

CORPORATE RESPONSIBILITY REPORT – 2023



expect more.

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In 1965, W. Marvin Rush founded Rush Enterprises (the “Company”) with a single GMC truck dealership in Houston, Texas. Today, Rush Enterprises has transformed into the largest network of commercial vehicle dealerships in North America and the premier solutions provider to the commercial vehicle industry. We are proud to serve the organizations and individuals that move and supply essential goods, such as food and medicine, and provide essential services such as trash removal every day. The Company offers a complete portfolio of medium- and heavy-duty commercial vehicles, including alternative fuel and electric vehicles, and other innovative products and services through its dealerships and related businesses. The Company continues to build its business and its reputation with solutions that keep its customers, and the global economy, up and running and sustainable.

Rush Enterprises has a proven track record of financial performance, but the Company’s leaders recognize that the sustainability and societal impact of our operations is also of critical importance to many investors, business partners and employees. Rush Enterprises believes that being responsive to important Environmental, Social and Governance (“ESG”) factors utilized by investors to monitor the sustainability and societal impact of investments benefits all of its stakeholders, including its employees, customers, communities and shareholders, and is essential to the sustainable growth of the Company. ESG matters, including consideration of risks and opportunities presented by climate change, are overseen by the Nominating and Governance Committee of the Company’s Board of Directors, which regularly engages with the Company’s leaders to discuss Rush Enterprises’ ESG-related initiatives and metrics. As described in more detail herein, the Company also seeks input into its ESG-related initiatives by engagement with employees, its shareholders and other stakeholders.

In April 2021, we published our first Corporate Responsibility Report including data on Rush Enterprises’ 2020 operations. Since then, we have continued our efforts to measure our performance in the area of environmental and social sustainability. Unprecedented global and societal challenges in the past few years, including the COVID-19 pandemic and supply chain constraints, have made assessing and improving our ESG performance more difficult. Supply chain constraints have also slowed the Company’s progress with respect to completing solar installations, installing electric vehicle charging stations and obtaining electric vehicles for our fleet. Further, since our 2021 report, Rush Enterprises significantly expanded its operations and geographic footprint with more than 20 additional locations. Rush Enterprises also acquired a controlling interest in 14 dealerships in Ontario, Canada. With recent acquisitions resulting in more than 200 distinct locations in 23 states and Ontario, gathering, analyzing and confirming relevant data has presented unique challenges as we integrate new locations into our policies, practices and culture. Generally, the data included in this report includes all of our U.S. locations as of December 31, 2022, but excludes our Canadian operations in which Rush Enterprises did not acquire a controlling interest until May 2022. While developing and quantifying numerous ESG metrics has proven to be a substantial task, it is one to which we remain committed.

ENVIRONMENTAL

Decades of research provides evidence that global climate change is occurring. Presently, Rush Enterprises sells and services commercial vehicles primarily powered by diesel and gasoline internal combustion engines, which contribute significant amounts of greenhouse gas emissions. However, change is coming, and we embrace it. The manufacturers Rush Enterprises represents have made substantial progress in reducing the amount of greenhouse gas emission and other harmful pollutants from internal combustion engines, but these engines will continue to become less prevalent as steps are taken to address the environmental threats to our planet. Reductions in the sale and use of commercial vehicles powered by internal combustion engines create obvious risks to the Company’s historical business operations, but also present significant opportunities. Due in large part to the size and resources of the Company, the geographic reach of its operations and its relationships with multiple manufacturers of commercial vehicles, Rush Enterprises is in a unique position to serve its customers’ evolving needs and help them reduce their greenhouse gas and other emissions by assisting them integrate more eco-friendly, alternative fuel vehicles into their fleets, comply with developing regulations and become more sustainable.

PRODUCTS AND SERVICES

Rush Enterprises is privileged to represent many of the largest and most innovative commercial vehicle manufacturers of heavy, medium and light-duty trucks and buses, that are investing billions of dollars in the development of commercial vehicles with electric and other alternative fuel powertrains with zero and near zero emissions. The Company partners with the manufacturers it represents



Rush Bus Centers delivered the first zero-emissions electric school buses in the state of Texas, in 2020.

and other technology innovators to leverage its extensive dealership network to offer vehicles with multiple types of fuel systems, including electric and renewable natural gas.

CUMMINS CLEAN FUEL TECHNOLOGIES

In 2015, Rush Enterprises, through its Momentum Fuel Technologies division, began designing and manufacturing compressed natural gas (CNG) fuel systems for use in commercial vehicles. In January 2022, Cummins Inc., the pre-eminent manufacturer of CNG engines, purchased a 50% interest in Momentum, now called Cummins Clean

Fuel Technologies (CCFT). CCFT, which is ISO 900-certified, seeks to enhance production of near-zero emissions natural gas powertrains by bringing Cummins' world-class engineering and broad distribution network to Momentum's product line. CCFT's CNG fuel systems are paired with CNG engines,



including Cummins' new 15-liter engine, on commercial vehicles produced by several manufacturers. Increased use of natural gas-powered commercial vehicles provides immediate and significant reductions in greenhouse gas emissions and other pollutants.

The cleanest heavy-duty internal combustion engines commercially available at this time are powered by natural gas. Natural gas engines emit 10% of the NOx of diesel engines meeting the Environmental Protection Agency's current NOx emissions standards. Further, when a natural gas vehicle is fueled with renewable natural gas, greenhouse gas emissions are reduced even further. Studies have shown that fueling heavy-duty vehicles with renewable natural gas produces the most carbon-negative Low Carbon Fuel Standard option (lower than electricity and hydrogen vehicles) according to California's carbon intensity data. Additionally, fueling commercial vehicles with renewable natural gas significantly improves air quality by reducing the amount of methane released from wastewater treatment, landfills, animal waste and other methane sources. CCFT's CNG technologies also provide an environmental-friendly "bridge" alternative while electric and other zero-emission vehicles and the infrastructure necessary to support them are not yet readily available.

Cummins Clean Fuel Technologies' CNG fuel systems are manufactured at the company's headquarters in Roanoke, Texas.

Rush Enterprises also recently became the exclusive dealer in California, Texas and Florida for the Shyft Group, Inc.'s Blue Arc line of medium- and light-duty electric vehicles. This further expands the portfolio of electric and alternative fuel vehicle options the Company can offer to its customers and support.

SUPPORT FOR ALTERNATIVE FUEL VEHICLES

Despite advances in technology and manufacturing processes, fleet owners still face several obstacles to operating commercial vehicles that are powered with alternative fuels. First and foremost is the increased cost of the alternative fuel vehicles although, incentives are increasingly available from various government entities to offset the increased price of alternative fuel vehicles.

While progress is being made, the infrastructure required for alternative fuel vehicles – especially electric vehicles – also remains a significant barrier. Publicly available electric vehicle charging infrastructure for medium- and heavy-duty commercial vehicles in the United States is still very limited. The construction of charging stations is a complicated process involving government agencies, utilities, design engineers and contractors.

New state and federal regulations on fleet owners and vehicle manufacturers also present new compliance challenges. The Company has made significant investments in understanding these challenges and devising solutions. With dedicated resources, including experienced leaders focused solely on electric and alternative fuel solutions and sustainability issues, Rush Enterprises has developed cutting edge expertise to guide customers through the maze



By early 2024, Rush Enterprises anticipates having installed more than 100 charging stations in 15 states.

of regulations, incentives and compliance options, making it easier for the Company's customers to purchase alternative fuel vehicles and comply with the changing regulatory landscape. The Company has also partnered to present the trucking industry with the complimentary "Road to Zero" webinar series which provides paths to emissions reductions and guidance on alternative fuel and zero-emissions vehicles.

Rush Enterprises has also assembled a team to assist customers with the design and construction of their electric vehicle charging infrastructure, including working with government agencies and utilities to obtain incentives to help fund the construction of the charging infrastructure.

ADDITIONAL SERVICE OFFERINGS THAT RESULT IN REDUCED EMISSIONS

Rush Enterprises provides its customers with reliable service and maintenance for alternative fuel and electric vehicles. The Company has service bays dedicated to servicing natural gas vehicles at many of its Rush Truck Centers and is upgrading and adding more bays. The Company also has nearly 400 technicians trained to work on alternative fuel vehicles. Working closely with the many manufacturers we represent, we are also developing a technician force to support their electric vehicle technologies.



Rush Enterprises' Custom Vehicle Solutions division also installs and retrofits CNG and propane fuel systems, including those manufactured by Cummins Clean Fuel Technologies, on medium- and heavy-duty commercial motor vehicles to provide customers with currently viable alternatives to diesel engines. The Company also continues to heavily invest in electric vehicle charging stations at its dealerships to support the sale and maintenance of zero-emission vehicles, and we expect to have more than 100 charging stations in 15 states in which we operate by early 2024.

In addition to offering the latest and most environmentally friendly vehicles, Rush Enterprises also offers its customers the latest vehicle monitoring and performance technologies to ensure their vehicles are operating efficiently to minimize their carbon footprint as well as operating safely and in compliance with regulations. The Company offers some of the most advanced telematics solutions in the industry and a complete package of telematics hardware and remote diagnostics and monitoring services, enabling customers to optimize their fleet fuel-efficiency through real-time analytics of engine performance, tire pressure, fuel usage, driver behavior and other metrics.

IMPACT FROM OPERATIONS

Rush Enterprises understands that it must be accountable for its impact on the environment and play its part to combat climate change. The Company is committed to minimizing its own carbon footprint and limiting hazardous wastes from its operations. Rush Enterprises recognizes that the sustainability of the Company's operations, including helping our customers become more sustainable, is essential to the continued success of Rush Enterprises, our employees, shareholders and communities.

MEASURING OUR IMPACT

Since our last report, we have worked diligently to quantify Rush Enterprises' Scope 1 and Scope 2 emissions pursuant to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. While our calculations have not been formally audited by a third party, we believe they represent an important step towards establishing reliable baseline measurements, to understanding sources and trends in emissions, and to being able to set and achieve meaningful targets.

2022 METRIC TONS CO ₂ e:	
Scope 1 Emissions	42,324
Stationary Combustion	11,658
Mobile Combustions	30,605
HVAC	61
Scope 2 Emissions	24,486
Combined Scope 1 + 2 emissions	66,810
Emission Intensity (Scope 1 + 2/\$million 2022 revenue)	9.73

HOW WE LESSEN OUR IMPACT

Rush Enterprises is committed to reducing the impact of our operations on the environment. The pillars of Rush Enterprises' Environmental Management System are: (i) reducing the use of hazardous materials and waste products and effectively containing what is used; (ii) maximizing recycling and repurposing of generated wastes; (iii) minimizing energy and water usage; and (iv) minimizing consumption of fossil fuels. To support our efforts, the Company has embarked on a program of regular communications with all of our employees to encourage them to join our "green journey." The Company provides information on its initiatives to reduce its carbon footprint and how individuals at Company locations can assist through resource conservation and recycling, fuel-efficient operation of Company vehicles and environmentally friendly landscape and irrigation practices.

REDUCING THE USE OF POTENTIALLY HAZARDOUS CHEMICALS

Rush Enterprises replaced more than half of its traditional solvent-based parts washers with safer and eco-friendly water and microbial-based parts washer systems. This change reduced the Company's traditional solvent usage by approximately 50%. Traditional solvents, where employed, are strictly controlled and recycled using respected service providers.

Rush Enterprises currently operates 31 collision centers with paint booths across the country and also has paint booths at six other facilities. The paint used by the Company in its paint booths contains low levels of volatile organic compounds, which reduces employee exposure to harmful chemicals and minimizes the Company's environmental impact.

With more than 200 locations, the Company is also focusing on replacing and upgrading older HVAC systems to both eliminate the use of more potentially harmful refrigerants that contribute to greenhouse gas emissions and reduce our overall energy consumption. We expect to replace approximately 100 units with higher efficiency units using environmentally friendly refrigerants by the end of 2023.

Rush Enterprises has always been committed to strict compliance with federal and local environmental regulations. Employees of Rush Enterprises are trained to prevent spills of toxic chemicals and to act immediately to contain any spills that occur. The Company continuously seeks to improve its spill prevention and response efforts through targeted training of managers and employees, maintenance of spill prevention and response plans and regular safety and environmental audits.

As a result, Rush Enterprises and its subsidiaries have not been subjected to any significant fines for spills or related non-compliance in the last five years.¹

MAXIMIZING RECYCLING AND REPURPOSING OF GENERATED WASTES

Rush Enterprises works with industry leading waste haulers and recycling companies to maximize the amount of waste that is diverted from traditional landfills. The Company measures its annual solid waste generation and recycling and is continuously exploring new recycling channels and opportunities as well as ways to educate our employees and promote recycling across our dealerships. In 2022, Rush Enterprises improved its landfill diversion rate to 25.8%, diverting more than 3,000 short tons of waste from landfills representing environmental savings of more than 9,500 metric tons of greenhouse gas emissions (carbon dioxide equivalents or CO₂e) or 13,456,000 kilowatt hours (kWh) of electricity.

¹Significant spills are defined as 25 gallons or more or a spill that must be reported under state or federal law.

Because the Company's operations must use materials that are potentially hazardous to the environment, the Company is committed to the proper handling, recycling and reclamation of these materials.

Lubricants and Other Fluids: In 2020, Rush Enterprises recycled or reclaimed:

- Over 649,000 gallons of used oil (approximately 90% re-refined for resale as engine and lubricant oils in retail markets and 10% reclaimed as heating oil and similar reuses)
- Approximately 32,000 gallons of engine coolant
- Over 135 metric tons of used oil filters
- Over 14,800 gallons of the Company's used cleaning solvents which are processed for reuse

Tires: 100% of the tires the Company replaces in its operations are retreaded, recycled or responsibly disposed.

Batteries: 100% of all batteries replaced in the Company's service departments are recovered, recycled or responsibly disposed.

Paper Products: The Company contracts with a national document management company to recycle paper generated by its operations. In 2022, we recycled 114 metric tons of paper resulting in environmental benefits equal to a reduction of 374,265 kilowatt hours (kWh) of electricity or 595 metric tons of CO₂e. We are also continuing our campaign to reduce the amount of paper generated in our operations by substituting digital records where permitted by law.

The Company also partners with a national waste management company to maximize collection and recycling of its cardboard packaging waste.

Remanufactured Parts: A significant part of the Company's parts and service revenues are generated from the sale and installation of remanufactured parts such as engines, transmissions, alternators, differentials and drivelines. In 2022, these remanufactured parts represented more than 26% of total parts cost of goods sold, or \$386 million, a 32% increase over 2020. Remanufacturing is the process of returning previously used components to "like new" condition. Remanufactured parts are high quality parts created by reusing materials and existing products, eliminating the need to duplicate the additional use of energy to recreate those products. In addition to offering its customers a wide range of remanufactured, yet fully warranted, products to enable them to effectively reduce their carbon footprint, Rush Enterprises annually returns tens of millions of dollars in "core" components to manufacturers to enable them to remanufacture parts.



MINIMIZING ENERGY AND WATER USAGE

Rush Enterprises continues to focus on more efficient energy and water use. The Company captures data on all its facilities' energy use through utility aggregators. The Company analyzes year-over-year energy and water consumption and is refining its processes to accurately quantify the Company's contribution to greenhouse gas emissions to measure the success of the steps the Company is taking to minimize our greenhouse gas emissions.

The Company's ongoing initiatives to minimize energy and water usage include employing efficient systems and fixtures in construction, remodeling and routine maintenance of its facilities, including installing:

- LED exterior lighting
- LED sensor-enabled interior lighting
- High-efficiency HVAC systems
- Low water flow bathroom fittings
- Reflective roofing
- Low maintenance landscaping

Rush Enterprises is employing LED lighting and water-conserving fixtures in all of our new facility construction and renovation projects. In 2022, we continued to upgrade existing dealership facilities with LED lighting resulting in estimated electricity savings of approximately 315,000 kilowatt hours annually. Between 2020 and 2022, Rush Enterprises invested approximately \$2.7 million to upgrade lighting fixtures with anticipated annual reductions in electricity consumption of 7.66 million kilowatt hours. This equates to an approximate reduction of 5,430 metric tons of CO₂e. In addition, these lighting upgrades include the replacement of fluorescent and metal halide fixtures – eliminating the hazardous materials disposal issues associated with those lighting fixtures.

Rush Enterprises is also employing white thermoplastic polyolefin (TPO) “cool” roofs in its roofing projects, a proven way to minimize energy costs. Additionally, the Company is introducing xeriscaping (low-water landscaping) into existing facilities and new construction projects.

PRODUCING RENEWABLE ENERGY

Rush Enterprises is continuing to make significant investments in solar power systems at its dealerships to decrease its electricity expense and increase its usage of renewable energy. The Company's dealerships have large roof areas that are often an ideal location for the installation of solar power systems. The Company's first solar power system installation was a carport solar project at its dealership in San Antonio, Texas, which went live in June 2020. The carports hold over 3,500 solar panels, which simultaneously protect the dealership's vehicle inventory from the elements, including extreme heat and hail, while generating electricity. The installation is part of a community solar project that sends an estimated 1.8 million kilowatt-hours of electricity to the electric grid per year and allows customers who rent or do not have optimal rooftop sunshine to participate in solar generation by purchasing and owning their own panels that are located at the Company's dealership. Rush Enterprises purchased 1,398 of the panels, which generated approximately 759,610 kWh of clean energy in 2022.

The Company is also currently generating electricity through solar panel arrays at its facilities in South Texas and Victorville, California. In 2022, the Company generated more than 1.08 million kilowatt-hours of electricity. In 2023, assuming the availability of components, we expect to bring new solar generation installations online at facilities in Tampa, Florida, Houston, Texas and multiple locations in California resulting in generation across the Company of approximately 4 million kilowatt-hours of renewable energy

annually. Because the Company operates in many areas of the country in which investments in solar power systems make financial and environmental sense, we expect to continue to evaluate solar power investment opportunities in connection with our facilities.

MINIMIZING CONSUMPTION OF FOSSIL FUELS

Vehicles Operated by the Company. Rush Enterprises operates a fleet of over 2,000 vehicles. These vehicles are primarily used to deliver parts and provide mobile service. The Company continues to seek to improve the overall fuel efficiency of its fleet by transitioning from eight-cylinder engines to more fuel efficient four- and six-cylinder engines. We are also making investments to modernize our fleet by replacing aging vehicles with more fuel-efficient vehicles - including electric vehicles. Unfortunately, new vehicles and particularly electric



vehicles – Ford E-transit vans and F-150 Lightnings – have been difficult to procure recently. In anticipation of obtaining more electric vehicles to substitute for gas and diesel vehicles in our fleet, Rush Enterprises is also investing in EV charging stations. We currently have 22 charging stations in six states and anticipate more than 100 installations in 15 states by early 2024. These charging stations will support the Company’s own fleet and customer vehicle sales and service. Charging stations will also be made available where feasible for use by employees.



Rush Enterprises recently became the exclusive dealer in California, Texas and Florida for the Shyft Group, Inc.'s Blue Arc line of medium- and light-duty electric vehicles.

Rush Enterprises also employs customized logistics and route optimization tools for delivering parts, allowing it to minimize the miles the Company’s vehicles drive and resulting in lower fuel consumption and emissions - and we continue to improve these capabilities utilizing the latest software solutions. Ninety-nine percent of the Company’s fleet vehicles have been outfitted with telematics devices that allows the Company to monitor its vehicles’ performance from the standpoint of both safety and fuel efficiency. These efforts, coupled with the use of auto-start stop technology and similar on-board vehicle idle limiters have allowed the Company to reduce vehicle idle time, minimize the amount of fuel consumed by the Company’s vehicles and in turn, minimize the Company’s greenhouse gas emissions.

Vehicles the Company Rents and Leases. Rush Enterprises continuously upgrades the commercial vehicles it rents and leases to its customers to ensure that it is offering the newest and most fuel-efficient technologies offered by the manufacturers the Company represents. Most of the commercial vehicles that Rush Enterprises rents or leases to its customers

are manufactured by Peterbilt or Navistar. Both Peterbilt and Navistar continually invest in technologies to reduce greenhouse gas emissions and other pollutants in the vehicles they manufacture. Rush Enterprises is also helping its lease customers integrate alternative fuel and electric vehicles into their fleets helping them reduce their carbon footprints and meet upcoming state and federal requirements.

Many of Rush Enterprises’ customers choose full-service lease and contract maintenance programs. Under these programs, the Company’s technicians ensure that its customers’ vehicles are operating safely and at optimal efficiency to minimize fuel consumption and reduce emissions. The Company also provides lease customers with a full range of telematics solutions to efficiently manage fuel consumption, maintain their vehicles and monitor driver behavior.

2022 RESOURCE CONSUMPTION AND SAVINGS

RESOURCE CONSUMPTION:	
Electricity –	60,437,316 kilowatt hours
Natural Gas –	2,159,178 therms
Water –	66,814,195 gallons
Fuel (Company Fleet) –	3,173,350 gallons (1,139,085 diesel; 2,034,264 gasoline)
TOTAL ESTIMATED ENERGY/GREENHOUSE GAS SAVINGS:	
Electricity generated (solar) –	1,086,670 kWh or 770 metric tons CO ₂ e
LED lights (2022 retrofits) –	498,318 kWh or 353 metric tons CO ₂ e
Diverted waste –	13,456,000 kWh or 9,536 metric tons CO ₂ e
Paper Recycling –	374,264 kWh or 595.5 metric tons CO ₂ e

RISK OF DISRUPTION TO OPERATIONS FROM CLIMATE CHANGE

Rush Enterprises is cognizant of the risks and disruptions to its operations from the effects of climate change and natural disasters. In addition to the risks (and opportunities) from the migration away from internal combustion engines, many of Rush Enterprises’ dealerships are in areas that are susceptible to extreme weather events such as heat waves and large storms that scientific studies indicate are likely to become more frequent or more intense due to climate change.

In recent years, several of the Company’s dealerships in Texas, Alabama and Florida have been impacted by hurricanes and flooding associated with hurricanes. Rush Enterprises has invested in emergency preparedness and action plans and physical loss prevention programs to mitigate the risks of natural disasters disrupting the Company’s ability to serve its customers. Additionally, the Company’s expanded connected dealership network and experience deploying and managing mobile and embedded technicians has improved our ability to quickly mobilize vehicles, parts, equipment and technicians to wherever they are needed to assist our customers in areas impacted by extreme weather events.

**SOCIAL
COMPANY CULTURE AND ENGAGEMENT**

From the Company’s start in 1965, its founder, Marvin Rush, emphasized that our employees are the lynchpin of Rush Enterprises’ success. Our concern for the welfare of all individuals at Rush includes the commitments set forth in Rush Enterprises’ [Human Rights Policy](#). Rush Enterprises strives to be considered a great place to work and an “employer of choice.” Our use of annual employee engagement surveys, supplemented by shorter targeted surveys and onboarding and exits surveys, remains central to our efforts to monitor and continuously improve the employee experience.

The Company conducts comprehensive employee engagement surveys designed to measure organizational culture and engagement. The Company's employee engagement survey is used to measure employee engagement, identify employee concerns and obtain employee opinions about the Company, local and executive leadership and employees' work environments. Town Halls and Listening Sessions are conducted to share results with employees and to gain further insights into challenges and solutions. The Company's leadership reviews the results of each engagement survey and the Listening Sessions and helps managers throughout the Company to establish action plans to improve employee engagement at their work locations. The Company has also employed targeted "pulse" surveys to gather information on particular topics and

employee sentiment outside of the annual survey process. Past surveys have resulted in positive changes including the creation of pregnancy disability benefits, improvements to technician tool requisition programs, and new hire checklists and systems training. We use new hire surveys to welcome our new employees and ensure they are set up for success and to gather feedback, and we conduct exit surveys to enable the Company to continually improve. All of these tools help us to achieve an inclusive environment where employees feel welcomed, respected, and valued.

Building on our initial engagement tools and the feedback received, Rush Enterprises created the Field Leader Advisory Group (FLAG) which gathers voices from the different functional and geographic areas of our business who meet regularly with senior leadership to discuss challenges they face in the organization – from processes and workflows to staffing and retention to communication strategies – and propose solutions. FLAG members then have the opportunity to present their solutions to the Chief Executive Officer and Chairman of the Board, Rusty Rush, and engage in-person with other senior leaders. Membership in the FLAG is regularly refreshed to maximize participation and viewpoints.

COMPENSATION AND BENEFITS

The Company's compensation program is designed to provide a compensation package that will attract, retain, motivate and reward employees who must operate in a highly competitive and technologically challenging environment. Our packages support employees' physical, emotional, and financial well-being. In general, the Company's compensation program is comprised of:

- Base salary or hourly rate;
- Commissions for employees in front-line customer facing roles;
- Vacation leave, sick leave and other forms of paid time off;
- Employee benefits and other perquisites
- Cash performance bonuses for certain employees; and Equity incentive awards for senior leaders.

Rush Enterprises is committed to fair pay. Employees of the Company receive a base level of monthly or hourly compensation for the expertise, skills, knowledge, and experience they offer to the Company. In 2020, the Company established a minimum hourly wage of \$15.00 an hour across the Company. See Appendix A for 2022 SASB Disclosures regarding average hourly wages and turnover rates.

The Company provides annual performance bonuses for employees in bonus-eligible positions. These bonuses are based on the overall financial success of the Company, the performance of specific departments or locations for dealership-level managers and individual performance, including compliance with the Company's policies.

Some employees of the Company receive equity incentive awards. The Company provides equity incentive awards to (i) allow key employees to participate in the Company's profitability and long-term growth; (ii) maximize retention leverage; and (iii) align such employees' interests with those of its shareholders.

The Company is committed to providing comprehensive benefit options and offers benefits that will allow its employees and their families to live healthier and more secure lives. Some examples of the wide-ranging benefits offered by the Company are medical insurance, prescription drug benefits, dental insurance, vision insurance, hospital indemnity insurance, accident insurance, critical illness insurance, a smoking cessation assistance program, life insurance, disability insurance, health savings accounts and flexible spending accounts. In 2022, we also added a new pregnancy disability leave benefit and increased the Company life insurance limits. Rush Enterprises also has a 401(k) retirement plan and matches a portion of each employee's contributions based on employee tenure.

Finally, the Company has an Employee Stock Purchase Plan that allows all employees to contribute up to \$10,625 towards the semi-annual purchase of the Company's Class A Common Stock. An employee's purchase price is 85% of the lesser of the closing price of the Class A Common Stock on the first business day or the last business day of the semi-annual offering period, as reported by the NASDAQ® Global Select Market. Employees may purchase shares having a fair market value of up to \$25,000 (measured as of the first day of each semi-annual offering period) each calendar year.



THERE'S POWER IN NUMBERS. LET YOUR VOICE BE HEARD.

Promotion for participation in the Company's 'Our Voice' engagement surveys.

EMPLOYEE DEVELOPMENT AND TRAINING

Identifying, hiring and retaining well-trained, experienced employees is critical to the continued success of the Company. By recruiting the best candidates for open positions and continually providing the Company's employees with a defined path for development and career advancement, the Company believes that it will be successful in attracting and retaining employees. In recent years, the competition for top talent has increased and applicants and employees seek more from employers. In response to this challenge, Rush Enterprises has revamped many of its recruitment and retention programs, creating processes to improve the employee experience. The Company is implementing new talent management tools that incorporate ongoing learning and development, performance management and succession planning to provide employees greater visibility and



Rush Enterprises offers robust training and development opportunities, including a mentorship program for service technicians.

transparency into career pathing and strategic developmental and growth opportunities to support their advancement.

A cross-functional group of employees from the Company's operations teams and members of the Company's Learning and Development department work to identify the Company's strategic training needs and prioritize the development of appropriate training content to ensure alignment with the Company's strategic goals. The Company's learning and development programs are delivered through Rush University, an intranet-based employee portal. Course work in Rush University is assigned pursuant to curricula based upon job role. The Company's learning and development programs are designed to encourage the development and advancement of talent from within the Company to ensure the Company continuously fills its ranks with qualified employees for management positions and other critical positions in the Company. The Company has gone beyond assigned core training, however, and now offers employees the ability to fashion their own training and career development by making the large library of courses on the LinkedIn Learning™ platform available for free.

Rush Enterprises also created a program focused on developing key management skills called the "Rush Foundational Leader Program," which teaches foundational management skills. The Company has followed up the Foundational Leader Program with "High Impact Leadership Training" which builds on the basic leadership concepts through in-depth sessions

that include development and practice of skills and leaders sharing best practices with each other. This program focuses on the skills necessary for connected, inclusive, and effective leadership. The inclusive leadership component recognizes that the integration of diverse perspectives is a key to not only a healthy culture and sense of belonging but to optimizing talent, improving productivity and creating an agile organization to best serve our customers and our industry.

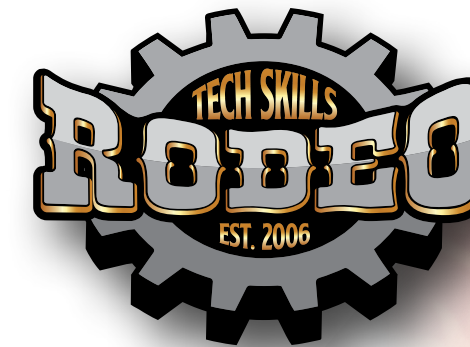
Service and collision center technicians make up approximately 36% of the Company's employees. Several years ago, the Company established a formal mentorship program lead by experienced technicians who serve as mentors to newly hired technicians entering the profession. The goal of this program is to enhance and develop the technical skills of entry level technicians to increase their likelihood of career success. This program also helps the Company identify top performers as well as employees in need of further support or training. The mentorship program is designed to improve employee performance and retention for both mentors and mentees in the program.

The contributions of our technicians are also promoted and celebrated through the Company's Tech Skills Rodeo competition which culminates in San Antonio in final competitions and cash and prize awards of more than \$250,000 each year.

Rush Enterprises offers its service and collision center technicians training from the manufacturers it represents, apprentice programs, self-study courses, and Automotive Service Excellence (ASE) certification programs. Recently, the Company also revamped its technician tuition reimbursement program to provide greater benefits.

While we continuously seek to improve our technician mentorship program, the Company is also creating mentoring opportunities for employees in other roles. In response to feedback from the FLAG, the Company is identifying "super-user" employees who are proficient subject matter experts in Company systems and processes and ensuring they are available to new hires.

We are also refining the Company's New Graduate Management Trainee Program which provides on-the-job training for recent college graduates to fulfill various roles within the Company's dealership network. When participants complete the program, they are equipped with the knowledge required to meaningfully contribute to the successful operations of the Company's dealerships. Rush Enterprises is casting a wider net to identify and recruit new talent from



Rebecca Chewning was our Tech Skills Rodeo Parts Grand Champion in 2019, the first female Grand Champion in event history.

a more diverse group of colleges and universities, and we recently developed an internship program within our dealerships that aims to provide students an opportunity to learn about the commercial vehicle industry and identify and attract candidates for our New Graduate Management Trainee program.

In 2022, employees of Rush Enterprises, including management, completed approximately 45,500 hours of online training, excluding Original Equipment Manufacturer and ASE-related training by technicians. This includes approximately 9,400 hours of ethics and compliance training, 10,600 hours of safety training and 4,400 hours of training on sexual harassment and discrimination.

DIVERSITY AND INCLUSION

Rush Enterprises recognizes that a talented, engaged and diverse workforce provides a competitive advantage and is essential to the Company's long-term sustainability. The success of Rush Enterprises is a direct result of the quality and skill of its employees. Company management understands that practicing inclusion enables Rush Enterprises to attract and maintain the best talent by ensuring that no one is excluded from the workplace or denied the opportunity to develop skills and talents consistent with the Company's values and business objectives. We believe that an inclusive environment that not only accommodates but fosters a diverse workforce helps establish a sense of belonging among employees, which makes employees feel more connected at work and helps the Company attract and retain the best talent. The Company also believes that an inclusive and diverse work environment with "connected" employees leads to higher quality work and enhances our ability to improve our customers' experience. Accordingly, the Company and its senior management are working with inclusion and diversity consultants to identify and implement ways to create the most inclusive and attractive environment for our employees and candidates.



Rush Enterprises launched its Women's Leadership Initiative on International Women's Day in 2016. With the mission to enhance the Company's culture and support the recruitment, development and retention of the Company's female employees, the Company recently revamped this initiative into a new program, Growing Resilient Outstanding Women (GROW), which is dedicated to building a community of women to support and foster the careers of women throughout the organization. GROW conducts regular discussion panels and formal education programs and creates online and other resources and dedicated chat groups to build connections.

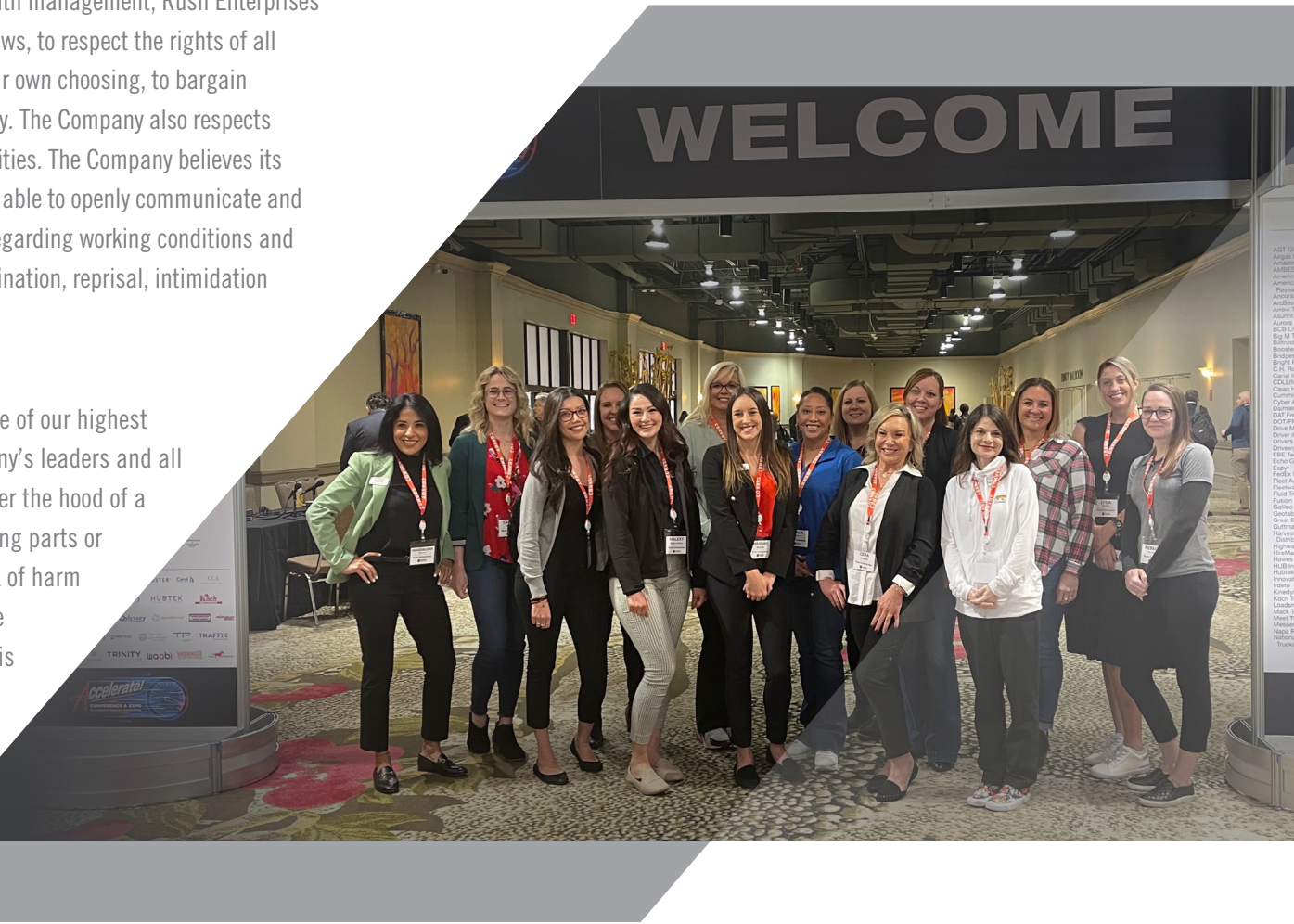
Finally, the Company is also paying attention to the diversity of its suppliers and vendors. Procurement professionals at Rush Enterprises gather and review information on the women-owned, minority-owned and other underrepresented businesses that support the Company's operations to allow the Company to competitively respond to bids and obtain contracts from customers who also value and promote diversity.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Freedom of association and the right to collective bargaining are fundamental rights. While we strive to ensure that our employees have direct access to and open and effective communication channels with management, Rush Enterprises is committed, in accordance with applicable laws, to respect the rights of all employees to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly. The Company also respects the rights of workers to refrain from such activities. The Company believes its employees and their representatives should be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.

SAFETY

Promoting a safe and healthy workplace is one of our highest priorities and the responsibility of the Company's leaders and all of our employees. Whether employees are under the hood of a truck, test-driving customer vehicles, delivering parts or maintaining service bays, minimizing the risk of harm to our employees is of critical importance. The Company's Ethics & Compliance department is continuously improving its safety programs, analyzing safety metrics and providing our employees with the knowledge and tools to help keep our employees and our communities safe.



The Company's Growing Resilient Outstanding Women (GROW) group attends the Women in Trucking conference in 2022.

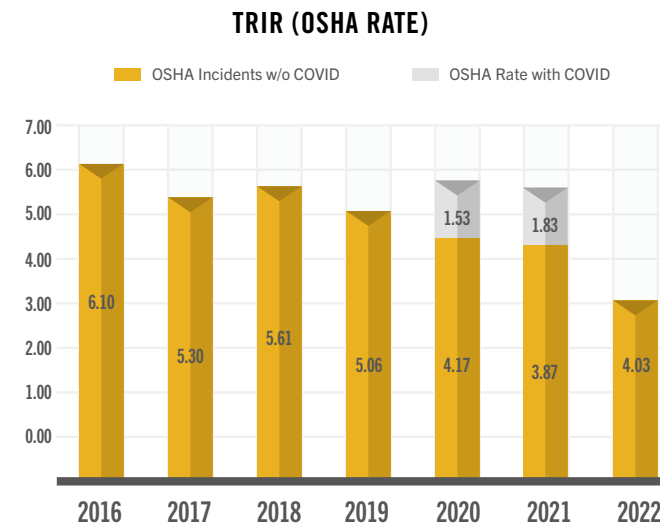
The Company's safety expectations are grounded in the following principles:

1. All workplace injuries are preventable.
2. Following the Company's safety policies, which incorporate safety best practices and behaviors, prevents injuries.
3. Leadership engagement and commitment to safety is required at all levels of management, and safety should be considered in all business decisions.
4. Employees are expected to take responsibility for the safety and well-being of themselves and those around them.
5. Compliance with applicable safety laws and regulations is required of all employees as these establish the minimum standards of a safe workplaces.

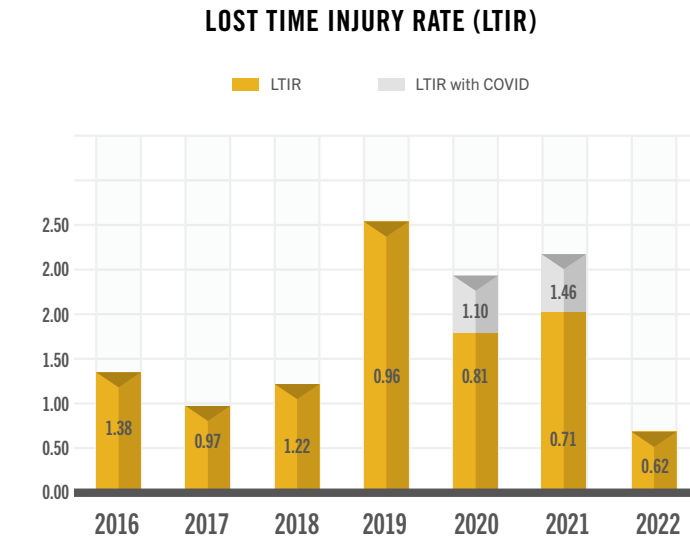
The Company uses a mixture of leading and lagging indicators to assess the health and safety performance of its operations. Lagging indicators include the OSHA Total Recordable Incident Rate (TRIR) and the Lost Time (or Lost Workday) Incident Rate (LTIR) based on the number of incidents per 100 employees (or per 200,000 work hours). Leading indicators include training completion rates, tracking of safety meeting minutes and recording of near misses, as well as other proactive actions taken to ensure employee safety. In 2022, the Company had a TRIR of 4.03 and an LTIR of 0.62.²

Since 2016, the Company has reduced its OSHA recordable injury rate by 34% and lost time incident rate by 55%. In addition to reducing the risk of harm to its employees, it has also saved nearly \$2.1 million and 14,000 work days.

Rush Enterprises has developed a comprehensive safety training program to reinforce a culture of safety through numerous channels including



²The Company tragically experienced one on the job fatality in 2022. A mobile technician was killed while driving from a job by the negligent driver of an unaffiliated truck.

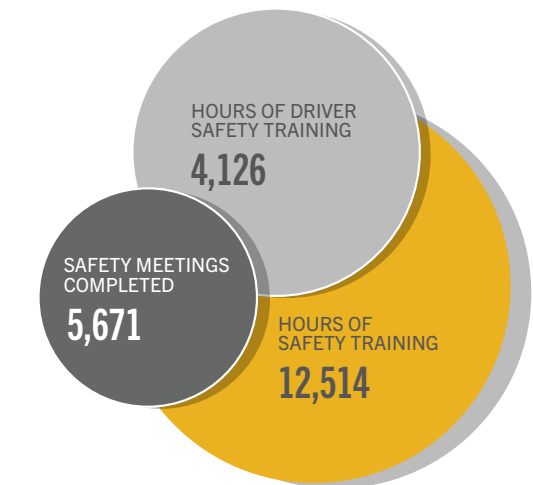


interactive, risk-based online training, dealership safety audits and safety committees. Rush Enterprises created the "Safety Excellence" awards program to recognize employees throughout the organization who are improving the safety of the Company's workplaces. The Company is always seeking new tools and educational channels to encourage safe workplace practices.

Rush Enterprises also continues to minimize the risk and enhance the safety of its fleet operations, which includes approximately 2,000 medium- and light- duty mobile service and parts delivery vehicles. The Company's Ethics & Compliance department oversees driver performance management, including compliance with DOT regulations, monitors accident metrics and provides employees with job-specific, on-line driver training courses from the time of on-boarding throughout their employment with the Company.

The Ethics & Compliance department is also developing new tools, including near real-time metrics based on data from telematics devices and automated alerts to assist managers in monitoring and coaching safe driving behaviors. While the Company will always aspire to eliminate all preventable vehicle accidents, our efforts are already reflecting progress. Since 2016, we reduced our accidents per million miles driven by 42%.

PROMOTING SAFETY - 2022



COMMUNITY INVOLVEMENT

Rush Enterprises encourages its employees to participate in charitable causes that are important to them and their local communities. Our employees make inspiring contributions, from supporting Future Farmers of America to Habitat for Humanity, to restoring bicycles for needy children and vintage autos for the benefit of local crisis centers to leading disaster response organizations and hundreds of other worthy causes. The Company also sponsors an annual campaign for donations to local food banks. In 2022, contributions of food and cash equated to nearly 112,000 meals for the hungry in our communities. The Company incentivized participation with free lunch for the top fundraising locations, but our amazing employees at the winning locations asked the Company to donate the cost of the lunches to their local food banks. The Company regularly highlights the generous efforts of its employees on RushNet, the Company's intranet site.

Rush Enterprises also supports causes such as the Breast Cancer Research Foundation by donating a portion of the proceeds from the sales of our limited-edition breast cancer pink mudflaps, t-shirts and other merchandise.

RUSH ENTERPRISES FOUNDATION

Employees of Rush Enterprises at every level of the organization support one another through generous contributions to the Rush Enterprises Foundation, which was established by employees of Rush Enterprises to help fellow employees in times of financial crisis. Since 2017, the Rush Enterprises Foundation has provided employees and their families with nearly \$800,000 in financial assistance in response to natural disasters, such as hurricanes, and other unforeseeable hardships. Recently, the Foundation established a scholarship program to help the dependent children of employees of Rush Enterprises attend accredited colleges or universities, community colleges and vocational and trade schools. Awards are available to students seeking their first undergraduate degree, and funds can be applied towards expenses such as tuition, fees, books, supplies, transportation and room and board.



ETHICS AND GOVERNANCE ETHICS AND HUMAN RIGHTS COMPLIANCE

The Company's core values define its culture and reflect the way its employees interact with customers, suppliers, co-workers, shareholders and our communities. Rush Enterprises' core values are Productivity, Fairness, Excellence and Positive Attitude.

- Productivity means constantly striving toward efficiency and success in all interactions and activities while working with a common purpose and sense of urgency.
- Fairness characterizes the honesty, integrity, truthfulness, dependability and reliability in everything the Company does, and includes zero tolerance for any type of discrimination.
- Excellence means doing it better than everyone else does. Excellence is reflected in Rush Enterprises first-class facilities, quality products and services, motivated and talented employees, superior results for the customer and consistency throughout the organization.
- Positive Attitude means approaching every day with excitement and passion for the work and dedication to the Company's customers with positive intensity.

Each of these core values is embodied in Rush Enterprises' code of conduct - the [Rush Driving Principles](#). Ensuring a high level of ethical behavior, compliance with the law and adherence to the [Rush Driving Principles](#) is understood to be the responsibility of every employee of Rush Enterprises. Fairness and integrity in our interactions with our employees, customers, vendors, communities and its competitors is a pillar of Rush Enterprises' corporate culture that has been embossed on the "Rush Coin" given to all employees for more than three decades. Employees of the Company are required to train and certify their understanding and agreement to comply with the [Rush Driving Principles](#) in connection with hiring and onboarding and annually thereafter.



The Company's training on the [Rush Driving Principles](#) covers a variety of important legal, regulatory and ethical topics. In addition, the Company offers separate, in-depth training on a variety of topics, including discrimination and harassment, conflicts of interest, insider trading and anti-corruption. While the [Rush Driving Principles](#) incorporate many basic human rights principles, Rush employees also are regularly required to review and acknowledge the Company's [Human Rights Policy](#). Adherence to the [Rush Driving Principles](#) is also emphasized through worksite postings on regularly updated bulletin boards and alerts distributed to employees via email and posted on RushNet. The Company also regularly recognizes employees demonstrating ethical behavior and conduct exemplifying the [Rush Driving Principles](#) on RushNet and in monthly [Compliance Matters](#) newsletters.

The Company's Chief Compliance Officer and the Ethics & Compliance department oversee the Company's ethics and compliance programs, providing managers and employees with compliance advice, tools and training, while also auditing compliance of the Company's operations and dealerships. The Ethics & Compliance department performs regular compliance risk assessments to identify

and address new areas of risk and tailor its compliance programs to the evolving risks. The Chief Compliance Officer has a direct reporting line to the Chairman of the Audit Committee of the Board of Directors, and the entire Board regularly assesses the efficacy of the Company's compliance program in accordance with the U.S. Department of Justice's Guidelines on Evaluation of Corporate Compliance Programs.

Rush Enterprises has implemented anonymous reporting and employee dispute resolution and grievance programs, which afford employees multiple avenues to voice their opinions and complaints without fear of retaliation. From open-door management policies to the Company's anonymous [Ethics Helpline](#) operated by a reputable, independent third-party service provider, Rush Enterprises encourages all its employees to "speak up" and report issues they believe need to be addressed. The Company's anonymous [Ethics Helpline](#) is not only available to employees of Rush Enterprises, but to customers, vendors and suppliers, competitors, members of the communities in which the Company operates and the general public.

Reports to the Company's [Ethics Helpline](#) are investigated by the Company's Ethics & Compliance department, which involves the Legal and Human Resources departments and other resources as necessary. Retaliation against any employee who files a report with the Company's [Ethics Helpline](#) is strictly prohibited. Summaries of all reports to the [Ethics Helpline](#) that include details of the corrective action taken to resolve concerns raised in such reports are provided to the Company's Board of Directors and Chief Executive Officer on a quarterly basis. The Company's locations are scored on their ethical performance and exemplary locations are recognized annually with [Ethics in Action](#) awards.

NON-RETALIATION POLICY

Rush Enterprises fosters a culture of compliance by ensuring that all employees feel comfortable questioning compliance with Company policies and reporting concerns. To support these efforts, the Company is committed to a strict "no retaliation" standard with respect to reports of violations of the Company's policies as well as reports of violations of law. There are no reprisals for raising

concerns or reporting violations in good faith. Rush Enterprises also protects its employees from retaliation arising from their participation in any investigation of reported concerns. The Company has a zero-tolerance policy against retaliation and retains the right to take appropriate disciplinary action against the retaliating person, up to and including termination of employment, if a complaint of retaliation is substantiated.

NO DISCRIMINATION AND NO HARASSMENT

Rush Enterprises has a zero-tolerance policy for discrimination of any kind, including on the grounds of race, color, religion, gender or gender identification or expression, sexual orientation, ethnicity or national origin, age, disability or any other characteristics protected by law, in hiring and employment practices such as wages, promotions, benefits and access to training. Rush Enterprises is an equal opportunity employer, and employment with the Company is based solely upon individual merit and qualifications directly related to the job. To guard against even unintentional discriminatory effects and to promote transparency and equality of opportunity, the Company conducts regular analyses of pay equity in all of the states in which it operates.

Rush Enterprises is also committed to eliminating harassment and the threat of harassment of employees or co-workers of any kind, including on the grounds of race, color, religion, gender or gender identification or expression, sexual orientation, ethnicity or national origin, age or disability or any other type of behavior that is hostile, disrespectful, abusive or humiliating.

Harassment or discrimination can take many forms, such as verbal, visual or physical. Regardless of the form, the Company encourages its employees to “speak up” to maintain a respectful workplace for all the Company’s employees.

ANTI-BRIBERY AND ANTI-CORRUPTION

Rush Enterprises endeavors to compete fairly, with the highest ethical standards and transparency. The Company’s employees must comply with all anti-bribery and anti-corruption laws in the jurisdictions in which the Company operates. Rush Enterprises is fortunate to support many governmental and quasi-governmental entities with products and services, and the Company trains its employees in accordance with its [Anti-Corruption Policy](#) to ensure they avoid even the appearance of impropriety in the Company’s business activities.

POLITICAL ACTIVITIES AND LOBBYING

Rush Enterprises encourages its employees to play an active role in the communities where they live and work while keeping personal political activities separate from work. The Company asks its employees to participate in the political process on their own time, at their own expense, using their own resources. Rush Enterprises embraces the fact that each employee has the right to their own political views and the responsibility to respect others’ rights to their own political views.

Rush Enterprises generally does not make political contributions and will not reimburse employees for contributions they make. The Company does not have a political action committee at this time but recognizes that there may be situations in which it is in the Company’s best interests to make political contributions to candidates, political parties or political organizations in the future.

Rush Enterprises engages a lobbyist for \$66,000 per year to assist with matters related to the regulation of automobile dealerships in the State of Texas. The Company makes periodic contributions to trade or industry associations that are engaged in political activity or even engage external lobbyists. However, the Company’s contributions to these organizations are generally for purposes other than the lobbying efforts of those organizations. For example, the Company is a member of the automobile dealers’ association in many of the states in which it has dealerships. Rush Enterprises has joined these state automobile dealers’ associations because employees of the Company regularly request information and guidance from these associations regarding various regulatory issues in each state, particularly pertaining to the licensing of the Company’s dealerships.

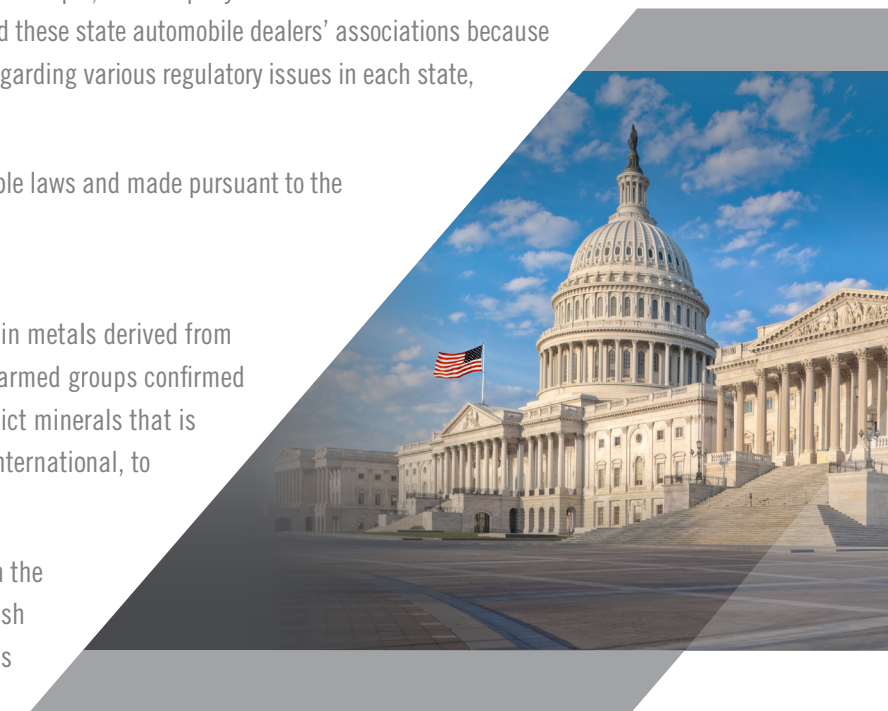
The Company ensures that any political contributions or activities are in accordance with applicable laws and made pursuant to the Company’s Policy on [Political Contributions](#).

PRODUCTS, SUPPLIERS AND PRINCIPLES

Rush Enterprises is committed to ensuring that the products it sells and produces do not contain metals derived from minerals or other derivatives originating from conflict regions that directly or indirectly benefit armed groups confirmed or accused of human rights violations. In addition to the Company’s own annual report on conflict minerals that is filed with the S.E.C. each year, the Company requires prospective vendors, both domestic and international, to acknowledge and adhere to conflict minerals guidelines and principles.

Rush Enterprises is also committed to respecting the basic human rights of all, as embodied in the United Nation’s Universal Declaration of Human Rights. Our commitment is also set forth in Rush Enterprises’ [Human Rights Policy](#). In its capacity as a franchised retailer of commercial vehicles and parts, the Company purchases finished products from respected manufacturers, such as PACCAR, Inc., Navistar, Inc., Ford Motor Company and Cummins, Inc., each of which have extensive supplier codes of conduct and associated compliance programs to ensure core principles of human rights are upheld. The Company has also instituted targeted training of employees who may be in a position to recognize and report indicators of possible human trafficking.

Rush Enterprises understands that it must endeavor to ensure that all of its suppliers are adhering to core principles of human rights and applicable laws, particularly as pertains to procurement of the Company’s Rig Tough® private label parts and the manufacturing of the components of the natural gas fuel systems by Cummins Clean Fuel Technologies. Accordingly, Rush Enterprises has also adopted a [Supplier Code of Conduct](#) reflecting the basic human rights and fairness principles contained in its [Human Rights Policy](#) and the [Rush Driving Principles](#). Prospective suppliers of products are provided the Rush Enterprises [Supplier Code of Conduct](#) and [Human Rights Policy](#) and are required to acknowledge their understanding and compliance. Recently, the Company has implemented an enhanced process to audit the compliance of its higher risk suppliers including suppliers of the Company’s Rig Tough® proprietary parts line. The audit process includes confirmation of policies and processes addressing bribery and corruption, child labor and working conditions and forced labor including compliance with the [Uyghur Forced Labor Prevention Act](#). Existing suppliers found to be non-compliant are required to demonstrate compliance or face termination.



TAXES AND GOVERNMENT ASSISTANCE

The Company does not engage in international transfer pricing as a means of tax avoidance, and the Company does not have a presence in tax jurisdictions enabling tax base erosion and profit shifting. The Company does take advantage of certain tax credits, such as the Work Opportunity Tax Credit, that are generally available to all taxpayers.

Generally, the Company does not receive financial assistance from any governments in the form of grants, tax relief or any other types of financial benefits, and the Company did not receive any loans under the U.S. government's Paycheck Protection Program.³ However, in 2016 the Company entered into an agreement with a municipality that entitles the Company to a rebate of some sales tax paid by customers of the Company through 2027 in exchange for the Company's decision not to relocate its facility to a different municipality. This is the only agreement that the Company has entered into with a government that provides for any financial benefits since 2016.

³The Company's Canadian subsidiary received a loan from the Canadian government in connection with the COVID-19 pandemic and before Rush Enterprises had controlling interest.

GOVERNANCE - BOARD OF DIRECTORS

Rush Enterprises' corporate governance structures and policies maximize the Company's long-term success and stakeholder value. Our commitment to good corporate governance ensures the continued trust of our shareholders, customers, employees, suppliers and our communities. Our [Rush Driving Principles](#) guide and inform the actions of Rush Enterprises' management, employees and Board of Directors.

The business of the Company is managed under the direction of the Board of Directors which is also responsible for the Company's risk oversight function. The Board of Directors, with the assistance of its standing committees, and the Company's Chief Executive Officer, Chief Financial Officer, General Counsel and other officers, regularly identifies, evaluates and discusses the material

enterprise risks that could impact the Company's operations and tactical and strategic decisions. These enterprise risks include operational, financial, legal, regulatory, market and reputational risks. The Board of Directors also receives periodic reviews of the Company's risk management policies and controls.

The Audit Committee, the Compensation Committee and the Nominating and Governance Committee are the three standing committees of the Board of Directors. The charters for the three standing committees of the Board of Directors are available at the "Investor Relations – Corporate Governance" section of the Company's website at www.rushenterprises.com.

Our Board of Directors has established independence guidelines that are described in our [Corporate Governance Guidelines](#). The Board of Directors has determined that each member of the Board with the exception of the Chairman, Mr. W.M. "Rusty" Rush and Michael McRoberts, our Chief Operating Officer, is independent and all members and chairs of the committees of the Board are independent, as defined by the listing standards of the NASDAQ® Global Select Market and applicable S.E.C. rules and regulations.

Mr. Rush serves as the Chairman of the Board, President and Chief Executive Officer of the Company. The Board of Directors of the Company has determined that the appointment of our President and Chief Executive Officer as the Chairman of the Board of the Company promotes a unity of vision for the

Company as it implements its strategic objectives. In addition, the President and Chief Executive Officer is the director most familiar with our business and operations and is uniquely situated to lead discussions on important matters affecting the business of the Company, as well as its day-to-day operations and risks.

Our Board of Directors does not have a designated "lead independent director." The Board of Directors has concluded that the appointment of a lead independent director is not necessary because each of the independent directors plays an active role in Board matters. Notwithstanding, the Company's nonemployee directors communicate frequently and hold regular executive sessions, with the appropriate nonemployee director presiding over each such meeting depending on the topics to be discussed.

The Company has also adopted a [Code of Ethics for Senior Financial Officers](#) that applies to the Company's Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Controller and other employees performing similar functions. Only the Board of Directors (or the Audit Committee or other appropriate committee thereof) can amend or grant waivers from the provisions of the *Code of Ethics for Senior Financial Officers*.

The Nominating and Governance Committee strives to identify future potential directors from potential candidates identified by management, individual directors, shareholders or others. The Nominating and Governance Committee considers factors such as independence, judgment, skill, diversity, experience with businesses and other organizations of comparable size, experience as an officer of a publicly traded company, the interplay of the candidate's experience with the experience of other members of the Board of Directors and the extent to which the candidate would be a desirable addition to the Board of Directors and any committees thereof. The Board of Directors believes that diversity, in terms of a candidate's gender, race, ethnicity, differences in backgrounds, experiences and personal characteristics, is important to the effectiveness

of the Board of Director's oversight of the Company. Accordingly, the Board of Directors is committed to seeking out highly qualified diverse candidates in each search for new candidates that the Board of Directors undertakes and has tasked the Nominating and Governance Committee with ensuring that such candidates are included. Whether such search is conducted internally or with the help of a third-party consultant, the Nominating and Governance Committee will consider a candidate's race, gender, and ethnicity and such other factors as the Board of Directors deems appropriate. We are particularly proud of the recent appointments of our new directors and their contributions to the Board.

The Nominating and Governance Committee is also responsible for oversight of ESG and sustainability risks, including risks presented by climate change, and human capital management.

The Compensation Committee oversees executive compensation to ensure that compensation is aligned with the interests of our stakeholders and is consistent with the Company's principles and values. The Compensation Committee also annually assesses the risk profile of its executive and nonexecutive compensation programs to determine if any of them create undesired or excessive risks of a material nature. The Compensation Committee believes that the following factors reduce the likelihood of undesired or excessive risk:

- The Company's overall compensation levels are competitive with the market;
- The Company's compensation practices and policies appropriately balance base pay versus variable pay and short-term versus long-term incentives;
- The Company's implementation of stock ownership guidelines;
- The Compensation Committee's oversight of equity compensation plans; and The high level of Board involvement in approving material investments and capital expenditures.

Based on its analysis, the Compensation Committee believes that the Company's compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

KEY ASPECTS OF CORPORATE GOVERNANCE

- 78% (7 of 9) of Rush Enterprises’ directors are independent; 100% of the directors on Audit, Compensation and Nominating & Governance Committees are independent
- Annual election of directors by majority voting
- 98.2% overall director Board/Committee meeting attendance in 2022
- Annual Board and Board Committee self-evaluations
- Limitation on outside board service
- Director resignation policy – mandatory submission of resignation for consideration at age 72
- Robust stock ownership guidelines for directors and executive officers
- Policies prohibiting hedging of the economic interest in the Company shares held except in very limited circumstances with preapproval of the Board
- Right to call special meeting for stockholders holding 10% of shares with no holding period
- Clawback (compensation recoupment) Policy
- The Company does not discount, backdate, reprice or retroactively grant equity awards

For more information on Rush Enterprises’ corporate governance policies, see Rush Enterprises, Inc. 2023 Definitive Proxy Statement accessible through the “Investor Relations – Corporate Governance” section of the Company’s website.

ABOUT THIS REPORT

We are pleased to present *Rush Enterprises’ 2023 Corporate Responsibility Report*. Rush Enterprises understands its responsibility to take action to care for our employees, our environment and our communities. The Company’s established culture and values continue to provide a sound foundation to address evolving issues of corporate responsibility. This report reflects the Company’s recognition that our stakeholders expect greater information regarding the Company’s performance in areas of sustainability and corporate responsibility. Rush Enterprises notes that our inaugural report in 2021 and this second report bookend a time frame that included the COVID-19 pandemic and significant changes in the Company, including major acquisitions and the expansion of our geographic footprint. We recognize that we are still in the early stages of our efforts, and the Company remains committed to continuous improvement.

NOTE CONCERNING ENVIRONMENTAL DATA

Environmental-related figures and calculations in this report represent the Company’s good faith attempts to quantify and establish baseline figures with which to measure performance and drive improvement. Conversions to equivalent measurements were generally based on the U.S. Environmental Protection Agency’s calculators including the Greenhouse Gas Equivalencies Calculator. Disclosed figures were derived from invoices, invoice aggregators and third-party contractors and suppliers and are based on reasonable assumptions. Reported figures have not been audited by an independent third party.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this report (or otherwise made by the Company or on the Company’s behalf from time to time in other reports, filings with the Securities and Exchange Commission (“SEC”), news releases, conferences, website postings or otherwise) that are not statements of historical fact constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Exchange Act of 1934, as amended (the “Exchange Act”), notwithstanding that such statements are not specifically identified. Forward-looking statements include statements about the Company’s financial position, business strategy and plans and objectives of management of

the Company for future operations. These forward-looking statements reflect the best judgments of the Company about the future events and trends based on the beliefs of the Company’s management as well as assumptions made by and information currently available to the Company’s management. Use of the words “may,” “should,” “continue,” “plan,” “potential,” “anticipate,” “believe,” “estimate,” “expect” and “intend” and words or phrases of similar import, as they relate to the Company or its subsidiaries or Company management, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements reflect our current view of the Company with respect to future events and are subject to risks and uncertainties that could cause actual results to differ materially from those in such statements. Please read Item 1A in the Company’s Annual Report on Form 10-K, “Risk Factors” for a discussion of certain of those risks. Other unknown or unpredictable factors could also have a material adverse effect on future results. Although the Company believes that its expectations are reasonable as of the date of this report, it can give no assurance that such expectations will prove to be correct. The Company does not intend to update or revise any forward-looking statements unless securities laws require it to do so, and the Company undertakes no obligation to publicly release any revisions to forward-looking statements, whether because of new information, future events or otherwise.

APPENDIX

SASB DISCLOSURES (responses for year-end 2022 unless otherwise indicated*)

The Sustainability Accounting Standards Board (SASB) Foundation is an independent standards-setting organization founded in 2011 which seeks to establish and maintain industry-specific standards that assist companies in disclosing financially material and useful sustainability information to investors. This table references the Standard for businesses in the Multiline and Specialty Retailers & Distributors category.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA
Energy Management in Retail & Distribution	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	CG-MR-130a.1	(1) Total (electrical) energy consumed: 217,574.34 GJ; (2) Percent grid electricity: 99.58% (3) Percent Renewable Energy: 1.80% (based on energy generated by Company's solar installations)
Data Security	Description of approach to identifying and addressing data security risks	Discussion & Analysis	n/a	CG-MR-230a.1	To meet the constantly evolving threat to cybersecurity and ensure the integrity, availability and security of our sensitive electronic data, Rush Enterprises, Inc. employs a mature framework of security policies, procedures and control processes. These policies align to laws and standards such as the Critical Internet Security (CIS) Controls, and the National Institute of Standards and Technology (NIST) Cybersecurity framework. Rush Enterprises, Inc. also performs annual certifications / audits - such as those required by the payment card industry, and Sarbanes-Oxley Act (SOX), to demonstrate compliance to our customers and our stakeholders. Our Information Security Team, in partnership with an industry-recognized managed security services provider, work proactively around the clock to evaluate, investigate and mitigate threats and to ensure that multi-layered, redundant preventative technologies are applied to detect and prevent them.
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) Number of customers affected	Quantitative	Number, Percentage (%)	CG-MR-230a.2	No material breaches in 2022.
Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Quantitative	Reporting Currency, Percentage (%)	CG-MR-310a.1	(1) Total average hourly wage amongst all in-store employees in 2022 including bonuses, commissions, and paid time off was \$39.12. (2) Total percentage of employees earning minimum wage with no bonus or commission opportunities is 0%. (Based on applicable minimum wage statutes on 12/31/22)
	(1) Voluntary and (2) involuntary turnover rate for in-store employees	Quantitative	Rate	CG-MR-310a.2	(1) 23.3% (2) 6.4%
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Quantitative	Reporting Currency	CG-MR-310a.3	\$0
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Quantitative	Percentage (%)	CG-MR-330a.1	(1) 18.6% of Rush management is comprised of racial/ethnic minorities and 23.1% are female. Each racial/ethnic group is represented as follows: African American: 2.6% Asian: 0.7% Hispanic or Latino: 13.4% White: 81.4% Other: 1.9% (2) 36.0% of Rush non-management is comprised of racial/ethnic minorities and 12.6% are female. Each racial/ethnic group is represented as follows: African American: 5.2% Asian: 1.0% Hispanic or Latino: 27.6% White: 63.4% Other: 2.6%
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Quantitative	Reporting Currency	CG-MR-330a.2	\$170,500 (comprised wholly of settlements to avoid uncertainty of contested outcome)

*Excludes Canadian operations



