



2022

CORPORATE SUSTAINABILITY REPORT



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A MESSAGE FROM OUR CEO

Though we recognize the challenges that lie ahead, we remain committed to leveraging sustainability as a catalyst for positive change both within our organization and in the communities within which we operate.

On behalf of our entire SMP family, I am pleased to share with you our 2022 Sustainability Report. To deliver on the objectives that we established in our previous report, SMP has made significant enhancements to our environmental, social, and governance (“ESG”) profile. During 2022, we prioritized the following initiatives to advance our commitment to being environmentally and socially responsible:

- identify and implement practices that contribute to a greener car parc;
- reduce our carbon footprint and make progress towards our ambition to achieve net-zero greenhouse gas (“GHG”) emissions by 2050;
- enhance our diversity, equity, inclusion and belonging programs;
- enhance employee training, development, retention, while prioritizing their health and safety;
- improve the diversity of our Board of Directors;
- ensure compliance with applicable laws and regulations, while furthering our commitment to align our ESG reporting with established reporting standards; and
- appointed a director of global sustainability to analyze opportunities, develop strategies and monitor our environmental supply chain efforts worldwide.

We believe that these initiatives, and the integration of a sustainable approach to our business, will provide long-term value to our Company, stakeholders, and the communities within which we operate.

Over the 100-plus years that we have been in business, we have challenged ourselves to take advantage of the opportunities that technological advancements have presented to us. Today, SMP is prepared to meet the growing demand for high-quality replacement parts of hybrid and electric vehicles through our broad offerings of conventional and future-oriented technologies. We have invested in an original equipment manufacturer of electric drive compressors for HVAC and battery cooling in electric and hybrid vehicles. Additionally, in 2022 alone, we’ve expanded our product offering through the introduction of more than 1,400 new parts for powertrain-neutral applications and another 300 components for hybrid and electric vehicles. Our engineers have also successfully developed fuel injectors for engines that use hydrogen, compressed natural gas, and liquid natural gas to replace diesel fuel with clean-burning alternatives. Additionally, our remanufacturing program recycles certain used automotive parts, producing same-as-new components that promote sustainable manufacturing practices and contribute to a cleaner car parc.

We also have continued to challenge ourselves to identify and implement solutions to reduce our environmental impact while achieving our business objectives. In our 2021

Sustainability Report, we announced our ambition to achieve net-zero GHG emissions by 2050. To that end, we have partnered with third-parties to help us track our GHG emissions and develop a roadmap to achieve our reduction targets. We are also in the process of transitioning our sales force vehicles to hybrid electric vehicles to reduce fuel costs and Scope 1 GHG emissions. In 2022, facility upgrades aimed at improving energy efficiency and reducing energy usage have helped us reduce our total Scope 1 and Scope 2 GHG emissions (intensity) by 11% compared to 2021 and 30% compared to 2019. We have also implemented waste management and recycling initiatives to improve efficiencies and cost position. Through such initiatives, we have successfully coordinated with suppliers to use reusable packaging materials, and reduced packaging size, which directly resulted in reductions in transportation costs and carbon emissions.

At SMP, we believe that taking care of our employees and communities is of equal importance as our business objectives. That's why we have worked hard to create meaningful connections between our employees, their families and our communities to foster a more fulfilling and enjoyable workplace. Throughout 2022, we collaborated with our employees to donate money to local organizations, sponsor annual scholarship contests, and volunteer in our communities. Throughout our history, inclusiveness has always been engrained in our culture. We take pride in our social efforts that are led by a steering committee to develop initiatives to promote diversity, equity, inclusion and belonging throughout our organization, including programs to inspire innovation through an inclusive and diverse culture, expand our efforts to recruit and hire world-class diverse talent, and identify strategic partners to help us achieve our goals.

We also believe that the success of our business is fundamentally connected to the well-being of our people. As such, we provide our employees and their families with access to a variety of innovative, flexible and convenient health and wellness programs, including benefits that provide protection and security to support them through unforeseen hardships. We also prioritize the physical safety of our employees by complying with relevant safety laws, conducting regular trainings to enhance safety measures, and investing in safety equipment at all of our manufacturing and distribution facilities.

In closing, I am proud to present SMP's 2022 Sustainability Report. Though we recognize the challenges that lie ahead, we remain committed to leveraging sustainability as a catalyst for positive change both within our organization and in the communities within which we operate. Our employees have been instrumental in the progress that we have made thus far, and I express my heartfelt gratitude to them. Through our collective efforts, we continue to make strong strides towards achieving our sustainability goals. As always, I invite all stakeholders to share their valuable feedback with us.

Sincerely,

Eric P. Sills

CHIEF EXECUTIVE OFFICER & PRESIDENT



THE STANDARD® CULTURE

Standard Motor Products has been in business for over 100 years, a rare feat that brings us great pride. We have grown to become a leader in our industry, but we have neither forgotten our roots nor lost the feel of a family-run company.

With only four CEOs in 100 years, all of whom are family-related, continuity of leadership has allowed SMP to survive upheavals from the Great Depression through the Great Recession and the COVID-19 pandemic, and come out of those crises stronger than before.

Stability is our hallmark. With consistency of management, a strategy that promotes long-term growth, eschews short-term thinking, and focuses on careful decision-making, we are a trusted and reliable partner to our employees, customers, suppliers and other business partners.

The employee experience at SMP is unique. Collaborative and open to new ideas, our employees quickly see that their fellow colleagues share a value system that encourages personal and professional growth. Like a healthy family, we support each other, we challenge each other, we have fun doing it, and we celebrate each other's successes.



Our culture can be summed up in one word, **RESPECT**

Respect for our Customers

is evidenced by the partnerships we have developed with our customers based on, among other things, our unwavering commitment to quality and our focus on a superior customer service experience.

Respect for our Employees

is seen in our competitive wages, generous benefits, the way we interact with each other, and our insistence on a diverse, equitable and inclusive workplace that is a safe and healthy work environment. We strive for a true family feel in our company. We collaborate with each other, listen to each other, and act on each other's suggestions. Our credo: "Career Long Opportunities for Talented Employees who Share our Values" captures the spirit of the employee experience at SMP.

Respect for our Heritage

is best seen in the fact that we are an ethics-driven company. From its first days, the founding family has insisted on business practices that are ethical, transparent, fair and consistent throughout our organization. SMP, as a publicly traded company, has the same quarterly pressures as other companies, but our continuity of leadership gives us perspective to look at the long-term, not just to the next quarter. We take pride in our products; we take pride in our people; and we take pride in our culture.

Respect for our Planet

is seen through our commitment to providing solutions to promote a greener car parc, reducing our GHG emissions with the ambition of achieving net-zero GHG emissions by 2050, and reducing our environmental impact through efforts to reduce the generation of waste, increase the rate of recycled waste, and reduce the usage of energy and water.



OVERVIEW



Our Vision of ESG

At Standard Motor Products, we believe in the importance of being a good corporate citizen through commitments to our company, our employees, our customers and business partners, and the communities within which we operate. Collectively, these commitments are one of the most important elements of our success.

In this report, we are pleased to share with you some of the specific ways that we have continued to pursue the environmental, social and corporate governance (“ESG”) practices that are at the heart of these commitments, our culture, and what we believe it means to be a good corporate citizen.

We believe that our focus on these values strengthens our company in several critical ways, including through the achievement of operating efficiencies and cost reductions, the identification and mitigation of risk, improvements to our operations that reduce our carbon footprint, the creation of high employee satisfaction resulting in a skilled workforce with high employee retention, high customer satisfaction resulting in decades-long customer relationships, and the enhancement of our brand value, among others.

As we look to the future, we will strive to integrate a sustainable approach to our business operations, which we believe will provide a long-term benefit for our company and its valuable stakeholders, including the communities within which we operate.



This report outlines many of our accomplishments over the past year. However, we recognize that our work has only just begun. As a leading manufacturer and distributor of premium automotive parts, we recognize that we are in an optimal position to have a direct, tangible and positive effect on the communities in which we operate and the world at large. Knowing this, our employees and leadership team are motivated to put words into action to drive a sustainable future for all of SMP's stakeholders.

Board's Role In ESG

SMP's Board of Directors oversees an enterprise-wide approach to identify, assess, and manage ESG-related risks. To this end, the Board charged its Nominating and Corporate Governance Committee (the "Governance Committee") with overseeing the Company's ESG efforts, including management's ESG strategies, initiatives, and policies. Additionally, the Board charged its Strategic Planning Committee with overseeing SMP's long-term planning, including our strategies to address industry trends impacted by climate-related issues such as the transition to electric and hybrid electric vehicles.

Day-to-day ESG responsibilities are managed by a steering committee (the "ESG Steering Committee") led by our Chief Executive Officer & President, Chief Legal Officer & Secretary, Chief Human Resources Officer and Senior Vice President of North American Operations. The ESG Steering Committee is primarily responsible for identifying, assessing and managing sustainability-related risks and reporting such matters to the Governance Committee.

To ensure that our sustainability performance and reporting is constantly improving, the ESG Steering Committee engaged an independent third-party consultant to assist in establishing internal criteria to assess our sustainability performance and identify areas of improvement. In addition, we have aligned our disclosures in accordance with the industry-specific standards of the Sustainability Accounting Standards Board ("SASB") and the Task Force on Climate-related Financial Disclosures ("TCFD"). These disclosures are included throughout this report and within the detailed information contained in the annexes at the end of this report.

ENVIRONMENT



Our Planet

Providing Solutions for a Greener Car Parc

As a leading automotive parts manufacturer and distributor, we recognize that we have an important role to play towards promoting a greener car parc. In February 2023, we announced a new operating segment, "Engineered Solutions", and we renamed our Engine Management segment to "Vehicle Control". As a result, our business is presently organized under three operating segments – Engineered Solutions, Vehicle Control and Temperature Control. These segment changes will provide greater clarity into how we are positioned to deliver the automotive technologies of today and tomorrow, by offering solutions for advanced internal combustion engines (ICE), hybrid-electric, electric and powertrain-neutral vehicle applications. Powertrain-neutral applications are those that are generally found on all vehicle architectures regardless of whether they are gas, diesel, hybrid-electric or electric.

In our Engineered Solutions segment, we develop custom-engineered solutions for vehicle and equipment manufacturers. Our offerings provide a broad array of conventional and future-oriented technologies, including those that are specific to vehicle electrification and those that are powertrain-neutral.

In our core automotive aftermarket business, we supply premium automotive parts used in the maintenance, service and repair of vehicles. Many of our parts extend the service

life of vehicles by replacing critical components that have failed over time. These parts are necessary for vehicles to operate safely and efficiently, as designed. Furthermore, the hybrid and electric vehicle market grows larger every day, and we are committed to continually adding to our product offering for these vehicles, as well as expanding our powertrain-neutral coverage. In our Vehicle Control segment, our Electrical & Safety group carries more than 165 powertrain-neutral product categories.

165+ Powertrain-Neutral Categories

Examples include:

- Advance Driver Assist Systems (ADAS)
- TPMS Sensors
- Electrical Connectors
- Fluid Level & Temperature Sensors
- Electrical Switches & Relays
- Door, Trunk and Hood Actuators

In our Temperature Control segment, we offer thermal management solutions that are poised to benefit from the broader adoption of more complex air conditioning systems that provide passenger comfort regardless of the vehicle's powertrain, and from systems being developed to manage the temperature of batteries and other products used on electric vehicles. Our offering includes compressors, connecting lines, heat exchangers, expansion devices, and parts that provide engine, transmission, electric drive motor, and thermal management.

OUR PRODUCTS

In the 100-plus years that we have been in business, improvements to the internal combustion engine (ICE) and the proliferation of technological advancements throughout the car parc have created opportunities for us to develop and supply premium automotive parts for systems designed to increase powertrain efficiency, improve the fuel economy and reduce the harmful emissions of vehicles on the road.



“As hybrid and electric vehicle sales increase, SMP is prepared to meet the growing demand for high-quality replacement parts, and is dedicated to staying ahead of the curve, engineering and manufacturing superior products that last.”

- Jack Ramsey, Senior Vice President of Sales and Marketing

Electrical & Safety

Our Electrical & Safety offering covers a broad array of product categories designed to help drivers operate their vehicles safely on the road, including powertrain-neutral vehicle technologies such as electrical switches/relays, safety-related products such as anti-lock brake and vehicle speed sensors, tire pressure monitoring, park assist sensors, and advanced driver assistance components.

Emissions Controls

Our emission control products play an important role in reducing harmful pollutants. Automotive emission control systems are designed to reduce emissions of harmful air pollutants that result from operation of the vehicle. Our Exhaust Gas Recirculation (EGR) valves, sensors and tubes work to recirculate a portion of the exhaust back through the combustion process, resulting in cooler combustion temperatures, which reduces the formation of Nitrogen Oxide (NOx) emissions that contribute to air pollution.

Our Evaporative Emission Control Systems prevent gasoline vapors from escaping the fuel system and contributing to smog and other harmful air pollution. We offer an expansive line of replacement parts for this critical system, engineered to prevent leakage, ensuring optimal fuel efficiency and lower emissions.



Alternative Energies

As we look to the future and the evolution of automotive technologies, we see our role as a solutions provider, developing and bringing to market premium products for the next generation of vehicles, as no different from the role we have played historically in our 100-plus years of business. Our engineers and product development teams are hard at work expanding our product offering to service advanced internal combustion engines (ICE), hybrid-electric, electric and powertrain-neutral vehicle applications.

CNG/LNG/HYDROGEN FUEL INJECTORS

Our engineers in Greenville, South Carolina successfully designed and developed fuel injectors for engines using compressed natural gas, liquid natural gas and hydrogen. These fuels allow engine manufacturers to move away from more polluting diesel fuel to clean burning fuel sources.



ELECTRIC COMPRESSORS

We invested in an original equipment manufacturer of electric drive compressors utilized in electric vehicles (EV) and hybrid electric vehicles (HEV) for HVAC and battery cooling applications. We believe these inroads into the EV and HEV market will provide important cross-selling opportunities for our related thermal management products. We are also evaluating opportunities to apply our thermal management solutions to electric charging stations.



POWER DISTRIBUTION & POWER MANAGEMENT

We are an industry-leading designer and manufacturer of DC power switching and power management products, offering an extensive suite of highly adaptable products and the technical capabilities to develop customized solutions for our original equipment customers in commercial and light vehicles, construction, agriculture, lawn & garden and other end-markets. For example, we continue to enhance the design and add components to electric commercial zero-turn mowers to incorporate touchscreen interfaces, vehicle control modules and steering modules, among other components.



BATTERY COOLING FAN MOTORS

We have added battery cooling fan motors to our product offering to complement our line of products for EVs and HEVs. These essential components help keep lithium ion batteries at proper operating temperatures, increasing battery life and reducing the frequency at which disposal is required.

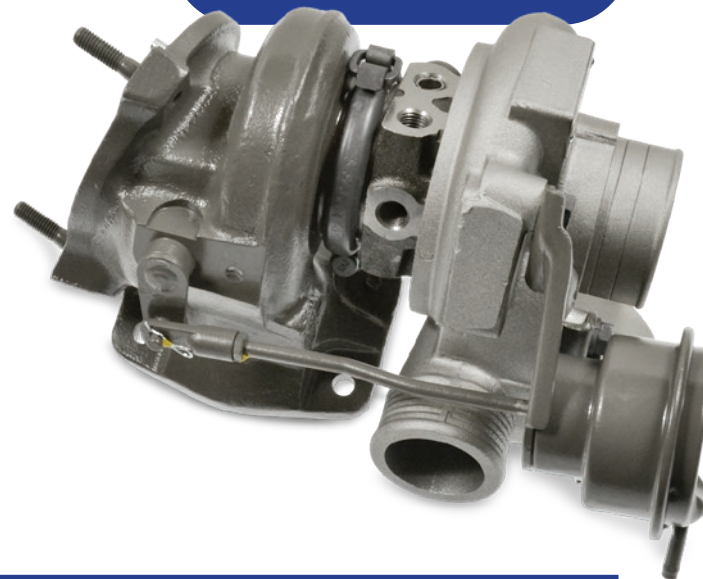




Approximately

92%

of our remanufactured products (by weight) are derived from recycled and remanufactured content



Remanufactured Products

Our Remanufacturing Program diverts certain types of used automotive parts from traditional waste streams and reprocesses and returns them to same-as-new condition and performance. We believe this form of sustainable manufacturing promotes many economic, environmental and product benefits that contribute to a greener car parc.

We remanufacture key categories within our product portfolio, such as air conditioning compressors, diesel injectors and diesel pumps, resulting in the production of like-new premium remanufactured parts through processes that save energy and reduce waste. Our remanufacturing processes reduce landfill waste through the diversion of used parts, and conserve the materials and energy consumed in the production of those used parts. In addition to utilizing remanufacturing processes as a solution to lessen natural resource depletion, it also provides for an overall greener car parc.

We estimate that our remanufacturing processes in 2022 prevented more than 8,095 metric tons of material from entering landfills, and avoided the need to process certain base metals, such as aluminum, saving more than 154 million kWh of electricity.

This savings is equivalent to CO₂ emissions from



120,433,163

pounds of coal burned



12,248,281

gallons of gasoline consumed



21,180

homes' electricity use for one year



Ten of our principal manufacturing and distribution facilities maintain Environmental Management Systems that are certified to ISO 14001:2015. This standard provides an important framework for establishing an effective environmental management system that helps us to achieve our environmental objectives.

Environmental Stewardship

We believe that operating our business in an environmentally responsible manner means challenging ourselves to identify and implement solutions to reduce our impact while achieving our business goals.

We formed an environmental impact team and appointed an environmental champion at each of our principal facilities to lead this initiative. Through their work, we are able to tailor our approach to improving our environmental performance at the facility-level, recognizing the unique challenges and requirements of each site, while encouraging information sharing and best practices throughout our organization.

We have also developed and implemented an environmental scorecard system, and partnered with a leading software provider in this space to implement a software solution for our facilities to measure the environmental impact of our operations and track improvements in our performance over time. We measure our environmental impact by absolute quantity and intensity (comparing absolute quantity against revenue). We believe that intensity measures provide a valuable tool for understanding and tracking improvements in our resource efficiency.

Throughout this section of the report, we refer to our “principal facilities”, which we define as our principal manufacturing, distribution and administrative facilities, but excluding the facilities operated by our China-based joint ventures and KADE Trading GmbH (“KADE”). Over the past year, we have fully integrated our ESG strategy into the operations of Trumpet Holdings, Inc. (“Trombetta”) and Stabil Operative Group GmbH (“Stabil”) and their subsidiaries, following our acquisitions of Trombetta and Stabil in May and

September 2021, respectively. We completed the acquisition of KADE in October 2022, and are in the process of integrating our ESG strategy and activities into its operations. We are presently measuring the environmental impact of our China-based joint venture operations, and we are working with our joint venture partners to develop and implement an ESG strategy that is appropriate and tailored to their businesses.

The primary metrics that we use to measure our environmental impact include our consumption of energy (i.e., electricity, natural gas and propane), our generation and disposal of waste (i.e., non-hazardous, hazardous and recycled), our management of water, and our Scope 1 and Scope 2 greenhouse gas emissions. For each metric, we have also selected 2019 as our baseline year against which we measure improvements in our performance. Our baseline year and historical performance reported in prior reports was developed using the best available data and estimates at the time. As we progress on our ESG journey, we have been working hard to educate our employees and enhance our data accuracy to develop a more complete view of our performance than we had in prior years. We have also grown our business through the acquisitions of Trombetta and Stabil, and we have expanded our reporting to include Trombetta’s and Stabil’s environmental performance in the current period and all prior periods. As a result, we are restating our 2019 – 2021 performance data to ensure that we are providing the most accurate view possible.

Our Corporate Environmental Policy is available on our Investor Relations site at ir.smpcorp.com.



Our Ambition to Achieve Net-Zero GHG Emissions

We are doing our part to proactively address climate change by addressing our own carbon footprint. In our 2021 Sustainability Report, we announced our ambition to achieve net-zero total Scope 1 and Scope 2 GHG emissions by 2050, and we have established the following goals to get there:

- **By 2030, reduce our total Scope 1 and Scope 2 GHG emissions by 25% compared to our 2019 baseline year.**
- **By 2040, reduce our total Scope 1 and Scope 2 GHG emissions by 67% compared to our 2019 baseline year.**
- **By 2050, achieve net-zero total Scope 1 and Scope 2 GHG emissions across the Company.**

To reach our goal, we have introduced an ESG software solution to more accurately capture and track our Scope 1 and Scope 2 GHG emissions, and we engaged a renewable energy consultant to study our footprint and help us develop a roadmap to achieve our GHG emissions reduction goals. Our Scope 1 GHG emissions are direct emissions resulting primarily from our consumption of natural gas at our facilities and the consumption of fuel by our vehicle fleet. Our Scope 2 GHG emissions are indirect emissions resulting primarily from our consumption of purchased electricity and purchased heat and steam at our facilities. We are proud of the progress that we have made to date, but we have much to do to achieve our net-zero goal. We intend to modify our Scope 1 and Scope 2 GHG emission targets further as we develop our climate transition strategy to align with the Paris Agreement. Furthermore, we have developed a strategy to collect other indirect emissions not covered in Scope 2 that occur in our value chain, including upstream and downstream emissions, known as Scope 3 GHG emissions. We plan to study this data and, working with others in our upstream and downstream value chain, develop a strategy to address Scope 3 GHG reduction targets at a later date.

GHG EMISSIONS

(METRIC TONS)

	2019	2020 [^]	2021	2022
Scope 1 GHG (MT CO ₂ e) - Actual	8,081.0	6,897.4	7,005.6	6,572.6
Scope 1 GHG (MT CO ₂ e / \$mm Net Sales) - Intensity	7.1	6.1	5.4	4.8
Scope 2 GHG* (MT CO ₂ e) - Actual	33,590.4	29,240.1	30,415.4	28,409.2
Scope 2 GHG* (MT CO ₂ e / \$mm Net Sales) - Intensity	29.5	25.9	23.4	20.7
Total Scope 1 & 2* GHG (MT CO ₂ e) - Actual	41,671.4	36,137.5	37,419.6	34,981.8
Total Scope 1 & 2* GHG (MT CO ₂ e / \$mm Net Sales) - Intensity	36.6	32.0	28.8	25.5

[^] We believe our 2020 results were impacted by the Covid-19 pandemic and its effect on our normal business operations.

* Emissions factor data sources used to generate Scope 1 and Scope 2 GHG emissions included: IPCC, EPA, DEFRA/DECC, IEA and Green-e databases, among others. Scope 2 GHG emissions are calculated using the market-based method.



38%
of our sales fleet vehicles
have been transitioned to
hybrid electric vehicles

ESG Goal:
Transition
100%
of our sales fleet vehicles
to hybrid electric vehicles
by 2024

We are in the process of transitioning the vehicles that we provide to our sales force employees to hybrid electric vehicles to help improve our fleet fuel economy, lower fleet fuel costs and reduce our Scope 1 GHG emissions. Through 2022, we transitioned approximately 38% of our sales fleet vehicles, which is estimated to have achieved a reduction of approximately 284.6 metric tons of carbon dioxide equivalent (MT CO₂e) annually, representing a 44% reduction compared to prior vehicles.

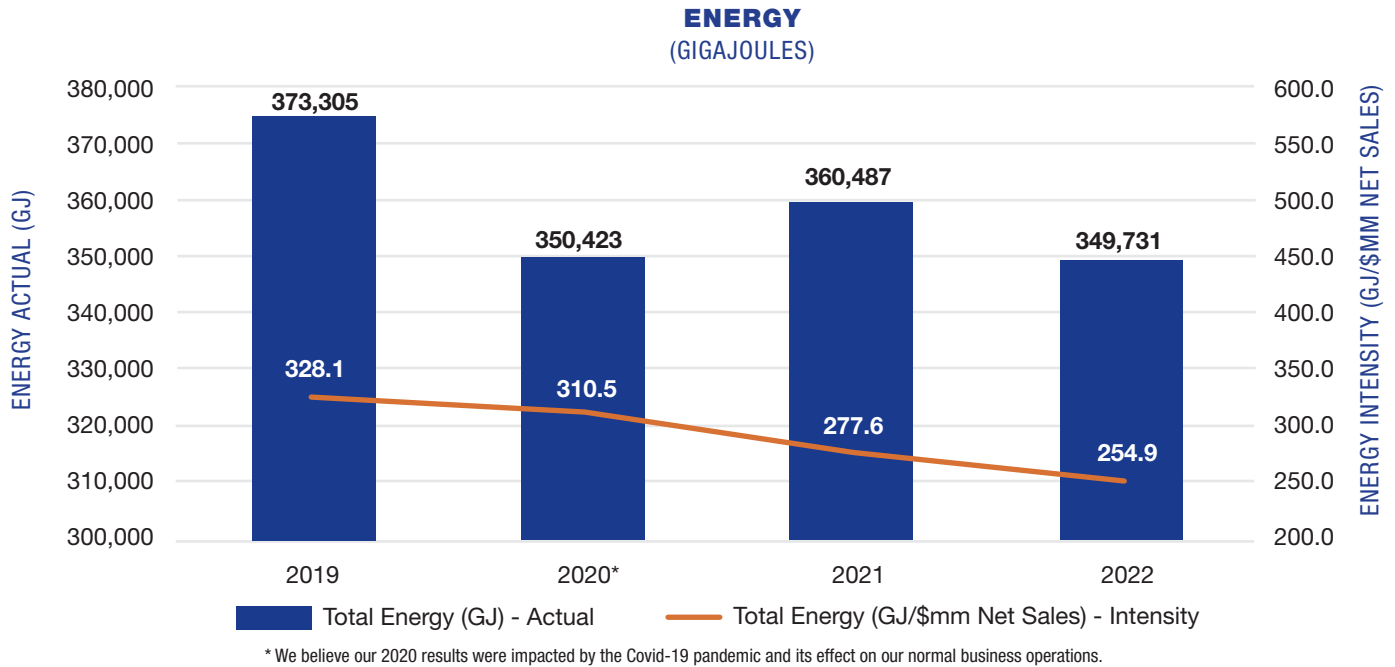
We expect to complete this transition by 2024, which is estimated to achieve a reduction of approximately 476.9 MT CO₂e annually based on miles driven in the past year, representing a 44% reduction compared to previous vehicles.

We completed various facility upgrades throughout 2022 and continue to implement projects and initiatives at our most energy intensive facilities that are designed to reduce our carbon footprint as a result of improvements in energy efficiency and reductions in our energy usage. **Through this work, we are proud to report that we have reduced our total Scope 1 and Scope 2 GHG emissions intensity for 2022 by 11% compared to 2021, and by 30% compared to our 2019 baseline year.**

Energy Management

Our facilities use electricity, natural gas and propane to power our operations. Managing our consumption of energy in the pursuit of efficiency and lessening our impact is a critical component of our environmental initiatives.

Through our ESG initiatives, we are proud to report that we have reduced our total energy usage intensity for 2022 by 8% compared to 2021, and by 22% compared to our 2019 baseline year.



In 2022, we completed multiple facility upgrades to improve energy efficiency. For example, we

- a. continued to focus on the replacement of high-pressure sodium fixtures and fluorescent fixtures with LED lighting;
- b. installed automatic controls to operate light fixtures;
- c. enhanced maintenance programs to implement a procedure to identify and correct air flow issues and leaks in equipment utilizing compressed air, resulting in energy savings and related costs;
- d. initiated a program to assess equipment upgrades that may be implemented to further reduce our use of energy at our facilities; and
- e. managed the heating, ventilation and air conditioning of work spaces to manage more efficiently the environment of our facilities.

Waste Management

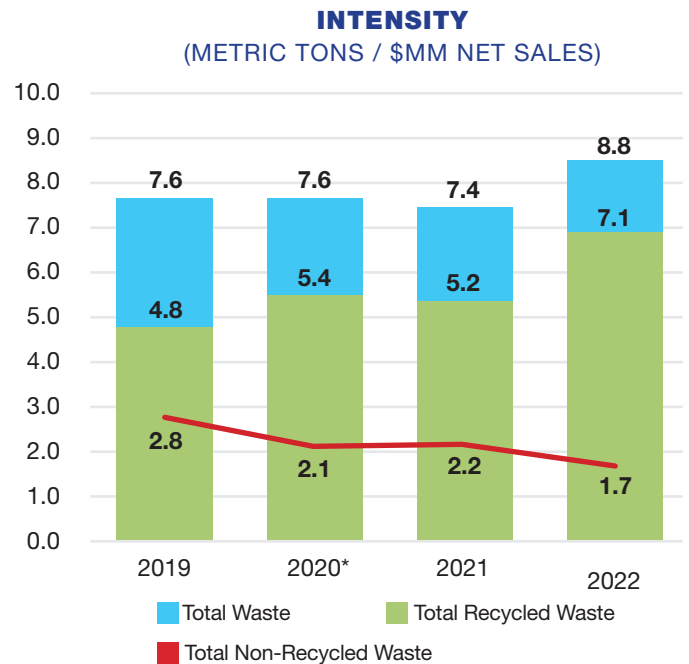
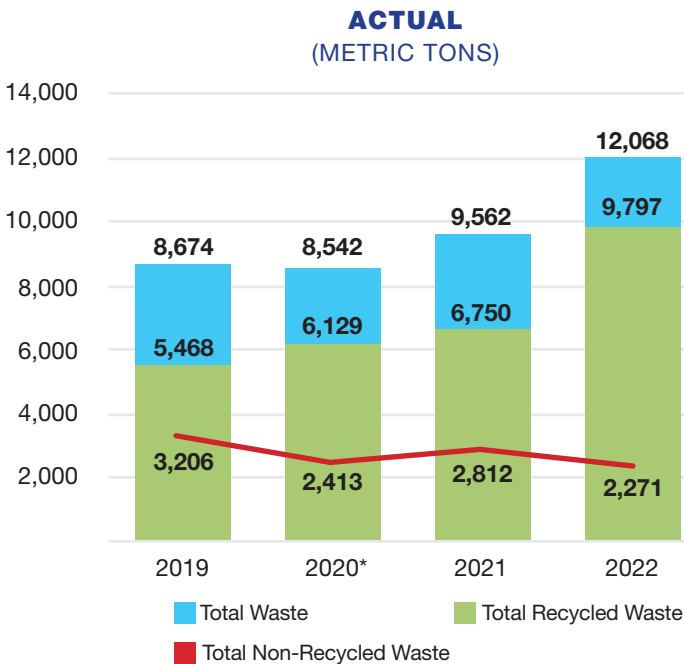
We operate administrative, manufacturing and distribution facilities throughout the United States, Canada, Germany, Hungary, Mexico, Hong Kong, China, and Poland, and we are committed to sustainable practices at all of our facilities. One of the ways that we achieve this focus is through our waste management and recycling initiatives, which aim to reduce the quantity of waste generated throughout our operations and increase the volume of waste recycled.

In our production and distribution operations, we place significant emphasis on improving efficiencies and asset utilization to minimize waste and improve our cost position. Our commitment to continuous improvement is a key element of this strategy. Our waste management and recycling programs in our production and distribution environments focus on corrugated boxes, shrink wrap and other packaging materials, pallets, spools and trays, batteries, light bulbs, scrap metal, chemicals and used oils, among others.

In 2022, we experienced an increase in the total weight of waste from our operations, driven primarily by an increase in the recycled waste generated by our remanufacturing programs. Our remanufacturing programs have continued to grow, creating a need for more cores (used components) utilized to remanufacture the original product. As a result, our inventories of usable cores have increased, and we have invested in processes to tear down and more efficiently separate the components and segregate by material type (metals, plastic, etc.) all unusable cores, so that they may be recycled more easily. Through these efforts and others, we increased the total percentage of waste that we recycled in 2022 by 10% compared to 2021, and by 18% compared to our 2019 baseline year. Furthermore, we reduced our total generation of non-recycled waste intensity for 2022 by 24% compared to 2021, and by 41% compared to our 2019 baseline year.



WASTE



*We believe our 2020 results were impacted by the Covid-19 pandemic and its effect on our normal business operations.

In 2020, we implemented packaging optimization initiatives. Through this work we have been able to successfully reduce packaging size, saving approximately 76,000 cubic feet of transported space since 2020. Our efforts resulted in using fewer trailers annually for outbound shipments, which directly resulted in reductions in transportation costs, packaging costs, fuel consumption and carbon emissions.

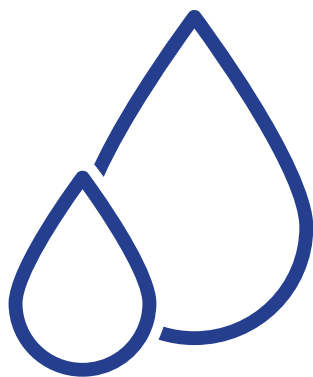
Another continuous improvement initiative seeks to coordinate with our suppliers to use reusable packaging materials. Through this initiative, we identified packaging materials that could be reused, such as corrugated corner pieces and cartons, and we transitioned over 600 other items to reusable packaging materials, so that we may reuse the materials in our shipping functions instead of directing the materials to traditional waste streams.



76,000 Cubic Ft
of transported space saved
through optimizations in
packaging materials

Switched to unbleached
packaging on more than
600,000 boxes
per year



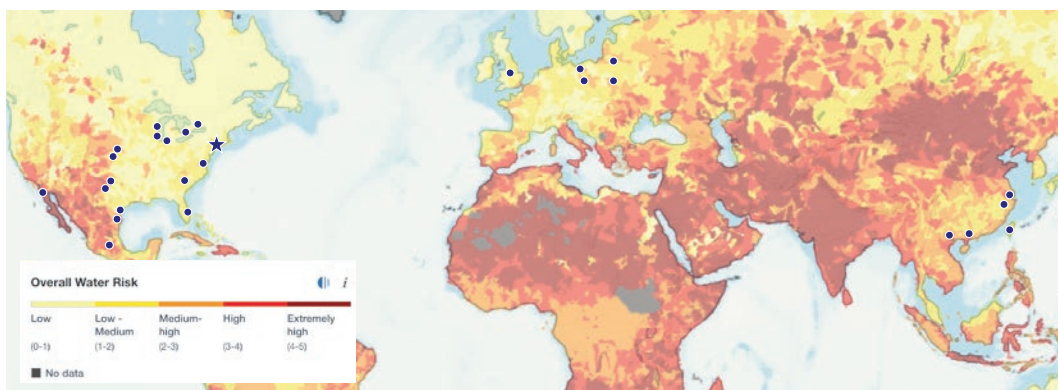


Water

Our manufacturing processes are not water intensive; however, we recognize the importance of managing our use of this critical resource as a key ESG initiative. We source all of our water from local municipal services. Therefore, we recognize that we have a role to play to conserve water usage, and we have invested in facility upgrades to reduce our water consumption, such as low flush toilets, and low-flow and automated water faucets. In addition, our Temperature Control facilities in Reynosa, Mexico, which use water in production processes, implemented an on-site waste water treatment system in 2022 to treat approximately 2,000 – 3,000 gallons of waste water per day. The treated water is then reused in production processes, reducing the total amount of water that is drawn from local sources, helping to promote the conservation of local water supplies.

In 2022, we undertook a water risk assessment of our principal facilities. Although none of our facilities are located in regions designated by the World Resources Institute Aqueduct Water Risk Atlas as having “high” or “extremely high” risk of water depletion, we plan to undertake a water risk assessment annually and use the results to inform our focus on water-use reductions.

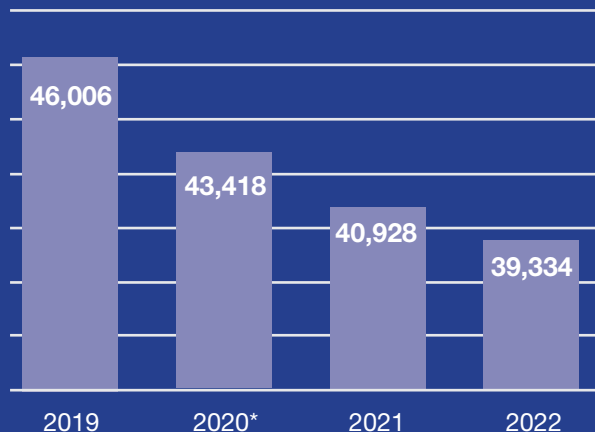
Through our ESG initiatives, we are proud to report that we have reduced our total usage of water intensity for 2022 by 9% compared to 2021, and by 29% compared to our 2019 baseline year.



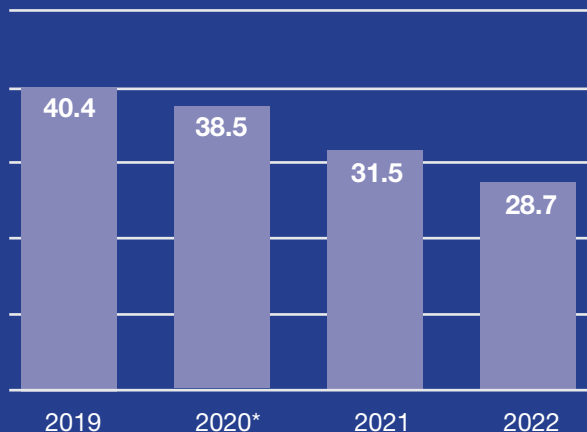
Source: WRI Aqueduct, accessed in March 2023. Available at: aqueduct.wri.org

WATER USE

ACTUAL
(THOUSAND GALLONS)



INTENSITY
(THOUSAND GALLONS / \$MM NET SALES)



* We believe our 2020 results were impacted by the Covid-19 pandemic and its effect on our normal business operations.

SOCIAL

Our People and Communities

At SMP, we understand that our most important asset is our workforce, which provides enormous value through the diversity of its skills, experiences, and perspectives. To foster an inclusive, safe and supportive environment, we prioritize the health and happiness of our employees by investing in their training, benefits, health and safety. We prioritize diversity, equity, inclusion and belonging to create a supportive work environment where people feel welcome. We believe these investments ensure that we attract and retain individuals of diverse backgrounds and have proved effective through high employee satisfaction and low employee turnover. Through our SMP Cares® initiative, we also aim to give back to the communities where we operate through volunteerism, community efforts and philanthropy. We believe that part of being a good corporate citizen means giving back to the people and communities that have made our success possible.



Diversity, Equity, Inclusion & Belonging

A diverse workforce is critical to our success, and we continue to focus on diverse representation at every level through the hiring, retention and advancement of women and underrepresented populations. We embed diversity, equity, inclusion and belonging (“DEIB”) into our policies and practices because we are committed to building an equitable and inclusive environment to ensure equitable pay and access to opportunities for all. A single person or a singular mindset cannot sustain a global operation such as SMP. We achieve our DEIB goals by supporting a workforce where each employee feels valued, empowered, and fully engaged in their work.

To further our commitment to DEIB, in 2021, we established a Steering Committee to devise strategies for training, education and empowerment of employees as well as recruitment and retention of a diverse workforce. This Steering Committee represents a broad organizational team of employees who are committed to making a positive difference in SMP’s workplace community by serving as initiative leaders who champion these efforts. In 2022, we had a ten member team that met multiple times per month to strategically develop and promote best practices that encourage the following four pillars of our DEIB mission:

- 1 DIVERSE REPRESENTATION AT ALL ORGANIZATIONAL LEVELS**
- 2 EQUITABLE TREATMENT AND OPPORTUNITY FOR EVERYONE**
- 3 AN INCLUSIVE WORK EXPERIENCE WHERE EVERYONE FEELS A SENSE OF BELONGING**
- 4 IMPROVE ORGANIZATIONAL PERFORMANCE**

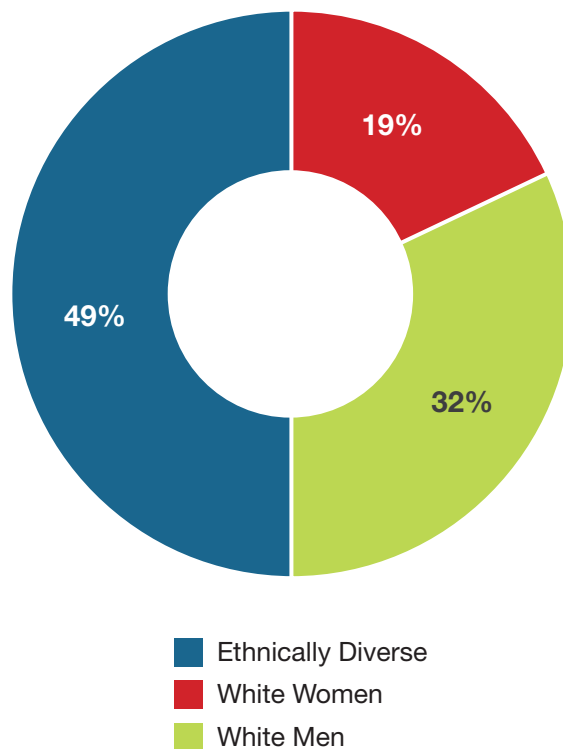


In addition to using employee surveys and feedback to help shape our approach towards our DEIB initiatives, in 2021, we conducted a DEIB survey on our employees' experiences as it pertains to these issues and formed small focus groups at each facility, including managers and non-managers, to facilitate conversation about DEIB. These meetings were hosted by a third party consultant to encourage open and honest discussion, and the consultant provided a report indicating areas of challenge and strengths, which SMP will use to guide its DEIB efforts. Based on the positive feedback and lessons learned from this program, we are currently planning to conduct a more comprehensive engagement survey across our organization in late 2023. This survey will further assess our culture, employee engagement, and inform our future DEIB initiatives.

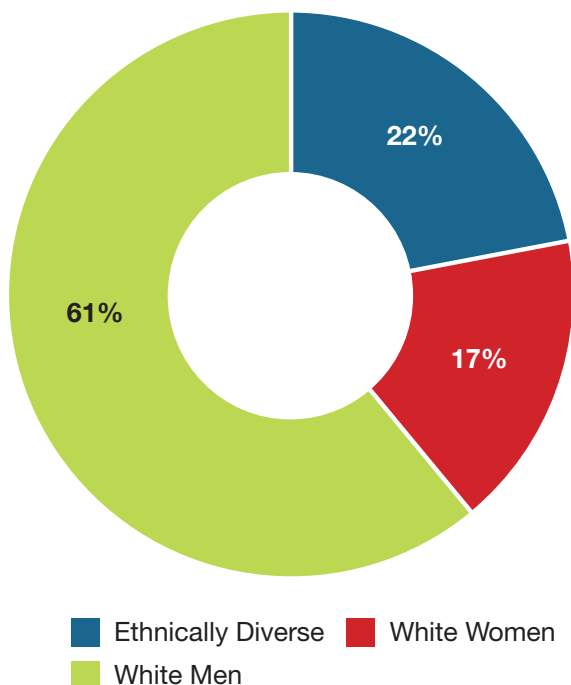
Another way we work towards progress in DEIB in our industry is through collaboration with our peers. We are partners with the Center of Automotive Diversity, Inclusion & Advancement and have assigned a member of the SMP team to be a dedicated representative with this organization to regularly share best practices and work together with other companies in the industry. We are also members of Tent Partnership for Refugees, a network of over 200 major companies committed to integrating refugees.

The following charts display our workforce diversity for SMP employees in the United States, as well as the diversity of our non-management and management employees in the United States, as of December 31, 2022.

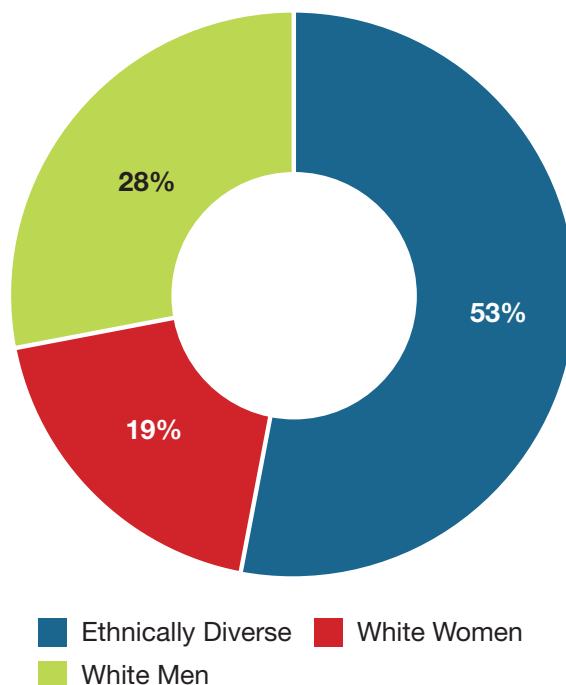
Diversity of Total US Workforce



Diversity of Management*



Diversity of Non-Management**



* Management: Employees that are responsible for making decisions that impact the company's overall direction, goals, and strategy. ** Non-Management: Individual contributors.

2023 Diversity, Equity, Inclusion & Belonging

In 2023, one of our key initiatives is to provide DEIB training for all employees, with a particular focus on inclusion and belonging. This training will include inclusivity leadership training for our managers and supervisors, which will equip them with the skills and knowledge needed to foster a work environment where all our employees will feel valued, respected and a sense of belonging. Moreover, we remain committed to expanding our outreach programs, increasing our diverse recruitment sources, and reviewing our hiring practices and affirmative outreach programs to ensure we attract diverse candidates and create equal opportunities for all.

You can find more about our DEIB efforts on our website located at smppcorp.com/DEI where we have diverse employee profiles and our DEIB corporate mission statement. We recognize that a diverse workforce provides a variety of unique insights and approaches that help tackle complex business challenges and drive innovation. By expanding into a wider pool of diverse candidates, we have access to a wider range of skills and experiences to better serve our customers. For these reasons, we prioritize DEIB in everything we do at SMP.

Employee Benefits & Retention Initiatives

SMP offers a competitive benefits package and employee support programs to all full-time employees that is comprehensive, family friendly, and meets the needs of a diverse population. Besides medical/vision/dental insurance, life/disability insurance and 401K/retirement plans, SMP also offers our employees the following enhanced benefits:

- **Tuition reimbursement** to support advancement of employee education;
- **Family-friendly benefits**, including 16 weeks of paid maternity leave, 8 weeks of paid leave for the non-child bearing partner and on-demand support throughout the pregnancy journey such as lactation consultants, infant care experts, mental health support and family planning guidance;
- **Fertility benefits** designed to provide all-inclusive coverage for cutting-edge treatments, including artificial insemination, frozen embryo transfer, in vitro fertilization;
- **LGBTQ+ inclusive benefits** which are designed to provide members of the LGBTQ+ community with tailored services and access to healthcare and gender affirming support, and more.

SMP's retirement plans are structured to assist SMP employees in preparing for retirement. When comparing SMP employee retirement readiness to benchmark numbers provided by

Fidelity Investments, SMP outperforms in both participation rates and percentage savings. 89% of SMP employees who are eligible to participate in a defined contribution plan are contributing to the plan compared to 82% of participants as reported in Fidelity's Building Financial Futures report.¹ Regarding savings in defined contribution plans, on average SMP participants are saving 17% of their salary versus 14% as reported in Fidelity's Building Financial Futures report.¹

89%

SMP Employee Retirement Plan Participation Rate

82% Fidelity Benchmark Retirement Plan Participation Rate³

17%

SMP Employee Average Retirement Savings

14% Fidelity Benchmark Average Retirement Savings³

¹This data is current as of December 31, 2022.²Average Retirement savings data includes 401K and ESOP, and employee and employer contributions.

³ Fidelity Investments Workplace Thought Leadership, "Building Financial Futures: Trends and insights of those saving for retirement across America", 2022.

In addition to the substantial benefits package that we provide our employees, we promote talent retention in a variety of ways. Employee satisfaction and engagement are important elements in our talent retention strategy. As such, in 2023, we plan to conduct a more comprehensive employee survey to identify areas where we can enhance our talent retention strategy, including fostering a more inclusive and equitable environment. Furthermore, we strive to provide employees with the tools and resources that they need to succeed and grow in their SMP careers, including yearly performance reviews, training, and formal and informal mentorship opportunities.

We conduct comprehensive surveys of salaries and positions in the markets in which we operate to ensure that we offer competitive and fair compensation with respect to outside market conditions. Additionally, we offer an annual variable performance-based compensation award to recognize our employees' contributions to our company's success. We also provide frequent and varied communication to our employees on topics of interest, including employee question and answer town hall sessions with senior management. Furthermore, we post all of our job openings internally to encourage employee application for open positions. We believe these efforts aid in retention of talented employees, as demonstrated by our current salaried employees in the United States, who exhibit a low voluntary turnover rate and average length of employment of 12 years. Another example of our employee longevity is our 25 Year Club, made up of employees who have worked for SMP for more than 25 years since our founding, which has over 1,000 members.



Employee Training Initiatives



Our employees are key to our success and our most valued and long-term resource. SMP is committed to supporting each employee's development and personal growth through annual individual performance appraisals and offering a comprehensive training and education program to all employees. For example, our sales personnel receive extensive training and continuing education at our training facility in Irving, Texas to keep up-to-date on technical and non-technical skills, as well as monthly supplemental web-based training. Moreover, we also engage third-party training programs for skills such as leadership and public speaking and we support employees pursuing training and education courses they have identified and selected.

SMP employees are provided free access to an online learning library, filled with thousands of courses to help employees learn new skills and stay up-to-date on current skills, and take ownership of their professional and personal development. Our training programs include core skills courses, such as presentation, business writing, and management training. SMP's training also requires specialized training in compliance topics for all employees, covering critical human rights issues such as no forced labor, no child labor, the ability of employees to assemble and organize, anti-bribery, anti-harassment, anti-discrimination, and DEIB.

In 2023, we plan to develop a comprehensive program to track key employee training and development data, including the number of employees who participate in our training programs, the quantitative impact on business from employee participation, the average number of hours spent on training and development per full-time employee, and the expense of training per U.S.-based employee. With this data, we aim to improve the effectiveness of our training programs and ensure that our employees have the skills and knowledge they need to succeed in their roles.

Health & Safety

We are dedicated to the physical safety and peace of mind of our employees. Starting at the top, our senior leaders oversee and implement our health and safety initiatives, which is then carried out by managers and supervisors at our local facilities for proper administration. Thanks to this team effort, we ensure compliance with the Occupational Safety and Health Administration (OSHA), the National Fire Protection Association (NFPA) and the United States Environmental Protection Agency (EPA), and offer regular trainings for our employees to strengthen our safety measures. We also train our employees on Safety Data Sheets (SDS) pursuant to the Hazard Communication Standard (29 CFR 1910.1200(g)) and hazardous material handling. Each year, we invest in safety equipment and training at each of our manufacturing and distribution facilities, because employee safety is our number one priority. Additionally, each facility sets annual safety performance goals to measure its performance, identify areas to improve, and ultimately protect the health and safety of our employees.

These measures are reflected in our average Recordable Injury Rates for our United States locations in 2022, as shown in the table below, which are lower than the most recent national averages recorded by the U.S. Bureau of Labor Statistics by approximately 51% for General Warehousing and Storage and 33% for Manufacturing. Additionally, pursuant to our Human Rights Policy Statement, we ensure the safety of our employees through ethical security arrangements that respect human rights of the greater community. The health and safety of our employees, vendors and visitors has always been and will continue to be a top priority at SMP.

SMP 2022 Incident Rates

	Incident Rate*
Warehouse and Storage	
National average based on the United States Bureau of Labor Statistics for 2021	5.5
SMP United States Warehouse Locations	2.7
Motor Vehicle Parts Manufacturing	
National average based on the United States Bureau of Labor Statistics for 2021	3.3
SMP United States Manufacturing Locations	2.2

*Number of work-related injuries per 100 full-time employees during a one year period.





Product Quality & Safety

SMP utilizes automotive expertise and supply chain excellence to design and build the best automotive parts in the world. Our commitment to quality starts with customer safety. We are dedicated to ensuring quality throughout our supply chain and rigorous compliance with all laws and regulations regarding quality, safety, and performance where we offer our products.

To uphold quality in our supply chain, we require supplier facilities and processes to be certified and audited by either the International Organization for Standardization (“ISO”) or SMP. We require our suppliers of material purchases to go through an audit or certification process, and we are in the process of conducting such audits or certifications. Additionally, many of our suppliers perform quality checks for their raw material suppliers, and this control is a part of their submission to us, as required by ISO certification. This process allows us to maintain quality control at each tier of the supply chain resulting in zero product recalls in 2022.

Furthermore, we have procedures in place that ensure we have the ability to remove any non-conforming products from the marketplace and have them returned to SMP for analysis. Each SMP product is date coded for traceability so that we can identify which of our customers received specific parts over any given time-period. In the event of a nonconformity, we can identify the appropriate date code range that we want returned to SMP for inspection.

As most of our operations are IATF16949/ISO9000 Quality System certified, our employees undergo extensive and documented training that encompasses all aspects of our products and processes to ensure the quality of our products exceeds the expectation of our customers. Our quality training spans product and process quality, specific to an employee’s area of responsibility, all the way to overall quality systems training. SMP utilizes Quality Management Systems (“QMS”) to support product quality and safety. We have multiple QMS certifications that are specific to each facility and the products manufactured at those facilities. The scope of our QMS certifications cover the full breadth of our business.

SMP assesses and manages risks associated with the chemicals used in our products and sets high standards. We consistently review products for hazardous substances and update our labeling guidelines and policies to ensure compliance with the strict requirements of California’s Proposition 65. Our electronic products are Restriction of Hazardous Substances compliant. Being knowledgeable about the chemicals in our products and adhering to labeling requirements allows us and our consumers to assess and manage risks by being informed. Staying in compliance with hazardous material law protects our consumers, employees and the environment.



SMP Cares® & Community Engagement

Our commitment to our people and community sets us apart from the competition. The SMP Cares® program prioritizes the livelihood and longevity of the communities where we operate. We aim to act as a positive influence in our community through charitable donations, community investments, and volunteerism. This group-wide and diversified approach to corporate citizenship reflects our dedication to giving back to those who contribute to our success. Current SMP Cares® initiatives are updated regularly on our website, available at smpcares.smpcorp.com. The following are some highlights of the initiatives that display our commitment to good corporate citizenship through our SMP Cares® program in 2022:

- In response to natural disasters, SMP employees came together to fundraise for Project HOPE and the Automotive Aftermarket Charitable Foundation (AACF). These organizations provided much-needed relief to aid those affected by Hurricane Fiona and Hurricane Ian, respectively. Across both fundraisers, our employees donated a total of \$8,256, and with the company match, SMP donated a total of \$16,052.
- With regard to community service, SMP employees across our facilities demonstrated their generosity through various initiatives. For example, our employees partnered with New York Cares and raised \$1,426.37 for the distribution of new coats, filled over 400 backpacks with school supplies for a local Queens school, and packed meals for those in need within the New York City area. SMP also partnered with Habitat for Humanity of Kansas City, which gave our employees the opportunity to help construct the interior of a home for a family of 12.

- SMP also engaged in environmental stewardship, as exemplified through our employees' efforts to maintain and beautify our community by cleaning and weeding Hunter's Point South Park, Long Island City, which will help the intended plants and flowers to continue to grow and flourish each season. In addition, our Reynosa, Mexico facilities have implemented several water conservation and recycling programs not only for reuse in our operations, but also to provide treated water to local communities for irrigation purposes.

SMP also gives back to the community through donations and scholarships. In 2022, SMP collaborated with our generous employees to donate over \$135,000 to charitable organizations, local community organizations, hospitals, schools, shelters, and universities. Of particular significance, SMP employees raised over \$60,000 for refugees fleeing Ukraine, with a total of over \$120,000 with SMP matching each employee donation dollar-for-dollar in early 2022. Recognizing the significance of supporting the next generation of technicians and automotive professionals, SMP has supported the University of the Aftermarket foundation with scholarship contributions since 1988. In 2022, SMP was recognized by the foundation as a Gold Lifetime Trustee for our years of continued support. SMP is also proud to sponsor annual scholarship contests for future automotive technicians, including our Women in Auto Care scholarship that aims to empower women entering the automotive industry. Since our first scholarship contest in 2015, we have given away \$285,000 in scholarships. In 2022, we presented 4 students scholarships of \$5,000, totaling \$20,000.

GOVERNANCE

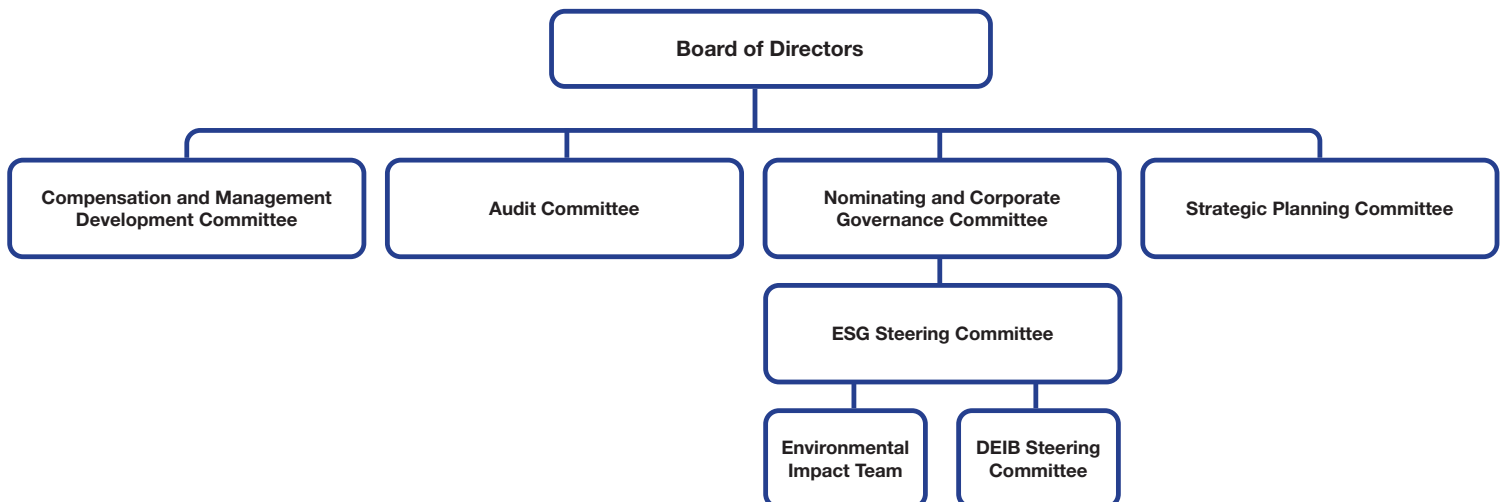


Board Oversight

Board oversight refers to the Board's actions to review and monitor our organization to ensure that we are complying with applicable policies, laws and ethical standards while achieving expected results and appropriately managing resources. Consistent with SMP's values, our Board of Directors oversees an enterprise-wide approach to risk management while promoting SMP's long-term strategic objectives and enhancing shareholder value. The Board, for example, is responsible for approving mergers and acquisitions and also reviews all stakeholder ESG-related communications to ensure that all their concerns are considered and addressed.

The Governance Committee of the Board oversees senior leadership on ESG strategies, initiatives, policies and practices, as well as the Company's public disclosures of ESG matters, including annually reviewing the Sustainability Report. The Strategic Planning Committee oversees SMP's response to long-term climate-related issues, such as the transition to electric and hybrid electric vehicles. The Audit Committee provides oversight of the company's accounting policies, financial disclosures, systems of internal controls and compliance with laws and ethical standards, including our Whistleblower Hotline. The Compensation and Management Development Committee is responsible for approving and overseeing compensation, talent retention and development strategies, including initiatives related to our DEIB goals. Management regularly reports to the Board on its strategic short, medium and long-term initiatives and objectives in these areas as well as other ESG issues. As part of the Board's oversight function, the Board intends to approve the Company's climate transition strategy, which is currently in development by management, to achieve our **ambition to be net-zero by 2050.**

Board of Directors Oversight



Corporate Governance

SMP's Board of Directors is elected annually to guide, develop and implement our business strategy, manage risk, and build shareholder value. The Board has adopted the following structures and policies to promote our shareholders' interests:

- Annual election;
- A Board succession process to ensure that the needs of the Company are periodically re-evaluated to encourage director refreshment;
- Linked part of executives' annual compensation bonus to the accomplishment of ESG initiatives including metrics regarding greenhouse gas emissions, energy and waste management, diversity, and safety, as well as enhancing our DEIB initiatives;
- Robust stock ownership guidelines and post-vesting restricted stock holding periods;
- Annual Board and committee self-evaluations; and
- Confidential voting.

The Board of Directors and its committees meet multiple times throughout the year to provide strategic leadership and oversight to the management team.

Additionally, our Board has four standing committees comprised 100% of independent directors:



Audit Committee

Responsible for engaging independent auditors, assessing SMP's internal accounting and enterprise risk management, and overseeing information security issues.



Compensation and Management Development Committee

Responsible for health and safety, human capital management, the approval and administration of the company's compensation and equity plans, the assessment of management's accomplishment of their goals and objectives, as well as overseeing SMP's workforce management and DEIB policies.



Nominating and Corporate Governance Committee

Assists the Board in discharging its duties, including identifying new Board members, improving policies, conducting annual assessments of Board members and providing oversight of ESG initiatives, such as climate change on the Company's business.



Strategic Planning Committee

Assists the Board in overseeing SMP's long-term strategic planning as it relates to growth initiatives and emerging trends, including the transition to electric and hybrid vehicles.

For more detailed information, please visit our investor relations site at ir.smpcorp.com.

Board Composition and Skills

The following information is based on the composition of our Board of Directors as of December 31, 2022*.

Board members: Lawrence I. Sills, William H. Turner, James J. Burke, Alejandro C. Capparelli, Pamela Forbes Lieberman, Patrick S. McClymont, Joseph W. McDonnell, Alisa C. Norris, Pamela S. Puryear, Eric P. Sills.

70% PERCENT INDEPENDENT

12 AVERAGE TENURE

30% GENDER DIVERSITY

20% ETHNIC DIVERSITY

	L. Sills	W. Turner	J. Burke	A. Capparelli	P. Forbes Lieberman	P. McClymont	J. McDonnell	A. Norris	P. Puryear	E. Sills
KNOWLEDGE, SKILLS & EXPERIENCE										
Executive Management Experience	●	●	●	●	●	●	●	●	●	●
Financial Acumen	●	●	●	●	●	●	●	●	●	●
Risk Management	●	●	●	●	●	●	●	●	●	●
Automotive Industry	●		●		●	●				●
Strategic Planning/Oversight	●	●	●	●	●	●	●	●	●	●
Mergers & Acquisitions	●		●		●	●				●
International	●	●	●	●	●	●	●	●	●	●
ESG/DEIB				●	●		●	●	●	●
Information Technology/ Information Security			●	●	●	●		●		
DEMOGRAPHIC INFORMATION										
Age	83	82	67	54	68	53	71	53	59	54
Gender	Male	Male	Male	Male	Female	Male	Male	Female	Female	Male
RACE/ETHNICITY										
African American									●	
White/Caucasian	●	●	●		●	●	●	●		●
Hispanic/Latino				●						
BOARD TENURE										
Years on Board	36	32	<1	1	15	5	10	10	1	6

*On December 15, 2022, SMP announced that pursuant to a planned succession process, effective as of May 18, 2023, Lawrence I. Sills and William H. Turner will each assume the role of Director Emeritus, and the size of the Board shall decrease from ten to eight members.

Executive Oversight

The Company's ESG Steering Committee is tasked with developing day-to-day specific strategies to foster responsible corporate citizenship throughout our Company. This committee is comprised of the Chief Executive Officer & President, Chief Legal Officer & Secretary, Chief Human Resources Officer and Senior Vice President of North American Operations.

The composition of the ESG Steering Committee ensures that we take a multidisciplinary approach to managing our sustainability-related risks. Thereby we leverage our expertise in operations, engineering, supply chain, human capital management, finance, legal and other fields to identify, assess, and manage these risks effectively. This also ensures that our emphasis on ESG permeates the entire culture of the Company.

The ESG Steering Committee meets with one goal, to advance our environmental, social and governance programs. The ESG Steering Committee, along with other members of management, provide periodic reports on climate-related matters to the Board of Directors and its committees.

The efforts of our ESG Steering Committee are guided by an emphasis on transparency and a desire to constantly improve our reporting systems. To this end, SMP has engaged with an independent third party to assist with evaluating our ESG frameworks, initiatives, and metric collection and targets. SMP has also strived to align our disclosures contained in this report with the SASB's and TCFD's standards so that we can provide the most relevant information to our stakeholders.



Ethics and Compliance Policy

SMP's Code of Business Conduct and Ethics Policy was crafted to ensure the highest level of integrity throughout our organization. Our Board of Directors and executive team oversee SMP's ethics program to ensure the compliance of employees across our facilities. To this end, our leadership team establishes and provides regular training across a variety of topics, including antidiscrimination, SMP's Code of Ethics, the Foreign Corrupt Practices Act, and our whistleblower procedures. Each year, the Board of Directors reviews our training procedures to determine their effectiveness, the level of employee participation, and any improvements that should be made. Employees across our facilities are required to participate and complete our ethics training programs. In 2022, 100% of our salaried U.S. employees were required to undergo ethics, anti-bribery and anti-corruption training.





Human Rights

As a company with global operations and supply chains worldwide, we are aware of the risks that improper business conduct can have within the communities where we operate. As such, we strive to conform to the standards of the Organisation for Economic Co-operation and Development, the United Nations Guidance Principles on Business and Human Rights, and the International Labour Organization's Fundamental Principles and Rights at Work and the Universal Declaration of Human Rights. We are committed to policies and practices that support these internationally recognized human rights standards. In particular, we strive to protect the rights of minority groups and women; aim to foster diversity by providing a workplace free from unlawful discrimination and harassment; take measures to protect against forced labor, child labor and human trafficking in any of our facilities worldwide; and comply with laws that afford our employees freedom of association and collective bargaining rights. These key issues are addressed by both our Board of Directors and senior management across the company. In particular, SMP's legal, human resources and operations teams are cross-functionally responsible to understand and address potential adverse impacts on human rights and ensure that

these policies apply globally and throughout our supply chain, including our suppliers, vendors and other business partners.

To achieve our human rights goals, we are prioritizing the development and implementation of a human rights due diligence process to identify, prevent and mitigate potential adverse impacts on human rights within our own company and among other business partners. To this end, we have developed a comprehensive Human Rights Policy Statement and Vendor Code of Conduct, which in relevant part requires that our vendors commit themselves to these principles. To ensure compliance with these policies, we may periodically conduct independent, unannounced audits of our vendors to ensure their compliance. We also ask our suppliers to certify that no products supplied to SMP are made in whole or part with forced labor or sourced directly or indirectly from suppliers who use forced labor. As is discussed in greater detail in the "Employee Training Initiatives" and "Whistleblower Procedures and Protections" sections, we also rely on trainings and anonymous reporting mechanisms as critical tools to prevent or otherwise rapidly identify and respond to any human rights-related issues.

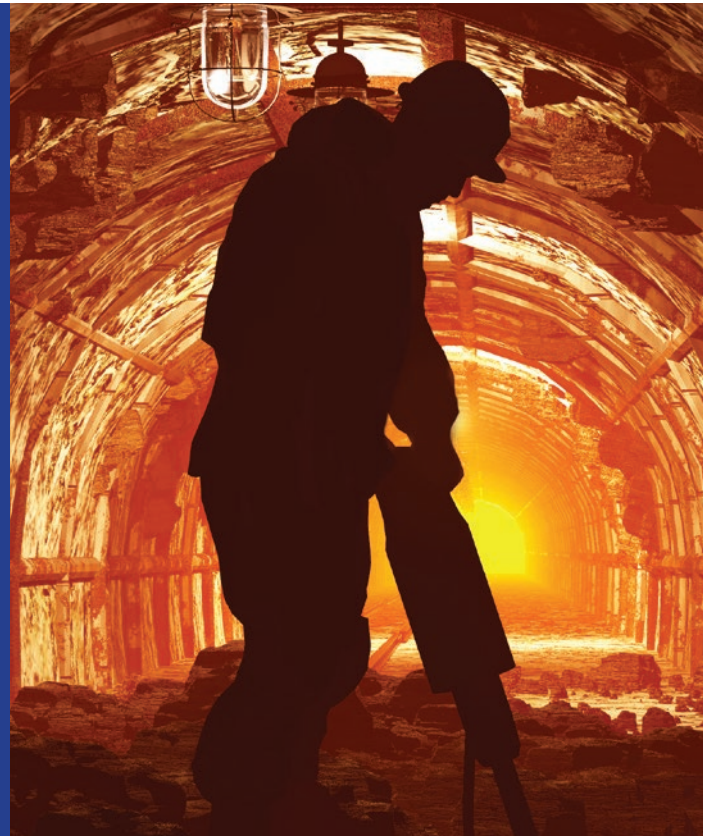
Whistleblower Procedures and Protections

We achieve our human rights goals and enforce our ethics and compliance policy by implementing a whistleblower process to identify potential concerns while encouraging the reporting of potential violations of our Human Rights Policy through appropriate channels. In order to monitor our compliance with our policies and address any violations, our internal frameworks are designed for (1) the receipt and retention of all complaints, and (2) the confidential, anonymous submission of concerns by employees regarding questionable internal activities. We proactively communicate the contact information for our anonymous reporting helpline in our various public policies and reports as well as by posting in SMP employee common areas.



Conflict Minerals

SMP recognizes that the sourcing of our materials is an important human rights issue. To address these concerns, we endorsed a policy against the use of conflict minerals and perform a scoping exercise that is designed to identify all of our direct suppliers of products that could potentially contain Conflict Minerals (specifically, columbite-tantalite (coltan), cassiterite, gold, wolframite, tantalum, tin and tungsten) that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo or any adjoining country.



You can view our [Code of Ethics](https://www.smpcorp.com), [Whistleblower](https://www.smpcorp.com), and [Human Rights](https://www.smpcorp.com) policies on our investor relations site at [ir.smpcorp.com](https://www.smpcorp.com).

Data Privacy and Cyber Security

SMP takes its role as a steward and custodian of data seriously. We persistently monitor data privacy laws and data security technology to ensure we are abreast of the most advanced ways to manage data and keep it safe. Taking into consideration developments in data privacy laws, we continually update our website Privacy Policy and implement data privacy modules for our website to manage cookies and respond to data privacy requests. We are committed to ensuring that our controls align with current best practices. We conduct tests and tabletop exercises regularly to assess the strengths of our data security systems and identify areas of improvement. For example, we train our employees to report suspicious emails through random phishing and malicious email simulations. Through these simulations, we identify areas with room for growth, and we assign mandatory training programs accordingly.

In addition, we engage third parties to assess the Company, applying top information security standards. Specifically, we map our cyber controls to the National Institute of Standards and Technologies (NIST) framework which helps guide us in addressing any security gaps, or introducing layered security where needed. Additionally, members of SMP senior leadership brief the Board, which include five directors with information technology and information security experience, on information security measures on a quarterly basis. Although we have had **zero security breaches** in over three years, even with our best efforts, we need to be proactive with our security measures as the trend in cyber-attacks is increasing. For this reason, we entered into a **cyber-liability insurance** policy, which includes malware protection, mobile device security, email security and ransomware prevention. Moreover, we are developing an ongoing training program for all employees, including new hires, to ensure that our workforce is kept up to date on evolving threats and can respond accordingly.

You can view our Privacy Policy on our investor relations site at ir.smpcorp.com.





CONCLUSION

Essential to the SMP culture is a commitment to corporate responsibility and sustainability. In support of this commitment, we have provided this report as an overview of our global corporate responsibility and sustainability activities in the categories of environmental, social and governance. We have included highlights of company initiatives, goals and achievements related to ethics, our business, our people, and communities and the planet.

Our team is committed to taking an active role in global environmental sustainability so as to protect the environment for both people and planet, and perhaps more importantly, our future generations. As a team, we are encouraged in our sustainability journey, because together we can achieve much more than any one of us can achieve individually.

Thank you for your interest in SMP and our sustainability efforts. Additional information about our company is available at [smpcorp.com](https://www.smpcorp.com).

About this Report

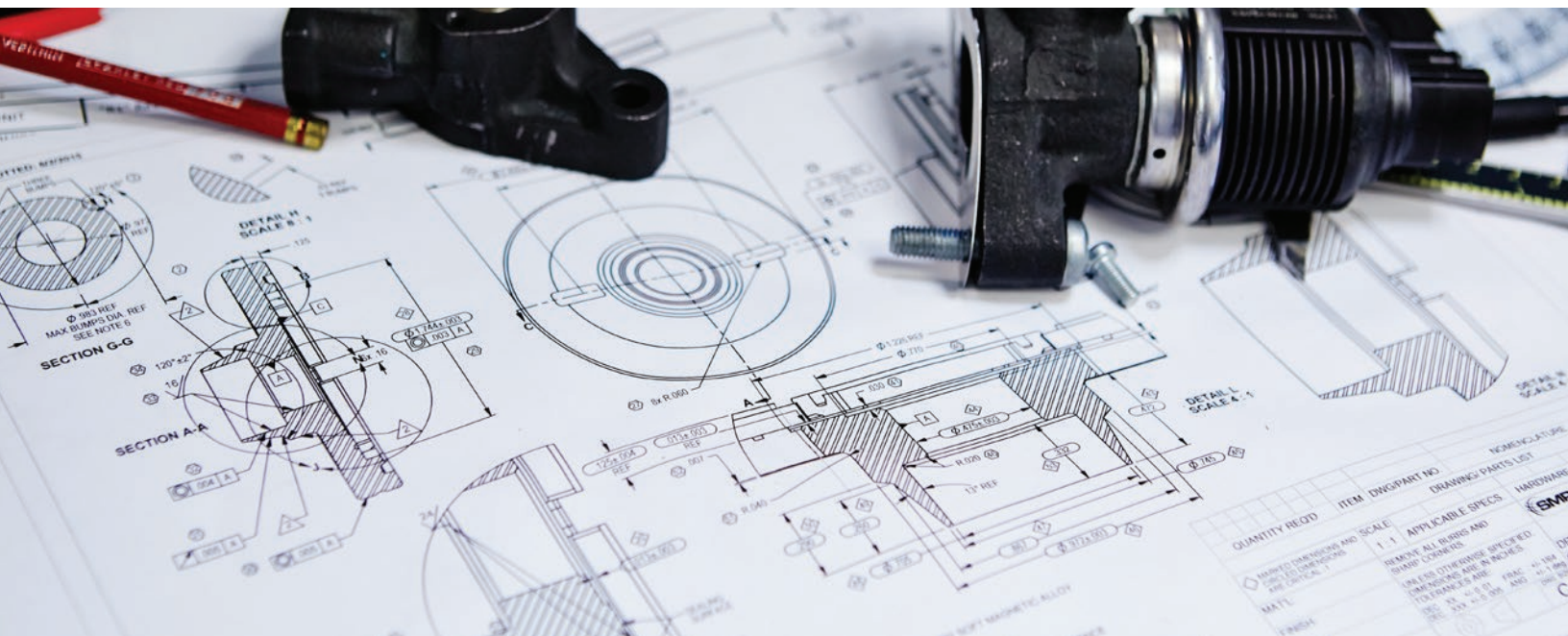
This report contains information about SMP's financial and non-financial results which are not presented in accordance with Generally Accepted Accounting Principles (GAAP). For example, environmental metrics (e.g., intensity measures, energy usage, waste generation, water usage, GHG emissions), workforce, community involvement, product quality, and governance metrics are non-financial, non-GAAP measures. This report aligns our disclosures in accordance with the SASB standard and TCFD recommendations.

Forward Looking Statements

This report may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements in this Report are indicated by words such as “anticipates,” “expects,” “believes,” “intends,” “plans,” “estimates,” “projects,” “strategies” and similar expressions. These statements represent our expectations based on information and assumptions as of the date hereof and are inherently subject to risks and uncertainties. Our actual results could differ materially from those which are anticipated or projected as a result of certain risks and uncertainties, many of which are difficult to predict and generally beyond our control. Such risks and uncertainties include risks noted in reports that we file with the Securities and Exchange Commission, including the Risk Factors identified in our Annual Report on Form 10-K for the year ended December 31, 2022, as well as additional factors we may describe from time to time in other filings with the U.S. Securities and Exchange Commission. Forward-looking statements are made only as of the date of this report, and SMP undertakes no obligation to update or revise the forward- looking statements, whether as a result of new information, future events or otherwise except as required by law. In addition, historical information should not be considered as an indicator of future performance.

Statements regarding our policies, guidelines or goals are aspirational in nature. They are not promised to be delivered nor guaranteed for achievement. Standards of measurement and methods of calculating sustainability data are developing and numbers reported are based on company calculations and estimates.

Unless otherwise indicated, references to “Standard Motor Products”, “the Company”, “we”, “our” and “us” in this report refer to Standard Motor Products, Inc. and its consolidated subsidiaries. The content of this report generally covers subject matter for the 2022 calendar year unless otherwise noted and is limited to operations owned and/or operated by Standard Motor Products.





ANNEX A

Sustainability Accounting Standards Board (SASB)

The following disclosures are intended to align with the SASB's Sustainability Accounting Standard for the Transportation Sector – Auto Parts.

Accounting Metrics ¹	SASB Code	2022
Energy Management		
Total Energy Consumed (GJ)	TR-AP-130a.1	349,731
Percentage Grid Electricity (%)	TR-AP-130a.1	~100%
Percentage Renewable (%)	TR-AP-130a.1	0%
Waste Management		
Total amount of waste from manufacturing (MT)	TR-AP-150a.1	12,068
Percentage Hazardous (%)	TR-AP-150a.1	4%
Percentage Recycled (%)	TR-AP-150a.1	81%
Product Safety		
Number of recalls issued	TR-AP-250a.1	0
Total units recalled	TR-AP-250a.1	0
Materials Sourcing		
Description of the management of risks associated with the use of critical materials	TR-AP-440a.1	See our Conflicts Minerals section above.
Materials Efficiency		
Percentage of products sold that are recyclable	TR-AP-440b.1	Approx. 21% of products sold (by revenue) are able to be remanufactured. We estimate the total percentage of products sold that are recyclable to be higher, and we look forward to updating this metric at a later date.
Percentage of input materials from recycled or remanufactured content	TR-AP-440b.2	Approx. 92% of remanufactured products (by weight) are derived from recycled or remanufactured content.
Competitive Behavior		
Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TR-AP-520a.1	In 2022, there were no allegations of anti-competitive behavior.

1) Data excludes the operations of KADE Trading GmbH and our China-based joint ventures.

ANNEX B

Task Force on Climate-Related Financial Disclosures (TCFD)

The following climate-related disclosures are intended to align with the recommendations of the TCFD.

Governance

Describe the board's oversight of climate-related risks and opportunities.

Our Board of Directors oversees an enterprise-wide approach to risk management and opportunities and has ultimate oversight of climate-related risks and opportunities. Our Board has delegated certain climate-related oversight matters to the Nominating and Corporate Governance Committee ("Governance Committee") and other environmental, social and governance ("ESG") matters to various Committees of the Board.

The Governance Committee oversees the Company's ESG strategy, initiatives, policies and practices, as well as the Company's public disclosures of ESG-related matters, such as the identification, assessment and management of climate-related risks and opportunities, and related party transactions related to our Directors. The Audit Committee is responsible for overseeing the Company's information security and cyber security issues and any ethical or related party transactions related to our executives. The Compensation and Management Development Committee is responsible for overseeing the Company's workforce development, management, and diversity, equity, inclusion and belonging policies and practices. Finally, the Strategic Planning Committee oversees the Company's response to long-term climate-related issues, such as the transition to electric and hybrid electric vehicles.

The Company's management regularly reports to the Board on its strategic short, medium and long-term initiatives and objectives in these areas as well as other ESG issues. As part of the Board's oversight function, the Board approves the Company's climate transition strategy to achieve our ambition to be net-zero by 2050.

The Board of Directors meets approximately seven times a year, while the various Committees of the Board typically meets two to four times a year. All members of the Board routinely attend meetings of each Committee of the Board of Directors.

Describe management's role in assessing and managing climate-related risks and opportunities.

Our Governance Committee has tasked management with the day-to-day responsibilities of assessing and managing climate-related risks and opportunities. Management has established an ESG Steering Committee led by our Chief Executive Officer & President, Chief Legal Officer & Secretary, Chief Human Resources Officer, and Senior Vice President of North American Operations. The ESG Steering Committee, along with other members of management in operations, engineering, supply chain, human capital management, finance, legal, internal audit, investor relations and other fields, meet periodically to identify, assess and manage climate-related risks and opportunities within their areas of expertise and throughout our business. The ESG Steering Committee also provides overall oversight and reporting of ESG matters to the Board and the respective Committees of the Board depending upon the topic to be addressed.

Management has also formed an environmental impact team, appointed environmental champions at each of our principal facilities, and implemented an environmental scorecard system for our facilities to track our Scope 1 and Scope 2 greenhouse gas emissions, among other metrics. These efforts enable us to monitor and oversee our progress in addressing climate-related issues over time. Lastly, we are continuing to evaluate our Scope 3 greenhouse gas emissions, which cover other indirect emissions not included in Scope 2 that occur in our value chain, including upstream and downstream emissions. We are currently in the process of collecting data regarding our Scope 3 greenhouse gas emission and plan to report a strategy to comply with various governmental regulations in the future.

You may read more about our corporate governance, as it relates to our ESG strategy and activities, including climate-related risks, within the Governance section above.

Strategy

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

We have identified climate-related risks that may affect our business, strategy and financial planning over the short term (0 – 4 years), medium term (5 – 15 years) and long term (16 – 29 years). We believe that the oversight of the Governance Committee, the Strategic Planning Committee, the ESG Steering Committee and our internal reporting channels ensure that we implement reasonable and appropriate measures to mitigate identified climate-related risks.

Physical Risks

Physical risks emanating from climate change, such as increases in the frequency and severity of weather events, including hurricanes, tornadoes, earthquakes, floods, atypical freezing temperatures, power grid failures and blackouts, and other natural disasters, could disrupt our operations and our employees in the short term. The occurrence of these events could cause physical damage to our plants, machinery, equipment and other tangible assets; disrupt transportation of our raw materials and products; prevent our employees from coming into work; affect our production capacity and the production capacity of our customers and suppliers due to power grid failures and blackouts; and delay their delivery of products to customers, resulting in increased operating costs and capital costs and reduced revenue. Operations located in highly vulnerable areas could also lead to an increase in our insurance premiums.

Longer-term trends, such as shifts in climate patterns, could also affect the demand for our products. In particular, warm summers ordinarily result in an increase in demand for our temperature control products.

Transition Risks

Regulation

Transition risks associated with the transition to a lower-carbon economy, such as regulatory changes impacting vehicle emissions and fuel efficiency requirements, are likely to affect our business, strategy and financial planning over the medium to long term.

Consumer Demand

The impact of technological changes, such as the adoption of new technologies and systems to make internal

combustion engine vehicles more efficient and the shift to electric and hybrid electric vehicle architectures, will depend on the proliferation of these technologies within the car parc. Shifts in consumer preferences for these technologies are also likely to impact the timing and scope of proliferation. Furthermore, as electric and hybrid electric vehicles become more prevalent, the demand for internal combustion engine compatible products may decrease. As such, our business may be impacted by the extent and speed at which consumers adopt new vehicle technologies.

Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Responses to Physical Risks

We believe that we have benefited from our efforts to mitigate these climate-related physical risks. Our investments in facility upgrades, changes to operating procedures, plant rationalization programs, and our implementation of other programs in this space have directly improved operating efficiencies, reduced cost, and positioned our facilities and operations to be adequately prepared and resilient to address these physical risks. For example, we have incorporated an assessment of these physical risks into our procedures for evaluating new distribution center locations.

Responses to Transition Risks

Regulation

We believe the regulation of vehicle emissions and fuel efficiency has had a favorable impact on our business and our sales of ignition, emission control, fuel and safety related system parts. In particular, our offering of emission control system products, which are designed to reduce emissions and improve fuel economy during vehicle operation, and our alternative energy products, which utilize cleaner burning fuels, are well positioned to benefit in this space. You may read more about these product offerings in this report under the heading "Providing Solutions for a Greener Car Parc".

Consumer Demand

Although we expect the growth of alternative energy vehicles to be a long-term risk, we are committed to expanding our parts coverage to include a broader product mix in categories such as electrification, including electric vehicles and hybrid electric vehicles, and connectivity to meet the growing needs of our customers. Currently, we estimate that approximately half of our sales are in product categories that are powertrain neutral, or suitable for use in electric, hybrid electric and/or alternative energy vehicles. We also

continue to pursue opportunities to develop parts for new technologies and systems designed to improve the efficiency of ICE vehicles and have formed a Product Innovation Team to lead these efforts.

Beginning the first quarter of 2023, we created a new operating segment called Engineered Solutions. This segment will supply custom-engineered solutions to non-aftermarket vehicle and equipment manufacturers and offer a broad array of conventional and future-oriented technologies, including those that are specific to vehicle electrification as well as those that are powertrain-neutral.

Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios.

We are in the process of assessing the resiliency of our strategy to these climate-related risks and opportunities, taking into consideration scenario analysis, such as the potential impact of a transition to a low-carbon economy consistent with a 1.5°C or lower scenario. Our approach to assessing and managing climate-related risks will take into account this scenario analysis, and we look forward to updating you on our progress in future publications of this report.

Risk Management

Describe the organization's processes for identifying and assessing climate-related risks.

We identify and assess climate-related risks through our enterprise-wide risk management processes. These processes leverage the expertise of our senior leaders across disciplines, including operations, engineering, supply chain, human capital management, finance, legal, internal audit, and other fields to identify, assess and manage risk effectively. Our internal reporting systems also ensure that our senior leadership is apprised of risk and able to respond timely and appropriately.

Describe the organization's processes for managing climate-related risks.

The Governance Committee of our Board oversees the management of climate-related risks under the purview of its responsibility for ESG matters. To strengthen oversight and reporting of climate-related risks, the Governance Committee tasked the day-to-day ESG-related responsibilities to our senior executives and formed an

ESG Steering Committee comprised of the Chief Executive Officer & President, Chief Legal Officer & Secretary, Chief Human Resources Officer, and Senior Vice President of North American Operations to lead these efforts.

The ESG Steering Committee and other senior leaders within each functional area meet with the Office of Chief Executive periodically to review strategy and activities across our business. With respect to climate-related issues, we utilize these meetings to assess our risks and opportunities and refine our strategy and priorities, if necessary, to achieve desired outcomes. Our assessments commonly take into account the following elements, among others:

- The evaluation of existing and emerging laws and regulations, and in particular, regulatory changes impacting vehicle emissions and fuel efficiency requirements.
- Interviews and surveys of senior leaders within the Company and key external stakeholders to solicit insights and perspectives on climate-related risks and opportunities within their areas of expertise, including both physical risk and transition risk.
- The evaluation of our administrative, manufacturing and distribution operations and our disaster recovery plans to mitigate the impact of climate-related physical risks.
- The evaluation of loss prevention analyses and recommendations prepared by our insurance underwriters with respect to climate-related physical risks.
- The analysis of individual and aggregate risk conditions to evaluate the relative significance of specific climate-related physical and transition risks.
- The implementation of a tiered approach to managing identified climate-related risks based upon our assessment of the likelihood of its occurrence, its potential impact and time horizon.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Through the processes described above, we integrate the identification, assessment and management of climate-related risks into our enterprise-wide risk management processes. Our Board is updated by senior leadership on risks that may affect our business, strategy and financial planning, including those climate-related physical and transition risks described above. Our ESG Steering

Committee is tasked with day-to-day oversight responsibilities of ESG matters, and the committee works with senior leaders across our organization to identify, assess and manage these climate-related risks and opportunities. Our senior leaders in each functional area, including operations, engineering, supply chain, human capital management, finance, legal, internal audit, and other fields, routinely communicate and coordinate with one another with respect to the execution of our environmental initiatives.

Through these processes, we have identified specific climate-related risks that may affect our business, strategy and financial planning over the short term, medium term and long term, and we have designed internal policies and procedures to manage and mitigate the identified climate-related risks. We believe that our internal reporting channels, and the oversight of our Board of Directors, Governance Committee, Strategic Planning Committee, Office of Chief Executive and ESG Steering Committee ensures that we implement reasonable and appropriate measures to mitigate identified climate-related risks.

Metrics and Targets

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

We formed an environmental impact team, appointed an environmental champion at each of our principal facilities, and implemented an environmental scorecard system for our facilities using metrics to measure and manage climate-related risks. The primary metrics that we use measure our Scope 1 and Scope 2 greenhouse gas emissions, our consumption of energy and our use of water.

We also assess market data to inform our product offering, such as vehicles-in-operation and the proliferation of new technologies and systems within the car parc that make internal combustion engines more efficient or that utilize electric and hybrid electric vehicle architectures.

Disclose Scope 1 and Scope 2 GHG emissions.¹

Scope 1 GHG Emissions (Intensity) (2022): 4.8 metric tons of carbon dioxide equivalent.

Scope 2 GHG Emissions (Intensity) (2022): 20.7 metric tons of carbon dioxide equivalent.

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Our ambition is to achieve net-zero GHG emissions by 2050, and we have established the following targets to get there:

- By 2030, reduce total Scope 1 & Scope 2 GHG emissions by 25% compared to our 2019 baseline year.
- By 2040, reduce total Scope 1 & Scope 2 GHG emissions by 67% compared to our 2019 baseline year.
- By 2050, achieve net-zero total Scope 1 & Scope 2 GHG emissions across the company.

We intend to modify our Scope 1 and Scope 2 GHG emission targets further as we develop our climate transition strategy to align with the Paris Agreement. Furthermore, we have developed a strategy to collect other indirect emissions not covered in Scope 2 that occur in our value chain, including upstream and downstream emissions, known as Scope 3 GHG emissions. We plan to report a strategy to address Scope 3 GHG reduction targets in the future.

¹ Data excludes the operations of KADE Trading GmbH and our China-based joint ventures.



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