



2023 Corporate Sustainability Report



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A MESSAGE FROM OUR CEO



Eric P. Sills



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.

On behalf of our entire SMP family, I am pleased to share with you our 2023 Sustainability Report. To deliver on the objectives that we established in our previous report, SMP has made continued enhancements to our sustainability profile. During 2023, we prioritized the following initiatives to advance our commitment to being environmentally and socially responsible:

- developed additional powertrain-neutral safety and electrical products for the cars of today and tomorrow, including battery electric and hybrid electric vehicles;
- achieved reductions in our Scope 1 and Scope 2 greenhouse gas (“GHG”) emissions to work towards our ambition to achieve carbon neutrality by 2050;
- enhanced our diversity, equity, inclusion and belonging programs;
- strengthened employee training, development, and retention, while prioritizing their health and safety; and
- ensured compliance with applicable laws and regulations, while furthering our commitment to align our sustainability reporting with established reporting standards.

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 automotive parts for 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, we've expanded our product offering through the introduction of more than 1,500 new parts for powertrain-neutral applications and 350 components for hybrid and electric vehicles. Our engineers have also successfully developed fuel injectors for engines that use 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 2023, we continued our progress towards achieving carbon neutrality in our Scope 1 and Scope 2 GHG emissions by 2050. We have partnered with third-parties to help us track all of our GHG emissions and develop a roadmap to achieve our

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 carbon neutrality in Scope 1 and Scope 2 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

In this section

Our Vision of Sustainability

Board's Role in Sustainability





Our Vision of Sustainability

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 sustainable 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. These include the achievement of operating efficiencies and cost reductions, the identification and mitigation of risk, and improvements to our operations that reduce our carbon footprint. Additionally, we see 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 Sustainability

SMP's Board of Directors oversees an enterprise-wide approach to identify, assess, and manage sustainability-related risks. To this end, the Board charged its Nominating and Corporate Governance Committee (the "Governance Committee") with overseeing the Company's sustainability efforts, including management's environment, social and governance ("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 "Sustainability 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 Sustainability 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 Sustainability Steering Committee engaged an independent third-party consultant to assist in performing a double materiality assessment, and in monitoring sustainability-related impacts, risks and opportunities to position our strategy, ensure strong governance and enable greater transparency in reporting. 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

In this section

[Our Planet](#)

[Our Products](#)

[Environmental Stewardship](#)

[Our Ambition to Achieve Carbon Neutrality](#)

[Energy Management](#)

[Waste Management](#)

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 particular, our Strategic Technology Team aims to develop company strategy to evolve, adapt, and expand our products to satisfy the powertrain technologies of the future.

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 developing product and adding to our product offering for these vehicles, as well as expanding our powertrain-neutral coverage. Our product development focuses on matching our product offering to the composition of the car parc, and staying ahead of the curve through our analysis and assessment of rates of technology adoption in new vehicles, miles driven, failure rates, and powertrain advancements, among other factors. 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.



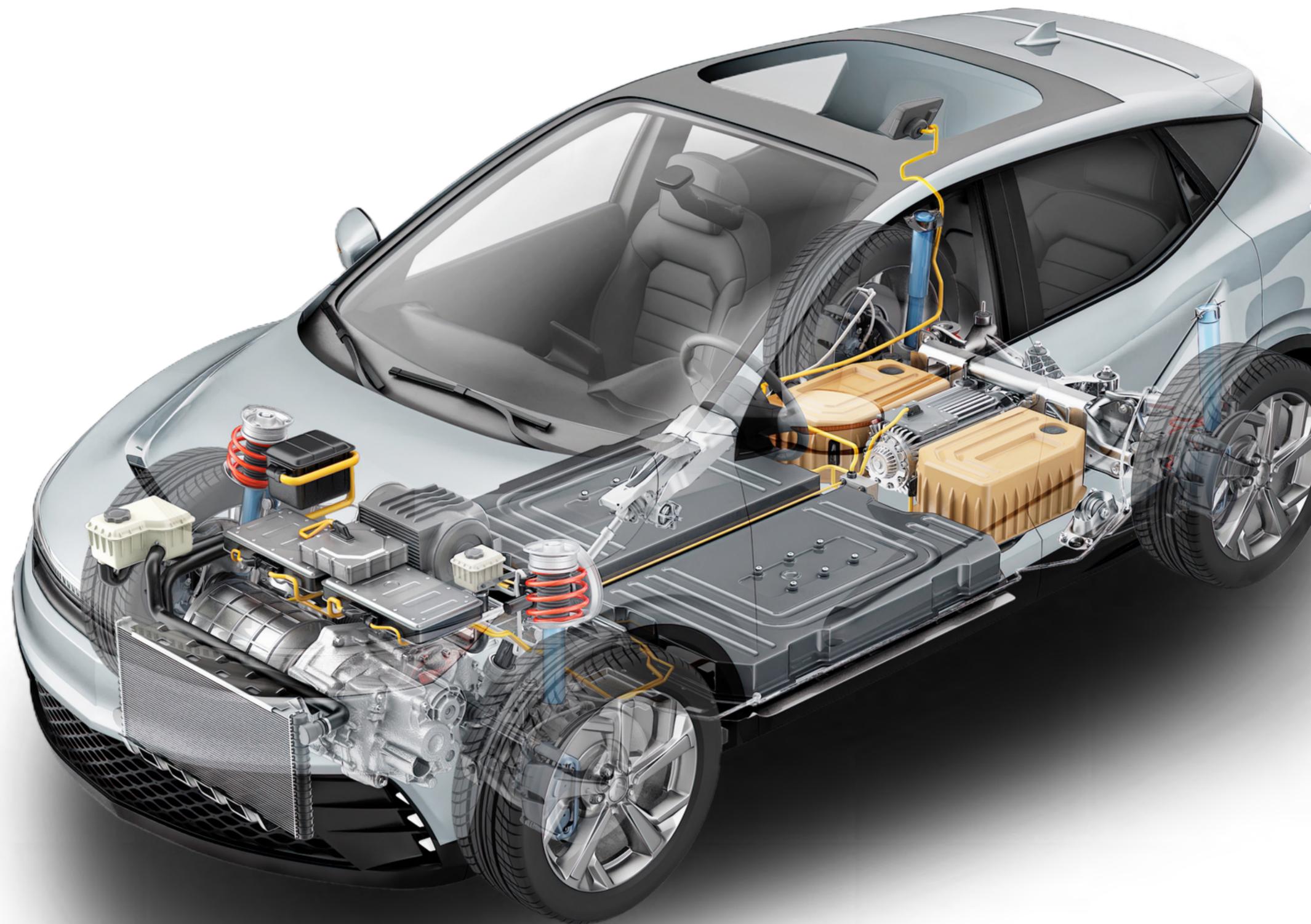
Our Products

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 automotive 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. Products include 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, and a wide range of electrical wire, terminals, connectors and tools for servicing a vehicle's electrical system.

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 automotive 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, as well as developing alternative fuel system solutions and products for an electrified off-road market.

CNG/LNG FUEL INJECTORS

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

ELECTRIC COMPRESSORS

We are partners with 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.

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.



Remanufactured Products

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

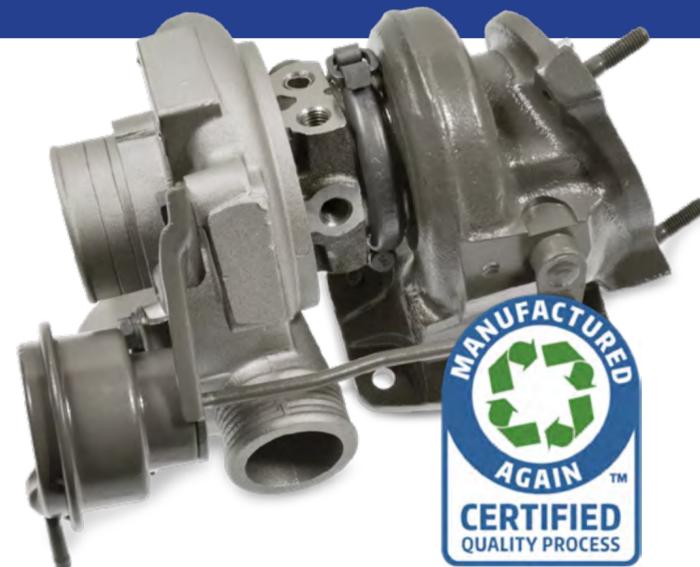
We remanufacture key categories within our product portfolio, such as air conditioning compressors, diesel injectors and diesel pumps, resulting in the production of like-new premium remanufactured parts through processes that save energy and reduce waste. Our remanufacturing processes reduce landfill 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 2023 prevented more than 8,173 metric tons of material from entering landfills, and avoided the need to process certain base metals, such as aluminum, saving more than 152 million kWh of electricity.

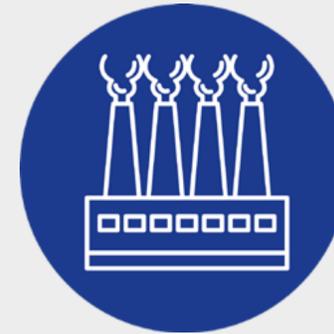
Approximately

92%

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



This savings is equivalent to CO₂ emissions from



117,254,911

pounds of coal burned



11,971,927

gallons of gasoline consumed



20,998

homes' electricity use for one year

Source: U.S. EPA Greenhouse Gas Equivalencies Calculator. Available at: www.epa.gov

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 (i) our unconsolidated China-based joint ventures for all periods presented; (ii) SMP KADE GmbH (“KADE”) for all periods prior to 2022; and (iii) Foshan GWO YNG SMP Vehicle Climate Control & Cooling Products Co., Ltd. (“Gwo Yng”) for all periods prior to August 2023. We have fully integrated our sustainability strategy into the operations of Trumpet Holdings, Inc. (“Trombetta”) and Stabil Operative Group GmbH (“Stabil”) and their respective subsidiaries, following our acquisitions of Trombetta in May 2021 and Stabil in September 2021.

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. In 2023, along with exploring renewable energy solutions,

the ESG Steering Committee continued to make strides in advancing our environmental goals. We achieved progress in Scope 1 and 2 GHG emission targets and improved our collection of Scope 3 data. On that front, we engaged a third-party for an auditable Scope 3 inventory calculation and reporting solution. We have also grown our business through the acquisitions of Trombetta in May 2021, Stabil in September 2021, KADE in October 2022, and an additional 15% equity interest in Gwo Yng in July 2023, and we have expanded our reporting to include the environmental performance of each of these entities as described above.

As a result, we are restating our 2019 – 2023 performance data to ensure that we are providing the most accurate view possible.

Our Corporate Environmental Policy is available at smppcorp.com under “Governance - Charters & Policies.”

Eleven 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.

Our Ambition to Achieve Carbon Neutrality in Scope 1 and Scope 2 GHG Emissions

We are doing our part to proactively address climate change by addressing our own carbon footprint. Our ambition is to achieve carbon neutrality in 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 carbon neutrality in total Scope 1 and Scope 2 GHG emissions across the Company.

To reach our goal, we have introduced environmental management systems 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 goal. 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.





84%
of our sales fleet vehicles
have been transitioned to
hybrid electric vehicles

GHG EMISSIONS

(METRIC TONS)

	2019	2020 [^]	2021	2022	2023
Scope 1 GHG (MT CO2e) - Actual	8,145	7,142	7,481	6,785	6,061
Scope 1 GHG (MT CO2e / \$mm Net Sales) - Intensity	7.2	6.3	5.8	4.9	4.5
Scope 2 GHG* (MT CO2e) - Actual	33,590	29,240	30,415	28,447	29,625
Scope 2 GHG* (MT CO2e / \$mm Net Sales) - Intensity	29.5	25.9	23.4	20.7	21.8
Total Scope 1 & 2* GHG (MT CO2e) - Actual	41,735	36,382	37,895	35,232	35,687
Total Scope 1 & 2* GHG (MT CO2e / \$mm Net Sales) - Intensity	36.7	32.2	29.1	25.7	26.3

[^] 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.

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 2023, we transitioned approximately 84% of our sales fleet vehicles, which is estimated to have achieved a reduction of approximately 821.4 metric tons of carbon dioxide equivalent (MT CO2e) annually.

We expect to substantially complete this transition in 2024, which is estimated to achieve a reduction of approximately 870.5 MT CO2e annually based on the make up of the fleet and miles driven in the past year.

We completed various facility upgrades throughout 2023 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.

Furthermore, we are proud to share that we have been recognized as one of America’s Most Responsible Companies 2024 by Newsweek and Statista. After research of over 30 key performance indicators (KPIs) and surveys of 17,000 U.S. residents, we are honored to be one of only 19 companies in the automotive and components sector included in the influential list. **Additionally, we have been upgraded to ‘A’ from ‘BBB’ in the MSCI ESG Ratings, and improved on our rating for ESG Risk by Sustainalytics.**

Our total Scope 1 and Scope 2 GHG emissions intensity for 2023 increased by 2% compared to 2022 as a result of an increase in our Scope 2 GHG emissions, which were partially off-set by decreases in our Scope 1 GHG emissions. Compared to our 2019 baseline year, our total Scope 1 and Scope 2 GHG emissions intensity for 2023 decreased by 28%.

Total Scope 1 and Scope 2 GHG emissions intensity for 2023 decreased by 28% compared to the 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.

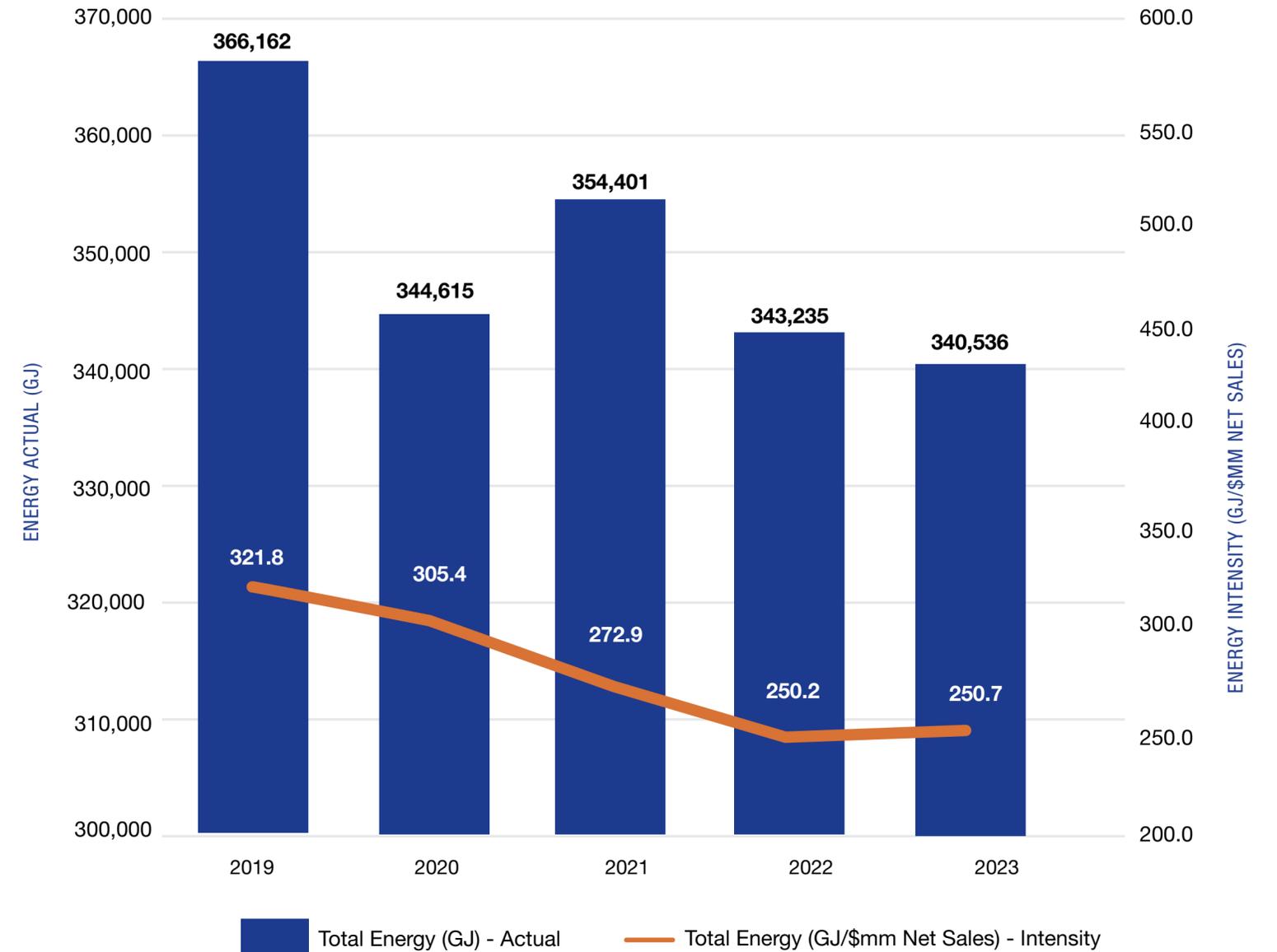
Our total energy usage intensity for 2023 increased by 0.2% compared to 2022, even though our actual usage decreased by 0.8% over the same period. With respect to our 2019 baseline year, our total energy usage intensity for 2023 decreased by 22%.



In 2023, we continued to focus on facility upgrades and changes to our standard operating procedures to improve energy efficiency. For example, we

- a. replaced high-pressure sodium fixtures and fluorescent fixtures with LED lighting;
- b. installed automatic controls to operate light fixtures;
- c. reduced or modified the duration of certain energy intensive processes;
- d. 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;
- e. initiated a program to assess equipment upgrades that may be implemented to further reduce our use of energy at our facilities; and
- f. managed the heating, ventilation and air conditioning of work spaces to manage more efficiently the environment of our facilities.

ENERGY (GIGAJOULES)



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

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,

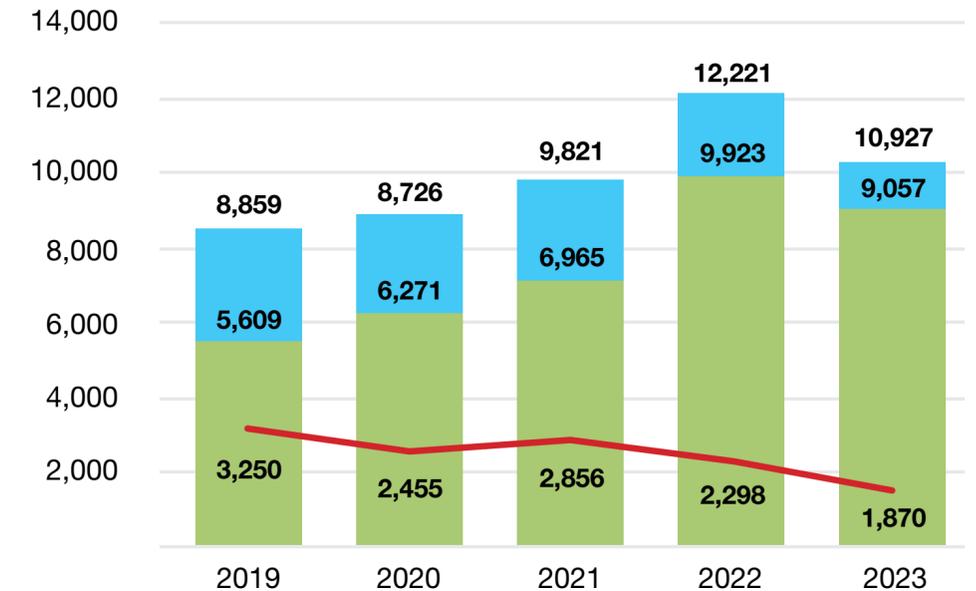
batteries, light bulbs, scrap metal, chemicals and used oils, among others.

In 2023, the total amount of waste generated by our operations decreased by 11% compared to 2022; however, the waste generated continued to reflect an increase over periods prior to 2022 primarily as a result of the increase in the amount of 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.

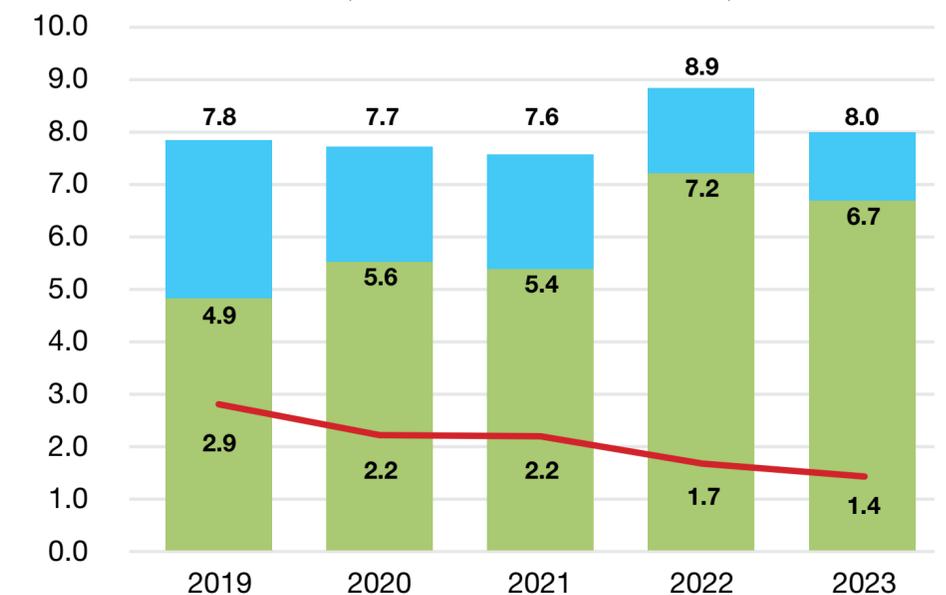
In 2023, we recycled 83% of the total amount of waste generated by our operations, and we reduced our total generation of non-recycled waste intensity for 2023 by 18% compared to 2022, and by 52% compared to our 2019 baseline year.



WASTE ACTUAL (METRIC TONS)



INTENSITY (METRIC TONS / \$MM NET SALES)



— Total Non-Recycled Waste — Total Waste — Total Recycled Waste

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

We are continuing to enhance our packaging optimization initiatives. Through this work we have been able to successfully reduce packaging size, saving approximately 94,000 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 utilize reusable packaging materials. Through this initiative, we identified packaging materials that could be reused, such as corrugated corner pieces and cartons, dunnage and other protective packaging, and we transitioned over 1,098 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.



94,000
CUBIC FEET

of transported space saved through optimizations in packaging materials



600,000
BOXES PER YEAR

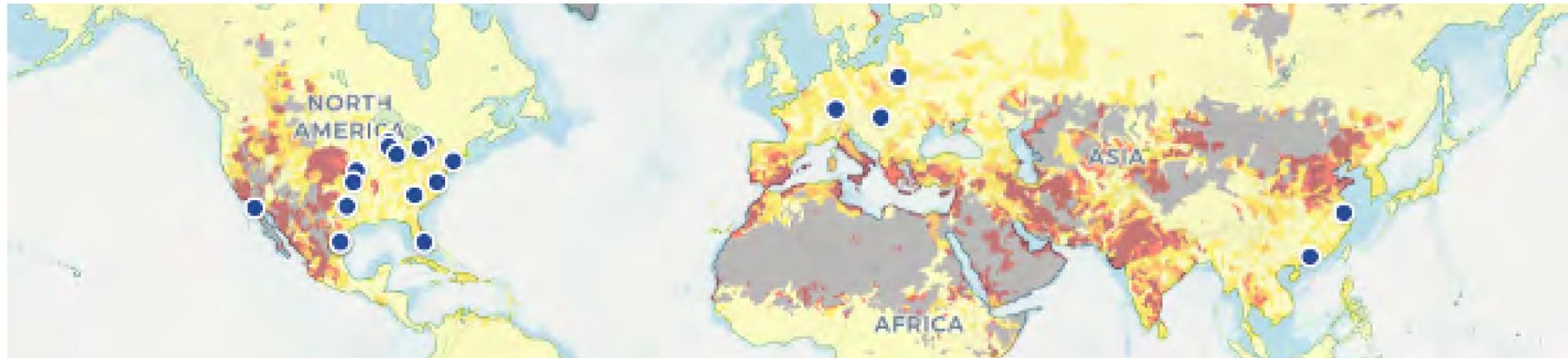
have been switched over to unbleached packaging

Water

Our manufacturing processes are not water intensive; however, we recognize the importance of managing our use of this critical resource as a key sustainability 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 2023 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 2024, 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, except for our facilities in Tijuana, Mexico we plan to undertake a water risk assessment annually and use the results to inform our focus on water-use reductions.

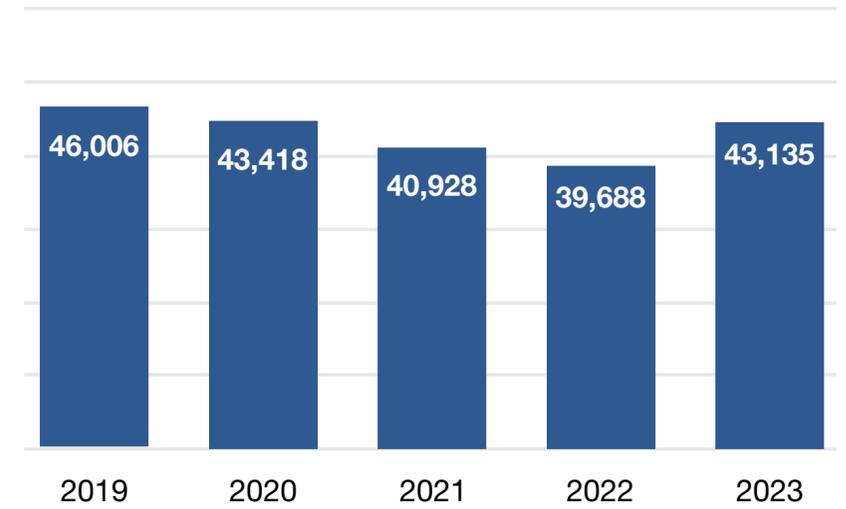


Our total usage of water intensity for 2023 increased by 10% compared to 2022, and decreased by 21% compared to our 2019 baseline year. We believe the increase in our total usage of water in 2023 primarily results from growth in our business and the inclusion of Gwo Yng’s environmental performance following the Company’s acquisition of an additional 15% equity interest in Gwo Yng in July 2023.

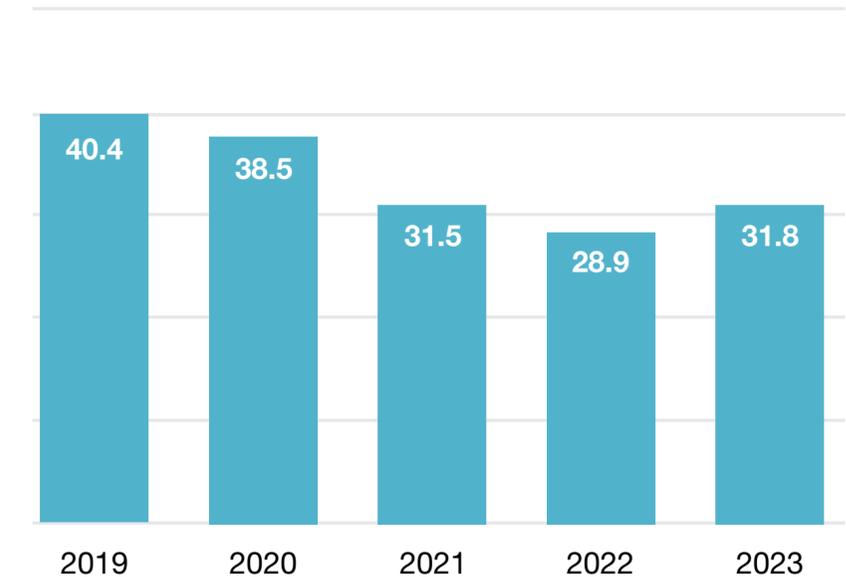
Source: WRI Aqueduct, accessed in April 2024. Available at: aqueduct.wri.org.

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.



In this section

Our People and Communities

Diversity, Equity, Inclusion & Belonging

Employee Benefits & Retention Initiatives

Employee Training Initiatives

Health & Safety

SMP Cares® & Community Engagement

Product Quality & Safety

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 preserve the value in our workforce, 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 from a diverse pool of candidates 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.

Employee Engagement

In 2023, we conducted a comprehensive engagement survey to gather employee feedback, which is essential to gain insight into the mindsets, concerns, and ambitions of our varying employees and make sure everyone feels valued. We conduct a comprehensive engagement survey every other year, and in the off years we address action items that come up in the survey. We apply the information gathered to set up focus groups that act as platforms for deeper discussion and brainstorming sessions aimed at tackling particular areas for development.

In 2023, we were pleased with our net promoter score of 27.5, compared to benchmark of 7.5.¹ The net promoter score is an employee experience score that shows the percent of supporters minus the percent of detractors when asked the question “How likely would you be to recommend SMP to a qualified friend or a family member as a great place to work?” SMP is proud to score significantly higher than the benchmark in employee experience.

¹ This manufacturing industry benchmark is provided by McLean & Company.

A diverse workforce is critical to our success, and we continue to focus on diverse representation at every level through hiring, retention and advancement from pools of candidates that include women, underrepresented populations and people of all ages. 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

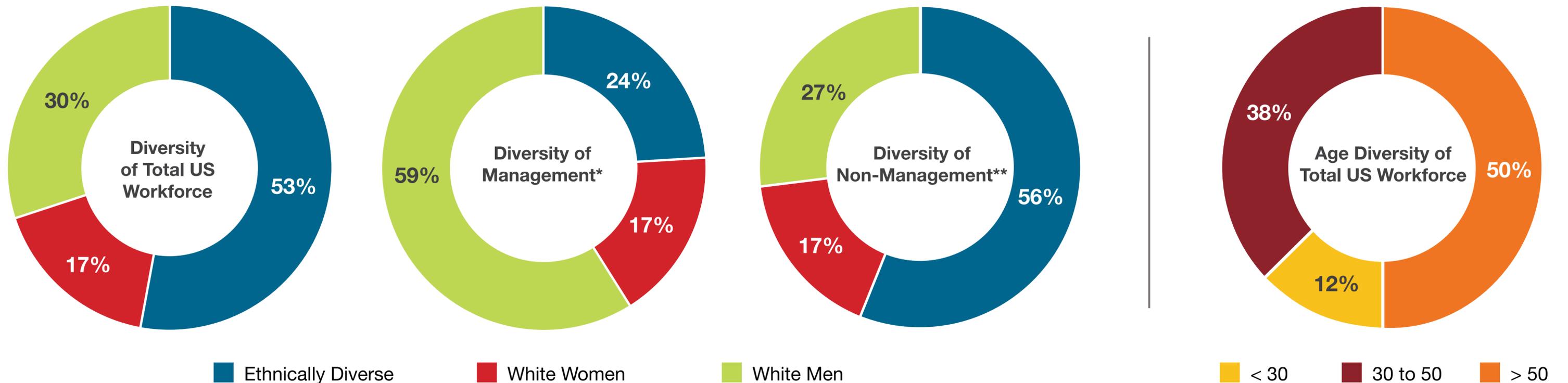
workforce where each employee feels valued, empowered, and fully engaged in their work.

In 2023, we continued to build on the fundamental work established in prior years. As a result, SMP has advanced diverse representation at all organizational levels with focused training programs, mentorship opportunities, and inclusive recruitment procedures, as demonstrated by an increase in ethnic diversity of 4% across the total US workforce. We continue to expand the list of partnerships to aid in our DEIB initiatives. In 2023, we partnered with

organizations that help promote recruitment of minorities, women and veterans. In recognition of our efforts, Women in Auto Care®, a committee of the Auto Care® Association, named SMP 2023 Women in Auto Care Company Ally of the Year.

The following charts display our workforce ethnic diversity and age for SMP employees in the United States, as well as the ethnic diversity of our non-management and management employees in the United States, as of December 31, 2023.

DIVERSITY, EQUITY, INCLUSION & BELONGING



* Management: Employees that are responsible for making decisions that impact the company’s overall direction, goals, and strategy.

** Non-Management: Individual contributors.



2024 Diversity, Equity, Inclusion & Belonging

In 2024 we plan to study our 2023 engagement survey responses and design focus groups to devise strategies to implement DEIB progress in our business through specific action planning with tracking through completion. We will continue to participate with partners that aid in our DEIB initiatives, such as monthly round-table conversations hosted by industry-specific organizations. 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. In addition, we will continue to expand upon our diversity training programs, including programs for Human Resources professionals looking to increase their skills, building more inclusive and equitable organizations and utilization of on-line learning resources for DEIB related training.

You can find more about our DEIB efforts on our website, located at smpcorp.com under “Sustainability - Diversity, Equity, Inclusion & Belonging”, where we have discussion of our culture, values and commitment that drive our DEIB corporate initiatives. 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, including mental health support and family planning guidance;
- Fertility benefits designed to provide all-inclusive coverage for cutting-edge treatments;
- LGBTQ+ inclusive benefits; and
- Annual contributions of SMP common stock to eligible employees under our Employee Stock Ownership Plan, which enable employees to share in SMP's growth as shareholders.

To ensure that our benefits package remains competitive, we look at the utilization of each part of the benefits package, and we get feedback from our benefits providers through surveys and through our own comprehensive engagement surveys. In 2023, we added new benefits that aim to expand coverage to every stage of life, including older part of the life cycle, such as Medicare concierge, outreach by our 401K provider to those getting closer to retirement age to provide advice and resources, and support for menopausal and perimenopausal women and spouses.

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 participation rates. 88% 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



**SMP Employee
Retirement Plan
Participation Rate**

88%

**Fidelity Benchmark
Retirement Plan
Participation Rate²**

82%

¹This data is current as of December 31, 2023.² Fidelity Investments Workplace Thought Leadership, "Building Financial Futures: Trends and insights of those saving for retirement across America", 2023.

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, 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. In addition, SMP tracks development and identifies top talent in order to focus appropriate training to allow employees to maximize their potential.

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 11 years. Another example of our employee longevity is our 25 Year Club, which is comprised of 386 active employees and over 1,400 total employees who have worked for SMP for more than 25 years.



SMP's 25 Year Club
has over

1,400
members and
growing

Average length
of employment

11
years

Annual voluntary turnover rate for
full-time salaried U.S. employees

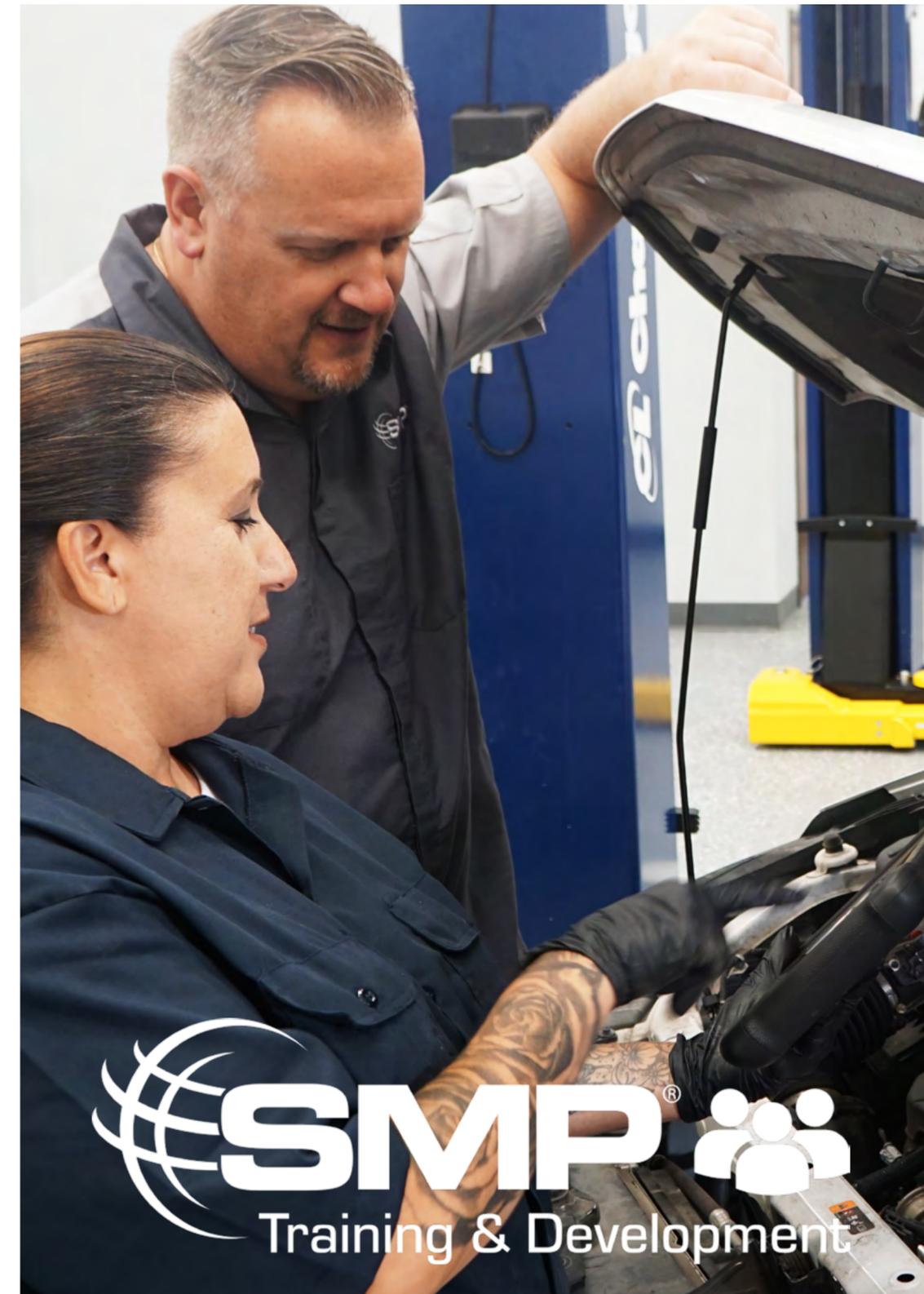
5%

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, sustainability, and DEIB.

In 2024, to enhance our employee's development and help them achieve their maximum potential, we aim to provide continuous assessment, feedback, tailored training programs and diversification of training modules. Building on the results of our present training programs, we will further modify training materials to target specific skill scarcity identified through employee feedback and performance feedback.



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 are 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 2023, 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 69% for General Warehousing and Storage and 29% 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 2023 Incident Rates

	Incident Rate*
Warehouse and Storage	
National average based on the United States Bureau of Labor Statistics for 2022	5.5
SMP United States Warehouse Locations	1.7
Motor Vehicle Parts Manufacturing	
National average based on the United States Bureau of Labor Statistics for 2022	3.1
SMP United States Manufacturing Locations	2.2

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

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 volunteering. Every SMP location has at least one environmental or social initiative, and 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 2023:

In response to natural disasters, SMP came together, and with a company match, was able to raise over \$14,000 for Project Hope, in the wake of numerous large earthquakes affecting Turkey. In response to the Maui wildfires, employees donated over \$8,000. To aid those affected by the Morocco earthquake, employees have donated \$2,000 with a company match of up to \$5,000.

SMP also engaged in environmental stewardship, as exemplified through our Long Island City, New York employees' efforts to maintain and beautify our community by cleaning and weeding Hunter's Point South Park which will help the plants and flowers to continue to grow and flourish each season.



With regard to community service, SMP employees across our facilities demonstrated their generosity through various initiatives. For example, many of our locations participated in blood drives and donated toys and money to Toys for Tots. Independence, Kansas employees work with a community-led project called “Stuff the Bus” to donate school supplies to kids that are in need. Lewisville, Texas employees partnered with local companies to pack food boxes for senior citizens and families with school-age children along with the North Texas Food Bank.

SMP also gives back to the community through donations and partnerships. 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, and was recognized by the foundation in 2022 as Gold Lifetime Trustee for years of continued support. In 2023, SMP granted \$10,000 to the University of the Automotive Aftermarket Association. In 2023, SMP began working with the Dallas Independent School District to train students and teachers in automotive care to help develop the future generations of automotive technicians. We continue to encourage participation in these initiatives as we believe they are essential in the support of our core values.



Product Quality & Safety

SMP utilizes automotive expertise and supply chain excellence to design and build high-quality automotive parts around the world. Our commitment to quality starts with safety. We are dedicated to rigorous compliance with all laws and regulations regarding quality, safety, and performance for our products globally. Supplier collaboration is a key element of our product development process which ensures conformance to key quality and safety standards throughout the supply chain.

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. 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 2023.

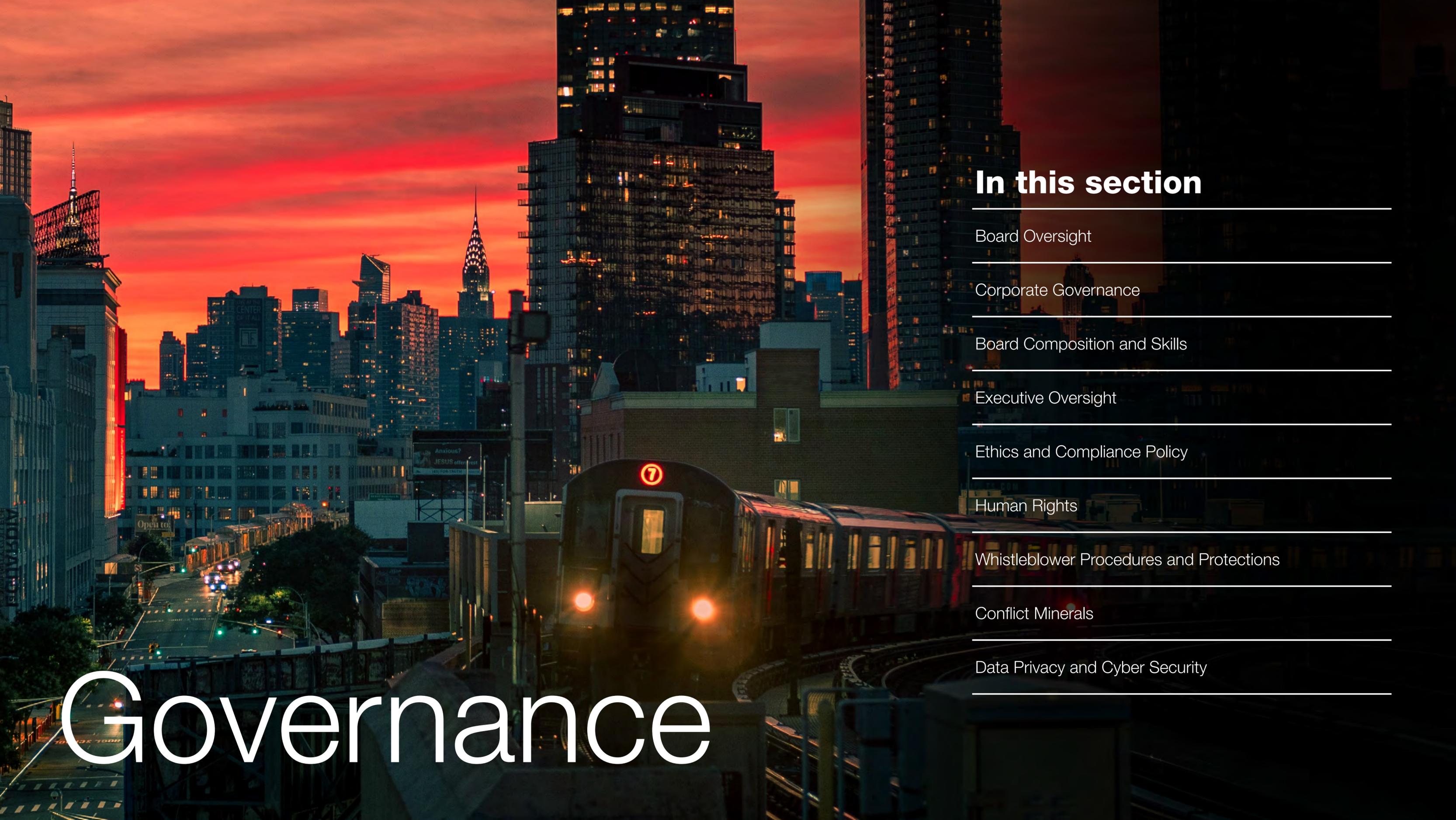
Furthermore, we have procedures in place that ensure we have the ability to remove any non-conforming products from the marketplace and have them returned to SMP for analysis. Each SMP product is date coded for traceability. In the event of a nonconformity, we can identify the appropriate date code range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

As most of our operations are IATF16949/ISO9000 Quality System certified, with new certifications being added in 2024, 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. Training, auditing, continuous improvement processes, as well as a variety of corrective action tools ensure that continuous training is a part of our overall system. 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. Our QMS are designed to meet the rigors of IATF16949/ISO9000 certifications, as well as our many customer-specific requirements from our broad customer base. 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 (“Prop 65”). Our electronic products are Restriction of Hazardous Substances (“RoHS”) compliant.

Additionally, hazardous materials review for Prop 65 and RoHS are a part of the product development process conducted by our engineering teams. 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.





In this section

Board Oversight

Corporate Governance

Board Composition and Skills

Executive Oversight

Ethics and Compliance Policy

Human Rights

Whistleblower Procedures and Protections

Conflict Minerals

Data Privacy and Cyber Security

Governance

Board Oversight

Consistent with SMP’s values, our Board of Directors is responsible for overseeing the Company’s governance programs and processes that are designed to comply with applicable policies, laws and ethical standards while promoting SMP’s long-term strategic objectives and enhancing shareholder value. To this end, the Board regularly reviews all stakeholder’s sustainability-related communications to ensure that all their concerns are considered and addressed.

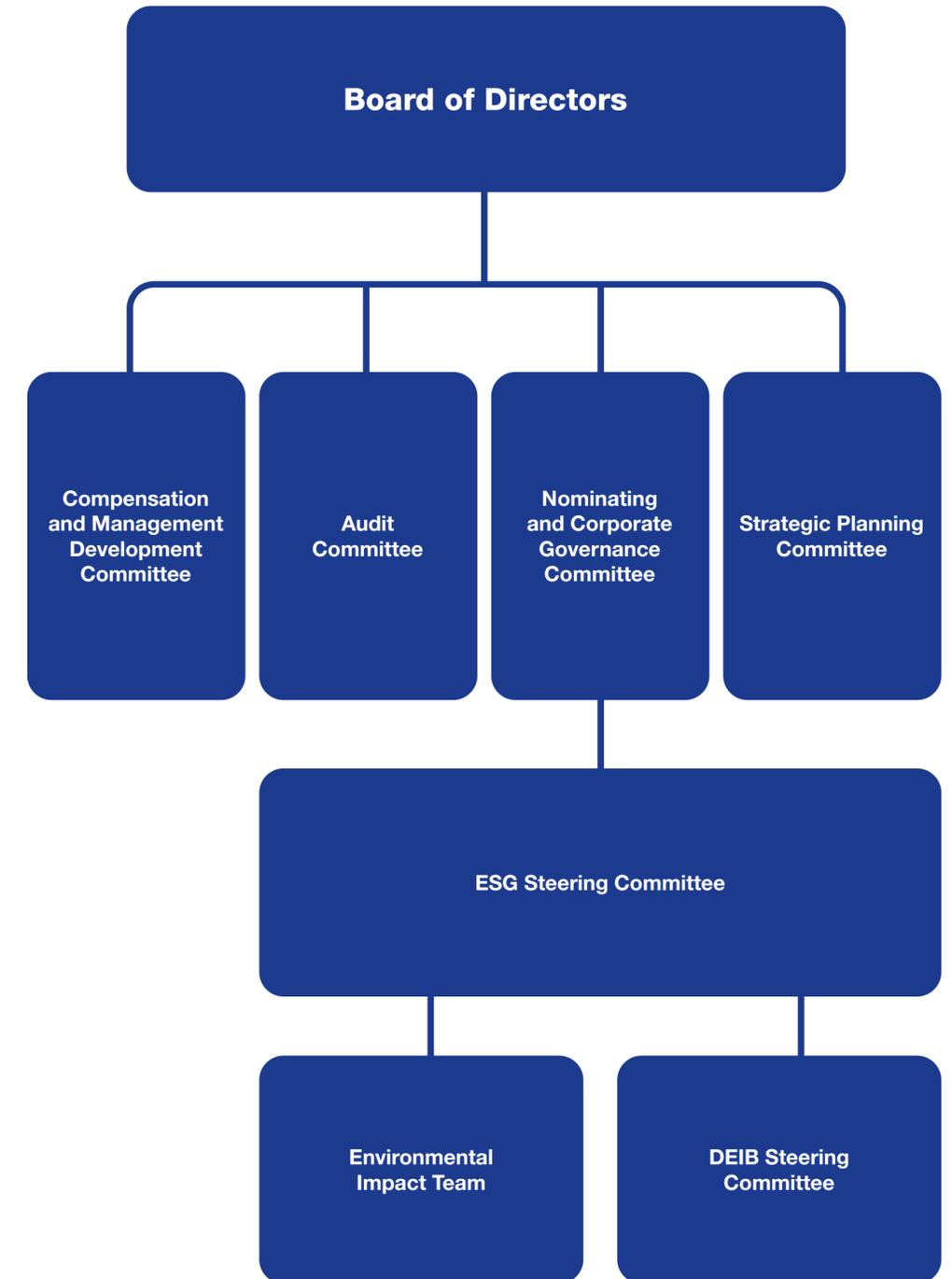
The Board strives to effectively address all raised concerns and carry out its oversight function through the its Board Committees, which are comprised of independent directors and each tasked with oversight of various sustainability-related issues.

Specifically, the Governance Committee works closely with senior leadership to create, execute and oversee our sustainability initiatives, policies and practices, as well as our public disclosures of sustainability matters. The Strategic Planning Committee oversees SMP’s response to climate-related issues, such as the initiatives to shift to electric and hybrid electric vehicles. The Audit Committee provides oversight of the Company’s enterprise-wide risk assessment and management, and including significant financial, legal, regulatory, sustainability, cybersecurity, and climate change risks as well as compliance with laws and

ethical standards, including our Whistle-blower Hotline. The Compensation and Management Development Committee is responsible for approving and overseeing compensation, management’s performance in achieving corporate goals and objectives, and talent retention and development strategies, including initiatives related to our DEIB goals. Management regularly reports to the Board and each of its committees on strategic short, medium and long-term initiatives and objectives in these areas as well as other sustainability issues.

As part of its oversight function, our Board has approved a closed-loop approach to our climate transition strategy in furtherance of our ambition to be carbon neutral in our Scope 1 and Scope 2 greenhouse gas emissions by 2050. Led by our Director of Global Sustainability, SMP will collect upstream data, such as facility-level environment-related data and CO2e emissions inventory, to assist and inform on our downstream activities (including, reducing fossil fuel reliance, and exploring renewable energy options).

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 duties of our directors are stated in our Corporate Governance Guidelines, available at smppcorp.com under "Governance --Charters & Policies --Corporate Governance Guidelines."

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 sustainability 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.

For more detailed information, please see our 2024 Proxy Statement at smppcorp.com under "Investors - Financial Documents."

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 the adequacy of SMP's internal controls, policies and procedures issues regarding artificial intelligence, cybersecurity, data protection, information security and compliance with all applicable laws and regulations concerning privacy.



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

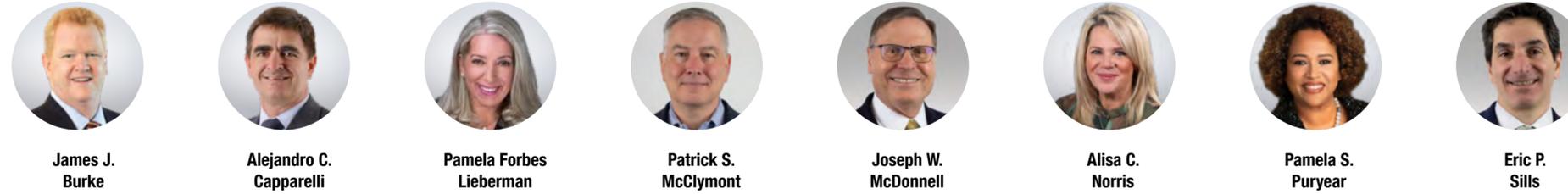
Assists the Board in discharging its duties, including identifying new Board members, improving policies, conducting annual assessments of Board members and providing oversight of sustainability initiatives, such as the Company's climate transition strategy.



Strategic Planning Committee

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

The following information is based on the composition of our Board of Directors as of December 31, 2023.



	James J. Burke	Alejandro C. Capparelli	Pamela Forbes Lieberman	Patrick S. McClymont	Joseph W. McDonnell	Alisa C. Norris	Pamela S. Puryear	Eric P. Sills
KNOWLEDGE, SKILLS & EXPERIENCE								
Executive Management Experience	●	●	●	●	●	●	●	●
Financial Acumen	●	●	●	●	●	●	●	●
Risk Management	●	●	●	●	●	●	●	●
Automotive Industry	●		●	●				●
Strategic Planning/Oversight	●	●	●	●	●	●	●	●
Mergers & Acquisitions	●		●	●				●
International	●	●	●	●	●	●	●	●
Sustainability/DEIB		●	●		●	●	●	●
Information Technology/ Information Security	●	●	●	●		●		
DEMOGRAPHIC INFORMATION								
Age	68	55	70	54	72	54	60	55
Gender	Male	Male	Female	Male	Male	Female	Female	Male
RACE/ETHNICITY								
African American							●	
White/Caucasian	●		●	●	●	●		●
Hispanic/Latino		●						
BOARD TENURE								
Years on Board	1	2	16	7	11	11	2	8

75%
Independent

38%
Gender Diversity

25%
Ethnic Diversity

7 yrs
Average Tenure



Executive Oversight

To promote responsible corporate behavior, the Board formulated a Sustainability Steering Committee among our senior leadership to identify, assess and manage sustainability-related risks and to advance our corporate social responsibility program. 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 Sustainability Steering Committee ensures that we take a multidisciplinary approach to managing our sustainability-related risks and 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 sustainability permeates the entire culture of the Company.

In 2023, the Sustainability Steering Committee continued to diversify its expertise by involving members of our Company with specialized expertise from different areas of our organization. For example, our Director of Global Sustainability leads our environmental impact team to work closely with the Sustainability Steering Committee and support the Board's oversight of climate-related matters. In addition, members of the committee periodically meet with leaders of our local facilities to assess progress towards our sustainability-related initiatives.

As discussed earlier in this report, our Company continued to make progress in advancing our sustainability-related goals thanks to the hard work of our global workforce. Guided by an emphasis on transparency and a desire to constantly improve our reporting systems, we achieved reductions in Scope 1 and 2 GHG emission targets to work towards our ambition to achieve carbon neutrality by 2050. Looking ahead, the committee continues to explore renewable energy opportunities and enhancements to our DEIB initiatives. To this end, we engaged with an independent third party to assist with evaluating our sustainability frameworks, initiatives, and data collection, and we also partnered with veterans and diverse organizations for internships and recruitment.

Ethics and Compliance Policy

SMP's Code of Ethics was developed to outline the values and behaviors by which we expect all directors, officers and employees to adhere in order 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 on our Code of Ethics, as well as across a variety of topics, including information security, antidiscrimination, the Foreign Corrupt Practices Act, and our whistleblower procedures. Each year, the Board of Directors reviews our training procedures to determine their overall 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 2023, 100% of our salaried U.S. employees were required to undergo ethics, anti-bribery and anticorruption training.



Human Rights

Inherent in our values and our commitment to good corporate citizenship is a respect for human rights and ethical labor practices. 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. Our Code of Ethics, Vendor Code of Conduct, Labor and Human Rights Policy, Human Trafficking and Modern Slavery Statement articulate our values and affirm our drive 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. These policies are designed to ensure our compliance, in all material respects, with all applicable laws, rules and regulations, and the recognition of human rights and ethical labor practices in all aspects of our business. Our Board of Directors and senior leadership across the company 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.

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. Our Vendor Code of Conduct sets out our expectation that our business partners as well as their affiliates, employees, officers, directors, agents and representatives, are likewise committed to the highest level of ethical and legal conduct in all aspects of their business.

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 Trafficking and Modern Slavery Statement, Labor and 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 ensure 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.

Over the next several years, we are committed to deepening our engagement with our supply chain, focusing on both new and existing suppliers and customers, to secure additional human rights certifications and enhance our understanding and oversight of their practices. We are in the process of updating our human rights policies to provide more detailed insights into our internal and supply chain practices.





Whistleblower Procedures and Protections

Our Whistleblower Policy establishes an independently run hotline that provides confidential and anonymous communication channels for our employees, customers, suppliers, and any other interested persons to report actions that they perceive to be unlawful, unethical, or in violation of our policies. 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 performed 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 all of our corporate governance charters and policies at smpcorp.com under “Governance—Charters & Policies.”

Data Privacy and Cyber Security

SMP takes its role as a steward and custodian of data seriously, and we are committed to effectively secure the data of our business, employees, stakeholders and business partners safe and secure. As part of its oversight duties, the Audit Committee of our Board of Directors works with senior management to ensure the adequacy and effectiveness of our internal controls, policies and procedures regarding cybersecurity, information security and data protection, and compliance with applicable laws and regulations concerning data privacy. Our Chief Information Officer, in turn, is charged with general management of our cybersecurity risk management program and incident response procedures. On a quarterly basis, our CIO briefs the Audit Committee, which is comprised of four directors with information technology and information security experience, on our cybersecurity risks, our strategies for preventing, detecting, responding to and mitigating such risks, including the effectiveness of our incident response procedures, and our information security controls. The Company also has established an incident response team, which directly reports to our Chief Information Officer, to oversee and manage the day-to-day prevention, mitigation, detection and remediation of cybersecurity risks and incidents affecting our operations pursuant to our incident response procedures. Although we have not experienced a material cybersecurity incident in the past year, we recognize that the techniques and

technologies used to carry out cyber-attacks are constantly evolving. To address this concern, our information security teams continuously work to identify areas for remediation and opportunities to improve the security of our information systems, including by evaluating our program against industry standards and best practices, such as the Cybersecurity Framework established by the National Institute of Standards and Technology (NIST) and the CIS Critical Security Controls established by the Center for Internet Security. To this end, our processes and technologies include firewalls, email security software and encryption, endpoint detection and response, access controls, backup and recovery procedures, system patches and updates, vulnerability scanning, penetration testing by third party vendors, incident response procedures, and internal and external audits of our information systems. Additionally, we entered into a cyber-liability insurance policy, which includes malware protection, mobile device security, email security and ransomware prevention.

We recognize that our employees are a key element of our cybersecurity risk management program. As such, all of our employees are required to adhere to our cybersecurity practices, and undertake routine training to raise awareness and reinforce safe practices. Our training program includes bi-annual online training courses, group tabletop exercises, phishing and malicious email

simulations, and information security bulletins. We also maintain policies that govern, and provide specific guidance to employees regarding how they may use our information systems.

In alignment with our steadfast commitment to data privacy, we proactively monitor evolving data privacy laws and advancements in data security technologies. This approach enables us to implement cutting-edge methods to safeguard and manage data effectively. Our dynamic adaptation process includes annual updates to our website's Privacy Policy and the incorporation of advanced data privacy modules designed to optimize cookie management and address data privacy inquiries promptly. These enhancements are crafted to reflect the latest developments in applicable domestic and international data privacy laws, ensuring our practices are not only current but also compliant.



You can view our Privacy Policy at smcorp.com/en/privacy.

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, 2023, 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 2023 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 Metrics¹

SASB Code

2023

Energy Management

Total Energy Consumed (GJ)	TR-AP-130a.1	340,536
Percentage Grid Electricity (%)	TR-AP-130a.1	>99%
Percentage Renewable (%)	TR-AP-130a.1	<1%

Waste Management

Total amount of waste from manufacturing (MT)	TR-AP-150a.1	10,927
Percentage Hazardous (%)	TR-AP-150a.1	4%
Percentage Recycled (%)	TR-AP-150a.1	83%

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.
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Materials Efficiency

Percentage of products sold that are recyclable	TR-AP-440b.1	Approx. 23% 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 2023, there were no allegations of anti-competitive behavior.
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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 our strategic plans to address climate-related risks and opportunities. The Board has delegated certain climate-related oversight matters to the Nominating and Corporate Governance Committee (“Governance Committee”) and other sustainability and diversity, equity, inclusion and belonging matters to other Committees of the Board.

The Governance Committee oversees the Company’s sustainability strategy, initiatives, policies and practices, as well as the Company’s public disclosures of sustainability-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 enterprise risk management, including issues related to artificial intelligence, data protection, information security and cybersecurity, as well as 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 future technology readiness and 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 sustainability issues. As part of the Board’s oversight function, the Board has approved a closed-loop approach to our climate transition strategy in furtherance of our ambition to be carbon neutral in our Scope 1 and Scope 2 greenhouse gas emissions 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 a Sustainability 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 Sustainability Steering Committee, along with other members of management in operations, engineering, supply chain, human resources, 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 Sustainability Steering Committee also provides overall oversight and reporting of sustainability 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, led by our Director of Global Sustainability, and 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 have partnered with a third-party to assist us with the collection of our Scope 3 greenhouse gas emission data 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 sustainability 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 Sustainability 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, carbon taxes, greenhouse gas emissions tracking, and regulation of greenhouse gas emissions from certain sources, 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, due to public awareness and concern of climate change, 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 we monitor the rapid developments in this area, we may be required to make further adjustments to our business strategy to address the various transition risks posed by climate change.

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, and in 2023, we established a new distribution facility in Shawnee, Kansas to help us mitigate such risks.

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 “Our Planet - 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 reorganized our business into three operating segments - Vehicle Control, Temperature Control and Engineered Solutions. The

Engineered Solutions segment supplies custom-engineered solutions to non-aftermarket vehicle and equipment manufacturers and offers 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 resources, 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 sustainability matters. To strengthen oversight and reporting of climate-related risks, the Governance Committee tasked the day-to-day sustainability-related responsibilities to our senior executives and formed a Sustainability 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 Sustainability 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 electric vehicles, 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 Sustainability Steering Committee is tasked with day-to-day oversight responsibilities of sustainability 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 resources, 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, and Sustainability 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, led by our Director of Global Sustainability, and 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, waste generation and recycling, 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) (2023): 4.5 metric tons of carbon dioxide equivalent.

Scope 2 GHG Emissions (Intensity) (2023): 21.8 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 carbon neutrality in Scope 1 and Scope 2 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 carbon neutrality in total Scope 1 & Scope 2 GHG emissions across the company.

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 in compliance with laws and regulations.

¹ Data excludes the operations of (i) our unconsolidated China-based joint ventures, (ii) SMH Kade GmbH for all periods prior to 2022, and (iii) Foshan GWO YNG SMP Vehicle Climate Control & Cooling Products Co., Ltd. for all periods prior to August 2023.



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