

# 2022

## SUSTAINABILITY REPORT



Genuine Parts Company

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GPC recommends viewing this report online versus printing.



## Message to Our Stakeholders

Each day, our 53,000 teammates live our purpose — We Keep the World Moving — and demonstrate they can thrive during challenging times. Guided by our mission, they continue to show agility and resiliency while remaining relentlessly focused on our customers and strengthening our company for the future.

We recognize the importance of operating sustainably and with a long-term view of critical environmental, social and governance (ESG) issues.

Through our sustainability efforts, we can continue to be the employer of choice for each of our teammates; the supplier of choice for all our customers; a valued and preferred customer to each of our suppliers; a respected community member that gives back to the communities in which we operate; and a preferred investment choice of all our shareholders.

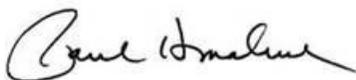
The 2022 Sustainability Report illustrates our strong ESG strategy and a way forward that underscores our commitment to keep the world moving and make it a better place as well. As One GPC team, we have focused our ESG efforts on the following key areas, and we look forward to sharing more about them in this year's report and in the future:

**Improving diversity, equity and inclusion (DEI):** We are committed to standing up for equality for our teammates, suppliers, customers, communities and shareholders. We know that building a diverse and inclusive team where everyone feels valued and heard is critical to our success. That's why we are partnering with teammates at all levels across our businesses to launch business resource groups that empower them to come together with others who share their interests and experiences while enhancing and developing their leadership skills and networks. In addition, we are taking action outside of GPC to support organizations focused on advancing racial equality and helping diverse and underserved communities around the world.

**Reducing carbon emissions:** This year marked new urgency for action on climate change, and we continue our work to lower carbon emissions across our global footprint. In 2021, we engaged a leading sustainability partner to assist us with calculating our first global GHG footprint, which includes all our facilities and operations worldwide. The new global emissions calculation will provide the basis for measuring and reporting progress on reducing emissions over time, and it serves as a guidepost as we develop a comprehensive global carbon abatement strategy.

**Enhancing ESG governance:** We improved our ESG governance structure to provide greater accountability at all levels of the company. Our structure includes three levels: the board of directors which oversees our sustainability program; the ESG Leadership Council with senior leaders who provide strategic direction for our program and initiatives; and the Global ESG Committee with business unit leaders who are responsible for the progress of initiatives. Our board of directors receives updates on these initiatives at every board meeting.

While there is always more work to do, I'm proud of the progress we have achieved so far. Thank you to our GPC teammates, partners and suppliers who work each and every day to exceed the needs of our customers and strengthen our communities, all while making the world a better place. I'm optimistic about what the future holds and look forward to what we'll achieve together.



Paul Donahue  
Chairman & Chief Executive Officer

## About This Report

The 2022 Sustainability Report outlines environmental, social and governance (ESG) metrics for fiscal year 2021 (January 1, 2021, to December 31, 2021, unless otherwise noted). The report includes ESG activities from January 1, 2021, to September 30, 2022, based on its publication date in Q4 2022.

Our first Corporate Sustainability Report in 2018 focused primarily on sustainability efforts in North America. As part of our sustainability program, we have published the results of our efforts biannually with progress updates in non-reporting years. Starting with this year's report, we will publish a full report annually.

We are proud to launch the 2022 Sustainability Report, which includes a wider range of ESG focus areas and expands reporting to global operations across all GPC's business units, geographies and teammates. The expanded reporting and disclosure coverage reflect our commitment to continuously improving tracking, measurement and disclosures every year.

Several metrics and disclosures throughout this report are global for the first time. As such, some figures and metrics in this year's report may appear to have increased relative to previous years. These increases in no way signal a decrease in efficiency and sustainability — rather, they demonstrate our tangible public commitment to transparency and continuous improvement globally.

In accordance with best practices, this report is aligned with the metrics and material issues identified by leading ESG and climate risk reporting frameworks, specifically the Sustainability Accounting Standards Board (SASB) and the Taskforce on Climate-Related Financial Disclosures (TCFD). Our SASB and TCFD disclosures are included in the report appendix.

*Learn more about our company, ESG initiatives and related news at [www.genpt.com](http://www.genpt.com).*

# Forward-Looking Statements

Some of the information contained in this report constitutes forward-looking statements that are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements in the future tense and all statements accompanied by words such as “expect,” “likely,” “outlook,” “forecast,” “preliminary,” “would,” “could,” “should,” “position,” “will,” “project,” “intend,” “plan,” “on track,” “anticipate,” “to come,” “may,” “possible,” “assume” or similar expressions are intended to identify such forward-looking statements. The Company cautions that all forward-looking statements involve risks and uncertainties, and while we believe that our expectations for the future are reasonable in view of currently available information, you are cautioned not to place undue reliance on our forward-looking statements. Actual results or events may differ materially from those indicated as a result of various important factors. Such factors may include, among other things, changes in general economic conditions, including unemployment, inflation (including the impact of tariffs) or deflation and geopolitical conflicts such as the conflict between Russia and Ukraine; volatility in oil prices; significant cost increases, such as rising fuel and freight expenses; the extent and duration of the disruption to our business operations caused by the global health crisis associated with the COVID-19 pandemic, including the effects on the financial health of our business partners and customers, on supply chains and our suppliers, on vehicle miles driven as well as other metrics that affect our business, and on access to capital and liquidity provided by the financial and capital markets; our ability to maintain compliance with our debt covenants; our ability to successfully integrate acquired businesses into our operations and to realize the anticipated synergies and benefits; our ability to successfully implement our business initiatives in our two business segments; slowing demand for our products; the ability to maintain favorable supplier arrangements and relationships; changes in national and international legislation or government regulations or policies, including changes to import tariffs, environmental and social policy, infrastructure programs and privacy legislation, and their impact to us, our suppliers and customers; changes in tax policies; volatile exchange rates; our ability to successfully attract and retain employees in the current labor market; uncertain credit markets and other macroeconomic conditions; competitive product, service and pricing pressures; failure or weakness in our disclosure controls and procedures and internal controls over financial reporting, including as a result of the work from home environment; the uncertainties and costs of litigation; disruptions caused by a failure or breach of our information systems, as well as other risks and uncertainties discussed in our 2021 Annual Report on Form 10-K and Item 1A, Risk Factors, in our report on Form 10-Q for the quarter ended June 30, 2022 (all of which may be amplified by the COVID-19 pandemic and geopolitical conflicts, such as the current conflict between Russia and Ukraine) and from time to time in our subsequent filings with the SEC. Forward-looking statements speak only as of the date they are made, and we undertake no duty to update any forward-looking statements except as required by law. You are advised, however, to review any further disclosures we make on related subjects in our subsequent Forms 10-K, 10-Q, 8-K and other reports filed with the SEC.

## Materiality

The statements and data we discuss in this report are being provided because we believe they may be material sustainability topics for our stakeholders. Such statements and data are not necessarily material for financial reporting or regulatory reporting purposes.

# We Are GPC

In 1928, Carlyle Fraser purchased Motor Parts Depot in Atlanta, Georgia, for \$40,000 and renamed the business Genuine Parts Company. The original store had only six teammates and annual sales of \$75,000.

From the beginning, GPC has focused on providing reliable customer service, quality products and value-added expertise to our customers. Today, we are a global service organization engaged in the distribution of automotive and industrial replacement parts with more than 50,000 teammates and more than 200 distribution facilities and 10,000 operations in 17 countries across North America, Europe and Australasia.

We proudly serve hundreds of thousands of customers through two business segments and leading global brands:



ALLIANCE  
AUTOMOTIVE GROUP



WE ARE MOTION.  
ASIA PACIFIC

## Automotive Group

The Automotive Parts Group distributes automotive replacement parts, accessories and service items throughout North America, Europe and Australasia. In North America, more than 650,000 parts are sold primarily under the NAPA brand name, widely recognized for quality parts, quality service and knowledgeable people. In Europe, we are rolling out the NAPA brand of quality products and serve each country under a variety of banners, including GROUPAUTO, Precisiuim Group, Pièces Auto, UAP, Alliance Automotive Group and PartsPoint.

GPC Asia Pacific serves the Australasian markets primarily under the Repco and NAPA brand names.

Our Automotive Parts Group contributed 66% of GPC's total annual net sales (as of Dec. 31, 2021).

## Industrial Group

The Industrial Parts Group is represented by Motion Industries in North America and Mi Asia Pacific in Australasia. The Industrial Parts Group offers access to more than 12 million industrial replacement parts and related supplies across North America and Australasia. We serve more than 170,000 maintenance, repair and operations (MRO) and original equipment manufacturer (OEM) customers across multiple industries, including food and beverage; equipment and machinery; primary metals; pulp and paper; mining; and automotive. Our Industrial Parts Group represented 34% of GPC's total annual net sales (as of Dec. 31, 2021).

## GPC by the Numbers (as of December 31, 2021)

COUNTRIES SERVED

**15**

EMPLOYEES

**~52,000**

ANNUAL REVENUES

**\$18.9B**

LOCATIONS

**~10,400**

WAREHOUSES

**~700**

DISTRIBUTION FACILITIES

**~200**

RETAIL (OWNED/INDEPENDENT)

**~9,500**

### REVENUE BY REGION

NORTH  
AMERICA**74%**

EUROPE

**15%**

AUSTRALASIA

**11%**

**We are proud to consistently provide value to our shareholders, including a cash dividend that we've paid out every year since going public in 1948. Delivering on our commitment to sustainability can help us continue these benefits for shareholders into the future."**



*Bert Nappier, Executive Vice President and Chief Financial Officer*

## Our Culture

Although our teammates represent different business units, brands and geographies, we are one global team unified by our purpose: We Keep the World Moving. We continue making progress, and we do everything we can to keep customers moving — whether they are driving automobiles or operating essential factories.

Our genuine teammates are at the heart of everything we do, and they are why we have stood the test of time. As we have grown over the years, we have adopted a “locally around the globe” mentality so that all teammates feel like a valued part of the team no matter where they work.

From the beginning, our unwavering commitment to stakeholders has been at the core of our long-standing success. Our mission is to be an employer of choice, supplier of choice, valued customer, good corporate citizen and investment of choice for all shareholders.

Our teammates rally around a clear vision of the future centered on how we win as One GPC Team. We work together to create value for teammates, suppliers, customers, communities and investors while we also do our part to preserve natural resources and protect the Earth.

We incorporated the one-team culture into decision-making processes at every level of the company, and it’s an essential part of how we work and do business. Beyond our walls, our culture guides how we consider the impact of decisions and actions on our communities and the planet.



**Our culture has been a competitive advantage for nearly 95 years, and we continue building on it as we move forward. As One GPC Team, we work together to embrace change, focus on the most critical initiatives and act with intensity and discipline to deliver for our customers, suppliers, communities and investors.”**



*Jim Neill, Executive Vice President and Chief Human Resources Officer*

# VISION 2025



# MISSION



# EMPLOYEE VALUE PROPOSITION

**STANDING THE TEST OF TIME:**  
Our longevity is no mistake

**GENUINE PEOPLE:**  
People are at the heart of what we do

**LOCALLY AROUND THE GLOBE:**  
What we stand for never changes

# PURPOSE

**WE KEEP THE WORLD MOVING.**

## Our Commitment to Sustainability

Sustainability is an integral part of who we are and how we do business. It's embedded in our culture because it aligns with our mission and vision, and like our purpose, we believe doing good is moving our business forward. With our size, scale and diverse customer base, we are in a unique position to use our resources to make a meaningful impact on environmental and social focus areas while adhering to strong governance.

The benefits of sustainability go beyond traditional environmental stewardship and generate real business value. We strive to integrate a sustainability mindset into the entire value chain — from suppliers to customers. Our sustainability efforts can:



Strengthen  
our business  
model



Inspire  
investor  
confidence



Enhance  
customer  
satisfaction



Attract and  
retain the next  
generation of  
talented leaders



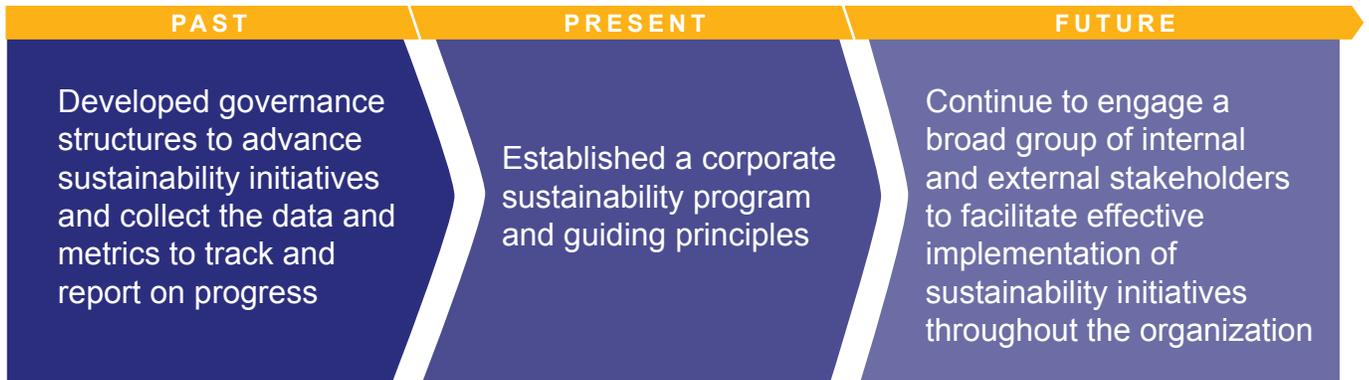
Generate  
goodwill in our  
communities

With the rapidly changing ESG landscape for businesses, investing in innovative, sustainable processes and programs can help us stay competitive, tackle challenges and seize opportunities to achieve our goals. We are committed to developing the right balance of environmental responsibility, safety, wellbeing, community involvement and business success to ensure we are doing our part to protect our people, our communities and the planet.

## Our Sustainability Journey

While we have had sustainability initiatives across our businesses for years, we embarked on a more intentional sustainability journey in 2017 when we launched the company-wide Roadmap for Sustainability. The multi-year guide formalizes our plans, scope and approach to sustainability. It serves as the foundation for our team to align all sustainability efforts into one managed program.

Guided by the roadmap, we have accomplished the following:



The systems and processes we are building can help us adapt as we continue evolving our program. Looking to the future, we are exploring the following impact opportunities:

- Completing and reporting on a new ESG materiality assessment
- Enhancing the global GHG accounting and measuring process
- Updating our board committee structure to improve ESG oversight



Our stakeholders are an integral part of our sustainability journey. We regularly ask for feedback from both external and internal stakeholders on our sustainability program to ensure we are aligned with their priorities.

## Sustainability Program Focus Areas

Our sustainability program is grounded in our understanding of the issues, risks and opportunities that are most critical to the company's long-term success. We completed an assessment of material sustainability topics that align with two leading ESG frameworks — the Task Force on Climate-related Financial Disclosure (TCFD) and the Sustainability Accounting Standards Board (SASB). We are also including certain Global Reporting Initiative (GRI) metrics in this year's report and intend to expand those disclosures in the future.

From our assessment, we identified nine focus areas for our sustainability program that align with three ESG pillars — Caring for Our Planet, Investing in Social Good and Ensuring Good Governance. Together they can make a lasting impact for our teammates, customers, suppliers, communities and shareholders.

We are dedicated to continuous improvement and follow the One GPC Team vision for decision-making and strategy development. As we evolve our sustainability program, we can build on the foundation of material ESG issues, so we continue driving value for stakeholders and delivering on our sustainability commitment.

### PILLARS



#### Caring for Our Planet

We continuously implement initiatives to reduce our environmental impact across our global footprint.



#### Investing in Social Good

We put people first because they are the most important part of everything we do.



#### Ensuring Good Governance

We do the right thing to operate our businesses in a responsible manner.

### FOCUS AREAS

- Energy & Emissions
- Fleet Management
- Effluents & Waste
- Products & Services
- Sustainable Supply Chain

- Health & Well-being
- Diversity, Equity & Inclusion
- Social Responsibility

- Business Ethics

## MEET THE ESG LEADERSHIP COUNCIL

We have a core team of senior leaders who represent various business units and functions. They are responsible for overseeing on-the-ground management of our sustainability efforts, including achieving our sustainability goals and implementing the company's global sustainability vision.



**Paul Donahue,**  
CEO & Chairman



**Will Stengel,**  
President



**Bert Nappier, EVP**  
& CFO



**Jim Neill, EVP &**  
CHRO



**Sid Jones, SVP,**  
Investor Relations



**Jennifer Ellis, VP,**  
Compliance &  
Corporate Secretary



**Derek Goshay, VP,**  
Safety, Sustainability  
& DEI



**Chris Galla, VP &**  
General Counsel



**Heather Ross,**  
VP, Strategic  
Communications

## New Global Approach to Reporting

By working with a leading global partner, we aim to be comprehensive, transparent and accurate in our reporting. We marked a new phase in our sustainability journey as we expanded reporting and disclosure efforts to better reflect our global operations and impact.

We have made significant progress in integrating sustainability management practices across business operations and expanding sustainability programs to include more locations, communities and stakeholders. The 2022 report includes much of that progress, and as we continue evolving our program, we look forward to further improving our disclosures.

# Global Sustainability Highlights

This past year marked an exciting milestone in our sustainability program as we expanded our focus to include our global impact.

Check out some of our exciting highlights:

## Caring for Our Planet

- Calculated global scope 1 & 2 footprint
- Developed plans for greenhouse gas (GHG) reduction programs across the globe
- Launched additional energy efficiency and electric vehicle (EV) pilot programs
- Improved renewable energy procurement for business operations

## Investing in Social Good

- Created Business Resource Groups (BRGs) to support teammates from diverse backgrounds
- Completed our 2022 employee engagement survey
- Provided financial support through our giving programs to nonprofits in the U.S. and around the globe
- Supported education with several scholarship funds and community partnerships

## Ensuring Good Governance

- Formalized three-level leadership structure to ESG governance
- Developed a plan for incorporating environmental and diversity, equity and inclusion (DEI) metrics into governance systems
- Continued to build out internal systems for climate risk assessment



*In partnership with Trees Atlanta, teammates volunteer to plant trees and help create a green infrastructure in our hometown.*



**GPC's purpose — *We Keep the World Moving* — guides everything we do, including our approach to environmental stewardship. By taking responsibility and doing business the right way, we can simultaneously make a positive impact for all our stakeholders and the planet.”**

*Will Stengel, President*

## **Caring for Our Planet**

# Committing to Environmental Stewardship

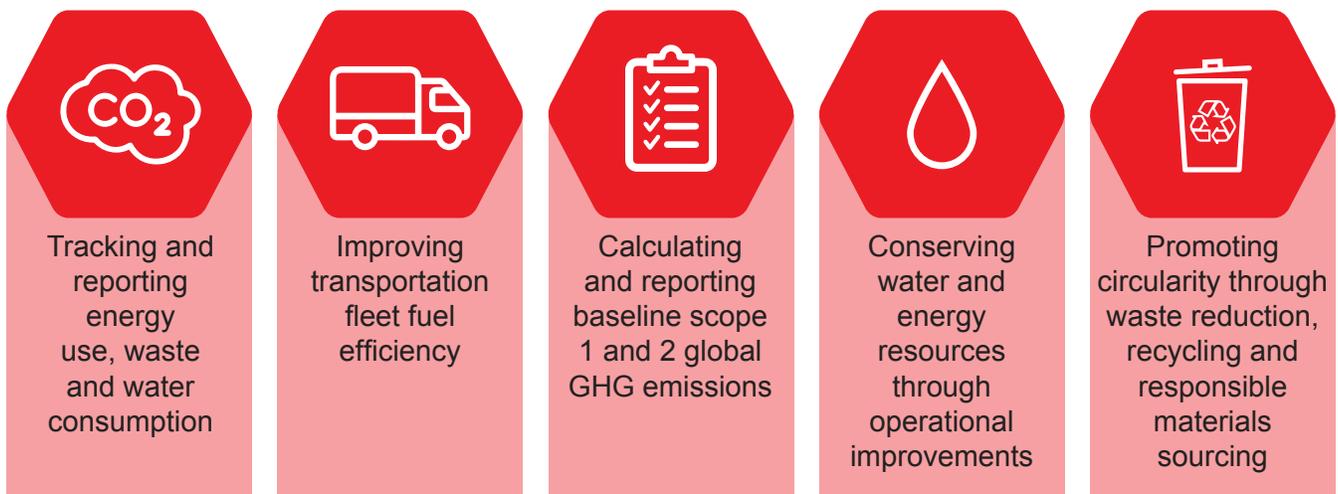
We believe in doing our part to protect and preserve the environment for generations to come. On our sustainability journey, we are embedding environmental stewardship into our entire value chain and across all our businesses so that we can respond faster to rapidly changing drivers. We also follow a “locally around the globe” view. That means that as One GPC Team, we work toward the same goals; however, we select and tailor initiatives to the unique needs of our locations.

The countries, states and communities where we operate are calling on businesses to do more to fight climate change, and with our adaptable program, we are in a better position to respond. We have felt a new sense of urgency as our communities experience more record-breaking extreme weather and natural disasters, as well as the impacts of intense heat and drought. The U.S. Securities and Exchange Commission (SEC) also released a wide-ranging proposal on ESG reporting, which would mandate standardized climate-related disclosures for public companies.

To date, we have launched initiatives that continue reducing waste and water use, improving energy efficiency and reducing GHG emissions. In addition, we collaborated with a leading sustainability partner to improve how we report and disclose progress. By expanding the depth and breadth of our reporting, we hope to drive more transparency, accountability and deeper, more ambitious conservation efforts across our operations worldwide.

In this year’s report, many metrics and disclosures expanded from a North American focus to include our global impact. As such, some figures and metrics in this year’s report may appear to have increased relative to previous years. These increases in no way signal a decrease in efficiency and sustainability — rather, they demonstrate our tangible public commitment to transparency and continuous improvement globally. We look forward to sharing data in our future reports that illustrate the progress we are making in reducing our global emissions.

## 2021 ENVIRONMENTAL FOCUS AREAS



## UNDERSTANDING THE METRICS

We use the following standard abbreviations and definitions when reporting our environmental metrics:

| Abbreviation             | Name                                     | Definition   |
|--------------------------|--|--|
| <b>MTCO<sub>2</sub>e</b> | Metric Tons of Carbon Dioxide equivalent | At standard temperature and pressure, one metric ton of carbon dioxide (CO <sub>2</sub> ) would fill a sphere 32 feet (about 9.8 meters) in diameter                               |
| <b>CO<sub>2</sub>e</b>   | Carbon Dioxide equivalent                | “CO <sub>2</sub> e” represents an amount of a GHG whose atmospheric impact has been standardized to that of one unit mass of carbon dioxide (CO <sub>2</sub> )                     |
| <b>CO<sub>2</sub></b>    | Carbon Dioxide                           | CO <sub>2</sub> only accounts for carbon dioxide, while CO <sub>2</sub> e accounts for carbon dioxide and all the other gases as well, including methane, nitrous oxide and others |
| <b>MT</b>                | Metric Tons                              | A unit of weight equal to 1,000 kilograms (2,205 lbs)  |
| <b>kWh</b>               | Kilowatt hours                           | One kilowatt of power for one hour   |
| <b>GHG</b>               | Greenhouse Gas                           | A greenhouse gas (GHG or GhG) absorbs and emits radiant energy within the thermal infrared range, causing the greenhouse effect  |
| <b>GWP</b>               | Global Warming Potential                 | A term that describes the relative potency, molecule for molecule, of a greenhouse gas, taking account of how long it remains active in the atmosphere                             |



### CASE STUDY

### HELPING CUSTOMERS MEET THEIR SUSTAINABILITY NEEDS

Our Motion Industries’ Energy Services team is helping industrial customers in North America meet their sustainability goals through energy conservation. The team conducts on-site audits at customer locations to help them identify energy-saving strategies that reduce operating costs, maintenance and downtime.

Following thorough processes, the team evaluates compressed air, steam, lighting, electrical and mechanical systems. They provide energy procurement opportunities in deregulated areas and also examine energy bills for accounting errors so that customers aren’t overpaying for monthly services.

In 2021, the team completed 75 energy audits at customer locations and shared the most efficient sustainable energy solutions specific to the plant environment.

### Thanks to these audits, our customers...

*Reduced energy usage by*

**125.8 million kWh**



**\$10.5 million**

*Realized in total savings*



**\$4.9 million**

*Saved in annual energy costs*

*Reduced CO<sub>2</sub> by more than*

**126.8 million lbs**

*or 57,523.98 MTCO<sub>2</sub>e*

# Reducing Our Global Emissions

## Measuring Our Environmental Impact

In 2021, we worked with a leading sustainability partner to establish global governance mechanisms, benchmark measurements and data collection methods for all our facilities and operations. We are proud to expand our reporting on annual energy consumption and emissions from our North American facilities to reflect our global presence.

This report includes findings from our first global GHG footprint conducted for our scope 1 (direct-owned or operated) and scope 2 (purchased electricity) emissions. Going forward, we will use the new baseline to report our annual progress on emissions reduction.

Our 2021 combined total scope 1 and 2 GHG emissions were approximately 374,826 MTCO<sub>2</sub>e. This number includes all emissions associated with our facilities and fleet worldwide. Our scope 1 and 2 GHG emissions intensity based on revenue was approximately 1.98 MTCO<sub>2</sub>e, and total energy consumed was 5.021 Gigajoules (GJ).



### CASE STUDY

Our team in the Netherlands is contributing to a more sustainable future. The Benelux site powers its distribution center with sustainable, efficient energy generated by wind turbines, which saved 1.4 million kWh of energy consumption and reduced their carbon footprint by 769 kg CO<sub>2</sub>e. This facility received an “Excellent” certification from BREEAM, one of the world’s leading sustainability assessment organizations, which measures the environmental sustainability of building, infrastructure and masterplan projects.



## OUR GLOBAL FOOTPRINT

### MTCO<sub>2</sub>e Carbon Emissions



NORTH  
AMERICA

Scope 1

**173,569**

Scope 2

**107,228**

Total

**280,797**



EUROPE

Scope 1

**52,161**

Scope 2

**3,720**

**55,882**



AUSTRALASIA

Scope 1

**17,087**

Scope 2

**21,060**

**38,147**



**We achieved a major milestone on our sustainability journey by expanding our reporting to better reflect our global operations and impact. A global GHG footprint will help us improve our tracking, measurement and disclosures every year.”**



**Mark Niepoky, Director, Strategic Business Transformation**

## Integrating Sustainability Into Our Businesses

Starting in 2022, our businesses are including emissions goals in their annual objectives, and they will start measuring progress in 2023. We believe this will help integrate a disciplined focus on reducing our carbon footprint across the organization. The goals include the expected carbon emissions reduction associated with all planned strategic initiatives for the upcoming year.

We are proud of our efforts to date to reduce our carbon emissions; however, we know there's more work to do. Using our new global GHG baseline, we plan to further develop emissions targets with a carbon abatement strategy and roadmap to reach those targets.

### Planned, current and completed sustainability initiatives include:



Harnessing solar and wind energy



Insulating facilities to improve energy efficiency



Converting standard or florescent lighting to LEDs



Replacing oil heaters with hybrid heat pumps



Setting controls on motors and HVAC systems



Reducing materials in our packaging



Investing in electric vehicles and improving fleet efficiency



*The teams at our NAPA Nashville and NAPA Memphis distribution centers planted trees and flowers at their facilities to celebrate Earth Day.*

# Driving Sustainability Across Our Fleet

As a global parts distributor, transporting goods around the world can have a significant impact on our emissions footprint. Currently, our fleet emissions comprise 39.16% of our scope 1 GHG emissions or roughly 146,795 MTCO<sub>2e</sub>.

In the past, sustainability initiatives for fleet vehicles rose from local opportunities within our businesses. Now, we are taking an intentional, global perspective to fleet management and incorporating fleet emissions into our company-wide carbon abatement efforts. By connecting to our overall business strategy, we can improve how we manage our fleet while also increasing our business efficiency and minimizing our impact on the environment.



We are proud to receive the Smartway certification from the United States Environmental Protection Agency (EPA) for RMDS, our delivery truck business. The certification recognizes truck carriers for operating cleaner, more efficient fleets for every mile they drive and ton of freight they move, as compared to their peers.

Learn more about initiatives we have underway to drive sustainability across our fleet:



## Electronic Monitoring & Route Optimization

With the industry-leading Lytx system, we can monitor and track driver hours, drive length, idling time and other key vehicle metrics using in-cab electronic data capture and communication devices. The data helps us promote driver accountability, improve the driver experience and promote safety while also identifying new ways to reduce emissions. In addition, we are using delivery tracking and route optimization software to make more efficient deliveries, minimize traveling “empty miles” and reduce emissions.



## Anti-idling & Auxiliary Power Units

Most of our fleet trucks use anti-idling technology, which automatically shuts off the engine after five minutes of idling. Our fleet vehicles have auxiliary power units so that drivers can use heating and cooling without running vehicle engines. Together, these enhancements minimize idle time, improve fuel consumption and reduce fuel cost.



## Hybrid and Electric Vehicle (EV) Programs

We started our EV pilot program in 2020 when our U.S. automotive business installed charging stations and replaced some retiring fleet vehicles with an all-electric Chevy Bolt or Nissan Leaf. In 2022, the program expanded to include 280 hybrid Ford Mavericks.

In addition, our Canadian automotive team has ordered EVs and hybrids, and we anticipate they will be in service in early 2023. We are also exploring the use of EVs with our team in Australasia.

The pilot programs enable us to better understand the EV market and how it can help us adapt to better serve our customers. To date, the programs have helped our automotive business reduce GHG emissions, and we look forward to continuing the programs and improving our reporting on their impact.

We also installed EV charging stations at our headquarters in Atlanta for teammates who choose EV for their personal vehicles.

## BEYOND OUR FLEET

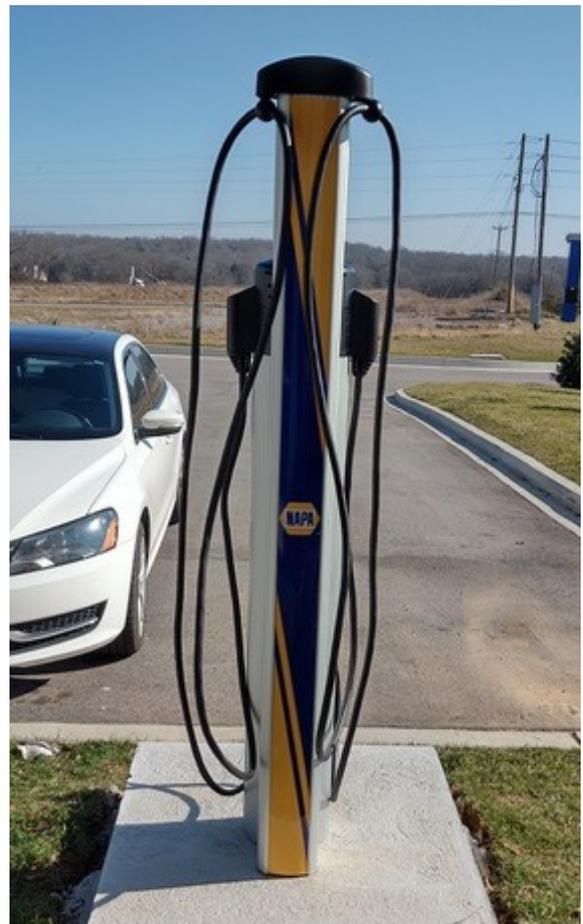
Our teammates contribute to our global GHG footprint by commuting to locations and traveling for work. While we have not yet calculated the emissions associated with global business travel, we continue exploring ways for our teams, suppliers and customers to connect without travel, including virtual meetings, online tools and new technologies.

When travel is necessary, we have enabled our online travel booking system to show carbon emissions for flight choices so that teammates can select flights that minimize their environmental impact.



### Helping Reshape Our Industry

We are helping our teammates, customers and the industry prepare for EVs and the changes taking place in the market. We see this as an opportunity to lead our industry with knowledge and new products for EVs, and by partnering with existing and new suppliers, we can make sure we meet our customers' needs. We have dedicated, global resources that are following best practices to implement cutting-edge programs.



# Improving Efficiency in Our Buildings

Our global distribution network depends on a vast system of warehouses, storage facilities, distribution centers, offices, retail outlets and other physical spaces — all of which use energy and water and generate waste. They collectively account for most of our energy usage and offer some of our greatest opportunities to make a positive impact on the environment.

We aim to improve the energy efficiency of our buildings and increase use of renewable energy wherever possible. With such an extensive footprint, we have prioritized energy efficiency improvements for our largest buildings — distribution centers and corporate campuses. We are retrofitting existing buildings with more energy-efficient technologies and building improvements while incorporating water, waste and energy efficiency metrics into planning for new buildings.

Learn more about initiatives we have underway to improve efficiency in our buildings:



## Reducing Water Consumption Around the World

At all our facilities, we continue local efforts to use less water with more efficient equipment, preventative repair and regular maintenance. In the U.S., we retrofitted existing facilities with low-flow faucets with motion sensors, which have significantly reduced water usage. We also conduct regular inspections of water lines to find, fix and prevent leaks.

We are currently evaluating and prioritizing water conservation projects for our European and Australasian operations.



## Improving Energy Efficiency and Clean Energy Usage in North America

We are improving energy efficiency and procuring renewable energy resources for our buildings in North America. Our initiatives include:

- Installing variable frequency drives (VFDs) and HVAC controls in U.S. stores and distribution centers
- Implementing LED lighting retrofits in U.S. facilities
- Installing motion-sensing lighting in our corporate headquarters and other facilities
- Implementing building management systems (BMS) in U.S. facilities
- Investing in solar installations at North American facilities



## Piloting Energy Efficiency and Renewables Initiatives in Europe and Australasia

While we have focused on our North American facilities in the past, we are now exploring how we can improve energy consumption in our facilities around the world. We already have projects in place generating wind power and solar power across Europe, and in 2022, we expect to bring online several new solar projects to power more facilities in Europe and Australasia. We are working on several pilot initiatives in Europe and Australasia, including the following:

- Replacing oil heaters with hybrid heat pumps in the U.K. and Germany
- Transitioning company cars and fleet transportation to hybrid, EV and biodiesel
- Installing LED lighting in distribution centers and stores in Europe and Australasia
- Installing rooftop solar at distribution centers in Europe and Australasia
- Procuring wind energy for our automotive business in the Netherlands

## Delivering Sustainable Products

We source and distribute more than 13 million products and service items through our automotive and industrial businesses. The impact of our complex, global supply chain stretches from before products reach our suppliers to beyond when our customers leave our stores or install an essential part.

As a vital part of the circular economy, we play a role in minimizing the long-term environmental and social effects of the products we distribute. At the macro level, we look at global issues, like conflict minerals, single-sourced components, waste and other supply chain weaknesses. With an individual product, we need to understand whether it can be recycled or remanufactured, how long it takes to biodegrade and whether it contains toxic substances.

We are committed to responsible sourcing, reducing waste in our operations and providing customers with the option to choose recycled or remanufactured products. Learn more about what we are doing to deliver sustainable products to our customers:

## Participating in the Circular Economy

The automotive industry is uniquely positioned to be a leader in a more circular economy. We offer customers an array of recycled or remanufactured parts and products, and we recycle parts to put back into the system. Our policies encourage suppliers to upgrade and replace products with reusable, recycled or recyclable versions where possible.

## Reducing Operational Waste

Our waste reduction efforts to date focused on our U.S. facilities, the largest portion of our footprint; however, we are now actively evaluating how to reduce waste at facilities globally. In the U.S., recycling remains the most effective way to divert waste from landfills. GPC Asia Pacific has also developed a multi-year plan for waste reduction and recycling initiatives.

In addition to traditional waste diversion activities, our automotive business participates in significant product lifecycle activities related to cores and remanufactured parts. One of the most impactful of these efforts is recycling lead batteries sold throughout the world.

Lead batteries — made of lead, plastic and acid — are virtually 100% recyclable. We encourage consumers to bring their old lead batteries to their local NAPA Auto Parts store, where we safely collect and send them for recycling. Manufacturers can then make new batteries with up to 80% of the lead and plastic coming from recycled materials. Thanks to this cyclical relationship with retailers, consumers, recyclers and manufacturers, 99% of lead batteries are recycled, making them the most recycled consumer product in the U.S.

Highlights from our 2021 impact:



### U.S.

NAPA Auto Parts stores **sold 7,518,798 batteries** and **recycled 7,329,597 batteries** for a recycling rate of more than 97%.



### Australasia

The automotive segment **recycled 31,454 batteries** and are looking to grow to a similar recycling efficiency rating.

## Ensuring Ethically Sourced Products

We take great care to make sure that our products are sourced ethically. Our Global Sourcing team follows a robust process to make sure we evaluate, select and retain trusted suppliers, and we continually enhance the criteria we use for auditing and compliance.

We believe our suppliers should uphold the same commitment we do to protecting the planet. As part of our commitment to sustainability, we are exploring adding environmental factors to the auditing process, and we look forward to sharing our progress in future reports.

Learn more about our global supply chain and product compliance verification process:



### Supplier Quality Audits

We complete universal audits of offshore suppliers to ensure they comply with strict quality standards, including ISO-9001 and IATF 16949. Our team manages audits for more than 600 offshore suppliers and partners with authorized independent auditing agencies for supplemental support. As a participant in the U.S. Custom Trade Partnership Against Terrorism (C-TPAT) program, we also complete necessary audits to maintain our certification.



### Supplier Social Audits

For offshore suppliers located in high-risk counties, we conduct social audits based on SA8000 Social Certification Standards. We work with an unbiased, third-party auditing and reporting agency to understand a suppliers' human rights record, working conditions, labor practices, compensation and other metrics that can help us determine if the supplier is a good fit for our company.



### Product Compliance

We adhere to international and local product safety standards and compliance guidelines across North America, Europe and Australasia. Our Global Sourcing team monitors all products to identify any that require compliance and regulatory testing and verification. We also have robust procedures in place to ensure compliance with numerous programs in the U.S., U.K. and European Union. Working with a third-party engineering firm, we ensure user manuals that come with our products are reviewed and edited, as necessary, and include appropriate warning symbols and graphics.



### Using Sustainable Packaging

Single-use plastic packaging can't be recycled or reused, which means it goes to landfills. At GPC Asia Pacific, the team is working on replacing single-use plastic packaging for wiper assemblies, tie downs and straps with other sustainable alternatives. In addition, the team is actively looking for other opportunities to remove single-use plastics and make a big impact on reducing overall waste in our operations.

Our North American operations continue to be a role model in sustainability by expanding their recycling programs. The team prevented 5,436 MT of waste from entering landfills, which equals:



# 24.2 million kWh

*Electricity saved*



# 38.1 million gallons

*Water saved*



# 65,236

*Mature trees saved*



# 17,289 MTCO<sub>2</sub>e

*Reduced GHG emissions*





**We respect our teammates and recognize the hard work and positive energy they bring to GPC every day. Our teammates are the heart of everything we do, and we want to ensure we have an uplifting culture, where they can thrive and feel welcomed, heard, included, engaged and supported.”**

*Derek Goshay, Vice President, Safety, Sustainability & DEI*

## **Investing in Social Good**

# Genuine People

At GPC, we strive to be the employer of choice for all our teammates. With a “locally around the globe” view, we work to attract, retain and develop the highest quality talent to meet emerging needs and embrace new opportunities around the world.

Our teammates are key to our business success. We are committed to ensuring their work is enriching and that they can grow and succeed in meeting their personal and professional goals. As we focus this year’s report on our global impact, we are excited to highlight the many ways we support teammates around the world and the critical role they play in achieving the company’s growth objectives and sustainability goals.

## OUR GENUINE PEOPLE HIGHLIGHTS



Created our DEI Council and DEI Global Roadmap



Launched four Business Resource Groups (BRGs)



Completed our 2022 employee engagement survey



Conducted a pay equity review for all U.S. employees



Enhanced our employee well-being program



**Our culture is very innovative, and our teammates are determined and constructive. We are constantly working to improve processes and inspire our customers. They rely on us, and we keep our word. That’s our recipe for success.”**

**Torsten Busse**, Regional Sales Manager, AAG Germany



## EMPLOYEE VALUE PROPOSITION



### **Genuine people:**

*People are at the heart of what we do*



### **Standing the test of time:**

*Our longevity is no mistake*



### **Locally around the globe:**

*What we stand for never changes*

## Engaging Our Workforce

People are at the heart of what we do. Teammate engagement is not just a metric to us; it means building genuine, trusted relationships based on respect — both with and among our teammates. We value their diverse backgrounds, ideas, cultures and talents, and we are creating a culture where every teammate feels valued and heard. Our shared passion and commitment to integrity and hard work unite us and motivate our teams to do their best and help us achieve the One GPC Team vision.

We understand that relationships take work, and we are committed to active listening. That is why we conduct engagement surveys every 18 to 24 months to understand how we are doing, what we are getting right and where we can make improvements to support the aspirations and needs of our teammates. The survey also helps us track how we are progressing on many of the initiatives and programs we outline in this report.

In 2022, 78% of global GPC teammates completed the latest engagement survey to share their views on the company overall and provide local feedback. The insights we gain from our teammates through the engagement survey inform our goals and initiatives so that we can continue improving the teammate experience.

Here are some highlights from the engagement survey:

# 78%

*Global Engagement Score*

# 81%

*I am proud to work for this company*

# 78%

*GPC is a great place to work*

## Empowering Our People

Our mission to be an employer of choice means we strive to be a place where teammates want to build their careers. We are focused on attracting, hiring, developing and retaining top talent. We believe in meeting our teammates where they are and providing the best training, mentoring, learning and enrichment opportunities at every stage of their development.

## Fostering a Learning Culture

We offer a range of training and development programs, resources and opportunities aligned with career pathways so that teammates are empowered to enhance their skills and reach their maximum potential. Many of our training opportunities are tailored to teammates' locations, positions and career interests, and we encourage local facilitation within businesses so that training is as relevant to teammates as possible.

We are proud to have initiatives and programs that connect high performers with emerging talent to help foster mentoring, interpersonal connections, continuous improvement and lifelong learning. We also offer core leadership development programs at the corporate level, which are available to teammates within all business units.

Learn more about three of our dynamic career development programs:

### **Internal Capability Building Program**

With our learning management system (LMS), we offer technical and soft skill development for teammates at all levels of the company. By aligning this program to our various internal career pathways, the training provides teammates with the opportunity to accelerate their career trajectory and develop important transferable skills as they grow.

### **Global Management Development Seminar (MDS)**

A specialized global training program, MDS immerses selected high-performing teammates in virtual and in-person coursework to learn about our business operations. Participants from all business units come together to develop cross-functional strategies and improvement plans that can help them excel in their careers. We also have an MDS program in Europe, which recently hosted its second weeklong seminar for more than 30 teammates.

### **Internships and Rotational Programs**

We're committed to turning today's talent into the leaders of tomorrow. Through our internships and rotational programs, we provide college students, recent college graduates and aspiring future leaders with a variety of hand-on education and mentorship opportunities to learn about our business, build strong relationships and grow their network.



## TEAMMATE SPOTLIGHT



For Romeo Luque Zanello, turning his summer internship into a full-time position has been “a dream come true.” Now a finance and accounting rotational analyst, he spent his summer learning about the company, gaining real-world experience in different finance and accounting departments and participating in GPC’s volunteer opportunities.

**“Coming from a different country was not easy for me, but I am grateful that many people have helped me along the way, so I also feel that giving back to the community is a way to express gratitude.”**

## Focusing on Teammate Career Development

Through the annual performance and career process, teammates receive feedback from their managers on progress against goals, and together, they identify opportunities and areas for continued growth in the coming year. This transparent process helps teammates understand where they are in their professional journey and what steps they must take to achieve their near-term and long-term career goals.



**We stand for so much more than selling automotive parts. There is a sense of purpose and belonging here; we are a family that supports and encourages each other to grow and develop. I have had tremendous leaders who have turned into mentors, and I enjoy paying it forward to help the next generation of teammates. This is, without a doubt, the destination for a rewarding career!”**

*Stephanie Cooney-Mann is a director, major accounts for UAP Canada and part of Drive for Success, a program for developing top talent.*

## Investing in Talent

With an increasingly complex labor market, we work continuously to understand and adapt to changing industry standards while ensuring we're offering competitive benefits and compensation packages to teammates. To be an employer of choice, we must reward our teammates for their hard work and contributions with attractive compensation packages tailored to their level and local differences in cost of living.

Our non-salary benefits are equally available to full-time and part-time teammates. They are designed for flexibility and affordability, and we offer an array of localized options to support the health and well-being of our teammates and their families. Our benefits<sup>1</sup> include, but are not limited to, the following:



Medical, Dental and  
Vision Insurance



Life and AD&D  
Insurance



Disability Plans



401(k) with  
Matching



Paid Time Off



Tuition  
Reimbursement



Teammate  
Discounts



*Our Talent Acquisition team visits colleges and universities, like Savannah State University, to meet students and educate them about our career opportunities.*

<sup>1</sup>Some programs and benefits included in the U.S. only

# Advancing Diversity, Equity and Inclusion (DEI)

## Celebrating Diversity as a Source of Strength

Being authentic is fundamental to how we do business. True to our name, we seek genuine interactions with our teammates, from our distribution center teams to board members. We embrace diversity; seek to ensure fair treatment, equality of opportunity and fairness for all; and strive to foster an inclusive culture where all teammates — regardless of race, gender or other differences — feel safe and supported to be their true selves at work.

We believe our differences make us stronger. Diverse experiences, backgrounds and perspectives better enable us to connect with customers, drive innovation and generate creative solutions to tackle big challenges.

We are committed to eliminating all types of discrimination in the workplace. From recruiting and hiring to performance management and promotion, we embrace differences and promote equity and inclusion. Every teammate is required to adhere to the anti-discrimination policies outlined in our teammate Code of Conduct and actively work to eliminate bias throughout our organization. In addition, managers participate in regular non-bias training.

Through our efforts to eliminate bias and champion inclusivity, we continue our efforts to increase representation of People of Color, women, veterans and other diverse communities at all levels in the company.

### DIVERSITY IN NUMBERS – U.S.

| People of Color                        | Women                                  | Military Service                      |
|--|--|---------------------------------------|
| <b>23.2%</b> of Managers               | <b>20.0%</b> of Managers               | <b>1.7%</b> of Workforce (all levels) |
| <b>30.9%</b> of Non-Managers           | <b>21.3%</b> of Non-Managers           |                                       |
| <b>15.4%</b> of the Board of Directors | <b>30.8%</b> of the Board of Directors |                                       |

## Launching Our DEI Global Roadmap

Our leadership is dedicated to advancing our DEI goals. In 2021, we appointed our first director of DEI to strengthen our equal employment opportunity policies and lead the charge in identifying and removing barriers to advancement for diverse teammates. As a part of our leadership team, the director of DEI advocates for and oversees implementation of programs and initiatives across the company.

We also created a DEI Leadership Council comprised of teammates from around the company. The council's mandate is to champion DEI causes and increase awareness of DEI initiatives.

With the architecture for our DEI program firmly in place, we established five long-term objectives that inform specific initiatives we plan to launch during the next few years.



### Drive DEI awareness and accountability across the entire organization

We will promote DEI initiatives through purposeful communication efforts emphasizing intentionality, boldness and courage. Our priorities include: encouraging teammate participation in our new Business Resource Groups (BRGs), including those already launched for women, African Americans, Asians and veterans; training and educating our teammates on DEI topics; and celebrating the diversity of our team by highlighting women's history, Asian history and other topics.



### Source and hire diverse candidates

We will build on existing efforts to recruit diverse candidates to join our team and support the professional and personal growth of each of our teammates. We are pursuing a two-pronged approach using internal advancement and promotion, as well as external recruitment, hiring and retention of qualified women and minorities. We also increased our support for the United Way's African American Partnership and Young Professional Leaders programs to attract and engage with the next generation of leaders from underrepresented groups.



### Utilize our DEI platform to drive teammate engagement and experiences

We will extend our current training and development opportunities for our teammates through the BRGs and other mentoring structures. This includes providing additional unconscious bias training to senior leaders, managers and supervisors.



### Collaborate on products, services and policy initiatives by incorporating a DEI perspective

We will evaluate our current corporate objectives and business needs through a DEI lens and include our BRGs for feedback and policy development. We want to make sure all voices are heard in corporate-level decision-making and that our policies reflect the diverse perspectives of our teammates.



### Develop partnerships within the communities we serve

We will continue to enhance our Supplier Diversity Program; identify and implement external DEI partnerships; and align our corporate giving and volunteerism to advance the interests of disadvantaged individuals and communities.

We recently joined the Georgia Minority Supplier Diversity Council and the Georgia Hispanic Chamber of Commerce to improve our supplier diversity partnerships. We also established a scholarship for children or dependents of our teammates who are attending Historically Black Colleges and Universities.

# Delivering on Key DEI Initiatives

We undertook several key initiatives to advance DEI awareness and practice across our business and value chain. Learn more about our growing Supplier Diversity Program, process for gender pay equity and new Business Resource Groups (BRGs):

## Promoting Pay Equity

As a standard business practice, we work to continually assess and update compensation and ensure all teammates, regardless of gender, race and other characteristics, are rewarded fairly for their contributions. In 2021, we completed a thorough pay equity review of all salaried positions in the U.S. Where we identified any variation in pay, we investigated and made appropriate adjustments.

As we look to broaden existing DEI efforts to our business globally, we intend to expand our pay equity review across our global operations. The findings overwhelmingly highlighted that there was little to no variance in compensation based on gender or ethnicity across our U.S. operations.

## Introducing Our Business Resource Groups (BRGs)

In 2022, we started launching our BRGs, which play a leading role in educating and engaging teammates in our DEI goals and efforts. The BRGs bring together teammates with similar affinities or backgrounds and their allies to support our growing diverse population, remove barriers to inclusion and make sure teammates feel more connected and welcomed.

The BRGs provide our teammates with venues for personal and professional development, including networking, coaching, skill building, community engagement, volunteering and advancement opportunities. They help educate all teammates about the history and contributions of people from different backgrounds and serve as important channels to provide our company leaders with feedback on ways to adopt more inclusive policies and processes.

We have launched four BRGs for corporate teammates in the U.S., and we aim to leverage the early key learnings from these groups to expand our program globally and to teammates in the field.



### Improving Supplier Diversity

One of our DEI priorities is the global expansion of our supplier diversity initiatives. We continue to focus on engaging more woman- and minority-owned businesses and increasing the proportion of our total supplier spend coming from designated businesses. We plan to enhance data gathering going forward to better calculate, analyze and report on total global diversity spend in future years.



### African American BRG

“My approach to leading the African American BRG is grounded in the principles of being a servant leader — to serve the community and our people by investing time, talent and treasures to build a group that represents our workforce. I believe our BRGs will hugely impact GPC’s talent retention, development and morale.”

*James Byrd*



### Asian American BRG

“The Asian American BRG, along with the rest of the BRGs, can become a force of successful transformation for DEI and its future at our company. We can provide a safe space for people to open up and share concerns to make improvements while also helping with community events, volunteer days and more to enhance the visibility of our Asian American teammates.”

*Vishal Patel*



### Veterans BRG

“Veterans do not always have a voice in civilian companies, but they come ready with a skillset. The Veterans BRG can make sure that we are connecting with veterans in our recruitment processes and checking in with current veterans to provide resources they need for a smooth transition into the civilian sector.”

*Juawana Glass*



### Women’s BRG

“It is important for our world of teammates to see GPC walk the walk in the equitable and inclusive space for those not well represented in the top tiers of leadership. With the Women’s BRG, we want to help our women teammates feel confident in disproving the stereotype and breaking the mold in terms of what it means to be a successful woman.”

*Marla Ferrell*

## DIVERSITY IN ACTION

At UAP, our teammates in Canada are turning their commitment to diversity into action with a multi-step approach that reaches all levels of the organization. Starting in 2020, the team launched a program called Any Model Works, which aligns UAP's DEI efforts to five pillars: commitment, awareness, collaboration, courage and curiosity.

UAP started by ensuring that all teammates learned about the Anti-Harassment and Discrimination Policy. Every teammate completed a 45-minute online training course with scenarios and a quiz that reinforced the policy's importance.

Next, the UAP team developed a 90-minute leader training workshop in April 2021 called Inclusive Leadership Café. During the session led by an external DEI expert, participants learned about microaggressions, unconscious bias and how to create an inclusive workplace.

Once leaders had a strong foundation to reinforce DEI within their teams, UAP then expanded its efforts to all teammates with an internal unconscious bias video and quiz. The UAP team created the video by taking part in the National DEI Roundtable; teammates liked the video so much that they are creating a second one in 2022.



### TEAMMATE SPOTLIGHT



Tyrone Jefferson started at a NAPA Auto Parts store in 1996 as a counter trainee and advanced through four leadership positions to his current role of district manager for Nashville, Tennessee, and Louisville, Kentucky.

In his time with the company, he's experienced a lot of changes since he was his store's only diverse leader.

**“That was 26 years ago, and we have made tremendous strides in ensuring we have diverse teammates in our stores and leadership.”**

During his career, Tyrone worked with three general managers who gave him the opportunity to grow and succeed. He took bits of what he learned from each of them to form his own leadership style, and now he's inspiring the next generation of leaders.

Tyrone also participates in community activities to promote education and inclusion, including a backpack program that provides school supplies for underprivileged kids and a training program at a local college to teach women to change tires and wiper blades.

He believes GPC's winning attitude and team culture have contributed to his successful career journey. “Here you can be what you want to be,” he said.

## Keeping Teammates Safe and Healthy

Our commitment to teammates extends beyond compliance with regulations. We endeavor to provide them with a safe environment free from hazards while also equipping them with the knowledge and tools to take personal responsibility for their safety and the safety of others. We also support their well-being and happiness outside of the workplace.

With an inclusive approach to health and well-being, we equip our teammates with the resources to live their best lives personally and professionally.



# 87%

*of teammates say they feel our company provides them with a safe working environment*



# 93%

*of teammates say they are comfortable reporting a safety issue*

*Source: Teammate Engagement Survey*

## Creating a Culture of Safety

We take a comprehensive view of Employee Health and Safety (EHS) across our businesses globally, complying with applicable employee protection and safety legislation in each region where we do business. We ensure teammate compliance with all relevant regulations, and our managers take their responsibilities in protecting teammate health and safety seriously. Our Code of Conduct outlines responsibilities for our teammates to keep each other safe, and it emphasizes the importance of complying with all safety regulations, using common sense and speaking up about hazardous situations.

We have developed several programs across our businesses globally to enhance workforce health and safety by promoting teammate responsibility and accountability. Every teammate receives regular safety-related training about occupational health and safety measures that are relevant to their role. We also have implemented appropriate security measures to keep teammates, customers and visitors safe at all our locations.

We encourage our teammates to participate in our LiveSafe program, which provides a full set of our safety guidelines, policies and requirements. This “safety toolbox” includes the safety responsibilities for all teammates at a site; safety training requirements; safety committee activities; safety inspections; accident reporting and investigation; and tips for safe driving, strain reduction and slip and fall prevention.



In our Australasia region, teammates participate in the successful “Make it Safe, Make it Home” program, which encourages them to make safety-conscious decisions at work, so they return home safely at the end of their day.

## Caring for Teammates Away From Work

In addition to our rigorous EHS policies, we actively promote the physical and psychological well-being of our teammates through various health management initiatives and well-being programs. We know that our teammates have rich and fulfilling lives outside of their work, and we are committed to helping them maintain healthy lifestyles and improve their physical, emotional, financial and social well-being. We are working to better understand the social well-being needs for all teammates globally so that they feel connected as we adapt to new ways of working.



*Our team at NAPA Los Angeles distribution center provided on-site biometric screenings with refreshments for teammates.*

### OUR TEAMMATE WELL-BEING PROGRAM

There is no one-size-fits-all for well-being because our teammates have different interests and priorities. We want them to succeed in the areas that matter most to them, so we offer various opportunities, including financial wellness assessments, the Livongo® Diabetes Management Program and local biometric screening events.

In addition to resources on our internal well-being website, teammates can access an interactive online platform to track progress on personal and financial goals. We also offer a rewards program for completing GPC-sponsored competitions and well-being activities.



## TEAMMATE SPOTLIGHT



For the past 18 years, Dean Downham has taken his role as area manager at Repco seriously, and he believes helping his team take care of their physical and mental health is a core part of his job. While he's partnered with HR to support members of his team, he often wondered whether he was doing and saying the right things.

As he learned more about mental health, Dean realized he had skill gap, so he asked to participate in the Mental Health First Aid (MHFA) course, a nationally recognized training program in Australia focused on improving mental health literacy. The course teaches practical skills to support someone experiencing a mental health problem, like early intervention and finding mental health professionals.

While the course was challenging, Dean believes it was the most valuable training he's done in his 28 years at the company.

**“I feel that it has already made me more equipped to talk to people about their mental health in times of distress and will certainly help me contribute to making my workplace safer every day.”**



## GPC's Continued Commitment to Pandemic Response

As the pandemic continues to impact our stakeholders around the world, our dedication to health and safety has not wavered. We continue monitoring and following best-practice guidance for managing the effects of the pandemic while ensuring the safety and well-being of our teammates, our customers and the communities where they live and work.



*We celebrated Teammate Appreciation Day at our corporate headquarters in Atlanta. Teammates enjoyed outdoor games, tasty treats and meet-and-greets with the NAPA Auto Parts racing team!*

# Requiring Human Rights Protections and Socially Responsible Sourcing

Since our founding, we have committed to doing business with those that share our values. We work to promote the safety, health and welfare of everyone we do business with, and we expect our suppliers to do the same. Each supplier in our value chain is required to adhere to the policies we have put in place to ensure the company promotes human rights in every facet of business.

We require our suppliers to adhere to the following:



**Human Rights Policy**

**Supplier Code of Conduct**

**Social Responsibility Standards and Policy**

## Protecting Human Rights

Our approach to protecting human rights begins with understanding how our activities, and the activities of our business partners, may impact our stakeholders. We formalized a Human Rights Policy for suppliers to ensure they respect the fundamental principles of human rights aligned to the United Nations Universal Declaration on Human Rights.

We are committed to ending global human rights abuses and do not tolerate child labor, forced labor or human trafficking. We do not purchase parts or services from or maintain relationships with companies that do; we have zero tolerance for non-compliance with our Human Rights Policy.



Our GPC Asia Pacific team follows a sophisticated process for procurement with internal quality assurance professionals and external compliance audit specialists to vet the suppliers with whom they work. Their audit program includes questions about health and safety, child labor, forced labor, discrimination, working hours and other factors to ensure that we do our part to eradicate all forms of modern slavery. GPC Asia Pacific has published a Modern Slavery Report to highlight our transparency and responsibility in this important area.

## Upholding Social Responsibility Standards and Policy

We are enhancing our sustainable and responsible sourcing strategy so that we select partners who share our values and can deliver safe and high-quality products to our customers. When we consider international suppliers, we follow strict processes to ensure that the vendors are a fit for partnership with our company. Our supply chain leaders use their vast experience to complete extensive audits of suppliers that may be in high-risk areas both before and after they become GPC suppliers.

We also partner with an independent third-party vendor to conduct social audits on potential suppliers to guarantee compliance with our policies before entering into business agreements with them. These audits help us gain an understanding of working conditions, labor practices, compensation and other metrics to determine whether the supplier is a good fit for GPC. We continue monitoring our suppliers to make certain they remain aligned with our policies.



# Uplifting Our Communities

Being a good corporate citizen is very important to our business, and to stress this, we included it in our mission. That means our commitment to taking care of our teammates and their families extends to supporting the communities where they live and work, particularly for disadvantaged and vulnerable populations. We engage in charitable giving and encourage teammate volunteerism across a range of causes and programs that can effect positive change.

## Giving Back Locally Around the Globe

Giving back is engrained in how we do business, and we seek out opportunities to support causes and organizations that align with our priorities.

From funding medical and cancer research organizations to programs serving people experiencing homelessness, we supported causes in 2021 that improve the lives of people in our communities around the world. Learn more about some of our charitable initiatives:

Created by our founder, the Carlyle Fraser Fund is self-funded by the annual stock dividend. We distribute from the fund every year to give back to nonprofits and other national organizations in need as a way to express our gratitude to the Atlanta community we call home and make a positive global impact.

The Giving Back Fund is primarily funded through contributions from our teammates, and an internal committee distributes the funds to teammates facing financial hardships. We are grateful for the opportunity to support our teammates, their families and their communities.

Our GPC Asia Pacific team supports their communities through a foundation. Their giving aligns to five pillars: teammate hardship, disaster relief, scholarships in automotive education, nonprofit support for local charity partners or community organizations and teammate volunteering.

### MAKING AN IMPACT

In 2021, we provided financial support to organizations in the communities where our teammates live and work, including the following:

|                             |                                 |                                  |                       |
|-----------------------------|---------------------------------|----------------------------------|-----------------------|
| Atlanta Chamber of Commerce | Carlyle Fraser Heart Center     | Children's Healthcare of Atlanta | City of Refuge        |
| Moisson Montreal            | Must Ministries                 | Salvation Army                   | Boy Scouts of America |
| Shepherd Center             | Starlight Children's Foundation | United Way                       | Westside Future Fund  |



**In good and challenging times, GPC has remained steadfast in its dedication to uplifting our communities and empowering those in need. Together, we have had the unique opportunity to transform people’s lives for the better, and I look forward to growing our relationship as we continue to partner for equitable change.”**

*Milton J. Little, Jr., President and CEO, United Way of Greater Atlanta*

## Encouraging Teammate Charitable Giving and Volunteerism

Our teammates give back to their communities by volunteering or contributing to causes that align with their values. Building off our successful work in 2020 with YourCause + Blackbaud, we continue using the online platform to connect teammates with an array of volunteer and fundraising opportunities around the world. Through the platform, they can also make one-time or recurring contributions through payroll deductions or credit card payments to support charities of their choice.



*Our DEI Council is helping create a culture where all voices are welcome and valued.*

# Supporting Community Education

Education unlocks opportunities for families, communities and countries. We are proud to support scholarship programs and community partnerships that can remove barriers to education and technical training.

Learn more about our scholarship programs that are improving access to education:



**U.S.-Based GPC Scholarship Program:** In 2022, we launched our scholarship program in coordination with Scholarship America to support the educational aspirations of the children or dependents of our U.S. teammates. This program is open to high school seniors and current college students, and we strongly encourage applications from those enrolling at Historically Black Colleges and Universities (HBCUs). HBCUs have played a vital role in our communities for more than a century, and we believe in helping students to learn and thrive in an environment where they can build solid relationships with people who have similar goals.

|  |  |   |  |
|--|--|---|--|
| <p><b>Amanda Grabowiecki</b><br/>College/University: Seton Hall University<br/>GPC Employee/Parent Name: Greer Grabowiecki<br/>GPC Employee/Parent Business Unit: Motion Industries<br/>GPC Employee/Parent's Location: Parsippany, NJ</p> | <p><b>Lauren Haynes</b><br/>College/University: North Carolina Agricultural and Technical State University<br/>GPC Employee/Parent Name: Nicquelle Haynes<br/>GPC Employee/Parent Business Unit: GPC<br/>GPC Employee/Parent's Location: Atlanta, GA</p> | <p><b>Juhles Kelly</b><br/>College/University: Howard University<br/>GPC Employee/Parent Name: Satchel Kelly<br/>GPC Employee/Parent Business Unit: GPC<br/>GPC Employee/Parent's Location: Norcross, GA</p>  | <p><b>Nia Mcgaughy</b><br/>College/University: Miles College<br/>GPC Employee/Parent Name: Lakeshia Mcgaughy<br/>GPC Employee/Parent Business Unit: Motion Industries<br/>GPC Employee/Parent's Location: Atlanta, GA</p>              |
|   |   |    |   |
|   |   |   |   |
| <p><b>Hezekiah Robinson</b><br/>College/University: Fisk University<br/>GPC Employee/Parent Name: Vanessa Lamar<br/>GPC Employee/Parent Business Unit: Motion Industries<br/>GPC Employee/Parent's Location: Orlando, FL</p>               | <p><b>Javon Shivers</b><br/>College/University: Talladega College<br/>GPC Employee/Parent Name: Sandra Gilmore<br/>GPC Employee/Parent Business Unit: GPC<br/>GPC Employee/Parent's Location: Atlanta, GA</p>  | <p><b>Lasscelle Vassell</b><br/>College/University: Florida Agricultural and Mechanical University<br/>GPC Employee/Parent Name: Angela Roundtree<br/>GPC Employee/Parent Business Unit: U.S. Automotive Group (USAG)<br/>GPC Employee/Parent's Location: Miami, FL</p> | <p><b>Zora Young</b><br/>College/University: New York University<br/>GPC Employee/Parent Name: Gregory Young<br/>GPC Employee/Parent Business Unit: U.S. Automotive Group (USAG)<br/>GPC Employee/Parent's Location: Nashville, TN</p> |

\*listed in alphabetical order

Meet some of the incredible recipients from the first class of the GPC Scholarship program.



## TEAMMATE SPOTLIGHT



When he was child, Moj Rezai lost his family during the war in Afghanistan. As a refugee, he moved to Australia in 2010, but he struggled to find a full-time job and a place to live.

The GPC Charitable Foundation in Asia Pacific launched a scholarship program in 2020 to help people like Moj who have experienced disadvantage find pathways to employment.

As the first scholarship recipient, Moj joined Repco in a customer service position in Preston, Victoria. In true GPC fashion, the team in his store welcomed him with open arms and supported him every step of the way. He's now transitioned to a full-time role, and he's a valuable member of the crew.



**Motion Industries Scholarship Program:** In 2022, we awarded 18 scholarships to children of Motion teammates from various departments around the company. The funds from the program help offset expenses for students who attend accredited community colleges, four-year universities and vocational-technical schools. Motion is proud to help graduating students reach their goals and career potential, and we look forward to continuing support for generations to come.



**GPC Asia Pacific Scholarship Program:** During the pandemic, the GPC Asia Pacific Charitable Foundation launched a scholarship program in Australasia to support people who want to learn skills that could lead to full-time employment. After an initial pilot phase, the program is ready for a national rollout.



*We proudly support future leaders in their professional development. The 2022 intern class spent 10 weeks learning about many areas of our automotive and industrial businesses.*

We are committed to training the next generation of automotive technicians through our partnerships. Learn more about two partnerships that are making a big impact:

## CITY OF REFUGE – NAPA AUTO SKILLS TRAINING CENTER

The NAPA Auto Skills Training Center, located in the heart of Atlanta, provides a 15-week, full-service auto mechanic training program for people who face barriers to employment. The program started in 2015 when the NAPA Auto Skills Training Center partnered with City of Refuge, a nonprofit organization that partners with individuals and families in crisis to clear a path out of poverty into a thriving community.

Participants receive instruction in ten different areas of auto mechanics and help with job placement after graduation. The accomplishments of this incredible group of newly trained automotive technicians include the CDX Auto certification, multiple SP2 certifications, MAC609 and the entry MLR ASE certification.



*We are proud of class #14 which graduated from the NAPA Auto Skills Training Center during the summer of 2022. All graduates secured employment at independent shops, metro Atlanta dealerships or other partner employers seeking qualified teammates.*

## UNIVERSAL TECHNICAL INSTITUTE (UTI) PARTNERSHIP

We joined forces with UTI, one of the nation's leading providers of automotive technician training. Together we are supporting students who are pursuing careers in the transportation and aftermarket auto repair industries.

NAPA is now the preferred auto parts supplier for UTI's 13 campuses, which include its best-in-class NAPA Autotech training program. We are supplying essential parts for hands-on labs, including brake kits, rotors, bulbs, bearing kits, wheel weights and more.



*We unveiled a new state-of-the-art transmission classroom at UTI's Mooresville, North Carolina, campus, which is also home of the NASCAR Technical Institute.*

# Building Community Partnerships

GPC has established long-standing relationships with charitable organizations over the years and continues to forge new partnerships to amplify our positive impact on communities throughout the world.



## American Heart Association

We support the American Heart Association with our Go Red campaign every February. Across the businesses, our teammates show their support by wearing red, participating in fundraising activities and learning about ways to prevent heart disease.



## Big Brothers, Big Sisters

We partner with local chapters of Big Brothers, Big Sisters to provide mentorship to third, fourth and fifth grade students to help them realize their potential and build their futures.



## Captain Planet Foundation

We provide ongoing support for the Atlanta-based Captain Planet Foundation, which engages and empowers young people to be problem-solvers for the planet. We are proud to be a sponsor for the Captain Planet Foundation's 30th Year Gala. In the future, GPC plans to continue partnering with the organization to improve recycling in our Georgia-based stores.



## Coat Drive

Our annual coat drive brings together teammates in the corporate headquarters who are passionate about helping their community. The coat drive is conducted in partnership with a local nonprofit that provides housing for homeless teenagers and children and those who have been abused, neglected or abandoned.



## Earth Day

Earth Day is an annual celebration for all U.S. offices and retail locations. In addition to encouraging teammates to plant trees or small gardens, we also collect unwanted cell phones, computers, tablets and other electronics for secure donation through programs serving low-income families, school children and U.S. military service members.



## Intrepid Fallen Heroes Fund

Since 2018, we have supported the Intrepid Fallen Heroes Fund, which provides care for military personnel suffering from traumatic brain injury, post traumatic stress disorder and amputations. Every June and July, NAPA customers can donate at their local stores, and teammates can also contribute by purchasing t-shirts or hats or by making a direct donation to the fund.



## International Red Cross

We have been a long-standing partner of the International Red Cross. In 2022, we hosted blood drives at stores and other locations globally, including on the corporate headquarters campus. From 2020 to mid-2021, we held more than 180 blood drives in North America and Australasia.



## Junior Achievement

Another annual event within the GPC corporate headquarters is a volunteer day with Junior Achievement, when our teammates speak to fifth and sixth grade students about finance, budgeting and the importance of a good education.



## Opération Enfant Soleil

For more than 20 years, our teammates at UAP in Canada have supported Opération Enfant Soleil, a nonprofit dedicated to providing high-quality pediatric care for children in Quebec. The partnership started with three teammates collecting cans and raising \$1,000. To date, UAP and our teammates have donated more than \$1 million to the organization, which distributes the funds to pediatric centers, regional hospitals and other organizations in need.



## Support for the People of Ukraine

Our teammates around the globe have been especially concerned about families living in Ukraine. They have stepped forward with financial support for humanitarian organizations and donations of basic necessities. Our office in Benelux also extended employment opportunities to Ukrainian refugees.



## Vinnies CEO Sleepout

Hosted by the St. Vincent de Paul Society, Vinnies CEO Sleepout encourages business, community and government leaders to sleep without shelter on one of the longest nights of the year. The event shines the light on homelessness in New South Wales, Australia. Wayne Bryant, CEO of GPC Asia Pacific Automotive, participated in the event on June 22 and slept in freezing temperatures and rain. He raised more than \$35,000 to help break the cycle of homelessness in his community.



## TEAMMATE SPOTLIGHT



Michael Ryan, a Repco store manager, is an integral part of his community in Alice Springs, a remote township in the Northern Territory of Australia.

**“I am incredibly lucky to work for such an amazing business in GPC. They continually support our store in working closely with local organizations. Through GPC, we have been able to make a real difference to young people within our community.”**

During the past year and a half, Michael and his store teammates have partnered with the Centralian Senior College on VROOM, a basic car maintenance program for year 11 students. He’s volunteered countless hours to providing hands-on, practical education, and the program is now being extended to year 10 students.

The Centralian Senior College shared the following: “Along with his support, Mr. Ryan’s passion extends to not only the physical support of tooling and automotive equipment but also improving the life trajectory of often disaffected students. On behalf of the Centralian Senior College, we wish to thank Mr Ryan for his ongoing passion, vision and commitment to our students, the VROOM program and our community.”



*Giving back to our community is foundational for teammates and a key part of the internship experience. Our summer interns painted two murals for the Melbourne Combat Vet Center in Florida.*



Our teammates proudly support the Intrepid Fallen Heroes Fund, and in 2022, they donated to the “We Believe in Heroes” campaign to build centers for service men and women fighting traumatic brain injuries.



To support the American Heart Association, our teammates celebrated Wear Red Day to raise awareness about cardiovascular disease.



**We are committed to operating with honesty, accountability and transparency, and doing the right thing is simply how we do business. With strong corporate governance, we can ensure our company is well-run and that our board and leadership team are focused on delivering sustainable long-term value for our stakeholders.”**

*Jennifer Ellis, Vice President, Compliance & Corporate Secretary*

## **Ensuring Good Governance**

## Doing the Right Thing

We do the right thing to operate our business in a responsible manner. Our global approach to corporate governance enables us to make smart business decisions that are good for our customers, our teammates and the planet. We believe strong governance can drive continued growth and help us chart a sustainable path for the future.

As a leader in our industry, we strive to operate with integrity and transparency across our value chain and build and nurture trusted relationships with teammates, suppliers, customers, communities and investors.

### 2021 GOVERNANCE FOCUS AREAS



## Understanding Our Governance Structure

A 13-member board of directors oversees the management of our company. Working together, our board members can ensure good corporate governance and decision-making throughout the company, including our sustainability programs.

The board is comprised of two committees — the Audit Committee and the Compensation, Nominating and Governance (CNG) Committee. Our Corporate Governance Guidelines and committee charter documents outline the procedures, expectations and responsibilities of our various governance bodies.

We are fortunate to have a deeply talented and experienced board that reflects the diversity of our teammates, our customers and the communities where we operate. With diverse perspectives, we are better prepared to take on big challenges with creative problem solving.

# Meet Our Board



*Genuine Parts Company Board of Directors, left to right: Gary P. Fayard, Jean-Jacques Lafont, Robert C. “Robin” Loudermilk, Jr., John D. Johns, Juliette W. Pryor, Richard Cox, Jr., Elizabeth W. “Betsy” Camp, Wendy B. Needham, Paul D. Donahue, John R. Holder, E. Jenner Wood III, P. Russell Hardin, Donna W. Hyland*

**Elizabeth W. “Betsy” Camp**

President & CEO  
DF Management, Inc.

**Paul D. Donahue**

Chairman & CEO  
Genuine Parts Company

**P. Russell Hardin**

President  
Robert W. Woodruff Foundation

**Donna W. Hyland**

President & CEO  
Children’s Healthcare of Atlanta

**Jean-Jacques Lafont**

Executive Chairman  
Alliance Automotive Group

**Wendy B. Needham**

Retired Managing Director,  
Global Automotive Research  
Credit Suisse First Boston

**E. Jenner Wood III**

Retired Executive Vice President  
SunTrust Banks, Inc.

**Richard Cox, Jr.**

Senior Vice President,  
Reservation Sales & Customer Care  
Delta Airlines

**Gary P. Fayard**

Retired Chief Financial Officer  
The Coca-Cola Company

**John R. Holder**

Chairman & CEO  
Holder Properties

**John D. Johns**

(Lead Independent Director)  
Retired Chairman & CEO  
Protective Life Corporation

**Robert C. “Robin” Loudermilk, Jr.**

President & CEO  
The Loudermilk Companies, LLC

**Juliette W. Pryor**

General Counsel and  
Corporate Secretary  
Albertsons Companies

Every year, the CNG Committee reviews board skills, education and experience so that the board remains relevant, engaged and representative of our stakeholders. Through intentional efforts, we are proud to have improved the diversity and inclusiveness of our board.

## BOARD SNAPSHOT



6 out of 13 are diverse (46%)



4 out of 13 are women (31%)



11 out of 13 are independent (85%)

**63** Average age  
of directors

**8.5** Average years  
of tenure

## BOARD MEMBERS' AREAS OF EXPERTISE

| Experience                         | Camp | Cox | Donahue | Fayard | Hardin | Holder | Hyland | Johns | Lafont | Loudermilk | Needham | Pryor | Wood |
|------------------------------------|------|-----|---------|--------|--------|--------|--------|-------|--------|------------|---------|-------|------|
| Finance/Accounting                 | •    |     |         | •      | •      |        | •      |       |        |            | •       |       | •    |
| Distribution/Supply Chain          | •    |     | •       |        |        |        |        |       | •      |            |         | •     |      |
| Automotive                         |      | •   | •       |        |        |        |        |       | •      |            | •       |       |      |
| Government/Regulatory              | •    | •   |         |        | •      |        | •      | •     |        |            |         | •     | •    |
| Legal                              | •    |     |         |        | •      |        |        | •     |        |            |         | •     |      |
| CEO/Leadership                     | •    | •   | •       | •      | •      | •      | •      | •     | •      | •          |         |       | •    |
| Technology                         |      | •   |         |        |        |        |        |       |        |            |         |       |      |
| International                      |      |     | •       | •      |        |        |        |       | •      |            |         | •     |      |
| Public Co. Board(s)                | •    |     | •       | •      |        | •      | •      | •     |        |            |         |       | •    |
| Independent                        | •    | •   |         | •      | •      | •      | •      | •     |        | •          | •       | •     | •    |
| <b>Tenure/Age/Gender/Diversity</b> |      |     |         |        |        |        |        |       |        |            |         |       |      |
| Years on the Board                 | 7    | 2   | 10      | 8      | 5      | 11     | 7      | 20    | 2      | 12         | 19      | 1     | 8    |
| Age                                | 69   | 53  | 64      | 69     | 64     | 66     | 60     | 69    | 61     | 61         | 68      | 57    | 69   |
| Gender                             | F    | M   | M       | M      | M      | M      | F      | M     | M      | M          | F       | F     | M    |
| Gender/Race/Ethnicity/Nationality  | •    | •   |         |        |        |        | •      |       | •      |            | •       | •     |      |

## Providing Sustainability Management and Oversight

We have made it a top priority to ensure that our commitment to sustainability reaches our entire value chain. The board embraces its role in overseeing ESG-related policies, strategies and programs, and its directors continuously work to integrate corporate responsibility, environmental stewardship, business ethics, community involvement and diversity, equity and inclusion into our business strategy, policies and vision for the future.

Since 2020, the board's CNG Committee has overseen and directed our approach to ESG, including oversight for developing talent management programs and processes that align with our sustainability goals. Through regular updates, the full board stays abreast of developments in the ESG landscape and our progress toward accomplishing our goals.

# Ensuring Integrity at Work



Called “Integrity at Work,” our Code of Conduct represents the shared commitment of teammates — in all roles, at all levels and in all locations — to always do the right thing.

At GPC, what we stand for never changes, and our unwavering focus on our mission is core to our success. We have fostered a culture that prioritizes ethical behavior, and we have set the bar high because we aren’t satisfied with merely complying with laws and regulations.

Our extensive Code of Conduct applies to all full-time and part-time teammates across all global operations and extends to people working on our behalf, including consultants, agents, vendors, suppliers, distributors and business partners.

In 2019, we updated our Code of Conduct to better align with our sustainability strategy and goals. Maintained by GPC’s internal Compliance team with oversight from the board, the Code covers the following areas:



## Our Code

- Understand Your Responsibilities
- Make Good Decisions
- Speak Up
- Non-retaliation Policy



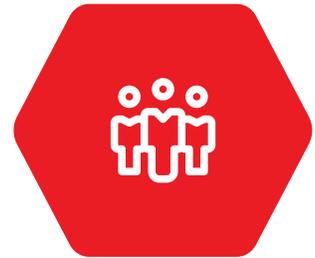
## Our Company

- Audits and Government Investigations
- Protecting Confidential Information
- Insider Trading
- Company Property
- Records Management



## Our Customers/Suppliers

- Anti-Corruption and Anti-bribery
- Anti-money Laundering
- Conflicts of Interest
- Competition and Anti-trust
- Gifts and Entertainment
- Import, Export and Trade Compliance
- Product and Service Quality and Safety



## Our Community

- Environmental Protections
- Human Rights and Social Responsibility
- Charitable and Volunteer Activities
- Political Activities and Contributions
- Public and Media Relations
- Marketing and Advertising
- Social Media

Our Compliance team works with global business units to design ethics trainings tailored to department and teammate needs. Working with business leaders and managers, the team integrates ethics compliance within regular business processes and workflows.

All teammates must complete ethics training relevant to their roles and responsibilities, both as part of the onboarding process and routinely throughout their careers with the company. Leaders and managers are responsible for reinforcing the Code of Conduct throughout our business units and at all levels of the company.

Senior financial officers, including our chief executive officer, president, chief financial officer, and other principal financial and accounting officers must adhere to an enhanced Code of Conduct. It provides further guidance to our executive leadership to ensure they comply with laws and regulations, avoid conflicts of interest and can ensure accuracy and transparency in our financial reporting.



## Whistleblower and Non-retaliation Policies

We encourage every teammate to seek advice, raise concerns, and be transparent and open. Our Code of Conduct provides our teammates with clear information on when and how to speak up if they witness or experience a situation that does not align with our company culture or policies.

Our leadership team has an open-door policy for raising ethical concerns or code violations. For teammates who are uncomfortable voicing concerns directly, we offer an anonymous toll-free ethics reporting hotline available to teammates worldwide. Administered by an independent third-party vendor, the ethics hotline is available 24 hours a day.

We do not tolerate any forms of retaliation or discrimination against whistleblowers or against teammates who participate in ethics violation investigations.

Any complaints or violations identified regarding accounting, auditing or financial reporting are sent to the head of the Internal Audit department and escalated to the Audit Committee as appropriate.

## Improving Our Data Security

Our stakeholders rely on us to protect their data, and we are committed to doing everything we can to keep their data and our data safe. Following current best practices, our data security standards and the cybersecurity program provide our teammates with a framework for responsible collection, storage, transfer, use and destruction of data. Our comprehensive processes and standards cover all GPC information, systems, data and media, and it applies to all individuals with authorized access to GPC systems, data or network infrastructure.

Because threat actors are always changing their tactics, we are constantly evolving how we predict, protect, mitigate and manage cybersecurity threats. We continuously monitor our global infrastructure while also conducting tabletop simulations to test the strength of our data security systems and improve our incident response plan.

Given the increasing importance of data security, we ensure our board of directors is engaged and aware of changes to our data security standards and cybersecurity program. Our chief information and digital officer (CIDO) and chief information and security officer (CISO) update our Audit Committee on progress quarterly. The full board also receives an annual cybersecurity and IT risk update.



We follow the National Institute of Standards and Technology (NIST) Framework to align our cybersecurity program and prioritize data security activities based on our business requirements, risk tolerances and resources.



**Our approach to sustainable cybersecurity enables us to have a long-term strategy for mitigating ongoing risks while providing the flexibility to respond to threats today. We believe that sustainable cybersecurity provides technical, financial, social and reputational benefits for all our stakeholders.”**

*Naveen Krishna, Chief Information and Digital Officer*

# Understanding Our ESG Governance Structure

For us, ESG is more than a compliance or risk mitigation tool; it's our way of doing business. Embedding sustainability into our organization requires a different mindset and management approach to make sure we can respond quickly to environmental, social and market drivers.

Throughout our history, we have engaged in corporate responsibility and environmental stewardship. Now with an intentional effort and commitment from our executive leadership, we can work together as One GPC Team to create a clean-energy future that celebrates diversity and inclusion.

We believe that our sustainability program can make the biggest impact for teammates, suppliers, customers, communities and shareholders if we align the focus areas, goals and initiatives with key business objectives and other operational areas. In 2022, we added ESG goals to business unit quota plans to better measure and track progress on improving diversity, equity and inclusion (DEI) and reducing carbon emissions.

We also made significant progress on the One GPC Team vision by formalizing a three-level leadership structure to ESG governance that engages the board and leaders from across the company. By focusing on continuous improvement and feedback loops, we can be sure that ESG is embedded in decision-making processes and business strategy throughout the company.



## OUR ESG GOVERNANCE CYCLE



### Board of Directors

The board of directors oversees the affairs of GPC for the benefit of our shareholders; reviews financial goals and performance; fosters an ethical business environment; and oversees and directs the company's approach to ESG. This includes leading our growing sustainability program, integrating sustainability into our business strategy and aligning talent management programs and processes to our sustainability goals.

The board also assesses major risks for our company and reviews options for monitoring and controlling those risks, including those related to climate change. Board members receive quarterly updates from the CNG Committee chair and participate in periodic "deep-dive" sessions on ESG topics to stay current on how issues may impact our company.

The CNG Committee has primary oversight of the sustainability program and all associated initiatives, and it receives regular reports from management on sustainability program strategy, direction and progress. The CNG Committee also oversees shareholder and stakeholder engagement for sustainability and has established several channels for soliciting feedback to ensure that we reflect stakeholder interests in our strategy and roadmap.



### ESG Leadership Council

The ESG Leadership Council is comprised of internal leaders who exemplify our sustainability commitment and efforts to date. The committee serves as a formal multi-department, multi-division working group in charge of strategic direction and oversight of the sustainability program. It includes the CEO and chairman, president, executive vice president & chief financial officer (CFO), executive vice president & chief Human Resources officer (CHRO), senior vice president of investor relations, vice president of safety, sustainability & DEI, vice president of compliance and corporate secretary, vice president of strategic communications, and vice president & general counsel.

The council holds quarterly global meetings with ESG leaders in each business unit to discuss concerns and roadblocks, ideate on best practices and provide updates on progress toward sustainability goals. The management team updates the CNG Committee and the full board on a routine basis. These meetings create a formal structure that enhances accountability and creates forward progress.



### Global ESG Committee

The Global ESG Committee includes business unit ESG leaders who are responsible for implementing policies and practices throughout our global operations, as well as monitoring and reporting on progress to the ESG Leadership Council. The Committee requires ongoing communication with, and direction from, the ESG Leadership Council and the board on initiatives, progress and vision.

For effective two-way flow of information, the Global ESG Committee participates in quarterly meetings with the ESG Leadership Council. These global quarterly meetings allow the committee to share progress on initiatives, raise concerns, identify barriers and share best practices. Business unit ESG leaders are responsible for achieving DEI and carbon emissions reduction targets within their business units, which helps ensure accountability for these important initiatives throughout the organization.

# Creating a Holistic Approach to Risk Management

Our success in mitigating risk and maintaining our good reputation depends on how well we identify, understand and manage risk. That's why we have a holistic approach to risk management.

The board is tasked with following the Corporate Governance Guidelines to manage risks that are material to the company. Within the board, the CNG Committee oversees risks related to compensation policies and practices; management development; talent strategy, including DEI and leadership succession; and ESG principles and initiatives. The Audit Committee oversees risks related to financial accounting and audit risks, internal control risks, and IT and cybersecurity risks.

The board receives regular reports and presentations from individual business units on material risks, and the CNG Committee chair is responsible for providing updates on climate-related risks and opportunities during each board meeting.

We also perform an Enterprise Risk Management (ERM) assessment annually at the management level with board oversight. Our Risk Assurance and Analysis teams across the company efficiently analyze potential risks, determine materiality, assess likelihood and impact, and develop actionable mitigation strategies to address such risks. We share and discuss the assessment results annually with the full board.



# Sustainability Accounting Standards Board (SASB) Index

| SASB Code   | Accounting Metric   | Category                | Unit of Measure                    | Answer, Cross-references, omissions and explanations   |
|---|---|-------------------------|------------------------------------|--|
| <i>Energy Management in Retail and Distribution</i> |   |                         |                                    |  |
| CG-MR-130a.1  | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable  | Quantitative            | Gigajoules (GJ), Percentage (%)    | GPC 2022 Sustainability Report, Caring for Our Planet p.17   |
| <i>Data Security</i>                                |   |                         |                                    |  |
| CG-MR-230a.1  | Description of approach to identifying and addressing data security risks   | Discussion and Analysis | N/A                                | GPC 2022 Sustainability Report, Ensuring Integrity at Work, p. 59; 2022 Proxy Statement: Board Oversight of Risk   |
| CG-MR-230a.2  | (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected | Quantitative            | Number, Percentage (%)             | GPC did not experience a reportable data breach during the reporting period. Our cyber incident response plan provides the framework for incident identification, assessment, management and impact mitigation |
| <i>Labor Practices</i>                              |   |                         |                                    |  |
| CG-MR-310a.1  | (1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region                                  | Quantitative            | Reporting currency, Percentage (%) | 100% of our in-store employees earn at least minimum wage (Federal/ State/ Municipal) in every U.S. region. GPC is not disclosing average hourly wage because we consider it sensitive competitive data        |
| CG-MR-310a.2  | (1) Voluntary and (2) involuntary turnover rate for in-store employees  | Quantitative            | Rate                               | Total Turnover Rate: 34.4%<br>Voluntary Turnover: 27.2%<br>Involuntary Turnover: 4.9%<br>Turnover Due to Job Elimination: 1.7%   |
| CG-MR-310a.3  | Total amount of monetary losses as a result of legal proceedings associated with labor law violations                             | Quantitative            | Reporting currency                 | Monetary losses as a result of legal proceedings associated with labor law violations during the reporting period were an immaterial amount  |

| SASB Code  | Accounting Metric  | Category                | Unit of Measure    | Answer, Cross-references, omissions and explanations  |
|--|--|-------------------------|--------------------|---|
| <i>Workforce Diversity and Inclusion</i>           |  |                         |                    |   |
| CG-MR-330a.1                                       | Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees | Quantitative            | Percentage (%)     | GPC 2022 Sustainability Report, Advancing Diversity, Equity and Inclusion (DEI), p.35   |
| CG-MR-330a.2                                       | Total amount of monetary losses as a result of legal proceedings associated with employment discrimination | Quantitative            | Reporting currency | Monetary losses as a result of legal proceedings associated with employment discrimination during the reporting period were an immaterial amount. |
| <i>Product Sourcing, Packaging &amp; Marketing</i> |  |                         |                    |   |
| CG-MR-410a.1                                       | Revenue from products third-party certified to environmental and/or social sustainability standards        | Quantitative            | Reporting currency | GPC does not disclose this.   |
| CG-MR-410a.2                                       | Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products    | Discussion and Analysis | N/A                | GPC 2022 Sustainability Report, Delivering Sustainable Products, p. 26  |
| CG-MR-410a.3                                       | Discussion of strategies to reduce the environmental impact of packaging                                   | Discussion and Analysis | N/A                | GPC 2022 Sustainability Report, Delivering Sustainable Products, p. 26  |
| CG-MR-000.A  | Number of:<br>(1) retail locations and<br>(2) distribution centers   | Quantitative            | Number             | 1,755 retail locations<br>85 distribution centers   |
| CG-MR-000.B  | Total area of: (1) retail space and (2) distribution centers   | Quantitative            | Square Feet        | 17,499,431 square feet of retail locations<br>8,260,342 square feet of distribution centers   |

# Task Force on Climate-Related Financial Disclosures (TCFD) Index

We are committed to providing transparency on our climate change risk management and governance. The Task Force on Climate-related Financial Disclosures (TCFD) has developed voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to stakeholders. A summary of our most recent response to the TCFD-recommended disclosures is below, with references to where related information can be found in either this report or in other public documents.

| Topic   | Disclosure  | Answer, cross-reference, omissions and explanatins   |
|---|---|--|
| <p>Governance<br/>- Disclose the organization's governance around climate-related risks and opportunities</p> | <p>The board, guided by the Genuine Parts Company Corporate Governance Guidelines, is responsible for the strategic direction of the company and the management of risk to the company. This includes environmental, social, and governance (ESG) oversight by the Compensation, Nominating, and Governance (CNG) Committee of the Board of Directors, which is comprised of all independent Directors. At each meeting, the CNG Committee is provided a full update on the company's ESG initiatives, risks and opportunities, including those related to the environment and climate change. The full board also receives an update on climate-related risks and opportunities from the chair of the CNG Committee at each board meeting as well as from management. Learn more about our board governance in our 2022 Proxy Statement and in our committee charters available on our Investor Relations website. The company's management team engages its stakeholders each year to assess what is important to each of them as it relates to all areas of ESG, including climate-related risk. The ESG Leadership Council, an internal committee comprised of senior leadership including the CEO, the CFO, the President, the Chief Human Resources Officer, the SVP of Investor Relations, the VP and General Counsel, the VP of Strategic Communications, the Vice President of Safety and Sustainability, and the Vice President - Compliance and Corporate Secretary, provides strategic direction and oversight of the company's ESG and sustainability initiatives. Members of the Sustainability Leadership Council meet quarterly with global ESG leaders to understand global progress, and it updates the CNG Committee and the board on a regular basis. The company continues to formalize its carbon emission reduction program, and in 2021, it engaged an expert in the area to help measure its global carbon footprint, set reduction targets and analyze abatement strategies. We continue to monitor and measure renewable and carbon neutral energy sources and will pursue economically favorable low carbon energy solutions where they make sense for the company.</p> | <p>GPC 2022 Sustainability Report, Understanding ESG Governance Structure, p.62; 2022 Proxy Statement; Corporate Governance Guidelines; Committee Charters</p> |

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|---|---|---|
| <p>Strategy - Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material</p> | <p>Genuine Parts Company's Sustainability Committee completed the GPC Sustainability Roadmap in 2017, consulting Global Reporting Initiative (GRI) sustainability reporting standards and the Sustainability Accounting Standards Board (SASB) standards to determine the material focus areas for GPC's sustainability program. The company's commitment to its people, the planet, and giving back are the framework of the sustainability focus areas. Our risks and opportunities are detailed in this Sustainability Report and the risk-factors section of our 2021 Annual Report.</p>  | <p>GPC 2022 Sustainability Report, Understanding ESG Governance Structure, p. 62; 2021 Annual Report</p>  |
| <p>Risk Management - Disclose how the organization identifies, assesses, and manages climate-related risks</p>  | <p>Genuine Parts Company's Internal Audit team facilitates the use of the company's Enterprise Risk Management Framework (RMF) to define, measure and monitor risk across the organization. The RMF establishes a common language and methodology to measure and prioritize risks and opportunities and define a process for monitoring risk. As part of this framework, there is an enterprise risk rating scale that provides guidelines for risk scoring/magnitude. The board has overall responsibility for risk oversight, with the Audit Committee assisting the board in performing this function. The board's role is to oversee the company's enterprise risk management (ERM) programs, including risk assessment and risk management processes and policies used to identify, assess, monitor and address potential financial, compensation, operational, strategic and legal risks on an enterprise-wide basis. Our 2022 Sustainability Report outlines our proactive approach to reduce climate-related impacts across our business. This includes information about our efforts to improve energy efficiency in all our operations world-wide, reduce our global carbon footprint and embed sustainability into our strategic planning process, our operations and our value chain.</p> | <p>GPC 2022 Sustainability Report, Understanding ESG Governance Structure, p. 62; 2022 Proxy Statement; Corporate Governance Guidelines; Committee Charters</p> |
| <p>Metrics - Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</p>   | <p>In 2021 the company measured and analyzed its global carbon emissions. In prior years, only U.S. metrics were measured and disclosed. This year, global scope 1 and scope 2 emissions are disclosed on page 21 of this report. The company has set internal reduction targets, which have been communicated to each business unit and have been integrated into annual quotas and our strategic planning processes. Abatement measures are being analyzed and implemented, and we continue to monitor and measure renewable and carbon neutral energy sources and will pursue economically favorable low carbon energy solutions where they make sense for the company. We look forward to sharing our continued progress in this area.</p>  | <p>GPC 2022 Sustainability Report, Caring for Our Planet, p. 17</p>   |



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