to go above and beyond not only with quality service to our Members, but also in giving back to the communities where we live, work and serve.

Our goal to make our Members' lives better extends to our communities through a corporate social responsibility strategy that builds and strengthens relationships and trust.



- Hunger**
Helped to provide 1.4 million meals since 2020
- Volunteerism**
Volunteered 3,947 hours
- Environmentalism**
Planted 39,179 trees since 2011





Associate Driven Programs

We continued several campaigns and initiatives to strengthen the connection between our Associates and the communities we serve, including:

- Earth Day (partnership with the Arbor Day Foundation)
- AAA Day of Citizenship: Stepping Up for Hunger (partnership with Feeding America)
- GivingTuesday (partnership with United Way)

Leveraged the Citizenship Ambassador Network (CAN), a team of Associates representing all business lines and geographic locations, harnessing the power of our workforce for service

Supported regional efforts such as Make-A-Wish, the Ronald McDonald House of Delaware, and Ride Cincinnati – connecting our Associates to their local communities

“

Corporate Social Responsibility is a pillar of our organization. We do many things to give back in different ways, but our corporate events are great examples of where we can have a direct impact in our own backyard.

Chris Bartlett, District Director, Retail ”

SOCIAL

Recognition

99



WINNER
Wellness
HR Technology –
Learning Engagement

FINALIST
Corporate Social Responsibility
Talent Acquisition



WINNER
Corporate Social Responsibility Program
Foster Member Relationships: Travel

FINALIST
Innovation Insight



Advocacy

Slow Down, Move Over

AAA is dedicated to making our roadways safe for all users, including those who work or are stranded at the roadside. We have made it our mission to raise awareness of the **Slow Down, Move Over** laws that exist in all 50 states.

Our awareness efforts throughout the year included news stories and collaboration with traffic safety partners. We also began legislative efforts in 2022 to strengthen laws to include protections for stranded motorists and secured our first such win in Maryland while laying the ground work in other states.

Traffic Safety

During 2022, we conducted 207 traffic safety activities reaching over 340,000 people at school and community events. From teen and distracted driving, to our **Slow Down, Move Over** messaging, we advocated for the safety of motorists and all road users through media and traffic safety partnerships.



School Safety Patrol

Our legendary AAA School Safety Patrol program continues to develop young leaders at a growing number of schools throughout our Club territory. In 2022, there were 2,890 school patrols and more than 84,090 patrollers who helped create a safer pedestrian environment in and around their schools. AAA provided thousands of belts, badges and training materials to assist patrollers and their advisors.

“

Move Over laws exist in all 50 states, however motorists are often not aware. ACA is working across all of our states to expand these protections to include all vehicles on the side of the road. We are confident our efforts will reduce these entirely preventable tragedies involving stranded motorists and roadside workers like police, fire and tow operators.

Jim Lardear, Director, Public and Government Affairs ”





GOVERNANCE

Conducting Responsible Oversight

We value responsible and transparent oversight, ensuring appropriate governance through Board diversity, external assurance, audits, cybersecurity, data protection, and privacy.

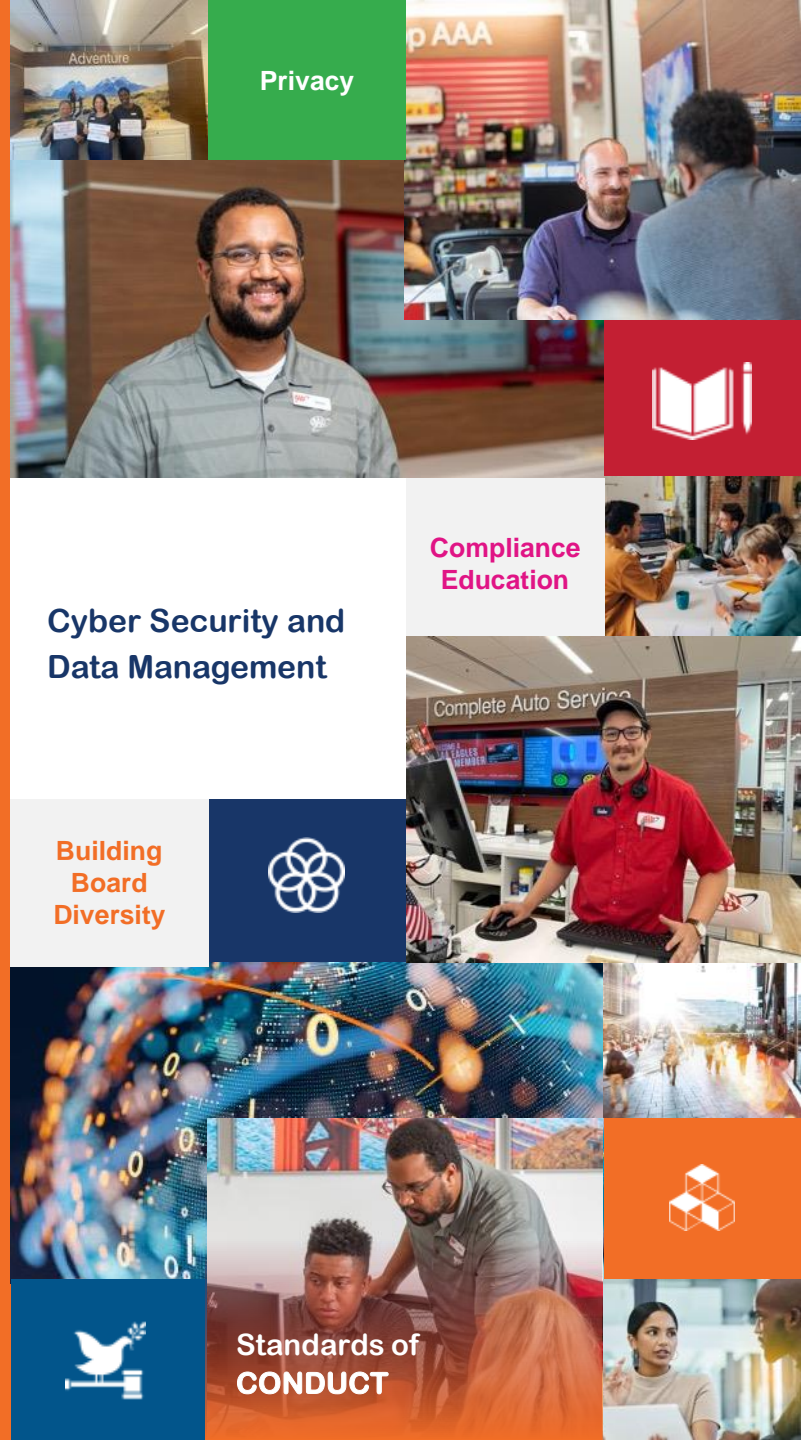
Building Board Diversity

We are committed to ensuring that Board members represent a broad range of viewpoints and have diverse backgrounds, including diversity in experience, age, gender, and race.

Executing External Assurance & Audit

We protected the confidentiality, availability, and integrity of organization information systems through comprehensive third-party and internal audits of information security controls.

We ensured integrity and financial reliability through thorough third party and internal audits of organization financial records and practices.





Ensuring Cybersecurity, Data Protection & Privacy

Through a robust cybersecurity program, we are continuously focused on protecting the integrity and security of our Members' information and the critical systems we employ. The program reflects best practices in technical, organizational, procedural, and physical security.

Our Information Security Steering Committee (ISSC) reviews the state of our evolving Cybersecurity Program and provides corresponding guidance. Additionally, we have developed a Cybersecurity Incident Response Plan (CIRP) that provides a procedure, approach, and team structure for investigating and addressing suspected or actual cybersecurity incidents.

“

We are dedicated to ensuring our Members' information remains safe, secure, and protected. This is why we are continuously evaluating our processes, both internally and externally, to ensure the proper information security controls are in place.

Julie Stepp, Director, Information Security ”



Monitoring Standards of Conduct

Implemented policies that support our Associates by providing a framework for creating and maintaining an ethical culture with annual mandatory Standards of Conduct affirmation.

Providing Compliance Education

We required specific annual corporate compliance training programs for both tenured and new-hire Associates that included education focused in the following areas:

- PCI-DSS compliance
- Cybersecurity
- Data Privacy
- Information Security

Ongoing Compliance Communication

We expanded our compliance communications support across all internal channels to help increase awareness of compliance.

- Intranet compliance polls garnered top engagement for all polls
- Introduced new Check Your Compliance Knowledge articles resulting in top click-through rates for internal publications. Topics included office relationships, competitor intelligence, work relationships, posting on social media, and suggestive jokes
- Provided timely reminders for compliance training and quarterly compliance reports



“

Beginning with each of us, we will continue to ensure we stay committed to the principles of environmental, social, and governance efforts on behalf of our Members, Associates, and the communities in which we live and work.

Amber Zionkowski, Manager, Corporate Citizenship ”

What's Next

United Nations Sustainable Development Goals (SDGs)

Continuing to adopt the UN SDGs and integrating the goals into our everyday business practices

ACAdemy

Launching ACAdemy learning platform, providing self-directed education to all Associates, aligned to our competencies

Annual Scope 1 & Scope 2 Assessment

Conducting a baseline assessment of our company's GHG usage and our scope 1 and scope 2 emissions

Supplier Diversity

Implementing a supplier diversity data capture process

Launch Business Resource Groups (BRGs)

Launching new BRGs to foster a diverse and inclusive workplace environment

Compliance and Peace of Mind

Continuing to incorporate compliance requirements into business planning and operations and building controls to address compliance risks

Privacy & Data Security

Continuing to monitor privacy laws to guarantee compliance and updating our privacy policies to ensure transparency with our Members