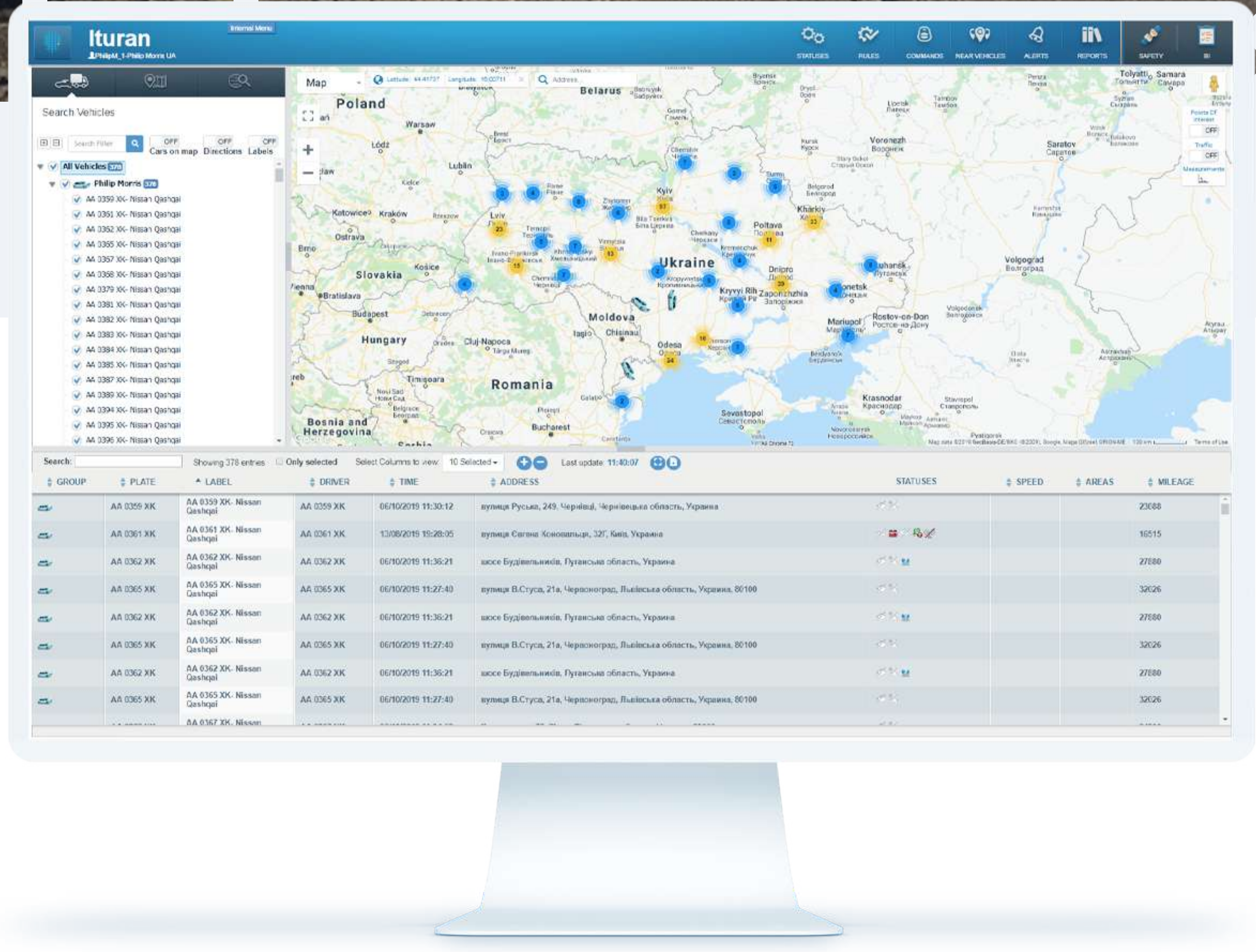


Minimizing Safety Incidents and Improving Driving Culture



Industry **Distribution & Logistics** Location **Ukraine**
 Fleet Size **450 vehicles, and growing**

Philip Morris International Inc. entered the Ukrainian market in 1993, and has since grown to become one of the largest taxpaying companies in the country. The company operates in Ukraine as two legal entities Philip Morris Ukraine, headquartered in Kyiv with a manufacturing facility in the Kharkiv District, and Philip Morris Sales and Distribution.



The Challenge

Minimizing the occurrence of accidents and safety related incidents in a growing fleet.

In 2014, for every 1 million km driven by the PMU fleet, approximately 9 vehicles were involved in a Crash (an accident when the vehicle is under a driver's control), three of which were classified as Collision (a crash with property damage exceeding 5% of the car cost).

Ituran's Challenge was to:

- Decrease the combined Crash & Collision rate
- Reduce the number of accidents defined as Collision
- Measure and monitor driving performance and provide tools (platform and data) to instill safer driving at PMU

Our Solution

A combination of Ituran's Driver Behavior and Safety solutions for fleets, and an Advanced Driver Assistance System (ADAS) with Ituran's integration, to transform critical real-time information into actionable data.

PMU started working with Ituran, and our ADAS partner Mobileye, in early 2015, and equipped 80% of their fleet with our combined solutions within the first year, and almost the entire fleet by 2017.

Ituran's solution for PMU included two components:

- 1. Driver Behavior and Safety solution for Fleets**
 To improve organizational driving culture and standards at PMU, and encourage safer and more responsible driving by tracking and monitoring driver behavior.
- 2. Ituran ADAS integration for Mobileye**
 To transform information captured by Mobileye from moments before an accident could have occurred, into measurable data to create clear, valuable insights that help improve vehicle usage, driver behavior, accident prevention and fuel consumption.

The combination of both technologies enables PMU to set safety benchmarks and hold each driver accountable for their action; Improve organizational driving practices and eases the assimilation of safety policies into the organizational culture; and reduce the occurrence of accidents, minimizing the risk of physical injury and vehicle damage, while keeping drivers safe, fleet intact and managing the cost of insurance and maintenance.

How did Ituran's solution improve PMU's safety measures?

Declined crash and collision rates

Reduced by a third since 2014, with Collision rate lowering from 3 vehicles per 1 million km driven in 2014 to less than 1 in 2018.

Improved safety measures

In 2018, the share of crashes due to keeping an unsafe distance, out of the total number of crashes, was decreased from double digits in 2015 to 1% in vehicles with Ituran and Mobileye.

Better Organizational Fleet Safety Culture

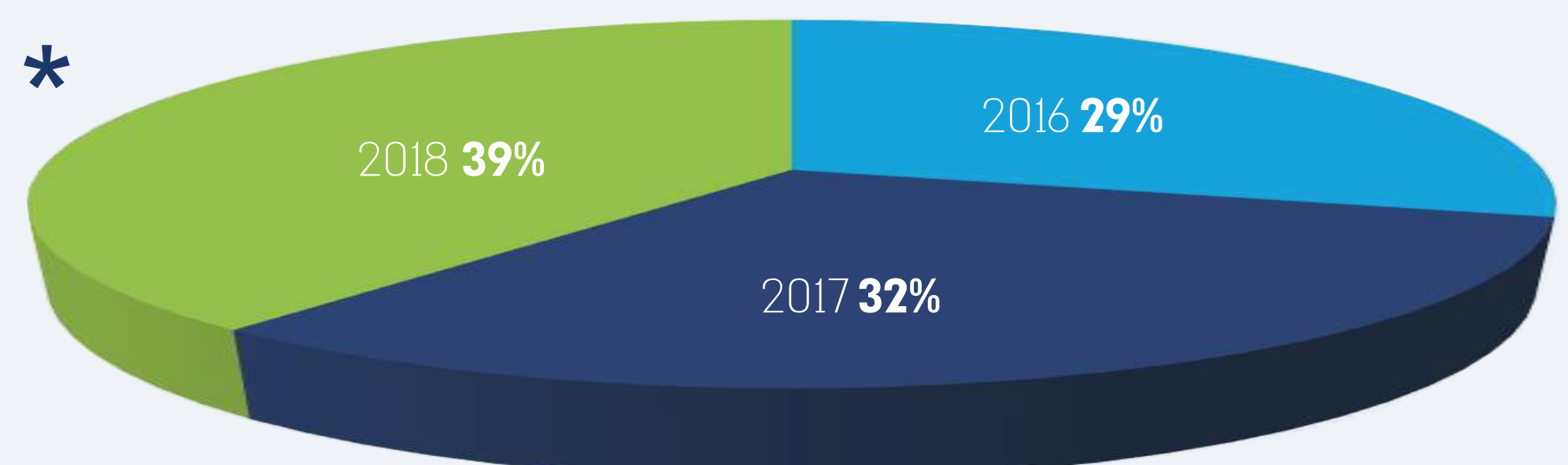
PMU's target is to instill Fleet Safety leadership and enhance safety culture in the organization. PMU uses information on daily driver behavior collected by Ituran's solutions to create a qualitative Fleet Safety dialogue between supervisor and driver.

- Every month the supervisor receives: individual reports on each driver under their supervision, speeding reports, risk-group reports, driving style statistic and more.
- Based on data, supervisor conducts a monthly meeting with each driver to discuss: strengths & weaknesses, adaptation of driver's skills according to safety requirements, possible ways to improve safety and progress tracking.

Safer Driving Measures

Data from Ituran's solutions has been integrated in mid 2018 into PMU's Driver Motivation Program.

- Speeding >130 km/h shows that the number of over-speeding cases declined sharply and immediately
- Safety Grade*



Fuel Consumption

PMU has integrated fuel consumption into their internal Motivation Program in the mid 2018 and have started to track this indicator using data collected by Ituran's Driver Behavior and Safety solutions for fleets. In the frame of the motivation program, Idle Time was reduced by 30-40%.

PMU is currently using Ituran's data to track and reduce fuel consumption.

Founded in 1994, Ituran (NASDAQ: ITRN) is a global leader in telematics solutions and services for professional fleets, insurance companies, automotive companies, government institutions, companies from a range of verticals and private customers. We offer a full suite of hardware, software and services which together provide an end-to-end solution to our clients.