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AAA CLUB ALLIANCE

ENVIRONMENTAL, SOCIAL, & GOVERNANCE









A Message from Our CEO

It is our responsibility as an organization to have a positive impact on our communities and our people and to do so in an ethical manner. In 2023, we remained intentional in our efforts to be an engaged corporate citizen who served with purpose, integrity and accountability.

We are an organization steeped in the rich tradition of being an advocate for our Members, remaining true to our brand promise of being there when you need us most along life's journey. This can only be accomplished through engaged Associates who embody our legacy of service as they help our Members, volunteer alongside their peers, and support sustainable business practices that respect the earth.

This journey is far from over. While we are proud to share our accomplishments, we do so knowing that there is more work to be done to ensure an innovative and inclusive culture that thrives on impactful and meaningful service to society.

Our Impact 2023 is a reflection of our actions, the progress we continue to make, and our focus for tomorrow.

Thank you for being our partners on this journey. We're all better for it.

Sincerely,

Thomas C. Wiedemann CEO







We believe in doing what is right.





Strengthening Our Relationships



Conducting Responsible Oversight

 $Our Impact 2023 \textcircled{$



Respecting Our Earth

Our journey continued as we expanded our focus and looked for new and improved ways to be a responsible environmental citizen. Through research and data analysis, we identified areas for program expansion that reduced our impact on the planet while aligning with our business objectives. In 2023, we took many important steps forward:

- Recycled car repair materials and office supplies and disposed of E-waste
- Completed Scope 1 and Scope 2 greenhouse gas (GHG) emissions inventory
- Continued to innovate in the EV space to grow our EV Fleet and provide support to EV owners across the nation
- Introduced sustainable travel opportunities
-and we continue to recycle every single battery we replace.







248K

RECYCLED BATTERIES

100% of our batteries replaced at the Roadside or at our Club Owned Repair facilities are recycled.

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39 EV CHARGING STATIONS

Total electric vehicle charging stations available at our Club Owned Repair facilities and our Fleet to promote the use of renewable energy and support clean air initiatives.

Expanding Alternative Fuel Practices

We remain committed to employing alternative fuels to control costs and protect the environment.

- · Efforts are underway to expand our use of propane for our Fleet vehicles located in Baltimore
- Grant recipients to subsidize the addition of 17 EVs and six EV charging stations at our Philadelphia Fleet
- We added chargers in other Fleet locations where we have EV light service vehicles including Landover, Maryland; Springfield, Virginia; and Cincinnati

Our use of Renewable Natural Gas (RNG) continues to support our alternative fuel strategy. In 2023, our alternative fuel efforts through CNG and propane offset our carbon footprint by 310 tons of CO2, resulting in a \$410k fuel cost savings.

Plans are already underway to expand our Philadelphia Fleet by adding six CNG and two propane trucks in 2024.

 $Our Impact 2023 \textcircled{$

We remain committed to diversifying our alternative vehicle fuel portfolio to help reduce Green House Gas and particulate matter in the communities we work in, while providing a cost savings to our Fleet.

Mike Matijkiw, Director, Club Fleet Administration



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Preparing for an Electric Future

In 2023, our Innovation Team worked on pilots exploring opportunities to enhance our alternative fuel profile, electrify our Fleet, and meet the emerging needs of EV owners.

- Completed Venture Studio work to discover and develop new products and services to meet the emerging needs of EV owners and prospective owners
- Identified a gap in the market for a trusted, objective resource for EV-related news and information, resulting in the launch of a comprehensive EV microsite available to our Members
- Continued focus on easing consumer pain points with EV charging
- Renewed efforts to bring EV battery health reports to Members in order to prolong the life of their EV batteries

Although some industry reports depict a slowdown in the adoption rate of EVs, consumers purchased EVs at record levels in 2023, and ACA remains committed to evolving our products to fit the emerging mobility needs of our EV Members.

Colleen St. Leger, VP, Business Acceleration and Innovation

GETTING STARTED

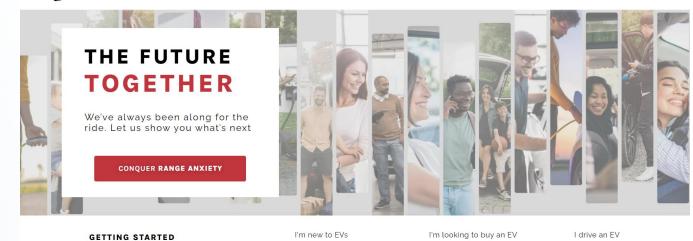
NEED HELP? START HERE.

EV RESOURCES V BETA

NEWS + INSIGHTS THE LATEST ON ALL THINGS EV

Q SEARCH

GET BATTERY REPORTS



FIND YOUR EV FIT

 $Our Impact 2023 \textcircled{$



SEE WHAT IT COSTS

Real Estate Practices & Recycling

We continued to evaluate our real estate strategy, ensuring our locations aligned with our Member needs. In locations that required renovations, we stayed environmentally focused, including:

- · Replacing outdated thermostats with energy-saving versions
- Installing water-saving faucets
- Using LED light fixtures
- Recycling E-waste, including keyboards, mice, monitors, docking stations, phones, fax machines, and printers

These actions resulted in the recycling of 1 ton of cardboard and 16.4 tons of paper. This equates to saving 279 trees, 114,800 gallons of water, and 6,232 gallons of oil; saving 49.2 cubic yards of landfill space.

We also made donations of office supplies and electronics to support our local community organizations.

624,160 lbs. CO2 Emissions Reduction



639,764 kWh Real Estate Energy Consumption Reduction

Reducing Paper

Through our partnership with CSAA Insurance Group, we leveraged their MyPolicy digital platform to reduce the paper we generated to insureds. Our adoption of this functionality has increased year-over-year, with 49.8% of our insureds opting to receive digital policy communications.

Reducing Energy

As part of our long-term technology strategy, we completed our research on transitioning our data center to the cloud, improving our security while also reducing the real estate and energy needed to support this operation. After careful consideration, we partnered with Microsoft Azure and will start the transition in 2024. We will benefit from their sustainable practices that leverage a balanced approach to energy consumption based on utilization, while staying attuned with their best practices for future innovative solutions.





Part One Environmental

Supplier Diversity Program

Introduced a Supplier Diversity Program in support of our Request for Proposal process. This collection of data will provide a baseline of our supplier spend.

Green House Gas Emissions

We conducted our first comprehensive GHG emissions inventory, focusing on Scope 1 and Scope 2 metrics, which calculated our Carbon Dioxide (CO2), Methane (CH4), Nitrous Oxide (N20), and Hydrofluorocarbons (HFCs) usage.

We identified that our buildings and utilities usage, Fleet vehicles and fuel usage, and purchased energy generated 28,544 Metric Ton equivalent of CO2 in 2022. This year, we will evaluate this baseline data for improvement targets and emissions reduction opportunities.

Recycled Materials

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



145,912 Tires



26,038 gal Antifreeze



145,920 Oil Filters



Batteries

ونیے 12,372 gal Transmission Fluid



182,561 gal

Oil



AAA Tourism Cares – Sustainable Travel

In 2023, we collaborated with Tourism Cares and the AAA Product Advisory Group to review the state of the travel industry and the travel preferences of our Members. By leveraging the United Nation's Sustainable Development Goals (SDGs), we identified five goals of focus as a credible basis for developing our strategy – connecting our industry and leveraging the products and supporting strategies of our travel partners.

Meaningful Travel

To support our focus on sustainable travel, we introduced a new training program that increased our Travel Agents' knowledge of sustainable travel.

We launched this program in Q4 2023 and integrated examples of sustainability efforts by our partners.

Did You Know?

Eco-Friendly Accommodations

For help in finding suitable eco-friendly accommodations, look for AAA's Eco-Friendly icon on Diamond hotel listings in our AAA TourBook®. The Eco-Friendly icon means that the accommodation has been recognized by an established government or private green certification program.





Part **Two** SOCIAL

Strengthening Our Relationships

Our most valuable resource is our people – individuals committed to servicing our Members each and every day. As an inclusive organization that encourages Associates to bring their authentic selves to work every day, we continued to look for new ways to attract, engage, and develop our team members while connecting with our Members, including:

- Talent Acquisition
- Learning and Development
- Diversity, Equity, and Inclusion
- Associate Engagement
- Community Connections
- Health and Wellness
- Advocacy
- Sharing our Stories





Talent Acquisition

We remain committed to recruiting talent through collaborations with local educational institutions and nonprofit centers. Our early career talent programs are designed to enhance our ability to achieve strategic objectives, secure top-tier talent, and foster robust connections within the communities we serve.

Measures that supported our recruitment strategy for emerging professionals included:

- Introduced corporate internship program to our talent pipeline, with 100% of our 2023 summer interns affirming their pursuit of future employment with us. There is planned growth for this program in 2024
- Refined our recruitment materials, including the creation of short, engaging videos placed on social media platforms

We enhanced our technology infrastructure to expedite recruitment and onboarding processes, resulting in notable improvements.

- Reduced background screening turnaround time by 1.89 days
- Conducted a Six Sigma process review to identify opportunity areas
- · Integrated text platform resulting in 15-minute text response time

We reduced driver vacancies and enhanced service to our Members through proactive outreach, marketing campaigns, and media platforms emphasizing AAA as an employer of choice. This focused approach positively influenced quality scores and constituted 89% of our Automotive Services new hires.

$Our Impact 2023 \textcircled{$



Work at AAA: Your Career in Insurance Starts Here

AAA Club Alliance 2.1K subscribers

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 Share
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 Sav

Interning for a household brand like AAA has given me real-world marketing experience with strategies and software. The company culture is something I wanted to be a part of. My team and mentors have been extremely helpful and supportive in expanding my learning and finding me resources to make the most of my internship.

Lucas, 2023 Marketing Intern





Learning & Development

ACAdemy Launches

We continued to focus on developing our Associates, providing access to learn new skills, knowledge, and abilities to expand their career opportunities.

In December 2023, we introduced ACAdemy, a new, user-friendly learning platform to support Associates' professional development through a simplified, self-paced learning experience. The primary learning track is Activate, a compilation of curated content intended to enhance proficiency in our 10 core competencies.

Upon completion of the curricula for each competency, Associates are awarded a digital badge for display within their email signatures or on professional profiles. Within a few weeks of launch, close to 100 Associates had already enrolled in the Activate program, with three Associates completing their first digital badge.

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 furthering their careers. In 2023, 47 Associates participated in this program.

We also recognized how important it is to prepare future generations for the workforce. In 2023, we renamed our scholarship program the James L. Pease III Family Scholarship in recognition of our retiring Board Chairman, Mr. Pease, and his valuable contributions to our Club and commitment to developing the next generation of leaders. Each year, we award 10 scholarships to children from a pool of eligible Associates.





Part Two SOCIAL

Diversity, Equity, and Inclusion

Throughout 2023, we evolved our DEI strategies to embrace differences, to advance equity in the way we attract and develop talent, and to create a culture where everyone can thrive. Most importantly, we took steps to further embed these efforts both operationally and culturally.

- Produced two national live-stream broadcasts:
- Featured NY Times best-selling author Lindsey Pollak, who discussed leading in the multigenerational workplace
- Hosted Martin Luther King III, bringing together 500+ Associates in recognition of Juneteenth
- Continued to provide educational opportunities:
- Completed 17,800 hours of DEI training; added two new self-paced courses for DEI education
- Expanded our partnership with the National Diversity Council, extending learning opportunities to Associates
- Advanced Associate awareness:
- Spotlighted 25 Associates in our *This Is Me* feature, to share their various cultures and heritage

 $Our Impact 2023 \textcircled{$

- Introduced cultural TripTiks© that highlighted locations relevant to campaigns
- Introduced virtual backgrounds on meeting platforms to promote inclusion





Business Resource Groups (BRGs)

Our Business Resource Groups (BRGs) helped our Associates connect within their community and among allies. Participation in BRGs is open to all Associates. In 2023, our network evolved with the addition of two new BRGs – EmpowHER (Women in the Workplace) and BASK (Black/African Diaspora).

Our BRG members engaged in courageous conversations, learned from each other's lived experiences, and worked together to weave inclusive behaviors into the fabric of our organization. BRGs annual planning included fostering well-being in the communities we serve, leading events featuring guest speakers, and amplifying their voices to enhance understanding and the way we work together.

- Each BRG had an opportunity to contribute to nonprofit organizations of their choice. After careful
 consideration, they selected organizations based on their commendable records of accomplishment of
 impactful work in support of their communities.
- UNIDOS welcomed the San Juan Center Director to discuss his professional journey, overcoming cultural barriers, and serving the community.
- Our Senior Vice President of Travel met with PROUD to share her personal story and career as a member of the LGBTQIA+ community.
- EmpowHER hosted "Making Strides Against Breast Cancer" walks in Ohio and Delaware.



Fifty-five percent of companies say BRGs have positively impacted their recruiting efforts, while 75% say they've helped retain employees.

~Forbes.com

Did You

Know?



Associate Engagement

Listening, engaging, and connecting with Associates strengthens our organization. Providing connections and mechanisms to gain Associate feedback enhances our culture and performance.

CEO Forum: Held executive-led, company-wide forums, communicating our ongoing commitment to our Associates and culture. These events were live-stream broadcasts with leaders facilitating conversations and answering Associate questions. Sessions were recorded so Associates could access on demand and stay current with the latest organization news and performance measures.

Listening Surveys: We gathered critical Associate feedback through listening surveys. The feedback from our responding Associates represented roughly one-third of the eligible Associate population at that time.

GEM Program: Our Going the Extra Mile or GEM program registered 200,000 Associate recognitions, including U-Rock, GEM awards, and U-Rock lottery winners. This is just one of the many ways ACA provided recognition to Associates, creating a culture that sets us apart. On average, 2,812 GEM awards were distributed each month, with a total of 38,737 rewards distributed annually to GEM Five Diamond winners.

AAA Day: Our annual Applauding Associate Achievements Day (AAA Day) focuses on our Associates and demonstrates the gratitude we have for their year-long efforts to serve our Members, improve our business, and elevate the AAA brand. Leaders spent time with their teams, both in person and virtually, to congratulate them on their accomplishments and thank them for all they do on behalf of their peers, our Members, and our communities.

 $Our Impact 2023 \textcircled{$

THANK YOU, AAA ASSOCIATES, FOR ALL YOU DO! WEDNESDAY, MAY 3 AAA Day is a day to Applaud Associate Achievements. We thank our Associates for all they do...all year long. \$8.730 10,157 110 GEM/Five **GEM Awards GEM Notes** Diamond and Kudos Recipients



Connecting with our Communities

We transitioned our Corporate Citizenship program to Corporate Social Responsibility, continuing our core campaigns and initiatives while expanding our focus to include the tenants of environmental and governance.

We continued our core campaigns – Earth Day, AAA Day of Citizenship, and #GivingTuesday – and engaged our Associates and Members with their local communities.

Our community involvement expanded as we saw our regional efforts support many causes that mattered to our Associates, including Make-A-Wish, Stamp Out Hunger, the American Cancer Society, and Ride Cincinnati, among others.

We introduced our Social Giving framework, which connected corporate philanthropy with our BRGs. As a result, our BRGs donated to charitable organizations making a difference in our communities.

We also supported the Ruby Bridges Walk to School Day on Nov. 14, with 60 schools participating.



Hunger

Provided more than 1.75 million meals through Feeding America since 2020

Volunteerism

Volunteered 4,275 hours; continuing our trend of YOY increase since 2021

Environmentalism

Planted more than 50,000 trees through the Arbor Day Foundation since 2011







Our Focus on Hunger

Hunger continued to be our primary focus as more than 44 million people in the United States faced hunger, including 1 in 5 children*. We ran numerous campaigns throughout the year, many of which included the opportunity for our Members to participate.

- Supported Stamp Out Hunger, the nation's largest food collection drive in the country.
- AAA Associates joined the Philadelphia Eagles on "9/11 Day," a national day of service, unity, and peace in remembrance of the September 11 terrorist attacks, for a meal-packing event at Lincoln Financial Field.
- Our Associates participated in our annual Stepping Up for Hunger step challenge to bring awareness to hunger and food insecurity.
- At our Wilmington Headquarters, we collected 1,900 pounds of food for delivery to the food bank, and Associates participated in a CANgineering competition.

Giving back to the communities in which our Members and Associates live and work in such an impactful way aligns with who we are as an organization.



*Source: USDA's annual *Household Food Insecurity in the United States* report





Part Two SOCIAL

Health and Wellness

Our health and welfare programs helped Associates focus on their well-being by rewarding them when they adopted and maintained healthy behaviors, offering targeted point solutions to address the most prevalent medical issues, and providing support at every life stage.

- Expanded services through our partnership with SWORD Health to include Bloom, focusing on women's health by providing a pelvic floor therapy program
- Introduced new challenges and online tracking to elevate the Associate experience for our My P.A.T.H. Wellness Program participants
- Launched a new, comprehensive Benefits Guide to provide a single source for information
- Increased utilization of our inclusive Virtual Benefits Fair, providing Associates with the necessary information to help them make the best decisions for themselves and their family

We collaborated with our Corporate Social Responsibility efforts, linking wellness challenges to each major campaign, including:

- Down to Earth Challenge tracked everyday efforts to live green (3,896 efforts)
- Step Up for Hunger tracked steps toward food donations (55M steps taken)
- Random Acts of Kindness encouraged Associates to pay it forward (1,012 acts)

Did You Know?

My P.A.T.H. Wellness Program

Associate program participation:

- 2,294 Preventive Care Exams
- 1,233 personal Challenges accessed
- 1,257 Workshops accessed

I am so grateful for the program because it was a crucial part in helping me take back control of my life. With guidance received through the program, I successfully lost 65 pounds and have learned ways to take better care of myself.

ACA Wellness Plan participant





AAA Safety Patrol

We continued to empower AAA School Safety Patrollers, providing many with their first taste of leadership and enhancing safety awareness for them, their peers and their communities. To extend our impact, we created an extensive library of innovative content and materials for improving school- and community-based traffic safety. This effort ensured equitable access to traffic safety information, targeting elementary school students regardless of geographic location, resource levels, or student demographics.

We also created a virtual outreach program for K-2nd-grade students featuring an award-winning, animated Otto the Auto video.

Advocacy

A core tenant to our mission is our dedication to public advocacy, remaining vigilant to the safety of all roadway users. In 2023, we continued our support of Slow Down, Move Over laws that exist in all 50 states to include protections for stranded motorists. We led efforts and secured legislative wins in Delaware, New Jersey and Virginia, with Kansas, Kentucky, Ohio and West Virginia a focus in 2024.

Fleet Safety

The safety of our Fleet Drivers remained top-of-mind in 2023 when we introduced 53 traffic commander boards on our trucks, a first for the AAA Federation. Based on our efforts, AAA Clubs as a collective will expand these boards across Fleets in the future.







AAA Safety Patrol

AAA Safety Patrol experienced record growth in 2023 by adding 79 new schools and processing 892 orders for supplies, including 18,018 belts, 14,901 badges and 85,351 training materials. ACA currently has over 3,330 Safety Patrol schools and more than 88,000 patrollers.





Part Two SOCIAL

Sharing Our Stories

We remained committed to bringing the stories of our diverse Members to life as they explored the open road, truly living our brand story. *AAA World, AAA Traveler Worldwise*, and The Extra Mile blog brought first-person stories to life each issue, connecting Members and their communities with what's possible with a little planning and inspiration.

In 2023, we followed the story of content creators Mahdi Gaines and LaNaiza Kelly (@loveatfirstflight_) as they took a road trip from Richmond, Virginia, to Philadelphia, entirely planned by the social media votes of AAA Members. Members helped the couple explore the National Mall in Washington, D.C., and take in their first Flyers hockey game in Philadelphia while introducing them to local foods and experiences.

We also followed Associate Andrea Corbin's 2023 first-person journey through Sicily with AAA Club Adventures as a solo female traveler, which appeared in the Winter 2024 issue of *AAA Traveler Worldwise*. She shared how the freedom of traveling solo through the safety of a guided small-group tour helped her explore new activities and new places, showing readers that they, too, can experience their own safe solo adventures.

To help Philadelphia residents understand the importance of insurance, we hit the streets of the City of Brotherly Love with content creator Shannon Fiedler and two local Insurance Agents for a friendly game of "Policy Pop Quiz" – a game show that challenged guests to see if they knew more about insurance than a AAA Insurance Agent. Speaking to dozens of participants on the streets of Center City we demonstrated to the community the importance of insurance education and the value of utilizing a helpful and knowledgeable Insurance Agent at AAA.











Awards and Recognition



Received AEE's Northeast US Region Innovative Energy Project of the Year for 2023 award in recognition of our efforts to launch the first-ever AAA CNG Fueling Station in Philadelphia.



Recipient of a gold Viddy Award from the Association of Marketing and Communication Professionals for our virtual outreach program geared to K-2nd-grade students and included the animation of Otto the Auto.



Recognized for our annual Applauding Associate Achievements (AAA) Day 2022 celebration that included The AAA Day Virtual Amazing Race! – an event that united, engaged, and recognized all Associates – available 24/7 and accessible from any work location.





Part **Three** GOVERNANCE

Conducting Responsible Oversight

We did not waiver from our commitment and focus to provide responsible and transparent oversight and appropriate governance through Board diversity, external assurance, audits, cybersecurity, data protection, and privacy.

Building Board Diversity

Our Board members represented a broad range of viewpoints and have diverse backgrounds, including diversity in experience, age, gender, and race.

Executing External Assurance & Audit

The confidentiality, availability, and integrity of our information systems through expanded comprehensive third-party and internal audits of information security controls remained a priority.

We conducted third-party and internal audits of our financial records and practices to ensure integrity and financial reliability.



Our Impact 2023 💀 📽 🐨 🐨 🐨 🐨 🐨 📽 🕿 😵



Part Three GOVERNANCE

Cybersecurity Data Protection, Privacy & Education

We continued to improve our cybersecurity program to protect customer information and organization operations. Our Information Security Steering Committee (ISSC) and Enterprise Risk Management teams provided governance and informed leadership on cyber risk and compliance status.

We audited and implemented additional multi-factor authentication requirements where possible and expanded our passwords to 15 characters.

Beyond our security efforts, we continued our Associate-specific actions, which included:

- · Completion of annual Standards of Conduct affirmations
- Required annual Corporate Compliance education
- Leveraged communication channels to educate and inform on best practices

Enterprise Risk Management

In 2023, we launched a multidisciplinary Management Risk Committee that served as a forum for business and corporate functions to openly discuss risks and determine appropriate action to manage them effectively.

Safety Audits

Environmental, Social, & Governance

Ensuring our facilities are safe for our Associates and Members remains top of mind, and in 2023, all of our Club Owned Repair facilities completed a safety audit.



Cyber Safety

The three main ways in which attackers gain access are stolen credentials, phishing and exploitation of vulnerabilities.

Keeping Cyber-Safe:

- A longer password is a stronger password; choose a length of 12 characters or more.
- Add multi-factor verification wherever possible to reduce the risk of compromised passwords.
- Keep hardware and software updated according to vendor specifications.

Keeping Member information safe and secure is a top priority. We routinely assess risk and adapt to the ever-evolving threat landscape.

Julie Stepp, Director, Information Security



Part Three GOVERNANCE

Generative Artificial Intelligence (GenAl)

During 2023, we continued to explore how AI could improve our processes so that we may better serve our Members without compromising quality or integrity. This included forming a cross-functional team that balanced both innovation and risk and allowed us to test GenAI tools and establish new capabilities.

With that in mind, 20 Associates attended Google's GenAl training to better understand the risks, the benefits and possible applications for this technology. Following the training, a GenAl working group identified several ways the technology might be used, including:

- · Summarizing recorded calls for easy retrieval and reference by other Associates as needed
- · Analyzing verbatim responses of roadside surveys to identify trends in Member comments
- Exploring the security of productivity tools with ChatGPT-like functionality

As AI continues to evolve, we remain committed to advancing with caution and focus on drafting policies and procedures that would ensure the safety and integrity of our data and Member proprietary information.

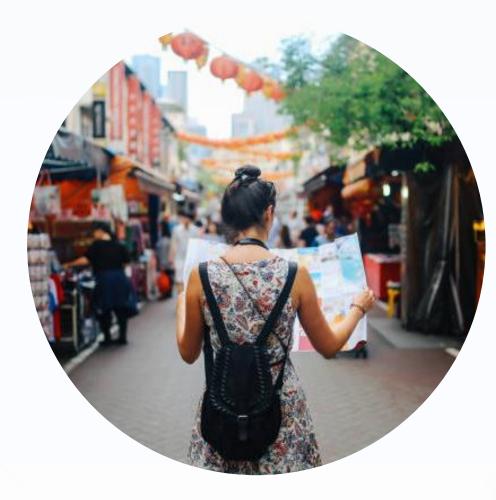
GenAl uses an organization's data to increase efficiencies, solve problems or predict future

GenAl uses an organization's data to increase efficiencies, solve problems or predict future outcomes. The challenge is that others can then access any information made available to external open platforms. The use of any GenAl must be evaluated with organizational security as a primary concern.

idards of Conduct







What's Next...

Respecting Our Earth

- Evaluating Scope 1 and Scope 2 results and determining future GHG targets
- Researching the procurement of green energy through sustainable resources
- Continuing to invest in the expansion of alternative fuel vehicles in our Fleet
- Transforming the traditional paper-based Member experience to fully leverage Member preferences for digital engagement and service

Strengthening Our Relationships

- Expanding our workforce through new talent acquisition strategies and development programming
- Involving our Associates and communities through increased non-transactional efforts
- Focusing on Associate well-being and recognition opportunities

Conducting Responsible Oversight

- Creating an ESG Council to consciously align, support, and measure the impact of our efforts with our business strategy
- Establishing policies and procedures that guide our use of GenAl in a responsible manner

